SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Economic Development

Prepared by: Danielle O'Leary  
Director of Economic Development & Innovation

City Manager Approval:  

TOPIC  COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

SUBJECT COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING RECOMMENDATIONS FOR FISCAL YEAR 2020-21

RECOMMENDATION

Adopt a resolution recommending CDBG funding for Fiscal Year 2020-21 to the Marin County Board of Supervisors (BOS) for the San Rafael Planning Area.

BACKGROUND

The Community Development Block Grant (CDBG) program is a federally-funded program of the U.S. Department of Housing and Urban Development (HUD) that provides funding for housing, community facilities, and human services.

Federal regulation requires at least 85% of the funds must be spent on housing and capital projects, and up to 15% may be spent on public services. The City Council has the option to adjust the public service percentage on an annual basis. However, it cannot exceed 15% of San Rafael's grant. For example, the City Council could choose to allocate 0% of the CDBG allocation to public services.

In San Rafael, examples of CDBG-funded projects have included development of affordable housing, ADA sidewalk accessibility improvements, and a wide range of public services. The funds are divided into three activity categories consisting of:

1.) Housing
2.) Capital Projects
3.) Public Services

In 2017, the City entered into a cooperation agreement with the County of Marin regarding the management of the CDBG program. Under this agreement, Marin County is divided into three local planning areas. Funding recommendations are overseen by a Countywide Priority Setting Committee (PSC) made up of City and Town Council members, a County Supervisor, and community members representing members of the protected classes (race, color, national origin, religion, sex, familial status, or disability) under fair housing laws.
Because San Rafael has a population of over 50,000 residents, under the cooperation agreement, the City may choose to assume responsibilities for making its own recommendations for funding projects in the San Rafael Planning Area (consisting of the City and the surrounding unincorporated areas) to the Countywide Priority Setting Committee (PSC).

Since 1999, when San Rafael reached 50,000 in population, the City Council has elected to assume responsibility for making funding recommendations for CDBG applications in the San Rafael Planning Area. After the City Council makes its recommendations, the PSC recommends them to the Board of Supervisors (BOS), which has final approval authority prior to sending the recommendations to HUD.

**CDBG Funding Update – Federal**

Funds for the County of Marin’s 2020-2021 CDBG program funding cycle comes from the Fiscal Year 2021 federal budget, which runs from October 1, 2020 to September 30, 2021, and allocated on a formula basis to entitled cities and counties. County of Marin represents the entitled jurisdiction covering the City of San Rafael. The County of Marin’s CDBG program allocation is $1,594,625.

This grant, combined with income received by the program, brings San Rafael’s allocation to $509,963 (sum of “San Rafael recommended Funds” in Attachment 2). A total allocation maximum of $96,634 can be used for public services, a minimum of $210,080 must be spent on housing, and the remaining $203,249 can be spent on either housing or capital projects.

**Required Community Outreach and Analysis**

HUD also requires all entitlement communities who are administering CDBG programs to conduct periodic assessments of need in the community to inform how federal grant funding should be spent, including CDBG and HOME Investment Partnerships Program (HOME) funds.

The two (2) primary reports required are the Consolidated Plan (ConPlan) and the Analysis of Impediments to Fair Housing Choice (AI). The findings from community outreach and analysis for both of these studies have informed the priorities for allocating funding recommendations within this staff report. To learn more about the AI and ConPlan processes and findings, see Attachment 3.

**Federal Grant Program Enhancements**

Through the ConPlan outreach process, two common themes arose that informed program enhancements:

1.) Increase minimum grant size to $15K per year.
2.) Conduct application cycles every 2 years.

These two enhancements increase impact of funded organizations and enables nonprofit partners to better plan their programs. While applications are only received every two years, funding allocations must be approved annually based on the past performance of the project and expected funding allocated by HUD.

**Evaluation Guidelines**

All project applications are evaluated based on their ability to meet HUD’s national objective thresholds, the PSC’s enhanced thresholds for evaluating projects, and the standard project evaluation criteria as listed below:

• Prevent or eliminate blight or meet other community development needs for low- and moderate-income persons.

PSC Enhanced Thresholds:
• Support projects that Affirmatively Further Fair Housing and have the commitment and capacity to engage in Affirmative Marketing¹.
• Prioritize projects that serve members of the protected classes as defined by HUD.
• Prioritize projects that serve low-income persons.

Project Evaluation Criteria:
• Readiness—can awarded funds be completely expended during the grant year?
• Sustainability—does the organization have the 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.

In addition to the criteria set forth by HUD, the ConPlan and AI process, the Countywide Priority Setting committee established priorities for funding CDBG and HOME housing projects:

1.) Family Housing²
2.) Land trust model in eastern Marin that provides homeownership opportunities (Eastern Marin is defined as all of the areas in Marin, except West Marin).

The PSC also established the following priorities for CDBG funds allocated to public service projects:

1. **Basic Health Services**—includes services that prevent or treat medical conditions for individuals who are uninsured, under-insured, or people with low incomes who cannot afford their deductible. Programs and services include preventive health such as immunizations, well-childcare, periodic health evaluations for adults, voluntary family planning services, children’s eye and ear examinations conducted to determine the need for vision and hearing correction, and hygiene services. Services may also include medically necessary emergency health care, inpatient and outpatient treatment, diagnostic laboratory and diagnostic and therapeutic radiologic services, and prescription drugs.

2. **Children, Youth and Parent Support Services**—includes services that address disparities in access to early childhood education and the high costs of childcare, targeting low-income families. Programs and services include supporting childcare

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¹ Affirmative Marketing is targeted outreach about program opportunities to groups of people otherwise least likely to apply for or receive those opportunities. Given Marin’s history of segregation, the protected class populations typically included in Affirmative Marketing are Black/African American, Asian/Pacific Islander, and Latinx. Programs that do not conduct broad affirmative marketing are less competitive in the allocation process. An example of a less competitive application this cycle is Canal Alliance. While they serve the Latinx population the program does not affirmatively market to other protected classes.

² Family Housing has been identified as a need to both the AI and ConPlan. In addition, HUD is requiring Marin’s CDBG and HOME grant funding to contribute to the creation of at least 100 new family housing units by 2022. Applications for projects not creating family housing this year are Whistlestop and Homeward Bound.
scholarships, student extracurricular activities, parent engagement and training, therapeutic services, teacher's salaries, transportation and home visitations.

3. **Housing Support Services**—includes services that assist individuals in accessing stable housing, prevent discrimination in housing choice, and aid renters in maintaining stable housing. Programs and services include but are not limited to fair housing counseling, legal support, housing locators, down payment and rental assistance.

**ANALYSIS**

The CDBG funding recommendations for FY20-21 have been vetted through the Countywide Priority Setting Committee that consists of one County Supervisor, a representative from each of the City and Town Councils, as well as seven community members representing six regions spanning Marin and an at-large member representing the County.

In early May, the Board of Supervisors will hold a final public hearing on the recommendations from the Countywide (PSC), and in mid-May, the County will send its annual list of projects to the US Department of Housing and Urban Development (HUD).

Seven (7) housing projects submitted applications for funding from the San Rafael Planning Area. The seven projects have a funding request of $3,421,545. Five (5) of the seven projects will benefit the entire County, a subset of services and units will serve San Rafael residents.

There were also two (2) projects based in San Rafael with a total funding request of $611,545 (Bridge Housing – Centertown at $345,000 + San Rafael Rotary Manor at $266,545 – See Attachment 2). The combined requests for both the San Rafael specific project and the San Rafael portion of the Countywide projects is $1,491,170.

**Funding Recommendations**

**HOUSING PROJECTS**

PSC recommends the following housing applications, totaling $258,001 in available CDBG grant funds.

<table>
<thead>
<tr>
<th>Organization</th>
<th>FY 20-21 San Rafael Requested</th>
<th>FY 20-21 San Rafael PSC Recommendation</th>
<th>Countywide Request</th>
<th>Expected Countywide Funding **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eden Housing, Inc. (CHDO) Whistlestop Healthy Aging Campus</td>
<td>$591,300</td>
<td>-</td>
<td>$1,500,000</td>
<td>$442,612</td>
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<td>Habitat for Humanity Greater San Francisco, Inc. Redwood Blvd. Homes</td>
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<td>$98,079</td>
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<td>Homeward Bound of Marin Predevelopment and Construction of Veterans and Workforce Housing in Novato</td>
<td>$49,275</td>
<td>-</td>
<td>$125,000</td>
<td>$0***</td>
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<tr>
<td>Marin Center For Independent Living Residential Access Modification Program</td>
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<td>$9,922</td>
<td>$60,000</td>
<td>$30,922</td>
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<tr>
<td>Marin Housing Authority</td>
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<td>-</td>
<td>$425,000</td>
<td>$230,095</td>
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<table>
<thead>
<tr>
<th>Residential Rehabilitation Loan Program (RLP)</th>
<th>$110,500</th>
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<tbody>
<tr>
<td>Bridge Housing Center Apartments</td>
<td>$345,000</td>
</tr>
<tr>
<td>San Rafael Rotary Manor</td>
<td>$266,545</td>
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<td>-</td>
</tr>
<tr>
<td>Grand Totals</td>
<td>$1,491,170</td>
</tr>
</tbody>
</table>

* Countywide request
** The Expected Countywide Funding includes anticipated recommendations for all Planning Areas and HOME.
*** This project will be considered for a higher allocation in FY 2021-22

Capital Projects

Five (5) applications for capital projects were received—four (4) Countywide projects and one (1) serving San Rafael only. The Countywide projects benefiting the entire County, including services for San Rafael residents, have a funding request of $798,355.

The one (1) project based in San Rafael has a total funding request of $270,000.

Recommended for Funding

PSC recommends funding requests for capital projects totaling $155,328 in CDBG monies.

<table>
<thead>
<tr>
<th>Organization</th>
<th>FY 20-21 San Rafael Request</th>
<th>FY 20-21 San Rafael PSC Recommendation</th>
<th>Countywide Request</th>
<th>Expected Countywide Funding **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Action Marin CAM Community Intake/Welcome Ctr.</td>
<td>$29,536</td>
<td>$10,000</td>
<td>$98,455</td>
<td>$35,000</td>
</tr>
<tr>
<td>Homeward Bound of Marin Building a Gender-Neutral Bathroom at the New Beginnings Center Shelter</td>
<td>withdrawn</td>
<td>-</td>
<td>withdrawn</td>
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<tr>
<td>Marin City Community Development Corporation Empowerment Clubhouse Pre-Construction and Development</td>
<td>$109,161</td>
<td>$80,000</td>
<td>$279,900</td>
<td>$151,041</td>
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<tr>
<td>Marin City Community Services District Manzanita Center Facility Master Plan</td>
<td>$30,000</td>
<td>-</td>
<td>$150,000</td>
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<td>City of San Rafael Department of Public Works Canal Area Pump Station Improvements</td>
<td>$270,000</td>
<td>$65,328</td>
<td>$270,000</td>
<td>$65,328***</td>
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</table>

Grand Totals | $438,697 | $155,328 | $798,355 | $251,369 |

* Countywide request
** The Expected Countywide Funding includes anticipated recommendations for all Planning Areas.
*** This project will be considered for a higher allocation in FY 2021-22
PUBLIC SERVICE PROJECTS

Based on County estimates, the City is expected to receive an allocation of approximately $96,634 for public services in 2020-21. This 15% allocation is based on the total funding available including entitlements, program income and any reprogrammed funds. Whereas, the overall allocation to each planning area is a percentage of these totals, less the allowed administration allocation. Due to this, the amount available for Public Services is higher than a straight 15% of San Rafael allocation allotment.

A total of 18 applications for public service funding were submitted—16 Countywide projects with a portion of services going to San Rafael residents and two (2) serving San Rafael only.

Recommended for Funding

PSC recommends funding requests for public service projects totaling $96,634 in CDBG monies, the maximum allowed by HUD.

<table>
<thead>
<tr>
<th>Organization</th>
<th>FY 20-21 San Rafael Requested</th>
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<tr>
<td>10,000 Degrees</td>
<td>$15,300</td>
<td>-</td>
<td>$30,000</td>
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<tr>
<td>Financial Aid Awareness and Completion Campaign</td>
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<tr>
<td>Community Action Marin</td>
<td>$15,000</td>
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<td>$50,000</td>
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<td>CAM Economic Opportunity and Safety Net Services</td>
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<tr>
<td>Covia Foundation</td>
<td>$12,900</td>
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<td>Early Vibes Inc.</td>
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<tr>
<td>Fair Housing Advocates of Northern California</td>
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<td>Fair Housing Counseling and Education</td>
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<td>House of Life Ministries</td>
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<td>Family First</td>
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<td>Jewish Family and Children's Services</td>
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<td>Jewish Family and Children's Services, Skyview Day Club Financial Assistance Program</td>
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<td>Keeping Marin Residents in their Homes</td>
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<td>Marin City Community Services District</td>
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<td>MCCSD Manzanita Center</td>
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<td>Free Youth Recreation Programs</td>
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<td>Performing Stars of Marin After School and Summer Enrichment Programming of Low-Income Marin County Youth</td>
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<td>$20,000</td>
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<td>Women’s Rights and Peace of Bay Area Korean Education Project (KEP)</td>
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<td>Canal Alliance University Prep (UP!)</td>
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<td>Grand Totals</td>
<td>$241,300</td>
<td>$96,634</td>
<td>$522,740</td>
<td>$186,640</td>
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</table>

* Countywide request
** The Expected Countywide Funding includes anticipated recommendations for all Planning Areas.

A list of all the applications that were submitted for the San Rafael Planning Area and Countywide projects serving San Rafael is provided in Attachment 2. This attachment also includes staff recommendations for allocating all of San Rafael’s CDBG funds and the total expected allocations including funding from the other planning areas. The applications for all funding can be accessed online via these links:


**FISCAL IMPACT:**
There is no direct cost or revenue impact generated by the recommended action as the City is directing HUD funds to specific projects. Allocating funds to potential City projects may allow City general and capital funds to be allocated to other priorities.
OPTIONS:
1. Make allocations of CDBG funding as recommended by staff.
2. Make different allocations of CDBG funding. (Funds may be shifted within categories, but the Public Service category cannot exceed $96,634.)
3. Let the Countywide Priority Setting Committee provide a recommendation for the San Rafael Planning Area funding requests.
4. Provide direction to staff.

ACTION REQUIRED:
1. Adopt Resolution recommending CDBG project funding for the FY 2020-21 CDBG program to the Marin County Board of Supervisors.

ATTACHMENTS
Attachment 1  City of San Rafael Resolution CDBG Project Funding for FY 2020-21
Attachment 2  Attachment to Resolution: 2020-21 CDBG Project Allocations
Attachment 3  Required Community Outreach and Analysis
Attachment 4  PSC 2020-2021 Roster
Attachment 5  2020-2022 CDBG Application Guidelines
RESOLUTION NO. ____________

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL RECOMMENDING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECT FUNDING FOR THE FISCAL YEAR 2020-21 TO THE MARIN COUNTY BOARD OF SUPERVISORS

BE IT RESOLVED by the Council of the City of San Rafael as follows:

WHEREAS in June 1999, the City Council revised the Cooperation Agreement with the County of Marin for Community Development Block Grant (CDBG) funds whereby the City remained in the County system; and

WHEREAS in December 1999, the City devised a project selection process and established allocation priorities for CDBG projects; and

WHEREAS on March 16, 2020, in accordance with the adopted project selection process the City Council reviewed the submitted applications;

NOW, THEREFORE IT IS HEREBY RESOLVED that the City Council recommends to the Marin County Board of Supervisors that the $509,963 in CDBG funds available for allocation by the City of San Rafael be distributed to the projects and in the amounts as shown on the attached Attachment 2 subject to adjustments necessary to accommodate any changes in the final allocation given to the County of Marin by the federal Department of Housing and Urban Development (HUD).

I, LINDSAY LARA, City Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City held on the 16th day of March 2020, by the following vote:

AYES: COUNCIL MEMBERS:  
NOES: COUNCIL MEMBERS:  
ABSENT: COUNCIL MEMBERS:

Lindsay Lara, City Clerk
<table>
<thead>
<tr>
<th>PROJECT #</th>
<th>PROJECT SPONSOR</th>
<th>PROJECT NAME</th>
<th>SAN RAFAEL SPECIFIC FUNDING REQUEST</th>
<th>SAN RAFAEL RECOMMENDED FUNDS</th>
<th>EXPECTED COUNTYWIDE FUNDING*</th>
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<tr>
<td>Housing</td>
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<tr>
<td>CH-1-2020</td>
<td>Eden Housing, Inc. (CHDO)</td>
<td>Whistlestop Healthy Aging Campus</td>
<td>$591,300</td>
<td>-</td>
<td>$442,612</td>
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<td>CH-3-2020</td>
<td>Homeward Bound of Marin</td>
<td>Predevelopment and Construction of Veterans and Workforce Housing in Novato</td>
<td>$49,275</td>
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<td>CH-4-2020</td>
<td>Marin Center For Independent Living</td>
<td>Residential Access Modification Program</td>
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<td>Bridge Housing</td>
<td>Centertown Apartments</td>
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<td>San Rafael Rotary Manor</td>
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<td>$29,536</td>
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<td>$35,000</td>
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<td>CC-2-2020</td>
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<td>Building a Gender-Neutral Bathroom at the New Beginnings Center Shelter</td>
<td>$8,750</td>
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<td>CC-3-2020</td>
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<td>$151,041</td>
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<td>CC-4-2020</td>
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<td>Manzanita Center Facility Master Plan</td>
<td>$30,000</td>
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<td>SC-1-2020</td>
<td>City of San Rafael Department of Public Works</td>
<td>Canal Area Pump Station Improvements</td>
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<td><strong>San Rafael Capital Subtotal</strong></td>
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<td><strong>$447,447</strong></td>
<td><strong>$155,328</strong></td>
<td><strong>$251,369</strong></td>
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<td>PROJECT #</td>
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<td>EXPECTED COUNTYWIDE FUNDING*</td>
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<td>CS-1-2020</td>
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San Rafael Public Services Subtotal: $298,049, $96,634, $171,640

* The Expected Countywide Funding includes anticipated recommendations for all Planning Areas and HOME.
Required Community Outreach and Analysis:
2020 Analysis of Impediments to Fair Housing Choice &
2020-24 Consolidated Plan

2020 Analysis of Impediments to Fair Housing Choice: Summary of Key Findings, Conclusions, and Recommendations

The U.S. Department of Housing and Urban Development (HUD) requires jurisdictions receiving federal grant funds for housing and community development to certify that they are taking actions to affirmatively further fair housing (AFFH). Under both the CDBG and HOME programs, the County is required to certify whether it, and the participating cities and towns, are taking actions and documenting those actions that affirmatively further fair housing. Affirmatively furthering fair housing means, according to HUD, “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.”

From 2016 to 2019, County staff engaged with over 2,700 individual residents, community groups, nonprofits, youth, and County employees, among others, to develop a comprehensive understanding of housing challenges in Marin and to hear recommendations for addressing those housing challenges. The recommendations and findings contained in this report are a direct result of the County’s robust community engagement process and its commitment to setting locally-determined fair housing priorities and goals.

A Community Advisory Group and Steering Committee were formed to analyze local, demographic data and engage in comprehensive discussions about race, segregation and integration patterns in Marin, and why where you live matters. The groups reviewed and discussed data on homeowners and renters in Marin, legal and illegal housing advertisement, the cost of housing in Marin, household incomes, the results of the County’s 2015 Rental Housing Survey, and anticipated housing needs as the number of adults age 60 and over in Marin continues to grow.

The 2020 Analysis of Impediments to Fair Housing Choice provides information on the current population and housing needs of Marin County, with an emphasis and focus on the needs of racial and ethnic minorities, families with children, persons with disabilities, and other members of the protected classes.

The general conclusion is that whether assessed on a national, regional or local level, where you live matters - particularly for people of color, those with disabilities, families and other members of the protected classes. A person’s zip code can predict their life expectancy, their ability to attend good schools, opportunities for employment, transportation options and quality housing.
The County’s goal is to increase, expand and maintain its affordable housing inventory and to increase opportunities for housing choice for low income residents, people of color, people with disabilities and residents who have specifically been impacted by historic government policies and practices that created segregated communities in Marin and who continue to be marginalized today. To that end, after years of community engagement and changes in the County’s development codes, zoning policies, funding strategies and collaborations with cities and towns, four overarching priorities were identified to address impediments to fair housing choice:

- Community opposition;
- Cost of developing affordable housing and the lack of available land for development;
- Lack of affordable housing, particularly family rental housing;
- Lack of homeownership, particularly for African Americans.

Impediment #1 - Community Opposition to Affordable Housing

Through the County’s community engagement and outreach process, which included the County’s Community Advisory Group, Steering Committee, and voices from individual residents, local groups, organizations, and nonprofits, among others, community opposition was identified as the number one reason for the lack of affordable housing development in the County, particularly for families and in areas outside of minority concentration. Opposition to any new housing development can arise in all neighborhoods of the County, but it is especially the case in majority White neighborhoods, and particularly when the proposed development is affordable rental housing for families. The opposition is often based primarily on common growth issues such as traffic congestion, perceived threats to open space preservation, water demand versus supply, and increased school enrollment. However, opposition can also reflect underlying fears of reduced property values, safety concerns, the misperceptions of the type of housing that would be created, and the stereotyped impressions of the people who will occupy the housing.

An increased understanding about affordable rental housing and the positive impact it has on individuals, families, and the community at large is instrumental to gaining wider community support. The more informed the public, local government, County staff, and elected officials are about the need for affordable rental housing and the benefits of avoiding housing insecurity and homelessness, the more leverage supporters will have to advance the development of affordable rental homes.

Recommendations

1. Provide ongoing community engagement to educate, include and inform residents about the challenges with housing in Marin, and to highlight the County’s prior achievements in developing affordable housing and addressing racial disparities in housing choice.
2. Develop strategies and talking points to address opposition for development including the impact on schools, water, transportation and traffic.
3. Include and expand the number of participants who engage in discussions about barriers to fair housing and disparities in access and opportunities in Marin’s communities, and provide opportunities to advance recommendations to address housing challenges in the County.
4. In keeping with the County’s 2019 Voluntary Compliance Agreement with the Department of Housing and Urban Development, prioritize the development and funding for rental housing for families, particularly in areas outside of minority concentration.
Impediment #2 - The Cost of Developing Affordable Housing
The cost of developing affordable housing in Marin is prohibitive even after accounting for funding from grants, loans, direct and indirect subsidies, tax credits and private donors. While many Marin communities require that developers of multi-unit housing set aside a percentage of units as affordable housing, and the County’s Housing Trust Fund provides financial assistance to help affordable housing developers create and preserve affordable housing for low and very-low income households, some cities and towns do not have inclusionary policies or affordable housing impact fees, and for some jurisdictions, the housing trust account balances are too low to be useful. In addition, in-lieu fees which, in some cases may be paid by developers instead of constructing affordable housing, do not reflect the actual cost of building affordable housing in the County.

Recommendations
1. The County should consider ways to provide a local dedicated source of funding for affordable housing. Options could include bonds, local sales tax, transit occupancy tax, vacant home tax or other measure to raise funds that create and preserve local affordable housing for low-income households, veterans, seniors, teachers, first responders, persons with disabilities, and those experiencing homelessness.
2. The County should work with cities and towns to pool in-lieu fees to increase funds available for affordable housing and determine whether to increase the amount of in-lieu fees to better reflect the actual cost of affordable housing development.
3. The County, cities and towns should consider a sub-regional approach for the allocation of housing (Regional Housing Needs Allocation), to share resources and possibly units to increase collaboration and production of housing.
4. The County should work with cities and towns to adopt inclusionary housing policies to bolster funds available to support affordable housing.
5. The County should encourage cities and towns to reduce or waive fees for affordable housing.

Impediment #3 - Lack of Affordable Housing Sites
Developers and members of the community are unaware of potential affordable housing sites across the County. Because of this lack of knowledge, opportunities to purchase land or properties may reduce the availability for affordable housing development.

Recommendations
1. Prepare and publicize available and easily obtainable maps of all incorporated and unincorporated vacant and underutilized parcels in Marin. Housing sites identified by the County, cities and towns in their respective Housing Elements could be the basis for this information. Additional potential housing sites should also be considered when preparing the maps.
   a. Provide public updates and market to affordable housing developers, and
   b. Prioritize the VCA commitment to 100 units for family housing for these parcels.
2. Identify underutilized parcels in the County to acquire, convert and develop into affordable housing.
   a. Post/advertise information on the County’s website and update continuously.
   b. Identify whether parcels are privately or publicly held and if there are any public right of ways.
3. Create a public database of potential sites that can be updated regularly.
4. As part of the County’s next Housing Element, consider rezoning sites to increase density to accommodate multi-family housing in areas outside of areas of minority concentration to further local housing goals and to comply with State housing law, and consider objective development and design standards for housing development projects that qualify for streamlined permit review.

**Impediment # 4 - Lack of Opportunities for Home Ownership by People of Color and Ongoing Concerns of Gentrification**

The price of housing in Marin is unaffordable for most residents, but because of historic, discriminatory practices and government policies, African Americans – in particular, people who lived in Marin City during the Marinship years -- have been particularly affected by policies that have created segregated communities with limited access to opportunities.

In addition, gentrification of some Marin communities is forcing people of color and low-income residents to be priced out of their own neighborhoods. Designating land for the purpose of developing affordable housing that will remain affordable in perpetuity will create opportunities for home ownership while acknowledging and affirmatively furthering fair housing. Transforming racially and ethnically concentrated areas of poverty into areas of opportunity can preserve existing affordable housing and protect existing residents from displacement.

**Recommendations**

Work with communities to provide resources to support a community land trust for low income residents of Marin that create opportunities for affordable housing and home ownership, with specific inclusion for African Americans with historic connections to Marin City. Model after the Community Land Trust of West Marin (CLAM) to ensure long-term housing affordability.

**2020-24 Consolidated Plan: Summary of Key Findings**

The Consolidated Plan (ConPlan) is a five (5) year strategic plan that identifies goals for federal funding programs provided through HUD, including the Community Development Block grant program (CDBG) and the HOME Investment Partnerships Program (HOME). The ConPlan provides a framework for identifying priorities and programs to address affordable housing, community development needs, and public services for extremely low-up to moderate-income families, persons with disabilities, seniors, and youth.

Understanding the needs of a community is critical to planning the use of federal grant funds. As part of the 2020-24 Consolidated Planning process, Housing and Federal Grants staff (Staff) engaged the community using various methods to gather information about housing, community spaces and infrastructure, and public service needs in Marin. In addition, staff reached out to other jurisdictions implementing federal grant programs to learn smart practices to improve impact and effectiveness of Marin County’s federal grants program. Results from the community engagement and interview process shall guide future planning and program design for the County of Marin’s federal grants program.

Over the course of six (6) months County staff engaged the community in four ways: a community survey, service provider survey, community meetings, and interviews.
Methodology

Community Survey

Online and paper surveys available in English, Spanish, and Vietnamese were used to gather community input to inform funding priorities. Surveys were disseminated in partnership with local nonprofit service and housing providers and County departments including Health and Human Services and the Marin County Free Library. To enhance and encourage participation staff attended numerous community events, including weekly Health Hubs organized through the Marin Community Clinics in both Novato and San Rafael, the Canal Alliance food pantry, and events put together by local organizations, including Community Action Marin, the Marin Organizing Committee, and Performing Stars. A total of 322 surveys were collected, with 229 in English, 92 in Spanish, and one (1) in Vietnamese.

Service Provider Survey

An online service provider survey was distributed to over 50 organizations in Marin County. Twenty-five (25) surveys were completed by organizations that provide a wide range of services including childcare, senior, parent support, case management, basic health, and food security services. Survey respondents were asked about their biggest demand for services, funding gaps, and demographic information about their service population.

Community Meetings

In collaboration with Marin Health and Human Services, over the course of four (4) months staff lead seven (7) community meetings and focus groups to gather data. The meetings were held across the County including in Marin City, Kentfield, Novato, San Rafael, West Marin and one meeting in the Canal Neighborhood of San Rafael was held entirely in Spanish. Nearly 300 people participated in these meetings.

Interviews

Staff reached out to 15 local government entities in Marin for interviews to garner insights into client and service trends, funding available, and demand for services. Of the interviews requested staff were able to conduct 11 interviews—two (2) cities, eight (8) County departments/divisions, and one (1) community service district. In addition, staff did outreach to nine (9) neighboring jurisdictions that administer federal grant programs similar to Marin’s. Of those, five (5) neighboring jurisdictions were interviewed to identify trends and practices that could be applied to Marin’s program.

Findings

Data from community surveys, service provider surveys, community meetings, and interviews with jurisdictions were synthesized into the priorities listed below. Respondents involved in the engagement process discussed concerns and provided specific comments about issues related to housing, community infrastructure, and public services. These concerns are articulated here as general findings that will be used to inform priorities. For example, comments regarding a leaking roof in a community center were included in a statement about improving and creating new community centers.
Housing
The findings related to housing focused on constructing, rehabilitating, and preserving affordable housing that could fit the needs of all demographics. The most commonly referenced populations included: families, single individuals, seniors, and populations in need of supportive housing. Most comments specifically related to rehabilitation of existing affordable housing focused on addressing substandard conditions. Respondents commented on the lack of housing affordable to extremely low-income households, and long and inaccessible waitlists.

Community infrastructure
Related to community infrastructure comments ranged from references to specific rooms and buildings, to discussions about infrastructure systems in cities and towns. Many respondents found that communities lacked new and improved community centers for all age ranges, social groups, and needs, including childcare facilities, youth centers, senior centers, and LGBTQ centers. Additionally, respondents showed interest in more informal community gathering spaces. Respondents stated that their communities lack well maintained parks and public spaces, as well as homeless shelters/facilities. Most respondents mentioned the importance of protecting communities from natural disasters by improving infrastructure. Finally, transportation infrastructure improvements were mentioned in most surveys and comments, more specifically related to transit route frequency and reliability and safety measures such as adequate sidewalks and lighting were noted.

Public Services
The findings summarized for public services demonstrate the range of diverse needs in Marin County. One of the services discussed most frequently was “homeless services.” Homeless services fit under a larger classification of services that benefit those who are homeless and in danger of becoming homeless. Several of the services mentioned in the findings below are intended to serve these populations. Therefore, homeless services can
translate into a wide array of services. For example, housing support services and legal services were two of the most commonly mentioned needs, and these services can support populations that are homeless or in danger of becoming homeless. Services for families including children’s services and parent support services were mentioned in most surveys and community meetings. Respondents specified that basic health services for all age ranges were needed throughout the county. Services for very specific populations including seniors and domestic violence victims were mentioned in a majority of survey responses and at several community meetings. Food security was listed as a priority for vulnerable populations. Language acquisition and education along with job training and microenterprise business support were mentioned in many responses regarding public service needs.  

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Community-Specific Needs

A few of Marin’s federal grant program’s target populations and communities including Marin City, West Marin, and Marin’s Spanish speaking population expressed their community-specific needs and priorities at their respective community meetings. The community survey data was disaggregated by community to allow Staff to pinpoint and highlight these priorities.

**Marin City Housing**

Marin City’s housing priorities differ from overall survey respondents and indicates a need for more financial assistance for first-time home buyers, rehabilitation of existing multi-family rental housing, and some construction of new affordable housing. This community faces gentrification and displacement pressures which may explain why rehabilitating and securing homeownership for existing residents is a priority over the development of new housing in the community.
Community Infrastructure
With regards to community infrastructure, like overall respondents, Marin City residents also indicated a priority to focus on homeless facilities/shelters, followed by an interest in more community gardens and gathering spaces, and improvements to nonprofit facilities.

Public Services
Public service priorities in Marin City follow a similar trend to the County as a whole. However, after homelessness services, housing support services and children’s services—Marin City’s specific needs for food security and employment readiness are highlighted.

West Marin Housing
West Marin’s housing needs are largely related to the need for more housing, specifically affordable housing, through the construction of more housing and the purchase of land to allow
for more development of affordable housing. West Marin residents also highlighted the
need for more financial assistance to first-time home buyers.

Community
Infrastructure
With regards to community infrastructure, West Marin residents indicated the
need for facilities across age groups and needs. After homeless
shelters/facilities, West
Marin highlighted the need
for childcare centers and
older adult centers.

Public Services
Public service needs in West Marin are also similar to the County: beyond homelessness
services, housing support services, and children’s services—West Marin expressed
priorities related to mental health services and fair housing activities.

Spanish-Speaking Respondents
Housing
Spanish speaking
respondents indicated a
need for more affordable
housing, through the
construction of more housing
and the purchase of
land to allow for more
development. Spanish speaking respondents also indicated the need for more education programs for first-time home buyers, highlighting the need for housing education programs in Spanish.

**Community Infrastructure**

Spanish speaking residents of Marin County also pinpointed the need for youth centers, childcare centers and the need for accessible facilities for persons with disabilities. This highlights the community’s consistent priority around improved or new community gathering spaces, especially for youth in the Canal neighborhood of San Rafael.

**Public Services**

Public service priorities amongst Spanish-speaking residents in Marin shows a need for children’s services, basic health services, fair housing activities, homelessness services, and housing support services. It is critical to note that many survey respondents in Spanish indicated that they are a one income household, largely due to the high cost of childcare.
### 2020-2021 Countywide Priority Setting Committee

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<th>Affiliation</th>
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<tr>
<td>Claire McAuliffe</td>
<td>City of Belvedere</td>
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<tr>
<td>Vacant</td>
<td>City of Larkspur</td>
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<tr>
<td>Stephanie Moulton-Peters</td>
<td>City of Mill Valley</td>
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<tr>
<td>Denise Athas</td>
<td>City of Novato</td>
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<td>John Gamblin</td>
<td>City of San Rafael</td>
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<tr>
<td>Joe Burns</td>
<td>City of Sausalito</td>
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<tr>
<td>Judy Arnold</td>
<td>County of Marin</td>
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<tr>
<td>David Kunhardt</td>
<td>Town of Corte Madera</td>
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<tr>
<td>Barbara Coler</td>
<td>Town of Fairfax</td>
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<tr>
<td>Alexis Fineman</td>
<td>Town of San Anselmo</td>
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<tr>
<td>Holli Their</td>
<td>Town of Tiburon</td>
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<tr>
<td>Cathy Cortez</td>
<td>At-Large Community Representative</td>
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<tr>
<td>Moses Gittens</td>
<td>Lower Ross Community Representative</td>
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<tr>
<td>Veda Florez</td>
<td>Novato Community Representative</td>
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<tr>
<td>Peggy Woodring</td>
<td>San Rafael Community Representative</td>
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<tr>
<td>Sylvia Bynum</td>
<td>Southern Marin Community Representative</td>
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<tr>
<td>PJ Feffer</td>
<td>Upper Ross Community Representative</td>
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<tr>
<td>Jorge Martinez</td>
<td>West Marin Community Representative</td>
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Application logistics:

Application Process and Timing

- Applications will be open on Monday, January 6, 2020.
- Application Preparation (Bidders Conference): Wednesday, January 15th, 2020 at the Marin County Civic Center, Board of Supervisors Chambers, 3501 Civic Center Drive, Room 330, San Rafael, CA 94903
  - 1:00 P.M. to 2:00 P.M. - Public Service Projects
  - 2:30 P.M. to 3:30 P.M. - Community Infrastructure/Capital and Housing Projects
- Applications will be due on Thursday, February 6, 2020, 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 2020.
- 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 should be sent to this address ONLY: 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

- ***NEW*** Transitioning from a one (1) year application cycle to a two (2) year application cycle.
- The minimum grant size is $15,000 per year.
- Organizations may only apply for one project in each category of funding. (Ex. An organization may apply for funding under the Public Service category and the Community Infrastructure/Capital category.
- 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

- Public service grants are typically awarded between $15,000 and $30,000.
- Community Infrastructure/Capital improvement grants range from $15,000 to $150,000, depending on the project scope.
- Housing grants vary from $30,000 to $500,000, 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.

Notice of Funding Availability: Community Development Block Grant (“CDBG”) and Home Investment Partnership Program (“HOME”) For 2020-22 funding cycle

The Marin County Community Development Agency’s Federal Grants Division is pleased to announce the opening of the application period for the CDBG and HOME programs.

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 Home Investment Partnerships Program (HOME) funds the creation, preservation, and rehabilitation of affordable housing for low income households. The programs are 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 and Public Services dollars that considers projects in the following categories first:

Funding priorities for CDBG Housing funds:
  - Family Housing
  - Land trust model in eastern Marin\(^1\) that provides home ownership opportunities

Funding priorities for CDBG Public Service funds:
  - Basic Health Services — includes services that prevents or treats medical conditions for individuals who are un-insured, under-insured, or people with low-incomes who cannot afford their deductible. Programs and services include but are not limited to preventative health such as immunizations, well-child care from birth, periodic health evaluations for adults, voluntary family planning services, children’s eye and ear examinations conducted to determine the need for vision and hearing correction, and hygiene services. Services may also include medically necessary emergency health care, inpatient and outpatient treatment, diagnostic laboratory and diagnostic and therapeutic radiologic services, and provision of prescription drugs.
  - Children, Youth, and Parent Support Services — includes services that address disparities in access to early childhood education and high costs of childcare county wide targeting low-income families. Programs and services include but are not limited to supporting childcare scholarships, student extracurricular activities, parent engagement and training, therapeutic services, teacher’s salaries, transportation, and home visitations.
  - Housing Support Services — includes services that assists individuals in accessing stable housing, prevent discrimination in housing choice, and aids renters in maintaining stable housing. Programs and services include but are not limited to fair housing counseling, legal support, housing locators, down payment and rental assistance.

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:

Public Services:
Project budgets for all public service project applications should cover a 1-year time period only. Year two funding allocations will be based on the 1-year budget in relation to outcomes achieved and HUD funding levels.

Community Infrastructure/Capital and Housing:
Project budgets for community infrastructure/capital and housing project applications should be developed spanning a two-year time period, with specific outcomes and line items associated with each project.

\(^1\) Eastern Marin in this case is defined as all of the areas of Marin, except for West Marin
year. If your project has received planning approvals, has an environmental review on file, and is ready to move forward in a 1-year time frame please indicate so.

**Income verifying clients:**
All applicants are required to income qualify beneficiaries of services provided with CDBG and HOME 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.

**Key changes for 2020-22 fiscal year**
- Transitioning from a one (1) year application cycle to a two (2) year application cycle. ²
- The minimum grant size is $15,000 per year.
- CDBG housing funds will first prioritize projects that provide Family Housing and/or Land trust model in eastern Marin that provides home ownership opportunities
- CDBG public service funds will first prioritize projects that provide Basic Health Services; Children, Youth, and Parent Support Services; and Housing Support Services
- Staff will pursue reprogramming of funds for projects that do not make substantial progress in the initial funding year.

**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 meets the population standard for urban counties and continue to receive CDBG funding.

The total CDBG allocation for Marin County has been about $1.4 Million dollars annually and HOME is about $700,000. Staff is anticipating the 2020-21 allocation will be similar to 2019-20. Staff will make their funding recommendations based on the 2019-20 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,

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² Staff reserve the right to open the application in 2021-22, if deemed necessary.
the extent of poverty, and the extent of housing overcrowding, with the provision that the extent of poverty be counted twice. For fiscal year 2020-21, 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 administrate 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.

All community infrastructure/capital projects and 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 community infrastructure/capital and 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.

HOME will establish regulatory agreements dictating the affordability of the property and/or HOME units.

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 - 2019 HUD INCOME LIMITS

<table>
<thead>
<tr>
<th>Household Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low (0-30%)</td>
<td>$33,850</td>
<td>$38,700</td>
<td>$43,550</td>
<td>$48,350</td>
<td>$52,250</td>
<td>$56,111</td>
<td>$60,000</td>
<td>$63,850</td>
</tr>
<tr>
<td>Very Low-Income (30+-50%)</td>
<td>$56,450</td>
<td>$64,500</td>
<td>$72,550</td>
<td>$80,600</td>
<td>$87,050</td>
<td>$93,500</td>
<td>$99,950</td>
<td>$106,400</td>
</tr>
<tr>
<td>Low-Income (50+-80%)</td>
<td>$90,450</td>
<td>$103,350</td>
<td>$116,250</td>
<td>$129,150</td>
<td>$139,500</td>
<td>$149,850</td>
<td>$160,150</td>
<td>$170,500</td>
</tr>
<tr>
<td>Moderate-Income (80+-120%)</td>
<td>$114,900</td>
<td>$131,350</td>
<td>$147,750</td>
<td>$164,150</td>
<td>$177,300</td>
<td>$190,450</td>
<td>$203,550</td>
<td>$216,700</td>
</tr>
</tbody>
</table>

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