

CITY OF MODESTO CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION PLAN PROGRAM YEAR 2011

Executive Summary

The United States Department of Housing and Urban Development (HUD) requires consolidated planning and reporting of all communities as a condition of receiving federal grants for Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Solutions Grants funds. At the end of each fiscal year, CDBG, ESG and HOME recipients report to their citizens and elected officials how they have utilized their grant funds to improve the community and the lives of the people who live in it. The Consolidated Annual Performance and Evaluation Report (CAPER) is the HUD-prescribed vehicle for providing this information.

The City of Modesto has successfully completed the second year of the City's Five-Year Consolidated Plan. Activities undertaken during this period reflect the goals and objectives as stated in the 2011-2012 Annual Action Plan. The Housing Division of the Parks, Recreation, and Neighborhoods Department is responsible for the management of grant programs that directly impact the lives of low- and moderate-income people throughout the City and continued its efforts to be effective stewards of federal funds in the service of its residents.

Summary of Resources and Distribution of Funds

HUD awarded the City of Modesto the following funds for the 2011 Program Year:

◆ Community Development Block Grant (CDBG)	\$ 2,109,056
◆ Emergency Solutions Grants (ESG)	\$ 102,575
◆ HOME Investment Partnerships (HOME)	\$ 671,157

The table attached (PRO3) details the funds available and expenditures during program year 2011-2012 (July 1, 2011 – June 30, 2012). The table first shows funds available at the end of the prior year for each program. To arrive at the funds available to draw as of July 1, 2011, the 2011-2012 entitlement amounts and the program income earned in 2011-2012 are added and the expenditures during 2011-2012 are subtracted.

Affirmatively Furthering Fair Housing

The City's Analysis of Impediments (AI) identified the following social and economic characteristics as they relate to local public- and private-sector housing practices and housing market conditions that may expose certain population groups to the potential for housing discrimination:

- Persistently high rate of foreclosure
- Persistently high rates of unemployment and underemployment
- Poor credit as a result of prior foreclosure
- Households with special needs

- Large households
- Single-female-headed households
- Households lacking sufficient funds for move-in and other housing costs

Steps taken to overcome effects of impediments identified in the AI.

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.

The Housing Authority of the County of Stanislaus (HACS) is responsible for the County's public housing and rental assistance (i.e. Housing Choice Vouchers, previously Section 8), operates rental housing rehabilitation programs, and is the project sponsor for selected affordable housing programs.

Private, non-profit organizations provide the majority of housing, shelter, and direct services funded under the Plan.

Various private entities, including homebuilders and homebuilders associations, lenders, real estate professionals and associations, and rental property owners and associations collaborate with the City, other public agencies, and nonprofit organizations to provide housing and financing for housing, and to promote fair housing programs. Specifically, the City of Modesto provides CDBG Public Services funds to Project Sentinel to provide fair housing services, including tenant-landlord counseling; as well as Habitat for Humanity, Stanislaus County to provide credit counseling and homebuyer education.

The Stanislaus Housing and Support Services Collaborative (SHSSC) is the planning and coordinating body for homeless issues in Stanislaus County. Representation includes non-profit organizations, homeless persons, formerly homeless persons, local governments, disability service organizations, the public housing authority, police and fire departments, faith-based and other community based organizations, service agencies, community members, government agencies and housing developers. SHSSC is also the lead agency for the Turlock-Modesto-Stanislaus County Continuum of Care.

Efforts taken to address the accessibility needs of persons with disabilities.

The City of Modesto has worked to eliminate internal barriers to the development of affordable housing through the following continuing efforts:

- ◆ Providing funding for land acquisition, secondary financing, and infrastructure costs;

- ◆ Assisting qualified households to purchase homes utilizing the homebuyer assistance programs;
- ◆ Exemption or deferral of Capital Facilities Fees for projects providing low-income housing;
- ◆ Using the adopted streamlining process for environmental review;
- ◆ Continuing to work with non-profit housing agencies in the provision of supportive services and programs;
- ◆ Using streamlined application review and permit processing; and
- ◆ Reduction of parking standards.

Continuum of Care

The City of Modesto is an active member of the local Continuum of Care, the Stanislaus Housing and Support Services Collaborative (SHSSC). The SHSSC drafted the Ten-Year Plan to End Long-Term Homelessness, which was adopted by the Modesto City Council in June 2007. This plan continues to inform the City's Consolidated Plan strategies, priorities, and program-year activities. The City is not a grantee of competitively awarded Continuum of Care programs (Supportive Housing Program [SHP], Shelter Plus Care [S+C], and Single Room Occupancy [SRO]); however, the City participates in the planning, strategizing, and decision-making of the local Continuum of Care. The City formally consults with the Continuum of Care to inform its ESG and CDBG Public Services funding priorities to more effectively address homelessness. Both the City and the Continuum are increasingly prioritizing strategic permanent supportive housing that targets vulnerable population groups (e.g., families, persons with disabling conditions, veterans, persons exiting public institutions, etc.) and those experiencing long-term homelessness as a means of addressing and preventing homelessness. Also, the City coordinates with other Federal resources, including those administered by the HACS and the U.S. Department of Veterans Affairs (VA), to leverage CDBG, HOME, and ESG funds.

Steps taken to prevent homelessness and to help homeless persons make the transition to permanent housing and independent living.

The City of Modesto and other CDBG, HOME, and ESG grantees in the local Continuum fund activities that provide emergency shelter and transitional housing to individuals and families experiencing homelessness. These grantees, as well as the local Continuum, have now prioritized homelessness prevention and rapid re-housing as a result of the release of the ESG Interim Rule in program year 2011-2012. Collectively, these shelter, transitional housing, and permanent supportive housing providers coordinate with one another to effectively operate as a continuum.

Federal resources obtained from the Homeless SuperNOFA.

The City of Modesto is not a Continuum of Care sponsor; however, the City works closely with subgrantees that are also CoC sponsors, such as:

- a. Aspiranet (2011 SHP \$94,959)
- b. Center for Human Services (2011 SHP 211,061)
- c. Children's Crisis Center of Stanislaus County (2011 SHP \$90,000)
- d. The Salvation Army, Modesto Citadel (2011 SHP \$100,000)

Other Actions

Steps taken to eliminate barriers to affordable housing.

Within the City, in various degrees, there is an ongoing gap in the availability of services across most categories of special need, including seniors, persons with disabilities, individuals with chronic illness, and persons with other conditions affecting their ability to function independently and productively. In addition, there is a need to link access to supportive services to affordable and appropriate housing.

The City of Modesto allocated entitlement funding in the community enabling local organizations to provide services that would meet underserved needs. Attached is a summary chart of the funding allocated and the populations of low-income persons served.

Steps Taken to Overcome Gaps in Institutional Structures

Examples of efforts taken to overcome gaps in the institutional structure and enhance coordination include:

The Deputy Director of Parks, Recreation, and Neighborhoods Department (PRND), which oversees CDBG, HOME, and ESG administration, conducted regular meetings with staff to discuss current projects and prospective activities.

PRND Housing staff and Finance Department personnel established a monthly review process to monitor Federal program expenditures. Staff verified and cross-referenced the information on the monthly budget activity reports with supporting documentation maintained by the Division. In addition, Staff assigned a unique number to each activity that provided easy identification on both the City's financial reporting system and the Federal Integrated Disbursement and Information System (IDIS).

Staff worked closely with Finance and Public Works Departments and Parks Planning and Development Division to ensure Capital Improvement Projects (CIPs) were on schedule and consistent with Federal program requirements (both statutory and regulatory), and that invoices were paid in a timely manner for work completed. This process ensured the timely expenditure of HUD funds timely to meet the provisions of 24 CFR 570.902 of the CDBG regulations which states that a grantee is considered to be timely, if 60 days prior to the end of the grantee's program year, the balance in its line-of-credit does not exceed 1.5 times the annual grant.

Staff participated in the City's Development Review Team which meets to review and discuss proposed residential and commercial developments in the City to ensure

sustainability or “smart growth” and mitigate impact to environment and surrounding neighborhoods. The team includes traffic engineers, landscape architects, planners, etc.

Staff provided technical assistance workshops to non-profit agencies on the types of services that are eligible for ESG and CDBG Public Services funding, as well as a detailed explanation of new ESG requirements. Staff also conducted a pre-award workshop for reporting requirements and Federal regulatory and statutory requirements for these programs.

Staff participated in housing, homeless and public service funding committees. (i.e. Stanislaus Housing and Support Services Collaborative (Continuum of Care), Emergency Food and Shelter Board, United Way Impact Councils).

The Deputy Director and Program Managers for HOME and CDBG meet monthly with the two approved Community Housing Development Organizations (CHDOs) to review projects, anticipate and resolve issues, and monitor spending.

Staff continued to be involved with initiatives that originated from the City’s Housing Element. The HOME Program Manager was especially involved in discussions concerning multi-family and affordable housing, as well as the evaluation of the effectiveness of HUD-funded projects relating to housing.

Steps taken to evaluate and reduce lead based paint hazards.

The dangers of lead based paint, especially to children have always been known. Homes built prior to 1978 and undergoing construction under a housing rehabilitation program are tested for the presence of lead based paint, or lead-based paint is presumed. If there is a presence of lead-based paint, safe work practices are used and the paint is encapsulated. A lead-based paint clearance is obtained at completion of the project. If a loan for homebuyer’s assistance is being obtained through a City program, a lead-based paint risk assessment report is obtained for the property. If the property does not pass the risk assessment, the lead-based paint must be remedied prior to the property being eligible under the homebuyer’s assistance program. All tests, clearances, and risk assessments are performed by someone who is certified by the State of California.

The City’s Housing Rehabilitation Specialists successfully completed the HUD Lead Hazard Control’s Visual Assessment course, pursuant to 24 CFR part 35.

The City’s Environmental Review Specialist became a State of California Department of Public Health (DPH) Certified Inspector/Assessor and followed up to become a DPH Certified Supervisor in 2003. The City continued to send Staff to training to better prepare them for dealing with lead-based paint in conjunction with construction regulations.

As of April 22, 2010, all contractors, property managers and others who perform renovations

for compensation in residential units built before 1978 are required to be a certified firm and take the Environmental Protection Agency (EPA) certified Lead-Based Paint Renovation, Repair and Painting Program (RRP) course. The City offers a certified training course for all contractors and developers working with City HUD-funded programs. ⁶

As an additional effort in spreading the word about the effects of lead-based paint, the City provided copies of the English- and Spanish-language versions of the EPA's pamphlet entitled "Protect Your Family From Lead in Your Home" reproduced for program applicants and distribution at neighborhood meetings in low- and moderate-income neighborhoods. Copies of the pamphlets are also available at the information counter at the Parks, Recreation and Neighborhoods Department.

Steps Taken to Reduce Number of Families in Poverty

Providing opportunities for low-income families to improve their economic status is an area of focus for the City, and is reflected in the City's Strategic Plan. The City leverages its federal grant funds from CDBG and ESG to:

- ◆ Support organizations and businesses interested in furthering economic development opportunities through the use of small business loans to create and retain jobs for low- and moderate-income workers.
- ◆ 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.

During the 2011-2012 program year the City allocated a total of \$322,782 in CDBG funds and \$102,576 in ESG funds to public service agencies for various programs to assist individuals and families experiencing homelessness or at risk of experiencing homelessness and low and moderate-income individuals and families reach self-sufficiency

Leveraging Resources

To adequately address community development needs in the neighborhood, the City leveraged HUD funding with private donations and other forms of state and federal grants as well as financial institutions to carry out tasks. City staff monitors all projects and organizations funded through the various programs to ensure that they are in compliance with all regulations, including matching of funding

Citizen Comments/Public Input

It is the intent of the City of Modesto to encourage and facilitate citizen participation by:

- 1. Soliciting needs in the neighborhood;
- 1. Obtaining community input regarding how funds should be invested;

- Building a sense of community among residents;
- Encouraging community empowerment and greater community voice; and
- Providing neighborhoods with information about City services

A copy of the Citizens Participation Plan is available for review on the City's website (www.modestogov.com). As noted in the plan, comments can be submitted anytime by sending an email to housing@modestogov.com

To ensure compliance with program and comprehensive planning requirements announcing the availability of entitlement grant funding and soliciting public input, 30-day public notices were published in the *Modesto Bee*, the City's local newspaper. These public notices were also published in the local Spanish-language newspaper *Vida en el Valle*. Each notice concluded with a public hearing held before the City Council.

Specific to this draft CAPER, a public notice announcing the availability of the draft CAPER and inviting public comment was published in the *Modesto Bee* on August 23, 2012 and in the local Spanish-language newspaper *Vida en el Valle* on August 29, 2012.

The Citizens Housing & Community Development Committee (CH&CDC) provides overall review of the City's HUD funds. This Council-appointed committee provides policy and funding recommendations to the City Council regarding the City's use of HUD entitlement funds

The CH&CDC held a public meeting on September 5, 2012 to review the draft CAPER and a public hearing was held before the City Council on September 25, 2012, to review the City's progress in meeting its performance goals. The public hearing also provided additional opportunity for the public to comment on the FY 2011-2012 CAPER.

No citizen comments were received on the CAPER.

Self Evaluation

The City actively worked at using the resources identified in the FY 2011-2012 Annual Action Plan to carry out the programs and activities. The City of Modesto has taken an active role in the promotion and production of affordable housing as well as addressing the social and economic needs of low- and moderate-income individuals, as well as the special needs populations within the City.

Monitoring

As contract agreements are prepared for the various local organizations receiving entitlement funds, strict controls are incorporated in the agreement as to the use of the funds. Whenever possible, payments were made for units of service delivered to beneficiaries or reimbursement for eligible costs incurred by the organization. Desired outcomes and performance measures or outputs (e.g., number of individuals served, type of activity,

accomplishments, etc.) were established as part of the agreements. This enables Staff to⁸ monitor the effectiveness of HUD-funded projects and ensure compliance with program requirements. The agreement for services also included general performance standards, including the provision of monthly activity reports to the City and written requests for disbursement of funds.

Staff conducts desk audits (in-house review of sub-grantee materials, such as progress reports, drawdown requests, written agreement, etc.) of all CDBG Public Services and ESG activity sub-grantees prior to approving invoices for payment. In addition, periodic field visits are conducted of those sub-grantees with limited organizational capacities, new sub-grantees, sub-grantees that have experienced high turnover in key staff positions, sub-grantees with previous compliance or performance problems, and sub-grantees carrying out high-risk activities due to its innovative nature (e.g., economic development projects). Field visits also serve as opportunities for staff to build collaborative relationships with sub-grantee personnel and assist sub-grantees in creating effective record-keeping systems for accurate reporting.

These monitoring practices ensured compliance with all regulations governing internal and sub-grantee administrative, financial, and programmatic operations. These practices also ensured sub-grantees achieved performance objectives on schedule and within budget. The City's monitoring plan is appropriate for its performance tracking capabilities. Staff used The HUD Community Planning and Development Monitoring Handbook (Handbook 6509.2) when monitoring both internal and sub-grantee HUD-funded projects.

The basic monitoring process is as follows: notification letter (to encourage preparation); entrance conference with key project staff; documentation, data acquisition, and analysis; exit conference with key project staff; and a follow-up monitoring letter that presents what the monitoring revealed.

A finding is presented as an issue of noncompliance with program rules and regulations. For each finding, corrective actions that must be taken are specified. A concern is presented as instances where the deficiency is not a finding, or where noncompliance may occur in the future because of weaknesses in project operations. Recommendations for improvement are specified for each concern. Monitoring letters are issued within thirty days after the exit conference.

In addition to implementing agreements for services for local organizations, Staff prepares written Memoranda of Understanding (MOUs), with department personnel within the City who expend service time using HOME, CDBG or ESG funds. These City personnel submit written requests with supporting documentation for disbursement of funds. Staff and other City personnel time was monitored prior to each draw as well as quarterly to ensure the usage fell within the regulations.

Staff and Finance Department personnel conducted a monthly review process to monitor⁹ Federal program expenditures. Staff verified and cross-referenced the information on the monthly budget activity reports with supporting documentation maintained by the Division. In addition, Staff assigned a unique number to each activity that provided easy identification on both the City's financial reporting system and the Federal Integrated Disbursement and Information System (IDIS).

This financial monitoring system offered a form of checks and balances to monitor expenditures and determine the availability of funds.

The Housing Financial Specialist and the Housing Rehabilitation Specialist monitored the use of the funds for projects funded under the Housing Rehabilitation Loan Program. Funds were disbursed according to a detailed Real Property Improvement Agreement executed by the property owner and the contractor. When a phase of the work was completed, the Housing Rehabilitation Specialist confirmed the completeness of the phase of rehabilitation in accordance with the appropriate housing codes and the work write-up specifications. The Housing Rehabilitation Specialist reviewed the work with the property owner and the owner signed a payment request voucher that authorized the disbursement of funds according to the contract. The Housing Financial Specialist reviewed and verified each payment voucher and the invoice was then approved by the Deputy Director of the Parks, Recreation and Neighborhoods Department. The City's Finance Department monitored the disbursement of funds and balance of the project account.

HOME-assisted rental units are monitored for rent, income, housing quality, and other affordability criteria in accordance with section 92.252. The City of Modesto performs on-site inspections of HOME-assisted units as required. For HOME-assisted units containing one to four units, the monitoring is performed not less than once every three years; complexes containing five to 25 units are monitored once every two years, and projects containing 26 units or more are monitored every year.

Staff conducted on-site inspections of units to determine compliance with property standard requirements. Staff verified information obtained by the owners in regards to lease, income verification, rent, utility allowances and compliance with provision of written agreements.

There are different levels of monitoring that Staff follows beginning at project predevelopment through the period of affordability. Staff reviews each draw request. Staff meets with the developer to provide technical assistance if needed and makes periodic site visits to follow-up on project progress. In addition, Staff constantly monitors to see if the project is meeting the standards established in initial agreement, costs are on target and check on quality of construction.

The City of Modesto monitors the HUD programs regularly to ensure successes. As problems or issues arise, the programs are modified to ensure maximum results. Oversight of HUD

programs on a regular basis has been the key to maximizing the benefit for the citizens¹⁰ of Modesto

Program Narratives

In 2011-2012, the Housing Division was responsible for allocating Community Development Block Grant, HOME Investment Partnerships, and Emergency Solutions Grants funds for housing and community development activities in Modesto.

Allocation for funding and assignment of priorities are based on the national goals established by HUD regulations, PRN Division goals and community input.

Community Development Block Grant Program

The Local communities use the resources of the CDBG Program to develop flexible, locally designed community development strategies to address the program's primary objective, which is to develop viable urban communities by providing decent housing, creating suitable living environments, and expanding economic development opportunities principally for persons of low and moderate income.

Through the CDBG program, cities are allowed to develop programs and funding priorities, but are limited to activities that address one or more of the national objectives of the program. The national objectives include benefiting low- and moderate-income persons, aiding in the prevention or elimination of blight, and addressing other urgent community development needs.

In 2011-2012, the Housing Division was responsible for allocating Community Development Block Grant and Emergency Solutions Grant funds for community development activities in Modesto.

Allocation for funding and assignment of priorities are informed by the national goals established by HUD regulations, PRN Division goals and public input.

To achieve the City's goals for economic opportunity leading to self-sufficiency, a suitable living environment, and decent housing, a network of support services is needed to ensure that lower - income residents are trained and educated for the labor needs of today and tomorrow. This network is also needed to ensure that lower income residents have access to transportation between work, home, and other daily activities; and that they have access to health care to remain self-sufficient. For working parents, access to child care and/or programs for their school-age children is important. The network of services must ensure that lower-income residents can live as independently as possible within any physical and developmental abilities, and can be secure in their homes without the threat of violence. The City also places a priority on using public funds to encourage private sector investment, especially towards the recruitment and retention of job-generating enterprises.

In partnership with the Citizen's Housing & Community Development Committee (CH&CDC)¹¹ and approval from the Modesto City Council, the City adopted the community development program areas and priorities as outlined in the 5-year Consolidated Plan and 2011-2012 Annual Action Plan. These priorities and strategies along with Program Year Two results are attached.

Use of CDBG Funds for National Objectives

Each activity funded by the City's CDBG Program addresses at least one of HUD's National Objectives. The three National Objectives are:

1. **Benefit low- and moderate-income persons** (as an Area Benefit, Limited Clientele, Housing, or Job Creation/Retention activity)
2. **Aid in the prevention or elimination of slums or blight** (on an Area Basis, Spot Basis, or a previously approved Urban Renewal project area)
3. **Meet an urgent need** (must pose a serious and immediate threat; be of recent origin, unable to be financed by the entitlement, and with no other sources of funding available)

In addition to meeting a National Objective, the City of Modesto's CDBG funds are used only to implement eligible activities consistent with local, state, and federal guidelines. The Program structure allows the local jurisdiction flexibility in deciding on specific projects that meet the eligibility requirements. This enables the City to best determine its needs and more effectively direct expenditures. The basic types of eligible activities include:

- ◆ Activities Related to Real Property (e.g., public facilities and improvements, clearance and demolition, rehabilitation)
- ◆ Activities Related to Economic Development (e.g., real property equipment and improvements, micro-enterprise assistance)
- ◆ Activities Related to Public Services (e.g., job training and employment, crime prevention, Fair Housing counseling)
- ◆ Assistance to Community Based Development Organizations (e.g., neighborhood revitalization, energy conservation)
- ◆ Other Activities (e.g., relocation assistance, loss of rental income, assistance to institutions of higher learning)
- ◆ Planning and Administration

During the program year, most applicable activities addressed the National Objective of benefit to low- and moderate-income persons and two activities addressed the elimination of slums or blight.

Anti-displacement and Relocation

The purpose of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is to ensure the uniform, fair, and equitable treatment of individuals and businesses whose property is acquired by agreement and not coercion or who are displaced in connection with a federally funded project.

There was one (1) relocation during the 2011 program year.

Steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

As a matter of policy, grantee does not undertake acquisition, rehabilitation, or demolition activities that cause the displacement of households, businesses, farms, or nonprofit organizations. General information notices are issued to all property owners when grantee carries out acquisition, rehabilitation, and demolition – even when relocation assistance does not apply.

Program income received

Program income generated during the program year is as follows: _

CDBG: \$25,435.88

Revolving Loan Fund (RLF): \$228,368.21

HOME: 39,762.58

Neighborhood Revitalization Strategy Area (NRSA) Activities Airport Neighborhood

Activity	Funding Amount	Outcome	Progress
Empire Avenue CIP	\$1,284,891	Improve strategic section of arterial street. Increase property values on/near this section.	Construction to begin in fall 2012
Community Center	\$266,000	Create space for residents to access and carry out community, cultural, educational, and recreational activities and services	Construction to begin in fall 2012
Code Enforcement	\$120,866*	Address hazardous and deteriorating conditions and deter crime.	Ongoing
Economic Development - Financial Assistance	\$100,000	Create jobs and accessible, affordable, and healthy food options.	City was not successful in attracting a grocery store to the NRSA in 2011-2012 program year
CBDO Funding	\$35,000	Carry out neighborhood revitalization and community economic development activities, such as youth development programming, case management services to address a variety of barriers to economic development, and leadership development programming for adults.	Activity was not completed in 2011-2012 program year and will be reprogrammed in 2012-2013 program year
Economic Development - Technical Assistance	\$34,046	Attract culturally appropriate supermarket.	See Economic Development – Financial Assistance
CDBG Public Services	\$20,000	Provide one-on-one support and case management for residents to address a multitude of issues.	Activity closed out June 30, 2012
Neighborhood Cleanup Campaign	\$17,000*	Provide residents and service organizations with resources to address blight in their neighborhood.	City led two neighborhood cleanup campaigns in the 2011-2012 program year
Lighting	\$15,000	Prevent and reduce crime, particularly in alleyways.	Activity was not completed in 2011-2012 program year and will be reprogrammed in 2012-2013 program year

*While activity primarily serves the Airport Neighborhood, it is also available to the City's thirteen other low-income census tracts.

HOME Investment Partnerships

Assessment of Relationship of HOME Funds to Goals and Objectives

The HOME Investment Partnerships, introduced in the Cranston-Gonzalez National Affordable Housing Act of 1990, provides funding that can be used for rehabilitation, new construction, acquisition of affordable housing, and/or tenant-based rental assistance. HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits.

Recapture/Resale for Home Ownership Activities:

The City of Modesto based on the HOME assisted homebuyer requirements set forth in Section 215 of the HOME statute in the HOME rule found at 24CFR Part 92 follows specific requirements for the homebuyer HOME assisted units. These guidelines apply when a homebuyer or developer is assisted with HOME Investment Partnerships Program funds and the homebuyer sells or transfers the assisted property subsequent to the initial HOME. – The recapture option allows the City to recapture the entire HOME subsidy, subject to net proceeds, if the homeowner sells his or her property, does not occupy the home as the owner’s principal place of residence, or violates the program requirements within the period of affordability. All HOME assisted unit sales under the recapture option shall meet the following criteria:

- ◆ The homebuyer may sell the property to any willing buyer
- ◆ The homebuyer can sell the property at any price
- ◆ The City of Modesto must collect a part or all of the direct assistance from the net sales proceeds of the unrestricted sale, if sufficient net sales proceeds exist.

Recapture provisions shall be enforced through a HOME loan agreement, note and recapture agreement including affordability covenants recorded filed with the Stanislaus County Clerk Recorder, and the requirements within shall be triggered upon sale or transfer of the HOME assisted property.

The City of Modesto requires that when the recapture provision is triggered by a sale (whether voluntary or involuntary), it will recapture the HOME investment up to the total net proceeds remaining after the sale as modified by program specific choices under 24 CFR Part 92.254(a)(5)(ii)(A)(1) through (4). Net proceeds are the sales price minus the superior loan repayment (other than HOME funds) and any closing costs. The specific method of recapture as capped by net proceeds may be one of the four choices outlined in 24 CFR Part 92.254(a)(5)(ii)(A)(1) through (4). These options include:

1. Recapture the entire amount.
The City may recapture the entire amount of the HOME investment from the homeowner, with total collections capped by net proceeds;
2. Reduction during the affordability period.
The City may elect to reduce the HOME investment amount to be recaptured on a pro rata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period;
3. Shared Net Proceeds
When the net proceeds (i.e., the sales price minus loan repayment, other than HOME funds, and closing costs) are insufficient to repay the direct HOME subsidy and the homebuyer’s investment, the net proceeds shall be shared according to the following formula. Recapture of the HOME funds is based on the ratio of the HOME subsidy to the sum of the homeowner’s investment (including down payment and any capital

improvement investment made by the owner since purchase), plus the HOME subsidy:

HOME Subsidy + Homeowner Investment X Net Proceeds = HOME Recapture

4. Owner investment returned first

The City Modesto may permit the homebuyer to recover the homebuyer's entire investment (down payment and capital improvements made by the owner since purchase) before recapturing the HOME investment.

City staff shall select one of these four options based on the specific project/program. The selected method must be included in the contract between the City of Modesto and any partner.

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.

HOME funds were used to promote construction as well as the rehabilitation and improvement of existing very low-, low-, and moderate-income senior housing as noted below:

- ◆ In FY 2011-2012, Habitat for Humanity, Stanislaus was close to completion of Phase Two of the [Hope Village Project](#). Habitat's goal is to sell the 10 single family units by the December 2012. There are seven families that have been selected and have completed the sweat equity hour requirement of the program to purchase these properties. Agreements are being drafted to complete the sale. There are also more families in the pipeline that are in the process. Habitat for Humanity (Habitat) has been successful in selling the first 10 units to qualified households whose incomes are at 50% - 65% of the median area income. Habitat received approximately \$962,983 in [Community Housing Development Organization \(CHDO\)](#) set aside funds in previous fiscal years to assist with pre-development activities and construction of the Hope Village single-family housing subdivision. Upon completion, Hope Village subdivision will provide the City with 20 homeownership units for very low and low-income households in Modesto.
- ◆ EAH, Inc has secured the funding to construct 76 rental units. EAH received a Tax Credit Allocation, Redevelopment Agency funds, HOME funds and private financing. The [Archway Commons](#) project is currently under construction and will be a 100% affordable rental housing on an 8.3 acre site that will provide 76 units to a mix of household types for a wide array of users, including single individuals, couples, and households with

children and seniors. The project consists of a group of two-story, slab- on-grade, wood¹⁶ framed, and garden-style apartment buildings. Unit types include two bedroom/one bath units, three bedroom/two bath units and one bedroom/one bath units. All apartments will be furnished with full kitchens and all ground level units will be compliant with American with Disabilities Act (ADA) regulations. The proposed apartment units range in size from 710 square feet (one bedroom unit) to 1,150 square feet (three bedroom unit). Adjacent to the project there is some undeveloped land currently owned by the City of Modesto that could be considered for future development of additional or multi-family housing units.

In FY 2009-2010, the City of Modesto allocated \$1.0 million in HOME funds through a Loan Agreement which could be used for pre-construction and construction costs. In addition the Modesto Redevelopment Agency committed \$6.7 million towards this project.

- ◆ The City of Modesto previously allocated \$250,000 in HOME funds for pre-development activities for the [Downey Avenue](#) project. On February 9, 2010, Staff released a Request for Proposal (RFP) soliciting affordable housing developers for this project. The scope of the RFP included a maximum dwelling unit count of 11 and noted that \$500,000 in HOME entitlement funds would be used in the construction of the project. During Program Year 2010-2011 the City of Modesto approved an Agreement to Negotiate Exclusively with the Housing Authority of the County of Stanislaus as the developer for the project located at [412/416 Downey Avenue](#). This project has also been approved to receive future HOME funds for the development of Senior Housing.

- ◆ During Program Year 2010-2012 the City of Modesto approved a HOME Loan Agreement between the City of Modesto, Satellite Housing (Satellite) and American Baptist Homes of the West (ABHOW) and in the amount of \$2.7 million, for the development of [Tower Park Apartments](#), a 48-unit affordable senior community on the corner of 17th and G Streets. Satellite and ABHOW will leverage the City's commitment to secure an additional 10.6 million in federal funding and private equity. In addition Satellite and ABHOW estimate that the construction of Tower Park Apartment will create approximately 270 construction and design jobs as well as opportunities for local vendor contracts once the development is completed.

- ◆ During Program Year 2011-2012 the City of Modesto allocated \$4.8 million in other grand funds to the Emancipated Foster Youth and Homeless Youth to the previously HOME funded project [Meadow Glen](#). This project is currently under construction and will house 31 youth between the ages of 18 to 28 that are emancipated from the foster care system and /or are homeless. In addition supportive services will be provided by partner agencies such as Behavioral Health and Recovery Services, Aspiranet, Community Services Agency among others.

Assessment of Relationship of ESG Funds to Goals and Objectives

Using both ESG and CDBG Public Services funds, the City of Modesto partners with emergency shelter and transitional housing providers to help address the needs of individuals and families experiencing homelessness.

PARTNER	TYPE	SUBPOPULATION
The Salvation Army, Modesto Citadel – Berberian Shelter and Transitional Living Center	Emergency and Transitional Shelter	Adults Living on the Streets
Center for Human Services Pathways	Transitional Housing	Transition-Age Youth
Children's Crisis Center of Stanislaus County – Child Respite Services	Transitional Housing	Children
Family Promise of Greater Modesto – Case Management	Transitional Shelter	Families
Haven Women's Center of Stanislaus County	Emergency and Transitional Shelter	Individuals and Families Fleeing Domestic Violence, Dating Violence, Sexual Assault, and Stalking

ESG projects and CDBG Public Services projects that relate to homelessness and homelessness prevention are informed by formal consultation with the local Continuum of Care and other key stakeholders. For example, during the 2011-2012 program year, City of Modesto undertook a planning process with the Continuum of Care to design an innovative ESG activity to address the homelessness prevention and rapid re-housing components of ESG for the 2012-2013 program year. This particular activity is now considered a best practice for its close collaboration with the local Housing Authority and the regional U.S. Department of Veterans Affairs Palo Alto Health Care System (HUD-VASH Program).

Matching Resources

The dollar-for-dollar matching resources of ESG subgrantees are as follows:

SUBGRANTEE	ESG FUNDS	MATCHING RESOURCES
The Salvation Army, Modesto Citadel – Berberian Shelter and Transitional Living Center	\$39,568	\$15,000 in United Way funds and \$24,568 in Cash Donations
Center for Human Services – Pathways	\$31,512	\$8,056 in CDBG funds and \$23,456 in Cal Wellness Foundation funds
Childrens Crisis Center of Stanislaus County – Child Respite Services	\$31,496	\$31,496 in Proposition 10 funds
TOTAL	\$102,576	\$102,576

Activity and Beneficiary Data

All City of Modesto subgrantees working with individuals and families experiencing homelessness or who are at risk of experiencing homelessness are required to use the Homeless Management Information System (HMIS) of the local Continuum of Care. These subgrantees have not reported having any problems collecting, reporting, and evaluating the reliability of beneficiary data during the monthly Continuum of Care subcommittee meetings for ESG grantees and subgrantees. This may be attributed to the effective overhaul of the Continuum of Care’s HMIS under the leadership of the local Housing Authority. Activity data relating to ESG expenditures by type of activity is tracked at the City of Modesto in both a financial management system, as well as in a separate spreadsheet in order to cross-reference these expenditures.

Chronic Homelessness

Steps taken to address chronic homelessness.

City of Modesto considers addressing chronic homelessness a high priority and prioritizes available ESG and CDBG Public Services funds accordingly. In addition to providing such funding to shelter, transitional, and permanent supportive housing providers with which it partners, City of Modesto also formed a Blue-Ribbon Commission on Homelessness to develop a plan to further the City’s efforts. Recommendations of this appointed body will be presented in the 2012-2013 program year. City of Modesto affordable housing development strategies funded by different state competitive and federal formula and competitive grants are also informed by the City of Modesto-adopted Ten-Year Plan to End Long-Term Homelessness.

Homeless Discharge Coordination

As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low income individuals and families at risk of becoming homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.

Homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.

Unfortunately, the local health, human, and housing service provider infrastructure in Modesto and Stanislaus County is unable to meet the unprecedented demand for housing and essential services for very-low income individuals and families at risk of experiencing homelessness after being released from publicly funded institution, especially the intended and unintended consequences of the State of California's corrections realignment plan, which shifts responsibility from the state to counties for the custody, treatment, and supervision of individuals convicted of crimes. City of Modesto and other units of local government and community-based organizations are further developing a homeless discharge coordination policy to better meet this challenge.

The following IDIS reports with an asterisk (*) contain information that must be provided to citizens in order to satisfy annual performance report requirements contained for Consolidated Plan under 24 CFR 91.520.

ATTACHMENTS:

1. *Summary of Accomplishments Report (C04PR23)
2. *Summary of Consolidated Plan Projects for Report Year XXXX (C04PR06)
3. *CDBG Summary of Activities (C04PR03)
4. *CDBG Performance Measures Report (C04PR83)
5. *CDBG Strategy Area, CDFI, and Local Target Area (C04PR84)
6. *HOME Housing Performance Report (Grantee/PJ) (C04PR85)
7. *ESG Performance Measures Report (C04PR81)



PART I: SUMMARY OF CDBG RESOURCES

01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR	0.00
02 ENTITLEMENT GRANT	2,109,100.00
03 SURPLUS URBAN RENEWAL	0.00
04 SECTION 108 GUARANTEED LOAN FUNDS	0.00
05 CURRENT YEAR PROGRAM INCOME	442,851.42
06 RETURNS	95,821.35
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE	0.00
08 TOTAL AVAILABLE (SUM, LINES 01-07)	2,647,772.77

PART II: SUMMARY OF CDBG EXPENDITURES

09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	1,768,512.67
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT	0.00
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)	1,768,512.67
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	428,207.82
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS	378,001.60
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES	0.00
15 TOTAL EXPENDITURES (SUM, LINES 11-14)	2,574,722.09
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)	73,050.68

PART III: LOWMOD BENEFIT THIS REPORTING PERIOD

17 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	0.00
18 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	0.00
19 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	1,655,197.97
20 ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT	0.00
21 TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)	1,655,197.97
22 PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)	93.59%

LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS

23 PROGRAM YEARS(PY) COVERED IN CERTIFICATION	PY: PY: PY:
24 CUMULATIVE NET EXPENDITURES SUBJECT TO LOW/MOD BENEFIT CALCULATION	0.00
25 CUMULATIVE EXPENDITURES BENEFITING LOW/MOD PERSONS	0.00
26 PERCENT BENEFIT TO LOW/MOD PERSONS (LINE 25/LINE 24)	0.00%

PART IV: PUBLIC SERVICE (PS) CAP CALCULATIONS

27 DISBURSED IN IDIS FOR PUBLIC SERVICES	299,836.83
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS	0.00
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)	299,836.83
32 ENTITLEMENT GRANT	2,109,100.00
33 PRIOR YEAR PROGRAM INCOME	131,917.07
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP	0.00
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)	2,241,017.07
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)	13.38%

PART V: PLANNING AND ADMINISTRATION (PA) CAP

37 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	428,207.82
38 PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
39 PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
40 ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS	0.00
41 TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 +LINE 40)	428,207.82
42 ENTITLEMENT GRANT	2,109,100.00
43 CURRENT YEAR PROGRAM INCOME	442,851.42
44 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP	0.00
45 TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)	2,551,951.42
46 PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)	16.78%

LINE 17 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 17

Report returned no data.

LINE 18 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 18

Report returned no data.

LINE 19 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 19

Plan Year	IDIS Project	IDIS Activity	voucher Number	Activity Name	matrix Code	National Objective	Drawn Amount
2007	11	792	5475415	ACCESSIBILITY FEATURES AT DRYDEN	03	LMA	\$15.86
2009	20	905	5412178	ACCESSIBILITY AT PUBLIC FACILITIES	03F	LMA	\$248,169.14
2009	20	905	5475415	ACCESSIBILITY AT PUBLIC FACILITIES	03F	LMA	\$6,702.56
2009	20	906	5412178	WATER TOWER REMOVAL PROJECT	04	LMA	\$7,570.14
2009	20	906	5427835	WATER TOWER REMOVAL PROJECT	04	LMA	\$38,745.58
2009	20	906	5443031	WATER TOWER REMOVAL PROJECT	04	LMA	\$8.78
2009	20	906	5475415	WATER TOWER REMOVAL PROJECT	04	LMA	\$246.64
2009	20	908	5475415	SENIOR CENTER RESTROOMS	03A	LMC	\$158,280.86
2010	4	964	5365011	PS-RECREATION PROGRAM-MADDOX	05D	LMC	\$2,961.48
2010	4	964	5416249	PS-RECREATION PROGRAM-MADDOX	05D	LMC	\$23,997.29
2010	4	964	5475415	PS-RECREATION PROGRAM-MADDOX	05D	LMC	\$9,556.23
2010	4	986	5412179	STREET IMPROVEMENTS IN LOW-INCOME AREAS	03K	LMA	\$240,349.14
2010	4	986	5443738	STREET IMPROVEMENTS IN LOW-INCOME AREAS	03K	LMA	\$4,973.07
2010	4	986	5475415	STREET IMPROVEMENTS IN LOW-INCOME AREAS	03K	LMA	\$118.20
2010	8	973	5365011	PS-RECREATION PROGRAM-AQUATICS	05A	LMC	\$235.23
2010	8	973	5416249	PS-RECREATION PROGRAM-AQUATICS	05A	LMC	\$3,714.85
2010	8	973	5475415	PS-RECREATION PROGRAM-AQUATICS	05A	LMC	\$3,030.36
2011	1	1005	5477679	HOUSING REHAB ADMINISTRATION	14H	LMH	\$378,109.52
2011	1	1007	5404512	HOMEBUYERS ASSISTANCE PROGRAM (HAP)	13	LMH	\$9,500.00
2011	1	1007	5443738	HOMEBUYERS ASSISTANCE PROGRAM (HAP)	13	LMH	\$10,000.00
2011	1	1009	5475415	REHABILITATION PROPERTY ENHANCEMENT PROGRAM	14A	LMH	\$750.00
2011	1	1010	5443035	MINOR HOME REPAIR GRANT PROGRAM (MHRGP)	14A	LMH	\$25,694.00
2011	1	1011	5477679	LEAD BASED PAINT SERVICES	14I	LMH	\$2,615.00
2011	1	1012	5443729	HOME REPAIR PROGRAM/DISABLED ACCESS PROGRAM -	14A	LMH	\$130,164.29
2011	1	1014	5477679	TEMPORARY RELOCATION	08	LMH	\$281.93
2011	1	1019	5475415	PS ADVOCATE FOR EMANCIPATED FOSTER YOUTH	05D	LMC	\$23,028.84
2011	2	1021	5404512	PS-PATHWAYS (CHS)	05D	LMC	\$5,960.82
2011	2	1021	5475415	PS-PATHWAYS (CHS)	05D	LMC	\$2,095.18
2011	2	1022	5404512	PS CASE MANAGEMENT (FPGM)	03T	LMC	\$6,933.81
2011	2	1022	5475415	PS CASE MANAGEMENT (FPGM)	03T	LMC	\$7,904.19
2011	2	1023	5365012	PS HOUSING COUNSELING (HABITAT FOR HUMANITY)	05U	LMC	\$1,844.11
2011	2	1023	5475415	PS HOUSING COUNSELING (HABITAT FOR HUMANITY)	05U	LMC	\$12,993.89
2011	2	1024	5404512	PS CASE MANAGEMENT (HAVEN WOMEN'S CENTER)	05G	LMC	\$5,046.00
2011	2	1024	5475415	PS CASE MANAGEMENT (HAVEN WOMEN'S CENTER)	05G	LMC	\$9,792.00
2011	2	1030	5475415	PS ENHANCED REFRESH PROGRAM (WMKNC/ SMCCHC)	05	LMC	\$1,071.89
2011	2	1033	5404512	PS-EMERGENCY RESPONSE SERVICES (ARC)	05	LMC	\$7,287.09
2011	2	1033	5475415	PS-EMERGENCY RESPONSE SERVICES (ARC)	05	LMC	\$7,550.91
2011	3	1003	5404512	CODE ENFORCEMENT - NEIGHBORHOOD	15	LMA	\$34,389.85
2011	3	1003	5475415	CODE ENFORCEMENT - NEIGHBORHOOD	15	LMA	\$80,120.83
2011	3	1004	5404512	NEIGHBORHOOD CLEAN-UP	06	LMA	\$2,114.77
2011	3	1004	5443738	NEIGHBORHOOD CLEAN-UP	06	LMA	\$4,422.69
2011	3	1004	5475415	NEIGHBORHOOD CLEAN-UP	06	LMA	\$836.87
2011	3	1020	5404512	PS CASA	05N	LMC	\$8,966.16
2011	3	1020	5475415	PS CASA	05N	LMC	\$5,871.84
2011	3	1027	5404512	PS-MOM'S MOMENTS PARENTING PROGRAM (PRC)	05	LMC	\$5,460.13
2011	3	1027	5475415	PS-MOM'S MOMENTS PARENTING PROGRAM (PRC)	05	LMC	\$9,377.87
2011	3	1029	5404512	PS-FOOD ASSISTANCE AND FOOD 4 THOUGHT PROGRAM	05	LMC	\$19,161.94
2011	3	1029	5475415	PS-FOOD ASSISTANCE AND FOOD 4 THOUGHT PROGRAM	05	LMC	\$20,406.06
2011	3	1032	5404512	PS-DAILY BREAD MOBILE LUNCH PROGRAM (USFLP)	05	LMA	\$6,963.00
2011	3	1032	5475415	PS-DAILY BREAD MOBILE LUNCH PROGRAM (USFLP)	05	LMA	\$7,875.00
2011	6	963	5416249	PS-RECREATION PROGRAM-MARSHALL	05D	LMC	\$10,628.08
2011	6	963	5475415	PS-RECREATION PROGRAM-MARSHALL	05D	LMC	\$14,312.76
2011	6	1025	5404512	PS-SENIOR MEALS PROGRAM (HTC)	05A	LMC	\$6,824.29
2011	6	1025	5475415	PS-SENIOR MEALS PROGRAM (HTC)	05A	LMC	\$8,013.71
2011	6	1031	5475415	PS COMMUNITY PROJECT FOR SAFE SENIORS (UCP)	05A	LMC	\$9,249.94
2011	6	1034	5404512	PS-ASSISTIVE TECHNOLOGY PROGRAM (DRAIL)	05	LMC	\$1,966.40

**MODESTO CITY COUNCIL
RESOLUTION NO. 2012-394**

RESOLUTION APPROVING THE SUBMISSION OF THE CITY OF MODESTO CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT FOR FISCAL YEAR 2011-2012 TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE ALL DOCUMENTS RELATED TO THE SUBMISSION OF THE CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT

WHEREAS, the City of Modesto receives several Federal grants from the U.S. Department of Housing and Urban Development (HUD), and

WHEREAS, the City of Modesto Consolidated Annual Performance and Evaluation Report (CAPER) reflects the activities of the City and its sub-recipients for the period of July 1, 2011, through June 30, 2012, and

WHEREAS, each year the City must review and report on the performance of activities funded under the Community Development Block Grant (CDBG), HOME Investment Partnership Grant, and Emergency Solutions Grant (ESG) funds, and

WHEREAS, reporting for American Recovery and Reinvestment Act (ARRA) and Neighborhood Stabilization Program (NSP) funds are a separate process and are not included in the CAPER, and

WHEREAS, the CAPER was made available for public review and comment for a 30-day period, and

WHEREAS, the draft CAPER was made noticed for public review and comment in the Modesto Bee on August 23, 2012 and Vida Del Valle on August 29, 2012, and

WHEREAS, all public comments, and staff responses to these comments, must be presented to the City Council for review and approval, and

WHEREAS, the Citizens' Housing and Community Development Committee met on September 5, 2012, and approved the draft CAPER and recommended it be forwarded to City Council for approval, and

WHEREAS, a duly noticed public hearing was held by the Council on September 25, 2012, at 5:30 p.m., in the Tenth Street Place Chambers, located at 1010 Tenth Street, Modesto, California, to consider submission of the CAPER.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the submission of the City of Modesto Consolidated Annual Performance and Evaluation Report for Fiscal Year 2011-2012, a copy of said report is on file in the office of the City Clerk.

BE IT FURTHER RESOLVED that the City Manager, or his designee, is hereby authorized to execute all documents related to the submission of the CAPER.

BE IT FURTHER RESOLVED that staff is hereby authorized to submit the report to the U.S. Department of Housing and Urban Development.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 25th day of September, 2012, by Councilmember Lopez, who moved its adoption, with motion being duly seconded by Councilmember Gunderson, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Cogdill, Geer, Gunderson, Lopez, Muratore,
Mayor Marsh


NOES: Councilmembers: None

ABSENT: Councilmembers: Burnside

ATTEST: 
STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: 
SUSAN/AiECALA WOOD, City Attorney

**DECLARATION OF PUBLICATION
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS
STATE OF CALIFORNIA**

**I am a citizen of the United States and a resident
Of the County aforesaid; I am over the age of
Eighteen years, and not a party to or interested
In the above entitle matter. I am a printer and
Principal clerk of the publisher
of THE MODESTO BEE, printed in the City
of MODESTO , County of STANISLAUS ,
State of California, daily, for which said
newspaper has been adjudged a newspaper of
general circulation by the Superior Court of the
County of STANISLAUS , State of California,
Under the date of February 25, 1951, Action
No. 46453; that the notice of which the annexed is
a printed copy, has been published in each issue
there of on the following dates, to wit:**

Aug 23, 2012

**I certify (or declare) under penalty of perjury
That the foregoing is true and correct and that
This declaration was executed at**

MODESTO, California on

August 23rd, 2012

(By Electronic Facsimile Signature)

YDCLU *Hickman*

**CITY OF MODESTO
CONSOLIDATED ANNUAL
PERFORMANCE AND EVALUATION
REPORT
FOR PROGRAM YEAR 2011 (FISCAL
YEAR 2011-2012)**

The City of Modesto is preparing its FY 2011-2012 Consolidated Annual Performance and Evaluation Report (CAPER) which identifies its accomplishments for the year with the use of Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnership Program grant funds. There will be a thirty-day public comment period that begins on August 23, 2012 and concludes on September 25, 2012. Comments received in writing or orally will be responded to accordingly. A public hearing will be held on September 25, 2012, at the Modesto City Council meeting, beginning at 5:30 p.m., Modesto City Council Chambers, 1010 Tenth Street, Modesto. A DRAFT of the FY 2011-2012 CAPER can be reviewed on www.modestogov.com or at the Parks, Recreation and Neighborhoods Department, 1010 Tenth Street, Suite 4300, Modesto. For additional information, call (209) 342-4707, fax (209) 544-3982, or TDD (hearing impaired only) 1-800-735-2929.

Pub Dates 8/23/12



DECLARATION OF PUBLICATION
(C.C.P. S2015.5)

COUNTY OF STANISLAUS
STATE OF CALIFORNIA

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am a printer and principal clerk of the publisher of **THE MODESTO BEE**, which has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS**, State of California, under the date of **February 25, 1951, Action No. 46453**. The notice of which the annexed is a printed copy has been published in each issue thereof on the following dates, to wit:

Vida En El Valle Publication
AUGUST 29, 2012

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that this declaration was executed at **MODESTO**, California on

AUGUST 29, 2012

Maui Duckman


(Signature)

CIUDAD DE MODESTO
REPORTE DEL DESEMPEÑO Y EVALUACION ANUAL CONSOLIDADO (CAPER) AÑO FISCAL 2011-2012

La ciudad de Modesto está preparando su Reporte del Desempeño y Evaluación Anual Consolidado (CAPER) de año fiscal 2011-2012 que identifica sus logros del año con el uso de los fondos de los programas de Desarrollo de la Comunidad (CDBG), Programa de Solución de Emergencia para personas y familias sin hogares (ESG) y el Programa de Inversión de Viviendas (HOME).

Habrà un periodo de comentario publico de treinta dias que comienza el 29 de Agosto de 2012 y concluye el 25 de Septiembre del 2012. Comentarios recibidos por escrito o por via oral seràn respondidos apropiadamente. La ciudad realizara una audliencia publica el 25 de Septiembre del 2012, en la reuniòn del Consejo de la ciudad de Modesto, comenzando a las 5:30 p.m., en la càmara del Concejo Municipal de la Ciudad de Modesto, 1010 Calle 10, Modesto.

Copias del Reporte del Desempeño y Evaluación Anual Consolidado (CAPER) de año fiscal 2011-2012 estaran disponibles en el Departamento de Parques, Recreación y Vecindades, 1010 Calle 10, Suite 4300, Modesto, o tambien estar disponible en la pagina web de la Ciudad de Modesto www.modestogocbm.com. Para obtener informacion adicional, llame al (209) 342-1707, fax (209) 544-3982, o TDD (problemas de audicion solamente) al 1-800-738-2929.





U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Integrated Disbursement and Information System
 HOME Summary of Accomplishments
 Program Year: 2011

imv.ry3
A

DATE: 09-26-12
 TIME: 13:19
 PAGE: 1

MODESTO
 Home Disbursements and Unit Completions

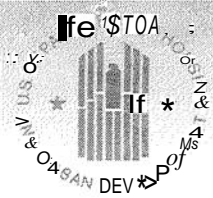
Activity Type	Disbursed Amount	Units Completed	Units Occupied
First Time Homebuyers	\$0.00	16	16
Total, Homebuyers and Homeowners	\$0.00	16	16
Grand Total	\$0.00	16	16

Home Unit Completions by Percent of Area Median Income

Activity Type	Units Completed				
	31% - 50%	51% - 60%	61% - 80%	Total 0% - 60%	Total 0% - 80%
First Time Homebuyers	3	2	11	5	16
Total, Homebuyers and Homeowners	3	2	11	5	16
Grand Total	3	2	11	5	16

Home Unit Reported As Vacant

Activity Type	Reported as Vacant
First Time Homebuyers	0
Total, Homebuyers and Homeowners	0
Grand Total	0



U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Integrated Disbursement and Information System
 HOME Summary of Accomplishments
 Program Year: 2011

DATE: 09-26-12
 TIME: 13:19
 PAGE: 2

MODESTO

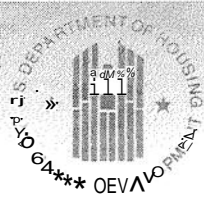
Home Unit Completions by Racial / Ethnic Category

First Time Homebuyers

	Units Completed	Units Completed - Hispanics
White	12	3
Black/African American	2	0
Asian	1	0
Native Hawaiian/Other Pacific Islander	1	0
Total	16	3

Total, Homebuyers and Homeowners

	Total, Homebuyers and Homeowners		Grand Total	
	Units Completed	Units Completed - Hispanics	Units Completed	Units Completed - Hispanics
White	12	3	12	3
Black/African American	2	0	2	0
Asian	1	0	1	0
Native Hawaiian/Other Pacific Islander	1	0	1	0
Total	16	3	16	3



U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Integrated Disbursement and Information System
 CDBG Summary of Accomplishments
 Program Year: 2011

DATE: 09-26-12
 TIME: 13:15
 PAGE: 1

MODESTO

Count of CDBG Activities with Disbursements by Activity Group & Matrix Code

Activity Group	Activity Category	Underway Count	Underway Activities Disbursed	Completed Count	Completed Activities Disbursed	Program Year Count	Total Activities Disbursed
Acquisition	Acquisition of Real Property (01)	2	\$0.00	0	\$0.00	2	\$0.00
	Clearance and Demolition (04)	1	\$46,571.14	0	\$0.00	1	\$46,571.14
	Relocation (08)	1	\$281.93	0	\$0.00	1	\$281.93
	Total Acquisition	4	\$46,853.07	0	\$0.00	4	\$46,853.07
Economic Development	ED Direct Financial Assistance to For-Profits (18A)	2	\$0.00	0	\$0.00	2	\$0.00
	Total Economic Development	2	\$0.00	0	\$0.00	2	\$0.00
Housing	Direct Homeownership Assistance (13)	1	\$19,500.00	0	\$0.00	1	\$19,500.00
	Rehab; Single-Unit Residential (14A)	5	\$156,608.29	1	\$0.00	6	\$156,608.29
	Rehab; Multi-Unit Residential (14B)	2	\$0.00	1	\$0.00	3	\$0.00
	Rehabilitation Administration (14H)	1	\$378,109.52	0	\$0.00	1	\$378,109.52
	Lead-Based/Lead Hazard Test/Abate (14I)	1	\$2,615.00	0	\$0.00	1	\$2,615.00
	Code Enforcement (15)	1	\$114,510.68	0	\$0.00	1	\$114,510.68
	Total Housing	11	\$671,343.49	2	\$0.00	13	\$671,343.49
Public Facilities and Improvements	Public Facilities and Improvement (General) (03)	6	\$15.86	0	\$0.00	6	\$15.86
	Senior Centers (03A)	1	\$158,280.86	0	\$0.00	1	\$158,280.86
	Neighborhood Facilities (03E)	2	\$0.00	0	\$0.00	2	\$0.00
	Parks, Recreational Facilities (03F)	1	\$254,871.70	1	\$0.00	2	\$254,871.70
	Street Improvements (03K)	2	\$329,936.53	0	\$0.00	2	\$329,936.53
	Sidewalks (03L)	2	\$0.00	0	\$0.00	2	\$0.00
	Total Public Facilities and Improvements	14	\$743,104.95	1	\$0.00	15	\$743,104.95
Public Services	Operating Costs of Homeless/AIDS Patients Programs (03T)	1	\$14,838.00	1	\$0.00	2	\$14,838.00
	Public Services (General) (05)	7	\$116,875.77	0	\$0.00	7	\$116,875.77
	Senior Services (05A)	3	\$31,068.38	0	\$0.00	3	\$31,068.38
	Youth Services (05D)	4	\$92,540.68	0	\$0.00	4	\$92,540.68
	Battered and Abused Spouses (05G)	1	\$14,838.00	0	\$0.00	1	\$14,838.00
	Abused and Neglected Children (05N)	1	\$14,838.00	0	\$0.00	1	\$14,838.00
	Housing Counseling (05U)	1	\$14,838.00	0	\$0.00	1	\$14,838.00



U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Integrated Disbursement and Information System
 CDBG Summary of Accomplishments
 Program Year: 2011

DATE: 09-26-12
 TIME: 13:15
 m PAGE: 2

MODESTO

Activity Group	Activity Category	Underway Count	Underway Activities Disbursed	Completed Count	Completed Activities Disbursed	Program Year Count	Total Activities Disbursed
Public Services	Total Public Services	18	\$299,836.83	1	\$0.00	19	\$299,836.83
General Administration and Planning	General Program Administration (21A)	2	\$244,301.77	0	\$0.00	2	\$244,301.77
	Indirect Costs (21B)	1	\$143,906.05	0	\$0.00	1	\$143,906.05
	Fair Housing Activities (subject to 20% Admin Cap) (21D)	1	\$40,000.00	0	\$0.00	1	\$40,000.00
	Total General Administration and Planning	4	\$428,207.82	0	\$0.00	4	\$428,207.82
Other	Interim Assistance (06)	1	\$7,374.33	0	\$0.00	1	\$7,374.33
	Total Other	1	\$7,374.33	0	\$0.00	1	\$7,374.33
Repayment of Section 108 Loans	Planned Repayment of Section 108 Loan Principal (19F)	1	\$378,001.60	0	\$0.00	1	\$378,001.60
	Total Repayment of Section 108 Loans	1	\$378,001.60	0	\$0.00	1	\$378,001.60
Grand Total		55	\$2,574,722.09	4	\$0.00	59	\$2,574,722.09



U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Integrated Disbursement and Information System
 CDBG Summary of Accomplishments
 Program Year: 2011

DATE: 09-26-12
 TIME: 11:13:15
 PAGE: 3

MODESTO

CDBG Sum of Actual Accomplishments by Activity Group and Accomplishment Type

Activity Group	Matrix Code	Accomplishment Type	Program Year		Totals
			Open Count	Completed Count	
Acquisition	Acquisition of Real Property (01)	Housing Units	0	0	0
	Clearance and Demolition (04)	Public Facilities	1,605	0	1,605
	Relocation (08)	Households	1	0	1
	Total Acquisition		1,606	0	1,606
Economic Development	ED Direct Financial Assistance to For-Profits (18A)	Jobs	0	0	0
	Total Economic Development		0	0	0
Housing	Direct Homeownership Assistance (13)	Households	2	0	2
	Rehab; Single-Unit Residential (14A)	Housing Units	62	0	62
	Rehab; Multi-Unit Residential (14B)	Housing Units	0	0	0
	Rehabilitation Administration (14H)	Housing Units	0	0	0
	Lead-Based/Lead Hazard Test/Abate (14I)	Housing Units	5	0	5
	Code Enforcement (15)	Housing Units	0	0	0
	Total Housing		69	0	69
Public Facilities and Improvements	Public Facilities and Improvement (General) (03)	Housing Units	0	0	0
		Public Facilities	13,209	0	13,209
	Senior Centers (03A)	Public Facilities	0	0	0
	Neighborhood Facilities (03E)	Public Facilities	0	0	0
	Parks, Recreational Facilities (03F)	Public Facilities	2,813	0	2,813
	Street Improvements (03K)	Persons	20,809	0	20,809
	Sidewalks (03L)	Public Facilities	3,345	0	3,345
	Total Public Facilities and Improvements		40,176	0	40,176
Public Services	Operating Costs of Homeless/AIDS Patients Programs (03T)	Persons	0	0	0
	Public Services (General) (05)	Persons	5,539	0	5,539
	Senior Services (05A)	Persons	0	0	0
	Youth Services (05D)	Persons	35	0	35
	Battered and Abused Spouses (05G)	Persons	52	0	52
	Abused and Neglected Children (05N)	Persons	0	0	0
	Housing Counseling (05U)	Households	233	0	233
	Total Public Services		5,859	0	5,859
Other	Interim Assistance (06)	Persons	0	0	0
	Total Other		0	0	0



U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
CDBG Summary of Accomplishments
Program Year: 2011

DATE: 09-26-12
TIME: 13:15
PAGE: 4

MODESTO

Activity Group	Matrix Code	Accomplishment Type	Open Count	Completed Count	Program Year Totals
Grand Total			47,710	0	47,710



U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Integrated Disbursement and Information System
 CDBG Summary of Accomplishments
 Program Year: 2011

DATE: 09-26-12
 TIME: 13:15
 PAGE: 5

MODESTO

CDBG Beneficiaries by Racial / Ethnic Category

Housing-Non Housing	Race	Total Persons	Total Hispanic Persons	Total Households	Total Hispanic Households
Housing	White	0	0	51	5
	Black/African American	0	0	5	0
	Asian	0	0	1	0
	American Indian/Alaskan Native	0	0	1	1
	Asian & White	0	0	1	1
	Amer. Indian/Alaskan Native & Black/African Amer.	0	0	1	0
	Other multi-racial	0	0	9	7
	Total Housing	0	0	69	14
	Non Housing	White	1,031	33	118
Black/African American		296	1	8	1
Asian		141	0	6	0
American Indian/Alaskan Native		1	0	12	11
American Indian/Alaskan Native & White		1	0	4	4
Asian & White		4	0	0	0
Black/African American & White		20	0	10	0
Amer. Indian/Alaskan Native & Black/African Amer.		1	0	4	4
Other multi-racial		1,932	1,745	72	62
Total Non Housing	3,427	1,779	234	126	
Grand Total	White	1,031	33	169	49
	Black/African American	296	1	13	1
	Asian	141	0	7	0
	American Indian/Alaskan Native	1	0	13	12
	American Indian/Alaskan Native & White	1	0	4	4
	Asian & White	4	0	1	1
	Black/African American & White	20	0	10	0
	Amer. Indian/Alaskan Native & Black/African Amer.	1	0	5	4
	Other multi-racial	1,932	1,745	81	69
Total Grand Total	3,427	1,779	303	140	



U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Integrated Disbursement and Information System
 CDBG Summary of Accomplishments
 Program Year: 2011

DATE: 09-26-12
 TIME: 13:15
 PAGE: 6

MODESTO

CDBG Beneficiaries by Income Category

	Income Levels	Owner Occupied	Renter Occupied	Persons
Housing	Extremely Low (<=30%)	11	0	0
	Low (>30% and <=50%)	30	0	0
	Mod (>50% and <=80%)	3	0	0
	Total Low-Mod	44	0	0
	Non Low-Mod (>80%)	0	0	0
	Total Beneficiaries	44	0	0
Non Housing	Extremely Low (<=30%)	134	0	3,424
	Low (>30% and <=50%)	82	0	3
	Mod (>50% and <=80%)	8	0	0
	Total Low-Mod	224	0	3,427
	Non Low-Mod (>80%)	10	0	0
	Total Beneficiaries	234	0	3,427

IDIS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT

PR06 - Summary of Consolidated Plan Projects for Report Year

Plan IDIS Year Project	Project Title and Description		Program	Project Estimate
2011 1	HOUSING NEEDS	PROVIDES FUNDING FOR LOANS TO ASSIST LOW/MODERATE INCOME HOUSEHOLDS, EMERGENCY HOME REPAIR, DISABLED ACCESSIBILITY PROGRAM, MINOR HOME REPAIR, REHAB PROPERTY ENHANCEMENT PROGRAM, LEAD BASED PAINT SERVICES, TEMPORARY RELOCATION, ADMINISTRATIVE OVERSITE	CDBG	\$0.00
2	HOMELESS NEEDS	FOOD, CLOTHING, CASE MANAGEMENT, REFERRAL SERVICES AND TRANSITIONAL SHELTER/HOUSING AND OTHER BASIC NEEDS	CDBG	\$0.00
3	COMMUNITY DEVELOPMENT	Provide funds for neighborhood clean-up and crime prevention activities. Fund Code-Enforcement officers that work in low-income Census Tracts. Provide economic development activities through the Community Development Revolving Loan program	CDBG	\$0.00
4	OTHER	Section 108 Loan	CDBG	\$0.00
5	PLANNING & ADMINISTRATION	Planning and Administration	CDBG	\$0.00
6	NON-HOMELESS SPECIAL NEEDS	Rehabilitate or improve existing very low-, low- and moderate-income senior housing. Provide supportive services for senior residents such as food delivery and nutritional education programs. Provide supportive services that allow for independent living by populations with special needs including the physically disabled developmental disabled persons with severe mental illness and persons with alcohol or other addictions.	HOME CDBG	\$0.00 \$0.00
8	ADMINISTRATION - CDBG/HOME/ESG	ADMINISTRATION FUNDING WILL BE USED TO PROVIDE PROGRAM MANAGEMENT, ADMINISTRATION, AND COMPLIANCE FOR THE CITY OF MODESTO'S HUD-FUNDED PROGRAMS. THIS PROJECT ALSO INCLUDES THE FOLLOWING: MATRIX CODE 21B: CDBG INDIRECT COST MATRIX CODE 21H: HOME ADMIN/PLANNING COSTS OF PJ	CDBG ESG	\$0.00 \$0.00
10	ESG11 City of Modesto	The Fiscal year 2011 ESG First Allocation funds for the City of Modesto have been allocated to provide outreach to persons living on the streets, funds to operate an emergency shelter for the homeless, utility assistance and emergency rental assistance to prevent homelessness, and program administration	HESG	\$102,575.00
11	CHDO Operating Funds		HOME	\$57,905.35
12	Affordable Housing Direct Grants	Development of Affordable housing units	HOME	\$884,391.00
13	CHDO RESERVES	CHDO RESERVES PROJECT	HOME	\$100,000.00