



Fourth Program Year CAPER

The CPMP Fourth Consolidated Annual Performance and Evaluation Report includes Narrative Responses to CAPER questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The

Executive Summary narratives are optional.
The grantee must submit an updated Financial
(PR26)

GENERAL

Executive Summary

The U.S. Department of Housing and Urban Development (HUD) requires all HUD recipients to submit a description and evaluation of program year activities that have been undertaken using HUD funding. The Consolidated Annual Performance and Evaluation Report (CAPER) discusses how the activities undertaken during the program year addressed the needs previously identified in the FY 2008-2009 Annual Action Plan. This CAPER covers the period from July 1, 2008 to June 30, 2009 for the City of Modesto activities funded by Community Development Block Grant (CDBG), HOME and Emergency Shelter Grant (ESG) programs.

The CAPER also permits HUD and residents to determine whether project goals are realistic, and whether activities and strategies undertaken during the last year actually made an impact on the goals set forth in the 2005-2010 Consolidated Plan. This is accomplished reviewing the various funds made available and activities leveraged during the reporting period and by summarizing the number of persons or households helped with housing or supportive services during the reporting period.

The 2008-2009 program year exhibited many challenges for the City of Modesto. The economic decline caused a major decrease in revenues with an increase in problems within neighborhoods and affordable housing options. This year several new programs emerged from the Housing and Economic Recovery Act (HERA) as well as the American Recovery and Reinvestment Act (ARRA). These new funding streams provided much needed assistance to the Modesto area.

The City of Modesto leveraged HUD funding to provide a comprehensive array of positive and community building activities in Fiscal Year (FY) 2008-2009. Development and preservation of affordable housing, strengthening neighborhoods and provision of supportive services were focal points of the FY 2008-2009 activities and subsequent accomplishments. Following are highlights of those accomplishments.

- Received approval for a Neighborhood Revitalization Plan for the Airport Neighborhood
- Removed several hundred tons of garbage from the Airport Neighborhood
- Neighborhood Stabilization Program Workshop assisted approximately 1000 residents regarding responsible homeownership
- Code Enforcement managed 5520 cases, of which 1396 cases were in low census tracts.
- Habitat for Humanities Hope Village completed 5 homes in a 20 home subdivision and is in the process of completing the remaining homes
- Design and environmental assessment of an ADA accessibility pathway to the restrooms at Dryden Golf Course

General Information

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 citizens of Modesto.



Affirmatively Furthering Fair Housing:

HUD provides specific requirements that entitlement grantees certify that they will affirmatively further fair housing. Specifically, grantees are required to conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate action to overcome the effects of any impediments identified through the analysis, and maintain records reflecting the analysis and actions taken in this regard. Included within these broad objectives are requirements to promote fair housing choice for all persons and to foster compliance with the nondiscrimination provisions of the Fair Housing Act.

The City of Modesto updated its Analysis of Impediments to Fair Housing (AI) in June 2005. Below is information from the AI, which briefly discusses the current status of Fair Housing in Modesto and actions that the City will take to attempt to improve Fair Housing as well as the affordable housing stock in the future.

Over the past twenty years, the City has experienced significant social, economic, and demographic changes. Modesto has become a City with increasing numbers and a diversity of ethnic and racial groups, although non-Hispanic Whites still represent a slight majority of the population. Even as the City has developed economically, concentrations of lower-income households persist. Housing costs have increased faster than local incomes, leading to overcrowding and overpayment for housing. These conditions potentially expose many Modesto residents to discrimination in the housing market. With the recent housing crisis and downturn in property values, many of these residents are struggling to keep homes, and have even had rental properties they are living in foreclosed out from under them, leaving them to find a new residence.

Documented cases of illegal discrimination do not occur frequently in Modesto. Nevertheless, community organizations that address fair housing issues or serve lower-income and minority clients have noted that access to suitable housing is still a concern. Many households do not have established credit or have poor credit histories, lack sufficient funds for move-in expenses, have disabilities or special needs, or consist of large families or single-parent households. These characteristics create special challenges to obtaining suitable housing.

The City has sought to improve access to housing by:

- Supporting organizations that provide fair housing education, homebuyer education, and landlord-tenant mediation;
- Offering housing rehabilitation and homebuyer assistance;
- Working with nonprofit organizations to reduce barriers to housing and increase the supply of affordable housing;
- Promoting economic development to increase job opportunities; and
- Participating in partnerships with public and private organizations to improve job skills among Modesto's lower-income households.

Through these actions, the City hopes to reduce barriers to housing and incidences of illegal discrimination.

While AI identified a number of potential issues that could affect housing choices, some issues, such as lending practices, are beyond the ability of a local jurisdiction to address. The actions proposed below

focus on those issues that the City could feasibly address. The City has identified the following potential fair housing concerns:

- Access to information about housing availability and choices among recent immigrants who are disproportionately lower-income;
- Lack of access to adequate housing due to poor credit history, insufficient funds for move-in expenses, and other factors among financially vulnerable groups, such as female-headed households with children and the homeless;
- Barriers faced by large, low- and moderate-income families due to: 1) occupancy restrictions imposed by rental property owners, and 2) a shortage of larger homes in good condition that these large families can afford;
- Access to housing by persons with disabilities due to physical or other conditions that create special needs; and
- The growing gap trend of faulty loans and severe increase in foreclosures among the minority population.

Other Actions taken to address obstacles to meeting underserved needs:

The City of Modesto allocated Entitlement funding in the community enabling local organizations to provide services that would meet underserved needs. The main focus for the public service agencies is on assistance to those that are homeless or are facing homelessness as well as ensuring that the Senior Citizens of our community as well as the children have access to programs and services that can help them flourish. Several of the programs focus on child abuse prevention as well as food services to children, seniors and those with disabilities. Following is a summary chart of the funding allocated and the populations of low-income persons served:

CDBG Public Services Funding:

Agency	Program	Funded Amount	Income		
			0-30	31-50	51-80
American Red Cross	Emergency Shelter Svs	\$11,475	3	13	12
Center for Human Svs	Hutton House	\$22,606	7	3	4
Center for Human Svs	Pathways	\$21,497	11	0	0
Children’s Crisis Center	Cricket’s Homeless Shelter	\$7,199	25	0	0
Children’s Crisis Center	Cricket’s NEAT	\$20,140	15	1	0
Children’s Crisis Center	Marsha’s NEAT	\$25,175	5	14	0
Children’s Crisis Center	Sawyer’s NEAT	\$25,175	27	14	1
Community Housing and Shelter Svs	Supportive Svs for Housing	\$19,763	594	112	33
Community Housing and Shelter Svs	Families in Recovery	\$23,898	267	0	0
Healthy Aging Association	Young at Heart	\$27,232	29	53	47
Howard Training Center	Senior Meals	\$20,000	70	65	21
Parent Resource Center	ABC’s of Childcare	\$15,834	953	10	259
Project Sentinel	Fair Housing	\$49,651	220	122	261
Salvation Army	Emergency Winter Shelter	\$33,813	1	9	265
Second Harvest Food Bank	Food Assistance Program	\$40,000	25,107	2,758	865
Stanislaus Community Assist Project	Nutritional Supplement	\$41,485	13	2	0
Stanislaus Literacy Program	West Modesto English Tutoring	\$24,136	20	18	1

The City of Modesto also allocated ninety-five percent of the Emergency Shelter Grant funding to public service agencies to provide services to the underserved population. The focus of services was on shelters for children and homeless as well as homeless prevention and assistance. These agencies were able to leverage the ESG funding and provide essential services to those that need it most.

ESG Funding

<u>Agency</u>	<u>Program</u>	<u>Funded Amount</u>
Center for Human Svc	Hutton House	\$27,334
Center for Human Svc	Pathways	\$4,306
Children's Crisis Center	Sawyers Homeless	\$13,728
Community Housing and Shelter Services	Homeless Prevention	\$28,000
Salvation Army	Emergency Winter Shelter	\$31,978

Leveraging Resources

The need within Modesto is so great that leveraging of funds is critical to ensure program success. The Emergency Shelter Grant sub-recipients were able to match over \$530,000 in private and other public resources. The sub-recipients of CDBG funding were also successful in leveraging funding from private donors, the United Way and several other public resources to advance the programs.

Managing the Process

Actions taken during the last year to ensure compliance with program and comprehensive planning requirements included a public notice published on August 19, 2009 in the city's local newspapers announcing the availability of the CAPER and inviting public comment. The Housing and Community Development Committee (CH&CDC) held a public meeting on August 17, 2009, to review the CAPER.

A public hearing was held before the City Council on September 8, 2009, 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 2008-2009 CAPER.

Citizen Participation

Citizen participation is a key component of the consolidated planning process. The federal regulations implementing the three entitlement grants require that the city provide opportunity and means for the populations served by the grants, as well as the general citizenry, to provide input to the goals and priorities that should be reflected in the plan, as well as the specific types of activities that will be funded. The City of Modesto not only complies with Federal regulations, but actively encourages the participation of citizens, especially low or moderate-income, through the Citizen Participation Plan. The Citizen Participation Plan requires that a minimum of two neighborhood meetings be held prior to the development of the Annual Action Plan and/Consolidated Plan, and one community meeting with service providers as the primary audience. Other neighborhood meetings are held during the year as the City identifies a need within a neighborhood and seeks input from that neighborhood.

The neighborhood meetings are held in low-income census tract areas to encourage participation of low- and moderate-income persons. The neighborhood meetings are held at public buildings that are accessible

to persons with disabilities. Spanish translators are available at all meetings. If a request for other language translators is made, those translators are provided. The neighborhood meetings are held in the evenings to accommodate working families. The meeting for service providers is held during the day to accommodate the service providers.

The neighborhood and community meetings, held prior to the Annual Action Plan and/or Consolidated Plan, are advertised in the local paper of general circulation, as well as the local Hispanic paper of general circulation. The public notices are published at least one week prior to the neighborhood and community meetings. A press release is also submitted to the local newspaper, radio and television stations. Notices are also sent to neighborhood organizations, public housing resident groups, and agencies providing services to the residents of the community and neighborhoods. The City notifies the community of any public hearings to be held by the Modesto City Council regarding the development of the Consolidated Plan, the Annual Action Plan, substantial amendments thereto, and the CAPER. A minimum of two public hearings are held each year at different stages of the program year.

Notification of the public hearings and the public comment period are published in the local newspaper of general circulation, as well as the Hispanic paper of general circulation. Press releases are distributed to local newspaper, radio, and television stations.

The public hearings are held at regularly scheduled City Council meetings. These meetings are held in the evenings for the benefit of working persons. The City Hall, known as Tenth Street Place, is accessible to persons with disabilities. Each resident choosing to speak is allowed to make a verbal presentation.

The City of Modesto considers all oral and written public comments received in preparing and revising the Annual Action Plan. The City held four public meetings in development of the Annual Action Plan for fiscal year 2008-2009. All of the meetings were held in public buildings that are accessible to persons with disabilities. A Spanish translator was available at all four meetings. The meeting at City Hall was held in a low-income neighborhood and held during the day to accommodate service providers. A second public meeting was held at the Senior Center to encourage participation by senior citizens in the development of the Annual Action Plan. The remaining two meetings were held in low-income neighborhoods, in public facilities that serve largely minority communities.

There was a notice announcing the CAPER placed in the newspaper of general circulation (Modesto Bee) as well as the local Spanish paper (Vida) on August 19, 2009 closing with public hearing at the Modesto City Council meeting on September 8, 2009.

A summary of Citizen Comments Received include:

McHenry Museum

A public meeting was held on March 27, 2009 at 10:00 AM.

Comments received at the meeting included the need for long term housing for individuals enrolled in transitional housing programs who are on the verge of being evicted due to occupancy time limits. Request to have more money spent on extreme low income housing activities. Consider programs designed around homeless prevention for seniors. Offer a program to educate youth on the how the illegal use of drugs can lead to homelessness. Make available a program which provides counseling for families as a means to prevent homelessness. Offer school grants for kids as an incentive program for furthering their education.

City of Modesto

Neighborhood Center at Marshall Park

A public meeting was held on March 31, 2009 at 5:30 PM. No comments were received.

Senior Center

A public meeting was held on April 2, 2009 at 5:30 PM. Comments received at the meeting included the concern of the restrooms within the Senior Citizen's Center. While they met the ADA standards in the 1980's; which is the last time any work was done on the building, they don't adequately meet the needs of the citizen's utilizing the building. There are some safety concerns and privacy issues. The Senior Center Foundation is hoping to leverage CDBG funding through a Capital Improvement Project to renovate the restrooms.

City Hall Meeting

A public meeting was held at City Hall on April 8, 2009 at 10:00 AM. The comments received included support of the Neighborhood Revitalization of the Airport Neighborhood and appreciation of the programs that are provided.

Federal funds made available for furthering the objective of the Consolidated Plan include:

<u>FY 2008-2009 CDBG Expenditure</u>	<u>Geographic Distribution and Location of Expenditure</u>	<u>Total</u>
Down Payment Assistance Program	City-Wide Income Qualified	\$179,500.00
Emergency Home Repair Program (EHRP/RAP) Accessibility Program (RLF) 08-09	City-Wide Income Qualified	\$190,159.85
Minor Home Repair Grant Program (MHRGP) (RLF)	City-Wide Income Qualified	\$14,699.29
Housing Rehabilitation Program Loans (RLF) 08-09	Census Tract 0008.03	\$32.36
Neighborhood Revitalization Strategy (RLF)	Low-Income Census Tract	\$1,658.60
Temporary Relocation	City-Wide Income Qualified	\$1,689.59
Housing Rehabilitation Administration		\$486,210.50
Public Facilities & Improvements	City-Wide Income Qualified	\$82,278.00
Code Enforcement - Building Codes	Low-Income Census Tracts	\$1,915.16
Code Enforcement - Neighborhoods	Low-Income Census Tracts	\$177,325.00
Neighborhood Cleanup	Low-Income Census Tracts	\$11,054.95

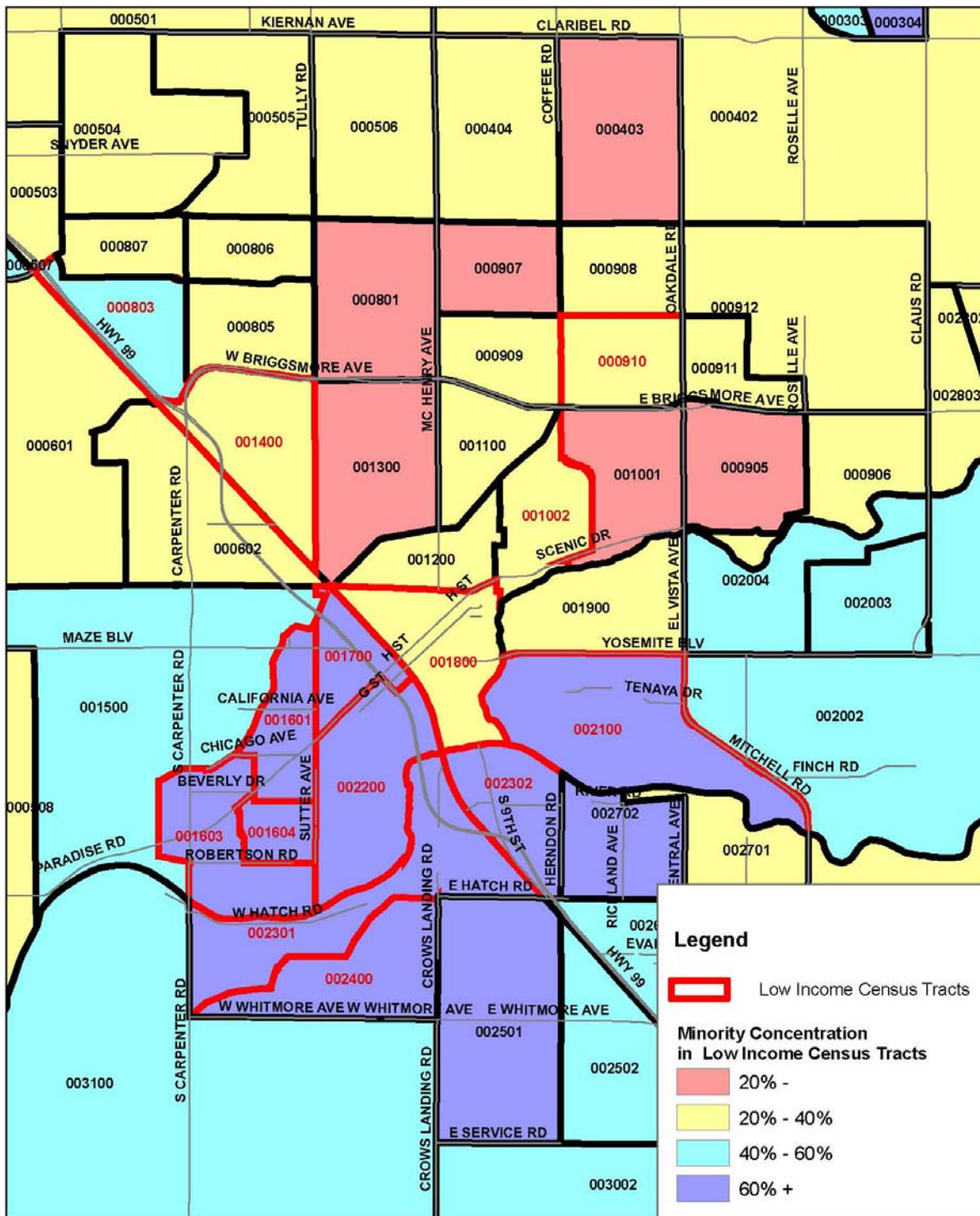
<u>FY 2008-2009 HOME Expenditure</u>	<u>Geographic Distribution and Location of Expenditure</u>	<u>Total</u>
Bennett Place Apartments	Census Tract 20.04	\$940,427.00
Hope Village	Census Tract 16.00	\$196,611.75
Meadow Glen Apartments	Census Tract 11.00	\$713,162.00
Administration		\$120,025.06

CDBG Public Service Grants

<u>Agency</u>	<u>Program</u>	<u>Geographic Distribution and Location of Expenditure</u>	<u>Total</u>
American Red Cross	Emergency Shelter Svcs	City-Wide Income Qualified	\$11,475.00
Center for Human Services	Hutton House	City-Wide Income Qualified	\$22,536.60
Center for Human Services	Pathways	City-Wide Income Qualified	\$21,085.33
Children's Crisis Center	Cricket Homeless Shelter	City-Wide Income Qualified	\$7,199.00
Children's Crisis Center	Cricket's NEAT	City-Wide Income Qualified	\$20,140.00
Children's Crisis Center	Marsha's NEAT	City-Wide Income Qualified	\$25,175.00
Children's Crisis Center	Sawyer's NEAT	City-Wide Income Qualified	\$25,175.00
Community Housing and Shelter Services	Supportive Services for Housing	City-Wide Income Qualified	\$19,763.00
Community Housing and Shelter Services	Families In Recovery	City-Wide Income Qualified	\$23,898.00
Healthy Aging Association	Young at Heart	City-Wide Income Qualified	\$27,232.00
Howard Training Center	Senior Meals	City-Wide Income Qualified	\$19,990.00
Parent Resource Center	ABC's of Childcare	City-Wide Income Qualified	\$15,833.99
Project Sentinel	Fair Housing	City-Wide Income Qualified	\$49,651.00
Salvation Army	Emergency Winter Shelter	City-Wide Income Qualified	\$33,813.00
Second Harvest Food Bank	Food Assistance Program	City-Wide Income Qualified	\$40,000.00
Stanislaus Community Assistance Project	Nutritional Supplement	City-Wide Income Qualified	\$41,485.00
Stanislaus Literacy Program	West Modesto English Tutoring	West Modesto Income Qualified	\$24,135.40

Emergency Shelter Grants

<u>Agency</u>	<u>Program</u>	Geographic Distribution and Location of <u>Expenditure</u>	<u>Total</u>
Center for Human Services	Hutton House	City-Wide Facility Repairs	\$25,336.92
Center for Human Services	Pathways	City-Wide Facility Repairs	\$4,306.00
Children's Crisis Center	Sawyers Homeless	City-Wide Income Qualified	\$13,728.00
Community Housing and Shelter Services	Homeless Prevention	City-Wide Income Qualified	\$26,919.69
Salvation Army	Emergency Winter Shelter	City-Wide Income Qualified	\$31,978.00



City of Modesto Minority Concentration in low Income Census Tracts 2000

Institutional Structure

The Parks, Recreation and Neighborhoods Department staff provides administrative oversight to the various HUD-funded projects; other departments and divisions in the City of Modesto are often involved in carrying out CDBG and HOME funded projects. For example:

- The Public Works Department carries out design and engineering work for Capital Improvement Projects;
- The Building Inspection Division carries out building code inspections in the housing rehabilitation areas, as well as assists the Housing Rehabilitation Specialist with inspections.
- HUD staff also works with the Community & Economic Development Department to coordinate the use of Redevelopment Agency (RDA) with HUD funds for affordable housing development;

“Memorandums of Understanding” (MOUs) are in place with each City Department that operates these projects, delineating program and reporting requirements.

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

- HUD Programs staff has weekly meetings to discuss the status of current projects and upcoming activities.
- HUD staff works very closely with Finance, Parks Planning, and Public Works Department to ensure that Capital Improvement Projects were on schedule, and that invoices were paid in a timely manner for work completed. This helped to ensure that the City met the 1.5 expenditure requirements by April 15.
- HUD Staff attends the City’s Development Review Team that meets weekly to review and discuss all proposed residential and commercial developments in the City. The team includes traffic engineers, landscape architects, planners, etc., to ensure that all developments are looked at from every angle in terms of their impacts to the surrounding neighborhoods, and how the proposed project fits in with the “Smart Growth” principles.
- HUD staff provided a technical assistance workshop to non-profit agencies on the types of services that are eligible for public service funding, as well as a detailed explanation of ESG requirements. This workshop also covered how to properly fill out an application packet.
- HUD staff participated in the following community/collaborative committees: Housing and Support Services Collaborative, Emergency Food and Shelter Board, United Way Impact Councils on Building Strong Neighborhoods, and Safety Net.
- HUD staff continues to be involved initiatives that originated from the City’s Housing Element. The HOME program manager was especially involved in the discussions surrounding multi-family and affordable housing, as well as a review of existing HUD-funded housing programs, and an evaluation of their effectiveness.

Monitoring

Community Development Block Grant

As contracts are written for various organizations (sub-recipients) receiving CDBG funds, strict controls are placed on the funds. Performance measures are established as part of the agreement. The agreements for services also include general performance standards such as monthly reporting and invoicing.

In addition to implementing agreement for services for local non-profit organizations, the Parks, Recreation and Neighborhoods Department also has written Memorandums of Understanding” (MOUs) with other

departments within the City organizations. The MOUs describe, in general, the service that are to be delivered to the community, the measurable objectives for the services and terms, and lists the funds dedicated to these activities. Staff then follows up on the conditions of the MOUs and monitors the progress of the departments internal to the City. All internal departments also submit written requests for disbursement of funds.

Staff conducted on-site monitoring of the CDBG public service sub-recipients in March 2009 to ensure program compliance. In addition to the on-site monitoring, staff reviewed the monthly reports submitted by the funded agencies to ensure that the established performance measurements were on track. The monthly invoicing is also carefully reviewed and detailed receipts and accounting records must be submitted to support the requested payment. All public service sub-recipients monitored were found to be in compliance. Staff also utilized on-site monitoring for an opportunity to provide technical assistance to the sub-recipients, so that the agencies could maximize the benefits of their programs.

Emergency Shelter Grant

Organizations (sub-recipients) receiving CDBG funds are required to enter into written agreements with the City. This ensures that the City is able to place strict controls on the funds. Performance measures are established as part of the agreement. The agreements for services also include general performance standards such as quarterly reporting and invoicing.

Staff conducted on-site monitoring of the ESG sub-recipients in March 2009 to ensure program compliance. In addition to the on-site monitoring, staff reviewed the quarterly reports submitted by the funded agencies to ensure that the established performance measurements were on track. The monthly invoicing was also carefully reviewed, and detailed receipts and accounting records were submitted to support the requested payment. All ESG sub-recipients monitored were found to be in compliance.

HOME Investment Partnership

In accordance with 24 CFR, section 92.252, HOME-assisted rental units are monitored and inspected for income certifications, housing quality standards, and other affordability criteria. 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 is constantly monitoring to see if the project is meeting the standards established in initial agreement, costs are on target and check on quality of construction.

For rental housing during the period of affordability, staff conducts on site inspections of units to determine compliance with property standard requirements. Staff corroborates information obtained by the owners in regards to lease, income verification, rent, utility allowances and compliance with provision of written agreements.

In addition, the PJ performs on site inspections of HOME-assisted units as required. For 1-4 HOME-assisted units the monitoring is performed not less than once every three years; complexes containing 5 to 25 units are monitored once every two years, and projects containing 26 units or more are monitored every year.

Monthly file monitoring occurs on the following HOME projects:

- Hope Village: Invoicing and review Board minutes and other documents submitted by the Agency.
- Bennett Place Apartments: Monitor invoicing, reports and progress of project.
- Meadow Glen Apartments: Monitor invoicing, reports and progress of project.

On-site monitoring is being performed in August-September, 2009. Staff continues to perform monthly file monitoring.

Lead-based Paint

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

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

- In September of 2002, the environmental review specialist became a DHS Certified Inspector/Assessor and followed up to become a DHS Certified Supervisor in 2003. The City will continue to send staff to training to better prepare them for dealing with lead-based paint in conjunction with construction regulations.
- The City has implemented a Lead-Based Paint Stabilization Grant Program for targeted areas as well as a loan program to cover lead-based paint stabilization for our Emergency Home Repair Program. The grant program reimburses property owners for the cost of lead based paint inspection reports clearance reports and paint stabilization work. This program is conducted as part of the City's Housing Rehabilitation Program.
- As an additional effort in spreading the word about the effects of lead-based paint, the City had 2,000 copies of the "Spanish" version and 1,000 copies of the "English" version of the Environmental Protection Agency's pamphlet entitled "Protect Your Family From Lead in Your Home" reproduced for distribution at neighborhood meetings in low-income neighborhoods. Copies of the pamphlets are also available at the information counter at the Parks, Recreation and Neighborhoods Department.

Staff in the Housing Rehabilitation Program continues to utilize and offer a Lead-Based Paint Stabilization Grant Program for target areas. This program reimburses property owners for the costs of lead-based paint inspection reports, clearance reports, and the cost of lead-based paint stabilization work. The amounts for stabilization are pre-approved by staff using a lead-based paint stabilization grant agreement form. This rebates the property owner when they use their own funds to make the repairs.

When a City loan is used, the cost of the lead-based Paint Inspection Report, Clearance Report and the cost of lead-based paint stabilization work is included in the signed contract amount which is paid by the City.

HOUSING

The City of Modesto, through the Housing Element, established the following goals and policies:

- Match the housing supply with need
- Maximize housing choice throughout the community
- Provide safe and decent housing
- Ensure land use and zoning procedures are accommodating to housing
- Reduce governmental constraints
- Ensure adequate services to housing
- Promote-job housing balance

The City embraces these goals to ensure that affordable housing is maintained and promoted.

Developments and Acquisitions include:

Bennett Place Apartments

In the fiscal year 2008-2009 the City of Modesto entered into an agreement with Stanislaus County Affordable Housing, Inc. (STANCO) allocating \$940,427 in HOME funds for the development of 18 units. 8 – one-bedroom units at 624 sq. ft. and 10 efficiency studio units at 418 sq. ft. as single room occupancy. All units will contain a kitchen, living/dining room and bathroom area. This will be a senior housing project with supportive services. The complex sits on an .83-acre lot, set in 3 single story groupings; building one is 4,000 sq. ft. consisting of 4 studios and 4 one-bedroom units; building two is 4,800 sq. ft. consisting of 6 studios and 4 one-bedroom units; building three is a 2,450 sq. ft. existing home that will be remodeled and used as a Community Center. The site will have 18 parking spaces two of which are handicap. The parking area is open and well lit.

The project will serve older adult men and women who are homeless or at risk of homelessness with a serious mental illness. Occupancy will be limited to those whose income does not exceed 30% of the median income level.



Meadow Glen Apartments

The City of Modesto also entered into an agreement with STANCO providing \$713,612 in HOME funds or the development of 31 units of permanent supportive housing for Mental Health Services Act (MHSA) target population plus one additional unit for an on-site manager. There are 8 two-bedroom units at 830 sq. ft. for residents with children and/or family members and 24 one-bedroom units at 674 sq. ft. at single room occupancy. All units will contain a kitchen, living/dining room and bathroom area as well as a small patio and storage area. This complex sits at 1.74 - acre lot arranged in four eight-unit clusters centered around a 1,546 sq. ft. Community Center. The Community Center plus 16 of the 32 units will be ADA accessible. The site will have 72 parking spaces four of which are handicap.



615 5th Street Project

The City of Modesto entered into a third Agreement with STANCO allocating HOME funds in the amount of \$84,000 for the acquisition of 615 5th Street. This project represents an expansion of STANCO's Garden Gate Apartment complex at 5th and F Street. This project has been in service for the past eight years. 615 5th Street property will be the 16th unit and add two additional beds to the project bringing the capacity from 26 to 28 beds serving the homeless. Parking and additional lighting will also add to the security of the alleyway behind the complex. The house is adjacent to Garden Gate's respite center, which is staffed 24 hours a day, seven days a week for onsite management and supervision.

Supportive Services are provided on site by Turning Point Community Program. Garden Gate is certified as a City of Modesto Crime Free Multi-family Housing project.

The acquisition of this property is consistent with the ten year plan to end chronic homelessness as supported by staff and adopted by the Modesto City Council by Resolution No. 2007-400.



In FY 2008-2009, the City of Modesto also allocated \$560,000.00 to Habitat for Humanity (Habitat) in Community Housing Development Organization (CHDO) set aside funds, to assist Habitat with pre-development activities and construction of the Hope Village single-family housing subdivision.



Hope Village will provide the City with the opportunity to establish 20 homeownership units for very low and low-income Modesto households. Habitat for Humanity has completed 5 of the 20 single-family units. Four of the families have completed their 500 hours of sweat equity and have received the key to their first home.

Specific Housing Prevention Elements

Progress in meeting specific objective of providing affordable housing:

During this fiscal year the City of Modesto entered into agreements to provide affordable housing to low- and very-low households. The Bennett Place Apartments will provide 18 rental units to serve senior adult men and women who are homeless or at risk of homelessness with a serious mental illness. Occupancy will be limited to those whose income does not exceed 30% of the median income level.

The Meadow Glen Apartments have 31 units of permanent supportive housing for Mental Health Services Act (MHSA) target population plus one additional unit for an on-site manager. The Community Center plus 16 of the 32 units will be ADA accessible. The units will be available for households that do not exceed 30% of the Area Median Income (AMI).

Habitat for Humanity is also in the process of building 20 single family-units, which will be owner-occupied. Four of these units are currently occupied.

Progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households:

In Fiscal Year 2008-2009, the City of Modesto proposed to accomplish 40 units of affordable housing. Based on the projects funded this past year, the City is providing funds for the development of 51 rental units. The City is providing funds to projects that provide rental housing and qualify as affordable housing and are occupied by households that qualify as low-income. Section 215 requirements have been met by the City of Modesto since 100% of the HOME-assisted units are allocated to households less than 80% of the AMI.

Efforts to address “worst-case” housing needs and housing needs of persons with disabilities:

The City of Modesto continues to work on innovative strategies to preserve affordable housing that serves some of Modesto’s most vulnerable clients; Persons who have AIDS or are HIV positive who also have other related and non-related disabilities. Locally, the Stanislaus Community Assistance Project (SCAP) provides services and limited housing for persons who have AIDS or who test positive for HIV.

Increasingly, SCAP clients need affordable housing that is accessible. In partnership with SCAP, the City is developing a pilot program that will allocate funds for upgrades specifically related to accessibility for persons with disabilities. In exchange for funding of upgrades, SCAP will then provide the City with an affordability covenant ensuring that the newly upgraded and accessible housing will serve low-income persons on a long-term basis.

Public Housing Strategy

Actions taken during the last year to improve public housing and resident initiatives:

The Housing Authority of Stanislaus County encourages Section 8 voucher recipients and public housing residents to participate in policy, procedure and program development and implementation through its Resident Advisory Board. This Board consists of eight people who review and adopt the Housing

Authority's annual plan and provide suggestions and comments on services and strategies. In addition, there are Resident Councils at most public housing projects, with four (4) of them in the City of Modesto. They discuss issues in their developments and bring them to the attention of Housing Authority staff.

The Housing Authority also maintains an active Family Self-Sufficiency Program. Currently the Housing Authority has 78 program participants, of which 40% hold active escrow savings accounts. The Family Self-Sufficiency Program encourages households with a Section 8 voucher to improve their living situation through education, job training, credit counseling, etc., in exchange for funds placed in an account for them to use in the future as a down payment on a home. There are 4,000 households enrolled in the Housing Choice Voucher Program. On October 2003, the Housing Authority developed a Lease-to-Own Homeownership Program for Section 8 Family Self-Sufficiency Participants. While leasing the home, families build up an "escrow account" to be used to purchase the home at a time when their finances and credit rating are favorable. The first participant successfully secured a mortgage in 2008.

Since 2005, the Housing Authority has applied for and received \$120,000 in grants from private sources to continue to administer the IDEA Homeownership Program for Family Self Sufficiency participants. The total amount applied for and received from program inception is \$970,000. These IDEA Program funds are used to assist Family Self Sufficiency graduates with up to \$15,000 in matching funds to use for down payment assistance. In 2008, the Housing Authority obtained an additional \$40,000 from the Federal Home Loan Bank of San Francisco for their new Wish, Homeownership Program. This program will remove the previous Home Loan Bank restrictions and will enable both Voucher and Public Housing Program participants to benefit.

Currently the Housing Authority is partnering with the City of Modesto through their Neighborhood Stabilization Program (NSP) for an Incentive Transfer Program. The City of Modesto has allocated \$2,027,319 to the Housing Authority to purchase foreclosed homes and implement a program that will assist current and successful Housing Authority Programs participants at or below 50% of the AMI moving into a single family home. This program will help the successful participants attain self-sustainability and will also free up existing housing units for other low income households in need of rental affordable housing.

Barriers to Affordable Housing

Actions taken during the last year to eliminate barriers to affordable housing:

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

- Providing funding for land acquisition, secondary financing and infrastructure costs
- Assisting qualified households to purchase a home utilizing the Down Payment Assistance Program (DPAP)
- 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 nonprofit housing agencies in the provision of supportive services and programs
- Using streamline application review and permit processing
- Reduction of parking standards.

HOME/ American Dream Down Payment Initiative (ADDI)

HOME

In Fiscal year 2008-2009 the City of Modesto received three proposals from Stanislaus County Affordable Housing, Inc. The first proposal was to develop an apartment complex that will provide 31 units of permanent supportive housing for Mental Health Services Act (MHSA) target population plus one additional unit for an on-site manager. This apartment complex will consist of 8 two-bedroom units at 830 sq. ft. for residents with children and/or family members and 24 one-bedroom units at 674 sq. ft. at single room occupancy, and will also include a Community Center. All units will be rented to households at 50% or below the AMI.

The second STANCO project will provide 18 rental units. The project will serve older adult men and women who are homeless or at risk of homelessness with a serious mental illness. Occupancy will be limited to those whose income does not exceed 30% of the median income level. The apartment complex will consist of 8 – one-bedroom units at 624 sq. ft. and 10 efficiency studio units at 418 sq. ft. as single room occupancy; this apartment complex will also include a Community Center.

A third proposal received from STANCO represents an expansion of STANCO's Garden Gate Apartment complex at 5th and F Street. This project has been in service for the past eight years. 615 5th Street property will be the 16th unit and add two additional beds to the project bringing the capacity from 26 to 28 beds serving the homeless.

These three projects are consistent with the ten-year plan to end chronic homelessness adopted by the City of Modesto.

American Dream Down Payment Initiative (ADDI)

The City of Modesto ADDI Program offers down payment assistance to first-time homebuyers with incomes up to 80% or of AMI. The City of Modesto offers a Down Payment Assistance Program (DPAP) through CDBG funds for down payment assistance to low-income first time homebuyers; the ADDI Program can be used to supplement its DPAP or can be used alone. ADDI funds can be used to provide loans of \$10,000, or 6% of the purchase price, whichever is greater.

HOME MBE and WBE Report

- Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs)

The City of Modesto has a Small, Minority Business Enterprise/Women's Business Enterprise (MBE/WBE) policy and procedure guideline that was accepted by HUD in May 1994. Please see attached HUD Form 40107.

Assessments

On-site inspections of rental housing:

During monitoring, City staff will perform on-site inspections of rental housing units. If there are any findings the property Management Company or developer will take care of the repairs within 24 to 48 hours and a re-inspection takes place to clear the findings.

HOME jurisdiction's affirmative marketing actions:

The City of Modesto, through the monitoring of each project, reviews the marketing plans of HOME project sponsors and verifies that each project is in compliance with the affirmative marketing requirements and procedures prior to the initial lease-up of the units. In order to meet with marketing requirements the project sponsors place advertisements in local newspapers and mail notices to various sources including non-profit organizations announcing the availability of rental units. Typically there is a great demand for affordable housing in Modesto so apartment complexes are fully occupied. Eligible applicants that are not able to secure a unit are placed on a waiting list that is maintained and reviewed every six months.

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.

HOMELESS

The City of Modesto continues to work proactively to utilize entitlement funds in a more effective way to assist people that are homeless to improve their quality of life.

The need for emergency and transitional shelters for the homeless population continues to grow in Modesto. For several years, the City of Modesto has declared a winter shelter emergency and has directed funds for the purpose of sheltering homeless people. The City contracted out all ESG funds to provide shelter needs to the local homeless population providing assistance for thousands of individuals.

The City was also supportive of collaborative efforts to leverage resources in the attempt to address the crisis of homelessness. The City has participated in a countywide planning effort to move individuals and families from homelessness to permanent housing and independent living, through a network of supportive services and resources. One outcome of this collaborative effort was support of the Salvation Army in their efforts to expand shelter facilities. The result was an award of \$1 million in California Proposition 46 funding to the local Salvation Army for the purpose of expanding its homeless shelter.

During the 2008-2009 fiscal year the Salvation Army also expanded their homeless shelter and completed renovations on a transitional living facility. This facility provides transitional housing and case management to assist with finding permanent housing and overcoming barriers which result in homelessness.

Actions taken to address needs of homeless persons:

As is required to remain eligible as an Entitlement Jurisdiction and receive Community Development Block Grant (CDBG) funds and Emergency Shelter Grant (ESG) funds, the City of Modesto is required to coordinate the approval of a 10-Year Plan to End Long-Term Homelessness. Modesto worked in conjunction with Stanislaus County and local homelessness service providers to development the required plan. Personnel assigned to administer HUD Programs presented the joint plan to the Modesto City Council at the July 3, 2007 meeting, where it was unanimously adopted.

Modesto and Stanislaus County's 10-year Plan to End Long-Term Homelessness has been crafted to more effectively use public and private resources to improve the quality of life for people who are now homeless and or in jeopardy of becoming homeless. Under Federal Guidelines, there are three specific goals of the Federal Community Development Block Grant (CDBG) Program. They are:

1. Provide decent housing;
2. Provide a suitable living environment; and,
3. Expand economic opportunities.

As required by these specific goals, part of the Federal Entitlement funds are to be directed to serving the homeless population; specifically Emergency Shelter Grant (ESG) dollars. This plan will assist in directing opportunities for some new construction, acquisition and rehabilitation of existing housing or viable buildings, set-asides of units within housing developments in the pipeline, as well as master lease existing housing towards serving the long-term homeless population.

The City of Modesto received an allocation of funding during the 2008-2009 year for the Homeless Prevention and Rapid Re-housing Program (HPRP). The City has partnered with Community Housing and Shelter Services (CHSS) as well as Stanislaus Community Assistance Project (SCAP) to prevent the

citizens of Modesto from becoming homeless, or assisting those that are homeless in finding permanent housing.

Emergency Shelter Grants (ESG)

In order to meet the needs of homeless individuals and families, including significant subpopulations such as those living on the streets, the City of Modesto issued a Request For Proposals (RFP) in January 2008, advertising the availability of Emergency Shelter Grant funds for FY 2008-2009. Eligible non-profit agencies were invited to attend a technical assistance conference where staff covered the eligible uses of ESG funds and described the application process. Once the RFP cycle was closed and proposals were received, a review committee made up of staff, an executive member of the Stanislaus Housing and Support Services Collaborative and members of the Citizens Housing & Community Development Committee (CH&CDC) read each proposal and provided funding recommendations based upon the following criteria:

- **Soundness of the agency:** Is the agency a nonprofit in good standing in the State of California, have there been any major changes in staffing in the last year, is the agency's most recent audit sound?
- **Eligible activity:** Is the agency proposing to provide an eligible activity under ESG? Is there request in line with funding restrictions in ESG, such as no more than 30% of funding for essential services? Can the agency provide the required 100% match?
- **Alignment with community need:** Is the proposed service one that is needed and is not being provided through other funding sources, or will this funding augment an existing service to ensure that as many homeless individuals as possible will receive services? Does it fit into the Continuum of Care Plan?
- **Quality of Service:** Does the agency have adequate staffing and resources to carry out the project, do they have the ability to collect and report data as required, have they operated similar programs in the past?

Funding recommendations of the Review Committee were provided to the CH&CDC as well as City Council. Upon approved, these projects were included in the list of projects for the Annual Action Plan.

The review committee was able to ensure that funding was provided for programs that serve individuals, especially significant subpopulations such as those living on the streets, families, youth and children. For Fiscal Year 2008-2009, the ESG allocation funding was as follows:

Center for Human Services "Hutton House - Repairs & Maintenance"

Youth

Hutton House is a shelter for runaway and homeless youth, ages 13 to 17 that provides temporary shelter as well as social services to stabilize the lives of youth who are or will be living on the street without assistance. ESG funding was provided to perform emergency repairs and maintenance to the plumbing, ceiling, and drain system as well as other minor repairs.

Center for Human Services "Pathways"

Young Adults

Pathways is a shelter for young adults, that provides temporary shelter as well as case management as well as drug and alcohol treatment services who are or will be living on the street without assistance.

**Children’s Crisis Center of Stanislaus County “Sawyers Homeless Shelter”
Children**

The purpose of this center is to provide shelter for abused, neglected and at risk children and support services for their families. The funding is to be used for childcare staffing.

**Community Housing & Shelter Services “Homeless Prevention”
Family/Individual**

Funding will be utilized to provide a half-time Case Manager for households that are homeless or at risk of becoming homeless. The Case Manager will assess the needs of families and individuals, and provide emergency shelter vouchers where appropriate.

**The Salvation Army “Winter Emergency Shelter”
Individual**

The Salvation Army Winter Emergency Shelter provides nightly shelter to homeless individuals during the cold winter months. The shelter houses single adult homeless individuals, who have no other shelter options in the City of Modesto.

Matching Resources

Program Name	ESG funding Amount	Matching Funds	Number Served
Center for Human Services (CHS) "Hutton House"	\$25,336.92	\$97,281.41	334
Center for Human Services (CHS) "Pathways"	\$4,306.00	\$108,908	135
Children’s Crisis Center “Sawyers Homeless Shelter”	\$13,728.00	\$100,672.00	118
Community Housing and Shelter Services (CHSS) "Homeless Prevention"	\$26,919.69	\$28,400.00	514
The Salvation Army "Winter Emergency Shelter"	\$31,978.00	\$177,829.79	647
TOTAL	\$102,268.61	\$531,091.20	1,748

Homeless Discharge Coordination

On June 26, 2001, by Resolution No. 2001-313, the City of Modesto designated the Stanislaus Housing and Support Services Collaborative (SHSSC) as the planning and coordinating body for homeless programs and services in Stanislaus County (Board of Supervisors of Stanislaus County designated the SHSSC on July 10, 2001) and designated the SHSSC to develop and implement the Continuum of Care Plan as required by HUD – BHRS and CSA 2001-530. As part of the designation to develop and implement the Continuum of Care Plan includes the following discharge policy (excerpt from the SHSSC Continuum of Care Plan):

The Stanislaus County Continuum of Care is working with the appropriate local and State government agencies to ensure that discharge policies for persons leaving publicly funded Stanislaus County institutions or systems of care are being developed and implemented to prevent the discharge of persons from immediately resulting in homelessness. The following illustrates policies currently in place within the County and future plans to improve the discharge planning process.

Through contracted services provided by Telecare SHOP, (the county's primary agency which conducts extensive outreach to chronically homeless mentally ill individuals), Behavioral Health and Recovery Services provides treatment and discharge planning to adults with serious mental illness and/or chemical addiction. SHOP has extensive policies in place to ensure that patients and mentally ill inmates are not discharged into inappropriate settings such as shelters, the streets, hotels or motels. Discharge planning is multi-disciplinary and begins at the time of admission to the facility. SHOP has the primary responsibility of discharge planning for each patient. The discharge planning team involves the patient, family, guardians, and community agencies to develop a plan for a living situation, medication, vocational, social and educational needs; community based follow-up; support services; and meaningful life activities. The discharge planning process also includes looking at a supportive or protective environment if the patient is expected to be incapable of independent living. SHOP case managers work directly with BHRS to arrange appropriate follow-up services, including housing, for the patients who are discharged. Information regarding the patient's diagnosis and medications and other pertinent information is forwarded to the various agencies that will be providing the follow-up services for the patient. To ensure that discharges do not result in homelessness, the SCHSSC works closely with SHOP to ensure current policies are effective.

Appropriate discharge settings include nursing homes, basic care facilities, adult foster care, and independent living. SHOP assists individuals in completing applications for this and other mainstream resources such as Social Security prior to the patient's discharge. In addition, the Housing Authority will be collaborating with BHRS to provide Section 8 Vouchers for persons who are homeless and being discharged from institutions, hospitals, or jail facilities.

In Stanislaus County, Social Service Agencies are responsible for ensuring that children and youth in foster care settings are returned to their families or to settings other than homeless circumstances. During fiscal year 03-04 a planning group comprised of mental health representatives and the members of the SCHSSC who provide transitional and permanent supportive housing to youth out of foster care or other children's systems of care developed a comprehensive policy designed to decrease discharges to McKinney Vento beds, emergency shelters, psychiatric hospitalization and homelessness. In October 2003, the Stanislaus County Youth Focus Group developed a report, which is now utilized statewide to address the needs of youth exiting children's systems of care. With direction from the focus group, the needs assessment was conducted by consumer representatives within the mental health system who interviewed and evaluated their young adult peers and developed an assessment of gaps in services.

The Stanislaus County Community Services Agency in collaboration with supportive service and housing providers have developed programs to prevent youth from entering McKinney-Vento emergency shelter systems. Presently, there are four government and community-based projects designed to provide transitional to permanent supportive housing. Supportive services through Child Welfare includes an after care social worker who connects the youth with services such as access to mainstream resources, education, financial, vocational, and mental health/substance abuse services. Three district transitional and permanent supportive housing service programs are offered for young adults, and young families through age 24, and one program is specifically designed for youth 17 to 19 years of age.

The CA Department of Corrections (CDC) recently developed the Police and Corrections Team Program (PACT), which is required within each parole district statewide. This program, also referred to as Community Policing, is a nationally recognized partnership between law enforcement and local service providers to ensure that parolees are provided with a connection to adequate supportive and housing services to improve their success in reintegrating into the community. In June 2004, members of the

SCHSSC met with the coordinators of this program to discuss their role in the CoC Plan. Members of the PACT team expressed an interest in working with the collaborative in developing a comprehensive discharge plan for parolees residing in Stanislaus County.

The SCHSSC envisions the discharge planning process beginning at the time of admission to a facility. However this is not occurring consistently. Currently, discharge arrangements are made only for the inmates with serious mental illness or who have HIV/AIDS who choose to receive services from the local Human Service Centers. The Department of Corrections does make arrangements with the local Probation and Parole (P&P) when necessary. P&P does monitor the living situations of the parolees on an on-going basis. Because of the nature of some of the persons' crimes (felonies, sexual offenders, drug related charges), persons exiting the penitentiary are faced with limited discharge options, which may include shelters.

The SCHSSC is working with the coordinators of PACT and has established a Discharge Planning Subcommittee. This committee is comprised of members who represent the mentally ill, substance abusers, youth out of foster care, disabled and parolee populations and who can identify the specific needs within each sub-population in order to create better discharge plans for these populations. This committee is a "liaison" to work with the SCHSSC, Department of Corrections (DOC), local law enforcement, service providers, housing providers and other institutions or facilities. With its diverse membership representing special populations, this committee will be well positioned to serve as an "overseer" for discharge planning.

Other actions, undertaken, include contacting the DOC to discuss the importance of initiating discharge planning at the time of admissions and the need to hold regular meetings of aftercare coordinators regarding the discharge of inmates with serious mental illnesses and chemical dependency needs into the community. Based on the results of this research, the SCHSSC will consider the needs in developing permanent supportive housing for inmates released from facility settings.

COMMUNITY DEVELOPMENT

Neighborhood Revitalization Strategies:

The City received a Neighborhood Revitalization Designation for the Airport Neighborhood in the 2008-2009 year. This neighborhood is in a severe state of decline and riddled with criminal activity. The City has established a staged approach to addressing the needs of this community.



During the 2008-2009 year the City held community meetings and met with community leaders to reassess the needs of the neighborhood from the perspective of the residents. A door to door effort was made by Code Enforcement to educate the residents on the issues that affect their neighborhood as well as City codes and the programs available to assist the residents.

During clean up events outreach was also done. Staff centralized dumpsters. An alley clean up was also done where the weeds and overgrown shrubs were mowed down, and then a pre-emergent was sprayed to combat the weeds from growing back. Volunteer groups have also been out in the neighborhoods addressing graffiti issues and getting it covered up as soon as possible after areas are tagged.

The constant presence in this area is starting to have an impact. With the economic downturn so severe in the Modesto area, the Airport Neighborhood has taken a hard hit. There are several vacant properties that continue to become vandalized and many of the residents leaving the area. Another issue is that there are multiple families living under one small roof. With the average house size around 800 square feet, there are approximately 8 adults and several children living in each home.

The neighborhood was designated as a Neighborhood Stabilization Program targeted area and combining that with the standard CDBG Rehabilitation program, visible changes will be made in the area in the upcoming year.

08-09 Accomplishments Housing

Down Payment Assistance Program Loan

Three households were assisted through the CDBG funded Down Payment Assistance Program (DPAP), which offers loans up to \$60,000 for first time homebuyers. Each low-income household received assistance from the City of Modesto to purchase their first home. Per the DPAP guidelines, there is no interest charged during the first five years of the loan. The monthly payments during the first five years are applied to the principal only. On the sixth year, the loan begins to accrue interest at the rate of 3% annually, and payments are amortized in years six through thirty.

Five households received assistance from the American Dream Down Payment Initiative, funded as part of the Home Investment Partnership Program. This program offers loans for \$10,000 or six percent of the purchase price, whichever is greater, to first time homebuyers. The loan can be used in combination with other down payment assistance provided by the City and can be recorded in third position if necessary. The ADDI loans do not require monthly payments and are due in thirty years.

The City’s DPAP and ADDI loans were leveraged by \$675,958 in first mortgages that were provided by local lending institutions.

DPAP and ADDI Leverage

Address	First Mortgage	City DPAP	City ADDI
2804 Newhall Court	\$ 109,823	\$ 59,500	\$ 10,500
1820 Monte Carlo Avenue	\$ 120,487	\$ 60,000	\$ 10,773
1006 Floyd Avenue	\$ 106,312	\$ 60,000	
208 Algen Avenue	\$ 115,486		\$ 10,000
1909 Cindy Avenue	\$ 111,925		\$ 9,809
300 Coralwood Road	\$ 111,925		\$ 10,000
Totals	\$ 675,958	\$179,500	\$ 51,082

Emergency Home Repair Program/Rehabilitation Accessibility Program-single

The Emergency Home Repair Program/Rehabilitation Accessibility Program provides financial and technical assistance to low-income households to eliminate emergency conditions in homes, including critical health and safety hazards, and to provide assistance for disabled persons in making their homes more accessible. During this fiscal year, \$170,492 in new loans were originated for six new projects.

All of the 08-09 projects were completed, along with three projects that began in the previous fiscal year for a total of nine completions for the 08-09 fiscal year.

Of the nine completions, four projects were mobile homes. Five projects included modifications to make the home more accessible to the disabled owner.

Roof replacements, installation of heat and cooling systems, and installation of new energy efficient windows were the major types of repairs completed. Four of the assisted households were elderly, and seven were female head of households. In addition to financial assistance, all benefitted from the City’s technical assistance to ensure a successful completion of the repairs.

Minor Home Repair Grant Programs

Thirteen very low-income households were assisted through the Minor Home Repair Grant Program, which offers financial assistance to homeowners to pay for small home repairs. Ten of the projects were for mobile homes. A major portion of the mobile home housing stock was built during the 1970’s and 1980’s, and maintenance is essential. Many mobile homes owners on fixed incomes do not have any residual income for home repairs. During this fiscal year, the maximum assistance for mobile homes was increased from \$1,000 to \$2,000, and the maximum assistance for single family homes was increased from \$500 to \$1,000. The common types of repairs were water heater replacement, window and door replacement, plumbing, electrical repairs, and appliance replacement. All of the beneficiaries were senior

citizens and all were below 50% of Median Area Income. A total of \$14,699.28 was expended during this fiscal year.

Rehabilitation Property Improvement Programs

This program provides rebates to property owners in low income census tracts for improving the exterior appearance of their property, and also offers a tool bank program for owners and tenants. One low income tenant used the tool bank program for a lawnmower.

Temporary Relocation

In June, a homeowner was temporarily relocated to a hotel while the home was undergoing repairs through the housing rehabilitation program. The homeowner returned home in July, 2009.

Antipoverty Strategy

Providing opportunities for low-income families to improve their economic status is a focus of effort for the City, and is reflected in our strategic plan. The City worked in this area by:

- Seeking to address economic development through partnerships with the non-profit and for profit sector to increase economic opportunity in the City of Modesto.
- Providing staff support to organizations and businesses interested in furthering economic development opportunities.
- Enhancing relationships with other public agencies that work with low-income families through nonprofit workgroups, to address the potential of joint applications for grants that address the needs of low-income families.
- Continuing with efforts to increase the supply of affordable housing in our community. While the production and preservation of affordable housing on its own will not raise people's income or lift them from poverty, it does contribute to stabilizing living expenses for low-income families, so that they have more discretionary income for other living expenses.

During Fiscal Year 2008-2009, the City of Modesto provided CDBG funding for specific activities to assist in the reduction of the number of persons in poverty in our City. Those actions included funding poverty-reduction programs. These programs aim to increase individuals' earning capacity through the provision of training, through supporting their efforts to become independent and not relying on public assistance, or through their provision of food and childcare services, thus decreasing household budgetary pressures for low-income households:

Food Assistance Programs provided by:

- Howard Training Center
- Stanislaus Community Assistance Program (SCAP)
- Second Harvest Food Bank

Beyond specific City-sponsored activities, other agencies in our community have specific programs and initiatives that address the reduction of poverty in our community. The Stanislaus County Department of Employment & Training (DET) works to address issues of poverty by fostering linkages to employment. DET is the lead agency for administration of federal employment and training funds that come into the county. They administer the Workforce Investment Act (WIA) funds, and provide staff support to the Workforce Investment Board (WIB). A City Council member formally represents the City on the Workforce Investment Board. WIA mandates a system of providing employment services through a

centralized One-Stop approach; in Stanislaus County, the One-Stop centers are called Stanislaus Career Network Resource Centers. Various employment and training partners are stationed at the centers, providing comprehensive employment services to job seekers. While the one-stop centers provide universal access to all job seekers, a large majority of those served are low-income and public assistance recipients. In order to receive WIA funds, DET must develop a 5-Year Work plan, and they are required to describe how their system will meet the needs of low-income individuals, public assistance recipients, and people with limited English speaking ability. These groups are those most likely to live in poverty. There are three of these centers located in the City of Modesto, and all are accessible via public transit.

In addition, the County Community Services Agency provides welfare-to-work programs for families and individuals that promote employment and job retention.

NON-HOUSING SPECIAL NEEDS

The City of Modesto is working on an innovative strategy to preserve affordable housing that serves some of Modesto's most vulnerable clients; Persons who have AIDS or are HIV positive who also have other related and non-related disabilities. Locally, the Stanislaus Community Assistance Project (SCAP) provides services and limited housing for persons who have AIDS or who test positive for HIV.

SCAP met with representatives of the City and communicated that low-income clients frequently have other disabilities that may or may not be related to AIDS or HIV. Increasingly, SCAP clients need affordable housing that is accessible. In partnership with SCAP, the City is working on a program that will allocate funds for upgrades specifically related to accessibility for persons with disabilities. In exchange for funding of upgrades, SCAP will then provide the City with an affordability covenant ensuring that the newly upgraded and accessible housing will serve low-income persons on a long-term basis.

Specific HOPWA Objectives

The Housing Opportunities for Persons with AIDS (HOPWA) program is authorized by the AIDS Housing Opportunity Act (AHOA) and amended by the Housing and Community Development Act of 1992. The program is designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immune-deficiency syndrome or related diseases and their families. As such, it authorizes entitlement grants and competitively awarded grants for housing assistance and services. The City of Modesto does not receive HOPWA funds through the entitlement process as it does with CDBG, HOME and ESG. November 2005, HUD announced the awards for the HOPWA funds. The Stanislaus Community Assistance Project, a non-profit organization was awarded a Special Projects of National Significance (SPNS) transitional housing demonstration grant of \$1,244,488 to provide housing assistance to 30 households who are predominantly chronically homeless living with HIV/AIDS. The program has implemented an innovative Transitional Housing Model that provides a transitional supported housing environment with coordinated supportive services and case management that will enable the clients to obtain permanent housing. The City of Modesto is now working with SCAP to provide physical accessibility features to housing units and an affordability covenant.