

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Planning and Community Development *Ar*

BOARD AGENDA # D-1

Urgent  Routine

AGENDA DATE June 30, 2009

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval for Submission of a Neighborhood Stabilization Program 2 (NSP2) Application to Housing and Urban Development (HUD) for Funding in an Amount Not to Exceed \$40 Million to Assist with Stabilizing Neighborhoods Whose Viability Has Been and Continues to Be Damaged by the Economic Effects of Properties That Have Been Foreclosed Upon and Abandoned

STAFF RECOMMENDATIONS:

1. Initiate a 10-day public comment period regarding the Neighborhood Stabilization Program 2 (NSP2) competitive grant application to end July 10, 2009.
2. Authorize staff to forward the NSP2 grant application in the amount of \$40 million to Housing and Urban Development (HUD) at the conclusion of the 10-day public comment period.
3. Authorize the Chief Executive Officer to sign the Application for Federal Assistance SF-424 (Attachment 1), the Applicant/Recipient Disclosure/Update Report (Attachment 2), and the NSP2 Certifications (Attachment 3).

(Continued on Page 2)

FISCAL IMPACT:

United States Housing and Urban Development's (HUD) Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 (NSP2) under the American Recovery and Reinvestment Act, 2009 is a component of the Community Development Block Grant Program (CDBG) and allows eligible Consortiums that collectively have capacity and experience, an opportunity to competitively compete for NSP2 funding to carry out neighborhood stabilization.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2009-459

On motion of Supervisor Chiesa Seconded by Supervisor Monteith  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval for Submission of a Neighborhood Stabilization Program 2 (NSP2) Application to Housing and Urban Development (HUD) for Funding in an Amount Not to Exceed \$40 Million to Assist with Stabilizing Neighborhoods Whose Viability Has Been and Continues to Be Damaged by the Economic Effects of Properties That Have Been Foreclosed Upon and Abandoned

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**STAFF RECOMMENDATIONS: (Continued)**

4. Authorize the Chairman of the Board of Supervisors to sign the NSP2 Application Agreements (Attachment 4).
5. If awarded, authorize the Auditor-Controller to establish a new Special Revenue Fund for the Neighborhood Stabilization Program 2 (NSP2).
6. If awarded, authorize the Auditor-Controller to establish estimated revenues and appropriations in an amount not to exceed the grant amount.
7. If awarded, authorize the Director of Planning and Community Development to execute the related NSP2 program implementation agreements and contracts with the Housing Authority of The County of Stanislaus, Stanislaus County Assistance Project (SCAP), and related partner City Consortia Agreements, in an amount not to exceed the grant amount.

**FISCAL IMPACT: (Continued)**

The County, as part of a Community Development Block Grant (CDBG) consortium that includes the cities of Ceres, Newman, Oakdale, Patterson, Waterford, and the unincorporated areas of Stanislaus County, is seeking an NSP2 grant in an amount not to exceed \$40 million. If awarded, NSP2 funds will be allocated among the Consortium members via a formula that represents poverty and population census data. NSP2 requires no local fund match and will have no impact on the County's General Fund.

**DISCUSSION:**

Under the American Recovery and Reinvestment Act funds of 2009 (Recovery Act), Congress appropriated additional neighborhood stabilization funds to help communities offset the negative effects of the ongoing foreclosure crisis. These funds are referred to as the Neighborhood Stabilization Program 2 (NSP2). NSP2 is a component of the Community Development Block Grant (CDBG) program and allows eligible Consortiums that collectively have capacity and experience, an opportunity to competitively apply for up to \$1.92 billion of NSP2 funds to carry out neighborhood stabilization.

NSP2 eligible uses are: establish financing mechanisms for purchase and redevelopment of foreclosed-upon homes and residential properties; purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties; establish land

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banks for homes and residential properties that have been foreclosed upon; demolish blighted, foreclosed, vacant structures; redevelop demolished or vacant properties as housing.

Stanislaus County acting as lead agency of the CDBG Consortium will be submitting an application for NPS2 funding in an amount not to exceed \$40 million to facilitate the acquisition, rehabilitation, and demolition of foreclosed-upon and abandoned homes within identified target areas. Funds will also be utilized to expand down payment assistance and to improve energy efficiencies of acquired and rehabilitated homes. Remaining funds will be utilized for administration and activity delivery costs associated with the program. The following is a breakdown of the how the funds will be distributed for NSP2 eligible activities within the Consortium allocations:

Energy Efficiencies	33.55%
Unit Rehabilitation	17.175%
Unit Acquisition	14.275%
Down Payment Assistance	15%
Unit Demolition	10%
Administration/ Activity Delivery	10%

The Stanislaus County CDBG Consortium consists of the Cities of Ceres, Newman, Oakdale, Patterson, Waterford, and the unincorporated areas of Stanislaus County. NSP2 funds will be allocated among the Consortium members via a formula that represents poverty and population census data. The following is a breakdown of how the grant award amount will be allocated within the Consortium:

Stanislaus County	52%
City of Patterson	13%
City of Ceres	11%
City of Waterford	9%
City of Newman	8%
City of Oakdale	7%

The program will be carried out in the areas of the Consortium which have been most negatively affected by an increase in foreclosed, abandoned and blighted homes. The

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HUD calculated “foreclosure” risk scores and “vacancy” risk scores of the target areas qualify these locations as areas of greatest need:

Eligible Target Areas
Area I– Empire
Area II– Keyes
Area III– Salida
Area IV– Airport Neighborhood
Area V– Shackelford/Butte-Glenn-Imperial
Area VI- Weed & Seed/Modesto Pockets
Area VII- City of Ceres
Area VIII- City of Newman
Area IX- City of Oakdale
Area X- City of Patterson
Area XI- City of Waterford
Area XII- Stanislaus-Ceres Redevelopment Commission Area (SCRC)
Area XIII- Burbank-Chicago
Area XIV- Denair

The eligible target areas are a mix of recently built subdivisions where an abundance of non-conventional mortgages and overvaluation has brought about a cyclical foreclosure crisis; and older, long neglected neighborhoods that have been pushed into further decline by declining home values and the ongoing recession.

The program being proposed by the Consortium has a goal of returning 180 currently vacant, bank owned residential properties back to productive, occupied housing units. The Consortium’s program will consist of the following six different activity categories:

**Activity #1: Administration/Activity Delivery.** No more than 10% of the awarded funds will be used by the Consortium to administer the program. Consortium staff will monitor, provide oversight of contractors and other partners, continually communicate program design, progress, opportunities and results, and respond to complaints and inquiries from local citizens and other interested parties. Internal audit functions are in place and will be utilized to monitor fiscal activities. The internal auditor will be identified in all consortia agreements.

**Activity #2: Acquisition.** The acquisition process consists of: identification of properties within program target areas, inspection of properties by program staff, assessment of property rehabilitation or reconstruction costs, appraisal of property, and negotiate and work with banks to acquire property.

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The Consortia will partner with the Stanislaus County Housing Authority (H.A.) to implement the acquisition, rehabilitation, demolition, and energy efficiency retrofits of eligible vacant foreclosed units. The H.A. has a qualified team made up of an appraiser, attorney, and team negotiator/manager. This team will negotiate with banks that possess foreclosure portfolios, as well as realtors that possess available foreclosures.

**Activity #3: Demolition.** Up to and no more than 10% of the awarded funds will be used for demolition. Properties that are acquired by the Consortium that are vacant and blighted and whose rehabilitation will cost more than 75% of the unit's worth will be demolished. Demolition contractors will be instructed to use deconstruction techniques and all recyclable materials are to be recycled. Also, all reusable materials will be reused or donated. All demolished housing units will be reconstructed.

**Activity #4: Down Payment Assistance.** The Consortium will use 15% of its awarded funds as down payment assistance for first time homebuyers. Up to 20% down payment assistance loans will be provided to eligible first time home buyers.

**Activity #5: Rehabilitation.** Properties that are acquired by the Consortium will be rehabilitated as necessary. All properties acquired will meet HUD's Housing Quality Standards and California Building Code regulations for life-safety issues, such as egress and fire separation, before they are made available to NSP2 applicants. Licensed contractors will conduct rehabilitation work.

**Activity #6: Energy Efficiencies.** NSP2 has the objective of conserving the Nation's scarce energy resources, improving energy efficiency and the provision of alternative and renewable energy sources of supply. The proposed program will take a complete and total approach when addressing energy efficiency and green building. The Modesto Irrigation District will be conducting home energy audits of housing units to ensure that units achieve the maximum energy efficiency possible. The program will incorporate energy efficiency standards into all rehabilitations and new constructions.

No less than 25% of the funds will be used for the purchase and redevelopment of abandoned and foreclosed-upon homes and residential properties for housing individuals and families whose income does not exceed 50% of the area median income. The Consortium will be contracting with Stanislaus Community Assistance Project (SCAP) to provide housing for underserved special needs populations. These populations include: persons with mental health issues, chronic and/or terminal diseases, and prison re-entry candidates. An affordability covenant will be used to ensure that the housing units remain affordable for a 55 year period.

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Promotion of this Consortium program will be conducted via public notices in the local newspapers, advertising of programs on the Stanislaus County Planning & Community Development and individual Consortium city websites, and distribution of program literature. Moreover, Consortium staff will regularly attend established community meetings such as Municipal Advisory Committee (MAC) meetings, Continuum of Care meetings, community workshop presentations, and conduct presentations and/or distribution of program literature at various school districts throughout Stanislaus County.

As part of the NSP2 application, HUD is requiring applicants to provide no fewer than 10 calendar days for citizen comment. Specifically, applicants must, at least 10 days prior to application submission to HUD, post and publish information on (1) the amount of money, (2) uses of funds, and (3) in which target geography, it plans to address in its NSP2. With their NSP2 application package, applicants must include a summary of citizen comments received during the comment period. The Board of Supervisors is being requested to initiate a 10-day public comment period to end July 10, 2009. The deadline to submit the NSP2 application is July 13, 2009. At the discretion of the Planning Director, significant public comments will be addressed in the NSP2 application and provided to the Board of Supervisors.

#### **STAFFING IMPACT:**

The Department of Planning and Community Development will administer this program for the Consortium with a goal of expending all funds within 24 months. The Department anticipates using existing staff to administer and oversee this and other HUD programs. All staff costs will be borne by the various programs and there will be no net cost to the County General Fund.

#### **POLICY ISSUES:**

This program directly reflects the following priorities of the Board of Supervisors:

1. A safe community
2. A healthy community
3. Effective partnerships
4. Efficient delivery of public services
5. A well planned infrastructure

The programs and projects are consistent with the goals and objectives of the Stanislaus County Consolidated Plan, the Stanislaus County General Plan, specifically the Housing Element, the Stanislaus County Redevelopment Implementation Plan and the comparable plans of the cities of Ceres, Newman, Oakdale, Patterson, and

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Waterford. The programs and projects also serve as the chief means to implement those goals, objectives, and plans.

**ATTACHMENTS:**

1. Application for Federal Assistance SF-424 Form
2. Applicant/Recipient Disclosure/Update Report
3. Certifications for Neighborhood Stabilization Program 2 (NSP2)
4. NSP2 Consortia Application Agreements
5. NSP2 CDBG Consortium Grant Application

**Application for Federal Assistance SF-424**

Version 02

**\* 1. Type of Submission:**

- Preapplication
- Application
- Changed/Corrected Application

**\* 2. Type of Application:**

- New
- Continuation
- Revision

**\* If Revision, select appropriate letter(s):**

**\* Other (Specify)**

Neighborhood Stabilization Program 2

**\* 3. Date Received:**

**4. Applicant Identifier:**

B-02-UC-06-0010 (New One Pending)

**5a. Federal Entity Identifier:**

**\* 5b. Federal Award Identifier:**

N/A

**State Use Only:**

**6. Date Received by State:**

N/A

**7. State Application Identifier:**

N/A

**8. APPLICANT INFORMATION:**

**\* a. Legal Name:**

STANISLAUS COUNTY PLANNING AND COMMUNITY DEVELOPMENT

**\* b. Employer/Taxpayer Identification Number (EIN/TIN):**

94-6000540

**\* c. Organizational DUNS:**

073136772

**d. Address:**

**\* Street1:**

1010 10TH STREET, SUITE 3400

**Street2:**

**\* City:**

MODESTO

**County:**

STANISLAUS

**\* State:**

CALIFORNIA

**Province:**

**\* Country:**

USA: UNITED STATES

**\* Zip / Postal Code:**

95354

**e. Organizational Unit:**

**Department Name:**

PLANNING AND COMMUNITY DEVELOPMENT

**Division Name:**

CDBG

**f. Name and contact information of person to be contacted on matters involving this application:**

**Prefix:**

MR

**\* First Name:**

AARON

**Middle Name:**

**\* Last Name:**

FARNON

**Suffix:**

**Title:**

COMMUNITY DEVELOPMENT MANAGER

**Organizational Affiliation:**

STAFF MANAGER

**\* Telephone Number:**

209-525-5923

**Fax Number:**

209-525-5911

**\* Email:**

farnona@stancounty.com

**Application for Federal Assistance SF-424**

Version 02

**9. Type of Applicant 1: Select Applicant Type:**

B. COUNTY GOVERNMENT

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

HOUSING AND URBAN DEVELOPMENT

**11. Catalog of Federal Domestic Assistance Number:**

NEW ONE PENDING

CFDA Title:

CDBG -- NEIGHBORHOOD STABILIZATION PROGRAM 2

**\* 12. Funding Opportunity Number:**

NEW ONE PENDING

\* Title:

**13. Competition Identification Number:**

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Stanislaus County Unincorporated Areas, and the Cities of Ceres, Newman, Oakdale, Patterson, and Waterford

**\* 15. Descriptive Title of Applicant's Project:**

Neighborhood Stabilization Program 2 (NSP2) Application to Housing and Urban Development (HUD) for Funding in an Amount Not to Exceed \$40 Million to Assist with Stabilizing Neighborhoods Whose Viability Has Been and Continues to Be Damaged by the Economic Effects of Properties That Have Been Foreclosed Upon and Abandoned

Attach supporting documents as specified in agency instructions.

**Application for Federal Assistance SF-424**

Version 02

**16. Congressional Districts Of:**

\* a. Applicant CA-018;CA-017

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

- \* a. Federal \$40,000,000
- \* b. Applicant
- \* c. State
- \* d. Local
- \* e. Other
- \* f. Program Income
- \* g. TOTAL \$40,000,000

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

- Yes
- No

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:

# Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing  
and Urban Development

OMB Approval No. 2510-0011 (exp. 8/31/2009)

**Instructions.** (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

## Applicant/Recipient Information

Indicate whether this is an Initial Report  or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): Stanislaus County Planning and Community Development, 1010 10th Street, Suite 3400, Modesto, CA 95434, (209)525-6330 c/o Aaron Farnon, Community Development	2. Social Security Number or Employer ID Number:
3. HUD Program Name Neighborhood Stabilization Program 2	4. Amount of HUD Assistance Requested/Received \$40,000,000.00
5. State the name and location (street address, City and State) of the project or activity: Stanislaus County Planning and Community Development, 1010 10th Street, Suite 3400, Modesto, CA 95354	

## Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No.
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If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

## Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds
HUD/CA/600 Harrison St., San Francisco	NSP1	\$9,744,482.00	foreclosure purchase, etc
HUD/CA/600 Harrison St., San Francisco	HPRP	\$1,023,163.00	homeless prev/rapid rehous

(Note: Use Additional pages if necessary.)

## Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)
Housing Authority of Stanislaus County - P.O.Box 581918 Modesto CA 95358		Activity Delivery-NSP	2.8% \$90,385.00
Housing Authority of Stanislaus County same address		Activity Del. CDBG-R	2.8% \$16,862.19
William Fagan, Executive Director			

(Note: Use Additional pages if necessary.)

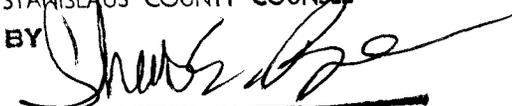
## Certification

**Warning:** If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: x 	Date: (mm/dd/yyyy) 06/18/2009
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APPROVED AS TO FORM:  
STANISLAUS COUNTY COUNSEL

BY 

U.S. Department of Housing and Urban Development  
Form 2880

Applicant /Recipient Disclosure/Update Report (continued)

**Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds**

<u>Department/State/Local Agency Name Address</u>	<u>Type of Assistance</u>	<u>Amt Requested</u>	<u>Expected Use of Funds</u>
HUD/CA/600 Harrison St., San Francisco	CDBG-R	\$669,134.00	modernize and improve energy Efficiency and expanded Educational opportunities within the housing industry
HUD/CA/600 Harrison St., San Francisco	CDBG ESG	\$2,491,699.00 109,694.00	Provide decent housing Provide a suitable living environment Expand economic opportunities

**Certifications**  
**Neighborhood Stabilization Program 2**

**State and Unit of Local Government Certifications**

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

1. Affirmatively furthering fair housing. The applicant certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
2. Anti-displacement and relocation plan. The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
3. Anti-lobbying. The applicant must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
4. Authority of applicant. The applicant certifies that it possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
5. Acquisition and relocation. The applicant certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP2 program published by HUD.
6. Section 3. The applicant certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
7. Citizen participation. The applicant certifies that it is carrying out citizen participation in accordance with NSP2 requirements.
8. Use of funds. The jurisdiction certifies that it will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008, as modified by the American Reinvestment and Recovery Act by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
9. The applicant certifies:
  - a. that all of the NSP2 funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
  - b. The applicant will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

10. Excessive force. The applicant, if an applicable governmental entity, certifies that it has adopted and is enforcing:
  - a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
  - b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
11. Compliance with anti-discrimination laws. The applicant certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.
12. Compliance with lead-based paint procedures. The applicant certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
13. Compliance with laws. The applicant certifies that it will comply with applicable laws.

  
Signature/Authorized Official

6/30/09  
Date

Richard W. Robinson  
Name

Chief Executive Officer  
Title

1010 10<sup>th</sup> Street  
Address

Modesto, CA 95354  
City/State,/,Zip

Modesto, CA 95354  
City/Sate/Zip

(209) 525-6333  
Telephone Number

## **NSP2 AGREEMENT**

This Application Agreement (“Agreement”) is made by and between the County of Stanislaus (the “County”) and the Cities of Ceres, Newman, Oakdale, Patterson and Waterford (the “City” individually or “Cities” collectively) on July 1<sup>st</sup>, 2009.

### Introduction

A. Stanislaus County will apply for an NSP2 grant under the Community Development Block Grant (“CDBG”) program for FY 2009-2010 in the amount of **\$40,000,000** as an “Urban County” as set forth under Title I of the Housing and Community Development Act of 1974, and Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended by the Housing and Community Development Act of 1992; and

B. The parties desire that NSP2 funds received by the County as a “Consortium” be shared equitably among the parties.

1. The County shall also receive an amount not to exceed ten percent of the total FY 2009-2010 NSP2 funds for eligible related administrative services, which amount shall be set aside prior to any allocation of funds to the County and Cities.

2. The County and Cities must cooperatively carry out the NSP2 program.

3. The Cities must authorize the County to act in a representative capacity for all Cities within the Consortium as the lead member and must assume overall responsibility for ensuring that the Consortium’s NSP2 program is carried out in compliance with all NSP2 requirements.

4. Each party has the responsibility to ensure its activities comply with the grant program. No party, or any of its officers or employees, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by any other party under or in connection with any work delegated to that party under this Agreement. The parties further agree, pursuant to Government Code section 895.4, that each party shall fully indemnify and hold harmless every other party and its agents, officers, employees and contractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any work delegated to or action taken or omitted to be taken by such party under this Agreement.

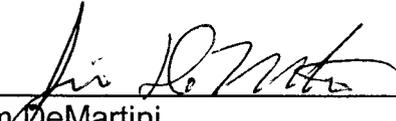
5. The Consortium must agree to execute the NSP2 agreement no later than December 1, 2009.

6. This Agreement may be signed in counterparts and shall bind each signatory to the Agreement.

IN WITNESS WHEREOF, the parties have executed the above instrument on the day and year first hereinabove written.

– Signatures on following pages –

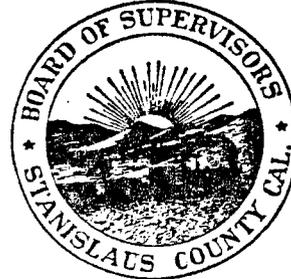
**COUNTY OF STANISLAUS**

By   
Jim DeMartini  
Chairman of the Board of Supervisors

JUN 3 0 2009

\_\_\_\_\_  
Dated

ATTEST: Christine Ferraro-Tallman  
Clerk of the Board of Supervisors  
of the County of Stanislaus, State of California

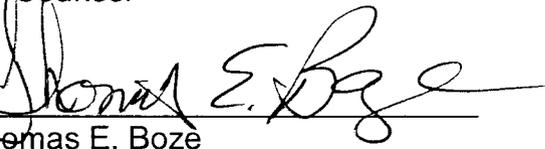


By   
Deputy Clerk

APPROVED AS TO CONTENT:  
Kirk Ford, Director  
Planning and Community Development Department

By   
Angela Freitas  
Deputy Director

APPROVED AS TO FORM:  
John P. Doering  
County Counsel

By   
Thomas E. Boze  
Deputy County Counsel

**CITY OF CERES**

By \_\_\_\_\_  
Anthony Cannella  
Mayor

\_\_\_\_\_ Dated

ATTEST:

By \_\_\_\_\_  
Cindy Heidorn  
City Clerk

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Brad Kilger  
City Manager

APPROVED AS TO FORM:

By \_\_\_\_\_  
Mike Lyons  
City Attorney

**CITY OF NEWMAN**

By \_\_\_\_\_  
Ed Katen  
Mayor

Dated \_\_\_\_\_

**ATTEST:**

By \_\_\_\_\_  
Mike Maier  
Deputy City Clerk

**APPROVED AS TO CONTENT:**

By \_\_\_\_\_  
Michael E. Holland  
City Manager

**APPROVED AS TO FORM:**

By \_\_\_\_\_  
Tom Hallinan  
City Attorney

**CITY OF OAKDALE**

By \_\_\_\_\_  
Farrell Jackson  
Mayor

\_\_\_\_\_ Dated

ATTEST:

By \_\_\_\_\_  
Nancy Lily  
City Clerk

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Steve Hallam  
City Manager

APPROVED AS TO FORM:

By \_\_\_\_\_  
Tom Hallinan  
City Attorney

**CITY OF PATTERSON**

By \_\_\_\_\_  
Becky Campo  
Mayor

\_\_\_\_\_ Dated

ATTEST:

By \_\_\_\_\_  
Maricela Vela  
City Clerk

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
M. Cleve Morris  
City Manager

APPROVED AS TO FORM:

By \_\_\_\_\_  
George Logan  
City Attorney

**CITY OF WATERFORD**

By \_\_\_\_\_  
Charlie Goeken  
Mayor

\_\_\_\_\_ Dated

**ATTEST:**

By \_\_\_\_\_  
Lori Martin  
City Clerk

**APPROVED AS TO CONTENT:**

By \_\_\_\_\_  
Chuck Deschenes  
City Manager

**APPROVED AS TO FORM:**

By \_\_\_\_\_  
Corbett Browning  
City Attorney

**Neighborhood Stabilization Program 2 (under the American Recovery and Reinvestment Act, 2009)**

**Rating Factor 1: Need/Extent of the Problem (40 Points)**

*a. Target Geography (10 points – threshold factor)*

The NSP 2 program will be carried out in the areas of Stanislaus County which have been most negatively affected by an increase in foreclosed, abandoned and blighted homes. The HUD calculated “foreclosure” risk scores and “vacancy” risk scores of the target areas qualify these areas as areas of need. These areas are:

<b>Area</b>	<b>Census Tract</b>	<b>Foreclosure Risk</b>	<b>Vacancy Risk</b>	<b>Maximum Score</b>
<b>Area I – Empire</b>	0020.02	20	20	20
<b>Area II – Keyes</b>	0030.02	20	15	20
	0029.01	19	13	19
<b>Area III – Salida</b>	0005.07	20	14	20
<b>Area IV– Airport Neighborhood</b>	0021.00	20	20	20
<b>Area V– Shackelford/Butte-Glenn-Imperial</b>	0023.01	20	18	20
	0024.00	20	17	20
<b>Area VI - Weed &amp; Seed/Modesto Pockets</b>	0022.00	20	18	20
<b>Area VII - City of Ceres</b>	0025.01	20	14	20
	0025.02	20	15	20
	0026.02	20	13	20
	0026.03	20	13	20
	0030.01	20	13	20
<b>Area VIII - City of Newman</b>	0035.00	20	18	20
<b>Area IX - City of Oakdale</b>	0001.02	19	15	19
	0002.02	19	16	19
	0002.03	20	14	20
<b>Area X - City of Patterson</b>	0032.02	20	14	20
<b>Area XI - City of Waterford</b>	0028.01	20	16	20
	0029.01	19	13	19
<b>Area XII - SCRC</b>	0023.02	20	17	20
	0027.02	20	16	20
<b>Area XIII - Burbank-Chicago</b>	0016.03	20	18	20
	0016.01	20	19	20
<b>Area XIV - Denair</b>	0036.04	20	17	20
<b>Average</b>		<b>19.92</b>	<b>17.08</b>	<b>19.84</b>

These areas have all been drastically affected by home foreclosures. While home sales have increased throughout Stanislaus County, the number of foreclosures continues at a high rate each month. According to Trulia.com (a web site that provides real estate information and data), there were 1,558 home sales between March and May of 2009. During that time there was 3,975 homes in the pre-foreclosure, pre-auction or bank owned stage of foreclosure. This calculates out to seven (7) months worth of inventory, not taking into consideration the inventory of non-foreclosed homes. According to DQNews.com (a web site that provides real estate news and data), there were 3,119 notices of default issued in the first quarter of 2009, which is only a 2.3% decrease from the first quarter of 2008. Market indicators show the foreclosure rate for Stanislaus County does not seem to be lessening at a significant rate. With interest rates rising nearly three quarters (.75) of a percent in May and June of 2009, the absorption rate for Stanislaus County will most likely decrease.

Stanislaus County has long lagged behind the State of California and the Nation as a whole in regards to providing a balance between the social and economic needs of the residents within the community. In Stanislaus County, this lag is a significant contributing factor to the community's current foreclosure crisis. As home prices lagged behind the home prices of job centers in the Bay Area of California, many of their renters began purchasing homes in Stanislaus County and the rest of the Central Valley. This increased the home values in Stanislaus County. As a response to the increase in home values, adjustable rate mortgages and other non-conventional methods of home financing became prevalent. The resetting of these non-conventional mortgages created the initial wave of foreclosures in Stanislaus County. Also, the increase in unemployment contributed to an increase in foreclosures and a subsequent decline in home values.

The majority of the target areas have unemployment rates well above the local, state and national averages. Target area I, Empire, had an unemployment rate of 32.1% for April 2009. Target area II, Keyes, had a rate of 27.0%. Target area XII, Stanislaus/Ceres Redevelopment Commission (SCRC) Area, also known as Bystrom Census Designated Place had an unemployment rate of 35.5%. Stanislaus County as a whole had an unemployment rate of 16.8% for April 2009. In comparison, the unemployment rate for the State of California was 10.9% and the national unemployment rate was 8.6% for April 2009. This information was obtained from the labor market information website of the California Employment Development Department. The URL for the website is: <http://www.labormarketinfo.edd.ca.gov/?PAGEID=1006>.

b. Market Conditions and Demand Factors (30 points)

According to a 2003 American Community Survey Profile developed by the U.S. Census Bureau, 35% of Stanislaus County homeowners and 43% of the renters had a housing cost burden. These numbers have likely increased due to the meteoric

rise in home values and the subsequent drop in values which coincided with the ongoing recession.

Overvaluation of housing has also contributed to the increase in foreclosures in the target areas. The median sales price for a home in Stanislaus County reached a peak of \$396,000 in December of 2005 and has since fallen to \$104,066 in May of 2009. This 73% drop in home value has resulted in many homeowners walking away from upside down mortgages. As home values continue to drop, foreclosures will continue.

The reasoning behind the selection of the target areas and specific programmatic approach is that the target areas have the appropriate mix of foreclosure challenges that allow for both prevention and renovation related activities. The proposed plan targets areas with recently built subdivisions that are in a state of decline, as well as areas with older, often long neglected homes that have been pushed further into decline by the foreclosure crisis.

The areas with recently built subdivisions are some of the hardest hit due to the overvaluation of home values. The foreclosure crisis resulted in a sharp decline in home values which added a substantial number of foreclosures and abandoned homes. Vacant and often vandalized homes have further increased the rate of devaluation seen by homeowners that still remain in these areas. The plan proposes to utilize an expanded down payment assistance program through the addition of NSP2 funds that will assist qualified first time homebuyers that wish to purchase their first home. Their entrance into these target areas will encourage further investment in the communities where there is a better mix of homeowners and renters. Studies have shown that homeowners tend to invest more financially and socially in the communities in which they live, to a much greater extent than non-homeowners. This increased community investment will contribute to the arrest of declining home values in the short term and position the community for revitalization in the long term.

The target areas within Stanislaus County are hardest hit by the foreclosure crisis based upon the methodology provided by HUD. These areas have a long history of social, economic and educational deficiencies that contribute to the decline and instability of the target geography. The foreclosure crisis has furthered this decline. As mentioned above, many of the target areas have unemployment rates above 25%. The Shackelford/Butte-Glenn-Imperial area, SCRC, Empire, Keyes and West Modesto all had median family incomes below 70% of the national median income and less than 80% of the Stanislaus County median income according to the 2000 census. The median age of homes in these areas was over 33 years according to the 2000 census. The 2007-2008 educational dropout rates for Stanislaus County were 22.7% compared to a statewide dropout rate of 20.1%. The national dropout rate in 2006 (the latest year for which statistics are available) was 9.3%. The unemployment rate, which is intertwined with the dropout rate, and the crime rate in

these areas, has resulted in the vast majority of foreclosed and abandoned homes being vandalized. In response to the problems that persist in these areas, the program approach has been designed to slow further decline and in the long term increase stability and promotes growth in these areas. In these areas, we will be focusing our activities on down payment assistance, reconstruction and demolition.

**Rating Factor 2: Demonstrated Capacity of the Applicant and Relevant Organizational Staff (40 Points)**

*a. Past Experience of the Applicant (30 points)*

**Provide examples of recent experience (within the last 24 months) managing neighborhood stabilization activities similar to the ones covered under this notice. Examples should include a discussion of tasks undertaken, actual results achieved, and specific skills and resources applied to each task. Describe concisely your experience in the specific activity categories identified above (refers to NSP activities) most likely to achieve neighborhood stabilization in the target geography, including experience with, as applicable:**

From 1991 to the present, the Stanislaus County Department of Planning and Community Development have successfully implemented Housing Programs using Community Development Block Grant (CDBG), HOME Investment Partnership Program, and Redevelopment Housing Set Aside funds.

Stanislaus County Planning and Community Development Department staff has managed the programs during the entire period and is expected to continue the administration of these programs. Program staff has a wide range of experience overseeing and monitoring these programs to ensure statutory and regulatory requirements are being met and that information submitted to the County is accurate and complete. As program administrators, Stanislaus County staff conducts planning of programs and projects through written contacts, public meetings, and meetings with Consortium staff and service providers.

The Stanislaus County Consortium consists of the Stanislaus County unincorporated areas and the cities of Ceres, Newman, Oakdale, Patterson, and Waterford. Collectively, consortium staff has extensive knowledge and experience in administering NSP2 related activity including the following:

*City, County, and Regional Planning:*

In order to address many of the regional planning needs Stanislaus County and their partnering cities work together in areas related to housing, transportation, regional government process improvement, the non-motorized transportation plan, regional housing needs, and regional job access. Reference materials for Regional Planning for the Consortia can be found at <http://www.stancog.org/>.

Rehabilitation of Housing:

Within the past twenty-four months, Stanislaus County has completed a total of twenty seven (27) down payment assistance loans to eligible low-and-moderate-income first time home buyers and ninety eight (98) health and safety related housing rehabilitation projects. Rehabilitation projects range from reconstruction of housing units, to health and safety related improvements.

Acquisition and Disposition of Foreclosed Real Estate:

The Stanislaus County Consortium was allocated approximately \$9.7 million in Neighborhood Stabilization Program (NSP1) funds under the Housing and Economic Recovery Act of 2008 to acquire and dispose of foreclosed real estate. Consortium staff has established the necessary capacity to carry out its NSP1 to meet the required timelines and statutory requirements of the program. Staff is currently working on acquiring NSP1 foreclosed properties to demolish, reconstruct, and rehabilitate as needed to ultimately make available to eligible low-to-moderate-income families. It is expected that the Stanislaus County Consortium will have acquired a minimum of 180 foreclosed real estate units within an 18 month period, under the NSP1 program.

Redevelopment of Vacant Property:

Stanislaus County continuously partners with organizations such as Habitat for Humanity to purchase and redevelop vacant real estate property. Within the past 24 months, Stanislaus County has acquired eight (8) vacant properties in the Airport Neighborhood of Modesto, CA. Stanislaus County contracts with Habitat for Humanity to rehabilitate the housing units or demolish and reconstruct the units. Additionally, three (3) vacant well sites have been acquired by Stanislaus County to assist with water related health and safety concerns.

Marketing & Management of Waiting Lists:

Marketing of Consortium programs is conducted via public notices in the local newspapers, advertising of programs on the Stanislaus County Planning & Community Development and individual Consortium city websites, and distribution of program literature. Moreover, Consortium staff regularly attends established community meetings such as Municipal Advisory Committee (MAC) meetings, Continuum of Care meetings, community workshop presentations, and presentations and/or distribution of program literature at various school districts throughout Stanislaus County.

Program waitlists related to their respective programs are maintained by individual Consortium city staff, Stanislaus County Staff, Housing Authority of the County of Stanislaus, and Habitat for Humanity.

Accessing Operating & Investment Capital:

Within the past twenty-four (24) months, Stanislaus County has been successful in accessing over \$1.3 million in state funds, over \$9 million in local Redevelopment

Agency funding, and over \$5 million in federal CDBG funding. The Stanislaus County Consortium has also been allocated a total of \$9,744,482 in Neighborhood Stabilization Program funds under the Housing and Economic Recovery Act of 2008. Combined, Stanislaus County has administered over \$25 million for programs that have contributed to the redevelopment and neighborhood stabilization of Stanislaus County communities in the past twenty-four (24) months.

Working Productively With Other Organizations:

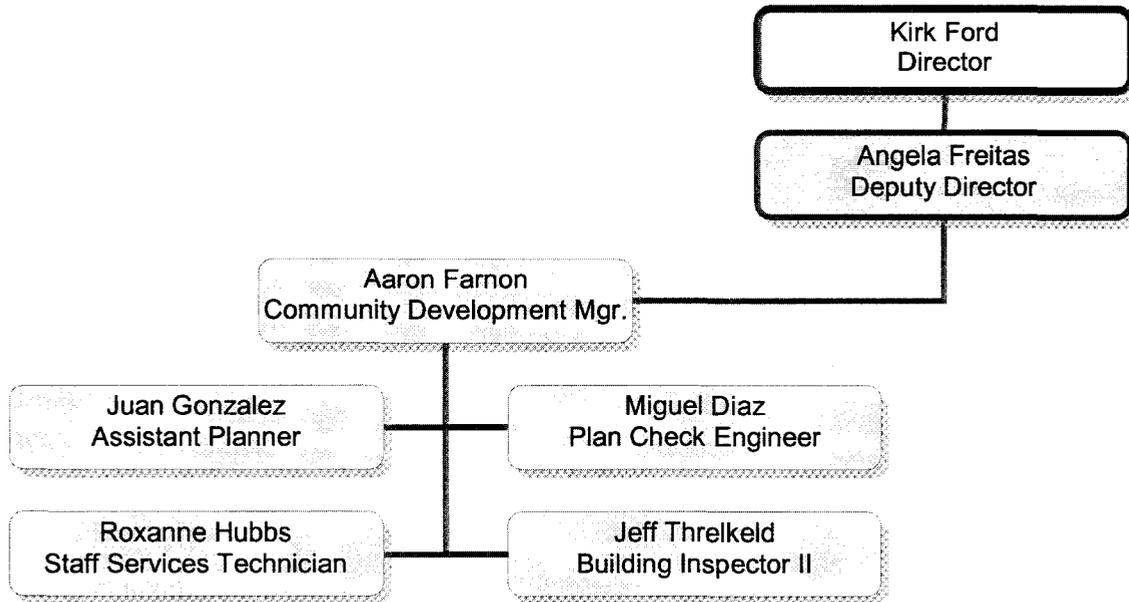
Stanislaus County Planning and Community Development Department has established effective partnerships with other agencies and organizations in order to implement its programs in an effective and efficient manner. The County is the lead agency of the CDBG Consortium which consists of the Cities of Ceres, Newman, Oakdale, Patterson, and Waterford. The collaboration among the County and Cities has resulted in the improvement of program outcomes. Stanislaus County staff collaborates with Consortium staff to ensure project timelines and deadlines are met including compliance with the CDBG 1.5% timeliness threshold.

Stanislaus County has also established productive relationships with non-profit public service providers through the implementation of the CDBG Public Service Grant Program. Through the Public Service Grant Program, the Stanislaus County Consortium annually provides CDBG grants to an average of twenty (20) non-profit organizations. Funded programs include homeless services, food assistance, shelter for homeless children, and services to the senior population. Furthermore, Stanislaus County Planning and Community Development Department has become a member in several important local and regional collaboratives such as the Stanislaus Housing and Support Services Collaborative (Continuum of Care), Paradise South Weed and Seed, Children and Families Commission, Services to Older Adults Advisory Council, and the Northern California Housing Counseling Network. It is important that Stanislaus County continues its involvement through such partnerships in order to play an active role in the effort to improve the quality of life of its community.

**b. Management Structure (10 points)**

Staffing – Full-Time Employees:

The lead agency for the NSP2 program will be the Stanislaus County Planning and Community Development Department. The Community Development Division of the Department will directly administer the program. The Community Development Division management team consists of Kirk Ford-Department Director, Angela Freitas-Deputy Director, Aaron Farnon-Community Development Manager, Juan Gonzalez-Assistant Planner, Miguel Diaz-Plan Check Engineer, Jeff Threlkeld-Building Inspector II, and Roxanne Hubbs-Staff Services Technician. The organizational chart below illustrates the Community Development Division's management structure:



The Stanislaus County Community Development Division has staff with over 10 years of experience working with HUD programs and over 23 years in the housing industry, in general. Following is a brief description of each individual's background and specific roles and responsibilities for the day-to-day management of proposed activities:

Planning and Community Development- Director

Kirk Ford has more than 14 years of experience in the public sector and over 15 years experience in the private sector. He will oversee program development and provide direction to the Management team as they work with the NSP program.

Planning and Community Development – Deputy Director

Angela Freitas has more than 10 years of experience in the public sector. She will provide support and direction to the Community Development Manager as the program is developed and implemented.

Planning and Community Development – Community Development Manager-

Aaron Farnon has more than 10 years of housing and community development experience. This experience includes administering and managing HUD funds. He will oversee the Neighborhood Stabilization Program and will coordinate the duties of the other team members, negotiate contracts, and ensure compliance of all HUD regulations. He manages the divisions' Down Payment Assistance Program. He has 10 years of environmental experience and will provide technical assistance and review of all related environmental documents. His experience includes program implementation and oversight of rehabilitation, acquisition, and demolition oriented programs.

#### Planning and Community Development – Assistant Planner

Juan Gonzalez has more than 5 years of experience implementing HUD funded programs and working with non-profit organizations and the Housing Authority of Stanislaus County. He holds Nan McKay program related certifications (including Section 8 Eligibility and Rent Calculation), provides staff support for the County's Down Payment Assistance Program. He will assist with program outreach and marketing of the program to residents of Stanislaus County's unincorporated target areas. He will ensure financing, loan documentation, and proformas that meet the guidelines of this program. He will also coordinate with the CD Manager to ensure underwriting of the DPA loans are completed correctly. All accounts payable and receivable will be reviewed prior to processing taking place. His experience includes housing rehabilitation oversight and implementation. He will also conduct the report process and interact with residents to ensure program guidelines are clarified as needed. Juan will review Request for Funds to ensure their propriety and proper allocation of expenditures to the NSP contract budget take place. His duties will include assisting prospective first time home buyers with down payment assistance applications and screen applicants for eligibility. This will include screening files to ensure credit reviews, HUD certified homebuyer counseling and income verifications are completed correctly.

#### Planning and Community Development – Plan Check Engineer

Miguel Diaz has over 5 years of experience in the housing industry including project management and design experience, along with experience preparing various environmental review reports for federal, state, and local agencies, 10 years of residential drafting and design experience, 2 years residential and commercial plan check experience; he is also an ICC Plan Examiner. He will monitor the contracting agencies to ensure all regulations are followed and that time lines and discount purchase percentages are met or exceeded. He can draft plans for rehabilitation and reconstruction related projects. He will coordinate with the Housing Authority to ensure that the projects stay on task. He will prepare environmental statutory worksheets and other NEPA related documentation. Duties also include REO listing research and scheduling of HQS and code inspection for prospective NSP units.

#### Planning and Community Development- Building Inspector II

Jeff Threlkeld has over 9 years of experience in the housing industry including 6 years in the construction field, and 9 years as a building inspector. He is a certified plumbing inspector; ICC certified building inspector and plans inspector. He will oversee unit inspections to ensure Housing Quality Standards and local code/health and safety criteria are met, as well as to ensure fair housing and ADA-related criteria are met as required by NSP. This includes providing inspection services to establish levels of needed rehabilitation and making recommendations to the housing rehabilitation loan committee. He will review files to ensure the bid process to select contractors is done correctly and to ensure title searches and appraisals are completed in a timely manner.

Planning and Community Development – Staff Services Technician

Roxanne Hubbs has over 5 years of experience in the community development field. Under the direction of the Staff Services Coordinator (Marianne Rucker) she will be monitoring funding expenditures and ensure proper financial regulation is followed. Accounts payable and receivable will be processed once reviewed by the Assistant Planner and approved by the CD Manager. Duties include review of Housing Authority prepared newspaper advertisements, articles, posters, and radio notices related to the NSP program.

Consortium city staff will also play an active role in the implementation of the NSP2 program. City staff will assist in the administration of their respective share of NSP2 funds. Following is a brief description of each individual's background and specific roles and responsibilities for the day-to-day management of proposed activities:

*City of Ceres*

Redevelopment & Economic Development Manager

Bryan Briggs has over 10 years of experience in the housing, community development, redevelopment, and economic development fields. Mr. Briggs will oversee the City of Ceres' component to the Neighborhood Stabilization Program 2, playing an active role in the collaboration of parties involved and in the selection of foreclosed housing units to be acquired by the City.

*City of Newman*

Assistant Planner

Stephanie Ocasio has over 3 years experience in the housing, code enforcement, community development, land use planning, redevelopment and economic development fields. Ms. Ocasio will oversee the City of Newman's component to the Neighborhood Stabilization Program 2, playing an active role in the collaboration of parties involved and in the selection of foreclosed housing units to be acquired by the City.

*City of Oakdale*

Housing Services and Redevelopment Coordinator

Lourdes Barragan has over 15 years of experience working in the public sector in different local government settings implementing CDBG, HOME, and State funded housing and community development programs aimed to serve low and moderate income households. Ms. Barragan has 7 years of experience working as a loan consultant with lending institutions teaching mortgage financing and producing purchase and refinance loans. Ms Barragan will oversee the City of Oakdale's component to the Neighborhood Stabilization Program 2, playing an active role in the collaboration of parties involved and in the selection of foreclosed housing units to be acquired by the City.

*City of Patterson*

Assistant Planner / Housing Program Coordinator

Teresa Salas has approximately 3 years of experience working within the housing, community development, redevelopment, and land use planning fields. Ms. Salas will oversee the City of Patterson's component to the Neighborhood Stabilization Program 2, playing an active role in the collaboration of parties involved and in the selection of foreclosed housing units to be acquired by the City.

*City of Waterford*

City Administrator

Chuck Deschenes has over 10 years of experience in the housing, community development, redevelopment, and economic development fields. Mr. Deschenes will oversee the City of Ceres' component to the Neighborhood Stabilization Program 2, playing an active role in the collaboration of parties involved and in the selection of foreclosed housing units to be acquired by the City.

**REFERENCES:**

Bill Fagan  
Executive Director  
Housing Authority County of Stanislaus  
1701 Robertson Road  
Modesto, CA 95358  
(209) 557-2015  
[bill@stancoha.org](mailto:bill@stancoha.org)

Anita Hellam  
Executive Director  
Habitat for Humanity Stanislaus County  
630 Kearney Avenue  
Modesto, CA 95350  
(209) 575-4585  
[ahellam@stanislaus.habitat.org](mailto:ahellam@stanislaus.habitat.org)

**Rating Factor 3: Soundness of Approach (45 Points)**

**a. Proposed Activities (15 points)**

- Our goals for the funding to target and reconnect neighborhoods are as follows:
- To implement a program that will revitalize targeted neighborhoods and (re)connect those neighborhoods with the economy;
  - Revitalize the Housing market;
  - Create social network connections within the community as a whole;
  - Rapidly arrest decline within the housing market through the acquisition;
  - Energy efficiency retrofits of acquired units;
  - Provide affordable housing to first time home buyers and long term renters (25% of units must serve those at or below the 50% area median income (AMI));
  - Ensure a 45-55 year affordability covenant on all units;
  - Create jobs through retraining displaced workers to install energy efficiency retrofits;
  - Partner with Stanislaus Council of Governments (StanCOG) and local transit authorities to ensure a link to transit oriented unit purchase placement;
  - Utilize NSP2 funds to leverage local and state funding opportunities;

This program is intended to directly provide decent housing and suitable living environment to the low-to moderate income residents within our communities through a multifaceted approach. This approach will arrest further economic decline within the targeted areas. These areas include the highest number and percentage foreclosed upon homes. This program will also encourage the conservation of the Nation’s scarce energy resources through the installation of improved energy efficiencies and renewable energy sources. This application for funds will be on behalf of a “unit of general local government”.

**1. Amount of Funding**

The funding request must be of sufficient size to contribute toward significant and measurable neighborhood stabilization. In order to meet this requirement, the grant application must be for no less than \$5 Million and must have the effect of either returning a minimum of 100 foreclosed units back to productive use to mitigate their negative effects on the stability of the targeted areas.

Activity #1:	Administration/Activity Delivery (10%): \$4 Million
Activity #2:	Acquisition (24 CFR 570.206) – (14.275%): \$5.71 Million
Activity #3:	Demolition (24 CFR 570.201(a)) - (10%): \$4 Million
Activity #4:	Down Payment Assistance (24 CFR 570.206) - (15%): \$6 Million
Activity #5:	Rehabilitation (24 CFR 570.202) (17.175%): \$6.87 Million
Activity #6:	Energy Efficiencies (24 CFR 570.202) (33.55%): \$13.42 Million
TOTAL:	(100%) \$40 Million

**Icons on the following maps represent eligible census tract areas.**

## Project Area I: Empire

### Census Tract: 0020.02

Area I: Bounded by A Street to the west, Summit Way/Northland Drive to the north, Carson Avenue/N. Abbie Street to the east, and South Avenue to the south.



View Target Geographies Edit Profile Logout

#### TRACT SELECTION

Save

Target Geography Name

Census Tract	Foreclosure Score	Vacancy Score	Max Score
X 0020.02	20	20	20
Average Max Score			20

Qualified

The "foreclosure" risk score is based on rank census tracts by two measures: (i) percent of foreclosure problems and (ii) number of foreclosure problems. Each tract receives the higher rank (from 1 to 20) from those two rankings.

The "vacancy" risk score is based on an algorithm that combines 90-day vacancy rates with foreclosure problem rates and then ranks census tracts from 1 to 20 on this estimate. For more information on how these estimates were developed, see the [methodology](#).

The MSD tool displays the average risk score for selected

## Project Area II: Keys

### Census Tract: 0030.02, 0029.01

Area II: Generally bounded by Rhode Road/7<sup>th</sup> Street to the west, Anna Avenue to the north, S. Washington Road to the east, and Nunes Road to the south.



View Target Geographies Edit Profile Logout

#### TRACT SELECTION

Save

Target Geography Name

Census Tract	Foreclosure Score	Vacancy Score	Max Score
X 0030.02	20	15	20
X 0029.01	15	13	15
Average Max Score			19.5

Qualified

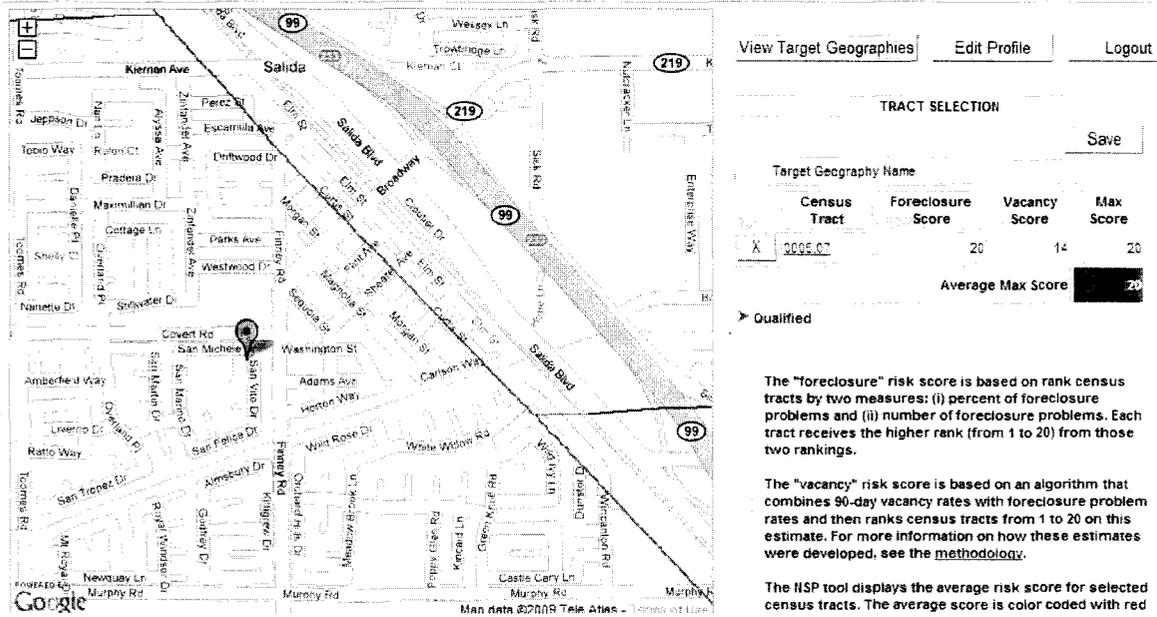
The "foreclosure" risk score is based on rank census tracts by two measures: (i) percent of foreclosure problems and (ii) number of foreclosure problems. Each tract receives the higher rank (from 1 to 20) from those two rankings.

The "vacancy" risk score is based on an algorithm that combines 90-day vacancy rates with foreclosure problem rates and then ranks census tracts from 1 to 20 on this estimate. For more information on how these estimates were developed, see the [methodology](#).

## Project Area III: Salida

### Census Tract: 0005.07

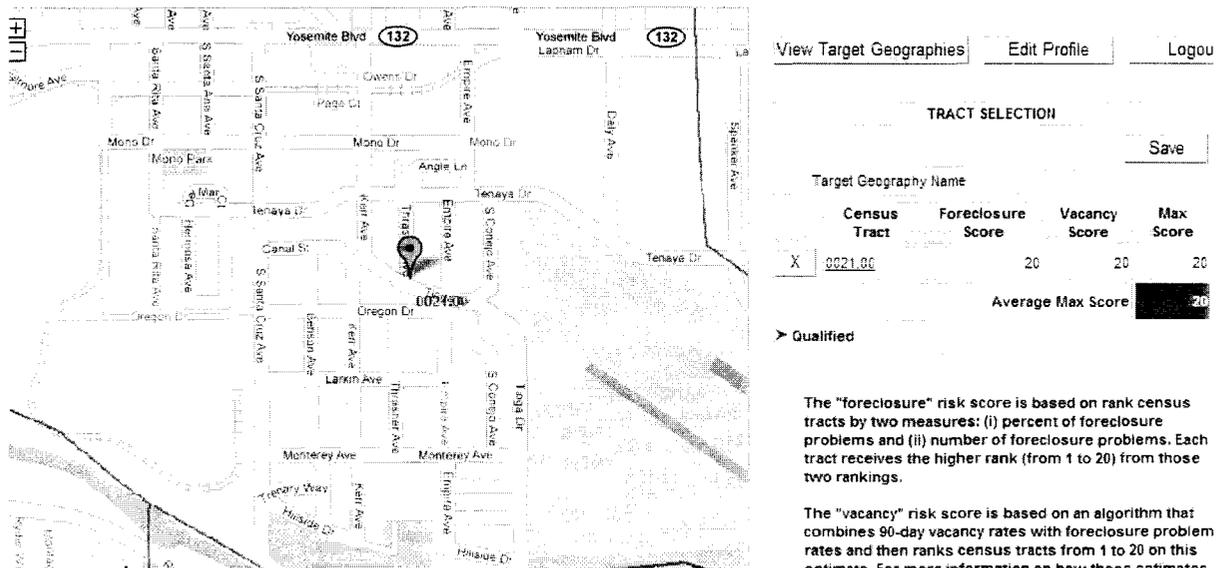
**Area III:** Generally bounded by Toomes Avenue to the west, Kiernan Avenue to the north, Elm Street to the east, and White Willow Road to the south.



## Project Area IV: Airport Neighborhood:

### Census Tract: 0021.00

**Area IV:** Generally bounded by Santa Rita Avenue to the west, Hide Street to the north, S. Conejo Avenue to the east, and Oregon Drive to the south.



## Project Area V: Shackelford/Butte-Glenn-Imperial:

### Census Tract: 0023.01, 0024.00

**Area V:** The first portion of Area V is generally bounded by Crows Landing Road to the west, Pecos Avenue to the north, Main Street to the east, and Rio Grande Avenue to the south. Portion two is generally bounded by Tuscon Avenue to the west, Crater Avenue to the north, Crows Landing Road to the east, and W. Whitmore Avenue to the south.



View Target Geographies Edit Profile Logout

#### TRACT SELECTION

Save

Target Geography Name

	Census Tract	Foreclosure Score	Vacancy Score	Max Score
X	0023.01	20	18	20
X	0024.00	20	17	20
Average Max Score				20

> Qualified

The "foreclosure" risk score is based on rank census tracts by two measures: (i) percent of foreclosure problems and (ii) number of foreclosure problems. Each tract receives the higher rank (from 1 to 20) from those two rankings.

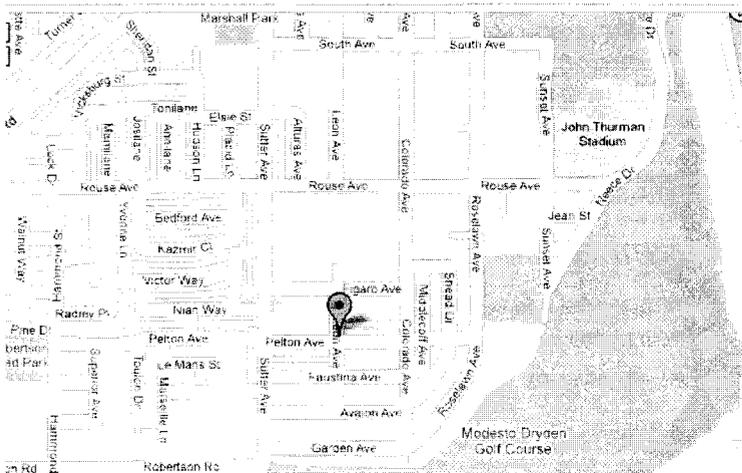
The "vacancy" risk score is based on an algorithm that combines 90-day vacancy rates with foreclosure problem rates and then ranks census tracts from 1 to 20 on this estimate. For more information on how these estimates were developed, see the [methodology](#).

The NSP tool displays the average risk score for selected

## Project Area VI: Weed & Seed/Modesto Pockets:

### Census Tract: 0022.00

**Area VI:** Generally bounded by Sutter Avenue to the west, South Avenue to the north, Roselawn Avenue to the east, and Avalon Avenue to the south.



View Target Geographies Edit Profile Logout

#### TRACT SELECTION

Save

Target Geography Name

	Census Tract	Foreclosure Score	Vacancy Score	Max Score
X	0022.00	20	18	20
Average Max Score				20

Qualified

The "foreclosure" risk score is based on rank census tracts by two measures: (i) percent of foreclosure problems and (ii) number of foreclosure problems. Each tract receives the higher rank (from 1 to 20) from those

### Project Area VII: City of Ceres:

**Census Tract: 0025.01, 0025.02, 0026.02, 0026.03, 0030.01**

**Area VII:** Generally bounded by Crows Landing Road to the west, (E.)Hatch Rd. to the north, Faith Home Rd. to the east, and E. Service Road to the south.

Login

TRACT SELECTION

Save

Target Geography Name

Census Tract	Foreclosure Score	Vacancy Score	Max Score
X 0030.01	20	13	20
X 0025.01	20	14	20
X 0025.02	20	15	20
X 0026.02	20	13	20
Average Max Score			20

> Qualified

### Project Area VIII: City of Newman:

**Census Tract: 0035.00**

**Area VIII:** Generally bounded by Hardin Road to the west, Jensen Rd. to the north, Faith Hills Ferry Rd. to the east, and Great Basin Dr. to the south.

Login

TRACT SELECTION

Save

Target Geography Name

Census Tract	Foreclosure Score	Vacancy Score	Max Score
X 0035.00	20	18	20
Average Max Score			20

> Qualified

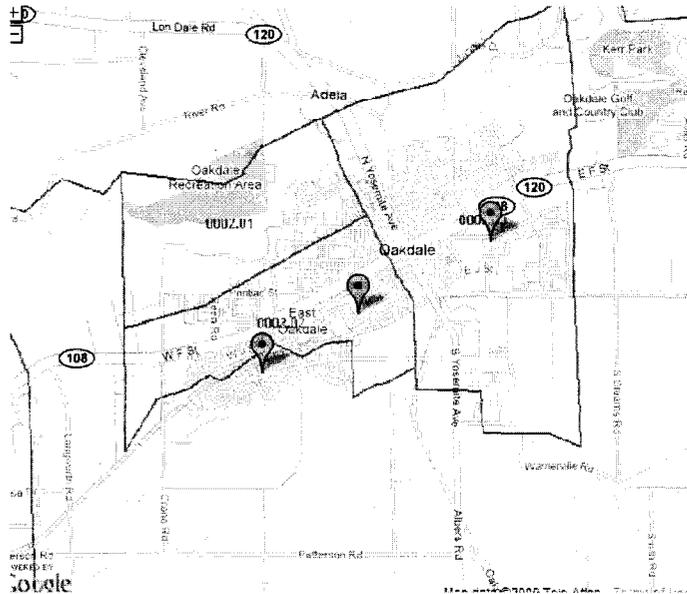
The "foreclosure" risk score is based on rank census tracts by two measures: (i) percent of foreclosure problems and (ii) number of foreclosure problems. Each tract receives the higher rank (from 1 to 20) from those two rankings.

The "vacancy" risk score is based on an algorithm that combines 90-day vacancy rates with foreclosure problem rates and

## Project Area IX: City of Oakdale:

### Census Tract: 0001.02, 0002.02, 0002.03

**Area IX:** Generally bounded by Crane Rd. to the west, River Bluff Dr. to the north, Orsi Rd. to the east, and Stetson Dr. to the south



Login

TRACT SELECTION

Save

Target Geography Name

Census Tract	Foreclosure Score	Vacancy Score	Max Score
X 0002.02	19	16	15
X 0002.01	20	14	20
X 0001.02	19	15	19
Average Max Score			<b>19.33</b>

> Qualified

The "foreclosure" risk score is based on rank census tracts by two measures: (i) percent of foreclosure problems and (ii) number of foreclosure problems. Each tract receives the higher rank (from 1 to 20) from those two rankings.

The "vacancy" risk score is based on an algorithm that combines 90-day vacancy rates with foreclosure problem rates and

## Project Area X: City of Patterson:

### Census Tract: 0032.02

**Area X:** Generally bounded by Baldwin Rd. to the East, Bear Hollow Dr. to the North, Highway 33 to the East and Fountain Grass Dr. to the South.



Login

TRACT SELECTION

Save

Target Geography Name

Census Tract	Foreclosure Score	Vacancy Score	Max Score
X 0032.02	20	14	20
Average Max Score			<b>20</b>

> Qualified

The "foreclosure" risk score is based on rank census tracts by two measures: (i) percent of foreclosure problems and (ii) number of foreclosure problems. Each tract receives the higher rank (from 1 to 20) from those two rankings.

The "vacancy" risk score is based on an algorithm that combines 90-day vacancy rates with foreclosure problem rates and then ranks census tracts from 1 to 20 on this estimate. For more information on how these estimates were developed, see the methodology.

## Project Area XI: City of Waterford:

### Census Tract: 0028.01, 0029.01

Area XI: Generally bounded by S. Reinway Avenue to the west, Quicksilver Street to the north, Bentley Street to the east, and River Side Rd. to the south.



Login

TRACT SELECTION

Save

Target Geography Name

Census Tract	Foreclosure Score	Vacancy Score	Max Score
X 0028.01	20	16	20
X 0029.01	19	13	19
Average Max Score			<b>19.5</b>

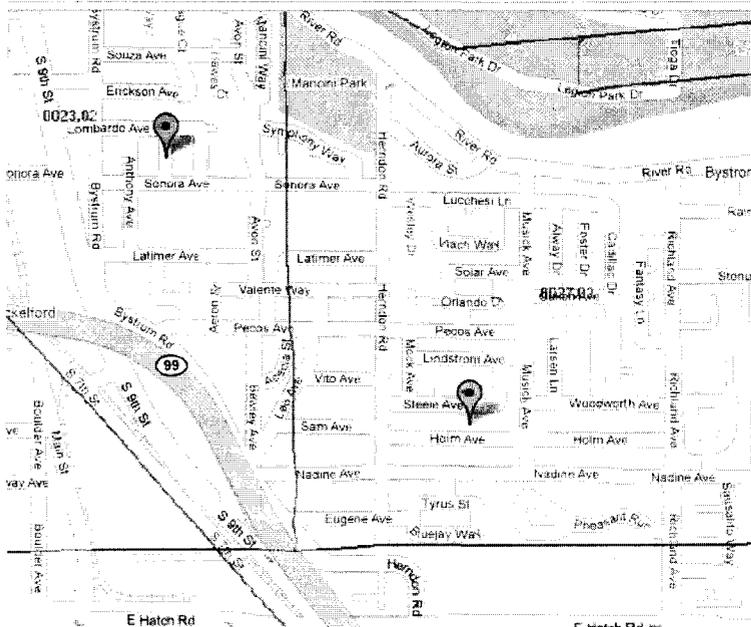
Qualified

The "foreclosure" risk score is based on rank census tracts by two measures: (i) percent of foreclosure problems and (ii) number of foreclosure problems. Each tract receives the higher rank (from 1 to 20) from those two rankings.

## Project Area XII: SCRC:

### Census Tract: 0023.02, 0027.02

Area XII: Generally bounded by S. 7<sup>th</sup> Street to the west, River Rd. to the north, Richland Ave. to the east, and Hatch Rd. to the south.



Login

TRACT SELECTION

Save

Target Geography Name

Census Tract	Foreclosure Score	Vacancy Score	Max Score
X 0027.02	20	16	20
X 0023.02	20	17	20
Average Max Score			<b>20</b>

Qualified

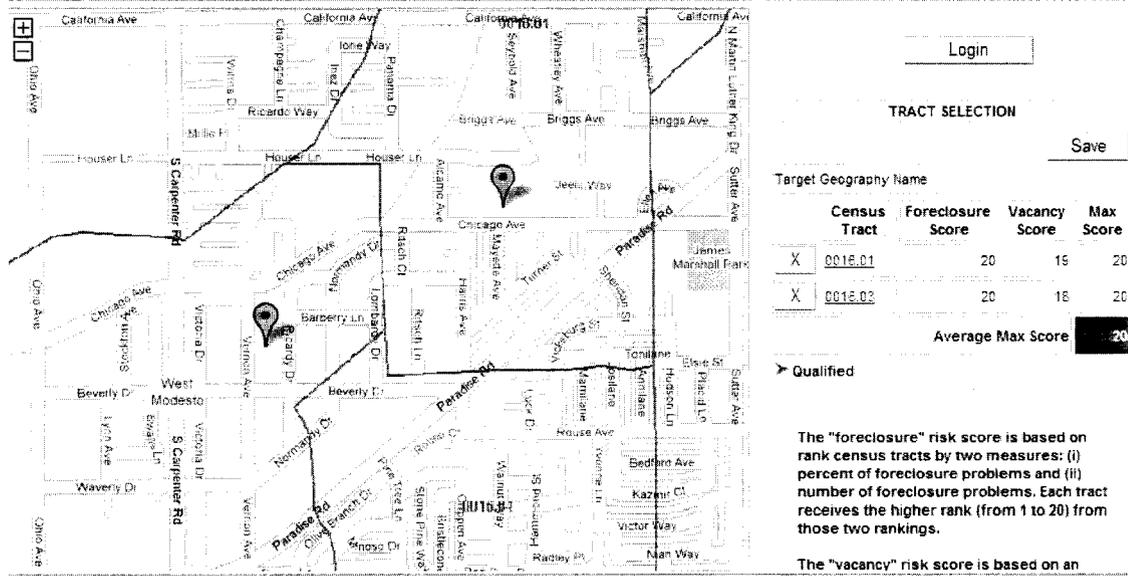
The "foreclosure" risk score is based on rank census tracts by two measures: (i) percent of foreclosure problems and (ii) number of foreclosure problems. Each tract receives the higher rank (from 1 to 20) from those two rankings.

The "vacancy" risk score is based on an algorithm that combines 90-day vacancy

## Project Area XIII: Burbank-Chicago:

### Census Tract: 0016.01, 0016.03

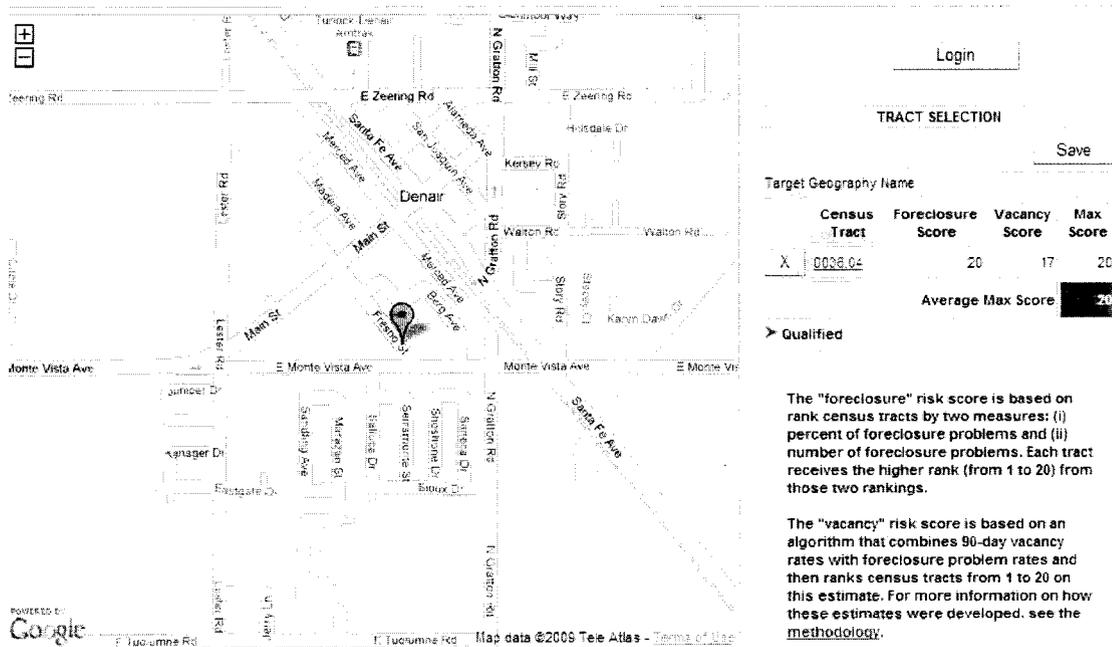
Area XIII: Generally bounded by Ohio Ave. to the west, California Ave. to the north, Spencer Ave. to the east, and Paradise Rd. to the south.



## Project Area XIV: Denair:

### Census Tract: 0036.04

Area XIV: Generally bounded by Jeffrey Ct. to the west, Chalmer Way to the north, Riopel Ave. to the east, and E. Tuolumne Rd. to the south.



**b. Project Completion Schedule (5 points)**

<b>Target Zone</b>	<b>Total Units</b>	<b>Jan-10</b>	<b>Feb-10</b>	<b>Mar-10</b>	<b>Apr-10</b>	<b>May-10</b>	<b>Jun-10</b>
I - Empire (Stanislaus Co.)	6				1		
II - Keyes (Stanislaus Co.)	10	1		1			1
III - Salida (Stanislaus Co.)	12	1		1	1	1	
IV - Airport (Stanislaus Co.)	4					1	
V - Shackelford (Stan. Co.)	12	1		1		1	
VI - Weed & Seed (Stan. Co.)	4				1		
VII - City of Ceres	21		1	1	1	1	1
VIII - City of Newman	19	1	1	1	1	1	
IX - City of Oakdale	15		1	1	1	1	
X - City of Patterson	32	1	1	2	2	2	1
XI - City of Waterford	21		1	1	1	1	1
XII - SCRC (Stan. Co.)	5					1	
XIII - Burbank/Chicago (Stan. Co.)	5					1	
XIV - Denair (Stan. Co.)	14		1		1	1	1
<b>Target Zone</b>	<b>Jul-10</b>	<b>Aug-10</b>	<b>Sep-10</b>	<b>Oct-10</b>	<b>Nov-10</b>	<b>Dec-10</b>	<b>Jan-11</b>
I - Empire (Stanislaus Co.)		1				1	
II - Keyes (Stanislaus Co.)			1			1	
III - Salida (Stanislaus Co.)	1			1		1	
IV - Airport (Stanislaus Co.)					1		
V - Shackelford (Stan. Co.)	1		1		1		1
VI - Weed & Seed (Stan. Co.)				1			
VII - City of Ceres	1	1	1	1	1	1	1
VIII - City of Newman	1	1	1	1	1	1	1
IX - City of Oakdale		1	1	1	1	1	1
X - City of Patterson	1	1	2	2	2	2	2
XI - City of Waterford	1	1	1	1	1	1	1
XII - SCRC (Stanislaus Co.)			1				
XIII - Burbank/Chicago (Stan. Co.)			1				
XIV - Denair (Stan. Co.)		1		1	1	1	
<b>Target Zone</b>	<b>Feb-11</b>	<b>Mar-11</b>	<b>Apr-11</b>	<b>May-11</b>	<b>Jun-11</b>	<b>Jul-11</b>	<b>Aug-11</b>
I - Empire (Stanislaus Co.)			1				1
II - Keyes (Stanislaus Co.)	1		1		1		1
III - Salida (Stanislaus Co.)	1		1			1	
IV - Airport (Stanislaus Co.)				1			
V - Shackelford (Stan. Co.)		1		1		1	
VI - Weed & Seed (Stan. Co.)		1					1
VII - City of Ceres	1	1	1	1	1	1	1
VIII - City of Newman	1		1	1		1	1
IX - City of Oakdale		1		1			1
X - City of Patterson	2	2	1	1	1	1	
XI - City of Waterford	1	1	1	1	1		1
XII - SCRC (Stan. Co.)	1					1	
XIII - Burbank - Chicago (Stan. Co.)	1					1	
XIV - Denair (Stan. Co.)	1		1		1		1

Target Zone	Sep-11	Oct-11	Nov-11	Dec-11	Total
I - Empire (Stanislaus Co.)				1	6
II - Keyes (Stanislaus Co.)		1			10
III - Salida (Stanislaus Co.)		1		1	12
IV - Airport (Stanislaus Co.)			1		4
V - Shackelford (Stan. Co.)		1		1	12
VI - Weed & Seed (Stan. Co.)					4
VII - City of Ceres		1		1	21
VIII - City of Newman	1		1		19
IX - City of Oakdale	1		1		15
X - City of Patterson	1	1		1	32
XI - City of Waterford	1	1		1	21
XII - SCRC (Stan. Co.)				1	5
XIII - Burbank/Chicago (Stan. Co.)				1	5
XIV - Denair (Stan. Co.)		1		1	14
TOTAL					180

**c. Income targeting for 120 percent and 50 percent of median (5 points)**

No less than 25 percent of the funds will be used for the purchase and redevelopment of abandoned and foreclosed-upon homes and residential properties for housing individuals and families whose income does not exceed 50 percent of the area median income

**d. Continued Affordability (5 points)**

The following affordability covenant will be used:

*Covenant to Maintain Affordability*

- (a) The Loan is being given by the Agency to the Owner to increase and improve the County's supply of low and moderate income housing available at Affordable Housing Cost, in accordance with the affordable housing requirements of the Community Redevelopment Law (California Health and Safety Code, Section 33000, et seq). To this end, the Owner agrees that during the Term the Property shall remain available only at an "Affordable Housing Cost" or an "Affordable Rent" (as hereinafter defined) and shall only be used by Persons or Families or Very Low, Low, or Moderate Income.
- (b) Subject to the terms and provisions of subsection (c) of this Section, if the Owner shall either:
  - (i) Sell, lease, transfer, or assign the Property (collectively, a "Transfer") to a person or family that is not a Person or Family of Very Low, Low, or Moderate Income, or
  - (ii) Transfer the Property at a price that exceeds an Affordable Housing Cost, or

- (iii) Refinance, hypothecate, encumber, or mortgage the Property (collectively, a "Mortgage"). Then the Agency shall have the power and authority to declare the entire principal balance on the Loan immediately due and payable.
- (c) Notwithstanding the foregoing, the Owner may sell the Property during the Term at a price exceeding an "Affordable Housing Cost". The Owner agrees to pay to the Agency such portion of the sale price as is required to be paid to the Agency pursuant to the Agreement.

**e. Consultation, outreach, communications (5 points)**

Consultation, outreach, and various forms of communication take place within the Consortium. This process is conducted through avenues such as public notices in the local newspapers, advertising of programs on the Stanislaus County Planning & Community Development and individual Consortium city websites, and distribution of program literature. Moreover, Consortium staff regularly attends established community meetings such as Municipal Advisory Committee (MAC) meetings, Continuum of Care meetings, community workshop presentations, and presentations and/or distribution of program literature at various school districts throughout Stanislaus County.

Program waitlists related to their respective programs are maintained by individual Consortium city staff, Stanislaus County Staff, Housing Authority of the County of Stanislaus, and Habitat for Humanity.

Currently, our staffed internship program provided bi-monthly updates about the foreclosure crisis and provides information and insight into available resources to assist with the those in need. Advice and counseling to assist with the Valley's foreclosure concerns are provided at regular "No Homeowner Left Behind" foreclosure prevention workshops throughout Stanislaus County and are provided as a free service, with no reservations required to the public.

**f. Performance and Monitoring (10 points)**

Monitoring will include tracking, approval, and oversight procedures that are already in place through existing programs. The same tools and procedures will be utilized to ensure compliance with the NSP2 program eligible uses and relevant guidelines. The Consortia will partner with the Housing Authority (H.A.) and the Stanislaus County Assistance Project (SCAP) to implement the acquisition, rehabilitation, demolition, and energy efficiency retrofits of eligible vacant foreclosed units. The H.A. has a qualified team made up of an appraiser, attorney, and team negotiator/manager. This team will negotiate with banks that possess foreclosure portfolios, as well as realtors that possess available foreclosures. These banks have development grant dollars that will allow them to discount the units at least 1% to meet program guideline requirements. The H.A. NSP team will make "block buys" on available units for the target areas (census tracts).

The program will also be contracting with The Stanislaus Community Assistance Project (SCAP), to acquire vacant, foreclosed properties and provide housing for underserved special needs populations within Stanislaus County. SCAP will be providing affordable rental housing for people with needs such as mental health issues, chronic and/or terminal disease, prison re-entry candidates, and income eligible seniors. They will provide NSP2 eligible activities that include purchasing and rehabilitating homes that have been foreclosed upon, and subsequently renting them out to the special needs population that has an ever growing need for affordable housing.

The County will be responsible for the administration of the program including tracking, fund distribution, monitoring, and general program oversight. The County's Community Development Manager will be the program contact person for all administrative related questions and concerns. Additionally, the County's financial staff, Auditor's office, building inspector, code enforcement, and engineers will ensure that the program runs in a smooth, efficient, and effective manner by conducting quarterly monitoring visits with the H.A. and SCAP.

It is the County's intent to monitor sub-grantees (H.A., SCAP) on a quarterly basis. Monitoring will occur to ensure statutory and regulatory requirements are being met and that information submitted to the grantee (County) is accurate and complete.

An agreement will be executed with the sub-grantee that clearly states the project scope of work, performance measurement standards, reporting requirements, draw-down requirements, applicable federal requirements, etc. The monitoring process will emphasize on-site field visits, desk audits, open communication and assistance to the sub-grantee, in order to ensure that a good data collection and reporting system remains in place.

Specifically, the objectives of the County's monitoring program will be to encompass the following:

- Ensure that the sub-grantee implements the program and its individual activities as described in the grant application and sub-grantee agreement.
- Ensure the sub-grantee conducts its activities in a timely manner, in accordance with the schedule included in this management plan.
- Ensure that sub-grantee charges costs to the project, which are eligible under applicable laws and CDBG regulations, and reasonable in light of the services or products delivered.
- Ensure that sub-grantee conducts activities with adequate control over program and financial performance, and reasonable in light of the services or products.
- Ensure that sub-grantee has continuing capacity to carry out the approved project, as well as other grants for which it may apply.

- Identify potential problem areas and assist the sub-grantee with applicable laws and regulations compliance.
- Assist sub-grantee in resolving compliance problems through discussion, negotiation and the provision of technical assistance and training.
- Provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected and not repeated.
- Comply with the federal monitoring requirements of 24 CFR 570.501(b) and 24 CFR 85.40.
- Determine if any conflicts of interest exist in the operation of the CDBG program per 24 CFR 570.611.
- Ensure that required records are maintained to demonstrate compliance with applicable regulations.
- Verify that the outputs and outcomes are realized in a timely manner.
- Track grantee's progress in fulfilling its goals and objectives set forth in the NSP Substantial Amendment, measured with established guidelines to assure that the program remains on task. Additionally, with data collected by the grantee during monitoring visits and ultimately entered into the DRGR system, this program is capable of presenting the data to defend its progression towards accomplishment of its goals and objectives set forth in The Plan. On a quarterly basis this information is compiled and compared with the goals and objectives in the Consolidated Plan. If this information reflects the accomplishments set forth in The Plan, the program will proceed as planned. If this information falls short of the goals set forth, appropriate adjustments will be made and notification sent to the respective sub-grantee to be cognizant of their need to meet certain milestones and timeliness requirements to assure receipt of program expected funds for their respective programs.

**Rating Factor 4: Leveraging Other Funds, or Removal of Substantial Negative Effects (10 Points)**

Within the past twenty-four (24) months, Stanislaus County has been successful in accessing over \$1.3 million in state funds, over \$9 million in local Redevelopment Agency funding, and over \$5 million in federal CDBG funding. The Stanislaus County Consortium has also been allocated a total of \$9,744,482 in Neighborhood Stabilization Program funds under the Housing and Economic Recovery Act of 2008. Combined, Stanislaus County has administered over \$25 million for programs that have contributed to the redevelopment and neighborhood stabilization of Stanislaus County communities in the past twenty-four (24) months.

**Rating Factor 5: Energy Efficiency Improvement and Sustainable Development Factors (10 Points)**

The Neighborhood Stabilization Program 2 has an objective of conserving the Nation's scarce energy resources, improving energy efficiency and the provision of alternative

and renewable energy sources of supply. It is in the best interest of the final homeowner or renter, the community, the nation and the world to build energy efficient homes. Energy efficient homes will have a lower cost of operation and provide the homeowner with a lower cost of living. The proposed plan will take a complete and total approach when addressing energy efficiency and green building. The Modesto Irrigation District, the local utility company, will be conducting home energy audits of housing units to ensure that units achieve the maximum energy efficiency possible. The proposed plan will incorporate energy efficiency standards into all rehabilitations and new constructions.

Another benefit of providing energy efficient first time homebuyer affordable housing units will help police and teachers live within the neighborhoods in which they work. This will reduce the amount of families that are required to commute to their place of work and thus serve to increase the long-term affordability of the units.

*a. Transit Accessibility (4 points)*

Stanislaus County is a geographically large county with communities spread throughout the county. Stanislaus County and all of its partner jurisdictions have committed to providing efficient transit options that can reduce the amount of natural resources used for transportation in the region. With the exception of the City of Waterford, all of the target geography has fixed route bus service available from the target areas to the regional job centers of Modesto and Turlock. The City of Waterford does have transit available through a dial a ride type service. Bus service in the Modesto area is available every thirty minutes during morning and afternoon rush hour. There is also express bus service available from Modesto to commuter transportation that serves the major job centers of the Bay Area in California. There is express bus service from Modesto to the Dublin/Pleasanton BART station. BART is the Bay Area Rapid Transit system, a rail transportation system that serves a large part of the San Francisco Bay Area. There is also express bus service from Modesto to the Lathrop/Manteca ACE station. ACE is the Altamont Commuter Express, a rail transportation system that serves San Jose and the South Bay Area. There are two Greyhound bus stations in Stanislaus County, one in Modesto and one in Turlock. Both Greyhound stations are accessible by regional bus service. There are also two Amtrak stations in Stanislaus County, one in Modesto and one in Denair. Both Amtrak stations are accessible by regional bus service. With Amtrak's San Joaquin route, which runs multiple times daily, Amtrak provides rail service from Stanislaus County to the major job centers of Sacramento and the San Francisco Bay Area with minimal stops.

All buses operated by the two major local bus services, Modesto Area Express and Stanislaus Regional Transit, are equipped with bike racks that allow bus riders to travel by bike to and from bus stop locations. According to The Stanislaus County Non-Motorized Transportation Plan, a plan prepared for the Stanislaus Council of Governments by Alta Planning + Design of Berkeley, CA, there are currently over 140 miles of bikeways in Stanislaus County. According to the same study, which was done in September of 2008, approximately 0.7% of employed residents of Stanislaus County

commute by bicycle. This percentage is higher than the national average of 0.4%. This study can be accessed at <http://www.stancog.org/pdf/documents/bicycle/non-motorized-plan.pdf> All of the program target geography is within a reasonable bicycle commute of a regional job center or bicycle accommodating bus service to a job center or transportation center.

b. Green Building Standards (3 points)

Housing units that require minor or moderate rehabilitation will be audited to ensure that any possible repairs and/or energy saving retrofits are done. This could include weatherstripping, sealing, caulking, insulating exposed pipes, insulating ducts, fixing all water leaks, insulating water heaters. Minor and moderate rehabilitations where eligible appliances are being purchased will require that Energy Star appliances be provided. Where housing units are acquired and have single pane windows, the single pane windows will be replaced with Energy Star dual pane windows. Where housing units are acquired with heating and/or cooling systems that are more than ten years old, the heating and/or cooling systems will be replaced with Energy Star products that will be sized, installed and tested by contractors licensed in the heating and air conditioning trade. Where housing units are acquired with water heaters that are more than ten years old, the water heater will be replaced with an Energy Star water heater. When a housing unit is rehabilitated, all incandescent light bulbs will be replaced with compact fluorescent light bulbs. Any light fixtures that require replacement will be replaced with Energy Star light fixtures. To ensure maximum cost efficiency for the program, the U.S. Department of Energy's service, Energy Star Quantity Quotes will be used when purchasing light bulbs, light fixtures, refrigerators and dishwashers.

Gut rehabilitations and reconstructs will be required to meet Energy Star for New Home standards. California approved Title 24 energy calculations will be performed on all these units and the gut rehabilitations or new units will be shown to exceed the Title 24 standard by a minimum of 15%. Insulation will be installed per the energy calculations and the installation will be HERS verified when required. Where required by the energy calculations to exceed the standard by 15%, radiant barrier roof sheathing will be used. All lighting will meet California Title 24 lighting regulations and per Environmental Protection Agency Energy Star standards, a minimum of 60% of lighting fixtures and all ceiling fans will be energy star products. Windows will be energy star windows and installed and sealed to eliminate any air or moisture leaks. HVAC equipment and ducts will be sized by the ACCA manual D, J and S method for each specific unit to ensure maximum efficiency. The ducts will be sealed and HERS tested as part of the project contract. Water Heaters, refrigerators, dish washers and stoves will be Energy Star appliances. To ensure maximum cost efficiency for the program, the U.S. Department of Energy's service, Energy Star Quantity Quotes will be used when purchasing light bulbs, light fixtures, refrigerators and dishwashers. An energy audit will be performed by the Modesto Irrigation District upon completion of construction to ensure energy efficiency.

c. Re-use of Cleared Sites (1 point)

All sites where housing units are demolished will be re-used as replacement housing. Only vacant, blighted homes where rehabilitation will exceed 75% of the value of the structure will be demolished.

d. Deconstruction (1 point)

Deconstruction techniques will be utilized to the extent that it is economically feasible. Salvaged material will be reused where possible and donated to the local Habitat for Humanity Restore when it is not possible to re-use. Recyclable material such as copper and steel will be recycled locally. Local demolition contractors who utilize deconstruction techniques have been identified and deconstruction requirements will be specified in bid descriptions. The replacement units will meet the Energy Star for New Home Standard.

e. Other Sustainable Development Practices (1 point)

*Passive Solar:* Elements of passive solar design, such as window orientation, window shading, insulation, and floor material will be incorporated into new construction and gut rehabilitations.

*Photovoltaic Ready:* Gut rehabilitations and new construction where photovoltaic is a possibility will be sited, designed, engineered and wired to accommodate installation of photovoltaic panels in the future. Photovoltaic installers will be consulted prior to building design and photovoltaic specifications will be included in construction plans and job descriptions.

*Transportation Choices:* The proposed target areas are all established communities. The majority of these communities have retail facilities within a one-half mile of housing units.

*Connections to Surrounding Neighborhoods:* Where possible, developments will be provided with three separate connections to sidewalks or pathways in surrounding neighborhoods.

*Protecting Environmental Resources:* No projects will be located within 100 feet of wetlands or 1,000 feet of critical habitats. Projects will not be located on steep slopes, prime farmland or parkland.

*Erosion and Sediment Control:* Contractors will be required to implement EPA's Best Management Practices for erosion and sedimentation control during construction. County and City building inspection and public works inspection staff will be inspecting to ensure compliance with erosion and sedimentation control.

*Sustainable Landscaping:* Sustainable and drought resistant landscaping will be specified where landscaping is included in the project. Native trees and plants that are appropriate to the site's soils and microclimate will be specified.

*Energy Efficient Landscaping:* Where possible, trees and plants will be located to provide shading in the summer and allow for heat gain in the winter. Landscaping will be coordinated with passive solar design.

*Efficient Irrigation:* Where landscaping design permits, low volume, non-spray irrigation systems will be installed.

*Durable Materials:* Where possible, long lasting materials such as stone, brick and concrete will be incorporated into building design and construction. All new construction units will have concrete slab floors and foundations. Aesthetic features will utilize long lasting stone and brick in place of synthetic alternatives.

*Resource Efficient Materials:* Building design and construction will utilize advanced building techniques that reduce the amount of homebuilding material required.

*Heat Absorbing Materials:* Materials that retain solar heat in winter and remain cool in summer, such as radiant barrier roof sheathing, will be utilized in design and construction.

*Solar Reflective Paving:* Light colored/high-albedo materials with a minimum Solar Reflective index of 0.6 will be used over at least 30% of project hardscaped areas.

*Local Source Materials:* Where possible, materials from local sources that are close to the job site will be used.

*Green Roofing:* Where possible, Energy Star compliant and high-emissive roofing material will be used.

*Green Label Certified Floor Covering:* Carpet will not be installed in basements, entryways, laundry rooms, bathroom or kitchen. Carpet and pad will be specified as Carpet and Rug Institute Green Label Certified.

*Healthy Flooring Materials: Alternatives:* Tile will be specified in basements, entryways, laundry rooms, bathrooms and kitchens. All other rooms will be specified as Carpet and Rug Institute Green Label Certified carpet and pad.

*Healthy Flooring Materials: Reducing Dust:* Where possible, a whole-house vacuum system with high-efficiency particulate air filtration will be installed.

*Sealing Joints:* All wall, floor and joint penetrations will be sealed to prevent pest entry and all large opening will be screened with steel mesh.

*Termite Resistant Materials:* Termite resistant materials and construction methods will be utilized in areas known to be infested.

*Tub and Shower Enclosures: Moisture Prevention:* All tub and shower enclosures will be specified on plans to be one-piece fiberglass enclosures.

*Green Maintenance Guide:* A homeowner and renters guide will be developed that explains the intent, benefits, use and maintenance of Green building features that have been incorporated into each individual project. The guide will encourage additional Green activities such as recycling, gardening and use of healthy cleaning materials. The guide will include regional alternative transportation methods and references to local utility companies with energy use reduction programs.

*Resident Orientation:* Homeowners and/or renters will be provided with a walk through to familiarize them with the energy efficiency features of the unit and all manufacturer's specifications and instructions will be passed on to the homeowner.

**Rating Factor 6: Neighborhood Transformation and Economic Opportunity (5 Points)**

Stanislaus County certifies that the proposed NSP2 activities are consistent with the following established comprehensive, regional, and/or multi-jurisdiction plans:

**Stanislaus Council of Governments Regional Transportation Plan:**

"The 2007 Regional Transportation Plan (RTP) is our blueprint for future transportation improvements and investments based on specific transportation goals, objectives, policies and strategies defined by the community and its elected officials. The RTP identifies all major transportation projects to be undertaken within the region in the next 23-year period (2007-2030). It provides the vision of how our regional transportation system will look and operate in the future."

Stanislaus County's proximity to the San Francisco Bay Area and the Sacramento metropolitan area has resulted in an increased interregional travel and has strained the County's roadways and air quality. Stanislaus County's proposed NSP2 activities are consistent with StanCOG's Regional Transportation Plan for they indirectly address these issues. Providing affordable housing to our community's residents will contribute to an improved balance of jobs and housing between Bay Area and Stanislaus communities. The RTP, along with economic development strategies, have the potential to improve the jobs/housing imbalance in Stanislaus County thereby reducing the reliance on Bay Area jobs and as a result reducing the impacts on the County's roadways and the environment. The RTP may be accessed at <http://www.stancog.org/pdf/2007-rtp-final.pdf>.

**Regional Housing Needs Allocation Plan for Stanislaus County:**

The Regional Housing Needs Allocation (RHNA) Plan has been developed by the Stanislaus Council of Governments (StanCOG) in accordance with the requirements of the State of California (Government Code Section 65584). The RHNA Plan provides a

draft allocation of the regional housing needs for each jurisdiction in Stanislaus County, including all of the incorporated cities as well as unincorporated county areas.

Stanislaus County Consortium's proposed NSP2 activities are consistent with the RHNA Plan for they directly address each Consortium jurisdiction's "fair share" housing needs allocation by providing affordable housing to eligible households in these communities. NSP2 will be an additional strategic method of assisting Consortium jurisdictions address their housing needs requirements as mandated by state law. The RHNA Plan may be accessed at <http://www.stancog.org/pdf/blueprint/2008/rhna.pdf>.

Stanislaus Economic Development & Workforce Alliance:

The mission and responsibility of the Alliance is overseeing both economic development and workforce training activities in the Stanislaus River Valley. Under its leadership, the Alliance is committed to creating a blueprint for success, which can make the Stanislaus River Valley the strategic business choice for existing and expanding companies by focusing on job creation, business assistance, and workforce preparation activities.

Without a stable and qualified workforce it is challenging for local government to encourage business investment and expansion within the community. Through funds such as NSP2, Stanislaus County has the opportunity to partner with regional workforce development agencies to ensure that adequate housing choice is available, and with this housing availability the regional is able to encourage more livable wage employers to relocate within Stanislaus County and the Central Valley as a whole.

Economic Development Action Committee, Comprehensive Economic Development Strategy:

In December 2001, California Housing and Community Development Department approved Stanislaus County's grant to undertake a strategic plan that identifies goals and strategies to attract new business and retain and expand existing business to improve the economic vibrancy of our community. The focus of the Comprehensive Economic Development Strategy (CEDS) was to address the jobs to housing imbalance in the county to develop strategies to reverse the widening trend of fewer jobs for an ever expanding population. The plan was designed to guide the economic development and workforce development activities in the County.

The proposed activities under Stanislaus County Consortium's NSP2 plan are consistent with the Economic Development Action Committee's CEDS as they provide qualified contractor employment opportunities through energy efficiency retrofits along with rehabilitation and demolition activities. These will provide more livable wage job opportunities to those that have a dream to become first time homebuyers.

The plan may be accessed by contacting the Stanislaus County Chief Executive Office at (209) 525-6333 or in writing at 1010 10<sup>th</sup> Street, Suite 6800, Modesto, CA 95354.

## PUBLIC NOTICE

NOTICE IS HEREBY GIVEN that on June 30, 2009 at 9:30 a.m. or as soon thereafter as the matter may be presented, the Stanislaus County Board of Supervisors will meet in the Basement Chambers, Lower Level, 1010 10th St., Modesto, CA, to consider approval for Stanislaus County to submit an application to Housing and Urban Development (HUD) for funding in an amount not to exceed \$40 Million for FY 2009-2010, to assist with stabilizing neighborhoods whose viability has been and continues to be damaged by the economic effects of properties that have been foreclosed upon and abandoned within targeted communities.

**INTRODUCTION** The United States Housing and Urban Development's (HUD) Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 (NSP2) under the American Recovery and Reinvestment Act, 2009 is a component of the Community Development Block Grant Program (CDBG) and allows eligible Consortia that collectively have capacity and experience, an opportunity to competitively compete for NSP2 funding to carry out neighborhood stabilization. The CDBG Consortium's Consolidated Plan Update outlines the goals and policies for utilizing CDBG funds to assist low-income households and persons in the areas of housing and the foreclosure market.

The three specific goals of the CDBG program are: 1) Provide decent housing; 2) Provide a suitable living environment; and, 3) Expand economic opportunities.

For Fiscal Years 2009-2011 (January 1<sup>st</sup>, 2009 through June 30<sup>th</sup>, 2011), the Consortium will apply for approximately \$40,000,000.00 of NSP2 funds for the following activities:

- Facilitate the enhancement of housing for special populations within the community.
- Assist in the construction or rehabilitation of foreclosed housing units.
- Provide program administration.
- Assist partnering consortia cities (Ceres, Newman, Oakdale, Patterson, and Waterford) in the administration of the NSP2 program.
- Provide opportunities for foreclosure acquisitions, to assist families within the 0% to 120% area median income (AMI) bracket, rehabilitation, and first time homebuyer purchases.
- Provide energy efficiency improvements and sustainable development opportunities for all NSP2 assisted units.
- Provide program delivery costs.

**PLAN PREPARATION AND PROCESS** - The preparation of NSP2 application process utilized consultation and coordination among various agencies, private groups (for- and non-profit) and individuals. Relationships with these resource providers

consisted of face-to-face meetings. Most important among them were the meetings with the Consortium partners and the input from the membership of the Stanislaus County Housing and Support Services Collaborative.

The NSP2 application will be released for a 10-day review on June 30, 2009, to solicit input from the public along with formal adoption by the Board of Supervisors.

**CITIZEN PARTICIPATION** - Public participation in the Consolidated Plan Update process included public comment meetings held within the Consortium jurisdiction. Input was sought from citizens regarding the foreclosure situation within the unincorporated areas of Stanislaus County, as well as the cities of the Consortium. Each member of the Consortium will conduct a public meeting along with a 10-day opportunity for public comment.

**CONCLUSION** - The CDBG Entitlement Program is an opportunity to address needs and challenges that are faced by the members of the Consortium. If any member of the public has a question regarding the full Consolidated Plan, please call Aaron Farnon at 209-525-6330, or come to the Stanislaus County Department of Planning and Community Development at 1010 10<sup>th</sup> Street, Suite 3400, Modesto, CA between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday.

A copy of the Consolidated Plan Update and NSP2 application will be available for review at the Planning Departments of each member of the Consortium and online at <http://www.stancounty.com/>

Interested persons may submit written comments to Stanislaus County regarding the program to Kirk Ford of the Stanislaus County Department of Planning and Community Development at the above-referenced address or call (209) 525-6330.

DATED: June 22, 2009

REFERENCE COPY

## AVISO DE AUDICION PUBLICA

SE DA AVISO POR ESTE MEDIO que el dia 30 de junio del 2009 a las 9:30 a.m., o lo mas temprano de allí en adelante en que se escuche el asunto, la mesa directiva de el Condado de Stanislaus se reunira en el despacho de juntas publicas en el 1010 10<sup>th</sup> St, Modesto, CA para considerar aprobacion de someter la aplicacion a el departamento de Viviendas y Desarrollo Urbano (Housing and Urban Development) para obtener fondos en una cantidad a no exceder \$40 millones para el año fiscal 2009-2010, para asistir con la estabilizacion comunitaria de viviendas la cual viabilidad a sido y continua siendo dañada a causa de los efectos economicos de las viviendas que son reposeidas por las instituciones bancarias en ciertas comunidades de el Condado.

INTRODUCCION – La Notificacion de Disponibilidad de Fodos de el Departamento de Viviendas y Desarrollo Urbano (Housing and Urban Development), bajo el programa de Estabilizacion de Viviendas 2 (Neighborhood Stabilization 2 – NSP2) de el American Recovery and Reinvestment Act 2009, es un componente de el programa de Becas de Desarrollo Comunitario (Community Development Block Grant – CDBG) y permite a Consorcios elegibles la oportunidad de aplicar competitivamente para fondos de NSP2 para ejercer actividades de estabilizacion de viviendas. El plan Consolidado de el Consorcio de CDBG describe las metas y reglas para el uso de fondos bajo el programa CDBG para asistir a viviendas de bajos recursos en las areas de viviendas y perdidas hipotecarias.

Las tres metas especificas de el programa de CDBG son: 1) Proveer viviendas decentes; 2) Proveer un medio ambiente compatible para vivir; 3) Expandir oportunidades economicas.

Durante el Año Fiscal 2009-2011 (de enero 1, 2009 a Junio 30, 2011), el Consorcio aplicara para aproximadamente \$40,000,000 de fondos NSP2 para ejercer las siguientes actividades:

- Facilitar el aumento de viviendas para la poblacion con necesidades especiales dentro de la comunidad.
- Asistir con la construccion o rehabilitacion de viviendas reposeidas por instituciones bancarias.
- Proveer administracion de el programa.
- Asistir a las ciudades parte de el Consorcio (Ceres, Newman, Oakdale, Patterson, Waterford) con la administracion de el programa NSP2.
- Proveer oportunidades de adquirir viviendas reposeidas por los bancos para asistir a familias dentro de 0% a 120% de ingresos promedios de el area (AMI), rehabilitacion, y compras de casa por primeros compradores de casa.
- Proveer modificaciones de eficacia energetica a viviendas y oportunidades de desarrollo sostenible para todas las viviendas asistidas por el programa NSP2
- Proveer costos de desarrollo de actividades de viviendas.

PREPARACION Y PROCESO DE EL PLAN – La preparacion de el Plan NSP2 consistio de la consultacion y coordinacion con varias agencias gubernamentales, grupos comunitarios, y personas individuales. Comunicacion con estos proveedores de recursos consistio de contactos en escrito y juntas de cara a cara, publicas y informales. Dentro de las mas importantes fueron las juntas con los miembros de el Consorcio y la participacion

de los miembros de el Colaborativo de Viviendas y Servicios de el Condado de Stanislaus.

La version preliminar de el Plan de Accion Annual es publicada por un periodo de 30 dias para solicitar comentario de el publico, seguido por la adopcion formal de el Consejo de el Condado de Stanislaus.

PARITCIPACION DE LA COMUNIDAD – Participacion publica en el proceso de el la actualizacion de el Plan Consolidado incluyo varias juntas publicas llevadas acabo en varias localidades y horarios dentro de las areas de el Consorcio. Cada miembro de el Consorcio conducira una audiencia publica siguiente los 10 dias de comentario publico.

CONCLUSION – El Programa de CDBG da la oportunidad de dirigir y responder a las necesidades y desafios enfrentados en cada comunidad por los miembros de el Consorcio. Si algun miembro de el publico tiene alguna pregunta referente al Plan de Accion Annual complete, debera comunicarse con Juan Gonzalez al (209) 525-6330, o visitor el Departamento de Planos & Desarrollo Comunitario de el Condado de Stanislaus en el 1010 10<sup>th</sup> Street, Suite 3400, Modesto, CA entre las horas de 8:00 am y 5:00 pm, de Lunes a Viernes.

La copia de la version preliminar de el Plan Consolidado y la aplicacion de NSP2 estara disponible para revizo en los departamentos de Planning en cada ciudad que forma parte de el Consorcio y en el internet: [www.stancounty.com/planning/cdbg/cdbg.shtm](http://www.stancounty.com/planning/cdbg/cdbg.shtm).

Las personas interesadas pueden someter comentarios en escrito a el Condado de Stanislaus referente el programa a Juan Gonzalez de el Departamento de Planos & Desarrollo Comunitario de el Condado de Stanislaus a la direccion referente arriba o llamar al (209) 525-6330.

FECHA: Junio 30, 2009

**NSP2  
AGREEMENT**

This Application Agreement (“Agreement”) is made by and between the County of Stanislaus (the “County”) and the Cities of Ceres, Newman, Oakdale, Patterson and Waterford (the “City” individually or “Cities” collectively) on July 1<sup>st</sup>, 2009.

Introduction

A. Stanislaus County will apply for an NSP2 grant under the Community Development Block Grant (“CDBG”) program for FY 2009-2010 in the amount of **\$40,000,000** as an “Urban County” as set forth under Title I of the Housing and Community Development Act of 1974, and Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended by the Housing and Community Development Act of 1992; and

B. The parties desire that NSP2 funds received by the County as a “Consortium” be shared equitably among the parties.

1. The County shall also receive an amount not to exceed ten percent of the total FY 2009-2010 NSP2 funds for eligible related administrative services, which amount shall be set aside prior to any allocation of funds to the County and Cities.

2. The County and Cities must cooperatively carry out the NSP2 program.

3. The Cities must authorize the County to act in a representative capacity for all Cities within the Consortium as the lead member and must assume overall responsibility for ensuring that the Consortium’s NSP2 program is carried out in compliance with all NSP2 requirements.

4. Each party has the responsibility to ensure its activities comply with the grant program. No party, or any of its officers or employees, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by any other party under or in connection with any work delegated to that party under this Agreement. The parties further agree, pursuant to Government Code section 895.4, that each party shall fully indemnify and hold harmless every other party and its agents, officers, employees and contractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any work delegated to or action taken or omitted to be taken by such party under this Agreement.

5. The Consortium must agree to execute the NSP2 agreement no later than December 1, 2009.

6. This Agreement may be signed in counterparts and shall bind each signatory to the Agreement.

IN WITNESS WHEREOF, the parties have executed the above instrument on the day and year first hereinabove written.

– Signatures on following pages –

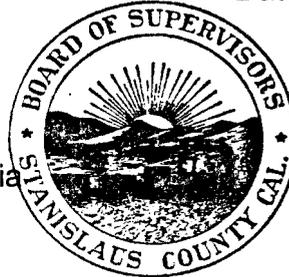
**COUNTY OF STANISLAUS**

By   
Jim DeMartini  
Chairman of the Board of Supervisors

JUN 3 0 2009

Dated \_\_\_\_\_

ATTEST: Christine Ferraro-Tallman  
Clerk of the Board of Supervisors  
of the County of Stanislaus, State of California



By   
Suzi Seibert  
Deputy Clerk

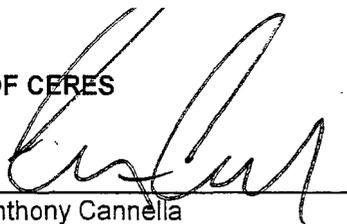
APPROVED AS TO CONTENT:  
Kirk Ford, Director  
Planning and Community Development Department

By   
Angela Freitas  
Deputy Director

APPROVED AS TO FORM:  
John P. Doering  
County Counsel

By   
Thomas E. Boze  
Deputy County Counsel

CITY OF CERES

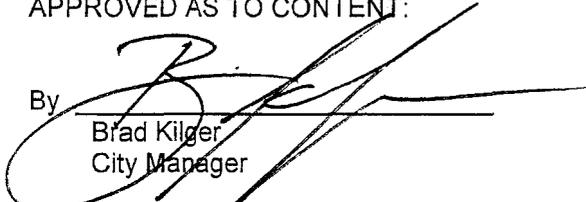
By   
Anthony Cannella  
Mayor

Dated 7-9-09

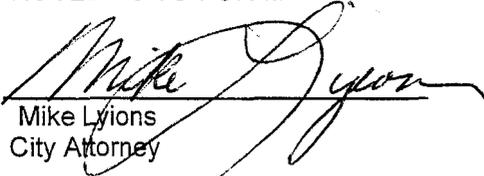
ATTEST:

By   
Cindy Heidorn  
City Clerk

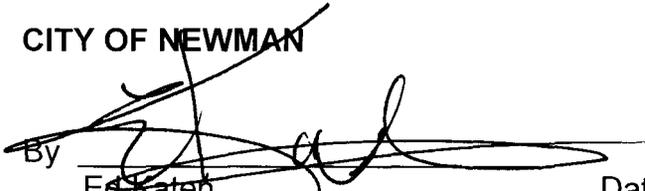
APPROVED AS TO CONTENT:

By   
Brad Kilger  
City Manager

APPROVED AS TO FORM:

By   
Mike Lyons  
City Attorney

**CITY OF NEWMAN**

By  \_\_\_\_\_ Dated June 23, 2009  
Ed Katen  
Mayor

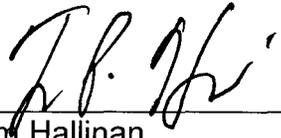
ATTEST:

By  \_\_\_\_\_  
Mike Maier  
Deputy City Clerk

APPROVED AS TO CONTENT:

By  \_\_\_\_\_  
Michael E. Holland  
City Manager

APPROVED AS TO FORM:

By  \_\_\_\_\_  
Tom Hallinan  
City Attorney

**CITY OF OAKDALE**

By Farrell Jackson  
Farrell Jackson  
Mayor

7/7/09  
Dated \_\_\_\_\_

**ATTEST:**

By Nancy Lily  
Nancy Lily  
City Clerk

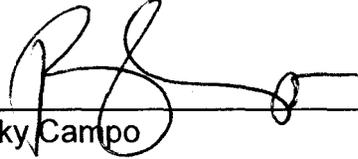
**APPROVED AS TO CONTENT:**

By Steve Hallam  
Steve Hallam  
City Manager

**APPROVED AS TO FORM:**

By Tom Hallinan  
Tom Hallinan  
City Attorney

**CITY OF PATTERSON**

By   
Becky Campo  
Mayor

June 30, 2009  
Dated

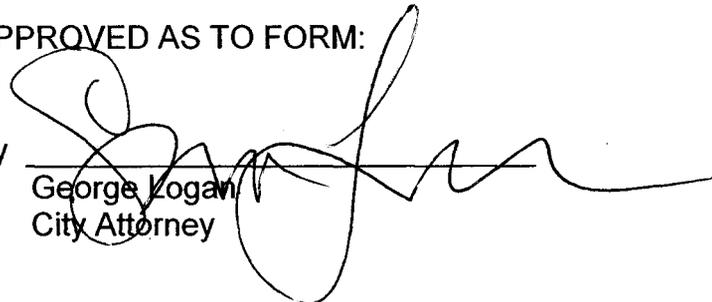
**ATTEST:**

By   
Maricela Vela  
City Clerk

**APPROVED AS TO CONTENT:**

By   
M. Cleve Morris  
City Manager

**APPROVED AS TO FORM:**

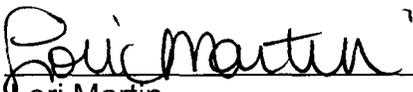
By   
George Logan  
City Attorney

**CITY OF WATERFORD**

By   
Charlie Goeken  
Mayor

07/16/2009  
Dated

ATTEST:

By   
Lori Martin  
City Clerk

APPROVED AS TO CONTENT:

By   
Chuck Deschenes  
City Manager

APPROVED AS TO FORM:

By   
Corbett Browning  
City Attorney



Neighborhood Stabilization Program 2  
2009  
Stanislaus County

June 30<sup>th</sup>, 2009

# HUD Neighborhood Stabilization Program 2

- HUD received additional Congress appropriated funding to help communities offset the negative effects of the ongoing foreclosure crisis. The Community Development Block Grant (CDBG) program allows eligible Consortiums that collectively have capacity and experience, an opportunity to competitively apply for NSP 2 funds.

# Background

- Funded under the American Recovery and Reinvestment Act, 2009 (ARRA)
- ARRA provides \$1.92 billion to assist States & Localities for neighborhood stabilization efforts
- Funds are considered a component of the Community Development Block Grant (CDBG) program

# HUD Award

- Award based on number and percent of:
  - Home foreclosures in each State or unit of local government (ULG)
  - Homes financed by a subprime mortgage related loan in each State or ULG
  - Homes in default or delinquency in each state or ULG
  - Formula that represents poverty and population census data

# Stanislaus County Consortium

## Consortium Application (up to \$40 million):

- Stanislaus County: 52%
- City of Patterson: 13%
- City of Ceres: 11%
- City of Waterford: 9%
- City of Newman: 8%
- City of Oakdale: 7%

# Eligible Uses

- No more than 10% of the awarded funds will be used by the Consortium to administer the program.
- Acquisition that consists of property identification, inspection, assessment of rehabilitation or reconstruction costs, appraisal, and purchase negotiations.
- Demolition activities not to exceed 10% of the award for units whose rehabilitation costs exceed 75% of the units worth.
- 15% of the award will be utilized for first time home buyer down payment assistance.

# Eligible Uses

- Funds will be utilized for properties that require rehabilitation in order to meet HUD's Housing Quality Standards (HQS) and California Building Code regulations for life-safety issues.
- NSP2 encourages conservation of the Nation's scarce energy resources and improvement of energy efficiency through the provision of alternative and renewable energy resources.

# NSP Income Targeting

- Per program guidelines, grantees must use at least 25% of its NSP grant to assist individuals or families with incomes at or below 50% of area median income.
- The remaining 75% of NSP funds are to be used to assist individuals or families with incomes between 50% to 120% of area median income.

# NSP & Existing Program Expansion

- Housing Rehabilitation Program with an expansion into energy efficiency improvements
- First Time Home Buyer Down Payment Assistance Program
- Land Acquisition Program

# Performance Measures

- Stanislaus County approx. 64 Units
- City of Ceres approx. 22 Units
- City of Newman approx. 21 Units
- City of Oakdale approx. 17 Units
- City of Patterson approx. 33 Units
- City of Waterford approx. 23 Units

# Partnerships

- Stanislaus County will partner with the Housing Authority (H.A.) and Stanislaus County Assistance Project (SCAP) to purchase, rehabilitate/demolish, provide energy efficiency improvements, and sell homes to first time home buyers.
- Banks/Financial Institutions to purchase pre-market and "aged properties".
- H.A. will contract with local contractors.

# Timeline

- The NSP2 Consortium Grant Application serves as the application for NSP2 funds and is due to HUD by July 15<sup>th</sup>, 2009 (postmarked 48 hours prior)
- If awarded, the Consortium must be under contract by December 1<sup>st</sup>, 2009
- Programmatic goal to expend all funds within 24 months.

# Target Areas

- Project Area I: Empire
- Project Area II: Keyes
- Project Area III: Salida
- Project Area IV: Airport Neighborhood
- Project Area V: Shackelford/Butte-Glenn-Imperial
- Project Area VI: Weed & Seed
- Project Area VII: Stanislaus/Ceres Redevelopment Area
- Project Area VIII: Burbank-Chicago
- Project Area IX: Denair
- Project Area X – XIV: Ceres, Newman, Oakdale, Patterson, Waterford

# Public Comment Period

- HUD required grantees to publish the proposed NSP2 CDBG Consortium Grant Application via usual methods and on the internet for no less than 10 calendar days of public comment, and
- Final NSP2 CDBG Consortium Grant Application posted on the internet and submit to HUD by July 15<sup>th</sup>, 2009

# Staff Recommendation

1. Initiate a 10-day public comment period regarding the Neighborhood Stabilization Program 2 (NSP2) competitive grant application to end July 10<sup>th</sup>, 2009.
2. Authorize staff to forward the NSP2 grant application in the amount of \$40 million to Housing and Urban Development (HUD) at the conclusion of the 10-day public comment period.

# Staff Recommendation

3. Authorize the Chief Executive Officer to sign the Application for Federal Assistance SF-424, the Applicant/Recipient Disclosure/Update Report, and the NSP2 Certifications.
4. Authorize the Chairman of the Board of Supervisors to sign the NSP2 Application Agreements.

# Staff Recommendation

5. If awarded, authorize the Auditor-Controller to establish a new Special Revenue Fund for the Neighborhood Stabilization Program 2 (NSP2)
6. If awarded, authorize the Auditor-Controller to establish estimated revenues and appropriations in an amount not to exceed the grant amount.

# Staff Recommendation

7. If awarded, authorize the Director of Planning and Community Development to execute the related NSP2 program implementation agreements and contracts with the Housing Authority of The County of Stanislaus, Stanislaus County Assistance Project (SCAP), and related partner City Consortia Agreements, in an amount not to exceed the grant amount.

