

**WEST MARIN PLANNING AREA**

**PUBLIC HEARING**

**COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

Tuesday, March 20, 2012  
7:00 p.m.

Dance Palace Community Center, Board Room  
503 B Street  
Point Reyes Station

**A G E N D A**

1. Community Development Block Grant (CDBG) Staff Report:  
Recommendations for Project Funding
2. Public Comments on CDBG Project Proposals
  - A. Housing Projects
  - B. Capital Projects
  - C. Public Service Projects
3. Action by West Marin Local Area Committee: Recommendations to  
Countywide Priority Setting Committee for Planning Area Projects
  - A. Housing Projects
  - B. Capital Projects
  - C. Public Service Projects
4. Open Time for Public Comment on Matters Not on the Agenda

Future Hearings

March 29	Countywide Priority Setting Committee (CDBG Countywide Housing Projects, HOME Program Projects, and Ratification of CDBG Planning Area Recommendations) Board of Supervisors Chambers Marin County Civic Center, Room 330 3501 Civic Center Drive, San Rafael	7:00 p.m.
May 8	Marin County Board of Supervisors Board of Supervisors Chambers Marin County Civic Center, Room 330 3501 Civic Center Drive, San Rafael	(time to be determined)

If you have questions about the public hearing, please call Roy Bateman at 473-6698 at the Marin County Community Development Agency. People using TTY devices may reach us at 473-3232 (TTY) or through the California Relay Service at 711. In consideration of persons with environmental sensitivities, please do not wear perfume or other fragrances. Sign language interpretation and translation into languages other than English are available upon request. Please call our office at 473-6279, at least three 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. Call Golden Gate Transit (455-2000, 257-4554 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, 899 Northgate Drive, Room 408, San Rafael, California. Copies of documents are available in accessible formats upon request.

## MEMORANDUM

### MARIN COUNTY COMMUNITY DEVELOPMENT AGENCY

TO: WEST MARIN LOCAL AREA COMMITTEE

FROM: Roy Bateman  
Reid Thaler

SUBJECT: Recommendations for Funding Year 38 (2012-13)  
Community Development Block Grant (CDBG) Proposals

DATE: March 15, 2012

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The recommendations from Community Development Block Grant staff for funding projects in the West Marin Planning Area are listed below. These recommendations will be presented and considered at the West Marin Planning Area public hearing on Tuesday, March 20, 2012, at 7:00 p.m., at the Dance Palace Community Center, Board Room, 503 B Street, Point Reyes Station.

#### A NOTE ON THE CDBG FUNDING LEVEL

##### The Basics

Last year, Marin County's CDBG allocation was \$1,440,542, and our HOME Program allocation was \$1,084,869. For the 2012-13 program year, Marin's CDBG allocation is being cut by 19%, with an expected grant amount of \$1,166,041. Marin's HOME allocation is being cut 46%, with an expected grant amount of \$594,462.

To put this in perspective, if we account for inflation, the buying power of the expected 2012-13 CDBG grant is only 17.6% of the \$2,427,000 CDBG allocation that Marin received in 1980.

##### Spending Deadlines

The ability to spend funds quickly has become increasingly important. Under pressure from Congress, HUD is becoming more aggressive about taking CDBG funds away from communities that can't spend them fast enough. HUD takes sanctions if, on the annual test date in late April, a community has unspent CDBG funds that exceed 1.5 times its annual CDBG grant amount. As our CDBG grant declines, the amount of unspent funds we can hold also declines.

### Administrative Expenses Likely to Exceed Limit

It is becoming more of a challenge to operate the CDBG program within the administrative allowance set by the regulations. CDBG regulations limit administrative expenses to 20% of available funds. The list below shows the trend in the percentage of CDBG funds spent for administration in recent years:

Fiscal Year	Percentage of CDBG Funds Spent for Administration
1999-2000	12.97%
2000-01	15.86%
2001-02	17.57%
2002-03	13.21%
2003-04	11.09%
2004-05	13.09%
2005-06	15.13%
2006-07	16.62%
2007-08	19.50%
2008-09	16.74%
2009-10	19.87%
2010-11	20.00%*

\*The 2010-2011 entry includes \$65,500 booked as an unliquidated obligation for accrued liability for future retiree health benefits, which has the effect of reducing our administrative percentage in the future.

Administrative, monitoring, and regulatory requirements from the federal government have been increasing. Congress wants greater accountability and more recordkeeping, and as HUD enhances its computer system, we are asked to feed that system more information. Changes in government accounting standards and local accounting systems require more complex work to assure that transactions are posted correctly, almost doubling our cost of accounting services. We need to contribute our share of the cost to build a reserve for retiree health benefits. The CDBG Program has cut staff hours, reducing staff from 3 to 2.5 FTE, which has reduced costs but did not affect workload. One way to reduce the administrative workload to match the reduction in staff hours would be to reduce the number of projects we have to administer. If we reduce the number of projects, we will reduce the volume of project contracts, project monitoring reports, invoice processing, and accounting so that our workload can better match our reduced staffing level.

There are certain fixed costs of basic HUD compliance, reporting, and monitoring of past projects. There are no indications that Congress or HUD will reduce the administrative requirements they impose on localities. There are also variable costs for contract administration, reporting, invoice processing, and accounting, which are largely dependent on the number and complexity of projects we fund.

The CDBG program regulations allow us to spend 20% of available grant funds on administrative costs (including staff, rent, overhead, and office expenses). In that formula, available grant funds also include revenue ("program income") received from

past projects, such as repayments of loans made by the Rehabilitation Loan Program and payments in conjunction with the sale of properties that were purchased or improved with CDBG funds.

If present trends continue, we may be only a year from the point where the CDBG grant's allowance for administration won't cover the full cost of CDBG administrative expenses, depending on how much program income we receive. We estimate that, for the 2012-13 program year, the CDBG administrative expenses incurred by the County will, for the first time, exceed the grant's administrative allowance. Because the program income component of the formula varies from year to year, it is difficult to predict the administrative shortfall. We expect that the range will be somewhere between \$3,000 and \$49,000, with the most likely value approximately \$33,000. Because the CDBG program is operated by the County, the County is solely responsible for this financial exposure and would have to absorb any excess expenses.

#### Implications for Public Service Projects

CDBG public services are limited to 15% of the grant. Particularly during the recession, staff would be reluctant to suggest eliminating the public service category. There is a strong case for funding public services at the full 15% allowed, but concentrating the funds among a reduced number of projects. If we maintain public services at 15% of the grant, then reducing the number of public service projects would not change the total funds provided for public services, but would result in a higher average grant amount per project.

#### Reducing the Overall Number of Projects

Over the last 12 years, the number of CDBG projects funded each year has fluctuated between 36 and 52 projects per year. Last year, Marin funded 38 CDBG projects.

If we were to scale down the number of CDBG projects in proportion to the decline in funds, that would mean reducing the number of projects from 38 to 31. That may not be enough to shrink administrative expenses to the point where they will be covered by the administrative allowance provided by the grant. Administrative costs are not strictly proportional to the number of projects, partly because there is a fixed cost for meeting HUD planning and reporting requirements. In order to bring actual CDBG administrative costs in balance with the administration allowance provided by the CDBG grant, we might have to reduce the number of projects by 1½ times the grant reduction, or 28.5%. In that scenario, we would need to reduce the number of CDBG projects from 38 to 27.

***At its February 16, 2012 meeting, the CDBG Countywide Priority Setting Committee set a goal of reducing the number of CDBG projects from 38 to 27, instructed County staff to make all reasonable efforts in its budget recommendations to achieve that goal, and asked all Planning Areas to join in this difficult process.***

## Recommendations for West Marin

The staff recommendations for the use of CDBG West Marin Planning Area funds are shown in the table on page 6.

HUD made a special effort to announce grant allocations early in this funding round, but there is always the possibility that HUD will announce minor changes in the County's grant amount later in the process. To avoid the need for an additional hearing, staff recommends that the grant amounts set at the West Marin Local Area Hearing be subject to change if HUD revises our CDBG formula allocation, so that the final funding amounts will be proportional to the amounts shown in this report. Where feasible, staff would then round numbers to the nearest hundred dollars. However, no project could receive more than the amount the sponsor requested.

A supplemental table on page 11 lists all the applications received and the amount staff recommends for each project, as well as some additional information about the equal opportunity impact of each proposal. In view of the commitments the County has made in the Implementation Plan for its Analysis of Impediments to Fair Housing Choice, we are including information about the extent to which racial and ethnic minorities are being served by potential projects, and ratings of each applicant's affirmative marketing plans. Affirmative marketing is a process by which an organization analyzes which racial and ethnic groups are least likely to apply for its services, followed by targeted marketing efforts to reach those "least likely to apply" groups. (Please note that federal guidelines recognize Hispanic status as an ethnicity, not as a race.)

For projects which have previously received CDBG funding, we have included the percentage of clients who are racial minorities and the percentage of clients who are Hispanic, based on reports that have been previously filed by the sponsors. For new proposals, not previously funded by CDBG, we were not able to report this information, and have noted "new" in the data columns.

For all proposals, we have included a staff evaluation of the sponsor's answer to the affirmative marketing question on the CDBG application. An "A" grade indicates that the applicant analyzed which racial and ethnic groups are least likely to apply for its project, and clearly stated how they would market their project specifically to the "least likely to apply" groups. A "B" grade indicates that the applicant was responsive to the question, but was not specific enough in its analysis of which racial and ethnic groups are least likely to apply, was too general in its proposed affirmative marketing activities, or proposed weak affirmative marketing actions. A "C" grade indicates that the applicant was not responsive to the question. Because this is the first year that the answer to this question is receiving increased scrutiny, many applicants are still on a learning curve. In some cases, the quality of an applicant's response to the affirmative marketing question is very different from its actual affirmative marketing performance. It is also possible for a project to be very effective in serving a particular minority group but to be less effective in affirmatively marketing its services to others.

### Reprogramming of Previously Allocated Funds

At its January 1992 meeting, the CDBG Priority Setting Committee decided that unspent CDBG balances allocated to projects over two years ago should be considered for reallocation (“reprogramming”) to other projects which may be in greater need of the funds. In compliance with this policy, CDBG staff has sent the required 30-day notices to all project sponsors with CDBG funds which were allocated two years ago or earlier, as well as to newer projects which have been moving slowly, so that the Committee would have the option of reprogramming these funds. This year, there were no projects with unspent balances over two years old in the West Marin Planning Area.

**RECOMMENDED COMMUNITY DEVELOPMENT-BLOCK GRANT FUNDING ALLOCATIONS FOR THE WEST MARIN PLANNING AREA**

<b>Housing</b>	Gibson House-storage shed	Bolinas Community Land Trust	20 Wharf Road, Bolinas 94924	Purchase and install two sheds, fencing, etc.	\$9,100
					<b>\$9,100</b>
<b>Capital</b>	Tomales Town Hall-Rehabilitation	Tomales Town Hall	27150 Shoreline Hwy., Tomales 94971	Rehabilitate community center	\$10,653
					<b>\$10,653</b>
<b>Public Service</b>	Home Care Assistance for the Elderly	West Marin Senior Services	11435 State Route 1, Creamery Annex, Point Reyes Station 94956	Home care referrals and assistance for the elderly and disabled	\$3,269
	Human Services Program	San Geronimo Valley Community Center	6350 Sir Francis Drake Blvd., San Geronimo 94963	Staff salaries for center programs	\$5,100
					<b>\$8,369</b>
				<b>TOTAL</b>	<b>\$28,122</b>
				<b>Total Available for Planning Area</b>	<b>\$28,122</b>
				<b>Maximum West Marin Planning Area funds available for Public Services</b>	<b>\$8,369</b>
				<b>Minimum West Marin Planning Area funds required for Housing (County policy requires each planning area to allocate at least 30% of its funds for housing.)</b>	<b>\$8,437</b>



## HOUSING PROJECTS

### 1. Gibson House (Bolinás Community Land Trust)

In November 2000, the Bolinas Community Land Trust purchased the Gibson House, a two story building in downtown Bolinas, part of which was the site of the former Bolinas Bay Bakery. With CDBG and HOME Program assistance, the Land Trust has purchased and rehabilitated the buildings on the site for use as seven affordable single-room occupancy apartments. The Land Trust has applied for additional CDBG funds to replace two badly deteriorated sheds. One of the sheds, which was attached to the Gibson House, has already been removed because its rotting wood was a threat to the main building. The other shed is a deteriorated metal shed which is partly open to the weather. The proposed sheds would restore storage space for tenants' bicycles, luggage, art supplies, and other personal property items that do not easily fit into their small apartments. The storage sheds will also provide space for the Land Trust to store gardening and maintenance tools and supplies. The single-room occupancy units in the main building do not have any closets, and the present lack of storage space leads to overspill into the front and back yards. The recommended funding should cover the cost of the requested improvements.

Equal Opportunity Analysis: In the past, racial and ethnic minorities have been under-represented among the tenants of the Gibson House. That has changed recently, and now Hispanic tenants are well-represented. The sponsor's affirmative marketing proposal is excellent (rated A).

Because the Community Development Block Grant allocation for West Marin is so small, only one housing project is being recommended for funding from West Marin CDBG funds.

Three housing proposals were not recommended for West Marin Planning Area funding.

In view of the limited amount of funding in West Marin, staff was unable to recommend funding for the Rehabilitation Loan Program, a countywide program operated by the Marin Housing Authority. Funds from other CDBG planning areas and the Countywide Housing component of CDBG have generally been made available to support the Rehabilitation Loan Program.

The Stockstill House, a senior assisted living home owned by West Marin Senior Services, was not recommended for funding this year. The Stockstill House has received CDBG funding in the past for rehabilitation projects.

Staff did not recommend West Marin funding for the Inverness Valley Inn proposal. The Inverness Valley Inn would require more CDBG funds to move forward than are available from the West Marin Planning Area allocation. The Inverness Valley Inn proposal will be considered later in the hearing process for the Countywide Housing component of CDBG and for HOME Program funds, although there is very serious competition for both sources this year.

## CAPITAL PROJECTS

1. Tomales Town Hall (Tomales Town Hall)

The Tomales Town Hall, built in 1874, serves as a community center for Tomales. It is managed by a non-profit organization which maintains the building and sponsors programs and events for the community. In the last few years, the Board of Trustees has been energized by new members who have brought a spirit of activism and enthusiasm to the Board. They have raised over \$170,000, not including grants or a recent bequest. With the proceeds, the Board has retired the debt on adjacent property they purchased to improve handicapped accessibility and to develop an outdoor gathering area.

Previously, CDBG funds were allocated toward insulating the building and replacing a noisy and inefficient heater. Those projects have been completed. The completed improvements have increased energy-efficiency, and also make the Town Hall more inviting for event rentals, thereby increasing the building's utilization and producing needed revenue.

Community volunteers have logged several thousand hours, making it possible to maintain and improve the Hall, expand community participation, and secure other grant funds. Currently, the Board is seeking funding toward additional repairs to upgrade the building, including replacing the building's deteriorated east-facing wall. Staff recommends CDBG funding for these improvements.

Equal Opportunity Analysis: The sponsor's affirmative marketing proposal is responsive (rated B), but should be expanded and revised to include information the sponsor provided in response to the "Need Group" question on the CDBG application.

There were no other capital project proposals in West Marin this year.

## PUBLIC SERVICE PROJECTS

1. Home Care Assistance for the Elderly (West Marin Senior Services)

West Marin Senior Services provides frail elderly and younger disabled people with home care referrals, assistance with care management, transportation, counseling, case management, home-delivered meals, and other assistance to enable them to continue living in their homes independently. Last year, West Marin Senior Services had 220 active clients receiving direct care management services. The recommended funds would pay for a small portion of the salaries of staff members who help clients make arrangements for home care services.

Equal Opportunity Analysis: Racial and ethnic minorities are under-represented among the beneficiaries of this program, partly because racial and ethnic minorities are under-represented among the elderly. The sponsor's affirmative marketing proposal is responsive (rated B).

2. Human Services Coordinator (San Geronimo Valley Community Center)

The San Geronimo Valley Community Center provides a variety of social service, recreational, day care, emergency food, and educational programs for residents of the San Geronimo Valley. The recommended allocation would pay for a portion of the human services coordinator's salary.

Equal Opportunity Analysis: Racial minorities are under-represented among the beneficiaries of this program, but Hispanics are very well represented among the beneficiaries. The sponsor's affirmative marketing proposal is excellent (rated A).

Six public service projects were not recommended for funding.

Family Law Legal Services, Home Connection of Marin, the Housing Search Specialist, Marin Brain Injury Network Services, Neighborhood Talk, and Senior Access Scholarships were not recommended for funding in the West Marin Planning Area. Because of its low population, West Marin receives a very small CDBG public service allocation, which must cover a large geographic area. CDBG staff recommends that West Marin CDBG public service funds be used to support the locally-based human service agencies which serve the greatest number of West Marin residents.

On a Countywide basis, staff recommends that we continue to fund public services at the maximum level permitted by the CDBG regulations (15% of the grant, plus 15% of any income returned to the program), but that we fund fewer projects. A reduction in the number of public service projects does not diminish the amount of public service funding, and actually results in a higher average grant in the public service category.

In formulating our recommendations for which public services should be funded, staff considered four questions:

- To what extent does the program serve racial and ethnic minorities or people with disabilities, and does the sponsor have a reasonable affirmative marketing plan?
- Does CDBG represent a significant percentage of the project sponsor's total budget?
- Does the project sponsor have difficulty fundraising because the nature of its service is upsetting to some potential donors?
- In the context of other available resources, which projects can have the most lasting impact with a small amount of CDBG funds?

These four considerations led us to the conclusion that we should recommend continued public service funding for West Marin Senior Services and the San Geronimo Valley Community Center.

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**WEST MARIN PLANNING AREA**

TYPE	PROJECT #	PROJECT NAME	If previously funded, data reported:		Quality of Affirmative Marketing Plan	REQUEST	Recommended New Funds
			% Racial Minorities	% Hispanic			
Housing	WH - 1	Gibson House-storage shed	0%	0%	A	\$9,513	\$9,100
	WH - 2	Inverness Valley Inn Housing	New	New	A	\$720,809	
	WH - 3	Rehabilitation Loan Program	10%	0%	A	\$15,000	
	WH - 4	Stockstill House	0%	0%	B	\$16,000	
					<b>\$761,322</b>	<b>\$9,100</b>	
Capital	WC - 1	Tomales Town Hall-Rehabilitation			B	\$23,650	\$10,653
						<b>\$23,650</b>	<b>\$10,653</b>
Public Service	WS - 1	Family Law Legal Services	8%	35%	A	\$3,500	
	WS - 2	Home Care Assistance for the Elderly	0%	0%	B	\$7,000	\$3,269
	WS - 3	Home Connection of Marin	New	New	A	\$1,200	
	WS - 4	Housing Search Specialist	43%	10%	A	\$1,000	
	WS - 5	Human Services Program	7%	52%	A	\$18,000	\$5,100
	WS - 6	Marin Brain Injury Network Services	3%	3%	B	\$2,000	
	WS - 7	Neighborhood Talk	New	New	B	\$1,000	
	WS - 8	Senior Access Scholarships	9%	9%	B	\$5,000	
		Marin County, 2010 Census	20%	16%	<b>TOTAL</b>	<b>\$38,700</b>	<b>\$8,369</b>
					<b>\$823,672</b>	<b>\$28,122</b>	
<b>Total funds Available for Planning Area</b>							<b>\$28,122</b>
<b>Maximum West Marin Planning Area funds available for Public Services</b>							<b>\$8,369</b>
<b>Minimum West Marin Planning Area funds required for Housing (County policy requires each planning area to allocate at least 30% of its funds for housing.)</b>							<b>\$8,437</b>