

## 2021/22 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM HOUSING APPLICATION GUIDELINES

### Application logistics:

#### Application Process and Timing

- Applications will be open on **Monday, January 25, 2021**.
- Applications will be due on **Friday, February 5, 2021, no later than 5:00 PM. POSTMARKS WILL NOT BE ACCEPTED.**
- Federal Grants staff will review applications in February and March.
- Public hearings for each of the three Planning Areas to determine recommendations will be held March-April 2021.
- The Board of Supervisors will hold the final public hearing to confer recommendations on all of the applications in May and transmit the recommendations to HUD.

#### Application submittal

Submissions may be made via online, email, mail, or in person to one of the addresses below.

- Emailed applications are preferred and should be sent to this address **ONLY**:  
[federalgrants@marincounty.org](mailto:federalgrants@marincounty.org)
- Mailing address/physical address (if dropping off application):  
County of Marin  
3501 Civic Center Drive #308  
San Rafael, CA 94903  
Attn: Federal Grants

#### Application Content

- The minimum grant size is \$15,000 per year.
- Organizations may only apply for one project.
- **Only complete applications submitted on time will be considered for funding.**
- Complete applications include the **application document, project budget, and organization budget.**

#### Average Grant Size

- Housing grants vary from \$25,000 to \$200,000, depending on the project scope.

#### Eligible Applicants and Projects

- Applicants must either be a nonprofit, government entity, or have a fiscal sponsor that is a nonprofit or government entity. Individuals are not eligible for funding.
- To ensure affordable housing is dispersed through the county, CDBG and HOME funds cannot be used for housing projects in the Canal Neighborhood of San Rafael or Marin City.
- To learn more about eligible and ineligible activities, review these guides to [eligible CDBG activities](#) and [eligible HOME activities](#).
- Projects cannot be located in a Floodway and project in a Flood Zone must have flood insurance. Use this to verify if it is in a flood way/zone: <https://msc.fema.gov/portal/home>

## **Notice of Funding Availability: Community Development Block Grant (“CDBG”) Program to Support Housing For 2021-22 funding cycle**

The Marin County Community Development Agency’s Federal Grants Division is pleased to announce the opening of the application period for CDBG funds to support the acquisition and rehabilitation of affordable housing.

### Overview

Federal funding through the Community Development Block Grant (CDBG) program provides communities with resources to address a wide range of unique community development needs. The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop thriving communities by providing funding to assist in the creation of affordable housing, a suitable living environment, and expanded economic opportunities for low and moderate-income persons. The program is managed by the Federal Department of Housing and Urban Development (HUD).

### National objectives for funding

Each activity funded by CDBG must meet one of the following national objectives for the program. Each application must clearly state which objective the proposed project addresses.

- Benefit low and moderate-income persons.
- Prevention or elimination of slums or blight.
- Address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which no other funding is available.

### Priority Setting Committee local thresholds for funding

All applications are assessed using the following as thresholds for funding:

- Support projects that Affirmatively Furthering Fair Housing and have the commitment and capacity to engage in Affirmative Marketing.
- Prioritize projects that serve members of the protected classes as defined by HUD (race, color, religion, national origin, sex, disability, and familial status).
- Prioritize projects that serve low-income persons.

### Evaluation Criteria:

All applications are assessed on the following baseline criteria:

- Readiness—can awarded funds be completely expended during the grant year.
- Sustainability—does the organization have capacity to sustain a project or program beyond this federal funding period?
- Effectiveness and Accountability—does the organization have the capacity and track record to effectively conduct the project and administer federal funds?
- Prioritize greatest impact.

The Countywide Priority Setting Committee has approved funding priorities for CDBG Housing dollars that considers projects in the following categories first:

- Family Housing
- Land trust model in eastern Marin<sup>1</sup> that provides home ownership opportunities

While this priority list does not preclude the funding of other types of projects, it provides staff with further direction when evaluating applications that meet both the national and local baseline thresholds.

Project budgets:

Detailed project budgets including sources and uses of fund to complete the project are required.

Income verifying clients:

All applicants are required to income qualify beneficiaries of services provided with CDBG funds. Under CDBG regulations HUD presumes the following groups to be low-income and income verification is not required: abused children, battered spouses, the elderly, adult persons with serious disabilities, individuals who are homeless, illiterate persons, and migrant farm workers. Removal of architectural barriers to assist seniors and adults with severe disabilities would fall under this category of Presumed Benefit.

## **Marin County CDBG Program Overview**

All of the eleven cities and towns in Marin County and the County of Marin participate in the CDBG program through a cooperation agreement. The cooperation agreement is renewed every three years. The cooperation agreement allows Marin County to be defined as an “urban county”, having a population of over 200,000, and to receive a direct CDBG funding allocation. Novato and San Rafael are eligible to receive CDBG funding as entitlement cities because their populations exceed 50,000 persons. However, both cities have chosen to continue with the cooperation agreement to assure that Marin is efficient and effective in administering these funds and does not increase the burden on applicants and recipients.

The total CDBG allocation for Marin County has been about \$1.5 Million dollars annually and HOME is about \$800,000. Staff is anticipating the 2021-22 allocation will be similar to 2020-21. Staff will make their funding recommendations based on the 2020-21 allocation.

Marin County Allocation Formula:

The program is administered by staff in the Marin County Community Development Agency. Federal regulations limit the amount of administrative costs to 20% of the available grant funds. In addition, public services are limited to 15% of available grant funds. 40% of funds are allocated to housing and the remaining 25% of funding is available for community infrastructure/capital improvement projects and/or housing.

HOME funds are used exclusively for affordable housing serving low and very low-income.

The County is divided into three (3) planning areas: Novato, San Rafael, and County Other. Each planning area receives a portion of the overall allocation based on an analysis of 2010 Census Data looking at population, the extent of poverty, and the extent of housing overcrowding, with the provision that the extent of poverty

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<sup>1</sup> Eastern Marin in this case is defined as all of the areas of Marin, except for West Marin

be counted twice. For fiscal year 2021-22, the Novato planning area will receive 23.68% of funds, the San Rafael planning area will receive 39.42% of funds, and the County Other planning area will receive 36.9% of funds.

Selection Process:

The Novato City Council and San Rafael City Council hold public hearings on all applications for their respective planning areas and make a funding recommendation to the Board of Supervisors.

The Countywide Priority Setting Committee makes funding recommendations for the County Other planning area and HOME Program funding to the Board of Supervisors.

Requirements for Grant Disbursement:

All recipients will be required to enter into a contract with the County of Marin. This contract will include:

- Scope of service and use of funds.
- Expected outcomes.
- Compliance with certain administrative requirements and accounting records.
- Agreement to affirmatively further fair housing and conduct affirmative marketing.
- Non-discrimination.

All projects will require Federal **environmental review** clearance (NEPA). This is required even for projects that are not subject to CEQA. The Housing and Federal Grants Division is responsible to conduct the environmental review. Awardees should note that project funds may not be spent until the environmental review has been completed.

Some housing projects will be subject to the Federal Davis-Bacon Act regarding prevailing wages for construction workers. Davis Bacon often has standards that differ from California prevailing wage standards.

CDBG will place a lien on all housing improvement projects. This lien must be repaid if the property is ever sold. The lien amount is not fixed and will be calculated as the amount of CDBG funding to the current value. The lien will increase as the value of the property rises. This lien has no time limit. The lien can be assumed by another nonprofit.

**Commonly Used Terms**

***Affirmatively Furthering Fair Housing:*** Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. Public service projects can affirmatively further fair housing by providing access to opportunities and by transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

***Affirmative Marketing:*** Through an affirmative marketing plan, a housing and service provider indicates what special efforts they will make to reach out to potential tenants or applicants who might not normally seek housing or services in their project and identify those least likely to apply and market to them.

**Community Housing Development Organization (CHDO)**, is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. To qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience. At least 15% of HOME funds must be allocated to CHDOs. A minimum requirement to be a CHDO is that at least one-third of the board membership are either low-income, residents of low-income neighborhoods, or are elected as representatives of low-income neighborhood organizations.

**Community Development Block Grant (CDBG):** funds local [community development](#) activities such as [affordable housing](#), [anti-poverty programs](#), and infrastructure development.

**Demographics:** HUD changed the data collection requirements regarding race/ethnicity categories during program year 2002-2003. These changes reflect Office of Management and Budget 1997 standards establishing that “Hispanic” is not a race category, but an ethnic category that cuts across all races. Those who are White, Black, Asian, Pacific Islander, American Indian, or a multi-race may also be counted as being of Hispanic ethnicity. As such, when asking the individual/household to select a race category, the individual/household must also state whether they are of Hispanic ethnicity. For example, an individual/household of Mexican descent would likely state their race as either American Indian or White, and would also fall under the category of “also Hispanic.”

**Federal Grants Division:** Staffed by the Marin County Community Development Agency, Federal Grants provides Marin communities with resources to address a wide range of unique community development needs. Federal funds are awarded to non-profits which provide community development activities, anti-poverty programs and affordable housing for low and moderate households throughout Marin County. Oversight is provided by the Priority Setting Committee, made up of appointed community members as well as elected officials from the County, cities and towns.

**HOME Investment Partnerships Program (HOME):** funds a wide range of activities including building, buying, and/or rehabilitating affordable housing for low-income people. HOME projects must match every dollar of HOME funds used with 25 cents from nonfederal sources, which may include donated materials or labor, the value of donated property, proceeds from bond financing, and other resources.

**HUD:** US Department of Housing and Urban Development

**Protected classes:** Under federal anti-discrimination law, a protected class is a group of people with a common characteristic who are legally protected from discrimination on the basis of that characteristic. The following characteristics are protected by the Federal Fair Housing Act: race, color, religion, national origin, sex, disability, and familial status (This last term refers to the presence of at least one child under 18 years old, and also protects prospects and tenants who are pregnant or in the process of adopting a child).

**Public Services:** CDBG funds can be used for activities that benefit low- and moderate-income people, such as child care, health care, job training, recreation programs, education programs, public safety services, fair housing activities, services for senior citizens, services for homeless persons, drug abuse counseling and treatment, energy conservation counseling and testing, and homebuyer down payment assistance. To be eligible for funding public services must be either a new service; or provide a quantifiable increase in the level of a service. No more than 15% of CDBG funds can be used for public services.

**Rehabilitation:** CDBG funds may be used to finance the costs of rehabilitation as shown below.

**Residential**—Residential property, whether privately or publicly owned. This includes manufactured housing when such housing constitutes part of the community’s housing stock.

**Commercial/industrial**—Commercial or industrial property, but where such property is owned by a for-profit, rehabilitation under this category is limited to exterior improvements of the building and the correction of code violations.

**Other**—Nonprofit-owned, nonresidential buildings and improvements that are not considered to be public facilities or improvements under §570.201(c) of the CDBG program regulations.

**Construction of Housing:** Under this category, CDBG funds may be used in certain specified circumstances to finance the construction of new permanent residential structures. Eligible uses include acquisition of sites, clearance of toxic contaminants of property to be used for the new construction of housing, site improvements to publicly-owned land to enable the property to be used for the new construction of housing, provided the improvements are undertaken while the property is still in public ownership and the cost of disposing of real property, acquired with CDBG funds, which will be used for new construction of housing.

**Davis-Bacon:** The Davis–Bacon Act of 1931 is a United States federal law that establishes the requirement for paying the local prevailing wages on public works projects for laborers and mechanics.

**NEPA:** The National Environmental Policy Act (NEPA) is a United States environmental law that promotes the enhancement of the environment and established the President’s Council on Environmental Quality (CEQ). Staff must complete environmental review for all CDBG funded projects.

**Income Limits - 2020 HUD INCOME LIMITS**

Household Size	Extremely Low (0-30%)	Very-Low (30+-50%)	Low (50+-80%)	Moderate (80+-120%)	Median
1	\$36,550	\$60,900	\$97,600	\$120,200	\$100,150
2	\$41,800	\$69,600	\$111,550	\$137,400	\$114,500
3	\$47,000	\$78,300	\$125,500	\$154,550	\$128,800
4	\$52,200	\$87,000	\$139,400	\$171,700	\$143,100
5	\$56,400	\$94,000	\$150,600	\$185,450	\$154,550
6	\$60,600	\$100,950	\$161,750	\$199,200	\$166,000
7	\$64,750	\$107,900	\$172,900	\$212,950	\$177,450
8	\$68,950	\$114,850	\$184,050	\$226,700	\$188,900
9	\$73,100	\$121,750	\$195,100	\$240,400	\$200,350

SOURCE: U.S. Department of Housing and Urban Development