

CITY COUNCIL

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Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 8

Date: April 6, 2011

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 the FY 2011-2012 One-Year Action Plan for Use of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Funds

RECOMMENDATIONS:

1. Solicit and consider citizen input on the FY 2011-2012 Action Plan for use of CDBG and HOME funds;
2. Adopt Resolution No. 2011-14, approving the HOME budget and authorizing the Director of Community Services and City Clerk to execute contracts as appropriate; and
3. Approve the submittal of the FY 2011-2012 Action Plan to the U.S. Department of Housing and Urban Development (HUD).

In the alternative, Council may choose to modify the recommended FY 2011-2012 Action Plan for the allocation of CDBG and HOME funds.

FISCAL ANALYSIS:

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

It is anticipated that the City of Escondido will receive approximately \$1,686,901 in CDBG entitlement funds and \$816,169 in HOME entitlement funds for FY 2011-2012. These figures are based on an estimated 10 percent reduction in entitlement program funds nationwide which is expected as part of the federal government's efforts to decrease the deficit. Should the actual allocations be substantially higher or lower than estimated, a public hearing will be scheduled for a future date to approve an Action Plan amendment revising the allocation amounts. The City defines a substantial change to the scope of a project as a change that affects the funding level by greater than 25 percent of projects budgeted at more than \$100,000. Non-substantial increases or decreases to the HOME allocation will be proportionally dispersed to current distributions.

PREVIOUS COUNCIL ACTION:

On March 24, 2010, Council held a public hearing and approved the FY 2010-2015 Consolidated Plan and the FY 2010-2011 Action Plan for CDBG and HOME funds.

On March 9, 2011, Council held a public hearing and reaffirmed the community development priorities adopted in the FY 2010-2015 Five-Year Consolidated Plan and approved an allocation process for FY 2011-2012 CDBG funds.

BACKGROUND:

Based on community needs assessments and public participation, six community development priorities were identified and adopted as part of the FY 2010-2015 Consolidated Plan for CDBG and HOME.

In accordance with the City of Escondido's public participation plan, Council held a public hearing on March 9, 2011, and reaffirmed those priorities for FY 2011-2012. The FY 2011-2012 Action Plan for use of CDBG and HOME funds describes the specific activities the City will carry out to address those priorities during the second year of the five year period.

HOME Funds

The City anticipates receiving \$816,169 in HOME funds for FY 2011-2012. Ten percent of that amount and ten percent of the projected program income derived from loan repayments (a total of \$105,700) is reserved for the City's costs of administering the program.

A minimum of 15 percent of the annual allocation of HOME Program funds (\$123,750) must be reserved for the housing development activities of Community Housing Development Organizations (CHDOs). The City has two known certifiable CHDOs: Community HousingWorks and San Diego Habitat for Humanity. 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. Staff is recommending that this five percent be allocated to Housing Development. HOME Program funds must be committed or reserved within two years and expended within five years of allocation.

FY 2011-2012 Housing Activities

A variety of programs and projects will be utilized during the FY 2011-2012 to address the priorities of the Consolidated Plan. The programs proposed for HOME funding in FY 2011-2012 are identified in Appendix A of the attached FY 2011-2012 Action Plan and will be discussed below. There are six adopted housing priorities, many 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.

Homeownership Opportunities

Priorities 1 and 2 relate to the need for homeownership in Escondido. The rate of homeownership in Escondido is 53 percent, which is lower than the state and national averages of 57 percent and 66 percent respectively as reported by the 2000 Census (2010 Census data is not yet available). The FY 2011-2012 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 Homebuyer Entry Loan Program (HELP) loans to assist first-time homebuyers in the purchase of their homes will contribute to increased stability. The five year Consolidated Plan's objective is to assist approximately 15 households per year with HELP loans and assist three households per year with MCCs.

HELP Program

The HELP program is a City-administered first-time homebuyer program that currently provides loans up to 5 percent of the purchase price of a home (maximum \$25,000) to assist homebuyers earning 80 percent or less of the San Diego County area median income (\$62,800 for a household of four) to purchase their first home. The HELP program has been funded with HOME funds since September of 1996. In FY 2009-2010, 47 HELP loans were issued; in the first half of this fiscal year, 22 HELP loans have been issued. While the maximum loan is \$25,000, the average loan is \$9,820; the reduced amount allows for the issuance of more loans and thus more opportunities for first-time homebuyers to purchase a home. In anticipation that the coming year will be similar to this year, and due to the continued high rate of home loan foreclosures and proportionate need for home loan assistance, staff is recommending that all of the available Housing Development HOME funds (\$833,875) identified in the budget be used to fund a minimum of 33 HELP loans.

Creation of HELP-AR Program

Staff also recommends adding a new program – Homebuyer Entry Loan Program, Affordable Rental (HELP-AR) – which will offer a \$25,000 loan to first time home buyers moving out of affordable housing developments in Escondido. This new program leverages the staff's experience with the HELP program to assist families currently in Escondido affordable housing projects reach a new level of self-sufficiency. Families who have been stabilized by the affordable rents and supportive programs can move into permanent homes in Escondido, making their affordable units available to new income-eligible residents. This will help make offers by future owner-occupants who are currently being excluded from the market by investors (with full price cash offers) more attractive. The program will stimulate the local economy and generate sales promoting the long-term stability of our neighborhoods. The program will use the general policies and process of the existing HELP program and will leverage the City's current relationships with approved lenders now using the HELP program and affordable housing providers to promote the program.

Rental Housing Assistance

Lower-income owner-occupants 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 fiscal year. Funding of these 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.

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 from Housing Set-Aside Funds. The Consolidated Plan also sets forth an objective of assisting in the provision of 23 deed-restricted rental units for families per year, four of which would be three- or four-bedroom units.

Affordable Housing Project Development

As a strategy toward meeting related priorities, the City's FY 2011-2012 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, as leverage to other funding sources. During the upcoming fiscal year, the City anticipates the completion of the redevelopment of Mission Grove Place in the Mission Park Neighborhood, providing a minimum of 55 multi-family rental units that include two-, three- and four-bedroom units by Urban Housing Communities. In addition, San Diego Habitat for Humanity will commence self-help construction on a minimum of 14 town homes for first time homebuyers developing two unimproved lots on Elm Street adjacent to the Escondido Creek Trail and Community HousingWorks anticipates construction of 36 one-, two- and three-bedroom rental units in the Redevelopment Area.

Analysis 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 an Analysis of Impediments to Fair Housing in order to adequately assess any impediments on a regional basis. The consultant held several workshops throughout the county and has provided the jurisdictions with a draft plan. The "San Diego Regional Analysis of Impediments to Fair Housing Choice" is available on the Housing Division Web page for public review, with plans for submittal to HUD in the next few months.

CDBG Funds

The City of Escondido anticipates receiving \$1,686,901 in CDBG funds for FY 2011-2012. No more than 15 percent of the total entitlement (\$253,035) may be used for public service activities, and no more than 20 percent (\$337,380) may be expended for administrative activities. There is no limit to the percentage that may be expended for capital improvement or other neighborhood revitalization activities in low- and moderate -income neighborhoods.

CDBG Review Process:

The City of Escondido accepts and reviews applications for CDBG funding throughout the year. A description of the CDBG funding process, application materials and resources for technical assistance are posted on the Neighborhood Services Web site and provided by staff upon request. The City conducts two public hearings in accordance with its Consolidated Plan public participation policy, and utilizes a streamlined allocation process for CDBG.

To date, the City of Escondido has received three proposals from outside agencies for FY 2011-2012 CDBG funding. Two requests are for public service funds: 1.) Fraternity House, Inc. for \$14,300 for a care giving program for people with AIDS; and 2.) Angels Depot for \$25,000 for a senior emergency meal box program; and one request for uncapped, capital improvement funds from North County Serenity House Center for infrastructure and repair work on their temporary housing and child care facilities in the amount of \$105,000. In addition, the City has received two proposals for increased CDBG funding to current public service programs: 1.) San Diego Food Bank for an additional \$3,000 for their Food 4 Kids Backpack program at Lincoln Elementary; and 2.) Escondido Community Child Development Center (ECCDC) for an additional \$10,000 for their infant/toddler counseling and parent training program.

Staff has reviewed the applications for completeness and eligibility. Specific allocation recommendations for CDBG-funded activities are included as Appendix B in the attached FY 2011-2012 Action Plan.

FY 2011-2012 CDBG-Funded Activities

The Action Plan describes activities the City will carry out during fiscal year 2011-2012 to address the priorities of the Consolidated Plan. The priority areas are youth, economic development, transportation for seniors, neighborhood revitalization, homelessness/AIDS and ADA improvements to public facilities. Specific activities are described below, including an expansion of activities to address the neighborhood revitalization priority based on Council direction at the March 9, 2011, public hearing. Specific allocation recommendations for CDBG-funded activities are included as Appendix B in the attached FY 2011-2012 Action Plan.

Proposed Capital Improvement and Neighborhood Revitalization Activities

Expansion of Project NEAT

Project NEAT (Neighborhood Enhancement, Awareness and Training) is a CDBG-funded activity approved mid-year by an amendment to the FY 2009-2010 Action Plan to address the neighborhood revitalization priority. The goal of Project NEAT is to improve the appearance and safety of neighborhoods through mediation, education and fostering relationships with neighbors. Project NEAT works with Escondido's organized neighborhood groups to resolve potential code compliance issues, mostly with regard to yard maintenance and other appearance-related issues, before they reach the level of code enforcement cases.

Project NEAT currently utilizes one Program Administrator working within the boundaries of Escondido's 14 organized neighborhood groups. To date, 240 Project NEAT cases have been opened and 171 have been resolved with just four of those necessitating Code Enforcement's involvement due to non-compliance. Additionally, 13 cases have been referred directly to Code Enforcement which were obvious health and safety concerns and beyond the scope of Project NEAT.

Currently, Project NEAT is effectively resolving neighborhood appearance issues and continues to address the Consolidated Plan's neighborhood revitalization priority and the proposed Council Action Plan Image and Appearance priority. As a result, the proposed FY 2011-2012 Action Plan includes an expansion of Project NEAT in two phases over the course of the fiscal year.

For Phase 1, the work area of the current Project NEAT Program Administrator would expand beyond the boundaries of Escondido's organized neighborhood groups into all CDBG-eligible residential areas. A previously approved part-time Department Specialist would assist with data entry, translation and other administrative duties related to Project NEAT. After a six-month assessment period, Phase 2 would be implemented depending on the number of cases, demand and workload as measured in Phase 1. Phase 2 would add an additional part-time Project NEAT field staff person to address property maintenance issues in CDBG-eligible residential areas.

CDBG-Funded Code Enforcement

In addition to an enhanced Project NEAT approach, CDBG-funded neighborhood revitalization efforts would include funding two part-time Code Enforcement Officers to work in commercial areas of CDBG-eligible census tracts. The officers would address code issues relating to business licensing, illegal signage and other appearance and compliance issues generally associated with commercial areas.

Elm Street/Habitat for Humanity Project

This project will include full street improvements consisting of new curbs, gutters, retaining walls, sidewalks, street lights and new surfacing of streets in public rights of way on Elm Street between

Washington and the Escondido Creek Trail. This project will be done in conjunction with the Habitat for Humanity townhome project in the same location, and will incorporate elements to facilitate future revitalization of the Escondido Creek Trail.

Escondido Creek Trail Revitalization – Juniper to Broadway

Where eligible, CDBG-funded projects to revitalize the Escondido Creek Trail are recommended to continue the momentum started with the Escondido Creek Trail Vision Plan (completed in March 2011). For FY 2011-2012 it is recommended that CDBG funds be used for a “demonstration project” along the Escondido Creek Trail from Juniper to Broadway. The project will include landscaping, lighting and other improvements along the trail as inspired by the Escondido Creek Trail Vision Plan and the future Escondido Creek Master Plan which leverages \$75,000 in SANDAG grant funds, providing adjacent neighborhoods with safer, more attractive bicycle and pedestrian access.

Finally, CDBG funds are recommended to be allocated to Phase 4 of the Tulip Street Improvement Project, and for additional funding to North County Community Services for improvements to their child care facility on Oak Hill Drive which was approved as part of last fiscal year’s CDBG Action Plan.

Proposed Public Service Activities

The FY 2011-2012 Action Plan includes activities which address the priorities of the Consolidated Plan. Staff recommends continued and/or expanded funding for the following programs.

- Learn to Swim program, providing water safety training to low-income youth and adults in the Mission Park area;
- Exceptional Promise scholarship program, providing opportunities for low- and moderate-income individuals to participate in activities offered by the Escondido Recreation Division which might otherwise be economically unfeasible;
- Bi-lingual, workforce-oriented computer training targeted at Mission Park area residents;
- Workforce-oriented computer lab at the Escondido Public Library;
- Food 4 Kids Backpack program providing 50 very low income students at Lincoln Elementary with backpacks full of healthy food each week;
- 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;
- SAFEWALK, a parent volunteer effort to ensure students can walk to and from school safely, leveraging Escondido Union School District funds;

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- Regional Winter Shelter, which serves homeless men and women during the cold winter months.

The maximum allowable allocation for administration of the CDBG program (20%) is also included in the FY 2011-2012 Action Plan allocation recommendations per Council's recommendations at the March 9, 2011 public hearing.

The FY 2011-2012 Action Plan for CDBG and HOME will be available for a 30-day public review and comment period from April 7 – May 7 on the City's Web site www.escondido.org and upon request from the Neighborhood Services Division. Public input received will be incorporated into the final Action Plan document which will be submitted to HUD in May 2011.

Respectfully submitted,



Jerry Van Leeuwen
Director of Community Services



Roni Keiser
Housing Manager



Rich Buquet
Neighborhood Services Manager

Attachment A

City of Escondido

**FY 2011-2012 One Year Action Plan
CDBG and HOME**

**Sam Abed
Marie Waldron
Olga Diaz
Ed Gallo
Michael Morasco**

**Mayor
Deputy Mayor
Councilmember
Councilmember
Councilmember**

**Available for Public Review and Comment
April 7, 2011 – May 7, 2011**

**City of Escondido
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EXECUTIVE SUMMARY

The FY 2011-2012 Action Plan covers the second year in the City's FY 2010-2015 Consolidated Plan period. The Five-Year Consolidated Plan and the One-Year Action Plan are required as part of the application and planning processes for four formula-based federal housing and community development programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Shelter Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The City of Escondido directly receives and distributes CDBG and HOME funds. ESG and HOPWA funds are received indirectly 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:

1. 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.
2. Provide decent housing. This includes retaining the affordable housing stock, increasing 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.
3. 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 communities to establish a unified vision for housing and community development activities 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 current 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 Plan covers the period of FY 2010 – 2015 and was approved by City Council through a public process on

March 24, 2010. 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 2011-2012 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 2011-2012 One-Year Action Plan is comprised of the following components:

1. A summary of available resources and the activities the City plans to undertake in FY 2011-2012 to address its 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. A description of each proposed CDBG- and HOME-supported activity; and
5. A map of FY 2011-2012 project locations.

HUD-required forms, including the SF424 Form/Applications for CDBG and HOME will be included in the final document.

In FY 2011-2012, 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.

At the time of this report, the actual allocation amount of CDBG and HOME funds to be received from HUD is not known, so estimates are used. An estimated 10% reduction in CDBG and HOME funds is expected as part of the federal government's efforts to decrease the deficit. Should the actual allocations be substantially higher or lower than estimated, a public hearing will be scheduled for a future date to approve an Action Plan amendment revising the allocation amounts. The City defines a substantial change to the scope of a project as a change that affects the funding level by greater than 25 percent of projects budgeted at more than \$100,000. Non-substantial increases or decreases to the HOME allocation will be proportionally dispersed to current distributions. The City of Escondido will work to identify opportunities to leverage resources from other sources of funding to offset reductions as appropriate.

Geographic Areas

To best address the priorities of the Consolidated Plan, CDBG resources are concentrated in specified low-income areas to achieve a more targeted benefit (see Appendix D - "Distribution of CDBG-Funded Projects by Local Priority.") These areas include the Mission Park area, which includes two low-income census tracts (Census Tracts 202.02 and 202.12) which have been identified as two of the lowest income tracts in the entire county, requiring 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

Many 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 provides stabilization, support services and short-term housing with a capacity to support 34 homeless adult individuals with alcohol, drug and/or mental health problems. Interfaith Community Services is the lead agency and has leased the City-owned property on Spruce Street for the past 15 years. In January 2011, the City terminated the lease for the purposes of future redevelopment and the terms of the lease transitioned to a month to month basis. On January 25, 2011 the City issued notice to the leaseholder extending the lease until June 30, 2011 with no change in rent. Therefore, the lease termination date was extended to June 30, 2011.

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 2010-2011. 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 2011 and March 2011, 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 and children with a disability and/or a history of domestic violence. This is a longer-term transitional housing program with intensive case management and related support services. CASA has its renewed grant funding start again each April 1.

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 \$193,382 for a one-year renewed sponsor-based contract. The County of San Diego HCD partners with Mental Health Systems annually to renew the Shelter Plus Care Tenant Based Program which provides permanent housing to individuals and families receiving supportive services. This renewal process generally occurs each Spring-Summer.

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)

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. Through the 2011-2011 year, funding from these federal streams consisted of the following:

- ARRA - \$183,404, processed as a supplement to Interfaith's normal annual FSS contract via Lifeline Community Services for Family Self-Sufficiency
- FEMA EFSP assistance -
 - 19,353 pounds of food for pantry distribution, valued at \$16,329
 - \$43,245 reimbursement for congregate (served) meals in the Escondido area
 - \$20,807 worth of rent/mortgage assistance, provided from May – July 2010; provided from Interfaith's Escondido office (not necessarily just to Escondido residents)
 - \$15,180 in hotel/motel vouchers

Interfaith expects to apply for the 2011-2012 cycle of FEMA EFSP assistance during April when the RFP is released, with awards made in July of 2011.

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 (January 2009 – December 2011) for Recently Separated and Dislocated Veterans in the amount of \$500,000 and an HVRP grant (FY 2009-2012) 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.

Other Federal Healthcare Resources

Primary medical and behavioral health care integration program in collaboration with Mental Health Systems, Council of Community Clinics, Community Research Foundation, Imperial Beach Health Center, and the County of San Diego. This funding originates with the Federal SAMHSA program.

Clinic services, outreach and health education related to family planning. This funding originates from Federal Title X.

Healthcare for the Homeless provides for medical, dental and behavioral health services to individuals who meet the 'homeless' criteria. These funds originate from Federal programming.

Healthcare services, including primary care, behavioral health and oral health for the uninsured are supported in part by the Federal Health Resources and Services Administration Agency (HRSA)

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, Veterans Village 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, through the 2011-2012 fiscal year, Interfaith Community Services will receive VA reimbursement funding for Escondido-based housing including Veterans transitional housing on Aster Street, the 44-bed Merle's Place transitional housing program, and a Recuperative Care program for ten Veterans at a time on Aster Street. The total annual dollars for these three programs is expected to be approximately \$1,146,500.

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 advice and referrals for Social Security eligibility, and continues to provide the other 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 2011-2012, 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 receives funding from the First 5 Commission of San Diego that partially provides for services of a part-time pediatric dentist, care coordination for high-risk children 0-5 years of age and prenatal women, and a treatment fund for uninsured children and prenatal women. This funding originates from the State and goes to the County.

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

Health Care Coverage for Uninsured Chronic Disease Patients (Coverage Initiative) is no cost insurance for adults between the ages of 21-64 years of age with a diagnosis of diabetes and/or hypertension and other chronic conditions. (cannot be Medi-Cal eligible), and pays for office visits to a primary care provider, case management, care coordination, nutrition/diabetes education classes, prescription medicines and dental services. County funding provides for outreach, application assistance, enrollment, retention and utilization activities. This funding originates from State/Federal matching funds.

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

Senior Latino Peer Promotoras Project a community program focused on North Inland Latino seniors who may be home alone, isolated and monolingual. The project is designed to increase access to behavioral health services; in particular, provide for a depression care manager to can help clients navigate resources for care. This funding originates from the State and goes to the County Department of Mental Health Services.

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).

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

Redwood Elderlink 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.

The City of Escondido anticipates assisting at least one new affordable housing development to obtain tax credits in the upcoming fiscal year. Community HousingWorks is proposing a 36-unit affordable rental project in Escondido and is applying for tax credits.

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.

Easter Seals – Provides services to people with autism and other disabilities through their Adult Services Center in Escondido.

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.

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

Local Initiatives Support Corporation (LISC) - LISC's mission is to assist community residents and Community Development Corporations (CDCs) in their efforts to transform distressed neighborhoods into healthy and sustainable communities. This organization believes that building Sustainable Communities will help improve and strengthen neighborhoods, provide a means to achieve positive community change for the benefit of low- and moderate-income persons, and help residents enjoy more fulfilling lives. In the past, LISC has assisted Community Housing of North County (now Community HousingWorks), a local nonprofit housing development organization, with funding commitments for its new construction and rehabilitation of affordable housing projects. Besides financial assistance, LISC also provides training, technical and organizational support to local nonprofit developers.

Leveraging

The City of Escondido's policy is to use CDBG and HOME 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 and HOME funding. In evaluating projects and services to be funded with CDBG and HOME funding, their ability to leverage and contribute other resources is heavily considered. The City leverages HOME funds with local resources such as Neighborhood stabilization program funds, Set-Aside

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.

Redevelopment Set-Aside Funds

The 20% tax increment Redevelopment Set-Aside Funds are Escondido's most significant local resource for housing development, rehabilitation, acquisition, tenant assistance, new construction, homebuyer assistance, and support services for the City's various redevelopment project areas.

California Housing Finance Agency (CalHFA) HELP Program

The goal of the CalHFA HELP (Housing Enabled by Local Partnerships) program was to provide affordable housing opportunities through program partnerships with local government entities, consistent with their affordable housing priorities. While the program has been temporarily suspended, there are five developments that have been assisted with a low-interest, ten-year CalHFA loan in the last ten years, three of them within the previous five-year Consolidated Plan period. Juniper Senior Village, a 61-unit affordable senior development, benefited by a CalHFA loan in 2008 and was completed in fiscal year 2010-2011. The City does not expect any additional CalHFA loans to be available in the upcoming fiscal year.

Section 8 Vouchers

The total number of households served by Section 8 rental assistance in the City of Escondido for FY 2009-2010 was 1,227. An average of \$756,242 was spent on the program each month, totaling \$9,074,908 for the year. It is anticipated that a similar number of households in Escondido will be assisted in FY 2011-2012.

Low-Income Housing Tax Credits

In the past, the City has been successful in assisting affordable housing developments that have received tax credits. The City assisted in two recent tax credit applications for projects that are ongoing. Both projects were awarded tax credit allocations. Juniper Senior Village, a 61-unit (60 affordable) senior housing development on Washington Avenue submitted by National Community Renaissance (CORE), was awarded tax credits during the 2009-2010 Fiscal Year in the amount of \$863,947 annually and was completed in FY 2010-2011. The Crossings at Escondido, a 55-unit family rental development currently under construction on Mission Grove Place and submitted by Urban Housing Communities, was awarded tax credits in the amount of \$2,033,305 annually in September, 2009. The project is anticipated to be completed early in FY 2011-2012.

Redevelopment funds, Tax Credits, and private mortgages. Leveraging resources will continue to be a priority.

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. They are San Diego Habitat for Humanity and Community HousingWorks. This certification promotes better coordination of available HOME federal funds for development of affordable housing. It also enhances coordination between public and social service agencies.

To coordinate the use of funding sources to develop housing programs, 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 \$816,169 for fiscal year 2011-12, which is an estimate based on an anticipated 10% reduction to HOME allocations. The City also anticipates receiving program income of approximately \$240,831. These monies will provide for first-time homebuyer loans for low-income residents as well as a contingency for the development of future affordable housing. City staff will review any potential applications for additional federal and/or state resources in order to further leverage the currently available revenue streams.

changes will affect future funding. A 30 day public comment and review period will be provided before the amendment is submitted to HUD.

FY 2011-2012 One-Year Action Plan Public Review and Comment Period

The FY 2011-2012 One-Year Action Plan will be made available for public review and comment from April 7, 2011 to May 7, 2011 on the City of Escondido's Web site at www.escondido.org or by contacting the Neighborhood Services Division at (760) 839-4517.

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:

- Escondido's 14 organized neighborhood groups
- SAFEWALK parent volunteer program members
- Escondido Workforce Roundtable
- Alliance for Regional Solutions
- Regional 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.

The City of Escondido uses HOME funds to assist first-time homebuyers through the Homebuyer Entry Loan Program (HELP). The funds are used as a direct subsidy to the homeowner for closing costs, escrow costs or principal. The HELP program offers a loan amount of 5% of the purchase price, up to a maximum of \$25,000.

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

To accommodate the current trends in the housing market, including an increase in the number of property foreclosures and short-sales, the City has revised the loan documents for the HELP Program to protect the City's HOME funds. The documents have been revised to include specific language related to the Recapture Provisions required in CFR 982.254(a)(5)(ii). The language specifies what repayment the City would require if there were no net proceeds from a home sale or if the amount of net proceeds was less than the amount owed to the City through the HELP loan.

CITIZEN PARTICIPATION

Public Hearings

Two public hearings were held to develop the FY 2011-2012 One-Year Action Plan. At the first public hearing, held on March 9, 2011, the priorities from the FY 2005-2010 Consolidated Plan were presented in order to solicit public feedback on whether to continue those efforts to further the progress made over the last five years by carrying forward the existing priorities, or establish new priorities. At this public meeting, public comments were received and Council reaffirmed the FY 2005-2010 Consolidated Plan priorities with added emphasis in the areas of neighborhood revitalization. The second public hearing will be held on April 6, 2011 to present the draft One Year Action Plan for FY 2011-2012. Additional public feedback will be solicited and received.

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.

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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 2011-2012 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 2011-2012 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 2011-2012 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 and during fiscal year 2009-2010 45 HELP loans were issued. From July 1, 2010 through December 2010, 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 27 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 additional rental units for families per year. As a strategy toward meeting related priorities, the City's FY 2011-2012 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 2009-2010 fiscal year the City continued to assist National CORE (formerly SoCal Development) in its redevelopment of a dilapidated mobilehome park into a senior complex with 61 rental units on Washington Avenue. The project opened in December 2010. The city also assisted 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 and four bedroom units. It is expected to begin occupancy in the summer of 2011.

In the upcoming fiscal year, the City will assist San Diego Habitat for Humanity to develop fourteen ownership units, affordable to low-income families. The City also will assist Community HousingWorks to develop 36 new rental units, 35 which will be affordable to families earning between 30 and 60% AMI.

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 2011-2012 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 \$33,000 in funds which, leveraged with funds from several other cities in the region, provide 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 2011-2012 are designed to meet the needs of special populations, including youth, senior citizens and persons with physical disabilities. During FY 2011-2012, the City will support the following projects with CDBG funds to meet the needs of special populations:

- 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 in-home 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;
- ADA improvements to City facilities and public capital projects.

Projects funded for FY 2011-2012 are well distributed throughout the City, with targeted concentration in the Westside and Mission Park areas. Specific project descriptions and allocation amounts are identified in "Appendix B - CDBG Allocations Table." All proposed projects are required to undergo and receive environmental clearance in order to receive funding.

Affirmatively Furthering Fair Housing

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

Currently, the City contracts with the North County Lifeline to provide comprehensive fair housing services. The contract with North County Lifeline includes landlord/tenant counseling, which is administered by a full-time bilingual counselor/mediator who is available by phone on a daily basis. In addition, the provider educates property owners and managers and assists them to comply with fair housing regulations.

The City completed an analysis of impediments (AI) to Fair Housing in 1996 and participated in the completion of a Regional AI in 2000 and another in 2004. A new Assessment of Impediments to Fair Housing Choice (AI) has recently been prepared on a regional basis. A notice regarding citizen input was placed in local newspapers and the draft document was available for public review and comment for thirty days. The regional AI is on its final stages of review before submitting the final version to HUD. It is anticipated to be completed during the upcoming fiscal year. The Fair Housing Resource Board (FHRB) a group made up of staff from local jurisdictions participating in the Regional AI, has met several times to discuss collaborative actions to be taken with emphasis on determining solutions that can be implemented county-wide. The City will continue to address impediments to fair housing regionally and in Escondido as identified in the pending AI, and implement any solutions, programs and policies necessary. All of the completed AIs identify potential impediments to Fair Housing or related issues and offer actions to address them. Following is a list of the three completed AIs and the current draft AI with corresponding completion and adoption dates.

AI	POTENTIAL IMPEDIMENT OR ISSUE	RECOMMENDED ACTION (PROPOSED INVESTMENT)	COMPLETED		ADDITIONAL ACTIONS COMPLETED
			YES	NO	
			DATE	ANTICIPATED DATE	
1996 City of Escondido AI (Completed by City staff)	Increased percentage of population that is Hispanic that could trigger need to test for apartment availability	Conducted testing for apartment availability with testers that are Hispanic versus availability to those that are white	FY 1999-2000		Availability of landlord tenant mediation and fair housing services in Spanish and English
			FY 2000-2001		
	1994 housing brokerage data showing disproportion-	City to promote and/or offer free financial and credit counseling to the	1998-1999		From 7-1-00 to 7-1-05, 279 first-time homebuyer
			1999-2000		

AI	POTENTIAL IMPEDIMENT OR ISSUE	RECOMMENDED ACTION (PROPOSED INVESTMENT)	COMPLETED		ADDITIONAL ACTIONS COMPLETED
			YES	NO	
			DATE	ANTICIPATED DATE	
	ately higher denial rates for applicants who were Hispanic. Reinvestment Task Force attributes this to credit reasons (primarily its non-existence)	public in English and Spanish	2001-2002		loans and 29 mortgage credit certificates were issued. Approximately 85% were to Hispanic households. Additional testing for Hispanic ethnicity to be conducted.
2000	The need for a diverse participation on boards and commissions	Further encouragement of a diverse participation on local boards and commissions	Ongoing		2007 Council increased the pay for certain boards and commissions to encourage more diverse interest and participation

AI	POTENTIAL IMPEDIMENT OR ISSUE	RECOMMENDED ACTION (PROPOSED INVESTMENT)	COMPLETED		ADDITIONAL ACTIONS COMPLETED
			YES	NO	
			DATE	ANTICIPATED DATE	
	The need for housing programs including affordable and homeownership	Continuance of Citywide housing programs, including affordable and home ownership assistance programs Continue to conduct 1996 & 2000 recommended actions	Ongoing Ongoing		Advertisements for board and commission recruitments are published in both English and Spanish-language publications

AI	POTENTIAL IMPEDIMENT OR ISSUE	RECOMMENDED ACTION (PROPOSED INVESTMENT)	COMPLETED	ADDITIONAL ACTIONS COMPLETED
2004 Regional AI (Completed by Cotton/Bridges/Associates)	Need to clarify zoning ordinance allowing residential care facilities (depending on the number of residents) by right as practiced in the City	Amend ordinance	Completed in fall of 2004	
	Need to have minimum density requirements	Amend General Plan and Zoning Ordinance /No funding required	Completed in 2007	

AI	POTENTIAL IMPEDIMENT OR ISSUE	RECOMMENDED ACTION	YEAR TO BE COMPLETED
2010 Draft Regional AI (Completed by Veronica Tam and Associates)	Escondido's Zoning Ordinance does not provide for supportive housing and Single Room Occupancy (SRO) as required by State law (SB 2 and AB 2634)	Amend Zoning Code as necessary.	2015

Zoning Ordinance allows for “pyramiding”, or allowing SF residences in MF zones	Amend Zoning Code as necessary	2015
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AI	POTENTIAL IMPEDIMENT OR ISSUE	RECOMMENDED ACTION	YEAR TO BE COMPLETED
2010	Escondido’s Zoning Ordinance does not have density bonus provisions that comply with state law	Amend Zoning Code as necessary.	2015

Escondido's Zoning Ordinance does not provide for emergency shelters by right (year round) in at least one zoning classification	Amend Zoning Code as necessary	2015
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The following are identified regional impediments that will be analyzed for applicability to the City of Escondido:

Disconnect between tenant/landlord disputes and fair housing discrimination prevention	Ensure dispute resolution/mediation services are provided	2015
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Substandard housing conditions impact minority households disproportionately	Offer/modify housing rehabilitation programs and include lead based paint information	2015
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Fair Housing providers should actively pursue Fair Housing Initiative Funds	Select providers that meet QFHO and FHO criteria for housing services	2015
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Fair Housing service disparities across region	Collaborate with fair housing service providers	2015
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Exclusion of random testing from fair housing service contracts	Incorporate testing in contracts and conduct regional audits	2015
Inconsistent data in statistical reporting	Develop a uniform reporting method to report fair housing data	2015
Difficulty in gauging success/progress of education and outreach efforts	Use outcome based performance measures and publicize outcomes of fair housing complaints to encourage reporting	2015
Non adoption of universal design ordinance	Consider adoption of u.d ordinance or encourage universal design principles.	2015
Minorities and families with children disproportionately affected by lead based paint hazards	Provide information in programs and increase education of lead based paint hazards to tenants and 1 st time homebuyers	2015
Minimal regional collaboration among fair housing service providers	Increase regional collaboration, annual review to identify service gaps	2015
Overconcentration of Section 8 voucher use in specific areas	Promote program to landlords and increase education of recipients as to choice, to disperse voucher use.	2015
Limited housing choices for persons with disabilities	Increase housing choices for persons with disabilities	2015

Racial segregation	Diversify and expand housing stock to accommodate varied housing needs of groups. Promote equal access to information and collaboration with local housing authorities and providers to ensure affirmative fair marketing plans.	2015
Underrepresentation among Hispanics and Blacks in Homebuyer market	Continue outreach efforts and homeownership opportunity awareness to minority communities	2015
Reoccurring rental/home market application denial due to credit history and financial management factors	Homebuyer programs provide education and outreach on credit history and financial management	2015
Persistent housing discrimination based on race, disability, national origin and familial status	Conduct comprehensive random testing, support reinforcement activity by fair housing providers and expand education and outreach	2015
Limited educational and outreach literature regarding fair housing issues, rights and services	Ensure ease of access to information on websites with links between jurisdictions and service providers. Prominently display information.	2015
Lack of knowledge of new laws for new homeowners becoming landlords	Coordinate education efforts between jurisdictions and service providers and target education to small property owners	2015
Increase regional collaboration		

Fair housing violations
committed by “mom
and pop” rental
operations

Coordinate education
efforts and target
education and
outreach materials to
small property owner
market

2015

Affirmative Marketing

The City of Escondido requires compliance to affirmative fair housing marketing practices when landlords and owners of assisted units are advertising the availability of housing units to solicit applications from persons of all ethnic, racial and gender groups. Affirmative marketing practices include, but are not limited to, collection of race/ethnic origin data, community marketing efforts and waiting lists.

- Written material on Federal Fair Housing Laws will be distributed to owners/tenants. All advertisements and/or public announcements regarding the program will include the "Equal Housing Opportunity" logo.
- Each property assisted will be marketed in a manner to affirmatively further fair housing, including, but not limited to, the following:

Listing available units with the Section 8 Existing Marketing Section of HCD;

Attempting to fill vacant units with families who are active certificate holders through the Section 8 program or who are applicants on the waiting list for Section 8 Certificates/Vouchers;

Using the "Equal Housing Opportunity" logo in any newspaper advertisement, or written communication to community groups, organizations, agencies or other community contacts.

- To inform and solicit applications from those persons in the housing market area least likely to apply for the housing unit, owners will utilize various community contacts to advertise unit availability.
- The City will periodically review affirmative marketing efforts made by owners to ensure compliance with Equal Housing Opportunity provisions. Where an owner has failed to follow affirmative marketing requirements, appropriate actions available under program regulations and/or applicable laws will be taken to enforce conformity.

Owners will be encouraged to comply with provisions of affirmative marketing of the units for no less than seven years after the completion date of the project.

Outreach to Minority and women Owned Businesses

Pursuant to our loan documents, all Escondido HOME fund recipients who are developing or producing affordable housing are required to maintain records which demonstrate compliance with the Equal Opportunity and Fair Housing requirements, including documentation and data on the steps taken to implement outreach programs to minority-owned and female-owned businesses.

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

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 \$46,745 for the July 1, 2010 – June 30, 2011 period, with the option for two consecutive one-year renewals.

COMMUNITY DEVELOPMENT PRIORITIES

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. Economic Development
3. Senior Transportation
4. Neighborhood Revitalization
5. Homelessness and AIDS
6. Americans with Disabilities Act (ADA) community facility improvements

CDBG-FUNDED ACTIVITIES

To best address these priorities, CDBG resources are concentrated in specified low-income areas, to achieve a more targeted benefit. These areas include the 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; the Westside Area (Census Tract 205.00); and other low-income areas targeted for residential and commercial/industrial revitalization. For a complete description of all CDBG funded activities and specific allocation recommendations see "Appendix B – CDBG Allocations Table."

Activities to Benefit 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 urban core.

Escondido's "Learn to Swim" program will continue to receive CDBG public service funds in FY 2011-2012, providing water safety classes in a low-income neighborhood. The program, now in its second year of operation, served 102 youth with varying levels of swimming skill and experience during the first year. In the first half of FY 2010-2011, it had already seen a 60%

increase in participation with 172 participants enrolled. The program was honored in March 2011 by the California Park and Recreation Association District 12 with an award for outstanding recreation program.

In FY 2010-2011, a new youth-focused nutrition program was added to Escondido's CDBG public service allocations. Administered by the San Diego Food Bank, the Food 4 Kids backpack program provides discrete backpacks full of healthy foods, nutrition information and resource referral information to very low-income students at Lincoln Elementary each Friday before they leave school. The program has shown to improve school attendance and student performance for children who might not otherwise have enough to eat over the weekend.

Finally, an increased allocation is recommended in FY 2011-2012 for the Escondido Recreation Exceptional Promise scholarship program. Approved in FY 2010-2011, this program provides bridge scholarship funding to low-income athletes who show exceptional promise in athletic activities, as identified by City recreation staff. Building on the success of the Share a Dream scholarship program, which is based solely on income and has a cap of \$150 per family annually, Exceptional Promise scholarships are based on ability, merit and potential, as well as income. The program will focus on empowering promising young athletes to pursue more advanced athletic goals. Specifically, the success of the previously mentioned Learn to Swim program has led to an increased number of low-income young people becoming more interested in advancing their aquatics skills. Through this scholarship program, those young athletes will continue to have opportunities to pursue advanced athletic goals, such as joining the Escondido Swim Club, for which costs might normally be prohibitive.

Economic Development Activities

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.

Additionally, the Economic Development priority is being addressed with a continued public service allocation to provide important job-readiness computer skills targeted at residents of the Mission Park Area.

Finally, a capital improvement project at the Oak Hill Child Care facility managed by North County Community Services and approved in FY 2010-2011 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. Additional funding is included in the FY 2011-2012 Action Plan for this project.

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 2011-2012 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 2011-12. 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 2011-2012 to reduce the need for reliance on transportation where possible.

Neighborhood Revitalization Activities

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 2011-2012 One-Year Action Plan continues to place emphasis on completing comprehensive neighborhood street improvements in those targeted low-income areas.

Project NEAT (Neighborhood Enhancement, Awareness and Training) is a CDBG-funded activity approved mid-year by an amendment to the FY 2009-2010 Action Plan to address the neighborhood revitalization priority. The goal of Project NEAT is to improve the appearance and safety of neighborhoods through mediation, education and fostering relationships with neighbors. Project NEAT works with Escondido's organized neighborhood groups to resolve potential code compliance issues, mostly with regard to yard maintenance and other appearance-related issues, before they reach the level of code enforcement cases.

Project NEAT currently utilizes one Program Administrator working within the boundaries of Escondido's 14 organized neighborhood groups. To date, 240 Project NEAT cases have been opened and 171 have been resolved with just four of those necessitating Code Enforcement's involvement due to non-compliance. Additionally 13 cases have been referred directly to Code Enforcement which were obvious health and safety concerns and beyond the scope of Project NEAT.

Currently, Project NEAT is effectively resolving neighborhood appearance issues and continues to address the Consolidated Plan's neighborhood revitalization priority and the proposed Council Action Plan Image and Appearance priority. As a result, the proposed FY 2011-2012 Action Plan includes an expansion of Project NEAT in two phases over the course of the fiscal year.

For Phase 1, the work area of the current Project NEAT Program Administrator would expand beyond the boundaries of Escondido's organized neighborhood groups into all CDBG-eligible residential areas. A previously approved part-time Department Specialist would assist with data entry, translation and other administrative duties related to Project NEAT. After a six-month assessment period, Phase 2 would be implemented depending on the number of cases, demand and workload as measured in Phase 1. Phase 2 would add an additional part-time Project NEAT field staff person to address property maintenance issues in CDBG-eligible residential areas.

In addition to an enhanced Project NEAT approach, CDBG-funded neighborhood revitalization efforts would include funding two part-time Code Enforcement Officers to work in commercial areas of CDBG-eligible census tracts. The officers would address code issues relating to business licensing, illegal signage and other appearance and compliance issues generally associated with commercial areas.

A capital improvement project to revitalize the Escondido Creek Trail is included in the FY 2011-2012 Action Plan to continue the momentum started with the Escondido Creek Trail Vision Plan (completed in March 2011). For FY 2011-2012 it is recommended that CDBG funds be used for a "demonstration project" along the Escondido Creek Trail from Juniper to Broadway. The project will include landscaping, lighting and other improvements along the trail as inspired by the Escondido Creek Trail Vision Plan and the future Escondido Creek Master Plan which will leverage \$75,000 in SANDAG grant funds, providing adjacent neighborhoods with safer, more attractive bicycle and pedestrian access.

To date, the City of Escondido has allocated approximately \$4 million in CDBG funds to the multi-phase Tulip Street Improvement Project in Census Tract 205.00. The first phase of this project, which included comprehensive street improvements on Tulip Street from 9th to 7th Avenues, was completed in June 2008. The second phase, which included comprehensive street improvements on Tulip Street from 7th to 5th Avenues, was completed in November 2009. Phase three will 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 and is currently under construction, slated to be complete in May of this year. Funding for Phase 4 of construction is included in the FY 2011-2012 Action Plan allocations, which will be combined with future CDBG funding to complete the entire project from 9th to 2nd Avenues.

ADA Improvements to Public Facilities

In FY 2011-2012, 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.

Specific CDBG funding allocations for FY 2011-2012 are listed in “Appendix B – CDBG Allocations Table.”

PROGRAMS TO REDUCE THE NUMBER OF POVERTY-LEVEL HOUSEHOLDS

Business Retention and Expansion Program (BREP)

The City restructured the Economic Development Division in 2008. 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 participate in visits and problem-solving activities. 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 and the San Diego North Economic Development Council. The goal of the Roundtable is to tie education (K-12, adult education, colleges and universities) with preparing youth and adults with relevant training and skills that will allow them to find well paying jobs. 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

There continues to be a focus on attracting businesses to Escondido 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.

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

The Escondido Chamber of Commerce partners with the Small Business Development Center (SBDC) at Mira Costa College to conduct several small business seminars each year. 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.

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.

In mid-2010, construction began on a \$1.3 million project for Mercado-themed street improvements on Grand Avenue. Grant funds from SANDAG (San Diego Association of Governments) 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.

Transit Oriented Development

The Escondido Transit Center provides full bus service and access to the Sprinter light rail line. 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 and institutions of higher education.

Future plans for intensive development around the Escondido Transit Center are being analyzed, with partners including the North County Transit District, 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 2010, the Escondido Community Child Development Center opened a new child care facility, the Betsy Jones Center, at 2269 E. Valley Parkway. This new childcare facility is licensed to provide subsidized childcare for 144 infants-toddlers and preschool age children.

Additionally, the Oak Hill Childcare Facility and street improvements project will expand childcare resources in Escondido as facilitated by North County Community Services, leveraging State of California grant funding.

Recreation and After-School Programs for Low-Income Youth

During FY 2011-2012, the Learn-to-Swim program will continue to provide 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 2011-2012, 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.

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 2011-2012 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.

Appendix A

**HOME INVESTMENT PARTNERSHIPS PROGRAM
FY 2011-2012
SUMMARY OF HOME FUNDING CATEGORIES**

FUNDING CATEGORY	AMOUNT AVAILABLE
2011 Allocation	\$816,169
Interest	5,000
Loan Repayments	<u>240,831</u>
TOTAL AVAILABLE FUNDS	\$1,062,000
<i>10% of Allocation</i>	\$ 81,617
<i>10% of Program Income*</i>	<u>24,083</u>
City's Administrative Cost	\$105,700
<u>Mandatory</u>	
CHDO Set-Aside (15% of allocation)	\$122,425
Housing Development	\$833,875
TOTAL EXPENDITURES	\$1,062,000

* Generated from Loan Repayments

Appendix B

Activity	Description	Provider	FY 2010-2011 Allocation	Proposed FY 2011-2012 Allocation
CDBG Administration	Manage and administer CDBG program, including planning, regulatory compliance, contract administration, and fiscal management.	City of Escondido	\$364,345	\$328,354
	HUD-mandated activity to affirmatively further fair housing. Provides accessible education and mediation services for Escondido tenants and landlords, ensuring equal opportunity in housing, and increasing awareness of fair housing laws. CDBG allocation is leveraged with \$16,000 provided by Housing Division.			
Fair Housing Services		North County Lifeline	\$10,000	\$10,000
		TOTAL	\$374,345	\$338,354

Appendix B

Activity	Description & Consolidated Plan Priority Addressed	Provider	FY 2010-2011 Allocation	Proposed FY 2011-2012 Allocation
In-Home Meal Delivery	Daily meal delivery for homebound seniors to reduce the need for transportation services. (Priority: Senior Transportation)	Meals on Wheels	\$14,300	\$14,300
Learn to Swim	Aquatics program at Washington Pool promoting water safety within an ethnically diverse, low income neighborhood. (Priority: Youth)	City of Escondido Recreation	\$18,900	\$28,900
Exceptional Promise Scholarship Program	Scholarship fund for low-and moderate-income individuals for whom participation in recreation activities might normally be economically unfeasible (Priority: Youth)	City of Escondido Recreation	\$10,000	\$43,435

Appendix B

Activity	Description & Consolidated Plan Priority Addressed	Provider	FY 2010-2011 Allocation	Proposed FY 2011-2012 Allocation
Workforce Assistance Computer Lab	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, (Priority: Economic Development)	Escondido Public Library	\$16,800	\$16,800
Senior Transportation Program	A coordinated transportation system, including door-to-door assisted transportation for low-income older adults to shop for groceries and prescriptions, visit health care providers and attend other vital appointments. Priority: Senior Transportation	City of Escondido Older Adult Services	\$28,300	\$28,300
Senior Nutrition Program	Provide nutritionally balanced hot meals to seniors at the Joselyn Senior Center. (Priority: Senior Transportation)	City of Escondido Older Adult Services	\$60,000	\$54,000

Appendix B

Activity	Description & Consolidated Plan Priority Addressed	Provider	FY 2010-2011 Allocation	Proposed FY 2011-2012 Allocation
Senior CARE Program	Case management services to low-income seniors to reduce transportation needs to meet daily living requirements and to prevent or delay the need for institutionalization. (Priority: Senior Transportation)	City of Escondido Older Adult Services	\$0	\$6,000
Bilingual Computer Training	Bilingual computer classes focused on job-readiness targeted to Mission Park Area and Neighborhood Group residents (Priority: Economic Development)	City of Escondido Recreation	\$10,000	\$10,000
SAFEWALK	Through a partnership with the Escondido Union School district, this parent volunteer effort works to ensure students in low-income neighborhoods can walk safely to and from school. (Priority: Youth)	Escondido Unified School District	\$5,000	\$5,000
Food 4 Kids Backpack Program	Provides discrete backpacks filled with healthy, easy to prepare meals to very low income students at Lincoln Elementary. (Priority: Youth)	San Diego Food Bank	\$10,000	\$13,000

Appendix B

Activity	Description & Consolidated Plan Priority Addressed	Provider	FY 2010-2011 Allocation	Proposed FY 2011-2012 Allocation
Winter Shelter	coordinated Regional Winter Shelter providing shelter and case management services for homeless persons in Escondido. (Priority: Homelessness)	North County Community Services	\$33,300	\$33,300
Infant/Toddler/Preschool Counseling and Parent Training Program	Counseling and parent training for infants, toddlers and pre-school children and their families at the Lincoln Avenue child care site. (Priority: Youth)	Escondido Community Child Development Center (ECCDC)	\$25,000	\$0
Family Counseling and Assessment Services	Screening/ observation and assessment/counseling for low-income school-age youth and their families in the Mission Park area. (Priority: Youth)	Palomar Family Counseling, Inc.	\$28,300	\$0
Healthcare Career Pipeline	Case management and training for low income students to prepare them for healthcare careers. (Priority: Economic Development)	Escondido Education COMPACT	\$10,000	\$0

Appendix B

Activity	Description & Consolidated Plan Priority Addressed	Provider	FY 2010-2011 Allocation	Proposed FY 2011-2012 Allocation
Supplemental Elementary Education Program	Provides hands-on learning opportunities for low-income elementary students to supplement school curriculum. (Priority: Youth)	San Diego Children's Discovery Museum	\$10,000	\$0
		TOTAL	\$279,900	\$253,035

Appendix B

UNCAPPED FUNDS
NO MAX

Activity	Description & Consolidated Plan Priority Addressed	Provider	FY 2010-2011 Allocation	Proposed FY 2011-2012 Allocation
Project NEAT	Comprehensive strategy to improve the appearance and safety of neighborhoods through mediation, education and fostering relationships with neighbors; working with Escondido's organized neighborhood groups to resolve potential code compliance issues, mostly with regard to yard maintenance and other appearance-related issues, before they reach the level of code enforcement cases. (Priority: Neighborhood Revitalization)	City of Escondido Neighborhood Services Division	\$68,115	\$110,000
Code Enforcement	Code enforcement in commercial areas of CDBG-eligible census tracts to address code issues relating to business licensing, illegal signage and other appearance and compliance issues generally associated with commercial areas.	City of Escondido Code Enforcement Division	\$0	\$60,000

Appendix B

UNCAPPED FUNDS
NO MAX

Activity	Description & Consolidated Plan Priority Addressed	Provider	FY 2010-2011 Allocation	Proposed FY 2011-2012 Allocation
Escondido Creek Trail improvements	<p>Demonstration project along the Escondido Creek Trail from Juniper to Broadway to include landscaping, lighting and other improvements along the trail as inspired by the Escondido Creek Trail Vision Plan and the future Escondido Creek Master Plan, providing adjacent neighborhoods with safer, more attractive bicycle and pedestrian access. (Priority: Neighborhood Revitalization)</p>	City of Escondido Neighborhood Services Division	\$0	\$200,000
Elm St/Habitat for Humanity	<p>consisting of new curbs, gutters, retaining walls, sidewalks, street lights and new surfacing of streets in public rights of way on Elm Street between Washington and the Escondido Creek Trail done in conjunction with the Habitat for Humanity townhome project in the same location, incorporating elements to facilitate future revitalization of the Escondido Creek Trail. (Priority: Neighborhood Revitalization)</p>	City of Escondido Neighborhood Services Division	\$0	\$300,000

Appendix B

UNCAPPED FUNDS
NO MAX

Activity	Description & Consolidated Plan Priority Addressed	Provider	FY 2010-2011 Allocation	Proposed FY 2011-2012 Allocation
Tulip Street Improvements (Phase 4)	First of two funding phases to finish the final phase of the multi-year Tulip Street Improvement project. (Priority: Neighborhood Revitalization)	City of Escondido Neighborhood Services Division	\$851,975	\$350,512
Oak Hill Child Care Facility Improvements	Additional funding for child care facility improvements approved in FY 2010-2011 to provide additional child care slots to low-income families in Escondido. (Priority: Economic Development)	City of Escondido Neighborhood Services Division	\$300,000	\$75,000
		TOTAL		\$1,095,512

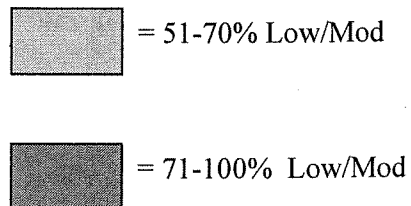
Appendix B Summary

City of Escondido Proposed FY 2011-2012 CDBG Allocations
Estimated Allocation: \$1,686,901

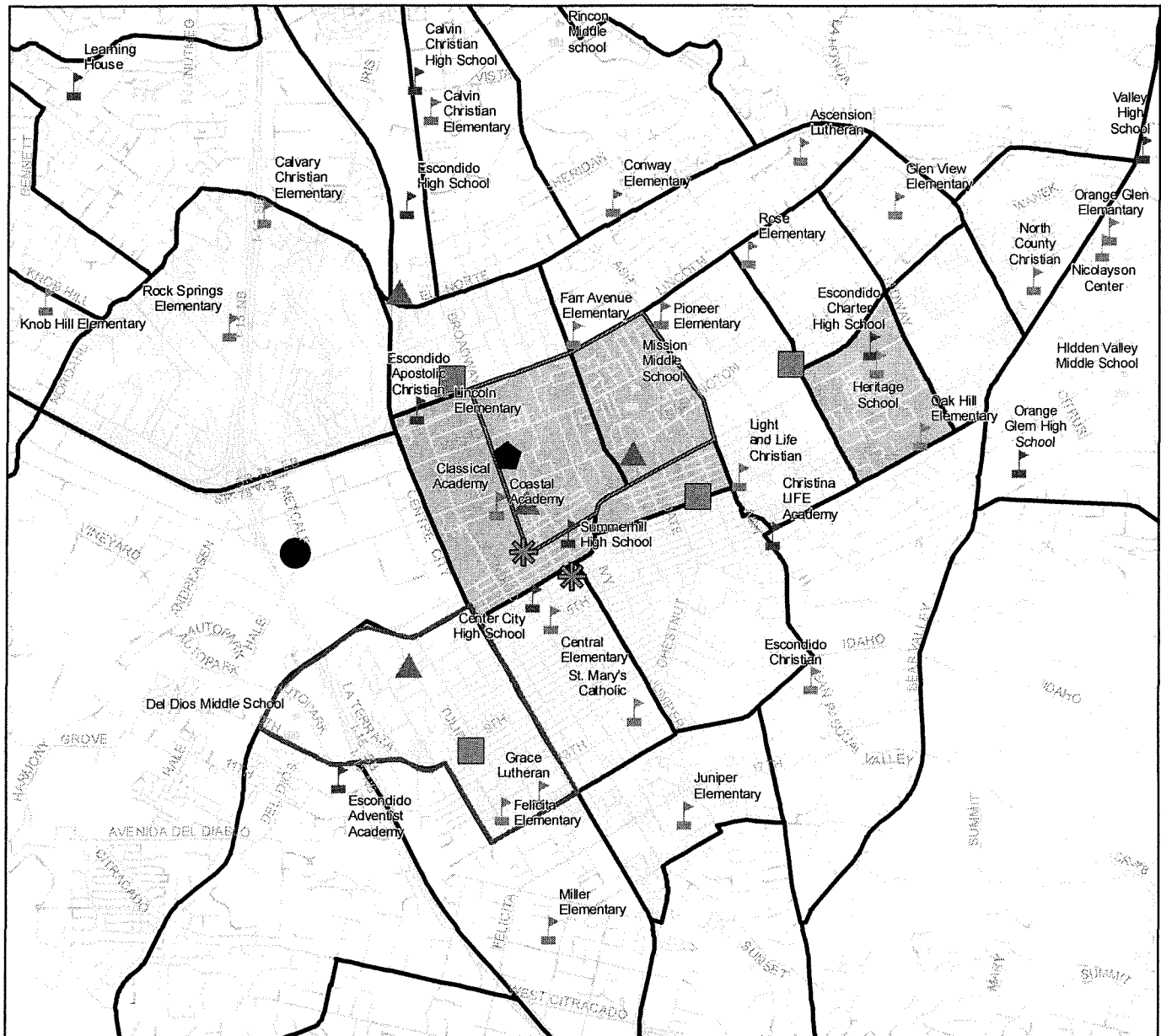
Administration - 20% cap (\$338,354 max.)	
CDBG Administration	\$328,354
Fair Housing	\$10,000
Total	\$338,354
Public Service - 15% cap (\$253,035 max.)	
In-Home Meal Delivery	\$14,300
Learn to Swim	\$28,900
Exceptional Promise Scholarship	\$43,435
Workforce Assistance Computer Lab	\$16,800
Senior Transportation	\$28,300
Senior Nutrition	\$54,000
Senior CARE	\$6,000
Bilingual Computer Training	\$10,000
SAFEWALK	\$5,000
Food 4 Kids Backpack Program	\$13,000
Winter Shelter	\$33,300
Total	\$253,035
Uncapped Capital Improvement & Other Neighborhood Revitalization Activities - (No max.)	
Project NEAT	\$110,000
Code Enforcement	\$60,000
Escondido Creek Trail Improvements	\$200,000
Elm St/Habitat for Humanity	\$300,000
Tulip Street Improvements (Phase 4)	\$350,512
Oak Hill Child Care Facility Improvements	\$75,000
Total	\$1,095,512

Total CDBG Allocations

\$1,686,901

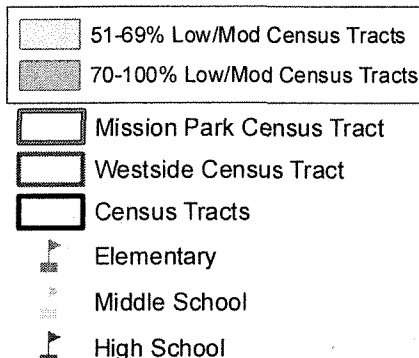


CITY OF ESCONDIDO DISTRIBUTION OF CDBG-FUNDED PROJECTS BY LOCAL PRIORITY



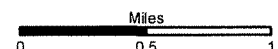
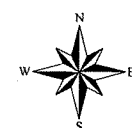
Projects

- ▲ Neighborhood Revitalization
- ◆ Senior Services
- Youth, Children, and Families
- Homelessness
- ✱ Economic Development



DISCLAIMER: Every reasonable effort has been made to ensure the accuracy of this map. However, by accepting this material, you agree that the City of Escondido assumes no liability of any kind arising from the use of this map. THIS MAP IS PROVIDED WITHOUT WARRANTY OF ANY KIND, either expressed or implied, including but not limited to time, accuracy or good will arising from the use, operation or modification of the map.

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3/23/11

* Several projects have community-wide benefit and are not shown in specific locations on this map

RESOLUTION NO. 2011-14

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING THE HOME BUDGET FOR
FISCAL YEAR 2011-12 AND AUTHORIZING
THE COMMUNITY SERVICES DIRECTOR
AND CITY CLERK TO EXECUTE
AGREEMENTS FOR USE OF COMMUNITY
DEVELOPMENT BLOCK GRANT FUNDS**

WHEREAS, the City is a recipient of HOME Investment Partnerships Program and Community Development Block Grant (CDBG) funds from the United States Department of Housing and Urban Development; and

WHEREAS, a total of 15% of HOME funds received by the City must be used for the provision of affordable housing by eligible Community Housing Development Organizations (CHDOs); and

WHEREAS, a total of 10% of the HOME funds received by the City may be used for administration; and

WHEREAS, the remaining HOME funds (75%) received by the City may be used for Housing Development; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to adopt the HOME budget for FY 2011-12, attached as Exhibit "A" and incorporated by this reference.

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. That the HOME budget and administration of its programs for the period of July 1, 2011, through June 30, 2012 inclusive, contained in the FY 2011-12 Home Investment Partnership Program Budget Document, attached as Exhibit "A," is adopted as the final budget for the 2011-12 fiscal year.
3. That non-substantial changes to the HOME budget within twenty-five percent, whether above or below the projected allocation, will be proportionally dispersed to current distributions.
4. That the budget includes proposed expenditures of the City for the provision of affordable housing and proposed expenditures of CHDOs for the provision of affordable housing.
5. That the budget also reflects the work program for the coming year based on the City's Action Plan for FY 2011-12 which identifies Housing goals and priorities, established in the 2010-2015 Consolidated Plan, and which examines the City's achievements in the previous year's work program.
6. That the Director of Community Services and the City Clerk are hereby authorized to execute contracts with the following providers for use of CDBG funds 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.

HOME INVESTMENT PARTNERSHIPS PROGRAM FY 2011-2012

SUMMARY OF HOME FUNDING CATEGORIES

FUNDING CATEGORY	AMOUNT AVAILABLE
2011 Allocation	\$816,169
Interest	5,000
Loan Repayments	<u>240,831</u>
TOTAL AVAILABLE FUNDS	\$1,062,000
<i>10% of Allocation</i>	\$ 81,617
<i>10% of Program Income*</i>	<u>24,083</u>
City's Administrative Cost	\$105,700
<u>Mandatory</u> CHDO Set-Aside (15% of allocation)	\$122,425
Housing Development	\$833,875
TOTAL EXPENDITURES	\$1,062,000

* Generated from Loan Repayments

**Proposed Service Providers
CDBG and HOME-Funded Activities
FY 2011-2012**

NORTH COUNTY LIFELINE <u>Fair Housing Services</u>	This HUD-mandated project will provide accessible education and mediation services for Escondido tenants and landlords, ensuring equal opportunity in housing, and increasing awareness of fair housing laws.	\$26,000 (\$10,000 CDBG, \$16,000 HOME)
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
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
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.	\$13,000 CDBG



CITY OF ESCONDIDO
PUBLIC SERVICES AGREEMENT

This Agreement is made this _____ day of _____, 20__.

Between: CITY OF ESCONDIDO
 a Municipal Corporation
 201 N. Broadway
 Escondido, California 92025
 Attn: Rich Buquet, Neighborhood Services Manager
 (760) 839-4517
 ("CITY")

And: [Name]
 [Street address]
 [City, state, zip code]
 [Attn: (name of contact)]
 [Insert telephone number]
 ("CONTRACTOR")

WHEREAS, the CITY and CONTRACTOR desire to enter into this Agreement for the performance of services;

NOW, THEREFORE, it is mutually agreed as follows:

1. Description of Services. CONTRACTOR will furnish all of the services described in "Attachment A," which is attached and incorporated by this reference. CONTRACTOR agrees to diligently perform such services to their completion, with professional quality and technical accuracy.
2. Compensation. The CITY will pay and CONTRACTOR will accept in full payment for the above work, the sum of \$_____. Any breach of this Agreement will relieve CITY from the obligation to pay CONTRACTOR, if CONTRACTOR has not corrected the breach after CITY provides notice and a reasonable time to correct it.
3. Term and Time of Performance. CONTRACTOR must start working within one (1) week from City's notice to begin. CONTRACTOR must diligently perform and complete the work by _____. Extension of terms or time of performance may be made only upon the City's written consent.
4. Scope of Compensation. CONTRACTOR will be responsible for performance of the tasks specified in the Description of Services in "Attachment A." No compensation will be provided for any other tasks without specific prior written consent from the CITY.
5. Performance. CONTRACTOR must faithfully perform in a proficient manner, to the satisfaction of the CITY, all the work or services described in the Description of Services, above.

6. City Property. All original documents, drawings, electronic media, and other material prepared by CONTRACTOR under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONTRACTOR for any other purpose without prior written consent of the CITY.

7. Insurance Requirements.

a. The CONTRACTOR shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:

- (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
- (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 7(b) below; and
- (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
- (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.

b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONTRACTOR acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of CONTRACTOR. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONTRACTOR _____

Waiver appropriate by CITY _____

c. Each insurance policy required above must be acceptable to the City Attorney.

- (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
- (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
- (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.
- (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONTRACTOR's work, including its on-going operations and products-completed operations hazard.
- (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

- d. In executing this Agreement, CONTRACTOR agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.
8. Indemnification. CONTRACTOR (which in this paragraph 8 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
- a. Any claim of liability arising out of the negligence or any acts or omissions of CONTRACTOR in the performance of this Agreement;
 - b. Any personal injuries, property damage or death that CONTRACTOR may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
 - c. Any injury or death which results or increases by any action taken to medically treat CONTRACTOR.
- Stormwater Indemnification. CONTRACTOR shall further indemnify, defend, and hold harmless CITY and its officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceeds, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorney's fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. R9-2007-0001), as amended or renewed, of the California Regional Water Quality Control Board Region 9, San Diego, which CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project or the Improvements.
9. Anti-Assignment Clause. Since the CITY has relied on the particular skills of CONTRACTOR in entering this Agreement, CONTRACTOR may not assign, delegate, or sublet any duty or right under this Agreement, or any portion of the Description of Services. Any such purported assignment, delegation, or subletting will void this entire Agreement, unless the CITY has previously approved such action in writing.
10. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.
11. Independent Contractor. CONTRACTOR is an independent contractor and no agency or employment relationship is created by the execution of this Agreement.
12. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
13. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived because any other provision has been waived by CITY, in whole or in part.
14. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.

15. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
16. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
17. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
18. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party.
19. Business License. The CONTRACTOR is required to obtain a City of Escondido Business License prior to execution of this Agreement.
20. Compliance with Applicable Laws, Permits and Licenses. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. This shall include, but not limited to, all California Labor Code laws regarding payment of prevailing wages and all OSHA regulations. CONTRACTOR shall obtain any and all licenses, permits, and authorizations necessary to perform the services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
21. Prevailing Wages. If applicable, pursuant to Section 1770 et seq. of the Labor Code, CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable State and Federal Law, will be paid in the carrying out of this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the 'General Prevailing Wage Rates' approved by the Department of Industrial Relations as of the date of the execution of this Agreement. Said rates and scales are herein referred to and adopted in this Agreement as though fully and completely set forth herein, and said scale as adopted by the Department is made a part of this Agreement by reference. Copies of the prevailing rate of per diem wages are available on the Intranet at (<http://www.dir.ca.gov/DLSR>). Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
22. Immigration Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONTRACTOR affirms that as a licensed Contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONTRACTOR agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

23. E-Verify Participation: Consultant agrees to enroll in and begin use of the United States Department of Homeland Security's ("DHS") E-Verify program ("E-Verify") within thirty (30) days of the execution of this Agreement to confirm employment eligibility of all of Consultant's potential new hires. Consultant agrees and understands that E-Verify enrollment requires Consultant to sign a Memorandum of Understanding ("MOU") with DHS which provides the E-Verify terms of use. Any violation of the MOU by Consultant is grounds for DHS' termination of Consultant's participation in the E-Verify program. Any such termination by DHS shall constitute grounds for City's immediate termination of this Agreement.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: _____

Signature

Jerry VanLeeuwen, Director of Community Services

(Contractor name)

Date: _____

(Contractor signature)

Title

(The above signature must be notarized)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.