



COMMUNITY DEVELOPMENT AGENCY  
**HOUSING AND FEDERAL GRANTS DIVISION**

**AGENDA**

Brian C. Crawford  
DIRECTOR

**COUNTYWIDE PRIORITY SETTING COMMITTEE PUBLIC HEARING  
PROPOSED FUNDING FOR COMMUNITY DEVELOPMENT BLOCK  
GRANT (CDBG) AND HOME PROGRAM FUNDS FOR CDBG-CV-3**

Marin County Civic Center  
3501 Civic Center Drive  
Suite 308  
San Rafael, CA 94903  
415 473 6269 T  
415 473 7880 F  
415 473 2255 TTY

Thursday, November 12, 2020 6:00 p.m.

**Meeting Location:  
Virtual Hearing via Zoom**

Building and Safety  
Environmental Health Services  
Planning  
Environmental Review  
Housing  
Sustainability  
Code Enforcement  
GIS  
Federal Grants

[www.marincounty.org/cda](http://www.marincounty.org/cda)

- 1. Opening Comments from Committee Chair.**
- 2. Priorities and recommendations for The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Community Development Block Grant (CDBG-CV-3) funding for fiscal year 2019-20 distribution for three local CDBG Planning Areas (Novato, San Rafael, County Other).**
  - A. Staff report.
  - B. Public comments.
  - C. Discussion and recommendations by Priority Setting Committee to Marin County Board of Supervisors for proposed use of CDBG Planning Area funds.
- 3. Staff Updates**
- 4. Open Time for Public Comment on Matters Not on the Agenda.**

**Future Hearings**

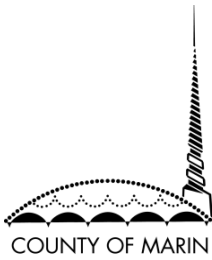
Thursday, December 3, 2020  
Priority Setting Committee Meeting for 2021-2022 Funds  
Virtual Hearing via Zoom  
6:30 p.m.

Tuesday, December 8, 2020  
Marin County Board of Supervisors  
Virtual Hearing via Facebook  
9 a.m. or thereafter (time to be determined)

If you have questions about the public hearing, please call Housing and Federal Grants at (415) 473-6279 at the Marin County Community Development Agency. People using TTY devices may reach us at (415) 473-3232 (TTY) or through the California Relay Service at 711. All public meetings and events sponsored or conducted by the County of Marin are held in accessible sites. Requests for accommodations may be made by calling Housing and Federal Grants at (415) 473-6279, (415) 473-3232 (TTY), or by e-mail: [federalgrants@marincounty.org](mailto:federalgrants@marincounty.org), at least five business days in advance of the event. Copies of documents are available in alternative formats, upon request. Sign language interpretation and translation into languages other than English are available upon request. Please call our office at (415) 473-6279, at least five business days in advance of the public hearing you want to attend, if you need language translation, a sign language interpreter, an assistive listening device, or other reasonable accommodation. In consideration of persons with environmental sensitivities, please do not wear perfume or other fragrances. Call Golden Gate Transit (415-455-2000, 711 TDD) for transit information.



The Consolidated Plan, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports, records regarding past use of Community Development Block Grant, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS Program funds, the Civil Rights Policy, the Residential Antidisplacement and Relocation Assistance Plan, the Nondiscrimination Policy, and program files are available for inspection at the Marin County Community Development Agency, 3501 Civic Center Drive, Room 308, San Rafael, California. Copies of documents are available in accessible formats upon request.



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**DATE:** Thursday, November 12, 2020  
**TO:** Countywide Priority Setting Committee  
**FROM:** Jillian Zeiger, Planner  
Leelee Thomas, Planning Manager  
**SUBJECT:** CARES Act Community Development Block Grant (CDBG-CV-3) Funding and Priorities for FY 2019-20  
**MEETING LOCATION:** Virtual Hearing

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**REQUEST:**

1. Consider priorities and funding recommendations for The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Community Development Block Grant round 3 (CDBG-CV-3) funding for the County Other Planning Area 2019-20 fiscal year and approve recommendations.

**RECOMMENDATION:**

1. Consider and Recommend CDBG-CV-3 priorities and funding for fiscal year 2019-20 to the Marin County Board of Supervisors.
2. Consider amendments to the Annual Action Plan to accommodate proposed uses of the CDBG-CV-3 funds

## **SUMMARY:**

In response to COVID-19, HUD has received \$5 billion in additional Community Development Block Program (CDBG-CV) funding to appropriate to state and local governments. These funds are made available through the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) which was signed into law on March 27, 2020. To accommodate the additional funding available through CDBG-CV, the County must amend the 2019 Annual Action Plan approved by the Board of Supervisors on May 12, 2020.

The Plan Amendments to the 2019 Annual Action Plan are prepared in HUD’s Integrated Disbursements & Information System, using their required format.

## **DISCUSSION:**

### **Funding Analysis:**

#### **Amendment to the 2019 Annual Action Plan (CARES Act funds)**

HUD announced the allocations of the first \$2 billion in CARES Act funding for current CDBG grantees. The CARES Act builds on features of the existing CDBG program as well as precedent set by CDBG Disaster Response (CDBG-DR) supplemental appropriations. The act directs HUD to administer these funds pursuant to Section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306). This provision calls for HUD to allocate the supplemental funds to CDBG grantees—including eligible local governments, states, and insular areas—proportional to their conventional Fiscal Year 2020 CDBG allocation, as published by HUD in April 2020.

CARES CDBG-CV funding is intended to prevent, prepare for, and respond to impacts of the coronavirus based on public health needs, risk of transmission of coronavirus, number of coronavirus cases compared to the national average, and economic and housing market disruptions. The remaining funds will be distributed to states and units of local government on a rolling basis, at the discretion of the Secretary of the U.S. Department of Housing and Urban Development, with formula factors to be defined by HUD.

The County was awarded \$938,065 in CDBG-CV funds in March. The latest funding award, allocated to the County on September 11, 2020, is \$1,790,994. The formula allocation developed by HUD for round 3 of funding both meets the statutory requirements of the CARES Act and the President’s Executive Order to focus funds toward places with households facing higher risk of eviction. Specifically, it targets communities with households most at risk for transmission and risk of eviction, with higher amounts for states with high rates of coronavirus.

The CARES Act permits HUD to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the CDBG-CV funds, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment. To this end, HUD has waived the 15% cap on public service dollars for the CDBG-CV funds, allowing for more flexibility to directly serve low- to moderate-income residents. Proposed changes to the 2019 Annual Action Plan related to the CDBG-CV funds are detailed in Attachment 7.

### **Needs Assessment**

A comprehensive needs assessment was performed for previous CDBG-CV funding in March. For this round of funding, staff emphasized a focused needs assessment in areas with the highest rates of COVID and areas facing higher risk of eviction, given the HUD directive described above. Staff

worked with local non-profit organizations who have supported low-income communities throughout the pandemic, including Canal Alliance and North Marin Community Services. Staff also spoke with Emergency Operations Center staff and city managers. After conducting this more focused needs assessment, staff found that the greatest needs are subsistence payments, also defined as emergency rental assistance payments with case management services, and support for small<sup>1</sup> and microbusinesses<sup>2</sup>.

**Methodology**

With a goal of utilizing the CARES Act dollars to prevent, prepare for and respond to coronavirus, the formula used to allocate funds is primarily based on the prevalence of coronavirus in communities. Data on coronavirus cases, supplied by the County of Marin Health and Human Services (HHS), and data on overcrowding<sup>3</sup>, gathered from the U.S. Census American Community Survey, were utilized to determine the communities with the greatest risk for coronavirus transmission<sup>4</sup>. Additionally, data from HUD’s CHAS/Consolidated Plan tool was utilized to determine the percentage of low-income households in each community, in line with the use of HUD dollars to be used for low-income individuals and households, who make below 80% of the area median income. These data points resulted in the following allocation, for your reference, the table below shows how the funds would have been distributed without the COVID risks included in the methodology:

- San Rafael: 52.7%, \$943,853.84
- Novato: 27.1%, \$485,359.37
- County Other: 20.2%, \$361,780.79

	Proposed CDBG-CV COVID Allocation		Standard CDBG Allocation	
	Percent	Dollar	Percent	Dollar
San Rafael	52.7%	\$943,853.84	39.42%	\$706,009.83
Novato	27.1%	\$485,359.37	23.68%	\$424,107.38
County Other	20.2%	\$361,780.79	36.90%	\$660,876.79

To ensure the communities with the greatest risk of coronavirus transmission are adequately supported by these funds, staff analyzed the percentile of both coronavirus cases and overcrowding rates. Among all census tracts in Marin County, those that presented a percentile greater than 90 in either coronavirus or overcrowding data located within the San Rafael and Novato communities are recommended to be earmarked with funds for the proportion of coronavirus cases they represent out of their entire community. This methodology was not utilized for the County Other community, as it did not present many tracts with a percentile greater than 90 for either of those factors. This presents the following allocation:

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<sup>1</sup> HUD defines a small business as a business with more than 6 employees.  
<sup>2</sup> HUD defines a micro-enterprise as a business with five or fewer employees, including the business owner.  
<sup>3</sup> Data on overcrowding is staff’s main indicator for risk of eviction.  
<sup>4</sup> HUD defines overcrowding as more than one occupant per room.

	Community Dollar Allocation	High Percentile Census Tracts – Proportion of Coronavirus in Community	High Percentile Census Tracts – Dollar Allocation
San Rafael	\$943,853.84	76.3%	\$720,160.48
Novato	\$485,359.37	51.3%	\$248,989.36
County Other	\$361,780.79	-	-

### Recommended for Funding

Staff recommend that 75% of the funds using the methodology above go toward rental assistance with case management. In San Rafael and Novato, rental assistance funds will be focused in areas that are most at risk for transmission and risk of eviction. Twenty-five percent (25%) of the funds are recommended for assistance with small and microbusinesses, with a focus on serving those most impacted by COVID and unable to access other resources.

The County is not proposing to use any of the CDBG-CV-3 funds for administration of the program. Administration funds will be an eligible expense for the direct service providers.

**FISCAL IMPACT:** There is no direct cost or revenue impact on local jurisdiction’s general funds generated by the recommended action, as the Priority Setting Committee is directing HUD funds to specific projects. Allocating funds to projects may allow County and City general and capital funds to be allocated to other priorities.

### OPTIONS:

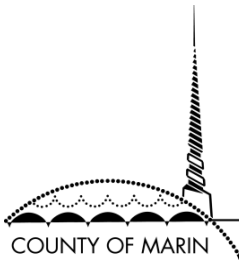
1. Approve staff’s recommendation of the Amendment to the 2019-20 Annual Action Plan and direct staff to submit it to the Board of Supervisors, with authorization to provide such corrections or additional information as HUD may require.
2. Approve the Amendments to the 2019-20 Annual Action Plan and use standard allocations of CDBG funding and direct staff to submit it to the Board of Supervisors, with authorization to provide such corrections or additional information as HUD may require.
3. Approve the Amendments to the 2019-20 Annual Action Plan and make different allocations of CDBG funding and direct staff to submit it to the Board of Supervisors, with authorization to provide such corrections or additional information as HUD may require.

### ACTION REQUIRED:

1. Adopt recommendations for CDBG-CV-3 project funding for the FY 2019-20 to be presented to the Marin County Board of Supervisors.

### ATTACHMENTS:

Attachment 1 Draft Amendments to the 2019 Annual Action Plan



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**Attachment 1 – Draft Amendment to the 2019 Annual Action Plan**

To accommodate the additional funding and facilitate immediate expenditure, the County must amend the 2019 Annual Action Plan approved by the Board of Supervisors on May 12, 2020. The Annual Action Plan guides the distribution of funding and serves as the application to HUD for the expenditure of funds.

Staff propose making the following changes to the 2019 Approved Annual Action Plan:

AP-20 Annual Goals and Objectives

- Add \$1,343,245.50 to Goal six (6) located on page 46, bringing the total funds allocated to the Public Services goal up to \$2,496,362.50.
- Increase the anticipated number of persons assisted from 5,044 to 7,944
- Adding an eighth goal for Economic Development, located on page 47.

AP-35 Projects – 91.220(d)

- Amend Subsistence Payment Project in the list of Projects being undertaken in the 2019 Annual Action Plan.
- Add Economic Development to the list of Projects being undertaken in the 2019 Annual Action Plan.

AP-38 Project Summary

- Add the following table describing the projects to be undertaken.

<b>Project Name</b>	Subsistence Payments
<b>Target Area</b>	Countywide Countywide, with emphasis on high-need neighborhoods
<b>Goals Supported</b>	Public Services
<b>Needs Addressed</b>	Public Services
<b>Funding</b>	CDBG: \$2,281,310.50
<b>Description</b>	Support the provision of subsistence payments in the form of temporary rental assistance benefiting low-, very low-, and extremely low-income individuals facing loss of income due to COVID-19. Subsistence payments will be made for a maximum of 6 months and be paid directly to landlord and housing providers on behalf of tenants for the purpose of preventing homelessness.
<b>Target Date</b>	6/30/2020
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 4,700 low-, very low-, and extremely low-income individuals will benefit from subsistence payments.

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<b>Location Description</b>	Subsistence payments are provided throughout the County of Marin and administered from various grantee organizations in San Rafael and Novato.
<b>Planned Activities</b>	Rental Assistance Organizations: NO <sup>1</sup> – LMC <sup>2</sup> , Presumed Benefit – N, Matrix Code – 05Q, 4,700 low/mod-income persons to benefit from subsistence payments.

<b>Project Name</b>	Economic Development
<b>Target Area</b>	Countywide Countywide, with emphasis on high-need neighborhoods
<b>Goals Supported</b>	Economic Development
<b>Needs Addressed</b>	Economic Development
<b>Funding</b>	CDBG-CV: \$447,748.50
<b>Description</b>	Promote economic development activities to respond to the impact of COVID-19, by implementing activities such as Direct Financial Assistance to For-Profits to provide operating capital. Forms of assistance may include loans, loan guarantees, and grants.
<b>Target Date</b>	6/30/2021
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 270 low-, very low-, and extremely low-income individuals will benefit from economic development activities.
<b>Location Description</b>	Economic Development projects are provided throughout the County of Marin and administered from: 91 Larkspur Street, San Rafael, CA 94901 and 2301 Mission Street, Suite 301 San Francisco, CA 94110
<b>Planned Activities</b>	MEDA: NO <sup>3</sup> – LMJ <sup>4</sup> , Presumed Benefit – N, Matrix Code – 18A, x low/mod-income persons to benefit from Direct Financial Assistance to For-Profit Business.  MEDA: NO <sup>5</sup> – LMJ <sup>6</sup> , Presumed Benefit – N, Matrix Code – 18C, x low/mod-income persons to benefit from Micro-Enterprise Assistance.

**AP-50 Geographic Distribution – 91.220(f)**

- Update the Geographic Distribution table to reflect added funding:

<b>Target Area</b>	<b>Percentage of Funds</b>
Countywide	75%
Countywide, with emphasis on high-need neighborhoods	25%

<sup>1</sup> NO = National Objective  
<sup>2</sup> LMC = Low Mod Limited Clientele  
<sup>3</sup> NO = National Objective  
<sup>4</sup> LMJ = Low/Mod Job Creation or Retention  
<sup>5</sup> NO = National Objective  
<sup>6</sup> LMJ = Low/Mod Job Creation or Retention