

Action Plan

Grantee: Modesto, CA

Grant: B-11-MN-06-0004

LOCCS Authorized Amount:	\$ 2,951,549.00
Grant Award Amount:	\$ 2,951,549.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 79,000.00
Total Budget:	\$ 3,030,549.00

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

Land banking, acquisition and rehabilitation, redevelopment, and demolition activities will be integrated into a comprehensive revitalization strategy to reverse key indicators of persistent and extremely high: 1) unemployment and underemployment; 2) vacancy and abandonment; and 3) blight. City of Modesto (City) will partner with the Housing Authority of the County of Stanislaus (Housing Authority) in the Neighborhood Revitalization Strategy Area (NRSA) NSP3 Project (Project). Stanislaus County (County) will also partner with the Housing Authority to carry out its NSP3 project in the NRSA. This City-County collaboration will bring the NRSA comprehensive plan to scale and will position the NRSA to more effectively secure other federal, state, and private foundation funds for a more robust public-private partnership. All properties will be purchased at a minimum discount of 1% from the current market-appraised value of the property. The current market-appraised value means the value of a property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act (URA) at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property. Activities - Acquisition of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities; - Rehabilitation of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities; - Land banking operations will include: maintenance of land-banked properties, property management of rental units (note: City is required by statute to establish procedures to create preferences for the development of affordable rental housing with NSP3 funds); maintenance of its geographic and market information systems; and carrying out ongoing community engagement activities (e.g., outreach, education, consultation, etc.); - Demolition of eligible properties under land banking, acquisition and rehabilitation, demolition, and redevelopment activities; - Development of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities for eligible end uses o Create affordable rental opportunities o Create affordable homeownership opportunities o Stimulate community and economic development opportunities consistent with larger NRSA Plan through potential mixed-use development (NSP3 funds are only for residential development activities but may be combined with other funds that allow for non-residential development activities) o Reverse the physical decline of properties The City's efforts in the Airport Neighborhood have helped foster a critical mass of leadership and commitment around community and economic development in the neighborhood. The City has been working diligently since the HUD approved its proposal to designate the Airport Neighborhood a Neighborhood Revitalization Strategy Area (NRSA) on January> The Airport Neighborhood is uniquely located near the vibrant downtown; to the west, neighbors the world's largest family-owned winery and largest exporter of California wine, E & J Gallo Winery and Gallo Glass Company headquarters and large-scale facilities, respectively; to the north, neighbors one of Modesto's oldest and most affluent neighborhoods, La Loma Neighborhood; to the east neighbors the local airport; and to the south, neighbors the Tuolumne River and the Tuolumne River Regional Park system. The NRSA created an opportunity for these neighbors to partner with the resid



How Fund Use Addresses Market Conditions:

The Airport Neighborhood located in (and composing most of) census tract 21.00, 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 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%).

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 of the County of Stanislaus; 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.

Ensuring Continued Affordability:

Continued affordability will be ensured through a restrictive affordability period and will be in effect for a period based on the level of assistance consistent with the HOME Investment Partnerships Program regulations of up to 20 years (24 CFR 92.252(a), (c), (e) and (f), and 92.254) and will require covenants to be recorded on the properties with housing end uses. If other sources of funds are used for housing development, covenants longer in duration may be recorded on these properties. Properties for sale will at all times be occupied as the principal residence of the owner and will not be rented, leased, or sold. The covenants and restrictions will run with the land and will be binding on future owners of the property. The City will monitor the properties for owner occupancy, income qualification, and other requirements as applicable on an annual basis.

Note: This affordability relates to individuals or families whose incomes do not exceed 120% of Area Median Income (AMI) or, for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii) of the original statute of NSP (Housing and Economic Recovery Act of 2008), to remain affordable to individuals and families whose incomes do not exceed 50% of AMI.

Definition of Blighted Structure:

A structure is blighted when it exhibits objectively determinable signs of deterioration or abandonment to constitute a threat to human health, safety, and/or public welfare; and/or its appearance is inconsistent with the surrounding landscape.

Definition of Affordable Rents:

Consistent with the U.S. Department of Housing and Urban Development (HUD) definition of affordable housing, the City defines affordable rents (including utilities) as costing no more than 30% of a household's gross monthly income.

Housing Rehabilitation/New Construction Standards:

The City will apply HUD's Housing Quality Standards (HQS) to all rehabilitation activities. HQS consists of the following 13 performance requirements: 1) sanitary facilities; 2) food preparation and refuse disposal; 3) space and security; 4) thermal environment; 5) illumination and electricity; 6) structure and materials; 7) interior air quality; 8) water supply; 9) lead-based paint; 10) access; 11) site and neighborhood; 12) sanitary conditions; and 13) smoke detectors.

Additionally, the City will rely on its highly experienced building inspection unit to ensure compliance with rigorous state and local building codes. Note: California Building Code (California Code of Regulations, Title 24, Part 2), effective January 1, 2011, exceeds federal green standards.

Vicinity Hiring:

City of Modesto will update its Section 3 certification process to require contractors make good faith efforts to provide to the maximum extent feasible, opportunities to local residents and business concerns and, specifically, promote NSP3 vicinity hiring in the Airport Neighborhood.

Procedures for Preferences for Affordable Rental Dev.:

City of Modesto will establish procedures to create preferences for the development of affordable rental housing with NSP3 funds. This will be achieved through partnership with the Housing Authority of the County of Stanislaus (subrecipient).

Grantee Contact Information:

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Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
NSP3-002	Redevelopment	002-01-Habitat	Habitat - Signature Court - LMMI
		002-02-HACS	HACS - Downey - LH25%
		002-03-STANCO	STANCO - Bennett - LH25%
		002-04-HACS	HACS - Downey - LMMI
NSP3-003	Demolition	003-01-Demo	General Demolition
NSP3-004	Administration & Planning	004-01-Admin	Administration



Activities

Project # / Title: NSP3-002 / Redevelopment

Grantee Activity Number: 002-01-Habitat
Activity Title: Habitat - Signature Court - LMMI

Activity Type:

Construction of new housing

Project Number:

NSP3-002

Projected Start Date:

03/09/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:

Under Way

Project Title:

Redevelopment

Projected End Date:

03/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,000,000.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,000,000.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

Total	Low	Mod	Low/Mod%
21		21	100.00
21		21	100.00

of Households

Proposed Accomplishments

of Singlefamily Units

Total

21

of Housing Units

21

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Habitat For Humanity Stanislaus County

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
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Location Description:

Signature Court

Activity Description:

Redevelop vacant properties. This activity allows communities to address the broadest range of property types, as it allows for the acquisition and development of any property type (i.e., properties that were once developed or are surrounded by existing development – undeveloped or greenfield sites are not permitted). This includes commercial or industrial property in addition to all types of residential properties (need not be abandoned or foreclosed upon). However, it must be vacant. New housing construction is only permitted under this activity. Housing rehabilitation is also permitted.

Environmental Assessment: UNDERWAY**Environmental Reviews:** None

Grantee Activity Number: 002-02-HACS
Activity Title: HACS - Downey - LH25%

Activity Type:

Construction of new housing

Project Number:

NSP3-002

Projected Start Date:

11/13/2012

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:

Under Way

Project Title:

Redevelopment

Projected End Date:

03/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 181,527.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 181,527.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Renter Households

Total	Low	Mod	Low/Mod%
2	2		100.00
2	2		100.00

of Households

Proposed Accomplishments

of Multifamily Units

of Housing Units

Total

2

2

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Housing Authority of the County of Stanislaus2

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Housing Authority of the County of Stanislaus2

Organization Type

Unknown

Proposed Budget

\$ 1.00

Location Description:

416 Downey, Modesto Census Tract 18.0

Activity Description:

On Novmeber 13, 2012, City of Modesto staff, together with HUD TA, proposed to City Council an adjustment to the NSP Expenditure Plan which included an amendment of the Housing Authority of the County of Stanislaus(HACS) NSP3 MOU to include NSP Eligible Use E – Redevelopment in order to create 11 units of new affordable senior housing on Downey Avenue.

Environmental Assessment: UNDERWAY

Environmental Reviews: None

Grantee Activity Number: 002-03-STANCO
Activity Title: STANCO - Bennett - LH25%

Activity Type:

Construction of new housing

Project Number:

NSP3-002

Projected Start Date:

11/13/2012

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:

Under Way

Project Title:

Redevelopment

Projected End Date:

03/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 724,246.41

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 724,246.41

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Renter Households

Total	Low	Mod	Low/Mod%
16	16		100.00
16	16		100.00

of Households

Proposed Accomplishments

of Multifamily Units

Total

16

of Housing Units

16

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

STANCO

Proposed budgets for organizations carrying out Activity:

Responsible Organization

STANCO

Organization Type

Non-Profit

Proposed Budget

\$ 1.00

Location Description:



421 Lincoln Avenue, Census Tract 20.04

Activity Description:

On Novmeber 13, 2012 City of Modesto staff, along with HUD TA, proposed to City Council a Revised Expenditure Plan to also include the City of Modesto entering into an MOU with STANCO to utilize Eligible Use E – Redevelopment under the NSP3 program in order to complete a previously approved HOME project “Bennett Place” that has been on hold due to lack of funding.

Environmental Assessment: UNDERWAY

Environmental Reviews: None

Grantee Activity Number: 002-04-HACS
Activity Title: HACS - Downey - LMMI

Activity Type:

Construction of new housing

Project Number:

NSP3-002

Projected Start Date:

11/13/2012

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:

Under Way

Project Title:

Redevelopment

Projected End Date:

03/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 671,329.88

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 671,329.88

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Renter Households

Total	Low	Mod	Low/Mod%
9	4	5	100.00
9	4	5	100.00

of Households

Proposed Accomplishments

of Multifamily Units

Total

9

of Housing Units

9

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Housing Authority of the County of Stanislaus2

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Housing Authority of the County of Stanislaus2

Organization Type

Unknown

Proposed Budget

\$ 816,868.00

Location Description:



Activity Description:

On November 13, 2012, City of Modesto Staff, together with HUD TA, proposed to City Council an adjustment to the NSP Expenditure Plan which included an amendment of the Housing Authority of the County of Stanislaus (HACS) NSP3 MOU to include NSP Eligible Use E – Redevelopment in order to create 11 units of new affordable senior housing on Downey Avenue.

Environmental Assessment: UNDERWAY

Environmental Reviews: None

Project # / Title: NSP3-003 / Demolition

Grantee Activity Number: 003-01-Demo
Activity Title: General Demolition

Activity Type:

Clearance and Demolition

Project Number:

NSP3-003

Projected Start Date:

03/09/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:

Under Way

Project Title:

Demolition

Projected End Date:

03/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 79,291.71

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 79,291.71

Benefit Report Type:

Area Benefit (Census)

Proposed Accomplishments**Total**

of Singlefamily Units

10

of Housing Units

10

of Properties

10

LMI%:

Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

City of Modesto2

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

City of Modesto2

Organization Type

Local Government

Proposed Budget

\$ 100,000.00

Location Description:

NSP3 activities will be targeted in the City of Modesto designated Low Income Census Tracts (see map).
Tracts: 8.03, 9.10, 10.02, 14.00, 16.01, 16.03, 16.04, 17.00, 18.00, 21.00, 22.00, 23.01, 23.02 and 24.00.

Activity Description:

Demolish eligible properties under eligible use D

Environmental Assessment:

UNDERWAY

Environmental Reviews: None**Project # / Title:** NSP3-004 / Administration & Planning**Grantee Activity Number:** 004-01-Admin
Activity Title: Administration**Activity Type:**

Administration

Project Number:

NSP3-004

Projected Start Date:

03/09/2011

Activity Status:

Under Way

Project Title:

Administration & Planning

Projected End Date:

03/09/2014



Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:** \$ 303,054.00**Most Impacted and Distressed Budget:** \$ 0.00**Other Funds:** \$ 0.00**Total Funds:** \$ 303,054.00**Benefit Report Type:**

NA

Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

City of Modesto2

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

City of Modesto2

Organization Type

Local Government

Proposed Budget

\$ 303,054.00

Location Description:

1010 10th Street Modesto

Activity Description:

Administrative oversight, planning, monitoring and reporting of NSP3 activities.

Environmental Assessment: EXEMPT**Environmental Reviews:** None

Action Plan Comments:

Reviewer - Action Plan is being approved, the corrections that grantee is making are not complete but they cannot complete prior to submission deadline for June 2012 QPR which is due July 30. The action plan will be rejection upon submission of the QPR, the grantee is working with TA Provider to make necessary revisions to the Action Plan. Marcia Bradshaw, June 26, 2012.

Reviewer - The action plan was returned for modification at the request of the city of Modesto on July 14, 2017.

Reviewer - The action plan was returned for modification at the request of the city of Modesto on July 14, 2017.

Action Plan History

Version	Date
B-11-MN-06-0004 AP#1	10/18/2011
B-11-MN-06-0004 AP#2	07/26/2012
B-11-MN-06-0004 AP#3	05/21/2013
B-11-MN-06-0004 AP#4	03/07/2014
B-11-MN-06-0004 AP#5	06/16/2014
B-11-MN-06-0004 AP#6	11/01/2018