

CHAPTER 5 REVIEW OF 2009 HOUSING ELEMENT PERFORMANCE

A. PURPOSE

In developing a housing strategy for the City, it is important to begin by reviewing the actions and approaches the City has utilized in the past. In addition to meeting a requirement of State law, an analysis of the past actions provides a beginning framework of what approaches, policies, and programs have been successful in helping meet the City's housing goals. This review will help ensure that the past accomplishments and lessons learned are reflected in future policy, and that new strategies / approaches are formed and implemented in areas of concern.

The City last prepared a comprehensive update of the Housing Element in 2009, which was adopted by the City in 2011 and has served as the City's housing policy for the past five years. A variety of methods are used to assess the ability of the policies and programs to accomplish the goals set forth in the 2009 Element. While many of the programs had quantified targets established, many others were left open regarding their anticipated productivity. With unquantified programs, the assessment of relative success will be based on the individual program's contribution to the overall goal. All assessments will be for the time period in which the document was in effect; 2009 to 2014. The most recent information available was used for analysis of each program.

This chapter evaluates the performance of the City's 2009 Housing Element, based on its adopted goals, policies, and programs. Included in this section is a summary of each program and policy adopted to meet the stated housing goals, and an analysis of the relative successes and failures of each. The analysis concludes with a discussion regarding the usefulness and continued appropriateness of the individual programs for the 2015-2023 planning period. The review is based on the seven adopted goals contained in the 2009-2014 Housing Element.

B. ASSESSMENT OF GOALS

In the 2009 Housing Element, the City adopted seven goals intended to provide a sufficient amount and type of housing for the anticipated needs of the residents of Modesto. These goals established a direction for the implementation programs.

The Stanislaus Council of Governments (StanCOG) assigned a Regional Housing Needs Assessment (RHNA) for 2014 to 2023 for all communities in Stanislaus County. This assessment provided a total number of anticipated units needed to accommodate growth within Modesto during this time frame. StanCOG determined that the City must accommodate 6,361 residential units in this cycle.

Housing units developed and accommodated between January 1, 2008, and June 30, 2015, count toward the RHNA for the 2009 Housing Element. Based on building permit data, 316 units were constructed during this time frame and 498 dwelling units were annexed to Modesto in a low-income area, completing an eight-year process. A variety of reasons contributed to the City's lower housing production than the RHNA allocation. The major reasons include:

- The current recession slowed residential development and population growth in the northern San Joaquin Valley beginning in 2006.
- Population growth in Stanislaus County and in the City was well below the expected growth projected by the State of California. The California Department of Finance, which provides population projections used in estimating needs, estimated a 2010 population for Stanislaus County of 559,708. However, as of January 1, 2015, the County's population was estimated at 532,297, and it is expected to grow at an approximate 1 percent annual rate during the current Housing Element cycle. This would result in Stanislaus County's population reaching the State's prior 2010 estimate sometime around 2020.
- The collapse of the housing market in the northern San Joaquin Valley, which has many causes, including the sales of "sub-prime" and other specious mortgage instruments, resulting in high foreclosure rates and a precipitous decline in both sales and prices, and overbuilding relative to the number of people willing and able to purchase houses.
- The rapid increase in unemployment regionally has resulted in a smaller number of households, an increasing housing vacancy rate, and a smaller number of households able to afford either rental or for-sale housing.
- The County's RHNA was based in part on the assumption that Stanislaus County—and Modesto—would provide affordable housing for the Bay Area counties. This assumption relies on individuals' choices of housing location relative to their places of employment, upon their willingness to spend excessive amounts of time driving to and from work, and upon their willingness to devote a substantial portion of their budgets to transportation costs.

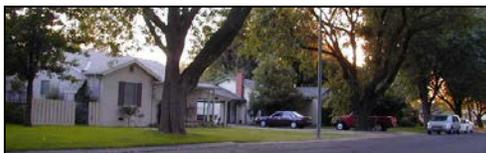
The reduction in anticipated population growth and the Great Recession resulted in a significantly lower than expected amount of housing production both in the City of Modesto and throughout the northern San Joaquin Valley. The 316 dwelling units produced between 2009 and 2015 in this time period and 498 units annexed, when taken together, represent 7.3 percent of the 11,130-dwelling-unit production goal. However, because annexing units does not create affordable housing and is not part of housing law, the annexed units should probably be excluded. The 316 new units alone represent 2.8 percent of the 11,130-dwelling-unit goal.

Goal 1: Match Housing Supply with Need

The City adopted and implemented 13 programs to meet the goal of matching housing supply with housing need. These included various investment and rehabilitation activities within the former Redevelopment Agency Housing Funds, use of HOME, CDBG, and other federal funds, and partnerships with non-governmental organizations throughout the County. A full listing of the programs and their accomplishments can be found at the end of this chapter in Table 5-1 Housing Accomplishments Table. The highlights of the accomplishments and programs are as follows:



- Federal funds such as Community Development Block Grants, Neighborhood Stabilization Program 1-3 and HOME funds, as well as remaining local funds from the former Redevelopment Agency housing set-aside fund, have been instrumental in providing financing for low- and very low-income housing projects. Federal Low-Income Housing Tax Credits (LIHTC) has also provided a significant source of financing for new housing projects, being used for the development of 172 extremely low-, very low-, and low-income units in the City since 2009. Redevelopment Set-Aside funds have helped build or rehabilitate 126 units since 2009 and have provided 6 First-Time Homebuyer loans.



- The Downpayment Assistance Program has utilized all of its funds each year providing downpayment assistance since its adoption. Since 1995, it has helped 263 Modesto households become homeowners.



- Countywide programs, such as the Section 8 Voucher Program provides rental assistance to 4,095 households annually. The Housing Authority currently also 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 currently has 175 active members on the Family Self Sufficiency (FSS) Program. There are 220 FSS slots available (180 of which are mandated slots), ten of which we will target from the Shelter Plus Care program, and twenty targeted for the Family Unification Voucher program. Eligible individuals and families who are on the FSS Waiting List must indicate a willingness to participate in the FSS program. A participating family is required to fulfill all obligations under the Contract of Participation or the Housing Authority may withhold or terminate supportive services and the family forfeits any Escrow Account Funds. The Contract indicates the appropriate supportive services the participating family will receive as well as spelling out the responsibilities of the participating family, such as requiring the head of household to seek and maintain suitable employment. In addition, the Contract will allow earned income to increase during the Contract and a portion of this increase in earned income then be credited to the FSS Escrow Account. The Family Self Sufficiency Program will use 220 slots, which will be distributed among Section 8 participants. There are no Family Self Sufficiency Vouchers there are only FSS slots, which are filed by current Section 8 participants that express an interest in the FSS program and go through its enrollment process. The ethnic distribution, currently on the Section 8 program, is 31% Hispanic, 50% White, 12% Black, 2% American Indian and 5% Asian. As of July 6, 2001, there were 6,497 applicants on the Section 8 waiting list. The prevailing minority race on the waiting list is Hispanic, and the typical applicant is a female head of household with two to five minor children and a TANF recipient.



- A community-wide housing group, the Stanislaus Housing and Support Services Collaborative, was formed in 2000 to coordinate and discuss activities among the various housing providers and advocates in the City. The meetings of this group have resulted in increased knowledge and information sharing among the groups, and promoted the City's goal of improving referral accuracy among groups.

Goal 2: Maximize Housing Choice Throughout the Community

The second goal of 2009 Housing Element was to maximize the choice of housing and housing opportunities for residents throughout the community. Three policies were adopted in the 2009 Housing Element to direct programs to achieve this goal:

- Promote equal opportunity for all residents to reside in the housing of their choice.
- Facilitate the development of accessory units.

Facilitate the development of housing at different price points.

Program Analysis

Modesto continues to distribute information about placing mobile homes on permanent foundations, and it is not uncommon for houses to be replaced with mobile homes, usually as a result of fire or unsafe living conditions, particularly in low-income areas. The recently-annexed Woodglen Specific Plan area will ultimately provide new single-family and multi-family dwelling units. Additionally, the construction of dwelling units affordable to low- and very low-income households near downtown provides opportunities for lower-income persons to have ready access to employment and transit. The recession suspended residential development in Modesto; planning for the Pelandale-McHenry Specific Plan was suspended and annexation didn't occur. The 386 dwelling units associated with this specific plan have been added to the RHNA for this cycle.

The construction of accessory units slowed during the period. This is not surprising, given the tightening of lending practices and the loss of population with attendant rise in the residential vacancy rate. The small amount of housing built during the planning period reflects a wide range of prices, from units affordable to very low-income households (107 units, 34% of total), to low income households (40 units, 13 % of total), to moderate-income households (22 units, 7% of total) to above moderate-income households (147 units, 46% of total).

Goal 3: Provide Safe and Decent Housing

The third goal of the City in the 1992 Housing Element was to ensure that housing within the community was both safe and decent. Two policies were adopted in the 2009 Housing Element to direct programs to achieve this goal:

- Maintain a 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 assist housing in those neighborhoods and residents having the greatest need for housing assistance.

- The City should make a maximum effort to preserve, of its lower-income households, units in assisted housing developments that are at risk of converting to market rate.

Program Analysis

Rehabilitation and improvement of existing housing stock is vital to the goal of providing safe and decent housing within the community. To this end, the City has adopted a variety of programs and actions aimed at improving the quality of both individual homes and entire neighborhoods, focusing not only on safety and health issues, but also aesthetic and maintenance concerns. Targeted rehabilitation programs have helped hundreds of households make emergency repairs, improve dilapidated and unsafe houses, and establish neighborhood identity in older areas of town.

Between 1977 and 2015, the various rehabilitation and assistance programs of the City have helped improve 637 properties. The highlights of the accomplishments and programs are:

- The City currently operates a Housing Maintenance Program, which provides grants to repair and improve all properties within a designated neighborhood. This program addresses the issue of deteriorating neighborhood quality and identity by ensuring that all homes along a particular street or within a geographic area receive assistance for improving the property. This program has made loans and grants for the improvement of 319 houses since 1977.
- The City created the Emergency Home Repair Program (formerly the Home Emergency Loan Program) to assist low-income residents in making necessary emergency repairs for safety and health. This program has provided assistance in the form of loans and grants to 100 households since 2002.
- Market rate housing is a large component of the City's goal to provide a sufficient amount and quality of safe and decent housing. The recession beginning in late 2006 dramatically slowed the pace of development, resulting in construction of only 147 market rate units and 316 total dwelling units from January 2009 to mid-2015.

Goal 4: Ensure Land Use and Zoning Procedures are Accommodating to Housing

The City of Modesto receives applications for and approves housing projects routinely, regardless of income level. Nearly all of the emergency shelters in Stanislaus County are located in Modesto and the City has facilitated new emergency shelters during the planning period. The City continues to accommodate housing, although the housing market has significantly slowed. The small number of housing units added to the City's inventory between January 1, 2014, and June 30, 2015, (36) reflects the slow housing market. Two policies were included in the 2009 Housing Element to implement this goal:

- 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 up-to-date site inventory detailing the amount, type, and size of vacant and underused parcels, and assist developers in identifying land suitable for residential development.

Program Analysis

- Modesto's zoning code has been revised to allow one additional homeless shelter by right in the C-M, M-1, or M-2 zones (MMC 10-3.205).
- A form-based code for a subset of the downtown area was adopted in 2010 and expanded in 2015. The form-based code allows mixed-use development, including housing, by right.
- Modesto's zoning code has been revised to clarify the zones in which transitional and supportive housing are allowed by right (MMC Table 3.1.1).
- The Woodglen Specific Plan was completed and the property annexed in 2013
- Lot consolidation was used to facilitate two affordable senior housing projects and one other affordable housing project.

Goal 5: Reduce Governmental Constraints

The City of Modesto is committed to ensuring the provision of affordable housing. The Great Recession resulted in an unprecedented number of foreclosures forcing households to look beyond the area for jobs and affordable rental housing. Three policies in the 2009 Housing Element are intended to reduce governmental constraints:

- Establish and maintain development standards that support housing production while protecting quality of life goals. Review the city's fee structure, including development fees, impact fees, and other municipal costs, periodically to ensure that they do not unduly constrain the production of housing, especially affordable housing.
- Continue to provide financial incentives such as fee deferrals and exemptions for developments meeting the affordable and special housing needs of the community.
- Continue to provide for timely and coordinated processing of residential development projects to encourage housing production within Modesto.

Program Analysis

- The City regularly defers or exempts fees for low-income housing projects from Capital Facilities Fees, depending upon the number of income-restricted units

provided and the type of financing. This requires effective coordination between several departments for speed and efficiency.

- The City complies with the Permit Streamlining Act. Building permit inspections and plan review are processed quickly and affordable housing projects are given priority. When the City declares a “shelter crisis” it is able to suspend specified code requirements to facilitate project approval.
- The City’s form-based code for downtown Modesto is intended to bring more residents to downtown and reduce driving trips. The form-based code includes reduced parking requirements.
- Required parking was reduced for two affordable senior housing projects.

Goal 6: Ensure Adequate Services to Housing

The following two policies were established to ensure Modesto is able to provide adequate urban services for housing:

- Promote coordination between infrastructure master plans, service area boundaries, and housing plans to ensure that adequate services are available to serve expected housing growth. Direct housing to areas where infrastructure and utilities can be provided commensurate with housing production.
- Promote infill development as a method of ensuring maximum utilization of existing urban services.

Program Analysis

- The City Council adopted a Wastewater Treatment Master Plan and Urban Water Management Plan in 2010. City staff prepared the 2009 Urban Growth Review analysis, which was approved by the City Council in July 2009. City Council authorized property owners with land in the Sphere of Influence to seek a “Measure M” vote in November 2009 for five areas totaling approximately three square miles and including substantial areas that could become available for new housing. Following City Council authorization, these areas may begin planning and environmental analysis and then may be annexed to the City.
- Infrastructure in the Baseline Developed Area and downtown is being evaluated and sewer and water infrastructure plans are being updated accordingly.
- The City conducted an Urban Area Growth Review in 2015, which resulted in a “Measure M” advisory vote for the remaining unincorporated County islands in November 2015. This measure received a positive vote.

Goal 7: Promote Jobs-Housing Balance

The City of Modesto is committed to promoting a balance between jobs and housing. Modesto's current ratio is about 1.11 jobs per household, illustrating that, consistent with Census data, Modesto residents often travel out of the city for work. Modesto is striving to increase jobs, and encourages the development of workforce housing.

Program Analysis

- Through the Urban Area Growth Review process, Modesto ensures adequate land for development. Due to the recession, Modesto continues to have a relatively high housing vacancy rate, persistently about seven percent (three percent is typical). Despite the City's high vacancy rate, there is a significant amount of land available for new residential development, including land that has been subdivided for residential development.

C. ASSESSMENT OF PROGRAMS

The following pages contain the Housing Accomplishments Table, a summary of each of the programs and policies enacted by the City in the 1992 Housing Element, a summary of the accomplishments of each program, and a brief discussion of its continued relevance or usefulness to the City’s housing goals. The information in the table comes from a variety of sources, including data from Census 2010 and subsequent data collection efforts, program and implementation information from the Community Development Department, Parks, Recreation, and Neighborhoods Department, Public Works Department, and a host of community service providers within the community.

The results shown in Table 5-1 are an indication of the relative success of each program in meeting its overarching goal. Reasons for the successes or failures of particular programs are provided when known and applicable.

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
GOAL 1: MATCH HOUSING SUPPLY WITH NEED		
Policy 1.1 Establish and/or support programs to supply below market housing for very-low, low- and moderate-income households, as well as market rate housing.		
1.1a	<p><u>Community Housing Coalition</u></p> <p>Program Description: The City will consider the establishment of a local community housing coalition that may include realtors, developers of market rate and affordable housing (both for-profit and non-profit), lenders (for mortgage and construction financing), business leaders, environmentalists, and social service providers. This coalition could meet on a semi-annual basis to discuss and exchange information on successful affordable housing programs that can be implemented on a community-wide basis.</p>	<p>A community housing coalition, the Stanislaus Housing and Support Services Collaborative, was formed in 2000 to address housing issues within the entire County. This group holds monthly meetings, with representation by more than 40 involved agencies, to discuss housing policy, homelessness issues, and coordination within the County.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
1.1b	<p><u>Affordable Housing Resources</u></p> <p>Program Description: The City, in coordination with Stanislaus County, affordable housing developers, and others, will continue to pursue affordable housing resources at the national, State, and local levels. With staffing constraints and the competitive nature of most funding programs, the city will focus on pursuing those determined to be most cost-efficient, given the possibility of successful funding applications. The city of Modesto is designated as Participating Jurisdiction by the United States Department of Housing and Urban Development (HUD). As a result, the City receives an annual grant allocation directly from the HOME Investment Partnership Act as administered by HUD. The city is also designated as an Entitlement Jurisdiction by HUD and receives an annual allocation from HUD Community Development Block grant (CDBG) program as well as an allocation from the Emergency Solutions Grant (ESG) program. Together, the City has annually received over \$2.5 million dollars through these HUD grant programs. The City also receives program income from HUD funded loans that are repaid to the city.</p>	<p><i>This program will be continued.</i></p> <p><i>In 2011 the State of California ended all Redevelopment Agencies State wide thus eliminating a funding source for affordable housing.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
1.1c	<p><u>Consolidated Plan</u></p> <p>The City is an entitlement jurisdiction eligible to receive Community Planning and Development (CPD) funds from HUD. Annually, the City receives approximately \$2.5 million in CDBG, HOME, and ESG funds from HUD. Use of these funds must:</p> <ul style="list-style-type: none"> ■ Create decent and safe living environment ■ Benefit people with lower incomes (up to 80 percent of County Median Income) ■ Aid in the prevention or elimination of blight ■ Provide economic opportunities ■ Address an urgent need (such as earthquake or flood) <p>To receive these funds, the City must develop a Consolidated Plan that outlines the City’s strategy for addressing housing and community development needs. The Consolidated Plan must be consistent with the policies and programs of the Housing Element. The Consolidated Plan strategy must be updated at least once every five years, and an annual Action Plan is required to describe the City’s planned use of HUD funds.</p>	<p>Modesto has prepared the 2015-2020 Consolidated Plan consistent with the adopted Housing Element for HUD funding purposes.</p> <p><i>This program will be continued.</i></p>
1.1d	<p>Program 1.1d: Nonprofit Housing Development Corporations</p> <hr/> <p>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 Corporations (CHDOs) to promote, assist, and/or sponsor housing developments in Modesto for lower income households. The City will provide some financial support for preserving, rehabilitating, restoring, converting, and acquiring affordable units and provide logistical support for projects by expediting any necessary approvals.</p>	<p>Modesto continues to support CHDOs that make housing affordable.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
1.1e	<p><u>Land Banking / Land Trust and Identification of Surplus Lands</u></p> <p>Program Description: The City will continue its land banking efforts for the development of lower and moderate income housing. The city/Redevelopment Agency, working with nonprofit organizations such as CHDOs, will purchase land suitable for affordable housing in the near future. Land banking will ensure preservation of areas in the city for future affordable housing by removing these areas from the private development market and allowing the city to work with nonprofit organizations to develop affordable projects that serve the specific needs of the community, such as the need for entry-level and step-up housing.</p> <p>The City will also explore other mechanisms such as a land trust to facilitate the development of affordable housing. Land trusts are an increasingly popular mechanism used by communities where high land costs make the provision of affordable housing difficult.</p>	<p>The City will continue to consider use of land banking for promoting affordable housing opportunities. HOME regulations allow for holding of land for no more than two years, so careful consideration of what funding sources are used in the land banking program is essential to the success of the program.</p> <p><i>This program will be limited due to the loss of the Redevelopment Agency and with changing regulations with the HOME program.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
1.1f	<p><u>Homebuyer Assistance</u></p> <p>Program Description:</p> <p>Downpayment Assistance Program: The city provides mortgage assistance of up to \$25,000 to lower income households (up to 80 percent of County Median Income) using CDBG funds. Buyers must provide minimum initial investment of 1.75 percent of the sales price. The loan accrues at an annual fixed rate of three percent and is secured by a promissory note and Deed of Trust recorded after the primary mortgage.</p> <p>Family Self Sufficiency Program. A participating family is required to fulfill all obligations under the Contract of Participation or the Housing Authority may withhold or terminate supportive services and the family forfeits any Escrow Account Funds. The Contract indicates the appropriate supportive services the participating family will receive as well as spelling out the responsibilities of the participating family, such as requiring the head of household to seek and maintain suitable employment. In addition, the Contract will allow earned income to increase during the Contract and a portion of this increase in earned income then be credited to the FSS Escrow Account.</p>	<p>Downpayment Assistance Program: Modesto passed Resolution #95-563 in 1995 creating the Down Payment Assistance Program to serve this need. It is funded annually from CDBG allocation, and provides up to \$25,000 in down payment assistance to first-time homebuyers meeting income restrictions. This program assisted 41 households.</p> <p>Family Self Sufficiency Program. The Housing Authority currently has 175 active members on the Family Self Sufficiency Program. There are 220 FSS slots available (180 of which are mandated slots), ten of which we will target from the Shelter Plus Care program, and twenty targeted for the Family Unification Voucher program. Eligible individuals and families who are on the FSS Waiting List must indicate a willingness to participate in the FSS program. A participating family is required to fulfill all obligations under the Contract of Participation or the Housing Authority may withhold or terminate supportive services and the family forfeits any Escrow Account Funds. <i>This program will be continued.</i></p>
1.1g	<p><u>Rental Assistance</u></p> <p>Program Description Under this program, eligible participants pay a maximum of 30 percent of their income for rent. The program then pays the difference between the rent the participants pay and total (market rate) rent of the unit.</p>	<p>Since 2002, the Stanislaus County Housing Authority has allocated on average a total of 4,000 Section 8 vouchers to residents of the County. In addition, there is a long waiting list for these vouchers. Overall, this program is very successful in assisting very low-income households in obtaining affordable housing. <i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
1.1h	<p><u>Relocation Assistance Program</u></p> <p>Program Description: This program assists residents who may need relocation assistance because of rehabilitation of their properties. If relocation is necessary, this program helps to minimize relocation as much as possible by implementing HUD regulations and guidelines.</p>	<p>Due to a lack of displacement activity by the City, no action has been taken under the program.</p> <p><i>This program will be continued.</i></p>
1.1i	<p><u>Continuum of Care Serving the Homeless</u></p> <p>Program Description: The City shall continue to work with agencies such as the County Social Services Department, the Community Housing and Shelter Services (CHSS), United Way, and the Modesto Gospel Mission on developing housing and employment programs for the homeless. The Continuum of Care Plan has seven components: (1) outreach, (2) intake and assessment, (3) supportive services, (4) emergency shelter, (5) transitional housing, (6) permanent housing with supportive services, and (7) permanent housing</p>	<p>A communitywide housing group, the Stanislaus Housing and Support Services Group, was formed in 2000 to coordinate and discuss ideas for addressing homelessness and related housing issues. In addition, the City continues to provide financing and information for each of the homeless service providers in the County, as well as pursuing programs when appropriate.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
1.1j	<p><u>Neighborhood Stabilization Program</u></p> <p>The Neighborhood Stabilization Program was created by the Housing and Economic Recovery Act of 2008 (Public Law 110–289) to provide grants through the Community Development Block Grant program (CDBG) to states and localities to address the problems that can be created when whole neighborhoods are affected by foreclosures. The funds were used to purchase, manage, repair and resell foreclosed and abandoned properties. In addition, the funds were also used for new construction, demolition of abandon properties and down payment assistants. It was required that all funds must be used to assist individuals and families with incomes at or below 120% of area median income. Twenty-five percent of funds must be used for households with incomes at or below 50% of area median income.</p> <p>Modesto has received approximately \$33 million from the federal government to address the large number of foreclosed and abandoned houses in the City. This grant was used to acquire and rehabilitate foreclosed and/or vacant properties in targeted census tracts; provide safe, affordable housing for underserved populations, including youth aging out of the foster care system and at least adults and/or families who are diagnosed with a mental health and/or substance abuse disability; provide housing for disabled, HIV/AIDS patients and those with substance abuse issues.</p>	<ul style="list-style-type: none"> * Acquire and rehabilitated 122 foreclosed homes; * First Time Homebuyers assisted 54; * Provided safe, affordable housing units for 32 youth aging out of foster care persons and 18 adults and/or families with a mental health or substance abuse disability; * Provided 30 +/- housing for disabled, HIV/AIDS patients, and persons with substance abuse issues; * Total NSP Units: 317 <p><i>This program is complete and will not be continued.</i></p>
<p>Policy 1.2 Promote the development of affordable housing throughout the community, where appropriate and compatible with existing uses and facilitate the development of housing for the unmet needs of lower income special needs groups, including the disabled, elderly, homeless, and large families (five or more persons).</p>		
1.2a	<p><u>Transitional Housing Program</u></p> <p>Program Description: The City works with HUD and the non-profit agencies in providing transitional shelter (single family residences, apartments), and counseling services to homeless families and individuals.</p>	<p>Transitional housing is provided primarily by Center for Human Services, which operates the Hutton House, and Samaritan House. The City continues to support the provision of transitional housing by non-profit agencies through the use of CDBG funds.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
1.2b	<p><u>Land Assembly in Existing Neighborhoods</u></p> <p>In conjunction with Programs 1.1b, 2.3a, 4.1c, and 6.2a, the City will encourage and facilitate development on underdeveloped sites listed in Appendix C by providing assistance with site identification and entitlement processing, provide marketing materials for residential opportunity sites and provide technical assistance to interested developers; including technical assistance to acquire necessary funding, offering fee waivers and deferrals for affordable housing projects (see page 3-15), and providing financial support when available, in accordance with Programs 1.1b and 1.1d. As funding becomes available, the City will also organize special marketing events, workshops geared towards the development community. The City will monitor and evaluate development of underdeveloped parcels and report on the success of strategies to encourage residential development in the annual Housing Element report, per Planning and Zoning Law section 65400(a)(2)(B).</p>	<p>Modesto facilitated the assembly and rezoning of industrial land in 2009 and 2010 for the eventual development of affordable housing and also in 2011 for affordable senior housing. The City continues to provide these services to the development community.</p> <p><i>This program will be continued.</i></p>
Policy 1.3 Assist homeowners to avoid foreclosure.		
1.3a	<p><u>Foreclosure Assistance</u></p> <p>Stanislaus County has been at the forefront of the national foreclosure crisis, consistently ranking in the top five counties nationally by rate of foreclosure. Stanislaus County is also among the poorest counties in California, making the foreclosure crisis even more difficult for the local economy.</p>	<p><u>Default Prevention:</u> 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.</p> <p><u>Post-Foreclosure:</u> Purchase foreclosed properties and resell as affordable housing to income-qualified buyers.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
GOAL 2: MAXIMIZE HOUSING CHOICE THROUGHOUT THE COMMUNITY		
Policy 2.1 Promote equal opportunity for all residents to live in the housing of their choice. Policy 2.2 Continue to make a strong commitment to the issue of fair housing practices, as well as 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.		
2.1a	<u>Manufactured Housing</u> Program Description: Pursuant to State law, the City will continue to permit manufactured housing/mobile homes in all residential districts provided that they meet the same standards as conventional housing and are placed on permanent foundations.	Manufactured housing is allowed in all residential zoning districts as long as it is placed on a permanent foundation. This will continue to be a policy of the City. Permits were issued for 42 mobilehomes between 2009 and 2014. <i>This program will be continued.</i>
2.1b	<u>Handicapped Accessible Housing</u> Program Description: The City complies with the 1988 Fair Housing Access Act through building inspections, as well as the Disabled Access Assistance Program (Program 3.1). Standards from the Fair Housing Access Act have been incorporated into the California Building Code and are enforced by the building inspectors.	The City complies with the 1988 Fair Housing Access Act through building inspections, as well as the Disabled Access Assistance Program. Standards from the Fair Housing Access Act were written into the California Building Code, and are enforced by building inspectors. <i>This program will be continued.</i>
2.1c	<u>Fair Housing Services</u> 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 bimonthly 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.	The City continues to support the Human Relations Commission in its efforts to promote fair housing opportunities. This seven-member advisory group meets bi-monthly to promote good human relations in the community. This agency is a valuable tool in promoting fair housing and providing a central agency for issues of human relations in housing. <i>This program will be continued.</i>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
Policy 2.3 Facilitate the development of entry level housing as well as “step-up” housing and encourage a range of housing types to be constructed in subdivisions and large developments.		
2.3a	<p>Small-Lot Development</p> <p>In order to further promote entry-level for-sale housing, the city allows lot sizes for detached houses to be less than 5,000 square feet in Specific Plan areas and Planned Development zones if the developer has followed the City’s APA award-winning “Guidelines for Small-Lot Single-Family Residential Developments” (Guidelines) (May 2005). The Guidelines offer flexibility in design options regarding lot size and product type, including court homes, cluster homes and similar types.</p>	<p>This program has been successful in facilitating lower-cost for-sale dwellings. Despite the recession, 20 houses were built on small lots and a 40-lot subdivision of small lots were entitled.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
GOAL 3: PROVIDE SAFE AND DECENT HOUSING		
Policy 3.1 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..		
3.1a	<p align="center"><u>Housing Rehabilitation and Improvement</u></p> <p>Program Description: The City offers a range of housing rehabilitation and improvement assistance to lower income households (up to 80 percent of County MFI).</p> <ul style="list-style-type: none"> • Property Enhancement Program: The City provides rebates to enable property owners to improve the exteriors of their properties within a low-income census tract. • Emergency Home Repair Program (EHRP)/Disabled Access Assistance Program (DAAP): The City provides low-interest loans for the repair of critical hazards and mobility barriers for low- and very-low-income owner-occupant households. Information is available from the Building and Safety Division. • Housing Maintenance Program: The City provides financial and technical assistance to eliminate health and safety hazards in houses within target areas (Airport, Highway Village, and 400 blocks of Maple, Oak, and Pine). • Tool Bank Rental Program: The City loans/rents tools for property maintenance in target areas. 	<p>These continue to be useful tools in improving the quality of existing housing stock within the community.</p> <p>The Community & Economic Development Department operates the EHRP, eligible to all homeowners outside of the target areas. Since 2002, 90 of these loans have been made. DAAP loans, which are available to disabled homeowners, are combined with the EHRP loans. <i>These programs will be continued.</i></p> <p>The Neighborhood Services Division administered the Housing Maintenance Program, which revitalizes entire project areas at a time. The program has rehabilitated 12 units since 2002, and more than 2,100 since its inception in 1976. <i>This program has been discontinued due to lower funding levels.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
3.1b	<p><u>Energy Conservation and Efficiency</u></p> <p>Program Description: Continue to encourage development and construction standards that encourage energy conservation in residential buildings. The City of Modesto Housing Program Office, and agencies such as P.G.&E., and the Modesto Irrigation District, provide no cost or low-cost weatherization and other energy efficient programs to low-income residential households. Public service announcements and brochures are provided to reach the widest possible audience.</p>	<p>The City of Modesto supports the provision of no-cost or low-cost weatherization for low-income homes under the EHRP/DAAP programs. In addition, the City provides literature and information on programs for increasing energy efficiency in residential structures. This program continues to be relevant to the housing goals of the City, and helps ensure that the available programs are utilized to the greatest extent possible. This program promotes compliance with the goals of AB 32.</p> <p><i>This program will be continued.</i></p>
3.1c	<p><u>Distribution of Energy Saving Devices</u></p> <p>Program Description: The City will continue to distribute smoke detectors, water heater blankets, and anti-siphon backflow devices for hose bibs, free of charge for rehabilitation clients.</p>	<p><i>This program will be discontinued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
3.1d	<p><u>Reasonable Accommodation</u></p> <p>Program Description: The City’s Planned Development zoning allows the development of residential projects with relaxed development standards, as compared to other zones. The city expects that housing projects for the disabled would be approved with relaxed development standards. The City has in place five committees to address the needs of the disabled; but lacks a specific procedure for processing reasonable accommodation requests.</p> <p>The City will 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. The purpose of this effort is to provide a clear and consistent process for individuals with disabilities to make requests for reasonable accommodation in order to obtain relief from the various land use, zoning, building standards, rules, policies, practices, and/or procedures of the City.</p>	<p>The California Building Code includes certain requirements with respect to the number of dwelling units in an attached housing development that must be adaptable to accommodate disabled persons. The City complies with the California Building Code.</p> <p>Additionally, the City’s Building and Safety Division has established a Disabled Access Appeals Board for all development that has a building permit to allow appeals of City decisions regarding disabled access requirements.</p> <p>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.</p> <p><i>This program will be continued.</i></p>
3.1e	<p>Ongoing Coordination with Stanislaus County to Address unincorporated “Islands”</p> <p>Within Modesto’s Sphere of Influence, there are many areas that have been developed with residences, often at urban densities, under the governance of Stanislaus County. These areas are commonly referred to as “County islands.” Policies relating to the annexation of County islands are Policy II.C.1 on page II-5 of the 2008 Urban Area General Plan; Policy VIII.D on pages VIII-2 and VIII-3 in the 2008 Urban Area General Plan; and Policy VIII.V on pages VIII-17 and VIII-18 in the 2008 Urban Area General Plan. A comprehensive “Measure M” sewer extension advisory vote for County islands occurred at the 11/3/15 election.</p>	<p>Though not strictly part of Housing Element law, this program reflects Modesto’s relationship with Stanislaus County with respect to the annexation of unincorporated communities in Modesto’s Sphere of Influence.</p> <p>Modesto completed annexation of the Shackelford area in 2012. Additionally, sewer service has been extended to the unincorporated Parkview and Airport neighborhoods, as approved by voters.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
Policy 3.4 Make a maximum effort to preserve for its lower income households, the units in assisted housing developments that are eligible to change to uses for other than lower-income households, due to terminations of subsidy contracts, mortgage prepayment, or expiration of use restrictions.		
<p align="center">3.4a</p>	<p><u>Preservation of Units at Risk</u></p> <p><u>Program Description:</u> Several public assisted housing projects, totaling 735 units affordable to lower income households, may be at risk of converting to non-low-income units due to termination of rental assistance contracts and/or expiration of deed restrictions. To the extent feasible, the city will work to preserve the affordability of these units in partnership with property owners and/or other interested housing providers.</p>	<p>The City will continue to work with HCD and HUD to minimize conversion of affordable housing units to market rate. The City will also work with property owners who have indicated their intention to make such a conversion in an effort to preserve the units as affordable.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
GOAL 4: ENSURE LAND USE AND ZONING PROCEDURES ARE ACCOMMODATING TO HOUSING		
Policy 4.1 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.		
4.1a	<p><u>Zoning Code Amendments</u></p> <p>As part of this Housing Element update, the City has identified several Zoning Code revisions necessitated by recent changes to State law, and to further facilitate the development of affordable and special needs housing. These include:</p> <ul style="list-style-type: none"> ■ Revise to clarify in which zones transitional and supportive housing is permitted by right as residential uses. Zones under consideration are all residential zones, which would allow transitional and supportive housing by right (administratively) with the interpretation of the department director (see Table 3-5). ■ Identify at least one land use zone in which at least one additional emergency shelter is permitted by right (administratively). Zones Modesto is considering are C-1, C-2, C-3, C-M, M-1, and M-2, which are the zones in which shelters are currently allowed with a Conditional Use Permit (see Table 3-5). ■ Consider revision to create incentives for land assembly by allowing greater densities on progressively larger lots. ■ Revise to establish a formal procedure for persons with disabilities seeking reasonable accommodation (see Program 3.4). ■ Revise to allow condominiums by right (administratively) wherever multi-family development is permitted. ■ Revise to establish a Form-Based Code in the downtown core area, which would allow residential uses by right (administratively), to implement the Redevelopment Master Plan goal of bringing residents downtown. 	<p>The zoning code has been amended to clarify where transitional and supportive housing are permitted by right (R-1, R-2 and R-3); to identify zones in which one additional homeless shelter is allowed by right (C-M, M-1 and M-2); and to establish and expand a downtown form-based code.</p> <p>The zoning code has been amended to allow condominium units via an administrative review process.</p> <p>A Form-Based Code that applies to the entire downtown has been established.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
4.1b	<p>Large Sites for Lower-Income Housing</p> <p>To assist the development of housing for lower income households on larger sites, the City will facilitate land divisions, lot line adjustments, and specific plans resulting in parcel sizes that facilitate multi-family developments affordable to lower income households in light of state, federal and local financing programs. The City will work with property owners and non-profit developers to target and market the availability of sites with the best potential for development. In addition, the City will offer the following incentives for the development of affordable housing, including but not limited to: streamlining and expediting the approval process for land division associated with affordable housing production; ministerial review of lot line adjustments; and, providing technical assistance to secure funding.</p>	<p>The City ensures that large sites for apartments are available in new specific plan areas. Additionally the City actively works with affordable housing developers to make land available for their projects.</p> <p><i>This program will be continued.</i></p>
4.1c	<p>Lot Consolidation</p> <p>To assist the development of housing for lower income households on smaller sites, the City will play an active role in facilitating lot consolidation, particularly as it relates to the sites listed in Appendices B and C of the sites inventory. For example, the City will work with non-profit developers and owners of small sites to identify and consolidate parcels to facilitate the development of housing affordable to lower-income households. The lot consolidation procedure will also be posted on the City’s website and discussed with developers during the preliminary stages of project concept review. Incentives offered for lot consolidation could include allowing higher densities on the larger parcels once consolidated, flexible development guidelines, and expedited processing. Applications for lot consolidation will be processed ministerially.</p>	<p>The City has facilitated lot consolidation and affordable housing development on at least two sites during the planning period. Archway Commons will eventually include 150 affordable units and Downey Place has 11 affordable units for seniors.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
Policy 4.2 Maintain an up-to-date site inventory detailing the amount, type, and size of vacant and underutilized parcels, and assist developers in identifying land suitable for residential development.		
4.2a	<p>Residential Sites Inventory</p> <p>As part of this Housing Element update, the City has reviewed in detail its residential land inventory for vacant and underutilized sites available for housing development. To meet the State mandate of accommodating the RHNA and to maintain consistency with the City’s goal of focusing growth within the Baseline Development Area and the Planned Urbanizing Area, the City is committed to maintaining this sites inventory by facilitating the development of Pelandale/McHenry, Kiernan Business Park East, and Woodglen Specific Plans, and designating therein sufficient sites to accommodate the dwelling units identified within Table 4-11, to be developed with at least 16 units per site at a minimum density of 20 units per acre, and at least 50 percent of the need must be planned on sites that exclusively allow residential uses, where owner-occupied units and rental units are allowed by-right. All affordable housing numbers used in this Housing Element are approximate, based upon current data.</p>	<p>During the recession, many projects were abandoned by developers, including the Pelandale-McHenry and Johansen-Empire Specific Plans. In 2013, the Woodglen Specific Plan was approved and annexed to the City. Additionally, the City is committed to maintaining and improving its land inventory.</p> <p><i>This project will be continued.</i></p>
GOAL 5: REDUCE GOVERNMENTAL CONSTRAINTS		
Policy 5.1 Establish and maintain development standards that support housing production while protecting quality of life goals.		
5.1a	<p><u>Reduction of Parking Standards</u></p> <p>Program Description: The City of Modesto allows a reduction in parking standards for senior citizen housing developments with the intent of better matching parking standards to needs and to reduce costs. As the City beings to promote mixed-use developments along the commercial corridors, flexible parking standards may be adopted for mixed use projects and projects that involve small units.</p>	<p>The City’s form-based code for downtown Modesto is intended to bring more residents to downtown and reduce driving trips. The form-based code includes reduced parking requirements.</p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
Policy 5.2 Continue to provide financial incentives such as fee deferrals and exemptions for developments meeting the affordable and special housing needs of the community. Review the city’s fee structure, including development fees, impact fees, and other municipal costs, periodically to ensure that they do not unduly constrain the production of housing, especially affordable housing.		
5.21	<p><u>Multi-Family Developer Incentive Program</u></p> <p>Program Description: The Stanislaus County Housing Authority and nonprofit sponsors of housing for very-low-income households are exempt from Capital Facilities Fees (developer fees). For multi-family projects with density bonuses, 20 percent of the units must serve low-income households or 10 percent must serve very-low-income households. For these projects, developer construction fees are levied by deferring payment of Capital Facility Fees with 20 percent required down and five years to pay.</p>	<p>The City regularly defers or exempts low-income housing developments from payment of Capital Facilities Fees. The amount of deferral or exemption is determined on individual basis, depending on the number of low-income units provided and the financing situation. Between 2002 and 2015, the City exempted fees for 187 units for low-income housing developers.</p> <p><i>This program will be continued.</i></p>
Policy 5.3 Continue to provide for timely and coordinated processing of residential development projects to encourage housing production.		
5.3a	<p><u>Streamlined Application Review and Permit Processing</u></p> <p>Program Description – Existing: The City complies with the State’s Permit Streamlining Act, which ensures timely processing of planning development applications. The City building permit inspections and review have minimal turnaround time, and no processing procedures are resulting in extensive delays for affordable housing.</p> <p>Furthermore, the City Council is able to declare a “shelter crisis,” eliminating the requirement for a use permit to establish an emergency shelter for any period of time. A crisis declaration allows the City to suspend certain development standards and building code requirements that are unrelated to safety.</p>	<p>The City complies with the Permit Streamlining Act. Building permit inspections and plan review are processed quickly and affordable housing projects are given priority. When the City declares a “shelter crisis” it is able to suspend specified code requirements to facilitate project approval.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
5.3b	<p><u>Administrative Coordination</u></p> <p><u>Program Description -- Existing</u> The delivery of housing programs occurs through various departments and divisions. Development of projects requires participation of Parks, Neighborhoods, and Recreation, Community and Economic Development, and Public Works.</p>	<p>Housing successfully coordinated with the Planning Division to develop the Housing Implementation Toolbox; with the Building Division for priority processing of affordable housing projects; with the Redevelopment Agency for the expenditure of set-aside funds, and with the Infrastructure Finance Plan group on capital facility fees for affordable housing projects.</p> <p><i>This program will be continued without the Redevelopment Agency .</i></p>
5.3c	<p><u>Annual Report of General Plan</u></p> <p>Program Description: In accordance with State Law, an annual review of the City’s progress toward implementing the General Plan must be conducted by the City Council. This review must include the progress of the Housing Element in meeting its share of the regional housing needs. In order to fulfill this requirement, the City will monitor this element yearly.</p>	<p>Modesto prepared and submitted a General Plan Annual Report to the Department of Housing and Community Development in 2015. As a charter city, Modesto is not required to prepare a general plan annual report.</p> <p><i>This program may be continued.</i></p>
GOAL 6: ENSURE ADEQUATE SERVICES TO HOUSING		
Policy 6.1 Promote coordination between infrastructure master plans, service area boundaries, and housing plans to ensure that adequate services are available to serve expected housing growth.		
6.1a	<p><u>Urban Growth Policy Update</u></p> <p>Program Description – Existing/New: The purpose of the Urban Growth Policy Update is to identify land that would be available for development and would be sufficient to provide a five-year supply. The City’s focus for new development, as described in the Urban Area General Plan is that area known as the Planned Urbanizing Area outside the city limits and within the Sphere of Influence.</p>	<p>The City completed Urban Area Growth Reports in 2009 and 2015.</p> <p><i>This program will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
Policy 6.2 Promote infill development as a method of ensuring maximum utilization of existing urban services.		
6.2a	<p><u>Encourage Infill Development</u></p> <p><u>Program Description</u> In an effort to maximize efficient use of existing infrastructure, the City will establish a program to provide regulatory, financial, or other incentives to promote infill development to meet projected housing needs. Infill development is defined as in Section 15331 of the CEQA Guidelines.</p>	<p>Infrastructure plans are being updated, including the downtown area, to serve the recently-adopted downtown form-based code. These plans are part of Modesto’s effort to stimulate infill development and bring new residents to downtown.</p> <p><i>This program will be continued.</i></p>
GOAL 7: PROMOTE JOBS-HOUSING BALANCE		
Policy 7.1 Encourage the development of workforce housing.		
7.1a	<p><u>Coordination of Housing Economic Development Efforts</u></p> <p><u>Program Description – Existing:</u> In recent years, housing growth in Modesto has been spurred and absorbed by Bay Area employees seeking affordable housing or housing of a particular desired type. This has created a jobs-housing imbalance (housing rich) that causes impacts to City and regional infrastructure, air quality, and the economic and social well-being of the community. In an attempt to balance job growth with the demand for housing, the City has several programs:</p> <ul style="list-style-type: none"> • Urban Growth Review ensures land is available for development • Revenue bonds provide funding to construct and rehabilitate major infrastructure and facilities 	<p>Modesto has consolidated Housing and Business Development in the Community and Economic Development Department, which is expected to further support efforts to coordinate housing and economic development. The elimination of Redevelopment agencies and Enterprise areas has hampered these efforts.</p> <p><i>These programs will be continued.</i></p>

**Table 5-1
Housing Accomplishments Since 2009**

Housing Program	Program Action/Objective	Accomplishment/Continued Appropriateness
7.1b	<p><u>Affordable Workforce Housing</u></p> <p>Program Description – New: Many people who work in Modesto cannot afford to live here. The City will work with businesses to create and expand higher-paying jobs in Modesto. The City will also coordinate with local businesses to address the housing needs of employees.</p> <p>The City may also consider a mechanism whereby housing created in the City demonstrates an improved match between the wages from jobs in Modesto and the range of housing options available. In conjunction with the Inclusionary Housing Program (if adopted), the City can develop incentives in the Inclusionary Housing Program for developers to offer a range of housing options. The City may also establish a preference points system for allocating the affordable housing units created based on places of current residence and employment.</p>	<p>Through the Urban Area Growth Review, Modesto ensures adequate land for development. Due to the recession, Modesto continues to have a relatively high housing vacancy rate, persistently about 7 percent (3 percent is typical). Despite the City’s high vacancy rate, there is a significant amount of land available for new residential development, including land that has been subdivided for residential development.</p> <p><i>This program has not been implemented and will not be continued. All other programs will be continued.</i></p>