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U. S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
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San Francisco, California 94104
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DEC 15 2017

Mr. Vito Chiesa
Chairman, Board of Supervisors
Stanislaus County
1010 10th Street, Suite 6500
Modesto, CA 95354-0884

Dear Mr. Chiesa:

SUBJECT: Annual Performance Assessment
Community Development Block Grant
Emergency Solutions Grant
Program Year: July 1, 2016 — June 30, 2017 (2016)

The U.S. Department of Housing and Urban Development (HUD) Office of Community Planning and Development (CPD) assesses the performance of its grant recipients on an annual basis. This letter conveys the results of this evaluation for the 2016 program year.

A principal report utilized by CPD to assess performance is the Consolidated Annual Performance and Evaluation Report (CAPER), submitted by grant recipients within 90 days of the completion of each Program Year. The CAPER provides important information on the use of Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funds in meeting specific housing and community development goals and addressing the needs of the homeless, as identified in the grantee's Five-year Consolidated Plan and Annual Action Plan. Additionally, this performance assessment takes into consideration information collected from other financial and performance reports, correspondence, and monitoring reports.

Program Year 2016 marks the second year of Stanislaus County's 2015-2020 Consolidated Plan. Through the plan, the county established five-year goals to benefit its low- and moderate-income residents by supporting public services, public infrastructure, economic development, affordable housing, and homelessness prevention. In this second year of the Consolidated Plan, Stanislaus County focused on infrastructure improvement, public services, and economic development, as well as on the needs of the homeless. The county made progress on its storm drain infrastructure project in the city of Waterford, as well as on the second phase of another infrastructure project installing curbs, gutters, and sidewalk infill for the city of Ceres. Stanislaus County continued to help its most vulnerable populations through the provision of public services, such as tutoring programs, after-school resources for at-risk teenagers, assistive

technology programs, and crisis intervention. Finally, the county met its goal of providing technical assistance to ten small businesses in 2016.

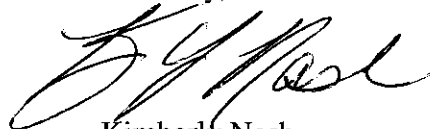
To meet the needs of the homeless, Stanislaus County worked closely with the Stanislaus County Continuum of Care, and used its ESG dollars to fund local nonprofit organizations that provided emergency shelter, rental assistance, housing relocation, and housing stabilization services. The county exceeded its 2016 targets for persons served under rapid-rehousing and emergency shelter programs, and assisted 32 persons with homelessness prevention services.

Based on this analysis, HUD has determined that the county has the continuing capacity to administer the programs. The activities undertaken are consistent with the Stanislaus County HUD-approved Consolidated Plan, and the county continues to make progress in meeting its housing and community development goals.

In accordance with the Consolidated Plan regulations described at 24 CFR §91.525, if Stanislaus County has comments regarding this enclosed report please submit them to this office within 30 days of receipt of this letter. This office may revise the report after considering the county's response. If HUD does not receive comments within the 30-day time period, this letter and attached report will be considered final and can be made available to the public.

HUD appreciates its partnership with Stanislaus County staff and looks forward to continuing to support the county's efforts to meet the goals of the Consolidated Plan. If there are any questions or there is a request for technical assistance, please do not hesitate to contact Abigail Ford, Community Planning and Development Representative, at 415-489-6569 or at Abigail.G.Ford@hud.gov.

Sincerely,



Kimberly Nash
Director
Community Planning and
Development Division

Enclosure

cc:

Angela Freitas, Director, Planning & Community Development

Miguel Galvez, Deputy Director

Ana San Nicolas, Associate Planner

Annual Performance Assessment

Stanislaus County 2016

Consolidated Annual Performance and Evaluation Report (CAPER)

Program Year End: June 30, 2017
Report Due: September 30, 2017
Report Received: September 29, 2017

Funding Covered by CAPER:
CDBG: \$2,171,255
ESG: \$197,836

Summary of Program Compliance

Community Development Block Grant Program (CDBG)

- Public Services Obligation [24 CFR 570.201(e)(1) or (2)]
 - Standard: <15% of Allocation plus Program Income received in prior year
 - Actual %: 10.31%
 - Obligated as reported in CAPER: \$246,633.00

- Administration & Planning
 - Expenditure [24CFR 570.200(g)(1)]
 - Standard: <20% of Origin Year Allocation excluding Program Income
 - Actual %: 13.71%
 - Expenditure as reported in CAPER: \$297,597.48

 - Obligation [24CFR 570.200(g)(2)]
 - Standard: <20% of Allocation plus Program Income received in current year
 - Actual %: 15.85%
 - Obligated as reported in CAPER: \$353,080.10

- Benefit to Low to Moderate-Income Persons [24 CFR 570.200(a)(3)]
 - Standard: At least 70% of the aggregate amount of CDBG funds received by the recipient shall be used for activities that benefit low- and moderate-income persons as reported in the CAPER.
 - Actual %: 100%

- Timeliness of Expenditures [24 CFR §570.902]
 - Standard: The regulations require that 60 days before the end of the program year, the county have no more than the equivalent of 1 ½ years-worth of CDBG grant funds available in its U.S. Treasury account. A ratio at or below 1.50 is acceptable.
 - Actual ratio: 1.48
 - Balance: \$1,032,582.68
 - Test date: 05-02-2017

Emergency Solutions Grant (ESG)

2016 ESG Allocation: \$197,836

- ESG Commitments [576.203(a)(2)]
 - Standard 100% of Allocation committed within 180 days of the execution of the grant agreement
 - Commitment Deadline: 2/18/2017
 - Actual Committed %: 100%
 - Shortfall (if any): 0
- ESG Expenditure Deadline [24 CFR 576.203(b)]
 - Standard 100% of grant funds disbursed within 24 months of the execution of the grant agreement
 - Expenditure Deadline: 8/22/2018
 - Actual Disbursed %: 79.98%
 - Actual Amount Disbursed: \$158,227.56
 - Shortfall (if any): \$39,648.44
- ESG Administration & Planning Cap [24 CFR 576.108(a)]
 - Standard: <7.5% of Allocation
 - Actual %: 7.5%
 - Amount over Cap (if any): 0
- ESG Shelter Operations & Street Outreach Cap [24 CFR 576.100(b)]
 - Standard: ≤60% of Allocation for shelter operations and street outreach expenses
 - Actual %: 57.61%
 - Amount over Cap (if any): 0