



CITY of MODESTO

## **Airport Neighborhood Neighborhood Revitalization Strategy Area (NRSA) Plan**

### **Introduction**

The City's efforts in the Airport Neighborhood have helped foster a critical mass of leadership and commitment in the neighborhood. The City has been working diligently with a broad group of stakeholders since January 27, 2009 when the U.S. Department of Housing and Urban Development (HUD) approved its plan to designate the Airport Neighborhood a Neighborhood Revitalization Strategy Area (NRSA). This approval offers enhanced regulatory flexibility designed to promote innovation in intensively carrying out economic development, housing, public service, and other community development activities with Community Development Block Grant (CDBG) funds to effectively bring about revitalization.

A robust community planning process driven by residents and community organizers of the Airport Neighborhood, residents from the broader community, and representatives from local community-based organizations and Stanislaus County has informed the NRSA Plan (the Plan). The Plan is aimed at improving the social, economic, and physical environments of the Airport Neighborhood. In addition to the originally-proposed activities of establishing a community center; investing in infrastructure; carrying out code enforcement; and creating economic opportunity, the City in partnership with HUD, Stanislaus County, and a broad group of stakeholders are committed to community capacity-building as a means for residents of the Airport Neighborhood to lead their neighborhood's revitalization.

### **Investing in People: Community Capacity-Building**

Residents of the Airport Neighborhood and other committed stakeholders are the single most important asset of the Plan.

Community capacity-building is a simple yet powerful approach to community development. This approach involves building relationships with and among residents to build a sense of community and cultivate effective and sustainable leadership. A community is only as strong as its members' capacities to care for one another.

Activities contained within the Plan will have at its core the intent to build skillful and sustainable leadership among residents and other stakeholders, particularly those activities carried out by the Community-Based Development Organization (CBDO; see Establishing a Community-Based Development Organization).

The City's community development program specialist is responsible for overall planning and implementation of the Plan. The City's ultimate goal is to contribute toward the revitalization of the Airport Neighborhood from the inside out by investing in place-based, community capacity-

building activities that empower residents to build a sense of community, identify issues that matter most to them, and develop and implement strategies for addressing these issues. In addition to overseeing the technical aspects of carrying out the Plan, it is the City's community development program specialist's responsibility to "lead from behind" to help move this process forward.

The following stakeholders have guided and driven the Plan. Some work on behalf of a community; others on behalf of an organization. All are committed leaders.

While this list represents the most active leadership in the Airport Neighborhood, many other individuals and organizations have been working in service of the Airport Neighborhood and are eager to determine what role they will play in the course of the Plan's implementation. The entire Modesto City Council continues to champion the Airport Neighborhood's revitalization. Among other elected officials, the chairperson of the Stanislaus County Board of Supervisors also continues to champion the neighborhood. Also, the Gallo family has demonstrated a great philanthropic commitment throughout the larger community and is an ally in the Airport Neighborhood's revitalization (see Partnering of Communities). Other strong allies of the Airport Neighborhood's revitalization are the community organizers that in the past devoted many years to working on behalf of the neighborhood. They continue to be a source of guidance and inspiration to the active leadership.

Ms. Karlha Davies, Tuolumne River Trust

Mr. Emilio Martínez, artist, educator, community organizer, and Airport Neighborhood resident

Mr. Homero Mejía, Congregations Building Community

Ms. Janet Nuñez, Healthy Start Family Resource Center at Orville Wright Elementary School

Mr. Jeff Phillips, LifeWind International and Redeemer Church

Mr. Chris Ricci, CommonWealth Modesto

Ms. Heather Sherburn, Orville Wright Elementary School

### **Inter-Governmental and Inter-Departmental Collaboration**

City of Modesto and Stanislaus County created a joint government taskforce (the Taskforce) dedicated to the Airport Neighborhood where several departments meet monthly and develop collaborative strategies to promote community development in the Airport Neighborhood. The Taskforce provides an opportunity for colleagues to collaborate on the technical aspects of the activities carried out by local government in the neighborhood, (e.g., infrastructure projects, affordable housing development projects, code enforcement and law enforcement activities, etc.) Other public agency stakeholders include the Housing Authority of the County of Stanislaus (the Housing Authority), Modesto Irrigation District (MID), and the Modesto City-County Airport.

### ***Charlas Comunitarias***

Community organizers working closely with the City hold monthly, Spanish-language neighborhood meetings or *charlas comunitarias* ("community conversations") at the homes of residents, attracting between twenty to forty residents every month. Residents discuss issues that matter most to them at these meetings. The activities of the Plan all either emerged or were generally supported by participants of these *charlas comunitarias*. The community center (see Establishing a Community Center) will be a natural venue for these gatherings.

### **Airport Neighborhood Collaborative**

Community organizers and residents created the Airport Neighborhood Collaborative, which meets monthly in the Airport Neighborhood and allows organizational stakeholders, both public and private, to coordinate and potentially leverage resources to more effectively deliver their respective services to residents of the Airport Neighborhood.

### **Partnering of Communities**

CommonWealth Modesto, an association of talented professionals, meets monthly with City of Modesto staff to assist in the coordination of community and economic development resources throughout Modesto. CommonWealth Modesto is a committed partner of the City and works closely with Airport Neighborhood community organizers to provide them with technical assistance to create a neighborhood association modeled after the La Loma Neighborhood Association (LLNA), which is located just north of the Airport Neighborhood.

The distinction between these two neighborhoods is characterized by extreme socioeconomic disparity. Dust Bowl-era migrants settled the Airport Neighborhood. Its housing dates back to the 1930s when it was known as “Little Oklahoma” and was sub-standard and dilapidated even then. Residents are now predominantly extremely low-income and Latino; many are undocumented and monolingual Spanish-speaking with further limited economic opportunity. In contrast, characterized by distinctive architecture and stately homes, La Loma Neighborhood is one of Modesto’s oldest and most affluent neighborhoods. Another key distinction is that, unlike the La Loma Neighborhood, the Airport Neighborhood north of Oregon Avenue is unincorporated Stanislaus County, effectively divided City of Modesto and Stanislaus County jurisdictions. Like so many “unincorporated islands,” the Airport Neighborhood north of Oregon Avenue lacks adequate infrastructure, particularly sidewalks and sewer.

Several years ago, residents of the La Loma Neighborhood organized around the issue of rampant crime that many residents attributed to persons experiencing long-term homelessness and those that prey upon these persons. These persons walk from the downtown area through the artery of the neighborhood, La Loma Avenue, to a large-scale, faith-based shelter, Modesto Union Gospel Mission, which is located precisely between the two neighborhoods.

Residents of the La Loma Neighborhood began holding neighborhood meetings and building a strong sense of community among residents. They formed an association and began developing productive relationships with local government (including law enforcement), community-based organizations, and other stakeholders to collaboratively address issues that impacted their community, as well as the larger community. Members of the LLNA fund sixteen-hour daily private patrol that serves the entire neighborhood, regardless if the property owner or tenant is a member of the LLNA.

CommonWealth Modesto and LLNA now work to replicate the success of the LLNA in a highly coordinated and targeted way. These two organizations are committed to the residents of the Airport Neighborhood and are providing technical assistance to these residents in an effort to replicate their success.

Another neighbor of the Airport Neighborhood is the E. & J. Gallo Winery and Gallo Glass Company, both of which are owned by the local Gallo family. The Gallo family operates its headquarters and large-scale facilities just west of the Airport Neighborhood. Both residents of La Loma Neighborhood and stakeholders of E. & J. Gallo Winery and Gallo Glass Company understand and appreciate the impact of a revitalized Airport Neighborhood on their respective interests and are critical to the success of the Plan.

### **Purpose and Coordination**

These groups formed in early 2010 do not duplicate efforts, as each serves a distinct purpose – *charlas* are for and by residents; the Taskforce allows government stakeholders to address technical aspects of their work in the Airport Neighborhood; Commonwealth Modesto and the Gallo family champion the Airport Neighborhood; and the Collaborative brings these and other diverse stakeholders together. The complexity of issues in the Airport Neighborhood requires equally sophisticated planning and implementation. These groups are not isolated from one another, as stakeholders meet regularly to collaborate on the Plan in either group or one-on-one meetings.

### **The Role of Orville Wright Elementary**

Schools generally represent a safe space for community activity. The Airport Neighborhood's only school is no exception. Orville Wright Elementary (Modesto City Schools) and its Healthy Start Family Resource Center serve as the nexus of neighborhood organizing and is the hub of neighborhood activity. Its principal and Healthy Start Family Resource Center administrator have developed strong and trusting relationships with residents throughout the neighborhood, as well as with government stakeholders and other groups and individuals committed to revitalizing the neighborhood.

The City, in collaboration with Healthy Start Family Resource Center at Orville Wright Elementary School, designed the two-year Airport Neighborhood Economic Development / Community Capacity-Building Project, which is funded with Public Services funds from the Community Development Block Grant – Recovery Program (CDBG-R).

Project process has three components: 1) traditional service delivery structure to deliver and broker economic development resources to unemployed and underemployed residents, (e.g., job search assistance, job placement assistance, occupational skills training, financial literacy and management, résumé development, interview preparation, English as a Second Language (ESL) classes, General Educational Development (GED) program, and other services that will assist residents in overcoming barriers to economic development); 2) self-help group process to identify unemployed and underemployed residents and broker collective relationships with economic development resources; this may include microenterprise development; and 3) broader NRSA community planning process to identify resident leadership and collectively determine pressing social and economic issues and develop approaches to address these issues.

This process will ensure economic development sustainability beyond the term of this two-year project, as it is designed to promote self-sufficiency and build community capacity through skill-building, microenterprise development, and leadership development. (Microenterprise is defined

as a commercial enterprise hat has five or fewer employees, one or more of who owns the enterprise.)

Additionally, City of Modesto has awarded Orville Wright Elementary a fiscal year 2010-2011 CDBG Public Services grant of \$20,000 to further leverage community and economic development investments in the Airport Neighborhood. This Public Services project will enable staff to devote more one-on-one time to assist residents in addressing a multitude of issues.

### **The Role of the Tuolumne River**

Similarly, the beautiful Tuolumne River and Legion Park, which serves as the Airport Neighborhood's southernmost border, represents an extraordinary community asset to residents of the neighborhood. Legion Park is part of the Tuolumne River Regional Park, which is governed by a joint powers authority (JPA) of City of Modesto, Stanislaus County, and City of Ceres.

While Legion Park is part of a regional park system, most of those who enjoy it are residents of the neighborhood. However, many residents of the neighborhood do not visit the river due to the lack of security in this largely secluded park. Similarly, many residents of the larger community do not visit this beautiful regional riverfront park due to the rampant crime in both the Airport Neighborhood and in the actual park.

The Tuolumne River Trust is a regional environmental organization that is grounded in community. Its community engagement manager chairs the Airport Neighborhood Collaborative and works closely with residents and community organizers to build a sense of ownership of the Tuolumne among residents of the Airport Neighborhood.

### **Transforming Housing**

In early 2011, the City of Modesto was awarded \$2,951,549 in funds from HUD as part of the third round of funding from the Neighborhood Stabilization Program (NSP) as authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The intent of NSP3 is to help reverse the decline of neighborhoods impacted by foreclosure and abandonment by using these properties to increase the community's affordable housing stock.

Metropolitan area data for the first half of 2010 indicate that Modesto is the third hardest hit (i.e., third highest foreclosure rate) in the U.S. and the hardest hit in California (RealtyTrac). Also according to this source, 2 of every 3 homes sold in the Modesto metropolitan area in 2010 have been either foreclosed upon or "short sale" properties. Since the fall of 2006, 21,000 Modesto metropolitan area properties have been lost to foreclosure; approximately 1 in every 8 homes (ForeclosureRadar).

Other realities of the economic recession in Modesto include a 16.4% unemployment rate as of August 2010 – a 1.1 percentage point rise from August 2009 and much higher than the national average of 9.6% as of August 2010 (Bureau of Labor Statistics' Current Employment Statistics [CES] Survey).

Modesto also has an astoundingly high rate of poverty. An analysis of the country's 100 largest metropolitan areas based on recently released data from the 2009 American Community Survey (ACS) indicates that the economic recession is exacerbating the climbing poverty trend in Modesto where the poverty rate is among the highest in the U.S. at 19% – a 3.6 percentage point rise from 2007 to 2009 (Brookings Institution analysis of 2007, 2008, and 2009 ACS data).

To assist NSP3 grantees in identifying the geographic area of greatest need, HUD created the NSP3 Need Score, which is calculated using the following data:

- 1) Unemployment change from March 2005 to March 2010;
- 2) Rate of A) low cost, high leverage loans; B) high cost, high leverage loans; and C) high cost, low leverage loans from 2004-2007; and
- 3) Fall in home value since peak.

The Airport Neighborhood located in (and composing most of) census tract 21.00, is one of the City of Modesto's 14 low-income census tracts (i.e., census tracts with median household incomes that do not exceed 50% of broader Area Median Income [AMI]), scored the highest possible NSP3 Need Score of 20. While 13 of the City of Modesto's 14 low-income census tracts also scored 20, the Airport Neighborhood demonstrated to have the highest in the following risk indicators:

- A) Percentage of residential addresses vacant 90 or more days (13.7%);
- B) Combined percentage of residential addresses vacant 90 or more days and residential addresses classified as no-stat (16.7%); and
- C) Estimated percentage of delinquent mortgages (25.7%).

The determination of the area of greatest need was informed by the rich data available, as well as the recognition that NSP3 funding is insufficient to make the desired impact in a larger geographic area or in multiple areas. Land banking, acquisition and rehabilitation, redevelopment, and demolition activities will be integrated into the Plan to reverse key indicators of persistently and extremely high: 1) unemployment and underemployment; 2) vacancy and abandonment; and 3) blight.

Modesto is a geographically expansive city and while high rates of foreclosure and vacancy are, unfortunately, not unique to the Airport Neighborhood, the substantial leveraging of resources as described in this Plan – public and private, as well as social (resident leadership and broader community commitment to the neighborhood) – is quite extraordinary. Planned and potential leveraging opportunities include: collaboration with Stanislaus County Department of Planning and Community Development (NSP3) and Redevelopment Agency (Housing Set-Aside) activities in the neighborhood; both City of Modesto and Stanislaus County will collaborate with the Housing Authority, which will serve as subrecipient (as well as developer and land bank operator); partnerships with financial institutions for Community Reinvestment Act (CRA) activities; and positioning this highly coordinated NSP3 project and larger Plan to be more competitive for YouthBuild, Choice Neighborhood, and other federal grant opportunities. The economic reality of the Airport Neighborhood is quite distinct from the economic realities in other neighborhoods in Modesto. In addition to the high rate of foreclosure, the degree of blight and abandonment in the Airport Neighborhood is extremely high.

Unlike NSP1 and NSP2, NSP3:

- 1) Has been designed to address the unique needs of the Airport Neighborhood through NSP activities that go beyond acquisition and rehabilitation;
- 2) Will leverage substantial resources through unprecedented collaboration with Stanislaus County and its NSP3 and Redevelopment Agency activities;
- 3) Will expand the production capacities of the three major development partners: City of Modesto, Stanislaus County, and the Housing Authority; and
- 4) Will create extraordinary opportunity for public-private partnership for the benefit of the residents of the Airport Neighborhood, including vicinity hiring to the maximum extent feasible.

While the creation of affordable rental opportunities will be highest priority, the City of Modesto will explore designing an innovative and comprehensive homeownership program similar to a lease-to-own program that will provide low-income households with asset-building tools necessary to sustain homeownership.

Given the economies of scale and scope of its production capacity and its extensive experience in affordable housing development and HUD program management, the Housing Authority will develop, own, operate, and maintain NSP3 properties. As subrecipient, the Housing Authority engages contractors and, in consultation with City of Modesto, may engage developers, particularly City of Modesto-designated Community Housing Development Organizations (CHDOs).

Recognizing the importance of an engaged community in an effective land banking project, NSP3 will create a dedicated position that will carry out several critical functions consistent with the delivery of NSP3 activities, including: liaising with residents and other stakeholders; facilitating vicinity hiring to the maximum extent feasible; and pursuing leveraging opportunities, both public and private. This position will help maintain the momentum of commitment in the neighborhood that drives the Plan.

### **Establishing a Community-Based Development Organization (CBDO)**

All public services offered within an NRSA and carried out as part of the qualified activities of the Plan by a Community-Based Development Organization (CBDO) are exempt from the fifteen percent public services cap of the Community Development Block Grant (CDBG) Program, which is the primary source of funding for this Plan and local government community development efforts more broadly.

The City is providing technical assistance to residents and other stakeholders so that they may create a sustainable (in both fiscal and leadership terms) private nonprofit organization that may be certified by the City of Modesto as the CBDO to 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. Meaningful, place-based youth development programming includes recreational, river-centric, and arts-oriented programming. Leadership development will reinforce the community capacity-building aspect of the Plan.

All CBDO activities will be opportunities for residents (several of which will partially comprise the board of directors of the CBDO) to build skillful leadership. These activities are at its core opportunities for the Plan to build residents' capacities to care for one another and transform their community from the inside out.

Consistent with 24 CFR 570.204(c)(1), CBDO certification criteria are as follows:

- An association or corporation organized under state or local law to engage in community development activities, primarily within the Airport Neighborhood; and
- Has as its primary purpose the improvement of the physical, economic, or social environment of its geographic area of operation, by addressing one or more critical issues of the area, with particular attention to the needs of low- and moderate-income persons; and
- Is either nonprofit or for-profit, provided that any monetary profits to its shareholders or members must be only incidental to its operations; and
- Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners, or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and
- Is not an agency or instrumentality of the City of Modesto and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under 24 CFR 570.204(c)(1)(iv)); and
- Except as authorized above, requires the members of its governing body to be nominated and approved by the general membership of the organization or by its permanent governing body; and
- Is not subject to requirements under which its assets revert to the recipient upon dissolution; and
- Is free to contract for goods and services from vendors of its own choosing

### **Establishing a Community Center**

The Airport Neighborhood community center will be located near other public facilities, particularly Orville Wright Elementary School and George Rogers Park (neighborhood park), and will provide a space for residents to access and carry out community, cultural, educational, and recreational activities and services. City of Modesto and Orville Wright Elementary School will explore a joint-use agreement to share maintenance and operations costs to better serve residents of the neighborhood.

The construction scope of work may include new construction or conversion of an existing facility. City of Modesto will work closely with residents and other stakeholders when developing the management plan for the community center to ensure that residents have access to the public facility to the greatest extent possible.

Community center may house a small community-based organization or the future CBDO.

### **Creating Jobs and Accessible, Affordable, and Healthy Food Options**

As is characteristic of so many low-income neighborhoods, the Airport Neighborhood does not lack a multitude of “convenience” stores that sell tobacco and alcohol products and overpriced, highly processed or otherwise unhealthy foods. Attracting a culturally appropriate supermarket would not only provide Airport Neighborhood residents access to affordable and healthy food options, but would also represent the creation of scores of jobs for residents of the neighborhood. City of Modesto will incentivize the development of a culturally appropriate supermarket to the neighborhood through the provision of financial assistance (grant) to a private, for-profit business that will develop such a supermarket and commit to vicinity hiring.

The City’s Community and Economic Development Department (CED) builds relationships with residents and other stakeholders, local business owners, and potential investors to attract a supermarket to the Airport Neighborhood to promote job creation and promote accessible, healthy, and affordable nutrition. In addition to building relationships with potential developers and grocers to stimulate the development of a supermarket, CED provides technical assistance to activities within the larger Plan relating to economic development.

### **Investing in Safety and Security**

Security has consistently been among the most important issues that emerge from the community planning process. Specifically, residents and other stakeholders have identified improved lighting and the creation of a neighborhood-watch-like group as primary means for ensuring safety and security.

Improved lighting, particularly in the alleyways, may be attained through either a rate-payer assistance program in partnership with MID, a local public utility company; or through an assessment in either the lighting district on the Stanislaus County (i.e., unincorporated) areas of the neighborhood or an assessment for a “special benefit” in City of Modesto areas of the neighborhood. City is working with stakeholders to determine how best to address this issue.

The creation of a neighborhood-watch-like group will be a natural outcome of building relationships with and among residents and other stakeholders.

### **Investing in Infrastructure**

The Empire Avenue capital improvement project (CIP) has completed surveying the area, is finalizing engineering plans, and will soon begin right-of-way and construction easement acquisition. This section of Empire Avenue was strategically selected for its proximity to Orville Wright Elementary School; to improve access to the southernmost street of the neighborhood, Hillside Drive, and Legion Park; and to improve one of the arterial streets of the neighborhood. Construction is scheduled for summer 2011 and project completion for fall 2011. CIP includes street widening, new sidewalks, improved drainage, and new lighting.

### **Improving the Quality of Housing**

The City’s Code Enforcement Unit (CEU) enforces municipal codes and land use requirements, and educates and builds cooperative relationships with neighborhood residents, either property owners or tenants. CEU not only works in a timely, responsible, fair, and impartial manner but also serves as an ally to tenants and property owners to empower them to improve the physical

conditions of their neighborhood by addressing hazardous and deteriorating conditions and to deter crime.

### **Addressing Blight**

In an effort to not only arrest but reverse the decline of the neighborhood and recognizing that blight begets blight, City of Modesto partners with residents of the Airport Neighborhood and local service organizations to carry out neighborhood cleanup and beautification projects three times a year. This campaign empowers residents to take their neighborhood back from those who illegally dump in the streets, parks, and alleyways by providing them with what they need to cleanup and beautify their neighborhood. This campaign is driven by residents and provides City staff an opportunity to work side-by-side with residents.

### **Conclusion**

The complexity of issues in the Airport Neighborhood requires an equally sophisticated plan. The City of Modesto is committed to investing heavily in the social, economic, and physical revitalization of the Airport Neighborhood. The Plan is informed by and will be largely carried out by committed stakeholders, including residents of the Airport Neighborhood themselves, to foster a strong sense of ownership in their community, as it is vital for a successful revitalization.

**Airport Neighborhood  
Neighborhood Revitalization Strategy Area (NRSA) Activities**

Activity	Funding Amount	Outcome	Timeframe
NSP3	\$2,951,549	<b>Improved and increased affordable housing</b>	FY 11-12 – FY 13-14
Empire Avenue CIP	\$1,284,891	<b>Improve strategic section of arterial street. Increase property values on/near this section.</b>	FY 11-12
Community Center	\$266,000	<b>Create space for residents to access and carry out community, cultural, educational, and recreational activities and services</b>	FY 11-12
Code Enforcement	\$120,866*	<b>Address hazardous and deteriorating conditions and deter crime.</b>	FY 11-12
Economic Development - Financial Assistance	\$100,000	<b>Create jobs and accessible, affordable, and healthy food options.</b>	FY 11-12 – FY 13-14
CDBG-R Public Services	\$94,762	<b>Carry out economic development and community capacity-building through skill-building, microenterprise development, and leadership development.</b>	FY 11-12 – FY 12-13
CBDO Funding	\$35,000	<b>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.</b>	FY 11-12
Economic Development - Technical Assistance	\$34,046	<b>Attract culturally appropriate supermarket.</b>	FY 11-12 – FY 13-14
CDBG Public Services	\$20,000	<b>Provide one-on-one support and case management for residents to address a multitude of issues.</b>	FY 10-11
Neighborhood Cleanup Campaign	\$17,000*	<b>Provide residents and service organizations with resources to address blight in their neighborhood.</b>	FY 11-12
Lighting	\$15,000	<b>Prevent and reduce crime, particularly in alleyways.</b>	FY 11-12
<b>Total</b>	<b>\$4,939,114</b>		

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