



HOME-ARP ALLOCATION PLAN

City of Escondido

Housing and Neighborhood Services

March 9, 2023



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Executive Summary

HOME Investment Partnerships Program – American Rescue Plan (HOME-ARP)

HOME-ARP Background and Program Overview

The City of Escondido was awarded a one-time investment grant on September 20, 2021 called HOME-ARP in the amount of \$2,262,839 million. This grant was a portion of the \$5 billion initiative received by the United States Department of Housing and Urban Development (HUD) as part of the American Rescue Plan to help communities across the country respond to the COVID-19 pandemic. States and local jurisdictions that qualify for an annual HOME Program in FY 2021 were eligible to receive HOME-ARP which is determined by a formula.

The purpose of this funding is to assist individuals or households who are experiencing homelessness, at risk of homelessness, and other vulnerable populations by developing new affordable rental housing, providing rental assistance, funding supportive services, or acquiring a non-congregate shelter to reduce homelessness and increase housing stability for residents in the City of Escondido. This presents a significant moment for our community to make a critical investment in housing and homelessness systems to prevent and end homelessness. HUD provided HOME-ARP grantees specific guidelines around who is eligible and what activities can be funded.

Qualified Populations:

1. Individuals experiencing homelessness
2. Households at-risk of homelessness
3. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking
4. Other vulnerable populations:
 - a. Families requiring services or housing to prevent homelessness, those below 30% Area Median Income (AMI) and severely rent burdened, or those below 50% AMI and experiencing housing hardship.
5. Veterans and their families who meet the criteria stated above.

Eligible Activities:

1. Production or preservation of affordable housing
2. Tenant-based rental assistance
3. Supportive Services
4. Acquisition and development of non-congregate shelter
5. Nonprofit Operating and Capacity Building Assistance
6. Administration and Planning

This funding source is unique, because it provides jurisdictions with the flexibility to fund supportive services, non-congregate shelter and non-profit capacity that is traditionally not eligible under the

regular HOME guidelines. Jurisdictions are not required to set aside funds for Community Housing Development Organizations commonly referred to as CHDOs. HUD increased regular administrative allocation from 10% to 15% to allow to for more comprehensive plan development.

Housing and Neighborhood Services staff was tasked with the development of this HOME-ARP Allocation Plan. To understand the need, City staff met with key stakeholders, reviewed numerous regional, state and local plans on homelessness, requested data from the Escondido Police Department on calls for service related to domestic violence and homelessness within the city, received data from the North County Family Justice Center’s One Safe Place on survivors of domestic violence, sexual assault and human trafficking, received client profile data from 2-1-1 San Diego on persons experiencing homelessness, at-risk homelessness, domestic violence survivors and veterans calling from help from the city and reviewed housing and homelessness best practices. This plan provides a comprehensive summary of the information collected and provides recommendations on how to best utilize these funds.

The HOME-ARP Allocation Plan was released to community for a 30-day public comment period in accordance with the City of Escondido’s Citizen Participation Plan. The plan was presented to City Council on March 22, 2023 and a final plan was adopted and submitted to HUD before the March 31, 2023 deadline.

Community Outreach

As part of the requirement to receive the HOME-ARP funds, the City was required by HUD to consult with a specific list of stakeholder groups in the development of the HOME-ARP Plan. The agencies that were identified were the Regional Taskforce on Homelessness, San Diego County’s Continuum of Care, homeless and domestic violence service providers, veterans’ groups, the City’s Public Housing Authority (PHA), public agencies that address the needs of the qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities.

The City conducted comprehensive outreach to local service producers, regional entities and key stakeholders to organizations to solicit feedback, identify gaps in the housing inventory and find out if there are gaps in the service delivery systems, determine if any sub population(s) are being severely underserved, categorize priority needs and discuss possible solutions. This feedback is a key factor in determine how to best utilize funding for eligible activities, projects, and programs.

Consultations

This chart describes the agency and organization consulted, type of service they provide, method and date of contact and feedback received. These consultations were conducted over a five-month period that ranged from November 2022 to March 2023. City staff tried to engage local providers serving residents or contracted with the City of Escondido and regional organizations served by the County.

Agency/Org Consulted	Type of Agency/Org	Qualified populations Served	Method of Consultation	Feedback
<p>SD County - Department of Homeless Solutions and Equitable Communities</p>	<p>Homeless Service Provider</p>	<p>Individuals and families experiencing homelessness and trauma</p> <p>Ethnic, Immigrant and Refugee Groups</p>	<p>Zoom Consultation</p> <p>December 6, 2022</p>	<p>Qualified Populations: Persons experiencing homelessness</p> <p>Subpopulations identified: Seniors Middle Age</p> <p>Eligible Activity: Non-congregate shelter Tenant Based Rental Assistance Supportive Services: childcare and employment Affordable Housing</p> <p>Summary: Need for Emergency non-congregate shelter and tenant based rental assistance. Lack of recuperative beds in North County. Short term stability then transition to independence. Long term, need more permanent affordable units to free up beds and subsidies.</p> <p>Seniors are getting priced out (explore shared housing and rental subsidy). Lack of childcare and employment programs for “Middle Age” people.</p>
<p>Legal Aid</p>	<p>Fair Housing and Civil Rights</p>	<p>Lower income and at-risk residents particularly in relation to housing law, tenant rights, and discrimination based on race, color, disability, etc.</p>	<p>Zoom Consultation</p> <p>December 7, 2022</p>	<p>Qualified Populations: At-risk</p> <p>Eligible Activity: Supportive Services Affordable Housing</p> <p>Summary: Short term, we need supportive services, rental assistance (more specifically flexible spending) for prevention. Add language into</p>

				agreements and ordinances to protect residents. Incorporate a landlord relations program and incentive. Long term, lack of affordable housing options and waitlists are too long.
Center for Community Solutions	Domestic Violence Service and Sexual Assault Provider	Adults and children fleeing, or attempting to flee, domestic violence, dating violence, sexual assault	Zoom Consultation December 12, 2022	<p>Qualified Populations: Domestic Violence</p> <p>Eligible Activity: Supportive Services</p> <p>Summary: Rental assistance and supportive services. More specially, flexible funds (“one month away”), set aside vouchers for DV, landlord relations / incentive and additional niche services that are not thought of.</p>
Community Resource Center	Domestic Violence Service Provider	<p>Adults and children fleeing, or attempting to flee, domestic violence, dating violence, sexual assault</p> <p>Individuals and families experiencing homelessness</p>	Zoom Consultation December 12, 2022	<p>Qualified Populations: Persons experiencing homelessness</p> <p>Eligible Activity: Affordable Housing with Supportive Services Shelter</p> <p>Summary: Need more housing with supportive services and more shelter beds. A space for emergency placement then work with counselor to get into housing.</p>
Interfaith Community Services	Homeless and Housing Service Provider	<p>Individuals and families experiencing homelessness</p> <p>Households at-risk of homelessness</p> <p>Other populations</p>	Zoom Consultation December 21, 2022	<p>Qualified Populations: Persons experiencing homelessness</p> <p>Subpopulation: Families</p> <p>Eligible Activity:</p>

				<p>Supportive Services – housing stability case manager Family Shelter Mixed income affordable housing PSH</p> <p>Summary: Need for a family shelter and operational funding. Serving Families with children is important to avoid generation trickledown. 2. Supportive services – housing stability case manager to support housed families. 3. Other - Shallow subsidy, landlord incentive, more PSH, flexible funding, more affordable units, mixed population housing. Nowhere for people to go.</p>
National Core	Affordable Housing Developer	<p>Other vulnerable population: Households who are housing instable, cost burdened and at risk of homeless</p> <p>Extremely, very and low-income families and individuals</p> <p>People experiencing homeless.</p>	<p>Zoom Consultation</p> <p>December 22, 2022</p>	<p>Qualified Populations: At Risk Other vulnerable groups</p> <p>Subpopulations identified: Populations making above 80% AMI</p> <p>Eligible Activity: Affordable Housing Supportive Services</p> <p>Summary: Need for affordable units with specific services tied to that population. Financial program to help empower people forward and upward. Mechanism to place people into ownership and free up affordable units.</p>
Regional Task Force on Homelessness	San Diego County’s Continuum of Care	Individuals and families experiencing homelessness	Zoom Consultation	Qualified Populations: Persons experiencing homelessness

		Households at-risk of homelessness Other populations	December 28, 2022	Subpopulations identified: Family Seniors Eligible Activity: Affordable Housing with supportive services Summary: PSH with tailored services and individualized supportive services such as tapering subsidy. Lack of recuperative care units.
Veteran Village of San Diego	Veteran Service Provider	Veterans and their families who meet the eligible criteria	Zoom Consultation January 4, 2023	Qualified Populations: Veterans Subpopulations identified: Senior Veterans Dishonorably discharged Eligible Activity: Affordable Housing Supportive Services Summary: There is a shortage of rental housing units and shelter beds within North County. Need to leverage vacant land to build more. There is a need for services that help people navigate housing such as: financial assistance, light case management, and tenant/landlord relations.
One Safe Place	Domestic Violence Service Provider	Adults and children fleeing, or attempting to flee, domestic violence, dating violence, sexual assault As well as victims of a hate crime, elder abuse,	Zoom Consultation January 5, 2023	Qualified Populations: Domestic Violence, Sexual Assault and Human Trafficking Subpopulations identified: Families Eligible Activity: Affordable Housing Supportive Services

		human trafficking, violent loss, other abuse or victimization		<p>Summary: Lack of affordable units, shelter beds and transitional housing. Stepping stones that help house people. Need for diversion assistance when an income earning abuser is removed from household. Services and units for victims that might not meet victimization timeline periods. Shared data on DV and trafficking.</p>
San Diego County Housing and Community Development Services Department	Public Housing Authority	Households at-risk Lower income families, individuals, elderly and disabled persons	Email Consultation February 10, 2023	<p>Qualified Populations: Persons experiencing homelessness At risk of homelessness</p> <p>Subpopulations identified: Seniors Disabled Extremely low-income</p> <p>Eligible Activity: None identified</p> <p>Summary: The city asked for housing voucher data from 2022 and 2023. This contained population breakdowns, total number of vouchers the city receives and waitlist information.</p>
San Diego Regional Center (SDRC) – North County Office	Development Services Provider	Persons with developmental disabilities	Phone Consultation February 16, 2023 Zoom follow up March 1, 2023	<p>Qualified Populations: At Risk Other vulnerable groups</p> <p>Subpopulations identified: Individuals at 0-30% AMI Undocumented Families Elderly population with an I/DD diagnosis All individuals whom are non-ambulatory</p> <p>Eligible Activity: Affordable Housing</p>

				<p>Supportive Services</p> <p>Summary: Lack of affordable units. More specifically, smaller unit types that are ADA compliant and close to transit. More emergency beds for evicted tenants in North County. Job placement and employment opportunities are a need for adults and key to sustained success. Transportation to and from jobs, school and programs is a need as well. Access to mental health can be a barrier since some disabling conditions might not be viewed as a psychiatric issue making them ineligible for some homeless services and access to funding.</p>
Alabaster Jar Project	Human Trafficking Service and Housing Provider	Survivors of human trafficking and sexual exploitation	<p>Email Consolation February 23, 2023</p> <p>Zoom Follow Up March 7, 2023</p>	<p>Qualified Populations: Homeless Sex and Labor Trafficking</p> <p>Subpopulations identified: Minors, teenagers and young adults</p> <p>Eligible Activity: Affordable Housing Rental Assistance Non-congregate shelter Supportive Services</p> <p>Summary: Housing is important but it is crucial to serve the underlying symptoms to prevent people from falling back into homeless. There is a lack of in patent beds and mental health treatment. There is a lack of shelter beds, transitional options and rental assistance that help bridge people into long term housing. Need for landlord relations to</p>

				find places that will rent to organizations and clients. Teaching life and job skills are a critical piece to help vulnerable population become self-sufficient.
Unicorn Homes	Civil Rights and Diversity Service Provider	LGBTQ Housing and Resource Center	Email Consolation February 23, 2023	Pending answers to Q & A survey.

[Focus Group Meeting](#)

In addition to the individualized consultations, the City hosted an in-person focus group on October 18, 2022 with 11 people from 5 different service providers. The following organizations were in attendance: YMCA (youth and homeless service provider), Neighborhood Healthcare (federally qualified health center), Interfaith (homeless and housing service provider), Turn BHS (mental health and supportive housing) and Escondido Education Compact (youth development and family intervention).

During the meeting, a survey was administered asking the group to rank the and most needed activity. The group ranked the eligible activities in the following order from highest to lowest priority: rental housing, supportive services, rental assistance, and the non-congregate shelter. The groups were also asked to prioritize populations in terms of need and here are the results of the survey: persons experiencing homelessness (31%), at-risk of experiencing homelessness (28%), domestic violence (21%), and other (20%). Staff brought participants into a small group were asked additional follow-up questions such as: which activity should be the City’s highest priority, are there any specific subpopulation that were being under served, is anyone working on a program that would fit the eligible activities list, and what are the gaps in the types of affordable housing. Afterward, the group reconvened and a large group conversation to gather a more in-depth understanding of the current landscape and the missing gaps.

[Overall summary of feedback received:](#)

To ensure broad input into the HOME-ARP Allocation Plan, the City engaged over 12 different types of local and regional organizations to solicit feedback and discuss gaps in the housing and homelessness service delivery systems. This feedback was consolidated into two categories:

Qualified Populations

1. Individuals experiencing homelessness

People experiencing homelessness are the most vulnerable group and have the highest barriers to find housing. Many providers expressed the need for more emergency shelter,

recuperative care beds and permanent supportive housing for families and seniors. They also suggested flexible funds, landlord incentives and a housing stability case manager to help persons remained housed after placement.

2. Households at-risk of homelessness

Service providers requested the need for supportive services, rental assistance and flexible funds to stabilize a person’s housing and create a landlord incentive program. They recommended strengthening agreements and ordinances to protect residents. The need for more affordable housing units tied to certain eligible populations. A few providers expressed the need for incentive programs to help people exit the system to free up affordable units and allow for homeownership.

3. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking

The City spoke with numerous domestic violence, sexual assault and human trafficked providers in North County who expressed the need for supportive services like housing navigation who will address landlord/tenant needs, affordable housing and emergency shelter. Data released from North County Family Justice Center, One Safe Place, in July 2022 reported the shelters available for domestic violence and human trafficked survivors were not sufficient in San Diego County. The committee recommended using grant funding for a non-congregate, emergency shelter program using hotel vouchers. According to service providers, domestic violence survivors are at risk of losing their housing when the abuser’s income is removed from the home and the family still needs to pay rent.

4. Other vulnerable populations

Increases in cost of living and housing prices for extremely low and very low-income households makes fair market units unattainable. Market rate housing further cost burdens households and escalate the threat of people losing their housing and becoming homeless.

5. Veterans and their families who meet the criteria stated above.

Veteran providers expressed the need for affordable rentals, shelter beds and a housing navigator who provides financial assistance, case management and landlord/tenant relations. Veterans seniors need additional supportive services for activities of daily living needs, mental health issue and income.

Eligible Activities

1. Housing:

- There is a lack of enough affordable rental units
- Waitlists for vouchers and affordable rental units are too long

- Need for permanent supportive housing for persons with disabilities
 - Increases in cost of living and housing prices makes fair market units unattainable, further cost burdens households, and escalate the threat of people losing their housing
 - Not enough shelter beds and temporary living units for people seeking immediate help
2. Supportive services:
- Landlord relations
 - i. Very competitive market and need an incentive to help low income families stand out
 - ii. Tenant income verification and high deposit requirements. In some cases, tenants need 3 times rents.
 - Flexible spending fund that can be individually tailored to meet needs
 - Rental assistance, financial coaching and housing navigation with a focus on placement and securing housing
 - Pilot program to fill niche gaps in services
 - Childcare, workforce, education, trainings, job placement
 - Light case management to keep people on the right track toward independence and upward mobility
 - Outpatient health services and substance abuse treatment services

Many service providers expressed the immediate need for supportive services to help people find housing and remain housed as well as the planning long term to build more units. Increasing the number of affordable units will create upward mobility opportunities to lift people up through the housing ecosystem and as a result it will free up those emergency shelter for other vulnerable community members. Community involvement and buy in is crucial because the homelessness and affordable housing supply issues we face will not change without a long-term commitment from and collaborative partnerships amongst the public- and private-sector stakeholders.

Public Participation

In accordance with HUD, cities must provide for and encourage citizen participation in the development of the HOME-ARP Allocation Plan. Before submission of the plan, cities must provide residents with at least a 15-day notice to comment on the proposed HOME-ARP Allocation Plan. In alignment with the Citizen Participation Plan there will be a 30-day public comment period. The City of Escondido must follow its adopted requirements in its current Citizen Participation Plan. The amount of HOME-ARP funding and recommended activities must be made available to the public. In addition, cities must hold at least one public hearing during the development of the HOME-ARP Allocation Plan and prior to submission.

This plan was available for the public review and comment period from February 16, to March 22, 2023 on the City's website at <https://www.escondido.org/housing-and-neighborhood-services> and the

Housing and Neighborhood Services Division's front counter at Escondido City Hall at 201 N. Broadway, Escondido. Additional information could be obtained by contacting Eric Bunge at 760-839-4562 or ebunge@escondido.org in the Housing and Neighborhood Services Division.

Dates and Details

- **Date of public notice: 2/16/2023**
- **Public comment period: 2/16/2023 – 3/22/2023**
- **Date of public hearing: 3/22/2023**

Public Participation Process:

Per HUD's Notice, jurisdictions must provide residents with reasonable notice and an opportunity to comment on the proposed HOME-ARP Allocation Plan of no less than 15 calendar days. The City decided to hold a 30-day public comment period in accordance with the City's Citizen Participation Plan. A public notice was released in both English and Spanish in the Escondido Times-Advocate on February 16, 2023 notifying the community of the amount of HOME-ARP funds received, the activities the City plans to implement, the date, time and location of the public hearing, where to access the draft and how to submit comments, and procedures to request translation services and accommodations. The plan was accessible on the city's website, Housing & Neighborhood Services' front counter at City Hall and at City Hall and by mail if requested.

All comments received during the review and comment period are summarized in this below. No comments were rejected.

1. One Public Comment was received via email on March 13, 2023 recommended that the \$1.5M in HOME-ARP funding to be used to purchase and rehabilitate two single family homes for 6-8 residents in a 24-month transitional housing program. The resident identified a specific nonprofit, The Alabaster Jar Project. The resident recommended \$562,839 for supportive services to the Alabaster Jar and other local nonprofits and \$200,000 used for the City's administration and planning.
2. Staff facilitated a community meeting on March 20, 2023 with over 20 local service providers who participated in the focus group held on October 18, 2022 and shared the plan. Staff solicited their feedback on the proposed plan through the use of a survey. Overall, most service providers were in alignment with the plan and the proposed activities. Staff garnered input about the housing navigator position and how that person would interact collaboratively with the service providers.
3. Alabaster Jar, a local service provider, spoke at the public hearing in support for more beds for persons fleeing human trafficking.
4. A community member spoke at the public hearing requesting support for human trafficking resources for transitional housing and supportive services.

Housing and Homelessness Needs Assessment

Homeless Needs Inventory and Gap Analysis

Emergency Shelter (homelessness and domestic violence)

The 2022 Point-in-Time Count had 499 individuals experiencing homelessness (264 sheltered and 182 unsheltered). There is one emergency shelter for adults experiencing homelessness (male, female and transgender) with 49 beds and one domestic violence emergency shelter with 40 beds (women and families) within the City of Escondido. The total bed availability between the two program is 89 beds and both agencies take referrals countywide. There are several motel voucher programs being funded using ESG-CV and County dollars to temporary house transitional-age youth, individuals and families using ESG-CV and County funds, but these funding sources are time-limited and many have been exhausted.

It is important to note that the Point-in-Time Count is a snapshot of the minimum number of people experiencing homelessness on a given night. When looking at other data sources such as 2-1-1 San Diego, the City received 803 callers from persons experiencing homelessness within the City of Escondido. The need is also reflected in the number of homeless students enrolled in the Escondido Union School District. The District reported 1,599 students enrolled from preschool to eighth grade were experiencing homelessness and qualified for McKinney-Vento Act resources in FY2021-22.

Survivors of domestic violence also have a high rate of falling into the homelessness as they attempt to flee their abusive partners. The Escondido Police Department responded to 588 calls for service in 2022 for domestic violence in the City of Escondido, but the City only has 40 emergency shelter beds to serve this population.

In looking at the City's current homelessness population (2,990) and existing inventory (89), we are potentially short 2,901 in emergency shelter beds to meet the current needs in Escondido.

The City of Escondido did receive a one-time grant of \$736,066.68 from the County of San Diego to help Interfaith Community Services open a 10-16-person emergency shelter for families in late spring 2023. Interfaith Community Services is also opening a 106-bed recuperative care facility in late spring 2023, but all participants must have a medical or mental health need that requires stabilization and referrals must come from the hospitals, VA or health insurance.

Permanent Supportive Housing (PSH)

The City has 263 permanent supportive housing units that serve individuals with serious mental illness, older adults, Veterans and families that are Child Welfare-involved. Permanent supportive housing is an intervention that combines affordable housing assistance with voluntary support services to address the needs of person who are chronically homeless. Using different funding streams like HOME and Successor Housing Agency, the City has helped partially fund numerous programs.

The Regional Task Force on Homelessness' Community Action Plan to end homeless shows that North County needs to develop and additional 719 PSH units. The City is already taking actions toward

addressing this shortage and will help fund a new affordable housing complex called Valley Seniors Village for seniors 62+. The project will have 49 studio units of which 24 units will be reserved for people who are at-risk or experiencing homelessness with mental illness. Individuals will be matched through a regional homeless database and prioritized based on their needs like length of homelessness, disabling conditions, and other risk factors. The other 25 traditional affordable housing units will have a waitlist for seniors who are considered extremely low, very low and low income. The waitlist will be managed by a third-party company. The property is expected to be leased up by December 2023. The City used four million dollars out of its Successor Housing Agency Program.

Housing Needs Inventory and Gap Analysis

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Number of Rental Units – All Types	22,990		
Total Number of Affordable Rental Units	1,642		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	48		
Rental Units Affordable to HH at 50% AMI (Other Populations)	244		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		6,265	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		5,030	
Current Gaps			11,003

According to the most recent HUD’s Comprehensive Housing Affordability Strategy (CHAS) data, the City of Escondido has a total of 47,100 households. This is split between 24,110 ownership units and 22,990 rental units. Of the 22,990 rental units, 32% (7,250) have a household income that is less than 30% AMI (at-risk qualifying population) and 24% (5,415) have a household income between 30-50% AMI (other qualifying population). In terms of the other population, 93% (5,030 of the 5,415) of the households have an at least one housing problem. In terms of the at-risk population, 86% (6,265) have at least one housing problem and a majority of those are severely cost burdened meaning they are paying more than half of their income toward housing related costs. A housing problem can be one of four issues: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%.

There are other types of affordable units within Escondido, but the City has directly funded the development of approximately 1,200 units that are deed restricted affordable. HUD sets the allowable income levels rent level for these types of units which means that the eligible households are paying no more than 30% of income toward housing costs. Thus, elevating cost burdened issue and other housing related problems. Of the 1,200 units, the City has only 24% (292 units of its housing inventory) are restricted to households 0-50% AMI. This figure can be further broken down to 4% (48 units) are restricted to household at 30% AMI.

Since the City only has only 292 units have restrictive covenants that cater to the lower income, non-homeless populations the City believes that there is a gap of 11,003 units (11,295 minus 292) to meet the needs of the households that earn less than 50% AMI and create more housing stability for those populations. Households with a housing problem are considered most vulnerable and only those 11,295 units were taken into consideration for this calculation.

Qualifying Populations Sizes and Demographic Compositions

Qualified Populations Overview

City staff requested data from San Diego County 2-1-1 which was able to compile Escondido-specific reports on households experiencing homelessness, at risk of homelessness, domestic violence survivors, and veterans. Additional information on homelessness and low-income residents was collected from the 2022 Point-in-Time Count in Escondido, County of San Diego Housing Choice Voucher data and HUD's Comprehensive Housing Affordability Strategy (CHAS) Report.

Qualified Populations by Category

HUD has identified the following populations as eligible to receive HOME-ARP funding benefits:

1. ***People Experiencing Homelessness (as defined in 24 CFR 91.5)***

The City of Escondido's 2022 Point-in-Time Count showed 499 individuals experiencing homelessness (both sheltered and unsheltered). The data captured from the count reflects the minimum number of individuals experiencing homelessness on a single night in the Escondido. The City took a wider lens and requested data from 2-1-1 on callers living in the City of Escondido who were experiencing homelessness. The report captures client's demographics, referrals, needs social determinants of health and geographic location. Out of the 9,315 unduplicated clients calling from the city, 23% or 2,128 callers identified being at-risk of homelessness and or experiencing homelessness.

Out of those 803 callers who reported experiencing homelessness, 77% were a single household earning less than 30% of the AMI and the rest had at least one child. The gender

was split, but was slightly higher for females (54%) than males (46%). Eighty two percent of the population were between the ages of 20 -59, while 17% were over the of 60 and 1% under 20. The racial and ethnic profile reported was 47% White, 26% Hispanic/Latino,12% Black, 5% Asian, and the rest are bi-racial or other. Data showed half had a high school degree with 34% reporting they had some college or a post-bachelor's degree and 16% had less than a high school education. Most individuals were unemployed (64%), had a part-time time job (17%), disabled and unable to work (14%) or retired (5%). Most callers were seeking resources on housing, income support and employment, nutrition and mental health and substance use disorder treatment. Sixty-four percent of the callers were unsheltered and 36% reported having some form of temporary shelter.

2. *At Risk of Homelessness (as defined in 24 CFR 91.5)*

The 2-1-1 San Diego Client Profile Report logged 1,325 client calls from people at-risk of homelessness living in Escondido during the calendar year 2022. The data was split on between single and households with at least one child under the age of 18. The majority of callers were women (72%) ranging from 30-59 in age and the rest were men. The racial and ethnic profile reported was 42% White, 34% Hispanic/Latino,12% Black, 5% Asian, 7% bi-racial or other. Eighty-five percent of households earned less than 30% AMI, 12% earned between 31-50% AMI and the rest were under 80% AMI. Data showed that close to 40% had a school degree, 36% reported they had some college or a post-bachelor's degree and the rest had less than a high school education. Most individuals were either unemployed (41%), employed either full-time/part-time (36%) disabled and unable to work (16%) or retired (7%). The greatest need identified by callers was housing, rent payment or security deposit assistance. Other concerns were shared by seniors who were being priced out of the Escondido market and families who faced employment issues due to lack of childcare services.

3. *Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking (as defined by HUD in the Notice)*

The 2-1-1 San Diego Client Profile Report had 115 clients who reported experiencing domestic violence living in Escondido in 2022. The Escondido Police Department responded to 588 calls for service during that same time period related to domestic violence. Ninety-two percent of all callers identified as women, of which 42% identified as Hispanic, 34% as White, 7% as Black, 7% as Asian, the rest were bi-racial or other. The majority of callers (98%) ranged from 20 – 59 years old and the rest were over 60 or under 20. Sixty four percent of the callers were a 1-2 persons households and the rest had at least 3 people. Almost all of the callers (92%) reported their income was less than 30% AMI and the rest where in the 31-50% AMI range. Smaller subpopulations captured in this data were fathers with children in need of shelter and large family sizes and households unable to stay at their residence because their abuser was the primary breadwinner. The greatest needs reported were housing, mental health and substance use treatment and legal services. The San Diego region

is in the top 10 in the United States with the highest rate of commercial exploitation of minors.

4. *Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability (as defined by HUD in the Notice)*

Greatest risk of housing instability

The County of San Diego Housing Choice Voucher Rental List, as of February 2023, 875 households in Escondido were assisted with a voucher. More than three fourths of the voucher recipients were administered to extremely low-income seniors or persons with disabilities. Seventeen percent were given to small families (1-4 people) and the five percent to large families (5+ people).

This program is administered by County of San Diego's Housing Authority and the number of vouchers issued decreased by 10% in 2022 from 981 vouchers to 875 in 2023 while the waitlist increased by 21% to 3,850 households in 2023.

According to the data captured from HUD's Comprehensive Housing Affordability Strategy (CHAS), the City of Escondido has a total of 47,100 households, which includes ownership and rental units, 9,350 (19.8%) have an income at of less than 30% AMI and are the greatest population at-risk of housing instability. Over forty percent of 0-30% AMI households have at least one housing problem (such as an incomplete kitchen facility or plumbing issues, overcrowding with more than one person in a room), and 60% of renters are cost burden paying more than 30% of their income to housing costs.

Veterans

2-1-1 San Diego logged 275 Veteran callers living in the city of Escondido during the calendar year of 2022. Most individuals were male (74%) living in a one to two-person households with no children and the rest were female. Sixty-four percent of callers were over the age of 50 with the rest being under 49. Fifty three percent of the Veterans were White, 23% Black, 13% Latino, 7% Asian and the rest were other. Most clients (73%) earned a median household income of less than 30% AMI and called for resources related to housing, nutrition/food and utility assistance. Veterans experiencing homelessness made up less than 7% of all total callers. Some Veteran group reported barriers with transportation, home health and case management. Additionally, dishonorably discharged Veterans and their families were not eligible to qualify for military services due to their discharge status.

[Additional Research Determining the Level of Need and Inventory Gaps](#)

In addition to the community outreach, this allocation plan was compiled using data from a variety of sources to gather a very comprehensive outlook of the City's current housing and population make up. This included data pulled from:

- 211 Client Profile Report for Escondido
- Regional Task Force on Homelessness (RTFH) Regional Community Action Plan
- HUD "CHAS" (Comprehensive Housing Affordability Strategy) data for Escondido
- 2022 California Housing Partnership Report
- California Homeless Housing Needs Assessment
- Continuum of Care Housing Inventory Count
- Local and regional Point in Time Count reports
- Domestic Violence Counts Report and Shelter Stats
- San Diego County's HOME ARP plan
- Housing Affordability Interactive Dashboard for San Diego County
- City's Housing Element and fair market housing real estate report
- ALL IN: The Federal Strategic Plan to Prevent and End Homelessness December 2022
- California's Roadmap Home 2023 plan
- Escondido Police Department 2022 call logs
- South California rental Housing Association's 2022 San Diego Region vacancy survey

The City combined this data, gathered from the sources listed above, with its own housing inventory research and compared affordable housing versus fair market housing, categorized the types of units, bedroom sizes and pinpointed the number of units at specific AMI thresholds at 0-30%, 50%, 60%, and 80% AMI. Through analysis, two key areas were identified that supported the feedback that was received from the community.

1. Housing:

- **Need for Affordable Rental Units at 0-30% AMI**

The inventory assessment revealed that only 4% percent (48 units) of the nearly 1,200-deed restricted affordable units within the City cater to households at 0-30% AMI. The City's RHNA numbers further exploited this shortage saying that there is a need for at least an additional 1,864 very low income units. This is not just a City issue, there is a shortage of these type of units all across the state. According to the CA Homeless Housing Needs Assessment, we need for 1,000,000 units statewide for people at 0-30% AMI to help address and solve the homeless crisis. Honing in on North County, the Regional Task Force needs assessment identified that this region needs 798 units low income housing units to serve homeless households.

2. Supportive Services:

- The growing demand for housing coupled with labor and supply shortages have continued to push housing costs beyond the reach of the lowest income households. According to a 2022 survey conducted by the Southern California Rental Association, the average rent for a 2 bedroom is \$2,105 in Southern California which is an increase from \$1,225 in 2020. The high increase in rental unit along with historically low vacancy rate and low waitlists have led to a more competitive housing market which has hindered individuals and families trying to exit homelessness.

Support services such as deposits, application fees, rental assistance along with the housing placement support in this current housing market is critical to help low income households be more competitive. Navigating this housing market and various community resources can be difficult, so having a trained staff member who is knowledgeable of the City's housing inventory, ADUs, naturally occurring rentals, possesses strong landlord relationships and is familiar with local resources will help reduce the barriers it takes for low income households to find permanent housing.

- In general, the City has a total of 22,990 rental households at all income levels. Of those, 59.6% (13,719 households at all levels) are cost burdened paying 30% or more of their take home income toward housing costs. Of those, 52% (7,249 of the 13,719 household) are severely cost burdened paying more that 50% of their income toward housing costs. This leads to often choosing between paying for housing, nutritious food, reliable transportation or healthcare needs.

Paying too much for rental does not allow households to save which inhibits their ability to move upward and open up affordable units for the next level. This also inhibits their able to have extra income to complete necessary repairs to their home causing families to live in unsafe conditions. Supportive serves like rental and utilities assistance, vouchers, home repair can help to ease the burden for low income families.

A lack of ample savings can also lead to a higher risk of losing their homes. Current inflation hikes and other economics factors have left an already struggling population who is the most housing instable. Without the intervention of financial assistance through support service, households could ultimately face evictions. Nearly a million households are evicted annually according the 2022 ALL IN: Federal Strategic Plan to Prevent and End Homelessness and 30% of those are California households.

The development of new affordable units will help alleviate the pressures described above but this can take years to complete. In the meantime, the data aligns with the feedback from the community that a conscious effort needs to focus on helping place people into housing and aligning funding to keep people housed.

HOME-ARP Activities Allocation Determination

Project Solicitation and Selection

The City will be selecting a HOME-ARP rental project through a Notice of Funding Availability (NOFA) or Request for Proposal (RFP) process. City staff will solicit bids from eligible developers who are capable of carrying out the development of affordable housing. All project proposals will be evaluated based upon financial capacity, adherence to the HOME-ARP guidelines, and alignment with the needs outlined in this plan. Bonus scores will be given to applicants who align closest with the City’s qualified population. Preference information is listed below. The HOME-ARP funding is meant to be gap financing to subsidized the development of the HOME-ARP units and projects are encouraged to use other capital to fund the development of the structure. The City’s involvement with this activity will be limited to program planning, administration and monitoring.

The City will directly administer the supportive services activity through the hiring of a Housing Navigator position. This person will serve on staff and help all qualified populations connect to community resources, locate and retain affordable housing. This person will have access to discretionary, flex funds to help people with their housing needs.

No administrative funds have been contracted to a subrecipient prior to HUD’s acceptance of the HOME-ARP allocation plan. After acceptance of the plan and receipt of funding, a portion of the administration budget may be used for the hiring of consultants to assist with the project selection process.

No funding is being planned for non-profit operating assistance and capacity building even though there is a statutory limit of up to 5% for each.

HOME-ARP Funding Distribution Table

The proposed breakdown is as follows:

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 423,414		
Acquisition and Development of Non-Congregate Shelters	\$ 0		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 1,500,000		
Non-Profit Operating	\$ 0	0 %	5%
Non-Profit Capacity Building	\$ 0	0 %	5%
Administration and Planning	\$ 339,425	15%	15%
Total HOME ARP Allocation	\$ 2,262,839		

Fund Distribution in Accordance With Priority Needs

Based on the feedback received and data collected, City staff is recommending that the HOME-ARP grant is used to create affordable units and supportive services.

Since there is a dearth of affordable housing at 0-30% in the City's deed restricted inventory and the need was echoed during our consultations, City staff is recommending we use \$1,500,000 of the HOME-ARP grant for the purposes of creating 15 affordable rental housing units for extremely low-income (0-30% AMI) households with a preference for those experiencing homelessness. The need for affordable housing not only affects the qualified populations, but also adding additional units will have an economic trickledown effect helping the city as a whole and alleviating constraints on the current shelter and service systems. The development of new affordable units is also in alignment with the City's Consolidated Plan, City's Housing Element, State housing production goals, County's HOME-ARP allocation, California's Roadmap Home 2030 plan and the federal All-In and Housing Supply Action Plans.

In addition, the City recommends that \$423,414 fund supportive services with an emphasis on placing people into housing, landlord incentives and helping people remain housed. The supportive services will adhere to the eligible uses as defined in CPD Notice: Requirements for the Use of Funds in the HOME-American Rescue Plan Program. Depending on the level of assistance needed, this amount could help house at least another 60 households as part of this initiative. These funds will be flexible in nature and can be individually tailored to effectively meet the need(s) of that household.

The remaining \$339,425, not to exceed the 15% statutory administration limit, is recommended to be used to hire a Housing Navigator to assist with program design, coordinating and implementing the supportive services, administering the funding and facilitating compliance. This position would be termed and structured to assist Escondido residents. Both of these determinations were in response to the community's feedback stressing the need for landlord relations, rental and financial assistance, case management to keep people on the right track toward independence, high deposit requirements, help finding the appropriate unit and coaching to help mobilize people upward. This is also in alignment with the HCD's HOME-ARP allocation with at least 65% of their support services funding going toward financial assistance and services that will help these populations access, enter, and maintain secure housing in affordable housing units.

A wide variety of needs were identified through the outreach efforts to help prevent and end homelessness. The City has heard the need for additional services and understands the urgency to address issues so it is gearing up to allocate \$1.6 million through CDBG-CV in other funding above and beyond HOME-ARP to address the short term needs for rental assistance. All together this would be a localized flexible housing fund to effectively coordinate rental subsidies and housing placements and to provide support for tenants and landlords. This is in alignment with the 2022 ALL IN Federal plan that suggests that, "universal strategies should be broadly aimed at reducing the risk of housing instability and homelessness "upstream" and before an individual requires assistance from the homelessness response system." In addition, the City will look to leverage other City grant funding to build more units,

regional funding to house more people and identify other funding sources that can provide supportive services to continue to serve those in need.

The City carefully cross referenced the quantitative data with the qualitative feedback gathered from the community to derive to these conclusions. Funding both rental housing and supportive services was a holistic approach that was geared to balance addressing short term needs with building long term infrastructure.

HOME-ARP Production Housing Goals

The City expects to produce at least 15 permanent affordable rental housing units with the HOME-ARP allocation. Other funding sources will be required by the developer since the \$1.5M HOME-ARP rental housing allocation is intended to provide gap financing for the designated HOME-ARP units. This can include, but is not limited to, Low-income Tax Credits programs, project-based vouchers, the County of San Diego program's No Place Like Home, ARPA, Housing trust funds, etc. The 15 HOME-ARP units will be capped at 30% of the household's income to protect households from being cost burdened. The City is looking to leverage other grant funds with the goal of developing another 25 units resulting in a total of 40 new units.

Preferences

In accordance with the HOME-ARP Notice, the City must identify whether it intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

- Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a).
- The City is not required to describe specific projects to which the preferences will apply.

Rental Housing

For the HOME-ARP assisted rental units, a preference will be given to individuals and families experiencing homelessness and are Escondido residents. All qualifying populations are encouraged to apply for the project specific waiting list, but households who are experiencing homeless will be given priority and first access. The data shows that there are gaps in the City's housing inventory, community conveyed there is not enough ample services catering to this specified population leading it to be the most vulnerable, and statistically these individuals are facing the highest barrier to continued housing. Preferences will not be applied to any specific subpopulations.

Supportive Services

No preferences will be placed on receiving assistance from the Housing Navigator or supportive services funding. These resources can be accessed by all of the qualified populations. These services will be prioritized to serve residents of Escondido and can be utilized by HOME-ARP rental tenants.

Refinancing Guidelines

The City does not intend to use HOME-ARP funds to refinance existing debt.