MODESTO CITY COUNCIL
RESOLUTION NO. 2011-33

A RESOLUTION IN OPPOSITION TO THE ADMINISTRATION’S PROPOSAL TO ABOLISH REDEVELOPMENT AGENCIES IN CALIFORNIA

WHEREAS, as part of its 2011-12 budget proposal, the Governor has proposed permanently abolishing California’s more than 400 local redevelopment agencies; and

WHEREAS, this proposal represents more of the same misguided and illegal State budget raids of local government funds that voters have repeatedly sought to end, most recently in November 2010 when an overwhelming 61% of voters elected to stop State raids of local government funds, including redevelopment funds; and

WHEREAS, this proposal will bring very little financial benefit to the State. According to the State Controller’s Office, redevelopment agencies have more than $87 billion in bond and other contractual obligations that legally must be repaid before revenues are available to any other purpose. In fact, according to the State Department of Finance’s own budget documents, there will be zero State savings in out years from shutting down redevelopment; and

WHEREAS, this proposal will destroy local economic development, including hundreds of thousands of jobs and billions of dollars in local economic activity throughout California. In fact, in the City of Modesto, abolishing redevelopment will destroy potential future projects including acquisition of property for the Kansas Woodland Business Park which has the potential to bring over 800 jobs at build-out and millions of dollars to the local economy. In addition, affordable housing projects such as Archway Commons and Tower Park will not be possible without redevelopment funding and will result in the loss of approximately 200 affordable and senior housing units; and
WHEREAS, throughout California, redevelopment activities support 304,000 jobs annually, including 170,600 construction jobs, contribute over $40 billion annually to California’s economy in the generation of goods and services, and generate more than $2 billion in state and local taxes in a typical year; and

WHEREAS, eliminating redevelopment will take away one of the few tools local governments have to comply with state requirements to plan for more compact urban development supported by transit-oriented development, housing, jobs and infrastructure; and

WHEREAS, eliminating redevelopment will destroy the development of affordable housing in California. Redevelopment agencies are the second largest funder of affordable housing, behind only the federal government, responsible for over 98,000 units of affordable housing since 1993; and

WHEREAS, shutting down redevelopment agencies is a violation of multiple State and Federal constitutional provisions.

THEREFORE, BE IT RESOLVED that the City of Modesto formally opposes the Administration’s proposal to abolish redevelopment in California.

THEREFORE, BE IT FURTHER RESOLVED, that the City of Modesto authorizes its council and city staff to communicate its opposition to this proposal to the Governor, the Legislature, business groups, and citizens.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 8th day of February, 2011, by Councilmember Muratore, who moved its adoption, which motion being duly seconded by Councilmember Lopez, was upon roll call carried and the resolution adopted by the following vote:

AYES:  Councilmembers:  Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES:  Councilmembers:  None

ABSENT:  Councilmembers:  None

(Seal)

ATTEST:  [Signature]

STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By:  [Signature]

SUSANA ALCALA WOOD, City Attorney
RESOLUTION AMENDING THE FISCAL YEAR 2010-2011 ANNUAL OPERATING BUDGET

WHEREAS, a financial analysis has been completed and it has been determined that a budget adjustment is required to the Annual Budgets of the City of Modesto for Fiscal Year 2010-2011,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that appropriations, revenues, and transfers for the Fiscal Year 2010-2011 budgets have been adjusted as shown in Exhibit A, which is incorporated by reference herein.

BE IT FURTHER RESOLVED that the Director of Finance, or his designee, is hereby authorized to take the necessary steps to implement the provisions of this resolution.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 8th day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carried and the resolution adopted by the following votes:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney
EXHIBIT A

COMMUNITY & ECONOMIC DEVELOPMENT
An adjustment is necessary to increase the Service Credit revenue and expense in the amount of $3,000 for a service credit agreement between Community Economic Development (Fund 0100), and Utility Planning and Projects (Fund 6210). The original service credit agreement was for $31,141. This amount was later modified to $34,141 but was not entered into our adopted budget prior to the beginning of the fiscal year.

An adjustment is necessary to recognize previously unbudgeted service credit revenue in Land Development Engineering in the General Fund (0100) in the amount of $47,489 for work on the Woodglen Facility Master Plan. The expense for Woodglen IFP/FMP has already been budgeted.

FINANCE
An adjustment is necessary to recognize previously unbudgeted revenue in the General Fund (Fund 0100) in the amount of $29,382 for a service credit agreement between Finance and Utility, Planning and Projects and appropriate it to service credit expense in the General Fund.

The following Capital Improvement Projects, Right Turn Lane Bangs & Prescott (E014), Upgrade Traffic Signals 2010 (E015) and Retime Downtown Traffic Signals 2010 (E017) in the Capital Grants – Gas Tax Fund (Fund 2370) were budgeted with the intention of using $77,884 in Gas Tax Match Funding. Recently, the City received CMAQ documents indicating that the grant will cover costs associated with the Design phase. An adjustment is necessary to increase the budgeted CMAQ revenue in the amount of $77,884, and return the match to the Surface Transportation Fund (Fund 0700) for future projects.

In April 2008 the City of Modesto received $3,364,421 in Prop 1B funding. This funding, in addition to interest earned, must be spent by June 30, 2011. When funds were originally received they were receipted and expensed in the Prop 1B – Streets fund (Fund 0710) rather than Surface Transportation fund (Fund 0700). A transfer from Fund 0710 to Fund 0700 was established to correct this however the incorrect amount was budgeted. An adjustment is necessary to recognize $36,000 in previously unbudgeted revenue, reduce the appropriated expense by $37,873 and increase the transfer by $503,500 to correct the amount.

An adjustment is necessary to recognize previously unbudgeted revenue in the General Fund (Fund 0100) in the amount of $5,063 for bond issuance fee revenue from the California Municipal Finance Authority for the Finance Department’s participation in two TEFRA hearings, and appropriate it to Business Expenses in the General Fund (Fund 0100).

Management of the city-wide insurance database transitioned from the Finance Department to Risk Management effective December 1, 2010. A budget adjustment is necessary to reduce service credit revenue in the General Fund in the amount of $16,059 created from a service credit agreement between the Purchasing Division within the Finance Department and departments outside Finance, and increase revenue in the Risk Management’s budget by the same amount.
An adjustment is necessary to increase Temporary Labor expense in the Special Gas Tax Fund (0700) by $100,000 for work related to Street Maintenance weed abatement. This increase will be funded through a transfer from the Gas Tax Fund (0730).

On June 1, 2010 the City Council of the City of Modesto approved by Resolution 2010-231 the reorganization of the Finance Department. At the time the reorganization was approved, the Fiscal Year 2010-11 budget was pending adoption. This budget adjustment was inadvertently excluded from the adopted budget and is necessary to move funding within the orgs in the General Fund Finance Department, and appropriate $6,749 from Water Fund (6100) Reserves, to align Finance Divisions expense and revenue budgets as a result of the reorganization.

As part of the budget reductions for FY2010-11, the Tenth Street Place Joint Powers Agreement (JPA) agency approved the elimination of a filed Maintenance Worker position. Due to the City’s layoff process the employee remained a City employee until the end of July. The City is assuming responsibility for the July salary expense incurred caused from the layoff process. An adjustment is necessary to appropriate $8,304 from General Fund Reserves (0100) to increase General Fund Building Services - JPA Forces expense which will then increase the JPA Reimbursement Revenue in Fund 7800. This revenue will be appropriated to Intergovernmental Services for expense associated with the Maintenance Worker’s position salary and benefits in July.

The Internal Service Fund (ISF) allocation for the City of Modesto’s portion of the 10th Street Place assessment was based on an estimated number due to the 10th Street Place JPA not having an adopted budget until the end of June. The final adopted budget generated an increase in assessment charges for the City which is being allocated to all funds included in the ISF allocation. An adjustment is necessary to appropriate a total of $11,769 from the affected fund reserves to accommodate this increase; $7,098 of the increased expense is for the General Fund (0100).

**FIRE**

An adjustment is necessary to recognize $4,337 in previously unbudgeted revenue that was received in excess of the budgeted amount for Miscellaneous Special Services (X Fest coverage), and appropriate it to Overtime Expense in the Fire Prevention and Emergency Operations organizations in the General Fund (0100).

**PARKS, RECREATION AND NEIGHBORHOODS**

During the development of the Fiscal Year 2010-11 budget a service credit agreement was negotiated between Park Services in the General Fund (Fund 0100) and Tenth Street Place JPA City Operations in the Building Services (Fund 7800) for the Grover Landscaping contract for landscaping services at Tenth Street Place. After the adoption, responsibility for a portion of the Grover Landscaping contract for Tenth Street Place shifted from the City of Modesto to Stanislaus County. An adjustment is necessary to reduce service credit revenue in the General Fund (Fund 0100) by $482 and reduce the corresponding service credit expense in the Building Services fund (Fund 7800).

**PUBLIC WORKS/UTILITY PLANNING & PROJECTS**

An adjustment is necessary to move $6,200 in the Capital Improvement Project -A005, Replace/Update Airfield Windcone in the Special Aviation fund (Fund 6320) from
Engineer/Design/Administration to Contingency expense to cover required corrective work necessary for the completion of this project.

In May 2010 the City received $3,109,652 in Prop 1B Phase II funding for Street Operations in the Prop 1B-Streets Fund (0710). A budget adjustment is necessary to recognize the revenue in that fund, transfer it to the Special Gas Tax Fund (0700) and establish a new multi-year budget within the Special Gas Tax Fund (0700) and appropriate it to Service Credit expense.
RESOLUTION AUTHORIZING THE AWARD OF BID FOR THE PURCHASE OF NINE (9) CROWN VICTORIA POLICE INTERCEPTOR VEHICLES FOR THE MODESTO POLICE DEPARTMENT THROUGH THE PUBLIC WORKS DEPARTMENT, FLEET SERVICES DIVISION, BY “ACCESSING THE TERMS” OF A COMPETITIVELY BID CONTRACT WITH THE CITY OF SAN JOSE THROUGH THEODORE ROBINS FORD, COSTA MESA, CA, AND AUTHORIZING THE PURCHASING MANAGER, OR HIS DESIGNEE, TO ISSUE A PURCHASE ORDER FOR AN ESTIMATED TOTAL COST OF $255,612.

WHEREAS, the City Manager authorized the Purchasing Manager to issue formal Request for Bids (RFB’s) for new vehicles and heavy equipment, throughout FY 10/11 through various competitive processes, with the Purchasing Division coming back to Council for award authorization. The nine (9) Crown Victoria Police interceptor vehicles for the Modesto Police Department were included in the FY 10/11 new vehicles and heavy equipment list authorized by the City Manager, and

WHEREAS, the Purchasing Division issued a Request for Quote to verify pricing on competitively bid contracts with various government agencies within California and the State of California bid. City staff also requested pricing from the local vendor, Heritage Ford. The local vendor responded that they could not competitively bid the patrol sedans, and

WHEREAS, City staff determined that by “accessing the terms” of a competitively bid contract with the City of San Jose, through Theodore Robins Ford, Costa Mesa, CA, the City will select the bid that best suits the City’s needs at the best value to the City, and

WHEREAS, Theodore Robins Ford provides a ten percent (10%) discount for payments made within twenty days. City staff will ensure that the discount terms are
met, which represents a savings of $25,561 for a total purchase price including discount of $230,051, and

WHEREAS, sufficient funds are budgeted in Fiscal Year 2010-11 in appropriation units: 7210-480-5814-5524 and 7210-480-5814-5525, and

WHEREAS, Modesto Municipal Code Section 8-3.203 requires all purchases, which meet or exceed $50,000 for material and equipment or contractual services to be formally bid. Per Modesto Municipal Code Section 8-3.204(d) the Purchasing Manager may determine that a process other than the formal bid procedure set forth in Section 8-3.203 will result in procurement for the City at the lowest possible cost commensurate with the desired quality. By “accessing the terms” through the contract with the City of San Jose, the purchase of these vehicles will conform to Modesto Municipal Code Section 8-3.204(d),

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby authorizes the award of bid for the purchase of nine (9) Crown Victoria Police Interceptor vehicles, for the Modesto Police Department through the Public Works Department, Fleet Services Division, by “accessing the terms” of a competitively bid contract with the City of San Jose through Theodore Robins Ford, Costa Mesa, CA.

BE IT FURTHER RESOLVED that the Purchasing Manager, or his designee, is hereby authorized to issue a purchase order for an estimated total cost of $255,612.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 8th day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

(S Seal)

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING NEIGHBORHOOD STABILIZATION PROGRAM 2 RESALE GUIDELINES FOR THE PROPERTY LOCATED AT 802 KERR AVENUE AND PURCHASED WITH NEIGHBORHOOD STABILIZATION PROGRAM 1 FUNDS

WHEREAS, the Neighborhood Stabilization Program 1 (NSP1) property acquisition and rehabilitation activity was designed as a rental housing program with specific areas of the community designated as targeted sites due to the higher number of foreclosures, and

WHEREAS, this designation included the Airport Neighborhood as a targeted area within the NSP1 program, and

WHEREAS, 802 Kerr Avenue was purchased and rehabilitated under the guidelines for the NSP1 program, and

WHEREAS, the NSP1 participating developer has expressed a desire to resell this property to a income-qualified resident, and

WHEREAS, the promotion of homeownership and incentives for the resale of NSP1 funded properties are permissible activities under NSP1, and

WHEREAS, this action is supported by City staff as it would present a unique opportunity for homeownership within this targeted area, and

WHEREAS, the NSP2 program included guidelines to promote homeownership, including a developer fee ranging from $10,000 to $20,000 for those participating developers willing to resell properties rather than retaining them for rental income, and
WHEREAS, staff recommends that the resale guidelines from NSP2 be applied to the NSP1 property at 802 Kerr in support of this homeownership opportunity within a targeted NSP area,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the NSP2 resale guidelines for the property located at 802 Kerr Avenue.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 8th day of February, 2011, by Councilmember Marsh, who moved its adoption, which motion being duly seconded by Councilmember Burnside, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: Muratore

ATTEST: [Signature]

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney
MODESTO CITY COUNCIL  
RESOLUTION NO. 2011-37

RESOLUTION AFFIRMING THAT THE HOUSING AUTHORITY OF STANISLAUS COUNTY WILL BE SUBJECT TO THE SAME LOAN TERMS AND CONDITIONS AS THE NON-PROFIT DEVELOPERS UNDER BOTH THE NEIGHBORHOOD STABILIZATION PROGRAM 1 AND 2, AND SHALL HAVE THEIR LOANS FORGIVEN IF AFFORDABILITY COVENANTS ARE MET

WHEREAS, the Neighborhood Stabilization Program (NSP) 1 and 2 are federally funded programs designed to help communities eliminate foreclosures while simultaneously eliminating blight and slum conditions, and

WHEREAS, the City of Modesto has received $8.1 million in NSP1 funding and $25 million in funding under NSP2, and

WHEREAS, the City has partnered with 11 non-profit and for-profit developers to purchase and rehabilitate foreclosed properties, and

WHEREAS, the Housing Authority of Stanislaus County is a developer with the City under both NSP1 and NSP2 with a specific allocation of $2 million in NSP1 and $6 million in NSP2, and

WHEREAS, the Housing Authority allocations will be utilized to assist those City of Modesto residents in the very low income category, and

WHEREAS, at the time the NSP1 and NSP2 programs were developed it was believed that the Housing Authority fell into the category of a non-profit organization, and

WHEREAS, it has since been determined that the Housing Authority is legally defined as a public entity, and
WHEREAS, it is therefore necessary to clarify that it is the Council’s intent to subject the Housing Authority of Stanislaus County to the same loan terms and conditions as those approved by the City Council for non-profit developers,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby affirms its intent to subject the Housing Authority of Stanislaus County to the same loan terms and conditions as are in place for non-profit developers under both NSP1 and NSP2.

BE IT FURTHER RESOLVED that this will result in forgiveness of Housing Authority loans in full if the designated affordability periods are maintained.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 8th day of February, 2011, by Councilmember Marsh, who moved its adoption, which motion being duly seconded by Councilmember Burnside, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: Muratore

ATTEST: STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING AUTHORITY FOR THE AIRPORT MANAGER
TO OFFER PROMOTIONAL AIRPORT HANGAR RENTAL RATES FOR THE
CALENDAR YEAR 2011 IN ORDER TO INCREASE OCCUPANCY

WHEREAS, Section 7-3.401 of the Modesto Municipal Code authorizes the
Council, by Resolution, to establish rental charges and fees for activities and services at
the Modesto City-County Airport/Harry Sham Field, and

WHEREAS, the economic downturn has impacted local aircraft ownership, which
has contributed to a high hangar vacancy rate, and

WHEREAS, the airport has 14 T-hangars that are not leased and there is currently
no waiting list, and

WHEREAS, if all vacant T-hangars were leased there would be an increase of
approximately $3,480 per month, less any discounts, and

WHEREAS, new aircraft at Modesto Airport would also increase local revenues
through new aircraft taxes paid on planes based in Stanislaus County, increased fuel sales
and local aircraft repairs, and

WHEREAS, a promotional discount equivalent to three months of free rent for a
new 12-month T-hangar lease is proposed to attract new aircraft from outside the
Modesto area, and

WHEREAS, this promotional rate would be extended only to aircraft and tenants
that have not been based at Modesto Airport during the past 12 months,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto
that it hereby approves authority for the Airport Manager to offer promotional airport
hangar rental rates for the calendar year 2011 as vacancies exist and there are eligible applicants.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 8th day of February, 2011 by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carrier and the resolution adopted by the following vote:

AYES: Councilmember: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmember: None

ABSENT: Councilmember: None

ATTEST: STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING SUBMITTAL OF A GRANT APPLICATION TO THE FEDERAL TRANSIT ADMINISTRATION (FTA) REQUESTING $3,481,456 IN STATE OF GOOD REPAIR FUNDS FOR THE NEW BUS MAINTENANCE FACILITY PROJECT

WHEREAS, the Federal Transit Administration (FTA) has been delegated authority to award federal financial assistance for transportation related projects, and

WHEREAS, the City of Modesto has provided all annual certifications and assurances required by the FTA for the new Bus Maintenance Facility project, and

WHEREAS, the Bus Maintenance Facility project is eligible to receive up to 80% of its federally reimbursable expenses from State of Good Repair (SGR) funds, and

WHEREAS, the Bus Maintenance Facility project is included in the Federal Transportation Improvement Program (FTIP) adopted by StanCOG, and

WHEREAS, the grant for Federal assistance will impose certain obligations on the City of Modesto, and may require the City to provide the local share of the project costs.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the submittal of an application on behalf of the City of Modesto with the Federal Transit Administration for $3,481,456 in SGR funds for the New Bus Maintenance Facility.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute and file the annual certifications and assurances and other documents the FTA requires for awarding a federal assistance grant.
BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute all necessary grant documents with the FTA on behalf of the City of Modesto.

The foregoing resolution was introduced at a meeting of the Council of the City of Modesto held on the 8th day of February, 2011, by Councilmember Marsh, who moved its adoption, which motion being duly seconded by Councilmember Geer, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: Burnside

ATTEST: 

(SEAL)

APPROVED AS TO FORM:

By: 

SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING SUBMITTAL OF GRANT AMENDMENTS TO
THE FEDERAL TRANSIT ADMINISTRATION (FTA) REQUESTING LINE
ITEM BUDGET AMENDMENTS IN MODESTO'S JOB ACCESS AND
REVERSE COMMUTE GRANT AND NEW FREEDOM GRANT

WHEREAS, the Federal Transit Administration (FTA) has been delegated
authority to award federal financial assistance for transportation related projects, and
WHEREAS, the City has provided all annual certifications and assurances to the
FTA required for the projects, and
WHEREAS, the City was previously awarded Job Access and Reverse Commute
(JARC) and New Freedom grants that now require line item budget amendments, and
WHEREAS, A Memorandum of Understanding between the City of Modesto and
StanCOG for the administration of these grants was approved November 9, 2010, and
WHEREAS, the City has been requested by StanCOG to amend the line item
budget of the Job Access and Reverse Commute grant, and
WHEREAS, the City has been requested by StanCOG to amend the line item
budget of the New Freedom grant, and
WHEREAS, the projects in the Job Access and Reverse Commute and New
Freedom programs are included in the Federal Transportation Improvement Program
(FTIP) adopted by StanCOG, and
WHEREAS, the line item budget amendments for both grants are shown in the
Program of Projects, attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto
that it hereby approves the submittal of line item budget amendments with the FTA for
the Job Access and Reverse Commute assistance grant and the New Freedom grant as authorized by 49 U.S.C. Chapter 53, Title 23, United States Code, or other Federal statutes authorizing a project administered by the Federal Transit Administration.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute and file the annual certifications and assurances and other documents the FTA requires for awarding a federal assistance grant.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute all necessary grant documents with the FTA on behalf of the City of Modesto.

The foregoing resolution was introduced at a special meeting of the Council of the City of Modesto held on the 8th day of February, 2011, by Councilmember Marsh, who moved its adoption, which motion being duly seconded by Councilmember Geer, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: Burnside

ATTEST: STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney
### Section 5316 (JARC) and 5317 (New Freedom) Program of Projects (Line-Item Amendment)

#### Job Access Reverse Commute

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#### New Freedom

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RESOLUTION ACCEPTING NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP3) GRANT AWARD FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD); APPROVING NSP3 SUBSTANTIAL AMENDMENT TO THE ANNUAL ACTION PLAN AND ITS SUBMISSION TO HUD; AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO SIGN ALL RELATED DOCUMENTS AND APPROVE FUTURE TECHNICAL AMENDMENTS TO NSP3 GRANT PER DIRECTION FROM HUD; AND AUTHORIZING STAFF TO PREPARE SUB-RECIPIENT AGREEMENT WITH HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS TO BE APPROVED BY COUNCIL

WHEREAS, the City of Modesto received an NSP3 grant award notice from HUD in the amount of $2,951,549, and

WHEREAS, the City will fund community development activities as described in the NSP3 Substantial Amendment attached, and

WHEREAS, the Airport Neighborhood demonstrates the highest indicators among the 14 low-income census tracts as evidenced in the data presented in tables and analyses contained in the NSP3 Substantial Amendment, and

WHEREAS, unlike NSP1 and NSP2, NSP3 is designed to address the unique needs of the Airport Neighborhood through NSP activities that go beyond acquisition and rehabilitation, and

WHEREAS, the grant is proposed to be divided into five (5) activities:

1. Redevelopment Activity: $ 690,662
2. Land Banking Activity: $1,195,379
3. Acquisition and Rehab: $ 690,662
4. Demolition Activity: $ 79,691
5. Administration: $ 295,155
WHEREAS, the proposed activities will be integrated into a comprehensive revitalization strategy to reverse key indicators of persistently high: 1) unemployment and underemployment; 2) vacancy and abandonment; and 3) blight, and

WHEREAS, this proposal was reviewed and approved by the Citizens’ Housing and Community Development Committee on January 26, 2011, and

WHEREAS, approval of the proposed action will help the City meet its goal of spending the NSP3 grant in a timely manner,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby accepts a NSP3 grant award from HUD in the amount of $2,951,549.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that it hereby approves a NSP3 Substantial Amendment to the Annual Action Plan.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to sign all related documents and approve future technical amendments to NSP3 grant per direction from HUD.

BE IT FURTHER RESOLVED, that City staff are authorized to prepare sub-recipient agreement with Housing Authority of the County of Stanislaus to be approved by Council.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 8th day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Geer, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Geer, Hawn, Lopez, Marsh, Mayor Ridenour
NOES: Councilmembers: None
ABSENT: Councilmembers: Burnside, Muratore

ATTEST: 

STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: 

SUSANA ALCALA WOOD, City Attorney
1. NSP3 Grantee Information

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2. Areas of Greatest Need

Map Submission

The map generated using the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as an attachment. (Neighborhood ID: 3290649)

Data Sources Used to Determine Areas of Greatest Need

<table>
<thead>
<tr>
<th>Describe the data sources used to determine the areas of greatest need.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modesto</td>
</tr>
</tbody>
</table>

Metropolitan area data for the first half of 2010 indicate that Modesto is the third hardest hit (i.e., third highest foreclosure rate) in the U.S. and the hardest hit in California (RealtyTrac). Also according to this source, 2 of every 3 homes sold in the Modesto metropolitan area in 2010 have been either foreclosed upon or are “short sale” properties. Since the fall of 2006, 21,000 Modesto metropolitan area properties have been lost to foreclosure; approximately 1 in every 8 homes (ForeclosureRadar).

Other realities of the economic recession in Modesto include a 16.4% unemployment rate as of August 2010 – a 1.1 percentage point rise from August 2009 and much higher than the national average of 9.6% as of August 2010 (Bureau of Labor Statistics' Current Employment Statistics [CES] Survey).

Modesto also has an astonishingly high rate of poverty. An analysis of the country’s 100 largest metropolitan areas, based on recently released data from the 2009 American Community Survey (ACS) indicates that the economic recession is exacerbating the climbing poverty trend in Modesto where the poverty rate is among the highest in the U.S. at 19% – a 3.6 percentage point rise from 2007 to 2009 (Brookings Institution analysis of 2007, 2008, and 2009 American Community Survey data).

Areas of Greatest Need

Neighborhood Stabilization Program 3 (NSP3) Need Score is calculated using the following data:
1) Unemployment change from March 2005 to March 2010;
2) Rate of A) low cost, high leverage loans; B) high cost, high leverage loans; and C) high cost, low leverage loans from 2004-2007; and
3) Fall in home value since peak.


The Airport Neighborhood located in (and composing most of) census tract 21.00, one of the City of
Modesto’s 14 low-income census tracts (i.e., census tracts with median household incomes that do not exceed 50% of broader Area Median Income [AMI]), scored the highest possible NSP3 Need Score of 20. While 13 of the City of Modesto’s 14 low-income census tracts scored 20, the Airport Neighborhood demonstrated to have the highest in the following risk indicators:
A) Percentage of residential addresses vacant 90 or more days (13.7%);
B) Combined percentage of residential addresses vacant 90 or more days and residential addresses classified as no-stat (16.7%); and
C) Estimated percentage of delinquent mortgages (25.7%).
These data are presented in attached tables.

**Determination of Areas of Greatest Need and Applicable Tiers**

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

**Satisfying the “Deep” or “Strict” Targeting Requirement of NSP3**

The determination of the area of greatest need is informed by the rich data available, as well as the recognition that NSP3 funding is insufficient to make the desired impact in a larger geographic area. Land banking, acquisition and rehabilitation, redevelopment, and demolition activities will be integrated into a comprehensive revitalization strategy to reverse key indicators of persistent and extremely high:
1) unemployment and underemployment; 2) vacancy and abandonment; and 3) blight.

Modesto is a geographically expansive city and while high rates of foreclosure and vacancy are, unfortunately, not unique to the Airport Neighborhood, the substantial leveraging of resources – public and private, as well as social (resident leadership and broader community commitment to the neighborhood) – is quite extraordinary. Planned and potential leveraging opportunities include:
- collaboration with Stanislaus County Department of Planning and Community Development (NSP3) and Redevelopment Agency (Housing Set-Aside) activities in the neighborhood; both City of Modesto and Stanislaus County will collaborate with the Housing Authority of the County of Stanislaus, which will serve as subrecipient (developer and land bank operator);
- partnerships with financial institutions for Community Reinvestment Act (CRA) activities;
- and positioning this highly coordinated NSP3 project to be more competitive for YouthBuild, Choice Neighborhood, and other federal grant opportunities.

The economic reality of the Airport Neighborhood is quite distinct from the economic realities in other neighborhoods in Modesto. In addition to the high rate of foreclosure, the degree of blight and abandonment in the Airport Neighborhood is extremely high, as is evident in the data presented in the attached tables and analyses.

Unlike NSP1 and NSP2, NSP3:
1) Has been designed to address the unique needs of the Airport Neighborhood through NSP activities that go beyond acquisition and rehabilitation;
2) Will leverage substantial resources through unprecedented collaboration with Stanislaus County and its NSP3 and Redevelopment Agency activities;
3) Will expand the production capacities of the three major development partners: City of Modesto, Stanislaus County, and the Housing Authority of the County of Stanislaus; and
4) Will create extraordinary opportunity for public-private partnership for the benefit of the residents of the Airport Neighborhood, including vicinity hiring to the maximum extent feasible.

Recognizing the importance of an engaged community in an effective land banking project, NSP3 will create a dedicated position that will carry out several critical functions consistent with the delivery of NSP3 activities, including: liaising with residents and other stakeholders; facilitating vicinity hiring to the maximum extent feasible; and pursuing leveraging opportunities, both public and private. This position will help maintain the momentum of commitment in the neighborhood.

3. Definitions and Descriptions

Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blighted Structure</td>
<td>A structure is blighted when it exhibits objectively determinable signs of deterioration or abandonment to constitute a threat to human health, safety, and/or public welfare; and/or its appearance is inconsistent with the surrounding landscape.</td>
</tr>
<tr>
<td>Affordable Rents</td>
<td>Consistent with the U.S. Department of Housing and Urban Development (HUD) definition of affordable housing, the City defines affordable rents (including utilities) as costing no more than 30% of a household’s gross monthly income.</td>
</tr>
</tbody>
</table>

Descriptions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Affordability</td>
<td>Continued affordability will be ensured through a restrictive affordability period and will be in effect for a period based on the level of assistance consistent with the HOME Investment Partnerships Program regulations of up to 20 years (24 CFR 92.252(a), (c), (e) and (f), and 92.254) and will require covenants to be recorded on the properties with housing end uses. If other sources of funds are used for housing development, covenants longer in duration may be recorded on these properties. Properties for sale will at all times be occupied as the principal residence of the owner and will not be rented, leased, or sold. The covenants and restrictions will run with the land and will be binding on future owners of the property. The City will monitor the properties for owner occupancy, income qualification, and other requirements as applicable on an annual basis. Note: This affordability relates to individuals or families whose incomes do not exceed 120% of Area Median Income (AMI) or, for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii) of the original statute of NSP (Housing and Economic Recovery Act of 2008), to remain affordable to individuals and families whose incomes do not exceed 50% of AMI.</td>
</tr>
</tbody>
</table>
The City will apply HUD’s Housing Quality Standards (HQS) to all rehabilitation activities. HQS consists of the following 13 performance requirements: 1) sanitary facilities; 2) food preparation and refuse disposal; 3) space and security; 4) thermal environment; 5) illumination and electricity; 6) structure and materials; 7) interior air quality; 8) water supply; 9) lead-based paint; 10) access; 11) site and neighborhood; 12) sanitary conditions; and 13) smoke detectors.

Additionally, the City will rely on its highly experienced building inspection unit to ensure compliance with rigorous state and local building codes. Note: California Building Code (California Code of Regulations, Title 24, Part 2), effective January 1, 2011, exceeds federal green standards.

City of Modesto will establish procedures to create preferences for the development of affordable rental housing with NSP3 funds. This will be achieved through partnership with the Housing Authority of the County of Stanislaus (subrecipient).

City of Modesto will update its Section 3 certification process to require contractors make good faith efforts to provide to the maximum extent feasible, opportunities to local residents and business concerns and, specifically, promote NSP3 vicinity hiring in the Airport Neighborhood.

### Additional Definitions and Descriptions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreclosed Upon</td>
<td>1. The property is at least 60 days delinquent on its mortgage and the owner has been notified; or 2. The property owner is 90 days or more delinquent on tax payments; or 3. Under state or local law, foreclosure proceedings have been initiated or completed; or 4. Foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, subrecipient, developer, or end user.</td>
</tr>
<tr>
<td>Abandoned</td>
<td>1. No mortgage or tax payments have been made by the property owner for at least 90 days; or 2. A code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies</td>
</tr>
<tr>
<td>Homes and Residential Properties</td>
<td>Any type of permanent residential dwelling unit, including detached single family structures, townhouses, condominium units, multifamily rental apartments (covering the entire property), and manufactured homes where treated under state law as real estate (not as personal property).</td>
</tr>
<tr>
<td>End Use or Re-Use</td>
<td>Disposition or ultimate purposing of property in land banking and redevelopment. For example, two adjacent properties are acquired; one property is vacant land, the other has a blighted structure; land bank demolishes blighted structure – end use may be development of affordable housing on these properties or re-use from housing to mixed-use development project with community facility (NSP3 funds are only for residential development activities but may be combined [on a proportional basis] with other funds that allow for non-residential development activities).</td>
</tr>
<tr>
<td>Mixed-Use Development</td>
<td>A type of development that combines residential, commercial, and/or office into one development or building. For example, a mixed-use building could have several floors, with the bottom floor dedicated to retail or office and the remaining floors above for apartments or condominiums (NSP3 funds are only for residential development activities but may be combined [on a proportional basis] with other funds that allow for non-residential development activities).</td>
</tr>
<tr>
<td>Acquisition and Rehabilitation (NSP Eligible Use B)</td>
<td>Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.</td>
</tr>
<tr>
<td>Land Bank (NSP Eligible Use C)</td>
<td>Establish and operate land banks for homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. Operations of a land bank include maintenance expenses, such as project delivery costs eligible under disposition and interim uses that comply with an eligible activity. Land banked property and demolished property are just interim uses for which end uses must be planned (e.g., housing [redeveloped on the property], sale [or donation] of the property as side lots to low-, moderate-, and middle-income [LMMI] neighbors, etc.)</td>
</tr>
<tr>
<td>Note: Any type of structure (commercial, industrial, and other types in addition to homes and residential structures) that is blighted may be demolished with NSP funds. In general, demolition must have an end use that benefits low-, moderate-, and middle-income (LMMI) persons. Also, if the land bank is a governmental entity, it may also maintain abandoned or foreclosed property that it does not own, provided it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service.</td>
<td></td>
</tr>
<tr>
<td>Redevelopment (NSP Eligible Use E)</td>
<td>Redevelop demolished or vacant properties. This activity allows communities to address the broadest range of property types, as it allows for the acquisition and development of any property type (i.e., properties that were once developed or are surrounded by existing development – undeveloped</td>
</tr>
</tbody>
</table>
or "greenfield" sites are not permitted). This includes commercial or industrial property in addition to all types of residential properties (need not be abandoned or foreclosed upon). However, it must be vacant. New housing construction is only permitted under this activity. Housing rehabilitation is also permitted.

### Additional NSP Eligible Use Considerations

Properties that are eligible to be land banked with unknown end uses, or for which the end use is not imminent, should be considered for land banking activity (assuming that these properties have been foreclosed upon). Unlike land banking activity, properties acquired and improved under redevelopment activity must proceed expeditiously to construction. Note: The City is not required to meet the requirements of 42 U.S.C. 5304(d) as implemented at 24 CFR 42.375, which mandates one-for-one replacement of low- and moderate-income dwellings units that are demolished or converted for activities assisted with NSP funds.

### 4. Low-Income Targeting

**Low-Income Set-Aside Amount**

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

**Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50% of Area Median Income.**

| Total low-income set-aside percentage (must be no less than 25%): 25.00% |
| Total funds set aside for low-income households = $725,000.00 |

**Meeting Low-Income Target**

Provide a summary that describes the manner in which the low-income targeting goals will be met.

At least $725,000 will be used for housing individuals and families whose incomes do not exceed 50% of Area Median Income (AMI). Low-income targeting goals will be met primarily through housing development primarily for the creation of affordable rental opportunities (due to persistently and extremely high unemployment and underemployment), as well as affordable homeownership opportunities to the maximum extent feasible.

While the creation of affordable rental opportunities will be highest priority, the City of Modesto also plans to design an innovative and comprehensive homeownership program similar to a lease-to-own program that will provide low-income households with asset-building tools necessary to sustain homeownership.

Given the economy of scale of its production capacity and its extensive experience in affordable housing development and program management, the Housing Authority of the County of Stanislaus will develop,
own, operate, and maintain NSP3 properties. As subrecipient, the Housing Authority of the County of Stanislaus engages contractors and, in consultation with the City of Modesto, may engage developers, particularly City of Modesto-designated Community Housing Development Organizations (CHDOs).

5. Acquisition and Relocation

Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of Area Median Income)? (Select One)

If yes, fill in the table below.

<table>
<thead>
<tr>
<th>Question</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of low- and moderate-income dwelling units—i.e., ≤ 80% of Area Median Income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.</td>
<td>10</td>
</tr>
<tr>
<td>The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of Area Median Income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).</td>
<td>8</td>
</tr>
<tr>
<td>The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50% of Area Median Income.</td>
<td>7</td>
</tr>
</tbody>
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6. Public Comment

Citizen Participation Plan

Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.

City of Modesto ensures that all citizens have equal access to information regarding and sufficient notice of the opportunity to comment on this document. In addition to posting this document on the City’s website as the materials are developed, published, and submitted to HUD; and publication of notices soliciting public comment in the largest English- and Spanish-language local newspapers—City staff created opportunities to engage English- and Spanish-speaking residents of the area of greatest need (for the purposes of NSP3) in neighborhood meetings in the Airport Neighborhood to solicit input during the development of this document. Consistent with the U.S. Department of Housing and Urban Development (HUD) Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants (Docket No. FR-5447-N-01 [NSP3 Notice]), the City has published this document for no less than 15 calendar days of public comment.

Summary of Public Comments Received.
The summary of public comments received is included as an attachment.
7. NSP Information by Activity

Enter each activity name and fill in the corresponding information. If you have fewer than seven activities, please delete any extra activity fields. (For example, if you have three activities, you should delete the tables labeled “Activity Number 4,” “Activity Number 5,” “Activity Number 6,” and “Activity Number 7.” If you are unsure how to delete a table, see the instructions above.

The field labeled “Total Budget for Activity” will populate based on the figures entered in the fields above it.

Consult the NSP3 Program Design Guidebook for guidance on completing the “Performance Measures” component of the activity tables below.

<table>
<thead>
<tr>
<th>Activity Number 1</th>
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<tbody>
<tr>
<td><strong>Activity Name</strong></td>
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<td><strong>Uses</strong></td>
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<td><strong>CDBG Activity or Activities</strong></td>
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<tr>
<td>National Objective</td>
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<tr>
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<tr>
<td>(Select One)</td>
</tr>
<tr>
<td>Low-, Moderate-, and Middle-income Area Benefit (LMMA), as activities will be carried out in a Neighborhood Revitalization Strategy Area (NRSA); and Low-Income Housing (LH25) for at least 25% of NSP 3 funds that will be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% of Area Median Income (AMI).</td>
</tr>
</tbody>
</table>

All properties will be purchased at a minimum discount of 1% from the current market-appraised value of the property. The current market-appraised value means the value of a property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act (URA) at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property. |

<table>
<thead>
<tr>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Acquisition of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities;</td>
</tr>
<tr>
<td>- Rehabilitation of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities;</td>
</tr>
<tr>
<td>- Land banking operations will include: maintenance of land-banked properties, property management of rental units (note: City is required by statute to establish procedures to create preferences for the development of affordable rental housing with NSP3 funds); maintenance of its geographic and market information systems; and carrying out ongoing community engagement activities (e.g., outreach, education, consultation, etc.);</td>
</tr>
<tr>
<td>- Demolition of eligible properties under land banking, acquisition and rehabilitation, demolition, and redevelopment activities;</td>
</tr>
</tbody>
</table>
| - Development of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities for eligible end uses  
  o Create affordable rental opportunities  
  o Create affordable homeownership opportunities |
The City’s efforts in the Airport Neighborhood have helped foster a critical mass of leadership and commitment around community and economic development in the neighborhood. The City has been working diligently since the HUD approved its proposal to designate the Airport Neighborhood a Neighborhood Revitalization Strategy Area (NRSA) on January 27, 2009. The Airport Neighborhood is uniquely located near the vibrant downtown; to the west, neighbors the world’s largest family-owned winery and largest exporter of California wine, E & J Gallo Winery and Gallo Glass Company headquarters and large-scale facilities, respectively; to the north, neighbors one of Modesto’s oldest and most affluent neighborhoods, La Loma Neighborhood; to the east neighbors the local airport; and to the south, neighbors the Tuolumne River and the Tuolumne River Regional Park system. The NRSA created an opportunity for these neighbors to partner with the residents of the Airport Neighborhood for the revitalization of their neighborhood.

An engaged community is critical to the success of a land banking and redevelopment project. The City’s approach involves building relationships with and among residents to build a sense of community and cultivate effective and sustainable leadership. A community is only as strong as its members’ capacities to care for one another. Community capacity-building is place-based and empowers residents to build a sense of community, identify issues that matter most to them, and develop and implement strategies for addressing these issues.

As part of the larger NRSA plan, the Project will further foster a sense of ownership of the neighborhood among its residents. Community input will inform the development of project policies, goals, outreach procedures, evaluation, etc. The Project will promote openness, transparency, and dialogue among residents and between residents and their government. Project will also solicit input from other key stakeholders (e.g., people who work in the area, businesses that operate in the area, faith- or community-based organizations that serve the area, property owners that do not live in the area, etc.) in evaluating properties for land banking and redevelopment activities.

Furthermore, the Project will to the maximum extent feasible create term employment opportunities for residents of the neighborhood through vicinity hiring.
In order to optimally leverage City of Modesto and Stanislaus County NSP3 funds and Redevelopment Housing Set-Aside funds (20% of tax increments must be used by redevelopment agencies to increase and improve affordable housing for low- and moderate-income individuals and families), NSP3 activities will be targeted in the Neighborhood Revitalization Strategy Area (see map).

<table>
<thead>
<tr>
<th>Location Description</th>
<th>Northern boundary: Yosemite Boulevard</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Eastern boundary: Empire Avenue / Tioga Drive</td>
</tr>
<tr>
<td></td>
<td>Southern boundary: Hillside Drive / Tuolumne River</td>
</tr>
<tr>
<td></td>
<td>Western boundary: South Santa Rosa Avenue / South Santa Cruz Avenue</td>
</tr>
</tbody>
</table>

Note: The boundaries of the project (i.e., census tract 21.00) extend slightly beyond the above-indicated boundaries. However, most activities will be concentrated within the boundaries indicated above.

While County unincorporated area of the Airport Neighborhood is located within the County's Redevelopment Area, City area of the Airport Neighborhood is not located within the City's Redevelopment Area. City is preliminarily planning an expansion of its Redevelopment Area into the City area of the Airport Neighborhood, in order to maximize use of its Redevelopment Housing Set-Aside funds.

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and Rehabilitation (NSP Eligible Use B)</td>
<td>$690,662</td>
</tr>
<tr>
<td>Land Bank (NSP Eligible Use C)</td>
<td>$1,195,379</td>
</tr>
<tr>
<td>Demolition (NSP Eligible Use D)</td>
<td>$79,691</td>
</tr>
<tr>
<td>Redevelopment (NSP Eligible Use E)</td>
<td>$690,662</td>
</tr>
</tbody>
</table>

**Total Budget for Activity**: $2,656,394.00

**Performance Measures**

- Housing Units (50% AMI or below): 7
- Housing Units (50-120% AMI): 8
- Instances of Demolition: 10
- Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 15

**Projected Start Date**: May 2011 (Note: start and end dates will be determined by date HUD signs grant agreement.)

**Projected End Date**: May 2014

**Responsible Organization**

<table>
<thead>
<tr>
<th>Name</th>
<th>Housing Authority of the County of Stanislaus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>1702 Robertson Road Modesto, CA 95351</td>
</tr>
<tr>
<td>Administrator Contact Info</td>
<td>Borgwardt, Don</td>
</tr>
<tr>
<td>Housing Development and Construction Supervisor</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>(209) 557-2008</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:dborgwardt@stancoha.org">dborgwardt@stancoha.org</a></td>
<td></td>
</tr>
</tbody>
</table>

| Fagan, Bill                                    |
| Executive Director                             |
| (209) 557-2015                                 |
| bill@stancoha.org                             |
RESOLUTION AMENDING THE FISCAL YEAR 2010/2011 BUDGET TO CREATE FIVE MULTI-YEAR ORGANIZATIONS IN FUND 1131 AND TO ESTIMATE AND APPROPRIATE $2,951,549 FROM THE DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD) FOR THE NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP3)

WHEREAS, the City of Modesto received an NSP3 grant award notice from the HUD in the amount of $2,951,549, and

WHEREAS, the City will fund community development activities as described in the NSP3 Substantial Amendment attached, and

WHEREAS, unlike NSP1 and NSP2, NSP3 is designed to address the unique needs of the Airport Neighborhood through NSP3 activities that go beyond acquisition and rehabilitation, and

WHEREAS, the grant is proposed to be divided into five (5) activities:

1. Redevelopment Activity: $690,662
2. Land Banking Activity: $1,195,379
3. Acquisition and Rehab: $690,662
4. Demolition Activity: $79,691
5. Administration: $295,155

WHEREAS, the proposed activities will be integrated into a comprehensive revitalization strategy to reverse key indicators of persistently high: 1) unemployment and underemployment; 2) vacancy and abandonment; and 3) blight, and

WHEREAS, this proposal was reviewed and approved by the Citizens’ Housing & Community Development Committee on January 26, 2011, and

WHEREAS, approval of the proposed action will help the City meet its goal of spending the NSP3 grant in a timely manner,
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves amending the Fiscal Year 2010/2011 budget to create five multi-year organizations in fund 1131, to estimate and appropriate $2,951,549 from the HUD for NSP3.

BE IT FURTHER RESOLVED that the Director of Finance, or her designee, is hereby authorized to implement the provisions of this resolution.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 8th day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Geer, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Geer, Hawn, Lopez, Marsh, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: Burnside, Muratore

ATTEST:  

(SEAL)

APPROVED AS TO FORM:

By:  

SUSANA ALCALA WOOD, City Attorney
1. NSP3 Grantee Information

**NSP3 Program Administrator Contact Information**

<table>
<thead>
<tr>
<th>Name (Last, First)</th>
<th>Ramirez, Hugo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email Address</td>
<td><a href="mailto:hramirez@modestogov.com">hramirez@modestogov.com</a></td>
</tr>
<tr>
<td>Phone Number</td>
<td>209-577-5368</td>
</tr>
<tr>
<td>Mailing Address</td>
<td>P.O. Box 642, Modesto, CA 95353</td>
</tr>
</tbody>
</table>

2. Areas of Greatest Need

Map Submission

The map generated using the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as an attachment. (Neighborhood ID: 3290649)

Data Sources Used to Determine Areas of Greatest Need

Describe the data sources used to determine the areas of greatest need.

**Modesto**

Metropolitan area data for the first half of 2010 indicate that Modesto is the third hardest hit (i.e., third highest foreclosure rate) in the U.S. and the hardest hit in California (RealtyTrac). Also according to this source, 2 of every 3 homes sold in the Modesto metropolitan area in 2010 have been either foreclosed upon or are “short sale” properties. Since the fall of 2006, 21,000 Modesto metropolitan area properties have been lost to foreclosure; approximately 1 in every 8 homes (ForeclosureRadar).

Other realities of the economic recession in Modesto include a 16.4% unemployment rate as of August 2010 – a 1.1 percentage point rise from August 2009 and much higher than the national average of 9.6% as of August 2010 (Bureau of Labor Statistics’ Current Employment Statistics [CES] Survey).

Modesto also has an astoundingly high rate of poverty. An analysis of the country’s 100 largest metropolitan areas, based on recently released data from the 2009 American Community Survey (ACS) indicates that the economic recession is exacerbating the climbing poverty trend in Modesto where the poverty rate is among the highest in the U.S. at 19% — a 3.6 percentage point rise from 2007 to 2009 (Brookings Institution analysis of 2007, 2008, and 2009 American Community Survey data).

Areas of Greatest Need

Neighborhood Stabilization Program 3 (NSP3) Need Score is calculated using the following data:
1) Unemployment change from March 2005 to March 2010;
2) Rate of A) low cost, high leverage loans; B) high cost, high leverage loans; and C) high cost, low leverage loans from 2004-2007; and
3) Fall in home value since peak.


The Airport Neighborhood located in (and composing most of) census tract 21.00, one of the City of
Modesto's 14 low-income census tracts (i.e., census tracts with median household incomes that do not exceed 50% of broader Area Median Income [AMI]), scored the highest possible NSP3 Need Score of 20. While 13 of the City of Modesto's 14 low-income census tracts scored 20, the Airport Neighborhood demonstrated to have the highest in the following risk indicators:

A) Percentage of residential addresses vacant 90 or more days (13.7%);
B) Combined percentage of residential addresses vacant 90 or more days and residential addresses classified as no-stat (16.7%); and
C) Estimated percentage of delinquent mortgages (25.7%).

These data are presented in attached tables.

Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

Satisfying the “Deep” or “Strict” Targeting Requirement of NSP3

The determination of the area of greatest need is informed by the rich data available, as well as the recognition that NSP3 funding is insufficient to make the desired impact in a larger geographic area. Land banking, acquisition and rehabilitation, redevelopment, and demolition activities will be integrated into a comprehensive revitalization strategy to reverse key indicators of persistent and extremely high: 1) unemployment and underemployment; 2) vacancy and abandonment; and 3) blight.

Modesto is a geographically expansive city and while high rates of foreclosure and vacancy are, unfortunately, not unique to the Airport Neighborhood, the substantial leveraging of resources – public and private, as well as social (resident leadership and broader community commitment to the neighborhood) – is quite extraordinary. Planned and potential leveraging opportunities include: collaboration with Stanislaus County Department of Planning and Community Development (NSP3) and Redevelopment Agency (Housing Set-Aside) activities in the neighborhood; both City of Modesto and Stanislaus County will collaborate with the Housing Authority of the County of Stanislaus, which will serve as subrecipient (developer and land bank operator); partnerships with financial institutions for Community Reinvestment Act (CRA) activities; and positioning this highly coordinated NSP3 project to be more competitive for YouthBuild, Choice Neighborhood, and other federal grant opportunities.

The economic reality of the Airport Neighborhood is quite distinct from the economic realities in other neighborhoods in Modesto. In addition to the high rate of foreclosure, the degree of blight and abandonment in the Airport Neighborhood is extremely high, as is evident in the data presented in the attached tables and analyses.

Unlike NSP1 and NSP2, NSP3:
1) Has been designed to address the unique needs of the Airport Neighborhood through NSP activities that go beyond acquisition and rehabilitation;
2) Will leverage substantial resources through unprecedented collaboration with Stanislaus County and its NSP3 and Redevelopment Agency activities;
3) Will expand the production capacities of the three major development partners: City of Modesto, Stanislaus County, and the Housing Authority of the County of Stanislaus; and
4) Will create extraordinary opportunity for public-private partnership for the benefit of the residents of the Airport Neighborhood, including vicinity hiring to the maximum extent feasible.

Recognizing the importance of an engaged community in an effective land banking project, NSP3 will create a dedicated position that will carry out several critical functions consistent with the delivery of NSP3 activities, including: liaising with residents and other stakeholders; facilitating vicinity hiring to the maximum extent feasible; and pursuing leveraging opportunities, both public and private. This position will help maintain the momentum of commitment in the neighborhood.

3. Definitions and Descriptions

Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blighted Structure</td>
<td>A structure is blighted when it exhibits objectively determinable signs of deterioration or abandonment to constitute a threat to human health, safety, and/or public welfare; and/or its appearance is inconsistent with the surrounding landscape.</td>
</tr>
<tr>
<td>Affordable Rents</td>
<td>Consistent with the U.S. Department of Housing and Urban Development (HUD) definition of affordable housing, the City defines affordable rents (including utilities) as costing no more than 30% of a household’s gross monthly income.</td>
</tr>
</tbody>
</table>

Descriptions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Affordability</td>
<td>Continued affordability will be ensured through a restrictive affordability period and will be in effect for a period based on the level of assistance consistent with the HOME Investment Partnerships Program regulations of up to 20 years (24 CFR 92.252(a), (c), (e) and (f), and 92.254) and will require covenants to be recorded on the properties with housing end uses. If other sources of funds are used for housing development, covenants longer in duration may be recorded on these properties. Properties for sale will at all times be occupied as the principal residence of the owner and will not be rented, leased, or sold. The covenants and restrictions will run with the land and will be binding on future owners of the property. The City will monitor the properties for owner occupancy, income qualification, and other requirements as applicable on an annual basis. Note: This affordability relates to individuals or families whose incomes do not exceed 120% of Area Median Income (AMI) or, for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii) of the original statute of NSP (Housing and Economic Recovery Act of 2008), to remain affordable to individuals and families whose incomes do not exceed 50% of AMI.</td>
</tr>
<tr>
<td>Housing Rehabilitation Standards</td>
<td>The City will apply HUD’s Housing Quality Standards (HQS) to all rehabilitation activities. HQS consists of the following 13 performance requirements: 1) sanitary facilities; 2) food preparation and refuse disposal; 3) space and security; 4) thermal environment; 5) illumination and electricity; 6) structure and materials; 7) interior air quality; 8) water supply; 9) lead-based paint; 10) access; 11) site and neighborhood; 12) sanitary conditions; and 13) smoke detectors. Additionally, the City will rely on its highly experienced building inspection unit to ensure compliance with rigorous state and local building codes. Note: California Building Code (California Code of Regulations, Title 24, Part 2), effective January 1, 2011, exceeds federal green standards.</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Affordable Rental Housing Preference</td>
<td>City of Modesto will establish procedures to create preferences for the development of affordable rental housing with NSP3 funds. This will be achieved through partnership with the Housing Authority of the County of Stanislaus (subrecipient).</td>
</tr>
<tr>
<td>Vicinity Hiring</td>
<td>City of Modesto will update its Section 3 certification process to require contractors make good faith efforts to provide to the maximum extent feasible, opportunities to local residents and business concerns and, specifically, promote NSP3 vicinity hiring in the Airport Neighborhood.</td>
</tr>
</tbody>
</table>

### Additional Definitions and Descriptions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreclosed Upon</td>
<td>1. The property is at least 60 days delinquent on its mortgage and the owner has been notified; or 2. The property owner is 90 days or more delinquent on tax payments; or 3. Under state or local law, foreclosure proceedings have been initiated or completed; or 4. Foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, subrecipient, developer, or end user.</td>
</tr>
<tr>
<td>Abandoned</td>
<td>1. No mortgage or tax payments have been made by the property owner for at least 90 days; or 2. A code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies. Note: Section 301 of the Uniform Relocation Act (URA), regarding just compensation, does not apply to voluntary acquisitions.</td>
</tr>
<tr>
<td>Homes and Residential Properties</td>
<td>Any type of permanent residential dwelling unit, including detached single family structures, townhouses, condominium units, multifamily rental apartments (covering the entire property), and manufactured homes where treated under state law as real estate (not as personal property).</td>
</tr>
</tbody>
</table>
| End Use or Re-Use | Residential properties include all of the above plus vacant land that is currently designated for residential use.

Disposition or ultimate purposing of property in land banking and redevelopment. For example, two adjacent properties are acquired; one property is vacant land, the other has a blighted structure; land bank demolishes blighted structure – end use may be development of affordable housing on these properties or re-use from housing to mixed-use development project with community facility (NSP3 funds are only for residential development activities but may be combined [on a proportional basis] with other funds that allow for non-residential development activities).

Mixed-Use Development | A type of development that combines residential, commercial, and/or office into one development or building. For example, a mixed-use building could have several floors, with the bottom floor dedicated to retail or office and the remaining floors above for apartments or condominiums (NSP3 funds are only for residential development activities but may be combined [on a proportional basis] with other funds that allow for non-residential development activities).

Acquisition and Rehabilitation (NSP Eligible Use B) | Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

Land Bank (NSP Eligible Use C) | Establish and operate land banks for homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. Operations of a land bank include maintenance expenses, such as project delivery costs eligible under disposition and interim uses that comply with an eligible activity.

- Land banked property and demolished property are just interim uses for which end uses must be planned (e.g., housing [redeveloped on the property], sale [or donation] of the property as side lots to low-, moderate-, and middle-income [LMMI] neighbors, etc.)

- Note: Any type of structure (commercial, industrial, and other types in addition to homes and residential structures) that is blighted may be demolished with NSP funds. In general, demolition must have an end use that benefits low-, moderate-, and middle-income (LMMI) persons.

- Also, if the land bank is a governmental entity, it may also maintain abandoned or foreclosed property that it does not own, provided it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service.

Redevelopment (NSP Eligible Use E) | Redevelop demolished or vacant properties. This activity allows communities to address the broadest range of property types, as it allows for the acquisition and development of any property type (i.e., properties that were once developed or are surrounded by existing development – undeveloped

or “greenfield” sites are not permitted). This includes commercial or industrial property in addition to all types of residential properties (need not be abandoned or foreclosed upon). However, it must be vacant. New housing construction is only permitted under this activity. Housing rehabilitation is also permitted.

### Additional NSP Eligible Use Considerations

Properties that are eligible to be land banked with unknown end uses, or for which the end use is not imminent, should be considered for land banking activity (assuming that these properties have been foreclosed upon). Unlike land banking activity, properties acquired and improved under redevelopment activity must proceed expeditiously to construction. Note: The City is not required to meet the requirements of 42 U.S.C. 5304(d) as implemented at 24 CFR 42.375, which mandates one-for-one replacement of low- and moderate-income dwellings units that are demolished or converted for activities assisted with NSP funds.

---

### 4. Low-Income Targeting

#### Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

**Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50% of Area Median Income.**

| Total low-income set-aside percentage (must be no less than 25%) | 25.00% |
| Total funds set aside for low-income households | $725,000.00 |

#### Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.

At least $725,000 will be used for housing individuals and families whose incomes do not exceed 50% of Area Median Income (AMI). Low-income targeting goals will be met primarily through housing development primarily for the creation of affordable rental opportunities (due to persistently and extremely high unemployment and underemployment), as well as affordable homeownership opportunities to the maximum extent feasible.

While the creation of affordable rental opportunities will be highest priority, the City of Modesto also plans to design an innovative and comprehensive homeownership program similar to a lease-to-own program that will provide low-income households with asset-building tools necessary to sustain homeownership.

Given the economy of scale of its production capacity and its extensive experience in affordable housing development and program management, the Housing Authority of the County of Stanislaus will develop,
own, operate, and maintain NSP3 properties. As subrecipient, the Housing Authority of the County of Stanislaus engages contractors and, in consultation with the City of Modesto, may engage developers, particularly City of Modesto-designated Community Housing Development Organizations (CHDOs).

5. Acquisition and Relocation

Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of Area Median Income)?

<table>
<thead>
<tr>
<th>Question</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of low- and moderate-income dwelling units—i.e., ≤ 80% of Area Median Income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.</td>
<td>10</td>
</tr>
<tr>
<td>The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of Area Median Income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).</td>
<td>8</td>
</tr>
<tr>
<td>The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50% of Area Median Income.</td>
<td>7</td>
</tr>
</tbody>
</table>

6. Public Comment

Citizen Participation Plan

Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.

City of Modesto ensures that all citizens have equal access to information regarding and sufficient notice of the opportunity to comment on this document. In addition to posting this document on the City’s website as the materials are developed, published, and submitted to HUD; and publication of notices soliciting public comment in the largest English- and Spanish-language local newspapers – City staff created opportunities to engage English- and Spanish-speaking residents of the area of greatest need (for the purposes of NSP3) in neighborhood meetings in the Airport Neighborhood to solicit input during the development of this document. Consistent with the U.S. Department of Housing and Urban Development (HUD) Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants (Docket No. FR-5447-N-01 [NSP3 Notice]), the City has published this document for no less than 15 calendar days of public comment.

Summary of Public Comments Received.

The summary of public comments received is included as an attachment.
7. NSP Information by Activity

Enter each activity name and fill in the corresponding information. If you have fewer than seven activities, please delete any extra activity fields. (For example, if you have three activities, you should delete the tables labeled “Activity Number 4,” “Activity Number 5,” “Activity Number 6,” and “Activity Number 7.” If you are unsure how to delete a table, see the instructions above.

The field labeled “Total Budget for Activity” will populate based on the figures entered in the fields above it.

Consult the NSP3 Program Design Guidebook for guidance on completing the “Performance Measures” component of the activity tables below.

<table>
<thead>
<tr>
<th>Activity Number 1</th>
<th>Neighborhood Revitalization Strategy Area (NRSA) NSP3 Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity Name</strong></td>
<td><strong>Select all that apply:</strong></td>
</tr>
<tr>
<td></td>
<td>Eligible Use A: Financing Mechanisms</td>
</tr>
<tr>
<td></td>
<td>Eligible Use B: Acquisition and Rehabilitation</td>
</tr>
<tr>
<td></td>
<td>Eligible Use C: Land Banking</td>
</tr>
<tr>
<td></td>
<td>Eligible Use D: Demolition</td>
</tr>
<tr>
<td></td>
<td>Eligible Use E: Redevelopment</td>
</tr>
<tr>
<td><strong>Uses</strong></td>
<td>24 CFR 570.201</td>
</tr>
<tr>
<td></td>
<td>(a) Acquisition</td>
</tr>
<tr>
<td></td>
<td>(b) Disposition</td>
</tr>
<tr>
<td></td>
<td>(c) Public facilities and improvements</td>
</tr>
<tr>
<td></td>
<td>(e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of NSP3 properties</td>
</tr>
<tr>
<td></td>
<td>(i) Relocation</td>
</tr>
<tr>
<td></td>
<td>(n) Direct homeownership assistance to persons whose incomes do not exceed [120]% of median income.</td>
</tr>
<tr>
<td><strong>CDBG Activity or Activities</strong></td>
<td>24 CFR 570.202 Eligible rehabilitation and preservation activities</td>
</tr>
<tr>
<td></td>
<td>24 CFR 570.201 (d) Clearance, for blighted structures only</td>
</tr>
<tr>
<td></td>
<td>24 CFR 570.205 General administration and planning</td>
</tr>
<tr>
<td></td>
<td>24 CFR 570.206 Activity delivery costs (including required homebuyer counseling) may be charged to the particular activity performed above and will not count as general administration and planning costs</td>
</tr>
<tr>
<td></td>
<td>24 CFR 570.200(h) Incurrence of pre-award costs</td>
</tr>
<tr>
<td>National Objective</td>
<td>Activity Description</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>(Select One) Low-, Moderate-, and Middle-Income Area Benefit (LMMA), as activities will be carried out in a Neighborhood Revitalization Strategy Area (NRSA); and Low-Income Housing (LH25) for at least 25% of NSP 3 funds that will be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% of Area Median Income (AMI).</td>
<td>Land banking, acquisition and rehabilitation, redevelopment, and demolition activities will be integrated into a comprehensive revitalization strategy to reverse key indicators of persistent and extremely high: 1) unemployment and underemployment; 2) vacancy and abandonment; and 3) blight. City of Modesto (City) will partner with the Housing Authority of the County of Stanislaus (Housing Authority) in the Neighborhood Revitalization Strategy Area (NRSA) NSP3 Project (Project). Stanislaus County (County) will also partner with the Housing Authority to carry out its NSP3 project in the NRSA. This City-County collaboration will bring the NRSA comprehensive plan to scale and will position the NRSA to more effectively secure other federal, state, and private foundation funds for a more robust public-private partnership. All properties will be purchased at a minimum discount of 1% from the current market-appraised value of the property. The current market-appraised value means the value of a property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act (URA) at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property. Activities</td>
</tr>
<tr>
<td>Activities</td>
<td></td>
</tr>
<tr>
<td>- Acquisition of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities;</td>
<td></td>
</tr>
<tr>
<td>- Rehabilitation of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities;</td>
<td></td>
</tr>
<tr>
<td>- Land banking operations will include: maintenance of land-banked properties, property management of rental units (note: City is required by statute to establish procedures to create preferences for the development of affordable rental housing with NSP3 funds); maintenance of its geographic and market information systems; and carrying out ongoing community engagement activities (e.g., outreach, education, consultation, etc.);</td>
<td></td>
</tr>
<tr>
<td>- Demolition of eligible properties under land banking, acquisition and rehabilitation, demolition, and redevelopment activities;</td>
<td></td>
</tr>
<tr>
<td>- Development of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities for eligible end uses</td>
<td>o Create affordable rental opportunities</td>
</tr>
<tr>
<td></td>
<td>o Create affordable homeownership opportunities</td>
</tr>
</tbody>
</table>
Stimulate community and economic development opportunities consistent with larger NRSA Plan through potential mixed-use development (NSP3 funds are only for residential development activities but may be combined with other funds that allow for non-residential development activities)

Reverse the physical decline of properties

The City's efforts in the Airport Neighborhood have helped foster a critical mass of leadership and commitment around community and economic development in the neighborhood. The City has been working diligently since the HUD approved its proposal to designate the Airport Neighborhood a Neighborhood Revitalization Strategy Area (NRSA) on January 27, 2009.

The Airport Neighborhood is uniquely located near the vibrant downtown; to the west, neighbors the world's largest family-owned winery and largest exporter of California wine, E & J Gallo Winery and Gallo Glass Company headquarters and large-scale facilities, respectively; to the north, neighbors one of Modesto's oldest and most affluent neighborhoods, La Loma Neighborhood; to the east neighbors the local airport; and to the south, neighbors the Tuolumne River and the Tuolumne River Regional Park system. The NRSA created an opportunity for these neighbors to partner with the residents of the Airport Neighborhood for the revitalization of their neighborhood.

An engaged community is critical to the success of a land banking and redevelopment project. The City's approach involves building relationships with and among residents to build a sense of community and cultivate effective and sustainable leadership. A community is only as strong as its members' capacities to care for one another. Community capacity-building is place-based and empowers residents to build a sense of community, identify issues that matter most to them, and develop and implement strategies for addressing these issues.

As part of the larger NRSA plan, the Project will further foster a sense of ownership of the neighborhood among its residents. Community input will inform the development of project policies, goals, outreach procedures, evaluation, etc. The Project will promote openness, transparency, and dialogue among residents and between residents and their government. Project will also solicit input from other key stakeholders (e.g., people who work in the area, businesses that operate in the area, faith- or community-based organizations that serve the area, property owners that do not live in the area, etc.) in evaluating properties for land banking and redevelopment activities.

Furthermore, the Project will to the maximum extent feasible create term employment opportunities for residents of the neighborhood through vicinity hiring.
In order to optimally leverage City of Modesto and Stanislaus County NSP3 funds and Redevelopment Housing Set-Aside funds (20% of tax increments must be used by redevelopment agencies to increase and improve affordable housing for low- and moderate-income individuals and families), NSP3 activities will be targeted in the Neighborhood Revitalization Strategy Area (see map).

Northern boundary: Yosemite Boulevard
Eastern boundary: Empire Avenue / Tioga Drive
Southern boundary: Hillside Drive / Tuolumne River
Western boundary: South Santa Rosa Avenue / South Santa Cruz Avenue

Note: The boundaries of the project (i.e., census tract 21.00) extend slightly beyond the above-indicated boundaries. However, most activities will be concentrated within the boundaries indicated above.

While County unincorporated area of the Airport Neighborhood is located within the County’s Redevelopment Area, City area of the Airport Neighborhood is not located within the City’s Redevelopment Area. City is preliminarily planning an expansion of its Redevelopment Area into the City area of the Airport Neighborhood, in order to maximize use of its Redevelopment Housing Set-Aside funds.

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and Rehabilitation (NSP Eligible Use B)</td>
<td>$690,662</td>
</tr>
<tr>
<td>Land Bank (NSP Eligible Use C)</td>
<td>$1,195,379</td>
</tr>
<tr>
<td>Demolition (NSP Eligible Use D)</td>
<td>$79,691</td>
</tr>
<tr>
<td>Redevelopment (NSP Eligible Use E)</td>
<td>$690,662</td>
</tr>
</tbody>
</table>

Total Budget for Activity $2,656,394.00

Performance Measures
- Housing Units (50% AMI or below): 7
- Housing Units (50-120% AMI): 8
- Instances of Demolition: 10
- Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 15

Projected Start Date May 2011 (Note: start and end dates will be determined by date HUD signs grant agreement.)

Projected End Date May 2014

Responsible Organization
- Name: Housing Authority of the County of Stanislaus
- Location: 1702 Robertson Road, Modesto, CA 95351
- Administrator Contact Info: Borgwardt, Don
<table>
<thead>
<tr>
<th>Housing Development and Construction Supervisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>(209) 557-2008</td>
</tr>
<tr>
<td><a href="mailto:dborgwardt@stancoha.org">dborgwardt@stancoha.org</a></td>
</tr>
</tbody>
</table>

Fagan, Bill
Executive Director
(209) 557-2015
bill@stancoha.org
RESOLUTION AMENDING CITY COUNCIL RESOLUTION NO. 2010-344 TO SPECIFY THAT THE JENNINGS ADDITION NO. 2 ANNEXATION AREA IS TO BE LOCATED IN COUNCIL DISTRICT NO. 2 UPON ANNEXATION

WHEREAS, on August 4, 2010, the City Council, by Resolution No. 2010-344, approved the filing of the Jennings Addition No. 2 annexation with LAFCO, and

WHEREAS, said Resolution inadvertently omitted to specify the Council District that said annexation would be located in once annexed, and

WHEREAS, the Jennings Addition No. 2 annexation is located south of the existing boundaries of Council District No. 2, and therefore would logically be added to that Council District, and

WHEREAS, the City Council considered said matter at their regularly scheduled meeting of February 22, 2011, in the Tenth Street Place Chambers, located at 1010 Tenth Street, Modesto, California,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that Resolution No. 2010-344 be amended to specify that the Jennings Addition No. 2 annexation area be located in Council District No. 2 upon annexation.
The foregoing resolution was introduced at a regular meeting of the Council of
the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez,
who moved its adoption, which motion being duly seconded by Councilmember Hawn,
was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore,
Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney
RESOLUTION AMENDING CITY COUNCIL RESOLUTION NO. 2010-245 TO SPECIFY THAT THE KIERNAN BUSINESS PARK EAST ANNEXATION AREA IS TO BE LOCATED IN COUNCIL DISTRICT NO. 1 UPON ANNEXATION

WHEREAS, on June 9, 2010, the City Council, by Resolution No. 2010-245, approved the filing of the Kiernan Business Park East annexation with LAFCO, and

WHEREAS, said Resolution inadvertently omitted to specify the Council District that said annexation would be located in once annexed, and

WHEREAS, the Kiernan Business Park East annexation is located immediately adjacent to the existing boundaries of Council District No. 1, and therefore would logically be added to that Council District, and

WHEREAS, the City Council considered said matter at their regularly scheduled meeting of February 22, 2011, in the Tenth Street Place Chambers, located at 1010 Tenth Street, Modesto, California,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that Resolution No. 2010-245 be amended to specify that the Kiernan Business Park East annexation area be located in Council District No. 1 upon annexation.
The foregoing resolution was introduced at a regular meeting of the Council of
the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez,
who moved its adoption, which motion being duly seconded by Councilmember Hawn,
was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore,
Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [signature]

SEAL

APPROVED AS TO FORM:

By: [signature]

SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING AN AMENDMENT TO THE AGREEMENT WITH DOKKEN ENGINEERING FOR PREPARATION OF THE PLANS SPECIFICATIONS & ESTIMATES FOR THE STATE ROUTE 99/PELANDALE AVENUE INTERCHANGE RECONSTRUCTION; AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AMENDMENT TO AGREEMENT

WHEREAS, the State Route 99/Pelandale Interchange Reconstruction Project is a Caltrans project to address the traffic congestion at the Pelandale Avenue and Highway 99 Interchange, and

WHEREAS, on March 9, 2010, the City Council, by Resolution No. 2010-90, approved an Agreement with Dokken Engineering for preparation of Plans, Specifications and Estimates (PS&E) for the State Route 99/Pelandale Interchange Reconstruction project, and

WHEREAS, staff requested a pre-award audit from the California Department of Transportation (Caltrans) and received a waiver of pre-award audit, and

WHEREAS, on October 25, 2010, staff received a letter from Caltrans requesting revisions to following items in the Agreement:

- The Scope of Services
- The Period of Performance
- The applicable Cost Principles and Administrative Requirements (48 Code of Federal Regulations (CFR), Chapter 1, Part 31, and 49 CFR, Part 18), are not specified.
- The Subcontracting clause
- The Allowable Costs and Payments clause
- The Retention of Records/Audit clause
- The Confidentiality of Data and Equipment

WHEREAS, on November 8, 2010, staff responded by agreeing to make the requested changes to the Agreement,
NOW, THEREFORE, BE RESOLVED by the Council of the City of Modesto that it hereby approves an Amendment to the Agreement with Dokken Engineering to prepare the Plans Specifications and Estimates for the State Route 99/Pelandale Avenue Interchange Reconstruction Project.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the Amendment to Agreement.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney
A RESOLUTION APPROVING THE PROTECTED-PERMISSIVE TRAFFIC SIGNALS REPORT FOR 2010

WHEREAS, Traffic Engineering staff does not recommend any changes this year, and

WHEREAS, the City now has protected-permissive signal phasing at 49 intersections, and

WHEREAS, protected-permissive phasing provides more important non-tangible benefits, such as, reduced driver anxiety and a second chance to turn left during the same cycle, and

WHEREAS, staff recommends continuing the use of protected-permissive phasing at appropriate locations and monitoring these installations for improvements and/or modifications based on periodic technical analysis, and

WHEREAS, all 50 protected-permissive signalized intersections have acceptable safety records this reporting cycle, and

WHEREAS, the Economic Development Committee approved this item with the removal of protected-permissive operation at Tully Road and Orangeburg Avenue at its January 10, 2011, meeting,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the Protected-Permissive Traffic Signals Report for 2010.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

(Seal)

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney

ATTEST: STEPHANIE LOPEZ, City Clerk
RESOLUTION APPROVING A LICENSE AGREEMENT BETWEEN THE CITY OF MODESTO AND MODESTO IRRIGATION DISTRICT (MID) FOR THE PURPOSE OF OBTAINING PERMISSION TO MAKE IMPROVEMENTS WITHIN MID LATERAL 7 FOR THE PROJECT TITLED "NEW TRAFFIC SIGNAL INSTALLATION-STANDIFORD AVENUE AT HAHN DRIVE AND PRESCOTT ROAD AT CHEYENNE WAY" TO USE CERTAIN REAL PROPERTY LOCATED WITHIN MID RIGHT-OF-WAY; AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT

WHEREAS, the City of Modesto (Licensee) desires to construct improvements for the project titled “New Traffic Signal Installation-Standiford Avenue at Hahn Drive and Prescott Road at Cheyenne Way,” and

WHEREAS, MID will grant to Licensee, at Licensee’s expense, permission to make improvements within 2,275 square feet of Lateral 7, as described in Exhibit A of the License Agreement, as part of the New Traffic Signal Installation project consisting of the installation of conduit and related traffic signal facilities, hereinafter referred to as the “Improvements,” and

WHEREAS, MID requires a License Agreement prior to allowing construction within its right-of-way, and

WHEREAS, this will allow Licensee to use the MID right-of-way for the Improvements at no cost,

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves a License Agreement between the City of Modesto and Modesto Irrigation District for the purpose of obtaining permission to make improvements within MID Lateral 7 for project titled “New Traffic Signal Installation-Standiford Avenue at
Hahn Drive and Prescott Road at Cheyenne Way to use certain real property located within MID right-of-way, as described in Exhibit A of the License Agreement.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the Agreement.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney

(SEAL)
SITUCATE in the Southwest Quarter of Section 12, Township 3 South, Range B East, M.D.B.&M., City of Modesto, County of Stanislaus, State of California

License Area
Area = 22751 S.F.

Scale: 1" = 40'

EXHIBIT "A"
RESOLUTION ACCEPTING STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION GRANT SECTION 130 FUNDS IN THE AMOUNT OF $476,691; AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE NECESSARY GRANT DOCUMENTS

WHEREAS, staff was notified that Section 130 funds may be available for the installation of a railroad pre-traffic signal at 7th and B Streets for the Union Pacific Railroad, and

WHEREAS, on August 10, 2010, the City Council, by Resolution No. 2010-355, directed staff to apply for this grant, and

WHEREAS, staff was successful in obtaining these grant funds, and

WHEREAS, the project is 100% funded with no City match, and

WHEREAS, the grant will upgrade the existing traffic signal system providing ADA Pedestrian Push Buttons and indications, vehicle detection, emergency pre-emption, wiring, curb, gutter, and sidewalk,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby accepts the State of California Department of Transportation Grant Section 130 funds in the amount of $476,691.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the necessary grant documents.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

SEAL

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney

WHEREAS, staff was notified that this project was successful in receiving Section 130 funds in the amount of $476,691, and

WHEREAS, the project is 100% funded with no City match, and

WHEREAS, the Finance Department will adjust the Fiscal Year 2010/2011 Capital Improvement (CIP) budget by recognizing the new revenue funds and establishing one new CIP project titled, “Railroad Pre-Traffic Signal and Intersection Improvements 7th and B Streets;”

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves amending the Fiscal Year 2010/2011 Capital Improvement Program Budget accepting the new revenue funds in the amount of $476,691, and establishing one new CIP project titled, “Railroad Pre-Traffic Signal and Intersection Improvements 7th and B Streets.”

BE IT FURTHER RESOLVED that the Finance Director, or her designee, is authorized to implement the provisions of this resolution.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: 

SEAL

APPROVED AS TO FORM:

By: 

SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING THE INSTALLATION OF ANGLED PARKING ALONG THE NORTH SIDE OF K STREET BETWEEN 415 K STREET AND 6TH STREET FOR NEW BETHANY MISSION BAPTIST CHURCH, AND PARKING ON THE K STREET BRIDGE DECK IN THE CITY OF MODESTO, AND RESCINDING RESOLUTION NO. 2010-308

WHEREAS, Article 10 of Chapter 2 of Title 3 of the Modesto Municipal Code authorizes the City Council, by resolution, to establish angle parking in the City of Modesto, and

WHEREAS, City staff received a request from New Bethany Missionary Baptist Church to install angled parking along the north side of K Street between 415 K Street and 6th Street, including the overpass between 415 K Street and 6th Street, to provide ample parking spaces for the congregation, and

WHEREAS, staff evaluated the traffic volumes and the speeds for this section of roadway and concluded that angle parking can be accommodated on the north side of K Street between 415 K Street and 6th Street, without creating a hazard and without impeding traffic flow, and

WHEREAS, the Economic Development Committee considered the additional angle parking on K Street at its January 10, 2011, meeting and supported staff’s recommendation,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto as follows:

SECTION 1. ANGLE PARKING. Angle parking in the City of Modesto is hereby established at the following locations:

• Portions of 10th Street, between I & K Streets (west side) (diagonal)
• 18th Street, between G and H Streets (west side) (diagonal)
• F Street, between 10th and 11th Streets (south side) (diagonal)
• I Street, between 9th and 12th Streets (both sides) (diagonal)
• P Street, between 9th and Needham Streets (both sides) (diagonal)
• Coldwell Avenue, between Tully Road and College Avenue
• 4th Street, between E Street and G Street (west side)
• 16th Street, between I Street and J Street (east side)
• Elm Street, between Jefferson and Washington Streets (diagonal)
• Jefferson Street, between 8th and Laurel Streets (diagonal)
• 13th Street, between H and L Streets (east side)
• J Street, between 7th Street and 8th Street (north side)
• 10th Street, between G Street and F Street (east side) (diagonal)
• F Street, between 10th Street and 11th Street (north side) (diagonal)
• 15th Street, between K Street and H Street (east side) (diagonal)
• F Street, between 9th Street and 10th Street (north side) (diagonal)
• 8th Street, between J Street and K Street (east side) (diagonal)
• 8th Street, between K Street and L Street (east side) (diagonal)
• Sierra Drive between F Street and 4th Street (north side)
• 8th Street between L Street and Jefferson Street (east side) (diagonal)
• M Street between 7th Street and 8th Street (south side) (diagonal)
• 10th Street between G Street and I Street (east side) (diagonal)
• Sierra Drive between 6th Street and the alley at the west property edge of New Bethany Missionary Baptist Church (diagonal)
• Sierra Drive between 5th Street and 6th Street (north side) (diagonal)
• 6th Street, Sierra Drive to north property line of New Bethany Missionary Baptist Church (west side) (diagonal)
• 13th Street between F and G Streets (east side) (diagonal)
• K Street between 415 K Street and 6th Street (north side) (diagonal)

SECTION 2. The Director of Community & Economic Development is hereby directed to implement the provisions of this resolution.

SECTION 3. Resolution No. 2010-308 is hereby rescinded.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING AN AGREEMENT FOR DRAINAGE SYSTEM MAINTENANCE WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR CITY OWNED DRAINAGE MANHOLE WITHIN STATE RIGHT-OF-WAY; AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE TO EXECUTE THE AGREEMENT

WHEREAS, Caltrans, the City of Modesto, and Stanislaus County have planned for the widening of Kiernan Avenue (SR 219) as a means of keeping pace with City and regional projected growth, and

WHEREAS, as a condition of Kaiser Development Agreement, the City of Modesto planned intersection improvements at the intersection of Kiernan Avenue (SR 219) and Dale Road, and

WHEREAS, before Caltrans acquired their right-of-way at the Dale and Kiernan intersection the storm drainage improvement for Kaiser Hospital had been constructed, and

WHEREAS, after the original drainage improvements were constructed a PG&E gas line was installed right up to the manhole base preventing its subsequent relocation of the manhole,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves an Agreement for Drainage System Maintenance with the California Department of Transportation for City owned drainage manhole with State right-of-way.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the Agreement.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22\textsuperscript{nd} day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

\textbf{AYES:} Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

\textbf{NOES:} Councilmembers: None

\textbf{ABSENT:} Councilmembers: None

\begin{flushright}
(\text{SEAL})
\end{flushright}

\begin{flushright}
\text{ATTEST:} \hspace{1cm} \text{STEPHANIE LOPEZ, City Clerk}
\end{flushright}

\begin{flushright}
\text{APPROVED AS TO FORM:}
\end{flushright}

\begin{flushright}
By: \textsc{SUSANA MICALA WOOD, City Attorney}
\end{flushright}
RESOLUTION APPROVING THE SUBMITTAL OF THE AIRPORT CAPITAL IMPROVEMENT PLAN UPDATE TO THE FEDERAL AVIATION ADMINISTRATION AND CALTRANS AERONAUTICS

WHEREAS, Modesto City-County Airport is a commercial service airport that is a part of the federal airport system and is eligible for federal funding, and

WHEREAS, as airport sponsor, the City is eligible for discretionary funding from the Federal Airport Improvement Program (AIP), and

WHEREAS, the Federal Aviation Administration (FAA) requires that the City submit a revised ACIP covering at least the next five years to maintain eligibility for future project funding, and

WHEREAS, in addition to updating cost estimates, the ACIP annual update is intended to reflect ongoing changes in City priorities, airport needs, and/or federal mandates, and

WHEREAS, keeping the ACIP current helps the FAA plan for the airport’s long-term funding needs and better distribute the funds on a priority rating, and

WHEREAS, Caltrans uses the ACIP submission to develop the State Capital Improvement Plan (SCIP), and

WHEREAS, the Modesto City-County Airport ACIP update will be focusing on mandated safety and compliance issues (obstruction removal), current infrastructure needs, and planning for future airport needs, and

WHEREAS, the total package of capital improvements submitted to the FAA for the multi-year period ending in 2021 is estimated to cost $13,080,528, and
WHEREAS, funding for projects that are approved will be borne by the FAA at 95% ($12,426,500) with the Airport Fund providing the remaining 5% ($654,028), and

WHEREAS, Passenger Facility Fees will generate most of the revenue for the 5% match, and

WHEREAS, the Airport Advisory Committee, at its December 15, 2010, recommended forwarding this item to Council for consideration,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves submittal of the Airport Capital Improvement Plan Update, attached hereby as Exhibit A, to the Federal Aviation Administration and Caltrans Aeronautics.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmember: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmember: None

ABSENT: Councilmember: None

ATTEST: STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney
## Airport Capital Improvement Program (ACIP) Summary, 2011-2021

### 2011 (AIP35)

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Total</th>
<th>FAA (95%)</th>
<th>Sponsor (5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NW Terminal Apron Rehabilitation</td>
<td>$575,000</td>
<td>$546,250</td>
<td>$28,750</td>
</tr>
<tr>
<td><strong>Airport Studies:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>→ Signage &amp; Marking Plan</td>
<td>$230,000</td>
<td>$218,500</td>
<td>$11,500</td>
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<tr>
<td>→ Airfield Utility Study</td>
<td>$39,000</td>
<td>$37,050</td>
<td>$1,950</td>
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<tr>
<td>→ Airfield Drainage Study</td>
<td>$60,000</td>
<td>$57,000</td>
<td>$3,000</td>
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<tr>
<td><strong>Safety Area</strong> (A004)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td>$904,000</td>
<td>$858,800</td>
<td>$45,200</td>
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### 2011 (AIP36)

<table>
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<tr>
<th>Project Description</th>
<th>Total</th>
<th>FAA (95%)</th>
<th>Sponsor (5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental NEPA/CEQA - Obstruction Removal</strong></td>
<td>$380,000</td>
<td>$361,000</td>
<td>$19,000</td>
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### 2012 (AIP37)

<table>
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<tr>
<th>Project Description</th>
<th>Total</th>
<th>FAA (95%)</th>
<th>Sponsor (5%)</th>
</tr>
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<tbody>
<tr>
<td>Airfield Electrical Improvements</td>
<td>$263,158</td>
<td>$250,000</td>
<td>$13,158</td>
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<tr>
<td>Airfield Drainage Improvements</td>
<td>$789,474</td>
<td>$750,000</td>
<td>$39,474</td>
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### 2013-2018

<table>
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<th>Project Description</th>
<th>Total</th>
<th>FAA (95%)</th>
<th>Sponsor (5%)</th>
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</thead>
<tbody>
<tr>
<td><strong>Runway 28R Extension, 500’-600’</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2013 Environmental NEPA/CEQA</td>
<td>$300,000</td>
<td>$285,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>2014 Land Acquisition - Phase 1 (15)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015 Land Acquisition - Phase 2 (15)</td>
<td>$1,875,000</td>
<td>$1,781,250</td>
<td>$93,750</td>
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<tr>
<td>2016 Land Acquisition - Phase 3 (13)</td>
<td>$1,625,000</td>
<td>$1,543,750</td>
<td>$81,250</td>
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<tr>
<td>2017 Relocate Localizer</td>
<td>$400,000</td>
<td>$380,000</td>
<td>$20,000</td>
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<tr>
<td>2018 Relocate Perimeter Road</td>
<td>$160,000</td>
<td>$152,000</td>
<td>$8,000</td>
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<tr>
<td><strong>Extend Runway/Taxway 500’</strong></td>
<td></td>
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<tr>
<td>2019 Pavement Removal</td>
<td>$1,260,000</td>
<td>$1,197,000</td>
<td>$63,000</td>
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<tr>
<td>2020 Replace VASI with PAPI, 10L/28R</td>
<td>$80,000</td>
<td>$76,000</td>
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<tr>
<td><strong>Total</strong></td>
<td>$7,586,000</td>
<td>$7,206,700</td>
<td>$379,300</td>
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### 2019

<table>
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<th>Project Description</th>
<th>Total</th>
<th>FAA (95%)</th>
<th>Sponsor (5%)</th>
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</thead>
<tbody>
<tr>
<td>West Ramp Reconstruction (Phase 1)</td>
<td>$1,052,632</td>
<td>$1,000,000</td>
<td>$52,632</td>
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<tr>
<td>West Ramp Reconstruction (Phase 2)</td>
<td>$1,052,632</td>
<td>$1,000,000</td>
<td>$52,632</td>
</tr>
<tr>
<td>West Ramp Reconstruction (Phase 3)</td>
<td>$1,052,632</td>
<td>$1,000,000</td>
<td>$52,632</td>
</tr>
</tbody>
</table>

### ACIP Total, 2011-2021

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>FAA (95%)</th>
<th>Sponsor (5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total project costs</strong></td>
<td>$13,080,528</td>
<td>$12,426,500</td>
<td>$654,028</td>
</tr>
</tbody>
</table>
RESOLUTION APPROVING THE SUBMITTAL OF A FEDERAL AIRPORT IMPROVEMENT PROGRAM GRANT APPLICATION IN THE AMOUNT OF $256,500 TO THE FEDERAL AVIATION ADMINISTRATION FOR DRAINAGE/ELECTRICAL ASSESSMENTS AND A NEW ADA LIFT; AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO SIGN THE SUBSEQUENT GRANT OFFER ACCEPTANCE AND ANY DOCUMENTS RELATED TO PROJECTS CONTAINED IN THE GRANT

WHEREAS, Modesto City-County Airport is a commercial service airport that is a part of the Federal airport system and eligible for Federal funding, and

WHEREAS, as airport sponsor, the City is eligible each year for entitlement and discretionary funds from the Airport Improvement Program (AIP), and

WHEREAS, the Federal Aviation Administration (FAA) requests that the City submit a new funding application annually for Modesto City-County Airport capital funding, and

WHEREAS, the local 5% match required for these grants will be paid from Passenger Facility Charges (PFCs) collected by the airlines from enplaning passengers,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the submittal of a Federal Airport Improvement Program (AIP) Grant Application for $256,500 to the Federal Aviation Administration for Drainage/Electrical Assessments and a new ADA Lift.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to sign the subsequent grant offer acceptance and any documents related to projects contained in the grant.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING THE SECOND AMENDMENT TO AGREEMENT WITH LARRY WALKER ASSOCIATES FOR STORM WATER MANAGEMENT PLAN WORK IN THE AMOUNT OF $280,000 WITH A TOTAL AGREEMENT AMOUNT NOT TO EXCEED $580,000

WHEREAS, the City of Modesto was issued an NPDES permit from the Regional Water Quality Control Board (RWQCB) in 2008, and this permit will expire in 2013, and

WHEREAS, the permit requires annual storm water monitoring and reporting as well as special studies to be performed during the permit cycle, and

WHEREAS, on July 7, 2009, by Resolution No. 2009-287, Council approved an agreement with Larry Walker Associates (LWA) for Storm Water Management Plan (SWMP) work in an amount not to exceed $300,000, and

WHEREAS, on March 17, 2010, a First Amendment to the Agreement was entered into amending the contractual scope of work in the Standard Agreement for Consultant Services to include groundwater assessment and monitoring well design as required by the Storm Water NPDES permit, and

WHEREAS, LWA has assisted the City with its storm water program and permit compliance for many years and in order to maintain the continuity of the current SWMP, staff requests retention of LWA to continue to perform the tasks currently under way and required under this permit, and

WHEREAS, the Second Amendment would be for LWA to perform the following services through FY11/12: New Development Construction Guidance Manual in accordance with permit requirements, Storm Water Treatment Feasibility Study,
Rockwell Assessment and Storm Water Monitoring, Groundwater well and remote telemetry installation and progress conference call meetings, summaries and reports, and

WHEREAS, funding in the amount of $280,000 is currently available in the FY11/12 budget for the Storm Water Compliance Branch,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the Second Amendment to the Agreement with Larry Walker Associates for Storm Water Management Plan Work in the amount of $280,000 with a total agreement amount not to exceed $580,000.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2011-055

RESOLUTION APPROVING A PIPELINE CROSSING AGREEMENT WITH UNION PACIFIC RAILROAD COMPANY TO ALLOW THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF A SEWER PIPELINE CROSSING THE COMPANY’S RIGHT-OF-WAY ON H STREET, IN THE AMOUNT OF $7,300, AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT

WHEREAS, the City of Modesto desires to construct, operate, and maintain a sewer main along H Street between Ninth Street and Eighth Street, and

WHEREAS, the proposed sewer main will cross the active Union Pacific Railroad Company (UPRR) right-of-way, and

WHEREAS, UPRR requires a Pipeline Crossing Agreement prior to the construction of the pipeline within its right-of-way, and

WHEREAS, UPRR also requires a one-time license fee payment of $7,300 to grant the City of Modesto the right to construct, operate, and maintain the underground sewer main, and

WHEREAS, staff has reviewed the Agreement and recommends City Council approval,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves a Pipeline Crossing Agreement with Union Pacific Railroad Company to allow the construction, operation, and maintenance of a sewer pipeline crossing the company’s right-of-way on H Street, in the amount of $7,300.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the Agreement.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING AN AMENDMENT TO AGREEMENT WITH WEST YOST ASSOCIATES, INC. (WEST YOST) FOR ADDITIONAL SERVICES NOT INCLUDED IN THE ORIGINAL AGREEMENT FOR CONSTRUCTABILITY REVIEW/CONSTRUCTION MANAGEMENT SERVICES OF THE PHASE 2 BNR/TERTIARY WASTEWATER TREATMENT FACILITY PROJECT, FOR AN AMOUNT NOT TO EXCEED $104,965, FOR A MAXIMUM TOTAL AMOUNT OF $153,965; AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AMENDMENT TO THE AGREEMENT

WHEREAS, on December 16, 2010, staff recommended to the City Manager that a portion of West Yost's proposed services be approved to complete time-critical segments of the constructability review, and

WHEREAS, on January 4, 2011, the City executed an agreement in the not to exceed amount of $49,000 with West Yost for constructability review services, and

WHEREAS, to complete the remaining portions of the constructability review and provide bid period services an amendment to the original agreement is recommended, and

WHEREAS, this amendment is recommended to cover the following additional tasks that are not included in the original agreement: 1) Task 1: Part 2 of Biddability / Constructability Review; 2) Task 2: Bid Period Services; and 3) Task 3: Construction Management Work Plan, and

WHEREAS, the total estimated cost to complete these additional tasks is $104,965, and

WHEREAS, City staff recommends approving an amendment to agreement with West Yost as the City does not have the staffing level or expertise to provide the related services,
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves an Amendment to Agreement with West Yost Associates, Inc. for additional services not included in the original agreement for Constructability Review/Construction Management Services of the Phase 2 BNR/Tertiary Wastewater Treatment Facility Project, in the not to exceed amount of $104,965.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the Amendment to Agreement.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney
RESOLUTION ACCEPTING THE WORK BY DSS COMPANY DBA KNIFE RIVER CONSTRUCTION FOR THE "PELANDALE AVENUE AT SISK ROAD AND SR99 NORTHBOUND ON-RAMP" PROJECT AS COMPLETE, AUTHORIZING THE CITY CLERK TO FILE A NOTICE OF COMPLETION WITH THE STANISLAUS COUNTY RECORDER AND TO RELEASE SECURITIES UPON EXPIRATION OF STATUTORY PERIODS, AND AUTHORIZING PAYMENT OF AMOUNTS TOTALING $607,819.58

WHEREAS, a report has been filed by the Director of Utility Planning and Projects that the "Pelandale Avenue at Sisk Road and SR99 Northbound On-Ramp" project has been completed by DSS Company dba Knife River Construction in accordance with the contract agreement dated June 9, 2009,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the "Pelandale Avenue at Sisk Road and SR99 Northbound On-Ramp" project is hereby accepted as complete from said contractor DSS Company dba Knife River Construction, that the City Clerk is authorized to file a Notice of Completion with the Stanislaus County Recorder, release securities upon expiration of statutory periods, and that payment of amounts totaling $607,819.58 is authorized as provided in the contract.
The foregoing resolution was introduced at a regular meeting of the Council of
the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez,
who moved its adoption, which motion being duly seconded by Councilmember Hawn,
was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore,
Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

(Seal)

ATTEST: STEPHANIE LOPEZ, City Clerk

(Approved as to form)

By: SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING THE ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $5,000,000, TO PROVIDE FOR THE FINANCING OF THE GOLDEN VALLEY HEALTH CENTERS

WHEREAS, pursuant Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), certain public agencies (the “Members”) have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the “Agreement”) in order to form the California Municipal Finance Authority (the “Authority”), for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness, and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction of capital projects, and

WHEREAS, Golden Valley Health Centers, a non-profit, public benefit corporation organized and existing under the laws of the State of California and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Corporation”), has requested the Authority to issue one or more series of revenue bonds in an aggregate principal amount not to exceed $5,000,000 (the “Bonds”) in part to prepay a taxable bank loan obtained to finance the acquisition of a building located at 1510 Florida Avenue, Modesto, California, for use as a primary care community clinic (the “Project”), which is and will be owned and operated by the Corporation, and
WHEREAS, in order for the interest on the Bonds to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that an “applicable elected representative” of the governmental unit, the geographic jurisdiction of which contains the site of facilities to be financed with the proceeds of the Bonds, hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds following such hearing, and

WHEREAS, the Authority has determined that the City Council is an “applicable elected representative” for purposes of holding such hearing, and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Agreement, and

WHEREAS, notice of such public hearing has been duly given as required by the Code, and the Council has heretofore held such public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing of the Project and the Authority’s issuance of the Bonds therefore, and

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance of the Bonds by the Authority for the aforesaid purposes,

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL AS FOLLOWS:

Section 1. The Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Council that this resolution constitute approval of the issuance of the Bonds (a) by the “applicable elected representative” of the
governmental unit having jurisdiction over the area in which the Project is to be located in accordance with Section 147(f) of the Code, and (b) by the Council in accordance with Section 4 of the Agreement.

Section 2. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

Section 3. The adoption of this resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority or its membership therein.

Section 4. The executing officers, the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to affect the purposes of this resolution and the transactions herein authorized.

Section 5. The City Clerk shall forward a certified copy of this resolution to:

Harriet M. Welch, Esq.
Squire, Sanders & Dempsey LLP
555 South Flower Street, Suite 3100
Los Angeles, CA 90071-2300
Section 6. This resolution shall take effect immediately upon its adoption.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Geer, was upon roll call carried and the resolution adopted by the following votes:

AYES: Councilmembers: Burnside, Geer, Lopez, Marsh, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: Hawn, Muratore

ATTEST:

(APPROVED AS TO FORM:

By: SUSANA ALcala WOOD, City Attorney
RESOLUTION NO. 2011-059

RESOLUTION APPROVING A SECOND AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO AND EAH INC. FOR THE PROPOSED DEVELOPMENT OF 76 UNITS OF AFFORDABLE HOUSING, ALSO KNOWN AS ARCHWAY COMMONS; AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT AND ANY RELATED DOCUMENTS

WHEREAS, the Redevelopment Agency of the City of Modesto (the “Agency”) is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the “Redevelopment Project”), and

WHEREAS, in conformance with Health and Safety Code Section 33490, the Agency adopted a five-year Implementation Plan (the "Implementation Plan") for the Redevelopment Project, and

WHEREAS, the Agency previously entered into a Disposition and Development Agreement ("Original DDA"), dated June 2, 2009, with EAH, Inc. ("Developer") providing an option for the Developer to either purchase or ground lease from the Agency certain property ("Original Site") for the development of a 150-unit rental housing project (the "Housing Project"), and

WHEREAS, the Agency and Developer subsequently entered into an Amended and Restated Disposition and Development Agreement ("Amended DDA"), dated July 12, 2009, clarifying that the Developer would purchase the Original Site, and making other conforming changes related thereto, and

WHEREAS, in light of current facts, conditions and circumstances, the Agency and Developer have cooperated in the preparation of a Second Amended and Restated Disposition and Development Agreement (the “Second Amended Agreement”) to allow
for the development of the Housing Project in two phases, providing that the Developer
would purchase a portion of the Original Site (the “Site”) and develop the first 76 units of
multi-family affordable housing on the Site, and

WHEREAS, the Second Amended Agreement also provides for an increase of $2
million in Agency assistance to be provided for the entire Housing Project, for a total not
to exceed amount of $8,749,000.00, of which $7,229,866 (the “Agency Loan”) will be
provided under the Second Amended Agreement, consisting of three elements, including
the previously approved Predevelopment Loan in the amount of $900,000; a
Development Loan, not to exceed $3,869,000, and a Purchase Loan for the purchase price
for the Site in the amount of $2,460,866, and

WHEREAS, the Community Redevelopment Law of the State of California
(Health and Safety Code Section 33000, et seq.) provides in Section 33431 that any sale
or lease of Agency property may be made only after a public hearing of the Agency after
publication of notice as provided by law, and

WHEREAS, the Community Redevelopment Law further provides in
Section 33433 that before any property acquired, in whole or in part, with tax increment
monies, is sold or leased for development pursuant to a redevelopment plan, such sale or
lease shall first be approved by the legislative body after a public hearing, that notice of
the time and place of the hearing shall be published in a newspaper of general circulation
in the community for at least two (2) successive weeks prior to the hearing, and that the
Agency shall make available for public inspection a copy of the proposed sale or lease
and a report containing specified information and the financial aspects of the proposal,
and
WHEREAS, notice of a joint public hearing of the City Council of the City of Modesto and the Agency was published on February 8, 2011, and February 15, 2011, and a joint public hearing was held on February 22, 2011, to consider and act on the sale of the Site pursuant to the Second Amended Agreement, and

WHEREAS, prior to approval of the Existing Disposition and Development Agreement, the Agency prepared a report pursuant to Section 33433 of the Health and Safety Code (the “Original Report”), describing the cost of the Original DDA to the Agency, the value of the property interest to be conveyed, the purchase price and other information required by Health & Safety Code Section 33433, and subsequently prepared a Supplement to the Original Report ("Supplemental Report") addressing the changes made through the Amended DDA, and has also prepared a Second Supplement to the Summary Report ("Second Supplemental Report") addressing the changes made through the Second Amended Agreement, and the Original Report, Supplemental Report and Second Supplemental Report, together with the Second Amended Agreement, was made available to the public for inspection,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby resolve as follows:

Section 1. The City Council hereby finds and determines that the sale of the Site to the Developer and development of the Housing Project on the Site as provided for in the Second Amended Agreement will assist in the elimination of blight and will provide housing for very-low and low-income households, and is consistent with the Five-Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490. This finding is based upon the facts and information contained in

Section 2. The City Council hereby finds and determines that the consideration for the Site to be paid by the Developer under the Second Amended Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Second Amended Agreement. This finding is based upon the facts and information contained in the Original Report, the Supplemental Report and the Second Supplemental Report prepared by the Agency pursuant to Health and Safety Code Section 33433.

Section 3. The City Council hereby approves the Second Amended Agreement in substantially the form on file with the City Clerk. The City Council further approves and authorizes the sale of the Site to the Developer and the funding of the Agency Assistance, all as provided for under the Second Amended Agreement.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that the City Manager, or his designee, is hereby authorized to execute the Second Amended and Restated Disposition and Development Agreement between the Redevelopment Agency of the City of Modesto and EAH, Inc. for the proposed development of 76 units of affordable housing, also known as Archway Commons.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22\textsuperscript{nd} day of February, 2011, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

(SEAL)

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney

ATTEST: 

SUSANIE LOPEZ, City Clerk

02/22/2011/PR&N/SHumphries/Item 19
RESOLUTION APPROVING AN AMENDMENT TO THE HOME LOAN AGREEMENT BETWEEN THE CITY OF MODESTO AND EAH, INC. FOR THE PROPOSED DEVELOPMENT OF AFFORDABLE HOUSING UNITS, ALSO KNOWN AS ARCHWAY COMMONS AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT AND ANY RELATED DOCUMENTS

WHEREAS, on November 1, 2007 a Request for Qualifications (RFQ) was released to solicit proposals for either the development of new constructions or the rehabilitation of existing market rate housing to be converted to affordable units for low-income households, and

WHEREAS, proposal were due on January 14, 2008 with a total of eight (8) proposals received. Six (6) projects qualified for funding. Five (5) of the six (6) projects were fully or partially funded, leaving only the Archway Commons project for future review, and

WHEREAS, the CH&CDC review subcommittee met on June 17, 2009, to review the Archway Commons project to provide affordable rental housing to a mix of household types, including single individuals, couples, households with children as well as seniors, and

WHEREAS, Archway Commons is an affordable housing project funded through the RDA's set-aside funds and HOME funds, and

WHEREAS, originally proposed, the project would create 150 affordable housing units, and

WHEREAS, City of Modesto and EAH, Inc. desire that EAH, Inc. continue its efforts to secure and obtain tax credit funding and understand it is necessary to amend the
Agreement to set forth new timelines for development and construction of the Archway Commons project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves this Amendment to the HOME loan agreement between the City of Modesto and EAH, Inc. for the proposed development of affordable housing units, also known as Archway Commons,

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Council of the City of Modesto that it hereby authorizes the City Manager, or his designee, to execute the Agreement and related documents.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO (RDA) AND AMERICAN BAPTIST HOMES OF THE WEST AND SATELLITE HOUSING DEVELOPER FOR THE SALE OF REAL PROPERTY LOCATED AT 17TH & G STREETS ALSO KNOWN AS “TOWER PARK” TO THE DEVELOPER FOR THE DEVELOPMENT OF 48 AFFORDABLE SENIOR HOUSING UNITS

WHEREAS, the Redevelopment Agency of the City of Modesto (the “Agency”) is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the “Redevelopment Project”), and

WHEREAS, in conformance with Health and Safety Code Section 33490, the Agency adopted a five-year Implementation Plan (the "Implementation Plan") for the Redevelopment Project, and

WHEREAS, the Agency currently owns that certain real property, consisting of approximately 29,766 square feet, located generally at the southwesterly corner of 17th and G Streets in downtown Modesto (APN 106-006-013) (the “Site”), which the Agency acquired for purposes of development of affordable housing opportunities in the Redevelopment Project Area, and

WHEREAS, the Agency desires to enter into a Disposition and Development Agreement ("DDA") with American Baptist Homes of the West and Satellite Housing (collectively, the “Developer”) providing for the sale of the Site to the Developer for purposes of development of a 48-unit senior rental housing project (the "Housing Project"), and

WHEREAS, the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.) provides in Section 33431 that any sale or
lease of Agency property may be made only after a public hearing of the Agency after publication of notice as provided by law, and

WHEREAS, the Community Redevelopment Law further provides in Section 33433 that before any property acquired, in whole or in part, with tax increment monies, is sold or leased for development pursuant to a redevelopment plan, such sale or lease shall first be approved by the legislative body after a public hearing, that notice of the time and place of the hearing shall be published in a newspaper of general circulation in the community for at least two (2) successive weeks prior to the hearing, and that the Agency shall make available for public inspection a copy of the proposed sale or lease and a report containing specified information and the financial aspects of the proposal,

and

WHEREAS, notice of a joint public hearing of the City Council of the City of Modesto (the “City Council”) and the Agency was published on February 8, 2011 and February 15, 2011, and a joint public hearing was held on February 22, 2011, to consider and act on the sale of the Site pursuant to the DDA, and

WHEREAS, the Agency has prepared a report pursuant to Section 33433 of the Health and Safety Code (the “Report”), describing the cost of the DDA to the Agency, the value of the property interest to be conveyed, the purchase price and other information required by said Section 33433, and the Report, together with the DDA, was made available to the public for inspection,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto as follows:

Section 1. The City Council hereby finds and determines that the sale of the Site to the Developer and development of the Housing Project on the Site as provided for
in the DDA will assist in the elimination of blight and will provide housing for low-income households, and is consistent with the Five-Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490. This finding is based upon the facts and information contained in the Report prepared by the Agency pursuant to Health and Safety Code Section 33433.

Section 2. The City Council hereby finds and determines that the consideration for the Site to be paid by the Developer under the DDA is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the DDA. This finding is based upon the facts and information contained in the Report prepared by the Agency pursuant to Health and Safety Code Section 33433.

Section 3. The City Council hereby approves the DDA in substantially the form on file with the City Clerk. The City Council further approves and authorizes the sale of the Site to the Developer as provided for under the DDA.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: 

APPROVED AS TO FORM:

By: SUSANA ALCALA WOOD, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2011-062

RESOLUTION APPROVING A HOME LOAN AGREEMENT BETWEEN THE
CITY OF MODESTO AND AMERICAN BAPTIST HOMES OF THE WEST AND
SATELLITE HOUSING IN THE AMOUNT OF $2.7 MILLION; AND
AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE
ALL DOCUMENTS RELATED TO THE LOAN AGREEMENT

WHEREAS, the City of Modesto Redevelopment Agency (RDA) currently owns
that certain real property, consisting of approximately 29,766 square feet, located
generally at the southwesterly corner of 17th and G Streets in downtown Modesto (APN
106-006-013) (the “Site”), which the RDA acquired for purposes of development of
affordable housing opportunities in the Redevelopment Project Area, and

WHEREAS, the RDA desires to enter into a Disposition and Development
Agreement ("DDA") with American Baptist Homes of the West and Satellite Housing
(collectively, the “Developer”) providing for the sale of the Site to the Developer for
purposes of development of a 48-unit senior rental housing project (the "Housing
Project"), and

WHEREAS, funding for the Housing Project will be through a HOME Investment
Partnership Program in the amount of $2.7 million which will be disbursed on a
reimbursement basis,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto
that it hereby approves a HOME Loan Agreement between the City of Modesto and
American Baptist Homes of the West and Satellite Housing in the amount of $2.7
million, for the development of 48 affordable senior housing units.
BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the loan agreement and all other related documents.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING A METHODOLOGY FOR CONSUMPTION CALCULATION FOR DETERMINING URBAN WATER USE TARGET AND THE ASSOCIATED PER-CAPITA WATER USES, AS REQUIRED BY THE STATE WATER CODE, IN THE 2010 URBAN WATER MANAGEMENT PLAN

WHEREAS, Urban Water Management Plans (UWMP) are required to be updated and submitted to the State Department of Water Resources (DWR) every five years under the Urban Water Management Planning Act (UWMPA), and

WHEREAS, the City of Modesto, by Resolution No. 2010-404, and the Modesto Irrigation District (MID) hired West Yost Associates to develop the 2010 Joint Urban Water Management Plan (2010 UWMP), and

WHEREAS, an UWMP is necessary for water agencies (City/MID) to be eligible for State water management grants and loans, and

WHEREAS, one of the requirements of the UWMP is that the City/MID must implement specific Demand Management Measures (DMMs) that will help achieve per-capita water use targets that reflect a 20% reduction in water use by the year 2020 mandated by the state’s Water Conservation Act (Senate Bill X7-7), and

WHEREAS, in October 2010, the DWR released the Final Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use document describing the methods for determining these targets and three of the four methods allowed for determining the 20% reduction water use target for the year 2020, as well as the Interim 2015 target, and
WHEREAS, West Yost developed a Technical Memorandum which established the base water usage for Modesto’s water system and compared water use targets for three of the four methodologies, and

WHEREAS, Modesto’s base per-capita water use has been calculated at 285 per-capita-per-day (gpcd) and it is recommended Modesto adopt Methodology Target 1 which provides for the required amount of reduction in per-capita water use to meet the Final 2020 (228 gpcd) and Interim 2015 (256 gpcd) per-capita water use targets,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves a methodology of consumption calculation for determining urban water use target and the associated per-capita water uses, as required the State Water Code, in the 2010 Urban Water Management Plan.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Muratore, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: 

(SEAL)

APPROVED AS TO FORM:

By: SUsANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING A COOPERATIVE AGREEMENT BETWEEN THE CITY OF MODESTO AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR ACQUISITION OF RIGHT-OF-WAY FOR STATE ROUTE 99/PELANDALE AVENUE INTERCHANGE RECONSTRUCTION PROJECT; AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT

WHEREAS, the State Route 99/Pelandale Interchange Reconstruction Project is a Caltrans project to address the traffic congestion problem at Pelandale Avenue and Highway 99 Interchange, and

WHEREAS, the City of Modesto is the lead agency for preparation of Plans, Specifications and Estimates (PS&E) and the PS&E’s are fifty percent (50%) completed, and

WHEREAS, reconstruction of said interchange will require acquisition of right-of-way for State Highway and related local road purposes, and

WHEREAS, this Cooperative Agreement is required by Caltrans and formalizes the City’s Lead Agency status and outlines the agreement between the agencies for acquisition of right-of-way,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves a Cooperative Agreement between the City of Modesto and the California Department of Transportation for the acquisition of right-of-way for the State Route 99/Pelandale Avenue Interchange Reconstruction Project.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the Agreement.
BE IT FURTHER RESOLVED the City Manager, or his designee, is hereby authorized to negotiate with Caltrans and execute all documents on behalf of the City for all authority required therefore, and

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to prepare an agreement with the County of Stanislaus under which the City would acquire property within the unincorporated area, and

BE IT FURTHER RESOLVED the City Council agrees to hear Resolutions of Necessity, and take additional actions necessary, should right-of-way negotiations fail to reach a satisfactory agreement between the parties.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Muratore, who moved its adoption, which motion being duly seconded by Councilmember Lopez, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

SUSANA ALCALA WOOD, City Attorney
RESOLUTION APPROVING AN AGREEMENT WITH GROVER LANDSCAPE SERVICES, INC, FOR A PERIOD OF FIVE (5) YEARS, IN THE AMOUNT OF $1,883,743.80, WITH THE OPTION TO NEGOTIATE A FIVE (5) YEAR EXTENSION, AT THE SOLE DISCRETION OF THE CITY; AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT

WHEREAS, on March 7, 2006, the City Council, by Resolution No. 2006-134, approved an Agreement with Grover Landscape Services, Inc. to provide landscape maintenance services to various City-owned park sites, and

WHEREAS, the Agreement will expire on March 20, 2011, and

WHEREAS, on September 27, 2010, the Finance Committee directed City staff to enter into a new five-year Agreement with Grover Landscape Services, Inc., and

WHEREAS, staff negotiated an Agreement that is substantially the same as the current Agreement,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves an Agreement with Grover Landscape Services, Inc., for a period of five (5) years, in the amount of $1,883,740.80, with the option to negotiate a five (5) year extension, at the sole discretion of the City.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the Agreement.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 22nd day of February, 2011, by Councilmember Lopez, who moved its adoption, which motion being duly seconded by Councilmember Geer, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Burnside, Geer, Hawn, Lopez, Marsh, Muratore, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

(Approved as to form)

By: [Signature]

SUSANA ALCALA WOOD, City Attorney