

**UPPER ROSS PLANNING AREA**

**PUBLIC HEARING  
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

Tuesday, January 19, 2017  
7:00 p.m.

San Anselmo Town Council Chambers  
525 San Anselmo Avenue. San Anselmo

**AGENDA**

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 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**

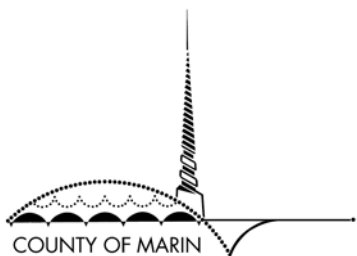
*Thursday, February 2, 2017 7:00 PM* Countywide Priority Setting Committee (CDBG Countywide Housing Projects, HOME Program Projects, and Ratification of CDBG Planning Area Recommendations)  
Marin Housing Authority, Garden Room  
4020 Civic Center Drive, San Rafael

*Tuesday, February 14, 2017* Marin County Board of Supervisors  
Marin County Civic Center, Room 330  
3501 Civic Center Drive, San Rafael

If you have questions about the public hearing, please call Leelee Thomas at (415) 473-6697 at the Marin County Community Development Agency. People using TTY devices may reach us at (415) 473-3232 (TTY) or through the California Relay Service at 711. All public meetings and events sponsored or conducted by the County of Marin are held in accessible sites. Requests for accommodations may be made by calling Roy Bateman at (415) 473-6698, (415) 473-3232 (TTY), or by e-mail: [rbateman@marincounty.org](mailto:rbateman@marincounty.org), at least five business days in advance of the event. Copies of documents are available in alternative formats, upon request. Sign language interpretation and translation into languages other than English are available upon request. Please call our office at (415) 473-6698, at least five business days in advance of the public hearing you want to attend, if you need language translation, a sign language interpreter, an assistive listening device, or other reasonable accommodation. In consideration of persons with environmental sensitivities, please do not wear perfume or other fragrances. Call Golden Gate Transit (415-455-2000, 711 TDD) for transit information.



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



**STAFF REPORT**

TO: UPPER ROSS VALLEY LOCAL AREA COMMITTEE

FROM: Jared Stalling, Planner  
Leelee Thomas, Planning Manager

SUBJECT: Recommendations for Funding 2017-18 for Public Service Projects  
Community Development Block Grant (CDBG) Proposals

DATE: Thursday, January 19, 2017 7:00 PM

LOCATION: San Anselmo Town Hall, 525 San Anselmo Avenue,  
San Anselmo

**Summary:**

Federal funding through the Community Development Block Grant (CDBG) program provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at the Department of Housing and Urban Development (HUD). The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities for low- and moderate-income persons. Marin County is classified as an urban county, and divided into six planning areas. Each of the six planning areas is allocated a portion of the funding, based on the share of population from the most recent Census.

The recommendations from C D B G Staff for funding projects in the Upper Ross Valley Planning Area are listed below. There were ten funding requests including four applications from the local planning area and 6 organizations with countywide services requesting funding in multiple planning areas. There were requests totaling \$815,784; based on last year's allocation, it is estimated that a total of \$46,451 will be available for the planning area. These recommendations will be considered at the Upper Ross Valley Planning Area public hearing on **Thursday, January 19, 2017, at 7:00 p.m., at the San Anselmo Town Hall, 525 San Anselmo Avenue, San Anselmo.** Meetings are open to the public and testimony is welcome.

The Countywide Priority Setting Committee Meeting is scheduled for **Thursday, February 2, 2017 at the Marin Housing Authority's Garden Room, 4020 Civic Center Drive, San Rafael.**

The Board of Supervisors hearing is scheduled for **Tuesday, February 14, 2017 at the Marin County Civic Center, 3501 Civic Center Drive, Room 330, San Rafael.**

## **BACKGROUND:**

### **Program Overview and Grant Amounts**

The County advertised extensively and the application period for CDBG and HOME funds was open for 30 days spanning October and November 2016; application materials were available in English, Spanish and Vietnamese. Forty-six applications for housing, capital improvements and public services were received from local housing and services providers. Under the County's current process, planning area public hearings are held in each of the six planning areas, followed by a Countywide Priority Setting Committee Meeting and a Board of Supervisors hearing. After this process, a funding application is prepared and submitted to HUD for the formula grant. Due to routine delays in the adoption of the federal budget, funding allocations will likely not be known prior to the County's filing deadline in May.

Marin's actual grant amounts are affected by changes in the overall program funding in the federal budget, and by changes in how Marin ranks in comparison with other grantees on demographic factors (population, poverty, overcrowded housing, etc.). In 2016-17 the total CDBG allocation was \$1,302,255, and the HOME allocation was \$578,379. Staff is currently projecting flat funding levels in both programs and will use these amounts in the funding recommendations.

To avoid the need for an additional hearing, staff recommends that if there is a change in the grant allocation, the grant amounts set at the local planning area hearings be subject to revision. At that time, staff would recalculate the amounts available for each planning area, and for each activity category. To the extent that cuts are needed or additional funds are available, staff would adjust the preliminary project grant amounts, so that the final funding amounts will be proportional to the amounts approved at the hearing. Where feasible, staff would then round numbers to the nearest hundred dollars. If additional funds are available, the adjustment would be limited so that no project receives more than the amount the sponsor requested.

Nationally, the most important long-term trend in the CDBG and HOME Programs has been the decline in funding. This year, Staff is projecting no increase or decrease in the CDBG or HOME funding. However, as grants remain flat or decline, and personnel costs increase, we are likely to see a gap between actual administrative costs and the amount HUD allows for administration.

Locally, there has been an increasing emphasis on the extent to which members of the protected classes<sup>1</sup> are served by CDBG and HOME projects, and also the quality of each project sponsor's affirmative marketing plan. As required by HUD, Staff will also focus more on monitoring and measurable outcomes.

### **Spending Deadlines**

HUD regulations stipulate that unspent funds should be taken and used in communities that can meet timely spending guidelines. HUD takes sanctions if, on the annual test date in late April, a community has unspent CDBG funds that exceed 1.5 times its

---

<sup>1</sup> Race, color, religion, national origin, sex, disability, and familial status are protected under federal fair housing laws.

annual CDBG grant amount. We are typically very close to the allowable limit of unspent funds. If the CDBG grant declines, the amount of unspent funds permitted also declines. Therefore, we should be careful to target CDBG funds to projects that are ready to proceed.

### **CDBG Administrative Expenses**

CDBG regulations limit administrative expenses to 20% of available funds. Administrative, monitoring, and regulatory requirements from the federal government have been increasing. The program requires accountability and extensive recordkeeping. Changes in government accounting standards and local accounting systems require more complex work to assure the adherence to regulations. 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. Because the CDBG program is operated by the County, the County is solely responsible for the risk that administrative costs may exceed the grant’s allowance for administration.

One way to reduce the administrative workload is to reduce the number of projects. Reducing the number of projects would allow funds to be more impactful while also reducing the volume of project contracts, project monitoring reports, invoice processing, and accounting so that our workload can better match our staffing level. Over the last 10 years, the number of CDBG projects funded each year has fluctuated between 30 and 52 projects per year. It may not be sustainable to continue to fund at this level. Therefore, to align with HUD and local goals, staff is recommending that we reduce the number of projects in the 2017-18 program year.

### **Local Funding Priorities**

At their meeting on August 18, 2016, the Priority Setting Committee (PSC) established local funding priorities, discussed below, which will be used by staff in evaluating applications and making funding recommendations.

#### *Affirmatively Furthering Fair Housing:*

In recent years, Marin County has received criticism for its lack of affordable housing as well as significant gaps in the availability of affordable housing for members of the protected classes. In 2011, the County submitted an Analysis of Impediments to Fair Housing Choice (AI) to HUD which identified 37 specific barriers to fair housing choice. While many of the items have been addressed, several goals are still outstanding. Federal grants funding will be used in a manner consistent with supporting the goals of furthering fair housing choice in Marin County. This would align with recommendation 4 from the Implementation Plan of the Analysis of Impediments:

*Make fair housing and equal opportunity criteria a more visible and comprehensive part of the Community Development Block Grant (CDBG) and HOME Program project selection process by screening all CDBG and HOME applications for compliance with*

*fair housing and equal opportunity criteria and including an analysis of equal opportunity impact in staff reports recommending projects for funding.*

In the 2017-18 cycle and beyond, projects which are aligned with Fair Housing goals that have been laid out in the Consolidated Plan and the Assessment for Fair Housing will be prioritized. Addressing the fair housing concerns in Marin County will require a consolidated effort on behalf of County staff, Board of Supervisors, Cities and Towns and Priority Setting Committee members. One of the first steps is to align our federal funding sources with these fair housing plans and educate and communicate our strategy and goals to our partners to create a more unified effort. An example of this would be considering recommendation 16 from the Implementation Plan of the Analysis of Impediments when funding affordable housing developments:

*Encourage and facilitate the development of more subsidized and affordable housing for families with children outside areas of minority concentration. Consider acquisition and shared housing. Screen and prioritize applications for CDBG and HOME funds for housing projects that will serve families and are located outside areas of minority concentration.*

*Supporting projects that serve members of the protected classes:*

The PSC also opted that during the 2017-18 cycle projects that serve members of the protected classes will be prioritized. The application could require that data be provided which would specifically identify how and what members of the protected classes are being served and this data will be used in making funding recommendations and in evaluating whether projects predominantly serve members of the protected classes.

All funded projects will be required to affirmatively market their services. In this context it means to promote fair housing and to empower and give special assistance to groups that have historically been disadvantaged. It is simply not enough to not discriminate; we must also take assertive steps aimed at reversing historical trends and discriminatory patterns. The affirmative marketing plans are one part of that effort. The purpose of the affirmative marketing plan requirement is to promote a condition in which individuals of similar income levels in the same area have available to them a like range of choices in housing and services regardless of their race, religion, color, national origin, sex, disability or familial status. Through an affirmative marketing plan, a provider indicates what special efforts they will make to reach out to potential applicants who might not normally seek housing or services. This requires that the provider study the market area, learn the target population and design methods to reach out to the target population. Affirmative marketing does not limit choices; it expands choices by actively seeking to reverse the patterns of the past and truly provide for open and fair access to housing and services where the individual is free to live, work and recreate where they choose. Affirmative marketing does not include specific goals or quotas. However, quantitative data and analysis are essential to planning and monitoring affirmative marketing program effectiveness.

*Prioritizing fewer applications:*

HUD requested that Marin reconsider the numerous small allocations that have been made and consider funding fewer projects. More funds could be directed to larger projects that address a priority as established by the Priority Setting Committee. This recommendation was based on multiple conversations with the HUD office on ways to utilize our funds in the most efficient and effective way possible. Most recently this included comments on the 2016 Consolidated Plan Amendments requesting that we consider funding larger projects. Larger projects were identified by HUD as \$10,000 per project; however a dollar amount was not established by the POSC and could be reconsidered at the local level in the future.

*Funding fewer housing projects per year:*

The PSC also recommended that one or two housing projects that are prepared and ready to utilize funds be prioritized. Funding fewer projects per year could allow more substantial funding commitments instead of funding many projects for multiple years. Funding in larger amounts may assist housing projects meet a more timely completion schedule. However, this may not always be feasible due to the lengthy approval processes common in Marin and HUD's strict timely spending requirements.

**Funding Recommendations for Upper Ross Valley Planning Area**

CDBG funds can be used for affordable housing, capital improvements and public services. The CDBG regulations require that 30% of funds must be used for affordable housing and no more than 15% of the grant and program income can be used for a wide range of public service activities.

The staff recommendations for the use of CDBG Upper Ross Valley Planning Area funds are summarized on page 6; including a list of all the applications received and the amount staff recommends for each project. Following the summary is a more detailed description, evaluation and recommendation of each application (applications are included as Attachment 1). In staff's review, federal guidelines were used as the minimum threshold for eligibility. For all proposals, staff evaluated the proposals based on the local priorities established by the Priority Setting Committee and using evaluation criteria include in Attachment 2.

PROJECT NAME	PROJECT SPONSOR	APPLICANT'S REQUEST	APPLICANT'S REQUEST Planning %		Recommended New Funds
Fair Housing Services	Fair Housing Advocates of Marin	70,000.00	5,691.00		
Rehabilitation Loan Program	Marin Housing Authority	285,000.00	23,170.50		
Domestic Violence Emergency Shelter	Center For Domestic Peace	50,000.00	4,065.00		
	Housing subtotal	405,000.00	32,926.50		-
CodeForward Academy Life Skills	Ethan Berry, INC. Nonprofit (EBI)	340,000.00	27,642.00		
Legal Services	Family & Children's Law Center	28,000.00	2,276.40		
Marin Brain Injury Network Services	Schurig Center	30,000.00	2,439.00		
	Public Services subtotal	398,000.00	32,357.40		-
PROJECT NAME	PROJECT SPONSOR		APPLICANT'S REQUEST	Reprogrammed Funds	Recommended New Funds
Piper Court Apartments	Bridgecourt Housing/EAH		500,000.00		
Fairfax/Comito House	Lifehouse Inc		66,000.00	20,700.00	45,300.00
Victory Village	Resources for Community Development		170,000.00	60,820.00	6,078.00
	<b>Housing Total</b>		<b>736,000.00</b>	<b>81,520.00</b>	<b>51,378.00</b>
After School Transportation Program	Fairfax-San Anselmo Children's Center		14,500.00		6,500.00
	<b>Public Services Total</b>		<b>14,500.00</b>	<b>-</b>	<b>6,500.00</b>
			<b>Total</b>		
					<b>815,783.90</b>

**PLANNING AREA FUNDING REQUESTS:**

10 applications totaling \$815,784 were received in the Upper Ross Valley Planning Area; based on last year's funding, it is estimated that \$46,451 will be available. Staff is recommending two local housing projects and one public service program for funding this year. The projects proposed for funding are aligned with the federal and local priorities and the organizations have capacity to administer federal funds. The projects recommended for funding are highlighted in gray.

**1. Piper Court Apartments - EAH/Bridgecourt Housing**

EAH/Bridgecourt Housing is applying for \$500,000 in CDBG funds to apply towards the acquisition of the Piper Court Apartments. The subject development has twenty-seven units (18-2BR and 9-3BR) of a large-enough size to house low-income families; a type of apartment underrepresented in Marin's existing affordable housing market. An affordability restriction has already been placed on the property in the form of a June 2016 regulatory agreement with the County. EAH, Bridgecourt Housing's development partner and property management provider, maintains a "compliance department" with a staff of seven that annually reviews and when necessary, updates its affirmative marketing and tenant screening and selection procedures. EAH manages more than thirty affordable housing properties and routinely oversees acquisitions and rehabilitations. EAH anticipates applying for tax credits in 2017. If their application is successful, they anticipate receiving LIHTC funds in June/July 2017 and closing out the acquisition by the end of that calendar year. Once acquired and rehabilitated, the rents collected by the apartments will finance any debt service and pay for necessary maintenance and staffing requirements. Staff is not recommending CDBG funds due to the limited funding available in the planning area.

**2. Fairfax/Comito House - Lifehouse**

Lifehouse records indicate that the roof was installed in 1974 and received \$1,743 worth of repairs in 2004. At forty-two years of age, the roof is well beyond its anticipated useful life. The applicant is applying for \$66,000 in CDBG funding for the 2017-18 Fiscal Year. The applicant had not considered that the permit fees associated with this work might be waived by Building or Planning Departments and as a result, it may be possible to reduce the cost estimates for this work by the \$1,000 allocated to pay this cost. Lifehouse budgets a six-seven month timeline for project completion. If the scope of work is established at the time of funding awards, the applicant should have time to contract and complete the necessary repairs to the roof and exterior facades before the wet season. Project supports the maintenance of housing affordable to six extremely-low-income households, leverages existing services and resources provided by Lifehouse and Golden Gate Regional Area. Staff recommends reprogrammed and CDBG funding for 2017-18 Fiscal Year.



### **3. Victory Village (Resources for Community Development)**

Resources for Community Development (RCD), the applicant, received commitments of \$220,000 in 2013 HOME and \$100,000 in 2013 CDBG funds. RCD is requesting \$170,000 in CDBG funding and \$550,000 in HOME funding for the Fairfax Senior Affordable Housing development. RCD also received a sizable predevelopment grant from the Marin Community Foundation which, to ensure that it expended predevelopment funds on eligible uses, it drew down first. While at the time of this evaluation, RCD had not expended any of its 2016 HOME and CDBG allocations; it does not foresee any difficulties in drawing down those funding awards before the preferred expenditure deadline of December 31, 2017. Previously awarded funding sources already mandate project compliance with Davis Bacon prevailing wage rates and reporting requirements. RCD intends to contract the John Stewart Company to provide both property and construction management services. The John Stewart Company has extensive experience existing and developing affordable housing projects and as such, will oversee Davis-Bacon compliance and also provide accounting, affirmative marketing, and tenant screening and selection services in compliance with Fair Housing laws and program requirements. RCD Staff anticipates that the necessary Planning approvals will be completed in February 2017. The requested funds will be used to strengthen the project's competitiveness in its 9% Low Income Housing Tax Credit (LIHTC) and Affordable Housing and Sustainable Communities (AHSC) Program applications. In addition, the County support illustrated by the allocation of HOME and CDBG funds will be used to pitch requests for additional funding from the Marin Community Foundation and also the Tamalpais Pacific Foundation. Committed HOME and CDBG funds will be used to leverage AHSO and 9% LIHTC financing in 2017. Due to the large amount of unspent funds previously received, Staff recommends a reduced funding from reprogrammed and CDBG funding for the 2017-18 Fiscal Year. Staff recommends that Victory Village amend the scope of their request for the unspent funding to allocate to projects that are ready to move forward at this time.

### **4. After-School Transportation Program (Fairfax-San Anselmo Children's Center)**

The Fairfax-San Anselmo Children's Center transportation service brings school-age children from local public schools to the Center so they can participate in the Center's after-school programs. The proposed funds would be used for salaries for part-time drivers and for van maintenance expenses. This program allows low-income parents to continue working after the end of the school day. Racial minorities are adequately represented among the beneficiaries of this program, and Hispanic clients are very well-represented. Staff recommends that the After School Transportation Program receive CDBG funding for the 2017-18 Fiscal Year.

**Countywide Organizations – requesting a prorated share of funds in West Marin**

**1. Fair Housing Services (Fair Housing Advocate of Marin)**

Fair Housing Program provides fair housing counseling services for people seeking housing who may be victims of discrimination. Their services include counseling victims of housing discrimination, investigating potential complaints, mediating settlements where appropriate, referring cases to federal and state enforcement agencies, monitoring filed complaints, helping people with disabilities with requests for reasonable accommodations, conducting training seminars for the housing industry, providing community education on fair housing rights, and presenting educational programs in public schools. From time to time, the Fair Housing Program runs audits and surveys to determine the extent of discrimination in the Marin rental housing market. Although the program is important, staff is not recommending funding at this time.

**2. Rehabilitation Loan Program (Marin Housing Authority)**

Marin Housing offers rehabilitation loans for lower income homeowners in Marin County. Loans are made available to owners of single-family homes to correct substandard housing conditions, to eliminate health and safety hazards, to create second units within an existing house where permitted by local ordinance, for rehabilitation of houseboats docked at approved berths, and for mobile homes located within a mobile home park. New loans range from \$5,000 to a usual limit of \$35,000, with an average of \$25,000. The program offers amortized loans, interest-only loans, and deferred payment loans (with no payments due until the property is transferred). Although the program is important, staff is not recommending funding at this time.

**3. Domestic Violence Emergency Shelter (Center for Domestic Peace)**

The Center for Domestic Peace is a domestic violence shelter located in Marin County at an undisclosed location. The Center has a long-standing relationship with the County of Marin and has been the recipient of federal funding for a number of years. The funding requested for 2017-18 is to add two new beds at their facility. The Center for Domestic Peace accepts women and families from all across Marin County. Although the program is important, staff is not recommending funding at this time.

**4. Code Forward Academy Life Skills (Ethan Berry INC.):**

Ethan Berry Nonprofit, Inc. is a nonprofit organization that is based in Oakland, California and is primarily focused on developing life skills and coding skills for middle school and high school aged students. Ethan Berry INC applied for countywide funding from his location based in Marin City at Marin City Health and Wellness. While the CodeForward Academy is a helpful after-school service, the \$340,000 exceeds our 15% service cap. The scope of the funding request, exceeded the available public services funds in all planning areas and although the program is important, staff is not recommending funding at this time.

**5. Family Law Legal Services (Family and Children's Law Center)**

The Family and Children's Law Center provides low-cost legal assistance to people who are unable to afford private legal services and need help with family law issues including divorce, domestic violence, spousal and child support, and child custody. Fees are on a sliding scale basis according to income. CDBG funds would be used towards staff salaries. Although the program is important, staff is not recommending funding at this time.

**6. *The Brain Injury Network of the Bay Area (Schurig Center):***

The Schurig center offers services and support groups for people with traumatic head injuries. Their services include day treatment, which provides cognitive and vocational rehabilitation for their brain injured clients. In 1997, the Network received certification from the California Department of Rehabilitation, which has reimbursed the Network for some of the services it provides. Racial minorities and Hispanics are under-represented among the beneficiaries of this program. Although the program is important, staff is not recommending funding at this time.

**Attachments:**

1. Applications received for the West Marin Planning Area
2. Evaluation Criteria