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U.S. Department of Housing and Urban Development San Francisco Regional Office – Region IX One Sansome Street, Suite 1200 San Francisco, CA 94104-4430 www.hud.gov espanol.hud.gov

APR 2 9 2015

The Honorable Terry Withrow Chairperson, Board of Supervisors, Stanislaus County 1010 10th St, Suite 6500 Modesto, CA 95354

Dear Mr. Withrow:

SUBJECT: Stanislaus County, California Annual Community Assessment Program Year 2013 – July 1, 2013 – June 30, 2014

The U.S. Department of Housing and Urban Development (HUD) annually reviews the performance of each jurisdiction covered by a Consolidated Plan prepared in accordance 24 CFR Part 91. The Stanislaus County (the County)'s approved Consolidated Plan covers Community Development Block Grant (CDBG) program and the Emergency Solutions Grant (ESG) program. This letter summarizes the Department's annual assessment of the County's performance in managing these grants during Program Year 2013 (PY 2013), which began on July 1, 2013 and ended on June 30, 2014.

In conducting performance reviews, HUD relies on information obtained from the Consolidated Annual Performance Report (CAPER) submitted within 90 days after the close of its program year and other relevant sources. The CAPER is designed to be a tool to report the community development, affordable housing, and economic development grant funded activities undertaken during the previous year to HUD, local community stakeholders, and residents. Prior to submission to HUD, a grantee must make its CAPER available for review by interested citizens and stakeholders.

For the purpose this performance review, HUD also considered information reported by the County in Department's Integrated Disbursement and Information System (IDIS), which is the management information system used to draw down grant funds and to record the results of funded activities. Additional sources such as on site monitoring, audits, program records, and financial data are also used to evaluate a grantee's overall performance and effectiveness. HUD reviews grantee performance against the following criteria: 1) management of funds made available under programs administered by HUD; 2) compliance with the consolidated plan; 3) accuracy of performance reports; 4) the extent to which the jurisdiction made progress toward the statutory goals identified at 24 CFR Section 91.1; and, 5) the efforts a grantee made to ensure that housing assisted under programs administered by HUD is in compliance with contractual agreements and the requirements of law.

During the 2013 PY, the County received a \$2,112,059 in CDBG funding and \$143,917 in ESG funding. No program income was receipted in PY2013. In its 2012-2015 Five-year Consolidated Plan, the County identified seven priorities: 1) A safe community; 2) A healthy community; 3) A strong local economy; 4) Effective partnerships; 5) A strong agricultural economy/heritage; 6) A well planned infrastructure system; and 7) Efficient delivery of public services. In order to meet these priorities, the County has identified five areas wherein eligible activities will take place: 1) Infrastructure; 2) Economic Development; 3) Housing Assistance; 4) Housing Programs; and 5) Public Services.

The County is also the lead entity in an Urban County that consists of the Cities of Ceres, Hughson, Newman, Oakdale, Patterson, and Waterford. The Urban County and its participating cities leveraged CDBG funds with other Federal, State, general County funds and various other private sources in order to maximize the CDBG allocation and to work towards the goals and priorities outlined in the Five-Year Consolidated Plan. In PY 2013, Stanislaus County used CDBG funds for various public services, infrastructure projects, homeownership assistance, homelessness services, and homeowner repair. Many large multi-family construction projects are funded through the County's HOME Consortium where the City of Turlock is the lead entity.

In addition to carrying out eligible activities and maximizing Federal resources, the Stanislaus County met its timeliness of expenditures and stayed within both the 20 percent administration cap and the 15 percent public services cap.

ESG funds were split between various non-profits and eight (8) programs, including five (5) emergency shelter facilities, one (1) HMIS provider, and three (3) homeless prevention and rapid re-housing assistance providers. The non-profits funded were Children's Crisis Center, Community Housing and Shelter Services, Family Promise, Salvation Army, and We Care Program. Total persons served across all activities with ESG funding were 1,243. The County also stayed within all regulatory caps and met all deadlines.

The County continues to work cooperatively with HUD to overcome challenges that it has encountered in the implementation of its CDBG and ESG programs. Based upon the Department's review of the CAPER and other available information, HUD has determined that Stanislaus County has the continuing capacity to implement and administer its CDBG and ESG programs.

The Department looks forward to continuing our partnership with Stanislaus County. If you have any questions, please do not hesitate to contact me, at (415) 489-6572, or CPD Representative, Celia Jones, at (415) 489-6579 or by email at celia.m.jones@hud.gov.

Sincerely,

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Maria F. Cremer Director, Community Planning and Development Division

cc: Angela Freitas