

Public review and comment period is open from March 13 – April 13, 2026. Please send any comments or questions to Cindy Schubert at cschubert@encinitasca.gov



City of Encinitas

FY 2026-27 Annual Action Plan



Development Services Department
505 S. Vulcan Avenue
Encinitas, CA 92024

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Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

Introduction

Incorporated in 1986, the City of Encinitas (“City”) is in the North County coastal region in San Diego County and is bounded by the cities of Carlsbad to the north, Solana Beach to the south, and an unincorporated area of San Diego County to the east. Since incorporation, the City has grown to an estimated population of 61,585 and has many great community assets, including a transit center, which connects travelers to downtown San Diego and north to Oceanside and Los Angeles, as well as over 40 acres of beaches.

As an entitlement jurisdiction under the U.S. Department of Housing and Urban Development (HUD), the City receives federal funds in proportion to its population size, concentration of poverty, and other socioeconomic and demographic data. To receive such funds, the City must submit a Consolidated Plan (Con Plan) every five years to HUD. The Consolidated Plan is a five-year planning document that identifies needs within low-to moderate- income (LMI) communities and outlines how the City will address those needs. Ultimately, it guides investments and helps achieve HUD’s mission of providing decent housing, suitable living environments, as well as expanded economic opportunities for LMI population.

Implementation of the Con Plan occurs through an annual cycle consisting of three key stages:

- Funding Recommendations – City Council authorizes funding for activities for incorporation into the draft FY 2026-27 Annual Action Plan (AAP);
- AAP – outlines how Encinitas intends to use the CDBG funds, specifying the projects, programs, and activities to be funded, along with the allocated budget for each, with the goal of addressing community needs identified in the Con Plan; and
- Consolidated Annual Performance and Evaluation Report (CAPER) – reports on outcomes and accomplishments from the prior year’s AAP.

This document represents the draft fiscal year (FY) 2026-27 Annual Action Plan (AAP), the second of five AAPs under the 2025-2029 Con Plan.

The City of Encinitas receives Community Development Block Grants (CDBG) which is a flexible funding source that can be used for both housing and non-housing activities, including neighborhood revitalization, workforce and economic development, community and nonprofit facilities, and infrastructure and public services in LMI communities.

Based on its population size, the City directly receives CDBG funding only, but it utilizes HOME funding through the County of San Diego's HOME Consortium (HOME Consortium), which includes the Cities of Carlsbad, Encinitas, La Mesa, San Marcos, Santee, and Vista. The City anticipates receiving approximately \$272,698 in CDBG funds for FY 2026-27.

1. Summarize the objectives and outcomes identified in the Plan

The City's five-year priorities established in the 2025–2029 Consolidated Plan, which guide the City's annual priorities. These priorities are:

- Fair Housing
- Homeless Services
- Renter and homeowner assistance
- Affordable Housing
- Public Improvements
- Public Infrastructure
- Public Services for LMI and special needs populations

These priorities represent the varied needs that emerged during the Consolidated Plan development process. Priority needs were identified through extensive housing and economic data, as well as through stakeholder meetings, community surveys, and public meetings. All are high priority and are expected to be funded by the City's CDBG program.

2. Evaluation of past performance

As part of the Consolidated Plan process, the City is required to submit an annual Consolidated Annual Performance and Evaluation Report (CAPER), which reports on how funds were spent, the households that benefitted from the funds, and the progress toward meeting its annual goals for housing and community development activities. The FY 2025–26 CAPER, covering the period of July 1, 2025, through June 30, 2026, will be completed and submitted to City Council following the close of the program year to assess continued progress toward the City's 2025–2029 Con Plan priorities.

The City has successfully implemented housing, homelessness, and public facilities activities in the previous Consolidated Plan cycle, impacting the lives of thousands of residents with low to moderate incomes. It is anticipated that the City and its partners will continue to positively impact residents through collaborative efforts. Below is a summary of some of the outcomes achieved during FY 2024-25 as reported in the CAPER.

- 3 LMI homeowners were provided grants for residential rehabilitation
- 50 residents assisted with fair housing services
- 687 homeless residents served by food and nutrition center

- 98 senior residents provided meals

3. Summary of citizen participation process and consultation process

The City's community participation process is guided by the Citizen and Community Participation Plan, which outlines the framework for engaging the community and providing notifications for public meetings and hearings.

The City offered a free public workshop for interested applicants on January 12, 2026. The purpose of the workshop was to provide an overview of the CDBG program, the City's Consolidated Plan, and application process. There were no attendees.

On March 11, 2026, the City Council considered the funding recommendations for FY 2026-27 CDBG programs and activities and received public comments from three (3) individuals at the public meeting. In addition, one (1) individual provided written comments in support of the recommended action. Residents and stakeholders were notified of the public hearing through a publication in a local newspaper, direct email notification, and posting on the City's Website.

The draft Annual Action Plan was available for public review and comment from March 13, 2026 - April 13, 2026. The draft Annual Action Plan is available on the City's website and at the Development Services Department during business hours. All public comments received during the 30-day public review period are included in Appendix A. The City Council is scheduled to consider and approve the FY 2026-27 Action Plan at a public hearing on April 15, 2026.

This section will be updated after the public comment period, closing on April 13, 2026.

4. Summary of public comments

This section will be updated after the public comment period, closing on April 13, 2026.

5. Summary of comments or views not accepted and the reasons for not accepting them

This section will be updated after the public comment period, closing on April 13, 2026.

6. Summary

The City's Consolidated Plan sets forth the housing and community development strategies and objectives for the five-year period of Program Years 2025 to 2029 and satisfies the statutory requirements for receiving CDBG funds. More than merely meeting requirements, however, the City is committed to providing every opportunity for residents and stakeholders in Encinitas to participate in the Consolidated Plan process and expanding opportunities for its LMI populations to thrive.

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administration	City of Encinitas	Development Services Department

Table 1 – Responsible Agencies

Narrative

The City's Development Services Department is the lead agency responsible for the preparation and administration of the Consolidated Plan, corresponding Annual Plans, CAPERs, and the CDBG program. The County of San Diego is the lead agency for HOME funding, which the City utilizes as a member of the County's HOME Consortium. The implementation of programs funded by CDBG and HOME may be done in conjunction with other City departments such as Parks, Recreation and Cultural Arts and Public Works.

Consolidated Plan Public Contact Information

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AP- 10 Consultation – 91.100, 91,200(b), 91.215(I)

1. Introduction

As a part of the 2025-29 Consolidated Plan and the FY 2026-27 Annual Action Plan development process, the City consulted with local non-profit agencies and a City Council Public Hearing. The outreach and consultation efforts are also described in the Executive Summary and Citizen Participation sections of this Annual Action Plan. Comments received can be found in Appendix A.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).

The City of Encinitas has long history of communication and collaboration with many governmental and non-governmental agencies in the region to address the needs of the City's LMI population. The City's formalized collaborative efforts include being a member of the County of San Diego's HOME Consortium and a participant of Alliance for Regional Solutions (ARS), North County San Diego's collaborative network of homelessness service providers.

Encinitas' City Council-manager form of government also allows members of its governing body to work closely with the City's many departments and other regional entities and committees throughout the County. These affiliations include:

- San Diego Association of Governments (SANDAG), San Diego County's federally recognized metropolitan planning organization (MPO)
- Regional Task Force on Homelessness (RTFH), the region's HUD Continuum of Care (CoC)
- San Diego Regional Alliance for Fair Housing (SDRAFFH)
- Quarterly convenings of local CDBG program administrators

The City will continue to maintain partnerships with these and other agencies to achieve its long-term housing and community development goals. Additionally, the City maintains its own housing authority, which administers Housing Choice Vouchers (Section 8 rental assistance) and owns 16 low-income residential units. The City also monitors over 160 affordable deed restricted housing units and over 170 affordable multi-family units. As resources or policies change, the City can coordinate directly through the City of Encinitas Housing Authority to help fulfill overall housing goals and objectives.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and

families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Regional Task Force on Homelessness (RTFH) serves as the San Diego region's Continuum of Care (CoC). The RTFH plays a central role in coordinating the region's collective response to homelessness, establishing priorities, and aligning resources among jurisdictions, service providers, and community partners.

The RTFH organizes the annual Point-in-Time Count (PIT), in which the community engages and surveys those experiencing homelessness countywide to provide a count of the region's sheltered and unsheltered homeless community. The 2025 PIT counted a total of 135 individuals, 91 unsheltered and 44 sheltered persons, in the Encinitas region (including the Cities of Encinitas, Del Mar, and Solana Beach and the San Dieguito area of San Diego County). This represents a 26% reduction from 2024. Of the 44 sheltered persons, 29 were in emergency shelters and 15 resided in transitional housing.

The City's Homeless Programs Coordinator leads coordination of programs throughout the City and continues active participation in the regional Homeless Management Information System (HMIS) managed by the Regional Task Force on Homelessness (RTFH). HMIS, a HUD-mandated software application, is used to collect, store, and manage data about individuals and families accessing homeless assistance services. Participation enables staff to enter individuals experiencing homelessness into the Coordinated Entry System, connecting eligible participants to regional supportive housing programs when available. In 2025, two additional HMIS projects were added to strengthen support for the City's new contracted service provider (San Diego Rescue Mission), assist with the creation and ongoing maintenance of the By-Name List, and improve data accuracy to better serve individuals and families in need.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS.

The City does not receive or administer ESG funds. However, the City allocates a portion of its CDBG public services funds to assist agencies that provide services to individuals and families who are experiencing or at risk of experiencing homelessness.

2. Agencies, groups, organizations and others who participated in the process and consultation.

As part of the Consolidated Plan development process, the City conducted stakeholder outreach and two community meetings and an online survey. Participants were provided information about the Plan and funding requirements and offered feedback on the City’s most pressing community needs. The agencies and groups that participated in this process are summarized in the table below.

Agency, Group, or Organization	Agency, Group, or Organization Type	Section of Plan addressed by Consultation	Action
2-1-1 San Diego	Community Information Exchange (CIE)	Needs Assessment Market Analysis	Provided localized data to inform the Consolidated Plan.
County of San Diego Health & Human Services Agency, Housing & Community Development Services	Other Government - County	Needs Assessment Market Analysis	Consulted with various agencies at the county government to inform development of the Consolidated Plan.
Regional Task Force on Homelessness	Continuum of Care	Needs Assessment Market Analysis	Provided localized data to inform the Consolidated Plan.
Boys & Girls Clubs of Northwest San Diego, Jewish Family Service of San Diego, Keys4Homes	Local Nonprofit Organizations	Needs Assessment	Attended stakeholder meeting and/or responded to stakeholder survey and provided insight on community needs.

Agency, Group, or Organization	Agency, Group, or Organization Type	Section of Plan addressed by Consultation	Action
BLIEU Companies, North Coast Housing, Southwest Equity Partners	Local Housing Developers/Providers	Needs Assessment	Attended stakeholder meeting and/or responded to stakeholder survey and provided insight on community needs.
Legal Aid Society of San Diego	Fair housing legal service specialist	Needs Assessment	Responded to stakeholder survey and provided insight on community needs.
Interfaith Shelter Network	Housing and homeless shelter	Needs Assessment	Responded to stakeholder survey and provided insight on community needs.

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

No agency or organization was purposely excluded from providing input.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
2021-2029 Housing Element (Sixth Cycle)	City of Encinitas	The Housing Element is the State-recognized strategy for addressing the City’s housing needs. The City’s 6th Cycle Housing Element received State certification in 2021. This Consolidated Plan aligns with the goals of the Housing Element.
City of Encinitas Strategic Plan	City of Encinitas	The Strategic Plan is regularly updated by the City Council to reflect the Vision, Mission, Operating Principles, and Strategic Focus Areas and Key Goals.
City of Encinitas Climate Action Plan	City of Encinitas	A Climate Action Plan to mitigate the impacts of climate change.

Table 3– Other local / Regional / Federal Planning Efforts Considered

Narrative

As previously noted, the City participates in various regional planning efforts and groups aimed to enhance coordination in the delivery of housing and community development-related programs and services in the San Diego region. The City will continue to work with other County CDBG entitlement jurisdictions, as well as local stakeholders, to address shared priorities and maximize the impact of available funding and resources.

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting.

The City offered an applicant workshop in January 2026. The purpose of the workshop was to provide an overview of the CDBG program, the City's Consolidated Plan, and the application process. There were no attendees.

On March 11, 2026, the City Council considered the funding recommendations for FY 2026-27 CDBG programs and activities and received public comments from three (3) individuals at the public meeting. In addition, one (1) individual provided written comments in support of the recommended action. Residents and stakeholders were notified of the public hearing through a publication in a local newspaper, direct email notification, and posting on the City's Website.

The draft Annual Action Plan was available for public review and comment from March 13, 2026 - April 13, 2026. The draft Annual Action Plan is available on the City's website and at the Development Services Department during business hours. All public comments received during the 30-day public review period are included in Appendix A. The City Council is scheduled to consider and approve the FY 2026-27 Action Plan at a public hearing on April 15, 2026.

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of Comments received	URL (if applicable)
1	CDBG Applicant Workshop	CDBG Applicants and the general public	The City offered a free workshop for CDBG applicants to provide information about the CDBG program and the City's Annual Action Plan, and application requirements. There were no attendees.	All comments are included in Appendix A	
2	City Website	All Encinitas Residents, CDBG Stakeholders and general public	The CDBG applicant workshop, availability of funds notice and public hearing information was posted on the City's website.	All comments are included in Appendix A	
3	City Hall	All Encinitas Residents	The draft Annual Action Plan was available on the City's website and at the Development Services Department for review and comment from March 13 through April 13, 2026	All comments are included in Appendix A	
4	Public Notice	All Encinitas Residents and CDBG Stakeholders	The public was notified of the availability of CDBG funds and application period, and public hearings through a publication in a local newspaper.	All comments are included in Appendix A	
5	Public Hearing	All Encinitas Residents and CDBG Stakeholders	On March 11, 2026, the City Council considered the funding recommendations for FY 2026-27 CDBG programs and activities, and received public comments from three (3) individuals at the public meeting. In addition, one (1) individual provided written comments in support of the recommended action. The City Council is scheduled to approve the FY 2026-27 Annual Action Plan at a Public Hearing on April 15, 2026.	All comments are included in Appendix A.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

Program	CDBG
Source of Funds	Public – Federal
Uses of Funds	Public Services, Infrastructure & Facilities, Fair Housing, Administrative
Year 2: Estimated Annual Allocation	\$272,698
Year 2: Program Income	\$0
Year 2: Prior Year Resources	Unknown
Year 2: Anticipated Total	\$272,698
Expected Amount Available Remainder of Consolidated Plan	\$1,148,204
Narrative Description	Funding of \$272,698 in CDBG for FY26/27

Table 1 – Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

While CDBG program does not require matching funds, CDBG funds offer excellent opportunities to leverage private, local, state, and other federal funds to allow for the provision of public service activities. For example, many State housing programs have scoring criteria that reward applicants who have matching funds. The City will attempt to leverage funds when appropriate to achieve the goals of the Consolidated Plan.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City of Encinitas Housing Authority owns 16 units that are occupied by low-income renter households. Participants of the Section 8 HCV Program occupy many of these units. Any available opportunity to leverage CDBG funds in order to make improvements for accessibility for persons with disabilities or make the units more habitable should be taken. As identified within this Consolidated Plan, affordable housing for renters and homeowners has continued to be a high priority for the City.

Unfortunately, the State owns no surplus properties in Encinitas. For its part, the City regularly reviews its real estate portfolio and assesses if properties are being put to best use.

Discussion

Funding resources to implement the City's Consolidated Plan are limited. The City operates a forgivable CDBG residential rehabilitation loan program. Should any forgiven loans be repaid before the end of their term, those funds will be placed into a revolving loan fund to support future residential rehabilitation projects. The City remains committed to supporting social service programs that benefit Encinitas residents, though resources for new housing development remain limited. To overcome these constraints, the City will continue to utilize policy tools such as density bonuses, reduced development fees, and partnerships with nonprofit organizations and developers. These strategies aim to create additional housing opportunities for residents with low to moderate incomes and address the priorities set forth in the Consolidated Plan.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Support services to Encinitas low to moderate residents	2026	2027	Non-Homeless Special Needs	LMI Households Citywide	Senior and youth services	\$15,516	Public service activities other than low/moderate income housing benefit: 95 persons assisted
2	Homeless services, prevention, shelter	2026	2027	Homeless Special Needs	LMI Households Citywide	Homeless services, prevention, shelter	\$25,388	Homelessness Prevention: 415 households assisted
3	Fair housing	2026	2027	Non-Homeless Special Needs	LMI Households Citywide	Fair housing	\$20,000	Availability/Accessibility Households assisted: 20
4	Renter and homeowner assistance	2026	2027	Housing	LMI Households Citywide	Renter and homeowner assistance	\$177,255	5 Households Housing Units Rehabilitated
5	CDBG administration	2026	2027	Planning and Administration	Citywide	CDBG Program administration	\$34,539	Program Administration

Table 2 – Goals Summary

Goal Descriptions

Goal	Fair housing
Description	Retain the services of a fair housing specialist, promote fair housing education/outreach/training to housing consumers, landlords/owners/property managers, and City staff; and testing for fair housing violations.
Goal	Services for the homeless
Description	Support the provision of homeless services, prevention, and shelter, including: employment preparation, food assistance, financial literacy, rental assistance, temporary and permanent shelter, and other programs aimed at providing homeless families and/or groups with the tools and resources needed to gain self-sufficiency needed to end and prevent homelessness.
Goal	Renter and homeowner assistance
Description	Rehabilitation of existing renter and owner-occupied housing units, and down payment assistance and tenant-based rental assistance through the San Diego HOME Consortium.
Goal	Public services for LMI and special needs populations
Description	Support provision of services to Encinitas LMI and special needs populations, including youth and seniors.

AP-35 Projects - 91.420, 91.220(d)

Introduction

Project Name	FY 2026-27 CDBG Funding	General Fund
City of Encinitas Development Services – Program Administration	\$34,539	\$0
Community Resource Center – Homeless Prevention and Intervention	\$25,388	\$4,612
Meals on Wheels – Senior Meal Service Encinitas	\$6,206	\$3,794
Boys & Girls Club	\$9,310	\$5,690
Fair Housing Services	\$20,000	\$0
City of Encinitas Development Services – Residential Rehabilitation	\$ 177,255	\$0
Total	\$272,698	\$14,096

Table 3 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Each of the projects identified for funding during FY 2026-27 meet a priority need and goal within the Consolidated Plan. Historically, it has been the practice of the City for many years to fund all eligible public service activities. The allocation methodology is to sustain level funding from FY 2025-26 plus a proration of available funds to all the recommended applicants. If the FY 2026-27 grant is more or less than anticipated, adjustments will be made to reflect a proration for all approved public service activities at 15 percent and administrative activities at 20 percent of grant funding to comply with the CDBG program funding limits.

The City received four (4) applications from non-profit organizations for public service programs. The total amount requested for public services is \$73,400 which exceeds the estimated FY 2026-27 funding. The CBDG program limits 15 percent of annual funding to public services, therefore, the City is not able to fully fund the entire request with CBDG funds. At the March 11, 2026 City Council meeting, City Council directed staff to fully fund Meals on Wheels, and the Boys & Girls Club, and to fund the Community Resource Center up to \$30,000, making up the difference from the City's General Fund.

AP-38 Project Summary

Project Summary Information

The City's estimated FY 2026-27 CDBG entitlement award is \$272,698. During FY 2026-27, a total of \$54,539 will be allocated for Program Administration and Fair Housing Services, \$40,904 allocated to public services, and \$177,255 allocated to residential rehabilitation projects. Project descriptions are provided below.

1	Project Name	Community Resource Center Homeless Prevention and Intervention
	Goals Supported	Homeless Services
	Needs Addressed	Homeless Services
	Funding	CDBG: \$25,388 General Fund: \$4,612
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	415
	Location Description	Community Resource Center is located at 650 Second Street, Encinitas, CA 92024.
	Planned Activities	Community Resource Center (CRC) will provide access to healthy food to approximately 415 low-income residents of Encinitas who are currently experiencing homelessness or at risk of homelessness, food insecurity and hunger leading to reduced hunger and improved health and well-being. Households may enroll for additional support with the assistance of a case manager who helps them establish eligibility and implement an individual housing or other appropriate plan.
2	Project Name	Meals on Wheels
	Goals Supported	Senior services
	Needs Addressed	Senior services
	Funding	CDBG: \$6,206 General Fund: \$3,794
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	65 low-income senior households

	Location Description	Citywide
	Planned Activities	The program provides meals and welfare checks to low-income Encinitas seniors.
3	Project Name	Boys & Girls Club
	Goals Supported	Youth services
	Needs Addressed	Youth services
	Funding	CDBG: \$9,310 General Fund: \$5,690
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	30
	Location Description	Citywide
	Planned Activities	This program is designed to provide at-risk youth with a safe, supportive, and enriching environment where they can learn and thrive. The project goal is to provide a minimum of 30 at-risk youth with enriching summer programming in a safe, supervised environment.
4	Project Name	Legal Aid Society San Diego – Fair Housing services
	Goals Supported	Fair housing
	Needs Addressed	Fair housing
	Funding	CDBG: \$20,000
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 20 Encinitas households will benefit from this activity.
	Location Description	Citywide

	Planned Activities	Fair Housing services include education and outreach to residents, landlords, and property managers. Fair housing counseling for tenants and landlords and testing to ascertain level of housing discrimination in Encinitas.
5	Project Name	Residential Rehabilitation
	Goals Supported	Assistance to low-income renters and homeowners
	Needs Addressed	Renter and homeowner assistance
	Funding	CDBG: \$177,255
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	5 low-income households
	Location Description	Citywide
	Planned Activities	The program provides financial assistance to low-income homeowners to make repairs to their homes.
6	Project Name	Program Administration
	Goals Supported	N/A
	Needs Addressed	N/A
	Funding	CDBG: \$34,539
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	Citywide
	Planned Activities	Oversee compliance, manage budget, conduct monitoring, provide technical assistance, and manage contracts.

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Not applicable. As a relatively small jurisdiction, the City will not be allocating funding on a geographic basis. Funding will be provided to activities and programs based on quality and quantity of applications, as well as their alignment with the priorities and goals outlined in the Consolidated Plan. However, some activities must occur within CDBG-eligible block groups. The following map shows the LMI block groups in Encinitas that are eligible for place-based CDBG activities (bounded in blue and highlighted in yellow). Communities with no or very few areas in which 51 percent of residents are LMI have been authorized as Exception Grantees by HUD and are able to undertake area benefit activities.

According to HUD, “Section 105(c)(2)(A)(ii) of the Housing and Community Development Act of 1974, as amended, states that an activity shall be considered to principally benefit low and moderate income persons when “the area served by such activity is within the highest quartile of all areas within the jurisdiction of such city or county in terms of the degree of concentration of persons of low and moderate income.”

The map on the following page highlights the eligible census block areas based on HUD and the 2016-2020 American Community Survey (ACS) data.

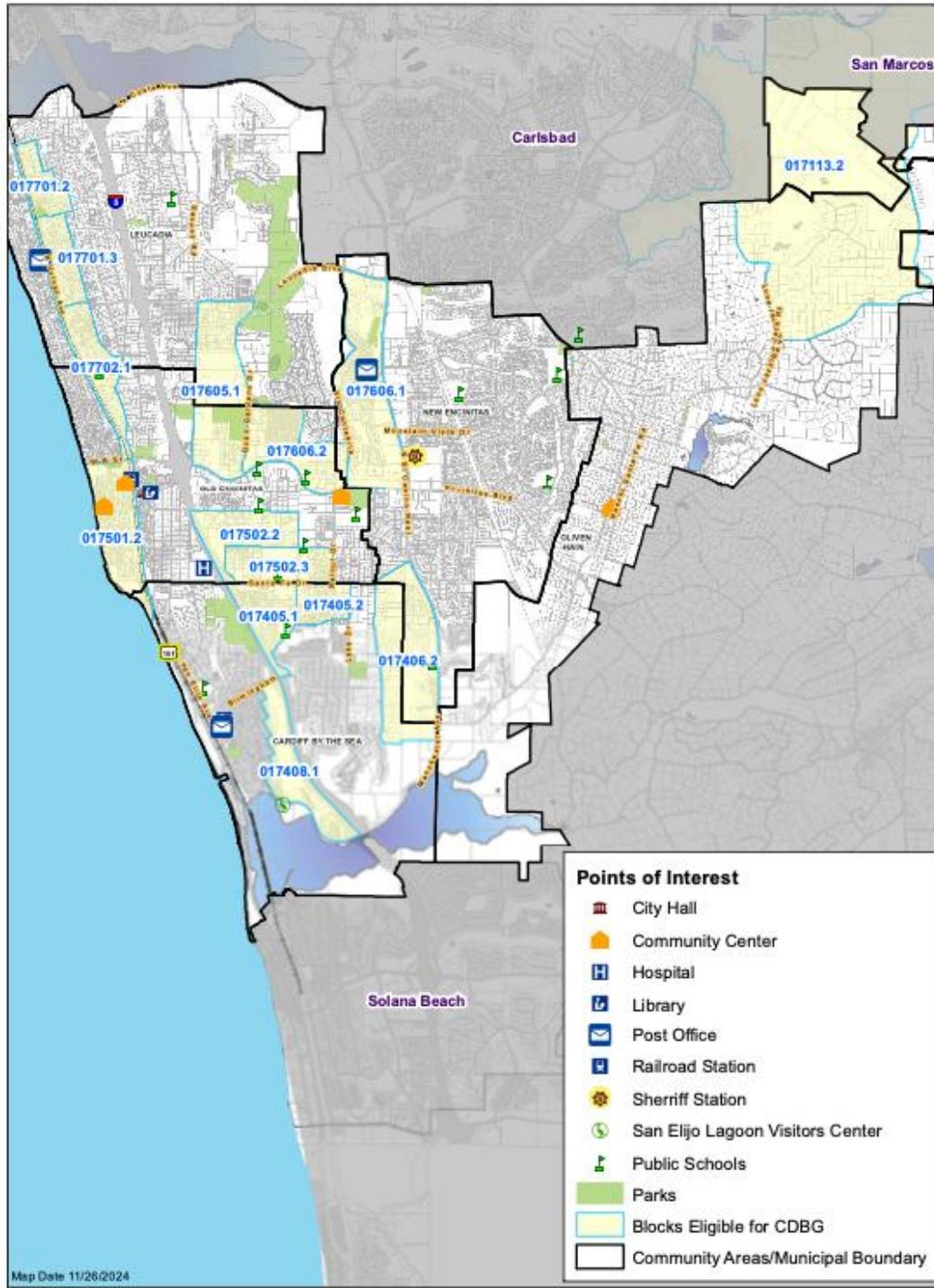
Rationale for the priorities for allocating investments geographically

Not applicable. See above.

Discussion

Not applicable. See above.

Encinitas CDBG Low/Moderate Income Block Groups



Source: City of Encinitas, 2024

AP-75 Barriers to Affordable Housing -91.420, 91.220(j)

Introduction

As discussed within the Consolidated Plan and within this Annual Action Plan, the need for affordable housing for Encinitas residents is great. Due to several factors, including the City's desirable location, limited land supply, high cost of land, and limited financial resources, the development of affordable housing continues to be a challenge. According to the Greater San Diego Association of Realtors, in January 2026, the median sales price of a single-family home in the County of San Diego was nearly \$1.07 million, compared to the median sales price of a single-family home in the City of Encinitas, which was \$1.99 million.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City of Encinitas is making great strides to reduce land use and zoning regulations and encourage the development of affordable units. On April 7, 2021, the City Council adopted the 6th Cycle Housing Element (via Resolution No. 2021-16), which was found in substantial compliance with State Housing Element Law by HCD in July 2021. The status of the programs and policies contained within the Housing Element are provided to the public and City Council on an annual basis as a part of the City's Annual Progress Report that is submitted to the state.

The City continues to make amendments as needed to comply with various State Housing Laws, such as the Density Bonus law, which enables developers to seek an increase in density and/or request waivers and concessions in exchange for affordable units. The City of Encinitas also has a local Inclusionary Policy, which requires new residential development to contribute to the production of affordable housing. The City Council took actions to amend the Inclusionary Policy in 2021 to increase the requirement to 15 percent very low-income, or 20 percent low-income. Additional amendments made in 2021 were to establish in-lieu fees as an alternative compliance option, as well as fees for Residential Care Facilities. The Inclusionary Ordinance received California Coastal Commission approval on May 11, 2022.

In April 2019, the City of Encinitas finalized the Permit Ready Accessory Dwelling Unit (PRADU) Program which encourages the construction of ADUs by offering property owners a selection of pre-approved ADU building plans. The program assists property owners in creating ADUs by providing customizable plans, expediting the process, and

reducing preconstruction fees. During CY 2025, 85 new building permits were issued for ADUs.

Discussion

See above.

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

This section discusses Encinitas' efforts in addressing underserved needs, fostering and maintaining affordable housing, reducing lead-based paint hazards, reducing the number of poverty-level families, and actions planned to develop institutional structure.

Actions planned to address obstacles to meeting underserved needs

Encinitas continues to address obstacles to meeting underserved needs by strengthening its homeless response system through regional partnerships, expanded outreach, and improved coordination of services.

In 2025, the City restructured its homeless services program to improve efficiency and align with the Homeless Action Plan (HAP). A new Homeless Programs Coordinator position was created to oversee services, coordinate partnerships, and lead collaboration with local and regional stakeholders, strengthening the City's capacity to prevent homelessness and implement coordinated strategies.

The City continues to partner with the City of Vista to operate the Buena Creek Navigation Center, which provides interim housing and supportive services for individuals experiencing homelessness who are working toward long-term housing stability. Encinitas has exclusive access to 12 beds at the facility.

Ongoing collaboration with the County of San Diego's Office of Homeless Solutions (OHS) provides regular outreach within Encinitas, connecting unsheltered residents to public benefits, case management, and housing navigation services. The OHS also provides street medicine through TrueCare. Participation in the regional Homeless Management Information System (HMIS) and Coordinated Entry System allows staff to coordinate with service providers, track data, and connect eligible individuals to supportive housing resources when available.

Encinitas continues to collaborate with the Homeless Outreach Program for Empowerment (HOPE Team), a multidisciplinary partnership involving the County of San Diego, the Sheriff's Department, and community-based service providers. The program has expanded in recent years to increase outreach coverage and case management support. The City also partners with People Assisting the Homeless (PATH), which provides street outreach and housing-focused case management.

The City allocated funding to support implementation of the Homeless Action Plan, including outreach and case management services. The City also approved an agreement with San Diego Rescue Mission to provide homeless response services, including street outreach, housing navigation, and maintenance of a By-Name List to help

track and prioritize individuals for housing and supportive services. These efforts strengthen the City's ability to coordinate services and connect individuals experiencing homelessness to permanent housing opportunities.

Actions planned to foster and maintain affordable housing

The need for affordable housing in Encinitas is great and far exceeds the available resources to meet that need. According to the Greater San Diego Association of Realtors, in January 2026, the median sales price of a single-family home in the County of San Diego was nearly \$1.07 million, compared to the median sales price of a single-family home in the City of Encinitas, which was \$1.99 million. While CDBG may be used to leverage affordable housing development, it is not a sufficient tool to solve the complex issue of providing affordable housing in Encinitas. The City of Encinitas does have the following resources for the creation and maintenance of affordable housing.

Housing Element. The City of Encinitas Housing Element contains many goals and policies geared toward assisting low to moderate income households to find and keep decent and affordable housing.

Density Bonus State Law. The City of Encinitas continues to revise its Density Bonus ordinance to comply with State law. The Density Bonus State law provides new affordable rental and for-sale housing through the development of new subdivisions, when the developer seeks an increase in density above what the property's underlying zoning would allow.

Affordable Unit Policy. The City of Encinitas offers an amnesty program for homeowners of accessory units that were created without building permits. Once the unit has been brought up to current building and fire code, a covenant is placed on the property reserving the unit as a low-income rental.

Local Inclusionary Housing Policy. The Inclusionary Ordinance requires developers of new residential projects to provide affordable housing; either on-site or an alternative compliance method. The affordable units can be offered as a rental or homeownership opportunity and are restricted in perpetuity. The Inclusionary Ordinance was amended to increase the affordability percentage to 15 percent very-low income and 20 percent low-income which was supported by an economic feasibility study.

HOME Program. The County of San Diego, as the lead agency in the HOME Consortium, offers a Down payment and Closing Cost Assistance Program for low-income first-time homebuyers. The program provides first-time homebuyers low-interest, deferred payment loans of up to 17 percent of the purchase price for down payment assistance and 4 percent, up to \$10,000 in closing costs assistance. The program has home value restrictions currently at \$622,250, which is typically lower than market prices in Encinitas,

making it a challenge for eligible homebuyers to find a home. However, eligible Encinitas Households are encouraged to participate in this program. Information on the program is posted on the City's website.

Actions planned to reduce lead-based paint hazards

HUD requires that all CDBG and HOME funded activities comply with HUD's regulations regarding lead-based paint. In accordance with program requirements, the City of Encinitas' Residential Rehabilitation Program requires that each home assisted and built prior to 1978 must undergo lead-based paint testing. If deteriorated lead-based paint surfaces are found, it must be stabilized during the rehabilitation of the property. Abatement must be performed by a certified lead-based paint professional with a certified lead-based paint assessor issuing a Clearance Inspection prior to the issuance of the Notice of Completion.

Actions planned to reduce the number of poverty-level families

Based on the latest ACS data, approximately 7.4 percent of Encinitas residents are living at or below the federal poverty level. This is lower than both California's and the nation's rate, but any amount of poverty is unacceptable. Many issues related to poverty are outside of the City's reach, but the City can and will utilize all available tools and resources to assist those residents living at or below the federal poverty level.

A major partner in reducing poverty in Encinitas is the County, which administers the CalWORKs Program. CalWORKs provides cash aid to needy families to cover the cost of essentials like housing, healthcare, and clothing. It also supports job training through the County and the Community College Districts. The County also administers CalFresh, the federally funded food assistance program that is widely regarded as one of the most impactful anti-poverty programs in the country. The program has demonstrated positive economic impacts, improved health outcomes, and decreased food insecurity.

The City supplements the County's services with its own resources, including rental assistance vouchers through the local housing authority, CDBG-funded public services, and activities funded by the General Fund. Additionally, the City will seek out any opportunities to create or fund affordable housing for the City's extremely low-income populations.

Rental assistance and affordable housing. The Housing Authority provides rental assistance to approximately 105 households through Section 8 Housing Choice Vouchers. Additionally, the City continuously seeks opportunities to create or fund affordable housing for the City's extremely low-income populations.

Adult education. Mira Costa College and Adult School provides low-cost education, including night and online classes for working adults. The college offers academic degrees and certifications in many fields, which can enable graduates to find new careers and better job opportunities.

Job training and employment preparation. The County's Regional Occupational Program provides job training in specialized and technical vocations. The San Diego Workforce Partnership offers free job training and job placement programs through dozens of organizations countywide. The City of Encinitas will also support the Community Resource Center in Encinitas, which includes employment preparation with their Homeless Prevention and Intervention Services programs.

Health and human services. The County of San Diego funds various non-profit organizations and provides health care and social services, including North County Health Services, now known as TrueCare. This agency operates clinics in Encinitas and Oceanside that provide health care for indigent people, as well as a maternity healthcare clinic. The City of Encinitas will also continue to support organizations that offer health and social services to Encinitas low-income residents, such as drug abuse counseling and food programs.

Childcare. Encinitas has several low-cost childcare centers, as well as many small and large family day care homes. Quality Children's Services operates a preschool program in Encinitas. Additionally, a Head Start center for children under five years of age operates in Encinitas.

Actions planned to develop institutional structure

The CBDG program is managed by the Housing and Homelessness Division within the Development Services Department. The Housing and Homelessness Division is the responsible department for coordinating efforts with the San Diego HOME Consortium, and monitoring of existing HOME programs. The Housing and Homelessness Division also monitors all the deed restricted affordable units within the City and works very closely with property managers and developers to ensure that compliance with affordability restrictions is maintained.

The Development Services Department offers the opportunity to meet with City Staff in order to become more familiar with the City programs, processes, and requirements prior to application submittal. These meetings are referred to as Staff Advisory Committee (SAC) meetings and are provided free of charge. Developers of housing with affordability requirements are provided with all the necessary information and technical assistance prior to application submittal.

Actions planned to enhance coordination between public and private housing and

social service agencies

The City participates in the County of San Diego HOME Consortium, which includes the County of San Diego, and five other cities (San Marcos, Vista, Carlsbad, Santee and La Mesa). Members of the Consortium meet to plan strategies and coordinate funding.

Throughout the duration of the Annual Action Plan, the City will continue to participate in the following regional committees: SANDAG Regional Housing Workforce Group; Regional Task Force on the Homeless; San Diego Regional Alliance for Fair Housing (SDRAFFH); and the Community Development Block Group Administrators Meeting.

The City will continue to maintain partnerships with other local public and private agencies on regional solutions to long-term housing and community development problems. The City will continue to provide technical assistance to developers and community-based organizations that assist the City in the provision of affordable housing and facilities, as these are invaluable partnerships. The City will also encourage coordination and collaboration between non-profit agencies, housing providers and government agencies. Lastly, the City will maintain contact with trade organizations, such as the Building Industry Association (BIA), San Diego Apartment Association (SDAA) and the San Diego Housing Federation. The City will use these partnerships to help achieve the goals and objectives in the FY 2025-29 Consolidated Plan.

The City of Encinitas Housing Authority is housed within Housing and Homelessness Division; therefore, the City is easily able to coordinate directly with the Housing Authority and is able to use the Housing Authority to help fulfill the City's overall housing goals and objectives.

Finally, the City will continue to network and share information with other Housing Authorities through participation in the National Association of Housing and Redevelopment Officials and the Housing Authority Association of Southern California.

Discussion

See above.

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

The following section describes other program-specific requirements.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1	The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2	The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3	The amount of surplus funds from urban renewal settlements	0
4	The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5	The amount of income from float-funded activities	0
	Total Program Income	0

The City of Encinitas does not expect to receive any program income during FY 2026-27

Other CDBG Requirements

1	The amount of urgent need activities	0
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Discussion

The City of Encinitas does not have any urgent need activities.

APPENDIX A – CITIZEN PARTICPATION MATERIALS