A RESOLUTION APPROVING AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY OF MODESTO AND TURNSTONE CONSULTING FOR PRELIMINARY WORK TO ASSIST IN THE PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT FOR A PROPOSED KAISER MEDICAL CAMPUS PROJECT, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT IN AN AMOUNT NOT TO EXCEED $160,450.00

WHEREAS, Kaiser Permanente has applied for an amendment to the Kiernan Business Park Specific Plan, prezoning to a planned development zone, a development agreement, annexation and sphere of influence amendment to allow a 1.4 million square-foot medical campus and the annexation of 39 acres of adjacent business park land located on the west side of Dale Road north of Bangs Avenue ("Kaiser Medical Campus"), and

WHEREAS, Section 21080.1 of the California Public Resources Code requires the City of Modesto, as lead agency, to make a determination of whether an environmental impact report is required for projects, and

WHEREAS, the City has determined that an environmental impact report is required for the proposed Kaiser Medical Campus project, and

WHEREAS, on December 10, 2002, the City Council approved a list of environmental service providers, including the firm of Turnstone Consulting, to assist with the preparation of environmental impact reports and other environmental documents for the Kaiser Medical Campus project, and

WHEREAS, City staff selected Turnstone Consulting to prepare the environmental impact report for the Kaiser Medical Campus because of their extensive experience on similar projects in other jurisdictions, and
WHEREAS, City Staff anticipates that the EIR work will involve three contract phases, and

WHEREAS, on June 24, 2003, the City Council adopted Resolution No. 2003-298, approving an agreement with Turnstone Consulting for preliminary work to assist in the preparation of an environmental impact report ("EIR") for the proposed Kaiser Medical Campus in an amount not to exceed $130,793 ("Agreement"), and

WHEREAS, on October 28, 2003, the City Council adopted Resolution No. 2003-561, approving Amendment No. 1 to the Agreement with Turnstone Consulting for preparation of the Draft EIR in an amount not to exceed $635,768.00, and

WHEREAS, during preparation of the Draft EIR issues arose that required additional analysis and services beyond the scope of Amendment No. 1 to the Agreement, requiring a further amendment to the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that Amendment No. 2 to the Agreement between the City of Modesto and Turnstone Consulting Corporation to perform additional tasks related to the preparation of the Draft EIR, in an amount not to exceed $160,450.00 is hereby approved.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute Amendment No. 2 to the Agreement.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES:  Councilmembers:  Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES:  Councilmembers:  None

ABSENT:  Councilmembers:  None

ATTEST  
Jean Zahr, City Clerk

(SEAL)

APPROVED AS TO FORM:

BY:  
Michael D. Milich, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-251

A RESOLUTION APPROVING THE FINAL MAP OF THE UDONA GROVE SUBDIVISION AND AUTHORIZING THE CITY MANAGER TO EXECUTE A SUBDIVISION AGREEMENT WITH WILLIAM EUGENE BUCHTA AND CHARISSE RENEE BUCHTA, HUSBAND AND WIFE AS JOINT TENANTS AND INDERJIT S. TOOR AND HARINDER S. TOOR, INDIVIDUALS

WHEREAS, WILLIAM EUGENE BUCHTA and CHARISSE RENEE BUCHTA, husband and wife as joint tenants and INDERJIT S. TOOR and HARINDER S. Toor, individuals, are possessed of a tract of land situated in the City of Modesto, County of Stanislaus, consisting of 2.67 acres, known as the UDONA GROVE ("SUBDIVISION"), and

WHEREAS, a tentative map of said tract was approved by the Planning Commission of the City of Modesto on the 8th day of September, 2003, and

WHEREAS, the Secretary of the Planning Commission of the City of Modesto has certified that the final map of said tract substantially conforms to the approved tentative map, and

WHEREAS, the City Engineer of the City of Modesto has certified that the final map of said SUBDIVISION meets all of the provisions of the California Subdivision Map Act and the provisions of the Modesto Municipal Code relating to subdivisions, and that the map is technically correct,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that said final map be approved; that the dedications for streets and easements as shown thereon within the boundaries of said tract be accepted on behalf of the public for public use; and that the City Clerk be authorized to certify the map of said tract on behalf of the
City of Modesto after the fees and deposits required by the Modesto Municipal Code in amounts determined by the City Engineer have been paid, and after subdivider has furnished securities, as set forth in Section 4-4.605 of the Modesto Municipal Code, which shall secure the obligations set forth in Section 66499.3 of the Government Code of the State of California. Said securities shall be in forms acceptable to the City Attorney and in the amounts required by the City Engineer.

BE IT FURTHER RESOLVED that the City Manager and the City Clerk be authorized to execute and attest, respectively, an agreement with subdivider as required by Section 4-4.604(c) of the Modesto Municipal Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour
NOES: Councilmembers: None
ABSENT: Councilmembers: None

ATTEST: Jean Zahr, City Clerk

(SEAL)

APPROVED AS TO FORM:

MICHAEL D. MILICH, City Attorney

By ALISON A. BARRATT-GREEN
Senior Deputy City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-252

A RESOLUTION INCREASING THE DIRECTOR OF ENGINEERING AND TRANSPORTATION’S AUTHORITY TO ISSUE CHANGE ORDERS ON THE “INTERIOR IMPROVEMENTS – WASTEWATER COLLECTION MAINTENANCE BUILDING” PROJECT FROM 10 PERCENT ($66,044.50) TO 19 PERCENT ($125,484.55) OF THE ORIGINAL CONTRACT PRICE WITH THE MCDONALD GLENN COMPANY

WHEREAS, on January 6, 2004, the City Council awarded a $660,445.00 contract to The McDonald Glenn Company to construct the “Interior Improvements – Wastewater Collection Maintenance Building” project, and

WHEREAS, the contractor started work on February 11, 2004, and

WHEREAS, additional work not included in the original bid needs to be added to the project to allow completion of a useable building that conforms to code requirements, and

WHEREAS, the cost of the extra work could be as high as an estimated $125,484.55, an amount, which exceeds the Director’s authority for the project as established by the Council’s Change Order Approval Policy adopted by Resolution No. 94-443 on July 19, 1994, and

WHEREAS, the Director currently has authority to approve change orders up to a cumulative amount of $66,044.50,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby increases the Engineering and Transportation Director’s authority level to issue change orders, from 10 percent ($66,044.50) to 19 percent ($125,484.55) of the original contract price for the project entitled “Interior Improvements – Wastewater Collection Maintenance Building.”
The foregoing resolution was introduced at a regular meeting of the Council of
the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman,
who moved its adoption, which motion being duly seconded by Councilmember
O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh,
O'Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: Jean Zahr

JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By

MICHAEL D. MILICH, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-253

RESOLUTION AMENDING THE FY 2003-2004 CAPITAL IMPROVEMENT BUDGET TO: 1) CLOSE PROJECT ACCOUNT NUMBER 6210-480-L074, PRIMARY CLARIFIER SCUM MIXING, (PROJECT COMPLETED) AND RETURN $88,000 TO THE WASTEWATER RESERVES; AND 2) APPROPRIATE $88,000 MOVED TO THE WASTEWATER RESERVES TO PROJECT ACCOUNT NUMBER 6210-480-F743-6040, WASTEWATER COLLECTION MAINTENANCE BUILDING, THEREBY FULLY FUNDING THE PROJECT TITLED “INTERIOR IMPROVEMENTS – WASTEWATER COLLECTION MAINTENANCE BUILDING”

WHEREAS, on January 6, 2004, the City Council awarded a $660,445 contract to The McDonald Glenn Company to install the interior improvements in the Wastewater Maintenance Building exterior shell constructed under a previous contract, and

WHEREAS, items needing to be included in the project were excluded when the project was split into two phases, resulting in added construction costs not originally provided for in the project account, and

WHEREAS, the items of work now need to be added to the contract by change order, and

WHEREAS, a shortage of funds will occur once the change orders are executed, and

WHEREAS, the shortage resulted in additional funds being required to fully fund the project,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves amending the FY 2003-2004 Capital Improvement Budget to: (1) Close project account number 6210-480-L074, Primary Clarifier Scum Mixing, (project...
completed) and return $88,000 to the Wastewater Reserves; and (2) appropriate $88,000 moved to the Wastewater Reserves to project account number 6210-480-F743-6040, Wastewater Collection Maintenance Building, thereby fully funding the project titled "Interior Improvements – Wastewater Collection Maintenance Building."

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O’Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: Jean Zahr, City Clerk

(SEAL)

APPROVED AS TO FORM:

By Michael D. Milich, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-254

A RESOLUTION AWARDING THE BID AND APPROVING A $59,989.85 CONTRACT WITH INDUSTRIAL FENCE, FOR THE PROJECT TITLED “THOUSAND OAKS LIFT STATION FENCE,” AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT. TOTAL ESTIMATED COST OF THIS PROJECT, INCLUDING DESIGN, CONTRACT ADMINISTRATION AND CONTINGENCIES, IS $84,000

WHEREAS, the bids received for the Thousand Oaks Lift Station Fence were opened at 11:00 a.m. on April 20, 2004, and

WHEREAS, the Acting Engineering and Transportation Director has recommended that the bid of $59,989.85 received from Industrial Fence, be accepted as the lowest responsible bid and the contract be awarded to Industrial Fence,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby accepts the bid of $59,989.85, and hereby awards Industrial Fence, the contract titled “Thousand Oaks Lift Station Fence.”

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the contract.
The foregoing resolution was introduced at a regular meeting of the Council of
the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman,
who moved its adoption, which motion being duly seconded by Councilmember
O’Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh,
O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST:

JEAN ZAHR, City Clerk
(SEAL)

APPROVED AS TO FORM:

MICHAEL D. MILICH, City Attorney
A RESOLUTION AWARDING THE BID AND APPROVING A $599,555.00 CONTRACT WITH INDUSTRIAL ELECTRICAL, FOR THE PROJECT TITLED “EMERGENCY POWER ADDITION AT WATER WELLS 25, 43, 225, 282, 298, 299, 302, AND 313,” AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT. TOTAL ESTIMATED COST OF THIS PROJECT IS $725,000.

WHEREAS, the bids received for the Emergency Power Addition at Water Wells 25, 43, 225, 282, 298, 299, 302, and 313 were opened at 11:00 a.m. on April 27, 2004, and

WHEREAS, the Acting Engineering and Transportation Director has recommended that the bid of $599,555 received from Industrial Electrical, be accepted as the lowest responsible bid and the contract be awarded to Industrial Electrical,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby accepts the bid of Industrial Electrical, in the amount of $599,555, and hereby awards Industrial Electrical, the contract titled “Emergency Power Addition at Water Wells 25, 43, 225, 282, 298, 299, 302, and 313” for $599,555.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute the contract.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Brien, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O'Brien, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST:  

APPROVED AS TO FORM:

By  

MICHAEL D. MILICH, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-256

A RESOLUTION AUTHORIZING THE PURCHASING SUPERVISOR TO
FORMALLY SOLICIT REQUEST FOR BIDS FOR THE FURNISHING OF
ELEVATOR PREVENTATIVE MAINTENANCE SERVICE AND REPAIR,
"CITYWIDE", FOR A THREE (3) YEAR AGREEMENT, WITH TWO (2) ONE-
YEAR EXTENSION OPTIONS, FOR AN ESTIMATED ANNUAL COST OF
$56,985

WHEREAS, the Operations and Maintenance Department, Building Services and
Building Engineering Divisions have requested elevator preventative maintenance service
and repair, on the City’s elevators, and

WHEREAS, services shall consist of scheduled preventative maintenance, and
service and repair, on an “as needed basis”, and

WHEREAS, elevator maintenance is requested to ensure top performance on the
operating systems of the City’s elevators, and

WHEREAS, the current service agreement for preventative maintenance service
and repair will expire on June 30, 2004, and

WHEREAS, by authorizing the Purchasing Supervisor to solicit formal request
for bids, for a three (3) year agreement, with two (2) one-year extension options, the City
will achieve the best value possible for elevator preventative maintenance service and
repair, and

WHEREAS, Modesto Municipal Code, MMC Section 8-3.203, generally requires
all purchases that meet or exceed $50,000.00 for material, equipment or contractual
services to be formally bid, and

WHEREAS, by soliciting competitive bids for elevator preventative maintenance
service and repair, the Finance Department, Purchasing Division will comply with MMC
Section 8-3.203 regarding formal bid procedures,
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the Purchasing Supervisor is hereby authorized to solicit formal request for bids as follows:

SECTION 1. The City Clerk shall call for public competitive sealed bids for the furnishing of elevator preventative maintenance service and repair, for a three (3) year agreement, with two (2) one-year extension options, to be opened in the office of the City Clerk, 1010 Tenth Street, in the City of Modesto. The City Clerk shall be directed to give notice inviting such sealed bids in the time, form, and manner provided by law.

SECTION 2. After the sealed bids are opened, they shall be tabulated and analyzed and a report submitted to Council.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

[Signature]

Michael D. Milich, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-257

A RESOLUTION AUTHORIZING THE PURCHASING SUPERVISOR TO ISSUE A REQUEST FOR PROPOSALS (RFP) FOR UNIFORMS AND LAUNDRY SERVICES FOR AN INITIAL ONE-YEAR CONTRACT PERIOD, WITH FOUR (4) ONE-YEAR CONTRACT EXTENSION OPTIONS, FOR AN APPROXIMATE ANNUAL TOTAL COST OF $114,637

WHEREAS, the Operations and Maintenance Department and Engineering and Transportation Department has requested the purchase of uniforms and laundry services, and

WHEREAS, Article 23 of the Memorandum of Understanding (MOU) between the City of Modesto and the Modesto City Employees Association (MCEA) details Dress and Grooming criteria for Non-Sworn City employees, and

WHEREAS, subsection (c) of the article requires employees in the following classifications to wear uniform cap and shirts provided by the City: Storekeeper, Senior Storekeeper, Maintenance Worker I/II, Parks Crew Leader, Maintenance Mechanic-Parks, Equipment Operator, Tree Trimmer, Tree Trimmer Crew Leader, Maintenance Mechanic-Pumps, Equipment Crew Leader, Water Distribution System Operator, WWC System Operator, Electrical Technician I/II, Assistant Electrician, Electrician, Custodian I/II, Civil Engineering Technical I/II/II, and

WHEREAS, the City is also required to provide coveralls, pants, and rain gear for certain employees, dependent upon classification, and

WHEREAS, the City also provides uniforms for certain classifications of Management and Confidential Employees, including Operations and Maintenance Supervisor, Custodial Supervisor, Land Surveyor, Plant Maintenance Supervisor,
Secondary Treatment Facilities Supervisor, Electrical Supervisor, and WQC Operations Supervisor, and

WHEREAS, the combined estimated total cost of this purchase is $114,637 on an annual basis, and

WHEREAS, the Modesto Municipal Code (MMC) Section 8-3.203 generally requires all purchases exceeding $50,000 for materials and equipment of this type to be formally bid, and

WHEREAS, by soliciting competitive proposals the City will achieve the best value for uniforms and laundry services and meet the City’s requirements for formal bidding, and

WHEREAS, at its March 22, 2004, meeting the Financed Committee gave unanimous approval to move this request for authorization to issue Request for Proposal (RFP) on to Council for review,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the Purchasing Supervisor is hereby authorized to issue a Request for Proposals for uniforms and laundry services for a initial one-year period, with four (4) one year contract extensions options, for approximate annual cost of $114,637 as follows:

SECTION 1. The City Clerk shall call for public competitive sealed proposals for uniforms and laundry services to be opened in the office of the City Clerk, 1010 10TH Street, in the City of Modesto. The City Clerk shall be directed to give notice inviting such sealed bids in the time, form, and manner provided by law.

SECTION 2. After the proposals are opened, they shall be tabulated and analyzed and a report submitted to Council.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O’Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: Jean Zahr, City Clerk

APPROVED AS TO FORM:

By: Michael D. Milich, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-258

A RESOLUTION AUTHORIZING THE AWARD OF BID AND CONTRACTS FOR CONCRETE BOXES AND COVERS, CAST IRON COVERS AND FRAMES, AND RELATED ACCESSORIES FOR A ONE-YEAR PERIOD TO THE FOLLOWING VENDORS: KENKO UTILITY OF TRACY, CA. FOR A TOTAL APPROXIMATE ANNUAL COST OF $122,445; GROENIGER OF MODESTO, CA. FOR A TOTAL APPROXIMATE ANNUAL COST OF $548; AND GENERAL PLUMBING OF SONORA CA. FOR A TOTAL APPROXIMATE ANNUAL COST OF $320. THE COMBINED TOTAL APPROXIMATE ANNUAL COST IS $123,312

WHEREAS, the Finance Department, Central Stores Division has requested the purchase of concrete boxes and covers, cast iron covers and frames, and related accessories for a one-year period, and

WHEREAS, the Central Stores Division of the Finance Department operations is responsible for maintaining inventory for concrete boxes and covers, cast iron covers, and related accessories for use by all City-departments for City projects, and

WHEREAS, Resolution No. 2004-057 authorized the solicitation of bids for concrete boxes and covers, cast iron covers and frames, and related accessories, and

WHEREAS, out of sixteen (16) vendors solicited, four (4) chose to respond, and

WHEREAS, bids were evaluated per Specification 0304-15 and awarded on a line by line item basis, and

WHEREAS, Kenko Utility of Tracy, Ca. is the lowest responsive and responsible bidder for items 1-14, 16-25, and 27-30 on RFB 0304-15 for a total approximate annual cost of $122,445, and

WHEREAS, Groeniger of Modesto, CA. is the lowest responsive and responsible bidder for item 26 on RFB 0304-15 for a total approximate annual cost of $548, and
WHEREAS, General Plumbing of Sonora, CA. is the lowest responsive and responsible bidder for item 15 on RFB 0304-15 for a total approximate annual cost of $320, and

WHEREAS, the total approximate annual cost for concrete boxes and covers, cast iron covers and frames, and related accessories is $123,312,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby awards the bid and contracts for concrete boxes and covers, cast iron covers and frames, and related accessories for a one-year period for a total approximate annual cost is $123,312,

BE IT FURTHER RESOLVED that the Purchasing Supervisor is hereby authorized to issue purchase orders for concrete boxes and covers, cast iron covers and frames, and related accessories to the following vendors: Kenko Utility of Tracy, Ca for a total approximate annual cost of $122,445; Groeniger of Modesto CA. for a total approximate annual cost of $548; and General Plumbing of Sonora, CA. for a total approximate annual cost of $320.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST:  
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: Michael D. Milich, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-259

A RESOLUTION AUTHORIZING THE FIRE CHIEF TO SUBMIT A FORMAL BID TO PROVIDE FIRE APPARATUS MAINTENANCE TO THE STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT.

WHEREAS, Stanislaus Consolidated Fire Protection District is in need of fire apparatus maintenance, and

WHEREAS, Stanislaus Consolidated Fire Protection District approached the City of Modesto Fire Department and requested that the City of Modesto Fire Department submit a formal bid for apparatus maintenance, and

WHEREAS, the Modesto Fire Department currently employees two full-time Fire Apparatus Mechanics with the required skills to provide the maintenance and service requested by the Stanislaus Consolidated Fire Protection District, and

WHEREAS, if Stanislaus Consolidated Fire Protection District were to accept the City of Modesto’s bid, the Modesto Fire Department would need to hire one additional Fire Apparatus Mechanic with a cost to the City of approximately $70,000 annually, and

WHEREAS, the revenue received by providing apparatus maintenance to the Stanislaus Consolidated Fire Protection District could exceed the cost of the additional Fire Apparatus Mechanic, and provide revenue to the City of Modesto, and

WHEREAS, if the City of Modesto Fire Department bid is selected by Stanislaus Consolidated Fire Protection District, there would be the possibility of additional contracts with surrounding fire departments for the City of Modesto Fire Department, which would be a revenue generating venture for the City of Modesto, and
WHEREAS, the Safety and Communities Committee accepted staff’s recommendation to submit a formal bid to the Stanislaus Consolidated Fire Protection District at its May 3, 2004, meeting,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby authorizes the Fire Chief to submit a formal bid to the Stanislaus Consolidated Fire Protection District for apparatus maintenance.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember O’Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: Jean Zahr

JEAN ZAHR, City Clerk

APPROVED AS TO FORM

By: Michael D. Milich, City Attorney
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MODESTO ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2003-1 (FAIRVIEW VILLAGE) CALLING A SPECIAL ELECTION ON A PROPOSITION TO AMEND THE EXISTING RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX

WHEREAS, the City Council of the City of Modesto (the “City Council”) acting as the legislative body of the City of Modesto Community Facilities District No. 2003-1 (Fairview Village) (the “Community Facilities District”), has determined that the rate and method of apportionment of the special tax (the “Rate and Method”), currently described in Ordinance 3339-C.S. adopted by the City Council on December 11, 2003 (“Ordinance 3339-C.S.”) and approved by the qualified electors within the Community Facilities District at a special election held on December 11, 2003 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the “Act”), should be changed as set forth in Exhibit A to Resolution No. 2004-173 (the “Rate and Method Amendment”); and

WHEREAS, the boundaries of the Community Facilities District are as depicted on the boundary map recorded with the County Recorder in the book of maps of assessment and community facilities districts in Book 3AM, at Page 83, as Instrument No. 03-0190347 (the “Map”); and

WHEREAS, the City Council has determined in accordance with the requirements of Section 53331 of the Act that the public convenience and necessity require the Community Facilities District to consider the Rate and Method Amendment; and

WHEREAS, the City Council has adopted Resolution No. 2004-173 (the “Resolution of Consideration”) expressing its intention to consider the proposed Rate and Method
Amendment and has conducted a public hearing on May 11, 2004 as required by Section 53338 of the Act after mailing a public notice as required by Section 53335 of the Act; and

WHEREAS, the proposed Rate and Method Amendment has not been precluded by a majority protest pursuant to Section 53337 of the Act; and

WHEREAS, the City Council now desires to submit to the qualified electors within the Community Facilities District a proposition regarding the proposed Rate and Method Amendment substantially in the form set forth in Section 3 below;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MODESTO ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2003-1 (FAIRVIEW VILLAGE) DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council finds and determines that written protests to the proposed Rate and Method Amendment, or any other matters set forth in the Resolution of Consideration, are insufficient in number and in amount under the Act, and the City Council hereby further orders and determines that all protests to the proposed Rate and Method Amendment, or the extent thereof, or any other matters set forth in the Resolution of Consideration, are hereby overruled.

SECTION 3. A special election on the proposed Rate and Method Amendment shall be and is hereby called and ordered to be held in the Community Facilities District on the date established pursuant to Section 6 below, at which election the following proposition shall be submitted to the qualified electors:
PROPOSITION A: Shall the amended and restated rate and method of apportionment of special tax set forth in Resolution No. 2004-173 adopted by the City Council of the City of Modesto as the legislative body of the City of Modesto Community Facilities District No. 2003-1 (Fairview Village) (the "Community Facilities District") replace the existing rate and method of apportionment for the Community Facilities District and be levied for the purposes set forth in Resolution No. 2003-660?

Section 4. If the proposition set forth in Section 3 receives the approval of more than two-thirds (2/3) of the votes cast on such proposition, then such proposition will take effect.

Section 5. The City Council has heretofore found that fewer than twelve persons have been registered to vote within the territory of the Community Facilities District for the ninety days preceding the close of the public hearing heretofore held by the City Council for the purposes of these proceedings. Accordingly, the vote shall be by the landowners of the Community Facilities District, and each owner of record at the close of such public hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District.

Section 6. The date of the election shall be May 11, 2004, and the City Clerk shall conduct the election. The election shall be conducted by personally delivered or mailed ballots and in accordance with the provisions of law regulating elections of the City insofar as such provisions are determined by the City Clerk to be applicable. The voted ballots shall be returned to the City Clerk not later than 9:00 p.m. on May 11, 2004; provided that if all of the qualified electors have voted prior to such time, the election may be closed by the City Clerk.
Section 7. The form of the ballot for the election is attached hereto as Exhibit A and by this reference incorporated herein. The City Clerk shall cause to be delivered to each of the qualified electors of the Community Facilities District a ballot in said form. Each ballot shall indicate the number of votes to be voted by the respective elector based upon the number of acres of land owned by such elector as set forth above. The identification envelope for return of the ballot shall be enclosed with the ballot, shall have the postage prepaid and shall contain (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the elector is the owner of record, or the authorized representative thereof, and is the person whose name appears on the identification envelope, (c) the printed name, signature and address of the elector, (d) the date of signing and place of execution of the declaration described above and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board. Analysis and arguments with respect to the ballot proposition are hereby waived.

Section 8. The City Clerk shall accept the ballots of the qualified electors in the office of the City Clerk to and including 9:00 p.m. on May 11, 2004 whether said ballots shall be personally delivered or received by mail.

Section 9. There is on file with the City Clerk a written instrument executed by the sole qualified elector of the Community Facilities District requesting a shortening of the time for the special election in order to expedite the process of approving the Rate and Method Amendment and waiving any requirement for analysis and arguments in connection therewith.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Keating, 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: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: Jean Zahr, City Clerk

APPROVED AS TO FORM:

By Michael D. Milich, City Attorney
EXHIBIT A

OFFICIAL BALLOT

CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2003-1 (FAIRVIEW VILLAGE)

May 11, 2004

SPECIAL ELECTION

This ballot is for a special, landowner election. You must return this ballot in the enclosed envelope to the office of the City Clerk of the City of Modesto no later than 9:00 p.m. on May 11, 2004, either by mail or in person. The City Clerk’s offices are located at 1010 Tenth Street, Modesto, California 95353.

INSTRUCTIONS TO VOTERS:

To vote on the measure, make a “+”, “x” or other distinguishing mark on the line after the word “Yes” or on the line after the word “No.” If you wrongly mark, tear or deface this ballot, return it to the City Clerk and obtain another.

PROPOSITION A: Shall the amended and restated rate and method of apportionment of special tax set forth in Resolution No. 2004-173 adopted by the City Council of the City of Modesto as the legislative body of the City of Modesto Community Facilities District No. 2003-1 (Fairview Village) (the “Community Facilities District”) replace the existing rate and method of apportionment for the Community Facilities District and be levied for the purposes set forth in Resolution No. 2003-660?

YES_______

NO_______
By execution in the space provided below, you also indicate your waiver of the time limit pertaining to the conduct of the election and any requirement for analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Sections 53326(a) and 53327(b) of the Mello-Roos Community Facilities Act of 1982.

DEL VALLE CAPITAL CORPORATION, INC.

By ______________________________

Number of Votes: 82
RESOLUTION DECLARING THE RESULTS OF A SPECIAL ELECTION ON A PROPOSITION TO ALTER THE EXISTING RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX PERTAINING TO CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2003-1 (FAIRVIEW VILLAGE) AND CHANGING SAID RATE AND METHOD

WHEREAS, this City Council, acting as the legislative body of the City of Modesto Community Facilities District No. 2003-1 (Fairview Village) (the "Community Facilities District"), called and duly held an election of the Community Facilities District pursuant to resolutions adopted by the City Council on May 11, 2004 for the purpose of presenting to the qualified electors within the Community Facilities District a proposition (the "Proposition") for the replacement of the existing rate and method of apportionment of special tax (the "Existing Rate and Method") with a new rate and method of apportionment of special tax (the "Amended Rate and Method"); and

WHEREAS, there has been presented to the City Council a Certificate of the City Clerk as to the Results of the Canvass of the Election Returns, a copy of which is attached hereto as Attachment "A"; and

WHEREAS, the City Council has now determined to adopt this resolution of change in accordance with Section 53338(b) of the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act");
NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Modesto, acting as the legislative body of the City of Modesto Community Facilities District No. 2003-1 (Fairview Village), hereby finds and determines as follows:

SECTION 1. The above recitals are true and correct.

SECTION 2. Two-thirds or more of the votes cast by the qualified electors of the Community Facilities District at the special election held on May 11, 2004 on the Proposition were cast in favor of the Proposition, and the Proposition carried.

SECTION 3. The City Council hereby determines that the Amended Rate and Method Amendment is lawfully authorized and that the Existing Rate and Method has been changed and the Amended Rate and Method Amendment is now in effect. The City Council further finds and determines that the apportionment of the special tax as set forth in the Amended Rate and Method Amendment is apportioned to each parcel in accordance with the requirements of Section 53325.3 of the Act and is not apportioned on or based upon the ownership or value of real property and that all proceedings with respect to the authorization of the Rate and Method were valid and in conformity with the requirements of the Act.

SECTION 4. The City Clerk is hereby authorized and directed to execute and cause to be recorded in the office of the County Recorder of Stanislaus County an amended notice of special tax lien in the form required by law, said recording to occur no later than fifteen days following adoption of this Resolution.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Keating, 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: Dunbar, Hawn, Jackman, Keating, Marsh, O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST:  

City Clerk

APPROVED AS TO FORM:

By:  

MICHAEL D. MILICH, City Attorney
ATTACHMENT “A”

CERTIFICATE OF CITY CLERK
AS TO RESULTS OF THE CANVASS OF ELECTION RETURNS

STATE OF CALIFORNIA )

) ss.

COUNTY OF STANISLAUS )

As City Clerk of the City of Modesto, I do hereby certify that I have examined the returns of the special election for City of Modesto Community Facilities District No. 2003-1 (Fairview Village) (the “Community Facilities District”). With my concurrence, the election was conducted on May 11, 2004. On or prior to said date I had mailed or caused to be personally delivered a ballot to the landowner listed on the latest equalized assessment roll prepared by the Stanislaus County Assessor prior to May 11, 2004 or otherwise known by me to own the property within the boundaries of the Community Facilities District. The landowner was given one vote for each acre, or portion thereof, that the landowner owns within the Community Facilities District.

I further certify that the results of said election and the number of votes cast for and against the Proposition are as follows:

YES: 82
NO: 0
TOTAL NUMBER OF VOTES CAST: 82

Dated this 11th day of May, 2004.

[Signature]

Jean Zahr,
City Clerk of the City of Modesto
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-262

A RESOLUTION ADJUSTING RENTAL CHARGES AND FEES FOR ACTIVITIES AND SERVICES AT THE MODESTO CITY-COUNTY AIRPORT/HARRY SHAM FIELD, AND RESCINDING COUNCIL RESOLUTION NO. 2003-267

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 during the past year the Consumer Price Index (CPI) of the western United States, which is used as the measurement for airport rates and fees adjustment increased at a rate of two and one-tenths percent (2.1%), and

WHEREAS, the Modesto City-County Airport Advisory Committee recommended adoption of the 2.1% rate increase at its meeting on March 17, 2004, and

WHEREAS, the Economic Development Committee considered the rate increase at their meeting on April 7, 2004 and recommended the City Council increase general aviation, hangars, offices, and tie-downs by 2.1%, and

WHEREAS, by an agenda report to the City Council from the Acting Engineering and Transportation Director dated April 22, 2004, City staff recommended a rate increase of 2.1% for aircraft hangars, office space, and tie-down rentals, and

WHEREAS, a duly noticed public hearing was held by the Council on May 11, 2004 at 5:30 p.m. in the Tenth Street Place Chambers located at 1010 Tenth Street, Modesto, California, at which hearing all interested persons were given the opportunity to be heard relative to the proposal to increase the rates and charges for the Modesto City-County Airport’s aircraft hangars, office space, and tie-down rentals,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto as follows:
SECTION 1. HANGARS. Rental charges for the rental of hangars at the Modesto City-
County Airport/Harry Sham Field are hereby established as follows, payable in advance:

(1) T-Hangars

<table>
<thead>
<tr>
<th>Hangar</th>
<th>End Units</th>
<th>$/Unit per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
<td><strong>$114</strong>$141</td>
</tr>
<tr>
<td></td>
<td>End Units</td>
<td><strong>$133</strong>$158</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td><strong>$139</strong>$164</td>
</tr>
<tr>
<td></td>
<td>End Units</td>
<td><strong>$172</strong>$197</td>
</tr>
<tr>
<td>C</td>
<td></td>
<td><strong>$146</strong>$173</td>
</tr>
<tr>
<td></td>
<td>End Units</td>
<td><strong>$177</strong>$202</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td><strong>$131</strong>$156</td>
</tr>
<tr>
<td></td>
<td>End Units</td>
<td><strong>$155</strong>$182</td>
</tr>
<tr>
<td>E</td>
<td></td>
<td><strong>$191</strong></td>
</tr>
<tr>
<td></td>
<td>End Units</td>
<td><strong>$223</strong></td>
</tr>
<tr>
<td>F</td>
<td></td>
<td><strong>$191</strong></td>
</tr>
<tr>
<td></td>
<td>End Units</td>
<td><strong>$223</strong></td>
</tr>
<tr>
<td>G</td>
<td></td>
<td><strong>$191</strong></td>
</tr>
<tr>
<td>H</td>
<td></td>
<td><strong>$191</strong></td>
</tr>
<tr>
<td>I</td>
<td></td>
<td><strong>$373</strong></td>
</tr>
<tr>
<td>J</td>
<td></td>
<td><strong>$191</strong></td>
</tr>
<tr>
<td>K</td>
<td></td>
<td><strong>$214</strong></td>
</tr>
<tr>
<td></td>
<td>End Unit</td>
<td><strong>$321</strong></td>
</tr>
<tr>
<td></td>
<td>Storage</td>
<td><strong>$76</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$373</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$191</strong></td>
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<tr>
<td></td>
<td></td>
<td><strong>$191</strong></td>
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<td></td>
<td></td>
<td><strong>$191</strong></td>
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<td></td>
<td><strong>$191</strong></td>
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<tr>
<td></td>
<td></td>
<td><strong>$223</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$373</strong></td>
</tr>
</tbody>
</table>

A five percent (5%) discount will be made in any of the above rental charges when a
year's lease is entered into and the year's rental charges are paid in advance.

(b) Storage Hangars:

<table>
<thead>
<tr>
<th>Hangar No.</th>
<th>Lease Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>$1,399.00</strong></td>
</tr>
<tr>
<td></td>
<td>(is discounted to <strong>$950.00</strong> per month)</td>
</tr>
<tr>
<td>2</td>
<td><strong>$1,167.00</strong> per month</td>
</tr>
<tr>
<td>3</td>
<td><strong>$615.00</strong> per month</td>
</tr>
</tbody>
</table>
Hangar No. 4 .... $1,046.00 per month
Hangar No. 5 .... $1041.00 per month
Hangar No. 6 .... $610.00 per month

SECTION 2. TIE-DOWN FEES. Tie-down charges and fees at the Modesto City-County Airport/Harry Sham Field are hereby established as follows, payable in advance:

(a) Tail-in Tie-Down – Permanent, light single and multi-engine (under 12,500 lbs.) $35.00 per month
(b) Taxi-in Tie-Down – Permanent, light single and multi-engine (under 12,500 lbs.) $56.00 per month
(c) Taxi-in Tie-Down – Permanent, large multi-engine (over 12,500 lbs.) $0.041 per square foot per month
(d) Taxi-in Tie-Down – Transient, helicopter/single-engine aircraft $6.00 per day
(e) Taxi-in Tie-Down – Transient, twin-engine aircraft (under 12,500 lbs.) $8.00 per day
(f) Taxi-In Tie-Down – Transient, twin-engine aircraft (over 12,000 lbs.) $12.00 per day
(g) Jets – $12.00 per day

A five-percent (5%) discount will be made in the rental charges set forth in subparagraphs (a), (b), and (c), above when a year’s lease is entered into and the year’s rental charges are paid in advance.

A volume discount may be given to Fixed Base Operators (FBO) that operate flight schools for light single and multi-engine aircraft (under 12,500 lbs.) for tie-down spaces as set forth in subsections (a) and (b) above. For every two tail-in spaces the FBO agrees to lease, one taxi-in tie-down may be leased for the same price as a tail-in tie-down.

Overnight tie-down of aircraft belonging to or in the custody or possession of a lessee at the Modesto City-County Airport/Harry Sham Field shall be subject to the normal tie-down charge as specified by this section.
SECTION 3. OFFICE SPACE. The monthly charge for office spaces at the Modesto City-County Airport/Harry Sham Field are hereby established as follows:

(a) Old Administration Building ..................................... $0.77 per square foot
(b) Office Building No. 1 ................................................. $0.77 per square foot
(c) Office Building No. 2 ................................................. $0.77 per square foot
(d) Hangar Office Space .................................................. $0.348 per square foot

SECTION 4. TEMPORARY USE OF AIRPORT PASSENGER TERMINAL.

Organization and service providers desiring to temporarily use the passenger terminal will be charged a daily rate:

(a) Ticket counter ........................................................... $0.067 per square foot
(b) Other areas ............................................................... $0.067 per square foot

SECTION 5. NONSCHEDULED TRANSIENT AIRCRAFT CARRYING PASSENGERS AND/OR CARGO FOR HIRE. Aircraft landing at the Modesto City-County Airport/Harry Sham Field shall pay a landing fee as follows:

(a) All light single, multi-engine aircraft and helicopters - $10.00 per landing
(b) All large single and multi-engine aircraft - $0.66 per 1,000 pounds of gross weight, but not less than $10.00 per landing
(c) All transient aircraft owned and operated by individuals, companies, and corporations carrying their own products shall not be charged for the first two (2) trips per calendar months. All other trips for the same calendar month shall be charged for at the same rates applied to nonscheduled aircraft carrying cargo for hire.
(d) No landing fee shall be charged for any aircraft, which lands at the airport due to any mechanical or other emergency, except weather, provided that such emergency is reported to the Airport Control Tower prior to landing.

SECTION 6. PASSENGER FACILITY CHARGE (PFC). Commercial air carrying passengers excluding "frequent flyers" or similar airline bonus award enplaning at Modesto City-County Airport/Harry Sham Field shall pay a PFC as approved by Federal Aviation Regulations (FAR) Part 158.
(a) Enplane passenger by airline $3.00 per ticket passengers.

SECTION 7. ADVERTISEMENT CALLBOARD. Firms wishing to advertise in the airport passenger terminal shall have an approved agreement with the City of Modesto. A monthly charge shall be assessed for the use of the advertisement callboard as follows:

<table>
<thead>
<tr>
<th>Display Size</th>
<th>Display Only</th>
<th>Display &amp; Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.5” x 9.5”</td>
<td>$30.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>7.5” x 21”</td>
<td>$35.00</td>
<td>$55.00</td>
</tr>
<tr>
<td>19” x 21”</td>
<td>$40.00</td>
<td>$60.00</td>
</tr>
</tbody>
</table>

SECTION 8. FAX SERVICE. Persons wishing to use the airport administration office fax machine shall be charged for the service. Airport personnel is authorized to collect as follows:

(a) Incoming Service .................................. $.50 per page
(b) Outgoing Service .................................. Area code 209 - $1.00 per page
                                             Other area codes - $2.00 first page
                                             $1.50 - all other pages

SECTION 9. PERMANENTLY BASED COMMERCIAL SERVICES. Any person engaging in a commercial enterprise permanently based at the Modesto City-County Airport/Harry Sham Field shall pay to the City a fee equivalent to the City Business License Fees set forth in Chapter 1 of Title 6 of the Modesto Municipal Code, except that a minimum fee of $100 will be paid for each aircraft sold, for the privilege of engaging in business in the City of Modesto and on the Airport. Said sum shall be payable at the time and in the manner provided for in Chapter 1 of Title 6 of the Modesto Municipal Code.

SECTION 10. FUEL FLOWAGE FEES. A fuel flowage fee of six cents ($0.06) per gallon of fuel sold or dispensed on the Airport shall be collected for the City of Modesto by the fuel vendors, except that reduced fuel flowage fees collected from scheduled air carriers can be negotiated for volume purchases.
SECTION 11. TEMPORARILY BASED COMMERCIAL SERVICES. Any person engaging in a commercial enterprise, temporarily based at the Modesto City-County Airport/Harry Sham Field, shall pay to the City a license fee in the sum of Two Hundred and no/100ths ($200.00) Dollars, payable in advance.

Each such operator shall also pay to the City as a minimum an additional sum of Ninety and no/100ths ($90.00) Dollars per month, or any portion thereof, payable in advance, for the privilege of using the Airport and its facilities.

SECTION 12. OFF-AIRPORT CAR RENTAL OPERATOR FEE. Off-airport operators picking up customers at the Modesto City-County Airport/Harry Sham Field will pay to the City of Modesto the greater of ten percent (10%) of gross on time mileage of vehicles rented or the monthly charge for passenger terminal advertisement space and callboard phone service. Additionally, the operators will be assessed a parking fee at the same rate on-airport car rental operators are charged for vehicles left in the public parking area overnight.

SECTION 13. MOTOR VEHICLE STORAGE CHARGES. Any person who parks a motor vehicle at the Modesto City-County Airport/Harry Sham Field for longer than thirty (30) days at a time shall pay to the City a parking fee of Twenty-five and no/100ths ($25.00) Dollars per month, payable in advance.

SECTION 14. PENALTIES. A five percent (5%) per month penalty charge shall be made on any of the charges and fees established by this resolution when such charges and fees are not paid within thirty (30) days after they are due and payable. No penalties will be collected on the PFC.

SECTION 15. ANNUAL ADJUSTMENT OF RENTS, FEES AND CHARGES. Commencing July 1, 2004, the rents, fees and charges set forth in Sections 1, 2, and 4 of this resolution may be adjusted annually as of the first day of July.
Said rents, fees, and charges shall be adjusted in the following manner: The base for computing the adjustment is the National Consumer Price Index for the West Urban (all urban consumers), published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), with a base year of 1982 – 1984 = 100 ("Beginning Index"). The Index published most immediately preceding the Adjustment Date in question ("Adjustment Index") is to be used in determining the amount of the adjustment. If the Adjustment Index has increased over the Beginning Index, the rents, fees and charges set forth in this resolution shall be set by multiplying the rents, fees and charges set forth in this resolution by a fraction, the numerator of which is the Adjustment Index and the denominator of which is the Beginning Index.

In no case shall the minimum rents, fees and charges be less than existing approved and adopted rents, fees and charges nor shall any increase in a year be greater than five (5%) percent. If the indexes change so that the base year differs from that in effect on July 1, 2004, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised at any time after the effective date of this resolution, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

SECTION 16. EFFECTIVE DATE. This resolution shall go into effect and be in full force and operation on July 1, 2004.

SECTION 17. SUPERSEDE. This resolution rescinds Council Resolution No. 2003-267.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

APPROVED AS TO FORM:

by

MICHAEL D. MILICH, City Attorney

(SEAL)

ATTEST: 

JEAN ZAHR, City Clerk

05/11/04/E&T/V Switzer/Item 20 8 2004-262
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-263

A RESOLUTION APPROVING THE CITY OF MODESTO DRAFT 2004-2005 HUD ANNUAL ACTION PLAN AND AUTHORIZING THE CITY MANAGER TO EXECUTE RELATED NECESSARY DOCUMENTS.

WHEREAS, the City of Modesto receives several Federal grants from the United States Department of Housing and Urban Development (HUD), and

WHEREAS, the City receives a Community Development Block Grant (CDBG), a HOME Investment Partnership Grant (HOME), and an Emergency Shelter Grant (ESG), and

WHEREAS, the City receives these grants annually because of its population size, number of households living below the poverty line, and the number of housing units that are considered substandard, and

WHEREAS, submittal of an Annual Action Plan is required to receive the City’s entitlement grants from HUD, and

WHEREAS, the Citizens Housing and Community Development Committee (CH&CDC) recommended support of this item at its April 23, 2004 meeting, and

WHEREAS, a duly noticed public hearing was held by the City Council at its meeting of May 11, 2004, to consider submission of an application to the U.S. Department of Housing and Development (HUD) pertaining to the 2004-2005 HUD Annual Action Plan, which describes how the City intends to spend Federal assistance received from HUD in the areas of Community Development, Housing Production and Homeless Assistance,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the 2004-2005 HUD Annual Action Plan as presented to the Council for the
Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME) and the Emergency Shelter Grant (ESG) is hereby approved, and a copy of said HUD Annual Action Plan is on file in the Office of the City Clerk.

BE IT FURTHER RESOLVED that the City Manager, or his authorized designee, is hereby authorized to execute any and all documents necessary in relation to grant agreements, and City staff is hereby authorized to submit an application to the U.S. Department of Housing and Urban Development (HUD) pertaining to the 2004-2005 Annual Action Plan which describes how the City intends to spend Federal assistance received from HUD in the areas of Community Development, Housing Production and Homeless Assistance.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember Jackman, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

Attest: Jean Zahr
JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: Michael D. Milich, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-264

A RESOLUTION APPROVING A SECOND AMENDMENT TO THE CITY OF MODESTO 2003-2004 HUD ANNUAL ACTION PLAN.

WHEREAS, the City of Modesto receives several Federal grants from the United States Department of Housing and Urban Development (HUD), and

WHEREAS, on May 13, 2003, by Resolution No. 2003-241, the City Council approved the 2003-2004 HUD Annual Action Plan, and on December 11, 2003, by Resolution No. 2003-654, the City Council approved the first amendment to the 2003-2004 HUD Annual Action Plan, and

WHEREAS, since then, staff has determined that changes should be made to programs and services provided to better meet the needs of the citizens of Modesto, and

WHEREAS, City staff has proposed a second amendment to the 2003-2004 HUD Annual Action Plan, and said proposed second amendment is as set forth in Exhibit “A” attached hereto and incorporated herein by reference, and

WHEREAS, notice has been duly given to the community of the proposed second amendment to the 2003-2004 HUD Annual Action Plan, and to provide a 30-day comment period, which began April 9, 2004, and ended on May 11, 2004, and

WHEREAS, the Citizens Housing and Community Development Committee (CH&CDC) considered the proposed changes to the 2003-2004 HUD Annual Action Plan at its April 23, 2004, meeting, and recommended that the City Council approve the second amendment to the 2003-2004 HUD Annual Action Plan as proposed by staff as well as budgetary adjustments as recommended by staff, and

WHEREAS, a duly noticed public hearing was held by the City Council on May 11, 2004, to consider approval of the proposed second amendment to the 2003-2004 HUD Annual Action Plan,
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the proposed second amendment to the 2003-2004 HUD Annual Action Plan as presented to the Council is hereby approved, and a copy of said second amendment to the 2003-2004 HUD Annual Action Plan is attached hereto as Exhibit “A” and incorporated herein by reference.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that the City Manager, or his designee, is hereby authorized to execute any documents with respect to the second amendment to the 2003-2004 HUD Annual Action Plan be submitted to the U.S. Department of Housing and Urban Development (HUD).

BE IT FURTHER RESOLVED that any and all documents necessary to implement the Action Plan shall require further Council approval.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of May, 2004, by Councilmember O’Bryant, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

Attest: JEAN ZAHR, City Clerk

APPROVED AS TO FORM:

By: MICHAEL D. MILICH, City Attorney
City of Modesto
Annual Action Plan

Fiscal Year 2004-2005

Community Development Block Grant
HOME Investment Partnership Grant
Emergency Shelter Grant

April 2004

Prepared by the:
Parks, Recreation and Neighborhood Department
1010 Tenth Street, Suite 4300
Modesto, CA 95353
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CITY OF MODESTO
EXECUTIVE SUMMARY AND ANNUAL ACTION PLAN
FOR FISCAL YEAR 2004-2005

I. INTRODUCTION

This document serves as the City of Modesto’s 2004-2005 Annual Action Plan, updating the most recent 5-Year Consolidated Plan submitted to the U.S. Department of Housing & Urban Development (HUD). The Consolidated Plan covers the years 2000 to 2005, and was approved by the City Council on June 27, 2000.

The 5-Year Consolidated Plan analyzes the City’s housing and community development needs, with a priority focus on low- and moderate-income individuals, households, and neighborhoods, and describes a long-term strategy for meeting those needs. In addition to the development of a broad policy framework, the Consolidated Plan also addresses how the City will utilize funding from three different entitlement grants to meet those needs: The Community Development Block Grant (CDBG), the HOME Investment Partnership Grant (HOME), and the Emergency Shelter Grant (ESG). In general, these funds must be used to revitalize low-income neighborhoods, assist disadvantaged populations by providing adequate public facilities and services, generate affordable housing opportunities, and implement effective strategies to reduce and end homelessness.

As part of the consolidated planning process, HUD requires the submission of an Annual Action Plan that details the proposed activities, projects and expenditures for the three entitlement grants, using the goals and priorities of the 5-Year Consolidated Plan as a guide. The Annual Action Plan must also describe all anticipated resources for the coming year that may be used to address the variety of housing and community development needs in the jurisdiction. The Annual Action Plan for the coming year is due to HUD by May 31, 2004.

Citizen participation is a key component of the consolidated planning process. The federal regulations implementing the three entitlement grants discussed above require that the City provide ample opportunity and means for the populations served by the grants, as well as the general citizenry, to provide input to the goals and priorities that should be reflected in the plan, as well as the specific types of activities that will be funded. The Citizen Participation Calendar shown on Appendix A, outlines the meetings, public hearings and application deadlines used as part of the preparation of the 2004-2005 Annual Action Plan.

The primary oversight of the City’s HUD entitlement grant programs comes from the Citizens Housing and Community Development Committee (CH&CDC). This committee, appointed by the City Council and chaired by the Mayor, has representatives of various other City committees (Community Development and Housing, Planning Commission, Housing Rehabilitation Loan Committee, etc.), as well as a Stanislaus County Supervisor’s delegate representing the low-income areas in the City. In addition, at-large seats, generally representing low-income and racial minority groups, fill out the 11-member committee.

Staff from the Parks, Recreation and Neighborhoods Department, Recreation and Neighborhood Services Division, provides day-to-day administration of the programs.
II ENTITLEMENT PROGRAM GOALS AND REQUIREMENTS

As previously mentioned, the City of Modesto is an “entitlement” grantee for three programs administered by HUD: the Community Development Block Grant (CDBG), the HOME Investment Partnership Grant (HOME), and the Emergency Shelter Grant (ESG). As an entitlement grantee, the City is eligible to receive a specified amount of funding under each program annually, based upon a variety of socioeconomic and housing data.

Each grant is authorized under a specific law and a set of implementing regulations that must be followed in the execution of funded projects, as follows:

- **Community Development Block Grant**: Title I of The Housing and Community Development Act of 1974, 24 CFR Part 570
- **HOME Investment Partnership Grant**: Title II of the Cranston-Gonzalez National Affordable Housing Act in 1990, 24 CFR Part 92
- **Emergency Shelter Grant**: Subtitle B of Title IV of The Stewart B. McKinney Act, 24 CFR Part 576

The CDBG funds must be used to primarily benefit low- and moderate-income persons in accordance with the following major goals:

- **Provide decent housing**: this includes assisting homeless persons in efforts to obtain affordable, stable housing; retention of affordable housing stock; and increasing the stock of housing affordable to low- and moderate-income persons.

- **Provide a suitable living environment**: includes efforts to improve the safety and livability of neighborhoods; increasing access to quality facilities and services; revitalizing deteriorating neighborhoods; restoring and preserving natural and physical features of special value for historic, architectural or aesthetic reasons; and conserving energy resources.

- **Expand economic opportunities**: may include programs to create jobs accessible to low- and moderate-income persons; providing job development and skill training; and providing assistance for persons living in assisted and public housing to achieve self-sufficiency.

In the CDBG program, a minimum of 70% of funds expended for the goals listed above must benefit individuals or households who are in the low- and moderate-income level. The remainder of funds may be used for the following eligible activities:

- **Program Administration and Planning & Capacity Building**: Up to 20% of the total of the grant plus program income is to be used for necessary costs to meet the administrative requirements of the grant. The regulations require grantees to provide program management, coordination, monitoring, reporting, evaluation, citizen participation, and fair housing activities. Costs include not only payroll for staff directly involved in carrying out the grant, but also items such as public notices, printing of documents, public meetings, office space rent, computer leases, and internal costs such as legal review of program documents, technology support, and accounting services.
• **Preventing or Eliminating Slums or Blight:** A carryover from the Urban Renewal Program, which was replaced by CDBG, these activities may address major slum and blight problems through clearance, abatement of toxic materials, facade improvements, elimination of code violations (including housing), and rehabilitation of buildings to eliminate specific conditions detrimental to public health and safety.

• **Other Urgent Community Development Needs:** To be eligible, conditions must exist that pose a serious and immediate threat to the health or welfare of the community, are of a recent origin, and there are no other funding sources available to address the need. This might cover such items as a flood or earthquake, when local resources are depleted, and other Federal programs cannot cover the entire cost of the project.

The **HOME** program is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. Among the items that HOME funds can pay for are:

- Construction or rehabilitation of housing for rent or ownership
- Site acquisition or improvement
- Down Payment Assistance (American Dream Down Payment Initiative Program)
- Home purchase or rehabilitation financing assistance
- Tenant-Based Rental Assistance
- Demolition of dilapidated housing to make way for HOME-assisted development

Those who benefit from HOME assistance must meet certain eligibility and compliance requirements; these vary with the nature of the funded activity:

- In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD adjusted median
- For rental housing and rental assistance, a minimum of 90% of benefiting families must have incomes that are no more than 60% of the HUD-adjusted median family income for the area
- HOME-assisted rental housing must comply with certain rent limitations
- The income of households receiving HOME assistance must not exceed 80% of the area median

**ESG** funds must be used to assist persons who are homeless or at great risk of becoming immediately homeless. Funds can be used to:

- Provide certain essential services to homeless individuals and families, so that these persons have access not only to a safe and clean shelter, but also access to the supportive services and other kinds of assistance needed to improve their situations and move them from homelessness to stable housing
- Help meet the cost of operating those shelters
- Help improve the quality of existing emergency shelters for the homeless, and provide for additional emergency shelters, including rehabilitation of existing buildings
- The ESG program is also intended to help reduce the number of persons becoming homeless through preventive programs and services
III ESTIMATED FUNDING

A. The 2004-2005 Annual Action Plan is based upon the following estimated revenues:

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Estimated Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG Entitlement</td>
<td>$2,854,000</td>
</tr>
<tr>
<td>CDBG Program Income</td>
<td>$200,000</td>
</tr>
<tr>
<td>CDBG Revolving Loan Program Income</td>
<td>$180,000</td>
</tr>
<tr>
<td>CDBG Revolving Loan Reprogramming</td>
<td>$1,750,000</td>
</tr>
<tr>
<td>HOME Entitlement</td>
<td>$1,375,817</td>
</tr>
<tr>
<td>HOME American Dream Down Payment Initiative (ADDI) - FY03-04</td>
<td>$116,089</td>
</tr>
<tr>
<td>HOME Program Income</td>
<td>$100,000</td>
</tr>
<tr>
<td>ESG Entitlement</td>
<td>$105,715</td>
</tr>
<tr>
<td>Total Estimated Revenues</td>
<td>$6,681,621</td>
</tr>
</tbody>
</table>

In the above chart, *entitlement* refers to the annual grant amount received by the City through formula allocation, *program income* refers to revenue received through payments of principal and interest on loans made through the program, *revolving loan fund* refers to the special fund established for housing maintenance loans that is replenished through the payment of principal and interest on loans originating from that fund, *reprogramming* refers to a portion of a previous year’s funds that was not spent, and is now being reprogrammed for a different activity than the one it was previously obligated for.

B. The following summarizes proposed activities and funding totals by category for all three entitlement grants for 2004-2005 in accordance with total estimated revenue available. A complete description of each activity can be found in Section VI, categorized by the IDIS project it will be funded under.

<table>
<thead>
<tr>
<th>Activity Category</th>
<th>Funding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Development, Preservation, and Homeownership</td>
<td>$3,201,228</td>
</tr>
<tr>
<td>Infrastructure &amp; Public Improvements</td>
<td>$1,313,337</td>
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<tr>
<td>Neighborhood Preservation &amp; Stabilization</td>
<td>$298,416</td>
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<tr>
<td>Economic Development</td>
<td>$24,573</td>
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<tr>
<td>Public Services (CDBG, RLF &amp; ESG)</td>
<td>$673,258</td>
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<tr>
<td>Program Administration &amp; Planning (includes Fair Housing)</td>
<td>$759,809</td>
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<tr>
<td>Loan Repayment</td>
<td>$361,000</td>
</tr>
<tr>
<td>RLF Interest Payment</td>
<td>$50,000</td>
</tr>
<tr>
<td>Total Funding</td>
<td>$6,681,621</td>
</tr>
</tbody>
</table>

C. Leveraging of Other Funding Sources for Housing and Community Development Projects:

Redevelopment Funds:
The City of Modesto’s Redevelopment Agency, by law, must allocate 20% of its tax increment proceeds to affordable housing. The agency has already determined allocation priorities through the adoption of the Agency’s Housing Implementation Plan in December 1999. It is anticipated that the Agency will have available approximately $2.9 million in FY 2004-2005 to allocate to...
affordable housing projects in the downtown area. Potential projects would include mixed-used housing as well as mixed-use land uses. The Community and Economic Development Department administers these funds.

**American Dream Down Payment Initiative (ADDI) Program:**
This is a new program, approved by Congress and sponsored by President Bush. This program is designed to help more residents become first time homebuyers. The program will be incorporated into the City’s existing Down Payment Assistance Program. The total funds allocated in 2004-2005 are $116,089 ($53,251 for FY03-04 plus $62,838 for FY04-05).

**Section 108 Loan Guarantee:**
In fiscal year 2003-2004, the City of Modesto requested $4.5 million in Section 108 Loan Guarantee funds from HUD to finance:
- $3.1 million for the construction of the Neighborhood Center at Marshall Park, a joint service facility for police, fire and recreational services; and
- $1.4 million for the renovation and expansion of the Maddux Youth Center.

These projects will provide safety services, as well as family and youth services to a low-income area located in the western sector of Modesto. These projects are described in more detail in Section V of this plan.

**State of California CalHome Funds:**
In fiscal year 2003-2004, the City of Modesto applied for and received $300,000 in CalHome funds from the State of California to apply to the Down Payment Assistance Program. Due to delays in the award announcements and contract administration at the State level, the funds have not been available during this FY03-04. The City of Modesto and the California Department of Housing and Community Development are working on the contracts and set up of this program. Most of the funds will be available during FY04-05 to fund down payment loans.

**State of California Job Housing Balance Funds:**
Besides the above-mentioned Cal Home funds from the State of California, the City of Modesto also received $166,485 in Job-Housing Balance Funds. These funds were put towards the construction and remodeling costs of the Maddux Youth Center and the Neighborhood Center at Marshall Park. These funds will help insure that both project are fully funded and of top quality when completed. These projects are described in more detail in Section V of this Plan.

**Housing Opportunities for Persons with AIDS (HOPWA):**
The Housing Opportunities for Persons with AIDS (HOPWA) program is authorized by the AIDS Housing Opportunity Act (AHOA) and amended by the Housing and Community Development Act of 1992. The program is designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immune-deficiency syndrome or related diseases and their families. The program authorizes entitlement grants and competitively awarded grants for housing assistance and services. The City of Modesto does not receive HOPWA funds through the entitlement process as it does with CDBG, HOME and ESG. The Stanislaus County Ryan White Consortium is the agency that receives HOPWA funds locally. For fiscal year 2004-2005, the Consortium expects to receive approximately $114,378. Through an RFP process, these funds will be allocated to a local service provider to pay for housing-related costs. Funds are also allocated to Doctor’s Medical Foundation for administration of the program.
Private Resources:
The use of private resources (such as debt financing, equity, owner cash, sweat equity, expertise, materials, donations, land and buildings) is an essential component of the City’s attempt to maximize all available means to accomplish the wide variety of housing and community development goals. For example, in the City’s Housing Rehabilitation Program in mandatory Target Area Four, only 24% of the units rehabilitated have been completed with CDBG financing. The individual owners have financed the remaining 76% of the households. Developers of affordable housing projects also typically use state and federal tax credits as equity for the development of both senior and multi-family rental housing for very low- and low-income households. Both private conventional lenders and governmental lenders such as CHFA, FHA, and FNMA have provided and are anticipated to continue to provide private funding.

D. Matching Requirements

The City of Modesto will provide the required 25% match for HOME funds by continuing to require HOME recipients to provide other sources of funding for the HOME-assisted project, including private financing, as well as waiver or deferral of development fees, per City Council policy for Affordable Housing projects. In addition, the City has accumulated a match surplus from previous HOME-assisted projects. Some of the match credit on the books resulted from waived and deferred development fees.

For the ESG program, the City requires that ESG recipients provide the required 100% match for the funds they receive. Typically, the City is able to generate significantly more match than the amount required, through the contributions of both grants and in-kind costs by local nonprofit organizations providing services to homeless families and individuals. The agencies providing the match for the coming year are the Center for Human Services, Interfaith Ministries and the Children’s Crisis Center.

IV. ON-GOING ACTIVITIES AND RESOURCES FROM PREVIOUS YEARS

At this time, the City is not programming any new activities under the revenue category of “CDBG Reprogramming”. Once the fiscal year is closed in June 30, 2004, and the actual amount of carryover is known, the City will make decisions regarding reprogramming any unspent funds for new activities, and would include those in an amendment to the 2004-2005 Annual Action Plan.

V. SUMMARY OF PRIORITIES AND OBJECTIVES FOR THE 2004-2004 ACTION PLAN

As a result of the community input meetings held in March, and the participation of a variety of interested persons and agencies in the process, the following areas have been identified as priorities for the upcoming year:

- **Focusing on Concerns of Persons in Low-Income Neighborhoods:** In March, staff convened a series of meetings in low- and moderate-income neighborhoods to solicit residents’ views on the use of HUD funds in their neighborhoods. As a result of their input, the objectives in this area for the coming year are as follows:
✓ Support neighborhood groups’ efforts to eliminate slum and blight through assistance to organize and fund neighborhood clean-up efforts;
✓ Update and renovate community facilities, such as the kitchen in the King-Kennedy Memorial Center and the Maddux Youth Center, as these are widely-used by residents in the neighborhood;
✓ Assist with efforts to reduce illegal dumping by working with neighborhood groups and citizens on notification programs and education on the City’s solid waste programs;
✓ Continue with infrastructure improvements in low-income neighborhoods, including street paving, installation of curbs, gutters, and sidewalks.
✓ Strongly market and fund the Housing Rehabilitation Program, to preserve existing housing stock and to prevent further decline of older neighborhoods;
✓ Provide financial support for neighborhood-based groups, as appropriate, to assist with Asset Based Community Development.

• Continued Efforts to Develop and Facilitate Construction of Affordable Housing: The City of Modesto continues to suffer from a crisis of not having enough affordable housing for its citizens. The costs of housing, both in terms of homeownership and the rental market, have skyrocketed in the past several years, while job and wage growth have not kept pace. Those on fixed incomes, including seniors and those receiving other forms of public assistance, are the most affected. There is also a low vacancy rate in the rental market, further compounding the problem. Objectives will include:

✓ Ensuring citizens participation in the planning process for affordable housing developments;
✓ Continuing to educate citizens about quality affordable housing developments that have been and are being built, to neutralize the “not in my backyard” syndrome. Successful NIMBYism has halted development in the past, and can unfairly restrict housing choice;
✓ In fiscal year 2003-2004, the City made major modifications to the Down Payment Assistance Program, including raising the maximum loan amount to $60,000 to ensure the program was keeping pace with the housing market. Staff will continue to monitor the program closely as well as monitoring the housing market to make sure the program can benefit as many first-time homebuyers as possible while protecting the City’s investment;
✓ Identifying and certifying additional Community Housing Development Organizations (CHDO) to utilize available HOME funds;
✓ Working closely with the City’s Redevelopment Agency to ensure that Housing Set-Aside funds are used in a timely and efficient manner;
✓ In addition, issues such as inclusionary zoning and financial incentives for developers are being recommended for future study in the update to the City’s Housing Element.

• Continue to Remove Barriers to Accessibility for Severely Disabled Individuals: The removal of architectural barriers in order to make facilities accessible to severely disabled persons is an eligible activity under CDBG. The City has continued to receive strong input from the disabled community and advocacy groups regarding their desire to see funding for such activities to continue. To that end, the City is proposing to continue to fund the following:
Removal of curbs and installation of curb ramps at prioritized intersections, in order to make the streets and sidewalks accessible and navigable to persons in wheelchairs;
Installation of audible pedestrian signals at prioritized intersections to allow navigation of the streets and sidewalks by persons with visual disabilities;
Removal of architectural barriers in public buildings. Two projects that were started in 2003-2004 should be completed in 2004-2005. These two projects are the “ADA improvement project at the King-Kennedy Memorial Center,” which will result in accessible restrooms, stage area, front counter and drinking fountains. The other project, which will be completed, is the installation of the elevator at the Modesto Centre Plaza, the City-owned and operated convention center.

As Part of the Continuum of Care Consortium, Address Both the Short- and Long-Term Needs of the Homeless: Two city staff members (the CDBG/ESG Program Manager and the HOME Program Manager) sit on the Stanislaus County Housing and Support Services Collaborative. This body functions as the Continuum of Care Consortium for Stanislaus County. The Continuum of Care is a strategy by which homeless individuals may receive the services they need to address both their immediate and long-term needs. An effective system provides an assessment of needs, adequate emergency shelter resources, social services such as mental health, substance abuse, and job training, transitional housing, and ultimately either supportive housing or permanent housing. A strong homelessness prevention strategy is also a key to the success of such a system. Obviously, such a system requires the cooperation and resources of numerous agencies that each has a unique and key role to play in the delivery of services. The objectives for the coming year include:

Continue to monitor and encourage the operation of a day center, where the homeless may use telephones, shower and laundry facilities, as well as see case workers from a variety of social service agencies;
Develop a ten-year plan to end long-term homelessness, and identify the number of units and the support services needed to assist this target group.
Increase options for long-term transitional housing, especially for certain affected groups such as single women with children, and those with mental health and chemical dependency issues;
Continue to increase affordable housing options. The low vacancy rate in the rental market and unaffordable rents are causing more and more working families to become homeless;
Apply for grants and other special funding, such as Proposition 46 funds, a special bond measure passed by California voters in the November 2002 election. These funds are exclusively designed to increase shelter and transitional housing options for homeless individuals.

Improve and Construct Major Public Facilities through the Section 108 Loan Guarantee Program:

The City of Modesto has identified the need for two major public facilities construction projects on the west side of Modesto, a predominantly low-income area that continues to have many infrastructure and facilities needs. The City is proposing to fund these
projects through the CDBG Section 108 Loan Guarantee Program. The two projects are “The Neighborhood Center at Marshall Park” and “The Maddux Youth Center”.

**Neighborhood Center at Marshall Park**

The City proposes to build on the existing site of Marshall Park at the corner of Sutter and Chicago Avenues, a joint service facility that will provide citizens the opportunity to interact with City employees in their own neighborhood. They will be able to meet with police and fire staff, conduct city business such as paying water or sewer bill, enroll a child in a recreation program, or just ask questions concerning City programs and policies.

The existing fire station located in the area was built in 1923 and is outdated and there is no room for expansion. The community police sub-station is in an existing strip mall and could easily be combined with the fire staff. The new facility would be an 8,500 square foot fire station with three truck bays and a 4,075 square foot police and recreation area. There would be an office that would staff personnel from all three departments, as well as a weight room, community meeting room, restroom, and a small kitchenette.

WLC Architects has been working on the schematic design, preparation of design development documents, plans, specifications and the cost estimate for the new joint use facility. WLC has been meeting with staff and community groups to ensure that the design is the best fit for the community, the needs of City staff, and the existing appearance of the park. Upon completion of the design and environmental documents, a Request for Proposal process will be used for the selection of a contractor to build the new joint facility. This should be accomplished by October 2004. Construction could begin in December 2004 and completed twelve months later.

**Maddux Youth Center**

The Maddux Youth Center was built in 1952 and is located in the existing Cesar Chavez Park located at 4th and G Streets. The center houses a gym, a weight room, and offices for staff. This building is in desperate need of renovation and expansion to meet the needs of today’s youth.

Renovation to the existing 7,000 square foot structure would include a new roof with skylights, a new air handling system, replacement of interior and exterior doors, enclosure of existing windows, and abatement of the asbestos in the flooring, and installation of new flooring in the facility, excluding the gym. A 2,500 square foot addition to the south side of the building would be utilized as a computer lab, additional restrooms, and a multi-purpose room. A 3,500 square foot addition to the northeast side of the building would accommodate the activities of the Police Activities League (PAL) youth boxing program.

RRM Design Group has been working on the design development and construction documents since August 2001. The City of Modesto has hosted two public meetings on the design to facilitate community input. Following the final design, the City will seek Request for Proposals for the construction of the project. It is estimated that the contractor will be selected by May 2004, with construction to begin in July 2004 and completed twelve months later.
**Collateral**

The City of Modesto proposes payment of the Section 108 Loan Guarantee with funds from the annual CDBG entitlement. The City will also pledge the parks and the two buildings, the proposed Neighborhood Center at Marshall Park and the improved Maddux Youth Center, as collateral for the loan. A Deed of Trust in favor of HUD will be recorded against the land and buildings.

**Time Tables and Stages**

The construction for both projects should begin by summer or fall of 2004 and be completed by the end of 2005. During the construction phase, initial advances will be taken from the Section 108 Loan Guarantee to pay the construction costs. Interest due on the initial advances will be paid through the adjustable rate interim financing. It is hoped that the project will be almost fully funded at the time of the annual public offering of the bond in 2004, if the public offering is in the later half of the year. The City will participate in the public offering and convert the existing Section 108 Loan Guarantee into fixed rate financing for a 20-year term.

The City proposes to address the above-identified priorities and objectives through the funding of the specific activities listed below.

**VI. LISTING OF PROPOSED ACTIVITIES BY CATEGORY, ALL FUNDING SOURCES**

**HOUSING DEVELOPMENT, PRESERVATION, & HOME OWNERSHIP**

The following are recommended activities to increase, improve, and preserve decent, safe and affordable housing opportunities for low- and moderate-income individuals and households throughout Modesto. A list of program budgets is shown on Appendix C.

**Project 0001: Homeownership Assistance**

**First-Time Homebuyers Classes:** $3,000 CDBG
Funds will be used to pay the fee for eligible low-income persons to attend a First-Time Homebuyers Education class, a requirement to be eligible for the City’s Down Payment Assistance Program. Proposed accomplishments: Provide 15 persons or households with a home-buying education class.

**Down Payment Assistance Program:** $303,000 CDBG
Provides funding for loans of up to $60,000 each, to assist low-moderate income persons and households with the down payment and closing costs on a home purchase. Proposed accomplishments: Provide 5 down payment assistance loans with the CDBG entitlement funds

**American Dream Down Payment Initiative (ADDI)** $116,089 HOME
These funds will be used to augment the existing City of Modesto Down Payment Assistance Program. Proposed accomplishments: This funding will help assist 9 families become first time homeowners.
**Project 0002: Housing Maintenance Program**

**Housing Rehabilitation Loans:** $550,000 CDBG RLF
Utilizing existing funds in the City’s CDBG Revolving Loan Fund or private funds, low-interest loans may be provided to property owners in the City’s two residential Target Areas (Highway Village, and the Airport Neighborhood) to address health and safety hazards within the homes, which have been found and documented by a City Building Inspector. Proposed accomplishments: Completion of initial inspection and rehabilitation (if needed) of 36 housing units in the set Target Areas.

**Property Enhancement Program:** $4,000 CDBG
This program provides financial assistance in the form of rebates, to enable very-low and low-income property owners to improve the exterior appearance of their property. Items covered may include: removal of debris, exterior painting, front and side yard landscaping, fence/gate repair, energy savings improvements, and other external improvements such as gutters and chimneys. Proposed accomplishments: Complete/improve 8 properties of very low and low-income owner.

**Paint and Insulation Rebate Program:** $4,000 CDBG
This program provides property owners with an incentive to improve the condition of their home, improving the appearance of their neighborhood, and reducing utility costs by reimbursing specific dollar amounts for materials and/or labor for painting and insulation projects. Proposed accomplishments: Provide 5 paint and/or insulation rebates.

**Tool Bank Program:** $1,000 CDBG
Funding will be used to rent tools through the City’s Tool Bank Program. This lending program provide yard tools for persons in existing and previous Housing Maintenance Program target areas, to assist with tidying up their property by providing items such as lawn mowers, edgers, weed-eaters, carpet cleaners and sewer snakes. Proposed accomplishments: Issue 8 tool bank authorizations.

**Project 0003: Emergency Home Repair/Disabled Access Assistance Program**

**Emergency Home Repair/Disabled Access Assistance Program:** $150,000 CDBG RLF
Funding will be provided to cover low-interest loans made to very-low or low-income owner-occupants, who have one of the following needs: emergency conditions necessitating repairs to protect health and safety, or renovations necessary to make a home more accessible and safe to a person who is disabled. Proposed accomplishments: Assist 10 households with emergency home/disabled access assistance.

**Project 0004: Building Code Enforcement**

**Building Code Enforcement:** $52,000 CDBG/RLF
Funds are provided to cover the portion of the salary for a City Building Inspector to perform the necessary inspections, clearance and documentation work for the City’s Target Area Housing Rehabilitation and Maintenance Program. Proposed accomplishments: Continued resolution of outstanding Notice and Orders, as well as 36 anticipated new inspections.
Project 0005: Lead-Based Paint Services

Lead-Based Paint Services: $8,500 CDBG
As part of the Housing Rehabilitation Program, funds will cover the costs necessary for testing, paint stabilization and clearance of lead-based paint hazards. Proposed accomplishments: 4 households will be assisted.

Project 0006: Housing Demolition

Housing Demolition: $2,000 CDBG
Funding for the costs of demolishing a structure when deemed necessary through the Housing Maintenance Program. Proposed accomplishments: One unit to be demolished.

Project 0007: Temporary Relocation

Temporary Relocation: $5,000 CDBG
Funds will provide for any necessary costs of temporarily relocating an individual or household who must in the interim vacate their dwelling while undergoing rehabilitation through one of the Housing Maintenance Program Target Area projects. Proposed accomplishments: 4 individuals or households will be assisted.

Project 0008: Housing Rehabilitation Support

Rehabilitation Services: $664,404 CDBG
Funding for staffing, services and supplies necessary to provide technical support and oversight of the City’s Housing Maintenance Programs listed above, including inspections and guidance provided by Housing Rehabilitation Specialists, loan administration provided by the Housing Financial Specialist.

Project 0009: Affordable Housing Direct Loans

Affordable Housing Direct Loans: $1,035,791 HOME/PI
These funds will be used to either construct new housing or rehabilitate existing housing, per HOME guidelines. Funds may be provided as loans or as grants to eligible developers, either private or public. Proposed accomplishments: It is anticipated that the majority of the funds will be allocated via a Request for Proposal process for the development of affordable housing.

Project 0010 CHDO Set-Aside

CHDO Set-Aside: $206,373 HOME
15% of the HOME grant will be set aside for eligible Community Housing Development Organization(s) to cover the project costs of affordable housing projects. Proposed accomplishments: No specific recipients have been identified at this time.

Project 0011: CHDO Operating

CHDO Operating: $68,791 HOME
5% of the HOME grant will be set aside for eligible Community Housing Development Organization(s) to assist with the operational costs of the organization implementing an
affordable housing project. Proposed accomplishments: No specific recipients have been identified at this time.

**Project 0012: Tenant Based Rental Assistance**

**Tenant Based Rental Assistance:** $27,281 HOME
Funds will be provided to assist with the move-in deposit for low-income households who are currently rent burdened (paying more than 50% of their gross income towards rent), or who have become homeless in the last 6 months due to being rent burdened or have been evicted from their home due to code enforcement issues. Proposed accomplishments: The program will assist 22 rent burdened households by providing deposit assistance on a new rental unit.

**Total Housing Development, Preservation & Home Ownership:** $3,201,228

**INFRASTRUCTURE & PUBLIC IMPROVEMENTS**

The following are recommended capital improvements of public or community-based facilities and public rights-of-way. These activities, when appropriate, will be coordinated with other City Departments to maximize leveraging of resources:

**Project 0013: Accessibility Improvements, Streets**

**ADA Improvements - Curb Ramps:** $101,912 CDBG
Funds will be used in priority intersections to grind down existing curbs and install ADA-compliant curb ramps, so that the sidewalk and street crosswalk will be accessible to disabled citizens in wheelchairs. Proposed accomplishments: 35 curb ramps will be installed.

**Project 0014: Infrastructure Improvements, Streets**

Street Paving in Low-Income Areas: $130,000 CDBG
Will provide funding for the paving of streets in low-income areas where such amenities are nonexistent or in a state of neglect, requiring re-paving of an area. Proposed accomplishments: 6 street sections in low-income areas will receive infrastructure upgrades.

**Project 0015: Neighborhood Improvements**

**Neighborhood-Based Projects:** $30,000 CDBG
Funding is used to provide small grants, up to $10,000 each, to neighborhood-based groups to carry out small infrastructure or beautification projects on either public right-of-way, or for projects benefiting a community-based nonprofit organization, or on private property, if the beneficiaries are low-moderate income. Proposed accomplishments: 3 groups will receive funding to do neighborhood improvements.

**Project 0016: Property Acquisition**

**Property Acquisition** $849,927 CDBG/RLF
Funds are used to support the City’s Property Agent to pursue the purchase of land or right-of-way for CDBG-funded projects.

**Total Infrastructure & Public Improvements:** $1,313,337
NEIGHBORHOOD PRESERVATION & STABILIZATION

The following activities are proposed to increase the livability of neighborhoods by assisting citizens in taking back control of their neighborhoods, cleaning up slum and blight conditions, and improving the capacity of neighborhood-based groups to become effective agents of change:

Project 0019: Alley Closures

Alley Closures: $15,723 CDBG
Funds will be provided to install swing gates with locks in alleys in low-income neighborhoods, where residents have expressed a desire for such closures to prevent nuisance behaviors, such as illegal dumping, as well as criminal behaviors, such as drug-dealing and prostitution. Proposed accomplishments: 2 qualifying alleys may be closed.

Project 0020: Neighborhood Clean-Up Projects

Neighborhood Clean-Up Projects: $18,000 CDBG
This program is designed to assist the City’s low-income residents remove blighted materials and/or debris from their neighborhoods. The program pays for the placement of a dumpster in a low-income census tract to clean up the neighborhood. The dumpsters are granted after the City of Modesto staff finishes a review of the application and deems that the clean up will remove an imminent health or safety risk from a qualifying neighborhood. Dumpsters are usually placed at the request of a City Code Enforcement Officer working with residents to resolve an illegal dumping issue or at the request of neighborhood coalitions working to clean up their neighborhood during an event. Proposed accomplishments: 12 dumpsters will be placed and dumped for neighborhood clean-up efforts.

Project 0021: Code Enforcement

Code Enforcement: $238,971 CDBG
This provides funds for City code enforcement officers working in low-income census tracts, as well as support staff processing complaints, addressing violations of the municipal code that contribute to slum and blight conditions. Proposed accomplishments: 3,000 cases will be enforced in low-income census tracts.

Project 0022: Community Based Development Organizations

Community Based Development Organizations (CBDO): $25,772 CDBG
Funding for eligible CBDO to carry out allowable activities in a specific geographic area in one or more of the following areas: Neighborhood Revitalization, Economic Development or Energy Conservation. This will also include staffing time for neighborhood interns who work directly with CBDO as part of the City’s Neighborhood Capacity Building efforts. Proposed accomplishments: 1 CBDO will receive funding for an eligible project, and interns will assist with capacity building efforts.

Total Neighborhood Preservation & Stabilization: $298,416
ECONOMIC DEVELOPMENT

The following are recommended to improve the earnings capabilities of low-moderate income persons:

**Project 23: Workforce Development Strategy**

**Workforce Development Program Support:** $24,573 CDBG
Funding for 0.3 FTE of an Administrative Services Officer Analysts to provide City input and oversight into the programs operated by the Workforce Development Collaborative. The City is interested in looking at a new workforce development program, as the first program, which included work preparation for the construction trades is successfully running on the Modesto Junior College Campus. The City is interested in working with Kaiser Medical Corporation, who is getting prepared to open up a new campus facility and two building hospital in the next several years. This person will work on coordinating the basic of a nurse’s assistant program as well as working with Kaiser to define their job needs and match their need with the employment needs specified by the community. These funds are paid for from the Administrative Cap.

Total Economic Development: $24,573

PUBLIC SERVICES

The following are recommended funding allocations to support human assistance programs to provide for acute, crisis needs of individuals and families, as well as addressing long-term developmental needs:

**Project 0024: General Public Services**

**Community Housing & Shelter Services (CHSS)** $73,000 CDBG/RLF
“Homeless Prevention Case Management”
Prevention Case Management for families and/or individuals who are homeless or at risk of homelessness due to eviction. Funding specifically for rental or shelter vouchers. **Proposed accomplishments:** Provide 1,460 nights of shelter to 40 families, rental assistance for up to 20 households. Also $600 in funding is included for bus passes. It is anticipated that 300 persons will be utilizing these bus passes.

**Stanislaus Literacy Center “Adult Literacy”** $31,785 CDBG
This program will provide literacy services and opportunities through a computer lab in West Modesto. **Proposed accomplishments:** 40 adults served through the computer lab and 20 adults through Job-Club Center reading classes.

**United Way “UW Information and Referral Program”** $13,044 CDBG
These funds will help the United Way expand their information and referral program by funding a portion of one staff person to provide information and referral services. **Proposed accomplishments:** This staff person will serve 400 calls from City of Modesto residents.

**DRAIL “Assistive Technology Services”** $18,000 CDBG
DRAIL provides information, referral and equipment services for the disabled residents of Modesto. Funding is to provide durable medical equipment, adaptive aids or assistive devices.
that will lead to an increased independent lifestyle. Proposed accomplishments: Currently DRAIL has 12 people on the waiting list for the described type of devices.

Project 0025: Food Programs for Low-Moderate Income

Second Harvest Food Bank “Food Assistance Program” $35,000 CDBG
Expand the food bank program by purchasing and distribution of supplemental groceries. Proposed accomplishments: Distribute more than 800,000 pound of groceries

Stanislaus Community Assistance Project $41,485 CDBG
Nutritional Supplement & Education Program (NSEP)
This program will deliver nutritional food items to person or people with HIV/AIDS. Also, the funding will pay the salaries of the person delivering the food. Proposed accomplishments: This program aims to assist 5 clients per day every weekday of the year. Total duplicated count will be approximately 260.

The Salvation Army “Hotel Food” $10,000 CDBG
The program will deliver food products to homeless residents or referred clients that are temporarily living in hotels or are unable to attend the noon-meal program served at Salvation Army. Proposed accomplishments: It is anticipated that this program will serve 700 cases.

The Salvation Army “Homeless Noon Meals Program” $10,000 CDBG/RLF
This program will provide food for the hot lunch program provided at the Salvation Army for homeless individuals and families on a daily basis, Monday-Friday. Proposed accomplishments: It is anticipated that this program will provide in total 50,000 meals and the City of Modesto funding will provide approximately 6,000 meals.

Project 0026: Shelter Services

Interfaith Ministries “Santa Fe Emergency Shelter Project – Rent & Food” $42,800 CDBG/RLF
The Santa Fe Emergency Shelter is a homeless seasonal shelter designed to serve homeless families. The funding will cover the entire rental amount for 20 units and portion of the food for the clients. Proposed accomplishments: At least 20 families will be sheltered and provided with food for the winter season, approximately 90 days. Over 1800 shelter nights provided.

Interfaith Ministries “Redwood Family Center” $2,243 ESG
This is a homeless transitional shelter, which provide housing to women and children that are recovering from drug and alcohol addictions. The funding is to replace the existing gas water heater including: the earthquake straps, labor and new water heater. Proposed accomplishments: This facility currently houses 73 families of women and children

Interfaith Ministries “Santa Fe Emergency Shelter Project” $27,000 ESG
The Santa Fe Emergency Shelter is a homeless seasonal shelter designed to serve homeless families. The funding will provide 2 security employees for the shelter season. Proposed accomplishments: At least 20 families will be sheltered and provided with food for the winter season, approximately 90 days. Over 1800 shelter nights provided.
Project 0027: Youth Services

Children Crisis Center $10,063 CDBG/RLF
“Sawyer House Children Homeless Shelter”
This program provides respite childcare services to low-income at risk children and families who are homeless. Funding is for salaries (1,151 hours of children care staff) to increase the service level. Proposed accomplishments: 95 low-income children will be served with this funding

Children’s Crisis Center of Stanislaus County $18,720 CDBG
“Cricket’s House Respite Childcare”
Cricket’s House provides childcare, respite care as well as shelter for youth who are homeless or at risk of homelessness. The client’s ages vary from birth to 17 years of age. Funding is for salaries for 2080 hours of respite childcare staff time at $9.00 per hour. This will provide direct care and supervision to at-risk children. Proposed accomplishments: Each unit will provide 2080 hours of shelter care at $9.00 per hour

Children’s Crisis Center of Stanislaus County $13,000 CDBG
“Sawyer House Nursery Expansion Project”
This funding is to provide a capital project to help expand a nursery expansion. These funds will add a new room that will be used for a “diaper changing area” which will include: running water, infant sink and diaper changing station. Currently the diaper changing area is located in the actual sleeping quarters. Proposed accomplishments: Will provide services to 29 unduplicated homeless children, who will be more rested and cleaner due to this project.

Center for Human Services $16,860 CDBG/RLF
“Pathways Transitional Living Program”
The funding will provide a substance abuse counselor for this program. The Pathways Transitional Living Program which provides temporary shelter in an independent living setting for up to 16 youth, ages 18-21 who are leaving foster care, and who are or will be homeless without assistance. The counselor will provide drug and alcohol counseling as well as prevention and intervention programs. Proposed accomplishments: 16 youth will receive the above array of services for 48 weeks

Center for Human Services $1,700 ESG
“Hutton House Runaway & Homeless Youth Shelter”
Hutton House is a shelter for runaway and homeless youth (ages 13-17) that provides temporary shelter as well as social services to stabilize the lives of youth who are or will be living on the street without assistance. ESG funds will be used to cover costs of replace old cabinets and install new cabinets in the existing structure. Proposed accomplishments: Necessary shelter renovations will be made and 225 youth from Modesto will receive services.

Center for Human Services $16,848 ESG
“Pathways Transitional Living Program”
The Pathways Transitional Living Program provides temporary shelter in an independent living setting for up to 16 youth, ages 18-21 who are leaving foster care, and who are or will be homeless without assistance. The funds will provide food for the clients who will visit the shelter. Proposed accomplishments: 14 youth will receive the above array of services plus food funded by the ESG grant

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Parent Resource Center

"The “ABC” of Childcare Expansion & Enhancement"

Funding for the expansion of the childcare facility. The funding will cover salaries of an interaction facilitator and childcare worker for the expanded childcare facility as well as a portion of direct service costs including supplies. Proposed accomplishments: The CDBG funds will serve 30 unduplicated children and 20 unduplicated parents in the enhancement services

Project 0028: Crime Awareness

Modesto Police Department

"Crime Free Multi-Housing Project"

This program provides training to tenants and landlords on crime prevention in rental complexes. Developments that complete the training and comply with safety design standards are certified. Funds will be used to fund only duplexes and triplex units. Proposed accomplishments: The program will be increased to include landlords and property owners who manage/own duplexes and triplexes. At least 5 training sessions will be provided, and 15 structures will be certified.

Project 0029: Abused Children’s Services

Children’s Crisis Center of Stanislaus County

“Cricket’s House Respite Childcare”

The purpose of this center is to provide shelter for abused, neglected and at risk children and support services for their families. The funding is to be used for childcare staffing. Proposed accomplishments: Provide 1,560 of respite childcare staff time and serve 1,140 youth.

Project 0030: Fair Housing Services

Project Sentinel “Fair Housing”

Project Sentinel provides HUD-mandated Fair Housing Services to the citizens of Modesto, including outreach and education, investigation of complaints, conciliation of cases, and litigation, where necessary. CDBG funds pay for verified fair housing complaints and cases handled by the agency. Proposed accomplishments: 11 educational presentations to other agencies on fair housing law, and one tenant/landlord workshop. Provide information and refer services to a minimum of 1,300 callers. 800 phone calls for assistance, provide 40 fair housing investigations and provide tenant/landlord services to 35 verified house complaints.

Project Sentinel “Tenant-Landlord Services”

The services provided by Project Sentinel for this funding are education and intervention in situations such as: assistance for deposits, evictions, rental agreement terms, outreach and education as well as specific mediation assistance. Proposed accomplishments: 250 dispute resolution complaints tenant/landlord, distribution of 2,000 pieces of education material. Also conduct 7 presentations to other agencies and one fair housing tenant/landlord workshop. Handle over 700 information and referral phone calls.

Project 0031: ESG Unobligated

ESG Unobligated Public Service Funds:

Funding not yet committed for a winter shelter activity, but will be committed prior to the beginning of the fiscal year on July 1, 2005.

Total Public Services: $673,258
PROGRAM ADMINISTRATION & PLANNING

The following costs are related to program administration, program planning, community participation, and Fair Housing services. For CDBG, HUD limits the funding for this category to twenty percent of the total of the entitlement grant and program income. For the HOME program, the limit is 10%. ESG program administration is paid for out of the CDBG grant, as allowed by HUD:

Project 0032: Administration

General Administration $492,134 CDBG
Costs for staff directly responsible for day-to-day administration of the grant, including the salaries, supplies and services necessary to prepare the annual application and performance reports, monitoring of activities, and data gathering and reporting, in compliance with federal regulations.

Project 0033: Indirect Administration

Indirect Administration $83,648 CDBG
General administrative support provided by staff throughout the City for the administration of the program, as well as the program’s share of internal service charges and indirect costs.

Project 0034: Fair Housing Services

Fair Housing Services $35,000 CDBG
Funding provided to Project Sentinel, Inc., for the provision of HUD-mandated fair housing services, including public information and outreach, referrals, investigations, conciliation and litigation services for alleged violations of fair housing laws.

Project 0035: Planning and Capacity Building

Planning & Capacity Building: $11,445 CDBG
Includes necessary staff time to complete other federal or state grant applications, and Neighborhood Services Interns’ time to work on special capacity-building studies and activities.

Project 0036: HOME Program Administration

HOME Program Administration: $137,582 HOME
Funds will cover the costs of salaries, supplies and services necessary to administer the HOME Program per federal regulations. This funding reflects 10% of the annual grant, as allowed by HUD regulations.

Total Program Planning & Administration $784,382

LOAN REPAYMENTS

The following is the projected debt service payment for the coming year for the HUD Section 108 Loan Program:

Project 0037: Section 108 Loan Repayments

Neighborhood Center at Marshall Park/ Maddux Youth Center Section 108 Loan Guarantee: $361,000 CDBG

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The first year's payment for the Section 108 loan funds used to construct the Neighborhood Center at Marshall Park and expand/rehabilitate the Maddux Youth Center at Cesar Chavez Park.

Project 0038: RLF Interest Payment
RLF Interest Payment $ 50,000 RLF

Total Loan Repayments: $411,000

VII GEOGRAPHIC DISTRIBUTION OF PROJECTS

The maps in Appendix B show the geographic areas of the City of Modesto, specifically the census tracts that will be the focus of assistance during the program year. The first map shows the low-income census tracts, per the 2000 Census, where median household incomes are below 80% of the area’s median income. The second map shows the areas of minority concentration for those who identified themselves in the 2000 Census as Hispanic, Black-African/American, Asian, and American Indian/Alaskan Native. In the funding of all projects, and in providing assistance to specific beneficiaries, the City will ensure:

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

IX LEAD-BASED PAINT HAZARDS

Effective September 15, 2000, Lead-based paint regulations have been implemented and are currently being complied with. Due to Senate Bill SB 460, February 2003, and Final Lead Regulations EPA, July 2003, staff found that in order to become more knowledgeable with lead-based paint regulations, the City’s rehab housing specialists completed and passed the U.S. Department of Housing and Urban Development Lead Hazard Control’s Visual Assessment course, pursuant to 24CFR, Part 35, and received completion certificates.

Recreation and Neighborhood Services Division rehabilitation staff developed a workbook to guide them through the process when lead-based paint is found or presumed to be present during construction. The workbook contains Federal requirements for paint and rehabilitation programs, a flowchart of assistance thresholds, and the documentation that is required and when it is required, and cost worksheets on level of rehabilitation assistance. This workbook includes Lead Safe Housing Rule Checklist and Associated Guidance, which comply with Information Bulletin CPD-2003-017, August 2003.

In August 2002, two housing rehabilitation specialists attended a HUD-sponsored update session entitled “Making it Work.” In December 2002, one rehabilitation specialist attended a course on Lead-based Paint Abatement Supervision and Monitoring. In September of 2002 one of our rehabilitation specialist became a DHS Certified Inspector/Assessor and followed up to become a DHS Certified Supervisor in 2003. The City will continue to send staff to training to better prepare them for dealing with lead-based paint in conjunction with construction regulations. Staff is scheduled to attend a Western Regional Conference on “Mold & Lead,” in 2004.

As an additional effort in spreading the word about the effects of lead-based paint, the City had 2,000 copies of the "Spanish" version and 1,000 copies of the "English" version of the Environmental Protection Agency's pamphlet entitled "Protect Your Family From Lead in Your City of Modesto 2004-2005 HUD Annual Action Plan".
Home" reproduced for distribution at neighborhood meetings in low-income neighborhoods. Copies of the pamphlets are also available at the information counter at the Parks, Recreation and Neighborhoods Department.

X  OTHER ACTIONS
In addition to the provision of housing services, community development/infrastructure, and public service, the City plans to continue working in the following areas:

**Removal of Barriers to Affordable Housing:** The City will continue to foster the construction of affordable housing projects by:
- providing funding for land acquisition, secondary financing and infrastructure costs;
- down payment assistance to qualified households to purchase a home;
- by encouraging the provision of Mortgage Credit Certificates;
- through the exemption or deferral of Capital Facilities Fees for projects providing low-income housing;
- by using the adopted streamlining process for environmental review;
- by continuing to work with nonprofit housing agencies in the provision of their services and programs.

**Analysis of Impediments to Fair Housing:** The Department of Housing & Urban Development (HUD) is committed to eliminating racial and ethnic segregation, illegal physical and other barriers to persons with disabilities and other discriminatory practices in housing, through the implementation of fair housing actions. Provisions to affirmatively further fair housing are principal and long-standing components of HUD’s housing and community development programs. These provisions come from the mandate of Section 808(e)(5) of the Fair Housing Act which requires the Secretary of HUD to administer the Department’s housing and urban development programs in a manner to affirmatively further fair housing.

HUD’s housing and community development program regulations, handbooks and notices interpret the statutory requirement in specific standards that entitlement jurisdictions, such as the City of Modesto, must meet or actions they must take. The Community Development Block Grant (CDBG) program contains a regulatory requirement to affirmatively further fair housing based upon HUD’s obligation under Section 808 of the Fair Housing Act. The HOME program regulation states the statutory requirement from the Comprehensive Housing Affordability Strategy (CHAS) that the jurisdiction must affirmatively further fair housing.

In order to meet these statutory requirements, HUD requires grantees to:
- Conduct an analysis to identify impediments to fair housing choice within the jurisdiction; this should be done at least every 5 years;
- Take appropriate actions to overcome the effects of any impediments identified through the analysis;
- Maintain records reflecting the analysis and actions taken in this regard.

HUD interprets these broad objectives to mean:
- Analyze and eliminate housing discrimination in the jurisdiction;
- Promote fair housing choice for all persons;
- Provide opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability and national origin;
• Promote housing that is structurally accessible to, and usable by, all persons, particularly persons with disabilities;
• Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

Although the obligation to affirmatively further fair housing arises in connection with the receipt of Federal funds, this obligation is not restricted to the design and operation of HUD-funded programs. This obligation extends to all housing and housing-related activities in the jurisdiction (the City of Modesto), whether publicly or privately funded.

Currently, the City of Modesto contracts with Project Sentinel, Inc., a fair housing non-profit agency, to assist with compliance of the nondiscrimination provisions of the Fair Housing Act, a portion of the federal requirements. This agency provides fair housing education to both the public and the housing industry, information and referral on fair housing questions, fair housing investigations, conciliating landlord/tenant disputes of a fair housing nature, and litigation of fair housing cases. These services are paid for with CDBG funds.

As stated above, HUD mandates that jurisdictions regularly conduct an Analysis of Impediments to Fair Housing (commonly referred to as the AI). The AI is a review of impediments to fair housing choice in the public and private sector. Impediments to fair housing choice are any actions, omissions, or decisions taken on the basis of race, color, religion, sex, disability, familial status, or national origin that restricts housing choices or the availability of housing choices. Policies, practices or procedures that appear neutral on their face, but which operate to deny or adversely affect the provision of housing to persons of any of the protected groups mentioned above, may constitute such impediments.

The most recent “Analysis of Impediments to Fair Housing”, completed for the City of Modesto, was done in May 1996. This takes the City beyond the recommended 5-year cycle. In addition, there have been tremendous changes in the housing market since that time. Staff is recommending that a Request for Proposals (RFP) be issued for a qualified provider to carry out the Analysis of Impediments to Fair Housing, and that this study be completed in the early portion of 2004-2005. At a minimum, this assessment will include:

• A comprehensive review of the jurisdiction’s laws, regulations, codes, ordinances and administrative policies, procedures and practices;
• A comprehensive review of private sector practices in such areas as design, occupancy quotas, deed restrictions, lease provisions, banking and insurance policies, brokerage services, etc.;
• An assessment of how those laws and practices, etc. affect the location, availability, and accessibility of housing;
• An assessment of conditions, both public and private, affecting fair housing choice for all protected classes;
• An assessment of the availability of affordable, accessible housing in a range of unit sizes.

Public Housing Resident Initiatives: The Housing Authority of Stanislaus County will continue to encourage public housing residents to become more involved in management by supporting the formation of resident councils and encouraging resident involvement and input into management issues.

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**Anti-Poverty Strategy:** Providing opportunities for low-income families to improve their economic status is a focus of effort for the City, and is reflected in our strategic plan. The City will work in this area in the following ways:

- Continue to work cooperatively with the local Workforce Investment Board, the Workforce Alliance, community college and other partners to implement innovative training programs in our community which address the needs of both those families receiving public assistance and the working poor. The Workforce Alliance is a newly reformed coalition that brings together economic development efforts with workforce training efforts.

- Continue to provide staff support to the City’s Workforce Development Program operated by the Community and Economic Development Department.

- Enhance relationships with other public agencies that work with low-income families through nonprofit workgroups, to address the potential of joint applications for grants that address the needs of low-income families.

- Continue with efforts to increase the supply of affordable housing in our community. While the production and preservation of affordable housing on its own will not raise people’s income or lift them from poverty, it does contribute to stabilizing living expenses for low-income families, so that they have more discretionary income for other living expenses.

**XI MONITORING PLAN**

The City of Modesto monitors its performance in meeting the goals and objectives set forth in our Consolidated Plan in the following ways:

- By ensuring that the community is made aware of the contents of the Consolidated Plan through community meetings, and asking the community for its input on the City’s progress in meeting those goals and objectives through a variety of public forums;

- In proposing activities for funding, staff reviews those proposals for consistency with the Consolidated Plan. In staff reports to the City Council, we discuss how these activities support and further these goals;

- In preparing the CAPER at the end of each year, we evaluate and discuss in detail our performance for the last year as it relates to the Consolidated Plan, building upon areas of strength, and looking for innovative ways to improve in those areas where we have not yet attained our goals.

In addition, within the Parks, Recreation and Neighborhoods Department (Recreation and Neighborhood Services Division) a coordinated procedure has been established to verify and confirm the fact that grant funds have been used in an eligible and appropriate fashion. The Division receives monthly budget printouts from the Finance Department, which identify the total funds used by all programs during a given month. Staff verifies and cross-references the information on the monthly budget activity reports with supporting documentation maintained at the office. In addition, staff assigns a unique number to each activity that provides easy identification on both the City’s financial reporting system and IDIS. Implementation of this “cross-reference” system also helps staff to monitor progress on its draw downs in order to
ensure compliance with the timeliness requirement. This procedure also offers a form of "checks and balances" in order to verify expenditures and to determine the availability of funds. This procedure has proven to be effective for staff in the management of a variety of programs.

Additional monitoring procedures have been established to provide further controls on the use of funds in specific projects. A summary of the method and procedures are identified below:

**Housing Rehabilitation Loan Program:**

When a project is funded under the Housing Rehabilitation Loan Program, both the Housing Financial Specialist and the Housing Rehabilitation Specialist monitor the use of those funds. Funds are disbursed according to a detailed Real Property Improvement Agreement that is executed by the property owner and the contractor. When a phase of the work is completed, the Housing Rehabilitation Specialist confirms the completeness of the phase of rehabilitation in accordance with the appropriate housing codes and the work write-up specifications. The Housing Rehabilitation Specialist reviews the work with the property owner and the owner signs a payment request voucher that authorizes the disbursement of funds according to the contract. This procedure is followed throughout the entire project to completion and all funds have been disbursed. The Housing Financial Specialist reviews the payment voucher, after which time it is approved by the Deputy Director of the Parks, Recreation and Neighborhoods Department. Funds are disbursed to the contractor by Citibank under the City's Lump Sum Draw down agreement. The City's Finance Department monitors the disbursement of funds and balance of the project account.

**Public Services Program/Emergency Shelter Grant and Community Development Block Grant**

As contracts are written for the various organizations (sub recipients) receiving CDBG or ESG funds, strict controls are placed on the use of the funds. Whenever possible, payments are made for units of service delivered to beneficiaries. Performance measures (i.e., number of individuals served, type of activity, accomplishments, etc.) are established as part of the agreement. This enables City staff to monitor the effectiveness of the funded project. The agreement for services also includes general performance standards, including the provision of monthly activity reports to the City, and written requests for disbursement of funds.

In addition to implementing agreement for services for local non-profit organizations, the Parks, Recreation and Neighborhoods Department also has written "Memorandum of Understandings" (MOUs) with other departments within the City organization. These MOUs describe, in general, the services that are to be delivered to the community, quantify the services in measurable objectives and terms and lists the funds dedicated to these activities. The staff then follows up on the conditions of the MOU's and monitor the progress of departmental internal to the City, as well as those non-profit agencies. All internal departments also submit written requests for disbursement of funds.

City staff conducts an on-site monitoring session once a year to confirm the supporting documentation for use of funds and to confirm that the services were rendered as reported. Staff also addresses key issues that may arise from general programmatic concerns, audit findings, or public concern. A written report on each sub recipient is provided to the Citizens Housing and Community Development Committee which oversees the funding process.
HOME Program: On-Site Inspection of Housing Units for Determining Affordability Compliance

HOME-assisted rental units are inspected for rent, income, housing quality, and other affordability criteria in accordance with section 92.252. Complexes containing 1 to 4 HOME-assisted units are monitored not less than three years; complexes containing 5 to 25 units are monitored every two years and projects containing 26 units or more are monitored every year.

XII HOME-SPECIFIC REQUIREMENTS

• Recapture/Resale for Home Ownership Activities: The City of Modesto has elected the recapture option during the affordability period. As such, the full amount of the HOME down payment assistance loan made to the homebuyer is recaptured and returned to the HOME program account. Payments on HOME loans are deferred for 5 years, at which time amortized payments begin. Full repayment (principal plus accrued interest) is due at the time the owner sells, transfers title, refinesces or discontinues using the home as their principal residence.

• Tenant Based Rental Assistance: Due to the low vacancy rate in the rental market in Modesto (around 2%) and lack of affordable rents in the area, the City has chosen to continue providing Tenant Based Rental Assistance through HOME funds for persons who are low-income and who are rent-burdened.

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

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

XIII ESG-SPECIFIC REQUIREMENTS

The City of Modesto beginning with the funding cycle for Fiscal Year 2004-2005 changed the funding process for ESG and CDBG Public Services funding. A pre qualification process was implemented. The agencies interested in applying for these funds were required to submit a list of documents such as a business license, proof of insurance coverage, Articles of Incorporation as a non-profit corporation Copy of By-Laws, letter from either Internal Revenue Service or
the California Franchise Tax Board determining tax-exempt status, copy of their organization chart, list of Board of Directors and/or officers, copy of their most recent audit performed by a CPA and a completed conflict of interest statement. This process started on October 1, 2003 and ended on January 16, 2004. Once the agencies submitted a complete pre-qualification package they were notified that they have been pre-qualified to apply for this year’s funding cycle. The Request For Proposals (RFP) was released in February, advertising the availability of Emergency Shelter Grant funds for the coming year. Eligible nonprofit agencies were invited to attend a technical assistance conference, where staff covered the eligible uses of ESG funds, using the HUD-published “ESG Program Desk Guide”, and describe the application process. Once the RFP cycle was closed and proposals had been received, a review committee made up of staff, the President of the Stanislaus Housing and Support Services Collaborative and members of the Citizen’s Housing & Community Development Committee read each proposal and provided funding recommendations based upon the following criteria:

- Soundness of the agency: Is the agency a nonprofit in good standing in the State of California, have there been any major changes in staffing in the last year, is the agency’s most recent audit sound?

- Eligible activity: Is the agency proposing to provide an eligible activity under ESG? Is there request in line with funding restrictions in ESG, such as no more than 30% of funding for essential services? Can the agency provide the required 100% match?

- Alignment with community need: Is the proposed service one that is needed and is not being provided through other funding sources, or will this funding augment an existing service to ensure that as many homeless individuals as possible will receive services? Does it fit into the Continuum of Care Plan?

- Quality of Service: Does the agency have adequate staffing and resources to carry out the project, do they have the ability to collect and report data as required, have they operated similar programs in the past?

Funding recommendations of the Review Committee are provided to the Citizen’s Housing and Community Development Committee, as well as the City Council. Once approved, these projects are included in the list of projects for the Annual Action Plan.

For 2004-2005, the ESG allocation will be matched by the following agencies with funding as follows:
### Center for Human Services:

<table>
<thead>
<tr>
<th>Contribution</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Contribution from Wells Fargo</td>
<td>$6,743</td>
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<tr>
<td>Federal Emergency Management Grant</td>
<td>$8,000</td>
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<tr>
<td>United Way-Youth Advisory Board</td>
<td>$3,898</td>
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<tr>
<td>Grant from Federal Youth Services Bureau</td>
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<td>United Way</td>
<td>$29,350</td>
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<tr>
<td>United Way Diversity</td>
<td>$2,917</td>
</tr>
<tr>
<td>Parents &amp; Teens FPSP</td>
<td>$24,714</td>
</tr>
<tr>
<td>State of California Grant</td>
<td>$117,040</td>
</tr>
<tr>
<td>Federal Housing and Urban Development Grant</td>
<td>$71,608</td>
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<tr>
<td>Stanislaus County</td>
<td>$98,496</td>
</tr>
<tr>
<td>Donations &amp; Fees</td>
<td>$54,665</td>
</tr>
<tr>
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<td>$617,311</td>
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### Children’s Crisis Center:

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<tr>
<th>Source</th>
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</thead>
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<tr>
<td>Proposition 10</td>
<td>$86,294</td>
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<tr>
<td>PSSP</td>
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<td>United Way</td>
<td>$10,000</td>
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<tr>
<td>Childcare Food</td>
<td>$16,000</td>
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<tr>
<td>CVOC</td>
<td>$2,000</td>
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<tr>
<td>GCTR</td>
<td>$217,000</td>
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<tr>
<td>Federal Block Grant</td>
<td>$15,000</td>
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<td>Children’s Trust Fund</td>
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<tr>
<td>Various Foundation Grants</td>
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<td>Charitable Contributions</td>
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<td>$441,901</td>
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### Interfaith Ministries:

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<th>Source</th>
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<tr>
<td>Contributions/Cash Reserves</td>
<td>$132,400</td>
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### XIII 5 YEAR CONSOLIDATED PLAN

One of the other major undertakings that the Parks, Recreation and Neighborhoods Department will take on during the next program years is the creation of the 2005-2010 5 year consolidated plan. The 5-Year Consolidated Plan analyzes the City’s housing and community development needs, with a priority focus on low- and moderate-income individuals, households, and neighborhoods, and describes a long-term strategy for meeting those needs. In addition to the development of a broad policy framework, the Consolidated Plan also addresses how the City will utilize funding from three different entitlement grants to meet those needs: The Community Development Block Grant (CDBG), the HOME Investment Partnership Grant (HOME), and the Emergency Shelter Grant (ESG). In general, these funds must be used to revitalize low-income neighborhoods, and to assist disadvantaged populations by providing adequate public facilities and services, generating affordable housing opportunities, and implementing effective strategies to reduce and end homelessness. Citizen participation is a key component of the consolidated planning process. The federal regulations implementing the three entitlement grants require that the City provide ample opportunity and means for the populations served by the grants, as well as the general citizenry, to provide input to the goals and priorities that should be reflected in the plan, as well as the specific types of activities that will be funded. The Consolidated Plan will cover the following subject matters:
• An outline of the approach and the degree of citizen participation sought in developing the plan and identifying community development needs;
• An overview of the national and local goals for housing and community development and the anti-poverty plan;
• A community profile, which describes the community, gives background and trend information, and provides insight into the characteristics of Modesto’s population.
• A strategic plan for addressing non-housing community development needs and activities the City jurisdiction will attempt to undertake during the next year and subsequent years through 2010 to address the needs prioritized in the plan.
• A strategic plan to address the future economic development needs of the community
• Modesto’s housing market and inventory characteristics. Other topics included in this section are barriers to affordability, public and assisted housing.
• Housing and homeless needs assessment as well as an update to address the needs of the homeless and how the Consolidated plan will integrate into HUD’s 10 year plan to end chronic homelessness.
• Modesto’s housing services and strategies. This section will also discusses strategies to reduce barriers to affordable housing, continuum of care, public housing resident initiatives, and the lead-based paint hazards reduction activities.
• The coordination and delivery of services. This would attempt to summarize the institutional structure, lists the entities the City consulted with, or will consult with, in regards to the Plan, and discusses the gaps in the institutional structure.
• Funding resources and allocation for the federal, state, local, and private resources expected to be available to address the housing and community development needs identified in the Consolidated Plan

XIII PUBLIC NOTICE

PUBLIC NOTICE

The City of Modesto has prepared the draft FY 2004-2005 Annual Action Plan identifying uses of Community Development Block Grant (CDBG), HOME Investment Partnership Grant, and Emergency Shelter Grant (ESG) program funds. A total of $4,451,621 of new entitlement funds will be allocated for community development projects and programs. This Annual Action Plan will also include estimated program income and reprogram funds from prior years.

There will be a 30-day public comment period beginning April 9 2004. The Citizens Housing and Community Development Committee will receive comments on the draft at their April 23, 2004 meeting. Comments received in writing or orally will be responded to accordingly. A public hearing will be held on May 11, 2004 at the Modesto City Council meeting, beginning at 5:30 p.m. The meeting will be held at the Modesto City Council Chambers, 1010 Tenth Street, Modesto. This public hearing will conclude the public comment period.

Copies of the draft FY 2004-2005 Annual Action Plan will be available at the Parks, Recreation and Neighborhoods Department, 1010 Tenth Street, Suite 4300, Modesto, on April 9, 2004. For additional information, call 209-577-5247, fax 209-544-3982 or TDD (hearing impaired only) 1-800-735-2929.
XV  PUBLIC COMMENTS

No public comments because the AAP is not available yet. This item has to be completed after the 30-day public comment period.
Appendix A

Citizens Participation

Calendar of Events
City of Modesto  
FY 2004-2005 HUD Annual Action Plan  
*Citizen Participation Calendar of Events*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>CH&amp;CDC Meeting to approve the draft timeline for Public Service Grants and Action Plan for 2004-2005/Citizen Participation Calendar of Events; Room 4104, Tenth Street Place</td>
<td>Jan 29, 2004</td>
<td>12:00 noon</td>
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<tr>
<td>City Council Meeting to approve the draft timeline for Public Service Grants and Annual Action Plan for 2004-2005/Citizen Participation Calendar of Events; Council Chambers, Tenth Street Place</td>
<td>Feb 3, 2004</td>
<td>5:30 p.m.</td>
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<tr>
<td>Application Period for Public Service Grants opens</td>
<td>Feb 2, 2004</td>
<td>8:00 a.m.</td>
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<tr>
<td>Staff Technical Assistance Workshop for ESG Public Service Grants, Room 4104, Tenth Street Place</td>
<td>Feb 10, 2004</td>
<td>9:00 a.m.</td>
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<tr>
<td>Staff Technical Assistance Workshop for CDBG Public Service Grants, Room 4104, Tenth Street Place</td>
<td>Feb 11, 2004</td>
<td>9:00 a.m.</td>
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<tr>
<td>Application Deadline for Funding Requests of Public Service Grants</td>
<td>Feb 27, 2004</td>
<td>5:00 p.m.</td>
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<tr>
<td>Analysis of Public Service Funding Requests by staff and Review Committee</td>
<td>March 1 to Mar 12, 2004</td>
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<tr>
<td>Community meetings to obtain input for 2004-2005 Annual Action Plan projects/activities: Tenth Street Place, Airport Neighbor’s United, Chrysler School, and King-Kennedy Center</td>
<td>Mar 16, 18, 22, 24, 2004</td>
<td>6:00 p.m.</td>
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<tr>
<td>CH&amp;CDC Meeting and public hearing to consider Requests for Funding of Public Service Applications, Council Chambers, Tenth Street Place</td>
<td>Mar 26, 2004</td>
<td>12:00 noon</td>
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<tr>
<td>City Council Meeting to consider and approve Funding Recommendations for Public Service Applications, Council Chambers, Tenth Street Place</td>
<td>Apr 6, 2004</td>
<td>5:30 p.m.</td>
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<tr>
<td>Public notice announcing availability of draft 2004-2005 Annual Action Plan for review and comments</td>
<td>Apr 9, 2004</td>
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<tr>
<td>CH&amp;CDC Meeting to consider draft 2004-2005 Annual Action Plan, Room 4104, Tenth Street Place</td>
<td>Apr 23, 2004</td>
<td>12:00 noon</td>
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<td>City Council Meeting and public hearing to consider and approve recommendations for the 2004-2005 Annual Action Plan, Council Chambers, Tenth Street Place</td>
<td>May 11, 2004</td>
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<tr>
<td>Submission of 2004-2005 Annual Action Plan to HUD</td>
<td>May 28, 2004</td>
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Appendix B

Maps

• Low-Income Census Tracks

• Areas of Minority Concentration
Appendix C

Program Budgets Summary

- CDBG
- HOME
- ESG
## FY 2004-2005 CDBG Budget

### CDBG Funding

<table>
<thead>
<tr>
<th></th>
<th>FY04-05 Entitlement</th>
<th>Program Income</th>
<th>RLF PI</th>
<th>RLF Reprogram</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>Entitlement</td>
<td>2,854,000</td>
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<td></td>
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<td>2,854,000</td>
</tr>
<tr>
<td>Program Income</td>
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<td>200,000</td>
<td></td>
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<td>200,000</td>
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<tr>
<td>Reprogram</td>
<td></td>
<td></td>
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<tr>
<td>Revolving Loan Fund (RLF) Program Income</td>
<td>180,000</td>
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<td>180,000</td>
</tr>
<tr>
<td>Revolving Loan Fund (RLF) Reprogram</td>
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<td></td>
<td></td>
<td>1,750,000</td>
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<td><strong>FUNDING TOTAL</strong></td>
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<td>180,000</td>
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### CDBG Budget

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<tr>
<th>Housing Development, Preservation &amp; Home Ownership</th>
<th>FY04-05 Entitlement</th>
<th>Program Income</th>
<th>RLF PI</th>
<th>RLF Reprogram</th>
<th>TOTAL</th>
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<td>First-Time Homebuyers Classes</td>
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<td>Housing Rehabilitation Loans</td>
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<td>Property Enhancement</td>
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<td>Paint/Insulation Rebate</td>
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<td>Tool Bank Program</td>
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<td>Emergency Home Repair &amp; Disabled Access Assistance</td>
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<td>Building Code Enforcement</td>
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<td>Lead-Based Paint Services</td>
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<td>Temporary Relocation</td>
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<td>Rehabilitation Services</td>
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<td><strong>Infrastructure &amp; Public Improvement</strong></td>
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<td>1230 12th Street (SSN Bldg) Retrofit</td>
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<td>(includes Property Agent &amp; CEQA Support)</td>
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<td><strong>Neighborhood Preservation &amp; Stabilization</strong></td>
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<td>Alley Closure</td>
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<td>Neighborhood Clean-up Projects</td>
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<td>Community Based Development Organizations</td>
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<td><strong>Economic Development</strong></td>
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<td>Workforce Development Program</td>
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<td>Workforce Development Program Support</td>
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## FY 2004-2005 CDBG Budget

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<tr>
<th>CDBG Budget</th>
<th>FY04-05 Entitlement</th>
<th>Program Income</th>
<th>RLF PI Reprogram</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Services</strong></td>
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<td>567,543</td>
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<td>CHSS &quot;Homeless Prevention Case Management&quot;</td>
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<tr>
<td>Second Harvest Food Bank</td>
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<td>Stanislaus Community Assistance Project</td>
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<td>Stanislaus Literacy Center</td>
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<td>The Salvation Army &quot;Hotel Food&quot;</td>
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<td>United Way &quot;UW Information &amp; Referral Program&quot;</td>
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<td>MPD &quot;Crime Free Multi-Housing Project&quot;</td>
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<tr>
<td>Children Crisis Center</td>
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<tr>
<td>Children's Crisis Center &quot;Sawyer House Nursery Expansion Project&quot;</td>
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<td>Parent Resource Center &quot;The ABCs of Childcare Expansion &amp; Enhancement&quot;</td>
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<td>Project Sentinel &quot;Fair Housing&quot;</td>
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<td>DRAIL &quot;Assistive Technology Services&quot;</td>
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<td>Project Sentinel &quot;Tenant-Landlord Services&quot;</td>
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<td>Victory Life Center/Modesto Love Center</td>
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<td><strong>Public Services for the Homeless (RLF)</strong></td>
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<td>CHSS &quot;Homeless Prevention Case Management&quot;</td>
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<td>Interfaith Ministries &quot;Santa Fe Homeless Shelter&quot;</td>
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<td>The Salvation Army &quot;Homeless Noon Meals Program&quot;</td>
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<td>Center for Human Services</td>
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<tr>
<td>&quot;Pathways Transitional Living Program&quot;</td>
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<td><strong>Program Administration &amp; Planning</strong></td>
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<td>General Administration</td>
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<td>Repayment for Section 108 Loan Guarantee</td>
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<td><strong>RLF Interest Payment</strong></td>
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<td>Interest Payment</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>2,854,000</td>
<td>200,000</td>
<td>180,000</td>
<td>4,984,000</td>
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## FY 2004-2005 HOME Budget

### HOME Funding

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<th>Description</th>
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<th>FY04-05 Program Income</th>
<th>TOTAL</th>
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<td>Entitlement</td>
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<tr>
<td>American Dream Down Payment Initiative (ADDI)</td>
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<td><em>American Dream Down Payment Initiative (ADDI) - FY02-03</em></td>
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</tr>
<tr>
<td><em>American Dream Down Payment Initiative (ADDI) - FY04-05</em></td>
<td>62,838</td>
<td>62,838</td>
<td></td>
</tr>
<tr>
<td>Program Income</td>
<td>100,000</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td><strong>FUNDING TOTAL</strong></td>
<td><strong>1,491,906</strong></td>
<td><strong>1,591,906</strong></td>
<td></td>
</tr>
</tbody>
</table>

### HOME Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>FY04-05 Entitlement</th>
<th>FY04-05 Program Income</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing Direct Loans</td>
<td>1,238,235</td>
<td>100,000</td>
<td>1,338,235</td>
</tr>
<tr>
<td>CHDO Set-Aside (15%)</td>
<td>935,791</td>
<td>100,000</td>
<td>1,035,791</td>
</tr>
<tr>
<td>CHDO Operating (5%)</td>
<td>206,373</td>
<td>206,373</td>
<td></td>
</tr>
<tr>
<td>Tenant Based Rental Assistance (TBRA)</td>
<td>68,791</td>
<td>68,791</td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>137,582</td>
<td>137,582</td>
<td></td>
</tr>
<tr>
<td>HOME Program Admin</td>
<td>137,582</td>
<td>137,582</td>
<td></td>
</tr>
<tr>
<td><strong>HOME TOTAL</strong></td>
<td><strong>1,375,817</strong></td>
<td><strong>1,475,817</strong></td>
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<table>
<thead>
<tr>
<th>Description</th>
<th>FY04-05 Entitlement</th>
<th>FY04-05 Program Income</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Dream Down Payment Initiative (ADDI)</td>
<td>116,089</td>
<td>116,089</td>
<td></td>
</tr>
<tr>
<td>Down Payment Program - FY03-04</td>
<td>53,251</td>
<td>53,251</td>
<td></td>
</tr>
<tr>
<td>Down Payment Program - FY04-05</td>
<td>62,838</td>
<td>62,838</td>
<td></td>
</tr>
<tr>
<td><strong>American Dream Down Payment Initiative Total</strong></td>
<td><strong>116,089</strong></td>
<td><strong>116,089</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>FY04-05 Entitlement</th>
<th>FY04-05 Program Income</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOME GRAND TOTAL</strong></td>
<td><strong>1,491,906</strong></td>
<td><strong>1,591,906</strong></td>
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</table>
FY 2004-2005 ESG Budget

<table>
<thead>
<tr>
<th>ESG Funding</th>
<th>FY04-05</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitlement</td>
<td>105,715</td>
<td>105,715</td>
</tr>
<tr>
<td><strong>FUNDING TOTAL</strong></td>
<td>105,715</td>
<td>105,715</td>
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</table>

<table>
<thead>
<tr>
<th>ESG Budget</th>
<th>FY04-05</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Services</td>
<td>105,715</td>
<td>105,715</td>
</tr>
<tr>
<td>Interfaith Ministries</td>
<td>2,243</td>
<td>2,243</td>
</tr>
<tr>
<td>&quot;Redwood Family Center&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interfaith Ministries</td>
<td>27,000</td>
<td>27,000</td>
</tr>
<tr>
<td>&quot;Santa Fe Emergency Shelter Project&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Center for Human Services</td>
<td>1,700</td>
<td>1,700</td>
</tr>
<tr>
<td>&quot;Hutton House Runaway &amp; Homeless Youth Shelter&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Center for Human Services</td>
<td>16,848</td>
<td>16,848</td>
</tr>
<tr>
<td>&quot;Pathways, Transitional Living Program&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children's Crisis Center</td>
<td>14,040</td>
<td>14,040</td>
</tr>
<tr>
<td>&quot;Cricket's House Children's Homeless Shelter&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESG Unobligated reserved for &quot;Winter Shelter&quot;</td>
<td>43,884</td>
<td>43,884</td>
</tr>
<tr>
<td><strong>ESG TOTAL</strong></td>
<td>105,715</td>
<td>105,715</td>
</tr>
</tbody>
</table>
Appendix D

Certifications
As the duly authorized representative of the applicant, I certify that the applicant [insert below the Name and title of the Authorized Representative, name of Organization and the date of signature]:

Name: Jack R. Crist Title: City Manager

Organization: City of Modesto Date: 

1. Has the legal authority to apply for Federal assistance, has the institutional, managerial and financial capability (including funds to pay the non-Federal share of program costs) to plan, manage and complete the program as described in the application and the governing body has duly authorized the submission of the application, including these assurances and certifications, and authorized me as the official representative of the applicant to act in connection with the application and to provide any additional information as may be required.

2. Will administer the grant in compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d)) and implementing regulations (24 CFR Part 1), which provide that no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance OR if the applicant is a Federally recognized Indian tribe or its tribally designated housing entity, is subject to the Indian Civil Rights Act (25 U.S.C. 1301-1303).

3. Will administer the grant in compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and implementing regulations at 24 CFR Part 8, and the Age Discrimination Act of 1975 (42 U.S.C. 1981a), as amended, and implementing regulations at 24 CFR Part 146 which together provide that no person in the United States shall, on the grounds of disability or age, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance; except if the grant program authorizes or limits participation to designated populations, the applicant will comply with the nondiscrimination requirements within the designated population.

4. Will comply with the Fair Housing Act (42 U.S.C. 3601-19), as amended, and the implementing regulations at 24 CFR Part 100, which prohibit discrimination in housing on the basis of race, color, religion, sex, disability, familial status, or national origin; except if the applicant which is an Indian tribe or its instrumentality which is excluded by statute from coverage does not make this certification and further except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

5. Will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601) and implementing regulations at 49 CFR Part 24 and 24 CFR 42, Subpart A.

6. Will comply with the environmental requirements of the National Environmental Policy Act (42 U.S.C. 4321 et seq.) and related Federal authorities prior to the commitment or expenditure of funds for property acquisition and physical development activities subject to implementing regulations at 24 CFR parts 50 or 58.

7. Will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, use of a controlled substance is prohibited in the applicant’s workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an on-going drug-free awareness program to inform employees about —

(1) The dangers of drug abuse in the workplace;
(2) The applicant’s policy of maintaining a drug-free workplace;
(3) Any available drug counseling, rehabilitation, and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be employed by the employer in writing of his or her agreement to:

(1) Abide by the terms of the statement; and
(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
<table>
<thead>
<tr>
<th>Applicant Assurances and Certifications (Continued)</th>
<th>U.S. Department of Housing and Urban Development</th>
<th>OMB Approval No. 2501-0017 (exp. 03/31/2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee has worked, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;</td>
<td>(e) Will include the clause titled &quot;Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transaction,&quot; provided by the HUD without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.</td>
<td>These certifications and assurances are material representations of the fact upon which HUD can rely when awarding a grant. If it is later determined that I, the applicant, knowingly made an erroneous certifications or assurance, I may be subject to criminal prosecution. HUD may also terminate the grant and take other available remedies.</td>
</tr>
<tr>
<td>(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by Federal, State, or local health, law enforcement, or other appropriate agency;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(h) The applicant may insert in the space provided below the site(s) for the performance of work or may provide this information in connection with each application.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i). Place of Performance (street address, city, county, state, zip code)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. In accordance with 24 CFR Part 24, and its principals:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Have not within a three year period preceding this proposal, been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in the preceding paragraph of this certification; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Where the applicant is unable to certify to any of the statements in this certification, an explanation shall be attached.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CERTIFICATIONS (91.225)

LOCAL GOVERNMENT CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidiscipline and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about -
   (a) The dangers of drug abuse in the workplace;
   (b) The grantee's policy of maintaining a drug-free workplace;
   (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
   (a) Abide by the terms of the statement; and
   (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

LOCALCERTS 10/00
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -

(a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

_________________________________________  __________________
Signature/Authorized Official                Date

__________________________                __________________
Jack R. Crist, City Manager                Name & Title
Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2003, 2004, 2005 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.
**Excessive Force** -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

**Compliance With Anti-discrimination laws** -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

**Lead-Based Paint** -- Its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K and R, of title 24;

**Compliance with Laws** -- It will comply with applicable laws.

______________________________  _______________________
Signature/Authorized Official           Date

______________________________
Jack R. Crist, City Manager
Name & Title
OPTIONAL CERTIFICATION
CDBG

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

_____________________________  ________________________
Signature/Authorized Official    Date

_____________________________
Jack R. Crist, City Manager
Name & Title
Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

________________________________________  ______________________
Signature/Authorized Official                  Date

Jack R. Crist, City Manager
Name & Title
LOCAL GOVERNMENT GRANTEE
FY 2004 EMERGENCY SHELTER GRANTS PROGRAM
CERTIFICATIONS BY THE CHIEF EXECUTIVE OFFICER

I, Jack R. Crist, City Manager of City of Modesto, certify that the local government will ensure the provision of the matching supplemental funds required by the regulation at 24 CFR 576.51. I have attached to this certification a description of the sources and amounts of such supplemental funds.

I further certify that the local government will comply with:

(1) The requirements of 24 CFR 576.53 concerning the continued use of buildings for which emergency shelter grants are used for rehabilitation or conversion of buildings for use as emergency shelters for the homeless; or when funds are used solely for operating costs or essential services.


(3) The requirements of 24 CFR 576.56, concerning assurances on services and other assistance to the homeless.


(5) The requirements of 24 CFR 576.59(b) concerning the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

(6) The requirement of 24 CFR 576.59 concerning minimizing the displacement of persons as a result of a project assisted with these funds.


(8) The requirements of 24 CFR 576.56(a) and 576.65(b) that grantees develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted with ESG funds and that the address or location of any family violence shelter project will not be made public, except with written authorization of the person or persons responsible for the operation of such shelter.
(9) The requirement that recipients involve themselves, to the maximum extent practicable and where appropriate, homeless individuals and families in policymaking, renovating, maintaining, and operating facilities assisted under the ESG program, and in providing services for occupants of these facilities as provided by 24 CFR 576.56.

(10) The requirements of 24 CFR 576.57(e) are met dealing with the provisions of, and regulations and procedures applicable with respect to the environmental review responsibilities under the National Environmental Policy Act of 1969 and related authorities as specified in 24 CFR Part 58.

(11) The requirements of 24 CFR 576.21(a)(4) providing that the funding of homeless prevention activities for families that have received eviction notices or notices of termination of utility services will meet the requirements that: (A) the inability of the family to make the required payments must be the result of a sudden reduction in income; (B) the assistance must be necessary to avoid eviction of the family or termination of the services to the family; (C) there must be a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and (D) the assistance must not supplant funding for preexisting homeless prevention activities from any other source.

(12) The new requirement of the McKinney-Vento Act (42 USC 11362) to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons. I further understand that State and local governments are primarily responsible for the care of these individuals, and that ESG funds are not to be used to assist such persons in place of State and local resources.

(13) HUD's standards for participation in a local Homeless Management Information System (HMIS) and the collection and reporting of client-level information.

I further certify that the submission of a completed and approved Consolidated Plan with its certifications, which act as the application for an Emergency Shelter Grant, is authorized under State and/or local law, and that the local government possesses legal authority to carry out grant activities in accordance with the applicable laws and regulations of the Department of Housing and Urban Development.

By: ________________________________
Signature of Chief Executive Officer / Date
City Manager

______________________________
Jack R. Crist
Typed Name of Signatory

______________________________
City Manager
Title
APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.

2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).

4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

LOCALCERTS 10/00
Place of Performance (Street address, city, county, state, zip code)

City of Modesto

Tenth Street Place

1010 Tenth Street

Modesto, CA 95354

Check ___ if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).
The identified project is a continuation project from the 1980 program year, at which time an Environmental Assessment was prepared and a Finding of No Significant Impact (FONSI) made. Since then, circumstances including the availability of additional data or advances in technology have not changed significantly. Substantial changes in the nature, magnitude or extent of the project have not been made, and no new activities have been added. There are no new circumstances or environmental conditions which may affect the project or have a bearing on its impacts, and no alternative has been selected which was not originally considered. Therefore, the FONSI is still valid, and the Environmental Assessment will not be re-evaluated.
Continuation Statement

Emergency Home Repair Program

The identified project is a continuation project from the 1980 program year, at which time an Environmental Assessment was prepared and a Finding of No Significant Impact (FONSI) made. Since then, circumstances including the availability of additional data or advances in technology have not changed significantly. Substantial changes in the nature, magnitude or extent of the project have not been made, and no new activities have been added. There are no new circumstances or environmental conditions which may affect the project or have a bearing on its impacts, and no alternative has been selected which was not originally considered. Therefore, the FONSI is still valid, and the Environmental Assessment will not be re-evaluated.

Julie Hannon, Deputy Director  
Recreation and Neighborhood Services Division  

Date
CITY OF MODESTO
COMMUNITY DEVELOPMENT BLOCK GRANT
APPLICATION FOR FUNDING

FY 2004-2005

Continuation Statement

Handicap Barrier Removal Program

The identified project is a continuation project from the 1980 program year, at which time an Environmental Assessment was prepared and a Finding of No Significant Impact (FONSI) made. Since then, circumstances including the availability of additional data or advances in technology have not changed significantly. Substantial changes in the nature, magnitude or extent of the project have not been made, and no new activities have been added. There are no new circumstances or environmental conditions which may affect the project or have a bearing on its impacts, and no alternative has been selected which was not originally considered. Therefore, the FONSI is still valid, and the Environmental Assessment will not be re-evaluated.

Julie Hannon, Deputy Director
Recreation and Neighborhood Services Division

Date
Application for
Federal Assistance

U.S. Department of Housing
and Urban Development

1. Type of Submission
   ☑ Application ☐ Preapplication

2. Date Submitted

3. Date and Time Received by HUD

4. HUD Application Number

5. Existing Grant Number

6. Applicant Identification Number

7. Applicant's Legal Name

   City of Modesto

8. Organizational Unit

   Recreation & Neighborhood Services Division

9. Address (give city, county, State, and zip code)
   A. Address: 1010 Tenth Street, Suite 4300 (P.O. Box 642)
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   C. County: Stanislaus
   D. State: California
   E. Zip Code: 95353

10. Name, title, telephone number, fax number, and e-mail of the person to be contacted on matters involving this application (including area codes)
   A. Name: Julie Hannon
   B. Title: Deputy Director
   C. Phone: (209) 571-5417
   D. Fax: (209) 544-3982
   E. E-mail: jhannon@modestogov.com

11. Employer Identification Number (EIN) or SSN

12. Type of Applicant (enter appropriate letter in box)
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   ☐ C. County ☐ D. Indian Tribe
   ☑ E. Municipal ☐ F. Tribally Designated Housing Entity (TDHE)
   ☐ G. Township ☐ H. Individual
   ☐ E. Interstate ☐ M. Profit Organization
   ☐ F. Intermunicipal ☐ N. Non-profit
   ☐ G. Special District ☐ O. Public Housing Authority
   ☐ H. Independent School District ☐ P. Other (Specify)

13. Type of Application
   ☑ New ☐ Continuation ☐ Renewal ☐ Revision

If Revision, enter appropriate letters in box(es)
   ☐ A. Increase Amount ☐ B. Decrease Amount ☐ C. Increase Duration
   ☐ D. Decrease Duration ☐ E. Other (Specify)

14. Name of Federal Agency

   U.S. Department of Housing and Urban Development

15. Catalog of Federal Domestic Assistance (CFDA) Number

   Title: Community Development Block Grant (CDBG)
   Component Title: Housing Rehabilitation, Neighborhood Revitalization, Economic Development, Public Services, and Fair Housing Activities.

16. Array of Federal Domestic Assistance (CFDA) Number

17. Areas affected by Program (boroughs, cities, counties, States, Indian Reservation, etc.) Modesto, California

18a. Proposed Program start date: 7/1/04

18b. Proposed Program end date: 6/30/05

19a. Congressional Districts of Applicant

   Eighteenth

19b. Congressional Districts of Program

   Eighteenth

20. Estimated Funding: Applicant must complete the Funding Matrix on Page 2.

21. Is Application subject to review by State Executive Order 12372 Process?
   A. Yes ☐ This preapplication/application was made available to the State Executive Order 12372 Process for review on: Date ________
   B. No ☐ Program is not covered by E.O. 12372
       ☑ Program has not been selected by State for review.

22. Is the Applicant delinquent on any Federal debt?
   ☑ No ☐ Yes If "Yes," explain below or attach an explanation.

Previous versions of HUD-424 and 424-M are obsolete

Page 1 of 2

form HUD-424 (01/2003)
ref. OMB Circular A-102
### Funding Matrix

The applicant must provide the funding matrix shown below, listing each program for which HUD funding is being requested, and complete the certifications.

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<th>Other HUD Funds</th>
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<td><strong>Grand Totals</strong></td>
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<td><strong>1,750,000.00</strong></td>
<td><strong>6,681,621.00</strong></td>
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* For FHIs, show both initiative and component

### Certifications

I certify, to the best of my knowledge and belief, that no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all sub awards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly.

Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe’s sovereign power are excluded from coverage of the Byrd Amendment, but State-recognized Indian tribes and TDHEs established under State law are not excluded from the statute’s coverage.

This application incorporates the Assurances and Certifications (HUD-424B) attached to this application or renews and incorporates for the funding you are seeking the Assurances and Certifications currently on file with HUD. To the best of my knowledge and belief, all information in this application is true and correct and constitutes material representation of fact upon which HUD may rely in awarding the agreement.

23. Signature of Authorized Official  
   Name (printed)  
   Jack R. Crist  
   Title  
   City Manager, City of Modesto  
   Date (mm/dd/yyyy)
Application for Federal Assistance

1. Type of Submission
   - Application [X]
   - Preapplication [ ]

2. Date Submitted

3. Date and Time Received by HUD

4. HUD Application Number

5. Existing Grant Number

6. Applicant Identification Number

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8. Organizational Unit
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   - A. Name: Julie Hannon
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   - C. Phone: (209) 571-5417
   - D. Fax: (209) 544-3882
   - E. E-mail: jhannon@modestogov.com

11. Employer Identification Number (EIN) or SSN

12. Type of Applicant (enter appropriate letter in box)
   - C

13. Type of Application
   - New [X]
   - Continuation [ ]
   - Renewal [ ]
   - Revision [ ]

14. Name of Federal Agency
   - U.S. Department of Housing and Urban Development

15. Catalog of Federal Domestic Assistance (CFDA) Number
   - Title: HOME Investment Partnership Grant (HOME)
   - Component Title:

16. Descriptive Title of Applicant's Program
   - Housing Rehabilitation, Neighborhood Revitalization, Economic Development, Public Services, and Fair Housing Activities.

17. Areas affected by Program (boroughs, cities, counties, States, Indian Reservation, etc.) Modesto, California

18a. Proposed Program start date
   - 7/1/04

18b. Proposed Program end date
   - 6/30/05

19a. Congressional Districts of Applicant
   - Eighteenth

19b. Congressional Districts of Program
   - Eighteenth

20. Estimated Funding: Applicant must complete the Funding Matrix on Page 2.

21. Is Application subject to review by State Executive Order 12372 Process?
   - A. Yes [ ]
   - B. No [X]

22. Is the Applicant delinquent on any Federal debt?
   - Yes [ ]
   - No [X]
## Funding Matrix

The applicant must provide the funding matrix shown below, listing each program for which HUD funding is being requested, and complete the certifications.

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Application for Federal Assistance

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2. Date Submitted

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   - [ ] B. County
   - [ ] C. Municipal
   - [ ] D. Township
   - [ ] E. Interstate
   - [ ] F. Intermunicipal
   - [ ] G. Special District
   - [ ] H. Independent School District
   - [ ] I. University or College
   - [ ] J. Indian Tribe
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   - [ ] N. Non-profit
   - [ ] O. Public Housing Authority
   - [ ] P. Other (Specify)

13. Type of Application
   - [X] New
   - [ ] Continuation
   - [ ] Renewal
   - [ ] Revision

14. Name of Federal Agency
   - U.S. Department of Housing and Urban Development

15. Catalog of Federal Domestic Assistance (CFDA) Number
   - Title: Emergency Shelter Grant (ESG)
   - Component Title:

16. Descriptive Title of Applicant's Program
   - Housing Rehabilitation, Neighborhood Revitalization, Economic Development, Public Services, and Fair Housing Activities.

17. Areas affected by Program (boroughs, cities, counties, States, Indian Reservation, etc.) Modesto, California

18a. Proposed Program start date
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19b. Congressional Districts of Applicant's Program
   - Eighteenth

20. Estimated Funding: Applicant must complete the Funding Matrix on Page 2.

21. Is Application subject to review by State Executive Order 12372 Process?
   - A. Yes
   - B. No

22. Is the Applicant delinquent on any Federal debt?
   - [X] Yes
   - [ ] No

Previous versions of HUD-424 and 424-M are obsolete

Page 1 of 2

form HUD-424 (01/2003) ref. OMB Circular A-102
Funding Matrix

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23. Signature of Authorized Official

Name (printed) Jack R. Crist

Title City Manager, City of Modesto

Date (mm/dd/yyyy)
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-265

A RESOLUTION AMENDING THE FISCAL YEAR 2003-2004 ANNUAL OPERATING BUDGET TO REFLECT APPROVED CHANGES TO THE HUD ANNUAL ACTION PLAN, TO INCLUDE ADJUSTMENTS TO PRIOR YEAR'S CARRYOVER REVENUES AND APPROPRIATIONS.

WHEREAS, the City of Modesto receives several Federal grants from the United States Department of Housing and Urban Development (HUD), and

WHEREAS, on May 13, 2003, by Resolution No. 2003-241, the City Council approved the 2003-2004 HUD Annual Action Plan, and on December 11, 2003, by Resolution No. 2003-654, the City Council approved the first amendment to the 2003-2004 HUD Annual Action Plan, and

WHEREAS, since then, staff has determined that changes should be made to programs and services provided to better meet the needs of the citizens of Modesto, and

WHEREAS, City staff has proposed a second amendment to the 2003-2004 HUD Annual Action Plan, and

WHEREAS, these program changes require re-allocation of operating budget funds, and

WHEREAS, re-allocation of these funds is more fully described on Exhibit “A”, attached hereto and incorporated by reference, and

WHEREAS, the Citizens Housing and Community Development Committee (CH&CDC) considered the proposed changes to the HUD 2003-2004 Annual Action Plan at its April 23, 2004, meeting, and recommended that the City Council approve the second amendment to the 2003-2004 HUD Annual Action Plan as proposed by staff as well as budgetary adjustments as recommended by staff, and
WHEREAS, a duly noticed public hearing was held by the City Council on May 11, 2004, to consider approval of the proposed second amendment to the HUD 2003-2004 Annual Action Plan,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the Fiscal Year 2003-2004 Annual Operating Budget is hereby amended to reallocate the Community Development Block Grant (CDBG) and HOME Investment Partnership Grant (HOME) funds as described on Exhibit “A” attached hereto and incorporated herein by reference.

BE IT FURTHER RESOLVED that the Finance Director 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 11th day of May, 2004, by Councilmember O‘Bryant, who moved its adoption, which motion being duly seconded by Councilmember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Dunbar, Hawn, Jackman, Keating, Marsh, O‘Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

Attest: Jean Zahr, City Clerk

APPROVED AS TO FORM:

By: Michael D. Milich, City Attorney
REQUEST FOR BUDGET ADJUSTMENT

Contact Person: Grace Hsu
Telephone No.: 571-5506
Department: Parks, Recreation and Neighborhoods

Fund Title: CDBG Funds 1130 & 1150

<table>
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<th>Fund-Agency-Organization-Object</th>
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<th>Current Expenditure</th>
<th>Increase/Decrease</th>
<th>Revised Expenditure</th>
<th>Description of Object</th>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>TO</td>
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<td></td>
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COMMENTS/JUSTIFICATION

Budget adjustments required to reflect changes per Amendment to 2003-2004 HUD Annual Action Plan, including entries in AFIN so the budget in the City's financial system will match the funding sources from HUD.
# REQUEST FOR BUDGET ADJUSTMENT

Contact Person: Grace Hsu  
Telephone No.: 571-5506  
Department: Parks, Recreation and Neighborhoods  
Fund Title: HOME Fund 1170  
Council Action Date: ___________________  
Resolution Number: ___________________  
FY: 2003-2004  
Transfer No. ___________________  

<table>
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<tr>
<th>Fund-Agency-Organization-Object</th>
<th>Appr Unit</th>
<th>Current Expenditure</th>
<th>Increase/Decrease</th>
<th>Revised Expenditure</th>
<th>Description of Object</th>
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<td><strong>REVENUES</strong> FROM</td>
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<td></td>
<td></td>
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<td>TO</td>
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| **APPROPRIATIONS** FROM         |           |                     |                   |                     |                       |
| TO                              |           |                     |                   |                     |                       |
| 1170-320-3259-0510              | 3259C     | $25,000             | $20,000           | $45,000             | TBRA                  |
| 1170-320-3259-0497              | 3259C     | $2,271,708          | ($31,224)         | $2,240,484          | Direct Loan           |
| 1170-320-3259-0508              | 3259C     | $207,236            | $385,271          | $592,507            | CHDO                  |

**COMMENTS/JUSTIFICATION**  
Budget adjustments required to reflect changes per Amendment to 2003-2004 HUD Annual Action Plan.
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-266

A RESOLUTION OF INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 1 FOR DRY
CREEK MEADOWS SUBDIVISIONS NOS. 1-6.

WHEREAS, Resolution No. 88-935, adopted by the Council of the City of
Modesto on December 13, 1988, initiated proceedings for the formation of Landscape
Assessment District No. 1 for the purpose of administering the maintenance of
landscaping in the public right of way within the street medians and adjacent to the access
control walls in Dry Creek Meadows Subdivisions Nos. 1-6, and

WHEREAS, said assessment district was formed in accordance with the
Landscaping Act of 1972, (Street and Highways Code Sections 22500 through 22679),
and

WHEREAS, Section 22623 of the Streets and Highways Code requires the City
Engineer, the person designated by this Council as Engineer of Work for Assessment
District No. 1, to prepare and file an annual report, and

WHEREAS, the City Engineer, said Engineer of Work, has prepared and filed said
annual report with the City Clerk, and

WHEREAS, the Council has approved said annual report by motion, and

WHEREAS, Section 22623 of the Street and Highways Code requires the
legislative body (the City Council) to adopt a resolution of intention which shall include
the following:
a. Declaration of intention of the legislative body (the City Council) to levy and collect assessments within the assessment district for the fiscal year stated in the annual report.

b. General description of the existing improvements and proposed improvements and any substantial changes proposed to be made in the existing improvements.

c. Reference to the assessment district by its distinctive designation and indication of the general location of the district.

d. Reference to said annual report, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the district.

e. Notice of the time, as fixed by the Streets and Highways Code Section 22625, and the place for hearing by the legislative body (the City Council) on the levy of the proposed assessment.

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

1. The City Council intends to levy and collect assessments within Landscape Maintenance Assessment District No. 1 during the fiscal year 2004-05.

2. There are no proposed new improvements or any substantial changes in existing improvements in Dry Creek Meadows Subdivisions Nos. 1-6 and that
the existing improvements to be made in said assessment district are generally described as follows:

The City shall provide maintenance, in perpetuity, of landscaping and any and all improvements required for such maintenance including, but not limited to landscape irrigation systems in the following locations:

a. Street medians in Creekwood Drive
b. Areas adjacent to the access control walls along Creekwood Drive
c. Areas adjacent to the access control walls along Claus Road

3. Landscape Maintenance Assessment District No. 1 is located in the County of Stanislaus, within the City Limits of the City of Modesto and is more specifically located on the west side of Claus Road, between Modesto Irrigation District Lateral No. 2 and State Route 132 (Yosemite Boulevard).

4. Said annual report filed with the City Clerk and approved by the Council by motion does provide a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within Landscape Maintenance Assessment District No. 1.

5. On Tuesday, the 13th day of July, 2004, at the hour of 5:30 p.m., the City Council will conduct a public hearing on the question of the levy of the proposed annual assessment. The hearing will be held at the meeting place of the City Council located in the Tenth Street Place Chambers located at 1010 10th Street, Modesto, California.
6. The City Clerk is authorized and directed to give the notice of hearing required by the Landscaping and Lighting Act of 1972.

7. The levy and collection of assessments as set forth in this resolution are exempt from the procedural and substantive requirements of Proposition 218 pursuant to Article XIII, Section 5(a) of the California Constitution.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 25th day of May, 2004, by Councilmember Jackman, 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: Dunbar, Hawn, Jackman, Keating, Marsh, O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: Jean Zahr

JEAN ZAHRL, City Clerk

(SEAL)

APPROVED AS TO FORM:

By Michael D. Milich, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-267

A RESOLUTION OF INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2 FOR DRY CREEK MEADOWS SUBDIVISION NOS. 7-10, CREEKWOOD MEADOWS SUBDIVISION AND YOSEMITE MEADOWS SUBDIVISION UNITS 1 & 2.

WHEREAS, Resolution No. 89-460 adopted by the Council of the City of Modesto on April 4, 1989, initiated proceedings for the formation of Landscape Assessment District No. 2 for the purpose of administering the maintenance of landscaping in the public right of way within the street medians and adjacent to the access control walls in Dry Creek Meadows Subdivisions Nos. 7-10, Creekwood Meadows Subdivision and Yosemite Meadows Subdivision Units Nos. 1 & 2, and

WHEREAS, said assessment district was formed in accordance with the Landscaping Act of 1972, (Streets and Highways Code Sections 22500 through 22679), and

WHEREAS, Section 22623 of the Streets and Highways Code requires the City Engineer, the person designated by this Council as Engineer of Work for Assessment District No. 2, to prepare and file an annual report, and

WHEREAS, the City Engineer, said Engineer of Work, has prepared and filed said annual report with the City Clerk, and

WHEREAS, the Council has approved said annual report by motion, and

WHEREAS, Section 22623 of the Streets and Highways Code requires the legislative body (the City Council) to adopt a resolution of intention which shall include the following:
a. Declaration of intention of the legislative body (the City Council) to levy and collect assessments within the assessment district for the fiscal year stated in said annual report.

b. General description of the existing improvements and proposed improvements and any substantial changes proposed to be made in the existing improvements.

c. Reference to the assessment district by its distinctive designation and indication of the general location of the district.

d. Reference to said annual report, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the district.

e. Notice of the time, as fixed by Streets and Highways Code Section 22625, and the place for hearing by the legislative body (the City Council) on the levy of the proposed assessment.

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

1. The City Council intends to levy and collect assessments within Landscape Maintenance Assessment District No. 2 during the fiscal year 2004-05.

2. There are no proposed new improvements or any substantial changes in the existing improvements within the existing Landscape Maintenance
Assessment District No. 2, and the existing improvements to be made in said assessment district are generally described as follows:

The City shall provide maintenance, in perpetuity, of landscaping and any and all improvements required for such maintenance including, but not limited to landscape irrigation systems in the following locations:

a. Street medians in Creekwood Drive

b. Areas adjacent to the access control walls along Creekwood Drive

c. Areas adjacent to the access control walls along Claus Road

3. Landscape Maintenance Assessment District No. 2 is located in the County of Stanislaus, within the City limits of the City of Modesto and is more specifically located on the west side of Claus Road, between Modesto Irrigation District Lateral No. 2 and State Route 132 (Yosemite Boulevard).

4. Said annual report filed with the City Clerk and approved by the Council by motion does provide a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within Landscape Maintenance Assessment District No. 2.

5. On Tuesday, the 13th day of July, 2004, at the hour of 5:30 p.m., the City Council will conduct a public hearing on the question of the levy of the proposed annual assessment. The hearing will be held at the meeting place of the City Council located in the Tenth Street Place Chambers located at 1010 10th Street, Modesto, California.
6. The City Clerk is authorized and directed to give the notice of hearing required by the Landscaping and Lighting Act of 1972.

7. The levy and collection of assessments as set forth in this resolution shall follow the procedural and substantive requirements of Proposition 218 pursuant to Article 13D, Section 5(a) of the California Constitution.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 25th day of May, 2004, by Councilmember Jackman, 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: Dunbar, Hawn, Jackman, Keating, Marsh, O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: 

JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By Michael D. Milich, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004-268

A RESOLUTION SUMMARILY VACATING AND ABANDONING A 10-FOOT PUBLIC UTILITY EASEMENT LOCATED ON 1460 EAST ORANGEBURG AVENUE IN THE CITY OF MODESTO

WHEREAS, Chapter 4, Part 3 of Division 9, Section 8330, et seq of the California Streets and Highway Code authorizes a city council, by resolution, to summarily vacate public service easements where the easement has been superseded by relocation and there are no other public facilities located within the easement, and

WHEREAS, the City of Modesto has received a request from MARK JACOBS, owner, to abandon a 10-foot Public Utility Easement located on 1460 East Orangeburg Avenue on APN 032-009-044, and

WHEREAS, this easement was created and dedicated to the City of Modesto on January 25, 1966 on the Greenbrier No. 1 Subdivision Map Vol. 21; Page 29, and

WHEREAS, when the public utilities constructed their facilities they did not use this easement, and the utilities were constructed along the frontage of the parcels, and

WHEREAS, said easement referred to above on the real property located on 1460 East Orangeburg Avenue in the City of Modesto is more particularly described in Exhibit “A” attached hereto and incorporated herein by this reference, and

WHEREAS, the Engineering and Transportation Department has contacted the Operations and Maintenance Department, Community and Economic Development Department, and all public utilities and none of these agencies have any objection to the abandonment, and
WHEREAS, the Council of the City of Modesto finds and declares that:

1. The vacation of this easement is made pursuant to Chapter 4, Part 3 of Division 9, Section 8333(c) of the California Streets and Highways Code.

2. The use of the property described in Exhibit “A”, attached hereto, is a 10-foot Public Utility Easement located on 1460 East Orangeburg Avenue in the City of Modesto, which is more particularly described in Exhibit “A”, has been superseded by relocation and there are no other public facilities within the easement and the easement is no longer required for public utilities.

3. That from and after the date of this resolution is recorded, the 10-foot Public Utility Easement vacated will no longer constitute a public utility easement.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the 10-foot Public Utility Easement located on 1460 East Orangeburg Avenue in the City of Modesto, which is more particularly described in Exhibit “A” which is attached hereto and incorporated by reference, be and is hereby vacated and abandoned.

BE IT FURTHER RESOLVED the City Clerk is hereby directed to record a certified copy of this resolution in the Stanislaus County Recorder’s Office and that such vacation and abandonment shall become effective immediately upon such recordation.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 25\textsuperscript{th} day of May, 2004, by Councilmember Jackman, 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: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

(Seal)

APPROVED AS TO FORM:

MICHAEL D. MILICH, City Attorney

By

ALISON A. BARRATT-GREEN
Senior Deputy City Attorney

ATTEST: JEAN ZAHR, City Clerk

(SEAL)
EXHIBIT A

DESCRIPTION

A portion of Lot 1, Block 1154 as shown on the map of "Greenbrier No. 1" recorded in Volume 21 of Maps, at Page 39, Stanislaus County Records located in Section 22, Township 3 South, Range 9 East, Mount Diablo Base and Meridian, in the City of Modesto, County of Stanislaus, State of California, described as follows:

COMMENCING at the southeast corner of said Lot 1; thence South 89°33'30" West along the south line of said Lot 1, a distance of 10.00 feet; thence North 0°26'30" West 15.00 feet to the POINT OF BEGINNING; thence South 89°33'30" West along a line parallel with and 15.00 feet north of the said south line of Lot 1, a distance of 96.66 feet to the beginning of a non-tangent curve to which a radial line bears South 83°09'51" West from the center; thence 10.04 feet along the arc of said non-tangent curve concave to the east with a radius of 215.00 feet and a central angle of 2°40'32"; thence North 89°33'30" East along a line parallel with and 25.00 feet north of the said south line of Lot 1, a distance of 97.54 feet; thence South 0°26'30" East along a line parallel with and 10.00 west of the east line of said Lot 1, a distance of 10.00 feet to the point of beginning.
MODESTO CITY COUNCIL
RESOLUTION NO. 2004 –269

A RESOLUTION APPROVING A ONE-YEAR LEASE AGREEMENT
BETWEEN THE CITY OF MODESTO AND MORRIS B. BALL FOR SUITE “A”
IN THE AIRPORT’S OFFICE BUILDING NO. 2

WHEREAS, Morris B. Ball, an individual and general aviation tenant at
the Modesto City/County Airport, wishes to rent Suite A in the Airport’s Office Building
No. 2 from which he can perform general office-related activities, and

WHEREAS, vacant office space is available to rent in Office Building No. 2 at the Modesto City-County Airport, and

WHEREAS, the lease agreement is for one-year, and it is expected to
increase revenues in the airport enterprise fund by approximately $6,200 a year, and

WHEREAS, the City’s policy as stated in Modesto Municipal Code
Section 7-3.417 is to enter into lease agreements at Modesto City-County Airport, and

WHEREAS, there have been no other aviation or non-aviation users
expressing any interest in leasing Suite A in Office Building No. 2, and

WHEREAS, the City Council has entered into similar office lease
agreements with non-aviation users to lease office space at the Modesto City/County
airports and those leases are still in effect with the same tenants.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of
Modesto that it hereby approves a one-year office lease with Morris B. Ball for the
purpose of conducting general office related activities.

BE IT FURTHER RESOLVED, that the City Manager, or his designee, is
hereby authorized to execute the lease agreement on behalf of the City.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 25th day of May, 2004, by Councilmember Jackman, 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: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: Jean Zahr
JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By Michael D. Milich, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2004 - 270

A RESOLUTION APPROVING A REVISED POLICY FOR INVESTMENT OF PUBLIC FUNDS, POLICY NO. 1.019

WHEREAS, pursuant to Section 2-3.401 of the Modesto Municipal Code, it is the function of the City of Modesto (“City”) Finance Department to deposit and invest funds in accordance with sound treasury management, and

WHEREAS, the City is also governed by Sections 53600 et seq. of the California Government Code, which requires that local agencies annually adopt an investment policy, and

WHEREAS, the City Council approved a contract on February 3, 2004 with Public Financial Management (PFM), an investment services advisor, to provide investment management, research and supervision of the City’s Managed Funds, and

WHEREAS, PFM has reviewed the City’s Investment Policy and is recommending changes to bring the policy up to date and more in line with the City’s general investment philosophy, and

WHEREAS, by an Agenda Report dated May 13, 2004, from the Deputy Director of Finance, the recommendation has been made to revise Policy No. 1.019 relating to the Investment of Public Funds, and

WHEREAS, a copy of the proposed policy is marked Attachment “A”, attached hereto and incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Modesto hereby approves the revised policy for Investment of Public Funds, Policy No. 1.019.
The foregoing resolution was introduced at a regular meeting of the Council of
the City of Modesto held on the 25th day of May, 2004, by Councilmember Jackman,
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: Dunbar, Hawn, Jackman, Keating, Marsh,
O’Bryant, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None.

ATTEST: 

JEAN ZAHR, City Clerk

(SEAL)

APPROVED AS TO FORM:

By MICHAEL D. MILICH, City Attorney
ATTACHMENT A

PURPOSE
The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

BACKGROUND
Under Section 2-3.401 of the Municipal Code, it is the function of the Finance Department to deposit and invest funds in accordance with sound treasury management. As a charter city, Modesto operates its pooled idle cash investment under the “prudent investor” rule which states that:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not of speculation, but for investments, considering the probable safety of their capital as well as the probable cause to be derived.”

The City is also governed by Sections 53600 et seq. of the California Government Code. This affords the City a broad spectrum of investment opportunities, so long as the investment is deemed prudent and allowable under current legislation of the State of California and the charter of the City of Modesto.

On an annual basis, the Finance Director/Treasurer will render to the City Council the statement of investment policy. The report will be considered, with any changes, by the City Council at a public meeting.

INVESTMENT REPORT
The Finance Director/Treasurer shall provide the City Council with a monthly report of investment transactions. In addition, the Finance Director/Treasurer shall render a quarterly report to the City Council, City Manager and the internal auditor within 30 days following the
end of the quarter. The report shall contain the following:

1. The type of investment, issuer, purchase date, date of maturity, credit rating, overall portfolio yield based on cost, total par and dollar amount invested on all securities, investments and monies.

2. The weighted average maturity of the portfolio.

3. A description of any funds, investments or programs that are under management of contracted parties, including lending programs. Funds and investments held by contracted parties shall be reported at market value and the source of valuation shall be reported.

4. The market value as of the date of the report, and the source of the valuation.

5. A statement of compliance with the investment policy or manner in which the portfolio is not in compliance.

6. A statement denoting the City’s ability to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient money shall, or may, not be available.

INVESTMENT CRITERIA
Public funds are invested in the following manner in order of priority:

1. **Safety of Principal**
   The duty of the Finance Director/Treasurer is to protect, preserve and maintain cash and investments on behalf of the citizens of the community. To guard against loss of principal, only prudent and safe investments will be considered.

2. **Liquidity**
   The receipt of revenues and maturities of investments should be scheduled so that adequate cash will be available to meet disbursements. An adequate portion of the portfolio should be maintained in liquid short-term instruments which can be readily converted to cash if necessary.

3. **Yield**
   Yield is the potential dollar earnings, or rate of return, an investment can provide. Yield becomes a consideration only after the basic requirements of safety and liquidity have been met.

SAFEKEEPING AND CUSTODY

All security transactions entered into by the City shall be conducted on a delivery-versus payment basis. Securities will be held by third party custodian designated by the Finance
Director/Treasurer and evidenced by safekeeping receipts.

The only exception to the foregoing are Local Agency Investment Pools, Certificates of Deposit, and money market funds since the purchased securities are not deliverable. In all cases, purchased securities shall be held in the City’s name.

PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The City will measure the portfolio’s performance against a market benchmark that is commensurate with the City’s investment risk constraints and the cash flow characteristics of the portfolio.

AUTHORIZED INVESTMENTS

Commencing with Section 53601 of Article 1, Chapter 4 of the Government Code of the State of California, surplus money may be invested in the following:

A. **City of Modesto bonds.** Bonds issued by the City.

B. **U.S. Treasury securities.** United States Treasury notes, bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the principal and interest.

C. **State of California securities.** Registered State of California warrants, treasury notes or bonds, provided that the securities are rated AAA by a nationally recognized statistical rating agency.

D. **California municipal securities.** Bonds, notes, warrants or other evidence of indebtedness of any local agency within California, provided that the securities are rated AAA by a nationally recognized statistical rating agency.

E. **Federal Agency securities.** Obligations issued by a federal agency or United States government-sponsored enterprise.

F. **Bankers’ Acceptances.** Bankers’ Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a nationally recognized statistical rating agency.

Purchases of Bankers’ Acceptances may not exceed 180 days maturity or 40 percent of the City’s surplus money. The maximum amount permitted to be invested in the Banker’s Acceptances of any one commercial bank is the greater of 10 percent of the City’s surplus funds or $1 million.
Bills of exchange or time drafts (bankers acceptances) drawn on and accepted by a commercial bank.

G. Commercial Paper. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (a) is organized and operating within the United States as a general corporation. (b) Has total assets in excess of $500 million. (c) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company. (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.

Investments in commercial paper are limited to a maximum of 25% of the portfolio. Purchases shall not exceed 10 percent of the outstanding paper of the issuing corporation. The maximum investment maturity is restricted to 270 days.

Commercial paper of "prime" quality.

H. Certificates of Deposit. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California. Eligible investments are restricted to those issuing institutions that have been in business at least five years. The maximum term for deposits shall be one year. Investments in certificates of deposit are further limited to 20% of surplus funds. All time deposits must be collateralized in accordance with California Government Code section 53561. The City, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.

I. Negotiable Certificates of Deposit. Negotiable certificates of deposit issued by a nationally- or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody’s or Standard & Poor’s. Investments in negotiable certificates of deposit are limited to 30 percent of the portfolio.

H. Certificates of deposit (CD) and negotiable certificates of deposit (NCD) issued by a nationally or state-chartered bank or a state or federal association or a state-licensed branch of a foreign bank.

J. Repurchase Agreements. Repurchase Agreements used solely as short-term investments not to exceed 90 days.
The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities as described in 1 and 2 will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the City's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by the City for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

The City may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of $1 billion and in the highest short-term rating category as provided by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

The City will have specific written agreements with each firm with which it enters into Repurchase Agreements.

K. Reverse Repurchase Agreements. The City may invest in reverse repurchase agreements only with "primary dealers" with which the City has entered into a master repurchase agreement contract. The City may invest in reverse repurchase agreements with the following conditions: The City may only use reverse repurchase agreements to (1) cover a temporary cash shortage, or (2) augment earnings. Reverse repurchase agreements may not be used to leverage the portfolio.

In addition, if a reverse repurchase agreement is authorized, it may be utilized only if the security to be sold on reverse repurchase agreement has been owned and fully paid for by the City for a minimum of 30 days prior to the sale; the total of all reverse repurchase agreements on investments owned by the City does not exceed 20% of the portfolio; and the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a reverse repurchase agreement and the final maturity date of the same security. The proceeds of the reverse repurchase agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

L. Medium-term corporate notes. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S.
Medium-term notes shall be rated in a rating category "AA-" or its equivalent or better by a nationally recognized rating service. Purchase of medium-term corporate notes may not exceed 30 percent of the City's investment portfolio.
Medium-term corporate notes of a maximum of five years maturity issued by corporations operating within the United States.

M. Money market funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (money market funds). Shares of beneficial interest issued by diversified management companies as defined in Section 23701(m) of the Revenue and Taxation Code (mutual funds).

N. State of California Local Agency Investment Fund (LAIF).

O. Mortgage and asset-backed securities. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-backed bond that has been issued by a Federal Agency and has a maximum of five years maturity.

MAXIMUM MATURITY
Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the City to meet all projected obligations.

Maximum maturity of an authorized investment is limited to five years.

Proceeds of sales or funds set aside for the repayment of any notes (e.g., Tax and Revenue Anticipation Notes) shall not be invested for a term that exceeds the term of the notes.

INELIGIBLE INVESTMENTS
Any security type or structure not specifically approved by this policy is hereby specifically prohibited. Security types which are thereby prohibited include, but are not limited to.

Investment in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages is prohibited.

Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.

Detailed descriptions of investment instruments and terms are provided in Appendix A—Glossary.

RESTRICTIONS SET BY THE FINANCE DIRECTOR/TREASURER
A. Prior approval of the Finance Director/Treasurer is required for the following transactions:

- Sale of securities
- Swaps and trades
- Purchase of collateralized mortgage obligations (CMO)
- Purchase of mortgage-backed obligations
- Purchase of corporate notes
- Purchase transaction in excess of $3 million

B. The following investments are not deemed appropriate for the City and will not be utilized:

- Futures and options
- Small Business Administration notes

**AUTHORIZED INVESTMENT PERSONNEL**

Pursuant to the Government Code, the City Council delegates the authority to invest or to reinvest funds, or to sell or exchange securities so purchased, to the Finance Director/Treasurer for a one-year period. The Finance Director/Treasurer is charged with the responsibility for carrying out the policies of the City Council and shall assume full responsibility for investment transactions until the delegation of authority is revoked or expires.

Idle cash management and investment transactions are the responsibility of the Finance Department, which is under the control of the Finance Director/Treasurer. The Finance Director/Treasurer may designate an individual(s) ["Designee"] to be responsible for the daily management of the City’s portfolio of treasury investments. The Designee may also be directed to monitor and forecast the City’s cash flows, and prepare periodic investment reports that are submitted to the City Council. The Accounting Division of the Finance Department monitors all treasury transactions and prepares accounting records of all investment transactions as to type of investment, amount, yield, and maturity. No other person has authority to make investment transactions without the written authority of the Finance Director/Treasurer. Pursuant to Government Code chapter 53600, all persons investing monies are trustees and therefore fiduciaries subject to the prudent investor standard. Financial market security transactions will be executed by delivery versus payment and the securities will be held by a third party custodian.

The Finance Director/Treasurer or Designee is authorized to make all investment transactions allowed by the Investment Policy. The Finance Director/Treasurer may authorize the Designee to enter into investments within specified parameters. No other person has authority to make investment transactions without the written authority of the Finance Director/Treasurer. Pursuant to Government Code chapter 53600, all persons investing monies are trustees and therefore fiduciaries subject to the prudent investor standard. Financial market security transactions will be executed by delivery versus payment and the securities will be held by a third party custodian.

Subject to required procurement procedures, the City may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated
that these services produce a net financial advantage or necessary financial protection of the City's resources.

**POLICY REVIEW**

The investment policy shall be adopted by resolution of the City Council on, at minimum, an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to City Council for approval.

This policy and the internal controls related to the investment of City funds will be reviewed by the City's independent external auditors in the conduct of their annual audit of the City.
APPENDIX A - GLOSSARY

Bankers Acceptances (BAs)
Bankers Acceptance is a time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank “accepts” such a bill, the time draft becomes, in effect, a predated certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

Certificates of Deposit (CDS)
A certificate of deposit is issued against funds deposited in a commercial bank for a definite period of time and earning a specified rate of return. They are issued in two forms, negotiable and non-negotiable:

A negotiable certificate of deposit may be sold by one holder to another prior to maturity. This is possible because the issuing bank agrees to pay the amount of the deposit, plus earned interest, to the Bearer of the certificate at maturity.

A non-negotiable certificate of deposit is collateralized and is not a money market instrument since it cannot be traded in the secondary market. It is issued on a fixed maturity basis and often pays a higher interest rate than is permissible on other savings or time deposit accounts.

Collateralized Mortgage Obligation (CMO)
A CMO is a pool of mortgages sold as a single investment with interest paid monthly, quarterly, or semi-annually. Mortgage securities pay a higher rate than U.S. Treasury securities due to risk of prepayment and default.

Commercial Paper (CP)
This is a short-term promissory note issued by a corporation to raise working capital. The interest rates tend to be higher than other investments of similar liquidity.

Derivatives
A financial instrument with a value derived from the value of one or more underlying assets or indexes of asset values. The term “derivative products” refers to instruments or features such as collateralized mortgage obligations (CMOs), interest-only (IOs) and principal-only (POs), forwards, futures, currency and interest rate swaps, options, floaters/inverse floaters, and caps/floors/collars.

Federal Agency Securities
Certain agencies created by Congress and sponsored by the federal government issue debt that is considered to be of prime quality and have a very high standing in the bond market. The major federal agencies are described as follows:

Federal National Mortgage Association (FNMA, “Fannie Mae”) provides funds to the mortgage market primarily by purchasing loans from local lenders.
Federal Home Loan Mortgage Corporation (FHLMC, “Freddie Mac”) purchases conventional mortgages and sells mortgage-backed securities.

Student Loan Marketing Association (SLMA, “Sallie Mae”) facilitates that flow of private capital into various federally-guaranteed student loan programs maintained through banks, S&Ls, educational institutions and other participating lenders.

Federal Farm Credit System (FFCB) sells securities to provide mortgage loans and short-term and intermediate-term credit to farmers, ranchers, and agricultural cooperatives.

Federal Home Loan Bank (FHLB) acts as a credit reserve system for the thrift industry to stabilize the flow of funds to member savings and loan and savings banks.

**Futures**
Exchange traded contracts specifying a future date of delivery or receipt of a specific product (physical commodity or financial instrument). Futures are used by business as a hedge against unfavorable price changes, and by speculators who hope to profit from such changes.

**Local Agency Investment Fund (LAIF)**
State of California LAIF is designed to provide a convenient and safe means of investing temporarily idle monies by the State Treasurer. LAIF provides high liquidity and generally pays higher yields than can be realized by individual local agencies (for similar maturities) due to economies of scale.

**Medium-Term Notes**
Issued by corporations (in the form of secured or unsecured debt) for the purpose of raising working capital and purchasing capital assets.

**Options**
A right to buy (call) or sell (put) a fixed amount of a given stock at a specified price within a limited period of time. The purchaser hopes that the stock’s price will go up (if he bought a call) or down (if he bought a put) by an amount sufficient to provide a profit when he sells the option. If the price is static or moves in the opposite direction, the price paid for the option is lost entirely.

**Repurchase Agreement**
As authorized in Government Code Section 5360i(1), these investment vehicles are (generally short-term) agreements between the local agency and seller for the purchase of Government securities to be resold at a specific date and for a specific amount.

**Reverse Repurchase Agreement**
This transaction is the opposite of a repurchase agreement. The dealer buys securities with a contractual agreement to sell them back at a prearranged date. The local agency pays the dealer' interest for the use of the funds. The money “borrowed” on a “reverse repo” can be reinvested in higher yielding instruments.
U.S. Treasury Securities
The highest quality, most liquid debt investments available in the fixed income market-place; unconditionally backed by the "full faith and credit" of the U.S. Government. Treasury bills are short-term instruments (maturity of three months to one year); Treasury notes and bonds are currently issued with maturities of two to ten years.