



**CITY OF SAN CLEMENTE  
ANNUAL ACTION PLAN  
SUBMITTED TO  
DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT  
COMMUNITY DEVELOPMENT BLOCK GRANT  
2015-2016**

**DRAFT**

**PREPARED BY  
CITY OF SAN CLEMENTE  
COMMUNITY DEVELOPMENT DEPARTMENT  
SAN CLEMENTE, CA**

# City of San Clemente

## Executive Summary

In 2006 the City of San Clemente became an entitlement city receiving an annual allotment of CDBG funds from the U.S. Department of Housing and Urban Development (HUD). In order to receive funds, the Annual Action Plan is completed through a collaborative process by which the community, San Clemente City Council, staff and stakeholders establish the priority housing and community needs that may be eligible for CDBG funding. The Plan proposes several projects to meet one-year goals to address priority needs.

According to HUD's latest preliminary planning estimate, San Clemente's 2015-2016 formula allocation will be \$331,406. HUD regulations state that no more than a maximum of 15 percent (approximately \$49,710) may be spent on public services and that a maximum of 20 percent (approximately \$66,280) may be spent on program administration. The proposed distribution of funds is listed below.

### Proposed 2015-16 Action Plan

1. *Public Services* - \$49,710 for grants to five (5) non-profit organizations and the City recreation program, "Fun on the Run".
2. *Rehabilitation Programs* - \$75,000 for grants and loans for single-family and multi-family home rehabilitation and commercial façade rehabilitation.
3. *Public Works* - \$120,416 for safety improvements to install sidewalks, curbs and gutters in the Downtown target area (West Avenida Palizada).
4. *Administration and Planning* - \$66,280 includes project management of the home and commercial rehabilitation programs, financial management of the formula grant, and strategic planning for new projects. It also includes fair housing services provided by the Fair Housing Foundation.

**Total Funding, FY 2016:           \$331,406**

## **National Objectives and Goals**

The proposed projects meet the CDBG program National Objectives in that they provide activities benefiting low and moderate income persons, improve the target areas by creating a suitable living environment, decent affordable housing opportunities, and economic opportunities for low and moderate-income households. Many of the target area's residents live and work in San Clemente. Improving their housing and creating a safe environment for them to walk to their jobs and shopping are important goals. They also meet the goals of the Consolidated Plan and the City's mission statement which asserts the City will, *"maintain a safe, healthy atmosphere in which to live, work and play; guide development to ensure responsible growth while preserving and enhance our village character, unique environment and natural amenities; and provide for the City's long-term stability through promotion of economic vitality and diversity, resulting in a balanced community, committed to protecting what is valued today while meeting tomorrow's needs."*

In the early 1990s, development in San Clemente had slowed due to a nationwide recession. The historic center of town had deteriorated and rental properties were becoming overcrowded as tenancy shifted from individuals in the military to families. The Neighborhood Pride Program was developed in Central San Clemente as a partnership program with property owners to address neighborhood deterioration, to correct code enforcement violations and to improve the appearance and safety of older, high density neighborhoods. Some of the blighted properties were bought by non-profit affordable housing organizations to upgrade properties for health and safety, and to preserve affordability and provide low-income families with affordable rents or temporary shelter.

Most of the housing in the Downtown CDBG target area is a mix of small single-family homes built between 1927 and 1960 and apartment complexes built in the

1950-1980s. Sidewalks were not required until the 1980s in the Downtown target area. Therefore, many Downtown streets have only partially completed sidewalks. As part of the Consolidated Plan, the City intends to continue completing the sidewalk gaps, improving the CDBG target areas by adding new sidewalks, resurfacing roads, improving commercial facades, and rehabilitating single-family and multi-family dwellings with CDBG funds.

### **Citizen Participation**

The City of San Clemente relies on its Citizen Participation Plan to encourage and gather input from the community's residents during the development of the Action Plan report. The City published a notice in the San Clemente Sun Post News on November 20, 2014 announcing the availability of funding and requesting proposals for the FY16 CDBG Social Services grant program. Information on the grant process and timeline were sent to City departments, public committees, non-profit organizations and elected and appointed officials.

A public hearing notice was published on April 5, 2015 announcing the opening of the 30-day comment period for the Draft CDBG Annual Action Plan for FY 2015-16. The public hearing will be held on May 5, 2015. The Draft Annual Action Plan was made available on the City's web site, at City Hall, and at the Community Development Department.

Several methods of marketing the City programs are used throughout the year. The City advertises its Home Rehabilitation Program in the Quarterly City Newsletter and Recreation Guide. The description of the housing program and CDBG applications are provided on the City's web site and in the Community Development Office. The Housing Programs Planner does quarterly outreach at the SC Collaborative Outreach Meetings, Chamber of Commerce, Downtown Business Association, and community-wide forums. Staff also goes to the City's Senior Center

and senior housing complexes to present the Home Rehabilitation Program guidelines to clients and their program staff. Many of the new projects are also publicized by word of mouth from satisfied consumers, tenants and various neighboring property owners.

## **Public Facilities**

The goal of the Public Infrastructure program is to provide continuous sidewalks in the CDBG target areas. City Council priorities include school access, Downtown access, and beach access. Engineering staff reviews the projects based on Council priorities, community need, other approved projects in the CIP budget, and available funding.

## **Public Services**

Provision of public services is also an eligible activity. Grants can be for labor, supplies and materials for a variety of social services provided by a non-profit organization or a unit of local government. The amount of CDBG funds used for public services shall not exceed 15 percent of the City's total CDBG funding. Grant applications are announced in the local newspaper, at the City's Human Affairs meetings and at the San Clemente Collaborative's General Meeting, and are available on the City's web site and through direct mail. The City's grant application process was reviewed by a committee during a February 9, 2015 Grant Budget Meeting. The Social Service Budget Committee is made up of one City Council representative, the Community Development Director, and two Human Affairs Committee (HAC) members. In 2014, the HAC visited all of the 20 active non-profit organization receiving funds from the City's General Fund: social services programs, housing and homeless services grants, and CDBG public service grants. The Social Service Budget Committee recommended four programs for

funding in FY16. These are: bilingual case management for low-income seniors, after-school mobile recreation programs in the targeted neighborhoods, a shelter for domestic violence victims, health care and dental services at a community clinic. The total proposed General Fund funding for social services was \$48,720 for FY15-16. The City's proposed budget and CDBG total budget will be approved in June.

## **STRATEGIC PLAN**

A critical component of the Consolidated Plan is the Strategic Plan. The Strategic Plan delineates the process the City utilized to prioritize housing and community needs and identifies goals, objectives and activities to address these needs over a four-year period. This strategy calls for the City to work with local nonprofit organizations to analyze residents' needs and to develop a plan for services. Additionally, the City helps provide nonprofits with resources that can be used to assist San Clemente residents in need. The programs and projects were developed to meet the community's high priority needs as adopted in the City's Consolidated Plan. Reporting of outcome measures are based on figures provided by non-profit organizations and by City staff for projects completed between July 1, 2014 and June 30, 2015. The Actual Units by Category will be reported in the Consolidated Annual Performance and Evaluation Report (CAPER) due to HUD 60 days after the end of the fiscal year.

# City of San Clemente

## Annual Action Plan 2015-2016

The Annual Action Plan provides specific information regarding the resources and activities the City will undertake to address priority needs and specific objectives during a 12-month period. The Action Plan serves as the link between the objectives developed to address priority housing and community needs identified in the Strategic Plan with the use of federal resources. The specific timeframe for the FY 2015-16 Annual Action Plan begins July 1, 2015, and ends June 30, 2016. The City refers to this timeframe as a Fiscal Year (FY); HUD refers to this timeframe as a Program Year (PY) – these terms are used interchangeably.

### A. REQUIRED COMPONENTS

The Annual Action Plan is revised annually, and consists of several HUD required components including:

- **Standard Form 424** – This form serves as the City’s formal application to HUD for grant funds for the 2015-2016 Program Year.
- **Resources** – Federal, non-federal and private funds expected to be available to address priority needs and specific objectives identified in the Strategic Plan. This estimate includes program income for federal grant funds. Also, the Annual Plan must provide information regarding the leveraging of non-federal and private resources with federal grant funds, and how the match requirements of HUD programs will be addressed.
- **Description of Activities to be Undertaken** – This information will include the amount of funds that will be utilized, a projected number of individuals that will be served or housing units to be assisted, and the location of the project.
- **Geographic Distribution** – A description of the geographic distribution of federal grant funds, including information regarding the distribution of federally funded assistance in areas of minority concentration.

- **Homeless and other Special Needs** - An outline specifying the activities that will be undertaken during the Program Year to address the needs of the City's households at risk of homelessness, those currently homeless, and persons that are not homeless, but have special needs.
- **Other Actions** - HUD requires that the City re-evaluate how the additional strategies outlined in the Strategic Plan will specifically be addressed during the FY16 including strategies to:
  - Address obstacles to meeting underserved needs
  - Foster and maintain affordable housing
  - Remove barriers to affordable housing
  - Evaluate and reduce lead-based paint hazards
  - Reduce the number of poverty level families
  - Develop institutional structures
  - Enhance coordination between public and private housing and social service agencies
  - Foster assisted housing improvements and resident initiatives
  - Additionally, the City of San Clemente addressed its Impediments to Fair Housing Choice in the Analysis of Fair Housing Impediment (AI) report which was jointly completed in 2010. Currently, the City is researching a Multi-Jurisdictional AI report process for the next Analysis of Fair Housing Impediment HUD report. Multiple Orange County cities met to discuss potential report process and Request for Proposal options. The group will be interviewing two qualified consultants at the City of Costa Mesa on April 23, 2015.
- **Program Specific Requirements** - There are certain program requirements that must be included in the Action Plan for each federal grant program.
- **Monitoring** - A description of the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan.

- **Certifications** - HUD requires the City to submit various certifications related to the implementation of federal grant programs. These are standard certifications required by HUD.

**B. RESOURCES**

*FEDERAL ENTITLEMENT RESOURCES*

As part of the Action Plan, federal regulations require the City of San Clemente to delineate federal and non-federal resources expected to be available to address the priority needs and specific objectives identified in the Strategic Plan. **Table 1** provides this information regarding 2015-16 formula grant allocation.

Table 1: Federal Grant Resources for FY15

RESOURCES	AMOUNT
Community Development Block Grant (CDBG) Entitlement Grant	\$331,406
<b>TOTAL</b>	<b>\$331,406</b>

*ADDITIONAL FEDERAL GOVERNMENT RESOURCES*

In addition to CPD entitlement funding, additional federal resources may be accessed by the City or resident serving non-profit organizations during the 2014-2015 Fiscal Year, as described below:

**SECTION 108 LOAN**

Section 108, the loan guarantee provision of the CDBG program, is an investment tool that HUD offers to local governments. Section 108 loan proceeds can transform a small portion of CDBG funds into federally guaranteed loans large enough to pursue major physical and economic revitalization projects. A local government borrowing Section 8 funds must pledge future CDBG allocations to pay off the loan amount and as security for the loan. Typically, large cities with several million dollars in CDBG funds utilize this program rather than smaller cities such as San

Clemente. The City has not applied for the Section 108 loan guarantee for FY16 funding.

#### *FEDERAL RENTAL ASSISTANCE*

The Orange County Housing Authority provides Housing Choice Voucher Rental Assistance, which can be used by eligible Low-Income tenant households to obtain affordable housing. These housing vouchers are provided directly to the tenant households, who may seek rental housing anywhere in the County. Some of these tenants have chosen to rent housing in San Clemente. The City has little control over how much of the County allocation to rental assistance benefits San Clemente Low-Income households; however, these are valuable resources for lower income households. As of December 2014, the vouchers were provided to 39 San Clemente families, 23 disabled, and 67 elderly for a total of 129 households.

#### *TAX CREDITS*

Federal Low Income Housing Tax Credits can be a significant source of equity for housing developments designed for Low-Income residents. The credit serves as a valuable income tax benefit to corporate investors. Investors will contribute cash for the development costs of an affordable housing project in order to obtain these benefits. The City does not directly apply for these funds. Low-Income tax credits can be allocated to nonprofit and for-profit developers. The City Council approved the development of a 76-unit, affordable senior housing development by Meta Housing. The development was completed in July 2014. The community has responded positively since its grand opening celebration in October 2014.

#### *OTHER FEDERAL RESOURCES*

Other federal resources that may be utilized in the community which may assist the homeless include the Emergency Shelter Grant and Shelter Plus Care. The Emergency Shelter Grant (ESG) program can be used to support homelessness

prevention and emergency/transitional shelter programs. The City does not receive ESG funding directly from HUD; however, San Clemente-based homeless service providers can apply for these funds from neighboring ESG-recipient communities or the County. Similarly, the City is not a recipient of Shelter Plus Care Program resources. Shelter Plus Care is a rental assistance program for the homeless with special needs. The program requires that rental assistance be blended with appropriate support services. Local nonprofits or residents apply directly for these funds through the County of Orange Housing and Community Services Department and Department of Behavioral Health.

***OTHER NON-FEDERAL PUBLIC AND PRIVATE RESOURCES***

As part of the Action Plan, federal regulations require the City of San Clemente to delineate non-federal and private resources expected to be available to address the priority needs and specific objectives identified in the Strategic Plan. *Table 2* provides information regarding non-federal and private resources expected to be available during the FY15-16 Program Year.

Table 2: Non-Federal Public & Private Resources for FY16

RESOURCES	ANTICIPATED AMOUNT
Rental Rehab Property Owner Matching Funds	\$50,000
General Fund Public Services	\$57,660
<b>TOTAL</b>	<b>\$107,660</b>

Source: City of San Clemente Community Development Dept

***LEVERAGING OF RESOURCES***

HUD requires the City to discuss how federal resources made available during the FY16 Program Year will leverage other non-federal public and private resources. The City of San Clemente will make every effort to link non-federal resources for housing and community needs with federal grant funds. This strategy involves

identifying federal resources that may be available to undertake a project. If grant funds are insufficient other non-federal resources will be utilized to meet project finance gaps. Additionally, the City will continue to commit non-federal resources to undertake activities that may not be eligible for federal funding but address the priority needs of the community.

#### ***FEDERAL MATCH REQUIREMENTS***

There is no federal requirement for the City to match CDBG funds with other non-federal program resources. Furthermore, the City is currently not a Participating Jurisdiction in the HOME program and, therefore not subject to the 25 percent match with non-federal dollars requirement of the program. However, two years ago the City began researching HOME program funding opportunities with the unexpected demise of RDA Funds.

#### **C. ACTIVITIES TO BE UNDERTAKEN**

A summary of activities the City of San Clemente will undertake during the FY15-16 Program Year is provided in *Table 3*. These activities have been selected for implementation in order to address high priority needs identified in the Consolidated Plan.

**TABLE 3: SUMMARY OF ACTIVITIES TO BE UNDERTAKEN IN FY 2016**

ACTIVITY	FUNDING SOURCE	FUNDING AMOUNT	PLANNED ACCOMPLISHMENTS
<b>FEDERAL FUNDED ACTIVITIES</b>			
<b>CDBG Administration &amp; Planning:</b> Program oversight and coordination, including Fair Housing Counseling	CDBG	\$66,280	1 Yr of Program Administration
<b>Commercial Rehabilitation:</b> Façade improvement grants (Ex. awnings, signage, lighting)	CDBG	\$20,000	10 Businesses
<b>Housing Rehabilitation:</b> Housing rehabilitation assistance for owner-occupied and renter-occupied housing <sup>1</sup>	CDBG	\$75,000	8 Housing Units (2 sf du, 3 mf=6 du)
<b>Public Services:</b> Senior, youth, homeless and other Low/Mod household assistance programs	CDBG	\$49,710	7,750 Individuals
<b>Street Improvements:</b> Sidewalk, curb, and access ramp improvements	CDBG	\$120,416	900 sq.ft sidewalk 53 lin.ft. curbs
<b>TOTAL: \$331,408</b>			
<b>Non-Federal Funded Activities</b>			
<b>Public Services:</b> Funding for public service agencies serving lower income households	General Fund	\$57,660	4,000 Individuals

Detailed descriptions of activities to be undertaken are provided in *Attachment 1 - Narrative of Listing of Proposed Projects* and the HUD CPMP 2.0 table. The descriptions include the following proposed activities:

- The number and type of individuals that will be assisted by the proposed activity
- Specific local objective and priority needs
- Location of activity
- Proposed start/end dates

#### **D. GEOGRAPHIC DISTRIBUTION**

The description of the geographic distribution of federal grant funds is depicted in **Map No. 1**. This map provides a view of the City's target areas where CDBG resources will be focused, and sites where proposed activities will be located.

Activities that are community wide in nature are not plotted on this map. **Map No. 1** depicts this allocation of resources by projects layered with the City’s CDBG target areas.

As this map indicates, the City of San Clemente will focus its FY 2014-2017 Consolidated Plan funded activities in the community’s low and moderate-income areas - predominately situated in San Clemente’s older neighborhoods. Areas of the City outside of the CDBG target areas will benefit from activities that are limited-clientele in nature, i.e., a person/household can benefit from a federally assisted program provided they meet the program’s eligibility criteria. For example, property owners whose homes are outside the target areas and who qualify for Home Rehabilitation loans based on household income guidelines. In particular, a homeowner living anywhere in the City may apply for Home Rehabilitation funds, given they meet income standards. *Table 4* provides this income limit information for the 2015-2016 Program Year. Note: HUD updates these figures annually.

**TABLE 4: 2015 HUD ORANGE COUNTY INCOME LIMITS**

HOUSEHOLD SIZE	MAXIMUM HOUSEHOLD INCOME 80% OF MEDIAN INCOME
1 Person	\$ 53,950
2 Persons	\$ 61,650
3 Persons	\$ 69,350
4 Persons	\$ 77,050
5 Persons	\$ 83,250
6 Persons	\$ 89,400
7 Persons	\$ 95,550
8 Persons +	\$101,750

Source: U.S. Department of Housing and Urban Development  
Median income for 2014 for a family of four is \$87,200

## **E. HOMELESS AND OTHER SPECIAL NEEDS**

The needs of San Clemente’s homeless and special need populations have been discussed at length in the adopted Consolidated Plan. The Action Plan delineates the specific activities the City will undertake during the FY16 Program Year that

address identified objectives and goals. As reported in the Consolidated Plan, there is an estimated 65 to 80 homeless in San Clemente. San Clemente recognizes its responsibility to assist the homeless in its jurisdiction and it continues efforts to identify effective means to distribute limited resources to address homeless needs. The City has 115 shelter beds in three shelters; Gilchrist House, renovated and expanded Laura's House and Henderson House. The City has designated homelessness prevention, emergency and transitional housing as high priorities for addressing homelessness.

During the FY16 Program Year, the City will undertake the following homeless housing/service activities in conjunction with local non-profit organizations:

**Homelessness Prevention** – A key component of a Continuum of Care strategy is to prevent individuals and families from falling into homelessness. This is often accomplished by providing emergency rental assistance, food, counseling and support services. Several nonprofit service providers located in the region assist San Clemente's homeless at-risk population; however, the City will not be able to fund these agencies during FY16 timeframe with CDBG funds. The General Fund will provide a grant of \$22,000 to Family Assistance Ministries for homeless prevention; Family Assistance Ministries serves roughly 2,600 clients on a monthly basis. The City will also allocate CDBG and General Fund resources to support case management and referral services for lower income households. While not directly focused on the types of homelessness prevention activities listed above, these services will assist households that are vulnerable to homelessness.

**Emergency Shelters** - The City will provide an \$8,000 CDBG grant to one emergency shelter provider -- Laura's House -- to provide shelter and counseling programs. These funds will help offset the costs of providing emergency shelter and essential support services for San Clemente's homeless. Specific activities to be carried out during the 2015-16 Program Year are delineated in the *Listing of Proposed Projects*

- *Attachment 1.* It is estimated that approximately 295 homeless persons will receive services from Laura's House during FY16.

### **Transitional Housing -**

The critical link between homelessness and self-sufficiency is provided by transitional housing programs. In this setting, homeless individuals and families are provided free or low-cost housing that is enriched with support services aimed at building self-reliance skills. Transitional housing programs require participants to save a portion of their earning so they will have adequate resources to move into permanent housing upon their successful graduation from transitional housing. CDBG funds are not allocated to transitional housing. However, Gilchrist House, a provider of transitional housing, provides 26 shelter beds for women and their children in the Vista Los Mares neighborhood.

### **Transition to Permanent Housing -**

Access to decent, affordable permanent housing is the ultimate goal of a continuum of care system. In the past, the City has provided Redevelopment Agency housing funds and In-lieu developer fees to non-profit service providers to help them acquire and rehabilitate housing units for long term affordable housing. Some of the residents have moved out of shelters and into the City's affordable apartments. No CDBG funding has been allocated for the 2015-16 Fiscal Year for this type of activity. However, the City worked with non-profit Mary Erickson Community Housing to identify and purchase four foreclosed condominiums using Neighborhood Stabilization Funds (NSP). The City's Redevelopment Agency provided acquisition and rehabilitation funding in 2010. Four low-income families moved into the units in 2011.

### **Conversion to Permanent Supportive Housing -**

Effective October 2013, Friendship Shelter will convert its two apartment buildings in San Clemente, known as Henderson House shelter, to permanent supportive housing for homeless people with disabilities. The project is funded by a \$425,000 HUD Supportive Housing Program (SHP) grant. Friendship Shelter learned it was approved for these funds in 2013. Friendship Shelter continues to provide transitional services to clients who graduated from its self-sufficiency program, but will provide those services to clients in their own homes rather than at Henderson House.

#### **Background:**

Last year HUD made available a “bonus round” of funding that was announced locally as Rapid Re-Housing funds. At the time, because FSI has been focused on permanent supportive housing, FSI did not apply for the funds. Another homeless services organization that works primarily with families helping them get back in to housing and self-sufficiency did apply and was awarded about \$425,000 annually. These are renewable funds. Subsequently, that organization learned that HUD’s intent for the funds is not short-term rental assistance, but rather long-term, permanent housing support of people with disabilities (including mental health disabilities/disabling conditions). They turned to Friendship Shelter to see if FSI would like to take over the project.

At the same time, HUD has been communicating its intent to de-emphasize Transitional Housing over the next several funding cycles. Orange County’s 10 Year Plan to End Homelessness, which will drive most of the public money available for homeless services, is aligned with this goal, and conversion of transitional housing to supportive housing is included in the 10 Year Plan. Over the past several years, Friendship Shelter has had, as part of its strategic action plan, two pertinent goals: 1.) Establish permanent supportive housing for people with mental health disabilities and 2.) Study and determine the best use of the property at Henderson

House in the changing service and funding environment. In recent years FSI has struggled to keep Henderson House full and financially viable.

**The Plan:**

Henderson House became permanent, shared housing for 16 disabled individuals with supportive services on site in September 2014. Some Henderson House clients qualified for the permanent housing.

**Special Needs of Persons not Homeless but Identified as Needs Supportive Housing** San Clemente will continue to provide federal and non-federal resources to meet the needs of persons with special needs (e.g., seniors, persons with disabilities). Various programs will be undertaken during the FY16 program year including housing rehabilitation, (which may include installation of items such as ramps, grab bars, wider doors, etc., to improve mobility for persons with disabilities).

**F. OTHER REQUIRED ACTIONS**

*IDENTIFICATION OF IMPEDIMENTS TO FAIR HOUSING CHOICE*

As a recipient of federal grant funds, the City of San Clemente is required to prepare an Analysis of Impediments to Fair Housing Choice (AI). In addition to identifying impediments, a strategy to overcome impediments must be implemented. The AI is prepared in conjunction with the Consolidated Plan; however, because the City of San Clemente's requested an extension in 2010, the City moved forward to complete their AI in partnership with the City's of Tustin, Costa Mesa, and the City of Mission Viejo. The last regional AI document covered the four-year period of FY 2006-2010. The next report will be a Multi-Jurisdictional document in partnership with sixteen Orange County Cities. The AI reviews an array of public and private policies, practices and procedures affecting housing choice in the County and San Clemente. This document will be completed by the end of December 2015. The information listed below summarizes the impediments identified in the last AI and also lists the

actions the City will implement during the FY16 to overcome impediments as a City and as a regional partner.

### *Summary of Impediments Identified in the Analysis*

The following is a summary of impediments identified in the updated AI. It is important to note that not all of the impediments identified in the analysis are present in San Clemente. This summary is based on a regional evaluation from the Fair Housing Foundation:

- There is a need for a pro-active evaluation of fair lending practices in the region to evaluate, explain and eliminate disparity in lending practices by race and national origin.
- Residents and Property owners of small income properties do not have adequate information regarding basic housing rights and laws which may result in housing discrimination.
- Insurance companies may be targeting certain zip codes for higher denial rates or different terms and conditions.
- Local entitlement communities may have policies and programs that affect housing development, which may indirectly act as an impediment to fair housing choices.

### *Actions to Address Identified Impediments*

The following actions have been identified in the AI and by the City of San Clemente to address impediments to fair housing.

- Fair housing services will be provided at an effective and responsive level. The Fair Housing Foundation submitted a proposal to the City to provide fair housing services for San Clemente residents. The City will contract with the Fair Housing Foundation to investigate and address complaints of unfair or predatory lending practices of residents.

- A similar course of action will be taken by the City to address complaints of insurance redlining, i.e., the City will utilize existing referral and advocacy resources such as the Fair Housing Foundation, to investigate and address complaints.
- As a partner in the preparation of the updated AI, the City provided the Fair Housing Foundation with information regarding current policies that may have an impact on housing development. The City will review the recommendations of the AI and consider modifications to present policies that may have a nexus limiting fair housing choice.

### STRATEGY IMPLEMENTATION

HUD requires that the City reevaluate how the additional strategies outlined in the Strategic Plan will specifically be addressed during the Program Year. These respective reevaluations are found below. Over the course of the next Consolidated Plan cycle, the annual CAPER report will track ongoing program results by comparing planned versus actual accomplishments.

#### *Strategy to Eliminate Obstacles to Meeting Needs of the Underserved*

The City of San Clemente will undertake several activities aimed at addressing the needs of the community's underserved, that is elderly, youth, homeless, and lower income renter households. To overcome the barriers identified in the Consolidated Plan, the City will focus its limited resources toward upgrading existing rental housing units and expanding the number of affordable housing units for lower income renters. Additionally, the City and local nonprofits will continue to provide services for underserved City residents. Public services to be funded during the 2015-2016 Program Year include medical care for the uninsured, senior, youth, and domestic violence shelter and assistance activities. By focusing resources on the housing and community needs identified as high priority the City will be able to utilize funds more efficiently.

Many of the barriers to maintaining and expanding affordable housing opportunities for all residents of San Clemente are attributed to market constraints. These market constraints, such as mortgage interest costs and regional economic cycles, are beyond the control of the City. Nonetheless, the City will utilize its limited resources to produce and maintain affordable housing. By leveraging federal funds with the City's In-lieu developers fees, tax credits other resources available to nonprofit housing developers, the City will strive to increase its supply of long-term affordable housing. The City's owner-occupied housing stock will be preserved with rehabilitation funds for homeowners.

### *Barriers to Affordable Housing*

Barriers to building affordable housing are many in San Clemente: the high price of land, limited vacant land, residents not understanding the need, and extremely limited funds to complete projects are some. The City will implement an array of housing programs to help expand and maintain the supply of affordable housing in San Clemente. As outlined above, the City will provide housing rehabilitation programs for both owner and rental housing units. In 2006, the City Council approved an Affordable Housing Overlay which encourages affordable housing to be built in commercial zones along El Camino Real. In exchange for developing 51% of the housing units as affordable to households earning 50% of median income, the property owner can build 49% of the units as market rate condominiums or rentals in the commercial or mixed use zone. As described above the City works with non-profit developers to build new rental housing and acquire and rehabilitate rental property for long term affordability.

The Housing Programs Planner participates with several regional housing groups to educate residents, elected, and appointed leaders on the need for more affordable housing. The South Orange County Alliance for Housing Our Community (SOCAHOC) provided a community-wide housing forum on March 30, 2014.

Additionally, housing staff attends the Kennedy Commission's quarterly meetings and educational forums.

### *Annual Affordable Housing Plan*

New housing resources include the construction of new affordable housing and the purchase and acquisition of existing housing for transitional and long-term permanent housing. The City's RDA owned the 16,000 square foot, 107-115 Avenida Serra site. In 2010 National CORE was ranked as the top developer to design, build, own and manage the 19 one-bedroom apartments. The apartments will be affordable for a period of not less than 55 years. The complex will include private and common space, a community room, on-site parking and on-site management. In 2014, escrow closed and National CORE began construction.

The City continues to work with a variety of non-profit housing organizations to meet Continuum of Care needs. Mary Erickson Community Housing (MECH) provides permanent affordable housing for large families. MECH was awarded a Neighborhood Stabilization Program (NSP) grant in 2010. The RDA approved a loan to enable MECH to purchase up to 4 foreclosed condominiums with RDA and NSP funds.

The second priority of Neighborhood Revitalization is implemented with Community Block Grant Funds through the City's Rehabilitation Programs and downtown Sidewalk Program. The FY15 Action Plan includes \$75,000 in funding for the Home Rehab Program and \$20,000 for the Commercial Façade Program. A sidewalk improvement grant is included in the FY16 Annual Plan.

The third priority is the housing support program. One General Fund grant to a non-profit organization totaling \$22,000 was recommended by the social services budget committee for FY16 to Family Assistance Ministries (FAM).

### *Public Housing Improvements and Initiatives*

The City of San Clemente does not operate public housing. The Orange County Housing Authority (OCHA) provides rental assistance in the community. Federal legislation requires that the Housing Authority prepare five-year and one-year plans that highlight its mission, goals and objectives as it relates to public and assisted housing programs. The City has reviewed the Authority's plan and OCHA has also been provided the opportunity to review and consult with the City regarding the Consolidated Plan. The goal of this cross-consultation is to provide consistent and coordinated housing services for City residents.

### *Lead-Based Paint*

Based on Orange County data, it is estimated that as many as 4,000 housing units in San Clemente may have some level of lead-based paint hazard. Additionally, it is estimated that over 900 San Clemente households with children under five years of age may live in housing with some form of lead-based paint hazard. As required by HUD, the City has implemented several means to implement lead-based paint hazard regulations. At a minimum, each housing unit built before 1978 participating in City-funded affordable housing programs will be tested for lead hazards prior to the commencement of any rehabilitation work. The City will provide financial assistance for lead testing of the property in conjunction with housing rehabilitation assistance when painting is included in the work. If lead is found, program resources can be used to pay for the removal or mitigation of lead-paint hazards. While these steps have increased rehabilitation costs and completion time, it is imperative that City comply with regulations and to also educate program participants regarding the dangers of lead-paint. With respect to the latter, the City also provides lead paint educational information to property owners.

### *Anti-Poverty Strategy*

The City has identified numerous factors it can influence to combat poverty. Activities and services the City will implement during FY16 to combat poverty includes the following:

- Affordable housing programs, including rehabilitation and rental assistance (via the Orange County Housing Authority).
- Homeless assistance, including emergency shelter and transitional housing opportunities. The Housing Programs Planner is working with two non-profits, iHOPE and Family Assistance Ministries (FAM), to assist in social services and housing needs for the homeless.
- Public services to assist lower income seniors, youth and special need households to improve their quality of life.

On-going support of the San Clemente Collaborative (SCC) to partner with public and private organizations working together with residents to improve services and neighborhoods.

### **San Clemente Collaborative**

The San Clemente Collaborative is an outgrowth of past organizations in an effort to develop collaborations between all groups. It is a voluntary organization striving to empower all community members to assume responsibility in building a safe and healthy community. Mission Hospital, Saddleback Memorial Medical Center, Orange County Human Relations Commission, Saddleback Church, San Clemente Presbyterian Church, District Attorney's Office GRIP Program, San Clemente High School faculty, and the City of San Clemente are key partners organizing and supporting the Collaborative. The Leadership Committee is made up of representatives, partners and leaders in the community.

Monthly Action committee meetings are held and the Leadership Committee holds quarterly Community-wide General Meetings. Approximately 400 people have participated over the last year. In 2014, the City's Human Affairs Committee in partnership with the SCC and various community stakeholders hosted a substance abuse and drug prevention town hall meeting; the main speaker was journalist, David Sheff, who is the well known author of CLEAN and A Beautiful Boy. In 2015, the second presentation "Weeding through the Myths" was provided as an educational forum. There were over three hundred parents, students, teachers, church leaders and service providers who attended this community forum.

#### *STRUCTURES TO ENHANCE COORDINATION IN THE COMMUNITY*

The City will continue to coordinate activities that enhance working relationships between public agencies, non profit agencies, and community residents.

#### *Economic Development*

The City approved the Centennial General Plan; this web based document includes policies to promote broad-based economic opportunity. The City also provides grants to local businesses through the CDBG Commercial Façade Enhancement Program. This allows new and existing businesses to apply for a sign and/or awning to enhance their business. Since 2004 the City has awarded and completed eighty five grants to business owners located in the Downtown T-Zone area. The goals and objectives are consistent with HUD's Community Development Block Grant objectives.

#### *Measure Outcomes*

As outlined in the Consolidated Plan, the City has implemented a results-oriented management and accountability system that will measure program/activity

outcomes as well as outputs. The City has implemented this management system in response to a HUD initiative. Recipients of CDBG funds are required to regularly report how respective activities are meeting quantitative and qualitative goals.

## **G. PROGRAM SPECIFIC REQUIREMENTS**

Each HUD entitlement grant program has a list of specific program requirements that must be addressed on an annual basis. Actions to address the CDBG program's specific requirements are outlined below.

### ***CDBG***

The activities the City of San Clemente will implement during the FY16 Program Year will be focused on activities to address housing and community needs for low and moderate-income households, and to a lesser degree, activities that eliminate conditions of slum and blight.

## **H. MONITORING**

Outlined below are the standards and procedures that the City of San Clemente will use to monitor CDBG-funded activities during the 2015-16 Program Year. The goal of the City's monitoring program is to ensure compliance with program requirements, thus protecting the public's interest.

### ***CDBG***

All CDBG funded activities, including those carried out by subrecipients, are required to submit quarterly reports to the City. Housing and public improvement project reports will provide a description of project progress and dates for milestones such as completion date. Social service agencies are required to provide information on the number of clients served and the overall progress of their programs.

City housing staff has implemented a comprehensive on-site monitoring program to review subrecipients' performance, quality of services, and grant administration abilities. If and when necessary, corrective actions will be recommended by the City to ensure compliance with applicable federal laws and regulations. All quarterly report information will be compiled and submitted to HUD as part of the Consolidated Annual Performance and Evaluation Report (CAPER). HUD Tables 1 and 2 summarize how the annual objectives have been met in relation to the four year goals. These tables will be updated annually and provided in the CAPER.

## **I. Citizen Participation Plan**

As required by HUD, the Citizen Participation Plan has been developed to encourage San Clemente residents' participation in the development of a strategy to meet priority housing and community needs and to provide input on how federal entitlement funds are used. Citizen involvement has also been encouraged in the development of the San Clemente Action Plan.

The City published a notice in the San Clemente Sun Post News on November 20, 2014 announcing the availability of funding and requesting proposals for the FY16 CDBG Public Service Grant Program. Information on the grant process and timeline was sent to various City departments, public committees, non-profit organizations and elected and appointed officials.

A public hearing notice was published on April 5, 2015 announcing the City's comment period for the Draft CDBG Annual Action Plan for 2016. The public hearing was held on May 5, 2015 before the City Council. The Draft Annual Action Plan was available on April 5th on the City's web site, at City Hall, and at the Community Development Department.

### *CITIZEN PARTICIPATION 2014 AND 2015*

Several opportunities for the public to provide input on community projects took place during 2014 and these opportunities are expected to continue in 2015-16. During the past four years, the City's Human Affairs Committee met bi-monthly to discuss how the Committee can be integrated into the San Clemente Collaborative. The purpose is to continue to provide a means for the community to be involved, to be pro-active in providing educational forums, and to connect non-profit organizations and residents. In addition to the expansion of the San Clemente Collaborative, a bi-lingual committee called, the Las Palmas Leadership Team (LPLT) was formed. Members have also joined the SC Collaborative committees, including the Outreach Sub-committee. This is a grass-root coalition consisting of leaders, residents, school counselors, City staff and two Human Affairs Committee members. The Las Palmas Leadership Group has been a positive, resident-led group which has encouraged underserved residents to participate in Parent Leadership Institute Trainings and Grassroots Leadership workshop sessions.