



Citizen Housing and Community Development Committee

Citizen Housing and Community Development Committee
Tenth Street Place, 1010 10th Street, Room 2001
Modesto, California

Thursday, February 14, 2019 at 12:00 PM

Roll Call - Silent

Declaration of Conflict of Interest

Public Comment Period

Only interested persons in the audience may present these matters. Under State law, the Citizen's Housing and Community Development Committee may respond to matters being presented under the item only as follows:

- a) Briefly respond to statements made or questions raised.
- b) Ask a question for clarification
- c) Provide a reference to staff or other resources for factual information.
- d) Request staff to report back at a subsequent meeting.
- e) Finally, a Committee member or the Committee itself may take action to direct staff to place a matter of business on a future agenda.

Consent Items - Unless withdrawn from consent, items are approved at one time.

- .1. Consider approving minutes of the January 10, 2019 meeting

Documents:

[01 10 2019 MINUTES.PDF](#)

New Business

- .1. Consider accepting Amendment #2 to City of Modesto Program Year 2018-2019 Annual Action Plan, and forwarding to Council for approval.

Documents:

[AR - AMENDMENT 2 TO PY 2018-19 AAP \(2\).PDF](#)
[ATTACHMENT 1 - AMENDMENT 2 DOCUMENT.PDF](#)

Comments and Committee Reports

Matters Too Late for the Agenda

(These may be presented by members of the Citizens' Housing and Community Development Committee and staff upon determination by a majority vote that an emergency exists, as defined by State Law, or by a 2/3 vote that (1) there is a need to take immediate action, and (2) that the need for action came to the City's attention after the agenda was posted.)

Adjournment

Posted pursuant to Government Code Section 54954.2 on bulletin board at Tenth Street Place on

Name	Date	Time
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If you require a translator, please contact the Community Development Division office by email or 209-577-5211, no fewer than two business days prior to the workshop to make the necessary arrangements.

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Este documento puede traducirse al español bajo petición llamando al (209) 577-5211.



MINUTES

CITY OF MODESTO
CITIZENS' HOUSING & COMMUNITY DEVELOPMENT COMMITTEE
1010 10th Street, Modesto, CA 95354 Suite 2005
Modesto, California

Thursday, January 10, 2019 at 12:00 p.m.

The meeting was called to order by Chairperson Councilmember Kenoyer at 12:02 p.m.

ROLL CALL

Members Present: Chairperson Councilmember Kenoyer, David Wright, Doug Parman, Julie Scherer, Councilmember Ah You, and Ameet Birring

Members Absent: Philip Anselmo

Staff Present: Heather Jones, Marisela Cruz, Juan Gonzalez, Jody Christiansen, and Jessica Narayan

Public Present: Steve Madison

DECLARATION OF CONFLICT OF INTEREST

PUBLIC COMMENT PERIOD

Steve Madison provided a project update on previously approved project on Vine Street. Noting at this time the project has stalled due to Building and Fire codes that are not conducive for this type of project. He will keep the committee informed should there be any changes in this development.

CONSENT ITEMS – UNLESS WITHDRAWN FROM CONSENT, ITEMS ARE APPROVED AT ONE TIME.

1. Consider approving the minutes from December 13, 2018.

ACTION: Motion (David Wright/Doug Parman; 6-0,) approving the minutes from December 13, 2018.

NEW BUSINESS

1. Consider allocating \$189,600 in Community Development Block Grant Funds to Stanislaus County Affordable Housing Corporation (STANCO) for rental acquisition activities.

ACTION: Motion (David Wright/Councilmember Ah You; 6-0,) approve allocating \$189,600 in Community Development Block Grant Funds to Stanislaus County Affordable Housing Corporation (STANCO) for rental acquisition activities and forwarding to Council for approval.

2. Overview of the Public Service Request for Proposals (RFP) and formation of a sub-committee to review proposals and make funding recommendations for Program Year (PY) 2019/2020.

ACTION: The following members have volunteered to hear public service presentation on March 13, 2019 Councilmember Kenoyer, David Wright, Doug Parman, and tentatively Councilmember Ah You.

3. Consider Appointing Representative to Housing Rehabilitation Loan Committee.

ACTION: David Wright volunteered to be the voting member Representative to Housing Rehabilitation Loan Committee.

COMMITTEE COMMENTS & REPORTS

Julie Scherer would like to see if we can partner on land acquisition or project for a more substantially sized property.

MATTERS TOO LATE FOR THE AGENDA

(These may be presented by members of the Citizens' Housing and Community Development Committee and staff upon determination by a majority vote that an emergency exists, as defined by State Law, or by a 2/3 vote that (1) there is a need to take immediate action, and (2) that the need for action came to the City's attention after the agenda was posted.)

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:54 p.m. by Chairperson Councilmember Kenoyer.

Respectfully submitted and approved by,

Jessica Narayan, Community Development Manager
Community and Economic Development Department



CITY OF MODESTO
COMMITTEE AGENDA REPORT

DATE OF MEETING:
February 14, 2019

Date: February 6, 2019

TO: Citizens' Housing & Community Development Committee

THROUGH: Jessica Narayan, Community Development Manager

SUBJECT: Amendment #2 to Program Year 2018-2019 Annual Action Plan

CONTACT: Juan Gonzalez, Sr. Community Development Program Specialist
jgonzalez@modestogov.com, 577-5368

DESCRIPTION:

Consider accepting Amendment #2 to City of Modesto Program Year 2018-2019 Annual Action Plan, and forwarding to Council for approval. (Funding Sources: Community Development Block Grant, Emergency Solutions Grant and HOME Investment Partnerships funds)

STRATEGIC PLAN ELEMENT:

This item supports the City's Strategic Commitment - Great Safe Neighborhoods: Increase collaboration with neighborhoods and school district(s) to achieve quality of life improvements, and safe neighborhoods through supporting community self-reliance, problem solving and public/private partnerships.

BACKGROUND:

The U.S. Department of Housing and Urban Development (HUD) requires the City of Modesto, as an entitlement community, to develop an Annual Action Plan that describes proposed activities funded with Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) funds. The Annual Action Plan should align and support the priorities in the City's five-year Consolidated Plan.

HUD allows the City to amend an Annual Action Plan when any substantial changes are made to proposed activities and/or funding allocations. An amendment to an Annual Action Plan describes the proposed changes and planned activities to address the needs and priorities established in the Consolidated Plan. The proposed amendment is made available for public review through which the public is provided an opportunity to comment for a minimum of 30 days.

All citizen comments received in writing or orally at public meetings and/or hearings will be considered by the City as part of the development of the amendment. HUD requires the City to formally adopt amendments as part of the respective program year Annual Action Plan.

DISCUSSION:

The purpose of Amendment #2 to the City of Modesto PY 2018-2019 Annual Action is to address the U.S. Department of Housing and Urban Development (HUD) Department's

reduction of the City of Modesto 2018-2019 Community Development Block Grant allocation. The 2018-2019 CDBG grant allocation was reduced from \$2,003,752 to \$1,618,617; this reflects a reduction of \$385,135.

Although the overall 2018-2019 allocation was reduced, staff projects that activity funding levels will not be affected/reduced due to an increase in projected CDBG Program Income (PI) and Revolving Loan Fund (RLF) revenue. The original 2018-2019 CDBG budget projected \$400,000 in Program Income revenue for the Program Year; however, after conducting a program income analysis, the City has received \$400,000 in the first six months of the Program Year. Therefore, the City is projecting an additional \$400,000 of Program Income which will be programmed through this Amendment #2.

As a result of the funding level changes, the following modifications are proposed as part of Amendment #2:

Entitlement Funding Changes:

1. CDBG Planning and Administration:

- a. Reduction of the CDBG Planning and Administration entitlement funds budget by \$77,027; new entitlement amount for administration activities: \$323,723.
- b. The City anticipates receiving \$160,000 of Program Income for administration activities, which will be programmed through this Amendment #2, for a total of \$483,723.

2. Affordable Housing – Acquisition (Entitlement):

- a. Allocate \$189,600 to the acquisition of a transitional housing project.

3. Advocates for Justice

- a. Per the request of Advocates for Justice, defund this public service grant in the amount of \$22,899.

Revolving Loan Fund changes:

After a budget analysis, an additional \$449,587 has been identified for programming in Revolving Loan Fund (RLF) activities. These funds will be used to expand the use of RLF funds by converting activities previously funded with entitlement funds to be funded with RLF. The following changes will be made to the following RLF activities:

1. Water/Sewer Connection Program

- a. Defund this activity by \$139,477, leaving a balance of \$200,000 for program activities, due to current interest in the program.

2. Fresno CDFI Small Business Loans

- a. Defund this activity in the amount of \$100,000 in CDBG Entitlement funds and budget with an equal amount of Revolving Loan Funds.

3. **Affordable Housing – Acquisition (RLF):**
 - a. Create an Affordable Housing – Housing Acquisition Revolving Loan Fund activity and add \$443,629.

4. **Affordable Housing – Owner Occupied Housing Rehabilitation:**
 - a. Add \$145,435 of RLF funds to program budget for a total of \$561,272.
 - b. Defund Mobile Home housing rehabilitation activity by \$180,000 in CDBG Entitlement funds; this was added to Owner Occupied Housing Rehabilitation via RLF. Mobile Homes projects will be assisted through this activity.

The draft Amendment #2 is provided as Attachment 1.

The 30-day public period to review and comment on the draft amendment opened February 9, 2019 and will close with a public hearing at the City Council meeting on March 12, 2019.

The following Citizen Participation meetings have or will be held:

- January 8, 2019: Steering Community Stratford at Beyer Park; 3529 Forest Glenn Dr Modesto (D5), 6:00 pm.
- January 16, 2019: West Modesto King Kennedy Collaborative; 601 S. Martin Luther King Ave Modesto (D2), 5:30 pm.
- January 28, 2019: Delwood Neighborhood Alliance; 1600 Carver Rd Modesto (D3), 7:00 pm.
- February 4, 2019: Airport Neighborhood Community Collaborative; 801 Empire Avenue Modesto (D4), 3:30 pm.
- February 6, 2019: Church of the Cross; 3936 Dale Rd Modesto (D1), 5:30 pm.
- February 14, 2019: Citizens Housing & Community Development Division Committee Meeting; 1010 10th Street Modesto, 12:00 p.m.
- February 20, 2019: Orchard Park Neighborhood Alliance; 1813 Oakdale Rd Modesto (D6), 5:30 pm.
- February 21, 2019: Stanislaus County System of Care (CSOC), Continuum of Care (CoC) Meeting, 2:30 p.m.

Any comments received during the 30-day public review period or during the City Council meeting will be incorporated into the final Amendment #2 to the City's Program Year 2018-2019 Annual Action Plan.

FISCAL IMPACTS:

The Annual Action Plan Amendment #2 will address HUD's entitlement funding reduction to the CDBG program and allocate program income and revolving loan funds throughout several Annual Action Plan activities.

There is no impact to the General Fund.

RECOMMENDED COMMITTEE ACTION:

Motion accepting Amendment #2 to City of Modesto Program Year 2018-2019 Annual Action Plan, and forwarding to Council for approval, and authorizing the City Manager or his designee to sign the required documents to the U.S. Department of Housing and Urban Development

Prepared By: _____
Juan Gonzalez, Sr. Community Development Program Specialist

Approved By: _____
Jessica Narayan, Community Development Manager

Attachments:

1. Amendment #2 to Program Year 2018-19 Annual Action Plan

AMENDMENT #2
2018-2019 Annual Action Plan
City of Modesto

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

The purpose of the Substantial Amendment #2 to the City of Modesto PY 2018-2019 Annual Action is to address the U.S. Department of Housing and Urban Development (HUD) Department's reduction of the City of Modesto 2018-2019 Community Development Block Grant allocation. The 2018-2019 CDBG grant allocation was reduced from \$2,003,752 to \$1,618,617; this reflects a reduction of \$385,135.

Although the overall 2018-2019 allocation was reduced, staff projects that activity funding levels will not be affected/reduced due to an increase in projected CDBG Program Income (PI) and Revolving Loan Fund (RLF) revenue. The original 2018-2019 CDBG budget projected \$400,000 in Program Income revenue for the Program Year; however, after conducting a program income analysis, the City has received \$400,000 in the first six months of the Program Year. Therefore, the City is projecting an additional \$400,000 of Program Income which will be programmed through this Amendment #2.

The City will also reduce Activity Delivery funding levels for respective Annual Action Plan activities to reflect costs incurred to date.

As a result of the above mentioned funding level changes, the following changes are proposed as part of Amendment #2:

Entitlement Funding Changes:

1. CDBG Planning and Administration:

- a. Reduction of CDBG Planning and Administration entitlement funds budget by \$77,027; new entitlement amount for administration activities: \$323,723.
- b. The City anticipates receiving \$160,000 of Program Income for administration activities, which will be programmed through this Amendment #2, for a total of \$483,723.

2. Affordable Housing – Acquisition (Entitlement):

- a. Allocate \$189,600 to the acquisition of a transitional housing project.

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 - a. Create an Affordable Housing – Housing Acquisition Revolving Loan Fund activity and add \$443,629.

- 4. Affordable Housing – Owner Occupied Housing Rehabilitation:**
 - a. Add \$145,435 of RLF funds to program budget for a total of \$561,272.
 - b. Defund Mobile Home housing rehabilitation activity by \$180,000 in CDBG Entitlement funds; this was added to Owner Occupied Housing Rehabilitation via RLF. Mobile Homes projects will be assisted through this activity.

In compliance with Citizen Participation regulations, a 30-day public comment period will begin February 9, 2019 and conclude on March 12, 2019. The city will present the draft Amendment #2 at the following public meetings.

- January 8, 2019: Steering Community Stratford at Beyer Park; 3529 Forest Glenn Dr Modesto (D5), 6:00 pm.
- January 16, 2019: West Modesto King Kennedy Collaborative; 601 S. Martin Luther King Ave Modesto (D2), 5:30 pm.
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- February 20, 2019: Orchard Park Neighborhood Alliance; 1813 Oakdale Rd Modesto (D6), 5:30 pm.

- February 21, 2019: Stanislaus County System of Care (CSOC), Continuum of Care (CoC) Meeting, 2:30 p.m.

Interested persons will be given the opportunity to provide oral and/or written comments at the Public Hearing on March 12, 2019. All written comments must be submitted by March 11, 2019 at 4:30 PM. Please direct written comments to the City of Modesto, Attention: Community Development Manager, Community Development Division at the address listed below:

In Person: 1010 Tenth Street, Suite 3100, Modesto, CA 95354
Between the hours of 8:30 a.m. and 4:30 p.m.

Email: housing@modestogov.com.

Phone: (209) 577-5211