

April 3, 2026

Mayor and City Council
City of Escondido

Via Email



RE: Escondido Neighbors United Comment on Expiring HOME Funds

Dear Mayor and City Council,

Escondido Neighbors United (ENU) has had a long-standing interest in housing policy at the city. We are writing today regarding how the city plans to use HOME funds from 2017–2018 which must be spent this year or be lost.

The City has been aware of these expiring funds since at least late 2025 and many residents have advocated for using them for rental subsidies to help people stay housed. However, now it appears that the City is indicating it may be too late to use those funds in this way. We disagree. We would ask that you take every action in your power to preserve and spend these funds for desperately needed housing for Escondido residents.

As you know, the City of Escondido has approximately **\$583,938.80 in unspent HOME funds** from 2017–2018 federal grants. These **funds must be spent by September 30, 2026**, or they may be recaptured by HUD.

While we are in strong support of the development of affordable housing, we are concerned that the City has waited too long after becoming aware of these expiring funds to bring forward a plan for their use. Your delay has reduced the range of viable options and has reduced the opportunity to deploy these funds in ways that could provide more immediate relief to residents. Given our dire housing situation and since these are funds from 2017–2018- **they should be used for immediate relief.**

At the January 28 City Council meeting, residents advocated for using these expiring funds to expand the City’s rental subsidy program, and focus funds on immediate help such as:

- Serving the 5,276 Escondido residents currently on the Section 8 waitlist
- Assisting individuals and families transitioning from temporary shelter to permanent housing

However, instead of using these funds for rental assistance, the City is now proposing to:

- Allocate the expiring funds plus additional years of HOME funding.
- Contribute approximately \$3 million toward a County-led housing development project.

We are calling on the city to reject this direction and, instead, do the following with the funds.

- **Use funds to focus on immediate need-e.g. rental housing assistance.** Escondido is currently facing a housing affordability crisis. Rental subsidies can provide immediate relief to residents at risk of homelessness.
- **Use these limited, time-sensitive funds where they will provide the most immediate benefit.** These funds must be spent within a short timeframe. Rental assistance programs may offer a faster and more flexible way to ensure funds are fully utilized.
- **Use funds to maximize benefit and impact.** Rental subsidies could assist dozens of households quickly, while the proposed development would create a limited number of units over a longer timeline.
- **Use funds for uses where other sources are not available.** At a March 25 informational meeting, it was stated that the development project in question has access to alternative funding sources which raises questions about whether HOME funds are the best fit.
- **Don't reduce flexibility of future HOME funds through your actions now, preserve flexibility of future funds.** The proposal includes committing multiple years of HOME funding, which may limit future flexibility to respond to community needs.

In addition to these general recommendations, we would add these specific requests:

- The city should prioritize rental subsidies (Tenant-Based Rental Assistance) to address immediate housing needs.
- Expand eligibility to serve all income-qualified households, including those experiencing or at risk of homelessness.
- Consider income-based subsidies to better reflect actual housing costs.
- Partner with local organizations such as Interfaith Community Services to efficiently deliver assistance.
- Ensure public comment periods are clearly communicated and easy to access.

Ms. Victoria Nayak will be submitting a detailed proposal by separate cover and we urge you to support it.

In closing, ENU respectfully urges the City Council to prioritize rental assistance programs that serve **all** income-qualified households, including those experiencing or at risk of homelessness, to ensure these funds are used effectively and without further delay.

Thank you for your consideration.

Escondido Neighbors United members

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