

WEST MARIN PLANNING AREA

**PUBLIC HEARING
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

Monday, January 23, 2017
7:00 p.m.

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

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 West Marin Local Area Committee: Recommendations to Countywide Priority Setting Committee for Planning Area Projects
 - A. Housing Projects
 - B. Capital Projects
 - C. Public Service Projects
4. Open Time for Public Comment on Matters Not on the Agenda

Future Hearings

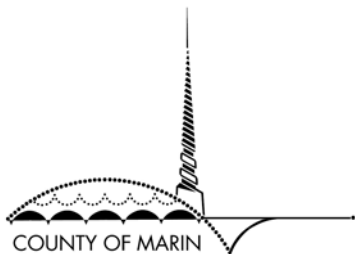
Thursday, February 2, 2017 7:00 PM Countywide Priority Setting Committee (CDBG Countywide Housing Projects, HOME Program Projects, and Ratification of CDBG Planning Area Recommendations)
Marin Housing Authority, Garden Room
4020 Civic Center Drive, San Rafael

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, 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: WEST MARIN LOCAL AREA COMMITTEE

FROM: Jared Stalling, Planner
Leelee Thomas, Community Development Manager

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

DATE: Monday, January 23, 2017 7:00 PM

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

Summary:

Federal funding through the Community Development Block Grant Program (CDBG) 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 which is divided into 6 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 the Community Development Block Grant staff for funding projects in the West Marin Planning Area are listed below. There were 12 funding requests including 6 applications from the local planning area and 6 organizations with countywide services requesting funding in multiple planning areas. There were requests totaling \$157,409; based on last year's allocation, it is estimated that a total of \$31,654 will be available for the Planning area. In addition, staff is recommending reprogramming of funds totaling \$34,882 from projects that have been delayed or unable to utilize funds. These recommendations will be considered at the West Marin Planning Area public hearing on **Monday, January 23, 2017, at 7:00 p.m., at the Dance Palace Community Center, Board Room, 503 B Street, Point Reyes Station.** 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 in October and November 2016; application materials were available in English, Spanish and Vietnamese. 46 applications for housing, capital projects and public services were received from local housing and services providers. Under our 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 increases or decreases in the CDBG and 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 classes¹ are served by CDBG and HOME projects, and the quality of each project sponsor's affirmative marketing plan. As required by HUD, staff will also be focusing 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

¹ 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 West Marin 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.

In addition to the estimated \$31,654 in funds available for the Planning Area; staff is recommending that funding from two projects be reprogrammed for a total of \$34,882. Mesa Park originally received funds in 2007 and again in 2010 for a total of \$13,000. It appears they no longer require the funds. The Bolinas Community Land Trust received a total of \$21,882 in 2011 and 2013 for the rehabilitation of the Bolinas Garage project. However, they have not moved the project forward and currently do not have an Executive Director on staff. If in the future, either of these projects is ready to move forward, they are encouraged to reapply. These funds must be used for capital and housing projects in the West Marin Planning Area.

The staff recommendations for the use of CDBG West Marin 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.

WEST MARIN PLANNING AREA - 2016-17

				5.54%	
PROJECT NAME	PROJECT SPONSOR	APPLICANT'S REQUEST	APPLICANT'S REQUEST Planning %		Recommended New Funds
Fair Housing Services	Fair Housing Advocates of Marin	70,000	3,878		3,878
Rehabilitation Loan Program	Marin Housing Authority	285,000	15,789		5,805
Domestic Violence Emergency Shelter	Center For Domestic Peace	50,000	2,770		2,770
Countywide Housing subtotal		\$ 405,000	\$ 22,437		\$ 12,453
CodeForward Academy Life Skills	Ethan Berry, INC. Nonprofit (EBI)	340,000	18,836		
Family Law Legal Services	Family & Children's Law Center	28,000	1,551		
Marin Brain Injury Network Services	Schurig Center	30,000	1,662		
Countywide Public Services subtotal		\$ 398,000	\$ 22,049		\$ -

PROJECT NAME	PROJECT SPONSOR	APPLICANT'S REQUEST	Reprogrammed Funds	Recommended New Funds
Sage Lane Senior Affordable Housing	San Geronimo Valley Affordable Housing Association	40,723	13,882	9,497
Mesa Apartment Rehab	Community Land Trust Association	8,000	8,000	
Point Reyes Station	EAH, Inc.	withdrawn		
Access Improvements	West Marin Senior Services	15,000		
Housing subtotal		\$ 63,723	\$ 21,882	\$ 9,497
Town Hall-Rehabilitation	Tomales Town Hall	21,200	13,000	
Capital subtotal		\$ 21,200	\$ 13,000	\$ -
Human Services Program	San Geronimo Valley Community Center	18,000		5,704
Home Care Assistance for the Elderly	West Marin Senior Services	10,000		4,000
Public Services subtotal		\$ 28,000	\$ -	\$ 9,704

TOTAL	\$ 157,409	\$ 34,882	\$ 31,654
-------	------------	-----------	-----------

PLANNING AREA FUNDING REQUESTS:

12 applications totaling \$157,409 were received in the West Marin Planning Area; based on last year's funding, it is estimated that \$31,654 will be available. Staff is recommending two local housing projects, a capital project, two public service programs as well as three countywide programs 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. **Sage Lane Senior Housing (San Geronimo Valley Affordable Housing Associates)**
SGVAHA maintains a bookkeeper, accountant, project manager and Board of Directors with experience in construction management. SGVAHA recently collaborated with the County to acquire the Forest Knolls Trailer Court and preserve it as affordable. In this process, SGVAHA worked closely with County Staff to design and execute affirmative marketing, screening, and tenant selection procedures that support fair housing laws. It also gained experience bidding and monitoring Davis Bacon compliant capital improvement projects. The proposed remediation of dry rot on the deck railing and near the rear door on Unit #7 could occur in summer 2017 before the wet season. Given the small size of this affordable housing development and the reduced revenue it receives in rents affordable to low-income households, the organization is not able to establish reserves of sufficient capacity to finance the work items contained in this application. The scope of the rehabilitation is reasonable for an agency with the resources of SGVAH and staff recommends that Sage Lane Apartments receive funding.

2. **Mesa Apartments (CLAM)**
The Community Land Trust of West Marin (CLAM) submitted an application for funding on the Mesa Apartments in West Marin. Maintenance and rehabilitation projects fall within the scope of work of current staff; funding of this project will not create an undue burden for the organization's capacity to maintain its current roles and strategic objectives. Staff does not have experience complying with the Davis-Bacon Act, but has familiarized itself with its stipulations and is comfortable with the organization's capacity and ability to comply with monitoring and reporting requirements. Current progress on the facility includes an electric washer and dryer that have already been donated to the project and delivered to the site. Given the high cost of propane in West Marin, the conversion of the hot water system's energy source from gas to electric will result in substantial savings for the organization. CLAM proposes to pass some of these savings along to tenants by converting the current individual meter system to a single meter that will be paid by the organization. For these reasons listed above, staff recommends funding for the Mesa Apartments for the 2017-18 Fiscal Year.

3. **Access Improvements (West Marin Senior Services)**
West Marin Senior Services are a service provider for low income seniors in the West Marin community. This facility, operated as the Stockstill House, is a facility that provides round-the-clock care to up to 8 senior citizens in the town of Point Reyes Station. The funding request for the construction project is \$15,000 to construct a handicap accessible ramp on their back porch. Funding for the access improvements is available through the Marin Housing Authority's Rehabilitation loan program, so staff has referred this project for funding and is not recommending funding at this time.

4. Town Hall Rehab (Tomales Town Hall)

Tomales Town Hall has been a staple in the West Marin community for over a hundred years. This building is one of the oldest, active town halls in the country and frequently hosts community events for residents of Tomales and West Marin alike. Due to the age of the facility it has required a considerable amount of rehabilitation work that the County has funded in the past. Tomales Town Hall is the only capital project in the West Marin planning area and meets all of the threshold requirements under the CBDG program. Due to the reasons listed above, staff recommends Tomales Town Hall receive funding for this new funding cycle.

5. Human Services Program (San Geronimo Valley Community Center)

The San Geronimo Valley Community Center provides a variety of social service, recreational, day care, emergency food, and educational programs for residents of the San Geronimo Valley. The recommended allocation would pay for a portion of the human services manager's salary. San Geronimo Valley Community Center has a long-standing relationship with the community and offers services to a part of the County that often times goes without many of the services located in more population dense areas. Hispanics are very well-represented among the beneficiaries of this program in accordance with SGVCC's marketing strategies and plan. Funding is recommended for this critical basic needs program.

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

The public service funds requested are for continuation of their elderly assistance program. Marketing for the West Marin Senior Services is sufficient, but the low concentration of elderly minorities in the West Marin community is reflected in their low concentration of minorities in their facility. It is the recommendation of this staff that we continue funding West Marin Senior Services due to the fact that they are the only service provider of their kind in a large area of Marin County with a steadily increasing senior population.

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

1. Fair Housing Services (Fair Housing Advocates of Northern California):

Funding is recommended to enable the Fair Housing Program to continue its 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.

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). Staff is recommending funding for this project, but at a reduced level as they have an unspent balance.

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 request 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 and markets their services very effectively. Staff recommends the Center for Domestic Peace continue to be funded for this project that expands on their services.

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. CDBG staff feels that the expenditure of CDBG funds for this program is an extremely cost-effective way of providing substantial long-term emotional and financial benefits to families. Hispanic clients are very well-represented among the beneficiaries of this program. The sponsor's affirmative marketing proposal is excellent.

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 services are important, staff is not recommending funding at this time.

Attachments:

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