



# CITIZEN'S HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

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Jessica Hill  
Interim Community and Economic Development Director  
March 09, 2023



# AGENDA ITEMS

## ● CONSENT ITEMS

- Item 1 - Consider approving minutes for the January 12, 2023 meeting.

## ● NEW BUSINESS

- Item 1 - Informational presentation regarding a request for volunteers to serve on the Application Review Committee for the Public Services – Notice of Funding Availability.
  - Item 2 - Consider accepting the City of Modesto’s Permanent Local Housing Allocation (PLHA) Year Three grant award in the amount of \$1,658,723, and forwarding to Council for approval.
  - Item 3 - Consider approving the Encampment Resolution Funding Program Application, and authorizing the City Manager, or his designee, to submit the Encampment Resolution Funding (ERF) Program application, and applicable documentation, as required by California Interagency Council on Homelessness, and forwarding to Council for approval.
  - Item 4 - Consider approving a joint submission between the City of Modesto and Visionary Home Builders of California, Inc. for a \$42,988,216 grant to the State of California’s Affordable Housing and Sustainability Grant, with a City loan in total not to exceed \$7,000,000 and \$200,000 in activity delivery costs for a grand total of \$7,200,000 and a Capital Facilities Fee Deferral in an amount \$ 967,750 for the development of Seventh Street Village on the properties located on 7th street between J Street and I Street contingent on the successful award of the grant application to the State of California for the Affordable Housing and Sustainable Communities Grant, and forwarding to Council for approval.
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## **PUBLIC SERVICES NOFA FY23-24 OVERVIEW**

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Blanca Ramirez  
Administrative Analyst  
March 9, 2023



## BACKGROUND

- Every year, HUD allocates the City of Modesto CDBG and ESG funding
- Estimated amounts for Fiscal Year 2023-2024:
- Draft NOFA Guidelines with amounts and requirements

CDBG	ESG
\$1,784,411	\$161,451
(15% Public Services) \$267,661.65	\$0



## PROCESS

- Release Notice of Funding Availability
  - Request proposals – solicit program proposals for CDBG and ESG funds
  - Technical Workshop
  - Application period opens
  - City staff conducts risk assessment and technical review
  - Applications with a passing score move on to present their proposal to the Application Review Committee
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## APPLICATION REVIEW COMMITTEE

- The committee consists of combined Stanislaus Community System of Care (SCSOC) and CH&CDC representatives with no conflict of interest.
  - Technical review and scoring results will be presented to the Application Review Committee
  - Committee will have the ability to adjust staff scores up or down by 2 or 5 points depending on the category not to exceed the maximum allowable points after hearing the applicant presentations
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## COMMITTEE ACTIONS – NEXT STEPS

- Request members of the committee to serve on the Application Review Committee.
    - Committee will be in-person (1010 Tenth Street)
  - Presentations will be March 30 – 31, 2023 and will take all day depending on the number of applications received.
    - Presentations will be held in-person
  - Application Review Committee Recommendations will return to the CH&CDC committee for a vote with the Draft Annual Action Plan
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# Questions?





## PERMANENT LOCAL HOUSING ALLOCATION GRANT AWARD (PLHA)

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Leslie Danhoff  
Senior Community Development Specialist  
March 9, 2023



## BACKGROUND

### **State of California Housing and Community Development (HCD)**

- Permanent Local Housing Allocation Program (PLHA) was created in 2017 as part of the California Senate Bill 2(SB2) known as the Building Homes and Jobs Act
    - To encourage development of affordable housing
  - SB2 is funded through \$75 recording fee on real estate transactions.
  - The City is eligible for PLHA as a Federal Entitlement community.
  - Allocation is based on a formula percentage dictated by HCD.
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## REQUIREMENTS

- Housing Element Compliance and Annual Progress Reports must be current and up to date with HCD.
  - Development of a 5-Year Plan (the Plan).
  - Submission and acceptance of the Plan by City Council.
  - The Plan must detail the use of the funding for next 5-years and describe how funding will prioritize investments to increase the supply of affordable housing and how it aligns with the defined Regional Housing Needs Allocation (RHNA) for the City of Modesto.
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## PLHA PROGRAM-GRANT ALLOCATION

### PLHA Grant Allocation

- 5-year grant estimated to be \$5,818,482 (annual allocation will vary).
  - Year one grant allocation is \$969,747
  - Year two grant allocation is \$1,507,287
  - Year three grant allocation is \$1,658,723
  - Program Plan is for 5-years, and can only be amended by a Plan Amendment to be approved by Council.
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## PLHA PROGRAM APPLICATION – 5-YEAR PLAN

Funding Amount	Program
\$3,903,233	<b>Multi-Family Rental Housing Development</b> 301(a)(1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies. Over the course of the 5 years, it is projected that the city will create a minimum of 35 units created with 10 units dedicated to 60% AMI.
\$1,672,814	<b>Permanent Supportive Housing Development</b> 301(a)(6) - Assisting persons who are experiencing or at-risk of homelessness, the new construction, rehabilitation, and preservation of permanent and transitional housing. Over the course of the 5 years, it is projected that the city will create a minimum of 15 units dedicated to 60% AMI.
\$242,435	<b>Program Administration</b>



## PLHA PROGRAM APPLICATION – YEAR 3 PLAN

Funding Amount	Program
\$945,475	<p><b>Multi-Family Rental Housing Development</b></p> <p>301(a)(1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies. Over the course of the 5 years, it is projected that the city will create a minimum of 35 units created with 10 units dedicated to 60% AMI.</p>
\$630,315	<p><b>Permanent Supportive Housing Development</b></p> <p>301(a)(6) - Assisting persons who are experiencing or at-risk of homelessness, the new construction, rehabilitation, and preservation of permanent and transitional housing. Over the course of the 5 years, it is projected that the city will create a minimum of 15 units dedicated to 60% AMI.</p>
\$82,936	<p><b>Program Administration</b></p>



## PLHA ALLOCATION – NEXT STEPS

- This item is to accept the year three award of \$1,658,723.
  - This funding is included in the City of Modesto's open Request for Proposals for Affordable Housing Projects.
  - Projects will be brought back to Committee and Council for allocation to any project.
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Questions?

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## RECOMMENDATION

Motion accepting the City of Modesto's Permanent Local Housing Allocation (PLHA) Program Year three grant award in the amount of \$1,658,723, and forwarding to Council for approval.

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# ENCAMPMENT RESOLUTION FUNDING (ERF) PROGRAM PROPOSAL

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Leslie Danhoff  
Senior Community Development Specialist  
March 9, 2023



# OVERVIEW OF ENCAMPMENT RESOLUTION FUNDING

## Background

- The ERF Program is a 4-year grant program administered by the State of California that includes two rounds of funding to provide grants to address encampments and transition individuals into safe and stable housing.

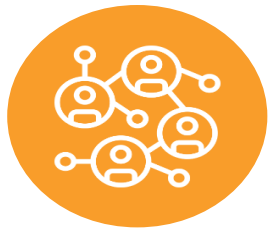
## Eligible Projects

- Proposals provide safe, stable, and permanent housing for people in encampments
  - Prioritize proposals serving people living in encampments on state-rights-of-ways
  - Eligible projects align with the City's Camp2Home Initiative
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## ERF – NOTICE OF FUNDING AVAILABILITY

- The current NOFA is for a remaining \$237,307,738 of ERF-2 funds
- Applications are accepted by Cal ICH on a rolling basis until June 30, 2023, or until funds are exhausted
- Up to \$150 million prioritized for proposals that serve individuals living in encampments on state rights-of-ways



**Outreach**



**Shelter**



**Robust Job  
Training**



**Permanent  
Employment**



**Permanent  
Housing**



## ERF PROPOSAL

- If approved to submit an application, the City's proposal for ERF funding will support the City's Camp2Home initiative in tackling homelessness with three key areas of focus:

- **Street Outreach**
- **Shelter**
- **Housing**



**Outreach**



**Shelter**



**Housing**



## STREET OUTREACH

- Hiring 2 additional team members to the Community Health and Assistance Team (CHAT)
- MPD has confirmed that this grant funding can help supplement engagement on the following priority locations:
  - McHenry Ave., 9th Street, Maze, and Yosemite.
  - Will fill gaps of service on weekends and evenings that are not currently provided by CHAT
- 3-year term at a cost of approximately \$261,034 annually and \$783,104 for the duration of the grant.





## SHELTER – SET-ASIDE BEDS

- Supporting existing shelter operations and improvements including beds set-aside for target populations identified through street outreach.
- Shelters will use the proposed funding to adjust service delivery to better address individuals and improve outcomes and exits to permanent housing.
- Budget of \$3.7 million over the 3-year period, which is anticipated to cover approximately 33% of the annual budget for Access Center Emergency Shelter (ACES)





## ADDITIONAL HOUSING UNITS

- In partnership with Stanislaus Affordable Housing Corporation (STANCO), STANCO will acquire and rehabilitate up to 6 units
- Individuals will occupy units for up-to three years while service providers work with the clients for health care coverage, eligibility for other benefits, housing counselling and preparation for permanent housing.
- Cost of the acquisition and subsidies is approximately \$2,000,000.





## TOTAL GRANT APPLICATION

Expenditure Type	Estimated Amount	Details
Street Outreach (CHAT)	\$783,104	Will fully fund 2 additional outreach specialists and equipment for 3 years
Shelter (ACES)	\$3,760,544	Will cover approx. 33% of the ACES annual budget for 3 years
Housing (STANCO acquisition and management of approx. 6 units)	\$2,000,000	Will fully fund the acquisition of up to 10 units and support subsidies for 3 years
Administration (5%)	\$327,182	Will fund administrative expenses for the 3-year term
<b>Total</b>	<b>\$6,870,830</b>	Total estimated amount



Questions?

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## RECOMMENDATION

Motion approving the City of Modesto's Encampment Resolution Funding Program Application, and authorizing the City Manager, or his designee, to submit the Encampment Resolution Funding (ERF) Program application, and applicable documentation, as required by California Interagency Council on Homelessness (Cal-ICH) and forwarding to Council for approval.

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## SEVENTH STREET VILLAGE

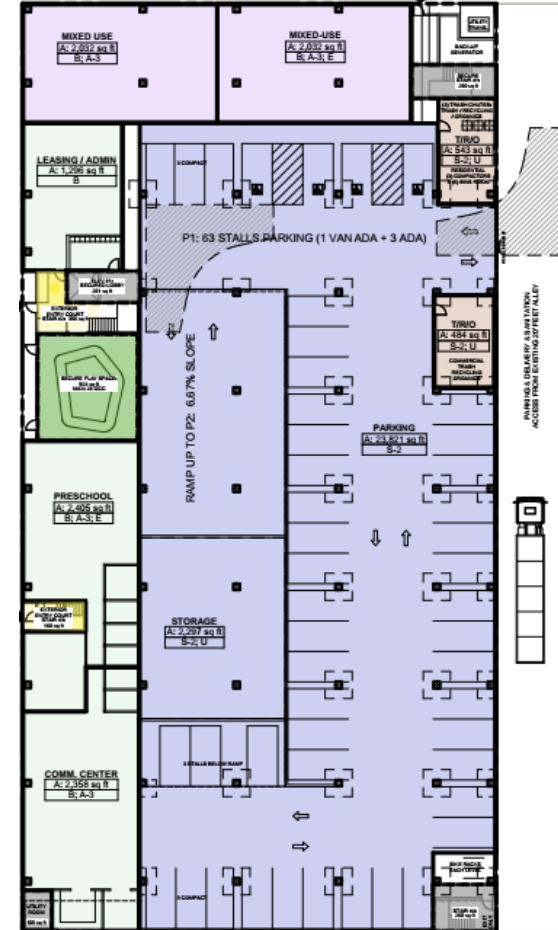
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Heather Jones  
Senior Community Development Specialist  
March 9, 2023



# FUNDING BACKGROUND

- One of the core 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.
- In December 2022, the City released a Notice of Funding Availability (NOFA) to ensure that the City has a pipeline of projects to meet various spending deadlines.





# 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.



## SEVENTH STREET VILLAGE

Tier 1 –Developer: Visionary Home Builders

- Mixed Use development on 7<sup>th</sup> Street
- 79 units of housing mixed with 1,2- and 3-bedroom apartments with first floor commercial.
- Households making 30%-80% of the area median income
- Second floor community area that includes amenities
- Head start program for residents and surrounding area
- Total Project Cost: approx. \$57M
- Request from City \$7M





# PROJECT LOCATION AND DETAILS

**Project Location:** 7<sup>th</sup> and J Street (yellow area)

**Zoning:** Transition Downtown Zone

**Site area:** .88 acres

**Total stories:** 6 stories

**Height:** 72 ft.

**Street and areas of interest:**

Transit Station: .2 miles

625 I Street: .01 miles (across 7<sup>th</sup> street)

Old St Stanislaus: .01 miles (across J Street)

10<sup>th</sup> Street Place: .4 miles

**Parking:**

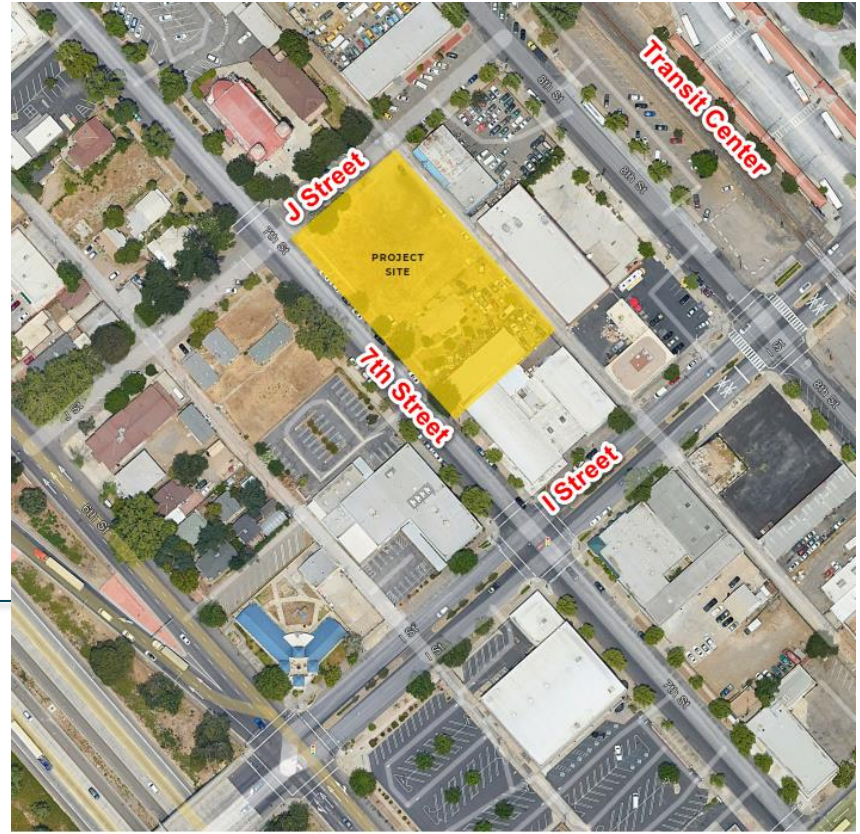
48,000 square ft of parking on the ground and second floors.

ADA Stalls: 8 spaces

Standard Stalls: 105 spaces

Total: 113 spaces

Highway  
99





## SEVENTH STREET VILLAGE – PROJECT DETAILS CONT.

### Floor area:

- Commercial: 5,000 sq. ft.
- Leasing office: 1,700 sq. ft.
- Head start school: 2,300 sq. ft.

### Residential:

- One bedroom: 12 units (700 sf)
- Two bedrooms: 35 units (896 sf)
- Three bedrooms: 32 (1260 sf)
- Each floor is served by an Elevator, and all units will have 1 bath accessible, 1 kitchen accessible, and all rooms served by an accessible route.

### On-Site Amenities:

- Community Center
- Cooling Center
- Computer Lab
- Office Space for Services
- 2 Playgrounds
- Indoor Basketball Court





## AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES GRANT (AHSC)

- Assist project areas by providing grants and/or loans, or any combination that will achieve GHG emissions reductions.
  - Benefit Disadvantaged Communities through increasing accessibility of affordable housing, employment centers, and key destinations via low-carbon transportation
  - Resulting in fewer vehicle miles traveled (VMT) by increasing use to transit, bicycling, or walking.
  - 2023 NOFA: \$750 Million Available
  - Application due to the State of California early April 2023
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## JOINT GRANT APPLICATION – AHSC APPLICATION

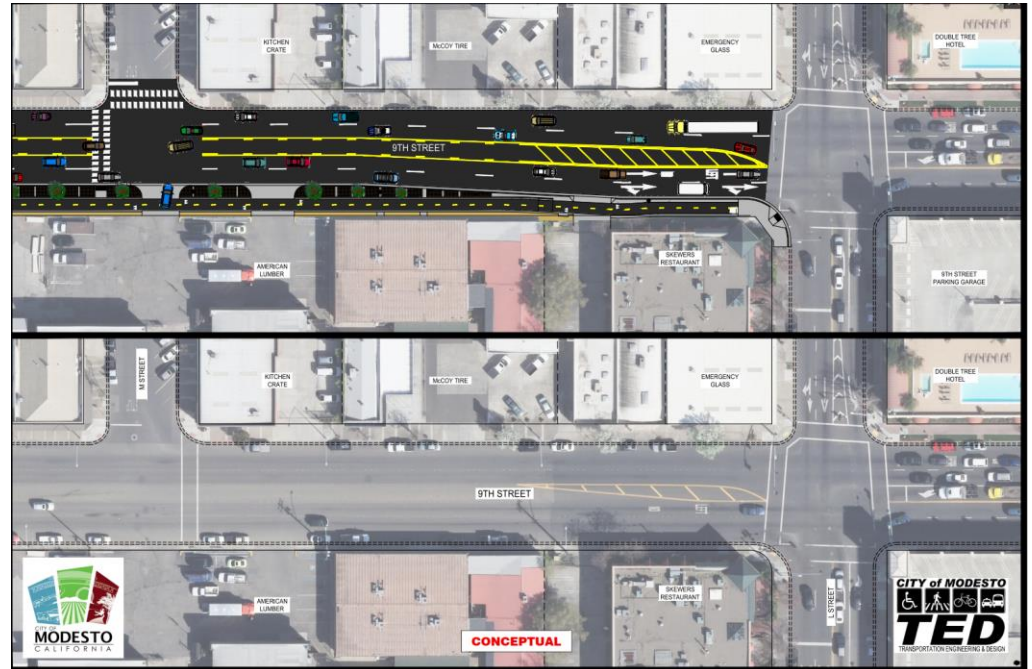
The proximity to the downtown center, Transit Center, and other public transportation makes it a strong application for the AHSC grant from the State of California.

- The City and VHB is seeking to submit a joint application for this project for a total award up to, \$50,000,000 up to \$35,000,000 will be a loan given to VHB and used for construction of Phase I of this development
  - Includes up to \$15,000,000 for Transit related improvements including improvements that enact many items proposed in the Downtown Master Plan
    - Some improvements include transportation related infrastructure improvements along 9th Street connecting to the proposed bike network connecting at L street to I Street in front of the Transit Center and down I Street
    - Various transit related improvements with Modesto Area Express (MAX) route create a more pedestrian friendly routes in and around the Transit Center and retail centers in the area; and the purchase of an Altamont Corridor Express (ACE) engine.
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# BIKE AND PEDESTRIAN IMPROVEMENTS

- This project considers bicycle and pedestrian improvements pm 9<sup>th</sup> Street (from L to I Streets) as shown in the image to the right:
  - Includes improved crosswalks
    - Sidewalks
    - Bike lanes





# DOWNTOWN MASTER PLAN - DEVELOPMENT



## 9th Street Per Downtown Master Plan: L to I Street (1,450')

Figure 3.16 Proposed improvements to 9th Street





## BIKE AND PEDESTRIAN IMPROVEMENTS

- 1-mile of bike lanes connecting to an existing line
- Connect existing 9<sup>th</sup> street bike path to I Street
- Continue bike path along I Street for one-mile in length





## SIDEWALK IMPROVEMENTS

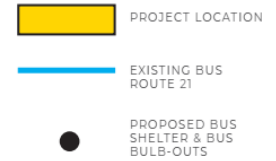
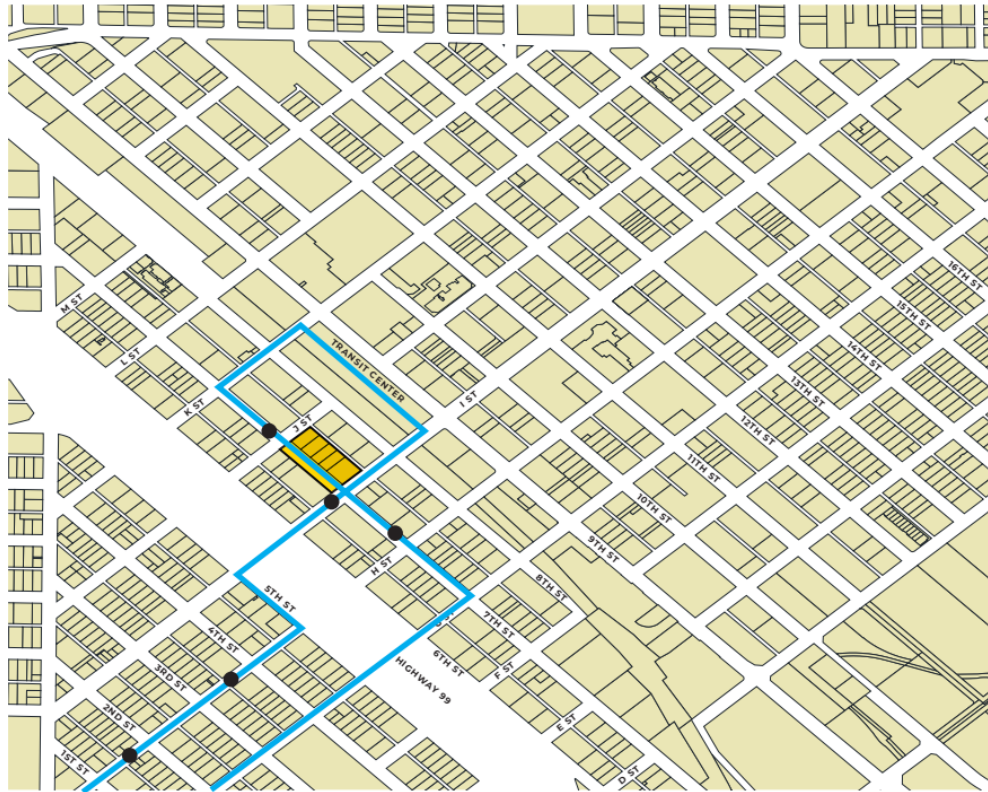
- 2,000 ft of Sidewalk improvements
- Red: existing sidewalk and proposed improvements (1,000 sq feet)
- Purple: proposed improvements (1,000 sq feet)





# TRANSIT IMPROVEMENTS

- 5 Improved bus stops on route 21





## 7<sup>TH</sup> STREET VILLAGE AHSC FUNDING APPLICATION

- 7<sup>th</sup> Street Village project requires approval for Visionary Home Builders to submit a application in partnership with the City.
- Below outlines the AHSC Grant application and the other leveraged sources for this proposed project.

Affordable Housing and Sustainable Communities (AHSC) Grant Application	
AHSC Application Request (Up to)	\$50,000,000
AHSC Seventh Street Village Development (Up to)	\$35,000,000
AHSC Downtown Improvements and Other Transit Improvements (Up to)	\$15,000,000
Transportation Improvements	\$9,000,000
ACE Locomotive	\$6,000,000



## 7<sup>TH</sup> STREET VILLAGE FINANCIAL COMMITMENTS

- In addition to the AHSC application, there is a requirement for the AHSC grant to secure funding from the City.
- Below outlines the staff recommendations for the \$7,000,000 City commitment to this project. Each funding allocation below, can be used by regulation to fund this project.

Sources of Funding	Totals
City of Modesto PLHA Loan	\$1,490,784
City of Modesto CDBG Grant	\$2,000,000
City of Modesto HOME Loan	\$3,509,216
<u>Total Modesto Contribution</u>	<u>\$7,000,000</u>
Leveraged Funding Sources (AHSC, Capital Contributions, Construction Loan, Tax Credits)	49,731,325
<u>Total Project Cost</u>	<u>\$56,735,325</u>



## CFF EXEMPTION AGREEMENT

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Peter Ibrahim  
Infrastructure Financing Program Supervisor  
March 09, 2023



## CFF EXEMPTION APPLICATION

- On February 27, 2023, Visionary Home Builders submitted a CFF Exemption Application for the 7<sup>th</sup> street project
  - CFF Exemption Application complies with the City's CFF Policies and Procedures to foster the development of residential units affordable to Very Low-Income households, as well as certain qualifying residential units affordable to Low-Income households
  - All eligible tenants total household income, at time of move-in, shall not exceed the eighty percent (80%) AMI limit for all units
  - Approving the CFF Exemption will result in an exemption of \$967,750 in Capital Facilities Fees - this is not an impact to the General Fund (79 multi-family units @ \$12,500/dwelling unit)
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## NEXT STEPS

- Council Approval including a Joint Application Agreement and commitment of funds.
  - The Developer will be submitting the AHSC grant in April.
  - If approved, funding agreements will come back for approval
  - The project would be anticipated to start in spring 2024.
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## STAFF RECOMMENDATIONS

- Motion approving a joint submission between the City of Modesto and Visionary Home Builders of California, Inc. in an amount not to exceed \$50,000,000 grant application to the State of California's Affordable Housing and Sustainability Grant for the development of Seventh Street Village on the properties located on 7th street between J Street and I Street as well as any grant required transportation improvements as outlined in the grant application and forwarding to Council for approval
  - Motion awarding a City loan in total not to exceed \$7,000,000 and \$200,000 in activity delivery costs for a grand total of \$7,200,000 for the development of Seventh Street Village on the properties located on 7<sup>th</sup> street between J Street and I Street contingent on the successful award of the grant application to the State of California for the Affordable Housing and Sustainable Communities Grant and forwarding Council for approval.
  - Motion approving a Capital Facilities Fee Deferral in an amount \$967,750 for the development of Seventh Street Village on the properties located on 7<sup>th</sup> street between J Street and I Street contingent on the successful award of the grant application to the State of California for the Affordable Housing and Sustainable Communities Grant and forwarding Council for approval.
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Questions?

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