



DRAFT Substantial Amendment No. 1
to the Annual Action Plans (AAPs)
for Fiscal Years 2023-2024, 2024-2025, and 2025-2026
of the Stanislaus Urban County and
Stanislaus HOME Consortium

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I. PROPOSED SUBSTANTIAL AMENDMENT NO. 1 AND PROCESS OVERVIEW

The purpose of Substantial Amendment No. 1 is to ensure that available federal housing funds are fully utilized to support the development and preservation of affordable housing within the planning area for the Stanislaus Home Investment Partnerships Program (HOME) Consortium (Stanislaus HOME Consortium).

Stanislaus County, in partnership with the cities of Ceres, Hughson, Newman, Oakdale, Patterson, Riverbank, and Waterford form the Stanislaus Urban County. The Stanislaus Urban County and the City of Turlock form the Stanislaus HOME Consortium for purposes of receiving federal Housing and Urban Development (HUD) HOME Investment Partnerships (HOME) Program funds. Stanislaus County is the “lead entity” with responsibility for implementing and administering HOME funding.

Federal regulations require the preparation and adoption of a Consolidated Plan, which includes an assessment and prioritization of housing and community needs, a list of local, state, and federal resources available to meet identified needs, and the focused strategies intended to address priority needs over a five-year period. The Con Plan is implemented through approved Annual Action Plans, which identify specific activities with assigned goals and accomplishments to be funded during the year based on priorities identified in the Con Plan. Both documents must be approved by the lead entity and submitted to HUD for review and approval.

As required by Code of Federal Regulations (CFR) title 24, Section 91.105, a jurisdiction receiving federal funds must follow their adopted Citizen Participation Plan, which sets forth the jurisdictions policies and procedures for citizen participation with respect to Community Development Block Grants (CDBG), HOME and Emergency Solutions Grants (ESG) programs and the following documents:

- Citizen Participation Plan (CPP)
- Consolidated Plan (Con Plan)
- Annual Action Plan (AAP)
- Consolidated Annual Performance and Evaluation Report (CAPER)
- Affirmatively Furthering Fair Housing Assessment (AFFH)

According to CFR Title 24, Section 91.505, an amendment to the Con Plan is required if a jurisdiction is making any changes to the allocation priorities, method of distribution of funds, or changing the purpose, scope, location, or beneficiaries of an activity. The adopted Stanislaus County CPP requires a “Substantial Amendment” if changes to the AAP include any of the following:

- Addition of a new activity not previously identified in the AAP;
- Deletion or cancelation of an activity identified in the AAP which has NOT been deemed ineligible or determined to be infeasible (provided any allocated funds are transferred to another approved activity as part of a subsequent AAP approval);
- The addition of new CDBG Public Service or ESG award grantees; and
- A proposed action or change that may create a significant community impact.

A significant community impact is defined as either:

- Any federal grant-funded project or activity that results in a significant environmental impact as that term is defined pursuant to the National Environmental Policy Act (NEPA) (42 U.S.C. 4231 et seq); or
- Any federal grant-funded project or activity that generates relocation of at least 20 resident households and/or two existing businesses which are subject to the federal Uniform Relocation Act (42 U.S.C. 4601 et seq, 42 USC 4621 et seq, and U.S.C. 4651 et seq).

All other changes may be handled administratively and are not subject to the public hearing requirements of the CPP; however, public outreach and Board of Supervisors approval will be conducted as required by County practice.

The following changes are considered administrative:

- Proportional adjustment to CDBG Public Services and ESG award amounts to accommodate actual HUD allocations amounts (provided new grantees are not awarded funds);
- Proportional adjustment to CDBG or HOME approved activities to accommodate actual HUD allocation amounts (provided new project or programs are not funded);
- Shifts of funds, not exceeding an amount of \$150,000, between approved activities; and
- Shift of fund balance, in any amount, from a completed activity to another approved activity.

The Substantial Amendment No. 1 proposed the following reprogramming (shift) of Stanislaus HOME Consortium funds:

- Decrease funding to the Housing Rehabilitation Program (Fiscal Year [FY] 23-24, 24-25, and 25-26 AAPs);

- Increase funding to the Consortium Affordable Housing Program (FY 23-24, 24-25, and 25-26 AAPs); and
- Shift use of Community Housing Development Organization (CHDO) funds to the Housing Rehabilitation Program (FY 23-24, 24-25, and 25-26 AAPs).

According to CFR Title 24, Section 91.505, an amendment to the Con Plan is required if a jurisdiction is making any changes to the allocation priorities, method of distribution, or changing the: purpose, scope, location, or beneficiaries of an activity. There was no amendment proposed to the Con Plan for FY 20-24 and 25-29 as part of Substantial Amendment No. 1.

All of the amendments covered under this Substantial Amendment No. 1 are reflected in HUD's Integrated Disbursement Information System (IDIS), the electronic data reporting system, where HUD requires jurisdictions to manage federally funded programs.

Public Review Process

The County's adopted CPP for HUD requires a minimum 30-day public comment period prior to Board of Supervisors consideration to approve and/or substantially amend the Con Plan, AAP or CPP. The draft Substantial Amendments document was made available to the public for a 30-day period starting on November 14, 2025, and ending on December 15, 2025, at the Planning Departments for each member of the Stanislaus HOME Consortium and online at: <http://www.stancounty.com/planning/cdbg/plans-and-reports.shtm>

A Notice of Public Hearing and Document Availability was published in The Modesto Bee and posted on the County's website.

During the 30-day public comment period, the documents listed below were also available to the public online at: <https://www.stancounty.com/planning/cdbg/plans-and-reports.shtm>

- Stanislaus Urban County and City of Turlock HOME Consortium Consolidated Plan for Fiscal Years 2020-2024;
- Stanislaus Urban County and Stanislaus HOME Consortium Consolidated Plan for Fiscal Years 2025-2029;
- Annual Action Plan for Fiscal Year 2023-2024;
- Annual Action Plan for Fiscal Year 2024-2025; and
- Annual Action Plan for Fiscal Year 2025-2026.

Summary of Public Comments

< This section is pending close of the public review and comment period. Any comments submitted will be reported here.>

II. AMENDMENT ANALYSIS

Reprogramming of Housing Program Funds

From July 1, 2000, to June 30, 2023, the City of Turlock served as the lead entity for the Stanislaus Urban County HOME Consortium for purposes of receiving HOME funds on behalf of the City of Turlock and the Stanislaus Urban County members. Starting July 1, 2023 (Fiscal Year 2023–2024), Stanislaus County took over as lead entity for a new HOME consortium, the Stanislaus HOME Consortium, comprised of the same members.

The three AAPs covered under Substantial Amendment No. 1 span Con Plan's: Fiscal Years 2020-2024 (led by the City of Turlock) and 2025-2029 (led by Stanislaus County). Both Con Plan's identified "Affordable Housing" as a priority need and goal; however, the Con Plans did not identify specific housing projects, just programs to help address the need in the community.

In September 2025, Stanislaus County released a Request for Proposals (RFP)/Notice of Funding Availability (NOFA) to solicit proposals for affordable rental housing development. Funding proposed to be awarded under the RFP/NOFA included the Stanislaus HOME Consortium's Fiscal Years 23-24, 24-25, and 25-26 HOME funds and Permanent Local Housing Allocation (PLHA) program funds also administered by Stanislaus County. To align available resources with the outcome of the RFP/NOFA process, Substantial Amendments No. 1 reprograms (shifts) uncommitted HOME funds from the Housing Rehabilitation Program to the Affordable Housing Program CHDO funds to the Housing Rehabilitation Program to support affordable rental housing development projects within the Stanislaus HOME Consortium area.

The actual commitment and expenditure of HOME funds is dependent on approvals by the Board of Supervisors and HUD (i.e., environmental assessment, issuance of an Authority to Use Grant Funds approval of a Substantial Amendment to the Annual Action Plan).

HUD regulations require that HOME funding be committed within two years, however, the September 30, 2025, commitment deadline for FY 23-24 funding was extended, by a HUD waiver, to December 31, 2025.

Reprogramming of Community Housing Development Organization (CHDO) Funds

Under federal HOME regulations (24 CFR 92.300), participating jurisdictions are required to reserve a minimum of 15 percent of each annual HOME allocation for use by certified Community CHDOs. These funds must be committed within two years for a specific housing project developed, owned, or sponsored by a CHDO, unless specific conditions are met that allow the funds to be reprogrammed.

HUD regulations allow participating jurisdictions to reprogram CHDO funds as regular HOME funds when (1) the funds cannot be reasonably committed to a CHDO project within the time limit, and (2) the reallocation will not negatively impact the community.

As with the non-CHDO funds, the September 30, 2025, commitment deadline for FY 23-24 funding has been extended, by HUD waiver, to December 31, 2025. The County has reviewed the housing proposals received under the September 2025 RFP/NOFA and confirmed that the reprogramming will not have a negative effect on local housing development efforts – no proposals for a CHDO eligible project were submitted. Shifting the CHDO funding will ensure that the funds remain active and continue to benefit low-income residents through the Housing Rehabilitation Program, which provides essential health, safety, and accessibility improvements to existing housing units.

The proposed reprogram of CHDO funds is contingent on HUD approval as the two-year commitment period for all three FY's ends. While the County does not anticipate that FY 24-25 or 25-26 CHDO funding can feasibly be utilized independent of the non-CHDO HOME funding, Substantial Amendment No. 1 would not preclude the CHDO utilization of the funding until the commitment deadlines are reached, and HUD approves the reprogram.

This amendment therefore allows the County to fully utilize available HOME resources, prevent the return of unspent federal funds to HUD, and continue supporting the preservation of affordable housing across the Stanislaus HOME Consortium.

III. PROPOSED SUBSTANTIAL AMENDMENT NO. 1 DETAILS

Table 1 below indicates the funding amounts originally allocated per fiscal year for HOME Activities and Table 2 indicates the amended amounts proposed under Substantial Amendment No. 1.

Table 1: Original HOME Funding Activity Allocations

Approved HOME Activities	FY 2023-2024 Activity Amount	FY 2024-2025 Activity Amount	FY 2025-2026 Activity Amount
Consortium Affordable Housing Program	\$ 640,636.50	\$ 473,519.50	\$ 462,854.61
Housing Rehabilitation Program	\$ 640,636.50	\$ 473,519.50	\$ 462,854.00
Community Housing Development Organization (CHDO)	\$ 256,255.00	\$ 189,408.00	\$ 185,141.00
Administration	\$ 170,836.40	\$ 126,271.83	\$ 123,427.00
Total*	\$ 1,708,364.40	\$ 1,262,718.83	\$ 1,234,276.61

**Activity amounts include Activity Delivery costs.*

Table 2: Proposed Amended HOME Funding Allocations

Proposed Amended HOME Activities	FY 2023-2024 Activity Amount	FY 2024-2025 Activity Amount	FY 2025-2026 Activity Amount
Consortium Affordable Housing Program	\$ 1,281,273.00	\$ 947,039.00	\$ 925,708.61
Housing Rehabilitation Program	\$ 256,255.00	\$ 189,408.00	\$ 185,141.00
Community Housing Development Organization (CHDO)	\$ 0.00	\$ 0.00	\$ 0.00
Administration	\$ 170,836.40	\$ 126,271.83	\$ 123,427.00
Total*	\$ 1,708,364.40	\$ 1,262,718.83	\$ 1,234,276.61

*Activity amounts include Activity Delivery costs.

Amended funding allocations will be reflected in the Fiscal Year 2025-2026 Consolidated Annual Performance and Evaluation Report (CAPER).