



# MODESTO

## CALIFORNIA

*Parks, Recreation & Neighborhoods Department*

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# PROCESS

## AP-05 Executive Summary

The PY2014/2015 Annual Action Plan represents year four of the 2010-2015 Consolidated Plan approved by the U. S. Department of Housing and Urban Development (HUD). This Plan is the City of Modesto's official application for HUD entitlement grants and proposes programs and services to be funded during the City's Fiscal Year (FY) 2014/2015; Program Year (PY) 2014 (July 1, 2014 – June 30, 2015). There are three sources of anticipated federal program funds in this application totaling \$2.7 million in federal funds as follows:

- \* Community Development Block Grant (CDBG) (\$1,867,649)
- \* HOME Investment Partnerships Program (HOME) (\$683,785)
- \* Emergency Solutions Grant (HESG) (\$124,300)

The PY 2014 Annual Action Plan describes the use of funds to address the needs and priorities established in the fourth year of the five-year Consolidated Plan. The City's overall priority is to increase economic opportunity and self-sufficiency for lower-income residents and individuals with special needs to achieve a reasonable standard of living. This priority can be achieved by investing in lower-income and deteriorating neighborhoods and providing public service funds to serve lower-income populations; offering supportive services that will educate and provide technical skills that will allow individuals to obtain jobs paying self-sufficiency wages; and by addressing affordable and decent housing, homelessness, senior services and community

## Summary of the objectives and outcomes identified in the Plan Needs Assessment

The priorities established by the City of Modesto can be achieved through a combination of:

- \* Affordable housing;
- \* Supportive services to maintain independence;
- \* Investment in lower-income and deteriorating neighborhoods, and in facilities that serve lower-income populations; and
- \* Education and technical skills that allow individuals to obtain jobs paying self-sufficiency wages.

The City, by focusing on these overall priorities, seeks to address community concerns such as:

- \* A need for additional affordable housing to address housing problems such as overcrowding, overpayment, and substandard housing conditions for the City's lowest income residents;
- \* Supportive services that increase the ability of seniors, persons with disabilities, and others with special needs to live independently and avoid institutions;
- \* A network of shelter, housing, and support services to prevent homelessness, move the homeless to permanent housing and independence, and decrease the number of homeless households with children; and
- \* Programs promoting economic development and create jobs, and that increase the job skills of potential employees from the targeted lower-income groups.

The objectives and outcomes for the following Priorities (Needs Assessment) are described in more detail in the PY 2014 Annual Action Plan:

- ◆ Affordability/Accessibility Housing Needs (H)
- ◆ Homeless Needs (HM)
- ◆ Community Development Needs (CD)
- ◆ Special Needs, Non Homeless (SN)

## Evaluation of Past Performance.

The City of Modesto has made a concerted effort to streamline operations, implement best practice policies and procedures, and improve strategies to meet goals and objectives. In PY2012 HUD announced sweeping cuts to communities receiving entitlement funds. CDBG and HOME funding was cut from the prior year's allocation amounts. With these drastic decreases in funding, the City of Modesto reevaluated strategies and performance measures within the remaining years of the 2010-2015 Consolidated Plan.



The City of Modesto provided decent and suitable housing through three housing rehabilitation programs, the Home Repair Program, the Minor Home Repair Grant Program and the Energy Efficiency Improvement Grant Program.

These programs offered financial and technical assistance for owner occupied homes and mobile homes.

Major repairs such as roofs, bathroom remodels, electrical, and handicap modifications were completed through the loan program, and small repairs, such as leaking faucets and electrical repairs, water heater replacement, light fixture replacement, etc. were completed through the Minor Home Repair Grant Program.



Energy Efficiency Improvement Grant provided funding for HVAC, windows, water heaters, doors, fans, appliances, solar vents, insulation, and one cool roof. In some cases, the grant money assisted homeowners to make energy improvements that may not have been possible without access to the grant money due to lack of resources, or homeowners who lacked equity in their homes or mobile homes.



The City also provided financial assistance to agencies that assist seniors with food and social services. Second Harvest Food Bank (SHFB) activities are available to individuals and families citywide.

United Samaritans Foundation (USF) provided meals five days a week to low-income persons and persons experiencing homelessness.

The City of Modesto funded Disability Resource Agency for Independent Living (DRAIL) Assistive Technology Program to purchase durable medical equipment, assistive technology and adaptive aids.

A project that has been a great success for the City of Modesto was a combined effort between the City of Modesto and the County of Stanislaus to clean up the Airport Neighborhood, a revitalization strategy area for Modesto. Located in a low-income census tract known for illegal dumping and blight as well as criminal activity, the larger neighborhood is a mixture of both City and County jurisdictions. City and County residents along with civic groups, faith-based groups, and others came together, filled several dumpsters and cleaned out multiple alleyways and areas that had become blighted dumping grounds.

In FY13, Center for Human Services received ESG funds to assist homeless families or those faced with imminent homelessness with safe, reliable short-term shelter. The Haven's Women's Center of Stanislaus provided a transitional living facility to serve women who have experienced domestic and sexual violence. Services included crisis intervention, safety planning, peer counseling, and legal and other system advocacy.

The **Helen White Memorial Trail**, named to memorialize a community leader and activist who died in July 2008, is a half-mile trail (formerly a Modesto Irrigation District easement) that connects California Avenue, near Mellis Park, to Maze Boulevard. This trail will be a safe route to and from school for local students and a means to promote physical health, safety, and social connectedness for citizens of West Modesto.

The City allocated \$50,000 in CDBG funds for the design, construction management, and project administration of the project. The funding for the construction of the trail was the result of hard work of the West Modesto/King-Kennedy Neighborhood Collaborative who built a broad base of donor support. Construction is underway and will be completed in April 2014.

The City of Modesto allocated 375,000 in CDBG funds in PY 2012 to fund **ADA Accessibility Projects (Parks Sites throughout the City)**. These CDBG funds removed existing play equipment and replacing it with newer, accessible play equipment; accessible ramps were added into the play areas where needed and sand and/or non-conforming engineered wood fiber from the play areas were removed and replaced with new engineered wood fiber. The park drainage in areas that the water is slow to drain from were improved.

#### **Summary of citizen participation process and consultation process**

The PY 2014 Annual Action Plan was prepared with oversight by the CH&CDC. The City holds a minimum of two neighborhood meetings in low-income census tract areas to encourage participation of low- and moderate-income persons. Spanish-speaking translators are available at all meetings. If a request for other language translators is made at least five working days prior to a public meeting, translators will be provided. All community input meetings will be held at public buildings with disabled access.

The City of Modesto provides the public with reasonable and timely access to information and records relating to the development of the Annual Action Plan, the Consolidated Plan, any substantial amendments of those Plans, and the CAPER.

The written reports submitted to HUD each year will be available to the public free of charge. The City accepts funding proposals for public service and emergency solutions grants as new funding becomes available. All potential applicants for funding are encouraged to contact City staff for technical assistance before completing a proposal.

Citizens with complaints concerning the Consolidated Plan, the Annual Action Plan, any substantial amendments to those Plans, or the CAPER, should contact the City in writing at: City of Modesto, Parks, Recreation and Neighborhoods Department, P O Box 642' Modesto, CA 95353

Telephone (209) 577-5247 Complaints responded to in writing within 15 days. A record is maintained of all complaints.

Residential Anti-Displacement and Relocation Policy: The City of Modesto will comply with all federal regulations governing residential anti-displacement and relocation assistance as they pertain to the CDBG and HOME programs.

To assure compliance, the City of Modesto:

1. Identifies reasonable steps to minimize the displacement of persons from their homes as a result of an assisted project;
2. Replaces all occupied and vacant occupiable "low/moderate-income dwellings" that are converted to a use other than "low/moderate-income dwellings" or are demolished for a project;
3. Provides relocation assistance to low/moderate-income households (including families and individuals) displaced as a direct result of the conversion of a low/moderate-income dwelling or the demolition of any housing for a project;
4. Provides reimbursement for actual reasonable out-of-pocket costs incurred in connection with temporary relocation, including moving expenses and increased housing costs, if the person must relocate temporarily because continued occupancy of the unit constitutes a substantial danger to the health or safety of the person or public.

Amendments to the Citizens' Participation Plan can be changed only after the public has been notified of the intent to modify it, and only after the public has had a reasonable opportunity (30 days) to review and comments on the proposed substantial changes to it. At a minimum, the Citizens Participation Plan is to be reviewed with each update of the City's Consolidated Plan.

## **Summary of comments or views not accepted and the reasons for not accepting them**

All comments and questions were considered in the development of the PY2014 Annual Action Plan

### **Summary**

The City accepted all public comments on the Consolidated Plan and seeks to address as many of the public's concerns and priorities as possible. However, the lack of adequate funding to address all needs during the five-year period covered by this Consolidated Plan (2010–2015) means that not all priority needs can be addressed, or fully addressed. Public comments related to the City's process for funding, coordinating, and monitoring projects, programs, and services under the Consolidated Plan were also accepted and will be considered in the City's review of its internal processes.



## **PR-05 Lead & Responsible Agencies**

### **Agency/Entity responsible for preparing/administering the Consolidated Plan**

The City of Modesto is the lead agency responsible for preparing the Consolidated Plan and is responsible for administration of each grant program and funding source. The primary oversight of the City's HUD entitlement grant programs comes from the Citizens Housing and Community Development Committee (CH&CDC). This committee, appointed by the City Council, has representatives from various other City committees (Planning Commission, Housing Rehabilitation Loan Committee, etc.). Additionally, at-large seats, generally representing low-income and racial minority groups, complete the 11-member committee. The committee makes funding recommendations to the City Council regarding the HUD CDBG, ESG and HOME Grant programs as well as other one-time HUD funded programs.

To avoid a perceived conflict of interest, no person who is a member of the board of directors of, or is employed by, an agency that applies for or receives CDBG, ESG, HOME, or other HUD funding will be eligible to vote on funding decisions involving the said agency regarding that funding source.

The Committee meets approximately once a month. These are public meetings and public comments are encouraged. There is at least one meeting scheduled during the public comment period for the Annual Action Plan, the Consolidated Plan, any substantial amendments to the Plans, and the CAPER. These meetings are publicly noticed and are generally held at Tenth Street Place.

### **Consolidated Plan Public Contact Information**

There are a number of ways to contact City of Modesto Housing Division staff with comments.

Telephone: (209) 577-5344

Email: [housing@modestogov.com](mailto:housing@modestogov.com)

In person: 1010 Tenth Street, Suite 4400  
Modesto, California

Mail: City of Modesto  
Parks, Recreation, & Neighborhoods Department – Housing Division  
P.O. Box 642  
Modesto, California 95353



## **AP-10 Consultation and AP-12 Participation**

Two of the formal objectives of the Plan are to: 1) promote citizen participation in the development of local priority needs and objectives; and 2) encourage consultation with public and private agencies to identify shared needs and solutions to persistent community problems. The Housing Division of the Parks, Recreation and Neighborhoods Department has the full support and commitment from the Mayor and City Council.

The City of Modesto invites the community to provide input on the way grant funds from the Department of Housing & Urban Development (HUD) are spent. This Citizen's Participation Plan outlines the way the City communicates with residents regarding the use and expenditure of HUD funds.

The City continues to address potential gaps in the delivery system. Among City departments that are involved in housing and community development programs, Memorandums of Understanding (MOUs) are in place that delineates program and reporting requirements for each department. Other examples of efforts to overcome gaps in the institutional structure and to enhance coordination include:

- \* The City's Housing Division staff works with the City's Finance, Parks Planning, and Public Works Departments to ensure that capital improvement projects are on schedule, and that invoices are paid in a timely manner.
- \* The Deputy Director for HUD programs meets regularly with key Housing Division staff members to discuss the status of CDBG, ESG and HOME projects and upcoming meetings.
- \* A Sr Community Development Program Specialist is involved in the update of the City's Housing Element, particularly in the discussions surrounding multi-family and affordable housing, and a review of existing HUD-funded housing programs and an evaluation of their effectiveness.
- \* Housing Division staff participate in the following the community/ collaborative committees on a regular basis: Stanislaus Housing and Support Services Collaborative (Continuum of Care), Airport Neighborhood Collaborative, Manos Unidas (South Modesto), West Modesto/King-Kennedy Neighborhood Collaborative, Modesto Community Development Corporation (West Modesto), Regional Committee of Promotoras (Visión y Compromiso), Smart Valley Places (Sustainable Communities Initiative), Emergency Food and Shelter Board, United Way Impact Councils on Building Strong Neighborhoods, and Safety Net.

### **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**

- \* The State of California provides funding and services to cities and counties in California through several agencies, to meet a variety of housing, community development, and social service needs. The following agencies, while not a complete list, provide much of the funding and services to low- and moderate income Modesto residents:
  - o Department of Rehabilitation, Modesto Office
  - o Valley Mountain Regional Center
  - o California Department of Housing and Community Development

Housing Authority of Stanislaus (HACS).

The Housing Authority of the County of Stanislaus is responsible for the County's public housing and rental assistance (i.e. Housing Choice Vouchers, previously Section 8), operates rental housing rehabilitation programs, and is the project sponsor for selected affordable housing programs.

Modesto School Districts.

Eight school districts serve the City of Modesto. School districts partner with the City in providing youth services, such as before and after school programs, nutrition programs, health services, anti-crime programs, and other programs for Modesto's low- and moderate-income families. The school districts furnish facilities from which these services can be provided, and collaborate with the City in providing joint recreation programs and facilities for low-income and at-risk youth.

Shelter/Transitional/Permanent Supportive Housing Providers

The Salvation Army, Modesto Citadel  
Community Housing and Shelter Services  
Center for Human Services  
Children's Crisis Center of Stanislaus County  
Haven Women's Center of Stanislaus County  
Family Promise of Greater Modesto  
Modesto Union Gospel Mission  
Aspiranet  
Turning Point Community Programs  
Community Impact Central Valley

Other Social Service Providers

Stanislaus County Community Services Agency (Public Agency)  
Stanislaus County Behavioral Health and Recovery Services (Public Agency)  
Modesto City Schools Healthy Start Sites (Public School System)  
Stanislaus County Department of Aging and Veterans Services / Area Agency on Aging (Public Agency)  
Stanislaus Family Justice Center  
Court Appointed Special Advocates of Stanislaus County  
Disability Resource Agency for Independent Living  
Society of Handicapped Children and Adults  
Howard Training Center  
King Kennedy Memorial Board  
United Cerebral Palsy, Stanislaus County  
Healthy Aging Association  
American Red Cross, Capital Region Chapter  
Second Harvest Food Bank of San Joaquin and Stanislaus Counties  
United Samaritans Foundation  
Stanislaus Multi-Cultural Community Health Coalition / West Modesto/King-Kennedy  
Neighborhood Collaborative  
Parent Resource Center  
Stanislaus Literacy Center  
Project Sentinel (Fair Housing Agency)  
Telecare Corporation  
El Concilio  
Modesto Community Development Corporation  
Congregations Building Community  
Youth for Christ, Central Valley  
Sierra Vista Child and Family Services

## Valley Recovery Resources

### Affordable Housing Developers

Housing Authority of the County of Stanislaus (Public Agency; also Supportive Housing Provider)

Stanislaus County Affordable Housing Corporation (also Supportive Housing Provider)

Habitat for Humanity, Stanislaus County

EAH Housing

Satellite Affordable Housing Associates

American Baptist Homes of the West

### Stanislaus Housing and Support Services Collaborative (Continuum of Care).

The SHSSC is the planning and coordinating body for homeless issues in Stanislaus County. Representation includes non-profit organizations, homeless persons, formerly homeless persons, local governments, disability service organizations, the public housing authority, police and fire departments, faith-based and other community based organizations, service agencies, community members, government agencies and housing developers. The SHSSC is also the lead agency for the Stanislaus Continuum of Care.

### Community Meetings

City staff participate in community and neighborhood meetings to seek community input and identify community assets and needs. These meetings serve several purposes:

- \* Obtains community input about funds should be spent;
- \* Solicits information about neighborhood needs;
- \* Builds a sense of community among neighborhood residents;
- \* Encourages community empowerment and greater community voice;
- \* Provides neighborhoods with information about city services.

The PY 2014 Annual Action Plan was prepared with oversight by the CH&CDC. Other key aspects of the planning process were:

- \* Consultations with key stakeholders, including representatives of Housing Authority of Stanislaus County; non-profit organizations that provide housing, facilities, and/or services to low- and moderate-income residents; and neighborhood organizations.
- \* Consultation with the general public through workshops and public hearings (see Citizen Participation below).
- \* The Stanislaus Housing and Support Services Collaborative (Continuum of Care) (SHSSC) Executive Committee is the primary decision making body for the Continuum of Care. The collaborative executive committee meets at least monthly and sets the organization's objectives.

The City holds a minimum of two neighborhood meetings each year in low-income census tract areas to encourage participation of low- and moderate-income persons in conjunction with development of the Annual Action Plan and/or Consolidated Plan. These are held at different times and locations in an effort to accommodate different households.

The City also conducts a minimum of one community meeting annually with service providers as the primary audience. The service provider meeting is held during the day to accommodate service providers. Additionally, the City will, as needs are identified, make presentations at meetings hosted by civic groups, faith-based groups and other community organizations.

Spanish-speaking translators are available at all meetings. If a request for other language translators is made at least five working days prior to a public meeting, translators will be provided. All community input meetings will be held at public buildings with disabled access.

To obtain community input on the development of this Plan, Housing Division staff requested to be included on the agenda for local focus groups and forums providing health services, social and fair housing services, including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, the homeless and the chronically homeless persons. Presentations to these groups outlined the eligible uses of these funds, how the funds are currently utilized, and proposed future uses.

**Describe coordination 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**

As is required to remain eligible as an Entitlement Jurisdiction and receive Community Development Block Grant (CDBG) funds and Emergency Solutions Grant (ESG) funds, the City of Modesto is required to coordinate the approval of a 10-Year Plan to End Long-Term Homelessness. Modesto worked in conjunction with Stanislaus County and local homelessness service providers to develop the required plan. This plan will assist in directing opportunities for some new construction, acquisition and rehabilitation of existing housing or viable buildings, set-asides of units within housing developments in the pipeline, as well as master lease existing housing towards serving the long-term homeless population.

The Stanislaus County Continuum of Care is working with the appropriate local and State government agencies to ensure that discharge policies for persons leaving publicly funded Stanislaus County institutions or systems of care are being developed and implemented to prevent the discharge of persons from immediately resulting in homelessness. The following illustrates policies currently in place within the County and future plans to improve the discharge planning process.

The state has policies in place that require health care facilities to participate in regional planning meetings and develop a specific document to identify best practices for the post-hospital transition of homeless patients, methods to establish and support effective communications between hospitals and stakeholders regarding this transition and the identification of resources. Local health care facilities have specific protocol in place requiring a safe discharge for all patients. The Stanislaus County Public Health Agency reestablished the task force to review the current protocol in place and address any gaps in services necessary to ensure successful discharge planning services. The Public Health Agency has become actively involved in the CoC and is working towards developing liaisons with housing services agencies within the CoC to update the existing discharge planning protocol. Currently in place, there are discharge planning social workers on staff at the hospitals who work with service providers to locate appropriate housing and prevent the release of patients to the streets or to HUD McKinney-Vento funded emergency shelters, transitional or permanent housing units.

The City of Modesto worked with CoC to implement the Homeless Management Information System (HMIS) to better identify gaps in service and to maintain accurate data about housing and service needs. This encourages greater HMIS participation from non-

HUD funded organizations by providing CDBG funding to acquire necessary HMIS equipment and technical assistance to assist those organizations.

#### Public Hearings and Legal Public Notices

Legal public notices for the public hearings and the public comment period are published in the local newspaper of general circulation at least 30 days prior to the hearing unless HUD specified a different time period.

Public hearings are held during regularly scheduled City Council meetings in the City Council Chambers. Any resident choosing to speak will be provided an opportunity to do so in accordance with established Council protocol. Any comments received, whether orally or in writing, will be considered in the preparation of the report and will be submitted to HUD with the applicable written report.

A public hearing notice was published in the Modesto Bee and on the City of Modesto website to solicit input on the Annual Action Plan for Program Year 2014. The notice was distributed to neighborhood organizations that serve low-income and hard-to-reach residents.

Comments were accepted from March 4, 2014 to April 8, 2014. The City seeks to address as many of the public's concerns and priorities as possible. However, the lack of adequate funding to address all needs during the third-year period covered by this Plan means that not all priority needs can be addressed, or fully addressed. Persons who did not want to speak at the public hearing were encouraged to provide written comments to the Housing Division.

All locations were accessible to persons with disabilities, and translation services were available to the public.

Housing Division staff presented the PY2014 Annual Action Plan at the following public meetings:

- \* March 11 1:30 (presentation not conducted as previously scheduled)  
Commission on Aging/Area Agency on Aging Advisory Council  
121 Downey Avenue Suite 102
- \* March 11 4:00  
King Kennedy Memorial Center 601 S. Martin Luther King Drive Class Room A
- \* March 14 11:00  
Senior Citizen's Center, 211 Bodem Street
- \* March 19 12:00 (noon)  
Citizens Housing and Community Development Committee  
1010 Tenth Street Rm 3001
- \* April 8 5:30 Public Hearing  
City Council Chambers at 1010 Tenth Street, Council Public Hearing

#### **Summary of public comments:**

- Stanislaus Multi-Cultural Community Health Coalition West Modesto/ King Kennedy Neighborhood Collaborative -- Tuesday, March 11, 2014 4:00
  - Need better defined City Limits – County pockets being overlooked
  - How is Clean-Up location determined? How do we address County pockets.
    - Meeting to be scheduled at time of Con Plan Public Meetings. Invite County, City Leaders, etc. to hear concerns. Consider including in 2015-2020 Con Plan those eligible activities identified as a priority.
- Senior Citizens Center -- Friday, March 14, 2014
  - No comments

- Citizen's Housing and Community Development Committee -- Wednesday, March 19, 2014
  - Tower Park – Can City consider adding more floors to this development due to the need in the City? Lack of funding
  - Bennett Place – is there a % of how many of each demographic that this location will house (Senior, Emancipated Youth, Homeless)?
    - First Come First Served
  - Location of Pilot Program?
    - Small scale with plans to enhance based on results of pilot program
  - How many homeless being taken care of with these programs?
    - Caper will provide specific demographic data. Comprehensive strategy going forward with COC over next two years to better address homeless needs.
    - What's the process for identifying gaps in our funding?
      - Citizen participant process. Reach out to citizen's to obtain input through public meetings, surveys, etc. Citizen input along with City Priorities assist with identify activities to be funded.

**DECLARATION OF PUBLICATION  
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS  
STATE OF CALIFORNIA**



**PUBLIC NOTICE**

City of Modesto  
FY 2014-2015 Annual Action Plan

The City of Modesto is preparing the draft FY 2014-2015 Annual Action Plan which will identify uses of Community Development Block Grant (CDBG), HOME Investment Partnership Grant, and Emergency Solutions Grant (ESG) program funds. The City of Modesto estimates a combined total of over two million dollars will be allocated for community development projects and programs. The funding consists of new entitlement funds, estimated program income, and reprogrammed funds from the prior year. The CDBG funded projects must align with one of three national objectives:

- Principally benefit low and/or moderate income people.
- Eliminate or prevent slums and/or blight.
- Address imminent health and/or safety problems.

A 30-day public comment period will begin March 4, 2014. Comments received in writing or orally will be responded to accordingly. The following public meetings are scheduled to receive comments on the draft Annual Action Plan:

1. March 11, 2014 Area Agency on Aging (Dept. of Aging & Veterans Svcs), 121 Downey Avenue, Suite 102, Modesto, @1:30 pm.

2. March 11, 2014 KJMC Collaborative, 601 S. Martin Luther King Drive @ 4 pm.

3. March 19, 2014, the Citizens Housing and Community Development Committee, 1010 Tenth Street, Basement Training Room @ 12 noon.

A public hearing will be held on April 8, 2014, at the Modesto City Council meeting, beginning at 5:30 p.m. The meeting will be held in the Modesto City Council Chambers, 1010 Tenth Street, Modesto. This public hearing will conclude the public comment period.

For additional information, call 209-342-4707, fax 209-544-3982 or TDD (hearing impaired only) 1-800-735-2929. Please contact Jody Christiansen at 209-342-4707, within 48 hours of the event should any special accommodations be needed.

Pub Dates 03/04/2014

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE**, printed in the City of **MODESTO**, County of **STANISLAUS**, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS**, State of California, Under the date of **February 25, 1951, Action No. 46453**; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

Mar 04, 2014

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I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at

**MODESTO, California on**

March 4th, 2014

(By Electronic Facsimile Signature)

CASE NO. 10262602 key 78456

### **Public Access to Information**

As required by law, the City of Modesto provides the public with reasonable and timely access to information and records relating to the development of the Annual Action Plan, the Consolidated Plan, any substantial amendments of those Plans, and the CAPER.

The written reports submitted to HUD each year will be available to the public free of charge at the following location:

City of Modesto  
Parks, Recreation and Neighborhoods Department  
Tenth Street Place  
1010 Tenth Street Suite 4400  
Modesto, California

Additionally, most documents are also available on-line at [www.modestogov.com](http://www.modestogov.com).

### **Technical Assistance**

The City accepts funding proposals for public service and emergency solutions grants as new funding becomes available. All potential applicants for funding are encouraged to contact City staff for technical assistance before completing a proposal.

The technical workshops include the following:

- \* Activities eligible for funding;
- \* Required leveraging for award of funds;
- \* Rating criteria for proposals;
- \* Documentation required to be submitted with the proposal.

Service providers who have received funding in the prior two fiscal years will be notified of these workshops at least 10 days in advance of the workshop along with any others who have requested to be on the mailing list. In addition, City staff will make every effort to identify potential new service providers and others who may be interested in participation.

Notice will at a minimum be by correspondence sent directly to the known list of service providers. In addition, notice may also include press releases, email, and other forms of notification as appropriate.

## **Complaints**

Citizens with complaints concerning the Consolidated Plan, the Annual Action Plan, any substantial amendments to those Plans, or the CAPER, should contact the City at 1010 Tenth Street, Suite 4300, Modesto, California in writing at:

City of Modesto  
Parks, Recreation and Neighborhoods Department  
P O Box 642  
Modesto, CA 95353  
Telephone (209) 577-5247

Complaints will be responded to in writing within 15 days. A record will be maintained of all complaints received including the nature of the complaint, referrals made, and the final disposition.

## **Residential Anti-Displacement and Relocation Policy**

The City of Modesto will comply with all federal regulations governing residential anti-displacement and relocation assistance as they pertain to the CDBG and HOME programs.

To assure compliance, the City of Modesto:

1. Identifies reasonable steps to minimize the displacement of persons from their homes as a result of an assisted project;
2. Replaces all occupied and vacant occupiable "low/moderate-income dwellings" that are converted to a use other than "low/moderate-income dwellings" or are demolished for a project;
3. Provides relocation assistance to low/moderate-income households (including families and individuals) displaced as a direct result of the conversion of a low/moderate-income dwelling or the demolition of any housing for a project;
4. Provides reimbursement for actual reasonable out-of-pocket costs incurred in connection with temporary relocation, including moving expenses and increased housing costs, if the person must relocate temporarily because continued occupancy of the unit constitutes a substantial danger to the health or safety of the person or public.

## **Amendments to the Citizens' Participation Plan**

The Citizens' Participation Plan can be changed only after the public has been notified of the intent to modify it, and only after the public has had a reasonable opportunity (30 days) to review and comments on the proposed substantial changes to it. At a minimum, the Citizens Participation Plan is to be reviewed with each update of the City's Consolidated Plan.

## **Definitions**

**Annual Action Plan:** This document updates the Consolidated Plan on an annual basis and allocates one year's funding (entitlement and program income) to specific projects and activities for the HUD funded programs.

**Consolidated Annual Performance Evaluation Report (CAPER):** This document reports on the progress made in carrying out the Consolidated Plan and Annual Action Plan. The City of Modesto prepares the report annually in accordance with 24 CFR Part 91.

**Consolidated Plan:** This document is submitted to HUD and serves as the planning document of the jurisdiction and an application for funding for the HUD funded programs.

The document is developed in accordance with 24 CFR Part 91 and establishes the priorities and strategies of the various programs over a five-year period. Legal Public Notice: Legal public posting by the City Clerk's Office in the local paper of general circulation with the purpose of announcing a legal action or intent.

**Public Notice:** Announcement which may take the form of advertising, press releases, or other communication tools and utilized to get information out regarding programs or upcoming events.

**Substantial Amendment:** An amendment to the Consolidated Plan or Annual Action Plan which involves implementing an activity not previously described, a change in the purpose, scope, location or beneficiary of an activity, or an increased appropriation to an existing activity in excess of \$50,000 is considered a substantial amendment. An increase or decrease in the amount of HOME funds appropriated to an approved HOME activity shall not be considered a substantial amendment if it does not change the scope, location or objectives of the approved activities or beneficiaries. These changes may however require reporting to the City's governing body based on established City procedures.

# ANNUAL ACTION PLAN PY 2014

## AP-15 Expected Resources

The City of Modesto expects to have a total of \$4.2 in CDBG, ESG and HOME funds for PY 2014.

Allocation of funds and assignment of priorities for funding are based upon the national goals set forth by HUD regulations, and local goals for housing and community development. Local goals, consistent with HUD regulations, focus on building up and improving the City's residents and neighborhoods.

### 2014-2015 Estimated Revenue Community Development Block Grant

Entitlement	\$	1,883,728
Estimated Program Income (RLF)*	\$	250,000
Estimated Program Income (EN)*	\$	50,000
PY RLF Funds**	\$	250,000
PY EN Funds**	\$	834,917
<b>Total CDBG</b>	<b>\$</b>	<b>3,268,645</b>

### Emergency Solutions Grant

Entitlement	\$	151,725
PY EN Funds**		0
<b>Total ESG</b>	<b>\$</b>	<b>151,725</b>

### HOME Investment Partnership Grant

Entitlement	\$	735,814
Program Income*	\$	50,000
PY EN Funds**		\$ TBD
<b>Total HOME</b>	<b>\$</b>	<b>785,813</b>
	<b>\$</b>	<b>4,206,183</b>

\*Program Income is expected to be earned from repayments to loan programs.

\*\* Estimated financial data as of 03/2014

The following is a list of funding recommendations for PY 2014 CDBG, ESG and HOME programs.

### **Community Development Block Grant (CDBG) Funds**

CDBG funds are limited to activities which

- \* benefit low- and moderate-income persons
- \* aid in the prevention or elimination of blight and
- \* address other urgent community development needs

The CDBG program is directed toward neighborhood revitalization through the funding of local programs that support the empowerment of low-income households through

- \* workforce development initiatives
- \* economic development
- \* housing and
- \* provision of improved community facilities and services.

Council approved a two-year funding cycle for CDBG Public Services and ESG grants, which are competitively awarded through a request for proposals (RFP) process. The Council-appointed Citizens Housing & Community Development Committee (CH&CDC) reviews these proposals and made funding recommendations.

CDBG Public Services and ESG assistance may be available to eligible individuals and families of Modesto, including Stanislaus County unincorporated areas of Modesto as per 24 CFR 570.309.

For the purposes of CDBG Public Services (non-housing activities only), the City of Modesto defines “elderly” as 55 years of age or older as per 24 CFR 570.208(a)(2)(i)(A). This definition pertains to activities that exclusively benefit a clientele who are generally presumed to be principally low- and moderate-income persons.

<b>Estimated CDBG Budget</b>	<b>FY 2014-15 Entitlement</b>	<b>Anticipated Program Income</b>	<b>Total PY Funds</b>	
			<b>EN</b>	<b>RLF</b>
Homebuyers Assistance Program (HAP)	80,000	0	0	0
Home Repair Program (HRP)/Disabled Access Program (DAP)	0	250,000	0	0
Housing Rehabilitation Administration	448,286	0	0	0
Lead-Based Paint Services	1,500	0	0	0
Minor Home Repair Grant Program (MHRGP)	60,000	0	0	0
Energy Efficiency Improvement Program (EEI)	60,000	0	0	0
Temporary Relocation	2,500	0	0	0
Public Facilities & Improvements Accessibility Features	55,000	0	634,917	0
Section 108 Loan Repayments (Principal/Interest)	377,483	0	0	0
Neighborhood Cleanup /Demolition	40,000	0	0	0
Code Enforcement - Neighborhoods	42,380	0	0	0
Microenterprise Assistance	0	50,000	200,000	0
Economic Development	0	0	0	250,000
CDBG Administration	376,746	0	0	0
Unallocated CDBG Funds – will allocate during Carryover process	49,373	0	TBD	TBD
Public Service Funding	290,460	0	0	0
<b>TOTAL Estimated CDBG Funding</b>	<b>\$1,883,728</b>	<b>\$300,000</b>	<b>\$834,917</b>	<b>\$250,000</b>

**Estimated Public Service Funding**

- \* Direct assistance designed to primarily benefit low- and moderate-income persons
- \* Capped at 15% of CDBG
- \* Reimbursement-based grants

United Samaritans Foundation	9,833
Howard Training Center	9,833
Second Harvest Food Bank of San Joaquin and Stanislaus Counties	26,393
Center for Human Services	5,966
Court Appointed Special Advocates (CASA) of Stanislaus County	13,455
Modesto City Schools (Orville Wright Elementary School)	27,946
Parent Resource Center	16,043
Stanislaus Family Justice Center – Art Restores Kids	10,350
United Cerebral Palsy of Stanislaus County	8,798
Disability Resource Agency for Independent Living (DRAIL)	4,140
American Red Cross, Capital Region Chapter	12,420
Project Sentinel	25,876
City of Modesto Recreation Programs for Youth and Seniors and Disabled Aquatics Program	77,627
Haven Women’s Center of Stanislaus County	2,558
Family Promise of Greater Modesto	3,095
Community Housing & Shelter Services	1,793
Youth Experiencing Homelessness	21,736
Children’s Crisis Center	5,966
The Salvation Army	6,632
<b>TOTAL CDBG Public Service</b>	<b>\$290,460</b>

## Emergency Solutions Grant (ESG) Funds

The intent of the HESG program is to provide assistance to individuals and families experiencing homelessness and those at risk of experiencing homelessness. To identify sheltered and unsheltered persons experiencing homelessness – as well as those at risk of experiencing homelessness – and provide the assistance necessary to help those persons quickly regain stability in permanent housing after experiencing homelessness or a housing crisis.

The HESG program requires a match of an equal amount of funds from sources other than HESG. According to the HESG regulations, the City may comply with this requirement by providing the matching funds itself, or through matching funds provided by any nonprofit recipient. Eligible activities include

- \* Operations
- \* Renovation
- \* Essential Services
- \* Financial Assistance
- \* Housing Relocation & Stabilization Services

<b>ESG Estimated Budget</b>	<b>2014-2015 Entitlement</b>	<b>ESG Component</b>
Community Housing and Shelter Services (CHSS)*	\$ 51,145	Homelessness Prevention & Rapid Re-Housing \$ 51,145
The Salvation Army, Modesto Citadel	\$ 24,419	Emergency Shelter \$89,202
Center for Human Services	\$ 21,980	
Children’s Crisis Center of Stanislaus County	\$ 21,980	
Family Promise of Greater Modesto	\$ 11,395	
Haven Women’s Center of Stanislaus County	\$ 9,428	
Administration	\$11,378	Administration \$ 11,378
<b>TOTAL Estimated ESG Budget</b>	<b>\$ 151,725</b>	
**Cap on Emergency Shelter and Street Outreach Activities is Hold Harmless Need (HHN) Amount: \$ 101,760		

### ESG Matching Funds

For the ESG program, the City requires that ESG sub-recipients provide a dollar-for-dollar match for ESG funds received. Typically, the City is able to generate significantly more match than the amount required through its allocation of CDBG funds (totaling \$28,319) for ESG activities and primarily through the cash and non-cash contributions provided by ESG sub-recipients as a result of the generosity of their donors, supporters, and other funders. The sub-recipients providing the match for the coming year are: Community Housing and Shelter Services, The Salvation Army, Center for Human Services, Children’s Crisis Center, Family Promise, and Haven Women’s Center.

Cash contributions mean cash expended for allowable ESG costs, while noncash contributions mean the value (using a method reasonably calculated to establish fair market value) of any real property, equipment, goods, and services contributed to an ESG activity, provided that if these had to be paid with ESG funds, the costs would have been allowable.

Specific sources of cash contributions include: private individual donors, California Wellness Foundation, Family and Youth Services Bureau (Runaway and Homeless Youth Program), California Department of Education (CCTR/CSPP), First 5 California, Emergency Food and Shelter Program, and California Governor's Office of Emergency Services (Victim Services Branch).

### **CDBG and ESG Public Service Monitoring Process**

City of Modesto staff assesses risk of CDBG and ESG sub-recipients according to different risk factors to determine extent of monitoring for any given CDBG-/ESG-funded activity.

Risk factors include:

- ◆ Sub-recipient experience administering CDBG/ESG funds (i.e., new sub-recipients);
- ◆ Sub-recipient experience carrying out funded activity (i.e., new activities);
- ◆ Past performance administering CDBG/ESG funds;
- ◆ Past performance carrying out funded activity;
- ◆ Sub-recipients with limited administrative capacity;
- ◆ Innovative activities that may be high-risk (e.g., economic development activities); and
- ◆ Turnover in activity-delivery staff/leadership

Extent of monitoring ranges from frequent desk audits (i.e., monthly review of project files – performance reports, invoices and supporting documentation, ensuring timely expenditure, tracking progress toward Consolidated Plan/Annual Action Plan goals, etc.) for all CDBG-/ESG-funded activities to more extensive and less frequent (at least once every program year) on-site audits for “high-risk” sub-recipients with certain risk factors as described above.

These on-site audits consist of the following:

- ◆ Letter to sub-recipient in preparation for the on-site visit;
- ◆ Entrance conference;
- ◆ Key informant interviews;
- ◆ Review of beneficiary, financial, policies and procedures, and other records;
- ◆ Exit conference;
- ◆ Monitoring letter describing both positive feedback and detailed deficiencies; and
- ◆ Follow up

The following is a summary of the City's monitoring objectives:

- ◆ To determine if sub-recipient is carrying out project as described in sub grant agreement.
- ◆ To determine if sub-recipient is allocating costs to the project that are eligible and reasonable.
- ◆ To determine if sub-recipient is conducting activities with adequate control over project and financial performance, and in a way that minimizes opportunities for waste, mismanagement, fraud, and abuse.
- ◆ To assess if sub-recipient has a continuing capacity to carry out project, as well as future funding opportunities for which it may apply.

- ◆ To identify potential problem areas and to assist sub-recipient in complying with applicable statutes and regulations.
- ◆ To assist sub-recipient in resolving compliance problems through discussion, negotiation, and the provision of technical assistance and training.
- ◆ To provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected by sub-recipient, and not repeated.
- ◆ To comply with federal monitoring requirements of 24 CFR 570.501(b) and with 24 CFR 84.51 and 85.40, as applicable.
- ◆ To determine if any conflicts of interest exist in the operation of project, per 24 CFR 570.611.
- ◆ To ensure that required records are maintained to demonstrate compliance with applicable regulations.

The City uses “Appendix 5-21” of *Managing CDBG: A Guidebook for CDBG Grantees on Sub-recipient Oversight* for the basic structure of its CDBG/ESG monitoring and specific HUD-developed monitoring protocols according to activity/CPD program (*CPD Monitoring Handbook 6509.2*).

The City of Modesto conducted on-site audits of the following CDBG/ESG sub-recipients:

- ◆ CHSS,
- ◆ Stanislaus County Family Justice Center,
- ◆ Family Promise,
- ◆ City of Modesto Recreation, and
- ◆ DRAIL.

Other CDBG-/ESG-funded sub-grantees are either low-risk, seasoned sub-recipients and/or were audited in the prior program year.

### **HOME Investment Partnership (HOME) Funds**

HOME grants in partnership with local nonprofit groups fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership

<b>HOME Estimated Funding</b> (includes program income)	<b>FY 2014-15</b>
Administration	73,581
Direct Loans	515,069
HOME Community Housing Development Organization (CHDO) Set Aside (15%)	110,372
HOME Community Housing Development Organization (CHDO) Operating (5%)	36,791
Program Income	50,000
<b>TOTAL HOME Estimated Funding</b>	<b>\$785,813</b>

#### HOME Matching Funds:

The 25% HOME match requirements are met through the contributions or layers of funds that the developers provide for each HOME -assisted project, the match includes private financing, waiver or deferral of development fees approved by the City Council, Tax Credit Allocations, and any other eligible source. The City also has accumulated a match surplus from previous years. The City intends to satisfy this requirement by allocating sufficient funds from the Affordable Housing Fund for this purpose. City will release and Request for Qualification (RFQ) for future developments.

### **Housing Opportunities for Persons with AIDS (HOPWA) Funds**

The City does not receive HOPWA funds directly.



## AP-20 Annual Goals and Objectives

See 3C tables attached for activities specific details

Goals contained in the City of Modesto Strategic Plan that the City deemed relevant for the PY 2014 Annual Action Plan include:

- ◆ The City encourages opportunities for all levels of education and workforce development, including trade school, college, and university. (See Community Development)
- ◆ Identify opportunities for collaborative delivery of police, fire, recreation, and neighborhood services. (See Public Service)
- ◆ Promote a variety of housing types to address the diversity of needs for people throughout their life cycle and across income levels. (See Housing Objectives)
- ◆ People in neighborhoods have convenient linkages to services. (See Community Development and Public Services)  
Actions support the safe and healthy, drug-free, gang-free development of young people. (See Public Service)

Antipoverty Goals, Programs and Policies providing opportunities for low-income families to improve their economic status is a focus of effort for the City. The City will work in this area by:

- ◆ Seeking to address economic development through partnerships with the nonprofit and for profit sectors to increase economic opportunity in the City of Modesto.
- ◆ Providing staff support to organizations and businesses interested in furthering economic development opportunities.
- ◆ Enhancing relationships with other public agencies that work with low-income families through non-profit workgroups, to address the potential of joint applications for grants that address the needs of low-income families.
- ◆ Continuing with efforts to increase the supply of affordable housing in the community. While the production and preservation of affordable housing on its own will not raise people's income or lift them from poverty, it does contribute to stabilizing living expenses for low-income families, so that they have more discretionary income for other living expenses.

The PY 2014 Annual Action Plan identifies programs and activities that will be used toward meeting the City of Modesto's goals. The resulting outcome(s) for the PY 2014 Annual Action Plan, described below, fall into one of three outcomes and objectives.

<b>Table of Objectives and Outcomes</b>	<b>Outcome 1: Availability/ Accessibility</b>	<b>Outcome 2: Affordability</b>	<b>Outcome 3: Sustainability</b>
<b>Objective DH:</b> Provide Decent Affordable Housing	Accessibility for the purpose of providing decent housing <b>DH-1</b>	Affordability for the purpose of providing decent housing <b>DH-2</b>	Sustainability for the purpose of providing decent housing <b>DH-3</b>
<b>Objective SL:</b> Create Suitable Living Environment	Accessibility for the purpose of providing a suitable living environment <b>SL-1</b>	Affordability for the purpose of creating a suitable living environment <b>SL-2</b>	Sustainability for the purpose of creating a suitable living environment <b>SL-3</b>
<b>Objective EO:</b> Create Economic Opportunities	Accessibility for the purpose of providing economic opportunities <b>EO-1</b>	Affordability for the purpose of providing economic opportunities <b>EO-2</b>	Sustainability for the purpose of providing economic opportunities <b>EO-3</b>

### Provide Decent Affordable Housing

- \* assisting homeless persons obtain affordable housing;

- \* assisting persons at risk of becoming homeless;
- \* retaining affordable housing stock;
- \* increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability;
- \* increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and
- \* providing affordable housing that is accessible to job opportunities.

#### Create Suitable Living Environment

- \* improving the safety and livability of neighborhoods;
- \* eliminating blight influences and the deterioration of property and facilities;
- \* increasing access to quality public and private facilities and services;
- \* restoring and preserving properties of special historic, architectural, or aesthetic value; and
- \* conserving energy resources and use of renewable energy resources.

#### Create Economic Opportunities

- \* job creation and retention;
- \* establishment, stabilization and expansion of small businesses (including micro-businesses);
- \* the provision of public services directed towards employment;
- \* the provision of jobs to low-income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the plan;
- \* availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices;
- \* access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-sufficiency for low-income persons to reduce perpetual poverty and dependence on federally assisted housing and public housing.
- \* Developing a process, in compliance with Section 3 requirements, to give preference to low- and very low-income persons or business concerns employing low- and very low-income persons in contract bidding opportunities for housing construction, rehabilitation, or other public construction projects that use HUD funds.

## **SP-25 Priority Needs**

Basis for allocating investments and assigning priority and activities created to meet the Goals and Objectives for the PY 2014 Annual Action Plan are associated within one of the Priority Needs: Homeless/HIV/AIDS, Non-Homeless Special Needs, Rental Housing, owner Occupied Housing, Public Facilities, Economic Development, Public Services, Planning/Administration and Other. Each PY 2014 activity has been identified within one or more of these NEEDS:

- Affordability/Accessibility Housing (H)
- Community Development (CD)
- Address Homelessness (HM)
- Special Needs/Non-Homeless (SN)

### **Program Administration & Planning**

These costs are related to program administration, program planning and community participation. For CDBG, HUD limits the funding for this category to twenty percent of the total of the entitlement grant and program income. For the HOME program, the limit is 10%. ESG program administration is paid 7.5%

Costs for staff time associated with the day-to-day administration of the grant, including the salaries, supplies and services necessary to prepare the annual application and performance reports, monitoring of activities, and data gathering and reporting, in compliance with federal regulations. Also includes costs associated with the program's share of internal service charges and indirect costs.

### **Loan Repayments**

The payment for the Section 108 loan funds used to construct the Neighborhood Center at Marshall Park and expansion and rehabilitation of the Maddux Youth Center at Cesar Chavez Park.

## **1. Affordability/Accessibility Housing Needs**

Due to the ongoing gap in the availability of affordable housing, the City has assigned a high priority to new housing construction, homeownership assistance, and housing rehabilitation, particularly for households earning less than 50 percent of the area median income. Despite the high cost, it is essential to expand the supply of affordable housing and supportive housing, because the affordability gap cannot be addressed solely through existing housing.

The City will:

- ✓ Continue monitoring the Homebuyer Assistance Program closely, along with the housing market, to ensure the program can benefit as many first-time homebuyers as possible while protecting the City's investment.
- ✓ Preservation of affordable housing through rehabilitation programs for homeowners and property owners renting to low-income households.
- ✓ Promote the development, training and sustainability of Community Housing Development Organizations and Community Based Housing

The significant decline in for-sale housing prices has created an opportunity for affordable home ownership; however, market rents continue to rise steadily, and current economic conditions have impacted many households. These factors have increased the need for affordable housing in Modesto. At the same time, existing affordable housing units should be preserved, to avoid further exacerbating the need for additional affordable housing.

### **Priority H-3 Preserve Existing Affordable Housing Stock.**

*Strategy:* Promote rehabilitation and improvements to existing very low- and low-income owner-occupied housing using the Home Repair/ Disabled Access Program, (HRP/DAP), Energy Efficiency Improvement Grant Program (EEI) and Minor Home Repair Grant Programs (MHRGP).

- ◆ Objective DH-2: Assist 10 households annually through the **HRP/DAP**. Funds generated through the Revolving Loan Fund (RLF) program will provide low interest loans to low/moderate income households to repair or eliminate sub-standard conditions in homes, including critical healthy and safety hazards, and to provide assistance for disabled persons making their homes more accessible and safe. The program is also available to a landlord to assist a permanently disabled tenant with accessibility needs. Residential units and mobile homes are eligible under the program. Deferred payment loans are available to extremely low and very low income, owner-occupied households. The program also provides technical assistance for work specifications, bidding, and monitoring of the repair work by a licensed contractor.
- ◆ Objective DH-1: **MHRGP** will assist 30 housing units with grants to very low households or mobile homes. The single family dwelling must be owner-occupied and the grant maximum is \$2,000. The program includes technical assistance including work specifications, cost estimates and oversight of the completed work.
- ◆ Objective DH-1: **EEI** will assist 20 housing units with grants to low income households for energy efficient upgrades which meet the federal energy standards, including windows, HVAC, water heaters and other energy upgrades. This grant funding will supplement funding from the existing Home Repair Program and the Minor Home Repair Grant Program. Maximum grant funding is \$3,000
- ◆ Objective DH-1: **Lead Based Paint Services** activity will cover the costs of necessary lead passed paint clearances for residential dwellings built prior to 1978 and undergoing rehabilitation through one of the housing rehabilitation programs.
- ◆ Objective DH-1 **Temporary Relocation** activity will provide funding for eligible costs of temporarily relocating an individual or household who must vacate their dwelling while it is undergoing rehabilitation through one of the housing rehabilitation programs.
- ◆ Objective DH-1 **Rehabilitation Administration** activity will provide funding for staffing, services, and supplies necessary to provide technical support and oversight of the housing rehabilitation programs, including environmental reviews. This includes loan administration, inspections and guidance. Accomplishments will be reported in specific rehabilitation activities.

#### **Priority H-2 Provide Homeownership Opportunities.**

*Strategy:* Use CDBG to provide Homebuyer Assistance Program (HAP) in order to promote homeownership opportunities among lower and moderate income households.

- ◆ Objective DH-2: Assist 8 households through the **Homebuyer Assistance Program (HAP)**. Eligible participants must be first time homebuyers and the loan limit is \$10,000. Homebuyers are required to attend an eight hour

homebuyer's class from a HUD-certified agency

**Priority H-4 Continue to Support Fair Housing.**

*Strategy:* Disseminate information and conduct outreach regarding Fair Housing services and counseling. Provide information regarding fair housing rights in Modesto and violation remedies, especially landlord responsibilities to provide tenants notice of foreclosure proceedings.

- ◆ *Objective DH-1:* \$25,876 in public service funds will assist 40 Activity includes the following fair housing services: fair housing hotline; complaint investigation services (including on-site testing, surveys, full application testing, and patterns and practices audits); resolution services (including conciliation, mediation, litigation, or administrative action); tenant-landlord counseling; information and referral services for non-housing discrimination matters; and education and outreach.

In a collaborative effort to affirmatively further fair housing in Modesto and surrounding areas, the City of Modesto, City of Turlock, and Stanislaus County CDBG Consortium developed a joint request for proposals (RFP) for the provision of fair housing services throughout Modesto, Turlock, Ceres, Hughson, Newman, Oakdale, Patterson, Waterford, and unincorporated areas of Stanislaus County so that the three grantees may leverage CDBG funding and streamline fair housing services throughout the area by working with a single, qualified, and experienced fair housing agency.

Redwood City-based **Project Sentinel's** Modesto Office was selected. Project Sentinel will enter into sub-recipient agreements with each of the three grantees and each agreement may be extended for up to 4 additional one-year terms upon completion of the first fiscal year, subject to quarterly performance reviews, more extensive annual performance reviews, funding availability, and compliance with applicable federal, state, and local guidelines.

The City of Modesto is committed to promoting non-discrimination and ensuring fair and equal housing opportunities for all its residents through the elimination of illegal housing discrimination, public education about fair housing, and identification of ongoing and emerging local housing discrimination issues.

**2. Community Development Needs**

To achieve the City's goals for economic opportunity leading to self-sufficiency, a suitable living environment, and decent housing, a network of support services is needed to ensure that lower-income residents are trained and educated for the labor needs of today and tomorrow. This network is also needed to ensure that lower-income residents have access to transportation between work, home, and other daily activities; and have access to health care to remain self-sufficient. For working parents, access to childcare and/or programs for their school-age children is important. The network of services must ensure that lower-income residents can live as independently as possible within their physical and developmental abilities, and can be secure in their homes without the threat of violence.

Within the City, in various degrees, there is an ongoing gap in the availability of services across most categories of special need, including seniors, at-risk youth, working parents, persons with disabilities, individuals with chronic illness, and persons with other conditions affecting their ability to function independently and productively. In addition, there is a need to link access to supportive services to affordable and appropriate housing. More coordination and collaboration is needed between housing providers and service providers.

One of the main obstacles to meeting community development needs is inadequate resources for programs that could address these needs. Due to current economic conditions and budget problems at the Federal and State levels, State and federal funding sources for housing and community development programs are expected to be limited for the foreseeable future. In addition, financing for private sector housing projects is almost non-existent.

The City will

- ✓ Continue to fund public services at the highest percentage allowed by HUD regulations
- ✓ Combine housing and services for homeless populations
- ✓ Investigate the use of CDBG funds for addressing health care issues
- ✓ Procure economic development activities using CDBG funding.

Further, infrastructure improvements are necessary to ensure all residents have access to the same services. This general neighborhood revitalization and improvement is an important component of community development.

The City will

- ✓ Continue with installation of ADA curb ramps.
- ✓ Develop a Neighborhood Revitalization Strategy in West Modesto.

### **Priority CD-1 Neighborhood Revitalization Strategy Area (NRSA)**

In 2009, HUD's approval of the Airport Neighborhood NRSA Plan provided the flexibility designed to promote innovation in intensively carrying out economic development, housing, public service, and other community development activities with Community Development Block Grant (CDBG) funds to effectively bring about revitalization in the Airport Neighborhood. While the Airport Neighborhood NRSA has been completed, the City of Modesto will provide CDBG Public Services funds to the operation of the Airport Neighborhood Community Center to continue fostering the community capacity-building efforts.

The City carried out a community planning process in early 2013 to amend the City's Consolidated Plan in the form of a proposed West Modesto NRSA Plan. The City intends to replicate the success of the Airport Neighborhood revitalization effort. The proposed West Modesto NRSA Plan was submitted to HUD for review in June 2013.

*Strategy:* Provide CDBG funds for neighborhood clean-up and crime-prevention activities.

- ◆ Objective SL-3. CDBG funds will assist **neighborhood clean-up projects** in the Airport Neighborhood on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where City of Modesto has determined immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as possible. Activity will also alleviate emergency conditions threatening the public health and safety in areas where the City Manager determines that such an emergency condition exists and requires immediate resolution.

In an effort to not only arrest but reverse the decline of the neighborhood and recognizing that blight begets blight, City of Modesto partners with residents local service organizations to carry out neighborhood cleanup and beautification projects three times a year. This campaign empowers residents to take their neighborhood back from those who illegally dump in the streets, parks, and alleyways by providing them with what they need to cleanup and beautify their neighborhood. This campaign

is driven by residents and provides City staff an opportunity to work side-by-side with residents.

- ◆ Objective SL-3. CDBG funds will fund City's **Code Enforcement Unit (CEU)** will serve residents of the Airport Neighborhood through inspections for code violations and enforcement of codes in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the areas. Code enforcement will be concentrated in the Neighborhood Revitalization Strategy Area (NRSA), the Airport Neighborhood. The City's Code Enforcement Officers enforce municipal codes and land use requirements, and educates and builds cooperative relationships with neighborhood residents, both property owners and tenants. CEU not only works in a timely, responsible, fair, and impartial manner but also serves as an ally to tenants and property owners empowering them to improve the physical conditions of their neighborhood by addressing hazardous and deteriorating conditions and to deter crime.

*Strategy:* Use CDBG funds to provide supportive services that allow for independent living by populations with special needs.

- ◆ Objective SL-1: Activity will fund \$27,946 in CDBG Public Services funds to **Orville Wright Elementary School** and its Healthy Start Family Resource Center. The Healthy Start Family Resource Center provides a variety of services to families throughout the neighborhood (regardless of enrollment status of households' children) to promote the health, wellness, and safety of its residents. These services are designed to promote self-sufficiency and include leadership development, intensive and coordinated case management, English language development, citizenship/permanent resident alien resources, economic development through skill building, linkage of services, and promoting community capacity building (i.e. building the skills of residents to promote the health and wellness of one another) and civic engagement. Activity will provide a variety of services to 500 duplicated persons (beneficiaries). Schools generally represent a safe space for community activity. The Airport Neighborhood's only school is no exception. Orville Wright Elementary (Modesto City Schools) and its Healthy Start Family Resource Center serve as the nexus of neighborhood organizing and is the hub of neighborhood activity. Its principal and Healthy Start Family Resource Center administrator have developed strong and trusting relationships with residents throughout the neighborhood, as well as with government stakeholders and other groups and individuals committed to revitalizing the neighborhood.
- ◆ Objective SL-1: **Stanislaus Family Justice Center - Art Restores Kids (ARK)** Activity serves children and youth, ages 3 and older, by using art in order to guide them toward their own empowerment by giving them the means to heal from their traumatic experiences with domestic violence. Activity will serve 60 unduplicated persons (beneficiaries).

### **Priority CD-2 Promote Economic Development Activities**

*Strategy:* Provide small-business loan(s) to local business(es) to create and/or retain jobs.

- ◆ Objective EO-3: The City's CDBG **small-business loan program** is designed to provide financial assistance to for-profit businesses. The City, in partnership with the local economic development corporation, the Stanislaus Economic Development and Workforce Alliance (the Alliance), leverage local financial underwriting and small-

business development assistance resources. CDBG assistance is currently provided in the form of a loan for which the interest and monthly payments are deferred for the first twelve months, and then interest begins to accrue beginning in month thirteen for a term that is appropriate for the risk. Every loan is expected to meet or exceed the individual public benefit standard of \$50,000 for every full-time benefitted job created or retained and made available to a low-income person.

City of Modesto will partner with a Community Development Financial Institution (CDFI) to administer this program and match dollar-for-dollar every CDBG dollar with U.S. Small Business Administration (SBA) funds. This CDFI will meet or exceed the aggregate public benefit standard of \$35,000 for every full-time benefitted job created or retained and made available to a low-income person.

### **Priority CD-3 Provide Public Services for Residents**

*Strategy:* Use CDBG funds to provide supportive services that allow for independent living by populations with special needs.

- ◆ ***Objective SL-1: United Samaritans Foundation - Daily Bread Mobile Lunch Program.*** Hunger increases illness, lowers productivity, and exacerbates chronic illness. Food insecurity is defined as either the lack of access at times to enough food for an active, healthy lifestyle; or limited or uncertain availability of nutritionally adequate foods. Stanislaus County has the 9th highest rate of food insecurity in California and more than 1 in 7 Modesto residents live in poverty. This activity provides nutritious meals and supplementary food from a food truck in low-income neighborhood parks to help address hunger. While only approximately 20% of beneficiaries experience homelessness, all beneficiaries are extremely low-income persons. Activity will provide at least one meal a day, five days a week to 425 unduplicated persons (beneficiaries) at the following low-income census tract neighborhood parks: Beard Brook Park (21.00), Mono Park (21.00), 9<sup>th</sup> and D Street (18.00), Oregon Park (21.00), Cesar E. Chavez Park (22.00), James Marshall Park (16.01), Robertson Road Park (16.04).
- ◆ ***Objective SL-1: Second Harvest Food Bank of San Joaquin and Stanislaus Counties*** - Food Assistance represents an efficient, cost-effective centralized system for collecting and distributing food to more effectively reduce waste and address hunger. Hunger increases illness, lowers productivity, and exacerbates chronic illness. Food insecurity is defined as either the lack of access at times to enough food for an active, healthy lifestyle; or limited or uncertain availability of nutritionally adequate foods. Stanislaus County has the 9<sup>th</sup> highest rate of food insecurity in California. This activity will work with 50 community-based organizations in Modesto to supply their food pantry programs. This activity will provide nutritious food to 82,000 unduplicated persons (beneficiaries). Food 4 Thought is designed to feed the minds and bodies of children. This activity is an after-school-program-based food program. In a fiscal year 2010-2011 survey of the program, 90% of parents indicated that the program had a positive impact on their child's academic life. Fifteen to 18 pounds of nutritious supplemental groceries will be provided to program participants (i.e., after-school-program students) twice a month. This activity provides healthy food, helps stretch the limited budgets of low- and moderate-income households, and represents a tangible incentive for hard work in the academic component, which builds self-esteem and reinforces positive behavior. Program participants are required to complete 8 hours a week of supervised activities (4 recreational and 4 academic), in order to receive these groceries. Participating elementary schools include: Agnes Baptist, Chrysler, Eisenhut, Orville Wright, and Empire and Franklin - for a total of 750 unduplicated

program participants (beneficiaries)

*Strategy:* Allocate ESG and CDBG funds to provide counseling and other supportive services for homeless individuals and families as well as those most at risk.

- ◆ Objective SL-1: The **American Red Cross, Capital Region Chapter** will provide immediate lodging and a variety of assistance to families and individuals affected by an incident that makes their home uninhabitable. Project will serve 122 beneficiaries (affected by an anticipated 49 incidents).

*Strategy:* Provide CDBG and ESG funds to combine supportive services with housing programs for homeless persons and families.

- ◆ Objective DH-1: **Haven Women's Center of Stanislaus** promotes safety and healing for women and children impacted by domestic and sexual violence; dedicates itself to non-judgmental, holistic, client-centered advocacy, education, and provision of supportive services; and believes in honoring one's heritage and validating the feelings and experiences of the many lives touched by violence against women. Services include crisis intervention, safety planning, peer counseling, and legal and other system advocacy. Through ongoing follow-up services, case management will more effectively support program participants in setting new goals as initial short-term goals are met. Activity will provide shelter and supportive services to 50 unduplicated persons (beneficiaries).
- ◆ Objective DH-2: Homeless Prevention and Rapid-Re-housing (HPRP) activities will be accomplished through **Community Housing and Shelter Services**. This activity will provide financial assistance (rent, security deposit, utilities, utility deposit, arrears, etc.) and housing relocation and stabilization services (primarily case management) to persons experiencing homelessness or at risk of experiencing homelessness, at or below 30 percent of area median income (AMI). Activity will provide HPRP assistance to 15 unduplicated households (beneficiaries). (also HM-4)
- ◆ Objective DH-1: **Children's Crisis Center of Stanislaus County** provides comprehensive shelter services for children. This activity will serve high-risk children, ages newborn to 17, from families experiencing or at risk of experiencing homelessness, domestic violence, substance abuse, or mental illness with protection and comprehensive shelter services. Activity will provide comprehensive shelter services to 92 unduplicated persons (beneficiaries).

*Strategy:* Use CDBG funding to support programs for at-risk youth.

- ◆ Objective DH-1: **Center for Human Services Pathways** is a transitional supportive housing program that supports young adults (ages 18-22) experiencing homelessness in their journeys toward self-sufficiency. Youth typically enter Pathways with mental health issues and having experienced trauma, a lack of education and work experience, and 60-85% abuse alcohol and other drugs (AOD). Supportive services include intensive case management; AOD and mental health counseling; and a variety of life skills lessons, including job preparation and skill-building to search for and maintain employment. Without these interventions, the outcomes for these youth would be poor: affecting the community through diminished quality of life and higher costs for public assistance, hospitalization, incarceration, and crime. Activity will provide transitional supportive housing to 30 unduplicated persons (beneficiaries).

- ◆ Objective SL-1: Court Appointed Special Advocates of Stanislaus County (CASA) is the independent eyes and ears of the juvenile court system (Stanislaus County Superior Court) and currently serves 16% of all children in foster care. Children represented by a court-appointed special advocate are given a voice: someone who investigates and makes recommendations on their behalf, and advocates for services that will directly impact and benefit them. Activity will provide coordinated case management to address the needs of 30 dependent youth.

*Strategy:* Provide CDBG funding for child care services.

- ◆ Objective SL-1: Parent Resource Center (PRC) activity will provide interventions intended to reduce the incidence of child abuse and neglect through twelve-week-long parent education classes and in-home visitation. These two interventions are provided by trained facilitators/case managers. PRC serves a high number of Spanish-speaking families and benefit from more than 40% of staff being bilingual Spanish speakers. One of PRC's goals is to meet with "like" service providers, individuals that speak their language and understand their cultural preferences. One of our goals is for our Family Resource Center (FRC) to be welcoming to all families who enter our doors. For East Asian clients, we have collaboration with a program called the Bridge, and we will refer families there for culturally appropriate services. PRC will provide space as needed for the Bridge and any other organization whose services would benefit our clients' families. Activity will provide education, intensive case management, transportation, and child care services to 75 unduplicated persons (beneficiaries). This activity will only be funded in the event 2014 CDBG allocation from HUD is equal to or greater than 2012 CDBG allocation.

#### **Priority CD-4 Fund ADA Improvement in City of Modesto**

*Strategy:* Use CDBG dollars to fund improvements to address accessibility issues for persons with disabilities.

- ◆ Objective SL-1: ADA Curb Ramps activity, initially funded in PY 2012 with \$300,000 in CDBG funds, will pay for expenses associated with grinding down existing curbs and install ADA compliant curb ramps for those locations identified as a priority. This will allow the sidewalks and street crosswalks to be accessible to disabled citizens in wheelchairs. A study was prepared which identified these 30 priority intersections.

#### **Priority CD-5 Arrest the Physical Decline of Low-Income Neighborhoods in the City Modesto**

*Strategy:* Provide CDBG funds for neighborhood clean-up and crime-prevention activities.

- ◆ Objective SL-3. Assist **neighborhood clean-up projects** for the City's 14 low-income census tracts (including the Airport Neighborhood) through inspections for code violations and enforcement of codes in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline in the areas. Activity will be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where City of Modesto has determined immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as possible. Activity will also alleviate emergency conditions threatening the public health and safety in areas where the City Manager determines that such an emergency condition exists and requires immediate resolution. \$24,000 in CDBG

funds will alleviate at least one emergency condition project and provide resources to at least three neighborhood clean-up projects.

In an effort to not only arrest but reverse the decline of the neighborhood and recognizing that blight begets blight, City of Modesto partners with residents local service organizations to carry out neighborhood cleanup and beautification projects three times a year. This campaign empowers residents to take their neighborhood back from those who illegally dump in the streets, parks, and alleyways by providing them with what they need to cleanup and beautify their neighborhood. This campaign is driven by residents and provides City staff an opportunity to work side-by-side with residents.

- ◆ **Objective SL-3.** Approximately \$42,380 in CDBG funds will fund City's **Code Enforcement Unit (CEU)** will serve residents of the 14 low-income census tracts through inspections for code violations and enforcement of codes in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the areas. Code enforcement will be concentrated in the Neighborhood Revitalization Strategy Area (NRSA), the Airport Neighborhood. The City's Code Enforcement Officers enforce municipal codes and land use requirements, and educates and builds cooperative relationships with neighborhood residents, both property owners and tenants. CEU not only works in a timely, responsible, fair, and impartial manner but also serves as an ally to tenants and property owners empowering them to improve the physical conditions of their neighborhood by addressing hazardous and deteriorating conditions and to deter crime.

### **3. Address Homelessness Needs**

The priorities for ending homelessness are based on the recognition that homelessness results from more than just a lack of affordable housing, although providing housing is the ultimate objective.

The City of Modesto worked in conjunction with Stanislaus County and local homeless service providers to develop a 10-Year Plan to End Long-Term Homelessness, which the City then adopted in June of 2007. The City is a member of Stanislaus Housing and Support Services Collaborative (Continuum of Care) (SHSSC) and will be coordinating with other member organizations of the SHSSC towards achieving the objectives in the 2009 Continuum of Care Plan (CoC) aimed at eliminating chronic homelessness.

Addressing Homelessness priorities for the PY2014 Annual Action Plan include providing financial assistance to agencies responding to the immediate housing needs for the homeless or those at immediate risk of homelessness

- Essential Services
- Short- and medium-term rental assistance
- Emergency shelter and transitional housing
- Assist persons transitioning to independent living to regain stability in permanent housing

#### **Priority HM-1 Address Chronic Homelessness.**

As is required to remain eligible as an Entitlement Jurisdiction and receive Community Development Block Grant (CDBG) funds and Emergency Solutions Grant (ESG) funds, the City of Modesto is required to coordinate the approval of a 10-Year Plan to End Long-Term Homelessness. Modesto worked in conjunction with Stanislaus County and local homelessness service providers to develop the required plan.

This plan will assist in directing opportunities for some new construction, acquisition and rehabilitation of existing housing or viable buildings, set-asides of units within housing developments in the pipeline, as well as master lease existing housing towards serving the long-term homeless population.

*Strategy:* Increase the number of leveraging CDBG and ESG funds with other federal, State, and private funding sources.

- ◆ *Objective DH-1:* **Family Promise of Greater Modesto** brings faith communities together to address homelessness and to support families in their journeys toward stable housing and self-sufficiency by connecting them to necessary resources while providing warmth and shelter. Family Promise does this through daily intensive case management and a network of 14 diverse congregations (representing more than 600 volunteers) in the community who provide shelter, food, and fellowship (without proselytizing) in their respective facilities on a rotating basis. Activity will serve 24 unduplicated families (beneficiaries).
- ◆ *Objective DH-1:* The Berberian Homeless and Transitional Living Center Homeless Shelter (**Salvation Army, Modesto Citadel Corps**) provides two sessions of lodging. The Winter Session operates Nov 1 – April 30 with up to 116 beds available nightly for adults experiencing homelessness and the Summer Session operates May 15th – October 15th and offers up to 35 beds nightly with special preferences to the un-served and underserved adult populations with preference to 1) ambulatory physically handicapped and/or 2) persons 50 years of age and older who are at greater risk being in the night elements, and are unable to access other shelter facilities that are not ADA compliant, and/or need night time machines for their health (i.e. breathing, etc.) and have an emergency need of shelter. Access to electric outlets is also available to these clients. All clients will receive an evening meal, warm shower, clean and warm bed, as well has storage for their personal belongings and bicycles. We have expanded our services by opening a health center within the facility where all of our clients can receive minor triage and services by community volunteer dentists/optometrists, and referrals for medical.

All clients receive an evening meal, warm shower, clean and warm bed, as well has storage for their personal belongings and bicycles. We have expanded our services by opening a health center within the facility where all of our clients can receive minor triage and services by community volunteer dentists/optometrists, and referrals for medical. Activity will provide shelter and supportive services to 750 unduplicated persons (beneficiaries) for a total of 22,000 instances of lodging.

#### **Priority HM-4 Prevent Homelessness for those at Risk.**

*Strategy:* Use CDBG and ESG, funds to provide counseling to homeowners to avoid defaulting on mortgage payments, offer alternative financing to address delinquencies and refinance eligible homeowners into more favorable fixed-rate loans and provide advocacy service to negotiate with lenders for alternative financing.

- ◆ *Objective DH-2:* Homeless Prevention and Rapid-Re-housing (HPRP) activities will be accomplished through **Community Housing and Shelter Services**. This activity will provide financial assistance (rent, security deposit, utilities, utility deposit, arrears, etc.) and housing relocation and stabilization services (primarily case management) to persons experiencing homelessness or at risk of experiencing homelessness, at or below 30 percent of area median income (AMI). Activity will provide HPRP assistance to 15 unduplicated households (beneficiaries).

- ◆ Objective DH-1: Children’s Crisis Center of Stanislaus County provides comprehensive shelter services for children. This activity will serve high-risk children, ages newborn to 17, from families experiencing or at risk of experiencing homelessness, domestic violence, substance abuse, or mental illness with protection and comprehensive shelter services. Activity will provide comprehensive shelter services to 92 unduplicated persons (beneficiaries).

*Strategy:* Provide CDBG and ESG funds to combine supportive services with housing programs for homeless persons and families.

- ◆ Objective DH-1: Haven Women’s Center of Stanislaus promotes safety and healing for women and children impacted by domestic and sexual violence; dedicates itself to non-judgmental, holistic, client-centered advocacy, education, and provision of supportive services; and believes in honoring one’s heritage and validating the feelings and experiences of the many lives touched by violence against women. Services include crisis intervention, safety planning, peer counseling, and legal and other system advocacy. Through ongoing follow-up services, case management will more effectively support program participants in setting new goals as initial short-term goals are met. Activity will provide shelter and supportive services to 50 unduplicated persons (beneficiaries).
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*Strategy:* Use CDBG funding to support programs for at-risk youth.

- ◆ Objective DH-1: Center for Human Services Pathways is a transitional supportive housing program that supports young adults (ages 18-22) experiencing homelessness in their journeys toward self-sufficiency. Youth typically enter Pathways with mental health issues and having experienced trauma, a lack of education and work experience, and 60-85% abuse alcohol and other drugs (AOD). Supportive services include intensive case management; AOD and mental health counseling; and a variety of life skills lessons, including job preparation and skill-building to search for and maintain employment. Without these interventions, the outcomes for these youth would be poor: affecting the community through diminished quality of life and higher costs for public assistance, hospitalization, incarceration, and crime. Activity will provide transitional supportive housing to 30 unduplicated persons (beneficiaries).

#### **4. Special Needs/Non-Homeless Needs**

Within the City, in various degrees, there is an ongoing gap in the availability of services across most categories of special need, including seniors, persons with disabilities, individuals with chronic illness, and persons with other conditions affecting their ability to

function independently and productively. In addition, there is a need to link access to supportive services to affordable and appropriate housing. More coordination and collaboration is needed between housing providers and service providers.

Supportive services priorities for the PY2014 Annual Action Plan include:

- \* Food and/or Meal Distribution
- \* Services for Foster Youth, Emancipated Foster Youth, and/or Youth Experiencing homelessness
- \* Tenant-landlord counseling
- \* Services for Seniors/Persons with Disabilities
- \* Emergency Response Assistance
- \* Recreation Programs
  - o Aquatic Program for Seniors and persons with Disabilities
  - o Job Development Resource Center Youth
  - o Service-Learning Program
  - o Mentoring for Young men and women
  - o Seniors in Motion

**Priority SN-1: Provide housing and supportive services for elderly and frail elderly residents.**

Strategy: Use CDBG to fund supportive services for senior residents such as food delivery and nutritional education programs.

- ◆ Objective SL-1: Seniors, particularly older seniors, are living longer and as a result need assistance and supports to remain independent. It is often difficult for seniors near or below the poverty line and on fixed incomes to stretch their food budgets to allow them to purchase adequately nutritious foods. Additionally, social isolation can erode a person's health resulting in depression and deterioration of physical health due to inactivity. The **Howard Training Center** program addresses social isolation and malnutrition by providing nutritious food delivered directly to their door, activities, nutrition education, and many other supports to seniors to help them live longer, independently, and joyously. In-home food service and congregate sites (Howard Training Center, Mancini Hall, Modesto Senior Center, Marple Manor, and Ralston Tower). \$9,700 in CDBG public service funding will provide 11 unduplicated seniors (beneficiaries) nutritious meals up to 5 days a week.

**Priority SN-2. Provide housing supportive services that allow for independent living by populations with special needs including the physically disabled, developmentally disabled, persons with severe mental illness, and persons with alcohol or other addictions.**

Strategy: Use CDBG to fund supportive services for persons with disabilities, mental illness, and substance addictions.

- ◆ Objective SL-1: CDBG Public Service fund in the amount of \$4,140 will be allocated to **Disability Resource Agency for Independent Living (DRAIL)** to enhance the lives of persons with disabilities by purchasing assistive technology that cannot be obtained through other funding sources. For example, many assistive devices are not medically necessary and therefore not covered by insurance companies, but these devices promote self-sufficiency but are cost-prohibitive for persons who receive SSI, SSDI, or no income at all. Activity will serve 6 beneficiaries.
- ◆ Objective SL-1: **United Cerebral Palsy of Stanislaus County** will provide a Community Project for Safe Seniors. The first goal of this activity is to improve the quality of life by enhancing the independence of seniors by addressing potential safety

concerns on their property. The second goal of this activity is to prepare persons with disabilities for gainful employment in the community. Activity will serve 66 seniors (clients) and 6 persons with disabilities (service providers/workers).

- ◆ Objective DH-1: The Emancipated Foster Youth / Youth Experiencing Homelessness Project will receive services through **Center for Human Services**. Individuals, ages 18-28, will be provided variety of supportive services, including but not limited to: mental health, alcohol and other drug, academic and economic development services. This program will serve the residents of the housing units designed to serve these populations (owned and operated by the Housing Authority of the County of Stanislaus). Other funds totaling \$6 million received by the City of Modesto will assist with funding this activity. This activity will further the coordination of these services and serve as a self-sufficiency advocate to the residents of these units - assisting them in navigating service systems, preparing for/connecting to educational and economic opportunities, and creating a culture of cooperation and support at housing sites. Activity will provide and coordinate services and support up to 32 households (beneficiaries) residing in these housing units.

## AP-35 Projects

See 3c tables attached

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

The City of Modesto's allocation priorities are informed by the priorities of its local key stakeholders as a result of the City's community planning process. The City's citizen participation plan engages key stakeholders that include: residents and leaders of low-income neighborhoods, community-based organizations (including community-building associations, nonprofit social service providers, supportive housing providers, and affordable housing developers), advocacy groups, elected and appointed officials, etc. For example, many of these key stakeholders are also members of the local Continuum of Care, which helped develop the City's CDBG Public Services and ESG funding priorities, which include: emergency shelter, homelessness prevention and rapid re-housing, food/meal distribution, services for foster youth/former foster youth/youth experiencing homelessness, Airport Neighborhood revitalization, fair housing and tenant-landlord services, services for seniors/persons with disabilities, and emergency response assistance. In addition to these allocation priorities, the City's key stakeholders also determined that public improvements are high priority, particularly those that promote safety, health, and well-being (e.g., safe routes to school) and increase accessibility for persons with physical disabilities (e.g., curb cuts and ADA compliance in public facilities). Additionally, the City's key stakeholders ranked high the priorities of spurring economic development through the creation and retention of jobs for low- and moderate-income persons, as well as improving the existing stock of affordable housing, which is why the City designed the small-business loan and rehabilitation loan programs, respectively.

The primary obstacle to meeting underserved needs is the availability of funding. The availability of funding from both federal and State sources is a key determinant of Modesto's ability to address identified needs. Budget problems at both the federal and State levels make funding for housing programs uncertain. Partly to make the most of limited resources, the City has formed partnerships with a variety of governmental, non-profit, and service agencies to combine resources to implement programs related to housing and community development needs.

- ◆ Current funding leveraging requirements;
- ◆ Not enough services to support the diverse population in affordable housing communities;
- ◆ Need to better combine housing with supportive services;
- ◆ Limited resources;
- ◆ Prevailing wage requirements;
- ◆ Resident perceptions of various services may hinder them from accepting assistance;
- ◆ Current housing market and economic conditions; and
- ◆ Need for more education and dissemination of information.

There is also a tremendous need for affordable housing including rental and homeownership units. The City utilizes HOME funds for the development of housing units and CDBG funds for homebuyers assistance loans for income eligible households. Also the City has a large number of old housing units that need repairs. The City offers rehabilitation loans as well as grants for the repairs needed by income eligible households.

Another obstacle is the impact of the national housing market downturn on local housing production. As of the time of publication, financing for private sector housing projects is

almost non-existent. It is difficult, if not impossible, for housing developers to gather the necessary private equity investment, debt financing, and multiple sources of grants to fund projects. 3C Tables Attached

### AP-50 Geographic Distribution and SP-10 Geographic Priorities

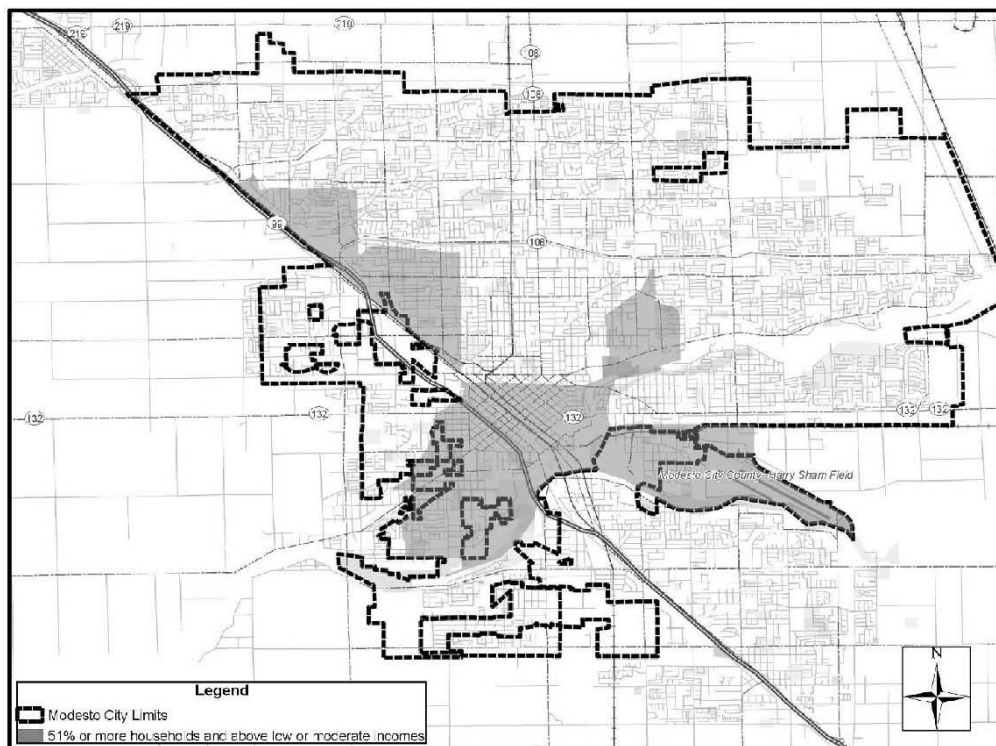
The City of Modesto is located within Stanislaus County, in Northern California. The maps show the census tracts that will be the focus of assistance during the program year. The first map shows the low-income census tracts where median household incomes are below 80% of the area's median income. The second map shows the areas of minority concentration for those who identified themselves as Hispanic, Black-African/American, Asian, and American Indian/Alaskan Native

If 51 percent or more of the households in a given Census Tract qualify as low- or moderate-income, or 51 percent or more of the population are members of minority groups, then the tract is defined as an area of concentration. Nine Census Tracts, mainly located along Highway 99 and surrounding downtown Modesto, have low- or moderate-income concentrations. Fourteen Census Tracts, including most of the Census Tracts west of Highway 99 and a couple other tracts on the edges of the City limits, have minority concentrations.

In the funding of all projects, and in providing assistance to specific beneficiaries, the City will ensure:

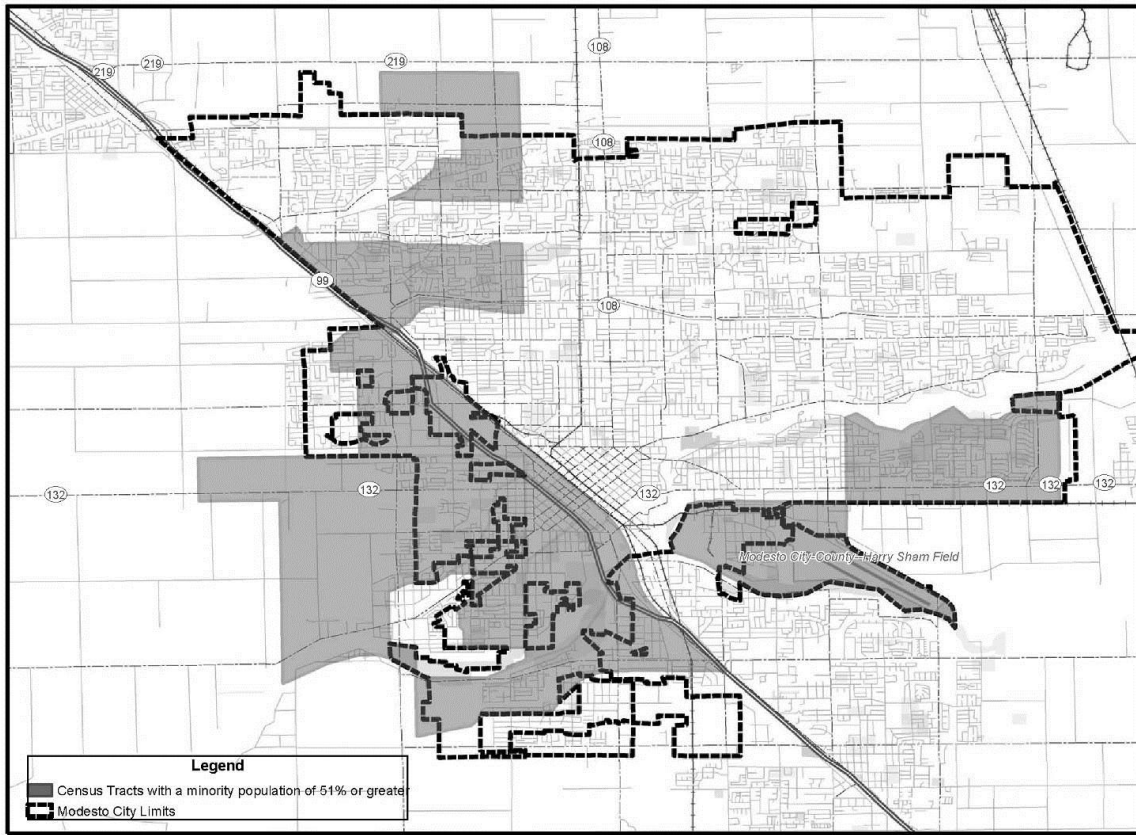
- ◆ Documentation of the low- and moderate-income status of individuals/households, or
- ◆ The area where a project benefit will be realized has a population where at least 51% of the residents are low-and moderate-income, or
- ◆ A slum and blight project meets the criteria for such projects.

Low and Moderate Income Household Concentrations, City of Modesto, 2000



Sources: CHAS, 2000; BAE, 2010.

# Minority Population Concentration, City of Modesto, 2009



Sources: Claritas, 2009; BAE, 2010.

**AP-55 Affordable Housing**

The City of Modesto offers programs to assist working families in obtaining or maintaining a home. The City offers many programs to assist with the provision of affordable housing, using contracts that ensure that the units remain affordable. Publicly-assisted housing in the City includes housing developments that were subsidized with low-interest loans and rent subsidies through various HUD and Federal Housing Administration (FHA) programs, City funding programs, and a variety of other private funding programs. According to the City's Housing Element, the City can maintain the existing affordable housing stock by preserving existing assisted housing units or by replenishing the affordable housing inventory with new units

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	855
Non-Homeless	22,136
Special-Needs	151
Total	23,142

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	15
The Production of New Units	29
Rehab of Existing Units	8
Acquisition of Existing Units	2
Total	0

**Priority H-1. Increase the supply of affordable rental housing.**

Strategy: Use HOME funds to leverage funding for the construction of new affordable rental housing units through partnerships, and using tools such as land banking, the Revolving Loan Fund, and housing set-aside funds.

- ◆ Objective DH-1: HOME Direct Loans to leverage funding to provide loans for new construction, property acquisition and rehabilitation or conversion of market rate housing to affordable housing.
- ◆ Objective DH-1: HOME CHDO-Set-Aside Fifteen (15%) of the HOME entitlement funds will be set-aside for an eligible Community Development Housing Organization (CHDO) to fund projects costs of affordable housing projects. A Request for Proposal (RFP) will be released to solicit qualified projects.
- ◆ Objective DH-1: HOME CHDO Operating Five (5%) of the HOME entitlement funds will be set-aside for an eligible CHDO to assist with eligible operational costs of the organization implementing an affordable housing project. A Request for Proposal (RFP) will be released to solicit qualified projects.



## **AP-60 Public Housing**

There are 432 public housing units in Modesto, and all but eight units are currently occupied. None of the units are substandard. There are 3,345 applications combined for all of the housing programs run by the Stanislaus Housing Authority including public housing, Section 8 housing (Housing Choice Voucher), as well as other affordable housing programs. It is unknown how many of the applications are from Modesto residents. The Section 504 needs assessment of public housing units from the Stanislaus County Housing Authority indicates that in Modesto there are 28 housing units available for the physically impaired (five one-bedroom units, 12 two-bedroom, and 11 three-bedroom units), seven units for the visually impaired (three one-bedroom, two two-bedroom, and two three-bedroom units), and seven units for the hearing impaired (4 one-bedroom, and 3 three-bedroom units). This equates to a total of 42 units for the physically, visually, and hearing impaired in Modesto. The Stanislaus County Housing Authority estimates in the Authority's Five Year Plan for Fiscal Years 2009-2013 that about 15 percent of the families on the waiting list for public housing are families with disabilities (about 560 families).

The City's priorities are based upon the following broad principles

- ◆ Modesto is a community that values diversity; respects cultural, ethnic and individual differences; and provides equal opportunity and access to services.
- ◆ Modesto is a community where children and youth thrive and succeed, with adequate education, health care, and nutrition.
- ◆ Modesto is a community that has a labor force able to secure and maintain employment.
- ◆ Modesto is a community that provides senior citizens and disabled persons with the support needed to be secure, to function independently, and to contribute to the community.
- ◆ Modesto is a community that has an adequate supply of affordable housing dispersed throughout the community.

Goals contained in the City of Modesto's 2010-2013 Strategic Plan are also relevant to this Plan, including these:

- ◆ Build and promote partnerships that engage neighborhoods and create a sense of community.
- ◆ Provide a safe and inviting community in which to live, work, and play.
- ◆ Provide an innovative and accountable city government that embraces a standard of service through adaptive leadership and responsive public service.
- ◆ Foster a vibrant, competitive and diverse economic environment for business.
- ◆ Champion education partnerships.
- ◆ Promote Modesto.

### **Actions planned during the next year to address the needs to public housing**

The City actively furthers fair housing in the community. The City contracts with Project Sentinel to provide fair housing services and counseling for the community, working to eliminate housing discrimination and remove impediments to equal housing opportunities. The City also coordinates seminars on tenant rights and responsibilities and to address illegal activities in rental housing.



## **AP-65 Homeless and Other Special Needs Activities**

See Homeless Needs and Special Needs/Non homeless Sections of the Plan for specific Activities.

As is required to remain eligible as an Entitlement Jurisdiction and receive Community Development Block Grant (CDBG) funds and Emergency Solutions Grant (ESG) funds, the City of Modesto is required to coordinate the approval of a 10-Year Plan to End Long-Term Homelessness. Modesto worked in conjunction with Stanislaus County and local homelessness service providers to develop the required plan.

This plan will assist in directing opportunities for some new construction, acquisition and rehabilitation of existing housing or viable buildings, set-asides of units within housing developments in the pipeline, as well as master lease existing housing towards serving the long-term homeless population.

As a member of the SHSSC, the City of Modesto will be coordinating with other member organizations of the SHSSC towards achieving the objectives in the 2009 CoC Plan aimed at eliminating chronic homelessness, including:

- \* Creating new permanent housing beds for chronically homeless individuals.
- \* Increasing the percentage of homeless persons staying in permanent housing over 6 months to at least 77 percent.
- \* Increasing the percentage of homeless persons moving from transitional housing to permanent housing to at least 65 percent.

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The City has participated in Continuum-wide planning to move individuals and families from homelessness to permanent housing and independent living through a network of housing linked to supportive services. The primary strategy document is the annual Continuum of Care Application. Additionally, the local Continuum of Care is currently working with Continuum members in the first steps toward a Continuum-wide coordinated intake system.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

As the county seat of Stanislaus County, the City of Modesto is where most all services (including shelter and transitional housing) are located in Stanislaus County. Therefore, many people experiencing homelessness who utilize available services live in Stanislaus County live in Modesto. The City of Modesto funds shelter activities to the maximum extent possible with CDBG Public Services and ESG (Hold-Harmless Need or HHN) funds. Other strategies designed to address homelessness, such as financial assistance and supportive housing, are carried out through other City funding sources, such as using federal stimulus funds in partnership with the Housing Authority to build affordable housing designed to serve youth experiencing homelessness and other extremely low-income/homeless populations.

All ESG sub-recipients that carry out emergency shelter activities have an street outreach component to its operations. Additionally, these ESG sub-recipients also participate in the local Continuum of Care's point-in-time count, which affords them an opportunity to reach out to unsheltered persons. Also, through the local CoC, the City participates in the annual Street Relief event, which provides a variety of services (bike repair, veterinary, haircut, information and referral, etc.) to scores of persons experiencing homelessness, including unsheltered persons.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homes again.**

These homeless subpopulations are a high priority for the City of Modesto, its Continuum, and its Ten-Year Plan. As a result, a \$6 million, 32-unit permanent supportive housing project funded with federal stimulus funds is close to completion. Several different service providers will provide the supportive services through funds provided by state and federal (CDBG, SHP, Public Housing, etc.) programs.

Additionally, the City of Modesto is in coordination with the local Continuum and U.S. Department of Veterans Affairs, allocated security deposit assistance to its sub-recipient, Community Housing and Shelter Services (CHSS) to provide this assistance to HUD-VASH program participants, as this particular assistance is not available through this otherwise comprehensive HUD-VA program.

Families and children experiencing homelessness is also prioritized as reflected by CDBG and ESG allocations to sub-recipients that serve these subpopulations (Center for Human Services, Children's Crisis Center, Haven Women's Center, and Family Promise).

City of Modesto, its ESG sub-recipients, and other partners are especially strategic in helping these subpopulations of persons experiencing homelessness. For example, City of Modesto's Homelessness Prevention and Rapid Re-Housing (HPRP) activities through Community Housing and Shelter Services includes the allocation of ESG funds for HUD-VASH program participants (veterans and/or their families experiencing homelessness) so that they may receive security deposit assistance, which is not available through this otherwise-comprehensive permanent supportive housing program. Another subpopulation that is targeted with ESG HPRP financial assistance is families with dependent children. In addition to helping these persons make the transition to stable housing using its ESG funds, the City of Modesto has invested millions of dollars using federal stimulus funds to develop, in partnership with its sub-recipient, the Housing Authority of the County of Stanislaus, a 32-unit complex designed to serve youth experiencing homelessness and former foster youth (ages 18-28) with permanent supportive housing. Center for Human Services' Pathways serves as a transitional supportive housing pathway to this 32-unit permanent supportive housing project.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from public funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education or youth needs.**

While a discharge coordination plan has yet to be developed and implemented locally, the City does help lead in the coordination of Continuum-wide services. Furthermore, homelessness prevention assistance, while scarce, is provided through an ESG sub-recipient (Community Housing and Shelter Services). Again, foster care youth and those exiting the foster care system will be served through the City partnership with the Housing Authority on the above-mentioned federal stimulus funded activity.

**Specific activities to undertake during the next year to address the housing and supportive service needs identified in accordance with 24 CFR 91.215(e) with respect to persons who are not experiencing homelessness but have other special needs**

The City of Modesto has invested years of effort and millions of dollars of HOME, federal stimulus, and Redevelopment funds to begin construction during the next year to address the affordable housing needs of other special needs populations (e.g., elderly and frail elderly; persons with mental, physical, and/or developmental disabilities; persons with alcohol and other drug addiction; persons with mental illness; persons with HIV/AIDS and their families; and public housing residents):

Elderly	Downey Terrace (11 units)
Elderly	Tower Park (50 units)
Persons with mental illness and/or with AOD addiction	Bennet Place (18 units)

In addition to affordable housing development, the City of Modesto targets elderly and frail elderly and persons with disabilities through its CDBG Public Services activity: United Cerebral Palsy's Community Project for Safe Seniors, which employs adults with developmental disabilities to provide at-home services for elderly and frail elderly persons – as well as Disability Resource Agency for Independent Living, which provide assistive devices for persons with physical disabilities.



## **AP-75 Barriers to Affordable Housing**

The City of Modesto has been faced with a high foreclosure rate in recent years. The recent foreclosure crisis and economic recession has created additional barriers to affordable housing. Many families have lost their homes which created a strain on the rental market. Foreclosed properties have displaced homeowners and tenants, causing them to become homeless because they could not afford to rent a home. A high rate of unemployment in Modesto (10.2% in August 2013), according to the U.S. Bureau of Labor Statistics, has also made it difficult for many families to afford a home. Many foreclosed homes are ill maintained, becoming blighted properties and depressing neighborhoods.

Actual or potential constraints on the provision and cost of housing affect the development of new housing and the maintenance of existing units for all income levels. Market, government, infrastructure, environmental, and fair housing constraints contribute to this situation.

Most recently the State of California passed State bill AB 1X 26 for the dissolution of Redevelopment Agencies and established a schedule for the wind down of agency affairs. The legislation required to transfer assets to the successor agency as well as other actions including the determination on how the housing functions would be administered. In addition, AB 1X 26 provides that the City, as the entity that created the Agency, may elect to retain the housing assets and obligations of the former redevelopment agency. The City on January 2012 elected to retain the responsibility for performing housing functions previously performed by the Agency, all rights, powers, duties, and obligations of the former redevelopment agency were transferred to the City and also retained funds in the Agency's Low and Moderate-Income Housing Fund that were encumbered.

The elimination of the Redevelopment Agencies created a great barrier to affordable housing. The housing set aside funds were a source of leveraging for many affordable housing projects, which at this point and based in the current economic situation we live in will make extremely difficult for affordable housing projects to secure additional funding. In addition HOME funds were reduce 48% in fiscal year 2012-2013, which creates a major impact for the City of Modesto to create or preserve affordable housing units.

The City of Modesto has worked to eliminate internal barriers to the development of affordable housing through the following continuing efforts:

- ◆ Providing funding for land acquisition, secondary financing, and infrastructure costs;
- ◆ Assisting qualified households to purchase homes utilizing the Homebuyers Assistance Program;
- ◆ Exemption or deferral of Capital Facilities Fees for projects providing low-income housing;
- ◆ Using the adopted streamlining process for environmental review;
- ◆ Continuing to work with non-profit housing agencies in the provision of supportive services and programs; and
- ◆ Using streamlined application review and permit processing.

**Actions 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 goals from the City's 2009 Housing Element are relevant to the Consolidate Plan requirements to remove barriers to affordable housing.

The City of Modesto adopted an Analysis of Impediments to Fair Housing Choice (AI) in 2010 that outlines the public policies that could potentially limit access to affordable housing. These public policies include: development plans and policies; zoning ordinances; building, occupancy, and health and safety codes, affordable housing development, public housing authoring collaboration, and community representation and participation. An example of a policy that incentivizes the development of affordable housing is a recently updated program that provides exemptions and/or deferrals of Capital Facilities Fees to for-profit or non-profit affordable housing developers, with special consideration given to CHDOs.

The City of Modesto in collaboration with other participating cities throughout the Northern San Joaquin Region (Smart Valley Places) are working on a Fair Housing and Equity Assessment (FHEA) that will inform the City's updated AI in the next program year. The City is also preparing for a change in AI guidelines as indicated in the Assessment of Fair Housing (AFH) proposed rule.

## **AP-85 Other Actions**

### **Actions planned to address obstacles to meeting underserved needs.**

See “Describe the reasons for allocation priorities and any obstacles to addressing underserved needs.”

### **Actions planned to foster and maintain affordable housing**

See Affordable Housing section

### **Action Planned to reduced lead-based paint hazards**

The 2010-2015 Consolidated Plan estimates that a potential 7,670 households in Modesto live in housing with lead hazards. Housing and Neighborhood Services Division Rehabilitation staff developed a workbook to guide contractors through the process when lead-based paint is found or presumed to be present during construction. The workbook contains federal requirements for paint and rehabilitation programs, a flowchart of assistance thresholds, the documentation that is required, and the timeframe to submit the documentation, and cost worksheets on level of rehabilitation assistance. This workbook includes Lead Safe Housing Rule Checklist and Associated Guidance, which complies with Information Bulletin CPD- 2003-017, August 2003.

Housing Rehabilitation staff periodically sponsors an EPA-HUD certified class, “Lead Safety for Remodeling, Repair, & Painting”. Most housing rehabilitation projects are subject to federal regulations for Lead-Based Paint and contractors must be certified in safe work practices when completing the rehabilitation work. This effort in the past has resulted in more contractors being able to bid on and participate in the projects that contain lead-based paint.

The cost for the stabilization of lead based paint can be included in the City’s housing rehabilitation loan program. The cost of the lead-based paint inspection and/or clearance is paid from entitlement funds.

- ◆ *Objective DH-1: Lead Based Paint Services* activity will cover the costs of necessary lead passed paint clearances for residential dwellings built prior to 1978 and undergoing rehabilitation through one of the housing rehabilitation programs.

### **Actions planned to reduce the number of poverty-level families**

The City's strategy for reducing poverty will be successful only to the extent that:

- ◆ Adequate state and federal funding is available for education, job training, and supportive service programs that will increase economic opportunity and self-sufficiency;
- ◆ Adequate state and federal funding is available for regional infrastructure necessary to support economic development; and
- ◆ Modesto's competitiveness in relation to other regional economies attracts employers and industries that create higher paying jobs.

Unfortunately, the City of Modesto has little or no direct control over these factors and can make only marginal improvement in the local rate of poverty through its use of federal and other funds.

### **Actions planned to develop institutional structure**

The City of Modesto will implement the Consolidated Plan through the following agencies and organizations. The City will serve as the lead agency in coordinating and monitoring

the use of federal funds. The following City departments are involved in the implementation of the Consolidated Plan:

Parks, Recreation and Neighborhoods Department. The Parks, Recreation and Neighborhoods Department is responsible for managing the implementation of the Consolidated Plan and overseeing the use of federal funds. This department also oversees the City's housing, public services, neighborhood clean-ups, and other programs that are funded under the Consolidated Plan.

Community and Economic Development Department. The Community and Economic Development Department is responsible for development review and permitting; building and safety inspections, code enforcement, plan checking, and permitting; and business development. The department is responsible for programs and projects that seek to create housing and jobs for low- and moderate-income residents. The Department also implements the Workforce Development Program.

Public Works Department. The Public Works Department is responsible for publicly owned facilities and infrastructure, such as streets, sidewalks, and other public rights-of-way; water, sewer, and storm drain facilities; and landscaping in public areas other than community parks and recreation facilities. This department directs projects and programs that seek to improve community facilities and infrastructure in low- and moderate-income neighborhoods and to improve disabled access in public areas.

Police and Fire Departments. These departments provide law enforcement, public safety, and emergency services, and are involved in the implementation of anti-crime, homeless, public safety and emergency services funded under the Consolidated Plan.

Stanislaus County. Stanislaus County is the primary provider of public services through the departments listed below. The City of Modesto coordinates the delivery of public services and programs operated by public and non-profit agencies through these various County departments:

- Homeless Assistance Program
- Health Services Agency
- Department of Behavioral Health and Recovery Services
- Community Services Agency

State of California. The State of California provides funding and services to cities and counties in California through several agencies, to meet a variety of housing, community development, and social service needs.

### **Actions planned to enhance coordination between public and private housing and social services agencies**

City of Modesto relies primarily on its (A) close consultation with the local Continuum of Care, which is made up of representative stakeholders and (B) monthly meetings with its public and private housing development partners, which include local private CHDOs (e.g., Habitat for Humanity, Stanislaus County and Stanislaus Affordable Housing Corporation) and the local public housing authority (Housing Authority of the County of Stanislaus) to enhance coordination in the areas of community housing and social services.

## **AP-90 Program Specific Requirements**

### **CDBG 91.220(I)(1)**

The City of Modesto anticipates receiving \$25,000 in program income during the program year to be generated by and deposited to revolving loan funds.

The City does not receive:

- ⇒ Funds from float-funded activities,
- ⇒ Funds from Section 108 loan guarantees,
- ⇒ Surplus funds from any urban renewal settlement for community development and housing activities.
- ⇒ Any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.

The City of Modesto anticipates expending 100% of CDBG funds for activities that benefit persons of low- and moderate income. See “Estimated Resources” section of the AAP for details.

### **HOME 91.220(I)(1)**

In 2014 - 2015 the City estimates receiving \$671,157 in HOME funding, 70% of which will be used development and rehabilitation of affordable rental and ownership housing for low-income households. The City adheres to the HOME regulations when using HOME funds and will continue to follow the HOME regulations and HUD guidelines.

The City works closely with for-profit and nonprofit developers to increase the supply of affordable housing units. Prior to committing any HOME funds to a project, the City follows a review process that included an evaluation of the application, financial data to ensure that the HOME funds are needed to fill a gap and that the City will not use HOME funds in combination with other federal assistance beyond that necessary to provide affordable housing. All costs charged to a HOME project are reviewed for allow ability, allocability, and reasonableness.

All affordable housing projects funded with HOME funds are evaluated to ensure that the per unit subsidy limit set by HUD is not exceeded and the project file includes a subsidy layering evaluation. This evaluation uses the standards set by HUD if other HUD funds are included in the financing package for the project. Project evaluation files will include the following: sources and uses of all funds in the project (private and public), certification of governmental assistance providing information as to whether or not additional governmental assistance will be provided to the project and what kind, and a project development budget. A project pro forma is required to determine the reasonableness of the rate of return on equity investment. The pro forma will include achievable rent levels, market vacancies, and operating expenses as well as specifying the consequences of tax benefits and other assumptions used in calculating the project cash flow.

The City of Modesto implemented an Affirmative Marketing Policy for use in its HOME program in order to comply with HUD fair housing objectives. Both the borrower/developer and the City share the responsibility to inform the public about federal fair housing laws. The City, through its monitoring of the HOME units, evaluates the effectiveness of the marketing efforts. The beneficiaries are held to the terms of the policy by reference in the HOME Loan Agreement and Trust Deed executed to secure the HOME loan.

The City takes many opportunities to target minority and female contractors to help ensure fair and viable opportunities exist for all. Also, for larger Capital Improvement Projects (CIP) there is an attachment to the solicitation which clearly defines what a Minority and Women Business Enterprise is and the document outlines the disadvantages a Minority and Women Business Enterprise might face during the time of conducting business. Providing this information to the public helps target potential problems and allows any City-funded CIP project to address issues as they arise.

### **HOME Program Monitoring**

In accordance with 24 CFR, Section 92.252, HOME-assisted rental units are monitored and inspected for income certifications, housing quality standards, and other affordability criteria. There are different levels of monitoring that staff follow, beginning at project predevelopment and continuing through the period of affordability. Staff reviews each draw request. Staff meets with the developers to provide technical assistance if needed, and make periodic site visits to follow up on project progress. In addition, staff are constantly monitoring to see if the projects are meeting the standards established in the initial agreement, if costs are on target, and to check on quality of construction.

For rental housing, during the period of affordability, staff conducts on site inspections of units to determine compliance with property standard requirements. Staff corroborate information furnished by the owners in regards to lease, income verification, rent, utility allowances and compliance with provisions of written agreements. In addition, City staff performs on site inspections of HOME-assisted units as required.

- \* Complexes containing one to four HOME-assisted units are monitored not less than once every three years
- \* Complexes containing five to 25 units are monitored every two years, and
- \* Projects containing 26 units or more are monitored every year.
- \* HOME-assisted rental units are inspected for rent, income, housing quality, and other affordability criteria in accordance with HOME requirements. Physical inspections are conducted to ensure that properties provide decent, safe and sanitary housing for all residents. In addition, all property management agents at each complex are expected to maintain physical conditions above the minimum maintenance standards as required by Section 8 Housing Quality Standards and local housing codes.

For CHDOs staff follows the same process as described above. Staff reviews payments requests, invoices and each draw request. Staff meets with the CHDOs to provide technical assistance if needed, and make periodic site visits to follow up on project progress. In addition, staff are constantly monitoring to see if the projects are meeting the standards established in the initial agreement, if costs are on target, and to check on quality of construction. For the past two years staff has been meeting in a monthly basis with the two City of Modesto approved CHDOs.

Properties to be monitored during FY 2014-2015:

- \* Woodstone Apartments
- \* Ashwood Village
- \* Conant Place
- \* Pine Meadows
- \* Miller Pointe
- \* Village One Town Center
- \* Courtney Manor (901 California)
- \* Carver Road Apartments

- \* Palm Valley Apartments
- \* Gateway Village
- \* Vine Street
- \* Sherwood Manor

In addition, staff will be monitoring the construction of the following HOME projects:

- \* Archway Commons Apartments
- \* Meadow Glen Apartments
- \* Bennett Place
- \* Downey Project

The City takes many opportunities to target minority and female contractors to help ensure fair and viable opportunities exist for all. Also, for larger Capital Improvement Projects (CIP) there is an attachment to the solicitation which clearly defines what a Minority and Women Business Enterprise is and the document outlines the disadvantages a Minority and Women Business Enterprise might face during the time of conducting business. Providing this information to the public helps target potential problems and allows any City-funded CIP project to address issues as they arise.

The City does not offer a TBRA program. City does not offer a Homebuyer Assistance Program with HOME funds.

The City will not use any other forms of investment other than those described in §92.205(b).

The City of Modesto does not plan to use HOME funds for homebuyer assistance programs

The City of Modesto has a Small, Minority Business Enterprise/Women's Business Enterprise (MBE/WBE) policy and procedures guideline that was accepted by HUD in May 1994. The City's Recreation and Neighborhood Services Division conducts outreach efforts throughout the year to inform licensed minority and women contractors and prospective MBE/WBE contractors about the advantages of making bids on rehabilitation projects, as well as new construction. Also, applications are sent to nonprofit agencies, construction firms, developers, and real estate agents for the release of HOME funds for the rehabilitation of existing units and/or development of new units.

Described below are the resale or recapture guidelines that ensure the affordability of units acquired with HOME funds?

# Recapture/Resale for Home Ownership Activities



## City of Modesto HOME Recapture Guidelines for Homebuyers Programs

The City of Modesto based on the HOME-assisted homebuyer requirements set forth in Section 215 of the HOME statute in the HOME rule found at 24CFR Part 92 follows specific requirements for the homebuyer HOME assisted units. These guidelines apply when a homebuyer or developer is assisted with HOME Investment Partnerships Program funds and the homebuyer sells or transfers the assisted property subsequent to the initial HOME-assisted purchase.

### *Period of Affordability*

Consistent with 24 CFR Part 92.254(a)(4), the following minimum period of affordability shall be enforced, unless a longer period is imposed:

<u>HOME amount per unit</u>	<u>Minimum Period of Affordability</u>
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

The City of Modesto may use HOME Program funds to provide homeownership assistance. The forms of subsidy to be used to assist homebuyers and/or developers may include down payment assistance, interest subsidy, development cost subsidy, direct loan, project grant, or some combination of these methods.

### *Recapture Provisions*

- A. Activity Types - Recapture provisions as outlined in 24 CFR Part 92.254(a)(5)(ii)(A)(1) through (7) shall be enforced in cases where HOME funds are provided as a direct subsidy to the homebuyer as down payment and/or purchase- price assistance.
- B. Methods – The recapture option allows the City to recapture the entire HOME subsidy, subject to net proceeds, if the homeowner sells his or her property, does not occupy the home as the owner’s principal place of residence, or violates the program requirements within the period of affordability. All HOME-assisted unit sales under the recapture option shall meet the following criteria:
  - ✓ The homebuyer may sell the property to any willing buyer
  - ✓ The homebuyer can sell the property at any price
  - ✓ The City of Modesto must collect a part or all of the direct assistance from the net sales proceeds of the unrestricted sale, if sufficient net sales proceeds exist.
- C. Enforcement Mechanisms - Recapture provisions shall be enforced through a HOME loan agreement, note and recapture agreement including affordability covenants recorded filed with the Stanislaus County Clerk Recorder, and the requirements within shall be triggered upon sale or transfer of the HOME-assisted property.

**ESG 91.220(l)(4)**

**1 Identify the written standards for providing ESG assistance in accordance with 24 CFR 576.400(e)(1) and (e)(3).**

City of Modesto, in consultation with Continuum of Care stakeholders, developed policies and procedures for providing ESG assistance that incorporates the new and broadened components of ESG. Standards for providing ESG homelessness prevention and rapid re-housing assistance include respectively targeting households with dependent children and persons experiencing homelessness connected to or eligible to receive (within 6 months) assistance from mainstream benefits and services. These standards also include limiting assistance for a period of up to six (6) months and extending the period of assistance up to the maximum 18 months on a case-by-case basis. HUD-VASH (U.S. Department of Housing and Urban Development-U.S. Department of Veterans Affairs Supportive Housing) program participants are also prioritized to receive security deposit assistance upon HUD-VASH intake. Income qualification guidelines are no less restrictive than ESG guidelines (50% or below AMI for homelessness prevention assistance and not-applicable for rapid re-housing).

**2 If the Continuum of Care for the jurisdiction's area has established a centralized or coordinated assessment system that meets HUD requirements, describe the centralized or coordinated assessment system and the requirements for using the system, including the exception for victim service providers, as set forth under 24 CFR 576.400(d).**

Our Continuum of Care has not established a centralized or coordinated system, as HUD has not finalized its requirements.

**3 Identify the process for making awards and how the jurisdiction intends to make its allocation available to nonprofit organizations, and in the case of urban counties, funding to participating units of local government.**

The City of Modesto consults with the Continuum of Care to develop funding priorities and competitively awards ESG funding through an RFP process. This RFP process conforms to the City of Modesto's rigorous procurement process, including public noticing and utilizing its state-of-the-art online bidding system. The funding priorities as it relate to ESG are funding emergency shelter to the maximum extent possible (up to Hold Harmless Need [HHN] limit) and prioritizing rapid re-housing higher than homelessness prevention.

**4 If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), specify the plan for reaching out to and consulting with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities or services that receive funding under ESG.**

The City of Modesto is unable to meet the homeless participation requirement in 24 CFR 576.405(a) due to the fact that its policy-making entity is made up of elected officials. The City, however, works very closely with the Continuum of Care, which is made up of a representative group of diverse stakeholders, including persons experiencing homelessness and those who at one time in their lives had experienced homelessness. The City intends to work with the Continuum of Care and elected and appointed City officials to develop a formal homeless participation plan that will engage persons experiencing homelessness in a meaningful way that influences homelessness-related policies, including development of funding priorities and funding allocation.

**5 Describe the performance standards for evaluating ESG activities.**

The City consulted with the Continuum of Care and developed the following performance standard: Elimination or mitigation of barriers to stable housing. These barriers may be financial, health-related, relational, etc. Continuum stakeholders

determined that post-assistance follow-up evaluation is extremely difficult to achieve.

**6 Describe the consultation with each Continuum of Care that serves the jurisdiction in determining how to allocate ESG funds, develop performance standards, evaluate outcomes of activities assisted by ESG funds, and develop funding policies, and procedures for the administration and operation HMIS.**

The City of Modesto consults closely and regularly (at least twice monthly) with the Continuum of Care and its HMIS, ESG/HPRP, and SHP subcommittees, which develop policies and procedures for these programs and is taking the lead in building the service infrastructure that will be necessary to sustain a centralized or coordinated assessment system.. This consultation takes the form of reports and presentations that are placed on monthly Continuum meeting agendas.

The operation and administration of the Homeless Information Management System (HMIS) designated by the CoC is led by the HACS. The City of Modesto may pay the costs of contributing data to the HMIS via funding to sub-grantees or to the HMIS Lead.

The City of Modesto is member of the CoC's HMIS Subcommittee which meets monthly to develop policies, procedures, and best practices and offers trainings developed by the HMIS Lead.