

Regional Early Action Planning Grants of 2019 (REAP) Close Out Report Form



County of Modoc

January 28, 2025

REAP Close Out Report Form Instructions

This form is for Regional Early Action Planning Grants of 2019 (REAP) grant holders to satisfy the reporting requirements of California Health and Safety Code section 50515.04. The report must be submitted to the California Department of Housing and Community Development (HCD) via email to reap@hcd.ca.gov no later than December 31, 2025.

Additional information about the REAP program is found at the program's webpage at: <https://www.hcd.ca.gov/grants-and-funding/programs-active/regional-early-action-planning-grants-of-2019>

Please proceed to the REAP Close Out Report Form on the next page and complete Parts I–X.

REAP Close Out Report Form

Part I – Summary

Briefly describe the grantee's REAP project(s), including but not limited to the following information:

1. Overview of the project
2. Project start date, duration and completion
3. Project goals and relevance to REAP goals
4. Proposed uses and actions taken in support of proposed uses
5. Actions that had the greatest impact on housing production
6. Overall outcomes including quantified outcomes

County of Modoc Grant No. 21-REAP-17102-Close Out Report Updated

Organized into four Sections according to activity: Section I as follows:

- A. *Section I-Update of the City of Alturas SOI and MSR Plan (Start Date January 22, 2023 to Completion Date February 13, 2024)*
- B. *Section II- Water Service Master Plan for the Community of Canby (Start Date January 22, 2023 to Completion Date August 27, 2024)*
- C. *Section III- Pre-Approved Accessory Dwelling Unit Plans (Start Date November 21, 2024 to Completion Date of December 24, 2024),*
- D. *Section IV-Grant Administration (Through entire grant program)*

Attachments:

1. Modoc County LAFCO Resolution No. 24-0002-MSR Adoption (completed)
2. Modoc County LAFCO Resolution No. 24-0003 SOI Adoption (completed)
3. Modoc County Resolution No. 2024-0044 Adoption of the Canby Water Service Plan (completed)
4. Canby Water Service Plan (completed)
5. Pre-Approved Accessory Dwelling Unit Plans Package (completed)

Section I- Update of the City of Alturas SOI and MSR Plan:

1. The Sphere of Influence and Municipal Services Review for Alturas includes an inventory of vacant land inventory and a residential absorption analysis to determine the amount of land that can be developed for future residential development based on County resource availability. This study also included evaluation of the unincorporated community of Daphnendale, which is an adjoining disadvantaged community to Alturas which is served public sewer by the City (completed).

2. Project commenced on June 13, 2023, and approved by the Modoc County Local Agency Formation Commission on February 13, 2024 by Resolution 2024-0003 (see attached).

Document can be accessed at:

https://www.modoclafrco.org/uploads/1/1/4/5/11454087/alturas_msr_and_soil_final_adopted_2-13-24.pdf

3. The Plan demonstrates the City's capacity to provide public services throughout the City and Sphere of Influence, including water and sewer, to the Community of Daphnedale. The Plan indicates that the City currently has sufficient sewer capacity to serve 250 connections, currently 42. This Plan demonstrates that, in accordance with the grant objectives for this project that over 25 dwellings could be constructed in Daphnedale.
4. Several several residential growth constraints identified as follows
 - a. Daphnedale lacks of a water system which in turn limited residential development opportunities.
 - b. There is a City water system storage limitation.
 - c. The City's sewer system is experiencing significant infiltration and inflow which needs to be repaired enable to increase capacity to serve growth.
 - d. There is a lack of professional opportunity in the area with declining population.
5. Several actions are identified to improve residential growth opportunities in Alturas and Daphnedale as follows:
 - a. City water should be extended to Daphnedale to improve growth opportunities.
 - b. The City should improve water storage capacity.
 - c. The City's should improve the sewer system to reduce infiltration and inflow which in turn will increase capacity.
 - d. The City, the County, regional, state, and federal partners should further develop economic employment opportunities for professionals to increase the demand for housing.
6. Outcomes in the Plan include recommendations to the City of Alturas as follows:
 - a. Continue economic development efforts and to balance job and population growth.
 - b. Establish requirements so that developers will pay their fair share of infrastructure development costs.
 - c. Prepare water and wastewater master plans and to investigate grants or loans to improve infrastructure, eliminate capacity constraints, and identify infrastructure needs for additional growth.
 - d. Develop a financing plan to accommodate growth by establishing a sustainable funding mechanism for capital improvements and day to day operations for Fire and EMS services.

- e. Prepare a Capital Improvement Plan to be prepared for future capital expenditures.
- f. Consider Community Facilities Districts as a means for new development to pay infrastructure and operational costs.
- g. Conduct a comprehensive update of General Plan and ordinances for consistency.

Section II- Water Service Master Plan for the Community of Canby

1. A water service is needed in Canby since many of its community wells have dried up or are having water quality issues. Having a comprehensive public water system to serve the community would assure potable water is made available to all residents, increase the potential of to improve water availability to the community, and increase residential development capacity in Canby. The Water Service Master Plan for the Community of Canby (WSMP) provides detailed design, costs, and financing options for development of a public water. The study identifies the opportunity to facilitate development of over 500 more dwellings in Modoc County (completed).
2. The project commenced on June 16, 2024, when the County awarded the work to PACE Engineering. The Plan was approved by Resolution No. 2024-0044 of the Modoc County Board of Supervisors on August 27, 2024

Documents can be accessed at:

https://cms5.revize.com/revize/modoc/departments/planning/current_projects_2.php

3. Without a public water system, future residential development is constrained. The Plan provides an opportunity to help increase the development of over 500 new housing units within the community boundaries.
4. The Plan provides an opportunity to increase water availability to existing residents and future housing development. It is the first step in creating actions for reducing constraints to residential development.
5. Design and recommendations in the plan that will have the greatest impact on housing production, of the Plan are as follows:
 - a. The water system should be designed for significant storage to address fire mitigation, emergency backup, and reduced fire insurance rates.
 - b. Water quality of groundwater will need to be further evaluated.
 - c. Hydraulic modeling will be needed to determine appropriate water distribution.
 - d. The estimated construction cost for near-term improvements is \$9.6 million. An additional \$6.3 million should be planned for construction contingency, indirect and engineering, and inflationary increases.
 - e. Various funding sources are available. Costs will vary depending on terms of grants/loans.

6. Based on the current County regulations for residential development Canby is limited to a residential development density of 1.5 units per acre realistic capacity). However, with public water provided, the realistic development capacity increases to over 6 units per acre and if sewer is provided up to 13 units per acre. The Plan indicates over 500 new housing units could be developed in Canby with public water service available. The water service plan would be used to obtain grants from State and Federal agencies to construct a new water system for Canby. The final product would be a water service plan approved by the County.

New-Section III- Pre-Approved Accessory Dwelling Unit Plans

The General Plan Housing Element indicates the need to provide more affordable housing in Modoc County and targets the need to produce more Accessory Dwelling Units (ADU)s as a major source of housing that can support very low and low income families. Using detailed building plans that have been pre-approved for building permits the County now offers two versions of Accessory Dwelling Unit (ADU) Plans to applicants/property owners for free. These plans, designed by Michelle Marie, a local residential designer, can be made to fit most properties that already have an established house on a separate residential property. Normal cost of producing these plans can range in price from \$8,000 to \$20,000 depending on level of sophistication and designer costs. These cost savings will reduce overall costs of an ADU by as much as 10 percent. In addition, having the plans pre-approved allows for over the county building permit issuance avoiding the time it takes to process and plan check an unfamiliar set of plans. This program of producing affordable housing has been successful in encouraging this type of development throughout California and will increase the production of ADUs in Modoc County (completed).

Section IV-Grant Administration

Not Applicable

Part II – Lead Agency and Partnerships

List lead agency and partnerships, including names, position titles, organizations, and the roles and responsibilities of each. What did those collaborative relationships and processes look like?

County of Modoc Grant No. 21-REAP-17102

Section I- Update of the City of Alturas SOI and MSR Plan:

Modoc County Local Agency Formation Commission: Jennifer Stephenson, Executive Director; management of SOI/MSR and coordination of future annexations and district changes between developers, the City of Alturas, and Modoc County.

City of Alturas, Warren Farnam, City Manager/Planning Director, management of City facilities and coordination of Planning Commission and City Council for future development and planning and construction of City facilities and services.

County of Modoc-Partner Agency, Sean Curtis, Interim Planning Director, Jackie Staff Planner, coordination and support for planning and development entitlements within the County and City of Alturas Sphere of Influence (areas outside City boundaries).

Section II- Water Service Master Plan for the Community of Canby

Canby Community Service District; Bonnie Sherer, Board Member, coordinates the community's communications and lead the way to support efforts to develop a public water system.

County of Modoc-Partner Agency, Chester Robertson, County Executive Officer, Sean Curtis, Interim Planning Director, Jackie Staff Planner, coordination and support for coordinating plan development with PACE Engineering and Canby community members.

New-Section III- Pre-Approved Accessory Dwelling Unit Plans- County of Modoc- Sean Curtis, Interim Planning Director, Jackie Froeming Senior Planner, and Administrative Assistant - Jill Titterington.

Section IV-Grant Administration

Not Applicable.

Part III – Drivers

Answer the following questions:

1. Did any local, state, or federal legislation or mandates drive the project(s)? (SB 35, AB 1397, etc.)
2. Was it a community-driven effort?
3. Were there additional funding opportunities present?

County of Modoc Grant No. 21-REAP-17102

Section I- Update of the City of Alturas SOI and MSR Plan:

1. MSR and SOI are mandated by State law to be periodically updated.
2. Funding for preparation of the plan was requested by Modoc County LAFCO based on the County seeking means to improve housing production.
3. There were no other funding opportunities explored for this preparing this Plan.

Section II- Water Service Master Plan for the Community of Canby

1. MSR and SOI are mandated by State law to be periodically updated.
2. Funding for preparation of the plan was requested by Modoc County LAFCO based on the County seeking means to improve housing production.
3. There were no other funding opportunities explored for this preparing this Plan.

New-Section III- Pre-Approved Accessory Dwelling Unit Plans

1. AB 68, AB 345, AB 587, AB 670, AB 671, AB 881, AB 3182, SB 13, requires jurisdiction to allow ADUs by right with minimal design standards and reduces local regulatory constraints to produce ADUs. ADUs are seen by the State, and now by the County, as a potentially rich source of lower income housing production.
2. Yes-The County receives many enquiries about producing lower cost housing, such as ADUs. The City of Alturas already has an similar program. Dovetailing from this program, the County can now offer similar programs to its residents.
3. The County has been evaluating different funding sources for this trial program and will expand the program to use other grant or general fund money to continue to support this program.

Section IV-Grant Administration

Not Applicable

Part IV – Engagement Process

Answer the following questions:

1. Who were your stakeholders?
2. What did the engagement process look like?
3. What role did stakeholders play in the process? (Keep in mind: training, education, council formation, technical assistance, etc.)
4. What were the outcomes of the engagement process?

County of Modoc Grant No. 21-REAP-17102

Section I- Update of the City of Alturas SOI and MSR Plan

The Modoc County LAFCO actively engaged the community in preparing the Plan. The Plan included a kickoff meeting with the public and a final presentation of the Plan to the LAFCO Board at adoption stages. LAFCO and the project consultant reached out to the City of Alturas and Modoc County in preparing the report. No-one from the public made any comments on the Plan during this review process.

Section II- Water Service Master Plan for the Community of Canby

The Modoc County actively engaged the community in preparing the Plan. Bonnie Sherer, one of six current board members of the Canby Community Service District, led the charge to activate the District work with staff to review options for developing a water system for Canby; a rural, unincorporated community with a population of over 300. Ms. Sherer, along with the Board has been discussing the need for this system for several years with the County. The outcome has been for the County to work with their PACE Engineering, to prepare a master water service plan that would be the first step in obtaining financing and then constructing the system. PACE and the County presented a draft plan to the Canby community at a public workshop held on April 24, 2024. The workshop was well attended with over 20 community members, the District Board, and County staff. The outcome was the assembly of a system design that incorporated community direction from the workshop.

New-Section III- Pre-Approved Accessory Dwelling Unit Plans

The County actively engages the community in housing issues including regularly updating the Housing Element, annually review performances in implementing housing programs, and working with partner agencies such as the City of Alturas and TEACH (Training, Employment and Community Help, Inc) to develop housing programs for lower income families. The diversification of housing types in the County, such as more developing more ADUs, has been clearly articulated as a community desire through many Housing Element public outreach events. The County is using the City's of Alturas ADU program as a model for using the same pre-approved plans for application. Consequently, City and County residents can apply for this program similarly creating a

more seamless process. In addition, much of the public engagement process used by Alturas in developing their program were transferred to this County program.

Section IV-Grant Administration

Not Applicable.

Part V – Challenges

Answer the following questions:

1. What challenges were encountered?
2. What solutions were encountered or created?
3. Are there areas for improvement of policy alignment at the state or federal level to help achieve this project more easily?

County of Modoc Grant No. 21-REAP-17102

Section I- Update of the City of Alturas SOI and MSR Plan:

Much of the information in the plan consists of data to support the need to develop programs to increase housing production, such as vacant land inventories, capacity analysis, and infrastructure improvement needs. The General Plan Housing Elements for both Alturas and Modoc County include programs to expand housing development opportunities through programs to incentivize housing development and reduce constraints to housing production. The Plan provides policy recommendations to address these objectives. There were very few challenges encountered in preparing the report. Many recommendations align with state and federal laws, such as the need to update the City of Alturas General Plan.

Section II- Water Service Master Plan for the Community of Canby

Although there seemed to be a unified consensus among Canby community members during the workshop to develop the water system, there was significant disappointment with understanding the cost to construct and maintain the system and how that might best be funded. Much discussion centered on the cost of water rates and the impact these rates would have on living in Canby. Solutions of developing a water system included evaluating what different water sources could be used, how the system design would work, and what resources it would take to maintain the system. It was also noted that water quality, and the potential costs of water treatment for the system could be a challenge. The Canby Community Service District and the County acknowledged that any water system that was to be funded by state and federal funding would need to comply with health and safety regulations.

Section III- Pre-Approved Accessory Dwelling Unit Plans

As a result of HCD REAP Reimbursement Department's encouragement to fully use the County's REAP Grant allocation, the County was able to apply a similar program for ADU production used by the City of Alturas. This will result in a program that all residents in the County and the City can use seamlessly. The County appreciates HCD's offer to use these funds to create more lower income housing production in the County. This partnership between cities and counties could be used as a model for other agencies.

Section IV-Grant Administration

Not Applicable.

Part VI – Outcomes

Answer the following questions:

1. What are the current or projected outcomes? What are the benefits?
2. Did actual outcomes meet expectations?
3. Have new opportunities arisen as a result of this project?
4. What are the next steps?

County of Modoc Grant No. 21-REAP-17102

Section I- Update of the City of Alturas SOI and MSR Plan:

1. The Plan becomes an information and policy document for future decisions regarding annexation and potential growth in the City and the community of Daphnedale.
2. The recommendations noted in Part I of this report will result in developing programs to improve residential growth opportunities in both the City of Alturas and in Modoc County.
3. Too early to tell if new opportunities will improve housing production conditions.
4. Next steps will be to take actions recommended in the Plan, such as updating the General Plan to improve housing production.

Section II- Water Service Master Plan for the Community of Canby

1. The Community of Canby, including the District, now has a better understanding of what is needed to create a new public water system and it is in their court to determine how to proceed.
2. The Plan provides a mechanism to move forward with funding the project with whatever funding opportunities may be available. There is a much greater understanding of what is needed to move forward with community objectives of improving water availability and, potentially, increased housing production.
3. Now there is a better understanding of what is needed for a water system, the County will be working as partners with the Canby community and the District to move this project forward if there is a continued community desire to do so.
4. The Canby community and the District will need to continue evaluating the feasibility of developing a water system which could include assistance with preparing grant applications and providing water testing. The County is currently updating the Housing Element and will be adding some programs to support these efforts.

New-Section III- Pre-Approved Accessory Dwelling Unit Plans

1. The benefits of this program will be the production of more ADUs throughout the County, diversifying housing types, and providing more affordable living opportunities.
2. Since this is a new program (completed) there have been no immediate housing unit production outcomes.
3. To early to tell if new opportunities will improve housing production conditions.
4. The program will result in production of more ADUs.

Section IV-Grant Administration

Not Applicable.

Part VII – Replicability

Answer the following questions:

1. What aspects of the project could be replicated in other communities?
2. What useful resources and tools were implemented? Were there specific tools used for specific regions or sectors?

County of Modoc Grant No. 21-REAP-17102

Section I- Update of the City of Alturas SOI and MSR Plan:

1. The Plan is structured the requirements of related LAFCO laws, commonly referred to as the Cortese, Knox, Hertzbert Act of 2000. The law commences in Government Code Section 56000. Although the Plan is typical for compliance it is well organized to reference recommendations for ease of use and understanding. Much of the document's approach to identifying constraints to housing production can be replicated in other communities.
2. The Plan evaluates opportunities and constraints to public infrastructure and services to address future housing production needs as identified in both Alturas and the County's General Plans. For the community of Daphnedale, it was clear that not only is there a need to continue providing wastewater service, but there is a need to extend water services from the City to this disadvantaged community to improve housing production potential.

Section II- Water Service Master Plan for the Community of Canby

1. A Master Water Service Master Plan is needed for any community seeking meaningful service enhancements to produce more housing. It is required as a first step in obtaining financial resources to develop a water system. The Plan provides a shovel ready plan to move forward to development once financing is obtained.
2. Interactions with the community of Canby and the District have helped define the water system design that would best meet the community's needs, such as using a groundwater based system, adding significant storage for emergency services, and evaluating the need for treatment.

New-Section III- Pre-Approved Accessory Dwelling Unit Plans

1. The County was able to apply a similar program for ADU production that is being used by the City of Alturas. This program is now available to all residents in the County and the City. This partnership between cities and counties could be used as a model for other agencies. Also, local agencies, the State/Feds might consider direct funding similar programs for implementation by local agencies.

2. Same response in 1.

Section IV-Grant Administration

Not Applicable

Part VIII – Project Highlights, Best Practices and Anticipated Achievements

Answer the following questions:

1. What are the most prominent project highlights and why?
2. What are some of the best practices that could be used by other agencies at a local, regional, state or federal level?
3. What are some long-term achievements that could result from the overall project?

County of Modoc Grant No. 21-REAP-17102

Section I- Update of the City of Alturas SOI and MSR Plan:

1. The Plan is effectively organized with data support at the beginning and recommendations at the end to provide a logical understanding of constraints to growth and programs to improve housing production opportunities, such as:
 - a. Continue economic development efforts and to balance job and population growth.
 - b. Establish requirements so that developers will pay their fair share of infrastructure development costs.
 - c. Prepare water and wastewater master plans and to investigate grants or grants and loans to improve infrastructure, eliminate capacity constraints, and identify infrastructure needs for additional growth.
 - d. Develop a financing plan to accommodate growth by establishing a sustainable funding mechanism for capital improvements and day to day operations for Fire and EMS services.
 - e. Prepare a Capital Improvement Plan to be prepared for future capital expenditures.
 - f. Consider Community Facilities Districts as a means for new development to pay infrastructure and operational costs.
 - g. Conduct a comprehensive update of General Plan and ordinances for consistency.
2. The Plan emphasizes programs to enhance public services and infrastructure to reduce constraints to housing production. Many of the recommendations in this Plan could be used by other agencies.
3. As noted in the Plan, there are several policy deficiencies that need to be addressed in an update to the Alturas General Plan and there are some programs that share both County and City resources that need to be implemented, such as increasing economic development opportunities for increased employment opportunities. Once additional economic development opportunities become available, housing development/production will improve.

Section II- Water Service Master Plan for the Community of Canby

1. The Plan provides a comprehensive plan for developing a public water system based on directions provided by the Canby community at a public workshop. The strongest points are understanding the costs of development and the potential challenges ranging from water quality/treatment to finance options.
2. The Plan is structured to position the community to obtain grants for construction.
3. The main achievement stemming from this Plan would be the construction and long-term maintenance of a public water system for Canby.

New-Section III- Pre-Approved Accessory Dwelling Unit Plans

1. Having pre-approved ADU plans encourages homeowners to develop more rental housing on their properties by reducing costs and providing for permit streamlining.
2. This program has been completed and can be expanded with additional funding sources.
3. Increase in lower income housing and adding more dwelling unit type diversity to the County and the City.

Section IV-Grant Administration

Not Applicable.

Part IX – Additional Resources

Provide web links to:

1. the project itself, and
2. resources used throughout the project, and any other relevant resources.

County of Modoc Grant No. 21-REAP-17102

Section I- Update of the City of Alturas SOI and MSR Plan:

Document can be accessed at:

https://www.modoclaftco.org/uploads/1/1/4/5/11454087/alturas_msr_and_soi_final_adop ted_2-13-24.pdf

Attached is Modoc County LAFCO Resolution

Section II- Water Service Master Plan for the Community of Canby

The Plan and resolution from the Modoc County Board of Supervisors approving the Plan are attached.

Documents can be accesses at:

https://cms5.revize.com/revize/modoc/departments/planning/current_projects_2.php

New-Section III- Pre-Approved Accessory Dwelling Unit Plans

This Program is evolving and these plans have been added to the County's Building Department website and can be accessed at:

https://www.co.modoc.ca.us/departments/building_and_safety/preapproved_housing_plans.php

Section IV-Grant Administration

Not Applicable

Part X – Further Information

Provide information on who can be reached for HCD to obtain more information about the project. Include names, phone numbers, and email addresses for one or more individuals.

County of Modoc Grant No. 21-REAP-17102

Section I- Update of the City of Alturas SOI and MSR Plan

Section II- Water Service Master Plan for the Community of Canby

New-Section III- Pre-Approved Accessory Dwelling Unit Plans

Section IV-Grant Administration

Contact Information: Jackie Froeming, Modoc County Planning Department, (530) 640-1057, jackiefroeming@co.modoc.ca.us