



CITY OF
MODESTO
CALIFORNIA

Analysis of Impediments to Fair Housing Choice

Fiscal Year 2015-2020



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Executive Summary

ES-05 Executive Summary

1. Introduction

The City of Modesto as a recipient of entitlement funds from the U.S. Department of Housing and Urban Development (HUD), must conduct an Analysis of Impediments to Fair Housing Choice (AI). The City of Modesto is also required to review the AI from time to time and update it to address any issues that may be an impediment to fair housing in our community. Even though each entitlement jurisdiction is accountable for planning, implementing, managing, and monitoring its local Community Development Block Grant, HOME Investment Partnerships and Emergency Solutions programs, federal regulations require citizen participation input and review opportunities, including a description of Actions to Affirmatively Further Fair Housing pursuant to Section 91.5220(a) of CDBG program regulations.

The AI provides a comprehensive overview into the fair housing situation in Modesto. This report includes a precise analysis of local factors that may impact fair housing choice, the identification of certain impediments to fair housing choice, and a strategy to address those impediments. The City of Modesto, as part of its ongoing responsibilities as a recipient of HUD funds, must ensure equal access to services and programs it provides in the community.

The City of Modesto is located in the Central Valley; it is the largest city in Stanislaus County and the 18th largest city in the State of California. The population has increased from 188,856 people in 2000 to 201,886 in 2011. The City of Modesto has a diverse population with diverse socioeconomic and demographic levels. Modesto has become a City with increasing diversity of ethnic and racial groups, although non-Hispanic or Latino Whites still represent a majority of the population.

Prior to the 2007 recession, the City of Modesto experienced an exceptional housing growth. During this time, some mortgage lenders used unreasonable and misleading lending practices offering subprime loans with high interest rates and less than favorable terms to vulnerable homebuyers. With the onset of the recession and the crash in the housing market, many homeowners lost their jobs and home equity could not sustain the high mortgage payments. As a result, the City of Modesto became one of the cities with the highest foreclosure rates nationwide. While the economic decline in general, and the deterioration of the real estate market in particular, have made housing prices much more closely align with household income levels, there are still many households that may not be eligible for homeownership due to unemployment or poor credit as a result of a prior foreclosure.

Documented cases of illegal discrimination do not occur frequently in Modesto. Nevertheless, community organizations that address fair housing issues or serve lower income and minority clients have noted that access to suitable housing is still a concern. Many households have no or poor credit histories, lack sufficient funds for move-in expenses, have members with disabilities or special needs,

City of Modesto

and/or consist of large families or single-female-headed households. These characteristics create special challenges to obtaining suitable housing.

The purpose of this analysis of impediments is to examine the social and economic characteristics of the City of Modesto, public sector and private industry housing practices, and housing market conditions that may expose certain population groups to the potential for housing discrimination.

The City of Modesto is committed to meeting the needs of its residents and to promote fair and equal treatment to all persons within the housing scope. The City has sought to improve access to housing by:

- Supporting organizations that provide fair housing education, homebuyer education, and landlord tenant mediation;
- Offering housing rehabilitation and homebuyer assistance;
- Working with nonprofit organizations to reduce barriers to housing and to increase the supply of affordable housing;
- Promoting economic development to increase job opportunities; and
- Participating in partnerships with public and private organizations to improve job skills among Modesto’s lower-income households.

Through these actions, the City hopes to reduce barriers to fair housing and incidence of illegal discrimination.

2. Public Participation

To identify fair housing issues and impediments, the Modesto Department of Community and Economic Development conducted a community outreach program. The program included several community meetings including a key stakeholder meeting where representatives of fair housing and legal service providers were invited to share comments at the onset of the Consolidated Plan and AI update process, the meetings were held as follows:

Date	Time	Location	Address
Monday, April 13, 2015	3:30 p.m.	Airport Neighborhood Community Center	805 Empire Avenue, Modesto, CA
Tuesday, April 14, 2014	9:00 a.m.	Shackelford Elementary School	100 School Avenue, Cafeteria, Modesto, CA
Tuesday, April 14, 2015	4:00 p.m.	King Kennedy Memorial Center	601 N. Martin Luther King Dr., Modesto, CA
Wednesday, April 15, 2015	Noon	City of Modesto	1010 10th St., B300 Basement, Modesto, CA

Thursday, April 16, 2015	2:30 p.m.	Housing Authority of Stanislaus County	1701 Robertson Rd. Room 5, Modesto, CA
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A public meeting with the City’s consultant, staff and the Citizens Housing and Community Development Committee to review the public draft of the Consolidated Plan was held on July 15, 2015. Additionally, a public hearing was held before the City Council on August 5, 2015.

The Draft AI was available for public review for a period of 30 days beginning on July 5, 2015. Copies of the document were available for public review at City offices as well as on the City’s website. Comments were received from agencies and the public during the public comment period.

3. Assessment of Current Fair Housing Programs and Activities

While the report identifies a number of potential issues that could affect housing choices, some issues, such as lending practices are beyond the ability of a local jurisdiction to address. The actions proposed below focus on those issues that the City could feasibly address. The City has identified the following potential fair housing concerns:

- Access to information about housing availability and choices among recent immigrants who are disproportionately lower-income;
- Lack of access to adequate housing due to poor credit history, insufficient funds for move-in expenses, and other factors among financially vulnerable groups, such as female-headed households with children and the homeless;
- Barriers faced by large, low-income and moderate-income families due to occupancy restrictions imposed by rental property owners; and
- The need to assist homeowners who have experienced foreclosure, who are disproportionately minority households, to find alternative living arrangements.

4. Recommended Actions

To address these potential concerns, the following policies are recommended. Details of the accompanying actions are available in Chapter 6 of this AI. The majority of the recommended actions are either part of the City’s Housing Element or the City’s Consolidated Plan, and identified as such.

5. Affordable Housing Opportunities

Policy 1: Establish and/or support programs to supply below market housing for extremely low-, very-, low-, and moderate-income households, as well as market rate housing. (Source: 2009-2014 City of Modesto Housing Element)

Policy 2: Assist homeowners to avoid foreclosure. (Source: 2009-2014 City of Modesto Housing Element)

Policy 3: Track changes in Housing Law to ensure that land use regulations, including zoning, subdivision, and permit processes, are consistent with and supportive of State and federal laws. Maintain an adequate supply of appropriately designated land for special needs housing, including seniors, disabled persons, large households, the homeless, and transitional persons. Review local regulations periodically for the ability to accommodate projected housing demands.

Policy 4: Maintain the supply of safe, decent, and sound affordable housing in the City of Modesto through the conservation and rehabilitation of the City's existing housing stock, focus the use of City resources for housing rehabilitation and assisted housing on those neighborhoods and residents having the greatest need for housing assistance, and encourage the development and rehabilitation of housing that is accessible to persons with disabilities.

6. Access to Information

Policy 5: The City will continue to provide links through its website to Housing services and resources, along with consumer information on housing services and resources, along with consumer information at local service centers and City Hall, public libraries and other governmental facilities.

7. Outreach to Lenders

Policy 6: The City will continue to work with local lenders and government institutions to provide outreach to lower-income residents about government-backed financing. The City will encourage local lenders to conduct home buying workshops and provide information in English, Spanish, and other appropriate languages. (Source: 2010 AI)

8. Public Policies and Programs

Policy 7: As an ongoing effort, the City will continue to pursue affordable housing development programs and funding for affordable housing providers as identified in the Housing Element and Consolidated Plan. To the extent feasible, the City will facilitate the development of housing that is affordable to lower- and moderate-income households according to the Regional Housing Needs Allocations identified in the Housing Element. (Source: 2010 AI)

9. Fair Housing Services Outreach

Policy 8: Promote equal opportunity for all residents to live in the housing of their choice by continuing to make a strong commitment to the issue of fair housing practices. In addition, ensure that fair housing opportunities prevail for all City residents regardless of age, sex, religion, ancestry, marital status, family status, income or source of income, race, creed, national origin, sexual orientation, or disabilities. (Source: 2009-2014 City of Modesto Housing Element)

Policy 9: The City will continue to comply with anti-discrimination requirements, including all applicable federal regulations, as demonstrated in the City's application for Community Development Block Grants, HOME, Emergency Shelter Grants, and other federal funds (Source 2010 AI)

Introduction

IN-05 Overview

Purpose of the Analysis of Impediments to Fair Housing

The purpose of the Analysis to Impediments to Fair Housing Choice (AI) is to examine the social and economic characteristics of the City's population, the City's stock of available housing, and the housing needs of specific groups that may face barriers to fair housing choice. This report also contains an analysis of housing market conditions, both public and private, and describes public policies, laws, and actions that may affect housing choices or impede fair access to housing. Included in this report are the following:

- Review of Modesto's laws, regulations, administrative policies, procedures, and practices affecting housing;
- Review of the City's marketing strategy for housing programs;
- An assessment of how laws affect the location, availability, and accessibility of housing; and
- An assessment of conditions, both public and private, affecting fair housing choice.

The scope of analysis and the format used for this AI adhere to recommendations contained in the Fair Housing Planning Guide prepared by U.S. Department of Housing and Urban Development (HUD), accessed in December of 2009.

Fair Housing Defined

Equal access to housing is fundamental to meeting essential needs and pursuing personal, educational, employment, and other goals. Recognizing this fundamental right, the federal government and the State of California have established fair housing as a right protected by law.

Federal Laws

The federal Fair Housing Act of 1968 and Fair Housing Amendments Act of 1988 (42 U.S. Code §§ 3601-3619, 36-31) are federal fair housing laws that prohibit discrimination in all aspects of housing such as the sale, rental, lease or negotiation for real property. The Fair Housing Act prohibits discrimination based on race, religion, and national origin. In 1988, the Fair Housing Act was amended to extend protection to familial status and to people with disabilities, both physical and mental. In addition, the amended Act provides for “reasonable accommodation,” allowing structural modifications for persons with disabilities, if requested, at their own expense and sets housing code standards for new multifamily dwellings to accommodate the physically disabled.

California Laws

The Fair Employment and Housing Act (FEHA) and the Unruh Civil Rights Act (Part 2.8 of the California Government Code, Code Sections 129000-12996) are California fair housing laws based on federal laws. The Fair Employment and Housing Act prohibit discrimination and harassment in all aspects of housing, including sales and rentals, eviction terms and conditions, mortgage loans and insurance, and land use and zoning. The Act prohibits retaliation against any person who had participated in a Department investigation, or opposed any activity prohibited by the Act. In addition, these laws require housing providers to make reasonable accommodations to permit persons with disabilities to live and enjoy a dwelling and allow persons with disabilities to make reasonable accommodations of their premises.

The Unruh Civil Rights Act provides protection from discrimination by all business establishments in California, including housing and accommodations, because of age, ancestry, color, disability, national origin, race, religion, sex, and sexual orientation.

An evaluation of potential impediments to fair housing choice must distinguish between access to housing based on cost and affordability versus access to housing based on illegal discrimination. Affordability, by itself, is not a fair housing issue. When a household has problems accessing housing due to cost, no fair housing law is violated.

Only when affordability issues disproportionately impact individual households with characteristics that are protected by fair housing laws, would fair housing concerns arise.

City of Modesto

An evaluation of fair housing must also consider the relationship between equal access to housing and the availability of a range of housing choices. Many factors in the public and private domains have the potential to impede access to housing or fair housing choice. Examples of potential impediments related to the sale, rental, finance, advertising, or regulations of housing include:

- Actions, omissions, or decisions that make distinctions based on age, race, color, ancestry, national origin, religion, sex, disability, marital status, familial status, source of income, sexual orientation, or any other arbitrary facts that restrict housing choices or the availability of housing; or
- Actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing on the basis of age, race, color, ancestry, national origin, religion, sex, disability, marital status, familial status, source of income, sexual orientation or any other arbitrary factors.

To promote equal housing opportunity as required under federal and state laws, public agencies must work to remove or mitigate impediments to fair housing choice. The City of Modesto is dedicated to providing fair housing opportunities to all residents, and ensuring that all applicable laws are followed throughout the City.

Public Participation

To augment these data sources, the Modesto Department of the Modesto Department of Community and Economic Development conducted a community outreach program. The program included several community meetings including a key stakeholder meeting where representatives of fair housing and legal service providers were invited to share comments at the onset of the Consolidated Plan and AI update process, the meetings were held as follows:

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The AI was available for public review and comment from July 5, 2015 through August 5, 2015.

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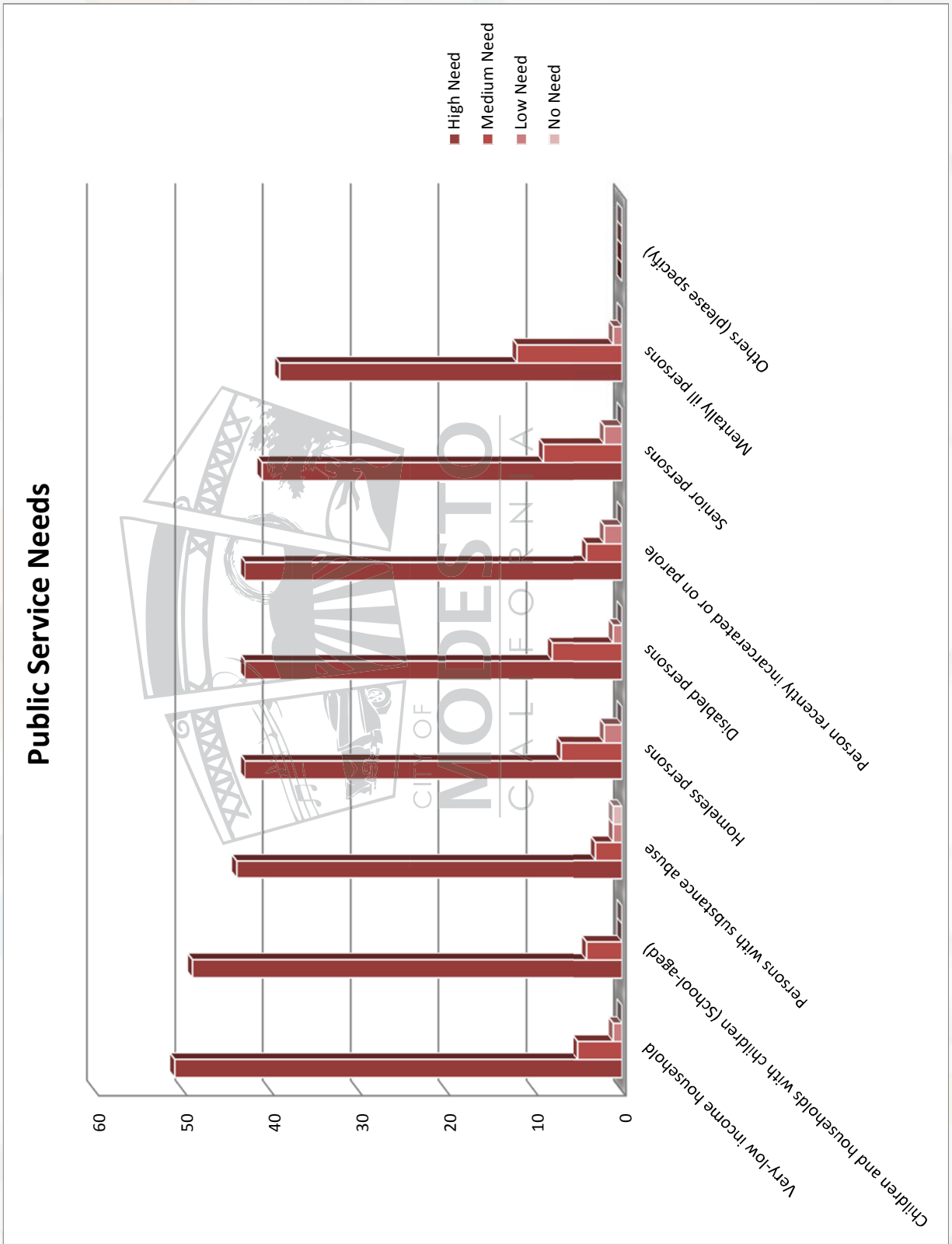
The City distributed a resident questionnaire to solicit community opinions and concerns regarding community needs that can be addressed through federal funds covered under the Consolidated Plan and AI. Below are the categories and results from the survey:

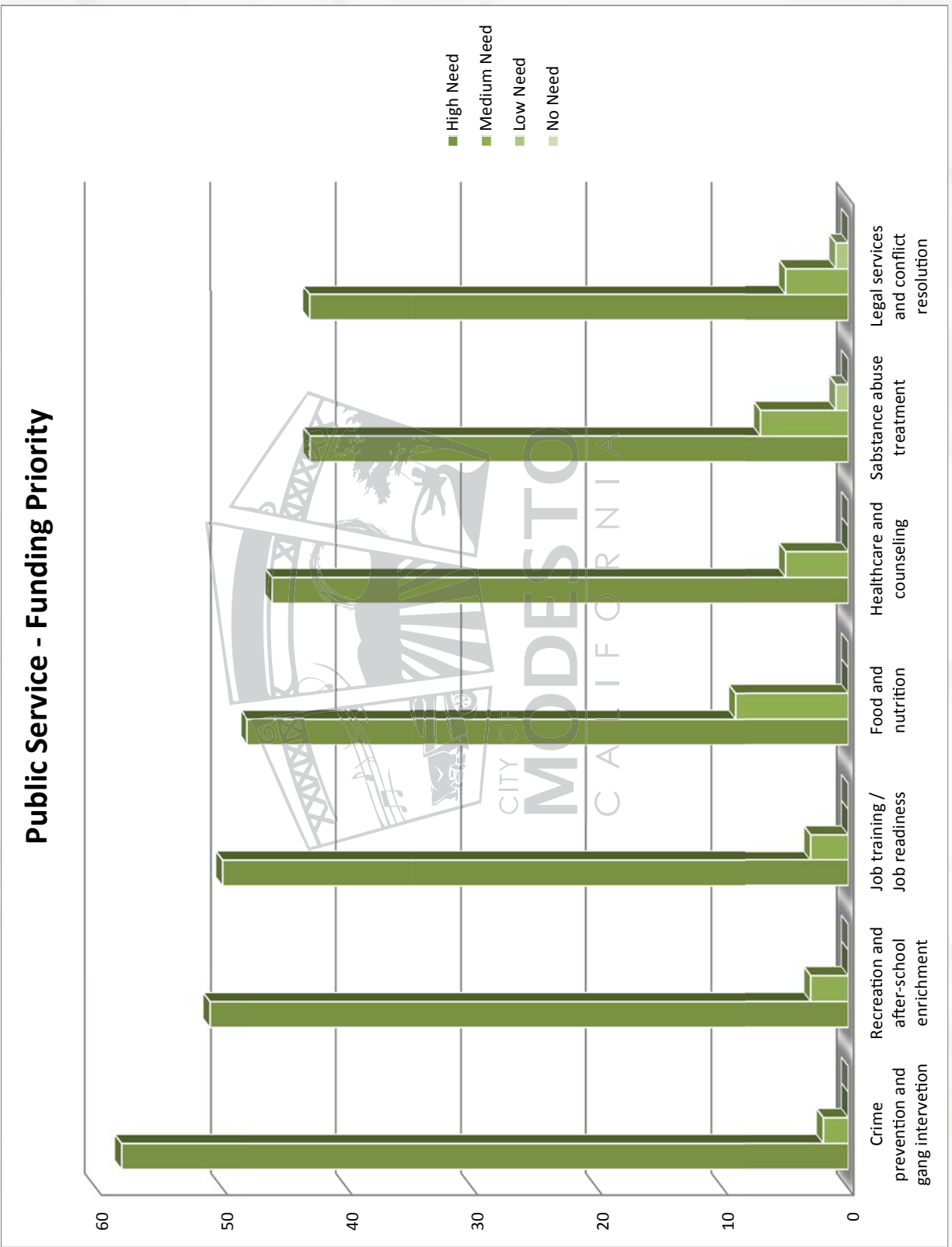
Survey Results

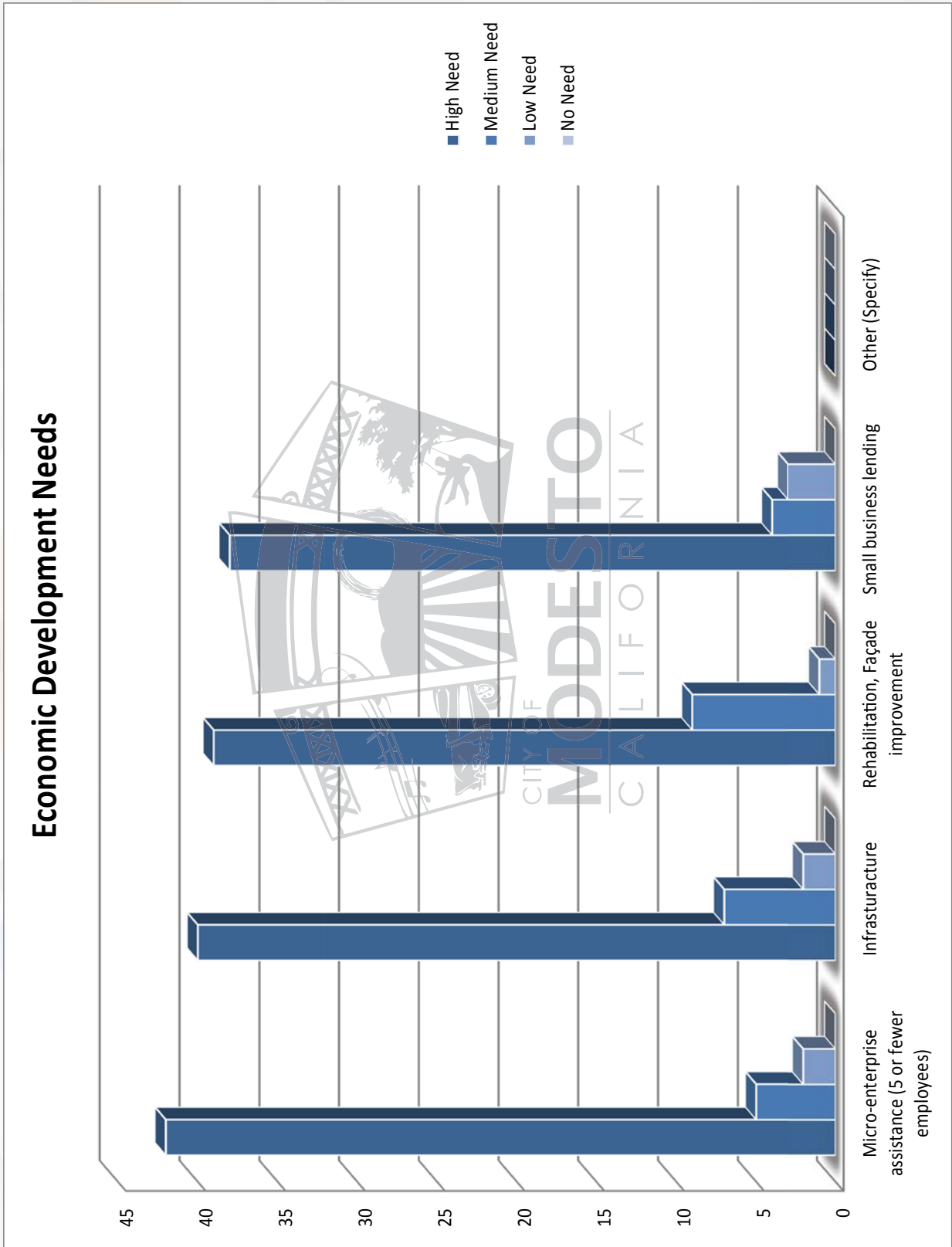
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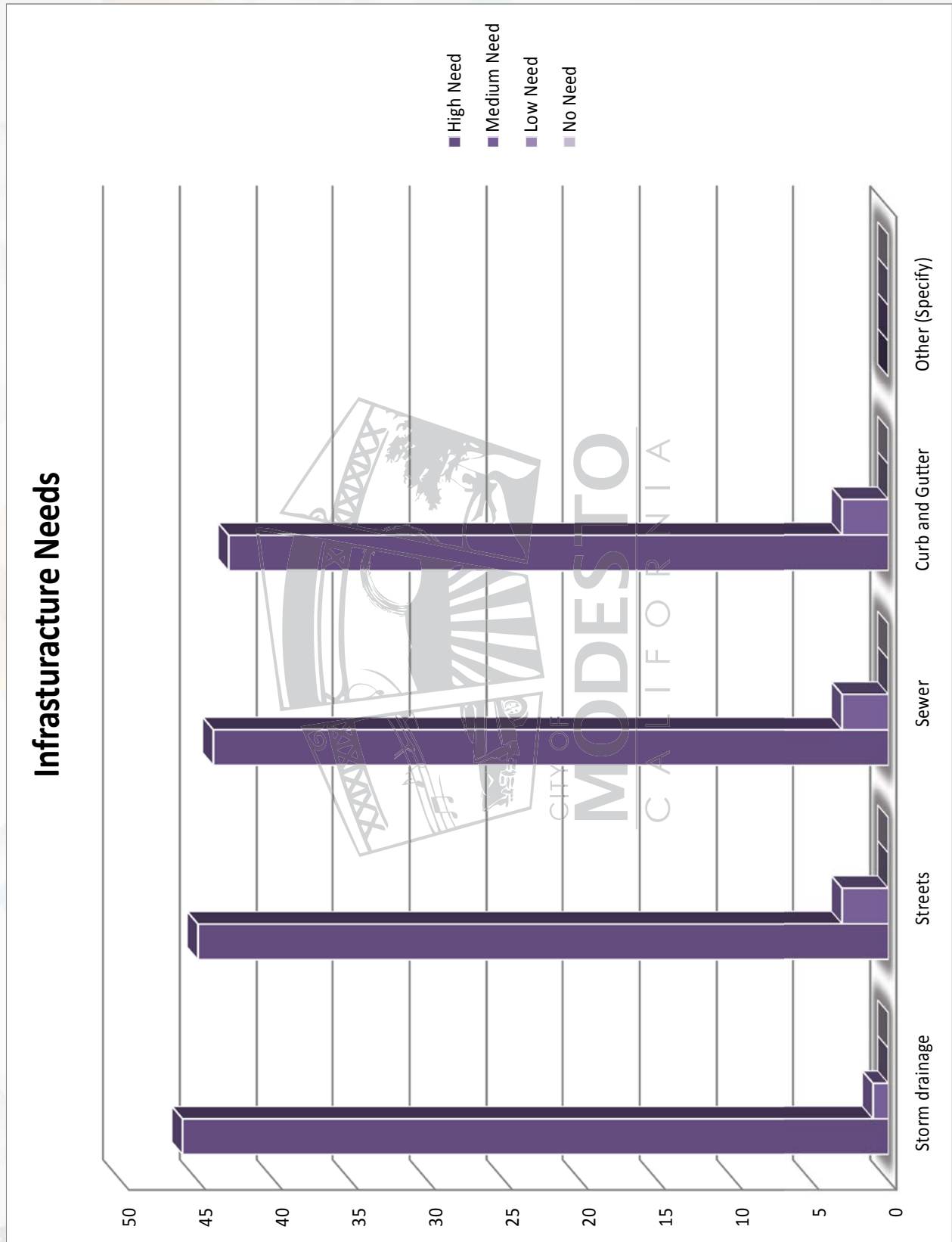
Public Facility Needs

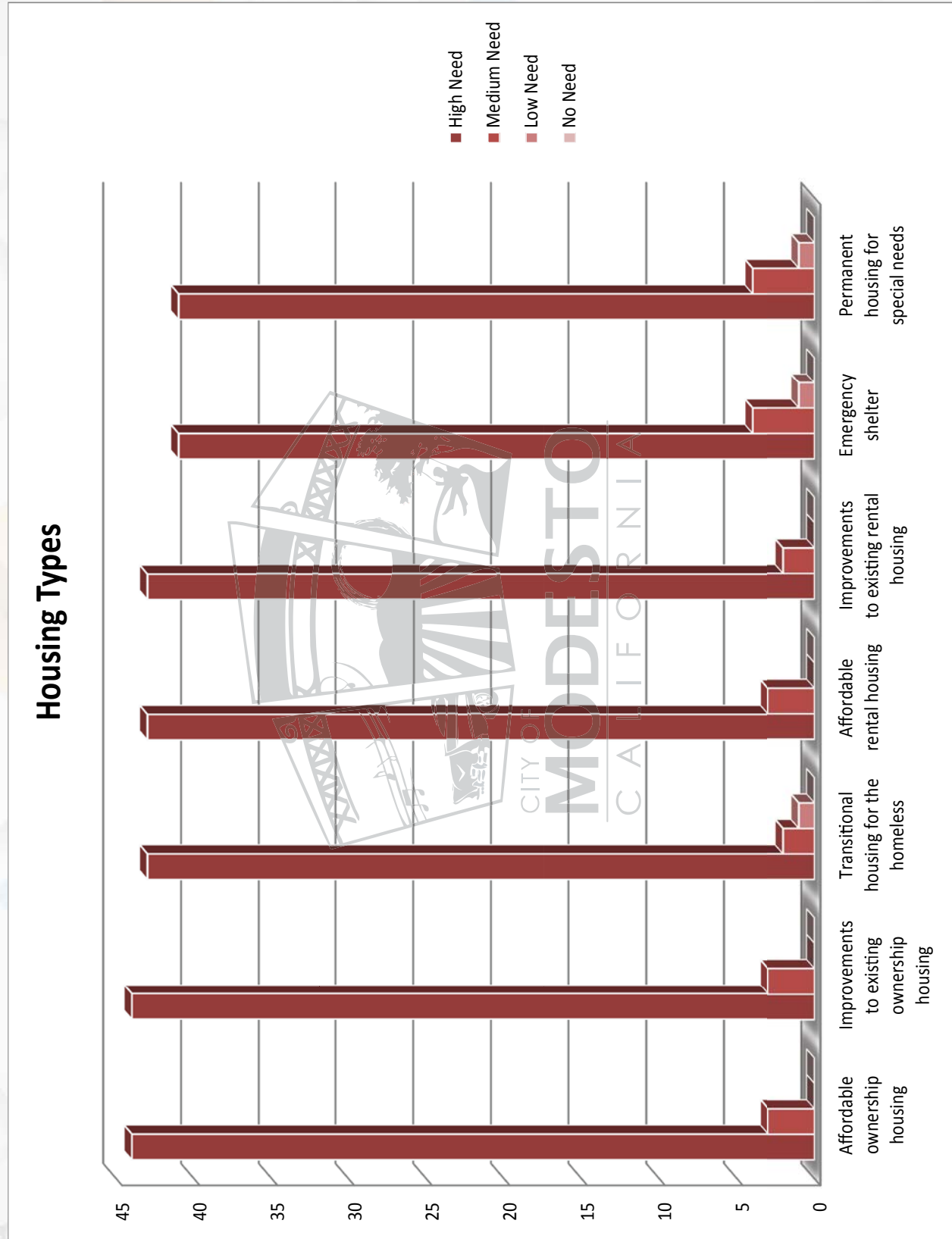


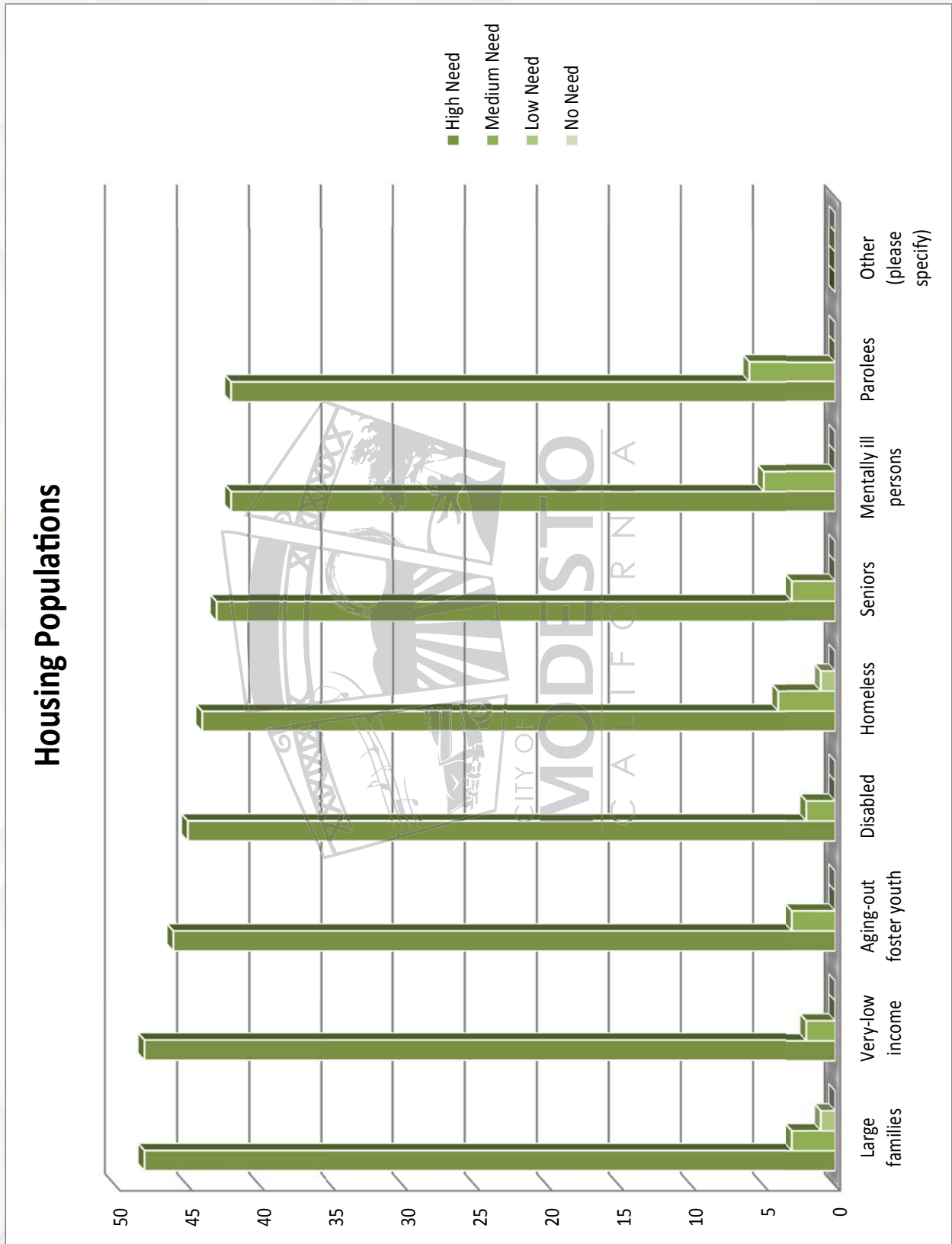




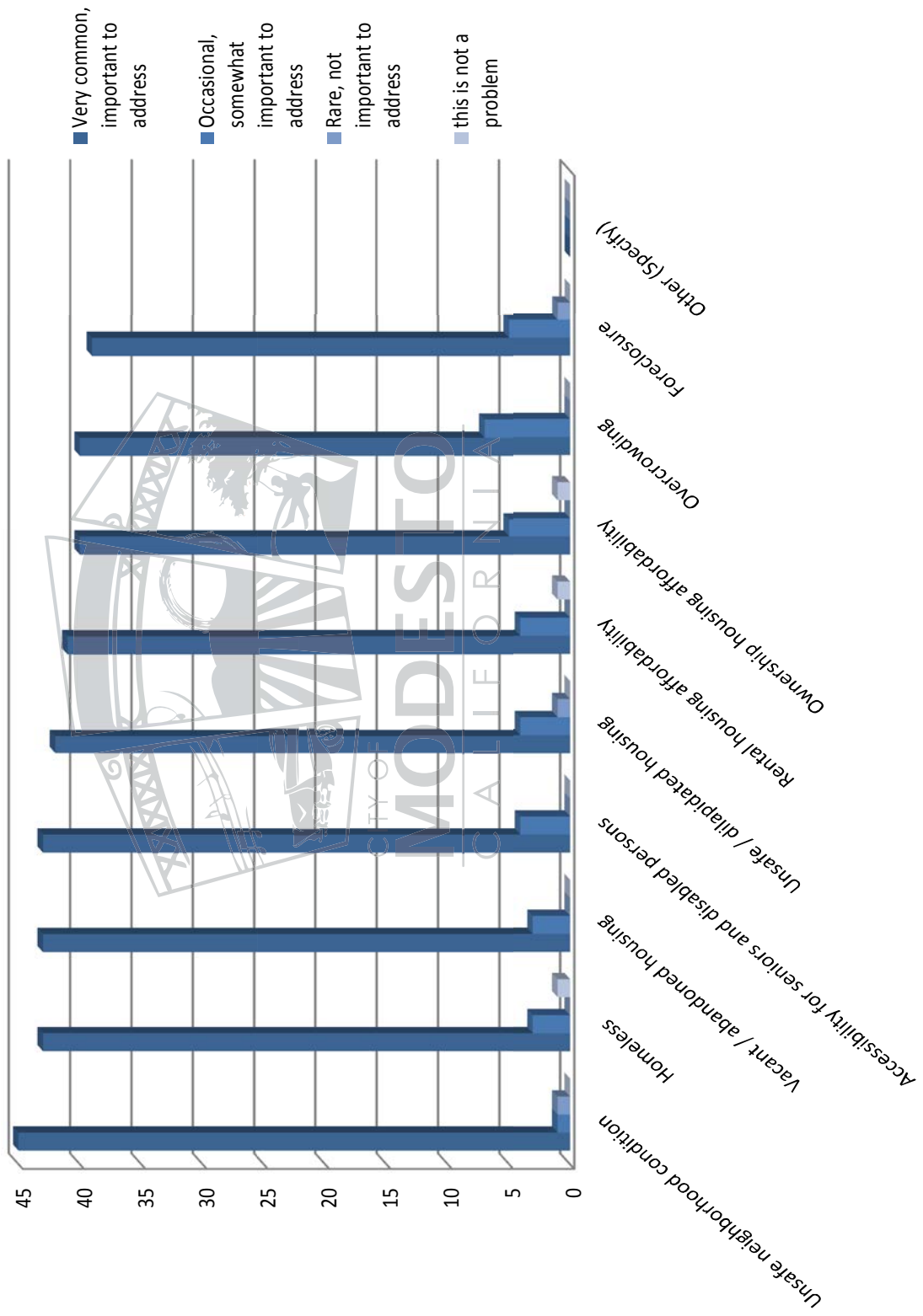








Housing Problems



City of Modesto

The questionnaire was distributed to community organizations and neighborhood associations which were notified of the Consolidated Plan and AI update, and to attendees at public Consolidated Plan and AI meetings.

Public Comments on Draft AI

The City has not received any public comment as of the date of the publication of the review draft.

Community Profile

This section of the AI is extracted from the 2010-2015 Consolidated Plan. It provides background information two parts: the needs assessment and the housing market analysis.

CP-05 Overview

Needs Assessment Overview

This section of the Consolidated Plan provides a summary of the City's needs related to affordable housing, special needs housing, community development, and homelessness (Needs Assessment).

The Needs Assessment includes the following sections:

- Housing Needs Assessment
- Disproportionately Greater Need
- Public Housing
- Homeless Needs Assessment
- Non-Homeless Needs Assessment
- Non-Housing Community Development Needs

The Needs Assessment identifies those needs with the highest priority. This forms the basis for the Strategic Plan section and the programs and projects to be administered. Most of the data tables in this section are populated with default data from the Comprehensive Housing Affordability Strategy (CHAS) developed by the U.S. Census Bureau for HUD based on the 2007–2011 American Community Survey (ACS). Other sources are noted throughout the Consolidated Plan.

CP-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

As of 2011, the City had just over 200,000 residents and approximately 68,000 households. Population and household growth had been relatively slow since 2000 with the population growing at a slightly higher rate than households. As the region slowly recovered from the Great Recession it saw a 23

percent increase in median income levels. The HUD Area Median Family Income (HAMFI) for our region was just under \$50,000 in 2011.

Of the City's 68,000 households, 37 percent have an annual income at or below 80 percent of the HAMFI, 22 percent have an income at or below 50 percent of the HAMFI, and 10 percent are at or below 30 percent of the HAMFI. Small related family households are defined as a household of two to four persons that includes at least one person related to the household by blood, marriage, or adoption and have a similar if slightly lower incidence of lower incomes. Large related family households are defined as a household of five or more persons that includes at least one person related to the householder by blood, marriage, or adoption have a similar if slightly higher incidence of lower incomes.

Households containing at least one person age 75 or older (75+ Households) have a higher incidence of households with annual incomes less than or equal to the HAMFI. Within the 75+ Households, 65 percent have annual incomes less than or equal to the HAMFI, 54 percent have annual incomes less than or equal to 80 percent of the HAMFI 28 percent have annual incomes less than or equal to 50 percent of the HAMFI. The incidence of 75+ Households with annual incomes at or below 30 percent of median income is similar to the general population at 10 percent. Households with one or more children 6 years old or younger (Younger Households) have a higher incidence of households with annual incomes less than or equal to the HAMFI. In Younger Households, 65 percent of households are less than or equal to 80 percent of the HAMFI, 51percent of the household are less than or equal to 50 percent of the HAMFI and 16 percent of the households are less than or equal to 30 percent of the HAMFI.

Although both 75+ Households and Young Households with wage earners in the earlier stages of careers are expected to have somewhat lower incomes, the numbers in the very lowest categories (50 percent and 30 percent of HAMFI) indicate households that may be experiencing difficulty meeting basic needs. In particular, the Young Households earning less than 30 percent of the median income.

Demographics	Base Year: 2000	Most Recent Year: 2011	% Change
Population	188,856	201,886	7%
Households	65,192	67,979	4%
Median Income	\$40,394.00	\$49,852.00	23%

Table 1 - Housing Needs Assessment Demographics

Data Source: 2000 Census (Base Year), 2007-2011 ACS (Most Recent Year)

Number Of Households Table	0-30%	>30-	>50-	>80-	>100%
	HAMFI	50%	80%	100%	HAMFI
		HAMFI	HAMFI	HAMFI	
Total Households *	6,750	7,855	10,580	6,570	36,220
Small Family Households *(2-4 persons)	2,775	2,670	4,250	2,645	18,860
Large Family Households *(2-4 persons)	1,075	985	1,605	1,314	4,605
Household Contains At Least One Person 62-74 Years Of Age	1,045	1,560	1,780	970	6,710
Household Contains At Least One Person Age 75 Or Older	710	1,510	2,070	905	2,770
Households With One Or More Children 6 Years Old Or Younger *	1,955	1,560	2,550	1,635	4,205

Data Source: 2007-2011 CHAS

* The highest income category for these family types is >80% HAMFI

Table 2 - Total Households Table

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing Lacking Complete Plumbing Or Kitchen Facilities	205	370	320	100	995	10	50	0	0	60
Severely Overcrowded - With >1.51 People Per Room (And	145	150	190	30	515	0	35	95	40	170

Complete Kitchen And Plumbing)										
Overcrowded - With 1.01-1.5 People Per Room (And None Of The Above Problems)	450	390	470	420	1,730	70	60	185	50	365
Housing Cost Burden Greater Than 50% Of Income (And None Of The Above Problems)	3,375	2,675	1,049	144	7,243	1,050	1,065	1,685	1,005	4,805
Housing Cost Burden Greater Than 30% Of Income (And None Of The Above Problems)	290	1,330	2,910	1,385	5,915	260	470	1,115	970	2,815
Zero/Negative Income (And None Of The Above Problems)	430	0	0	0	430	185	0	0	0	185

Table 3 – Housing Problems Table

Data 2007-2011 CHAS

Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 Or More Of Four Housing Problems	4,170	3,590	2,035	694	10,489	1,130	1,210	1,965	1,095	5,400
Having None Of Four Housing Problems	505	1,905	3,720	2,515	8,645	330	1,150	2,860	2,260	6,600
Household Has Negative Income, But None Of The Other Housing Problems	430	0	0	0	430	185	0	0	0	185

Table 4 – Housing Problems 2

Data 2007-2011 CHAS
Source:

Housing Problems by tenure and household income category

NOTE: The CHAS tables presented in the IDIS eCon plan show households at or below median area income by income grouping by tenure.

Substandard Housing - Lacking Complete Plumbing or Kitchen Facilities

Renters living in substandard housing are most likely to have low-and-moderate incomes with 90 percent of households having incomes at or below 80 percent of the AMI. Owners living in substandard housing are most likely to have very-low-incomes with 100 percent of owner households having incomes at or below 50 percent of the AMI.

Severely Overcrowded - With >1.51 People Per Room (and complete kitchen and plumbing)

Renters living in severely overcrowded housing are most likely to have low-and-moderate incomes with 94% of households having incomes at or below 80 percent of the AMI. Owners living in severely overcrowded housing are most likely to have low-and-moderate-incomes with 77 percent of owner households having incomes at or below 80 percent of the AMI.

Overcrowded - With 1.01-1.5 People Per Room (and none of the above problems)

Renters living in overcrowded housing are most likely to have lower incomes with 100 percent having incomes at or below the AMI. Owners living in overcrowded housing are most likely to have low-and-

moderate-incomes with 77 percent of owner households having incomes at or below 80 percent of the AMI

Housing Cost Burden Greater Than 50 Percent of Income (and none of the above problems)

Renters with a housing cost burden greater than 50 percent of income are most likely to have very-low-incomes with 83 percent of households having incomes at or below 50 percent of the AMI. Owners with a housing cost burden greater than 50 percent of income are most likely to have low-and-moderate-incomes with 80 percent of owner households having incomes at or below 50 percent of the AMI.

Housing Cost Burden Greater Than 30% Of Income (and none of the above problems)

Renters with a housing cost burden greater than 30 percent of income are most likely to have low- and moderate-incomes with 77 percent of households having incomes at or below 80 percent of the AMI. Owners with a housing cost burden greater than 30 percent of income are most likely to have low-and-moderate-incomes with 66 percent of owner households having incomes at or below 80 percent of the AMI. It should also be noted that 35 percent of owner households having incomes between 80 percent and 100 percent of the AMI have a housing cost burden greater than 30 percent of income.

Having One or More Housing Problems

Renters having one or more housing problem are most likely to have very-low-incomes with 74 percent of households having incomes at or below 50 percent of the AMI. It should also be noted that 19 percent of renter households having incomes between 50 percent and 80 percent of the AMI have one or more housing problem. Owners having one or more housing problem are most likely to have low- and moderate-incomes with 80 percent of households having incomes at or below 80 percent of the AMI.

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	2,025	1,989	2,185	6,199	410	495	1,170	2,075
Large Related	875	705	670	2,250	200	170	535	905
Elderly	690	1,040	709	2,439	570	860	1,050	2,480
Other	815	1,059	1,055	2,929	215	140	285	640
Total Need By Income	4,405	4,793	4,619	13,817	1,395	1,665	3,040	6,100

Table 5 – Cost Burden > 30%

Data 2007-2011 CHAS
Source:

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,920	1,374	500	3,794	355	355	765	1,475
Large Related	830	550	235	1,615	200	140	310	650
Elderly	560	630	194	1,384	400	545	560	1,505
Other	715	700	305	1,720	170	120	195	485
Total Need By Income	4,025	3,254	1,234	8,513	1,125	1,160	1,830	4,115

Table 6 – Cost Burden > 50% 2007-2011 CHAS

Cost burdened households by type of household

Small Related Households

Small related renter households comprise 45 percent of all low-and-moderate income households with a housing cost burden at or above 30 percent of household income. They comprise 28 percent of all low-and-moderate income households with a housing cost burden at or above 50 percent of household income. Notably, they also comprise 44 percent of all extremely-low-income households with a housing cost burden at or above 50 percent.

Small related owner households comprise 34 percent of all low-and-moderate income households with a housing cost burden at or above 30 percent of household income. They comprise 24 percent of all low-and-moderate income households with a housing cost burden at or above 50 percent of household income.

Large Related Households

Large related renter households comprise 16 percent of all low-and-moderate income households with a housing cost burden at or above 30 percent of household income. They comprise 12 percent of all low-and-moderate income households with a housing cost burden at or above 50 percent of household income. Notably, they also comprise 30 percent of all very-low-income and extremely-low-income households with a housing cost burden at or above 50 percent.

Large related owner households comprise 15 percent of all low-and-moderate income households with a housing cost burden at or above 30 percent of household income. They comprise 11 percent of all low-and-moderate income households with a housing cost burden at or above 50 percent of household income.

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single Family Households	605	450	525	435	2,015	45	55	235	70	405
Multiple, Unrelated Family Households	25	115	120	50	310	25	55	50	25	155
Other, Non-Family Households	0	45	70	0	115	0	0	0	0	0
Total Need By Income	630	610	715	485	2,440	70	110	285	95	560

Table 7 – Crowding Information – 1/2

Data 2007-2011 CHAS

Source:

Over-crowding by household type

Single family households

Single family renter households comprise 83 percent of all over-crowded households with incomes at or below the median. They comprise 96 percent of extremely-low-income households.

Single family owner households comprise 72 percent of all over-crowded households with incomes at or below the median. They comprise 83 percent of households with incomes >50-80 percent AMI.

Multiple, unrelated family households

Multiple, unrelated family renter households comprise 13 percent of all over-crowded households with incomes at or below the median.

Multiple, unrelated family owner households comprise 28 percent of all over-crowded households with incomes at or below the median. Notably, 50 percent of over-crowded owner households with incomes >30-50 percent AMI are multiple, unrelated family households.

Other, non-family households

Other, non-family households comprise 5 percent of all over-crowded renter households with incomes at or below the median. Note that 0-30% AMI and >80-100% AMI rental household categories have no over-crowded other, non-family households.

There are no over-crowded other, non-family owner households with incomes at or below the median.

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households With Children Present	0	0	0	0	0	0	0	0

Table 8 – Crowding Information – 2/2

Describe the number and type of single person households in need of housing assistance.

The type of single-person households who are most in need of housing assistance are the lowest income households with the highest cost burdens. These would be those with limited or fixed incomes such as the elderly and disabled.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

The City does not have specific estimates of these at-risk populations beyond those available through Census, American Community Survey, and other publicly available data sets.

What are the most common housing problems?

Renter households comprise 45 percent of all low-and-moderate income households with a housing cost burden of at or above 30 percent of household income. They comprise 28 percent of all low-and-moderate income households with a housing cost burden at or above 50 percent of household income. Notably, they also comprise 44 percent of all extremely-low-income households with a housing cost burden at or above 50 percent.

Owner households comprise 34 percent of all low-and-moderate income households with a housing cost burden at or above 30 percent of household income. They comprise 24 percent of all low-and-moderate income households with a housing cost burden at or above 50 percent of household income.

Are any populations/household types more affected than others by these problems?

The problem is significant across the board among renters and owners. The percentage of households affected is about the same.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

Households, both individuals and families with children, in the extremely low-income group are at high risk of becoming homeless due to limited or lack of income, or high housing cost burden. Job loss, coupled with a shortage of affordable housing, further increases the risk of homelessness for individuals and families with children in the extremely low-income group. A total of 1,156 homeless individuals were counted as part of Stanislaus County's 2014 Point-In-Time (PIT) Homeless Count, 38 percent of whom were unsheltered.

The Stanislaus Continuum of Care standards define those most at risk of homelessness as those meeting the federal definition of homelessness:

- People at imminent risk of homelessness (with less than 14 days to vacate housing or an institutional setting) who lack resources to resolve their housing crisis;

- People who would be considered homeless under definitions used by the U.S. Department of Education such as unaccompanied youth or families with children who have not had a legal tenancy in permanent housing and experienced persistent instability (e.g., two or more moves) in the 60 days prior to the homeless assistance application, and who lack resources to resolve their housing crisis; or
- People who are fleeing (or attempting to flee) domestic violence, who lack resources to resolve their housing crisis. Homeless prevention funds in Modesto come from the Emergency Solutions Grant (ESG), not from the Stanislaus Continuum of Care programs. Rapid re-housing is a critical strategy for ending homelessness for households with children due to the extreme shortage of affordable housing. Rapid re-housing is considered to be a higher priority to Stanislaus Continuum of Care than homeless prevention. It is also a good tool for chronically homeless individuals who have been through a transitional shelter period. It is also a high priority for single adults who assess as self-sufficient and can address affordability through a combination of shared housing and increasing income. Rapid re-housing also works well in housing families with children who generally have been homeless for shorter periods of time. With funding from the ESG program, support can be provided for individuals and families in need of housing. Assistance may include short- or medium-term rental assistance and stabilization services, including mediation, credit counseling, security or utility deposits, utility payments, moving cost assistance, and case management. Recipients must be Modesto residents and have sustainable income to qualify. Funding is limited by ESG—first come, first served. The impact of ESG, for homeless prevention assistance, is hampered by the extremely low-income targeting requirement. Such deep targeting limits the program’s ability to respond to families and individuals in crisis to prevent homelessness. The lack of affordable units limits the ability of families and individuals to find appropriate housing under this program. Another challenge is finding landlords who are willing to rent to clients who do not have ideal credit ratings. A greater number of units might be available with increased landlord/property owner outreach. Regardless, rapid re-housing and homeless prevention assistance continue to be utilized as a successful tool for both preventing and ending homelessness in and Stanislaus County.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

Data on Stanislaus County’s homeless population is tracked through the Homeless Management Information System (HMIS), a federally mandated online data system for all dedicated homeless, prevention, and housing programs that receive Stanislaus Continuum of Care funding. The HMIS collects data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.

The Homeless Resource Center utilizes HUD’s official definition of homelessness, including the at-risk definition, as required by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), the definition of which was updated on December 5, 2012.

The criteria for defining at risk of homelessness are as follows:

Category 1 – Individuals and Families

An individual or family who:

- (i) Has an annual income below 30% of median family income for the area; AND
- (ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the “homeless definition”; AND
- (iii) Meets one of the following conditions:
 - (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for assistance; OR
 - (B) Is living in the home of another because of economic hardship; OR
 - (C) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; OR
 - (D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by federal, state, or local government programs for low-income individuals; OR
 - (E) Lives in an SRO or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than one and a half persons per room; OR
 - (F) Is exiting a publicly funded institution or system of care; OR
 - (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient’s approved Consolidated Plan.

Category 2 – Unaccompanied Children and Youth

Is defined as a child or youth who do not qualify as homeless under the homeless definition but qualifies as homeless under another federal statute.

Category 3 – Families with Children and Youth

An unaccompanied youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under Section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.

Although and Stanislaus County have no exact count as to the number of persons who lose their housing and become homeless each year, the risk factors that contribute to causing homelessness are known. Persons who are “at risk of homelessness” include individuals or families that are experiencing one or more of the risk factors described below. When evaluating these risk factors within the context of Modesto, a rise in persons at risk of homelessness is anticipated. These factors will be taken into consideration when evaluating a client’s risk of entering homelessness.

The Stanislaus Continuum of Care has developed a unified intake form and documentation checklist that all homeless service providers, who enter data into HMIS, utilize for client eligibility assessments and record keeping. Quarterly monitoring visits and remote HMIS data quality audits ensure that the criteria for qualifying a household for homeless prevention assistance are both regionally uniform and in conformance with HUD regulations.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

The housing characteristics most commonly linked with instability and an increased risk of homelessness include high cost burden (the gap between income and the high cost of housing), a tight rental market, and a shortage of affordable housing. These are further compounded by job loss and high unemployment rate and personal circumstances such as health conditions, mental illness, substance abuse, and trauma.

Discussion

Elderly households and large family households with children are most likely to be lower income and therefore should be a higher priority and be specifically targeted.

Lower household income is associated with housing problems such as overcrowding and substandard housing. Addressing housing production and housing rehabilitation is therefore a priority.

Lower income households (owner and renter) are more likely to be cost-burdened. Small related renter households are more likely to be cost burdened than large related households and owner households.

The City's highest priority continues to be providing housing that is affordable to the lowest-income segments of the population. With limited resources and the downturn in the economy, the demand for affordable housing continues to outpace production. A shortage of resources at the federal and state levels, and a preference at those levels for funding housing in dense urban areas, have created challenges for the City in producing housing affordable to any level of low-income households, much less the extremely low-income households.

The populations with the highest needs over the next five years are extremely low-income households, very low-income households, and small and large related households (including those with children). The level of need between renters and owners is significant, with renters needs far exceeding those of owners. Elderly households, especially lower income are also in need.

CP-15 Disproportionately Greater Need: Housing Problems – 91.205 (b) (2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

A household is considered to have a housing problem when their home lacks complete kitchen or plumbing facilities, when there is more than one person per room, or when there is a cost burden (greater than 30% of income toward housing).

For the purposes of this Consolidated Plan, disproportionately greater need is assumed to exist when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.

For example, 84% of the very-low-income households (31-50% AMI) in the City Modesto experience one or more housing problem. Therefore, if more than 94% of a particular racial or ethnic group within the income category experienced a housing problem, a disproportionately greater need would be presumed to exist.

0%-30% of Area Median Income

Housing Problems*	Has One Or More Of Four Housing Problems*	Has None Of The Four Housing Problems	Household Has No/Negative Income, But None Of The Other Housing Problems
Jurisdiction As A Whole	5,850	285	615
White	2,615	165	340
Black / African American	565	30	50
Asian	295	40	70
American Indian, Alaska Native	90	0	25
Pacific Islander	45	0	0
Hispanic	2,115	50	100

Table 9 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems*	Has One Or More Of Four Housing Problems	Has None Of The Four Housing Problems
Jurisdiction As A Whole	6,600	1,255
White	3,270	965
Black / African American	345	15
Asian	380	4
American Indian, Alaska Native	65	10
Pacific Islander	10	0
Hispanic	2,375	250

Table 10 - Disproportionally Greater Need 30 - 50% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems*	Has One Or More Of Four Housing Problems	Has None Of The Four Housing Problems
Jurisdiction As A Whole	8,025	2,555
White	4,290	1,465
Black / African American	315	55
Asian	390	125
American Indian, Alaska Native	4	10
Pacific Islander	15	15
Hispanic	2,830	825

Table 11 - Disproportionally Greater Need 50 - 80% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems*	Has One Or More Of Four Housing Problems	Has None Of The Four Housing Problems
Jurisdiction As A Whole	4,155	2,415
White	2,320	1,430
Black / African American	190	10
Asian	90	140
American Indian, Alaska Native	20	0
Pacific Islander	110	35
Hispanic	1,330	780

Table 12 - Disproportionally Greater Need 80 - 100% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Discussion

In the extremely low-income category 87% of all households experience housing problems. Pacific Islander households experience a disproportionate greater need at 100% of households. It should be noted that there are only 45 Pacific Islander households in the extremely low-income category.

- In the very low-income category 84% of all households experience housing problems.
- Black / African American households experience a disproportionate greater need at 96% of households.
- Asian households experience a disproportionate greater need at 99% of households.
- Pacific Islander households experience a disproportionate greater need at 100% of households.

It should be noted that there are only 10 Pacific Islander households in the very low-income category.

In the low-income category 76% of all households experience housing problems.

- Black / African American households experience a nearly disproportionate greater need at 85% of households.

It should be noted that low-income Black / African American households experience housing problems at a much higher rate than any other racial group with all others being between two points above and 47 points below the overall percentage.

In the middle-income category 63% of all households experience housing problems.

- Black / African American households experience a disproportionate greater need at 95% of households.
- American Indian, Alaska Native households experience a disproportionate greater need at 100% of households.
- Pacific Islander households experience a disproportionate greater need at 76% of households.

CP-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b) (2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

A household is considered to have a severe housing problem when the home lacks complete kitchen or plumbing facilities, when there is more than 1.5 persons per room, or when there is a severe cost burden (greater than 50% of income toward housing).

For the purposes of this Consolidated Plan, disproportionately greater need is assumed to exist when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.

For example, 61% of the very-low-income households (31-50% AMI) in Modesto the City experience one or more severe housing problems. Therefore, if more than 61% of a particular racial or ethnic group within the income category experienced a severe housing problem, a disproportionately greater need would be presumed to exist.

0%-30% of Area Median Income

Severe Housing Problems*	Has One Or More Of Four Housing Problems	Has None Of The Four Housing Problems	Household Has No/Negative Income, But None Of The Other Housing Problems
Jurisdiction As A Whole	5,300	835	615

White	2,345	435	340
Black / African American	565	30	50
Asian	215	125	70
American Indian, Alaska Native	40	45	25
Pacific Islander	45	0	0
Hispanic	1,965	200	100

Table 13 – Severe Housing Problems 0 - 30% AMI

Data Source: 2007-2011 CHAS

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has One Or More Of Four Housing Problems	Has None Of The Four Housing Problems
Jurisdiction As A Whole	4,800	3,055
White	2,240	1,995
Black / African American	255	105
Asian	280	105
American Indian, Alaska Native	40	35
Pacific Islander	0	10
Hispanic	1,855	765

Table 14 – Severe Housing Problems 30 - 50% AMI

Data Source: 2007-2011 CHAS

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has One Or More Of Four Housing Problems	Has None Of The Four Housing Problems
Jurisdiction As A Whole	4,000	6,580
White	2,115	3,640
Black / African American	145	225
Asian	240	275
American Indian, Alaska Native	0	10
Pacific Islander	15	15
Hispanic	1,340	2,315

Table 15 – Severe Housing Problems 50 - 80% AMI

Data Source: 2007-2011 CHAS

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has One Or More Of Four Housing Problems	Has None Of The Four Housing Problems
Jurisdiction As A Whole	1,800	4,775
White	909	2,835
Black / African American	160	35
Asian	35	195
American Indian, Alaska Native	20	0
Pacific Islander	10	135
Hispanic	640	1,470

Table 16 – Severe Housing Problems 80 - 100% AMI

Data Source: 2007-2011 CHAS

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Discussion

In the extremely low-income category 79% of all households experience severe housing problems.

- Black / African American households experience a disproportionate greater need at 88% of households.
- Pacific Islander households experience a disproportionate greater need at 100% of households.

It should be noted that there are only 45 Pacific Islander households in the extremely low-income category.

In the very low-income category 61% of all households experience severe housing problems.

- Black / African American households experience a disproportionate greater need at 71% of households.
- Asian households experience a disproportionate greater need at 73% of households.
- Hispanic households experience a disproportionate greater need at 71% of households. In the low-income category 38% of all households experience severe housing problems.
- Pacific Islander households experience a disproportionate greater need at 50% of households. In the middle-income category 27% of all households experience severe housing problems.
- Black / African American households experience a disproportionate greater need at 82% of households.
- American Indian, Alaska Native households experience a disproportionate greater need at 100% of households. It should be noted that middle-income Black / African American and American Indian, Alaska Native households experience housing problems at a much higher rate than any

other racial group with all others being between three points above and 21 points below the overall percentage.

CP-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b) (2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

Housing cost burden when a household pays a high percentage of gross income towards housing costs. A household is said to have a cost burden when it pays 30-50% of income for housing. It is said to have a severe cost burden if it pays more than 50% of income to housing.

For the purposes of this Consolidated Plan, disproportionately greater need is assumed to exist when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.

For example, 22% of the general population in Modesto experience a severe cost burden. Therefore, if more than 22% of a particular racial or ethnic group experienced a severe cost burden, a disproportionately greater need would be presumed to exist.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / Negative Income (Not Computed)
Jurisdiction As A Whole	7,535	9,770	13,810	645
White	23,440	9,800	7,685	370
Black / African American	950	675	1,130	50
Asian	2,075	880	820	69
American Indian, Alaska Native	145	130	100	25
Pacific Islander	285	175	75	0
Hispanic	7,895	4,670	4,945	100

Table 17 – Greater Need: Housing Cost Burdens AMI

Data Source: 2007-2011 CHAS

Discussion:

Severely cost burdened households are 22% of the total households in Modesto. All racial groups experience similar rates of severe housing cost burden, having rates +/- 8 points of the general population. Black / African American households experience a disproportionate greater need at 40% of households.

Cost burdened households are 25% of the total households in Modesto. All racial groups experience similar rates of severe housing cost burden, having rates +/- 8 points of the general population. Households who do not experience a cost burden are 52% of the total households in Modesto. (One percent was not included in the calculation.) All racial groups experience similar rates of severe housing cost burden, having rates +/- 8 points of the general population with the exception of Black / African American and American Indian, Alaska Native households who have a significantly lower rate of participation -- 34% and 36% respectively. Although this does not meet the definition of a disproportionately greater need, it is significant that the majority of the population in these groups experience a cost burden.

CP-30 Disproportionately Greater Need: Discussion – 91.205(b) (2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Please see the discussion in the previous sections by income category and racial group.

If they have needs not identified above, what are those needs?

No other needs identified.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

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. Please see the maps on Page 84.

CP-35 Public Housing – 91.205(b)

Introduction

Public housing programs within Stanislaus County are managed by the Housing Authority of the County of Stanislaus. The Housing Authority operates public housing units within the City of Modesto as well as being a developer of affordable housing. The Housing Authority also offers the Housing Choice Voucher Program (formerly known as Section 8) to Modesto residents. Tenant-based Housing Choice Vouchers provide a monthly subsidy to low-income tenants renting market-rate units. Housing Choice Vouchers require a Housing Authority inspection of the unit prior to move-in to ensure health and safety standards are met.

The numbers included in the table below are the number of public housing units and housing vouchers in Stanislaus County, which is the lowest level at which the Housing Authority reports data to HUD.

Totals in Use

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - Based	Tenant - Based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# Of Units Vouchers In Use	0	0	636	3,930	10	3,832	0	88	0

Table 18 - Public Housing by Program Type

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

Characteristics of Residents

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -Based	Tenant -Based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	
Average Annual Income	0	0	17,079	13,338	12,270	13,393	0	11,080	
Average Length Of Stay	0	0	6	6	1	7	0	0	
Average Household Size	0	0	3	2	1	2	0	3	
# Homeless At Admission	0	0	0	0	0	0	0	0	
# Of Elderly Program Participants (>62)	0	0	113	1,042	6	1,034	0	2	
# Of Disabled Families	0	0	142	1,089	4	1,071	0	14	
# Of Families Requesting Accessibility	0	0	636	3,930	10	3,832	0	88	

Features								
# Of HIV/Aids Program Participants	0	0	0	0	0	0	0	0
# Of DV Victims	0	0	0	0	0	0	0	0

Table 19 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -Based	Tenant -Based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	560	3,072	8	2,988	0	76	0
Black/African American	0	0	24	595	1	585	0	9	0
Asian	0	0	45	192	1	188	0	3	0
American Indian/Alaska Native	0	0	4	48	0	48	0	0	0
Pacific Islander	0	0	3	23	0	23	0	0	0
Other	0	0	0	0	0	0	0	0	0

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 20 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -Based	Tenant -Based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	392	1,133	6	1,096	0	31	0
Not Hispanic	0	0	244	2,797	4	2,736	0	57	0

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 21 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

The Housing Authority of the County of Stanislaus maintains 5% of its Public Housing units as accessible for disabled persons/families throughout its inventory. The Housing Authority, in compliance with Federal Regulations, follows a fair and thorough process to provide accessible units and reasonable accommodations to people with disabilities. Accessible units are first offered to families who may benefit from the accessible features. Applicants for these units are selected based on their need for an accessible unit first; a disabled person will be selected to occupy an accessible unit first. If there are no applicants who would benefit from the accessible features, the units will be offered to other applicants in the order that their names come to the top of the waiting list. Such applicants, however, must sign a release form stating they will accept a transfer (at their own expense) if, at a future time, a family requiring an accessible feature is determined eligible for that particular type of unit. Any family required to transfer will be given a 30-day notice.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

The Housing Authority of the County of Stanislaus administers the Housing Choice Voucher Program (HCV). In order to qualify for HCV program applicants must be at or below 50 percent of AMI. Most recent applicants the HCV program are families at or below 30 percent of AMI. Families at this income level have difficulty meeting their basic needs even with the assistance of the voucher program. The HCV program staff is well knowledgeable and aware of available community resources and regularly is able to refer voucher holders to other community organizations for additional services. The HCV program maintained a utilization rate of 100% in 2014. In addition, the Housing Authority of the County of Stanislaus amended offers the Family Self-Sufficiency (FSS) program to help voucher holders augment their education, find employment, build assets, and achieve economic independence.

In March 2013 the Housing Authority of the County of Stanislaus amended their local preference for Youth out of Foster Care to add two additional support service providers as referring agencies for the 25 vouchers allocated to youth out of foster care.

How do these needs compare to the housing needs of the population at large

According to the 2009–2013 ACS 5-Year Estimates, 14.5 percent of the population under age 65 who lived in Modesto reported a disability. The percentage of disabled voucher holders in Stanislaus County, out of the total voucher holders, is 28 percent.

While 37 percent of the total households in Modesto are classified as low income, which includes the extremely low-income category, the average annual income of 100 percent of voucher holders is less than 30 percent of AMI. In general, the race and ethnicity of voucher holders is comparable to the jurisdiction, with some variations between data sources. The rate of voucher households that identified as Black or African American was higher than the jurisdiction (15.1 percent versus 2.9 percent), while a smaller percentage of voucher holders identified as Hispanic or Latino (28.8 percent versus 41.9

percent). For the jurisdiction as a whole, 45.8 percent of households experience housing cost burden greater than 30 percent of their household income and are in need of affordable housing.

Although there are differences in the demographics among voucher holders and the population at large, there is a need for affordable housing for both groups, specifically for those extremely low-income cost-burdened households without vouchers.

CP-40 Homeless Needs Assessment – 91.205(c)

Introduction:

In July 2001, the Stanislaus County Board of Supervisors and the City of Modesto officially recognized the Stanislaus Continuum of Care as the coordinating body for homeless programs and services in Stanislaus County.

In 2012, the Stanislaus Continuum of Care adopted the Stanislaus County Homeless Management Information System (HMIS), which is a collaborative project that will enable homeless service providers to collect uniform client information over time.

Homeless Needs Assessment

Population	Estimate The # Of Persons Experiencing Homelessness On A Given Night	
	Sheltered	Unsheltered
Persons In Households With Adult(S) And Child(Ren)	20	58
Persons In Households With Only Children	3	12
Persons In Households With Only Adults	589	490
Chronically Homeless Individuals	0	0
Chronically Homeless Families	0	0
Veterans	55	47
Unaccompanied Child	40	42
Persons With HIV	0	0

Table 22 - Homeless Needs Assessment

Data Source Comments: Housing Authority of the County of Stanislaus

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

HUD's 2014 Continuum of Care Homeless Assistance Programs Table provides data on numbers of persons becoming and exiting homelessness each year. As for the average number of days that a person experiences homelessness, that data is not available. The 2015 Point-In-Time Homeless Count may have this data available later this year.

Nature and Extent of Homelessness: (Optional)

Race:		Sheltered:
White		919
Black Or African American		85
Asian		11
American Indian Or Alaska Native		83
Pacific Islander		28
Ethnicity:		Sheltered:
Hispanic		387
Not Hispanic		0

Data Source: Homeless Needs Assessment

Age Range	Households With Children Sheltered And Unsheltered	Households Without Children Sheltered And Unsheltered
Number Of Children (Under Age 18)	173	NA
Number Of Persons (18 To 24)	33	92
Number Of Persons (Over 24)	126	723

Table 23 - Age Differences between Households with Children and without Children - Stanislaus County

Data Source

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

Based on the 2014 Continuum of Care Stanislaus homeless count findings:

- 114 households with at least one adult and one child, for a total of 332 persons. Of these, 67 percent were living in emergency or transitional housing and 33 percent were unsheltered.
- 23 families were chronically homeless, with 39 percent unsheltered.
- 69 veterans were homeless; 41 percent of those were unsheltered.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

A total of the 1,156 homeless individuals were counted during the 2014 Continuum of Care Stanislaus homeless count. Of the total count it was determined that 38 percent were unsheltered. The majority of the homeless population data by household type demonstrated that most homeless households were

composed of people without children. In comparing homelessness by race, 46 percent of Black/African Americans were unsheltered as compared to 38 percent of Whites who were unsheltered. In addition, 16 percent of the unsheltered homeless were female and 22 percent were male. Lastly, veterans represent 6 percent of the homeless, both sheltered and unsheltered.

Discussion:

Homelessness in Stanislaus County has experienced a steady decline over the last five years (2009–2014), both in the number and as a percentage of the overall total. Reasons for this decline will need to be analyzed using additional community data. Additionally, across 2009 to 2014, the number of persons in households with children/only children has seen a steady decline, with the exception of a spike in 2014. To illustrate, in 2013, 22% of the total homeless population is part of households with children/only children and in 2014 this increased to 29%.

Using the Point-In-Time Homeless Count of 2014, one can estimate that approximately 1,156 people experienced homelessness during 2014. Of those, more than 70% are individuals in households without children, and approximately 30% were individuals in households with children or households of only children.

2014 experienced a marked increase in the percentage of sheltered versus unsheltered homeless persons. Said another way, 2014 saw the lowest number of homeless unsheltered since the point-in-time survey started in 2009. Additionally, the percentage of sheltered homeless, compared to unsheltered, steadily increased from 2009 to 2013. This recent increase will need to be analyzed, taking into consideration community information.

Chronic homelessness declined overall from 2009 to 2014 but was higher in 2014 compared to 2013 and 2011. 2014's Point-In-Time Count reported that 13% of homeless were chronically homeless, which is a decline from 16% in 2009. Reasons for this decline will need to be analyzed using additional community information.

Stanislaus County's 2014 Point-In-Time (PIT) Homeless Count reports an overall increase in the occurrence of special homeless subpopulation categories (severely mentally ill, chronic substance abuse, persons with HIV/AIDS, and victims of domestic violence) with the exception of veterans. This appears to be a result of increased reporting by participants (individuals can select to fit in more than one category), but additional research will be needed to analyze this further. Additionally, homeless people that experience severe mental illness make up the largest percentage of special homeless populations in Stanislaus County. They represent 29% of the total population, compared to (in order) victims of domestic violence (20%), chronic substance abuse (15%), veterans (6%), and persons with HIV/AIDS (1%).

CP-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

Many non-homeless individuals need supportive housing and services to enable them to live independently and to avoid homelessness or institutionalization, including the elderly, persons with physical, mental, or developmental disabilities, persons with HIV/AIDS, victims of domestic violence, children leaving group homes or aging out of foster care, farmworkers, and substance abusers. Within Stanislaus County, subpopulations include the elderly, mentally ill, physically disabled, persons with HIV/AIDS, persons with substance dependence or abuse, youth, victims of domestic violence, and farmworkers. The following is a brief analysis of the needs of these subpopulations. The facilities and services available to these subpopulations are discussed in greater detail in the Market Analysis section of this Plan.

Describe the characteristics of special needs populations in your community:

The majority of elderly have a fixed income and deal with physical constraints, which makes them a group with special housing needs. Since the elderly often live alone and have limited mobility, housing units best suited to their needs are smaller units located near public transportation, medical facilities, shopping, and other services. The elderly often require special design considerations such as ramps and handrails to assist with mobility.

Disabilities vary in type and severity and can have a significant impact on a household's housing needs and ability to pay for appropriate housing. A significant number of persons with a disability fall under the extremely low- and very low-income categories.

While many youth in the national foster care system go on to lead successful lives, others fare poorly. A high percentage experience inadequate housing, low educational and career attainment, early parenthood, substance abuse, physical and mental health problems, and involvement with the legal system.

What is the housing and supportive service needs of these populations and how are these needs determined?

Local agencies that provide supportive services for the elderly include the Area Agency on Aging, the Howard Training Center, Healthy Aging Association, the Catholic Charities/Stanslaus Elder Abuse Prevention Alliance (SEAPA), the Senior Opportunity Service Program, and the Catholic Charities Homemaker Ombudsman Program. Housing assistance, in the form of Section 8 and housing rehabilitation and repair programs, is available through the Housing Authority and the Stanislaus County Department of Social Services.

Typically, housing best suited for persons with disabilities will also be located near transit, medical facilities, shopping, and other services. Supportive services provided in Stanislaus County include centralized information and emergency housing rehabilitation to address handicap accommodation retrofits. Local agencies that provide assistance to persons with disabilities include the Disability

Resource Agency for Independent Living (DRAIL), the Howard Training Center, United Cerebral Palsy of Stanislaus and Tuolumne Counties, National Alliance for the Mentally Ill, Society for Disabilities, and Modesto Independent Living Center.

For the elderly and those aging out of foster care, smaller and more affordable housing units designed for people living alone such as studios and one-bedroom units are in short supply. Housing that can affordably and comfortably accommodate larger families is also needed. For many of these special needs populations, employment services and financial stabilization services such as credit counseling, help with utility and other housing-related payments, relocation assistance, and case management are also needed within convenient access to residents.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

In California and the rest of the United States, HIV infections and AIDS diagnoses are reported through a combination of passive and active surveillance. Passive surveillance is conducted through State-required reporting of HIV and AIDS cases by health care providers and reporting of HIV-positive test results from laboratories to local health departments (LHD). Active surveillance is accomplished through routine visits by LHD staff to hospitals, physician offices, laboratories, counseling and testing clinics, and outpatient clinics to ensure completeness, timeliness, and accuracy of reported data. To improve timeliness and completeness of reporting and ensure prompt identification and response to emerging problems in the field, the California Department of Public Health, Center for Infectious Diseases, Office of AIDS supports a decentralized reporting system where HIV and AIDS case reports are identified through passive and active surveillance efforts coordinated by California's 61 LHDs.

According to the California Department of Public Health, Office of AIDS, HIV/AIDS Surveillance Section, data as of June 30, 2014, which is reported by county and not metropolitan statistical area, shows the following for Stanislaus County:

HIV Total Cases: 179
HIV Living Cases: 172
HIV Deceased: 7

AIDS Total Cases: 826
AIDS Living Cases: 392
AIDS Deceased: 434

CP-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction’s need for Public Facilities:

The Modesto has extensive needs for public facilities. These include, but are not limited to, the following:

Parks/Community Facilities: There is a need for facilities serving youth/after-school programs and facilities serving seniors.

Accessibility Improvements to Public Facilities: Most existing public facilities in the Stanislaus Planning Area do not meet ADA (Americans with Disabilities Act) accessibility standards.

Energy Efficiency Improvements to Public Facilities: Many community facilities require upgrading to improve energy efficiency.

How were these needs determined?

A survey was conducted as part of the consolidated plan process. When asked about what parks and community center services were most important to fund, respondents identified the top three priorities as facilities serving youth/after-school programs, facilities serving seniors, and improvements to accessibility for seniors and disabled persons. The information contained in this Market Analysis also identified these needs. See Community Outreach Summary for individual responses.

Describe the jurisdiction’s need for Public Improvements:

Water and Sewer Infrastructure and Services: Extension/improvement of water and sewer lines is needed to serve low- and moderate-income households and to facilitate economic development activities.

Street and Sidewalk Improvements: Improvements are needed to address safety and traffic issues. In addition, ramps and curb cuts are needed to meet ADA accessibility requirements.

Streetlights: Many streets and public facilities (such as parks and recreation areas) lack adequate street lighting.

How were these needs determined?

A survey was conducted as part of the consolidated plan process. Results of the survey identified street improvements, improving water supply, and installing or improving street lighting to be the highest priority among infrastructure improvements surveyed. See Community Outreach Summary for individual responses.

Describe the jurisdiction’s need for Public Services:

Given the geographic spread of the Planning Area, many communities do not have adequate access to public and supportive services. Service needs in the Planning Area include, but are not limited to, the following:

- Services for very –low income households
- Services at risk children/youth children
- Services for persons with substance abuse
- Homeless and homeless prevention services
- Physically/mentally disabled persons services
- Services for seniors

How were these needs determined?

A survey was conducted as part of the consolidated plan process. Survey participants were asked to rank the importance of providing grant funds to programs that provide public services to low-income persons in their community. Respondents felt that the highest priority should be given to services for at-risk children/youth, seniors, and physically/mentally disabled persons. Lowest priority was to persons recently incarcerated or on parole, to persons with substance abuse problems, and for financial literacy. The information contained in this Needs Assessment and the Market Analysis also identified these needs.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

The purpose of this section of the Consolidated Plan is to describe the market conditions in the City Modesto that impact the needs and goals of the plan. The Market Analysis includes the following sections:

- Number of Housing Units, Cost of Housing, Condition of Housing
- Public and Assisted Housing
- Homeless Facilities and Services
- Special Needs Facilities and Services
- Barriers to Affordable Housing
- Non-Housing Community Development Assets
- Needs and Market Analysis Discussion

MA-10 Number of Housing Units – 91.210(a) & (b) (2)

Introduction

The City of Modesto has 73,800 housing units, 57% are owner-occupied and 43% are renter-occupied. Sixty-nine percent of all residential structures are single-family detached. Fourteen percent are multi-family (5 or more units/structure).

Sixty-five percent of housing units have three or more bedrooms; 24 percent, two bedrooms; 10 percent, one bedroom; 2 percent, no bedroom (studio).

All residential properties by number of units

Property Type	Number	%
1-Unit Detached Structure	50,876	69%
1-Unit, Attached Structure	3,503	5%
2-4 Units	6,979	9%
5-19 Units	5,808	8%
20 Or More Units	4,598	6%
Mobile Home, Boat, RV, Van, Etc.	2,059	3%
<i>Total</i>	<i>73,823</i>	<i>100%</i>

Table 24 – Residential Properties by Unit Number

Data Source: 2007-2011 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No Bedroom	51	0%	984	3%
1 Bedroom	341	1%	6,300	22%
2 Bedrooms	5,286	14%	11,030	38%
3 Or More Bedrooms	33,363	85%	10,624	37%
<i>Total</i>	<i>39,041</i>	<i>100%</i>	<i>28,938</i>	<i>100%</i>

Table 25 – Unit Size by Tenure

Data Source: 2007-2011 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

With the dissolution of the redevelopment agencies, the City of Modesto’s ability to provide affordable housing has been significantly reduced. The City’s CDBG allocation has also been significantly reduced as well as HOME funds. Over the last 5 years each funding source has been reduced by over 45%. With limited resources, the City anticipates the following housing activities:

CDBG Funds: The City has used CDBG funds for housing activities in the past however; with the limited amount of funds the City anticipates using a new approach. This approach will focus on using CDBG

funds for infrastructure type activities to serve low-income areas. The City will continue to use CDBG funds for down payment assistance, housing rehabilitation and public service activities.

HOME and CHDO Funds: The City will continue to use these funds to finance low-income housing projects as a funding source to help promote building larger scale affordable housing projects.

ESG Funding: As in past years, the City will continue to use all ESG funding to fund Emergency Services for low-income persons.

Other Funding Sources: Additional funding sources include the NSP programs. All of these programs will serve low-income households and the amount of funding available will vary.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

The Housing Authority of the County of Stanislaus (Housing Authority) is the largest landlord of multifamily and senior housing for the lower-income population. The Housing Authority owns and manages over 1,300 rental units (including public housing, farm labor housing, and seasonal migrant farm worker housing). Based upon data collected, Stanislaus County does not foresee a loss of available public housing units in Stanislaus County.

Does the availability of housing units meet the needs of the population?

The Housing Authority currently has waiting lists for publicly assisted housing and Housing Choice Vouchers with a waiting period of multiple years. In addition to issues relating to affordability, issues relating to housing conditions are also prevalent. With more than half (66 percent) of the housing units older than 30 years of age, a large portion of the Housing Authority's housing stock may need substantial rehabilitation. The extent of housing needs far exceeds the resources available to address those needs.

Describe the need for specific types of housing:

There is a range of housing needs, including transitional housing, housing for seniors and housing suitable for families, persons with disabilities, and single-bedroom affordable units for homeless individuals without children. Each of these groups has a need for more affordable housing.

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

Housing cost is a key determinant in the welfare of lower income households, especially when considering the high cost burdens experienced in the City and the prevalence of housing problems such as over-crowding.

Cost of Housing

	Base Year: 2000	Most Recent Year: 2011	% Change
Median Home Value	123,800	230,300	86%
Median Contract Rent	551	831	51%

Table 26 – Cost of Housing

Data Source: 2000 Census (Base Year), 2007-2011 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	3,437	11.9%
\$500-999	17,732	61.3%
\$1,000-1,499	6,642	23.0%
\$1,500-1,999	829	2.9%
\$2,000 or more	298	1.0%
<i>Total</i>	<i>28,938</i>	<i>100.0%</i>

Table 27 - Rent Paid

Data Source: 2007-2011 ACS

Housing Affordability

% Units Affordable To Households Earning	Renter	Owner
30% HAMFI	510	No Data
50% HAMFI	2,285	1,135
80% HAMFI	10,125	4,045
100% HAMFI	No Data	6,755
<i>Total</i>	<i>12,920</i>	<i>11,935</i>

Table 28 – Housing Affordability

Data Source: 2007-2011 CHAS

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	594	734	941	1,387	1,609
High HOME Rent	575	710	886	1,014	1,111
Low HOME Rent	542	581	697	806	900

Table 29 – Monthly Rent

Data Source: HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

While approximately 37 percent of city households, both renter and owner, are low income (at or below 80 percent of AMI; see Needs Assessment), only 26 percent of housing units (based on a total of 67,979

units) are affordable to these households. A majority of these units are affordable to households earning 80 percent of AMI, followed by households at 50 percent (very low-income) and 30 percent (extremely low income) of AMI. This indicates that there is a lack of affordable housing stock in the City to meet the existing needs of low- and very low-income households.

How is affordability of housing likely to change considering changes to home values and/or rents?

Given the way the market is trending, it is likely that affordability will continue to be a challenge for both renters and owners. The market has become increasingly difficult for low-income buyers due to a variety of factors, including a shrinking inventory of affordably priced homes, fierce competition from cash investors bidding on the same homes, and the more restrictive credit market that has made it difficult for many homebuyers to obtain financing. As a result of these challenges, the City prioritizes its limited resources for affordable rental housing.

Forced sales, which are actions taken in civil court forcing the owners of a piece of real property to sell their property and divide the profits, foreclosures and The Federal Housing Administration (FHA) first time home buyers max lending limit of \$276,000 has forced many homeowners into the rental market considering the median sales price is \$220,000 which is further stressing an already tight market. This increase in renter households has contributed to low rental vacancy rates and increased rental prices as well as increased property values throughout the City.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

Based on the data, within tables 26 through 29 in this section, the area’s median rent (\$831 in 2011) is affordable for a one bedroom unit, but would not be affordable for a two- or more bedroom unit. This data supports the City’s strategy to produce or preserve affordable housing, per HUD’s Office of CPD guidance.

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

Condition of housing is a key determinant in the decision to establish housing priorities. Poor housing conditions have a disproportionate impact on low income persons. Housing conditions also threaten the supply of affordable housing not to mention the overall supply of housing.

Definitions

According to HUD, substandard housing conditions within the City of Modesto include the following:

- Violation of State building and housing codes;
- Lack of adequate plumbing, kitchen, or heating facilities; and

City of Modesto

- Overcrowding conditions (defined as being occupied by more than one person per room, including living and dining rooms but excluding bathrooms and kitchen).

Substandard units suitable for rehabilitation are those units where the total rehabilitation costs do not exceed 25 percent of the after-rehabilitation value.

A housing unit is considered to be in “Standard Condition” if the unit:

- Is structurally sound and provides adequate shelter from the weather elements and a securable interior environment.
- Has operable indoor plumbing (a minimum of one of each: wash basin, water closet, bathing facilities, kitchen sink).
- Has an adequate, safe electrical system.
- Has a sanitary food preparation facility.
- Has no presence of environmental health concerns such as mold and lead.
- Meets and or exceeds HUD Housing Quality Standards (HQS).

A housing unit is considered to be in “substandard condition but suitable for rehabilitation” if the housing unit:

- Does not meet one or more of the conditions required for a dwelling to be in “standard condition” and the cost to bring the dwelling into compliance does not exceed 75 percent of the value of the house and property.
- Has been declared unfit or unsafe for occupancy by a government agency and the cost to bring the dwelling into compliance does not exceed 75 percent of the value of the house and property.

Condition of Units

Condition Of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With One Selected Condition	15,527	40%	15,336	53%
With Two Selected Conditions	715	2%	2,205	8%
With Three Selected Conditions	86	0%	206	1%
With Four Selected Conditions	0	0%	169	1%
No Selected Conditions	22,713	58%	11,022	38%
<i>Total</i>	<i>39,041</i>	<i>100%</i>	<i>28,938</i>	<i>101%</i>

Table 30 - Condition of Units

Data Source: 2007-2011 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	5,043	13%	2,152	7%
1980-1999	12,287	31%	9,785	34%

1950-1979	18,084	46%	13,668	47%
Before 1950	3,627	9%	3,333	12%
<i>Total</i>	<i>39,041</i>	<i>99%</i>	<i>28,938</i>	<i>100%</i>

Table 31 – Year Unit Built

Data Source: 2007-2011 CHAS

Risk of Lead-Based Paint Hazard

Risk Of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number Of Units Built Before 1980	21,711	56%	17,001	59%
Housing Units build before 1980 with children present	3,055	8%	3,465	12%

Table 32 – Risk of Lead-Based Paint

Data Source: 2007-2011 ACS (Total Units) 2007-2011 CHAS (Units with Children present)

Vacant Units

	Suitable For Rehabilitation	Not Suitable For Rehabilitation	Total
Vacant Units	0	0	0
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

Table 33 - Vacant Units

Data Source: 2005-2009 CHAS

Need for Owner and Rental Rehabilitation

Housing age can indicate general housing conditions within a community. Housing is subject to gradual deterioration over time. Deteriorating housing can depress neighboring property values, discourage reinvestment, and eventually impact the quality of life in a neighborhood.

Overall, housing in the City is well maintained. However, certain neighborhoods are adversely affected by deferred maintenance. Approximately 15,000 housing units require rehabilitation and 500 housing units in the City require replacement. Neighborhoods toward the City’s center have vintage houses, and many census tracts’ houses near downtown have a median age of more than 55 years. The areas with the oldest houses include the downtown area and areas north of downtown. Many of these areas of the City have well-kept vintage houses and are among the City’s most valuable, though median owner costs are among the lowest in the City. The median house prices (as reported by the Census) for the older housing stock northwest of Paradise Road and southwest of Highway 99 are some of the lowest in the City. Median house prices in the Airport Way area west of Vista Road are in about the middle compared to other census tracts in the City.

Many of these areas with older houses correspond with census tracts with higher concentrations of lower income households. Lower-income owners and landlords renting to lower-income households are

sometimes more apt to defer maintenance on their houses, and due to the age of housing stock in some of the neighborhoods near downtown, considerable maintenance would be necessary to maintain adequate living conditions. The census tract that most represents the downtown and central portion of the City has the lowest median gross rental rate, and the Paradise/Highway 99 area is also more affordable relative to rents compared to almost any other City census tract.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Housing age is the key variable used to estimate the number of housing units with lead-based paint (LBP). Starting in 1978, the Federal government prohibited the use of LBP on residential properties. National studies estimate that 75 percent of all residential structures built prior to 1970 contain LBP. Housing built prior to 1940 is highly likely to contain LBP (estimated at 90 percent of housing units), and in housing built between 1960 and 1979, 62 percent of units are estimated to contain LBP.

All housing-related programs administered by the City have policies in place which require that all units constructed before 1978 be screened for LBP hazards. The LBP regulation that became effective April 22, 2010, added a requirement that contractors bidding on the rehabilitation of housing built prior to 1978 provide documentation of EPA Lead Renovation and Repair and Painting certification. If lead is found in any housing units, an LBP clearance test is conducted after the work has been completed by a licensed contractor with expertise in this type of work. Final payment is not released until the unit has passed the LBP testing requirement. These requirements will assist the City in its goal to eliminate the lead-based paint hazards in the units of the community.

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

The Total Number of Units table below shows the total number of public and assisted housing units in Stanislaus County.

Totals Number of Units

		Program Type								
		Certificate	Mod-Rehab	Public Housing	Vouchers					
					Total	Project-Based	Tenant-Based	Special Purpose Voucher		
								Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# Of Units Vouchers Available		0	0	647	4,096	6	4,090	0	1,207	0
# Of Accessible Units				32						

*Includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-Year, And Nursing Home Transition

Table 34 – Total Number of Units by Program Type

Data PIC (PIH Information Center)
 Source:

Describe the supply of public housing developments:

The Housing Authority assigns five percent (5%) of its public housing inventory as accessible units for disabled persons/families. The Housing Authority designates the remaining ninety five percent (95%) of their public housing units as general occupancy; elderly households can occupy these units without requesting further designation.

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

The Housing Authority currently owns a total of 1238 dwelling units consisting of 647 Conventional Low Rent Units, 215 Migrant Farm Labor Units, 356 Farmers Homes, Farm Labor Housing units, and a trailer park consisting of 20 spaces for use by Farm Labor families. The Housing Authority also has the following Below Market Rent Units:

24 Randazzo Units, 11 Units at 608 Brighton, 36 Units at 608 E. Granger, and 3 at Porsche Strasse.

In addition, the Housing Authority provides assistance to 3,980 (240 of which are Family Unification Vouchers) families through its’ Section 8 existing Housing Assistance Payments program, 55 families through its’ Section 8 State After Care program, and 52 participants in the Shelter Plus Care program.

Since 2009, the Housing Authority has completed, or is in the process of completing, modernization activities at 495 of their 647 Public Housing program units. These projects included roofing with energy efficient cool roof products, replacement of HVAC systems and appliances with newer energy efficient models and comprehensive interior and exterior modernization of three of their oldest developments. These modernizations have a positive impact of the curb appeal for these developments. In addition, the Housing Authority completed significant improvements to sidewalk, parking areas and some common landscape areas in all of their Asset Management Properties (AMPs).

Public Housing Condition

Public Housing Development	Average Inspection Score
All PHA Units	80

Table 35 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

Restoration and revitalization needs are typically identified through physical needs assessments completed for the public housing properties. These activities are then incorporated in the Housing Authority’s Five-Year Action Plan. Projects currently planned in these areas over the next five years range from interior and exterior modernization of buildings and units to replacement of mechanical systems. Table MA-11.1 below summarizes the Housing Authority’s restoration and revitalization project needs.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

The Housing Authority in its commitment to provide decent, safe and affordable housing is regularly assessing its units to improve the living environment of low and moderate-income families residing in public housing by:

- Pursuing projects in collaboration with other municipal or local agencies to provide supportive services to their tenants and to provide economic opportunities.
- Establishing policies to provide a drug-free environment.
- Establishing neighborhood watch programs in collaboration with local law enforcement agencies, and participating in the Crime-Free Multi-Family programs and obtaining a certification for their housing developments.
- Performing regular property HQS inspections, to ensure that the housing units and common areas are in good condition, and free of health and safety hazards, and to comply with other efforts such as carbon monoxide detectors.
- Preparing and executing a long-range plan of capital improvements to public housing units that includes energy efficiency improvements to reduce resident’s utility costs, and rehabilitation or physical repairs of the units.
- Providing notices and educational material to both landlords and tenants participating in the Housing Choice Voucher (HCV program, warning them of Lead Base Paint (LBP hazards).

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

The most comprehensive analysis of the homeless population and service availability in Stanislaus County is conducted by the Continuum of Care Stanislaus (CoC). To obtain demographic data on the homeless and those at risk of becoming homeless, a point-in-time survey is conducted annually.

According to the State of California Housing and Community Development (HCD) data for the Stanislaus County Housing Element, there are 322 family beds, 555 adult-only beds, and 61 children-only beds for a total 938 year-round beds in Stanislaus County. No seasonal beds were identified.

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	314	0	118	0	0
Households with Only Adults	16	233	154	0	0
Chronically Homeless Households	0	0	0	0	0
Veterans	0	0	0	0	0
Unaccompanied Youth	62	0	0	0	0

Table 36 - Facilities and Housing Targeted to Homeless Households

Data Source

Comments:

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

- **Alliance Worknet** provides Workforce Investment Act services to the residents of Stanislaus County.
- **AspiraNet** provides vocational education and job training through its California Department of Education Workability program.
- **Behavioral Health and Recovery Services (BHRS)** administers Stanislaus County’s behavioral health and recovery services. (Inpatient, PSH Supportive Service, Street Outreach, Telecare, ACCESS Team)

- **Central Valley Opportunity Center (CVOC)** is a nonprofit employment training and service provider serving the counties of Stanislaus, Merced, and Madera.
- **Community Services Agency (CSA) - STANWORKS** oversees the County's Welfare-To-Work program which helps CalWORKS customers find and keep a job. CalWORKS is a State welfare program that gives cash aid and services to eligible needy California families. The Welfare-To-Work program also includes assisting with job training to upgrade persons to higher paying jobs. This agency's mission is to protect children and adults, who are at risk, preserve families, provide temporary economic assistance, promote personal responsibility in the areas of job readiness and self-sufficiency, and practice program and system integrity through innovative and effective business strategies.
- **Disability Resource Agency for Independent Living (DRAIL)** is a nonprofit corporation that provides to persons with disabilities.
- **Employment Development Department (EDD)** is a State agency that provides services to Individuals in Californian under Unemployment Insurance, State Disability Insurance, workforce investment, and Labor Market Information programs. , and assisting disadvantaged recipients in becoming self-sufficient.
- **Golden Valley Health Center (Corner of Hope Homeless Outreach Program)** provides free health services including dental, vision, general medical and mental health services.
- **Health Services Agency (HSA)** in partnership with local hospitals and physician groups supplements and promotes a health delivery system that ensures that Stanislaus County residents have access to quality health care.
- **Interfaith Ministries of Greater Modesto** serves hundreds of individuals and families in the City, with emergency food and clothing.
- **Job Corps**, administered by The U.S. Department of Labor, is a no-cost education and vocational training program for persons between the ages of 16 and 24 who qualify as low income
- **National Alliance on Mental Illness (NAMI)** provides employment assistance, by providing informational resources, detailing vocational programs available to persons with a mental illness, legal protections, and health coverage options.
- **The Salvation Army Modesto Corps** provides an array of services to the homeless.
- **Stanislaus County Department of Aging & Veterans Services** provides assistance and advocacy to the men and women who served in the Armed Services of America, their dependents, and survivors and the general public in obtaining benefits and entitlements from the U.S. Department of Veterans Affairs, Department of Defense, and State and local agencies.
- **TeleCare Corporation** manages one of Stanislaus County's Regional Service Teams, providing outpatient and intensive community support mental health services to an estimated 350 to 400 adults living in eastern Modesto. .
- **Turning Point** (Empowerment Center) offers programs in seven California counties to assist persons with a mental illness.
- **The United Samaritans Foundation** operates four mobile food service trucks from their facilities in Turlock, Hughson, and Modesto, delivering nutritious lunches to nine Stanislaus communities five days per week.

- **The Valley Mountain Regional Center** provides a variety of resources to children and adults with developmental disabilities in Stanislaus, San Joaquin, Amador, Calaveras, and Tuolumne counties.
- **The U.S. Department of Veterans Affairs** provides numerous benefits and services to veterans and their families including health care, vocational rehabilitation, education, and home loans.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

- **Hutton House** is an emergency shelter for runaway, homeless, and youth in crisis who are ages 13-17.
- **Pathways** is a transitional living and support services program that focuses on youth who have “aged out” of the foster care placement system.
- **Children’s Crisis Center of Stanislaus County (CCC)** provides child care and shelter services to abused, neglected, and at-risk children in the community.
- **Cricket, Guardian, Marsha’s, Sawyer, and Verda’s Houses** provides shelter for children who may be involved in a family crisis or a conflict situation.
- **Homeless Prevention and Rapid Re-Housing Program (HPRP)** provides rental assistance in conjunction with intensive case management.
- **Community Housing and Shelter Services (CHSS)** provides opportunities to households with and without children to obtain and maintain permanent housing.
- **Community Impact of Central Valley (CICV)** provides services to individuals with HIV/AIDS through the Housing Opportunities for Persons with AIDS Program (HOPWA).
- **Family Promise of Greater Modesto** provides transitional shelter at church sites and case management support for finding permanent affordable housing.
- **Haven Women’s Center of Stanislaus County** provides outreach to homeless women and children in the South Stanislaus County area and within the City.
- **Housing Authority of the County of Stanislaus** administers 222 Shelter Plus Care Certificates and HUD-VASH vouchers which help provide permanent supportive housing to homeless veterans.
- **Miller Pointe** is a 15-unit permanent rental housing project serving very low-income households.
- **Meadow Glen** is a 32-unit permanent rental supportive housing serving very low-income foster youth aged out of foster care.
- **The Modesto Men’s Gospel Mission and Women’s Mission** provides a limited stay of seven nights on the floor, and three nights out, and also serves two meals a day.

- **Mission Emergency Shelter** provides beds for temporary shelter to house up to 100 unaccompanied adult men and women and up to 90 women and children for a maximum stay of fourteen days.
- **New Life Program Residential** is an on-site program for up to 41 unaccompanied adult men and women who need specialized help to return to societal living.
- **The Exodus Program** offers up to 20 transitional beds to unaccompanied adult men and women, who have successfully gone through the 30-day New Life Program
- **The Salvation Army Modesto Corps** provides an array of services to the homeless.
- **The Berberian Emergency Shelter** provides 100 cold weather beds to unaccompanied homeless adult men and women and up to 30 year-round beds to homeless persons with special medical needs.
- **The Berberian Transitional Living Facility** provides 20 beds for homeless male and female veterans and 20 beds for unaccompanied homeless males and females for up to 24 months.
- **Stanislaus County Affordable Housing Corporation (STANCO)** operates eight properties for permanent affordable housing and conducts outreach to place people in supportive housing. STANCO also operates 33 transitional beds for homeless families with children and 37 beds for unaccompanied adult homeless males and females.
- **Bennett Place** contains 18 units that are reserved for persons who have a serious mental illness (SMI) or serious emotional disturbance (SED) and are homeless or at risk for homelessness.
- Turning Point Community Programs provides integrated, cost-effective mental health services, employment and housing for adults, children and their families that promote recovery, independence and self-sufficiency.
- **Turning Point Respite Center at Garden Gate** provides a safe home-like environment for up to 12 homeless mentally ill persons nightly.
- **Turning Point's Affordable and Supportive Housing Projects** provide public support services to 21 unaccompanied adults with mental illness.

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

Services are needed for special needs persons to live independently and thereby avoid homelessness or institutionalization. This includes those persons returning from mental health and physical health institutions. These groups include the elderly, persons with physical, mental, or developmental disabilities, persons with HIV/AIDS, victims of domestic violence, children leaving group homes or aging out of foster care, farm workers, and substance abusers. Below are facilities and services available to these subpopulations.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families,

public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

Housing Opportunities for Persons with AIDS (HOPWA) Program:

Community Impact of Central Valley (CICV) provides services to individuals with HIV/AIDS through the Housing Opportunities for Persons with AIDS Program (HOPWA). Under HOPWA qualified persons can receive assistance for security deposit, first-month rent, mortgage assistance, rental assistance, utilities, and food depending on their need. CICV can assist individuals for up to six months if participants show proof of hardship. CICV also serves veterans. In addition, CICV serves families through its tenant-based rental assistance program, permanent housing placement services, and supportive services. Under the tenant-based rental assistance program, individuals and their families will be provided for up to one year. The program is renewed on a yearly basis, and if qualifying, the family can receive assistance for more than one year. People may also receive assistance, such as security deposit, first-month rent, credit check and utility hook-up, through CICV's permanent housing placement services. Lastly, CICV provides supportive services including transportation, food, and nutrition classes to people and their families that are experiencing AIDS.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

Residential care facilities provide supportive housing for persons with disabilities. The types of facilities available in the City include:

- Group Homes: Facilities of any capacity and provide 24-hour non-medical care and supervision to children in a structured environment. Group homes provide social, psychological, and behavioral programs for troubled youths.
- Adult Residential Facilities: Facilities of any capacity that provide 24-hour nonmedical care for adults ages 18 through 59, who are unable to provide for their own daily needs. Adults may be physically handicapped, developmentally disabled, and/or mentally disabled.
- Residential Care Facilities for the Elderly: Facilities that provide care, supervision and assistance with activities of daily living, such as bathing and grooming. They may also provide incidental medical services under special care plans. These facilities are regulated by the State Department of Social Services (DSS).

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

The City proposes to focus ESG public service funds for Fiscal Year 2015-2016 on emergency cold-weather shelter for homeless persons, emergency food assistance for seniors and low-income households, and services for strengthening families and at-risk youth.

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

The City requires an application fee of \$5,231 for a General Plan Amendment, excluding significant environmental review, should a project be proposed for a site where it is inconsistent with the General Plan. If a project is proposed for a site on which the zoning does not permit it, a zone change can cost up to \$5,231, depending on the type of zoning change required. The City's application fees are based on full recovery of costs associated with the processing of land use applications. It is the City's policy that no development shall be subsidized by the General Fund.

Impact fees, land dedications, or improvements are also required in most instances to provide an adequate supply of necessary infrastructure (streets, sewers, and storm drains) to support the new development as well as public parkland. While such costs are charged to the developer, most, if not all, additional costs are passed onto the consumer. The City does, however, provide fee waivers in some cases and allow fee deferrals in many instances, allowing a development project to move forward with smaller up-front expenditures.

There are numerous fire and school districts within Stanislaus County and all charge impact fees. School fees range from \$2.60 to \$5.16 per square foot with an average of \$3.88 per square foot and can add significantly to the cost of development, but are consistent with the amounts and parameters established by California Government Code Sections 65995 and 66000 et seq. Fire plan check fees are charged at a flat rate of \$71 and \$168.

Compliance with numerous governmental laws or regulations can also add to the cost of housing. Requirements relating to site coverage, parking, and open space in developments can indirectly increase costs by limiting the number of dwelling units that can occupy a given piece of land. This is especially true with larger units when the bulk of the buildings and increased parking requirements occupy a large share of the site. Connecting to public water and sewer systems, street improvements, storm drain, and fire suppressions requirements can also add significant costs to residential projects.

Other development and construction standards can also impact housing costs. Such standards may include the incorporation of additional design treatment (architectural details or trim, special building materials, landscaping, and textured paving) to improve the appearance of the development. Other standards included in the California Building Code requiring developers to address such issues as noise transmission and energy conservation can also result in higher construction costs. While some features (interior and exterior design treatments) are included by the developer as amenities to help sell the

product in the competitive market, other features (i.e., those required to achieve compliance with energy conservation regulations) may actually reduce monthly living expenses. However, all these features may add to the initial sales price, resulting in an increasingly difficult hurdle for many new homebuyers to overcome.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

This section of the Consolidated Plan describes the Stanislaus Planning Area’s economic development asset needs.

Economic Development Market Analysis

Business Activity

Business By Sector	Number Of Workers	Number Of Jobs	Share Of Workers %	Share Of Jobs %	Jobs Less Workers %
Agriculture, Mining, Oil & Gas Extraction	2,484	722	5	1	-4
Arts, Entertainment, Accommodations	6,531	7,599	12	13	1
Construction	2,566	1,447	5	3	-2
Education And Health Care Services	10,520	16,090	20	29	9
Finance, Insurance, And Real Estate	2,306	2,765	4	5	1
Information	730	756	1	1	0
Manufacturing	7,138	6,481	14	11	-3
Other Services	3,391	3,754	6	7	1
Professional, Scientific, Management Services	3,630	4,140	7	7	0
Public Administration	0	0	0	0	0
Retail Trade	7,820	9,133	15	16	1
Transportation And Warehousing	2,250	871	4	2	-2
Wholesale Trade	3,040	2,660	6	5	-1
Total	52,406	56,418	--	--	--

Table 37 - Business Activity

Data 2007-2011 ACS (Workers), 2011 Longitudinal Employer-Household Dynamics (Jobs)

Source:

Labor Force

Total Population In The Civilian Labor Force	93,520
Civilian Employed Population 16 Years And Over	80,459
Unemployment Rate	13.97
Unemployment Rate For Ages 16-24	25.74
Unemployment Rate For Ages 25-65	9.31

Table 38 - Labor Force

Data Source: 2007-2011 ACS

Occupations By Sector	Number Of People
Management, Business And Financial	14,498
Farming, Fisheries And Forestry Occupations	4,215
Service	8,885
Sales And Office	22,125
Construction, Extraction, Maintenance And Repair	8,674
Production, Transportation And Material Moving	5,423

Table 39 – Occupations by Sector

Data Source: 2007-2011 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	55,122	73%
30-59 Minutes	13,205	17%
60 or More Minutes	7,407	10%
<i>Total</i>	<i>75,734</i>	<i>100%</i>

Table 40 - Travel Time

Data Source: 2007-2011 ACS

Education

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		
	Civilian Employed	Unemployed	Not In Labor Force
Less Than High School Graduate	9,938	2,353	7,427
High School Graduate (Includes Equivalency)	16,366	3,436	7,367
Some College Or Associate's Degree	24,520	2,868	7,658
Bachelor's Degree Or Higher	15,842	767	2,658

Table 41 - Educational Attainment by Employment Status

Data Source: 2007-2011 ACS

Educational Attainment by Age

	Age				
	18–24 yrs.	25–34 yrs.	35–44 yrs.	45–65 yrs.	65+ yrs.
Less Than 9th Grade	446	1,914	2,538	4,649	3,361
9th To 12th Grade, No Diploma	2,688	3,415	3,208	3,994	2,600
High School Graduate, GED, Or Alternative	7,252	8,291	6,615	12,263	6,729
Some College, No Degree	8,191	8,285	6,682	12,446	5,271
Associate's Degree	589	2,021	1,476	4,157	1,482
Bachelor's Degree	612	3,130	3,175	6,399	2,465
Graduate Or Professional Degree	84	1,199	1,725	3,639	1,562

Table 42 - Educational Attainment by Age

Data Source: 2007-2011 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings In The Past 12 Months
Less Than High School Graduate	18,688
High School Graduate (Includes Equivalency)	29,770
Some College Or Associate's Degree	35,192
Bachelor's Degree	52,991
Graduate Or Professional Degree	71,543

Table 43 – Median Earnings in the Past 12 Months

Data Source: 2007-2011 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

This section provides an overview of employment trends in the City as well as Stanislaus County. The major business activities include education and health care services (27 percent share of all jobs), retail trade (15 percent), arts, entertainment, and accommodations (13 percent) and manufacturing (11 percent) (See Table 41 – Business Activity) According to Stanislaus County, the major industries in unincorporated parts of Stanislaus County are manufacturing (34 percent), education and health care services (28 percent), retail trade (15 percent), and agriculture (21 percent).

Major Manufacturing Employers – City and Stanislaus County

The manufacturing industry continues to be an important employer in the City and Stanislaus County. Table MA-21.1 shows the top 12 employers in the manufacturing industry in 2014.

Major Non-Manufacturing Employers – City and Stanislaus County

Some of the City and Stanislaus County’s largest employers are also in the non-manufacturing field. Table MA-21.2 shows the top 13 non-manufacturing employers for 2014.

Describe the workforce and infrastructure needs of the business community:

Stanislaus County Local Workforce Investment Area (LWIA) Local Plan Program Years 2013-17

The Stanislaus County Local Workforce Investment Board (LWIB) membership includes 25 employers from business and industry. These members represent some of the region’s biggest employers, including Foster Farms, Kaiser Permanente, and the Manufacturers Council of the Central Valley. In addition, eight of the largest organized labor unions are represented as is education with representation by the Superintendent of the County Office of Education and the President of Modesto Junior College. Finally, the unique structure of the Modesto and Stanislaus Economic Development and Workforce Alliance (The Alliance) organization combines economic development and workforce development services under one roof with one Board of Directors. Consequently, economic development experts from each of the nine cities in Stanislaus County are represented on the board, and The Alliance employs economic development specialists. This combination of key stakeholders is convened at least annually and more often if circumstances require, to identify the workforce challenges facing the local area and to develop solutions to address those challenges.

In an effort to ensure that local workers are being prepared for employment in current high demand and emergent industry sectors, the Stanislaus LWIB annually reviews and approves a list of the top 25 demand occupations authorized for WIA-funded training. The list is compiled based upon three sources of data: the Employment Development Department (EDD) Labor Market Information Division (LMID) 2008-2018 Occupational Employment Projections, Modesto Metropolitan Statistical Area; 2012 Alliance Worknet job orders from local employers; 2012 job postings in Stanislaus County from Wanted Technologies, Inc. The Stanislaus LWIB focuses its training efforts and dollars on the occupations on this list, thus helping to ensure that workers are being trained for jobs that currently exist and/or will exist in the near future.

As a member of the Central California Workforce Collaborative, the Stanislaus Alliance Worknet is able to collaborate with eight other LWIBS in the region to establish regional workforce development priorities. The Alliance is a member of the Central California Economic Development Corporation, from which information on regional education and training needs from an economic development perspective is gathered and used to help guide the education and training efforts for the region.

The Central California Workforce Collaborative (CCWC) has been a member of the California Partnership for the San Joaquin Valley (CPSJV) since designation by Executive Order in 2005. In 2006, the CPSJV conducted a sector study of the Valley and determined the high growth and high demand sectors to be manufacturing, health care, logistics, energy, and agribusiness. The CCWC adopted the five targeted sectors as priority for the region. Each CCWC LWIA targets its investments in high growth, high demand sectors in the region.

While each local area has its unique micro clusters, there is a great deal of commonality in the definition and focus of the targeted high growth cluster at the regional level.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

The CPSJV recently commissioned an update to its 2005 cluster study of the Valley. The 2012 study is Regional Industry Cluster Analysis and Action Plan (Plan). For the complete report, go to the site provided below:

http://sjvpartnership.org/wpcontent/uploads/2013/03/SJV_RegionalIndustryClustersInitiative_Plan_Sep2012.pdf

The result was a continued confirmation of the importance of the five industry clusters identified in the 2006 report:

- Agriculture
- Energy
- Health and Wellness
- Transportation/Logistics
- Manufacturing

In addition, two important industry clusters were identified and included in the target list:

- Water Technology
- Public Sector Infrastructure (Construction)

The report identified the issues and opportunities related to each industry cluster and provided an action plan targeted at resolving the issues and capitalizing on the opportunities.

According to the LWIA Plan, the clusters represent 52 percent of private sector employment in the region, but were responsible for 73 percent of private sector job growth. While the economy in the region experienced some minor growth during the past two years, it was especially hard hit by the Great Recession. Also according to the Plan, the Valley experienced rapid job growth from 2004-2007, but during the economic downturn, between 2008 and 2010, 92,000 jobs were lost. The Plan also highlighted the Valley's inability to capture the economic "value chain" of goods flow movements resulting in a leakage of economic potential, as well as a leakage of skilled workers who commute to jobs located outside of the Valley. To address these issues, a high level implementation blueprint has been included in the Plan with a focus on collaboration at a regional level.

Modesto

Modesto and Stanislaus County, along with the Central Valley region, has not experienced a significant recovery from the Great Recession. Stanislaus County has 35,000–40,000 individuals unemployed in any given month. Consequently there exists a ready labor force that possesses a variety of skills that cut across industry sectors. Given this dynamic, employers are not currently experiencing the skill gap shortage that perhaps other regions with booming industries and rapidly growing economies are experiencing.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

Please see the response to the previous question.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

The Stanislaus LWIB fosters collaboration between community colleges and Department of Industrial Relations-Division of Apprenticeship Standards (DAS)-approved apprenticeship programs through a three-way partnership consisting of Modesto Junior College (MJC), the local manufacturing industry, and the LWIB. This DAS-approved registered apprenticeship program provides apprentices with training for the maintenance mechanic trade at MJC during the evenings and hands-on training through their employment with a local manufacturer during the day. The LWIB provides on-the-job training wage reimbursement support for the apprentices while they are in the hands-on training component.

In addition, the Stanislaus LWIB has partnered with the local Plumbers & Pipefitters, Electrical, and Sheet Metal Workers labor unions to fund a pre-apprenticeship program designed to prepare individuals for registered apprenticeships with any of the above unions.

The LWIB is constantly looking for opportunities to address skill gap needs that emerge. In many situations, partnerships with community colleges are used to provide programs that fill the gaps. Examples are psychiatric technician training, warehouse/distribution training, and maintenance mechanic training. In other instances, partnerships with local labor unions are the tool used.

An example is pre-apprenticeship training for plumbers/pipefitters, electricians, and sheet metal workers. In other situations the LWIB has turned to technical colleges for partnerships. An example is a medical billing certification program developed in partnership with Community Business College.

In every situation where skill gaps are identified, the input of local businesses is sought to confirm the existence of the skill gaps and for input into curriculum content. For example, the LWIB works closely with the Manufacturers Council of the San Joaquin Valley on any manufacturing and logistics projects.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

Yes

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

The 2014-2017 update to the Comprehensive Economic Development Strategy (CEDS) was compiled in joint effort with the Economic Development Action Committee membership which includes Stanislaus County and the nine incorporated cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, City of Turlock, and Waterford with research assistance provided by the Stanislaus Economic Development and Workforce Alliance/Business Resource Center.

The strategy presents a socioeconomic overview of Stanislaus County, along with economic development activities and projects that will be undertaken by public and private entities in a mission to create new jobs and provide critical services to the residents of Stanislaus County. The CEDS update contains a summary of infrastructure projects that require support for future growth within Stanislaus County.

The priority objective of the CEDS strategic effort is to facilitate future investments in infrastructure – both physical and human so as to maintain a competitive place in the economic development future of the San Joaquin Valley. To that end, the CEDS development goals and priorities are consistent with regional objectives and include:

- Encourage and support new business innovation and entrepreneurs;
- Promote the region as a tourism destination;
- Develop specialized education including higher education and workforce development;
- Develop a college going culture in Stanislaus County;
- Continue to implement computer literacy outreach to align with community college curriculum;
- Enhance goods movement transportation projects that build capacity while increasing safety, decreasing congestion, improving air quality and promoting economic development;
- Participate in the development of a comprehensive San Joaquin Valley Regional Water Plan;

City of Modesto

- Continue to promote accessibility and utilization of advanced communications services (through targeted technology training efforts, etc.) as fundamental and necessary for all residents and businesses.

Annual projects and programs in the City reflect the CEDS focus on infrastructure improvements and projects. The CEDS projects and strategies may in the future be coordinated with the Consolidated Plan so that CDBG funding can be considered, based on area and project eligibility, for future infrastructure projects.

Discussion

Regional Clusters of Opportunity Grants (RICO)

The California Workforce Investment Board's (State Board) Sector Strategies approach to bolstering regional economic competitiveness requires the development of regional initiatives that are based upon a data driven analytical framework. In support of this framework, the Regional Industry Clusters of Opportunity Grant (RICO) program was developed jointly by the State Board, the California Energy Commission (Energy Commission), and the California Economic Strategy Panel (ESP). These grants bolster regional economic competitiveness by building the capacity of regional collaborations to identify growing industries, undertake strategic planning and leverage public/private resources. The funding supports the utilization of the Industry Cluster of Opportunity Methodology to develop the data-driven analysis necessary for the formation of relevant regional sector initiatives. The State Board's intent is that the resulting data-driven analyses will serve as the foundation for developing and implementing regional clusters of opportunity strategies and for involving partners in advancing the competitive position of targeted clusters resulting in economic prosperity.

In February 2010, funding in the amount of \$200,000 was awarded to the Fresno County Workforce Investment Board which includes Amador, Calaveras, Fresno, Kern, Kings, Inyo, Madera, Mariposa, Merced, Mono, San Joaquin, Stanislaus, and Tuolumne counties.

The 14-county region focused on the health care cluster and implemented employer workforce surveys across the segments of the health care cluster to identify and target critical workforce shortages in health occupations, focusing first on implementing a skilled nursing internship program and applying for funding to meet specific needs such as psychiatric and radiation technicians, as well as working together on key regulatory issues (e.g., long-term care).

Employer	Number of Employees
E&J Gallo Winery	3,181
Seneca Foods	2,100
Stanislaus Food Products	1,784
Del Monte Foods	1,700
Foster Farms	1,550
ConAgra	1,200
Frito-Lay	684
Racor	650
Foster Farms Dairy	644
Silgan Containers	444
Pacific Southwest Container	384
Olam Spices & Vegetables	360
Bronco Wine Company	350
Blue Diamond Growers	350
Hughson Nut Company	348
Ball Corporation	317
Rizo-Lopez Foods	305

Data Source: California EDD 2014

Major Manufacturing Employers

Employer	Number of Employees
Stanislaus County	3,607
Memorial Medical Center	3,023
Modesto City Schools	3,010
Doctors Medical Center	1,962
Save Mart Supermarkets	1,661
Modesto Junior College	1,475
Kaiser Permanente	1,759
Turlock Unified School District	1,437
Emanuel Medical Center	1,411
Wal-Mart	1,389
Ceres Unified School District	1,300
City of Modesto	1,281
California State University, Stanislaus	983
Sutter Gould Medical Foundation	750
Sylvan Unified School District	712
American Medical Response	704
Oakdale Joint Unified School District	525
CVS	500

Data Source: California EDD 2014

Major Non-Manufacturing Employers

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (Include a definition of "concentration")

Households with any one of four severe housing problems, those experiencing (1) overcrowding; (2) substandard housing; (3) cost burden (paying more than 30 percent of household income for housing costs); and (4) severe cost burden (spending over 50 percent of household income for housing costs) are concentrated in several areas of the City of Modesto. A concentration is defined as an area representing the upper quintile of incidence by percentage of the population. Tract level data was compared to City-wide data. The population is examined by income grouping. The following income categories are used throughout the Consolidated Plan:

- Extremely low – households with income less than 30% of area median income (AMI)
- Very low – households with income between 30 and 50% of AMI
- Low – households with income between 51 and 80% of AMI
- Moderate – households with income between 81 and 120% of AMI
- Above moderate – households with income above 120% of AMI

For moderate-income households, a concentration is where more than 78 percent of households are experiencing four or more severe housing problems. Map MA-50.1 shows the percentage of moderate-income households with ANY of four severe housing problems.

For low-income households, a concentration is where more than 85 percent of households are experiencing four or more severe housing problems. Map MA-50.2 shows low-income households with ANY of four severe housing problems.

For extremely low-income households, a concentration is where more than 89 percent of households are experiencing four or more severe housing problems. Map MA-50.3 shows extremely-low-income households with ANY of four severe housing problems.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (Include a definition of "concentration")

The City has several different racial groups that populate The City's low-mod census tracts with most tracts divided somewhat equally with Hispanic households populating South/West Modest, White households populating North/East Modesto and Black or African American households populating West Modesto census tracts.

A minority concentration is defined herein as any tracts where the population of any minority group is ten percent more than the citywide proportion. Data shows that the highest incidences of low-income households – over 63 percent -- are found in areas bordering the South/West Modesto.

The top quartile of White household percentage is 60-76 percent, Hispanic households is 41-63 percent, Asian households is 9.50-17.5 percent, Black or African American households is 3.50-6 percent, Native Hawaiian/Pacific Islander households is 2.50-5 percent.

What are the characteristics of the market in these areas/neighborhoods?

The characteristics of the market are discussed in detail in earlier sections MA-05 through MA-25. Most of the same characteristics as described in those discussions apply to the market in these areas.

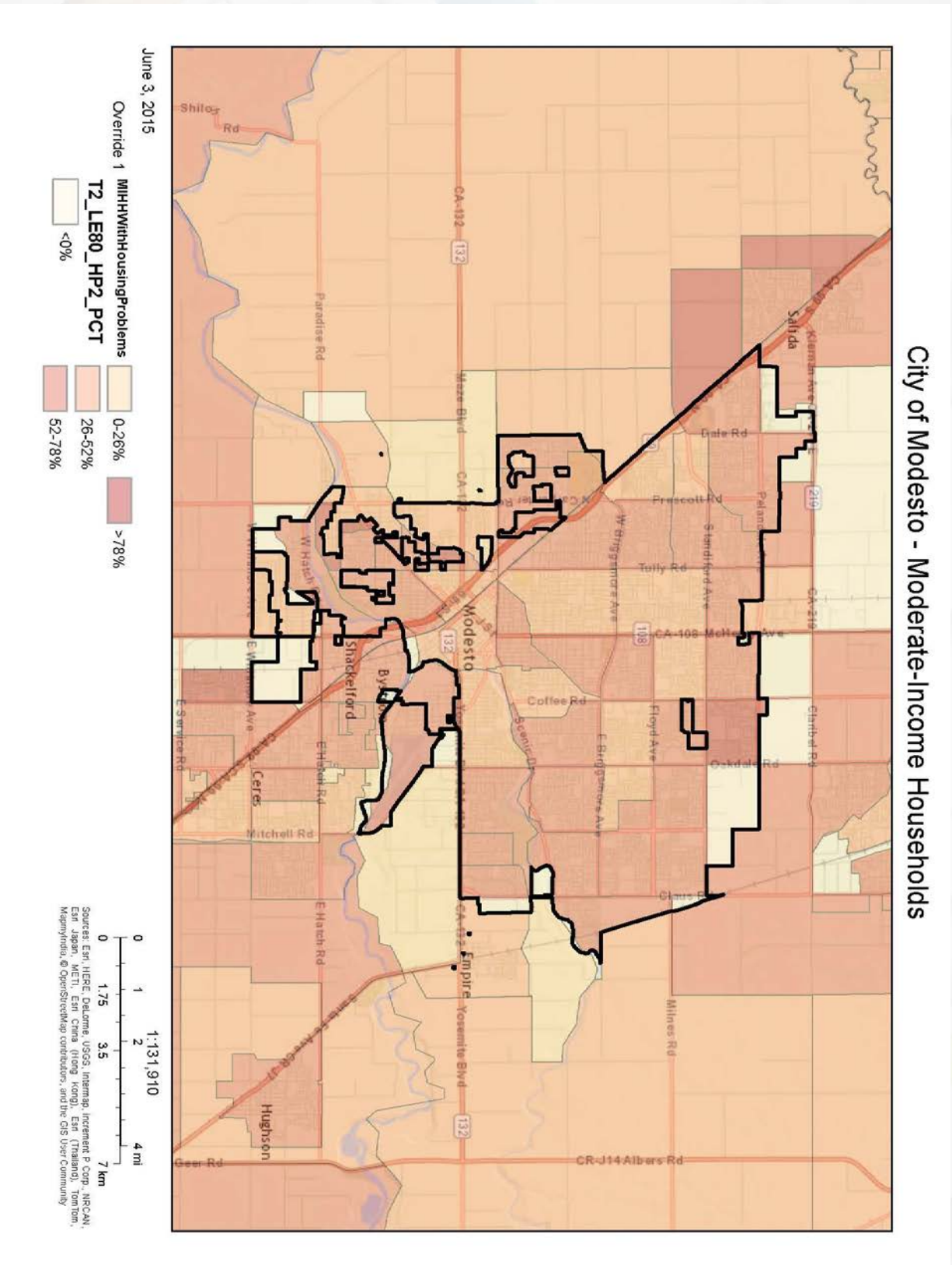
Are there any community assets in these areas/neighborhoods?

Community assets generally include facilities such as schools, libraries, community centers, parks, and access to commercial establishments such as grocery stores, general merchandise stores, and pharmacy retailers, among others. Community assets are disbursed throughout the City.

Are there other strategic opportunities in any of these areas?

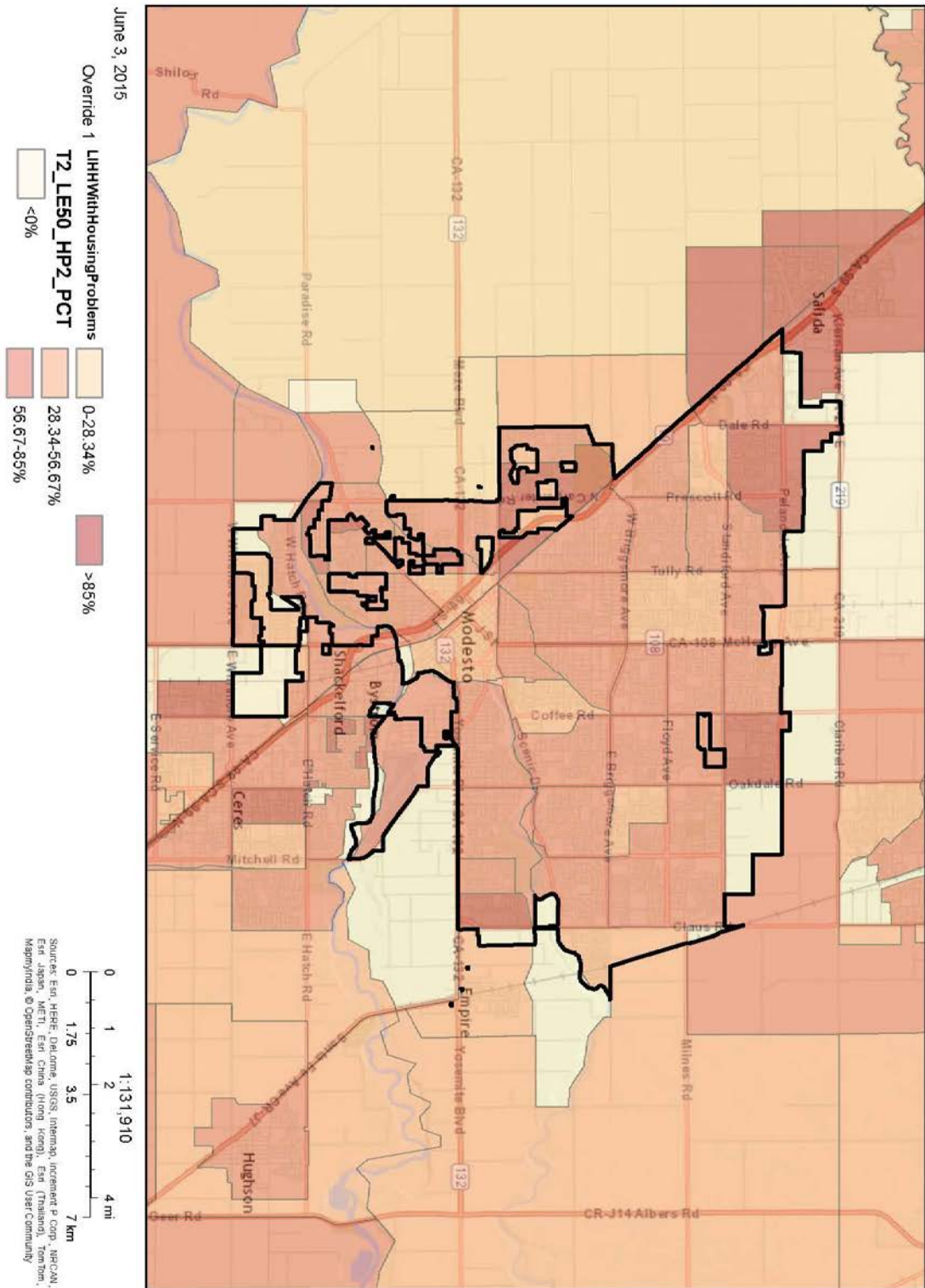
Yes, there is always room for improvement which translates into opportunities such as: Maximize Housing Choices throughout the Community, Match Housing Supply with Needs, Increase Affordability and Zoning Adjustments are just a few examples. (See the following pages)

Map MA-50.1 Moderate

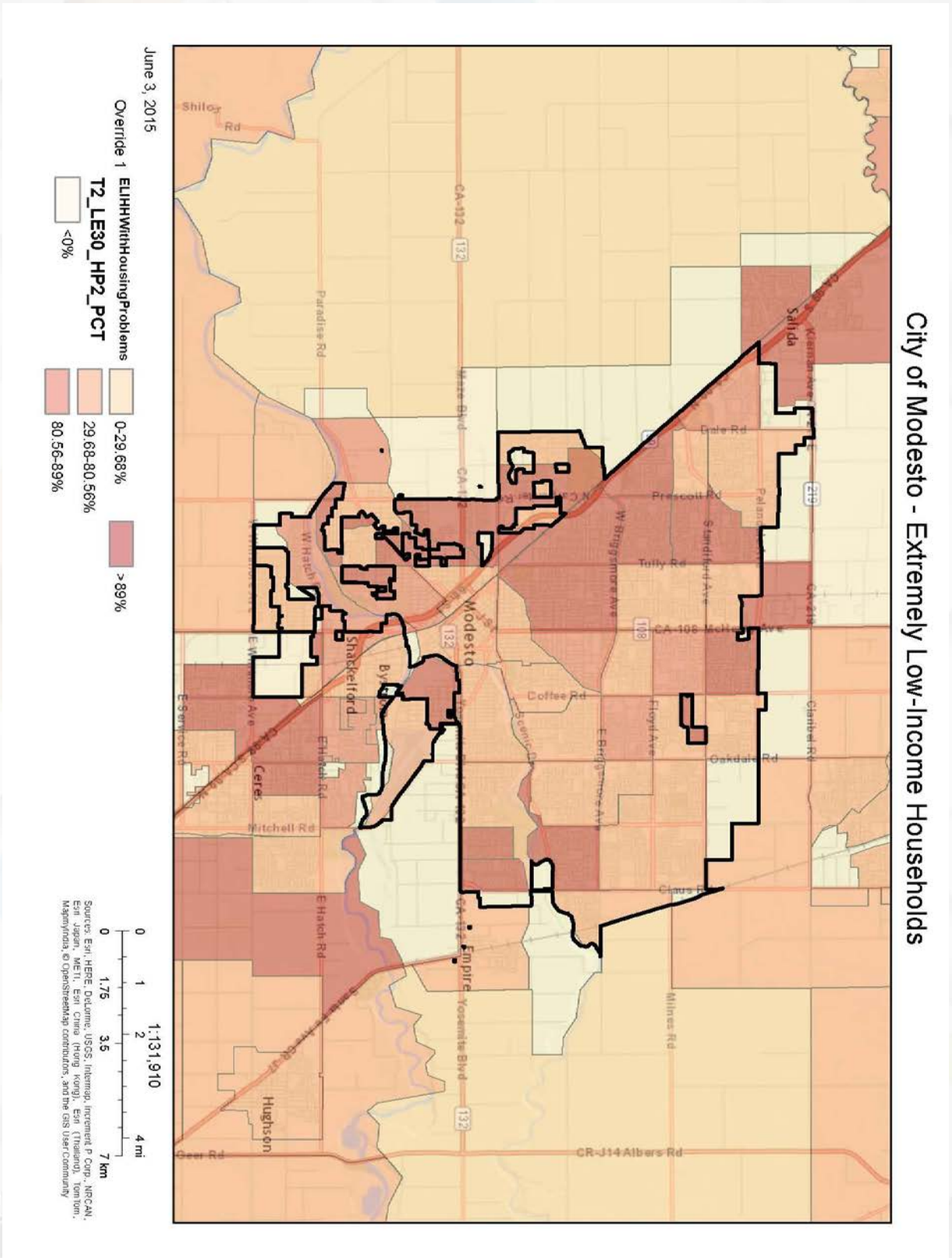


Map MA-50.2 Low

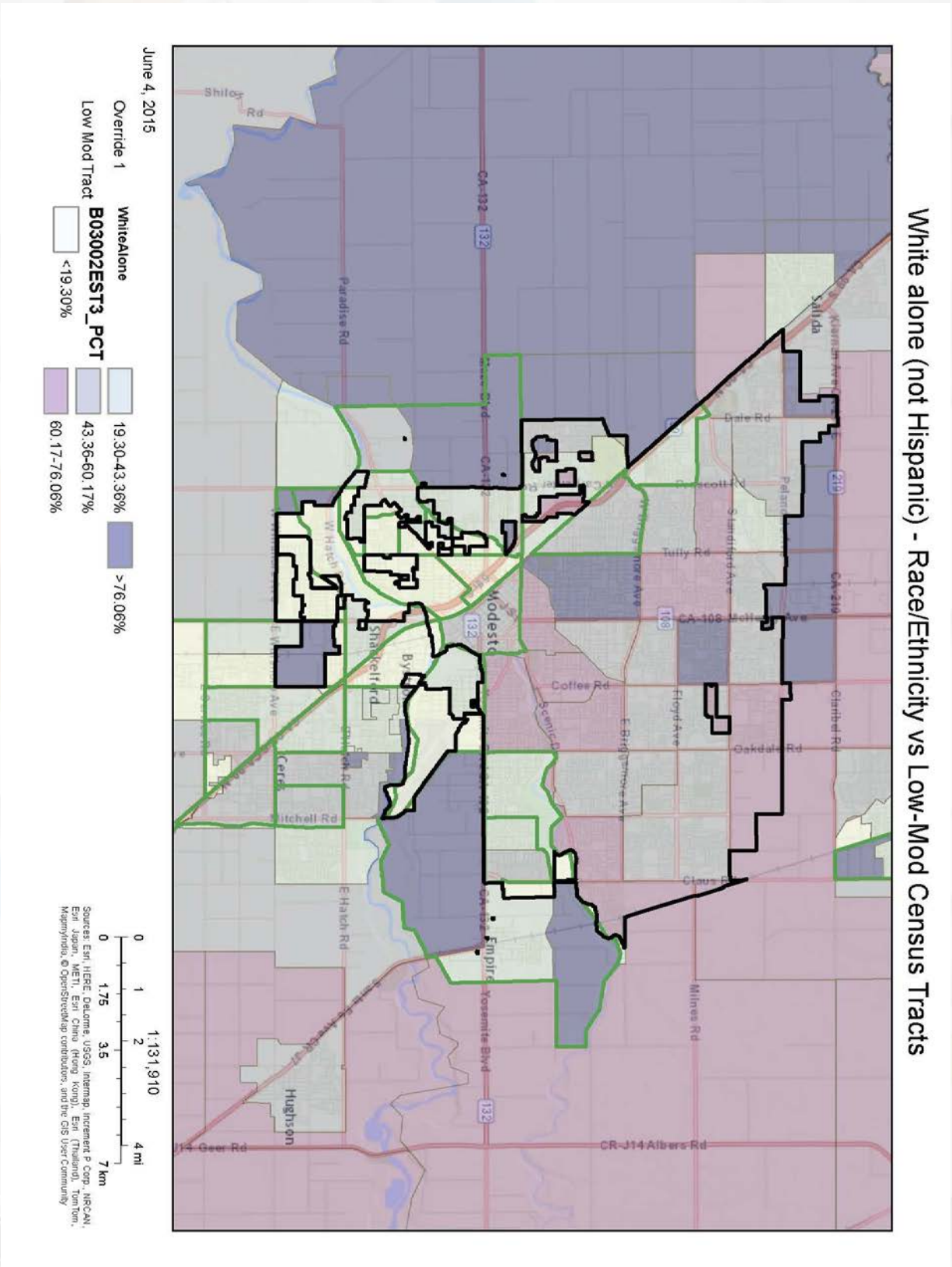
City of Modesto - Low-Income Households



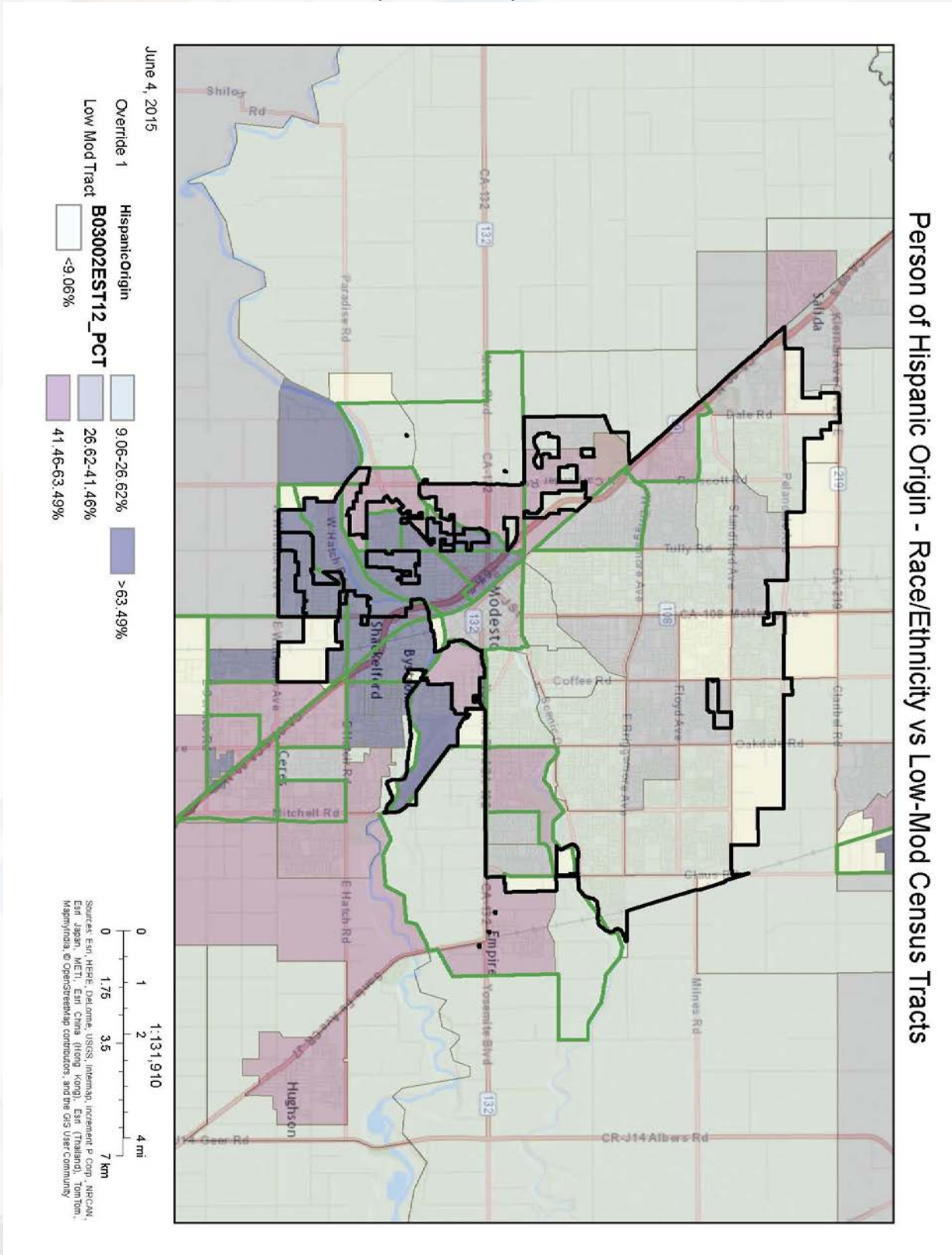
Map MA-50.3 Extremely Low



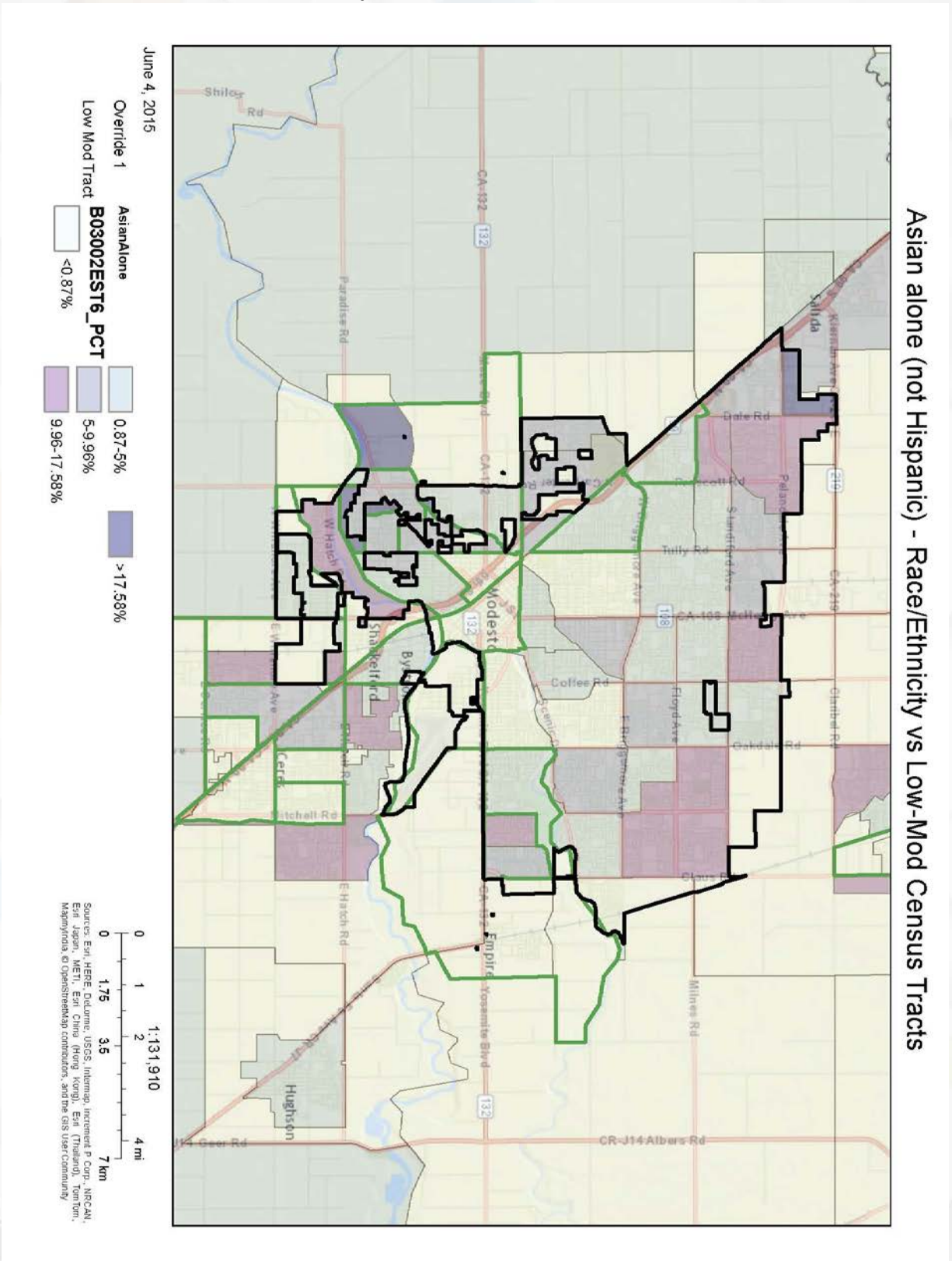
Map MA-50.4 White Alone LMA



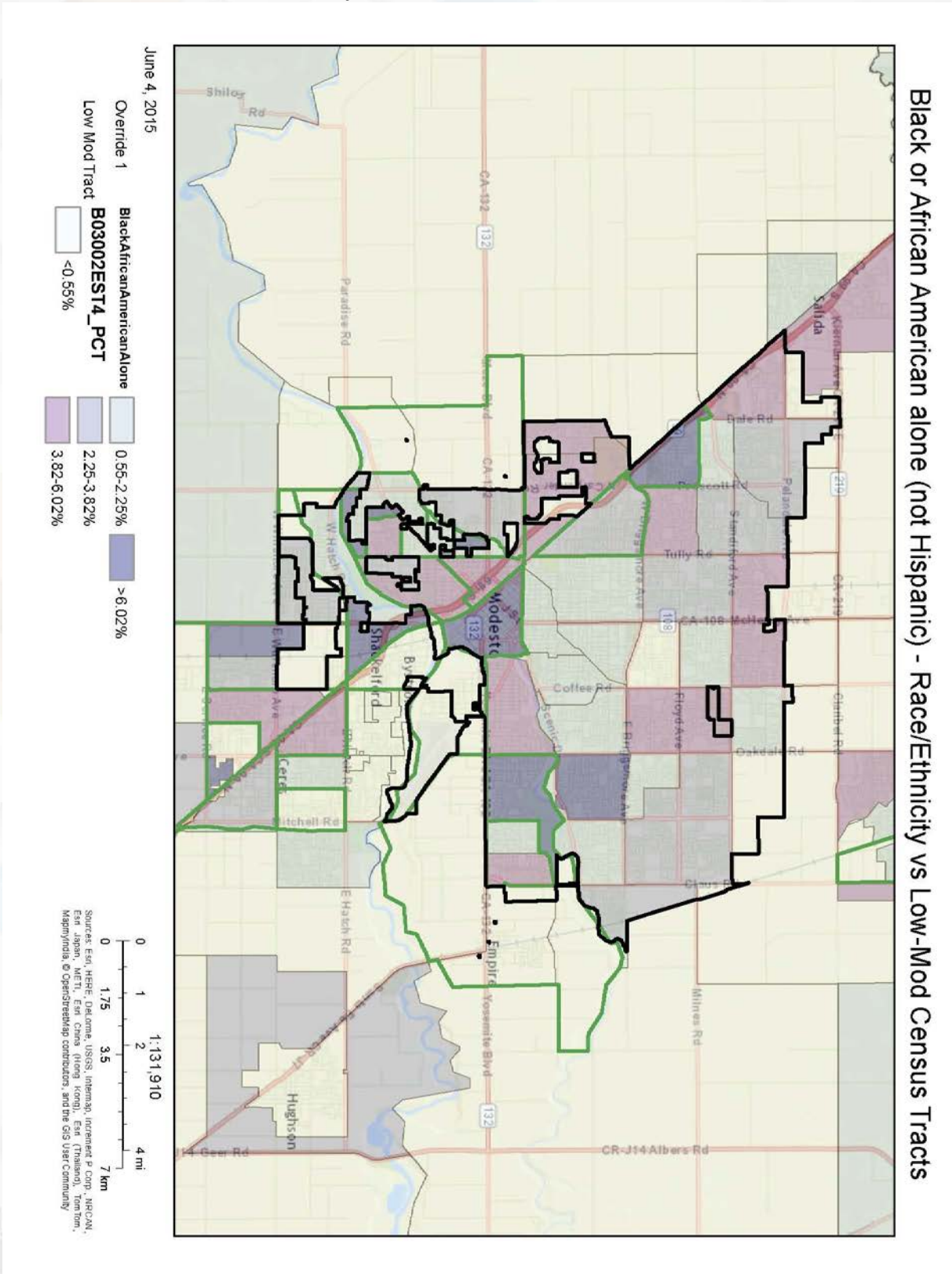
Map MA-50.5 Hispanic LMA



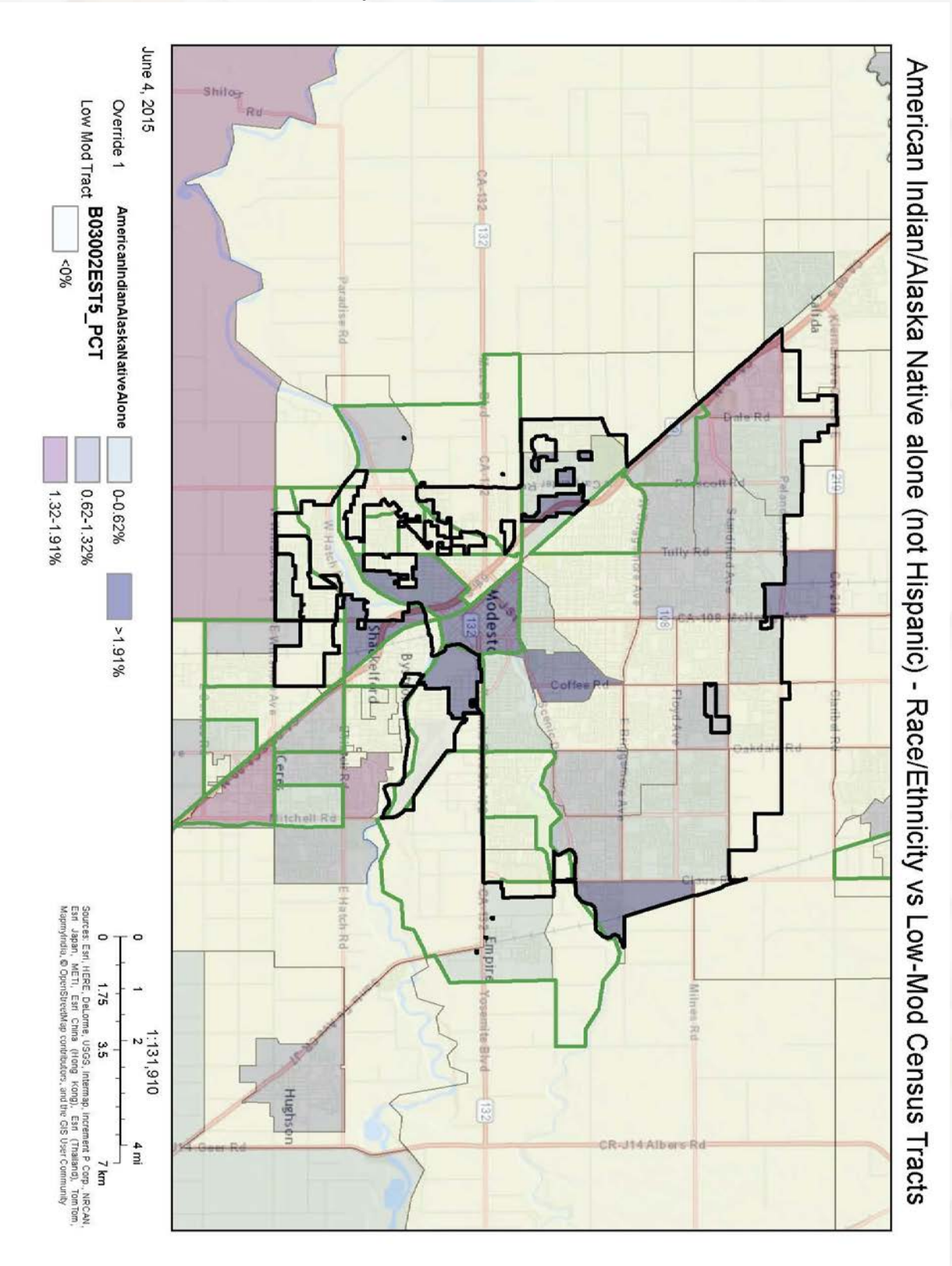
Map MA-50.6 Asian alone LMA



Map MA-50.7 Black AA alone LMA

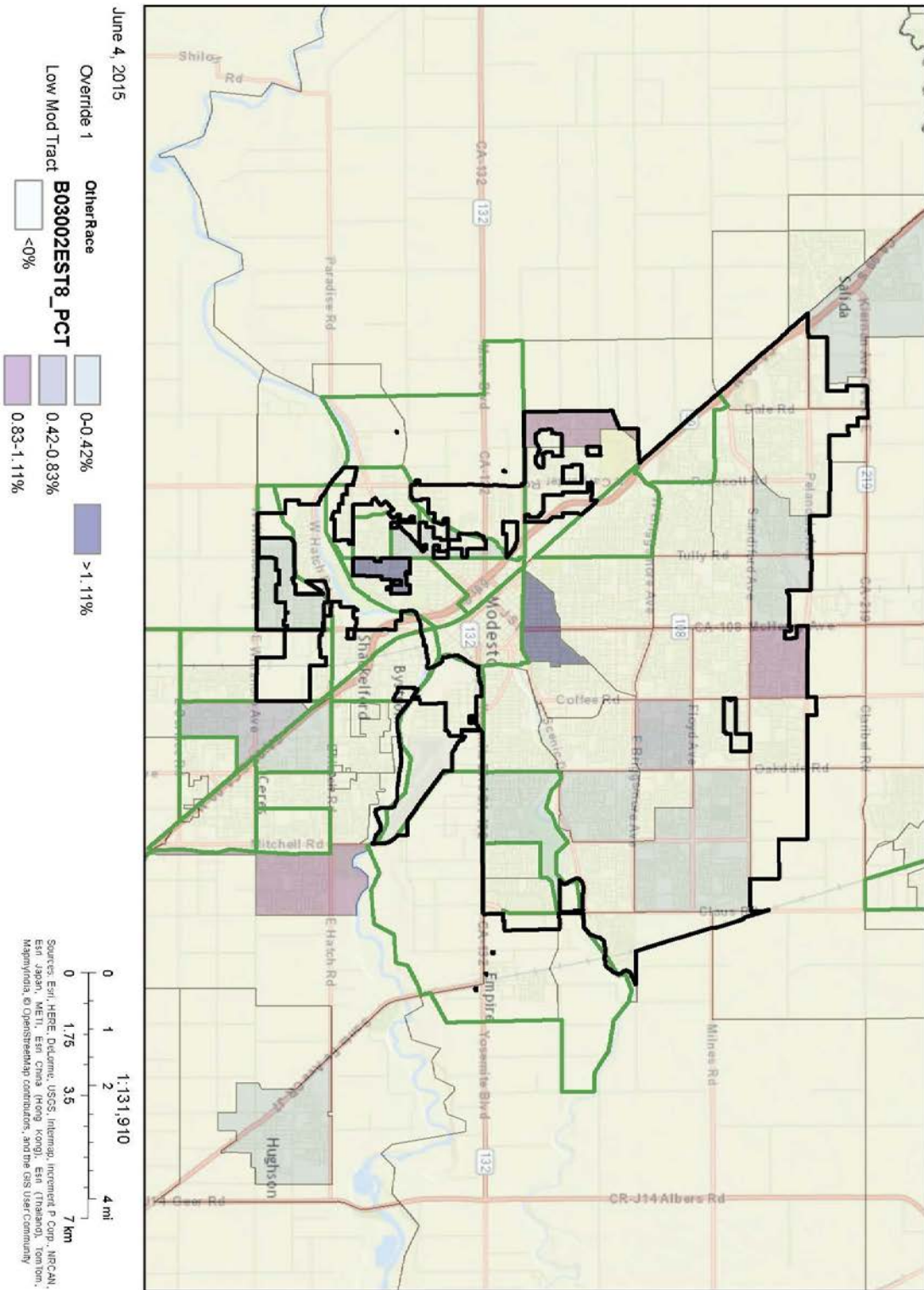


Map MA-50.8 AIAN alone LMA



Map MA-50.9 other alone LMA

Some Other Race alone (not Hispanic) - Race/Ethnicity vs Low-Mod Census Tracts



Lending Practices

LP-05 Overview

A key aspect of fair housing choice is equal access to credit for the purchase or improvement of a home. This chapter reviews the lending practices of financial institutions and the access to financing for all households, particularly minority households and those with very low or low incomes.

Legislative Protection

Financial institutions have not always employed fair lending practices in the past. Credit market practices such as “redlining” were prevalent and prevented some groups from having equal access to credit.

“Redlining” is the practice of denying services, charging higher costs for services, or otherwise discriminating in the provision of services (banking, lending, insurance, etc.) to residents of certain areas. The practice is illegal when the criteria are based on race, religion, ethnic origin, or other characteristics for which it is illegal to discriminate. The term “redlining” comes from the practice of lenders or insurers who would mark red lines on a map to indicate areas in which they would not lend against or insure property.

In response to these practices, the U.S. Congress passed the Home Mortgage Disclosure Act (HMDA) in 1975 and the Community Reinvestment Act (CRA) in 1977, to improve access to credit for all members of the community and hold the lending industry responsible for equal access to community lending.

The HMDA, enacted by Congress in 1975 (12 U.S.C. §2801) and implemented by the Consumer Financial Protection Bureau (CFPB) under Regulation C (12 C.F.R. §1003), requires lenders regulated by the federal government to disclose information on the disposition of loan applications (approved, denied, withdrawn, etc.) and on applicant income, gender, and race/ethnicity. Soon after HMDA data were released, it was clear that redlining was a problem in many cities.

Congress enacted the Community Reinvestment Act (CRA) in 1977. This Act is codified under Title 12 Section 2901 of the United States Code (12 U.S.C. § 2901) and implemented by regulations under Title 12, Section 228 of the Code of Federal Regulations (12C.F.R. § 228). The CRA requires that federally insured depository institutions also provide for the credit needs of the areas they serve. The extent to which such needs are addressed by financial institutions is taken into account when the federal government evaluates an institution’s applications for deposit facilities, including mergers and acquisitions.

Community Reinvestment Act

The Community Reinvestment Act (CRA) is intended to encourage regulated financial institutions to help meet the credit needs of communities, including those of very low income and low income households. Depending on the type of institution and total assets, a lender may be examined by different supervising agencies for its CRA performance.

Ratings under the CRA are provided by the Federal Reserve Board (FRB), Federal Financial Institutional Examination council (FFIEC), Federal Deposit Insurance Corporation (FDIC), and Office of the Controller of Currency (OCC); however, the CRA rating is an overall grading of an institution and does not provide insights regarding the lending performance by the institution at specific locations. CRA ratings of the major banks with loans in Modesto are reviewed below under section 3.5.1, CRA Rating.

Home Mortgage Disclosure Act

In tandem with the CRA, the Home Mortgage Disclosure Act (HMDA) requires lending institutions to make annual public disclosures of their home mortgage lending activity. Under HMDA, lenders are required to disclose information on the disposition of home loan applications and on the race or national origin, gender, and annual income of loan applicants.

This chapter examines detailed 2008 HMDA data for the City of Modesto. Two types of financing -- conventional and government backed -- are discussed. Conventional financing refers to market rate loans provided by private lending institutions such as banks, mortgage companies, savings and loans, and thrift institutions. Government backed financing refers to loans, typically issued by private lenders that are guaranteed by federal agencies, often at below market interest rates. These loans are offered to lower and moderate income households who may have trouble in obtaining home mortgage financing in the private market due to income and equity issues. Several federal government agencies offer loan products that have below-market interest rates and are insured ("backed") by the agencies. Sources of government-backed financing include the Federal Housing Administration, the Department of Veteran Affairs, and the Rural Housing Services/Farm Service Agency (RHA/FSA); although government backed loans are usually offered to consumers through private lending institutions. Loans backed by local jurisdictions and state agencies (such as silent second loans by cities and counties and loan programs offered by the California Housing Finance Agency) are not addressed by HMDA.

HMDA data provide some insight into the lending patterns that exist in a community; however, the HMDA data are only one indicator of potential problems. The data cannot be used to definitively conclude redlining or discriminatory practices exist, due to the lack of detailed information on loan terms or specific reasons for denial.

Home Purchase Loans

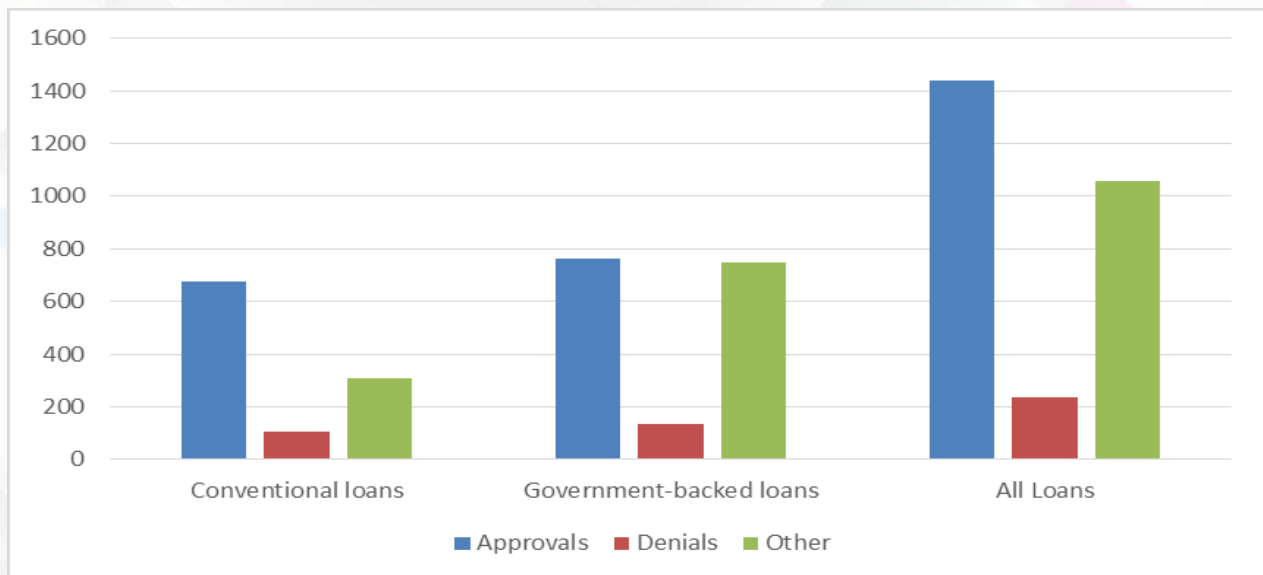
The 2013 HMDA data for Modesto includes 2,731 home purchase loan applications for owner-occupants, the most current year for which data are available. Forty percent of these loan applications were for conventional loans, which contrast with the 60 percent of home purchase loan applications that were for conventional loans in 2008. Government-backed loans represented the other 60 percent of home purchase loans in 2013, and consisted of loans from the Federal Housing Administration, Veterans Affairs, Farm Loan Program, and Rural Housing Direct Loans. For conventional loans, the approval rate was 62 percent, the denial rate 10 percent, and the remaining 28 percent fit into the “other” category meaning the application was withdrawn by the applicant, closed for incompleteness, or purchased by the institution acting as trustee or in some other fiduciary capacity. For government backed loans, the approval rate was lower, at 47 percent, the denial rate lower, at eight percent, and finally, the “other” category equaled 45 percent. Please see Table and Figure 3.1 below.

Table 3.2 Loan Action by Loan Type – Home Purchase Loans for Owner-Occupancy

Loan Type	Total	Percent of all loans	Approvals		Denials		Other ¹	
			Number	Percent	Number	Percent	Number	Percent
Conventional loans	1088	40%	674	62%	104	10%	310	28%
Government-backed loans	1643	60%	764	47%	133	8%	746	45%
All Loans	2731	100%	1438	53%	237	9%	1056	39%

8 -- Preapproval request approved but not accepted (optional reporting)

Figure 3.2 Loan Actions by Loan Type – Home Purchase Loans for Owner-Occupancy



Disposition of Loan Applications by Race/Ethnicity of Applicant

¹ Other actions include: application withdrawn by applicant; file closed for incompleteness; loan purchased by the institution; preapproval request denied by financial institution; preapproval request approved but not accepted (optional reporting).

HMDA data reveal lending patterns according to income race/ethnicity, and gender. The following sections present detailed discussions regarding income and race/ethnicity. Please refer to the tables and figures at the end of this section which display applications by applicant race and applicant ethnicity. Note that following the format of the US Census, HMDA collects data on applicant race and ethnicity separately. Ethnicity is limited to the identification of the applicant as Hispanic or not Hispanic.

For all applicants where race was identified, the approval rate was 61 percent. There are two exceptions. Applicants identified as American Indian or Alaska Native had an approval rate of 50 percent. Applicants identified as Native Hawaiian or Other Pacific Islander had an approval rate of 69 percent.

Examining conventional loans only, the approval rate was 66 percent. There are two exceptions. Applicants identified as American Indian or Alaska Native had an approval rate of 45 percent. Applicants identified as White had an approval rate of 68 percent.

Examining government-backed loans only, the approval rate was 56 percent. There are two exceptions. Applicants identified as American Indian or Alaska Native had an approval rate of 45 percent. Applicants identified as Native Hawaiian or Other Pacific Islander had an approval rate of 76 percent.

Approval rates by applicant race suggest there may be a bias towards applicants identified as White and those identified as Native Hawaiian or Other Pacific Islander; and a bias against applicants identified as American Indian or Alaska Native. It should be noted that the HMDA data is a relatively small sample with a number of records that do not report race or ethnicity information

For all applicants where ethnicity was identified, the approval rate was 60 percent. For applicants identified as Hispanic, the approval rate was 59 percent. For applicants who identified as not Hispanic, the approval rate was 61 percent.

Examining conventional loans only, the approval rate was 65 percent. For applicants identified as Hispanic, the approval rate was 63 percent. For applicants who identified as not Hispanic, the approval rate was 67 percent.

Examining government-backed loans only, the approval rate was 57 percent. For applicants identified as Hispanic, the approval rate was 57 percent. For applicants who identified as not Hispanic, the approval rate was 56 percent.

There does not appear to be a bias in lending based on ethnicity.

Table 3.2.1a – Loan Approval by Race and Loan Type.

Applicant Race	Total Applicants	Percent Of Total Applicants	Conventional Loans			Government-Backed Loans			All Loans		
			Applicants	Approved Loans	Approval Rate	Applicants	Approved Loans	Approval Rate	Applicants	Approved Loans	Approval Rate
1 -- American Indian Or Alaska Native	62	2%	29	13	45%	33	18	55%	62	31	50%
2 -- Asian	166	6%	99	64	65%	67	38	57%	166	102	61%
3 -- Black Or African American	51	2%	18	11	61%	33	19	58%	51	30	59%
4 -- Native Hawaiian Or Other Pacific Islander	45	2%	20	12	60%	25	19	76%	45	31	69%
5 -- White	1894	69%	795	539	68%	1099	612	56%	1894	1151	61%
6 -- Information Not Provided By Applicant In Mail, Internet, Or Telephone Application	161	6%	63	35	56%	98	58	59%	161	93	58%
7 -- Not Applicable	352	13%	64	0	0%	288	0	0%	352	0	0%
Total	2731	100%	1088	674	62%	1643	764	47%	2731	1438	53%

Table 3.2.1b – Loan Approval by Ethnicity and Loan Type.

Applicant Ethnicity	Total Applicants	Percent Of Total Applicants	Conventional Loans			Government-Backed Loans			All Loans		
			Applicants	Approved Loans	Approval Rate	Applicants	Approved Loans	Approval Rate	Applicants	Approved Loans	Approval Rate
1 -- Hispanic Or Latino	627	23%	213	135	63%	414	236	57%	627	371	59%
2 -- Not Hispanic Or Latino	1605	59%	751	505	67%	854	479	56%	1605	984	61%
3 -- Information Not Provided By Applicant In Mail, Internet, Or Telephone Application	146	5%	60	34	57%	86	48	56%	146	82	56%
4 -- Not Applicable	353	13%	64	0	0%	289	1	0%	353	1	0%
Total	2731	100%	1088	674	62%	1643	764	47%	2731	1438	53%

Figure 3.2.1a – Loan approval by race, conventional loans

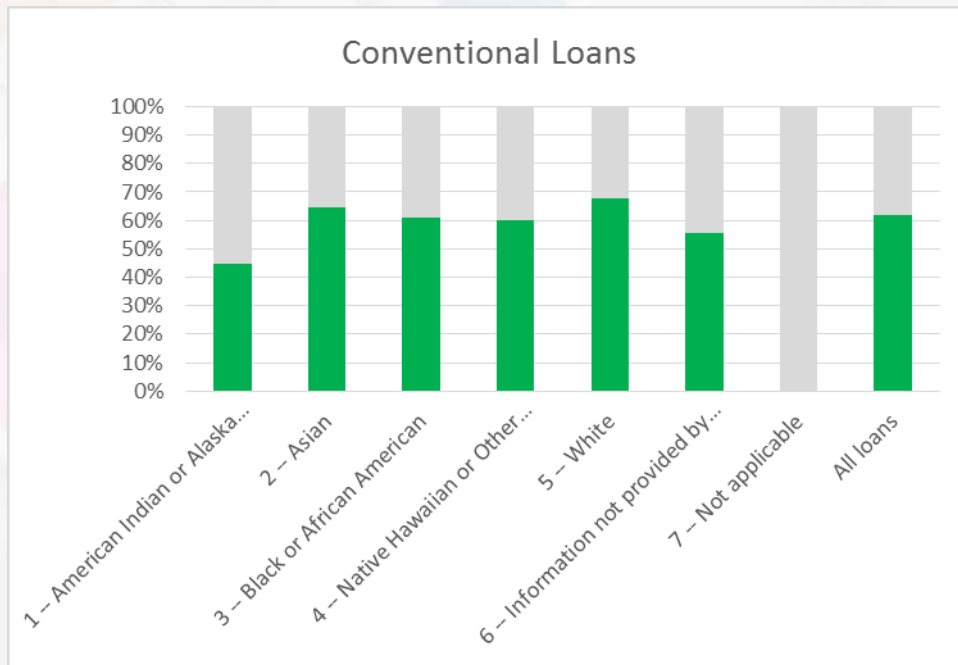


Figure 3.2.1b – Loan approval by race, government-backed loans

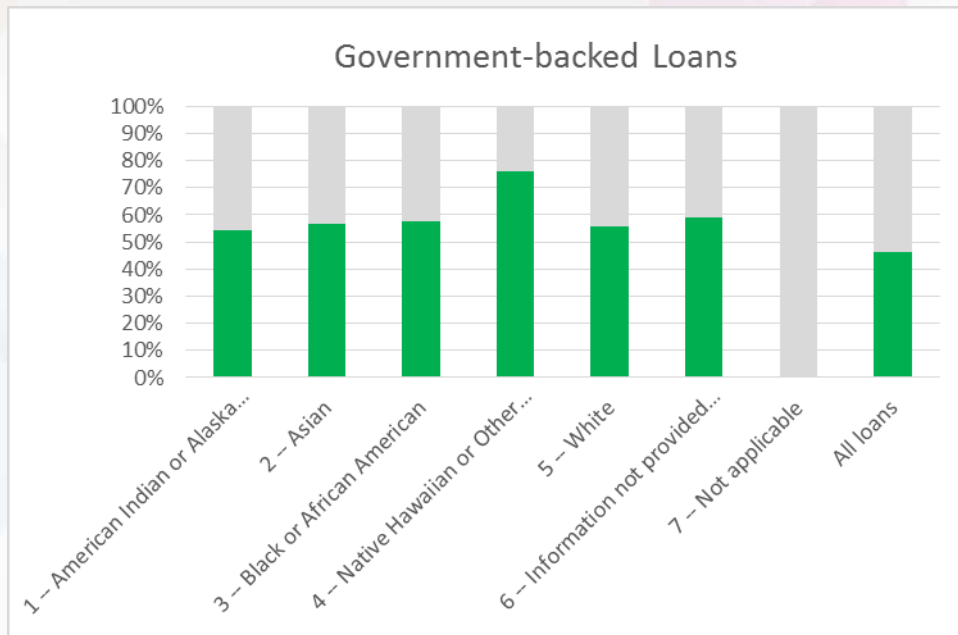


Figure 3.2.1c – Loan approval by race, all loans

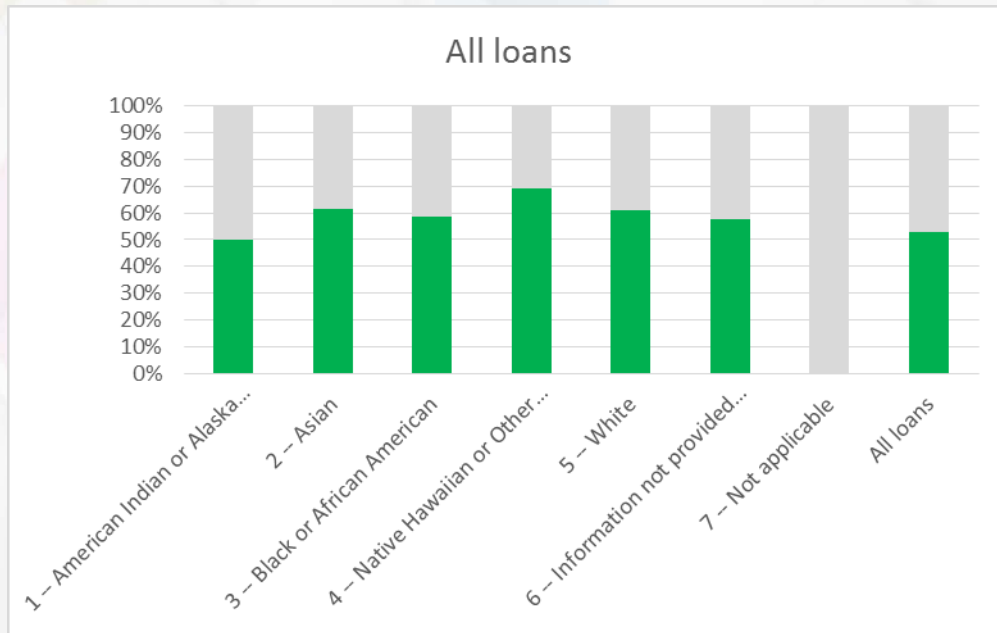


Figure 3.2.1d – Loan approval by ethnicity, conventional loans

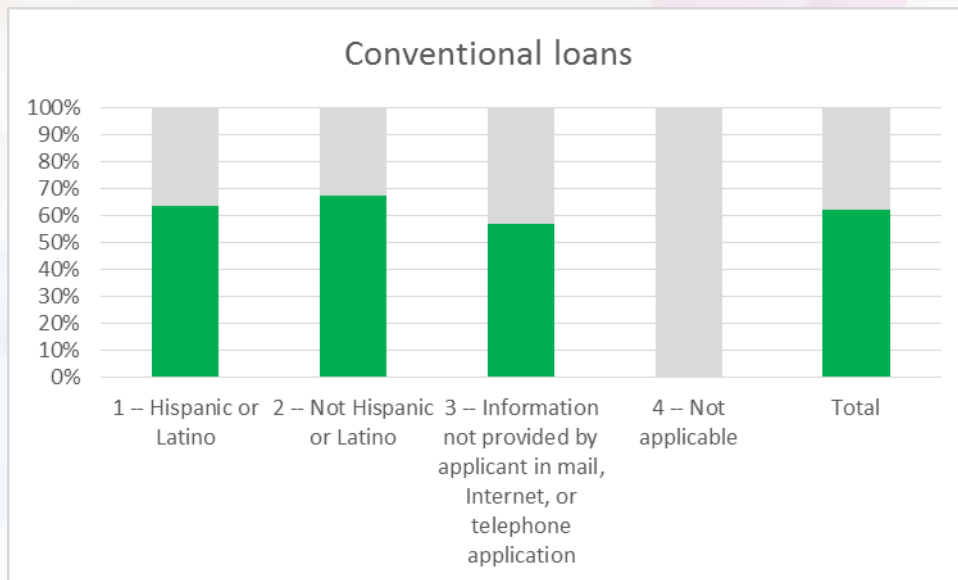


Figure 3.2.1e – Loan approval by ethnicity, government-backed loans

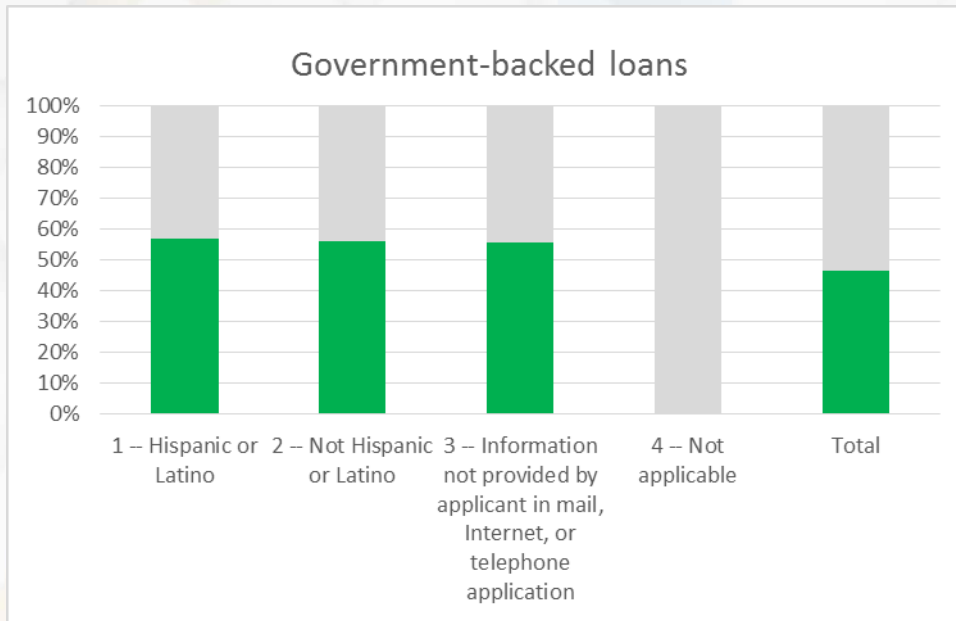
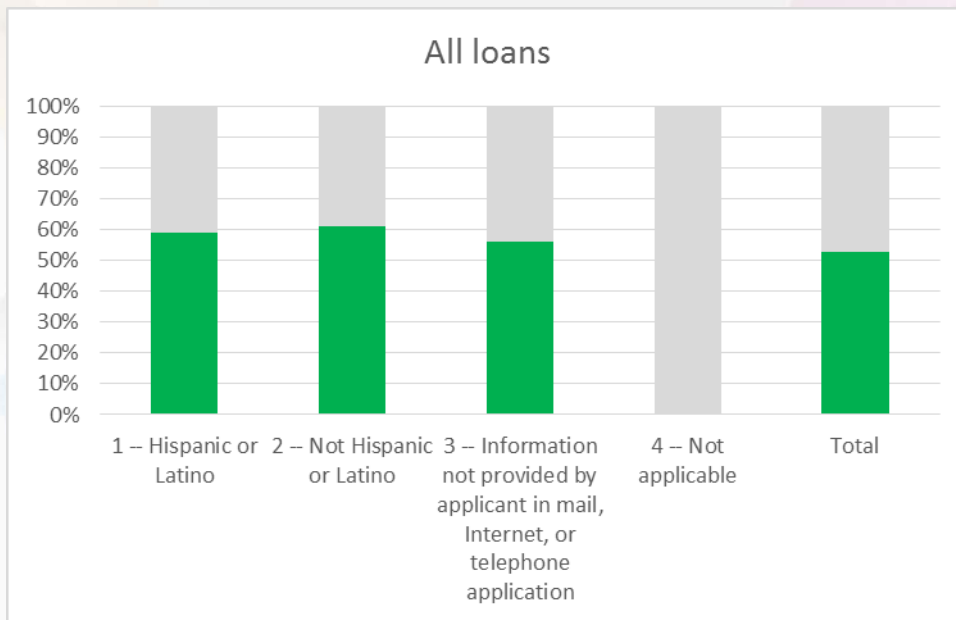


Figure 3.2.1f – Loan approval by ethnicity, all loans



Disposition of Loan Applications by Applicant Income

The relationship between access to credit and household income is one that is assumed to be positive with higher income households have better access to credit. As shown in the following tables and figures, there is such a relationship in Modesto. The distribution of application volume is generally higher the higher incomes rise. The volume drops off above \$100,000 following the distribution of

incomes in the population in general. Government-backed loans predominate until we reach the upper end of the income distribution. Higher income households would be expected to less likely to require government-backed loans.

There is an expected trend in approval rates showing higher approval rates correlated with higher incomes. This trend is slightly more pronounced in conventional loans and less pronounced in government-backed loans. This is to be expected given the income distribution of applicants across the two loan types.

Although expected and fair, the relationship between access to credit and income is important given the correlation between race and income.

Table 3.2.2 – Approval Rate by Applicant Income Category and Loan Type

Gross Annual Income	Total Applicants	Percent Of Total Applicants	Conventional Loans			Government-Backed Loans			All Loans		
			Applicants	Approved Loans	Approval Rate	Applicants	Approved Loans	Approval Rate	Applicants	Approved Loans	Approval Rate
Under \$10,000	4	0.15%	1	0	0%	3	0	0%	4	0	0%
\$10,000-14,000	3	0.11%	2	0	0%	1	1	100%	3	1	33%
\$15,000 - 19,000	35	1.28%	17	9	53%	18	11	61%	35	20	57%
\$20,000 - 24,000	68	2.49%	38	17	45%	30	17	57%	68	34	50%
\$25,000 - 29,000	90	3.30%	34	22	65%	56	29	52%	90	51	57%
\$30,000 - 34,000	174	6.37%	63	44	70%	111	63	57%	174	107	61%
\$35,000 - 39,000	205	7.51%	81	51	63%	124	62	50%	205	113	55%
\$40,000 - 44,000	184	6.74%	61	41	67%	123	75	61%	184	116	63%
\$45,000 - 49,000	168	6.15%	59	41	69%	109	61	56%	168	102	61%
\$50,000 - 59,000	309	11.31%	121	77	64%	188	115	61%	309	192	62%
\$60,000 - 74,000	337	12.34%	143	99	69%	194	100	52%	337	199	59%
\$75,000 - 99,000	395	14.46%	159	110	69%	236	129	55%	395	239	61%
\$100,000 - 124,000	159	5.82%	74	43	58%	85	45	53%	159	88	55%
\$125,000 - 149,000	101	3.70%	61	41	67%	40	27	68%	101	68	67%
\$150,000 And Up	149	5.46%	111	76	68%	38	24	63%	149	100	67%
Na	350	12.82%	63	3	5%	287	5	2%	350	8	2%
Grand Total	2731	100.00%	1088	674	62%	1643	764	47%	2731	1438	53%

Figure 3.2.2b – Loan Applications by Applicant Income Category and Loan Type

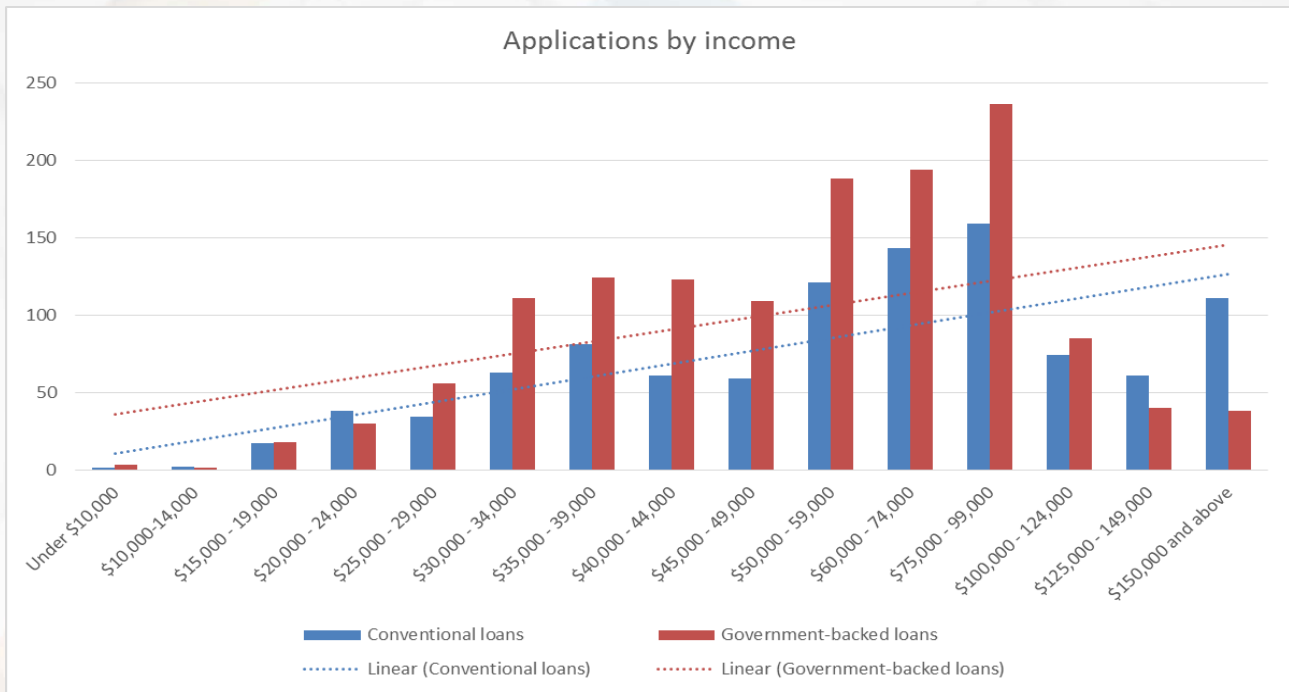
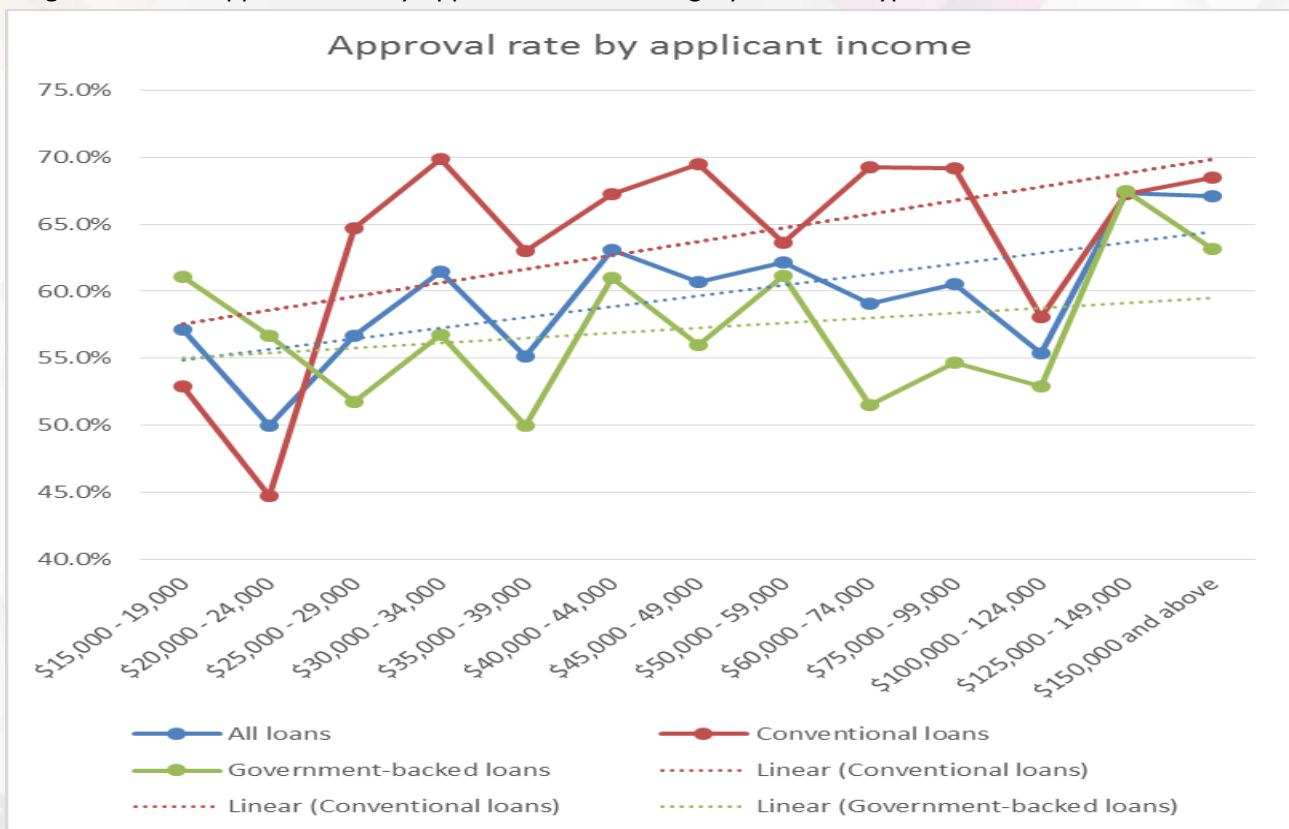


Figure 3.2.2b – Approval Rate by Applicant Income Category and Loan Type



Race Differences by Income of Applicant

An analysis of difference in loan approval rate by race and income separately does not always reveal important differences among groups. For this reason, an analysis of lending patterns for both race and income together is important in revealing differences among applicants of different races, but of the same income levels. While this analysis provides a more in-depth look at lending patterns, it still cannot provide a reason for any discrepancy. Aside from income, many other factors can contribute to the availability of financing, including credit history, the availability of a down payment, and knowledge of the home buying process. HMDA data do not provide insight into these other factors.

As previously stated, for all applicants where race was identified, the approval rate was 61 percent. There are two exceptions. Applicants identified as American Indian or Alaska Native had an approval rate of 50 percent. Applicants identified as Native Hawaiian or Other Pacific Islander had an approval rate of 69 percent.

Examining only loan applications from households where gross annual income reported was less than \$50,000 we see a nominally lower loan approval rate of 59 percent. We also see the same pattern of a lower loan approval rate for applicants identified as American Indian or Alaska Native at 46 percent, and a higher loan approval rate for applicants identified as Native Hawaiian or Other Pacific Islander at 73 percent. We can also see slightly lower loan approval rates for applicants identified as Asian and those identified as Black at 53 percent.

Examining only loan applications from households where gross annual income reported was between \$50,000 and \$74,000 we see an average approval rate of 62 percent. We also see the same pattern of a lower loan approval rate for applicants identified as American Indian or Alaska Native at 53 percent. The loan approval rate for applicants identified as Native Hawaiian or Other Pacific Islander is a very high 91 percent. We can also see higher loan approval rates for applicants identified as Asian at 71 percent.

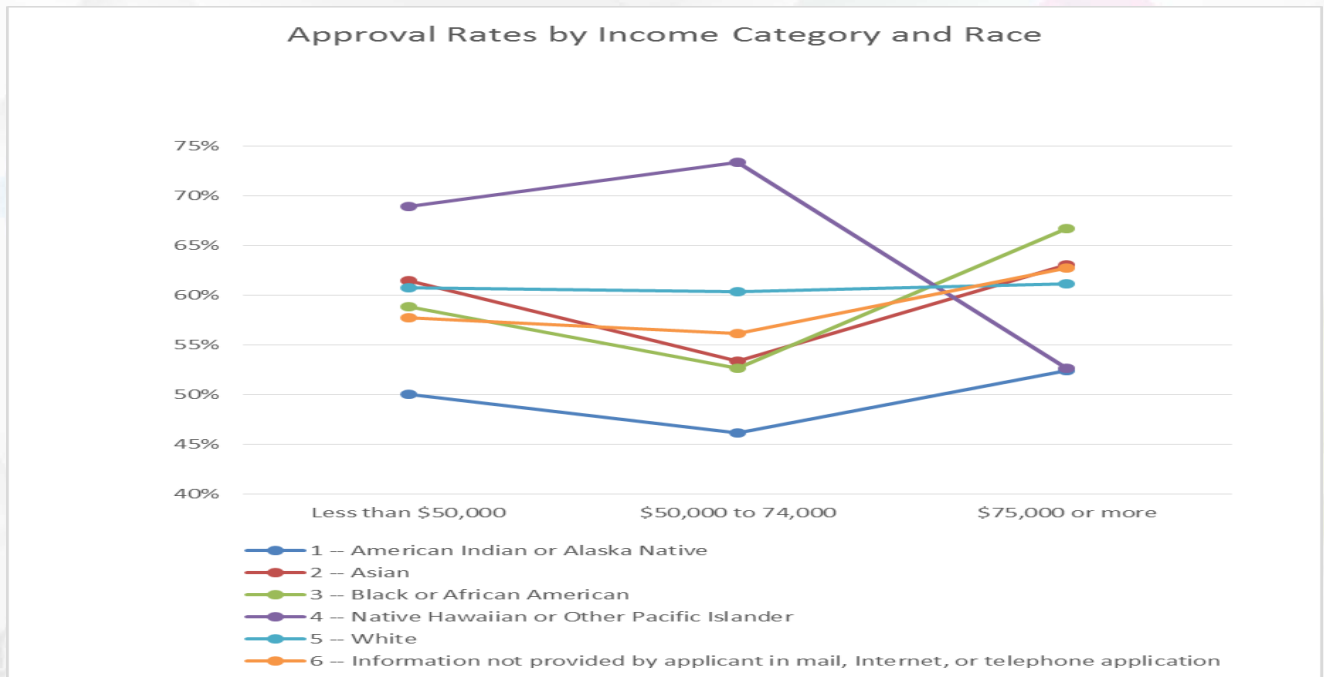
Examining only loan applications from households where gross annual income reported was \$75,000 or more, we see an average approval rate of 61 percent. We also see the same pattern of a lower loan approval rate for applicants identified as American Indian or Alaska Native at 52 percent. The loan approval rate for applicants identified as Native Hawaiian or Other Pacific Islander is actually lower in this category at 53 percent. Applications from applicants who were identified as Black or African American are higher than other groups at 67 percent.

There may be a bias against lending to American Indian or Alaska Native households and towards Native Hawaiian or Other Pacific Islander households. These biases appear to affect lending decisions independent of income. The one exception could be the approval of loan applications for applicants identified as Black or African American which group's approval rate increases in the highest income category.

Table 3.2.3 – Loan Approval Rates by Race and Income Category (Conventional Loans)

Applicant Race	All Loans			Less Than \$50,000			\$50,000 To 74,000			\$75,000 Or More		
	Applicants	Approved Loans	Approval Rate	Applicants	Approved Loans	Approval Rate	Applicants	Approved Loans	Approval Rate	Applicants	Approved Loans	Approval Rate
1 -- American Indian Or Alaska Native	62	31	50%	26	12	46%	15	8	53%	21	11	52%
2 -- Asian	166	102	61%	60	32	53%	41	29	71%	65	41	63%
3 -- Black Or African American	51	30	59%	19	10	53%	14	8	57%	18	12	67%
4 -- Native Hawaiian Or Other Pacific Islander	45	31	69%	15	11	73%	11	10	91%	19	10	53%
5 -- White	1894	1151	61%	741	447	60%	512	312	61%	641	392	61%
6 -- Information Not Provided By Applicant In Mail, Internet, Or Telephone Application	161	93	58%	57	32	56%	45	24	53%	59	37	63%
7 -- Not Applicable	352	0	0%	13	0	0%	8	0	0%	331	0	0%
Total	2731	1438	53%	931	544	58%	646	391	61%	1154	503	44%

Figure 3.2.3 – Loan Approval Rates by Race and Income Category (Conventional Loans)



Home Refinancing Loans

In addition to the home purchase loans, loans for the purpose of re-financing an owner-occupied home were also examined.

For all applicants where race was identified, the approval rate was 70 percent. Three of the five racial groups were near the group approval rate. Applicant identified as American Indian or Alaska Native, and those identified as Native Hawaiian or Other Pacific Islander had much lower rates at 58 and 59 percent respectively.

For all applicants where ethnicity was identified, the approval rate was 69 percent. Those who were identified as Hispanic or Latino had a slightly lower approval rate of 64 percent. While those who were identified as Not Hispanic or Latino had an approval rate of 71 percent.

Table 3.3a – Loan Approval Rates by Race, Conventional Loans

Applicant Race	Conventional Loans		
	Applicants	Approved Loans	Approval Rate
1 -- American Indian Or Alaska Native	53	31	58%
2 -- Asian	232	154	66%
3 -- Black Or African American	62	41	66%
4 -- Native Hawaiian Or Other Pacific Islander	51	30	59%
5 -- White	2595	1834	71%
6 -- Information Not Provided By Applicant In Mail, Internet, Or Telephone Application	614	324	53%
7 -- Not Applicable	366	1	0%
Total	3973	2415	61%

Figure 3.3a – Loan Approval Rates by Race, Conventional Loans

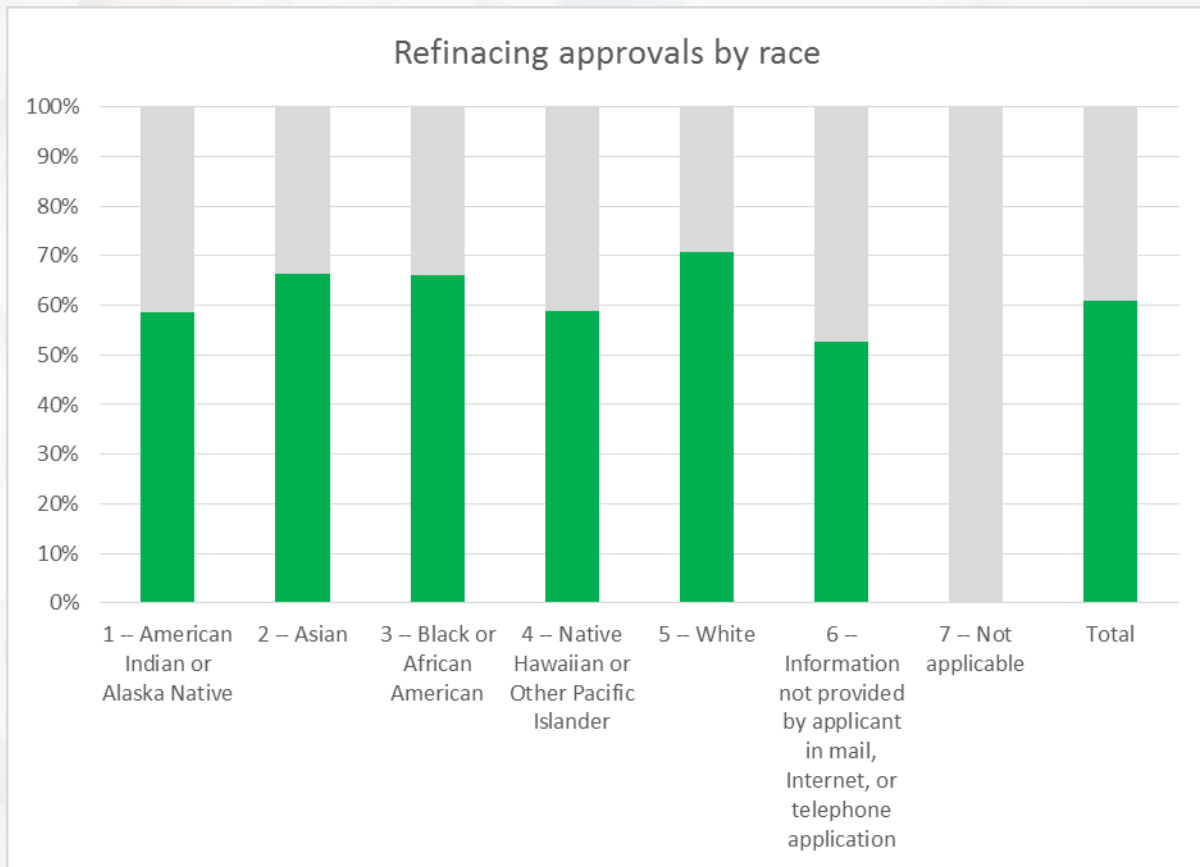
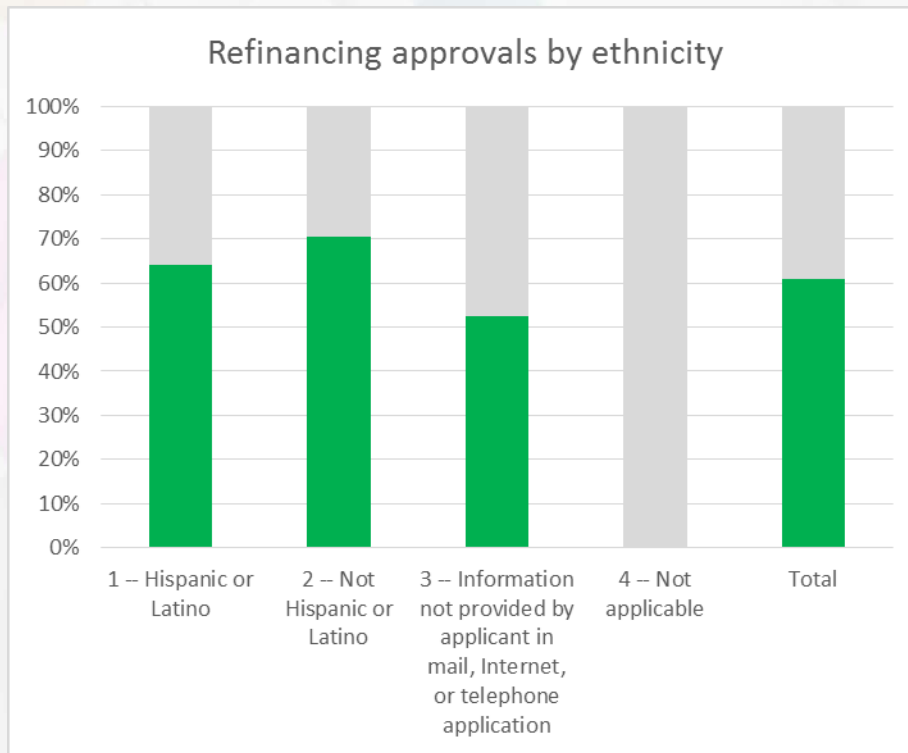


Table 3.3b – Loan Approval Rates by Ethnicity, Conventional Loans

Ethnicity:	Conventional Loans		
	Applicants	Approved Loans	Approval Rate
1 -- Hispanic Or Latino	566	362	64%
2 -- Not Hispanic Or Latino	2520	1778	71%
3 -- Information Not Provided By Applicant In Mail, Internet, Or Telephone Application	521	274	53%
4 -- Not Applicable	366	1	0%
Total	3973	2415	61%

Figure 3.3b – Loan Approval Rates by Ethnicity, Conventional Loans



Home Improvement Loans

Loans for the purpose of improving an owner-occupied home were also examined.

For all applicants where race was identified, the approval rate was 45 percent. All racial groups with the exception of those applicants identified as White had approval rates that deviated significantly. Because of the small sample size, the approval rates are likely not representative.

For all applicants where ethnicity was identified, the approval rate was 45 percent. Those who identified as Not Hispanic or Latino had an approval rate of 48 percent. Although those who identified as Hispanic or Latino had a much lower rate, because of the small sample size, the approval rate is likely not representative.

Table 3.4a – Loan Approval Rates by Applicant Race

Applicant Race	Applicants	Approved Loans	Approval Rate
1 -- American Indian Or Alaska Native	4	3	75%
2 -- Asian	7	2	29%
3 -- Black Or African American	2	1	50%
4 -- Native Hawaiian Or Other Pacific Islander	6	2	33%
5 -- White	125	57	46%
6 -- Information Not Provided By Applicant In Mail, Internet, Or Telephone Application	25	6	24%
7 -- Not Applicable	12	0	0%
Total	181	71	39%

Figure 3.4a – Loan Actions by Applicant Race

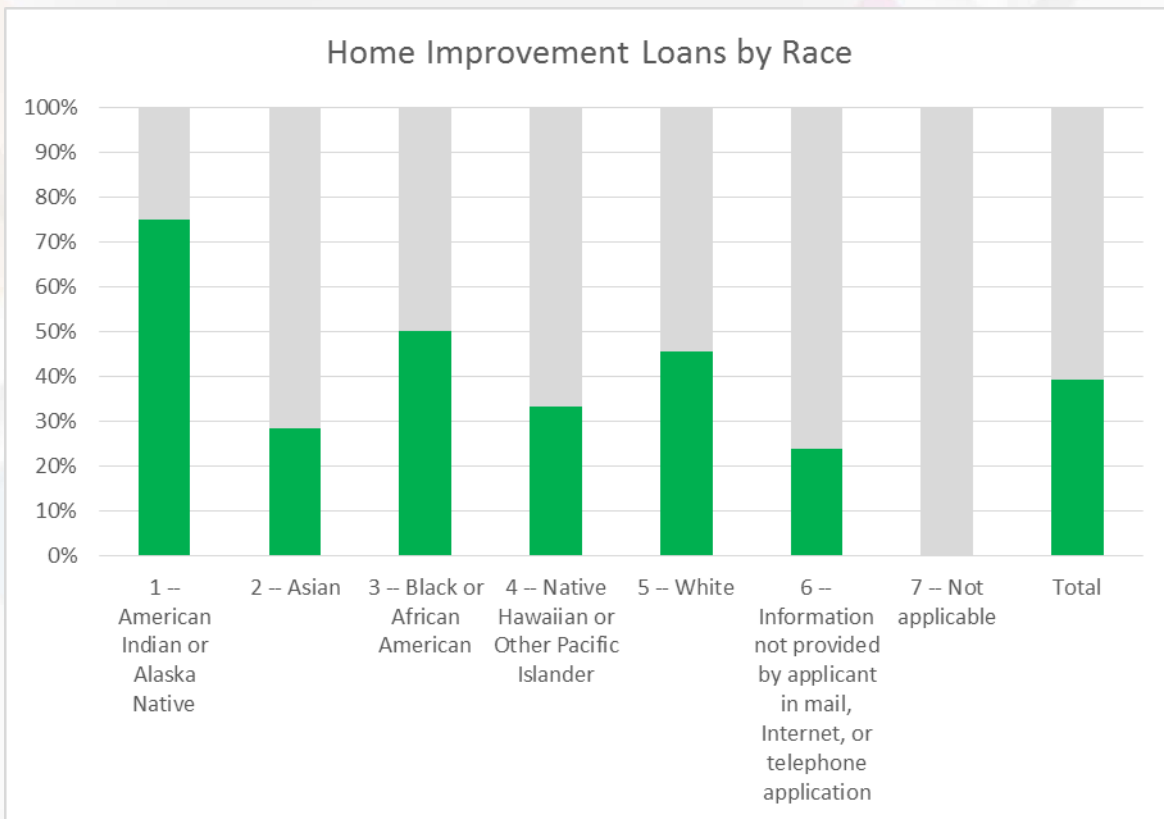
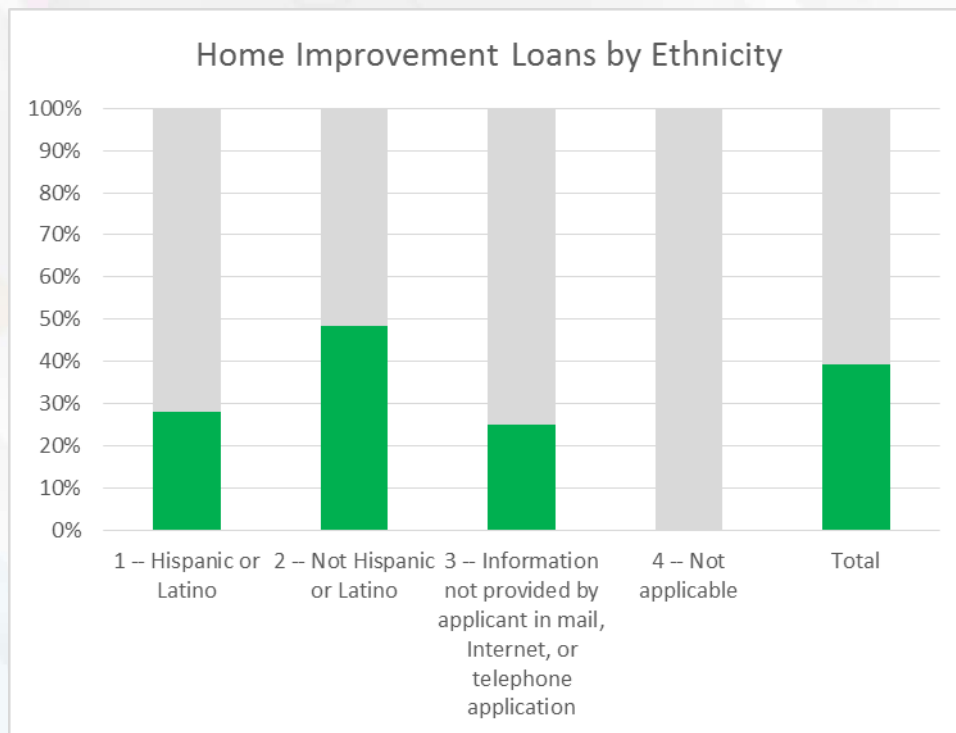


Table 3.4b – Loan Approval Rates by Applicant Ethnicity

Ethnicity:	Applicants	Approved loans	Approval rate
1 -- Hispanic or Latino	25	7	28%
2 -- Not Hispanic or Latino	120	58	48%
3 -- Information not provided by applicant in mail, Internet, or telephone application	24	6	25%
4 -- Not applicable	12	0	0%
Total	181	71	39%

Figure 3.4b – Loan Actions by Applicant Ethnicity



Performance by Lender

Lending actions by the top 25 lenders by volume were examined. The scope was limited to conventional home purchase loans for owner-occupancy as a primary residence. Please see the table at the end of this section. These lenders accounted for 77 percent of all loan volume. As a group, these lenders had an approval rate similar to all lenders -- 61 percent. The same is true for the rate of denials and other actions.

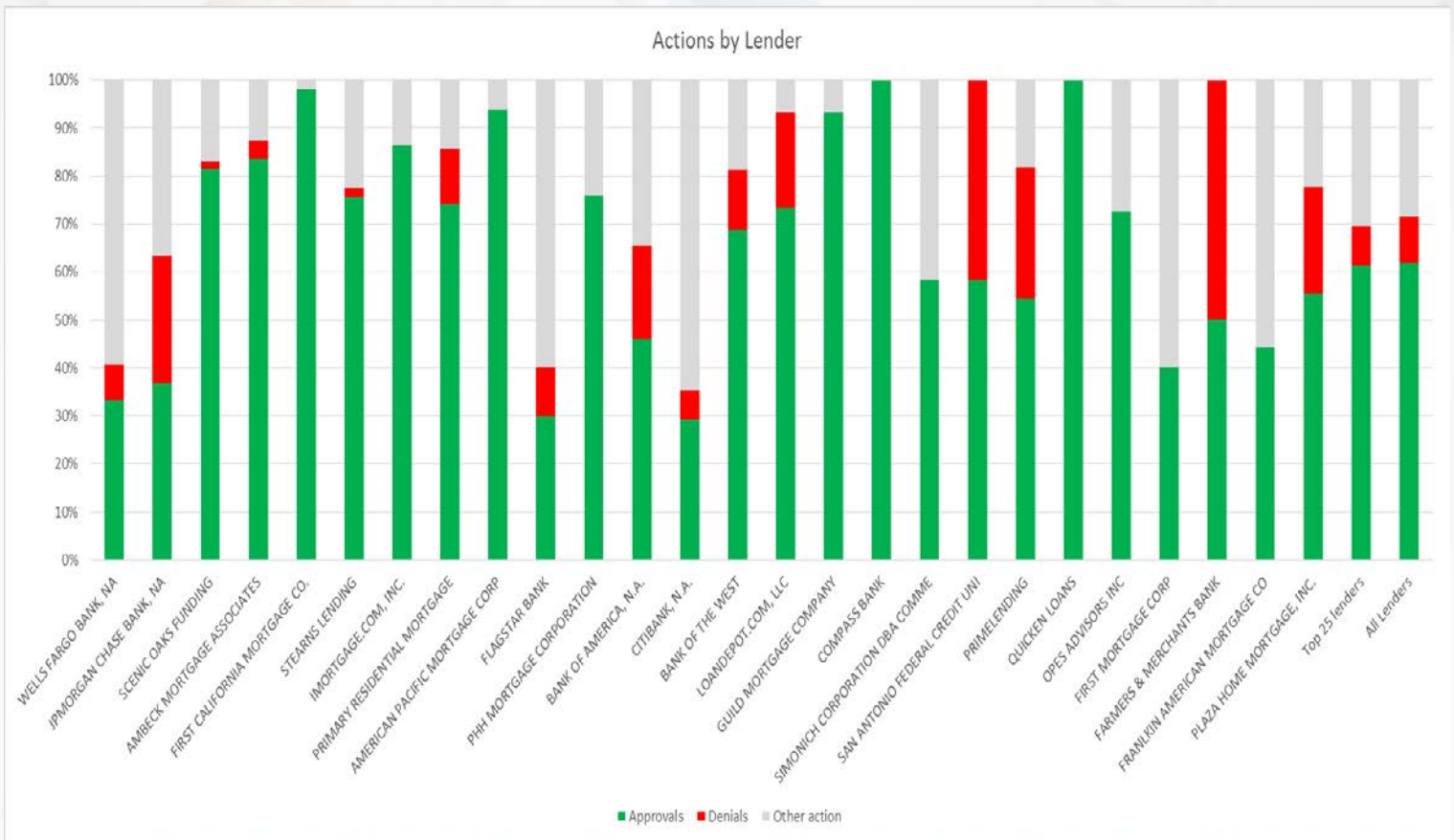
Between lenders, loan approval and denial rates vary widely. The median approval rate for the top 25 was 71%. The median denial rate was 2.8%. It should be noted that many of the lenders with noticeably low approval rates also have quite low denial rates. These lenders also have may loan actions recorded

as “other.” These include Wells Fargo Bank, Flagstar Bank, Citibank, First Mortgage Corp, and Franklin American. These lenders reported a high proportion of loan purchases.

Table 3.5 – Actions by Lender

Lender	Total	Approvals		Denials		Other action	
	Number	Number	Rate	Number	Rate	Number	Rate
WELLS FARGO BANK, NA	199	66	33%	15	8%	118	59%
JPMORGAN CHASE BANK, NA	60	22	37%	16	27%	22	37%
SCENIC OAKS FUNDING	59	48	81%	1	2%	10	17%
AMBECK MORTGAGE ASSOCIATES	55	46	84%	2	4%	7	13%
FIRST CALIFORNIA MORTGAGE CO.	51	50	98%	0	0%	1	2%
STEARNS LENDING	49	37	76%	1	2%	11	22%
IMORTGAGE.COM, INC.	37	32	86%	0	0%	5	14%
PRIMARY RESIDENTIAL MORTGAGE	35	26	74%	4	11%	5	14%
AMERICAN PACIFIC MORTGAGE CORP	32	30	94%	0	0%	2	6%
FLAGSTAR BANK	30	9	30%	3	10%	18	60%
PHH MORTGAGE CORPORATION	29	22	76%	0	0%	7	24%
BANK OF AMERICA, N.A.	26	12	46%	5	19%	9	35%
CITIBANK, N.A.	17	5	29%	1	6%	11	65%
BANK OF THE WEST	16	11	69%	2	13%	3	19%
LOANDEPOT.COM, LLC	15	11	73%	3	20%	1	7%
GUILD MORTGAGE COMPANY	15	14	93%	0	0%	1	7%
COMPASS BANK	14	14	100%	0	0%	0	0%
SIMONICH CORPORATION DBA COMME	12	7	58%	0	0%	5	42%
SAN ANTONIO FEDERAL CREDIT UNI	12	7	58%	5	42%	0	0%
PRIMELENDING	11	6	55%	3	27%	2	18%
QUICKEN LOANS	11	11	100%	0	0%	0	0%
OPES ADVISORS INC	11	8	73%	0	0%	3	27%
FIRST MORTGAGE CORP	10	4	40%	0	0%	6	60%
FARMERS & MERCHANTS BANK	10	5	50%	5	50%	0	0%
FRANKLIN AMERICAN MORTGAGE CO	9	4	44%	0	0%	5	56%
PLAZA HOME MORTGAGE, INC.	9	5	56%	2	22%	2	22%
Top 25 lenders	834	512	61%	68	8%	254	30%
All Lenders	1088	674	62%	104	10%	310	28%

Figure 3.5 – Actions by Lender



Community Reinvestment Act Rating

Performance reviews of financial institutions for compliance with the Community Reinvestment Act (CRA) are conducted by the Federal Reserve Board (FRB), Federal Financial Institutions Examination Council (FFIEC), Federal Deposit Insurance Corporation (FDIC), and the Office of the Controller of the Currency (OCCC). CRA ratings are provided for the main or regional headquarters of the financial institutions. It should be noted that only regulated institutions are examined for CRA compliance. Mortgage brokers are not subject to the CRA.

Of the top 25 lenders, only eight have been examined for CRA compliance. Please see the table below. Half have received ratings of “outstanding” in the most recent examination. Three received “satisfactory” ratings and only one received a rating of “needs to improve.”

Bank	State	Supervising Agency	Years rated (>1994)	Most recent rating
WELLS FARGO BANK, NA	CA	OCC	1996, 1998	Outstanding
JPMORGAN CHASE BANK, NA	OH	OCC	2007, 2010	Satisfactory
FLAGSTAR BANK, FSB	MI	OTS	1999, 2001, 2004, 2007	Satisfactory
BANK OF AMERICA, NT&SA	CA	OCC	1995, 1997	Outstanding
CITIBANK (WEST), FSB	CA	OTS	2004	Outstanding
BANK OF THE WEST	FDIC		1998, 2000, 2003, 2006, 2010, 2012, 2015	Satisfactory
COMPASS BANK	AL	FRB	1996, 1997, 1999, 1999, 2001, 2003, 2008, 2011, 2013	Needs to Improve
FARMERS & MERCHANTS BANK	CA	FDIC	2007, 2010, 2014	Outstanding

<http://www.ffiec.gov/%5C/craratings/default.aspx>

LP-10 Predatory Lending

The following discussion provides an overview of predatory lending, examples of predatory lending practices, and recent trends.

Defining Predatory Lending

Predatory lending occurs when potential buyers are seeking to purchase a new home, or when existing homeowners refinance their home to consolidate current debts such as credit cards and car payments. Predatory lending involves abusive loan practices usually targeting minority and/or low-income homeowners or those with less-than-perfect credit history.

Predatory lending is often difficult to define, since a 15 percent interest rate on a loan to one person could be considered predatory while it might be appropriate for home homebuyers, based on the borrower’s risk factors. Predatory lending is one factor that contributed to the current high foreclosure rate in California.

The Federal Home Loan Mortgage Corporation (Freddie Mac) provides the following general definitions for predatory lending:

- “Offering only loans with higher interest rates than the borrower can afford
- Adding unnecessary fees to the cost of the mortgage
- Including ‘balloon payments’ - a large one-time payment at the end of a payment schedule that disguises the true, higher-than-expected, cost of the loan

- Moving a borrower from one loan to another near the end of the payment schedule to extend interest payments and add to the overall cost of the loan
- Forcing borrowers to purchase more insurance than the law requires, and more than the borrower needs”

Examples of Predatory Lending

As defined above, predatory lending includes a wide variety of improper practices. In particular, HUD raises concerns about four categories of improper or predatory lending practices.

- “Loan Flipping – Some mortgage originators refinanced borrowers’ loans repeatedly in a short period of time. With each successive refinancing, these originators charged high fees.
- Excessive fees and ‘packing’ –Fees that far exceeded what would be expected or justified based on economic grounds, and fees that were “packed” into the loan amount without the borrower’s understanding.
- Lending without regard to the borrower’s ability to repay – Lending based on borrowers’ equity in their homes, where the borrowers clearly did not have the capacity to repay the loans.
- Outright fraud and abuse – In many instances, abusive practices amount to nothing less than outright fraud.”

Protections against Predatory Lending: Federal Legislative Changes and Actions

Predatory Lending is a major fair housing issue that was brought to the forefront by the recent string of foreclosures throughout the nation, some of which were the result of predatory lending practices. No law, however, currently administered by the Federal Reserve Board contains a statutory or regulatory definition of predatory lending. Predatory lenders who discriminate receive some scrutiny under the Fair Housing Act of 1968, which requires equal treatment in terms and conditions of housing opportunities and credit regardless of race, religion, color, national origin, family status, or disability. This applies to loan originators as well as the secondary market. The Equal Opportunity Act of 1972 requires equal treatment in loan terms and availability of credit for all of the above protected categories, as well as age, sex, and marital status. Lenders that engage in predatory lending would violate these acts, if they target Black, Hispanic or elderly households to buy higher priced and unnecessary loan products; treat loans for protected classes differently than those of comparably credit-worthy applicants; or have policies or practices that have a disproportionate effect on the protected classes.

In addition, the Truth in Lending Act (Regulation Z) promotes the informed use of consumer credit through disclosure of loan costs and terms. To comply with this act, lenders must disclose information about payment schedules, prepayment penalties, and the total cost of credit. In 2009, the Truth in Lending Act was updated again, and there are pending draft updates to the bill for 2010.

The most recently enacted changes to the Truth in Lending Act, commands “creditors to give consumers transaction-specific cost disclosures shortly after application for closed-end loans secured by a consumer’s principal dwelling,” and “requires early, transaction specific disclosures for mortgage loans

secured by dwellings other than the consumer's principal dwelling and requires waiting periods between the time when disclosures are given and consummation of the mortgage transaction."

Protections Against Predatory Lending: State of California AB 489, AB 344, and 901 (as amended by 260)

In September 2001, with the passage of AB 489 California became the second state to pass a law banning predatory lending. The law enables State regulators and the Attorney General to attempt to prevent "predatory" lending practices by authorizing the State to enforce and levy penalties against licensees that do not comply with the provisions of this bill. The law provides protections against predatory lending to consumers across the State as summarized below:

- **Financing of Credit Insurance:** On all home loans the bill prohibits the financing of single premium credit insurance policies as part of a loan. Credit insurance policies on home loans may still be sold as long as they are paid off monthly like other insurance.
- **Covered Loans:** The legislation's other protections apply to "a consumer loan in which the original principal balance of the loan does not exceed the most current conforming loan limit for a single-family first mortgage loan established by the Federal National Mortgage Association." The loan limits are adjusted according to the California Consumer Price index every five years. For borrowers of these higher-cost home loans, the bill extends additional consumer protections against some of the most abusive practices.
- **Financing of Points and Fees:** The bill prohibits the financing of lender and broker fees beyond six percent of the original loan amount minus the fees
- **Steering:** The bill prohibits borrowers in covered loans from being steered or counseled into loans with rates above what is appropriate for their credit risk, according to the lender's classification.
- **Ability to Repay:** The bill prohibits lenders from making a covered loan, knowing the borrower cannot repay.
- **Home Improvement Contracts:** The bill prevents home improvement contractors from getting paid directly out of the proceeds of covered loans. The loan proceeds must go directly to the borrower, or otherwise be paid out to an escrow account or to the borrower and contractor jointly only in increments with written certification that the work had been finished.
- **Fiduciary Responsibility of Brokers:** The legislation establishes that any mortgage broker providing a covered loan has a responsibility to protect the borrower's financial interests, regardless of any of the broker's other financial relationships (including their status as an agent of the lender), and that any violation of those duties constitutes a violation of the law. Also, the broker cannot advise a borrower to accept a loan that has a higher cost than for what they are eligible.
- **Loan Flipping:** The bill prohibits loans where there is not clear benefit to the borrower, taking into account the costs of the loans, but also the borrower's reasons for seeking it.
- **Prepayment Penalties:** When a prepayment penalty is included in a loan, the borrowers must pay a penalty to refinance out of that loan into another loan within a certain time period. In the

prime market, prepayment penalties are generally accompanied by a slightly lower interest rate on the loan. In the subprime market, these penalties are commonly used to trap borrowers at higher interest rates than they should by paying, or force them to pay an extra fee to receive a loan with a more reasonable interest rate. The bill sets restrictions on some of the worst abuses – limiting such penalties on covered loans to no longer than three years, requiring the originator to offer a choice of a loan without prepayment penalty at least three days before closing, and limiting the prepayment penalty.

- **Balloon Payments:** No balloon payments are allowed in the first five years of the loan, as dictated in the federal Home Ownership Equity Protection Act (HOEPA)
- **Negative Amortization:** The principal amounts of second mortgages may not increase over the course of a covered loan.
- **Prepaid Payments:** Prepaid installments may not be financed into the loan, resulting in extra interest charges.
- **Call Provisions:** Call provisions, which permit the lender to call in the entire balance of the loan immediately, may not be included in covered loans.
- **Interest Rate Changes Upon Default:** The interest rate may not increase as a result of the borrower's defaulting.
- **Encouragement of Default:** The lender or broker may not encourage a consumer to default on the consumer's existing home loan when soliciting to refinance the consumer into a new covered loan.
- **Disclosures:** Originators of covered loans are required to provide borrowers with on page of disclosures about the availability of loan counseling services and other information about the loan.
- **Penalties:** Empowers the licensing agency or Attorney General to impose a fee for the violation of the bill's provisions.

Current Fair Housing Profile

CF-05 Overview

This chapter provides an overview of the institutional structure of the housing inventory in governing fair housing practices of its members. Fair housing services for renters and homebuyers available to Modesto residents and recent fair housing complaints and violations are addressed to determine trends in the City.

Fair Housing Services

Typically, fair housing services for renters and homebuyers include the investigation and resolution of housing discrimination complaints, discrimination auditing/testing, and education and outreach. This

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may include the dissemination of fair housing information such as through written materials, workshops, and seminars. Landlord/tenant counseling is another fair housing service that involves informing landlords and tenants of their rights and responsibilities under the California Civil Code and mediating conflicts between tenants and landlords.

Founded in 1971, Project Sentinel provides fair housing services within Modesto and much of the greater Bay Area, including San Francisco, Santa Clara County, San Mateo County, Alameda County, and Stanislaus County. Project Sentinel provides education and outreach services, tenant, and landlord counseling, mediation of landlord/tenant and other community disputes, HUD- certified first-time homebuyer counseling and workshops, and mortgage default counseling.

Training and Outreach

Project Sentinel is a private, non-profit fair housing agency funded by the City of Modesto to provide fair housing investigation, education, and enforcement services to residents and those seeking to reside in Modesto. In the period January, 2010 through December, 2014, Project Sentinel assisted 5,611 callers with information and referral, counseled and resolved disputes for 515 households and investigated 201 claims of housing discrimination in the City of Modesto. In addition to these investigations, Project Sentinel devoted time to outreach and education efforts at social service agencies and to housing provider groups.

Fair Housing services include investigations of complaints by testing, interviews, surveys, and document review. These services are provided free of charge to all complainants. Approximately 25% to 30% of the investigations reveal evidence substantiating the claim of discrimination. The majority of these meritorious complaints are conciliated or referred to a government enforcement office (HUD or DFEH) or to a member of the private bar.

Outreach is one of the most important elements of a fair housing enforcement plan. Both MCFH and Project Sentinel rate outreach as high-priority objectives, and devote hours of time to dozens of outreach efforts every year. These outreach presentations can be both formal and informal, and routine outreach efforts conducted by both agencies include:

- Designing and distributing English, Spanish, and other foreign-language brochures and flyers. These are distributed throughout the City at community centers, government offices, churches, schools, social service agencies, and libraries;
- Regular presentations in English as a Second Language classes at other non-profit services agencies;
- Distributing public service announcements to local radio stations and various cable television government access channels.
- Placing newspaper ads in the classified sections of local papers informing people to call the respective agency's housing Hotline number if discrimination is suspected. These same phone numbers can be found in the directory under community services and social services;

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- Sponsoring workshops, seminars, and symposiums on an annual basis to help educate targeted audiences;
- Hosting and operating a website providing fair housing information, a list of services, and resources for those with access to the internet who are seeking out information on their housing rights. Project Sentinel's site is located at www.housing.org;
- Placing transit posters in trains and on bus shelters informing people to call if the person feels he or she has experienced housing discrimination.

Maintaining contact and relationships with other social services agencies that serve residents in their jurisdictions is an important factor for Project Sentinel in reaching those who need fair housing services. The agency receives a large number of complaints as referrals from these other agencies.

Landlord Tenant Mediation Services

In July 2004, Project Sentinel began providing and landlord/tenant mediation services for residents and landlords that need additional assistance beyond information and referral. Project Sentinel maintains a position of neutrality such that “delivery of services [are] open and available to all whom make a reasonable request for assistance.” Project Sentinel provides mediation services for several types of landlord-tenant conflicts, including the following:

- The nature of leases and month-to-month rental agreements.
- The duty of landlord to repair the premises and the duty of the tenant to maintain the premises
- The landlords’ right to enter the rental unit and the tenants’ right to privacy
- Rental increases and other changes in terms
- Termination of the rental relationship
- Handling security deposits, including requirements for inspections at the time the tenant vacates and the process for refunding the deposit

Between 2010 and 2014 Project Sentinel provided 515 households with landlord/tenant mediation services of counseling and dispute resolution. Project Sentinel believes that many low income tenants and landlords do not have sufficient information to make good decisions. Many of these callers are of protected status and as such are at a disadvantage when negotiating a landlord tenant relationship. If assistance is not rendered to these households it could be a form of discrimination. The lack of sufficient knowledge of tenant landlord rules places these individuals and households at a disadvantage. The provision of these services helps to level the playing field. Project Sentinel maintains a position of neutrality such that “delivery of services [are] open and available to all whom make a reasonable request for assistance.” Project Sentinel provides mediation services for several types of landlord-tenant conflicts, including the following:

- The nature of leases and month-to-month rental agreements.
- The duty of landlord to repair the premises and the duty of the tenant to maintain the premises

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- The landlords' right to enter the rental unit and the tenants' right to privacy
- Rental increases and other changes in terms
- Termination of the rental relationship
- Handling security deposits, including requirements for inspections at the time the tenant vacates and the process for refunding the deposit

In the last fiscal year, Project Sentinel has managed 49 Modesto landlord/tenant cases pertaining to a range of issues. The most common problems reported are landlord/tenant, neighbor-to-neighbor, and breach of contract. The cases were resolved through conciliation, mediation, or counseling.

CF-10 Fair Housing Discrimination Complaints

Intake

When a potential complainant has been referred to Project Sentinel and contact is made, an experienced counselor discusses the caller's situation, and determines if the problem is within the geographic service boundaries and scope of fair housing law. If the complaint isn't related to the agency's services, the housing counselor will refer the caller to the appropriate agency. As this information and referral is being made, the housing counselor will explain what Project Sentinel's role is and why the caller is being referred. In some situations the housing counselor will offer to be a bridge for the caller and contact the other organization on behalf of the caller.

Once a complaint of housing discrimination has been determined, and is verified to be within the agency's geographic service boundaries, the counselor does a complaint intake and proceeds with investigation. Complaint in-take is usually performed by phone, without cumbersome requirements of appointments or paperwork. Intake is performed quickly but with sensitivity to the complainant's possible emotional state of mind. The counselor will collect information on the complainant's demographic makeup, financial information, housing situation, and desired course of action, as well as taking down a narrative of the incident which prompted the complainant's initial call. Based on this information,

Investigation

There are various methods for investigating complaints of housing discrimination: testing, surveys, interviewing, and document review. Each complaint is evaluated to determine the best method or methods of investigation.

As testing is such a crucial part of fair housing investigation, a fair housing agency's tester pool is one of its most important assets. Each agency conducts regular tester-training workshops to develop and maintain a diverse pool of testers. At these trainings, potential testers are trained in basic fair housing

law and put through practice testing exercises to give them a feel for what is being looked for when a fair housing agency conducts an investigation.

Surveying is also one of the major means of collecting evidence. Agencies will compose a survey of questions based on the complainant's situation, and send a representative to the site to conduct interviews of in-place tenants. Surveying will often be used to find others of the same protected class as the complainant to provide corroborating evidence of the alleged discrimination.

Interviews of witnesses to the discriminatory actions, or of other victims of the alleged discrimination, are also used to collect corroborating evidence. Sometimes witnesses statements are the only way to gather evidence, especially in cases where testing and surveying are impossible. Potential interviewees can include friends or family of the complainant or current and former site tenants of the complainant's protected class.

Referral

Once the investigation is completed and if evidence is found, the fair housing agency will contact the complainant to counsel them on the next available options. At this time the complainant can choose from the following options:

Conciliation

If possible, the complainant may want to come to a mediated agreement on the problem with his or her landlord. This might involve the granting of a reasonable accommodation to site rules in the case of a person with a disability, or the renting of a unit previously denied to a complainant on the basis of familial status.

Education

The complainant may want to require that the landlord be educated as to the violation in fair housing law. Project Sentinel will send a letter of education to the landlord explaining fair housing law; further education, such as attending a fair housing training may also be required to conciliate the case.

Referral to Private Attorney, HUD or DFEH

If the complaint is egregious, the complainant may want to pursue this case in court or through a government agency such as the U.S. Department of Housing and Urban Development (HUD) or the California Department of Fair Employment and Housing (DFEH). Cases referred to a government agency or to a private attorney often settle out of court, with monetary damages being awarded to the complainant.

Decline to Pursue

If the complainant does not wish to pursue the case, he or she can choose to decline pursuing it. In cases where insufficient or no corroborating evidence is found, or where the site is impossible to investigate, Project Sentinel will counsel the complainant on the lack of evidence or difficulty of finding evidence. If the complainant feels that his or her experience was egregious enough, he or she may choose to file a complaint with HUD or DFEH alone. Otherwise, the complaint will be closed as counseled.

Pending

Cases are cases that are still being investigated, or required a second investigative effort at the time of this report.

REFERRAL

Options	No. Of Cases
Conciliated	51
Counseled	97
Declined To Pursue	5
Referral	4
Educated	14
HUD Referral	23
Pending Investigation	7

DISPOSITION

YEAR	NO. OF COMPLAINTS
2010	36
2011	48
2012	47
2013	40
2014 (data only for Jan-June 2015)	30

PROTECTED CLASS

	2010	2011	2012	2013	2014
Race		2	3	1	3
Nat Origin	1		2		2
Disability	32	35	30	29	15
Familial Status	1	6	1	6	7
Gender				1	

Religion					
Age	1	1			
Marital Status			1		
Gender					2
Sexual Orientation			1		
Source of Income		2	8	3	1
Arbitrary	1	2	1		

Testing and Auditing

Project Sentinel may conduct testing in order to verify a case of fair housing discrimination. Fair housing testing is a controlled method to determine differential treatment in the services given to home seekers by real estate agents, property managers, and owners. A test is a simulation of a housing transaction used to compare the treatment of one home seeker to another, to determine where there has been a violation of fair housing laws. The technique entails the pairing of individuals, similar in relevant respects except for the particular variable being tested (e.g. race, familial status, disability). The experience of the two or more testers is compared to determine the validity of an alleged discrimination.

California State Department of Fair Employment and Housing (DFEH)

Project Sentinel works in partnership with HUD and DFEH. Once a person calls in a complaint to Project Sentinel, an interview takes place and the complaint is documented. Project Sentinel first offers mediation/conciliation as a viable alternative to regulatory enforcement or litigation. If the mediation/conciliation is unsuccessful, Project Sentinel refers the case to DFEH or HUD. During the investigation of the case, testing may be performed, if deemed necessary. After the completed investigation, Project Sentinel advises the complainant of the alternatives available in proceeding with the complaint, which includes mediation/conciliation, administrative filing with HUD or DFEH, referral for consideration to the Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, or referral to a private attorney for possible litigation.

Hate Crimes

To a certain degree, hate crimes are an indicator of the environmental context for discrimination. Hate crimes are crimes that are committed because of a bias against race, religion, disability, ethnicity, or sexual orientation. These crimes should be reported to the police or sheriff's department. On the other hand, a hate incident is an action or behavior that is motivated by hate, but is protected by the First Amendment right to freedom of expression. Examples of hate incidents can include name-calling, epithets, distribution of hate material in public places. The freedom guaranteed by the U.S. Constitution,

such as freedom of speech, allows hateful rhetoric as long as it does not interfere with the civil rights of others. Only when these incidents escalate can they be considered actual crime.

In an attempt to determine the scope and nature of hate crimes, the Federal Bureau of Investigation's (FBI) Uniform Crime Reporting program collects statistics on these incidents. According to the FBI, hate crimes take place in Modesto, although at a low level.

Public Policies

PP-05 Overview

Development standards i.e. building, zoning, density, design standards at the regional and local level, and its implementation can be a constraint for the development of housing opportunities for low-income households, special populations and minority groups, causing a great impact in the range and location of housing choices available to the public.

Federal fair housing laws are designed to encourage an inclusive living environment, protecting individuals from discrimination when they are renting, buying, or securing financing for any type of housing. The prohibitions cover discrimination because of race, color, national origin, religion, sex, disability and the presence of children. The State of California fair housing law includes the Federal protected groups and extends the classification of protected classes to include medical condition, marital status, national origin, income sources, and sexual orientation.

An assessment of public policies and practices can help determine potential impediments to fair housing opportunity. This section presents an overview of government regulations, policies, and practices enacted by the City of Modesto and other public agencies that may impact fair housing choice.

Please note that this section relies on the City of Modesto General Plan, Zoning Code and Housing Element. The Housing Element is currently undergoing revision and update. This section will be revised and updated after the Housing Element revision and update are completed.

Development Plans and Policies

California law requires that each city and county adopt a comprehensive plan, called a "General Plan." A General Plan is a long-range blueprint required of local governments to provide goals and policies to guide the vision established for the future growth of the community. Elements of the General Plan that address housing, land use, and conservation have direct impacts on the local housing market and on the amount and range of housing choices.

California law also requires cities and counties to implement their General Plans through zoning, subdivision, and other regulatory ordinances. These regulations are other important documents that influence that amount and type of housing available in a community.

The City of Modesto is currently working on a General Plan Amendment that should be completed by the end of 2016, and will prepare a Comprehensive General Plan Update in the next couple of years.

General Plan Housing Element

As required by the State, the City of Modesto is currently preparing an update to the Housing Element document, which is anticipated to be adopted by the end of 2015. Consistent with the current Housing Element, the City's goals and objectives will continue to reflect the high priority that the City places on affordable housing and programs to provide housing for members of the community with special needs. As one of the State-mandated elements of the Modesto General Plan, the Housing Element is subject to review by the California Department of Housing and Community Development (HCD) for compliance with State law. Housing Element law recognizes that, for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems that provide opportunities for and do not unduly constrain, housing development and choices. Specifically, the Housing Element must do the following:

- Identify adequate sites which will be made available through appropriate zoning and development standards and with services and facilities need to facilitate and encourage the development of a variety of types of housing for all income levels in order to meet the community's housing goals
- Identify policies and programs that assist in the development of adequate housing to meet the needs of low-and moderate-income households
- Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.
- Identify policies and programs designed to conserve and improve the condition of the existing affordable housing stock.
- Identify policies and programs that promote housing opportunities for all persons regardless of race religion, sex, marital status, ancestry, national origin, color, familial status, or disability.

Land Use Element

As stated in the 2009-2014 Housing Element, the Urban Area General Plan Land Use Element was adopted in 1995, and updated in 2003 and 2008. This element sets forth the City's policies regarding local land development. These policies, together with existing zoning regulations, set forth the City's policies regarding local land development. These policies, together with existing zoning regulations, establish the amount and distribution of land allocated for different uses. Land Use policies are fundamental to ensuring housing opportunities because they determine the amount, location, type, and

density of housing. The land use designations include standards of population density and building intensity. Residential densities are typically expressed as dwelling units per acre (du/ac). The Zoning Code and Zoning Map are the primary tools to guide future development in the Baseline Development Area. The Baseline Development Area is identified in the City's Urban Area General Land Use Element as the portion of the City that is already developed. The policies in existence in the Base Year 2007 of the General Plan are the secondary tools that guide development. Modesto is a charter city. As such, the City's zoning need not be consistent with the General Plan (Section 65803 of the Government Code).

Residential Densities

The local public policy factor that most directly influences the type of housing that can be built, and potentially the cost of housing, is the allowable density range of land designated for residential development. Higher densities allow development to take advantage of economies of scale, reduce the per-unit cost of land and improvements, and may reduce development costs associated with building housing. Higher residential densities increase the feasibility of producing low-cost housing in the form of small lot single-family homes, town homes, condominiums, and apartments. Minimum required densities in multifamily zones ensure that land zoned for multifamily use, the supply of which is often limited, will be developed as efficiently as possible for multifamily uses.

Residential land use categories in the General Plan are summarized in Table 5.1, and are as follows:

- Residential: 7.5 dwelling units per acre
- Mixed-Use: 14 dwelling units per acre
- Redevelopment Planning District (RPD): Based on redevelopment project area
- Village Residential: 6.6 units per acre

According to the 2009 Housing Element of Modesto's General Plan, there were approximately 171 acres of vacant or underutilized land zoned R-1, about 303 acres of vacant or underutilized land zoned R-2, 383 acres of vacant or underutilized land zoned R-3, about 14 acres of vacant or underutilized land zoned Professional Office (P-0), plus additional vacant or underutilized land in SP sites in the Planned Urbanizing Area. After accounting for the development constraints on these sites, the City estimates a total residential development potential of about 6,400 units on these sites, not including any units that may already be on the sites.

Zoning Ordinance

The Modesto Zoning Ordinance (Title 10 of the Modesto Municipal Code) implements the City's General Plan by establishing zoning districts those are consistent with the General Plan land use categories. Development standards and permitted uses in each zoning district are specified to govern the density, type, and design of different land uses for the protection of public health, safety, and welfare as required by California Government Code Sections 65800-85863.

Table 5.1 summarizes the City's zoning standards for residential districts and non-residential districts that permit housing. The minimum and maximum permitted density, expressed in units per acre, varies by zone. The minimum density ranges from one unit per lot in the R-1 zone to 22 dwelling units per acre (du/ac) in the R-3 and P-O zones. The maximum densities start at 8.7 du/ac for the R-1 district and increase to 28.5 du/ac in the P-O, C-1, C-2, C-3, P-D, and SP-O zoning districts. By permitting a range of densities, the City facilitates the development of a variety of housing types, ranging from low-density single-family residences to larger apartment and condominium complexes. The City also encourages new housing to be developed at the highest end of the density ranges, to maximize the number of units available. Single-family units are not a permitted use in the R-2 and R-3 zones. Only buildings containing two units or more are permitted in these two zones.

Definition of Family

The local zoning ordinance can potentially restrict access to housing for households failing to qualify as "family" by the definition specified in the zoning ordinance. California court cases have ruled that an ordinance that defines "family as: 1) an individual; 2) two or more persons related by blood, marriage, or adoption, or 3) a group of not more than a certain number of unrelated persons as a single housekeeping unit, is invalid.

Court rulings stated that defining a family does not serve any legitimate or useful objective recognized under the zoning and land planning powers of the jurisdiction, and therefore violates rights of privacy under the California Constitution. A zoning ordinance cannot regulate residency by discriminating between biologically related and unrelated persons. Even if the local municipal code provides a broad definition, defining what constitutes a "family" should be avoided by jurisdictions to prevent confusion or give the impression of restrictiveness.

The City of Modesto defines "family" in its Municipal Code as "...an individual or two (2) or more persons living together as a single household unit in a dwelling unit. Family does not include larger institutional group living situations including, but not limited to, fraternities and sororities, nor does it include commercial group living arrangements including, but not limited to, boarding houses and lodging houses." Therefore, Modesto complies with California court decisions regarding the definition of "family." This issue presents no impediments to fair housing.

Density Bonus Ordinance

As reported in the 2009-2014 City of Modesto Housing Element, State density bonus law requires that a jurisdiction grant a 25 percent density bonus and at least one regulatory concession or incentive if a developer provides one of the following: (1) 20 percent of the units affordable to lower income households; (2) 10 percent of the units affordable to very low income households; (3) 50 percent of the units for seniors; or (4) 20 percent of the condominium units affordable to moderate income

households. The units must remain affordable for a minimum of 10 years if no financial assistance or regulatory concession/incentive is provided. For projects that receive financial assistance and/or regulatory concessions/incentives, the units must remain affordable for 30 years.

In accordance with Government Code Section 65915 as amended by SB 1818 (2004), the City of Modesto offers density bonuses to developers of at least five dwelling units meeting state affordability criteria and can consider parking concessions, affordable housing subsidies, allowing mixed uses, deferral of Capital Facilities Fees, expedited processing, reduced setbacks, and increases in height limitations. The City must ensure that these units remain affordable for at least ten years. Modesto's density bonus ordinance can be found in its entirety in Title X, Chapter 3, of the Municipal Code.

Parking Requirements

Communities that require an especially high number of parking spaces per dwelling unit can negatively impact the feasibility of producing affordable housing by reducing the achievable number of dwelling units per acre, increasing development costs, and thus restricting the range of housing types constructed in a community. Typically, the concern for high parking requirements relates only to multifamily, affordable, or senior housing. Table 5.2 contains the Parking Standards for the City of Modesto.

As stated in the 2009-2014 City of Modesto Housing Element, the City's parking requirements for residential uses vary by type. Single-family houses are required to have two off-street spaces per house, plus an additional space if the property includes a two-car garage (one-half space extra if the garage is only one-car). If the single-family house has a second dwelling unit on the premise, then another space is also required. All other residential uses are required to provide two parking spaces per dwelling unit, plus one recreational vehicle space for each 25 dwelling units. Guest parking is included in the requirement.

The City offers flexible parking standards for housing for seniors and persons with disabilities, and has decreased the parking requirement for studio and one-bedroom units to lessen the costs of parking for small apartments. Therefore, the City's parking requirements should not create an impediment to fair housing choice in the City.

Variety of Housing Opportunities

To ensure fair housing choice in a community, a zoning ordinance should provide for a range of housing types, including single-family, multifamily, second dwelling units, mobile homes, licensed community care facilities, employee housing for seasonal workers, assisted living facilities, emergency shelters, and transitional housing. A summary of Modesto zoning as it relates to ensuring a variety of housing opportunities is as follows.

Permitted Single-Family and Multifamily Uses

Single-family and multifamily housing types include detached and attached single-family homes, duplexes or half-plexes, town homes, condominiums, and rental apartments. Zoning ordinances should specify the zones in which each of these uses are permitted by right. The City of Modesto permits the range of residential uses described above.

Zoning ordinances should also avoid “pyramid” or “cumulative zoning.” This means that the zoning ordinances should avoid permitting lower-density single-family uses in zones intended for high-density multifamily uses. Pyramid or cumulative zoning formats could, in effect, impact the amount of lower-cost multifamily residential uses in a community. That is because the amount of land typically set aside for multifamily housing is a fraction of the amount designated for single-family housing, yet a “pyramid” or “cumulative” zoning scheme would potentially allow single-family development to consume all of the multifamily-zoned land. The City of Modesto, under Program 4.2 of the 2004 Housing element eliminated the jurisdiction’s pyramid zoning system, and no longer allows single-family units on land zoned R-1 or R-3.

Second Dwelling Units

Second dwelling units are attached or detached dwelling units with complete living facilities located on the same lot as a single-family home (primary unit), but smaller than the primary unit. As specified in the 2009-2014 City of Modesto Housing Element, the Zoning Ordinance allows the development of a second, or accessory, living unit in all residential districts. The purpose of permitting additional living units is to allow more efficient use of existing housing and to provide the opportunity for the development of small housing units to meet the special housing needs of seniors and others, while preserving the integrity of single-family neighborhoods. Approval of an accessory unit occurs through a building permit. The City updated its zoning ordinance in 2006, in accordance with State law (AB 1866) to eliminate the need for approval of second units by the Planning Commission or Zoning Administrator. Therefore, the ministerial review process currently required for second units does not represent an impediment to fair housing.

Manufactured and Mobile Homes

State law requires local governments to permit in all single-family residential zoning districts factory built homes that meet federal safety and construction standards and that are placed on a permanent foundation (California Government Code Section 65852.3). A local jurisdiction’s zoning ordinance should be compliant with this law. Manufactured homes are considered a viable housing option for many low-income households. Therefore, restricting the location of such housing units is considered an impediment to fair housing choice. The City of Modesto’s Zoning Ordinance permits manufactured and factory-built housing in all single-family residential districts, if the units are consistent with the Uniform

Building Code (UBC). The City is in compliance with State law; therefore, the City's housing opportunities related to manufactured units should not create an impediment to fair housing choice in the City.

The 2009-2014 Housing Element only permits mobile home rental parks in Specific Plan zones, on properties in an adopted specific plan designated for residential, and in Planned Development zones if specified in an ordinance establishing the Planned Development zoning designation on a property. This process is not considered a barrier to approval of mobile home parks as evaluated in the City's 2009-2014 Housing Element. The City issued 95 mobile home permits between 2002 and 2008.

Licensed Residential Care Facilities

The Lanterman Developmental Disabilities Services Act (California Welfare Institutions Code Sections 5115 and 5116) requires local jurisdictions to treat licensed group homes and residential care facilities with six or fewer residents no differently than other permitted single-family housing uses. Cities must allow these licensed residential care facilities in any area zoned for residential use and may not require conditional use permits or other additional discretionary permits. Currently, Modesto's Zoning Ordinance is compliant with the Lanterman Development Disabilities Act. The Zoning Code permits licensed residential care facilities in residential zones R-1, R-2, and R-3 by right and in the Professional Office (P-O) with a conditional use permit. Residential Care facilities serving seven or more persons are also allowed in the P-O zone and all residential zones, but only with a Conditional Use Permit granted by the Board of Zoning Adjustment.

Table 2.17, from Chapter 2 of this document, identified 42 licensed adult residential facilities with total capacity of 472 persons in Modesto, and 63 facilities within Stanislaus County as a whole housing 698 persons (or 21 facilities within the remainder of the County excluding the City of Modesto). Therefore, the ratio of beds per 1,000 people, a measure typically used to identify a concentration of residential care facilities, is 0.45 beds per 1,000 people in Modesto, and 0.75 beds per 1,000 persons in Stanislaus County, and 1.39 beds in the remainder of the County. Consequently, there does not appear to be a concentration of adult residential facilities in the City of Modesto relative to Stanislaus County.

Emergency Shelters, Transitional Housing, and Permanent Supportive Housing

As stated in the 2009-2014 Housing Element, three types of facilities provide shelter for homeless individuals and families, including emergency shelters, transitional housing, and permanent housing, defined as follows:

- **Emergency Shelter:** A facility that provides overnight shelter and fulfills a client's basic needs (i.e. food, clothing, and medical care) either on-site or through off-site services. The permitted length of stay can vary from one day at a time to three months.
- **Transitional Housing:** A residence that provides housing for up to two years. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation.

Services may include substance abuse treatment, mental and physical health care interventions, job training and employment services, individual and group counseling, and life skills training.

Local land use controls can constrain the availability of emergency shelters and transitional and supportive housing for homeless individuals and shelters if these uses are not permitted in any zoning district or if additional discretionary permits are required for their approval. SB 2, a state law that became effective on January 1, 2008, sought to address this potential constraint by strengthening planning requirements around emergency shelters and transitional housing. The law requires all jurisdictions to identify a zone where emergency shelters are permitted by right without a conditional use permit or other discretionary permit. In addition, transitional and permanent supportive housing must be considered a residential use and only be subjected to restrictions that apply to other residential uses of the same type in the same zone.

Emergency shelters are allowed in the commercial zones (C-1, C-2, C-3), and industrial zones (M- 1 and M-2) with a conditional use permit approved by the Board of Zoning Adjustments. Transitional housing in residential zones (R-1, R-2, and R-3), office zone (P-O) and industrial zones are subject to interpretation of use by the Community and Economic Development Director or Board of Zoning Adjustment. Furthermore, transitional housing units are allowed in commercial zones with a Conditional Use Permit granted by the Board of Zoning Adjustment. The provisions in the Modesto Zoning Code present an impediment to fair housing since there are no zones where emergency shelters are permitted by right, and no set approval process for permitting transitional housing.

In the 2009-2014 Housing Element under Program 4.1a, the City has identified several revisions to the Zoning Code necessary to comply with recent changes to State laws and to further facilitate the development of affordable housing and housing for persons with special needs. One revision calls for a zoning amendment to specifically identify in which zones transitional, supportive, and single room occupancy housing are permitted by right, and a second revision suggests identifying a zone in which at least one additional emergency shelter is permitted by right. With the completion of these revisions, the City of Modesto would eliminate the previously mentioned impediment to fair housing.

Table 5.1: Land Use Categories Permitting Residential Use, City of Modesto

Zoning District	Minimum Density (du/ac)	Maximum Density (du/ac)	Minimum Lot Size (sq. ft.)	Maximum Building Coverage (%)	Maximum Building Height (ft.)
R-1	1/lot	8.7	5,000 interior low 5,500 corner lot	50% interior low 55% corner lot	30
R-2	11	14.5	64,000	55% interior low 60% corner lot	30

R-3	22	28.5	6,000 interior low 6,500 corner lot	60% interior low 65% corner lot	30
P-O	22	28.5	n.a.	n.a.	35 (b)
C-1	n.a.	28.5	n.a.	n.a.	90 (b)
C-2	n.a.	28.5	n.a.	n.a.	n.a.
C-3	n.a.	28.5	n.a.	n.a.	n.a.
P-D	(a)	28.5	n.a.	(a)	(a)
SP-O	(a)	28.5	n.a.	(a)	(a)

Notes:

To be determined in the Ordinance designating the District.

Except structures for uses permitted with a Conditional Use Permit

Sources: Title 10, Zoning Ordinance, City of Modesto, 2015

Table 5.1-1 Parking Requirements

Land Use	Required Parking Spaces		Notes
	City Wide (except Downtown Area)	Downtown Area1 2	
RESIDENTIAL			
Single-Family Residential	2 per unit	Same	
Second Unit (Granny Flat)	1 additional space	Same	Per Section 10-3.217(b)
Multiple-Family Residential			
Studio	1 per unit	Same	Lots with 5 or more units shall provide 1 guest parking space per 4 units
1 bedroom	1 per unit	Same	
2 or more bedrooms	2 per unit	Same	
Boarding and Lodging House	1 space per 2 beds	Same	
Residential Care Facility, Residential Service Facility, Family Day Care Home	2 spaces per unit 1 additional space for each employee beyond 2 employees	Same	
Assisted Living	1 space per 4 beds, or 1 space per 4 units	Same	
Emergency/Homeless Shelter	1 space per employee	Same	
Mobile Home Park	As specified per Planned Development Zone approval	Same	

Senior Housing	As required by the designated approving authority	Same	
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Sources: Title 10, Zoning Ordinance, City of Modesto, 2015

1 See Section 10-7.509a

2 See Section 10-2.121 for Downtown Area Map

PP-10 Building, Occupancy, Health and Safety Codes

Building codes, such as the California Building Standards Code and the Uniform Housing Code are necessary to protect public health, safety, and welfare. However, the enforcement of local codes can deter the construction of new housing or the improvement of older, substandard housing, if such enforcement does not take into account individual circumstances. For example, a local requirement to bring all components of an older home into compliance with current building code standards to correct one health and safety issue could deter property owners from fixing homes if the cost of compliance is prohibitive. Code enforcement can lead to the displacement, even if inadvertent, of lower-income and special needs groups, who also tend to be disproportionately minority (See Chapter 2 for further information on income and ethnicity).

The 2009-2014 City of Modesto Housing Element states that approximately 15,000 housing units require rehabilitation and 500 housing units in the City require replacement. Although code enforcement focusing on health and safety requirements may not be a fair housing issue per se, federal guidelines recommend that code enforcement practices which lead to significant displacement of low-income and/or minority residents be evaluated as part of the analysis of impediments to fair housing.

The areas in the City with the oldest homes include the downtown area and areas north of downtown. Many of these areas of the City have well-kept vintage homes that are among the City’s most valuable. At the same time, many of these areas with older homes also correspond to Census Tracts with higher concentrations of lower-income households. Due to the age of housing stock in some of the neighborhoods near downtown and deferred maintenance, considerable investment would be necessary to preserve adequate living conditions in numerous units.

The Code Enforcement Program is administered through the Neighborhood Preservation Unit of the Parks, Recreation, and Neighborhoods Department. The programs aim to preserve and maintain the safety livability and quality of neighborhoods. Code enforcement staff investigated violations of zoning code and property maintenance standards as defined in the Municipal Code as well as handling water enforcement and other complaints. The City provides various rehabilitation loan and grant programs to assist in repairs and rehabilitation across the City. These programs provide low-interest loans and grants to eligible homeowners to make necessary repairs which may include plumbing/sewer, electrical, reroofing, termite damage repair, structural repairs (i.e. due to earthquakes) and kitchen and bathroom

remodeling. In addition, with the newly acquired Neighborhood Stabilization Program funding, the City will be able to purchase and rehabilitate additional homes throughout the City, and specifically in the Airport Neighborhood. The Building and Development Service Division of the Community and Economic Development Department administers a building and housing code enforcement program, where residential structures are inspected for health and safety violations. Housing units found to be unsafe are required to be improved or demolished.

Occupancy Standards

“Occupancy Standards” is a term used to describe either government or property owner rules that dictate the maximum number of persons, children, or unrelated individuals per room, bedroom, or unit who may occupy a housing unit. Disputes between tenants and landlords over occupancy standards are a frequent source of complaints filed with fair housing agencies. A strict occupancy standard, whether imposed by a local jurisdiction or by a landlord, may be a violation of fair housing practices.

A review of occupancy standards for Modesto did not reveal any standards more restrictive than those established in the Uniform Housing Code, California Fire Code, or California Department of Fair Employment, and Housing (DFEH). As discussed earlier in this chapter, Modesto Municipal Code defines family as, “... An individual or two (2) or more persons living together as a single household unit in a dwelling unit...”, and does not impose limits on the size of families that may reside in different types of housing units. Therefore, the City’s regulatory practices with respect to housing occupancy do not appear to create an impediment to fair housing.

Affordable Housing Development

As described in Chapter 4 of this document, minority and special needs households can be disproportionately affected by discriminatory housing practices, and tend to face greater challenges in obtaining suitable housing. The primary challenge for these groups is a lack of suitable and affordable housing that is not in substandard condition. The lack of affordable housing, to the extent that the shortfall is caused by an imbalance in the overall supply of housing relative to demand is not a fair housing issue per se; however, federal guidelines for the evaluation of fair housing choice recommend that local jurisdictions examine how the cost of housing affects access to housing choices for lower-income, minority, and special needs groups. Insofar as low-cost housing is concentrated in certain neighborhoods, or generally unavailable in a community, access to housing by low-income, minority, and special needs groups will be adversely affected.

Siting of Public and Assisted Housing

A significant source of affordable housing is the stock of publicly owned and government-assisted, privately owned housing. Public housing is directly managed, and in some cases constructed, by a public

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housing authority. Assisted housing is privately-managed housing supported by public funding. For both types of housing, rents are kept at levels that are affordable to lower-income households.

Modesto had the largest inventory of rent-restricted multifamily housing units in Stanislaus County. According to the Housing Authority of the County of Stanislaus (HACS), Modesto has 647 public housing units plus over 291 additional assisted units. There are also additional units funded by the City of Modesto. Since Modesto has by far the largest population of any city in Stanislaus County, it is logical that Modesto had the most rent-restricted housing units.

According to the 2009-2014 City of Modesto Housing Element, the City of Modesto has assisted in the development of more than 777 units through either construction or rehabilitation, including 17 multifamily complexes that total 379 affordable units. All of the multifamily developments with affordability covenants are recent projects not at risk of converting to market-rate housing. In addition, seven affordable housing projects including 735 affordable units were developed with federal subsidies, and eleven emergency shelters have also been established.

According to HUD, records, all federally assisted projects in Modesto have affordability restrictions/subsidies that are due to expire in the next five years. A total of 735 units are at risk of losing Section 8 subsidies over the five-year period covered by this analysis.

There is a concentration of lower-income households in Modesto, which includes a disproportionate representation of minority households. Since publicly assisted housing is for lower-income households, it is expected that Modesto will have a significant share of such housing and that such housing might be located in or near areas of minority and/or lower-income concentrations. Most of the areas of minority concentration are also areas of lower-income concentration.

A lack of affordable housing in or near non-minority and/or non-lower-income areas can create an impediment to fair housing choice, particularly if these areas also contain employment centers with significant numbers of jobs held by lower-income workers; however access for lower income households to employment centers is not considered a significant impediment.

Development Impact Fees

Until 1978, property taxes were the primary revenue source for financing the construction of infrastructure and improvements to support new residential development. The passage of Proposition 13 in 1978 has limited local jurisdictions' ability to raise property taxes and Proposition 13 also significantly lowered the ad valorem tax rate. This forced local jurisdictions into increasing reliance on other funding sources to provide infrastructure, public improvements, and public services. An alternative funding source, widely used among local governments in California, is the development impact fee, which is collected for a variety of improvements. These include water and sewer facilities, schools, parks, and transportation facilities.

To enact an impact fee, State law requires that a local jurisdiction demonstrate the link or “nexus,” between the type of development in question and the impact being mitigated by the proposed fee. Also, the amount of the fee must be proportional to the impact caused by the development. Nevertheless, development impact fees today have become a significant cost factor in housing development.

As stated in the 2009-2014 Housing Element, the city collects various fees from developers to cover the costs of processing permits, and necessary services and infrastructure. This includes development impact fees as well as various fees for services. Fees associated with new development in the City vary significantly by district. In addition, the City has ten active Community Facilities Districts (CFDs), each with its own special tax schedule that applies to property within the respective district. Many other parts of the City are not located in CFDs and are not required to pay special taxes.

Fees have been cited as a potential constraint on the development of affordable housing within the Village One area, where the Community Facilities District has a special tax that amounts to \$97,681 per acre. To ensure that fees do not constrain affordable housing, fee reductions or waivers are sometimes granted based on project-specific findings. Capital Facilities Fees (CFFs) have been waived for recent affordable housing projects within the City, reducing the potential adverse impact of fees on low-income development. The City has also attempted to utilize an Affordable Housing Fund and other financing tools to promote affordable housing within Village One. As such, the City’s development impact fees do not appear to create an impediment to fair housing choices.

Other Land Use Policies, Programs, and Controls

Land use policies, programs, and controls, may impede or facilitate housing development, depending on how they are implemented, and can have implications for fair housing choice in a community. Inclusionary housing policies and the use of redevelopment power can facilitate the construction of affordable housing.

Conversely, growth management programs and the lack of local authority to construct publically financed affordable housing (according to Article 34 of the California Constitution) can impede the development of affordable housing.

Growth Management Programs

Growth management programs range from general policies that require the expansion of public facilities and services concurrent with new development, to policies that establish urban growth boundaries, to numerical limitations on the number of dwelling units that may be permitted annually. These programs facilitate well-planned development and ensure that the necessary services and facilities for residents are provided. A growth management program may act as a constraint, however if it prevents a jurisdiction from approving a sufficient quantity and/or type of housing to meet its housing needs for all

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income groups. Growth management programs could indirectly impede fair housing choice unless implemented in a manner that specifically exempts or provides preferences for affordable housing projects.

State housing law mandates that cities and counties in California facilitate the development of a variety of housing to meet each jurisdiction's fair share of regional housing needs. Any growth management measure that would comprise a jurisdiction's ability to meet its regional housing needs may have an exclusionary effect on limiting housing choices and opportunities of regional residents, or concentrating such opportunities in other areas of the region.

The City of Modesto has a variety of growth management programs/policies to ensure adequate services for housing and to promote jobs-housing balance. Program 4.2: Residential Sites Inventory explains how the City will work to facilitate development on the land identified in Chapter 4: Resource Analysis of the Housing Element.

A jobs-housing imbalance exists in Modesto due to the large influx of San Francisco Bay Area workers seeking affordable housing. As stated in the 2009-2014 City of Modesto Housing Element, both the City of Modesto and Stanislaus County have a higher percentage of residents working in another county compared with California overall, with correspondingly high average commute times. The proportion of Modesto residents who travel relatively short distances to work decreased slightly between 2000 and 2007, while those traveling longer distances increased slightly. This influx created impacts on the City's infrastructure systems, air quality, and economic well-being of the community. To attempt to balance housing growth and economic development, The City's 2009-2014 Housing Element contains programs 7.1a and 7.1b.

None of the growth management policies described above would adversely impact the ability of the City to meet its fair share of housing needs in Stanislaus County.

Inclusionary Housing Programs

Inclusionary housing describes a local government requirement that a specified percentage of new housing units be reserved for, and affordable to lower-income households. The goal of inclusionary housing programs is to increase the supply of affordable housing as market rate housing is developed. Inclusionary housing programs are most effective in increasing the supply of affordable housing in areas experiencing rapid growth and a strong demand for housing. Currently, the City of Modesto does not have an inclusionary ordinance or program. As stated in the 2009-2014 City of Modesto Housing Element, such a program was deemed infeasible in the final adopted Housing Implementation Tools document (September 30, 2008).

Policies Causing Displacement or Affecting Housing Choice of Minorities and Persons with Disabilities

Local government policies could lead to displacement or affect representation of minorities or the disabled. Policy areas that could have these effects include redevelopment activities, reasonable accommodation, ADA-compliant public facilities, and occupancy standards. Occupancy standards were discussed earlier in this chapter.

PP-15 Reasonable Accommodation

State and federal laws require local government to ensure “reasonable accommodation” in housing for persons with disabilities when exercising planning and zoning powers. “Reasonable accommodation” means that localities allow for exceptions to make housing accessible to persons with disabilities, if necessary. Exceptions can be made by variance, zoning change or other means, but local governments are not required to fundamentally alter their zoning ordinances.

Although local governments may be aware of State and federal requirements to allow reasonable accommodations, specific policies or procedures may be necessary to inform disabled residents of local requirements for reasonable accommodations. Without explicit procedures, persons with disabilities may be unintentionally displaced or face significant barriers to obtaining housing that meets their accessibility needs.

The City of Modesto has not adopted zoning requirements or procedures that create undue constraints to the development, maintenance, and improvement of housing for persons with disabilities. As noted above, the City implements State building code standards, which include provision for accessibility for persons with disabilities. It also has reviewed the zoning permitting processes and building codes for consistency with those standards as part of the update of the City of Modesto Housing Element in 2009. The City makes every effort to allow for end-user accessibility for disabled persons, and requires all new development to meet the requirements of the law. No additional requirements for parking are required other than those of the zoning in which the housing is being developed, and special concessions will be given to lower the parking requirements for special needs housing.

As stated in the 2009-2014 Housing Element, the City still needs to establish a formal reasonable accommodation process to provide individuals with disabilities reasonable accommodations in rules, policies, practices and procedures that may be necessary to ensure equal access to housing (refer to Program 4.3 of the 2004 Housing element that will be continued as part of the 2009 Housing Element). The purpose of this is to provide a process for individuals with disabilities to make requests for reasonable accommodation in regard to relief from the various land use, zoning, building laws, rules, policies, practices, and/or procedures of the City.

Although the City does not have a specific procedure for processing reasonable accommodation requests, the City routinely assists disabled applicants and/or their representatives with prompt and courteous service. The City proactively identifies barriers and solutions to providing excellent services to

each of its residents, by staff and committee review. Any person that is physically or developmentally impaired or their representative can request that City staff assist with completing City applications and/or addressing City requirements, at no additional cost. The City's new administrative offices are completely accessible by the disabled. Program 4.1 in the Housing Plan of the 2009 Housing Element includes a proposal to revise the zoning ordinance to establish a formal procedure to address reasonable accommodations requests, providing relevant criteria to be used when considering such requests. Codifying a formal procedure will ensure prompt, fair, and efficient handling of such requests. With the adoption of a formal procedure for reasonable accommodations, the City's zoning ordinance will not pose an impediment to fair housing.

ADA-Compliant Public Facilities

The American with Disabilities Act (ADA) of 1990 is federal civil rights legislation that makes it illegal to discriminate against persons with disabilities. Title II of the ADA requires elimination of discrimination in all public services and the elimination of architectural barriers in all publicly owned buildings and facilities. It is important that public facilities are ADA-compliant, so as to facilitate participation by disabled residents in the community planning and decision making processes.

California Code of Regulations, Title 24, Part 2. These regulations mandate that all publicly owned/funded buildings, structures, sidewalks, curbs and related facilities shall be accessible to and usable by persons with disabilities.

As part of the 2009-2014 Housing Element update, the Housing Element update Project Manager interviewed the Chief Building Official in the Building Inspection Division and the Principal Planner of Current Planning Section of the Planning Division to assess if City application and development procedures and codes constrain the development of housing for persons with disabilities. In their review of the City's land use zoning policies, adopted building codes, development standards, and permitting procedures, these sources did not identify any potential constraints for the development of housing for the disabled. To the contrary, the City's Planned Development zoning designation provides for the development of residential projects at relaxed development standards. The City expects that housing development projects for the disabled would be approved with relaxed development standards.

In addition, the City had five advisory committees established to help address the various needs of the disabled. These include: Citizens Housing and Community Development Committee; Disabled Access Appeals Board; Equal Opportunity/Disability Commission; Human Relations Commission, and Housing Rehabilitation Loan Committee. The City does not charge any fees associated with access to these committees and does not assess fees associate with access fees for review or approval of accommodations requests.

As stated earlier, the one potential constraint is the lack of specific procedures for processing reasonable accommodations requests, and this issue will be addressed with the implementation of the 2009 Housing Element programs.

Local Housing Authority

In Stanislaus County, the HUD Housing Choice Program (formerly Section 8) is administered by a single housing authority, the Housing Authority of the County of Stanislaus (HACS). HACS oversees a public housing program. The availability and use of Section 8 vouchers and public housing units must also adhere to fair housing laws.

Community Representation and Participation

Adequate community involvement and representation is important to overcoming and identifying impediments to fair housing. Decisions regarding housing development in the City of Modesto are typically made by the City Council and the Planning Commission. The Council members are elected officials and answer to their constituents. Planning Commissioners are residents appointed by the Council and often serve an advisory role to the Council. State law dictates that the deliberations and actions of the Planning Commission and the City Council occur in meetings open to the public under most circumstances, to ensure transparent decision-making processes, and to provide opportunities for public input.

In addition to the City Council and Planning Commission, the City has appointed commissions, committees, and task forces to address specific issues. The Board of Zoning Adjustment hears and determines appeals from the decisions of any administrative office of the City, which includes the application of any of the provisions of titles. The Board of Zoning Adjustment also considers requests for variances and conditional use permits, and approves plot plans and advises and recommends to the Council on matters required by law or referred by the Council.

The City has several commissions that specifically address special housing need. The disabled Access Appeal Board hears and rules on appeals of the Chief Building Official's orders based on disabled access laws and interprets and advises staff on disabled laws. The Equal Opportunity/Disability Commission's primary responsibility is to advise and assist the City Manager and staff on matters that relate to equal opportunity and affirmative action. This commission includes representation by members of the protected classes, including families, minorities, the disabled, and workers over 40 years of age.

The City makes City documents accessible to the public through its website, at City Hall, and through public libraries in Modesto.

Assessment of Current Fair Housing

AC-05 Community Characteristics

Previous chapters identified population characteristics of the Modesto community, housing market conditions and practices, and public policies that could affect access to housing and fair housing choice. This Chapter presents a summary of the analysis in the previous chapters, provides conclusions based on that analysis, and offers recommendations for addressing potential fair housing impediments. Implementation of these recommendations is already part of, or will be added to, the implementation of other planning documents such as the City's Housing Element and Consolidated Plan.

Population Growth and Diversity

The City's population grew rapidly between 2000 and 2009, with an increase in population equal to about 11 percent or about 21,200 households, and with this growth has come increasing diversity. As of 2011, the City of Modesto has just over 200,000 residents in approximately 68,000 households. Population and household growth have been relatively slow since 2009 with population growth at a slightly higher rate than households. The City's median income is just under \$50,000 having increased 23 percent since 2000 as the region recovers from the Great Recession.

Racial and ethnic diversity can affect housing choices if different groups so note have similar access to housing and neighborhoods as others with similar incomes and family characteristics. The potential exist for recent immigrants who come to Modesto speaking different languages and having different cultural experiences to face language, information, and other barriers to finding suitable housing. Such individuals may not know how to search for housing, complete necessary application forms, establish credit, or references, or so the other things necessary to obtain housing unless they receive help from family member, friends, or other from their native country or land. The 2010 United States Census the population density is 5,456.5 people per square mile. The racial makeup of Modesto is 65.0% White, 4.2% African American, 1.2% Native American, 6.7% Asian, 1.0% Pacific Islander, 15.5% from other races, and 6.3% from two or more races. Hispanic or Latino of any race is 35.5%. Non-Hispanic Whites are 49.4% of the population in 2010, down from 83.1% in 1980.

The population is spread out with 7.4% under the age of 5, 26.8% under the age of 18, 54.1% aged 18 to 64, and 11.7% are 65 years of age or older. The median age is 34.8 years.

There are 75,044 housing units at an average density of 2,023.2 per square mile, of which 57.0% are owner-occupied, and 43.0% are occupied by renters. The homeowner vacancy rate was 2.8%; the rental vacancy rate was 9.1%. 55.7% of the population live in owner-occupied housing units and 42.8% live in rental housing units.

According to the 2013 American Community Survey 5-Year estimate, the median income for a household in the city was \$47,060, and the median income for a family is \$53,999, Males have a median

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income of \$48,132 versus \$38,562 for females. The per capita income for the city is \$22,439. About 20.8% of the population is below the poverty line, including 30.4% of those under age 18 and 10.4% of those ages 65 or over.

In September 2010, the UCLA Center for Health Policy Research released a study indicating that 32% of the population was obese vs. a statewide average obesity rate of 22.7%. Poverty was one of the factors listed as contributing to the high obesity rates.

Residential Segregation

Residential segregation refers to the degree to which groups live separately from one another. Overall, the level of segregation in Modesto was low in 2005, and continued to fall in 2009, as measured by the dissimilarity index. The greatest segregation exists between Whites and Hispanics. A concentration of the Black population exists west of Highway 99 and some other Census Tracts interspersed throughout the remainder of the City. The Hispanic population is concentrated in southern Modesto, south of a line defined approximately by Yosemite Boulevard and Highway 132, and Asian/Pacific Islanders are concentrated in western Modesto, and one Census Tract in eastern Modesto has a significant concentration.

Residential segregation does not necessarily imply illegal discrimination, although such discrimination may be present in some cases. Voluntary, individual choices can be one cause of segregation. This is often driven by the desire of individuals to live with others of similar culture and language for mutual support, access to services, and familiarity. Residential choice based on a desire to live near people of similar background is more frequently found among recent immigrants, who often depend on nearby relatives, friends, and ethnic institutions to help them in their adjustment in this country.

Household Composition and Size

The percentage of households with children based on 2010 United States Census was around 34.2 percent of total households. There were about 23% single parent households in Modesto in 2010. There were around 15% were single-female headed households, and 7.1 percent were single-male headed households.

Out of all households in the City, 37 percent have an annual income at or below 80 percent of the HUD Area Median Family Income (HAMFI), 22 percent have an income at or below 50 percent AMFI, 10 percent at or below 30 percent. Small family households have a similar if slightly lower incidence of lower incomes. Large family households have a similar if slightly higher incidence. Households containing at least one person age 75 or older have a higher incidence of households with annual incomes less than or equal to the median income (65 percent of households), less than or equal to 80 percent (54 percent), and less than or equal to 50 percent (28 percent). The incidence of households with annual incomes at or below 30 percent of median income is similar to the general population.

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Households with one or more children 6 years old or younger have a higher incidence of households with annual incomes less than or equal to the median income (65 percent of households), less than or equal to 80 percent (51 percent), less than or equal to 50 percent (30 percent), and less than or equal to 30 percent (16 percent).

Although both elderly households and households with wage earners in the earlier stages of careers are expected to have somewhat lower incomes, the numbers in the very lowest categories (50 percent and 30 percent of HAMFI) indicate households who may be experiencing difficulty meeting basic needs. In particular the households with young children earning less than 30 percent of the median income.

Persons with Disabilities

According to the 2009–2013 ACS 5-Year Estimates, 14.5 percent of the population under age 65 who lived in Modesto reported a disability. The percentage of disabled voucher holders in Stanislaus County, out of the total voucher holders, is 28 percent.

Persons with disabilities, especially those with low-incomes, face a number of potential barriers to housing choice. Among these are the availability of accessibility features that allow for independent living, public and property owner perceptions of certain types of disabilities (such as developmental and mental disabilities), neighborhood access (sidewalk and intersection accessibility), and the availability of transportation. Both state and federal law require that persons with disabilities be allowed to install features that make their homes more accessible. As indicated previously, the City of Modesto needs to update ordinances to establish a formal procedure for persons with disabilities to request reasonable accommodations to allow them to make necessary modifications to their homes.

Homeless Persons

A total of the 1,156 homeless individuals were counted during the 2014 Stanislaus CoC homeless count. Of the total count it was determined that 38 percent were unsheltered. The majority of the homeless population data by household type demonstrated that most homeless households were composed of people without children. In comparing homelessness by race, 46 percent of Black/African Americans were unsheltered as compared to 38 percent of Whites who were unsheltered. In addition, 16 percent of the unsheltered homeless were female and 22 percent were male. Lastly, veterans represent 6 percent of the homeless, both sheltered and unsheltered.

Homelessness in Stanislaus County has experienced a steady decline over the last five years (2009–2014), both in the number and as a percentage of the overall total. Reasons for this decline will need to be analyzed using additional community data. Additionally, across 2009 to 2014, the number of persons in households with children/only children has seen a steady decline, with the exception of a spike in 2014. To illustrate, in 2013, 22% of the total homeless population is part of households with children/only children and in 2014 this increased to 29%.

Using the Point-In-Time Homeless Count of 2014, one can estimate that approximately 1,156 people experienced homelessness during 2014. Of those, more than 70% are individuals in households without children, and approximately 30% were individuals in households with children or households of only children.

2014 experienced a marked increase in the percentage of sheltered versus unsheltered homeless persons. Said another way, 2014 saw the lowest number of homeless unsheltered since the point-in-time survey started in 2009. Additionally, the percentage of sheltered homeless, compared to unsheltered, steadily increased from 2009 to 2013. This recent increase will need to be analyzed, taking into consideration community information.

Chronic homelessness declined overall from 2009 to 2014 but was higher in 2014 compared to 2013 and 2011. 2014's Point-In-Time Count reported that 13% of homeless were chronically homeless, which is a decline from 16% in 2009. Reasons for this decline will need to be analyzed using additional community information.

Stanislaus County's 2014 Point-In-Time (PIT) Homeless Count reports an overall increase in the occurrence of special homeless subpopulation categories (severely mentally ill, chronic substance abuse, persons with HIV/AIDS, and victims of domestic violence) with the exception of veterans. This appears to be a result of increased reporting by participants (individuals can select to fit in more than one category), but additional research will be needed to analyze this further. Additionally, homeless people that experience severe mental illness make up the largest percentage of special homeless populations in Stanislaus County. They represent 29% of the total population, compared to (in order) victims of domestic violence (20%), chronic substance abuse (15%), veterans (6%), and persons with HIV/AIDS (1%).

Household Income

Controlling for inflation between 1999 and 2011 indicates that the median income actually decreased from \$53,825 to \$49,852 in Modesto. The number of households paying more than 30 percent of their income towards housing was at 12.8% and is higher for renters than for owner households.

Household income is the most important factor affecting housing opportunity, determining a household's ability to balance housing costs with other life necessities. Economic factors that affect housing choices are not fair housing issues per se, but the relationship among household income, household type, race/ethnicity, and other factors that concentrate certain groups into substandard housing and specific neighborhoods can raise fair housing concerns.

AC-10 Housing Characteristics

Housing Type, Age, and Tenure

Housing age can indicate general housing conditions within a community. Housing is subject to gradual deterioration over time. Deteriorating housing can depress neighboring property values, discourage reinvestment, and eventually impact the quality of life in a neighborhood.

Overall, housing in Modesto is well maintained. However, certain neighborhoods are affected by deferred maintenance. Approximately 15,000 housing units require rehabilitation and 500 housing units in the City require replacement. Neighborhoods toward the City's center have vintage houses, and many census tracts' houses near downtown have a median age of more than 55 years. The areas with oldest houses include the downtown area and areas north of downtown. Many of these areas of the City have well-kept vintage houses and are among the City's most valuable, though median owner costs are among the lowest in the City. The median house prices (as reported by the Census) for the older housing stock northwest of Paradise Road and southwest of Highway 99 are some of the lowest in the City. Median house prices in the Airport Way area west of Vista Road are in about the middle compared to other census tracts in the City.

Many of these areas with older houses correspond with census tracts with higher concentrations of lower income households. Lower-income owners and landlords renting to lower-income households are sometimes more apt to defer maintenance on their houses, and due to the age of housing stock in some of the neighborhoods near downtown, considerable maintenance would be necessary to maintain adequate living conditions. The census tract that most represents the downtown and central portion of the City has the lowest median gross rental rate, and the Paradise/Highway 99 area is also more affordable relative to rents compared to almost any City census tract.

Housing Vacancy

Given the way the market is trending, it is likely that affordability will continue to be a challenge for both renters and owners. The market has become increasingly difficult for low-income buyers due to a variety of factors, including a shrinking inventory of affordably priced homes, fierce competition from cash investors bidding on the same homes, and the more restrictive credit market that has made it difficult for many homebuyers to obtain financing. As a result of these challenges, the City of Modesto prioritizes its limited resources for affordable rental housing.

Forced sales, which are actions taken in civil court forcing the owners of a piece of real property to sell their property and divide the profits, foreclosures and The Federal Housing Administration (FHA) first time home buyers max lending limit of \$276,000 has forced many homeowners into the rental market considering the median sales price is \$220,000 which is further stressing an already tight market. This

increase in renter households has contributed to low rental vacancy rates and increased rental prices as well as property values throughout the City of Modesto.

Overcrowding and Housing Cost Burden

Single family renter households comprise 83 percent of all over-crowded households with incomes at or below the median. They comprise 96 percent of extremely-low-income households.

Single family owner households comprise 72 percent of all over-crowded households with incomes at or below the median. They comprise 83 percent of households with incomes >50-80 percent AMI.

Multiple, unrelated family renter households comprise 13 percent of all over-crowded households with incomes at or below the median.

Multiple, unrelated family owner households comprise 28 percent of all over-crowded households with incomes at or below the median. Notably, 50 percent of over-crowded owner households with incomes >30-50 percent AMI are multiple, unrelated family households.

Other, non-family households comprise 5 percent of all over-crowded renter households with incomes at or below the median. Note that 0-30% AMI and >80-100% AMI rental household categories have no over-crowded other, non-family households.

There are no over-crowded other, non-family owner households with incomes at or below the median.

Renter households comprise 45 percent of all low-and-moderate income households with a housing cost burden of at or above 30 percent of household income. They comprise 28 percent of all low-and-moderate income households with a housing cost burden of at or above 50 percent of household income. Notably, they also comprise 44 percent of all extremely-low-income households with a housing cost burden of at or above 50 percent.

Owner households comprise 34 percent of all low-and-moderate income households with a housing cost burden of at or above 30 percent of household income. They comprise 24 percent of all low-and-moderate income households with a housing cost burden of at or above 50 percent of household income.

Rental Housing Assistance

In 20014, 4,096 Stanislaus County residents received Housing Choice vouchers, with Modesto's share equal to its percentage of overall population. The Housing Authority gives preferences in its distribution of housing vouchers to certain individuals and households. Examples are homeless individuals and

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families, households that pay more than 50 percent of their income towards rent, and the involuntarily displaced.

The Housing Authority owns and operates 647 public housing units of conventional public housing in Modesto. These housing units consist mostly of single-story structures scattered throughout the City. The Housing authority has rehabilitated units, and none of the public housing units are substandard.

The availability and location of public and assisted housing may be a fair housing issue if such housing is concentrated in lower-income areas of a community. Most public and assisted housing Modesto is located in older neighborhoods near the central City. New neighborhoods developed since 1990 have consisted primarily of single-family homes, with only a small amount of assisted multifamily and single-family housing.

Licensed Community Care Facilities

Under State law, persons with special housing and supportive service needs who can live in a group home environment (residential or community care facilities) must be allowed access to such housing in a community. State laws require local government to treat small group homes (six or fewer residents) the same as other residential uses. According to the State of California Department of Social Service Community Care Licensing Division, over 900 licensed community care facilities are located in Stanislaus County with the majority of facilities located in Modesto. The largest proportions of beds or spaces are in large childcare facilities followed by family childcare homes, and residential care facilities for the elderly.

The availability and location of group homes can be a fair housing issue if the City does not allow small group homes in residential neighborhoods or provide a discretionary permit review process for larger group homes. The location of group homes can also raise concerns if they are concentrated in certain parts of the City.

In Modesto, group homes are located throughout the City. The distribution of group homes in Modesto does not appear to raise fair housing concerns since the City complies with State law regarding the permitting of group homes.

Accessibility to Public Transit

Modesto is well served by public transportation. The Modesto Area Express (MAX) and the Stanislaus Regional Transit (StaRT) offer public transportation for the Modesto area. All buses are wheelchair accessible and are equipped with bike racks. MAX offered 21 fixed routes within the City along with paratransit and “dial-a-ride” services by appointment.

The availability of public transit may affect housing choices if transit-dependent groups, such as seniors, person with disabilities, and low-income households without private transportation, do not have access between their homes, places of work, shopping, services, and community facilities.

Lending Practices

Loan approval rates for home purchase loans, whether conventional or government-backed, are not significantly different among racial or ethnic groups tracked by the federal government. Loan approval rates were not significantly lower among groups with high percentages of low- and moderate-income households.

There are larger differences in loan approval rates for home improvement loans than for home purchase loans. Overall, approval rates for home improvement loans were significantly lower than for home purchase loans.

An understanding of the home buying and loan processes, income/equity requirements, and financial responsibility are important to a successful loan application and home purchase. Many households, particularly those entering homeownership for the first time, lack financial knowledge to deal with the home buying process.

Loan patterns among conventional lenders do not appear to create significant barriers to funding for home purchase or home improvement loans, except that low- and moderate-income households tend to rely more frequently on government-backed loans.

Public Policies

Public policies at the regional and local levels can affect housing development and, therefore, may impact the range and location of housing choices available to the public. Fair housing laws are designed to encourage an inclusive living environment. An assessment of public policies and practices can help determine potential impediments to fair housing opportunity. This section presents an overview of government regulations, policies, and practices enacted by the City of Modesto and other public agencies that may impact fair housing choice.

Please note that this section relies on the City of Modesto General Plan, Zoning Code and Housing Element. The Housing Element is currently undergoing revision and update. This section will be revised and updated after the Housing Element revision and update are completed.

Recommended Actions

While the report identifies a number of potential issues that could affect housing choices, some issues, such as lending practices are beyond the ability of a local jurisdiction to address. The actions proposed

below focus on those issues that the City could feasibly address. The City has identified the following potential fair housing concerns:

- Access to information about housing availability and choices among recent immigrants who are disproportionately lower-income;
- Lack of access to adequate housing due to poor credit history, insufficient funds for move-in expenses, and other factors among financially vulnerable groups, such as female-headed households with children and the homeless;
- Barriers faced by large, low-income and moderate-income families due to occupancy restrictions imposed by rental property owners; and
- The need to assist homeowners who have experienced foreclosure, who are disproportionately minority households, to find alternative living arrangements.

To address these potential concentrations the following actions are recommended. The majority of the recommended actions are either part of the City's Housing Element or the City's Consolidated Plan, and identified as such.

AC-15 Expanding Affordable Housing Opportunities

Policy 1: Establish and/or support programs to supply below market housing for extremely low-, very – low-, low-, and moderate-income households, as well as market rate housing. (Source: 2009 City of Modesto Housing Element)

Action 1.1: The City will support non-profit corporations in their efforts to make housing more affordable to lower and moderate income households. Specifically, the City will work with City-designated Community Housing Development Organizations (CHDOs) to promote, assist, and/or sponsor housing developments in Modesto for lower income households.

Action 1.2: The City will provide funding to nonprofit organizations such as CHDOs for the land acquisition and predevelopment funds for the development of lower and moderate income housing.

Action 1.3: The City offers a Down Payment Assistance Program, providing down payment assistance to lower income households (up to 80 percent of County median income) using CDBG funds. Homebuyers must provide a minimum initial investment of 1.5 percent of the sales price. The loan accrues at an annual fixed rate of 3 percent and is secured by a promissory note and Deed of Trust recorded after the primary mortgage.

Policy 2: Assist homeowners to avoid foreclosure. (Source: 2009 City of Modesto Housing Element)

Action 2.1: Foreclosure Assistance

Default Prevention: 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. Provide advocacy service to negotiate with lenders for alternative financing.

Post-Foreclosure: Purchase foreclosed properties and resell as affordable housing to income qualified buyers.

Policy 3: Track changes in Housing Law to ensure that land use regulations, including zoning, subdivision, and permit processes, are consistent with and supportive of State and federal laws. Maintain an adequate supply of appropriately designated land for special needs housing, including seniors, disabled persons, large households, the homeless, and transitional persons. Review local regulations periodically for the ability to accommodate projected housing demands.

Action 3.1: Zoning Amendments. As part of the 2009 Housing Element update, the City has identified several revisions to the Zoning Code necessary to meet recent changes to State laws and to further facilitate the development of affordable housing and housing for persons with special needs. These include:

- Specifically identify in which zones transitional, supportive and single-room occupancy housing are permitted by right.
- Identify a zone in which at least one additional emergency shelter is permitted by right.
- Consider creation of incentives for land assembly by allowing greater densities on progressively larger lots.
- Establish a formal procedure for persons with disabilities seeking reasonable accommodation.
- Allow condominiums by right wherever multifamily development is permitted.

Policy 4: Maintain the supply of safe, decent, and sound affordable housing in the City of Modesto through the conservation and rehabilitation of the City's existing housing stock, focus the use of City resources for housing rehabilitation and assisted housing on those neighborhoods and residents having the greatest need for housing assistance, and encourage the development and rehabilitation of housing that is accessible to persons with disabilities.

Action 4.1: Housing Rehabilitation Programs. The City offers a range of housing rehabilitation and improvement assistance to lower income households (up to 80 percent of County MFI). These include:

- Property Enhancement Program: The City provides financial assistance, in the form of rebates, to enable property owners to improve the exterior appearance of their properties. Eligible houses must be located within the city limits and within one of the City's low-income Census Tracts. Types of eligible improvements include: property clean up, painting of the exterior of the unit, fence/gate repair, front and side yard landscaping, security/safety and energy savings improvements, as well as exterior property enhancements.
- Emergency Home Repair Program (EHRP)/Disabled Access Assistance Program (DAAP): The City provides low-interest, deferred payment loans for the repair of immediate critical hazards for

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Modesto households with low and very low incomes. The program is only available to owner-occupants. In addition, the City offers free technical assistance on removing mobility barriers from homes or property. Low interest financing is also available to handicapped homeowners living in Modesto, to assist them with removing mobility barriers from their home or property.

- **Minor Home Repair Grant Program:** This program provides a grant to owner-occupants for essential minor repairs to their homes or mobile homes. Grants are limited to \$1,000 for single-family homes and \$2,000 for mobile homes.
- **Tool Bank Rental Program:** The City offers a property maintenance tool rental program in the Airport Neighborhood. Available tools include lawn mowers, weed eaters, lawn edgers, tillers, sewer snakes and carpet cleaners. Tool rental is free of charge during the allowable time period.

AC-20 Access to Information

Policy 5: The City will continue to provide links through its website to Housing services and resources, along with consumer information on housing services and resources, along with consumer information at local service centers and City Hall, public libraries and other governmental facilities.

AC-25 Outreach to Lenders

Policy 6: The City will continue to work with local lenders and government institutions to provide outreach to lower-income residents about government-backed financing. The City will encourage local lenders to conduct home buying workshops and provide information in English, Spanish, and other appropriate languages. (Source: 2010 AI)

AC-30 Public Policies and Programs

Policy 7: As an ongoing effort, the City will continue to pursue affordable housing development programs and funding for affordable housing providers as identified in the Housing Element and Consolidated Plan. To the extent feasible, the City will facilitate the development of housing that is affordable to lower- and moderate-income households according to the Regional Housing Needs Allocations identified in the Housing Element. (Source: 2010 AI)

AC-35 Fair Housing Services Outreach

Policy 8: Promote equal opportunity for all residents to live in the housing of their choice by continuing to make a strong commitment to the issue of fair housing practices. In addition, ensure that fair housing opportunities prevail for all City residents regardless of age, sex, religion, ancestry, marital status, family

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status, income or source of income, race, creed, national origin, sexual orientation, or disabilities. (Source: 2014 City of Modesto Housing Element)

Action 8.1: The City actively furthers fair housing in the community. Specifically, the City continues to support the Human Relations Commission in their activities to promote fair housing. The Human Relations Commission is a seven-member advisory group that meets bi-monthly to promote good human relations in the community and is staffed by the City Manager's Office. Furthermore, 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.

Policy 9: The City will continue to comply with anti-discrimination requirements, including all applicable federal regulations, as demonstrated in the City's application for Community Development Block Grants, HOME, Emergency Shelter Grants, and other federal funds (Source 2010 AI).