



Citizen Housing and Community Development Committee

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

Thursday, April 11, 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Consent Items - Unless withdrawn from consent, items are approved at one time.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 February 14, 2019 meeting.

Documents:

[02 14 2019 MINUTES.PDF](#)

New Business

- .1. Consider reviewing the City of Modesto Draft Program Year 2019-2020 Annual Action Plan and forwarding to Council for approval.

Documents:

[ITEM 1 - 2019-2020 ANNUAL ACTION PLAN.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
------	------	------

Notice: Copies of the agenda are on file at the Modesto-Stanislaus Library Reference Room located at 1500 "I" Street, Modesto or at the City of Modesto – Community Development Division, 1010 10th Street, Suite 4300, Modesto, California.

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.

In compliance with the Americans with Disabilities Act (ADA), the City of Modesto does not discriminate against persons with disabilities and is an accessible facility. Any person with a disability who requires a modification or accommodation to be able to participate is asked to contact the Community Development Division by email or 209-577-5211, no fewer than two business days prior to the workshop to allow for reasonable arrangements.

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, February 14, 2019 at 12:00 p.m.

The meeting was called to order by Chairperson Councilmember Kenoyer at 12:05 p.m.

ROLL CALL

Members Present: Chairperson Councilmember Kenoyer, David Wright, Doug Parman, Julie Scherer, Councilmember Ah You (in at 12:07pm), and Lisa Battista.

Members Absent: Philip Anselmo and Ameet Birring

Staff Present: Heather Jones, Juan Gonzalez, and Jessica Narayan

Public Present: None

DECLARATION OF CONFLICT OF INTEREST

PUBLIC COMMENT PERIOD

CONSENT ITEMS – UNLESS WITHDRAWN FROM CONSENT, ITEMS ARE APPROVED AT ONE TIME.

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

ACTION: Motion (David Wright/Julie Scherer; 5-0, Councilmember Ah You absent) approving the minutes from January 10, 2019 with the adjustment to indicate Lisa Battista absent.

NEW BUSINESS

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

ACTION: Motion (David Wright/Julie Scherer; 6-0,) accepting Amendment #2 to City of Modesto Program Year 2018-2019 Annual Action Plan, and forwarding to Council for approval.

COMMITTEE COMMENTS & REPORTS

Julie Scherer would like everyone to remember the Graceada Park Gala on 05/11/2019.

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 12:45 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:

April 11, 2019

Date: April 4, 2019

TO: Citizens' Housing & Community Development Committee

THROUGH: Jessica Narayan, Community Development Manager

SUBJECT: Draft Program Year 2019-2020 Annual Action Plan

CONTACT: Jessica Narayan, Community Development Manager
jnarayan@modestogov.com 209-577-5211

DESCRIPTION:

Consider reviewing the City of Modesto Draft Program Year 2019-2020 Annual Action Plan and forwarding to Council for approval.

STRATEGIC PLAN ELEMENT:

This item supports 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 City of Modesto is an "entitlement grantee" under the U.S. Department of Housing and Urban Development (HUD) Office of Community Planning and Development (CPD) programs. HUD requires entitlement grantees adopt a comprehensive, long-term plan for the use of its HUD funds known as the Five-Year "Consolidated Plan" (Consolidated Plan) which analyzes the City's housing and community development needs, with a priority focus on low- and moderate-income individuals, households, and neighborhoods, and describes long-term strategies for meeting those needs. The City's current Consolidated Plan covers Program Years 2015 to 2020 (July 1, 2015 to June 30, 2020).

As a HUD entitlement community, the City is required to develop an Annual Action Plan that describes proposed activities funded with HUD's CPD programs including Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) funds. The Annual Action Plan (AAP) must align and support the priorities in the City's 2015-2020 Consolidated Plan.

As per the City's Administrative Directive 7.2 on Grant Management, grant applications over \$100,000 must be approved by Council. This item satisfies that requirement for these annual grants.

DISCUSSION:

The City of Modesto's Program Year (PY) 2019-2020 Annual Action Plan represents the fifth (5th) and final plan of the City of Modesto's 2015-2020 Consolidated Plan. The PY 2019-2020 AAP identifies activities to be undertaken during the program year to address community priority needs. Further, the PY 2019-2020 AAP identifies the expected resources to be available and the activities to be funded along with related activity accomplishments.

Program Allocations

HUD's release of 2019-2020 entitlement grant allocations is currently delayed. While the potential for funding elimination/reduction exists, City staff is proposing an Annual Action Plan based on historical funding allocation levels. The following is a projected estimate of Program Year 2019-2020 grant allocations based on prior year allocations:

CDBG:	\$2,003,752
ESG:	\$ 164,535
HOME:	\$ 900,000
TOTAL	\$3,068,287

Community Development Block Grant (CDBG)

CDBG funds support a range of eligible activities to benefit low and moderate income individuals, families, and neighborhoods. CDBG eligible activities include, but are not limited to public services, affordable housing, homebuyer assistance, acquisition of real, construction of public facilities and improvements, special economic development activities, and program administration in support of the implementation eligible activities.

CDBG funds must be allocated to eligible activities to support the goals and objectives identified within the Consolidated Plan to address community needs. The following CDBG activities have been proposed in the AAP:

CDBG Entitlement Program Activities

- Program Planning and Administration
- Affordable Housing – Acquisition
- Housing Rehabilitation Administration Activity Delivery
- Section 108 Loan Repayment
- Opportunity Stanislaus – Cottage Food Operator Microenterprise Project
- Access Center*
- Downtown Streets Team – Public Service

** Activities marked with an asterisk are prior year approved activities being continued*

Revolving Loan Fund Activities

- Affordable Housing – Owner Occupied Housing Rehabilitation
- Affordable Housing – Acquisition

With respect to public services, up to fifteen percent (15%) of the overall CDBG allocation may be used to fund CDBG Public Services grants awarded to eligible organizations that serve low- and moderate-income residents.

As part of the FY 2019-2020 public services competitive funding cycle, on January 2, 2019 the City issued a Request for Proposals (RFP) for Program Year 2019-2020 CDBG Public Services and ESG grant applications. The following is a list of CDBG applications received (ESG applications found in ESG section below):

APPLICANT	PROGRAM NAME
<i>Boys & Girls Club of Stanislaus County</i>	<i>West Modesto</i>
<i>CASA of Stanislaus County</i>	<i>CASA - Direct Service Project</i>
<i>Center for Human Services</i>	<i>Pathways</i>
<i>Children's Crisis Center</i>	<i>Respite Childcare Shelter Project</i>
<i>DRAIL</i>	<i>Assistive Technology Program</i>
<i>Haven Women's Center</i>	<i>Domestic Violence Shelter</i>
<i>Opportunity Stanislaus</i>	<i>VOLT Institute</i>
<i>Parent Resource Center</i>	<i>Connecting Families</i>
<i>Project Sentinel</i>	<i>Fair Housing Services</i>
<i>United Samaritans Foundation</i>	<i>Daily Bread Mobile Lunch Program</i>

The combined request was for a total of approximately \$305,000. A subcommittee of the Council-appointed Citizens' Housing & Community Development Committee (CH&CDC) reviewed and rated application proposals on March 13, 2019. The Annual Action Plan includes public services funding recommendations based on CH&CDC subcommittee review and scoring results, for the following organizations (allocation amounts to each activity listed below are included within the Annual Action Plan document and Action Plan Budget):

- Center for Human Services – Pathways Program
- Children's Crisis Center – Respite Childcare Shelter Project
- Court Appointed Special Advocates (CASA) – CASA of Stanislaus County
- Haven Women's Center – Domestic Violence Shelter
- Opportunity Stanislaus – VOLT Institute
- Parent Resource Center – Moms Parents Plus
- Project Sentinel – Fair Housing Program
- United Samaritans Foundation – Daily Bread Lunch Program
- Salvation Army – Berberian Shelter*

** Salvation Army's request was under the ESG program. Staff recommends this project be partially funded with CDBG and ESG due to insufficient funds in the ESG grant.*

Emergency Solutions Grant (ESG)

The purpose of the ESG program is to provide essential services to homeless individuals and families through street outreach and engagement, rapid re-housing assistance, homeless prevention, and provision of vital services in emergency shelters. The City competitively awards ESG grants to eligible organizations that provide assistance to individuals and families experiencing homelessness and those at risk of experiencing homelessness. The Annual Action Plan includes ESG funding recommendations for the following organizations (all organizations that applied for funds are being recommended for funding):

- Center for Human Services – Youth Street Outreach

Community Housing & Shelter Services – Homeless Prevention Rental Assistance
 The Salvation Army – Berberian Emergency Shelter

HUD allows up to 24 months for the expenditure of ESG funds. Via this AAP, the City will reprogram any funds unable to be spent by any of the ESG sub-recipients during Program Year 2018-2019. The exact amount will be unknown until June 30, 2019.

HOME Investment Partnerships Program (HOME)

HOME funds, in partnership with local nonprofit affordable housing developers, fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership to low income citizens. The populations served by these organizations advance the City’s priorities as described in its Program Year 2015-2020 Consolidated Plan.

The Annual Action Plan includes HOME funding recommendations for the following activities:

HOME Entitlement Program Activities

- Program Planning and Administration
- Affordable Housing: Archway Commons Phase II
- Affordable Housing: Homebuyer Assistance
- Affordable Housing: 416 E. Coolidge
- Affordable Housing: 0 Vine Street
- CHDO Set-Aside and Operating Support

Citizen Participation Process

In accordance with HUD Citizen Participation requirements, the public is afforded an opportunity to comment, for a minimum of 30 days, on the proposed Annual Action Plan. Any comments or views of citizens received in writing, or orally at public hearings, will be considered by the City when preparing the Annual Action Plan. A summary of the comments/views, including a notation as to whether or not the comment/view was accepted and the reasoning behind the inclusion or exclusion, will be included within the Citizen Participation section of the Annual Action Plan.

Citizen participation is a key component of the Annual Action Plan process. HUD regulations require the City provide ample opportunity and means for the populations served by the grants, as well as the general citizenry, to provide input on the goals and priorities and the specific type of activities to be funded in the City’s Program Year 2019-2020 Annual Action Plan.

A series of community meetings will be held during the months of March and April 2019 to assess local needs and priorities related to community services, economic development, community facilities and infrastructure, housing and fair housing.

The following is a list of the community meetings to be held:

Date	Time	Location	District
March 21, 2019	5:30 pm	Strategic Plan Meeting – Enochs High School	District 6
March 26, 2019	5:30 p.m.	Strategic Plan Meeting – Modesto Fire Station 6	District 1

March 27, 2019	5:30 p.m.	Strategic Plan Meeting – Stanislaus Veterans Center	District 5
April 4, 2019	5:30 p.m.	Strategic Plan Meeting – La Loma Jr High	District 4
April 8, 2019	3:30 pm	Airport Neighborhood Collaborative Meeting	District 4
April 10, 2019	5:30 pm	North Modesto Community Meeting	District 1
April 11, 2019	12:00 pm	Citizens' Housing & Community Development Committee	Citywide
April 11, 2019	5:30 pm	Strategic Plan Meeting – West Modesto King Kennedy Memorial Center	District 2
April 17, 2019	5:30 pm	Modesto Senior Citizens Center	District 3
April 18, 2019	2:30 pm	Stanislaus Community System of Care Monthly Meeting	Citywide

Any comments obtained from the community meetings will be incorporated into the Program Year 2019-2020 Annual Action Plan. HUD has directed entitlement grantees to submit the AAP only after official allocation awards are made available by HUD. The public review period to review and comment on the draft documents opened on March 25, 2019 and is scheduled to close with a public hearing at the Council meeting on May 14, 2019, subject to official HUD allocation award amounts being available. Per HUD's direction, the public hearing may be changed to a different date if awards are not available by May 14, 2019.

Any comments received during the public review period or during the Council public hearing will be incorporated into the final Program Year 2019-2020 Annual Action Plan that is submitted to HUD.

The proposed PY 2019-2020 Annual Action Plan addresses the following activities:

1. **Affordable Housing.** The City continues to take an active role in promoting and partnering in the production of affordable housing, addressing the social and economic needs of low- and moderate-income individuals, and serving the special needs population. These activities include the following:
 - a. Partnerships with local non-profit affordable housing organizations to provide rental housing acquisition, rehabilitation, and/or construction gap financing assistance and/or existing housing preservation activities.
 - b. Provide assistance to local homeowners address health and safety repairs in their homes via the Homeowner Rehabilitation Program.
 - c. Provide assistance to first time homebuyers via the Homebuyer Assistance Program.

2. **Fair Housing.** As mandated by HUD, the City will continue to support fair housing activities and partner with local fair housing providers to ensure the community is appropriately supported in their affordable housing efforts through free fair housing outreach and education opportunities to reduce the instances of unlawful housing practices.

3. **Addressing Homelessness.** In alignment with the multi-sector Focus on Prevention effort, the City continues striving to improve the coordination of low-income housing and social services in a manner that efficiently address homelessness. Being an ongoing partner in the Community System of Care (CSOC) Leadership process, it is envisioned

that activities such as coordinated entry and assessment of those in need will position the City and its partners to reduce chronic homelessness and find ways to increase the supply of affordable housing.

4. Public Facilities: Utilizing CDBG funding the City will partner with non-profit homeless service providers to fund the acquisition property to convert into homeless facilities and utilize as a one-stop-shop Access Center.

5. Economic Development: Utilizing CDBG funds to partner with Opportunity Stanislaus to fund a pilot Microenterprise Cottage Food Operator program for West Modesto, South Modesto, and Airport neighborhood residents to allow small artisan food makers producing goods out of their own home kitchens. The program will offer food entrepreneurship accelerator classroom instruction covering: food safety, city/county regulations, marketing, liability, and small business planning. Assistance will be provided to those interested in obtaining CFO business license and microenterprise business startup.

6. Public Services. Under CDBG and ESG Public Service Programs, the City projects over \$398,331 (approximately \$350,000 CDBG and \$152,195 ESG) will be utilized to assist approximately 12 non-profit organizations to deliver essential public services to extremely low- to moderate-income families and individuals.

A copy of the final Draft Program Year 2019-2020 Annual Action Plan is provided as Attachment 1.

FISCAL IMPACT:

Submittal of the Program Year 2019-2020 Annual Action Plan to HUD allows the City to receive CDBG, HOME, and ESG entitlement funding. HUD's release of 2019-2020 entitlement grant allocations is currently delayed. While the potential for funding elimination/reduction exists, City staff is proposing an Annual Action Plan based on historical funding allocation levels. The following is a projected estimate of Program Year 2019-2020 grant allocations based on prior year allocations. The estimated amount of funding from these sources for Program Year 2019-2020 is approximately \$9 million:

CDBG Entitlement	\$2,003,752
CDBG Program Income*	\$ 500,000
CDBG Funds from Previous Years	\$ 500,000
CDBG Revolving Loan Fund	\$ 900,000
NSP Program Income (Convert to CDBG)*	<u>\$ 500,000</u>
CDBG Subtotal	\$4,403,752
HOME Entitlement	\$ 900,000
HOME Program Income*	\$ 400,000
HOME Funds from Previous Years	<u>\$3,311,585</u>
HOME Subtotal	\$4,611,585
ESG Entitlement	<u>\$ 164,535</u>
TOTAL:	\$9,179,872

** Program income amounts are a projection of program income receipts from housing programs loan payoffs throughout Program Year 2019-2020.*

There is no impact to the General Fund as these funds are received from HUD for activities specified within the Program Year 2019-2020 Annual Action Plan. HUD requires all recipients that receive entitlement funding to prepare and submit an Annual Action Plan. Failure to submit the Program Year 2019-2020 Annual Action Plan could jeopardize the funds the City receives from the CDBG, HOME and ESG programs.

RECOMMENDED COMMITTEE ACTION:

Motion approving the City of Modesto Draft Program Year 2019-2020 Annual Action Plan and forwarding a recommendation to the City Council.

Prepared by:

Juan Gonzalez, Sr. Community Development Program Specialist

Approved by:

Jessica, Narayan, Community Development Manager

Attachments:

1. Draft Program Year 2019-2020 Annual Action Plan