



# CITIZEN'S HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

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Jessica Hill  
Community Development Manager  
December 8, 2022



# AGENDA ITEMS

- **CONSENT ITEMS**

- Item 1 - Consider approving minutes for the November 10, 2022 meeting.

- **NEW BUSINESS**

- Item 1 - Consider approving the First Amendment to the Housing Tools LLC. (Housing Tools) agreement increasing the contract amount for consultant services related to grant assistance, labor compliance and regulatory contract monitoring by \$150,000 from \$45,000 to a new total amount of \$195,000.
  - Item 2 - Consider approving a Community Development Block Grant CARES Act (CDBG-CV) grant to Stanislaus County Affordable Housing Corporation (STANCO), in an amount not to exceed \$450,428 and \$25,000 in activity delivery costs for the acquisition and rehabilitation of the property located at 319 Laurel Street, Modesto
  - Presentation - Community Development Division Program and Project Update
  - Presentation - Affordable Housing Notice of Funding Availability (NOFA) Presentation
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# HOUSING TOOLS CONTRACT EXTENSION

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Leslie Danhoff  
Senior Community Development Program Specialist  
December 8, 2022



## BACKGROUND

- In order to aid communities to acquire hotels, motels, commercial buildings and other properties to rapidly house people experiencing homelessness during the COVID-19 pandemic, the State of California Launched a \$750 million program called “Project Homekey 1.0” in July 2020
  - Given the success of “Homekey 1.0”, in January of 2021, Governor Newsom’s proposed FY21-22 budget included another \$1.4 Billion allocation for “Project Homekey 2.0”
  - The City has been successful in receiving two Homekey grant awards and expects additional federal requirements that will require monitoring and labor oversight:
    - 112 James Street – 7 units of Permanent Supportive Housing
    - 1208 9th Street – 14 units of Permanent Supportive Housing for youth ages 18-24
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# HOUSING TOOLS

## Current Agreement

- To pursue the Homekey funding and further assistance in project monitoring, the City entered into an agreement in the amount of \$45,000 with Housing Tools on February 8, 2022.

## First Amendment to the Current Agreement

- The proposed amendment expands the scope of work:
    - To provide assistance with the City's Homekey 3 Application to the State of California.
    - To provide monitoring and inventory management support of all the City's affordable housing contracts.
    - To ensure that subrecipients of the City's State and Federal funding meets the regulation commitments.
  - Staff recommends the First Amendment to the Housing Tools contract in an amount up to \$150,000 not to exceed \$195,000 for services related to labor compliance and regulatory contract monitoring.
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# AGREEMENT BUDGET

- The cost is budgeted in the Program Year 2022-2023 Annual Action Plan:
    - Administrative activities from Community Development Block Grant (CDBG) entitlement funds
    - Activity Delivery within the projects using Permanent Local Housing Allocation (PLHA) funds, CDBG funds, or HOME Investment Partnership grant funds
    - No impact to General Fund
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Questions?

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## COMMITTEE RECOMMENDATION

Motion to approve the First Amendment to the Housing Tools LLC, (Housing Tools) agreement increasing the contract amount for consultant services related to labor compliance and regulatory contract monitoring by \$150,000 from \$45,000 to a new total amount of \$195,000 and forwarding to Council for approval.

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# PERMANENT SUPPORTIVE HOUSING AT 319 LAUREL AVE (STANCO)

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Heather Jones  
Senior Community Development Program Specialist  
December 8, 2022



# PROJECT INFORMATION

Subject Property

## Property Acquisition

- Collaboration between the City of Modesto and STANCO for the acquisition this home for use of permanent supportive housing.

## Property Details

- Location: 319 Laurel Street, Modesto
- APN: 101-004-003-000
- Census Tract: 27.00/1/1008 (Low Income)
- Zoning: R1
- Building: 756 square feet, 2 BR 1 Bath SFR
- Lot size: Approximately 5,200 square feet





# 319 LAUREL AVENUE

Street view of the Property



Rear view of the Property



## Proposed Rehabilitation Project

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Demolition of Exterior Sheds

Trim trees and remove roots

Replace fencing

Remove bark and replace with artificial turf

Placement of gravel

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## PROPOSED BUDGET FOR ACQUISITION AND REHAB

Item	Cost
Purchase Price	\$329,000
Closing Cost	\$6,800
LBP Survey and Testing	\$750
Whole House Inspection	\$950
Appraisal	\$800
Demo exterior sheds	\$1,800
Trim trees, remove roots	\$3,500
Replace fencing	\$13,800
Remove bark/install turf	\$14,158
Place gravel over soil	\$3,800
Contingencies (10%)	\$37,535
Developer Management Fee (10%)	\$37,535
<b>Total</b>	<b>\$450,428</b>



## PROJECT SCHEDULE

- Proposed Acquisition – After January 10, 2023
  - Rehabilitation and Site Work Completion – March 2023
  - Project Occupancy – March 2023
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Any Questions?

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## COMMITTEE RECOMMENDATION

Motion approving a Community Development Block Grant CARES Act (CDBG-CV) grant to Stanislaus County Affordable Housing Corporation (STANCO), in an amount not to exceed \$450,428 and \$25,000 in activity delivery costs for the acquisition and rehabilitation of the property located at 319 Laurel Street, Modesto CA for the development of Permanent Supportive Housing and forward to Council for approval.

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# HOMEOWNER REHABILITATION PROGRAM PROJECT UPDATE

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# HOMEOWNER REHABILITATION PROGRAM

Partner: Eligible homeowners and local contractors

- CDBG Funds expended: \$ 269,123
- Leverage: Blight abatement and revolving fund

## Program Guidelines

- Must be within the City of Modesto limits;
- Applicant must have legally recorded title to the property
- Cannot have a second mortgage
- Health & Safety Repairs
- This program improves the access and quality of life for low-income homeowners in the City





# 2021-2022 HOMEOWNER REHABILITATION PROGRAM COMPLETED PROJECTS

ADDRESS	GRANTS ISSUED	LOANS ISSUED	TOTAL
154 Dory Lane	\$19,650.00	\$0.00	\$19,650.00
2621 Prescott Rd #258	\$19,976.00	\$0.00	\$19,976.00
186 Schooner	\$20,000.00	\$0.00	\$20,000.00
1200 S. Carpenter Rd #142	\$19,706.00	\$0.00	\$19,706.00
1200 S. Carpenter Rd #62	\$19,550.00	\$0.00	\$19,550.00
3033 New Salem Ave	\$4,723.00	\$18,891.00	\$23,614.00
614 Duncan Ave	\$7,229.00	\$28,918.00	\$36,147.00
3828 Auckland Court	\$9,336.00	\$37,344.00	\$46,680.00
1520 Wakebridge Drive	\$7,425.00	\$29,700.00	\$37,125.00
1013 Marin Ave	\$5,335.00	\$21,340.00	\$26,675.00
<b>Total</b>	<b>\$132,930.00</b>	<b>\$136,193.00</b>	<b>\$269,123.00</b>

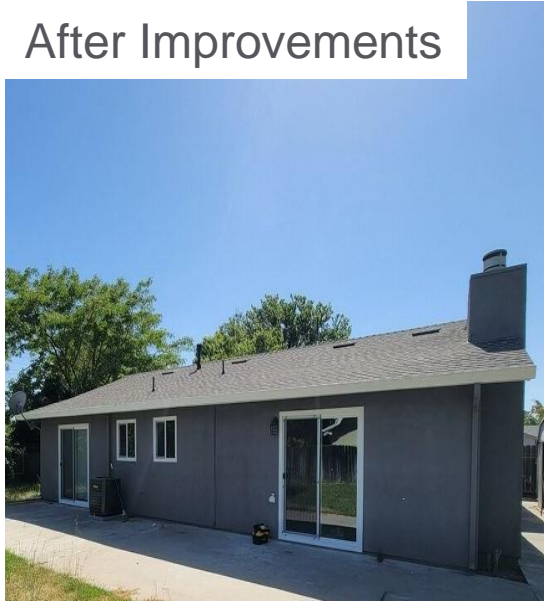


## 3828 AUCKLAND COURT

Before Improvements



After Improvements



- **Loan/ Grant Amount Total:**  
**\$46,680**
  - Roof and gutter replacement
  - Windows/sliding glass doors
  - Stucco and exterior paint
  - Minor electrical



# 3828 AUCKLAND COURT

Before Improvements



After Improvements





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# PUBLIC FACILITY AND INFRASTRUCTURE PROJECTS

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# YOUTH NAVIGATION CENTER - ACQUISITION

**Completion: October 2021**

**Total Served: 199 Individuals**

## Project Summary

Partner: Center for Human Services

Total Project: \$4,646,820

City Contribution: \$1,000,000

Total Leveraged: \$3,646,820



- This 14,300 sq. ft. location offers a continuum of youth services for homeless and runaway youth (13-24 years old) which includes:

- Hutton House: 8 beds (13–17-year-old)
- Pathways Transitional Housing: 15 beds (18-24 years old)
- Low Barrier Shelter: 24 Beds (18–24-year-old)





# BOYS AND GIRLS CLUB – MODULAR MOVE

**Completion of Phase I: October 2021**

## **Project Summary**

Partner: City Parks Planning Division

Total Project: \$ 723,964

City (HUD) Contribution: \$ 674,464

Total Leveraged: \$ 49,500

- Relocation of the program's modular facility located at Martin Luther King Jr Park to 920 Sunset Ave.
- The City agreed to fund Parks Planning staff for the installation and rehabilitation of the modular with CDBG funds
- The new location allows the Boys and Girls club to continue operations and expand services as well as collaborate with First Tee of Central Valley





# 512 VINE STREET SHELTER REHABILITATION

**Completion: November 2022**

## **Project Summary**

Partner: Stanislaus County Affordable Housing Corp.

Funding Source: ESG CV

Total Project Cost: \$151,255

- Short-term shelter (average of 28 days stay) and consists of two floors, 2,239 square feet of living space and 1,495 square foot basement used for storage of items.
- ESG funds supported the rehabilitation of the site which included the following:
  - Roof and gutter Replacement,
  - HVAC,
  - Exterior Paint,
  - Sidewalk and Driveway
  - Flooring





# 615 5<sup>TH</sup> STREET SHELTER REHABILITATION

**Project Completed: August 2022**

## **Project Summary**

Partner: Stanislaus County Affordable Housing Corporation

Funding Source: ESG CV

Total Project Cost: \$37,437

- Short-term crisis housing shelter for individuals with known or suspected mental illness.
- Population Served: Individuals served are at risk for homelessness, incarceration, victimization or psychiatric hospitalization.
- Rehabilitation Completed: Roof and gutter replacement, Replaced corroded water lateral under patio, Patio reconstruction





# SALVATION ARMY & ACES SHELTER REHABILITATION

**Project Completion: June 2022**

## **Project Summary**

Funding Source: ESG CV

Total Project Cost: \$78,012

## **Rehabilitation Completed:**

- ADA Alterations and Repairs
- Automatic Door Operators with push button actuators
- 6 locations with all conversion accessories and electrical and low voltage necessary for operation & Hand Sanitizer Dispensers
- Vision Lite Window





# RALSTON TOWER SENIOR PLAYGROUND

**Estimated Project Completion: Summer 2023**

## **Project Summary**

Partner: City of Modesto Parks and Recreation

Total Project: \$1,100,000

CDBG Funds: \$ 550,000

Leverage: \$ 550,000 State Grant

- Funding will be used to assist with park improvements
- This project will provide recreational opportunities to area residents including seniors





# SOUTH MODESTO COMMUNITY CENTER

Project Status: Canceled

## Project Summary

Partner: Self Help Federal Credit Union:

CDBG Funds:                   \$ 500,000

Leverage:                       \$ 3,500,000

- Community Center will be co-located with a full-service Self-Help Federal Credit Union branch
- CDBG funds will assist with predevelopment costs and construction costs of off-site improvements & traffic light at intersection of Crows Landing & Pueblo Ave.





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# AFFORDABLE HOUSING PROJECTS

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# Archway Commons – 1101 Carver

**Estimated Completion Date: Winter 2023**

## Project Summary

Partner: EAH, Inc

Total Project: \$36,277,100

HOME Funds: \$ 1,400,000

Leverage: \$ 34,877,100

- 74 units: Archway Commons Phase II
- Located between Carver and 9th Street
- Included: Community Center, picnic area, computer learning center, basketball court, common room, and courtyard open spaces





## Kestrel Ridge - 416 E. Coolidge

**Estimated Project Completion: Winter 2023**

### **Project Summary**

Partner: Stanislaus Regional Housing Authority

Total Project: \$1,325,000

HOME Funds: \$ 800,000

Leverage: \$ 525,000

- 8 Units of Permanent Supportive Housing
- Housing to individuals with incomes below 80% of the area median income (AMI)
- Serves units in partnership with Behavioral Health and Recovery Services.





# PROJECT HOMEKEY - 112 JAMES STREET

**Project Completion: July 2022**

## Project Summary

Partner: Stanislaus Equity Partners, STANCO

Total Project: \$ 1,979,966

PLHA Funds: \$ 200,000

Leverage: \$ 1,779,966

- 7 units of Permanent Supportive Housing
- Serves client under 30% AMI
- Serves units in partnership with Behavioral Health and Recovery Services.



**Homekey**

Bringing California Home



# PROJECT HOMEKEY – 1208 9<sup>TH</sup> STREET

**Estimated Project Completion: Winter 2023**

## **Project Summary**

Partner: Center for Human Services (CHS)

Total Project: \$4,473,353

PLHA funds: \$500,000

Leveraged Homekey: \$3,973,353

- 14 Permanent Supportive Housing
- Serves Youth 18-24



**Homekey**

Bringing California Home



# 835 CALIFORNIA AVENUE PROJECT

Phase 1 Completion: May 2021

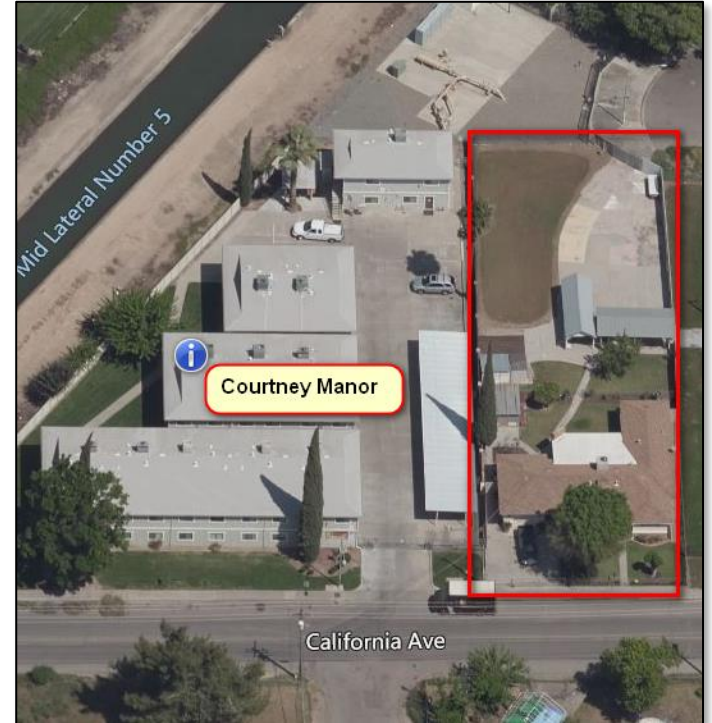
## Project Summary

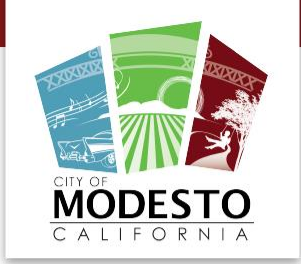
Partner: Stanislaus County Affordable Housing Co.

Total Project:           \$ 450,000

CDBG Funds:               \$ 450,000

- Leveraged this acquisition to expand to 6 additional unit of low-income housing
- Serves units in partnership with Behavioral Health and Recovery Services
- Awarded No Place Like Home funding through Stanislaus County and State of California for Phase 2
- Phase 2 project estimated to begin Spring 2023





Questions?

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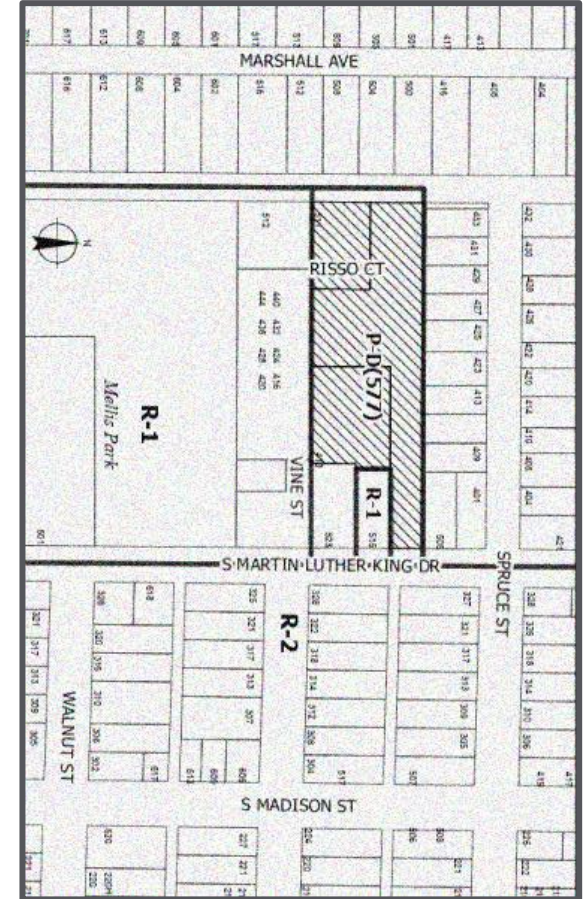
# AFFORDABLE HOUSING NOTICE OF FUNDING AVAILABILITY (NOFA) & REQUEST FOR PROPOSALS (RFP)

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## BACKGROUND

- One of the main initiatives of the City's Community Development Division is to encourage, fund, and support the development of Affordable Housing within the City of Modesto.
- The City receives grant funding annually from the State of California and the U.S. Department of Housing and Urban Development for this initiative.
- The City periodically presents a Notice of Funding Availability (NOFA) to ensure that the City has a pipeline of projects to meet various spending deadlines.



# HOW'S IT FUNDED?



## Community Development Block Grant (CDBG)

Supports activities that benefit low- and moderate-income individuals, families and neighborhoods.

Eligible activities include:

- Property Acquisition for Housing
- Off-site Improvements
- Property Rehabilitation for Housing



## HOME Investment Partnership (HOME)

Supports the construction of affordable rental and homeownership opportunities to low-income households.

Eligible activities include

- New construction of affordable housing
- Rehabilitation of existing housing for affordable housing



## America Rescue Plan HOME Investment Partnership (HOME-ARP)

Supports the construction of affordable rental and homeownership opportunities to low-income households experiencing homelessness.

Eligible activities include

- New construction of affordable housing
- Rehabilitation of existing housing for affordable housing



## Permanent Local Housing Allocation (PLHA)

A permanent source of funding to cities and counties to help meet the unmet need for affordable housing and increase the supply of affordable housing units.

Eligible Activities:

- Development of Permanent Supportive Housing
- Development of Affordable Housing



## APPROXIMATE FUNDING AVAILABILITY

Funding Source	Approximate Available Funding
Community Development Block Grant (CDBG)	\$2,500,000
Cares Act Community Development Block Grant (CDBG-CV)	\$500,000
Home Investments Partnership Program (HOME)	\$2,700,000
Home Investment Partnership American Rescue Plan (HOME-ARP)	\$2,800,000
Permanent Local Housing Allocation (PLHA)	\$2,100,000
<b>Total</b>	<b>\$10,600,000</b>

*Funding Availability is subject to change. Funds will be committed to Tier 1 projects until all funding is exhausted. Following the closure of this NOFA, projects will be funded on a rolling basis.*



# APPLICATION REQUIREMENTS

- **Statement of Need:** Detailed project narrative regarding the Community Need or Problem the project is designed to address. This should be supported with any relevant history, data/statistics, or gap information.
  - **Project Description:** Detailed description of the proposed project (i.e. number of housing units, new construction, rehabilitation, rental housing, homebuyer housing, cost per unit, etc.)
  - **Proposed project timeline**
  - **Proposed project budget**
  - **Project Match sources and amounts**
  - **Site Control** (if applicable)
  - **Financially Feasible Project:** Project Development Pro Forma; must cover the entire affordability period of the proposed project.
  - **Leverage of CDBG Funds**
  - **Evidence and Capacity of Development Team**
  - **UEI Number**
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# PROJECT PHASE TIER DEFINITIONS

Project Phase Tiers	Definition
<b>Tier 1 – Design Development</b>	New Construction or Rehabilitation with 50% of the project funding identified, with Site identified and can be under contract by time of award, can obtain permits within 6 months, and can demonstrate construction can begin within 12 months of award.
<b>Tier 2 – Planning and Pre-development</b>	New Construction or Rehabilitation with Design team identified, Still looking at Site options or have site control, but no construction concept plans started, and presents the ability to start project within 24 months of proposal.
<b>Tier 3 – Acquisition Only</b>	Site identified or sales contract under negotiations for property that will result in an affordable housing project within 24 months of acquisition.
<b>Tier 4 - Conceptual</b>	Projects with the intent to develop affordable housing, but lack funding, land, and/or operational experience where design or operational partners still need to be identified.



# PROJECT APPLICATION AND REVIEW PROCESS

- To ensure a pipeline of projects, applicants in the other tiers can continue to update their application until ready for Tier 1 review.
- Successful applicants will support their application that will be reviewed by City staff in the following categories:

Evaluation Criteria	Definition
<b>Development Team and Capacity</b>	Review based on the strength of the evidence to support the applicants experience with development and housing management.
<b>Urgency and Persistence of Need</b>	Will demonstrate how the proposed project will meet the Modesto’s need for housing. The evidence will statistically support the housing needs in Modesto and how this project proposes to meets this need.
<b>Past Performance/Financial Management/ General Compliance</b>	Will provide evidence of policy, procedures, and past projects that will support the applicant’s ability to meet all of the regulatory requirements as dictated by the funding.
<b>Budget/Fund Development/Leveraging</b>	Applicant will provide budgets for both Construction and Operations for the duration of the required affordability period.



# NOFA APPLICATION TIMELINE

Key Dates	
December 12, 2022	Opening of Application period and Release of the NOFA
January 25, 2023	Deadline for priority consideration. Responses to the RFP due no later than 4:00 p.m. <i>(Applications will continue to be considered on a rolling basis and projects not considered Tier 1 will have the ability to update their proposal for funding consideration.)</i>
January 26 <sup>th</sup> and 27 <sup>th</sup>	Application Technical Review
January 27, 2023	Technical Review Notifications via email
February 9, 2023	Tentative: Consideration of projects by CHCDC
March 7, 2023	Tentative: Proposal for funding commitments presented to City Council for approval



Questions?

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