



Fifth Program Year CAPER

The CPMP Fifth Consolidated Annual Performance and Evaluation Report (CAPER) includes Narrative Responses to CAPER questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations.

The grantee must submit an updated Financial Summary Report (PR26).

GENERAL

Executive Summary

Provide a brief overview that includes major initiatives and highlights that were proposed and executed throughout Program Year 2009 (2009-2010). Include a summary of major initiatives during 2005-2010 Consolidated Plan period.

Response: The City of Oceanside used its allocation of Community Development Block Grant, HOME Investment Partnership and American Recovery and Reinvestment Act (ARRA) Program funds during Program Year 2009 to address issues affecting low- and moderate-income individuals, families and neighborhoods in the City with programs and activities that reflect the National Objectives for Community Planning and Development. Either directly or through partner nonprofit social service agencies the City provided services to youth and seniors, neglected and abused children, battered spouses, homeless families and persons with special needs.

Some of the more significant accomplishments during the year were:

- Completion of acquisition and rehabilitation of the 144-unit Shadow Way Apartments to preserve these as decent, safe and affordable housing for low- and very low-income families.
- Acquisition and rehabilitation of four vacant homes for use as rental housing for very low-income families that have graduated from transitional housing programs in partnership with the Fuller Center for Housing and North County Solutions for Change.
- Participation by the City in the North San Diego County Alliance for Regional Solutions for winter shelter programs for a second year; all cities and agencies serving homeless persons and families cooperated in the funding and management of four emergency winter shelters.
- Opening of the City's Homelessness Prevention and Rapid Re-Housing Program (HPRP) with an emphasis on keeping families in their homes and children in their schools.
- Another successful one-day neighborhood improvement project that brought 900 volunteers into the low- and moderate-income Eastside neighborhood to paint homes, remove trash and debris, and improve the overall appearance of the area.
- Approval of the Neighborhood Revitalization Strategy Area plan for the Crown Heights and a portion of the Eastside neighborhoods; some objectives of the plan have already been completed and some of the strategies underway.
- Expansion of after school and summer programs serving older children and youth that promote positive personal development and prevent involvement in youth gangs, truancy or delinquent behavior.
- Significant reduction in the incidence of graffiti by rapid eradication of graffiti and the arrest of taggers based on evidence gathered through the *Graffiti Tracker* program.

General Questions

1. Assessment of the one-year goals and objectives:
 - a. Describe the accomplishments in attaining the goals and objectives for the reporting period.

RESPONSE: Detail on accomplishments, outcomes and performance measurements during Program Year (PY) 2009 for Consolidated Plan/Action Plan objectives are provided in IDIS reports PR02 Activity Summary Report and PR06 Summary of Consolidated Plan Projects, and in Part 2 of the CAPER.

- b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.

RESPONSE: Detail on the allocation of funds to Consolidated Plan/Action Plan Objectives during PY 2009 and reports on specific activities funded through the CDBG and HOME programs are shown in IDIS report PR02 Activity Summary Report and PR06 Summary of Consolidated Plan Projects, and in Part 2 of the CAPER.

- c. If applicable, explain why progress was not made towards meeting the goals and objectives.

RESPONSE: The City of Oceanside, California, continues to make steady progress toward its community development goals and objectives, particularly toward enhancing a suitable living environment for low- and moderate-income residents through improved accessibility and sustainability. Progress toward decent housing, especially with regard to accessibility and affordability, has been severely impacted by the nation-wide housing market and the consequent rapid increase in the number of foreclosures and greater restrictions on the availability of credit. The decline in the overall housing market has also resulted in limited funding for any new construction, so that no new multi-family housing began construction during PY 2009 in Oceanside. Many new homeowner families are returning to being renters due to foreclosures resulting from the economic recession and increase in unemployment. The City worked with the nonprofit Wakeland Housing Corporation in PY 2007 for the acquisition and rehabilitation of the 90-unit Country Club Apartments to preserve these as affordable units; rehabilitation of the units was completed in PY 2008 with a grand opening in early PY 2009. The City worked with Wasatch Advantage in PY 2009 to complete a similar acquisition and rehabilitation of the 144-unit Shadow Way Apartments to preserve these as rental units for low- and very low-income families.

Economic opportunity in the City has remained stagnant with the general economic downturn in the nation and throughout southern California, especially with regard to construction and financial services. Funding from the American Recovery and Reinvestment Act (ARRA) of 2009 has provided significant funding for construction projects at local military installations, which will be a major boost for both large and small firms in the area. Continuing fluctuations in energy costs has been another factor limiting consumer spending with a consequent downturn in retail employment. There is an increase in some jobs being created in the City as commercial enterprises, especially distribution centers, take advantage of remaining open space for large facilities. Accessibility to economic opportunity remains hampered for many residents due to limited education and/or limited vocational skills. The City Economic development Department anticipates a steady increase in tourism-related employment when the current recession ebbs, although many of these jobs will be

lower-income service sector jobs. Recent reports show that the majority of new jobs being created in the State of California are either for the very low end of the wage scale or the very high end; moderate-income families are facing increased economic demands without consequent increases in income.

Military and defense-related spending is a significant portion of the San Diego region economy, which offers significant opportunities for employment but which also demands education, technical skills and language skills that many new residents lack. Some local industries such as the operators of the San Onofre Nuclear Generating Station have recognized the challenge of an aging workforce; the City will support efforts of these industries to reach out to youth and younger workers to train them as the next generation of workers.

While crime rates continue to drop, the presence and criminal activity of youth gangs in low- and moderate-income neighborhoods remains a concern. The City recognizes that dealing with gang-related violence and drug activity are long-term regional issues, and the City is committed to addressing these issues in partnership with law enforcement, social service and educational agencies. The shooting death of an Oceanside police officer in December 2006 galvanized City officials and community organizations to develop more programs of positive youth development and to address gang-related violence with both suppression and prevention programs. In PY 2008 and 2009, the City emphasized ways to bring various community and neighborhood organizations together for comprehensive approaches to neighborhood crime problems. The City formed the Oceanside Community Safety Partnership (OCSP) to take the lead in coordination of gang-prevention programs and activities. All CDBG-funded youth-serving programs are encouraged to make "positive youth development" a central emphasis of their programs; this will be an evaluation factor for future allocations of funding. The City obtained a \$400,000 grant in PY 2008 for activities of the OCSP and its partner agencies. The Oceanside Police Department (OPD) also received State Gang Resistance and Intervention Program (GRIP) funding in PY 2008 for a program to reduce truancy. OPD, the Oceanside Community Safety Partnership and partner nonprofit agencies work closely together for all gang prevention programs.

Although Oceanside has a relatively high rate of sales tax return in comparison with neighboring cities, the amount per capita is less than those same cities due to a lack of major commercial enterprises. The current economic recession reduced sales tax revenue to the City resulting in a \$2.5 million shortfall for PY 2009. As with all local governments in California the City will be severely impacted in PY 2009 and subsequent years by the action of the State Legislature to balance the State budget by deferring payment of property taxes to local governments; this means an additional \$5-\$7 million reduction in to the City General Fund. Priority in the General Fund budget is given to public safety and infrastructure improvements, which leaves little room to reduce expenditures. The City is often dependent upon state bond funds and outside sources for development of park and recreational facilities. CDBG funds have proven valuable for renovation of community facilities in low- and moderate-income neighborhoods.

2. Describe the manner in which the recipient would change its program as a result of its experiences.

RESPONSE: The City did not make any major changes for management of CPD funds in PY 2009.

The City adopted one administrative change for the final two years of the 2005-2010 Consolidated Plan, and that was to connect the annual CDBG budget with the City's two-year budget cycle. Subrecipients that were awarded CDBG public services funds for PY 2008 had these grants renewed for PY 2009, conditional upon satisfactory completion of objectives and contract requirements. Due to the fiscal crisis in the State of California and the difficulty of projecting revenue and expenditures, the City returned to a single-year budget cycle for PY 2010.

The City has applied for grant funds for the construction of a new community center in the Eastside neighborhood; this is a component of the NRSA Plan. If the grant funds are awarded by the State of California, the matching funds will come through a Section 108 Loan Guarantee for which the City has applied. Payments on this loan in addition to an existing Section 108 loan will severely restrict the City's CDBG budget, especially with regard to public services. No action will be taken on applications for PY 2011 CDBG public services or capital project applications until the City learns whether or not the grant funds will be awarded. If grant funds are awarded and the Section 108 loan approved for the project, the City Council will be asked to establish priorities for use of CDBG funds.

With renewed emphasis from HUD on the Section 3, Fair Housing and Labor Relations requirements and reporting, City staff will pay close attention to ensure that the City is abiding by the regulations and submitting required reporting on activities in a timely manner, especially for use of ARRA funds. CDBG funding in the next two program years other than for public services or administration will focus on projects that increase access to services for low- and moderate-income residents, and economic development activities that provide job-training opportunities in vocations that lead to living-wage jobs. The objectives and strategies of the Crown Heights / Eastside Neighborhood Revitalization Strategy Area (NRSA) Plan will be a primary focus, including additional programming through the NRSA community resource centers. The approval of a new Analysis of Impediments to Fair Housing for 2010-2015 will compel the City to action in updating the City Zoning Ordinance.

3. Affirmatively Furthering Fair Housing:
 - a. Provide a summary of impediments to fair housing choice.

RESPONSE: The City collaborated with the County of San Diego and other cities on a regional *2005-2010 Analysis of Impediments to Fair Housing (AI)*, which was completed and distributed to cities in February 2005. The AI document was placed on the City's website for referral by residents. Demographic information suggests that minority populations do not have equal access to housing opportunities throughout the City. The latest estimates (2009) show that Oceanside is now a "no majority population" city, with non-Hispanic whites comprising 48 percent of the total population. Minority populations comprise more than 51% of the population in six census tracts in Oceanside; in three of the six census tracts, 51% or more of the households are considered low-income. (See the appendices for more detailed information.)

Recommendations in the 2004 AI for the City of Oceanside are as follows:

Impediments: Various land use policies, zoning provisions, and development regulations may affect the range of housing choice available. These include:

- *The Oceanside Zoning Ordinance includes a definition of "family" that could impede fair housing choice.*

- *The Oceanside Zoning Ordinance does not include a density bonus ordinance consistent with state law.*
- *Oceanside has not established procedures for obtaining reasonable accommodation pursuant to ADA.*
- *Oceanside conditionally permits emergency shelters but does not meet legal requirements to permit emergency shelters by right.*

Recommendation: The City should consider amending its policies and regulations to address the various potential impediments identified. As part of the upcoming Housing Element update, the City will be required to evaluate the above potential impediments, and mitigate if necessary and feasible, in order to comply with the State Housing Element law regard mitigating constraints to housing development, addressing housing needs of special needs population and providing for a variety of housing for all income groups.

The draft 2010-2015 AI repeats these impediments to Fair Housing; the 2010-2015 Consolidated Plan will include the impediments and recommended actions as part of a local Fair Housing Action Plan once the AI has been accepted by the City Council.

- b. Identify actions taken to overcome effects of impediments identified.

RESPONSE: The impediments and recommendations in the 2005-2010 Analysis of Impediments (AI) were taken into consideration during the development of the 2005-2010 Housing Element, which was approved by the State Housing and Community Development Department in 2009. The Neighborhood Services Department – Housing Division has been working with the Planning Division for modifications of the City Zoning Ordinance to bring the ordinance into compliance with state and federal regulations. When the City Council approves the 2010-2015 AI, the Planning Division will move forward on changes to the Zoning Ordinance, which in turn must be approved by the City Council. The Planning Division has no timeline for bringing the recommendations forward to Council.

The City contracted with North County Lifeline to provide fair housing services in PY 2008 and 2009, and investigated 61 complaints from Oceanside residents in PY 2009. Lifeline made appropriate fair housing referrals in 12 of the complaints and provided in-house counseling in 40 cases; six complaints went to conciliation and four remain open. Twenty-five cases had to do with tenant/landlord issues; these were screened for in-place tenant discrimination and then referred to other resources. A summary of fair housing activity in Oceanside during the year is included in the appendices. North County Lifeline is located in Vista; residents can file complaints or request information either in person or over the telephone. A Housing Program Manager in the Neighborhood Services Department – Housing Division is assigned to fair housing programs.

Lifeline staff conducted training during PY 2009 for all Housing Division staff persons regarding discrimination in housing and the responsibilities of property owners under federal and state fair housing laws. This training placed a special emphasis on reasonable accommodation. Lifeline staff also provided information and assistance to property managers and owners about fair housing, stressing that actions that impede fair housing choice may result in large damage claims and that such actions are bad business practices in that they limit the market of available tenants. Information about fair housing is available in English and Spanish at the City Housing Division offices and at neighborhood resource centers.

The City recognizes the limited amount of fully-accessible housing that is available to persons with disabilities, whether the person is dealing with physical, mental or emotional disabilities. The City also recognizes this as a regional issue, and cooperates with local agencies located in other cities that provide services for Oceanside residents, and supporting Oceanside agencies that provide services for persons from throughout the County. The City has used CDBG and local funds to eliminate barriers by installing ramps at intersections, providing ADA-compliant signage at City facilities and offering programs at recreation centers that serve persons with disabilities. The latest example is the San Luis Rey River Recreational Trail designed to go from the Oceanside Harbor east to the City limits and beyond. This trail is fully accessible and provides outdoor recreational opportunities for all residents of the City. The City will continue to identify ways by which it can offer reasonable accommodation for all persons with disabilities. City staff monitor for Section 504 compliance at all facilities offering programs or services funded in whole or in part with CDBG funds. When monitoring indicates necessary changes to the facility, the City has worked with the agency to complete modifications, as with the installation of automatic door switches at the Oceanside Boys and Girls Club.

The City conducted or supported homebuyer classes for applicants for the City's First-time Homebuyer Program. This class stressed that potential purchasers should be aware of discriminatory practices and contact the City of Oceanside's Fair Housing Officer should they have suspicions of any Fair Housing Choice violations that would deny them the ability to purchase a home in the neighborhood of their choice.

The City of Oceanside requires all developers to sign a Voluntary Affirmative Marketing Agreement (VAMA) with the Building Industry Association of San Diego County. The VAMA program requires developers to conduct business in a nondiscriminatory manner in the sale or rental of housing units.

The City of Oceanside is a member of the San Diego County Fair Housing Resource Board (FHRB). Neighborhood Services Department staff attend monthly meeting of this organization, which includes fair housing non-profits, member cities, and interested citizens seeking to further the cause and objectives of fair housing opportunity. In PY 2008 the FHRB contracted for the preparation of a new five-year Analysis of Impediments; the City actively participated in development of the 2010-2015 Analysis of Impediments. The AI was presented to the Board for adoption in PY 2009 and will go to City Councils for approval in early PY 2010.

The City of Oceanside administers three neighborhood resource centers in low- and moderate-income neighborhoods. All centers provide fair housing literature and act as referral stations for fair housing problems. Information in English and Spanish on fair housing laws is available in the lobby of the Neighborhood Services Department offices. The City Council adopts a resolution in April each year recognizing Fair Housing Month that calls on all citizens to support fair housing for all residents.

4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.

RESPONSE: Collaboration for enhanced services is a major theme in the City's Consolidated Plan and annual Action Plans. The City promotes collaboration and partnerships among the nonprofit service providers through biannual meetings under four headings: youth programs, senior services, homeless and emergency services, and volunteer coordinators. These meetings have been instrumental in sharing resources and developing common outreach activities. The City has encouraged nonprofit service providers to develop marketing and public information programs as a means to garner

support in the community, including volunteers, in-kind donations, and financial contributions. The Neighborhood Services Department works to link individuals and organizations (service clubs, faith-based groups, etc.) that want to volunteer for projects with volunteer coordinators at various social service agencies. This linkage of projects and volunteer resources has been at minor cost in staff time to the City but has produced major savings to agencies. The City promotes development of long-term relationships between agencies and groups providing volunteers. The biannual meeting of volunteer coordinators ensures that the City makes appropriate referrals of volunteers to agencies and organizations in the community.

The City recognizes that education is primary for persons to become positive members of society and to succeed in life; limited academic achievement and early dropout from school is a common factor in teen pregnancy, involvement in youth gangs and limited job opportunities. The City thus actively supports programs of the Oceanside and Vista Unified School Districts, which together serve the majority of Oceanside students, in programs to ensure that all students graduate from high school. To this end, the City supports tutoring, literacy and mentoring programs, provides homework assistance through the Oceanside Public Library, and offers current computer technology for all residents at the Library. Budget cuts resulting from reductions in funding from the State of California forced the closure of the Community Computer Center; most of the computers were relocated to the Oceanside Public Library but with reduced staff support. Staff at the City community resource centers and from the City Parks and Recreation Division work with an initiative of the Oceanside School District aimed at helping students who have dropped out of high school return to an Academic Recovery Center to complete requirements for graduation. The program assists students to identify vocational goals and establish a plan to meet those goals.

The meetings of service providers for homeless and very low-income individuals and families were expanded in PY 2009 to include McKinney Vento staff persons from area school districts and from the San Diego County Office of Education. This partnership between local education agencies and social service providers emphasized keeping children in their school of origin and encouraging academic success. This joint effort was especially important as cities and partner agencies rolled out the Homelessness Prevention and Rapid Re-Housing Program during PY 2009.

The City actively supports and provides internship/summer job positions for a WorkForce Initiative Act program managed by Interfaith Community Services for at-risk youth. The success of this partnership led to development of a 2010 summer internship for twelve Oceanside High School youth at the Tri-City Medical Center.

5. Leveraging Resources

- a. Identify progress in obtaining "other" public and private resources to address needs.

RESPONSE: The City encourages local social service, health and other nonprofit agencies to explore ways to collaborate and partner in their programs and in grant applications, both to avoid unnecessary duplication of services and to increase the chances of winning grant awards. The City supports efforts by local agencies to obtain outside funding – public and private – for their programs by providing letters of support and Certificates of Consistency when appropriate. The City actively seeks funding from public and private grantmakers, especially in the area of park development, youth services, law enforcement and violence prevention. The City often provides in-kind support for non-City programs by offering space in resource or recreation centers and other City-owned facilities. The City participates in local and regional collaboratives aimed at sharing resources toward common objectives.

The City Council has provided funds from the City General Fund to some youth-serving organizations to supplement funds the organizations have been able to raise for successful programs directed at youth at risk for delinquency or gang activity. At the same time, the City encourages the recipient organizations to increase their local fund-raising activity and to develop long-range plans for facilities, programs and staffing. The economic recession has limited the ability of nonprofit agencies to raise funds from the local community resulting in cutbacks to staff and/or programs.

City staff in various departments have been active in seeking grants for special projects that are outside the General Fund budget, especially for recreation, law enforcement and neighborhood programs. Neighborhood Services Department staff regularly search for potential grants for referral to other departments, and provide assistance and technical support for City staff who write grant applications.

City staff at community resource centers in low-income neighborhoods work with resident associations to develop activities to benefit the neighborhoods, including clean-ups, community gardens, community fairs and other activities. The City has been able by working with neighborhood associations find ways to address local needs without significant expense to either the City or the residents.

The economic down turn and resultant rise in unemployment and under-employment has brought about a rise in volunteerism as formerly full-time employees seek ways to maintain existing or develop new skills, make connections and fill time with meaningful activity. Many organizations and businesses also seek opportunities for voluntary activity as a way of supporting the community in a time when it is difficult to make financial contributions. The City gets many requests from organizations or businesses seeking volunteer projects, but most of the requests are for short-term work projects such as painting or clean-ups while the greater need is for longer term commitments to volunteer activity in social service or community-based organizations. The Neighborhood Services Department works with volunteer coordinators at local agencies to match requests with needs, and tries to promote longer-term volunteer activity by individuals and "partnership volunteerism" of businesses, service clubs or faith-based organizations with social service agencies.

Staff members in the Neighborhood Services Department maintain e-mail distribution lists for sharing information about events and resources of interest to particular agencies as, for example, persons involved in youth-serving programs. These distribution lists are one more way to share resources and build partnerships.

- b. How Federal resources from HUD leveraged other public and private resources.

RESPONSE: The City uses HOME funds as partial funding for housing projects, both new construction and acquisition and rehabilitation, and never as the sole source. Homeownership activities use a combination of HOME funds and CalHOME funds from the State of California - Department of Housing and Community Development together with personal funds from purchaser and a primary mortgage from a commercial lending institution. Development of rental housing that will be affordable for very low-income families, whether new construction or acquisition and rehabilitation, uses funds from various sources including HOME, inclusionary housing fees, state bond funds, redevelopment housing "setaside" funds, tax credit financing and local bank investments.

CDBG public services subrecipients use allocations as matching funds for state or private grants, and to demonstrate the City's support of their program to potential donors or grantors. CDBG funds are never the single source of funding for a

particular program or agency, although the CDBG grant may be the only public grant received by a subrecipient. Subrecipients must be able to demonstrate to the City that they are able to provide outside funds for the CDBG-funded program; the City monitors subrecipients to ensure that CDBG funds are not used to supplant other funds or used for ineligible activities.

When providing funds for capital improvement projects, the City will allocate no more than fifty percent of the total project cost, thus requiring the subrecipient agency to make a significant effort to raise funds for the project. The ability of the agency to raise the additional funds for the project plus demonstrating resources for operation of the program related to a capital improvement project will support the allocation of federal funds to the project. When the allocation of CDBG funds for a capital project exceeds \$50,000, the City extends the funds as a forgivable loan over five or ten years, depending upon the amount of the loan. The subrecipient must report each year that the project so funded is used for CDBG-eligible activities.

- c. How matching requirements were satisfied.

RESPONSE: The City has provided matching funds for HOME-funded and other housing programs by allocation of local funds from the Redevelopment "housing set-aside" funds and the Inclusionary Housing in-lieu fees paid by developers of new housing projects. The City uses CalHOME funds in the City's homeownership program, thus using both local and state funds to match federal housing dollars. Form 4107 showing the City's match for HOME funds and overall HOME Program performance is included in the appendices

The City provides matching funds when required by other state or federal grants either through General Fund appropriations when a cash match is required, or through in-kind contribution of staff time and administrative support for the specific program. The City evaluates proposals to make sure that the potential benefits of a grant-funded program outweigh the matching fund requirements. The City can provide match requirements by leasing City-owned facilities to nonprofit agencies at no cost in return for services provided to the community. Examples of such leases are the YMCA Oz North Coast shelter for runaway and homeless youth, and space in community resource centers for afterschool programs managed by North County Lifeline.

Managing the Process

1. Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.

RESPONSE: The City Council approved the 2005-2010 Consolidated Plan for Housing and Community Development in May 2005 for submission to the HUD Los Angeles Field Office. The Consolidated Plan and accompanying 2005-06 Action Plan were approved after corrections and additional material were submitted to HUD, and have guided the City during subsequent program years. The City utilized the Consolidated Plan Management Process (CPMP) e-tool for the 2005-2010 Consolidated Plan; the City submitted Action Plans and CAPERs using the CPMP e-tool beginning in PY 2005 to ensure that submission requirements for the plans and reports were met. The City utilizes presentations to City citizen advisory commissions for suggestions and comments on annual Action Plans and CAPERs, including the Senior, Youth, Parks and Recreation, Community Relations, and Housing Commissions.

Housing Division staff prepare individual folders for each CDBG-funded activity and include all documentation for that activity in the folder. Staff review the folder upon signing of the contract, at monitoring and one month prior to the end of the program year to ensure that the activity is in full compliance and that all required documents and reports are in the folder. Public service activities are not closed in IDIS until the subrecipient has submitted all reports; new contracts with subrecipients are not approved if the subrecipient has outstanding reports or compliance violations.

City CDBG staff participate actively in quarterly meetings of CDBG coordinators from jurisdictions in San Diego and Imperial Counties; these meetings provide opportunity for sharing of information, updates on new requirements, and suggestions on ways to improve local performance. Senior CPD staff from the HUD – Los Angeles Field Office attend these meetings at least twice a year, and this provides opportunity for mini-training sessions and updates on proposed changes to CPD programs.

City CDBG staff attend training workshops whenever possible, including "Davis Bacon Compliance Training" in May 2005; "HUD Section 108 Loan Guarantee Program" training course in May, 2006; "CPD Performance Measurement Training" in August 2006 and "Expert HOME and CDBG Training" in December 2007. Finance personnel who work with CDBG and HOME Programs attended training on IDIS Online in PY 2009. City staff are familiar with the HUD web site and LAFO web site, and use the IDIS web pages and Technical Assistance Unit to remain current on changes and updates to the latest IDIS release. The City utilizes the BOSMAC software to manage IDIS reports. City staff regularly review IDIS reports and other HUD reports (HOME *Snapshots*, *Dashboard*, etc.) to remain compliant, especially with regard to timeliness and IDIS data entry. Reports are shared with Department managers and, when appropriate, with elected officials. The City is a member of the National Association of Housing and Rehabilitation Officials (NAHRO), and Housing Division staff receive the NAHRO e-newsletter and print magazine.

CDBG staff work with City Planning Division for HUD environmental requirements and follow an environmental review process established in PY 2005 for all Community Planning and Development program activities. Planning Division staff sign off on all CDBG-funded activities to ensure that all environmental requirements are satisfied and appropriate forms completed (exemption, categorical exemption, etc.) for each activity. City staff review all standard forms (SF 424, Labor Relations forms, etc.) each year used in the CDBG and other CPD programs to ensure that the latest editions are used. Local reporting forms were updated in program year 2007 to include information required for entry into IDIS 10.0 and for performance measurement outcome reporting. These forms were further updated in PY 2009 to conform to reporting requirements in the new IDIS Online.

CDBG staff do an annual review with the City Attorney's office of the model public services and capital improvement contracts used with CDBG subrecipients. This review ensures that contracts are in compliance with City codes and State of California law, and at the same time provides opportunity to update contract language with any changes in HUD regulations.

HUD – Los Angeles field representatives have monitored the City's program and compliance performance, including a monitoring of the City's housing rehabilitation loan and grant program in PY 2006. No findings have been issued as a result of recent monitoring visits; any concerns that have been raised have been addressed promptly and to the satisfaction of the HUD monitor. The City had a distance monitoring for compliance with Davis Bacon and Related Acts in PY 2008, and has followed recommendations from the report of this monitoring for closer monitoring of capital

projects with CDBG funds. The City began in PY 2008 and completed in PY 2009 an inspection of all facilities in which CDBG-funded program are offered to ensure compliance with Section 504/ADA requirements. In a few cases the City funded minor improvements to bring facilities into compliance

In PY 2008 the City participated in the ESG Cleanup Project led by Cloudburst Consulting Group. The City was able to correct all improper objective or outcome codes and improper matrix codes by the end of July 2008. With the final drawdown of PY 2008 ESG funds in August 2009 the City will have completed all ESG cleanup actions. The City ceased being an ESG participating jurisdiction after PY 2008.

Citizen Participation

1. Provide a summary of citizen comments.

RESPONSE:

2. In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.

RESPONSE: The draft CAPER that was provided for public review included a summary budget showing all federal, state and local funds available for CPD use during program year 2009, amounts committed, expended and drawn down for projects and activities including amounts for planning and program management, and descriptions of all funded activities including sites and target audience. The report on activities, especially those classified as public services, capital improvements and neighborhood revitalization, include target areas by Census tract / block group to assist reviewers. Demographic information identifying primary areas of minority concentration and primary neighborhoods for low- and moderate-income families and households is also included. This information is provided in detail in Part II of the CAPER and in IDIS reports, especially the PR03 CDBG Activity Summary Report (GPR).

Significant allocations of CDBG funds were made to the Calle Montecito/Libby Lake Neighborhood Revitalization Strategy Area (NRSA) and in the proposed Crown Heights/Eastside NRSA.

Institutional Structure

1. Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.

RESPONSE: The City has identified gaps in its response to access to housing for low-income families and the development of suitable living environment and enhanced economic opportunity for low-income individuals, families and neighborhoods.

Housing: Identified gaps limiting access to housing for low- and moderate-income families:

- The near-collapse of the for-sale housing industry during the past three years, which has led to a significant number of foreclosures in the City and a severe tightening of credit requirements for would-be first-time homebuyers and for homeowners seeking housing rehabilitation loans
- The current economic recession with consequent high unemployment and reduced household income, especially for low-income families
- A limited number of private, for-profit developers willing and able to produce affordable housing, and nonprofit developers are facing increased credit restrictions and requirements
- Limited access to equity investment in affordable housing (e.g. tax credits) and State of California financing for affordable housing (e.g. State bonds)
- Limited funding for nonprofit developers willing and able to develop permanent supportive housing for persons with disabilities of any kind
- The increasing cost and declining availability of land for any kind of housing as the region becomes built-out and builders move to more in-fill development

Living environment and economic opportunity: Identified gaps hampering the positive development of suitable living environments and economic opportunity:

- The economic recession in the nation, with rising unemployment in construction trades and financial services
- Affordable childcare spaces, especially for infants and toddlers
- Continuing criminal and drug-related activity by youth gangs, especially in low-income neighborhoods
- The number of new immigrants who come in with limited education and very limited English language skills
- Limited public transportation for persons who work outside of the City, often requiring 60 to 90 minutes each way for commuting
- The low ratio between the number of jobs in Oceanside and the population of the City, a jobs-housing balance well toward the bottom of cities in San Diego County
- Limited commercial and manufacturing operations in the City, resulting in lower sales tax income to the City in comparison with neighboring cities and thus a more restrictive General Fund budget.

Response to housing gaps: Many of the housing-related gaps are beyond the City's control, especially the collapse of the housing industry and limited availability of funds for development of new housing. The City addressed the identified housing-related gaps during PY2009 by:

- Collaborating with other public and private agencies on regional and state-wide solutions to housing problems
- Accessing whenever possible state and federal funds for low-income housing and/or housing for specific underserved populations such as disabled veterans, youth aging out of the foster care system, etc.
- Supporting nonprofit agencies to access state and/or federal funds for housing for specific populations: Casa de Amparo secured funding from the County of San Diego for transitional housing and supportive services for 24 youth who have aged out of the foster care system; Interfaith Community Services secured Veterans' Administration funds in PY 2007 for the acquisition and rehabilitation of rental units for 72 homeless veterans, including veterans with disabilities. Both programs are now fully operational and at capacity.
- Providing technical assistance to developers and community-based organizations willing and able to develop affordable housing and public services facilities;
- Using available HOME, redevelopment set-aside, and in-lieu fees to acquire land and develop new for-sale and rental housing

- Using available HOME, redevelopment set-aside, in-lieu fees and other housing program funds for loans to housing developers to acquire multi-family rental buildings for rehabilitation and subsequent rental to low- and very low-income families. The City loaned \$5.6 million to a developer in PY 2008 for the acquisition and rehabilitation of the 144-unit Shadow Way Apartments; this project was completed and the complex re-opened as crime- and drug-free housing in PY 2009. Such projects are done in phases to avoid relocation of any residents. The City intends to work with housing developers to complete at least one such acquisition and rehabilitation each year to preserve decent housing for low- and very low-income families.

An affordable housing task force to explore options for increased housing and the best use of accumulated in-lieu fees completed a Comprehensive Affordable Housing Strategy during program year 2004. One primary recommendation from the task force report is that the City purchase land and work with developers to increase the affordable housing stock in the City, since the cost of land is one of the primary obstacles to development of both rental and for-sale affordable housing. Specific results of the Strategy recommendations in program year 2006 were the beginning of construction of the *La Mision* 80-unit mixed-use development, which opened in PY 2007, and acquisition of another 14-acre property for new mixed-income rental housing (the Mission Avenue property). The City began in PY 2008 a visioning process for the Mission Avenue property to obtain community input and ideas for development on the site and issued a Request for Qualifications in late PY 2009.

Response to community development gaps: The City addresses community development and economic enhancement gaps by

- Targeting public services funds to organizations and activities that will have the greatest impact on reducing youth gang activity and juvenile delinquency, and promoting positive youth development; effectiveness in these targeted objectives will be a primary factor in the allocation of CDBG funds to youth programs.
- Working with the Oceanside and Vista Unified School Districts to reduce truancy, which is a primary early indicator of delinquent behavior and primary factor in low academic achievement.
- Supporting the expansion of job-training programs for at-risk youth through regional WorkForce Partnership programs, the Transitional Youth Academy and the Trade Tech High School, which opened in PY 2008.
- Supporting development of job-training programs in vocations that will lead to “living-wage” jobs and opportunity for advancement, including health care training programs in local community clinics and a proposed food service and hospitality career program at a transitional living facility.
- Seeking ways to expand childcare for low- and very-low income families by the development and/or expansion of neighborhood childcare facilities, especially in the Crown Heights Neighborhood
- Development of the Crown Heights Neighborhood Revitalization Strategy Area (NRSA) program. The draft NRSA plan was submitted to the City in late PY 2007 and was submitted to the Los Angeles Field Office in PY 2009. After corrections and addition of additional measureable objectives, the plan was approved to begin in PY 2010.
- Expanding community-based policing activities of the Oceanside Police Department (OPD) through a commitment of officers and a lieutenant to lead such activities in four sectors of the City, based on the number of calls for service rather than population or geography

- Supporting and working with cross-jurisdiction law enforcement teams – local, state and federal - when dealing with youth gangs, drug sales and activity, and human trafficking.

The City promotes coordination between assisted housing providers and agencies providing health care, mental health services, and social services through its participation in various local collaborative groups and planning councils.

- The City works with and promotes resident associations in the low- and moderate-income neighborhoods throughout the City, including Crown Heights, the Eastside and Libby Lake / Calle Montecito. These associations regularly meet in City community resource centers and advise the City on development of neighborhood revitalization plans and activities such as the S.U.N. one-day neighborhood improvement events. Neighborhood Services Department staff and Oceanside Police Department community-based officers actively participate in the resident associations.
- The SANDAG (San Diego Association of Governments) Affordable Housing Task Force was initiated out of a housing summit organized by the City in Feb. 1999. This task force seeks to educate the public, business leaders, and government officials about the need for workforce housing. SANDAG completed in 2004 a Regional Comprehensive Plan; this Plan was used as a resource in preparing the City's 2005-2010 Consolidated Plan and 2005-2010 Housing Element.
- The San Diego Regional Task Force on the Homeless, the Regional Continuum of Care Committee, the Emergency Food and Shelter Program (EFSP) Committee and the FEMA Board meet regularly to address the problem of homelessness and to coordinate the establishment, delivery, and evaluation of services. These groups review and prepare a regional application for HUD Continuum of Care Program grants including the Supportive Housing Program and allocation of EFSP funds. A Housing Program Manager from the Neighborhood Services Department attends these meetings. The City Housing Commission has the issue of homelessness as one of its annual workplan concerns and does an annual review of homeless shelters and programs in the City and North County region.
- The City participates in the Alliance for Regional Solutions Regional Shelter project in North San Diego County, which in PY 2007 brought together all jurisdictions in the region together with nonprofit organizations serving homeless individuals and families to support a comprehensive and jointly-funded winter emergency shelter program. The City supported winter emergency shelters in PY 2008 and 2009 through the Regional Shelter Solutions program. The Department hosts a biannual meeting of all agencies and organizations that provide housing or services for homeless persons and families in Oceanside; this discussion has also set the direction for the City's use of federal, state and local funds allocated to prevention of homelessness and to serve homeless individuals and families.

Neighborhood Services Department staff participate in various meetings that promote coordination and collaboration, including the regional substance abuse prevention coalition, advisory bodies for the County Health and Human Services Agency, quarterly meetings of CDBG managers from throughout San Diego and Imperial Counties, and similar meetings for FSS and Section 8 program and finance managers. CDBG staff can respond to requests from other City departments and City elected officials who need information about local nonprofit agencies and organizations.

The City encourages all applicants for CDBG funding and all subrecipients to collaborate with other organizations to maximize the utilization of services and to avoid duplication of effort. City agreements with CDBG subrecipients require that the agencies participate

in at least one meeting during the year with other service providers. These meetings are designed to promote collaboration under the general categories of 1) homeless and emergency services for persons in need, 2) senior citizens and persons with disabilities, 3) children and youth, and 4) community development. The informal meetings provide opportunity for sharing information and resources among the different agencies. The 2005-2010 Consolidated Plan makes collaboration an essential part of all CDBG-funded public services by nonprofit agencies and the City.

Monitoring

1. Describe how and the frequency with which you monitored your activities.

RESPONSE: The City monitors CDBG and other subrecipients to evaluate performance with regard to contract objectives, financial reporting and regulatory compliance. The primary objectives of CDBG monitoring are:

- a. to make sure that subrecipients comply with all regulations governing their administrative, financial, and programmatic operations, including Davis Bacon requirements for capital projects;
- b. to make sure that subrecipients achieve their performance objectives within schedule and budget; and
- c. to provide technical assistance to subrecipients that are new to the CDBG program or demonstrate difficulty meeting program goals.

Specific monitoring activities during each program year include:

- The City provides orientation training for any new subrecipient agencies and new subrecipient staff who manage CDBG programs at the beginning of each program year to review obligations under CDBG regulations, including reporting and financial requirements and federal regulations governing the program.
- Subrecipients are required to submit reports at six and nine months that are evaluated by CDBG staff for compliance with HUD program and financial requirements. The reports are used to identify potential problem areas that staff may want to explore in detail. Submission and approval of reports is required prior to disbursement of funds; a year-end report must be submitted to and approved by the City before a new contract will be issued.
- CDBG staff review reports to ensure that subrecipients are using funds according to the budget and scope of work in the Agreement, and that funds are not used for ineligible activities or purchases. CDBG staff will follow up with subrecipients on any significant variance in expenditures as compared to approved budget, and program reports as compared to goal and objectives.
- CDBG staff provide technical assistance as requested, especially with subrecipients identified as inexperienced with CDBG or other government grant programs, or that have limited management staff.
- The City distributed copies of OMB Circulars A-110, A-122, and A-133 (all of which are referenced in the City's standard CDBG agreement), and the 2004 edition of *Playing by the Rules* to all subrecipients. A binder with these documents is given to all new subrecipients when their first agreement with the City is approved.
- CDBG staff visit new subrecipients within the first six months of a program year and again prior to submission of final or annual reports. Monitoring of most recipients is done during April and May of each program year. During PY 2009 CDBG staff made site visits to fifteen out of nineteen public service programs and reviewed all capital projects with project managers for progress. Only high-performing subrecipients were not monitored during PY 2009. When

- subrecipients receive CDBG funds from other jurisdictions in addition to the City of Oceanside, joint monitoring visits are made with CDBG staff from those jurisdictions. This joint monitoring has proven valuable both to the agencies that have to prepare for only one visit, and for CDBG staff to exchange or compare information. CDBG staff work with capital project subrecipients prior to and during any acquisition, construction or rehabilitation projects. Subrecipients sign additional attachments to the CDBG contract that set forth Davis Bacon and Related Acts (DBRA) labor requirements, City planning and building permit requirements, and guidelines for reporting progress. Subrecipients receiving capital project funding must provide quarterly reports on progress, and CDBG staff make regular monitoring visits during project activity.
- City staff participate in the meetings of the San Diego Region CDBG and HOME Program coordinators, which gives opportunity to share information on common subrecipients. This sharing of information also prevents duplication when reporting the activities and benefits of subrecipients that are funded by more than one jurisdiction.
 - The CDBG program manager in the Neighborhood Services Department reviews HUD monitoring guidelines each year prior to beginning annual monitoring to ensure that local monitoring activity meets criteria for review of financial and regulatory compliance.

Housing Division staff also monitor and inspect housing projects funded with HOME funds or through City-issued bonds to ensure that occupants meet appropriate eligibility requirements and that units are maintained in accord with Housing Quality Standards for health and safety.

2. Describe the results of your monitoring including any improvements.

RESPONSE: RESPONSE: Monitoring visits and other activities during program year 2009 resulted in improved reporting by subrecipients, especially by subrecipients with newer staff who were still learning CDBG requirements. Monitoring visits have led to increased cooperation and collaboration among subrecipients, and CDBG staff have been able to pass on names and contact information to subrecipients when there appears to be opportunity for partnerships. The City will continue to work with agencies that are occasionally late in submitting reports or that file incomplete reports.

Staff used the monitoring visits in 2009 to encourage full performance measurement reporting that demonstrates how objectives and goals are addressed and met rather than just reporting numbers and demographics. The City wants to ensure that subrecipients understand the impact of the GPRA and OMB expectations on HUD programs, and how these expectations ultimately impact and must be satisfied by local performance measurement and reporting requirements. Monitoring visits in PY 2009 also emphasized performance measurement outcomes – availability/accessibility, affordability, and sustainability – for the three National Objectives.

The City will revise its reporting forms for the 2010-2015 Consolidated Plan period to provide for reporting of accomplishments as compared to goals and objectives stated in the original application and contract scope of work. Subrecipients will also report on how their activity conforms to the three national performance measurement outcomes.

Attachments to CDBG contracts for capital projects were revised and expanded during PY 2007 and PY 2008 to clarify DBRA and City building permit requirements, and monitoring of capital projects will be increased in subsequent years for all capital projects. The first monitoring visit for projects involving construction or rehabilitation work will always be prior to any preparation of bids and/or signing of contracts to ensure

that federal and City regulations are in place, and the subrecipients fully understand such requirements. This review and improvements to CDBG capital improvement project contracts became valuable for development of contracts for CDBG-Recovery Act projects.

3. Self Evaluation

- a. Describe the effect programs have in solving neighborhood and community problems.

RESPONSE: The 2005-2010 Consolidated Plan and annual Action Plans are based on needs and problems of low- and moderate-income individuals, families and neighborhoods. Activities supported with CPD funds must address one or more the identified needs, and must show positive effect on the identified problems. Primary positive effects are seen in the number of youth involved in afterschool and summer programs, increased availability of social and health services in low-income neighborhoods, and participation by residents in programs to improve their neighborhoods. Collaboration and partnerships between agencies continues to increase. While the problems of domestic violence, child abuse and homelessness remain as critical issues, CPD-funded activities provide services and shelter to victims and opportunities for homeless families to become independent and self-sufficient. CDBG-funded capital improvement projects improve streets, sidewalks, alleyways and other infrastructure in low-income neighborhoods, while also improving facilities of nonprofit organizations providing childcare, youth programs and other services.

At the same time, the economic recession and high number of housing foreclosures in the past three years pose major negative impacts to the region and throughout Southern California. This has led to increased demand on social service agencies, especially those providing emergency services. The City Council adopted a very tight General Fund budget for PY 2009, which has been further reduced for PY 2010 due to actions of the State Legislature in deferring payment of property taxes to local governments. Budget restrictions have had a significant impact on Public Library and Parks & Recreation programs.

Reductions in the State budget for social service and mental health programs result in restrictions in the availability of such services to the public. The perennial failure of the State Legislature to adopt a budget by June 30 as required results in agencies having to draw on lines of credit to maintain programs funded by State grants. At the same time, the current recession and continued unemployment has increased demand for services across the board, from increased library usage to more persons needing mental health services for depression. The little funding the City can provide through the CDBG program cannot offset the loss of revenue from the State.

- b. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.

RESPONSE: Affordable housing is a priority need in the community, especially for the very low-income population. The City awarded \$85,161 in grants averaging \$5,188 through the Mobile Home Improvement Program (MHIP) to 26 very low- and extremely low-income owners of mobilehomes to repair their coaches, thus providing improved housing for them; The City completed one loan for rehabilitation and renovation work on owner-occupied single-family homes, Making housing rehabilitation loans became more difficult with the decline in housing value over the past two years, leaving many prospective borrowers with little equity in their home against which to borrow. During the 2010-2015 Consolidated Plan period the City

assisted in the acquisition and rehabilitation of the 36-unit Cape Cod Villas to preserve these units as age- and rent-restricted affordable senior housing, the 80-unit County Club Apartments and the 144-unit Shadow Way Apartments to maintain these as affordable rental housing for low- and very low-income families, and completed construction of the 80-unit La Mision Village as affordable housing for very low-income families. The City completed a visioning for development of a mixed-use project on the 14-acre Mission Avenue property, which will include rental units affordable to very low-income families; the City issued a request for qualifications in late PY 2009 for developers

At the same time, the impact of foreclosures and tightening of the credit market has limited access to homeownership opportunities for almost all low-income and most moderate-income families who want to become first-time homebuyers. The number of foreclosures in particular low-income neighborhoods has had a deleterious effect on those neighborhoods, especially when financial institutions are not forthcoming about responsibility for maintenance of the property. The City's Code Enforcement Division works to abate problems at abandoned or foreclosed homes to prevent them from becoming blight in the neighborhood. The City and a nonprofit partner agency used Neighborhood Stabilization Program (NSP) funds in PY 2009 to acquire and rehabilitate vacant properties as rental units for very low-income families; these homes will be ready for occupancy in early PY 2010.

Allocations for youth programs and activities are targeted to reduce the impact of youth gangs and deter youth from becoming members of gangs. Cooperative efforts of youth-serving organizations, law enforcement and social service agencies are steadily reducing the effect of gangs in neighborhoods. The City and local school districts work together actively to reduce truancy, especially among ten- to fifteen-year old students. The Oceanside Police Department received a State Gang Resistance and Intervention Program (GRIP) grant to fund efforts to reduce truancy in the City and to work with families to reduce delinquent behavior. The Oceanside Community Safety Partnership received a three-year \$400,000 grant from the Office of Juvenile Justice and Delinquency Prevention to support afterschool programs targeting at-risk youth.

Facilities and infrastructure in older low-income neighborhoods are improved each year, although the recent economic downturn in the State of California will restrict funding for improvements in the next two or more years. The annual Supporting Urban Neighborhoods (S.U.N.) volunteer-based neighborhood improvement project has improved over 200 specific properties and eliminated tons of debris and hazardous waste from CDBG-eligible neighborhoods in the City. CDBG funds are allocated to agencies to make improvements that ensure compliance with Section 504 requirements and allow easy access for persons with disabilities to programs funded in whole or in part with CDBG funds. The City allocated CDBG-Recovery Act funds to nonprofit agencies to improve energy efficiency and water conservation at their facilities.

The City allocated capital project funds for kitchen improvements at the Women's Resource Center emergency shelter for victims of domestic violence shelter and at the YMCA of San Diego Oz North Coast shelter for homeless and runaway youth, to the TERI organization that serves developmentally-disabled youth and adults to complete improvements to the music therapy and recreation areas, and to Camp Fire USA for improvements to their 50-year-old facility in the very low-income Crown Heights neighborhood. The City allocated CDBG-Recovery Act funds to transitional housing programs for rehabilitation projects; one project will renovate a kitchen area

to serve as a job-training program to prepare women for work in the hospitality industry.

The City began payments on a \$3.5 million Section 108 Loan Guarantee, which provided approximately one-third of the cost of a new Oceanside Fire Department Station 7; this station serves an area that is over sixty percent low- and moderate-income. The station was completed in late PY 2007 and all loan funds drawn down in June 2008, following the public sale of notes. The City will repay the loan with CDBG allocations over the next twenty years. The relocated fire station has already reduced response time in its area of service by one to three minutes, a significant reduction when seventy percent of calls are for medical emergencies.

- c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.

RESPONSE: See item "b." above and the PR03 CDBG Activity Summary Report on specific activities. All CPD-funded activities and programs are targeted to serve low- and moderate-income individuals, families and neighborhoods. Of the total number of persons and households served by CPD-funded programs and through activities that addressed National Objectives, 88.9 percent were low- and moderate-income.

- d. Indicate any activities falling behind schedule.

RESPONSE: All PY 2009 funded public services activities were completed on schedule; no public services or general administration activities are carried forward into subsequent program years. Some capital improvement projects funded in prior years were designed as multi-year projects and will be continued into program year 2009, including improvements at the Camp Fire USA Crown Heights facility and at the T.E.R.I. center for developmentally-disabled adults. One PY 2005 activity - new sidewalks in the Eastside neighborhood - went out to bid in PY 2008 and work was completed in early PY 2009. A PY 2007 activity - improvements to the Brooks Street Swim Center - has not yet begun and will be carried forward into PY 2010. CDBG funds allocated for capital improvement projects in the Crown Heights neighborhood are being held until completion of the Crown Heights NRSA Plan, so that projects will address plan objectives. The City will pay closer attention to all future projects funded in whole or in part with CDBG funds to ensure that the project can be completed within a reasonable period of time and not "tie up" CDBG funds that could be used in a timelier manner.

The decline in housing values and loss of equity has made it more difficult for low-income homeowners to qualify for housing rehabilitation loans, since the program requires that existing mortgages on the property and a housing rehabilitation loan not exceed ninety percent loan-to-value. The City made only one owner-occupied rehabilitation loan in PY 2009 instead of the anticipated eight to ten. On the other hand, the City made twenty-six mobilehome rehabilitation grants, beyond the expected eighteen to twenty.

Increased restrictions on credit have also made it more difficult for low-income households to use the City's first-time homebuyer program. The City made only one such loan in PY 2009 instead of the anticipated eight to ten loans.

- e. Describe how activities and strategies made an impact on identified needs.

RESPONSE: All applications for CDBG funding are reviewed to ensure that the activity will make an impact on needs and priorities in the annual Action Plan and are in accord with HUD objectives. Funded activities are monitored to ensure that activities are carried out in accordance with the approved scope of work and

performance measurements, especially with regard to balancing demonstrated outcomes (results) against the level of funding – a cost / benefit analysis. The City reviews strategies each year prior to funding new programs and adapts strategies to meet changing needs and priorities. The City uses benchmarks to demonstrate progress toward goals and objectives, such as reduction in gang activity as demonstrated by crime statistics, or improvements to low-income neighborhoods as demonstrated by resident satisfaction. The City can see impacts such as:

- a consistent increase in the number of children and youth in after school and summer programs (positive youth development);
- an increase in accessibility to health services by low-income families and families without health insurance;
- increased partnerships and collaboration among local nonprofit organizations, and between the City and service providers;
- an increase in the number of families seeking emergency food or rental assistance as a result of the current economic recession.

The continuing rise in foreclosures, rate of unemployment and other signs of the current recession has meant that the City will concentrate its limited CDBG funding to activities that most directly benefit low- and very low-income individuals, families and neighborhoods. The City deobligated some public services funding allocated to homeless-serving agencies in PY 2009 and replaced it with local funds dedicated to housing and homeless programs; this freed up CDBG funding to expand services at community resource centers in the City's low-income neighborhood.

The City determined that its Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds would be best used to keep families in their current housing, especially families with school-age children. The City partnered with local school districts to ensure that students from homeless families and families at risk of becoming homeless were assisted as quickly as possible. Ensuring housing stability is one way to keep students in school and able to concentrate on their academic achievement.

With regard to services for persons with mental health issues and housing for persons with mental illness or co-occurring disorders, the City has not been able to identify resources or provide funding.

- f. Identify indicators that would best describe the results.

RESPONSE: For each activity the primary indicator is the number of low- and very low-income individuals or households served, the number of service units provided to low- and very low-income individuals, and the number of persons or households kept out of homelessness. The City's goal is to provide appropriate services to those most in need.

CPD-funded activity is reviewed before funding to ensure that it addresses one the three National Objectives, serves an eligible clientele, and meets one of the performance measurement objectives and outcomes. In addition, each activity is evaluated by a specific indicator relevant to the activity, most often being the number of persons or households served. This number is defined based on the activity, so that the indicator relates specifically to the funded program. Thus, the indicator for a program serving persons with AIDS is the number of persons with AIDS who are served, and a senior nutrition program is the number of seniors who participate.

The City of Oceanside requires subrecipients to report both the total number of persons served and the number of Oceanside residents. This becomes important when an agency receives CDBG funds from other jurisdictions in order to prevent duplicate reporting. The City reports Oceanside residents in IDIS statistical reports and the total number of persons served in the narrative sections of IDIS.

The City also asks subrecipients for the results of any pre- and post-testing of persons served to demonstrate program results (impacts). With the steady reduction in CDBG funding over the past five years and a state budget that also reduces funding for social service and health programs, the City includes a cost/benefit analysis of programs as part of monitoring and evaluation. Subrecipients are asked to demonstrate the value of their program as a significant response to community needs and as providing a particular value that is not otherwise available or accessible to residents. The City's objective is to use CDBG funds in the most effective manner, always toward measureable outcomes, and in a way that demonstrates that the use of CDBG funds makes a positive difference in the lives of individuals, families and neighborhoods.

- g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.

RESPONSE: The primary barrier to fulfilling strategies and achieving the overall vision is the impact of a collapsing housing market and ongoing economic recession. Abandoned and foreclosed homes become neighborhood blight and families who hoped to become homeowners are finding this goal becoming yet more difficult to achieve. Rising energy costs and related increases in food costs are further negative impacts on low- and very low-income families, especially since wage earnings for those with jobs are not keeping keep pace with inflation and many families have reduced income due to unemployment. This has resulted in greater demand for social and health services, especially by very low-income families, without any balancing increase in funding from the state.

The decision by the State government to defer payments of property tax funds for PY 2009 and beyond to local governments has had a major impact on the City's General Fund, above and beyond the impact of reduced sales tax revenue in the past two years. As a result, the City has reduced library services, closed one recreation center and made other staffing cuts throughout the City. At the same time, rising unemployment and reduced household income has resulted in increased demand for social and health services from local nonprofit agencies that have had to reduce staffing due to reduced donations and governmental funding.

The City has been able to increase collaboration among organizations, although the competition for scarce fund is still a barrier to partnerships. One issue that needs greater attention is the lack of long-term planning for primary issues such as gang prevention, which can require a commitment of program funds for ten to fifteen years for full impact. The development and federal funding for the Oceanside Community Safety Partnership is a valuable step in the direction of longer-term planning and program development.

- h. Identify whether major goals are on target and discuss reasons for those that are not on target.

RESPONSE: Most community development goals are on target and being addressed by the City and CDBG subrecipients. The City has seen very positive developments through the Calle Montecito and Crown Heights neighborhood revitalization programs, expanded transitional housing and homeless prevention services, and

increased services for at-risk youth. The major barrier to further success is the reduced CDBG funding available to the City, combined with budget problems for the State of California that affects the flow of funds to local jurisdictions. This limited funding affects all objectives in the 2005-2010 Consolidated Plan; some have yet to be addressed and may have to be deferred to the 2010-2015 Consolidated Plan.

Particular ones for concern are:

- Supportive housing for homeless persons with mental illness or other disabilities; and
- Economic opportunities including job-training for very low-income individuals, especially for those with limited education and/or English language skills.

Slow progress in addressing low- and moderate-income housing, chronic homelessness, and the continuing presence of youth gangs involved with drug dealing are regional issues and cannot be addressed by one jurisdiction acting alone. The City does support and participate in regional activities to address these and other issues.

The City's weakest area with regard to community development goals and objectives is that of economic development, especially with regard to job-training programs that will lead to living wage jobs. The current economic recession has made this objective even more important, yet at the same time the number of unemployed persons makes job-seeking very difficult. The City has yet to identify a nonprofit partner for economic development activities.

- i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

RESPONSE: The City promotes collaboration and partnerships among local social service, community-based and faith-based organizations as a primary way to address local needs and issues more effectively. A demonstrated willingness to collaborate and partner with other agencies is one of the criteria for continued CDBG funding. With limited local and State funding and decline in community contributions due to the current recession, the City believes that agencies and organizations must work together to make best use of what funds they do have.

A second initiative is the use of HUD performance measurement tools for monitoring of subrecipients. Youth-serving agencies will be asked to demonstrate how their programs support positive youth development; senior-serving agencies will be asked to show how their program complements other programs in the City. The City also began using a cost / benefits analysis as part of monitoring and asks subrecipients to demonstrate the positive impact of their programs on the community.

A third procedural improvement would be to present information on allocations to subrecipients in such a way as to show how CDBG or HOME funding directly benefits the City and meets City priorities as well as HUD requirements. This will be important during the 2010-2015 Consolidated plan period as the City works to bring its allocation of funds in line with HUD's five-year priorities and goals.

Lead-based Paint

1. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards:

RESPONSE: The City places a high priority on addressing lead-based paint hazards. Code enforcement officers identify lead-based paint hazards as part of their on-going code enforcement activities. City Building Division inspectors are alert to units being

rehabilitated or remodeled that may contain lead-based paint, and inform owners, tenants and landlords of the dangers of lead-based paint. Homeowners applying for a City-funded rehabilitation loan must have the house inspected for lead hazards prior to approval of the loan, and any hazard detected must be mitigated as part of the rehabilitation project. The City distributes the brochures Protecting Your Family from Lead in Your Home (English and Spanish versions) to all families applying for rehabilitation loans or grants; this is available to interested parties upon request. Other material available on the HUD website can also be distributed to homeowners and property owners. The City has not adopted the HUD "Healthy Homes Initiative," but the requirements for rehabilitation and homeownership programs mirror this HUD program. In order to address the health risks to young children posed by lead-based paint in residential dwellings, the Neighborhood Services Department – Housing Division has adopted and implemented strict guidelines for its housing and community development programs including Affordable Housing, Rehabilitation, Homeownership, Rental Rehabilitation, and Section 8 Housing Assistance Programs. All Section 8 rental units must be inspected for lead hazards prior to approval of leases. Lead hazards must be mitigated as part of any rental or homeowner rehabilitation work.

The Housing Division conducted inspections for lead hazards in three housing units during PY 2009 as part of applications for homeowner rehabilitation loans; lead hazards were found in two of the inspections. Homes are also inspected for asbestos and any danger is mitigated as part of rehabilitation work. Section 8 staff persons distributed information on the dangers of lead-based paint when inspecting units made available for Section 8 rental, and what can be done to eliminate any hazard. Any sign of lead hazards such as peeling paint in pre-1978 housing must be mitigated before being approved for rental to Section 8 tenants with young children.

Public health officials distribute Spanish-language information in neighborhoods with a high percentage of immigrants from Mexico and Central America about the danger of lead hazards to children, including candies wrapped in materials made with lead and from the use of cooking utensils and serving dishes made with lead. This appears to be a greater threat to children in Oceanside than lead-based paint.

In addition to lead-based hazard programs, the City has an annual electronic waste (e-waste) disposal program in cooperation with the City's waste hauler to reduce the amount of lead and other hazardous material placed in landfills. This event is held in conjunction with an annual "Green Week" in Oceanside that emphasizes conservation and recycling. Electronic equipment (televisions, computer monitors, etc.) can be brought to this event for recycling at no cost or to the City household hazardous waste collection center for fee-based recycling. The City website and online magazine include information on all recycling programs, including e-waste and green waste, and proper disposal of all household hazardous material. Information is available in English and Spanish. Owners of rental properties are informed that e-waste and other household hazardous waste must not be mixed with ordinary waste in trash bins serving multiple units. Neighborhood clean-up events and the annual S.U.N. one-day neighborhood improvement program provide opportunity to educate residents on proper disposal of household hazardous wastes and to eliminate the threat of these wastes to residents.

HOUSING

Housing Needs

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe Actions taken during the last year to foster and maintain affordable housing.

RESPONSE: The City of Oceanside – along with most of the nation – continues to deal with the challenge of maintaining affordable housing when the housing market has collapsed under the weight of subprime loans and an ongoing economic recession. A positive side is that the latest estimates for the San Diego region show the number of families who can afford to buy a median-priced home in the region has substantially increased; the negative side of this is that stricter credit requirements and disclosure are skill keeping many families out of the housing market. While the high-end housing market remains robust, the opportunity for low- and moderate-income families to become homeowners remains elusive.

The City has sought to maintain decent, affordable rental housing in a number of ways:

- Rental rehabilitation funds are available to apartment owners with restrictions to maintain the units as affordable housing for 15 years; the recent increase in demand for rental units has meant that few property owners are interested in loans that will require them to maintain affordable rents.
- Sites for affordable housing have been identified in the 2005-2010 Housing Element; a 14-acre site has been acquired and the City issued a Request for Qualifications in PY 2009 for developers for a mixed-income, mixed-use rental housing project on that site.
- A restriction on space rental fees covers most of the City's 3,600 mobilehome spaces, providing affordable space rent for seniors and other very low-income families for whom mobilehomes are a positive and affordable housing option.
- The Housing Division concentrates use of housing funds to serve very low-income (less than 50 percent AMI) families and households, as with the *La Mision* project completed in PY 2007, which provides 80 units that are affordable to very low-income families.
- The City loaned \$5.6 million of local funds to the Wasatch Development Group in PY 2008 for the acquisition and rehabilitation of the Shadow Way 144-unit multifamily rental housing project located in Oceanside to preserve the units as affordable to low- and very low-income families. Wasatch completed rehabilitation of the units in PY 2009. The City will continue to explore the acquisition and rehabilitation of older apartment buildings in partnership with nonprofit housing organizations.
- The City has partnered with Southern California Presbyterian Homes for development of the Lil Jackson 80-unit senior housing project, which will provide units to very low-income senior households. Groundbreaking on the project was held in early PY 2009 with completion planned for mid-2011.

The City has fewer options to maintain affordable for-sale housing during this time of economic recession and the near-collapse of the housing industry. The City does provide some options for potential homeowners:

- The City has an inclusionary housing policy, which requires developers to build affordable units as part of new developments. Most developers, however, prefer the alternative of paying an Inclusionary Housing fee; these funds are held for

- the development of affordable housing either by the City directly or in partnership with a nonprofit housing developer. Some developers will build inclusionary housing units as part of their development; two such homes became available in 2006. In these cases, the deed shows that the homes must remain “affordable” for fifty years. Potential buyers for the homes apply and a list is chosen by lot for screening and approval. Buyers must be at the 100 percent of median family income (adjusted for size) or less to qualify for the list.
- The City is working with Habitat for Humanity on the Libby Lake Village project, 20 for-sale single-family homes that will remain affordable to low-income families for 55 years. The first four homes were completed and occupied in PY 2007 and five more in PY 2008; eleven are planned for construction in PY 2010. The recession has restricted the number of families who meet eligibility and income requirements,
 - The City uses HOME and CalHOME funds in a homeownership program, by which the City provides up to \$94,800 as a “silent second” mortgage for downpayment, thus keeping the mortgage costs affordable to low-income families. The loan is repaid (funds recaptured) when the home is sold or the mortgage refinanced. Limited funds and the current economic problems in the housing and banking sectors has restricted the number of families who can qualify; nine families became first-time homebuyers in PY 2008 but only two in PY 2009. The City’s first-time homebuyer program remains available to residents but no new HOME funds will be set aside for the program until the economy improves.
 - The City has developed a homeownership program for Section 8 families through the Family Self-sufficiency program; two families acquired a home in PY 2008 but none in PY 2009. No more HOME funds will be set aside for the program.

The City provides housing rehabilitation loans for low-income homeowners and rehabilitation grants for low- and very low-income mobilehome owners as a means by which they can upgrade and/or repair their homes. Rehabilitation loans are repaid and funds recaptured either by amortized loan repayments or, for deferred loans, when the home is sold or title transferred to a new owner.

Specific Housing Objectives

1. Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.

Rental Assistance

The City operates as a Housing Authority (PHA) for the Section 8 Rental Assistance Program with 1,553 Housing Assistance Program vouchers as of June 30, 2010, and maintained an average 98 percent lease-up rate for the program in the past year. HUD designated the City as a High Performer under the Section Eight Management Assistance Program (SEMAP). Due to the limited amount of funding made available and the rising cost of all housing in the region, the City is severely limited in the number of vouchers it can provide to eligible residents. The greatest challenge now is the Section 8 waiting list, which has over 4,100 applicants with a four- to five-year wait. The City established project-based voucher projects in FY 2007 to serve persons with AIDS at the Old Grove Apartments and Marisol Apartments. The HA is proactive in identifying any misuse of Section 8 rental assistance while also being sensitive to reasonable accommodation.

The Family Self-Sufficiency (FSS) Program for Section 8 participants has been successful in terms of moving families off dependency on outside support and into independent and self-sufficient living. The equity/savings account that builds up during participation in the FSS program is a major incentive for the families.

The addition of the Mobilehome Rental Assistance Program (M-RAP) meets a critical need for seniors who own their mobilehomes but have difficulty paying space rent due to very limited and often fixed incomes. M-RAP has assisted 71 very low-income Oceanside mobilehome owners with a space rent subsidy since inception of the program; the average annual income of participants is \$14,010. The City estimated an average monthly subsidy of \$200; the actual average monthly subsidy is \$281, with monthly assistance ranging from \$71 to \$550. As of June 30, 2010, 24 households were being assisted. The program operates much like the Section 8 voucher program, but is limited to persons with disabilities and seniors who are already on the Section 8 waiting list. M-RAP participants transfer to Section 8 Housing Assistance as vouchers become available. Funding for the M-RAP initially came from Section 8 administrative fee reserves. The program was closed to new participants in PY 2007 due to reduced availability of funding; a new source of funds was identified in PY 2009 to support the program.

Single-Family Residential Rehabilitation

The City has found it more difficult to approve rehabilitation loans it can provide to low-income homeowners due to the decline in home values over the past three years. Loans are made only for owner-occupied homes and may be made for up to 90 percent of owner equity (loan-to-value). Most applicants have found that they no longer have much if any equity. The City approved one new loan in PY 2009 for \$29,084. The City receives its only CDBG program income from repayment of these loans; one consideration under discussion is to add a portion of this program income to the rehabilitation loan budget for the following year. The City rehabilitation loan program staff works with code enforcement officers to follow up on citations for sub-standard or unpermitted housing that could be addressed with owner-occupied or rental rehabilitation program loans.

The Los Angeles Field Office made a monitoring visit to the City in May 2007 and concentrated on reviewing the City's housing rehabilitation program. The monitoring visit resulted in no findings and two concerns, as well as a number of suggestions for improvements to the program. The City reviewed the concerns raised, the first one being the City's practice of extending some loans as deferred loans at zero percent interest; these loans are paid off only when the property is sold or when title transfers to another party. The second concern was a recommendation that the City place a maximum on the amount that can be borrowed; the City's practice has been to provide loan funds for all rehabilitation work that is needed. During PY 2007, the City instituted a three percent interest on all rehabilitation loans, whether amortized or deferred. The City has maintained its policy of extending funds for all necessary rehabilitation work, that is, all work necessary to bring the unit up to current codes and to eliminate all health and safety problems.

The City approved 26 mobilehome improvement program (MHIP) grants of up to \$6,000 to very low- and low-income families during program year 2008; families must own and live in their own coach to be eligible. Nineteen recipient households were very low-income seniors; eleven included persons with disabilities. All MHIP projects were completed during the year; the average MHIP grant was \$4,323. The City has a waiting list for these grants.

Rehabilitation loan or grant funds are paid directly to the contractor after satisfactory completion of the work. Neighborhood Services Department staff inspect the home prior

to approval of the loan or grant, and before final payment is made to the contractor. The rehabilitation program always includes inspections for lead-based hazards and the presence of asbestos, and historical evaluation where required.

Mobilehome Park Conversion

No activity during PY 2009.

Assistance for Elderly and Disabled Persons to Remain in their Homes

Meal delivery by the Oceanside Senior Citizen Association and local Meals-on-Wheels program, Project Care's daily "check the welfare" telephone call to seniors living alone, and other services provide assistance for seniors and persons with disabilities to remain in their homes as long as possible. The greatest challenge to independent living for this population is the limited access to transportation services available to persons who do not have personal transportation. The City established a taxi voucher program as one way to address this issue and chose a provider for a permanent senior transportation service during PY 2008. The City is also looking for ways to partner with neighboring cities for transportation programs. North County Transit District contracts with a private company to provide transportation services for persons with disabilities. The local hospital and larger medical clinics provide limited transportation assistance for visits to doctors or for medical treatments.

An ad hoc subcommittee of the City Manufactured Homes Commission reviewed the City's mobilehome rental control ordinance in 2002; the report from this committee did not result in any changes. The City Council has reiterated their unanimous support for the rent control ordinance. This ordinance maintains space rent for owner-occupied mobilehomes in almost all mobilehome parks in the City at a level that is affordable for low- and very low-income households. Approximately half of the mobilehome parks in the City are restricted to seniors (55+ years of age), providing a significant portion of rent – and age-restricted housing in the City.

Assistance to Low- and Moderate-Income Homebuyers

The City was unable to meet its PY 2009 goal of providing loans for first-time homebuyers through HOME funds and State CalHome funds. The homebuyer program provides "silent second" loans of up to \$94,800 to low-income homebuyers (under 80% of AMI). The increasing restrictions on credit after the collapse of the sub-prime housing market has made it much more difficult for low- and moderate-income households to qualify for the private loan that serves as a first mortgage. The City provided assistance to two households during the year to purchase homes. Loans are repaid (funds recaptured as HOME program income) when the home is sold or the primary mortgage is refinanced.

The median price of single-family detached homes in the North San Diego County region has dropped dramatically with the collapse of the sub-prime mortgage market, but the tightening of credit requirements has proven to be yet another barrier for low- and moderate-income families. Wages have remained relatively flat in the region, making it even more difficult for first-time homebuyers to enter the market.

Under direction from the City Council, the Neighborhood Services Department together with an outside consultant completed a Comprehensive Affordable Housing Strategy in 2006. The report recommended acquisition of land by the City for future housing development and work with nonprofit housing agencies to develop both for-sale and rental housing for low- and moderate-income residents. The City uses this Strategy to guide use of housing funds, with an emphasis on developing rental housing for very low-income families.

Development of Affordable Housing

The City and Habitat for Humanity are working together to develop 20 single-family homes for low- and moderate-income families on City-owned land adjacent to the Libby Lake Community Center. Habitat for Humanity prepares a list of potential buyers based on income, ability to succeed as homeowners, and willingness to provide “sweat equity” as part of the total project. The first four homes were completed and occupied in PY 2007; five more homes were occupied at the end of PY 2008 and two in PY 2009. Construction on four homes is planned for PY 2010 and the remaining five will be completed in PY 2011. The general downturn in housing nationwide has contributed to the delays on this project.

Wakeland Housing and Development Corporation completed rehabilitation work on the County Club Apartments in PY 2008 with eleven studio units, 57 one-bedroom and 22 two-bedroom units; two one-bedroom units are completely accessible units. The apartments are restricted to very low- and low-income families. The apartments are crime- and drug-free, and present a very positive appearance in the neighborhood.

The City Council approved a \$5.6 million loan of local housing funds to the Wasatch Corporation for acquisition and rehabilitation of the 144-unit Shadow Way Apartments. The City also approved a Multi-Family Housing Program bond issue of up to \$15 million for the project together with \$7,489,266 of Low-Income Housing Tax Credits (LIHTC) for the project. The project was completed in PY 2009. Ninety percent of the units will be restricted to residents at 60 percent or below the Area Median Income (AMI) with the remaining ten percent of units restricted to residents at 50 percent or below of AMI.

The Neighborhood Services Department submitted the final version of the 2005-2010 Housing Element of the City General Plan to the State Housing and Community Development Department for approval; final approval of the document came in September 2009. The element maintains the requirement that developers of three or more housing units – for-sale or rental – reserve 10 percent of the units for low-income households. Developers have the option of paying an in-lieu fee, which will be used by the City for new construction that is consistent with the Housing Element. The City will update its density bonus ordinance to bring it into compliance with state law (SB 1818). Density bonuses are used to make tax credit projects more economically feasible; in the future, they will assist in the provision of onsite Inclusionary units. The goals and policies of the Housing Element become are part of the five-year Consolidated Plan and annual Action Plans.

2. Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.

RESPONSE: The City continues to find ways and means to develop affordable housing that meets Section 215 goals of the National Affordable Housing Act. The City uses its Section 8 Rental Assistance Program and HOME housing development program to assist very-low income households so that they do not use more than 30 percent of their income for housing. The City also addresses the Regional Housing Needs Assessment (RHNA) for the 2005-2010 housing element cycle as prepared by the San Diego Association of Governments (SANDAG). The RHNA contains the total number of housing units (107,301) that the 18 cities and county government should plan for in their housing elements. Oceanside’s regional share was 6,423 housing units during the five-year period, of which 1,445 were to be for very low-income households and 1,098 for low-income households. The Housing Division has determined that its primary housing efforts in the next five years will be to develop rental housing for very low-income

households (30 to 60 percent AMI). The construction of *La Mision Village* (80 rental units), development of the Habitat for Humanity homes at Libby Lake Village (20 for-sale homes), the acquisition and rehabilitation of Cape Cod Villas (36 units senior housing), Country Club Apartments (90 units of housing for very low-income families), and Shadow Way Apartments (144 units of affordable housing) all contribute to the goals of providing affordable housing. The City will proceed on additional acquisition and rehabilitation projects of affordable rental units in the 2010-2015 Consolidated Plan period, in partnership with nonprofit and for-profit housing developers.

The City needs to increase the number of affordable rental units for elderly persons and persons with disabilities. During the 2005-2010 Consolidated Plan period the City did not construct any new housing for these groups; the City did preserve the 36-unit Cape Cod Villas as affordable senior housing, began construction on the 80-unit Lil Jackson project for very low-income seniors, and provided funds to T.E.R.I., Inc. for a six-bed home for adult men with developmental disabilities. Identifying sites and obtaining funds remain difficult obstacles for development of housing for seniors or persons with disabilities.

3. Describe efforts to address “worst-case” housing needs and housing needs of persons with disabilities.

RESPONSE: The primary effort to deal with worst-case housing needs and the housing needs of persons with disabilities is through the Section 8 Rental Assistance Program. The City has 1,533 households in the Section 8 program, but limited funding means that over 4,000 households are on a four- to five-year waiting list for the program.

The City does provide lists and contact information for low-income housing opportunities, including HOME- and bond-funded apartments, senior apartments and other units with restricted rents. The City provides information on housing opportunities for persons with disabilities, and cooperates with the Access Center of San Diego and other organizations serving persons with disabilities to improve access to decent housing for persons with disabilities. The City contracted with the Fair Housing Council of San Diego in PY 2005, 2006 and 2007 to investigate any claims of housing discrimination, including restricting access to rental units for persons with disabilities; the City changed to North County Lifeline for fair housing services for PY 2008 and 2009. Lifeline also provides assistance with landlord-tenant disputes.

The City seeks to assist persons with disabilities to remain in their homes as long as possible. A minor home repair program managed by Interfaith Community Services can install grab bars, replace light switches and faucet handles, and otherwise improve ease of movement in the homes of persons with disabilities. The City’s Mobile Home Improvement Program helps twenty to twenty-five very low-income seniors or persons with disabilities repair their coaches so that they can have safe, healthy housing.

The City supported the successful efforts of Casa de Amparo to obtain funds to provide transitional housing and supportive services in Oceanside for up to 24 youth who age out of the foster care system at age 18. The City supported efforts of Interfaith Community Services to obtain funds from the U.S. Veterans Administration to acquire and rehabilitate an apartment building in Oceanside to house up to 72 formerly homeless veterans, including veterans with disabilities, and to provide supportive services for them. Both programs opened in PY 2007 and were at full capacity throughout PY 2009. The City continues to support efforts to identify and provide housing for veterans, especially those returning from Iraq and Afghanistan with mental (PTSD) or physical disabilities. With the opening of a new VA Clinic in Oceanside the City anticipates a growing number of veterans moving to the area. The proposed drawdown

of combat forces from Iraq in August 2010 and from Afghanistan in 2011 will bring more troops back to Marine Corps Base Camp Pendleton, immediately north of Oceanside, and potentially more veterans to the area as they separate from military service but remain in the area for physical and mental health services.

Public Housing Strategy

1. Describe actions taken during the last year to improve public housing and resident initiative.

RESPONSE: The City of Oceanside does not own or manage any public housing units. The City does manage a Section 8 Rental Assistance Program with a current enrollment of approximately 1,533 individuals and families, and a minimum four-year waiting list for persons who have applied to the program. The City consistently receives a "High Performer" rating from monitoring and evaluation of the program. Staff of the Neighborhood Services Department – Housing Division host an annual meeting for owners, managers and property owners of units rented to Section 8 program participants, both to explain any changes in the program and to hear comments and complaints about the program and/or tenants. The City initiated a direct deposit program in program year 2005 to transfer funds on the first working day of each month, and the majority of landlords have now signed up for this program. Housing technicians complete all recertifications and annual inspections in a timely manner; problems between program participants and owners/managers are resolved as quickly as possible.

The Housing Commission, a citizen advisory body appointed by the City Council, has at least one Section 8 program participant as a member. The commission makes recommendations to the City Council with regard to housing activities, transitional housing and services to homeless individuals and families.

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

RESPONSE: The primary barrier to affordable housing in the City of Oceanside PY 2009 and two previous years has been the economic recession and collapse of the housing industry. Oceanside along with the nation has experienced a rising number of families who have lost homes due to their inability to meet rising mortgage payments resulting from Adjustable Rate Mortgages (ARM) extended through the sub-prime mortgage market. While these families are generally able to move to rental housing, they now have a serious default on their credit record and consequent increase in the cost of all credit. Families that hope to take advantage of the rapid decline in for-sale housing costs are now faced with an ever-increasing tight credit market that effectively bars them from homeownership.

The vacancy rate for apartments has remained around 5 percent (+/- 0.5 percent), in part as a result of the continuing deployment of military personnel from Marine Corps Base Camp Pendleton to Iraq and Afghanistan and dependents returning to live with other family during the period of deployment. While costs of for-sale housing have dropped dramatically over the past two years, rental costs for apartments and detached homes have remained steady, partly due to the number of families who lose their home to foreclosure and once again become renters. Many units are occupied by two families, including young families who have to move in with parents due to the loss of income in the recession.

The City uses a variety of programs to address the barriers to affordable housing:

- The City uses available funds – local, state and federal – to develop both for-sale and rental housing that is affordable to low-income families, and especially rental units for very low-income families. The City particularly seeks to partner with nonprofit or for-profit housing developers for acquisition and rehabilitation opportunities as a way to preserve affordable housing and to improve the City's housing stock as safe and healthy housing, as with the acquisition and rehabilitation of the 144-unit Shadow Way Apartments, which completed rehabilitation in PY 2009 to become safe, healthy rental housing that is affordable to very low-income families. The City will continue to use available housing funds to develop rental housing that is affordable to low- and very low-income families.
- The City works with both for-profit and non-profit housing developers that can leverage City funds for the development of affordable housing projects and housing for specific groups such as seniors, as with the 36-unit Cape Cod Villas, preserved as income-restricted senior housing in PY 2007 and development of the Lil Jackson Senior Housing, slated to open in 2011.
- The City has a first-time homebuyer program that assisted two families in PY 2009 to move from renting to homeownership; this program is a low priority until there is improvement in the economic sector.
- The City manages a Section 8 Housing Assistance Program for 1,533 families in the City, which provides decent housing to families without spending more than 30 percent of their household income on rent. The program, however, has a four-year waiting list due to limited funding, which is another barrier for very low-income families,
- The City participates in regional planning for housing, transportation and economic development, especially to improve jobs housing balance in the region and to ensure that all jurisdictions contribute to affordable housing, both rental and for-sale.
- The City provides fair housing information and assistance for persons who believe that they are excluded from housing by discrimination.
- The City provides extensive referral information for individuals and families seeking affordable housing through the Neighborhood Services Department – Housing Division offices.

HOME/ American Dream Down Payment Initiative (ADDI)

1. Assessment of Relationship of HOME Funds to Goals and Objectives
 - a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.

RESPONSE: The City uses HOME funds in a first-time homebuyer program for low- and moderate-income families; CalHOME grants provide additional funding for the program that utilizes a "silent second" mortgage. The program provides downpayment assistance for families who would otherwise be unable to become homeowners. Funds are recovered (recaptured) when the home is sold or the primary mortgage refinanced. The current downturn in the housing market and tightening of credit for lower-income families has significantly reduced the number of households that qualify for the program; the program assisted two families in PY 2009. The City maintains a waiting list of applicants. The City allocated \$1.1 million of HOME funds in PY 2007 to the Lil Jackson Senior Housing Project; groundbreaking on this project was held in PY 2009 and will be completed in 2011. This project will provide 80 units of housing for very low-income seniors.

The City allocated \$200,000 for HOME CHDO funds to Habitat for Humanity – San Diego toward development of a single-family home in the Eastside (the Nelms Street project) on a parcel that had been donated to the City in 1990. If project development is successful, the home will be sold to a low-income Oceanside family. Habitat for Humanity has not been able to move forward on this project; the City may need to transfer the project to another CHDO.

The City allocated \$381,000 of HOME funds in PY 2009 to the Fuller Center for Housing – San Diego for the acquisition and rehabilitation of vacant and/or foreclosed upon residential properties in the City; the renovated units would be used as rental housing for low-income households. The HOME funds complemented \$1.2 million in Neighborhood Stabilization Program (NSP) funds made available to the City from the State Department of Housing and Community Development

Projects developed with HOME funds and completed in prior years continue to serve targeted audiences; the Old Grove Apartments for very low-income families including farmworker families, Vintage Pointe Apartments for seniors and the *La Mision Village* for low- and very low-income families remain fully occupied with waiting lists of persons. The 30-unit Solutions Family Center transitional housing facility in Vista, developed with HOME funds from a number of jurisdictions, likewise remains fully occupied with a backlog of homeless families in a ninety-day shelter ready and qualified for admittance. All HOME-funded units are inspected every two years for safety and health concerns and to ensure compliance with HOME requirements for occupants.

2. HOME Match Report

- a. Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.

RESPONSE: The City provided matching funds for the HOME program in PY 2009 through CalHOME grants and other state bond funds and local funds. The City maintains a significant match surplus for the HOME program. The PY 2009 HUD-40107-A Report is attached in the appendices.

3. HOME MBE and WBE Report

- a. Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).

RESPONSE: The City does outreach for contracts with MBEs and WBEs as part of the normal call for bids on City projects, and encourages all contracts to use MBEs and WBEs as subcontractors. HOME funds were allocated in PY 2009 to the Fuller Center for Housing San Diego, a nonprofit housing development organization that has a woman as its executive director. The City files the HUD 40107 and other labor relations forms in a timely manner each year; a copy of the PY 2008 HUD-40107 report is included in the appendices.

4. Assessments

- a. Detail results of on-site inspections of rental housing.

RESPONSE: Neighborhood Services Department – Housing Division staff conduct inspections every two years of rental units developed with HOME funds along with monitoring for compliance with income restrictions and other regulations. Housing staff also inspect units in housing projects financed with State of California bond funds or through the City's rental rehabilitation program. The inspections ensure that the units are free of health and safety hazards, and that the tenants in the units

meet the HOME requirements as established in the regulatory agreements with the developer of the units. The City requires third-party verification of income of tenants in HOME units. The following list shows housing projects for which the City provided HOME funds, the number of HOME units in particular projects, and the project management:

- Old Grove Apartments – 4 units for farm worker families (Community Housing Works)
- Solutions Family Center – 5 units of transitional housing (North County Solutions for Change)
- Marisol Apartments – 11 units for persons with AIDS (Community HousingWorks)
- La Corona Apartments – 23 units for very low-income families (SER – Jobs for Progress)
- McNealy House group home for five developmentally-disabled adults (T.E.R.I., Inc.)
- Vintage Pointe Senior Apartments – 11 units for very low-income seniors (Bush Street Housing)
- Women’s Resource Center transitional housing – 21 units (WRC)
- *La Mision Village* – 11 3-bedroom units for very low-income families

Inspection of HOME-financed units during PY 2009 showed no deficiencies and management records showed that the units were occupied by eligible households. Other units constructed or renovated with HOME funds are added to this list of biennial inspections once work is complete and the units inhabited. Inspection files are reviewed by a Housing Program Manager for accuracy. HUD forms are used for all inspection and monitoring.

- b. Describe the HOME jurisdiction’s affirmative marketing actions.

RESPONSE: The City distributed information about the first-time homebuyer program and other projects funded under the HOME program in a variety of ways, especially through the Oceanside magazine. This quarterly publication was delivered to every home and business address in the City. Budget restrictions will eliminate print publication of the magazine in PY 2010 and beyond; the City will publish an online edition twice each year through the City website. Information is also available to residents through the community resource centers and at meetings of neighborhood associations; most material is published in both English and Spanish. Spanish-speaking staff members are always available at the Housing Division offices.

Information about housing projects that are affordable to very low- and low-income such as the newly-renovated 90-unit Country Club apartments (PY 2008) and the 144-unit Shadow Way Apartments (PY 2009) is available at the Housing offices. Residents interested in moving to such new housing projects may place their names on a waiting list with the developer or management agency. The Housing Division provides referral material in the Housing offices for persons seeking affordable housing, information or rental units available to Section 8 tenants and resources for persons with disabilities. Housing staff regularly update this material to ensure that residents receive accurate information.

- c. Describe outreach to minority and women owned businesses.

RESPONSE: The City does outreach to MBEs and WBEs as part of the normal call for bids for City projects, and encourages prime contractors to seek MBEs and WBEs as subcontractors for projects. The City files the HUD-2516 form annually with the HUD – Los Angeles Field Office with regard to its outreach and contracting activity; a copy

of the most recent HUD-2516 is included in the appendices. The Housing Division began a review of Section 3 policy and procedures in PY 2009 as a result of information from HUD; the Housing Division will ensure that all future projects with federal funds are fully in compliance with Section 3 requirements, and that developers do more than a "good faith" effort to meet Section 3 requirements.

HOMELESS

Homeless Needs

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Identify actions taken to address needs of homeless persons.

RESPONSE: The City funded services for homeless persons and families during PY 2009 based on a priority of services established in consultation with agencies and organizations that provide such services in Oceanside and the North San Diego County area. Priority areas are first, to prevent homelessness through emergency rental assistance and other emergency services; second, to support transitional living programs of housing and supportive services that assist families to become independent and self-sufficient; and third, to provide services to chronically homeless persons.

The City began to use its allocation of Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds toward the end of calendar 2009. The City gave priority for HPRP funding to Oceanside families with children ages 0 to 18 either at risk of homelessness or that have become homeless as a result of the current recession but who demonstrated that with some assistance they could become stable again. The City followed the "but for" guideline for allocation of HPRP funds to families. The City developed a partnership with McKinney Vento staff persons in the local school districts to ensure that homeless children as defined by the U.S. Department of Education received all the benefits and support to which they were entitled. Reports on the use of HPRP funds as submitted to FederalReporting.Gov are included in the appendices.

The City allocated CDBG funding to the Brother Benno Foundation and Interfaith Community Services to provide emergency assistance to homeless and very low-income persons and families, including food packets, infant supplies, hygiene supplies, clothing and other essentials. All persons or families receiving emergency assistance are registered with the program for case management as available. Brother Benno's can also under certain circumstances provide funds for prescription medications (paid directly to the pharmacy) and bus passes for work-related transportation. The City contributes to the San Diego County-managed hotel/motel voucher program, which provides short-term shelter for homeless families. North County Lifeline and Interfaith Community Services can issue County vouchers and FEMA-funded short-term housing vouchers.

Due to other demands on CDBG program funds, the City Council approved using available funds from the City's Mortgage Revenue Bond (MRB) Fund to support activities that serve homeless individuals. The MRB Fund comes from a fee the City levies on all bonds issued by the City for housing projects; the fees are deposited into the MRB Fund and can only be used for housing or homeless-serving programs. The City Council allocated MRB funding to four programs in PY 2009:

- YMCA Oz North Coast, which provides short-term (up to fourteen days) shelter and services for runaway and homeless youth ages 12-17. Youth and parents receive

counseling while the youth are in the shelter and for six to eight weeks afterward. A primary objective at Oz North Coast is family reunification whenever possible and reduction of any future runaway or throwaway behavior.

- Women's Resource Center, which operates an emergency shelter women and children who are victims of domestic violence. The shelter provides immediate housing, counseling and other services for the women who need time and shelter to determine what options are open to them.
- Casa de Amparo, which operates a shelter for children and youth ages 5 to 17 who have been removed from their homes by Child Protective Services or local law enforcement agencies. Casa provides shelter, supportive services and counseling for the children and youth until they can be reunited with their families or placed in foster care.
- The Alliance for Regional Solutions, which operates the regional emergency winter shelter program with essential services for homeless persons. North San Diego County jurisdictions and nonprofit organizations serving homeless persons and families formed the Alliance to manage the 2007-08 winter emergency shelters, one of which was located in Oceanside. Persons wanting to stay in the shelter had to agree to case management and to remain free of drugs and alcohol.

The Neighborhood Services Department requests the City Council to declare a housing emergency for the period November 1 to April 15 each year, which allows organizations to house up to 50 persons per night without a Conditional Use Permit from the City. Bread of Life in Oceanside provided shelter for individuals and families, although families were referred first to the Operation Hope program in neighboring Vista, which only took families. Shelter operations were managed as part of the overall Alliance for Regional Solutions framework and philosophy. The shelter provided safe housing, an evening meal and light breakfast. North County Health Services made weekly visits for health intervention services to identify medical needs of the guests. Bread of Life staff and volunteers made referrals to local agencies that could assist guests with particular needs, especially veterans, persons with disabilities and persons exhibiting signs of mental illness.

Interfaith Community Services, Lifeline Community Services and local community clinics provide information, assistance and referrals to homeless persons and families. This includes assisting veterans, persons with disabilities, and very low-income families apply for benefits to which they are entitled such as Food Stamps or Veterans Administration benefits. The City encourages these agencies particularly to work with veterans, including men and women recently separated from military service and those who present signs of Post-Traumatic Stress Disorder. The Veterans Administration opened a new clinic in Oceanside in PY 2009 with special services for veterans from the Iraq and Afghanistan conflicts.

The City participates in the San Diego Regional Task Force on the Homeless, which is the local lead agency for the plan to end chronic homelessness by 2012. The Task Force conducts an annual homeless "point-in-time" count in February.

The City supports efforts of two organizations to develop housing for particular homeless populations. Casa de Amparo received a five-year grant to provide transitional housing and supportive services to youth who at age eighteen age out of the foster care system. The *New Beginnings* program opened in PY 2007 and provides 24 youth with the opportunity to gain post-secondary education, develop job and life skills, and make a successful transition to independent, self-sufficient adulthood.

Interfaith Community Services received funding from the U.S. Veterans Administration to acquire and rehabilitate 36 rental units to provide housing for up to 72 homeless veterans, both men and women, including veterans with disabilities. Supportive services are provided offsite to assist the veterans with job-training, mental or physical health issues, and other needs. A particular concern will be to help younger veterans of the conflicts in Iraq or Afghanistan make a successful reentry into civilian life. The veterans housing was at full capacity throughout most of PY 2009. The opening of a new VA Clinic in early PY 2010 will possibly bring more veterans to the area.

2. Identify actions to help homeless persons make the transition to permanent housing and independent living.

RESPONSE: The City supports short-term/emergency housing for victims of domestic violence and their children, runaway / homeless youth, and persons or families made homeless by economic factors. Each agency providing shelter also provides counseling and other supportive services to help the homeless person or family determine immediate and long-term steps toward independent, self-sufficient living. The Women's Resource Center Transitional Housing facility, the Solutions Family Center and Brother Benno homes provide housing and assistance for formerly homeless families for up to 24 months. Families work with a case manager to develop and then follow a contract to guide them toward becoming independent and self-sufficient.

The City participates in the Regional Continuum of Care Committee to find and implement regional solutions for particular groups of homeless persons, especially youth aging out of the foster care system at age 18, persons with mental illness or co-occurring disorders and persons returning to society after a period of incarceration. Housing for homeless youth is a particular problem, especially those with limited education and/or vocational skills. The City works with local agencies providing services to older youth to enable them to complete their education, develop marketable skills, and establish clear goals for their lives. The Alliance for Regional Solutions winter shelter program is based on a "personal responsibility model" that seeks ways for homeless persons to move out of homelessness rather than a "warehouse model" that only provides housing during inclement weather.

A problem for many families who are ready to move out of transitional housing is the high cost of all forms of housing; as a result, some families stay in transitional facilities longer than necessary and thus limit the number of persons or families who can move from the waiting list into transitional housing. The City already works with transitional housing programs to ensure that clients apply for and stay on the Section 8 waiting list, and that client families begin the search for affordable rentals well before their program comes to a close. The City loaned Neighborhood Stabilization Program (NSP) funds in PY 2009 to the Fuller Center for Housing San Diego to acquire and renovate four vacant and/or foreclosed upon residential units to use as "second step" housing for families that graduate from transitional housing but are not quite ready for completely independent living. North County Solutions for Change in Vista will work with Fuller to provide families from the Solutions Family Center for this "next step" program.

The City used Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds to provide security deposits and limited initial rent payments for homeless families that demonstrate that once stabilized in a rental unit, they can pay ongoing housing costs. The City works closely with local school districts when there are school-age children in these families to ensure that the children are enrolled and received any benefits to which they are entitled through McKinney Vento program funds.

One continuing “unknown” is the success rate for persons and families who complete transitional living programs or who are re-housed with HPRP funds. The City will work with local agencies that provide transitional living programs to identify ways to track families after they leave the programs to determine if they are able to maintain independent, self-sufficient lives.

3. Identify new Federal resources obtained from Homeless SuperNOFA.

RESPONSE: The City has not applied for direct funding from the Homeless SuperNOFA. Organizations providing services to homeless persons do receive funding through the SuperNOFA, including Supportive Housing Program (SHP) funds for the Family Recovery Center for women in recovery from substance abuse and the Women’s Resource Center transitional housing program; Interfaith Community Services for a shelter for seniors, persons with disabilities, and chronically homeless veterans; Community HousingWorks for operation of the Marisol Apartments for persons with AIDS; and Fraternity House for residential services for persons with AIDS. The City does participate in collaborative groups that apply on a regional basis for SHP, HOPWA and other SuperNOFA funds. The City provides Certificates of Consistency with the Consolidated Plan for agencies that apply for HUD program funds.

Specific Homeless Prevention Elements

1. Identify actions taken to prevent homelessness.

RESPONSE: Local organizations and agencies provide emergency services – food, infant supplies and other necessities – for very low-income families so families do not have to choose between paying the rent and providing food for children. Other organizations provide family financial management programs so that families can make the best use of what money they do have. One objective of these programs is to help individuals and families reduce and eliminate their use of cash advance businesses, which can take an ever-increasing amount of limited household income. This has been a particular problem for young married military families with over-extended financial demands. The City provided CDBG funds to the Brother Benno Foundation and Interfaith Community Services in PY 2009 for emergency services including when appropriate funds to cover one-time family financial shortfalls on rent.

The City cooperates with McKinney-Vento staff persons at local school districts to ensure that children and youth from homeless families (as defined under the *No Child Left Behind* Act) receive the benefits to which they are entitled. This partnership became especially important when the City opened its Homelessness Prevention and Rapid Re-housing Program (HPRP) in PY 2009.

HPRP funds are now the City’s primary means to help prevent homelessness. In addition to working with the local education agencies the City partnered with local nonprofit social service agencies, faith-based communities and the San Diego County Health and Human Services Agency to distribute information about HPRP to homeless or near-homeless individuals and families. Since the City has worked with many of the owners or managers of rental properties in Oceanside through the Section 8 Rental Assistance Program, they have proved willing to delay evictions of families with past due rent while the families qualify for HPRP rental payments. All HPRP payments are made directly to owners or managers. HPRP managers in cities or social service agencies regularly meet to ensure consistency among all HPRP providers.

The City recognizes that homelessness is a regional issue and thus collaborates with neighboring jurisdictions and local social service agencies to develop ways to address the issue on a regional level. This includes participation in planning groups such as the Regional Task Force on the Homeless, the Continuum of Care Committee, the FEMA Board for the region and the Regional Shelter Solutions consortium.

Emergency Shelter Grants (ESG)

1. Identify actions to address emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations such as those living on the streets).

RESPONSE: The City of Oceanside received ESG funds for Program Years 2006, 2007 and 2008 but did not qualify for ESG funds for PY 2009. Reports on use of ESG funds were included in CAPERs for the three prior program years.

The City allocated CDBG and local Mortgage Revenue Bond (MRB) funds in PY 2009 to a number of organizations to address emergency shelter and/or transitional housing needs of homeless individuals and families

- The City allocated MRB funds to the Women’s Resource Center in Oceanside to operate a 26-bed 30-day emergency shelter (“safe house”) for women who are victims of domestic violence and their children. The City has provided CDBG capital funds for renovation and rehabilitation work at the emergency shelter, and CDBG-R funds for replacement of the roof at the shelter.
- The City allocated MRB funds to YMCA Oz North Coast Shelter (10 beds) for homeless and runaway youth, and for an outreach program to youth living on the streets.
- The City allocated CDBG funds to Casa de Amparo to operate a shelter with supportive services for children and youth ages 5 to 17 who have been removed from their homes by Child Protective Services or law enforcement agencies.
- The City allocated MRB funds to the County hotel/motel voucher program, which provides emergency shelter in winter months for homeless families. Two local agencies – North County Lifeline and Interfaith Community Services – provide the vouchers together with case management and counseling.
- The City has allocated CDBG public services and capital improvement funds to the Family Recovery Center (FRC) managed by Mental Health Services. The FRC provides transitional housing, supportive services, and education and vocational training for women in recovery from substance abuse (methamphetamines and other drugs). Women are homeless at entry. Women with children and pregnant women are eligible for admission, and must remain clean and sober throughout their stay at the center. A difficulty for women who successfully complete the program is being able to move from the FRC to affordable housing; Mental Health Systems is exploring options for post-FRC housing through acquisition or long-term lease of rental units.
- The City is an active participant in the Alliance for Regional Solutions, which includes all cities in North San Diego County and nonprofit agencies that provide services to homeless persons and families from December 1 to April 1. One of the winter shelters is in Oceanside. The Alliance successfully managed emergency shelter programs during the 2008-09 winter season, and will duplicate this effort in PY 2010. A long-term goal of the Alliance is to develop a permanent homeless shelter that can serve chronically homeless persons.
- The Ecumenical Council of San Diego manages the Interfaith Shelter Network, which is a rotational program providing shelter and case management for two-

week periods in facilities of faith-based organizations for homeless families; two churches in Oceanside participate each year.

- A significant underserved population, however, are homeless men and women with mental illness or who have some form of addiction; winter shelters are staffed primarily by volunteers who are not able to provide adequate care and services for these persons. The Alliance for Regional Solutions recognizes that this population cannot be easily accommodated in the existing winter shelters. In emergency situations the shelters can call on Psychiatric Emergency Response Teams (PERT Program) from local police departments for assistance with mentally ill homeless persons.

2. Assessment of Relationship of ESG Funds to Goals and Objectives

- a. Evaluate progress made in using ESG funds to address homeless and homeless prevention needs, goals, and specific objectives established in the Consolidated Plan.
- b. Detail how ESG projects are related to implementation of comprehensive homeless planning strategy, including the number and types of individuals and persons in households served with ESG funds.

RESPONSE Not applicable to the City of Oceanside

3. Matching Resources

- a. Provide specific sources and amounts of new funding used to meet match as required by 42 USC 11375(a)(1), including cash resources, grants, and staff salaries, as well as in-kind contributions such as the value of a building or lease, donated materials, or volunteer time.

RESPONSE Not applicable to the City of Oceanside

4. State Method of Distribution

- a. States must describe their method of distribution and how it rated and selected its local government agencies and private nonprofit organizations acting as subrecipients.

RESPONSE: Not applicable to the City of Oceanside

5. Activity and Beneficiary Data

- a. Completion of attached Emergency Shelter Grant Program Performance Chart or other reports showing ESGP expenditures by type of activity. Also describe any problems in collecting, reporting, and evaluating the reliability of this information.

RESPONSE: Not applicable to the City of Oceanside

- b. Homeless Discharge Coordination

As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low income individuals and families at risk of becoming homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs. Explain how your government is instituting a homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.

RESPONSE: The City of Oceanside has not developed or implemented a homeless discharge coordination policy, and has not used CDBG or HPRP funds for housing for homeless persons discharged from institutions or for youth aging out of the foster care system.

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

The statutes for the Consolidated Plan set forth three basic goals, the National Objectives of decent housing, a suitable living environment and expanded economic opportunity against which the Consolidated Plan and annual Action Plans, and the jurisdiction's performance under the plans will be evaluated by HUD. Each jurisdiction's plan must establish how it will pursue these goals for all community development and housing programs, and how these programs and activities will serve low- and moderate-income individuals, families and neighborhoods.

This 2009-2010 Action Plan for the City of Oceanside addressed the three statutory program goals with local goals, objectives, strategies/activities and anticipated outcomes. The following criteria were taken into consideration for setting priorities:

- The extent to which a particular project or program meets needs as identified in the Needs Assessment section of this Consolidated Plan;
- The extent to which the City's resources including federal, state and local funds will be available to address the identified needs and objectives;
- For housing objectives, the degree to which an project would assist the City to meet its Fair Share of the Regional Housing Need;
- For homeless objectives, the degree to which an objective would support the regional plan to eliminate chronic homelessness by 2012.

The City of Oceanside in PY 2009 particularly supported projects and activities that addressed the national goals with specific local goals:

- For Decent Housing, the City supported projects and activities that address the regional plan for affordable housing, the recommendations in the Affordable Housing Strategy developed by the City in 2004, and the regional plan to eliminate chronic homelessness by 2012.
- For a Suitable Living Environment, the City supported projects and activities that strengthen family life for low- and moderate-income families and households, and that support positive youth development.
- For Expanded Economic Opportunity, the City supported projects and activities that improve conditions and offer opportunity for the "working poor," or that offer training for careers with opportunity for advancement and living-wage jobs.

The City of Oceanside also looks for projects and activities that will support in some way the City's Vision Statement:

The City of Oceanside will be a safe, culturally diverse community that empowers its citizens to provide an environment that promotes economic development, supports quality education, fosters the cultural arts and preserves its natural resources.

1. Assessment of Relationship of CDBG Funds to Goals and Objectives
 - a. Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.

RESPONSE: All CDBG-funded activities and projects must address one of the three National Objectives and one of the thirty-three local objectives set forth in the City's 2005-2010 Consolidated Plan and the annual Action Plan. Applications are reviewed

and rated based on how effectively the proposed activity addresses the goals and objectives, to what extent the proposed activity addresses an unmet need in the community, and how well the applicant organization has performed in previous activities with CDBG or other funds. The City Council sets priorities for funding through their process for allocation of funds for each program year; the demonstrated priorities from previous years guide selection of subrecipients.

Funded organizations must meet proposed program objectives and demonstrate clear progress toward satisfying outcomes and performance measurement requirements as a condition of subsequent funding. Demonstrated achievement of goals and outcomes for priority activities are a primary guide for continued funding of projects and activities.

Limitations on CDBG funding available to the City and the potential for a new Section 108 loan further restricting funds, the City will increasingly use a cost/benefit analysis as a tool for evaluating programs. This will not mean that programs serving the greatest number of people will automatically be ranked highest. Agencies will have to show that the program for which they seek CDBG funding makes a significant impact on an identified objective, and that the program provides a significant benefit to Oceanside residents.

- b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.

RESPONSE: See also the Housing section in Part 2 of this CAPER. CPD funds were used in PY 2009 for a variety of housing purposes including:

- One low-income female-headed household was approved for a three percent interest loans of CDBG funds for rehabilitation of an owner-occupied home. This program maintains decent housing for low-income households; homeowners would not have been able to obtain commercial financing that was affordable for them. Loans are repaid and funds recaptured when the home is sold or the primary mortgage refinanced. The three-year decline in home values and loss of homeowner equity has made it more difficult for applicants to qualify for rehabilitation loans.
- Twenty-six very low-income households were approved for CDBG grants to make repairs to owner-occupied mobilehomes. Nineteen of these grants were made to senior citizens who would have had difficulty obtaining financing for repairs to their coach; eleven were made to persons with disabilities. All projects were completed during PY 2009; the average grant awarded was \$4,323 with a total program expenditure of \$112,400.
- The City uses HOME and CalHome funds for its first-time homebuyer program, and both HOME and local funds to develop affordable rental housing (*La Mision Village*). The City uses bond program and tax credit financing to develop for-sale housing with Habitat for Humanity (Libby Lake Village) and for the acquisition and rehabilitation of rental units that will be affordable to low- and very low-income families, such as the 90-unit County Club Apartments with rehabilitation work completed in PY 2008 and the 144-unit Shadow Way Apartments with work completed in PY 2009. Acquisition and rehabilitation projects include age- and rent-restricted senior rental units, such as the 36-unit Cape Cod Villas in PY 2007.
- The City uses CDBG funds for administration of its housing rehabilitation program and for management of the City's portfolio of rehabilitation loans; HOME funds are used for administration of the first-time homebuyer programs.

- Local funds – the condominium conversion trust fund – are used for the City’s rental rehabilitation program for tenant-based and project-based rental rehabilitation activities. The stable rental market with vacancy staying around five percent has limited interest in this program by owners of rental properties
- c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.

RESPONSE: The City of Oceanside consistently uses close to the maximum fifteen percent of CDBG funds (15% cap) allowed for public service activities that benefit low- and moderate-income individuals, families and neighborhoods. Funding for capital improvement projects and neighborhood revitalization activities are likewise directed at three CDBG-eligible neighborhoods in the City and will be concentrated in the Crown Heights / Eastside NRSA during the 2010-2015 Consolidated Plan period. Details on the activities, level of funding, performance outcome and number of persons or households involved in each activity are described in Part 2 of this CAPER narrative, and in the PR03 CDBG Activity Summary Report (GPR) and PR06 Summary of Consolidated Plan Projects. All funded projects and activities provided a benefit to no less than 51 percent low- and moderate-income individuals and families; in many activities, 100 percent of beneficiaries were low- or moderate-income. The PR26 CDBG Financial Summary Report shows an overall 88.9 percent benefit to low- and moderate-income individuals, households and neighborhoods during program year 2009.

2. Changes in Program Objectives

- a. Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.

RESPONSE: There were no changes in objectives during PY 2009 and the ranking of local objectives (high, medium or low) for funding has not changed. The City decided in 2008 to award CDBG public services grants on a two-year basis, so the PY 2009 public service grants duplicated those of PY 2008. With the continuing reduction of the CDBG appropriation by Congress, the City Council is faced with the challenge of the increasing need for services and reduced resources to address those needs. The City deobligated CDBG funding in PY 2009 for three programs serving homeless individuals and families (homeless and runaway youth, victims of domestic violence and persons with AIDS/HIV+ who are at risk of homelessness) and used local funds dedicated to housing and homeless-serving programs to replace the CDBG funds. The deobligated funds were used to enhance programs in community resource centers in CDBG-eligible neighborhoods.

The City emphasizes three primary areas for CDBG funding:

- Youth development activities, especially those that deter youth gang activity and delinquent behavior;
- Services for very low-income individuals and families, especially seniors on fixed income, including food and other basic necessities;
- Support for persons in immediate need of services, including victims of domestic violence, abused or neglected children, and homeless youth

The City does recognize a need to expand economic development activities; this will be a primary activity of the Crown Heights /Eastside Neighborhood Revitalization Strategy Area Plan, including support for small business development and job-training programs. The City will explore ways to support job-training programs at

local community clinics that will start persons on a path toward careers in health care. With the growth of the tourism-related industry in the City and region, the City will also look for ways to support programs that will prepare people for living-wage jobs in this sector. The City provided CDBG-Recovery Act funds to the Family Recovery Center (transitional living for women in recovery from substance abuse) for kitchen improvements that will offer job-training for the food service industry.

The City will encourage and emphasize the importance of cooperation, partnerships and collaboration as a condition of ongoing funding. Performance measurement requirements and outcomes became part of the application process for program year 2008 and all applicants will be expected to show how proposed programs will address the objectives and meet the outcomes in a measurable manner. Adoption and implementation of the performance measurement requirements may have a substantial impact on future program objectives and funding. The City will further explore ways to adopt cost/benefit analysis for review of CDBG-funded programs throughout the 2010-2015 Consolidated Plan period.

The decline in revenue to the City's General Fund as a result of the current economic recession and decisions of the State Legislature to balance the State Budget by borrowing from and delaying payment of property taxes owed to cities and counties will have a major impact on City services. The Oceanside City Council may consider changing priorities for use of CDBG public services funds during the 2010-2015 Consolidated Plan period to concentrate on maintaining services in parks and recreation facilities and community resource centers. This will be especially necessary if the City Council accepts a new Section 108 loan guaranteed by future CDBG allocations to the City for construction of a new Joe Balderrama Recreation Center; such action will reduce the amount of CDBG funds available for other uses

3. Assessment of Efforts in Carrying Out Planned Actions
 - a. Indicate how grantee pursued all resources indicated in the Consolidated Plan.

RESPONSE: The City of Oceanside used available CDBG and HOME funds for purposes as set forth in the 2009-10 Action Plan or amendments to the Plan adopted during the year. The City also used other federal, state and local resources shown in the Action Plan budget, including CDBG-Recovery Act and Homelessness Prevention and Rapid Re-Housing Program funds, for purposes set forth in the Action Plan. Local funding for housing programs – inclusionary housing fees, redevelopment setaside fees and multifamily housing assistance bonds – were used for acquisition and rehabilitation of the 90-unit Country Club Apartments in PY 2008 and for acquisition and rehabilitation of the 142-unit Shadow Way Apartments in PY 2009 to maintain these two projects for low- and very low-income families. HOME funds designated for the City's first-time homebuyer program were allocated and drawn down during PY 2009. The City's Deadline Compliance Report shows that the City must expend and draw down approximately \$65,000 and obligates \$ by September 22, 2010, to remain current with all HOME requirements.

The City seeks other grant funds as well, including competitive and entitlement funds from federal and state sources, especially for park development, library programs, and law enforcement, public safety and security activities. The City has been successful in receiving gang prevention and intervention grant funds from the Office of Juvenile Justice and Delinquency Prevention and supports programs of Vista Community to reduce drug and alcohol use in the City with grant funds from the Substance Abuse and Mental Health Services Administration.

The City seeks to maintain a positive “timeliness of use” for CPD grant funds. The CDBG timeliness test date report of May 2, 2009, showed a draw ratio within HUD guidelines; the City’s goal is to maintain this ratio to below 1.25 at every test date. One area for additional work in the 2010-2015 Consolidated Plan period is in the allocation of CDBG and CDBG-R funds for capital improvement projects. The City will work with subrecipients of CDBG capital project funds so that funds are used in a timely manner and not kept “on hold” for a long period of time. Managers of such projects, both City-sponsored and those of outside subrecipients, will be asked to provide definite (rather than “proposed”) timelines for the projects; this timeline will be used as benchmarks to measure progress. Funds not used in a timely manner will be de-obligated.

- b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.

RESPONSE: Requests for Certificates of Consistency with the Consolidated Plan are reviewed by CDBG staff. The proposed project or program must meet one of the three National Objectives, address one of the thirty-three local objectives in the current Consolidated Plan, and demonstrate that the project or program meets an identified need in the community. When necessary, the agency requesting the certificate will be asked for additional material. Certificates are prepared by CDBG staff and then reviewed and signed by the Neighborhood Services Director. If the request is denied, the requestor will be given a statement with reasons for denial. Certificates can usually be provided to the requesting agency within 24 to 48 hours.

- c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.

RESPONSE: The City of Oceanside made a good faith effort to implement the 2009-10 Action Plan of the Consolidated Plan in a timely and faithful manner. Activities of City staff responsible for CPD funds and programs in the City are reviewed and monitored by the Neighborhood Services Department Director. City staff provide information in sufficient detail to elected officials and senior management to demonstrate commitment to and positive action for implementation of the Consolidated Plan. The City seeks the advice and assistance of the HUD – Los Angeles Field Office CPD representative and from more experienced CDBG staff persons in other cities to ensure that the City is aware of and implementing all requirements. Any missteps along the way are corrected as soon as possible and new procedures put into place. The City's CDBG program is reviewed each year as part of the Single Audit completed by the City's outside auditor; any concerns or findings are addressed as quickly as possible.

The City meets HUD deadlines for filing the annual Action Plan and CAPER, and responds to monitoring reports in a timely manner. Any additional material requested by the HUD – Los Angeles Field Office staff is provided within fifteen days of the request. Data is entered into the IDIS on a regular basis, and subrecipient reports are entered into IDIS within fifteen days after receipt of the report. The City currently draws down funds through the IDIS system on a quarterly basis and will seek to do drawdowns more often in PY 2010.

- 4. For Funds Not Used for National Objectives
 - a. Indicate how use of CDBG funds did not meet national objectives.

RESPONSE: Does not apply. All CPD funds during PY 2009 were used to meet one of the three National Objectives. Subrecipients must show that funded activities benefit not less than fifty-one percent low- and moderate-income individuals, families or neighborhoods. All activities and projects presented to the City Council for CDBG, HOME or Recovery Act funding are shown to address one of the three objectives and serve a low- or moderate-income population. Applications for CDBG funds that do not meet one of the National Objectives are returned to the applicant without further review. Subrecipients demonstrating inappropriate use of CDBG funds or use other than for approved purposes as defined in the agreement will not have expenses reimbursed and may have the activity cancelled. Questionable activities and/or expenditures are referred to HUD – Los Angeles Field Office CPD staff for review.

- b. Indicate how use of CDBG funds did not comply with overall benefit certification.

RESPONSE: Does not apply. The City of Oceanside consistently uses close to the 15 percent maximum of CDBG funds (15% cap) allowed for public service activities that benefit low- and moderate-income individuals, families and neighborhoods. Funding for capital improvement projects and neighborhood revitalization activities are likewise directed at three specific CDBG-eligible neighborhoods in the City. As a result, all funded activities meet the overall benefit certification requirements; the IDIS PR26 CDBG Financial Summary Report (line 22) shows an overall 88.9 percent low- and moderate-income credit for PY 2009.

5. Anti-displacement and Relocation – for activities that involve acquisition, rehabilitation or demolition of occupied real property
- a. Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.

RESPONSE: No relocation activity was required in PY 2009. Two families were relocated as part of the acquisition and rehabilitation of the Country Club Apartments in PY 2008; this activity was funded through local sources. The City followed its relocation guidelines for this and any other acquisition and rehabilitation projects.

The City has a relocation plan as part of the 2005-2010 Consolidated Plan. It reads (in part):

It is the intent of the City of Oceanside to minimize and where possible, to eliminate hardship to anyone affected by these projects and programs. Some projects could potentially cause displacement of individuals, families or businesses. It is the policy of the City of Oceanside to avoid displacement if at all possible.

In situations involving the acquisition of real property with federal funds, all acquisition and relocation activities are carried out in accordance with the City's Consolidated Plan for Housing and Community Development and the specific requirements of the source of funding. THE City adheres to HUD's implementation requirements of the Uniform Relocation Assistance (URA) and Real Property Acquisition Act of 1970, as amended. The Housing Division maintains up-to-date copies of HUD Handbook 1378, Tenant Assistance Relocation and Real Property Acquisition, for use in applicable situations.

The City's Relocation Assistance Plan includes requirements when HUD funds are used for a particular project; the URA (as amended) applies whenever federal funds are used. If the project is within the City of Oceanside Redevelopment Area or Local Coastal Zone, additional City and/or state requirements will apply. The City follows

State of California guidelines and regulations if state and/or local funds are involved in acquisition and relocation. If the project involves the conversion of rental apartment units to for-sale condominium units, specific requirements under City regulations apply.

- b. Describe steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.

RESPONSE: Not applicable to the City of Oceanside as there were no displacement activities or need for relocation assistance during PY 2009 as a result of projects that were subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended.

- c. Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

RESPONSE: Not applicable to the City of Oceanside as there were no displacement activities or need for relocation assistance during PY 2009 as a result of projects that were subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended

- 6. Low/Mod Job Activities – for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons
 - a. Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.

RESPONSE: No economic development activities were undertaken with CDBG funds during PY 2009. All capital improvement project subrecipients are required to sign a Section 3 attachment to CDBG contracts.

- b. List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.

RESPONSE: No economic development activities were undertaken with CDBG funds during PY 2009.

- c. If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.

- 7. Low/Mod Limited Clientele Activities – for activities not falling within one of the categories of presumed limited clientele low and moderate income benefit
 - a. Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.

RESPONSE: The standard CDBG public service contract requires subrecipient organizations to show that the activities funded in whole or in part through a CDBG allocation from the City meets the National Objective benefit either by reporting the household income level of persons or families participating in the program, or by showing that the particular program served a “presumed benefit” clientele of

battered spouses, abused or neglected children, homeless persons or families, persons with AIDS, etc. Monitoring visits include review of back-up documentation on client individuals or families in order to confirm the subrecipient's reports. CDBG staff review block group census data to verify that activities designed to serve a neighborhood (LMA), as with capital improvement projects, will in fact serve a majority (usually at least sixty percent) low- and moderate-income population.

8. Program income received

- a. Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.

RESPONSE: The City does not maintain any revolving funds. The only program income received by the City is from repayment of first-time homeowner loans (HOME) or homeowner rehabilitation loans (CDBG). Program income is reported through IDIS and used prior to drawing down entitlement funds. The City estimates the amount of program income as part of the overall CPD budget for the year, and allocates – within the particular cap limits - to public services and to program administration and planning expenditures. The City considered setting up its homeowner rehabilitation loan program as a revolving fund but has deferred this decision in light of the current economic recession. Whereas in prior years the City extended up to ten loans for owner-occupied single family housing rehabilitation projects, in PY 2009 the City could approve only two. Decline in housing value and thus owner equity is the primary reason families cannot qualify for the loans.

- b. Detail the amount repaid on each float-funded activity.

RESPONSE: The City of Oceanside has no float-funded activities.

- c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.

RESPONSE: See also Part 2 of this CAPER and IDIS PR01 and PR26 reports. The City received program income of \$111,445 from repayment of CDBG homeowner rehabilitation loans and \$47,784 from repayment of HOME first-time homebuyer loans. Deferred loans are repaid (recaptured) when the home is sold; other loans are either repaid through an amortization agreement or when the primary mortgage is refinanced. First-time homebuyer loans are secured by a "silent second" on the property. The Mobile Home Improvement Program (MHIP) provides funds as grants so long as recipients are very low-income households; low-income households must match grant funds on a one-to-one basis. The City did not extend any loans for economic development activities during PY 2009.

- d. Detail the amount of income received from the sale of property by parcel.

RESPONSE: The City did not sell any properties purchased with CDBG or HOME funds.

9. Prior period adjustments – where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:

- a. The activity name and number as shown in IDIS;

- b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported;
- c. The amount returned to line-of-credit or program account; and
- d. Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.

RESPONSE: No applicable prior period adjustments were made during PY 2009 and no payments have been disallowed. The City does not request advance payment of CDBG or HOME funds and thus does not need to return funds to the U.S. Treasury.

10. Loans and other receivables

- a. List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.

RESPONSE: The City of Oceanside has no float-funded activities.

- b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.

RESPONSE: The City has 95 homeowner rehabilitation loans outstanding for a total of \$1,706,231; all amortized loan payments are up to date. Rental rehabilitation loans are forgiven after fifteen years so long as the units remain affordable and the owner maintains the units in good condition; the units are inspected annually.

- c. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.

RESPONSE: Rental rehabilitation loans are forgiven after fifteen years so long as the property owner maintains the units as affordable and in a decent, safe and healthy condition. The City had no rental rehabilitation loans outstanding as of June 30, 2010; all loans previously reported have been forgiven as they reached the fifteen-year mark and demonstrated satisfaction of all requirements.

First-time homeowner loans are "silent seconds" and are deferred until the home is sold or the primary mortgage is refinanced with a commercial lending agency. The City provides two types of owner-occupied single-family residential rehabilitation loans, which are extended based upon the applicant's income. Very low-income (50% AMI or less) households receive deferred three percent interest loans which are repaid at time of sale or transfer of title. Loans to low-income households (50 - 80% AMI) are amortized at three percent interest. A PY 2006 HUD monitoring of the City's rehabilitation loan program expressed a concern as to the deferred no-interest loans; the City now extends all homeowner rehabilitation loans at three percent interest.

CDBG funds awarded for capital improvement projects in excess of \$50,000 are extended as no-interest loans that are forgiven over a period of five, ten or twenty years, depending upon the amount of the loan. Loans are extended only to local nonprofit agencies for development of CDBG-eligible projects and are secured either with a deed of trust or with a Uniform Commercial Code filing. At the end of the period shown in the promissory note, beginning from the date of the note, and if all conditions and terms of the loan documents are complied with, the loan (principal and interest) will be forgiven in its entirety and all restrictions and encumbrances will be removed from the property. The borrower agrees that the project for which

CDBG funds are used – acquisition of property or equipment, construction or improvements to facilities, etc. – will be used for CDBG-eligible purposes and serve a CDBG-eligible population during the term of the loan.

Current CDBG-funded forgivable loans are as follows with the amount and end date:

• Mental Health Systems – Family Recovery Center	\$154,640	06/30/2011
• Boys and Girls Club of Oceanside	\$57,835	07/01/2011
• Camp Fire USA	\$135,390	09/01/2011
• Camp Fire USA	\$33,356	11/13/2012
• MAAC Project Head Start (Sportfisher)	\$116,000	05/15/2012
• Casa de Amparo	\$100,000	06/10/2015
• Quality Children’s Services Libby Lake CDC	\$373,000	06/20/2015
• North County Lifeline Building Acquisition	\$164,180	09/18/2016
• Casa de Amparo Child Development Center	\$100,000	06/30/2016
• Ivey Ranch Park Association	\$136,278	12/31/2018
• Vista Community Clinic Horne Street Clinic	\$200,000	11/05/2018
• Boys and Girls Club Speed Soccer Arena	\$548,850	06/30/2021

- d. Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.

RESPONSE: No CDBG loans went into default during PY 2009 and no CDBG loans were forgiven or written off during PY 2009. A recent search of records as part of a monitoring visit by the Los Angeles Field Office revealed one loan in 1994 in the amount of \$15,000 for which reconveyance was made but for which there is no record of funds received from the escrow firm or owner. The City will explore this one item further to determine what happened with this particular transaction. The property is no longer owned by the person who took out the original loan.

- e. Provide a List of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.

RESPONSE: The City did not own any properties during PY 2009 that had been acquired or improved with CDBG funds.

11. Lump sum agreements

- Provide the name of the financial institution.
- Provide the date the funds were deposited.
- Provide the date the use of funds commenced.
- Provide the percentage of funds disbursed within 180 days of deposit in the institution.

RESPONSE: Not applicable to the City of Oceanside.

12. Housing Rehabilitation – for each type of rehabilitation program for which projects/units were reported as completed during the program year

- Identify the type of program and number of projects/units completed for each program.

RESPONSE: The City provides rehabilitation loans for owner-occupied single-family homes when the household income is 80 percent or less (low-income) of the area

median income (AMI), adjusted for family size. The City provides grants for improvements to owner-occupied mobilehomes, primarily for households with income 50 percent or less of the area median income (very low), adjusted for family size. Almost all mobilehome improvement program grants were made to seniors or persons with disabilities. During program year 2009, one single-family rehabilitation loan was approved and completed; twenty-six mobilehome improvement grants were approved and completed. Individual rehabilitation projects may continue into a subsequent program year if the loan or grant is approved late in a program year.

No new rental rehabilitation loans were extended in PY 2009. The rental market has remained stable during this period of economic recession, primarily because of the number of homeowner households who lost their homes in foreclosure and have returned to being renters. Owners of rental properties are reluctant to take out loans that will restrict their ability to raise rents for the fifteen-year period of a rental rehabilitation loan.

The City loaned \$5.6 million of local funds in PY 2008 to the Wasatch Corporation for acquisition and rehabilitation of the 144-unit Shadow Way Apartments to maintain these units as affordable for fifty-five years. Ten percent of the units will be reserved for very low-income (50 percent or below the area median income) households. The City also approved an issuance of up to \$15 million in Multi-Family Housing Program bonds for the project. This project was completed in PY 2009 with all units occupied. No federal funds were involved in this project.

- b. Provide the total CDBG funds involved in the program.

RESPONSE: The City approved \$29,084 for one new single-family rehabilitation projects and \$112,400 for twenty-six mobilehome improvement projects from CDBG funds during PY 2009. Because of the difference between the time when loans and grants are approved (allocation of funds) and final payments are made to contractors, the City paid out \$66,185 for homeowner rehabilitation and \$85,161 for mobilehome improvement during PY 2009.

- c. Detail other public and private funds involved in the project.

RESPONSE: The City loaned \$3,821,141 of Low and Moderate Income Housing (setaside) Funds, \$1,287,008 of Condo Conversion Fees, and \$491,851 of Inclusionary Housing (in-lieu) Housing Funds for a total of \$5.6 million to the Wasatch Corporation for acquisition and rehabilitation of the 144-unit Shadow Way Apartments to maintain these units as affordable for fifty-five years. The City also approved issuing up to \$15 million in Multi-Family Housing bonds as permanent financing for the project and \$7.5 million in Low-Income Housing Tax Credits.

13. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies

- a. Describe progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.

Antipoverty Strategy

Describe actions taken during the last year to reduce the number of persons living below the poverty level. Provide a brief overview that includes major initiatives and highlights that

were proposed and executed throughout Program Year 2009 (2009-2010). Include a summary of major initiatives during 2005-2010 Consolidated Plan period.

RESPONSE: The continuing economic recession had a very negative impact on many families in the City of Oceanside and throughout California, with the highest unemployment rate since the end of World War II. Many families dependent upon two incomes have become single- or no-income families; this loss of household income brought many first-time homebuyers to foreclosure and a return to being renters, and many renters to downsizing. Social service agencies have experienced a significant increase in the demand for food and rental assistance at the same time that the agencies had to reduce staff due to reduced contributions from donors and radical reductions or elimination of program funds from the State.

The City of Oceanside experienced its own loss of income by reduced property tax and sales tax revenue, and by actions of the State Legislature to delay payments of funds to cities and counties. The City strives to assist to persons and families in need and to assist persons as they seek employment. The City continued in PY 2009 a number of initiatives to improve the quality of life and economic opportunity for low- and moderate-income individuals, families and neighborhoods:

- a. Most of the activities reported in this PY 2009 (Year Five) CAPER targeted the most needy communities and populations in the City, and all of the City's federal resources for housing and community development were allocated in accordance with the objectives described in the 2005-2010 Consolidated Plan for Housing and Community Development and annual Action Plans. In addition, the City effectively utilizes its federal funding to leverage other public and private monies, especially for development of affordable housing.
- b. The City's Section 8 Rental Assistance program provides support to 1,553 low-income households in the City. The Section 8 program was evaluated by HUD during the past program year and was recognized as a High Performer under the Section Eight Management Assistance Program (SEMAP).
- c. The City coordinates the Family Self-Sufficiency (FSS) program with 73 Section 8 households currently participating in the FSS program. Sixteen families joined the program; some families drop out or move before completion. As an incentive, the City maintains an escrow account for each family in which a portion of their housing assistance payment is deposited. When a family completes the objectives in their plan, they receive the savings in their escrow account.
- d. The City has initiated neighborhood revitalization programs in Calle Montecito and Crown Heights. The Libby Lake Community Center, a central objective in the Calle Montecito Plan, provides a community health clinic, programs for youth, a neighborhood computer center and access to various City services. The City completed in PY2008 projects funded through two federal grants for capital improvements in Crown Heights, an EDI-special projects grant for \$250,000 and a HUD Neighborhood Improvement grant for \$190,000. These grants plus CDBG and City General Fund allocations are used to improve conditions for residents of the neighborhood. A rental rehabilitation program, including a tenant-based rental rehabilitation program, has been presented to owners of apartment buildings in Crown Heights as a means to improve living conditions and reduce over-crowding.
- e. The City worked with Oceanside High School and Interfaith Community Services for a workforce development program targeting at-risk youth. The program offered paid internships at the City, the local community hospital and other sites

- to introduce the youth to the range of occupations open to them if they stay in school. This program is especially important for Hispanic male youth. Local educational institutions have added programs designed to prepare people for these jobs.
- f. The City operates four community resource centers in low-income neighborhoods. These resource centers, supported by the City's General Fund, provide access for residents to a range of public services, space for youth programs and neighborhood events, and opportunity for nonprofit social service and health agencies to offer programs and services to residents. The resource centers provide space for community-oriented police officers to deal with public safety issues.
 - g. The City's childcare policy supports the expansion of affordable, quality childcare as a key support for working families and as an incentive for new businesses. The City used CDBG funds for a new 48-slot child development center serving the Libby Lake neighborhood; this opened in June 2006 and is now at full enrollment. The City worked with Quality Children's Services in PY 2008 to upgrade another facility for 48 children from very low-income families.
 - h. With grants from the State Library, the City has established an adult literacy program using volunteer tutors who assist working adults and school-age children to develop and/or improve their reading and writing ability. Declining City funds will require closure of the children and youth component of the literacy program in PY 2009. CDBG funds support a Library Bookmobile brings services and programs to persons in low-income areas who are unable to get to one of the City library facilities. The bookmobile contains a computer lab and provides space for the Adelante health information and neighborhood outreach program. Promoting English language literacy is a primary aim of the bookmobile.
 - i. The City maintains computer labs at both Library locations and at three of the four resource centers. Computer labs are also being established at teen rooms in City recreation centers. These computer centers provide public access to computers and the Internet that enables low-income persons to learn computer skills and search for employment opportunities. Children and youth in low-income families have access to technology necessary for academic success.
 - j. The City actively promotes cooperation and partnerships among the various nonprofit social service and health agencies in the area and with the County Health and Human Services Agency, in order to make the most effective use of limited funds. The City has done outreach to faith-based and community-based organizations in the City to encourage their participation in the issues and challenges facing the City. The City's S.U.N. volunteer-based program for neighborhood enhancement has encouraged other volunteer activities by community-based organizations, such as beach or watershed clean-ups. The City actively promotes these activities for high school youth who have social service requirements to fulfill. Housing Division staff help to connect individuals and groups wanting to contribute volunteer efforts with organizations that need assistance with particular projects.
 - k. The City manages a scholarship program funded entirely by community donations to assist youth from low-income families to attend college. The program awarded \$25,000 to fifteen Oceanside youth in PY 2009.

NON-HOMELESS SPECIAL NEEDS

Non-homeless Special Needs

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Identify actions taken to address special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families).

Provide a brief overview that includes major initiatives and highlights that were proposed and executed throughout Program Year 2009 (2009-2010). Include a summary of major initiatives during 2005-2010 Consolidated Plan period.

CAPER Non-homeless Special Needs response:

RESPONSE: The City provided funding in PY 2009 to a variety of supportive housing activities for persons with special needs:

- a. The City provided local funds to Fraternity House, which provides 24/7/365 residential care for persons with AIDS who do not need hospitalization but cannot live on their own. Residents are very low-income and would otherwise be at risk of homelessness.
- b. The City established a project-based Section 8 Rental Assistance Program during PY 2008 at the Marisol Apartments, which provides housing and supportive services for persons with AIDS and their families. Persons at Fraternity House and at Marisol Apartments pay no more than thirty percent of household income as rent.
- c. T.E.R.I., Inc., provides group homes with services for adults (18 and over) with developmental disabilities; the City allocated HOME funds for acquisition and improvements to one home in Oceanside, and has provided CDBG funds for other activities. CDBG funds in PY 2009 supported improvements to the indoor recreation and therapy areas of the facility, which is located in an industrial and commercial area with no nearby parks or recreational facilities.

During the 2005-2010 Consolidated Plan period the City of Oceanside engaged in the following activities of housing with supportive services for persons with special needs:

- a. The City provided financial support each year to Fraternity House, which provides 24/7/365 residential care for persons with AIDS who do not need hospitalization but cannot live on their own. Residents are very low-income and would otherwise be at risk of homelessness.
- b. The City established a project-based Section 8 Rental Assistance Program during PY 2008 at the Marisol Apartments, which provides housing and supportive services for persons with AIDS and their families. Persons at Fraternity House and at Marisol Apartments pay no more than thirty percent of household income as rent.
- c. The City provided CDBG capital improvement funds to the T.E.R.I., Inc. organization for projects at their central facility for children, youth and adults with developmental disorders, including interior improvements to a recreation room, development of a shaded exterior recreation area, and energy efficiency and conservation improvements to the Learning Academy for children and youth with autism or other special needs.
- d. The City provided HOME funds to T.E.R.I., Inc. for the purchase of a six-bed group home for high-functioning adult males with developmental disorders.
- e. The City provided CDBG capital improvement funds to the Ivey Ranch Park Association (IRPA) for rehabilitation and improvements to facilities leased by the

Association from the City. IRPA provides child care, after school programs and respite care for children and youth with developmental disorders. The City also provided CDBG funds for predevelopment work on a child development center for young children with developmental disorders. The Association plans to begin construction on the facility in 2011.

- f. The City provided funds to Community HousingWorks for construction of the Old Grove Apartments, with two apartments set aside for very low-income families that include a person with AIDS/HIV+

Specific HOPWA Objectives

*Please also refer to the HOPWA Table in the Needs.xls workbook.

Provide a brief overview that includes major initiatives and highlights that were proposed and executed throughout Program Year 2009 (2009-2010). Include a summary of major initiatives during 2005-2010 Consolidated Plan period.

CAPER Specific HOPWA Objectives response:

RESPONSE: The City of Oceanside does not receive HOPWA funds. The County of San Diego does provide HOPWA funds toward the support of the Marisol Apartments in Oceanside, which provides affordable rental housing for very low-income persons with AIDS who are able to live independently, including those with family members, and to Fraternity House in San Marcos, which provides 24/7 housing and supportive services to persons with AIDS who are unable to live independently, including persons from Oceanside. Oceanside provides local funds to Fraternity House.

OTHER NARRATIVE

Include any CAPER information that was not covered by narratives in any other section.

RESPONSE: The 2005-2010 Consolidated Plan for Housing and Community Development identified thirty-three objectives; these objectives form the structure of the annual Action Plan and the CAPER. In Part 2 of the CAPER for PY 2009 (year five of the Consolidated Plan), each objective is listed followed by the proposed activities and available resources for the activities; it then shows how resources were used, the number of persons or households that were served, and program achievements.

The appendices to the PY 2009 CAPER include:

1. Calle Montecito Neighborhood Revitalization Strategy Area Plan with benchmarks and accomplishments for the year and for the ten-year period of the Plan
2. Crown Heights Neighborhood Revitalization Strategy Area Plan as submitted to the Los Angeles Field Office in PY 2009 for an official start in PY 2010
3. Report on Fair Housing activity in Oceanside during PY 2009 including reports from North County Lifeline as the City's provider of fair housing services
4. Substantial Amendments to the PY 2009 Action Plan
5. Public participation activities during PY 2009
6. Reports submitted to Los Angeles Field Office:
 - FHEO Section 3 compliance (HUD Form 60002)
 - Labor Standards (HUD 4710)
 - MBE/WBE Contract Activity (HUD 2516)
 - HOME Annual Report and Matching Funds Report (HUD 40107 and 40107-a)

IDIS Reports included in the PY 2009 CAPER:

1. PR03 CDBG Activity Summary Report (GPR)
2. PR02 & 06 Summary of Consolidated Plan Projects
3. PR22 HOME Investment Partnership Program Activity
4. PR23 Summary of Accomplishments
5. PR26 Financial Summary and Adjustments