

FIRST AMENDMENT

City of Modesto

2018 Annual Action Plan

Substantial Amendment

City Council October 9, 2018:

The purpose of the Substantial Amendment is to reallocate, add, and define the following Eligible Uses:

1. ADA Ramps and Curb Cuts Project:

Defund this activity in the amount of \$181,665, intended for an ADA Ramps, curb cut, and sidewalk improvements project in eligible low/mod areas. Due to staff workload, design could not be completed in house, therefore, reallocating funding to another CDBG eligible activity/program in order to meet expenditure timeframes, and to address this project during the next AAP funding cycle.

National Objective: Low/Mod Area Benefit;

Citation: 24 CFR 570.208(a)(1);

Matrix Code: 03L Sidewalks

Citation: 24 CFR 570.201(c)

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2018/2019 funds

HUD ID #: 1292.

2. 2018 Housing Rehabilitation Program Administration:

Defund this activity in the amount of \$156,380 for the purpose of reallocating to a CDBG eligible activity; funding will not be needed this cycle for administrative related Housing Rehabilitation associated costs.

National Objective: N/A;

Citation: 24 CFR 570.202(b)(9);

Matrix Code: 14H Rehabilitation Administration

Funding Source: Community Development Block Grant (CDBG)

Fiscal Year: 2018/2019 funds;

HUD ID #: 1293.

3. CDBG Funding of HOME Administrative Costs:

Defund this activity in the amount of \$150,000 for the purpose of reallocating to a CDBG eligible activity; funding will not be utilized for administrative related HOME associated costs.

National Objective: N/A;

Citation: 24 CFR 570.206(i)(2);

Matrix Code: 21H CDBG Funding for HOME Admin.;

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2018/2019 funds;

HUD ID #: 1295.

4. Water/Sewer Connection Program – Entitlement:

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Defund this activity in the amount of \$339,477 in CDBG entitlement funds and budget with an equal amount of Revolving Loan Funds. Additional program related details provided below.*

National Objective: Low/Mod Housing

Citation: 24 CFR 570.208(a)(3)

Matrix Code: 14A Rehabilitation; Single-Unit Residential

Citation: 24 CFR 570.202(a)(1)

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2016/2017 funds

HUD ID #: 1264.

5. Crows Landing Road Neighborhood Project:

Defund this activity in the amount of \$463,066, which was originally intended to support the acquisition of property to develop a publically accessible community center at 900 and 924 Crows Landing Road in South Modesto, co-located with a full service Self-Help Federal Credit Union Branch, and reallocate to another CDBG eligible activity; the project timeline needs to be adjusted to the 2020/2021 Annual Action Plan cycle allow for alignment with planned offsite infrastructure improvements and to be utilized for related non-acquisition related purposes.

National Objective: Low/Mod Area Benefit;

Citation: 24 CFR 570.208(a)(1);

Matrix Code: 03E – Neighborhood Facilities;

Citation: 24 CFR 570.201(c)(3);

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2016/2017 & 2017/2018 funds;

HUD ID #: 1260.

6. Fresno CDFI – Economic Development Small Business Loans:

Defund \$100,000 in CDBG funds, due to challenges in meeting current expenditure timelines for the program. The project has an additional \$100,000 that can be utilized for small business loans up to \$50,000, within the City of Modesto, through spring 2019.

National Objective: Low/Mod Limited Clientele

Citation: 24 CFR 570.208(a)(4);

Matrix Code: 18C Micro-Enterprise Assistance

Citation: 24 CFR 570.203(b)

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2016/2017 funds

HUD ID #: 1233

7. Senior Playground Parks Project:

Defund approximately \$348,469 in CDBG funds, intended for use in the development of open space areas, and to facilitate the development of a location to provide recreational use to the public and the local senior population. Parks and Recreation Department has a goal of leveraging these funds in the coming Annual Action Plan cycle via an additional federal grant opportunity in Fiscal Year 2019/2020.

National Objective: Low/Mod Area Benefit;

Citation: 24 CFR 570.208(a)(1);

Matrix Code: 03F Parks, Recreational Facilities

Citation: 24 CFR 570.201(c)

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2017/2018 & 2018/2019 Funds

HUD ID #: 1253

8. Center for Human Services – Capacity Building:

Defund \$17,319 in CDBG Entitlement funds, as the project has been reprogrammed to a Public Service activity, which is constrained by a 15% programmatic cap every funding cycle. The project will continue to be funded up to the programmatic cap in the amount of \$47,681.

National Objective: Low/Mod Area Benefit;

Citation: 24 CFR 570.208(a)(1);

Matrix Code: 19C

Citation: 24 CFR 570.570.201(p)

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2018-2019

HUD ID #: 1274

9. Public Facilities and Improvements –522 E. Granger:

Funding: Defund this activity in the amount of \$165,000 in Revolving Loan Funds and budget with an equal amount of CDBG entitlement. Additional program related details provided below.*

Description: Funding for the development of a 2,300 square foot community center. The community will have access to this center, with a focus to serve persons needing housing support, supportive resources, recreational and classroom use for training programs. The center will be staffed with a housing specialist from Stanislaus County Behavioral Health and Recovery Services. The center will include a computer lab and laundry machine services for residents of the adjacent affordable housing development.

Additional Project Funding and/or the Addition of New Projects

10. Affordable Housing – Acquisition Program – Vine Street*:

Funding: \$200,000 in CDBG and \$528,000 in HOME Investment Partnership Program Funds, for a total contribution of \$728,000 in Entitlement (FY2018-2019 funds)

Description: The Vine Street Development is a collaborative effort involving the Housing Authority of the County of Stanislaus (HACS), Self Help Federal Credit Union, and the City of Modesto. The Partners are working together with their respective missions, to provide safe affordable housing in our community. The Development will be constructed in two (2) Phases using existing Housing Authority plans and designs to assist in keeping development costs low and consist of two (2) gated communities, one for seniors and one for veterans. Inclusive of the associated activity delivery related project costs.

Phase I, King Kennedy Veterans Cottages, will be a veteran's community comprised of 23 580 sq. ft. 1-bedroom units complete with stoves, refrigerators, dishwashers, microwaves, and laundry units. The community also provides a community room for tenant use and service provider meetings. Estimated cost of \$153,000 per unit.

Phase II, Helen White Court, will consist of 12 senior housing units that provides a safe and secure court yard setting for seniors. Senior support services are located across Vine Street at the King Kennedy Community Center. Estimated cost \$156,000 per unit. The two (2) Phase development will provide permanent affordable rental

housing to individuals with incomes below 80% of the area median income (AMI); 7 units will be under 50% AMI. These clients have difficulty in finding permanent, affordable housing, and thus are at high risk of becoming homeless. The Vine Street Development will offer these clients a permanent solution to their housing challenges.

Target Area: The Vine Street Development's nearest cross streets are Vine Street and S. M.L.K. Dr. in Modesto California. Its location is near public transportation and shopping. The surrounding neighborhood is a combination of single family and multi-family residential development.

Goals Supported: Rental Housing Construction

Needs Addressed: H-1 Increase affordable rental housing
HM-3 Provide permanent supportive housing
HM-4 Prevent Homelessness for those at Risk

Target Date: Construction to begin spring 2019

Estimated Number of Households Served: Thirty-five (35) Households;

Location Description: 001700/2

National Objective: Low/Mod Housing

Citation: 24 CFR 570.208(a)(3) / HOME – 92.205(a)

Matrix Code: 1 - Acquisition of Property / Associated costs related to the development and construction of affordable rental housing

Citation: 24 CFR 570.201(c) / HOME - 92.206(a)

Funding Source: Community Development Block Grant (CDBG), HOME Partnerships Program Entitlement Funds;

Fiscal Year: 2018-2019

HUD ID #: 1314

11. **Public Facilities and Improvements –522 E. Granger:**

Funding: \$165,000 in CDBG Entitlement

Description: Funding for the development of a 2,300 square foot community center. The community will have access to this center, with a focus to serve persons needing housing support, supportive resources, recreational and classroom use for training programs. The center will be staffed with a housing specialist from Stanislaus County Behavioral Health and Recovery Services. The center will include a computer lab and laundry machine services for residents of the adjacent affordable housing development.

Target Area: 001100/2

Goals Supported: Investment in lower-income and deteriorating neighborhoods, and in facilities that serve lower-income populations.

Needs Addressed: CD-3: Community Centers/recreation facilities in low-income neighborhoods

Target Date: Winter 2018

Estimated Number of Households Served: Up to 326 households

Location Description: 522 E. Granger, Modesto, CA

National Objective: Low/Mod Area Benefit;

Citation: 24 CFR 570.208(a)(1);

Matrix Code: 03E – Neighborhood Facilities;

Citation: 24 CFR 570.201(c)(3);

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2017-2018

HUD ID #: 1256

12. Public Facilities and Improvements – Water/Sewer Projects:

Funding: \$627,000 CDBG Entitlement

Description: This project would install 17 fire hydrants in the La Loma neighborhood to meet current Fire Department and City Standards. This project is considered a safety project that will replace outdated fire hydrants that do not meet city spacing standards for residential neighborhoods. The project is bounded by Yosemite Avenue to the south, San Juan Drive to the west, Encina Avenue to the north, and El Vista Avenue to the east.

Target Area: La Loma Neighborhood

Goals Supported: To provide a suitable living environment by improving the safety and livability of neighborhoods.

Needs Addressed: CD-1: Infrastructure improvements in low-income neighborhoods

Target Date: Spring 2019

Estimated Number of Households Served: 1,324

Location Description: 001400/1; 001900/2; 001900/4;

National Objective: Low/Mod Area Benefit;

Citation: 24 CFR 570.208(a)(1);

Matrix Code: 03J – Water/Sewer Improvements

Citation: 24 CFR 570.201(c)

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2017-2018

HUD ID #: 1296

13. Public Facilities and Improvements – Parks/Recreational: Mellis Park Project

Funding: \$440,000 CDBG Entitlement

Description: Wood shade structure in poor condition needs to be replaced with a metal structure. The associated concrete and ADA accessibility pathways need to be repaired throughout the park. Inclusive of the associated activity delivery related project costs.

Target Area: 001601/1

Goals Supported: Investment in lower-income and deteriorating neighborhoods, and in facilities that serve lower-income populations.

Needs Addressed: CD-3: Community Centers/recreation facilities in low-income neighborhoods

Target Date: Spring 2019

Estimated Number of Households Served: 1,170

Location Description: Mellis Park is located in a City of Modesto disadvantaged neighborhood in West Modesto. West Modesto is a U.S. Census Designated Place with a median household income of \$30,682.

National Objective: Low/Mod Area Benefit;

Citation: 24 CFR 570.208(a)(1);

Matrix Code: 03F

Citation: 24 CFR 570.201(c)

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2018-2019

HUD ID #: TBD

14. Rental Rehabilitation Activities – 201 E. Coolidge:

Funding: \$495,000 CDBG Entitlement

Description: Rehabilitation work to address water leaks, dry rot, replace outer walls of existing stairwells and stairwell headers to assist with the first Housing First Pilot project for HACS. Inclusive of the associated activity delivery related project costs.

Target Area: Low/Mod Housing Benefit

Goals Supported: Rental Housing Rehabilitation

Needs Addressed: HM-3 Provide permanent supportive housing, HM-4 Prevent Homelessness for those at Risk

Target Date: Spring 2019

Estimated Number of Households Served: 40

Location Description: 201 E. Coolidge, Modesto, CA

National Objective: Low/Mod Housing

Citation: 24 CFR 570.208(a)(3)

Matrix Code: 14B Rehab; Multi-Unit Residential

Citation: 24 CFR 570.202(a)(2)

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: 2018-2019 funds

HUD ID #: 1315

15. Water/Sewer Connection Program – Revolving Loan Fund:

Funding: \$339,477

Description: Refund this activity in the amount of \$339,477 in CDBG Revolving Loan Funds, to assist eligible households to connect to municipal services such as water and sewer financial assistance programs.

Target Area: Communitywide

Goals Supported: The preservation of Affordable Homeowner Housing

Needs Addressed: H3 – Preserve Existing Affordable Housing

Target Date: Ongoing

Estimated Number of Households Served: 12 Households

National Objective: Low/Mod Housing

Citation: 24 CFR 570.208(a)(3)

Matrix Code: 14A Rehabilitation; Single-Unit Residential

Citation: 24 CFR 570.202(a)(1)

Funding Source: Community Development Block Grant (CDBG);

Fiscal Year: Revolving Loan Funds

HUD ID #: 1264

HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDS

16. Archway Commons – Phase II:

Funding: \$883,051

Description: Defund approximately \$686,569 in HOME funds, to reallocate funding to another HOME eligible activity/program in order to meet expenditure timeframes, and to address this project during the next AAP funding cycle 2019/2020.

National Objective: Low/Mod Housing

Citation: 92.205(a)

Eligible Project Costs: 92.206(a)

Citation:

Funding Source: HOME

Fiscal Year: Pre-2016 Funds

HUD ID #: 1282

17. Affordable Housing – Homebuyer Assistance Program:

Funding: \$ 240,000

Description: Defund approximately \$106,907 in HOME funds, to reallocate funding to another HOME eligible activity/program in order to meet expenditure timeframes, and to address this project during the next AAP funding cycle.2019/2020.

National Objective: Low/Mod Housing

Citation: 92.205(a)

Eligible Project Costs: 92.206(c)

Citation:

Funding Source: HOME

Fiscal Year: 2018 Funds

HUD ID #: N/A

Additional Project Funding and/or the Addition of New Projects

18. 416 E. Coolidge – Affordable Housing – In Fill Development:

Funding: \$880,000 HOME Investment Partnership Program Funds

Adding a total of \$366,041 of HOME funds

Description: A residential development of eight (8) efficiency units and one community center building on 0.7 acres. This development is a collaborative effort involving the Housing Authority of the County of Stanislaus (HACS), Stanislaus County Behavioral Health and Recovery Services (BHRS) and the City of Modesto. The project will be a gated community consisting of 1-bedroom, 580 sq.ft. units, complete with stoves, refrigerators, dishwashers, microwaves, and all units will have laundry machines.

The project will provide permanent affordable rental housing to individuals with incomes below 80% of the area median income (AMI). The units are planned to serve mental health clients, who have difficulty in finding permanent, affordable housing and are at risk of becoming homeless. Inclusive of the associated activity delivery related project costs.

Target Area: Low/Mod Housing Benefit

Goals Supported: Rental Housing Construction

Needs Addressed: H-1 Increase affordable rental housing

HM-3 Provide permanent supportive housing

HM-4 Prevent Homelessness for those at Risk

Target Date: Spring 2019

Estimated Number of Households Served: Eight (8)

Location Description: 416 E. Coolidge Avenue, Modesto, CA

National Objective: Low/Mod Housing

Citation: 92.205(a)

Eligible Project Costs: 92.206(a)

Funding Source: HOME

Fiscal Year: 2018 Funds