

**COUNTYWIDE PRIORITY SETTING COMMITTEE PUBLIC HEARING**

PROPOSED BUDGET FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
AND HOME PROGRAM FUNDS FOR PROGRAM YEAR 2014-15

Monday, March 24, 2014  
7:00 p.m.

B Street Community Center  
618 B Street  
San Rafael

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**AGENDA**

1. Opening Comments.
2. Request for general public comment on the Consolidated Plan, housing and non-housing community development needs of lower income people, and the past performance of the County's Community Development Block Grant (CDBG), HOME, and Housing Opportunities for Persons with AIDS (HOPWA) programs. [This is an opportunity for the public to comment on community needs and general issues related to the CDBG, HOME, and Housing Opportunities for Persons with AIDS programs. Please note that items 3 and 4 of this agenda provide for public comment on proposed budget amounts for specific CDBG and HOME projects.]
3. Budget for 2014-15 for six local CDBG Planning Areas (Novato, San Rafael, Upper Ross Valley, Lower Ross Valley, Richardson Bay, and West Marin), reprogrammings of CDBG Planning Area funds from previous years, and use of CDBG Planning Area program income.
  - A. Staff report.
  - B. Public comments.
  - C. Discussion and recommendations by Priority Setting Committee to Marin County Board of Supervisors for proposed use of CDBG Planning Area funds.
4. Recommendations for 2014-15 CDBG Countywide Housing allocations, reprogrammings of CDBG Countywide Housing funds from previous years, use of CDBG Countywide Housing program income, 2014-15 HOME Program allocations,

reprogrammings of HOME funds from previous years, and use of HOME program income.

- A. Staff report (including implications of new HOME timing requirements)
  - B. Public comments.
  - C. Discussion and recommendations by Priority Setting Committee to Marin County Board of Supervisors for proposed use of CDBG Countywide Housing and HOME Program funds.
5. Policy and Process Issues; Reflections on Planning Area Committee Hearings.
- A. Staff report.
  - B. Public comments.
  - C. Discussion by Priority Setting Committee.
6. Renewal of City-County CDBG Cooperation Agreements.
- A. Staff report.
  - B. Public comments.
  - C. Discussion by Priority Setting Committee.
7. Open Time for Public Comment on Matters Not on the Agenda.

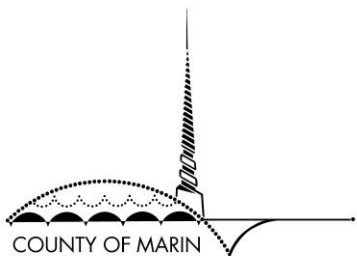
Future Hearing

|                         |  |                            |
|-------------------------|--|----------------------------|
| Tuesday,<br>May 6, 2014 | Marin County Board of Supervisors<br>Board of Supervisors Chambers<br>Marin County Civic Center, Room 330<br>3501 Civic Center Drive, San Rafael | (time to be<br>determined) |
|-------------------------|--|----------------------------|

If you have questions about the public hearing, please call Roy Bateman at (415) 473-6698 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 (415) 473-6279 (voice-Amy Brown), (415) 473-3232 (TTY), or by e-mail: [asbrown@marincounty.org](mailto:asbrown@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) 473-6279, 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: COUNTYWIDE PRIORITY SETTING COMMITTEE

FROM: Roy Bateman, Community Development Manager

SUBJECT: Recommendations for Funding 2014-15  
Community Development Block Grant (CDBG) Countywide Housing  
Proposals and HOME Program Proposals

DATE: March 19, 2014

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The recommendations from Community Development Block Grant (CDBG) staff for funding CDBG Countywide Housing projects and HOME Investment Partnerships Program (HOME) projects are described below in detail and can also be found in summary form in the tables on pages 8-11. These recommendations will be presented and considered at the Countywide Priority Setting Committee public hearing on Monday, March 24, 2014, at 7:00 p.m., at the B Street Community Center, 618 B Street, San Rafael. ***(Please note the location of this meeting.)***

Subject to approval by the Countywide Priority Setting Committee on March 24, 2014, and by the Marin County Board of Supervisors on May 6, 2014, the funding recommendations in this memo, along with the funding recommendations adopted by the CDBG Local Area Committees, will be presented in a summary format as a supplement to Marin County's Consolidated Plan. The Consolidated Plan serves as a plan and budget for the use of CDBG and HOME funds. Each year, the County submits a Consolidated Plan, or an Action Plan amendment to the Consolidated Plan, to the U.S. Department of Housing and Urban Development (HUD).

**Request for Public Comment on the Consolidated Plan, Housing and Non-Housing Community Development Needs of Lower Income People, and the Past Performance of the County's Community Development Block Grant (CDBG), HOME, and Housing Opportunities for Persons with AIDS (HOPWA) Programs**

This agenda item is an opportunity for the public to comment on community needs and general issues related to the CDBG, HOME, and Housing Opportunities for Persons with AIDS Programs. The County provides at least two opportunities a year for the public to comment on community needs related to these programs.

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### **Update on Federal Budget and Expected CDBG and HOME Grant Amounts**

Delays in setting the federal budget have become so routine that HUD recently issued formal guidelines for localities on how to prepare CDBG and HOME Investment Partnerships Program (HOME) grant applications when their funding allocations are not known before the deadline for filing the applications.

In January 2014, Congress approved an omnibus appropriations bill for federal fiscal year 2014, and the President signed the bill. As a result, we might know our CDBG and HOME formula funding amounts for the 2014-15 program year in about a month. Nationally, funding for CDBG will be 1.5% less than last year, and funding for HOME will be 5% greater than last year. Marin's actual grant amounts will also be affected by any changes in how Marin ranks on demographic factors (population, poverty, overcrowded housing, etc.) in comparison with other grantees. For planning purposes, staff recommends that we assume a 3.5% reduction in CDBG and a 3% increase in HOME.

### **Trends in the CDBG and HOME Programs**

Nationally, the most important trend in the CDBG and HOME Programs is the decline in funding. Less money means less impact, and unless other funding sources fill the gap, it means fewer and/or smaller projects. Along with the decline in grant allocations, the amount that HUD allows for administrative expenses has also been shrinking. The amount HUD allows for administration is no longer enough to cover the County's CDBG administrative costs.

Meanwhile, HUD is requiring increased documentation for our projects, partly because Congress is divided on whether CDBG and HOME are worthy of support, and partly because it's easy to add additional data fields to HUD's computer system. HUD is increasingly using its computer system as a management and monitoring tool, making it increasingly risky to fund projects that might not quickly generate beneficiary statistics. The increased emphasis on accountability creates disincentives for risk-taking. In a system where HUD demands repayment of funds advanced for projects that fail, it becomes riskier to fund an inexperienced project sponsor or to provide the first dollars for a promising new idea.

Locally, there has been an increasing emphasis on the extent to which racial and ethnic minorities are served by CDBG and HOME projects, and the quality of each project sponsor's affirmative marketing plan. (Affirmative marketing is a process by which an organization determines which racial and ethnic groups are least likely to apply for its services, followed by targeted marketing efforts to reach those "least likely to apply" groups.)

### **CDBG Spending Deadlines**

The ability to spend funds quickly has become increasingly important. Under pressure from Congress, HUD is becoming more aggressive about taking CDBG funds away from communities that can't spend them fast enough. HUD takes sanctions if, on the annual

test date in late April or early May, a community has unspent CDBG funds that exceed 1.5 times its annual CDBG grant amount. If a community's unspent CDBG balance exceeds the 1.5 standard on the test date, HUD will designate the community as a "high-risk" grantee. HUD has also taken CDBG funds away from communities that violate the timely spending standard. The reduction of grant awards is done through an automated process, so there is no opportunity to request a waiver or extension. We are typically very close to the allowable limit of unspent funds. As our CDBG grant declines, the amount of unspent funds we are permitted to hold also declines. Therefore, we should be careful to target CDBG funds to projects that are ready to proceed.

HUD plans to make the timely spending test more difficult. Currently, an unspent balance of old funds can be offset by spending more recent grant dollars quickly. HUD is planning to update its financial system to track the age of each CDBG dollar, so a community could lose any grant dollar which remains unspent for too long, even if its overall CDBG spending meets the old standard. Many communities which are in compliance with the current standard will be out of compliance with the new standard.

There are also project-related factors that make timely spending an ongoing concern:

- It is difficult to predict when projects, particularly large housing development and community facility projects, will be ready to proceed. As a result, funds are frequently budgeted for projects that then encounter environmental, planning, or funding issues that delay them for another year or more.
- Housing development projects need to show a large local financial commitment to compete for low income housing tax credits. Fortunately, the tax credit system classifies CDBG funds as local funds, but the amount of local funds needed to qualify for tax credits can be so large that it takes several annual CDBG funding rounds for a project to amass the required amount.
- Many large housing development projects encounter unanticipated delays in the local planning approval and environmental review process.
- Some projects obtain land from for-profit developers for less than market value, typically in conjunction with the development of a separate for-profit project. This means huge financial savings, but any delays encountered by the project's partner may also affect the CDBG project.
- Some project sponsors are slow to bill for reimbursement after they've expended their own funds.
- Some projects are slow to move forward because the project sponsor needs time to raise additional funds before they are able to proceed.
- When our grant amount decreases, our maximum permitted unspent balance also decreases.

We can expect to continue to have difficulty meeting the CDBG timely spending guideline for the next several years. In making funding recommendations, staff is giving increased weight to readiness to proceed, and we have become more aggressive about reallocating funds from slow-moving projects.

### **Renewal of City-County CDBG Cooperation Agreements**

The Community Development Block Grant Program (CDBG) provides grants from the U.S. Department of Housing and Urban Development (HUD) to local governments for housing, community facility, and human service programs serving lower-income people. The HOME Investment Partnerships Program (HOME) provides additional assistance for housing activities. Marin County qualifies for both the CDBG and HOME programs because the cities have signed cooperation agreements to participate with the County government in a single joint countywide program. This qualifies Marin County as a HUD “urban county,” enabling Marin to receive annual CDBG and HOME grant allocations established by formula.

In 2011, all of the cities in Marin entered into three-year CDBG Cooperation Agreements enabling us to continue to obtain formula funds as an urban county. Renewal of the Cooperation Agreements by June 30, 2014 is required for Marin County to remain eligible to receive funds for the next three fiscal years.

We expect that the 2014 Cooperation Agreement will be very similar to the 2011 version, with only minor revisions. Most of the provisions are mandated by HUD, and the others describe existing local processes. Early this spring, staff will send the 2014 Cooperation Agreements to city/town managers for Council approval.

With much public confusion about the implications of various federal, state, and local planning initiatives and regulations, it may be necessary to explain that the HUD “urban county” designation has nothing to do with state-mandated housing densities. In fact, the “urban county” designation was originally created to qualify suburban areas for HUD funding.

Staff hopes that the Councilmembers on the Priority Setting Committee will help facilitate the local renewal process. We are pleased to report that, earlier this week, the San Rafael City Council and the Novato City Council approved entering into new three-year Cooperation Agreements with the County. If Priority Setting Committee members have any questions about the Cooperation Agreement, they are invited to contact Roy Bateman at the Marin County Community Development Agency at 473-6698.

### **Recommendations for CDBG Countywide Housing and HOME Program Funds**

A list of all the CDBG housing applications is included on pages 35-37. A list of all the HOME Program applications is included on page 38. *(Note that the tables on pages 35-38 include the amounts requested by the applicants, not the amounts recommended by staff.)*

The staff recommendations for the use of CDBG Countywide Housing and HOME Program funds are shown in the tables on pages 8-11. A summary of recommended funding for all CDBG and HOME housing proposals, including CDBG planning area amounts, is on page 39.

### **What if HUD Adjusts Our Grant Allocations?**

It has become routine for HUD to announce our actual formula grant amount during or after our annual public hearing process. As a result, we should expect that the final Marin County grant amount will vary from our estimate, and that would impact the CDBG and HOME allocations. To avoid the need for an additional hearing, staff recommends that the grant amounts set at the Countywide Priority Setting Committee Hearing be subject to revision when HUD announces the County's CDBG and HOME allocations. 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 Countywide 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.

### **Equal Opportunity and Affirmative Marketing Concerns**

The tables on pages 8-11 lists all the housing applications received and the amount staff recommends for each project, as well as some additional information about the equal opportunity impact of each proposal. In view of the commitments the County has made in the Implementation Plan for its Analysis of Impediments to Fair Housing Choice, we are including information about the extent to which racial and ethnic minorities are being served by potential projects, and ratings of each applicant's affirmative marketing plans. Affirmative marketing is a process by which an organization analyzes which racial and ethnic groups are least likely to apply for its services, followed by targeted marketing efforts to reach those "least likely to apply" groups. (Please note that federal guidelines recognize Hispanic status as an ethnicity, not as a race.)

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

For all proposals, we have included a staff evaluation of the sponsor's answer to the affirmative marketing question on the CDBG or HOME application. An "A" grade indicates that the applicant analyzed which racial and ethnic groups are least likely to apply for its project, and clearly stated how they would market their project specifically to the "least likely to apply" groups. A "B" grade indicates that the applicant was responsive to the question, but was not specific enough in its analysis of which racial and ethnic groups are least likely to apply, was too general in its proposed affirmative marketing activities, or proposed weak affirmative marketing actions. A "C" grade



indicates that the applicant was not responsive to the question. In some cases, the quality of an applicant's response to the affirmative marketing question is very different from its actual affirmative marketing performance. It is also possible for a project to be very effective in serving a particular minority group but to be less effective in affirmatively marketing its services to other demographic groups.

**COMMUNITY DEVELOPMENT BLOCK GRANT COUNTYWIDE  
HOUSING FUNDING ALLOCATIONS (2014-15)**

| PROJ.#                    | PROJECT NAME                                   | If previously funded,<br>data reported: |            | Grade for Applicant's<br>Written Response to<br>Affirmative Marketing<br>Question | APPLICANT'S<br>REQUEST | Proposed<br>Planning<br>Area<br>Allocation | Proposed<br>Countywide<br>Housing<br>Allocation | Proposed<br>CDBG<br>Grand Total |
|---------------------------|--|---|------------|---|------------------------|--|---|---------------------------------|
|                           |  | %<br>Racial<br>Minorities               | % Hispanic | A-Excellent;<br>B-Responsive;<br>C-Non-Responsive                                 |                        |  |   |                                 |
| <b>Countywide</b>         |  |   |            |   |                        |  |   |                                 |
| CH - 1                    | Fair Housing Services                          | 19%                                     | 31%        | A   | \$62,853               | \$32,181                                   | \$18,819  | \$51,000                        |
| CH - 2                    | Rehabilitation Loan Program                    | 8%                                      | 8%         | A   | \$150,000              |  | \$65,870  | \$65,870                        |
| CH - 3                    | Residential Accessibility Modification Program | 0%                                      | 0%         | A   | \$30,000               | \$9,465                                    | \$5,535   | \$15,000                        |
|                           |  |   |            |   | <b>\$242,853</b>       | <b>\$41,646</b>                            | <b>\$90,224</b>                                 | <b>\$131,870</b>                |
| <b>Lower Ross Valley</b>  |  |   |            |   |                        |  |   |                                 |
| LH - 1                    | Lifehouse: Corte Madera House-rehabilitation   | NEW                                     | NEW        | C   | \$2,500                |  |   | \$0                             |
| LH - 2                    | Lifehouse: Corte Madera House-thermostat       | NEW                                     | NEW        | C   | \$700                  |  |   | \$0                             |
| LH - 3                    | Rehabilitation Loan Program                    | 8%                                      | 8%         | A   | \$35,000               | \$28,000                                   |   | \$28,000                        |
|                           |  |   |            |   | <b>\$38,200</b>        | <b>\$28,000</b>                            | <b>\$0</b>                                      | <b>\$28,000</b>                 |
| <b>Novato</b>             |  |   |            |   |                        |  |   |                                 |
| NH - 1                    | Bucklew - Novato House                         | 20%                                     | 1%         | A   | \$13,675               | \$8,785                                    |   | \$8,785                         |
| NH - 2                    | Gilead House-Rehabilitation                    | 30%                                     | 20%        | A   | \$10,400               | \$5,000                                    |   | \$5,000                         |
| NH - 3                    | Habitat - 4th Street Homes                     | NEW                                     | NEW        | A   | \$250,000              | \$21,397                                   |   | \$21,397                        |
| NH - 4                    | Lifehouse: Novato homes-thermostat             | NEW                                     | NEW        | C   | \$1,400                | \$0  |   | \$0                             |
| NH - 5                    | Lifehouse: Stonehaven House-rehabilitation     | 16%                                     | 0%         | C   | \$19,500               | \$19,500                                   |   | \$19,500                        |
| NH - 6                    | Lifehouse: Sunrise I-rehabilitation            | 0%                                      | 0%         | C   | \$9,200                | \$0  |   | \$0                             |
| NH - 7                    | New Beginnings Center-Rehabilitation           | 30%                                     | 4%         | A   | \$89,672               | \$0  |   | \$0                             |
| NH - 8                    | Oma Village-Housing for Working Families       | NEW                                     | NEW        | A   | \$200,000              | \$21,397                                   |   | \$21,397                        |
| NH - 9                    | Rehabilitation Loan Program                    | 8%                                      | 8%         | A   | \$80,000               | \$54,464                                   |   | \$54,464                        |
| NH - 10                   | Sol-Catcher                                    | NEW                                     | NEW        | C   | \$200,000              | \$0  |   | \$0                             |
| Marin County, 2010 Census |  | 14%                                     | 16%        |   | <b>\$873,847</b>       | <b>\$130,543</b>                           | <b>\$0</b>                                      | <b>\$130,543</b>                |

| PROJ.#                    | PROJECT NAME                                 | If previously funded, data reported: |            | Grade for Applicant's Written Response to Affirmative Marketing Question | APPLICANT'S REQUEST | Proposed Planning Area Allocation | Proposed Countywide Housing Allocation | Proposed CDBG Grand Total |
|---------------------------|--|--------------------------------------|------------|--|---------------------|-----------------------------------|--|---------------------------|
|                           |  | % Racial Minorities                  | % Hispanic | A-Excellent;<br>B-Responsive;<br>C-Non-Responsive                        |                     |                                   |  |                           |
| <b>Richardson Bay</b>     |  |                                      |            |  |                     |                                   |  |                           |
| RH - 1                    | Galilee Harbor                               | 18%                                  | 11%        | A  | \$225,649           | \$33,376                          |  | \$33,376                  |
| RH - 2                    | Rehabilitation Loan Program                  | 8%                                   | 8%         | A  | \$45,000            | \$10,000                          |  | \$10,000                  |
| RH - 3                    | Gates Cooperative                            | 8%                                   | 5%         | B  | \$717,516           | \$0                               |  | \$0                       |
|                           |  |                                      |            |  | <b>\$988,165</b>    | <b>\$43,376</b>                   | <b>\$0</b>                             | <b>\$43,376</b>           |
| <b>San Rafael</b>         |  |                                      |            |  |                     |                                   |  |                           |
| SH - 1                    | Buckelew - Horizon House                     | 20%                                  | 0%         | A  | \$14,620            | \$0                               |  | \$0                       |
| SH - 2                    | Buckelew - Lakeside House                    | 20%                                  | 0%         | A  | \$33,077            | \$0                               |  | \$0                       |
| SH - 3                    | Del Ganado Apartments                        | NEW                                  | NEW        | C  | \$80,000            | \$0                               |  | \$0                       |
| SH - 4                    | Lifehouse: San Rafael homes-thermostat       | NEW                                  | NEW        | C  | \$2,800             | \$0                               |  | \$0                       |
| SH - 5                    | Lifehouse: Sunrise II-kitchen rehabilitation | 33%                                  | 0%         | C  | \$30,100            | \$0                               |  | \$0                       |
| SH - 6                    | Lifehouse: Sunrise II-pool rehabilitation    | 33%                                  | 0%         | C  | \$22,500            | \$0                               |  | \$0                       |
| SH - 7                    | Marinwood Plaza Housing                      | NEW                                  | NEW        | A  | \$250,000           | \$0                               | \$41,951                               | \$41,951                  |
| SH - 8                    | Rehabilitation Loan Program                  | 8%                                   | 8%         | A  | \$140,000           | \$90,666                          |  | \$90,666                  |
| SH - 9                    | Whistlestop Senior Housing                   | NEW                                  | NEW        | A  | \$1,000,000         | \$0                               |  | \$0                       |
| Marin County, 2010 Census |  | 14%                                  | 16%        |  | <b>\$1,573,097</b>  | <b>\$90,666</b>                   | <b>\$41,951</b>                        | <b>\$132,617</b>          |

| PROJ.#                    | PROJECT NAME                                | If previously funded, data reported: |            | Grade for Applicant's Written Response to Affirmative Marketing Question | APPLICANT'S REQUEST | Proposed Planning Area Allocation | Proposed Countywide Housing Allocation | Proposed CDBG Grand Total |
|---------------------------|---|--------------------------------------|------------|--|---------------------|-----------------------------------|--|---------------------------|
|                           |   | % Racial Minorities                  | % Hispanic | A-Excellent;<br>B-Responsive;<br>C-Non-Responsive                        |                     |                                   |  |                           |
| <b>Upper Ross Valley</b>  |   |                                      |            |  |                     |                                   |  |                           |
| UH - 1                    | Fairfax Vest Pocket Community               | NEW                                  | NEW        | A  | \$310,573           | \$0                               |  | \$0                       |
| UH - 2                    | Lifehouse: San Anselmo House-rehabilitation | 0%                                   | 0%         | C  | \$16,800            | \$0                               |  | \$0                       |
| UH - 3                    | Lifehouse: Fairfax & San Anselmo-thermostat | NEW                                  | NEW        | C  | \$1,400             | \$0                               |  |                           |
| UH - 4                    | Lifehouse: Fairfax House-rehabilitation     | 0%                                   | 0%         | C  | \$80,000            | \$0                               |  | \$0                       |
| UH - 5                    | Peace Village                               | NEW                                  | NEW        | A  | \$1,165,000         | \$10,111                          |  | \$10,111                  |
| UH - 6                    | Rehabilitation Loan Program                 | 8%                                   | 8%         | A  | \$35,000            | \$10,000                          |  | \$10,000                  |
|                           |   |                                      |            |  | <b>\$1,608,773</b>  | <b>\$20,111</b>                   | <b>\$0</b>                             | <b>\$20,111</b>           |
| <b>West Marin</b>         |   |                                      |            |  |                     |                                   |  |                           |
| WH - 1                    | Gibson House-Rehabilitation                 | 14%                                  | 28%        | B  | \$7,400             | \$7,400                           |  | \$7,400                   |
| WH - 2                    | Mesa Apartments-Rehabilitation              | 0%                                   | 0%         | C  | \$11,500            | \$0                               |  | \$0                       |
| WH - 3                    | Rehabilitation Loan Program                 | 8%                                   | 8%         | A  | \$15,000            | \$0                               |  | \$0                       |
| WH - 4                    | Stockstill House                            | 0%                                   | 0%         | A  | \$13,000            | \$13,118                          |  | \$13,118                  |
| Marin County, 2010 Census |   | 14%                                  | 16%        |  | <b>\$46,900</b>     | <b>\$20,518</b>                   | <b>\$0</b>                             | <b>\$20,518</b>           |
| <b>CDBG Total</b>         |   |                                      |            |  | <b>\$5,371,835</b>  | <b>\$423,438</b>                  | <b>\$41,951</b>                        | <b>\$507,035</b>          |

Note: Rehabilitation Loan Program total: CH-2 + LH-3 + NH-9 + RH-2 + SH-8 + UH-6 + WH-3 = \$259,000

### RECOMMENDED HOME PROGRAM FUNDING ALLOCATIONS (2014-15)

| PROJ.#             | PROJECT NAME                             | If previously funded, data reported: |            | Grade for Applicant's Written Response to Affirmative Marketing Question | APPLICANT'S HOME REQUEST | Proposed CDBG Planning Area and Countywide Housing Allocation | Proposed HOME Allocation | Proposed Reprogrammed Prior Year HOME Funds and Program Income | Proposed HOME and CDBG Grand Total |
|--------------------|--|--------------------------------------|------------|--|--------------------------|---|--------------------------|--|------------------------------------|
|                    |  | % Racial Minorities                  | % Hispanic | A-Excellent;<br>B-Responsive;<br>C-Non-Responsive                        |                          |   |                          |  |                                    |
| H - 1              | Fairfax Vest Pocket Community            | NEW                                  | NEW        | A  | \$155,287                | \$0   |                          | \$140,000  | \$140,000                          |
| H - 2              | Grady Crossing                           | NEW                                  | NEW        | B  | \$150,000                | \$0   |                          |  | \$0                                |
| H - 3              | Habitat - 4th Street Homes               | NEW                                  | NEW        | A  | \$250,000                | \$21,397  |                          |  | \$21,397                           |
| H - 4              | Marinwood Plaza Housing                  | NEW                                  | NEW        | A  | \$200,000                | \$41,951  | \$150,000                |  | \$191,951                          |
| H - 5              | Oma Village-Housing for Working Families | NEW                                  | NEW        | A  | \$533,103                | \$21,397  |                          | \$416,542  | \$437,939                          |
| H - 6              | Peace Village *                          | NEW                                  | NEW        | A  | \$1,165,000              | \$10,111  | \$413,078                |  | \$423,189                          |
| H - 7              | Whistlestop Senior Housing               | NEW                                  | NEW        | A  | \$1,000,000              | \$0   |                          |  | \$0                                |
| SH - 3             | Del Ganado Apartments * #                | NEW                                  | NEW        | C  | CDBG \$80,000            | \$0   |                          | \$89,303   | \$89,303                           |
|                    | HOME Program Administration              |                                      |            |  |                          |   | \$62,564                 |  | \$62,564                           |
| <b>\$3,533,390</b> |  |                                      |            |  |                          | <b>\$94,856</b>   | <b>\$625,642</b>         | <b>\$645,845</b>   | <b>\$1,366,343</b>                 |

\* This project is designated as a Community Housing Development Organization (CHDO) project, as defined in the HOME regulations. The HOME Program requires that a minimum of 15% of the grant, \$93,847, be spent on CHDO-sponsored projects.

# Del Ganado Apartments applied to the CDBG program, but is recommended for reprogrammed HOME funds. (See page 18.)

**RECOMMENDATIONS FOR REPROGRAMMING PREVIOUSLY  
ALLOCATED CDBG COUNTYWIDE HOUSING FUNDS**

At its January 1992 meeting, the CDBG Priority Setting Committee decided that unspent CDBG balances allocated to projects over two years ago should be considered for reallocation (“reprogramming”) to other projects which may be in greater need of the funds. In compliance with this policy, CDBG staff has sent the required 30-day notices to most project sponsors with CDBG funds which were allocated two years ago or earlier, as well as to newer projects which have been moving slowly, so that the Committee would have the option of reprogramming these funds. In cases where a project sponsor was ready to proceed but awaiting a contract from the County, notices were not sent. This year, notices were sent to three projects with unspent CDBG Countywide Housing funds.

Camino Alto Apartments (Marin Homes for Independent Living)

|         |         |
|---------|---------|
| 2011-12 | \$8,925 |
|---------|---------|

The Camino Alto Apartments, built in 1983, provides 24 apartments for low-income people with physical disabilities. For years, tenants have complained about the slipping hazards of transferring between wheelchairs and their vehicles in the parking lot on rainy days. Tenants have requested the construction of a covered walkway and carports as a reasonable accommodation under federal disability rights laws. In 2011, the CDBG program budgeted \$15,000 towards the cost of designing the carports and walkway. The design work is underway. Staff recommends that the funding be maintained for this project.

Gates Cooperative (Gates Cooperative, Marin County Housing Authority, and EAH Inc.)

|         |                |
|---------|----------------|
| 2009-10 | \$71,123       |
| 2010-11 | 127,400        |
| 2013-14 | <u>107,900</u> |
| TOTAL   | \$306,423      |

The Gates Cooperative is a liveboard low-income community located within Waldo Point Harbor, just north of Sausalito. CDBG funds are being held for use by Gates Cooperative residents for rehabilitation of individual boats to bring them up to code standards so they will qualify to remain in the new Waldo Point Harbor project. A very lengthy planning approval process for Waldo Point Harbor has been completed and rehabilitation of the Gates Cooperative boats has begun. Therefore, staff recommends that the CDBG Countywide Housing allocation for the Gates Cooperative be maintained for this project.

Note that the amounts listed in the table above are limited to the CDBG allocations for the Gates Cooperative from the Countywide Housing component of CDBG. An additional \$214,400.50 is being held for the Gates Cooperative from the Richardson Bay

component of CDBG. The combined total of CDBG funds being held for the Gates Cooperative from the Richardson Bay and Countywide Housing components is \$520,823.50.

As more information becomes available about the scope of rehabilitation needed and the financial capacity of the Gates Cooperative members, we will have a better idea of whether there will be a funding gap. Given the long commitment of the CDBG Program to the Gates Cooperative, staff recommends that the financial needs of the Gates Cooperative be given careful consideration in future CDBG allocations.

Marinwood Plaza (BRIDGE Housing Corporation)

|         |                   |
|---------|-------------------|
| 2012-13 | \$299,300.00      |
| 2013-14 | <u>232,490.52</u> |
| TOTAL   | \$531,790.52      |

BRIDGE Housing Corporation proposes to build 72 units of affordable family rental housing on a 5-acre site at a neighborhood shopping center in Marinwood. BRIDGE has filed an application for County planning approvals, and the County has just begun the Environmental Impact Report process. (Marinwood Plaza is described in more detail on page 23.)

Staff recommends that the CDBG funding commitment for Marinwood Plaza remain in place. Given the scale of the proposal, CDBG staff expects that the project sponsor will apply for additional CDBG and HOME funding next year.

**RECOMMENDATIONS FOR ALLOCATION OF  
CDBG COUNTYWIDE HOUSING PROGRAM INCOME**

If the CDBG program receives revenue from a completed project, this amount is considered program income, which must be made available to fund new CDBG activities. When CDBG funds are used towards acquisition or major rehabilitation of real estate, a deed of trust or a CDBG lien agreement is usually recorded on the property. The Rehabilitation Loan Program, funded by CDBG, uses a standard Promissory Note and Deed of Trust to secure the loans it makes to homeowners. Loans made by the Rehabilitation Loan Program carry a fixed interest rate, which is stated in the loan documents. For other CDBG projects, we generally use a CDBG lien agreement, which is triggered if the property is ever sold or if its use is ever changed, but which never requires payment of principal or interest if the property remains in the same ownership and use. The standard CDBG lien agreement is for a stated percentage of the value of the property, set at the percentage of the project cost contributed by CDBG, so that, if the lien is triggered, the implicit interest rate on the CDBG funds is the rate at which the property has appreciated. In the past year, one project, the Rehabilitation Loan Program, has generated CDBG program income.

**Rehabilitation Loan Program (Marin County Housing Authority)**

The Rehabilitation Loan Program makes loans to eligible homeowners and nonprofit organizations for rehabilitation of single-family houses, including mobile homes, group homes, and houseboats. (See page 23.) In the past, revenue from monthly loan payments and repaid loans has been deposited in the Rehabilitation Loan Program's Revolving Loan Fund and then used to make additional loans. Staff recommends that this procedure continue to be followed. The amount of program income generated by the Rehabilitation Loan Program is volatile and difficult to predict. During the 2012-13 program year (July 1, 2012 to June 30, 2013), the Rehabilitation Loan Program generated \$288,524.56 in program income. For the 2013-14 program year (July 1, 2013 to June 30, 2014), we expect that this program will generate approximately \$350,000 in program income. For the 2014-15 program year (July 1, 2014 to June 30, 2015), we expect that this program will generate approximately \$350,000 in program income.



**RECOMMENDATION FOR REPROGRAMMING  
PREVIOUSLY ALLOCATED HOME FUNDS**

At its January 1992 meeting, the CDBG Priority Setting Committee decided that unspent CDBG balances allocated to projects over two years ago should be considered for reallocation (“reprogramming”) to other projects which may be in greater need of the funds. Applying this policy to HOME projects, every year CDBG staff sends the required 30-day notices to all project sponsors with HOME funds which were allocated two years ago or earlier, as well as to newer projects which have been moving slowly, so that the Committee would have the option of reprogramming these funds. Federal regulations require that HOME funds be committed to projects by a contract between the County and the project sponsor within two years of grant availability. Recent changes to the federal HOME regulations prohibit us from committing HOME funds to a project until all other necessary financing has been secured, and there must be a reasonable expectation that the project can start construction within one year of the commitment date. The new HOME regulations also require that all projects be completed within 4 years (5 years if HUD grants an extension) of the date when the County signed the HOME funding contract with the project sponsor. Marin could lose any funding that does not meet these deadlines. In the past, if we were ahead of schedule spending recent funding, that could offset being behind schedule spending older funding. HUD is enhancing its financial management system so that it can track the staleness of each HOME dollar, so that HOME funds might be taken away from a community that is meeting the overall spending requirement, but has let some old funds linger unspent.

Because of the changes in the HOME regulations, staff sent 30-day notices to all HOME projects with unspent balances.

Marinwood Plaza (BRIDGE Housing Corporation)  
2012

\$84,224

BRIDGE Housing Corporation proposes to build 72 units of affordable family rental housing on a 5-acre site at a neighborhood shopping center in Marinwood. BRIDGE has filed an application for County planning approvals, and the County has just begun the Environmental Impact Report process. (Marinwood Plaza is described in more detail on page 23.)

The HOME regulations require that these 2012 HOME funds be committed by July 2014. However, the revised HOME regulations prohibit the County from making that commitment until all other funds needed for development of the project have been secured. It is not realistic to expect a housing project to obtain all its financing before it has obtained its local planning approvals. Unfortunately, Marinwood Plaza is not able to meet the requirements of the new HOME regulations for this increment of funding. Therefore, staff is recommending that these funds be reprogrammed to:

|  |          |
|--|----------|
| Oma Village<br>(Homeward Bound of Marin) | \$84,224 |
|--|----------|

with the understanding that Homeward Bound of Marin and the County will enter into a HOME contract for these funds by June 2014, and that Homeward Bound will meet all of the requirements in the new HOME regulations to qualify for a commitment of HOME funds. (Oma Village is described in more detail on page 32.)

Oma Village (formerly known as Housing for Working Families) (Homeward Bound of Marin)  
 2012 \$530,538

Homeward Bound proposes to build 14 units of housing for formerly homeless families in southern Novato. The proposed cottages will serve formerly homeless families who have graduated from Homeward Bound’s homeless shelters and transitional housing programs and are actively engaged in employment or education. (Oma Village is described in more detail on page 32.) Homeward Bound entered into a contract with the County for these HOME funds in August 2013, a few days before the new HOME regulations became effective. Homeward Bound plans to start construction in summer 2014. Staff recommends that these funds be maintained for Oma Village.

Peace Village (Resources for Community Development)  
 2013 CHDO Funds \$91,113

Resources for Community Development, an experienced nonprofit developer based in the East Bay, proposes to build 40 units of senior rental housing adjacent to the Christ Lutheran Church in Fairfax. The project sponsor, Resources for Community Development, is a Community Housing Development Organization (CHDO) for the purposes of the HOME Program. (For more details about CHDO requirements, see page 27.) This funding allocation is from the HOME CHDO set-aside. These funds carry a commitment deadline of September 2015. Under the new HOME regulations, commitment cannot occur until the project sponsor has raised all the other funds needed to develop the project. It will be difficult for the project sponsor to meet this deadline, but there will be another opportunity to reprogram (reallocate) these funds a year from now. Because these are CHDO funds, if they are reallocated, they must be reallocated to a CHDO project. This year, we have only two CHDO applications, Peace Village and Whistlestop Senior Housing, and both would have difficulty meeting the commitment conditions by the September 2015 deadline. Staff recommends that these funds be maintained for Peace Village, but that we consider reallocation next year if we are in danger of losing the funds. At that time, we might have additional CHDO applications that have secured all the other funds they need.

San Anselmo Seminary Housing (EAH, Inc.)  
 2013 \$455,565.00  
 2013 (American Dream Downpayment Initiative Program Income) 11,350.14  
 TOTAL \$466,915.14

A year ago, the San Anselmo Theological Seminary was planning to build new student and faculty housing, and to sell five apartment buildings it would no longer need for that purpose. EAH had hoped to purchase and rehabilitate the five surplus buildings, but the

Seminary decided to sell those properties to another buyer. As a result, EAH had to cancel this project. These funds carry a September 2015 HOME commitment deadline. Staff recommends that these funds be reprogrammed to:

|  |                     |
|--|---------------------|
| Oma Village<br>(Homeward Bound of Marin)                   | \$326,915.14        |
| Fairfax Vest Pocket Community<br>(Marin Housing Authority) | \$140,000.00        |
| <b>TOTAL</b>   | <b>\$466,915.14</b> |

For a description of Oma Village, see page 32. For a description of the Fairfax Vest Pocket Community, see page 31.

Whistlestop Renaissance Senior Housing (Eden Development, Inc.)

2012 CHDO Funds

\$89,303

The Marin Senior Coordinating Council provides senior services in its “Whistlestop” building, located adjacent to the proposed SMART train station and near the downtown bus terminal. The Marin Senior Coordinating Council has decided to keep its offices and services at this location, but as part of a proposed new five-story complex that would combine Whistlestop senior programs and 50 units of senior housing. The senior housing would be developed by an affiliate of Eden Housing, a nonprofit housing developer that owns the Fireside Apartments near Mill Valley and the Warner Creek Senior Housing in Novato. Because of its central location, the Whistlestop housing is likely to qualify for 9% low-income housing tax credits.<sup>1</sup> While the project’s location next to transit will help in the competition for tax credits, it also creates some site planning, parking, and design challenges, and federal historic preservation regulations may affect this former train station building. Eden has assembled a capable development team, and has submitted a pre-application to the City of San Rafael earlier this year.

In 2012, \$89,303 in HOME CHDO funds was allocated to the Community Land Trust Association of West Marin (CLAM) for its Inverness Valley Inn proposal. Unfortunately, CLAM was unable to obtain site control and had to cancel its proposed project at that location. In 2013, those funds were reprogrammed to Eden Development for its Whistlestop Renaissance Senior Housing proposal. However, the funds still carry a July 2014 commitment deadline. It is too early in the project planning process for the

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<sup>1</sup> There are two varieties of low-income housing tax credits. The more valuable 9% credits are available through a competition that typically awards credits only to projects that achieve a better-than-perfect tie-breaker score on project characteristics and proximity to transit, stores, and services. The less valuable 4% credits are available to projects that qualify for tax-exempt private activity bond financing. The terms 9% and 4% refer to the approximate percentage of “qualified basis” which the tax credit investor may deduct from their federal taxes each year for ten years. Projects must remain affordable for at least a 30-year compliance term.

Whistlestop proposal to raise all the funds that will be needed for its proposed development. As a result, the Whistlestop project will not be able to meet the commitment requirements of the new HOME regulations by the July 2014 deadline. If the County is unable to reprogram the funds to another CHDO project that can meet the July 2014 deadline, the County will lose the funds.

This year, there were only two HOME applicants that checked the box to be considered for CHDO funds. Those two projects are Peace Village and Whistlestop Senior Housing. Both are construction projects that are not far enough along in the development and fundraising process to meet the new HOME requirements for funding commitments. Since we had no HOME CHDO applicants who could meet the July 2014 deadline for commitment of these funds, staff considered whether any of the other HOME or CDBG applications would be suitable for these funds and could meet the commitment deadline requirements under the new HOME regulations. The only obviously suitable candidate was the Del Ganado Apartments, a 12-unit apartment complex for developmentally disabled adults in Terra Linda. The project is owned by Marin Housing for Handicapped, Inc. I, with Lifehouse providing support services to the tenants, and EAH, Inc. as the property manager. In 2012 and 2014, EAH applied for CDBG funds to rehabilitate this property. This complex is over 30 years old, and the wood shake siding has deteriorated from sun and weather exposure. The original windows are single pane, and the complex was built without air conditioning. The sponsor has replaced the most badly deteriorated wood shake siding, replaced some windows, and installed air conditioning units in some of the apartments. The requested funding would enable the sponsor to complete this work throughout the project.

In order to qualify for CHDO funding, Marin Housing for Handicapped will have to meet CHDO requirements, including changing the composition of its Board of Directors so that 1/3 of the members will be low-income people, residents of low-income neighborhoods, or elected representatives of low-income neighborhood organizations. Indications are good that Marin Housing for Handicapped will be able to make these adjustments. It should be noted that the CDBG application for funds for the Del Ganado Apartments was for only \$80,000, but the CHDO amount at risk is \$89,303. Staff is taking the unusual step of recommending this project for HOME funds, even though the application was for CDBG, and recommending this project for more than the requested amount. Marin Housing for Handicapped has assured staff that enough additional work is needed to use the full \$89,303.

Staff recommends that these funds be reprogrammed (reallocated) to:

|  |          |
|--|----------|
| Del Ganado Apartments<br>(Lifehouse, EAH, Inc., and<br>Marin Housing for<br>Handicapped, Inc. I) | \$89,303 |
|--|----------|

with the understanding that Marin Housing for Handicapped and the County will enter into a HOME contract for these funds by June 2014, and that Marin Housing for Handicapped will meet all of the requirements to be certified as a CHDO and qualify for

a commitment of HOME funds under the new HOME regulations. (The Del Ganado Apartments is described in more detail on page 31.)

If, for any reason, the Del Ganado Apartments is not able to meet these requirements by the commitment deadline, it will be crucial to find a substitute CHDO project on extremely short notice. There might not be time to find a substitute project, schedule a Priority Setting Committee meeting when a quorum can be present, and then bring the reprogramming before a properly noticed meeting of the Board of Supervisors. Therefore, staff recommends that the Priority Setting Committee authorize staff to bring a substitute project, if these circumstances occur, directly to the Board of Supervisors for approval.

**RECOMMENDATION FOR ALLOCATION OF  
HOME PROGRAM INCOME**

The Marin Housing Authority has been implementing the American Dream Downpayment Initiative (ADDI), a segment of the HOME Program which provides supplemental financing for low-income homebuyers. In May 2013, a recent homebuyer repaid \$5,403 from an ADDI loan, and the Marin Housing Authority returned the \$5,403 to the County for re-use in the HOME Program. Staff recommends that this HOME program income be allocated to:

|  |         |
|--|---------|
| Oma Village<br>(Homeward Bound of Marin) | \$5,403 |
|--|---------|

For a description of Oma Village, see page 32.

**PROJECT REVIEW:**  
**DESCRIPTIONS OF PROPOSED**  
**COMMUNITY DEVELOPMENT BLOCK GRANT**  
**COUNTYWIDE HOUSING PROJECTS**

1. Fair Housing Program (Fair Housing of Marin)

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. Audits conducted by the Program found that an apartment-hunting household with children can expect to encounter discrimination from 37% of Marin landlords, an African-American can expect to encounter discrimination from 33% of Marin landlords, a Latino can expect to encounter discrimination from 31% of Marin landlords, a person with a physical disability can expect to encounter discrimination from 28% of Marin landlords, and a person with a disabling condition that requires a personal care attendant can expect differential treatment from 37% of Marin landlords.

Examples of discriminatory practices include:

- Telling only the white applicants about all available units.
- Not returning calls to callers who sound as if they might be Latino or African-American, while returning calls to Caucasian-sounding callers.
- Showing fewer or less desirable units to Latino applicants.
- Quoting higher rents or security deposits to African-American applicants.
- Offering application forms to couples without children, but providing application forms to families with children only if they specifically ask.
- Refusing to rent to families with children, restricting families to the ground floor, or establishing rules so restrictive for children that families with children are discouraged from living in a complex.

- Not allowing a disabled tenant a reasonable accommodation or modification as required by fair housing laws.

The Fair Housing Program is a valuable community resource, helping to educate landlords and neighbors about the fair housing laws and helping to maintain and encourage a healthy diversity of population in Marin. The proposed funding for Fair Housing will pay for staff to provide community education and outreach concerning fair housing laws and services, to recruit and train fair housing testers, to monitor discrimination in the housing market, to investigate and verify claims of alleged discrimination, to counsel victims of housing discrimination, and to pursue fair housing cases in court or through referrals to state or federal agencies. During the 2012-13 program year, the Program handled 1,208 inquiries and processed 243 housing discrimination complaints. Of the Program's clients, 89% are low income. Of the discrimination complaints, the range included: disability (128), national origin (52), race (46), familial status (41), gender (25), age (3), source of income (2), and ancestry (1). Of these complaints, 12 persons were referred to the U.S. Department of Housing and Urban Development or to the California Department of Fair Employment and Housing. Financial settlements were reached in three cases, totaling \$33,000.

It is notable that 53% of the fair housing complaints in Marin are on the basis of disability, higher than the national average. Last year, Fair Housing of Marin assisted 27 disabled clients with requests for accessibility accommodations; 21 of these requests were granted. With proceeds from a 2010 lawsuit settlement, Fair Housing of Marin has established a fund to make grants for accessibility improvements, in partnership with the Marin Center for Independent Living and the Disability Services and Legal Center. In the last year, this funding provided accessibility modifications for eleven tenants with disabilities.

The Fair Housing Program also provides training to landlords, sponsoring ten "Fair Housing Law and Practice" seminars, attended by 148 housing providers, during the 2012-13 program year. The Program also made presentations to 130 tenants and staff at social service and advocacy organizations. Its human rights storytelling program reached 700 children in local schools. To assist Spanish-speaking clients, the Program's bilingual housing counselor meets weekly with clients at Canal Alliance.

Fair Housing of Marin has also become involved in emerging issues, such as monitoring the use of discriminatory wording in internet advertising for rental housing, and following up with the advertisers to change their wording. CDBG regulations require that the County take affirmative action to further fair housing, and providing CDBG funding for the Fair Housing Program is a part of meeting that obligation. The Fair Housing Program is also assisting local governments with meeting their responsibilities to affirmatively further fair housing.



The Novato City Council and the San Rafael City Council have assumed some of the CDBG project selection functions that were previously performed by subcommittees of the CDBG Priority Setting Committee. Both the Novato and San Rafael City Councils have allocated a share of their CDBG funds for the Fair Housing Program. Combining the \$18,819 recommended in this report with the \$12,077 allocated by the Novato City Council and the \$20,104 allocated by the San Rafael City Council, the CDBG support for the Fair Housing Program totals \$51,000.

Equal Opportunity Analysis: Racial minorities are represented among the beneficiaries of this program in a larger proportion than their representation in the general Marin population. Hispanics are very well represented compared to their proportion of the Marin population. The sponsor's affirmative marketing proposal is excellent (rated A).

2. Marinwood Plaza Housing (BRIDGE Housing Corporation)

BRIDGE Housing Corporation proposes to build 72 units of affordable family rental housing on this 5-acre site, which includes an existing neighborhood shopping center. Much of the shopping center is vacant, but a grocery store has opened in the middle of the property. The grocery store would remain at its present location and under its current ownership. BRIDGE is under contract to purchase 3 ½ acres of the property, to the north and south of the grocery, but not including the grocery. BRIDGE plans to demolish a mostly vacant portion of the shopping center, on the southern portion of the site, and replace it with 72 units of affordable rental housing. Additional retail space and 10 units of market-rate housing are planned for the northern end of the site. The BRIDGE proposal is consistent with the Marinwood Village Guiding Principles, which call for a mixed use development including a grocery, additional retail uses, and housing. The recommended CDBG funding could be used towards the cost of site acquisition. BRIDGE has filed an application for County planning approvals, and the County has just begun the Environmental Impact Report process. Given the scale of the proposal, CDBG staff expects that the project sponsor will apply for additional CDBG and HOME funding next year.

Equal Opportunity Analysis: The sponsor's affirmative marketing proposal is excellent (rated A). The site is not located in an area of minority concentration.

3. Rehabilitation Loan Program (Marin County Housing Authority)

There is an ongoing need for rehabilitation loans for lower income homeowners in Marin County. Over the past thirty-eight years, the Housing Authority has made 725 rehabilitation loans totaling over \$12.6 million. The program operates on a countywide basis. 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. Loan terms are set according to the borrower's situation. The program offers amortized loans, interest-only loans, and deferred payment loans (with no payments due until the property is transferred). New loans are being made at a 5% interest rate.

Annual CDBG funding allocations are used towards the cost of staff and other operating expenses of the Rehabilitation Loan Program. The program's loans are funded from a revolving loan fund. Revenue from monthly loan payments and repaid loans is expected to total \$350,000 in program income for the 2014-15 program year, and will be added to the revolving loan fund and used to make additional loans.

#### Group Homes

Nineteen years ago, in response to a local policy limiting the number of CDBG projects, the Housing Authority expanded the scope of this program to include non-profit-operated group homes serving special populations. The program offers group homes deferred payment loans at 3% interest, with no payments due until the use or ownership of the house changes. This has enabled the CDBG program to continue to assist the rehabilitation of group homes while reducing the administrative burden on the CDBG office. Involvement of the Housing Authority as intermediary also gives group homes the benefit of the knowledge of the rehabilitation experts on the staff of the Housing Authority.

#### Gates Cooperative

The Gates Cooperative is a liveaboard low-income community located within Waldo Point Harbor, just north of Sausalito. A very lengthy planning approval process for Waldo Point Harbor has been completed and rehabilitation of the Gates Cooperative boats has begun. The Priority Setting Committee has designated the Rehabilitation Loan Program to help Gates Cooperative members upgrade their boats to meet code standards so that they can qualify for berths in the new Waldo Point Harbor. Staff of the Rehabilitation Loan Program have been working closely with the Gates Cooperative and EAH, Inc. to carefully plan the details of houseboat rehabilitation for the Gates Cooperative. Loans for Gates Cooperative boats will have a 3% interest rate. For the next three years, the Rehabilitation Loan Program will devote much of its attention to the rehabilitation of Gates houseboats. During the period of Gates rehabilitation, the Program will continue its work with single-family houses and group homes, although possibly at a limited pace.

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

4. Residential Accessibility Modification Program (Marin Center for Independent Living (MCIL))

Through its Residential Accessibility Modification Program, the Marin Center for Independent Living provides technical assistance and minor remodeling to make housing accessible to lower-income residents with impaired mobility, visual or hearing difficulties, and environmental illness. Clients include the frail and/or elderly as well as those identified as HIV positive or living with AIDS. In many cases, only minor improvements, such as installation of a ramp or grab bars, are needed to meet the accessibility needs of a disabled tenant. If needed, the program can also make more substantial kitchen and bathroom modifications. Services traditionally include a wide range of projects such as emergency installation of grab bars for patients recently discharged from the hospital, interior stair railing and chair lifts, and the installation of exterior ramps, accessibility bridges, and wheelchair lifts. These services allow clients to safely continue to live in their homes without a loss of independence or the risk of being confined to a nursing home. This program has expanded the supply of accessible rental housing in Marin. In many cases, when a tenant vacates a modified apartment, a new tenant with a physical disability is selected to occupy the unit, and the accessibility modifications continue to be used. This program is a cost-effective way to allow people with disabilities to live with the dignity that comes from independence and self-sufficiency. MCIL staff operate the program with a high level of efficiency and effectiveness. In many cases, modest accessibility improvement projects can avoid premature placement in a nursing home.

Equal Opportunity Analysis: Racial and ethnic minorities are under-represented among the beneficiaries of this program, partly because racial and ethnic minorities are under-represented among the elderly in Marin County. A large percentage of the program's beneficiaries are elderly. The program is currently engaged in outreach in the underserved communities of the County and partners with other county-wide agencies that promote diversity. The sponsor's affirmative marketing proposal was deemed to be excellent (rated A).

The Novato City Council and the San Rafael City Council have assumed some of the CDBG project selection functions that were previously performed by subcommittees of the CDBG Priority Setting Committee. Both the Novato and San Rafael City Councils have allocated a share of their CDBG funds for the MCIL Residential Accessibility Modification Program. Combining the \$5,535 recommended in this report with the \$3,552 allocated by the Novato City Council and the \$5,913 allocated by the San Rafael City Council, the CDBG support for this program totals \$15,000.

All of the projects being recommended for CDBG Countywide Housing funds are being recommended for less than the requested amounts, and there was not enough money available to provide many worthy proposals with any funds at all. Marin's local policy to

limit the number of CDBG projects was a factor in limiting the number of projects recommended by staff.

In our recommendations for CDBG Countywide Housing projects, we considered the needs of ongoing countywide programs--the Fair Housing Program, the Residential Accessibility Modification Program, and the Rehabilitation Loan Program--which would be seriously disrupted if the flow of CDBG funds ceased. Some large-scale projects were recommended for HOME funds instead of CDBG funds. Small-scale housing project proposals have already been considered for funding in their planning areas.

## **THE HOME PROGRAM**

The HOME Program, administered by the U.S. Department of Housing and Urban Development (HUD), was established by the Cranston-Gonzalez National Affordable Housing Act of 1990 as a new source of federal funds for affordable housing. Eligible HOME activities include housing rehabilitation, housing construction, site acquisition, acquisition of existing housing, and tenant-based rental assistance. As with the Community Development Block Grant (CDBG) Program, HOME funds are granted to the County of Marin on behalf of both the County and all the cities in Marin, so projects throughout Marin County are eligible for funding. HOME-assisted rental units must serve people below 60% of area median income (\$63,300 for a family of four), with one-fifth of the HOME-assisted rental units reaching households below 50% of area median income (\$52,750 for a family of four). HOME-assisted homeownership units can serve people at up to 80% of median income (\$84,400 for a family of four).

Unlike other HUD programs, HOME requires the active participation of community-based organizations which both represent and are controlled by low-income community residents. The regulations require that localities set aside 15% of HOME funds for Community Housing Development Organization (CHDO) projects. The HOME regulations define a CHDO as a nonprofit organization with a third of its board consisting of low income people, residents of low income neighborhoods, and/or elected representatives of low income neighborhood organizations. Since our 2014-15 HOME grant is expected to be \$625,642, the 15% set-aside for CHDOs would be \$93,847. This requirement would be met by the recommended HOME allocation for Peace Village.

Implementation of the program and ongoing monitoring of funded projects requires a substantial amount of staff time. The County's contractual obligation is to monitor projects for as long as we require them to remain affordable, and the County's policy has been to exceed HUD's minimum requirements for the term of affordability. The HOME program regulations allow up to 10% of the grant to be used for administrative expenses. Staff is recommending that 10% of this year's HOME grant be set aside for administrative expenses.

When a project sponsor accepts HOME financing, it must agree to have an affordability restriction recorded on the property. The HOME affordability restriction, mandated by HUD, may be removed only upon foreclosure. Even if the sponsor repays the HOME subsidy, the affordability restriction cannot be released. If a project sponsor might eventually want to end the project and sell the property, the HOME affordability restriction would persist and make it impossible to sell the property for full unrestricted market value. The CDBG program is more forgiving--in most cases, the project sponsor may remove the CDBG restriction simply by making a payment to the County. The amount of the payment would generally be the current fair market value of the property multiplied by the percentage of the initial project cost contributed by CDBG. Therefore, smaller projects and projects with an uncertain future are more suitably funded by CDBG rather than HOME.

The CDBG program is a more appropriate funding source for smaller projects, for non-traditional housing projects which do not easily fit into the categories established by the HOME regulations, and for project sponsors which have not yet assembled the financing needed for them to commit to long-term affordability.

The HOME program sets deadlines for spending funds, and the County will automatically lose funds if the deadlines are not met. HOME funds must be committed by contract to projects within two years. Localities are not permitted to commit funds until they reasonably expect that construction or rehabilitation will begin within twelve months. (If the project involves acquisition, we must reasonably expect that acquisition will occur within six months.) All funds must be spent within five years. If deadlines are not met, the federal government can cancel that portion of the community's HOME allocation.

In July 2013, HUD amended the HOME regulations to add more deadlines for HOME activities. Under the amended HOME regulations:

- Within 2 years after HUD makes an allocation of HOME funds available, the County must enter into a contract with a project sponsor committing the HOME funds to a specific project. But the County is not permitted to enter into a contract to provide a project sponsor with HOME funds unless all necessary financing has been secured, and there must be a reasonable expectation that the project can start construction within 1 year of the contract date.
- A project must be completed within 4 years (5 years if HUD grants an extension) of the date when the County signed the HOME funding contract with the project sponsor.
- Funds must be expended within 5 years after HUD makes the funds available to the County.

If any of these deadlines are not met, HUD can require repayment of funds, even if the County has already spent the money on a project, and regardless of whether the project is eventually completed.

The most serious new requirement is that all other financing must be secured before the County can enter into a contract to provide a project with HOME funds. Paired with the requirement that HOME funds be placed under contract within two years, this could be extremely difficult to implement in Marin County. Most sponsors of affordable housing find that they need a substantial commitment of HOME funds in order to obtain commitments from other sources of funding, particularly if those sources are non-local. For example, in order for an affordable housing development project to successfully compete for low-income housing tax credits, it needs a substantial commitment of local funding, which often includes HOME funds from the local jurisdiction.

There are several possible strategies for meeting the new timing requirements:

- Making preliminary awards (conditional commitments) to several potential HOME projects, tracking each project's progress in obtaining planning approvals and securing other funding, and then shifting those conditional commitments among the projects in order to meet the timing requirements for final commitments. Last year's funding decisions already put us on this road. While this strategy will help us meet HUD's timing requirements, it could cause chaos for project sponsors who are trying to attract other funders. A project sponsor who has been diligently pursuing local planning approvals, but is being delayed by an unexpectedly long and expensive environmental review process, might be dismayed to find that HOME funds they thought they had secured are being snatched away. In many cases, a project sponsor cites their HOME commitment when they apply to a non-local foundation for funding, or to the state for an allocation of low-income housing tax credits. If a preliminary HOME commitment induces a non-local foundation or the state to make a funding commitment, and then the County cancels that preliminary HOME commitment, why should that non-local foundation or the state give any weight to the County's future preliminary commitments of HOME funds?
- Making final allocations of HOME funds based primarily on deadline pressure. This would mean identifying which projects can meet the HUD timing requirements and directing all the about-to-expire HOME funds to them. In some cases, there might be just one proposed project which meets the HOME timing requirements. The primary question could become "How much can the project legally absorb?" rather than "How much does the project need?" The result might be providing more HOME funds than staff would normally recommend after considering the potential availability of funds from other sources. In that scenario, we might have to ask a project sponsor to ask their other funders if they would allow their grants to be used for tenant services rather than for construction.
- Using HOME funds for rental assistance, or for acquisition and rehabilitation of existing multi-family housing. Using HOME funds for rental assistance requires very little planning time. However, if we ever want to resume using HOME funds for development of new housing, we might have to cancel HOME-funded rental assistance to families who have no other way to afford rental housing in Marin. That problem might be addressed by limiting the rental assistance to families who have a viable plan to resolve their housing affordability issues within one year. A simple acquisition of existing multi-family housing generally requires less lead time than new construction.
- Encouraging applicants to consider applying as a CHDO. Since the inception of the HOME Program, there has been less competition for CHDO funds than for other HOME funds, raising the possibility that, in some years, we might not be able to find projects to use all the available CHDO funds. The latest revision in the HOME regulations is already making us scramble to commit CHDO funds by the two-year deadline.

For the next few years, we have a particular dilemma--there are three promising rental housing proposals (Marinwood Plaza, Peace Village, and Whistlestop) which need more funding than we can provide in one year and are therefore all being recommended for less than they need. As it becomes clearer which project can move forward most quickly, we will need to be prepared to shift funds so that we can meet HUD's various spending deadlines, and so that these housing projects can be completed, one at a time, in a sequence to be determined.

The good news is that the Marin Community Foundation has become more active in funding predevelopment costs for housing projects. The Foundation is also continuing to convene a group of housing funders, with the goal of sharing information and coordinating funding recommendations. This process could result in better collective responsiveness to development timing opportunities. It could also increase the comfort level of other funders to support predevelopment costs.



**PROJECT REVIEW: DESCRIPTIONS OF PROPOSED HOME PROJECTS**

1. Del Ganado Apartments (EAH, Inc., Lifehouse, and Marin Housing for Handicapped, Inc. I)

The Del Ganado Apartments is a 12-unit apartment complex for developmentally disabled adults in Terra Linda. The project is owned by Marin Housing for Handicapped, Inc. I, with Lifehouse providing support services to the tenants, and EAH, Inc. as the property manager. This complex is over 30 years old, and the wood shake siding has deteriorated from sun and weather exposure. The original windows are single pane, and the complex was built without air conditioning. The sponsor has replaced the most badly deteriorated wood shake siding, replaced some windows, and installed air conditioning units in some of the apartments. The requested funding would enable the sponsor to complete this work throughout the project. (For an explanation of why this CDBG applicant is being recommended for HOME CHDO funds, and why the recommended funding exceeds the requested amount, please see page 18.)

Equal Opportunity Analysis: This is a new project, for which we do not have tenant data. The sponsor's affirmative marketing proposal is non-responsive (rated C).

2. Fairfax Vest Pocket (Marin Housing Authority)

The Vest Pocket Community was developed as shared inter-generational co-housing by Innovative Housing. In 1996, when Innovative Housing ceased operations, the property was transferred to the Marin Housing Authority. The project consists of six buildings near downtown Fairfax. One building consists of a community room and a studio apartment. Two buildings have three bedrooms each, and three buildings have four bedrooms each. Most of the buildings are occupied by a combination of single-parent households and seniors, with shared kitchens and living rooms.

With experience, it has become apparent that there is a very limited market for shared housing. Over the years, there have been many conflicts among tenants who shared these homes, and there are often persistent vacancies due to interpersonal problems. As vacancies occur through attrition, the Housing Authority hopes to convert these shared houses into rental units for large families with Section 8 vouchers. Eventually, that might involve reconfiguring interior spaces that were originally intended for small families and seniors. This should help to meet a housing need, reduce the level of conflict among residents, and increase revenue so that the property no longer operates at a loss.

The exteriors of the buildings need rehabilitation. There is dry rot in some of the decks, stairs, and railings. Nails have rusted and stained the exterior siding. The exterior needs repainting. In addition, there is a need for interior remodeling to better utilize the space for large families. Exterior repairs that prevent water

intrusion are a high priority to preserve the physical structure. It may also be important for the economics of the project to do some the interior remodeling on a priority basis while there are vacancies. We are confident that the Housing Authority will formulate a practical strategy for using the available HOME funds.

Equal Opportunity Analysis: This is a new project, for which we do not have tenant data. The sponsor's affirmative marketing proposal is excellent (rated A).

3. Marinwood Plaza Housing (BRIDGE Housing Corporation)

(Please see project description on page 23.)

4. Oma Village (formerly known as Housing for Working Families)  
(Homeward Bound of Marin)

Homeward Bound proposes to build 14 small one- and two-bedroom rental homes on the site of the former Henry Ohlhoff House substance abuse treatment center in Novato. The proposed cottages will serve formerly homeless families who have graduated from Homeward Bound's homeless shelters and transitional housing programs and are actively engaged in employment or education. Homeward Bound operates a range of homeless shelters and transitional housing in Marin County and has found that families who do well in its programs and are taking steps to increase their incomes still have difficulty finding apartments they can afford in Marin County. These families often find themselves stuck in a program they have outgrown because they can't find an affordable apartment in the community, or they are forced to leave the County in order to find an apartment they can afford. The proposed housing would help address the needs of this group, and thereby free up space in shelters and transitional housing programs. The proposed housing will be permanent affordable housing, with no specific time limit on occupancy. However, because the units will be very small, approximately 600 square feet, the expectation is that the residents will want to improve their employment situations and move into larger rental units as soon as their finances permit. Homeward Bound intends to serve households at 30% to 50% of median income (extremely low income and very low income), with rents in the range of \$600 to \$650 per month. Rents that low will be possible only if Homeward Bound can obtain grant funding to cover the entire cost of development, so they will not have an ongoing cost for debt service.

Equal Opportunity Analysis: The demographic profile of the clients of Homeward Bound's Transitional Housing Program, which will be the referral source for the tenants at this new project, is 36% racial minorities and 37% Hispanics. The proposed site is not in an area that meets the HUD definition of "minority concentrated." Assuming that the demographics of the new project will be similar to Homeward Bound's existing Transitional Housing Program, racial minorities and Hispanics will be very well represented among the participants in the new program. The sponsor's affirmative marketing proposal is excellent (rated A).

5. Peace Village (Resources for Community Development)

Resources for Community Development, an experienced nonprofit developer based in the East Bay, proposes to build 40 units of senior rental housing adjacent to the Christ Lutheran Church in Fairfax. A portion of the church property is leased to the Cascade Canyon School, a nonsectarian private school which has been operating on the site since 1981.

The church, the school, the Town of Fairfax, and Resources for Community Development have been collaborating effectively to plan this project. The Town has rezoned the site to accommodate the 40 units of senior housing, and has completed its environmental review for the project in conjunction with its housing element. Design review by the Planning Commission is the only remaining discretionary local approval required.

The church members are carefully considering the long-term stewardship of the land, and see the school and senior housing as part of their vision for the future of the property. The housing site will likely be subdivided from the rest of the property, but details must still be worked out to balance the interests of the school and the housing sponsor.

The project sponsor, Resources for Community Development, is a Community Housing Development Organization (CHDO) for the purposes of the HOME Program. The recommended HOME funds include this year's CHDO set-aside.

Equal Opportunity Analysis: The majority of the sponsor's tenants are racial and ethnic minorities. The sponsor's affirmative marketing proposal is excellent (rated A).

This year, HOME applications totaled \$3.5 million, more than five times the expected \$625,642 grant amount. All HOME applicants were encouraged to apply to both the HOME and CDBG programs for the amount needed, so that the total of their CDBG and HOME applications would be double their actual need.

Staff did not recommend HOME funds for three projects for which HOME funds were sought.

Of all the applications, Grady Crossing is at the earliest stage of planning. Although HOME funds can be used for predevelopment costs, we are not allowed to enter into a contract to provide HOME funds until all other financing is in place, which is unlikely to happen before predevelopment tasks have been completed.

The Habitat for Humanity 4<sup>th</sup> Street Homes project was not recommended for HOME funds this year, but was recommended for a modest CDBG allocation. Staff would encourage Habitat for Humanity to apply again next year for CDBG and HOME funds. With the new emphasis in the HOME Program on the timetable of project progress, Habitat might have an advantage if other HOME projects encounter delays.

The Whistlestop Senior Housing is a worthy proposal, but it has not made quite as much progress in the planning process as the Marinwood or Peace Village projects. However, all three projects face many uncertainties, so that ranking could change. Staff would encourage Eden to apply again next year for CDBG and HOME funds.

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**COMMUNITY DEVELOPMENT BLOCK GRANT COUNTYWIDE  
REQUESTS FOR FUNDING HOUSING PROJECTS (2014-15)**

| PROJ.#                   | PROJECT NAME                                   | PROJECT SPONSOR                           | PROJECT ADDRESS                                    | PROJECT DESCRIPTION  | APPLICANT'S CDBG REQUEST |
|--------------------------|--|---|--|--|--------------------------|
| <b>Countywide</b>        |  |   |  |  |                          |
| CH - 1                   | Fair Housing Services                          | Fair Housing of Marin                     | 615 B Street, Suite #1, San Rafael 94901           | Fair housing services  | \$62,853                 |
| CH - 2                   | Rehabilitation Loan Program                    | Marin Housing Authority                   | 4020 Civic Center Drive, San Rafael 94903          | Staff salaries to provide residential rehabilitation loans                               | \$150,000                |
| CH - 3                   | Residential Accessibility Modification Program | Marin Center for Independent Living       | Countywide   | Housing rehabilitation for handicapped accessibility                                     | \$30,000                 |
|                          |  |   |  |  | <b>\$242,853</b>         |
| <b>Lower Ross Valley</b> |  |   |  |  |                          |
| LH - 1                   | Lifehouse: Corte Madera House-rehabilitation   | Lifehouse Inc                             | 7 Seminole, Corte Madera, CA 94925                 | Rehabilitate group home for developmentally disabled adults                              | \$2,500                  |
| LH - 2                   | Lifehouse: Corte Madera House-thermostat       | Lifehouse Inc                             | 7 Seminole, Corte Madera, CA 94925                 | Rehabilitate HVAC thermostats group home for disabled adults                             | \$700                    |
| LH - 3                   | Rehabilitation Loan Program                    | Marin Housing Authority                   | 4020 Civic Center Drive, San Rafael 94903          | Staff salaries to provide residential rehabilitation loans                               | \$35,000                 |
|                          |  |   |  |  | <b>\$38,200</b>          |
| <b>Novato</b>            |  |   |  |  |                          |
| NH - 1                   | Buckelew - Novato House                        | Buckelew Programs                         | 1333 - 7th St., Novato, CA                         | Rehabilitation of group home for adults with severe mental illness                       | \$13,675                 |
| NH - 2                   | Gilead House-Rehabilitation                    | Gilead House                              | 1024 7th Street, Novato 94945                      | Rehabilitation of transitional housing   | \$10,400                 |
| NH - 3                   | Habitat - 4th Street Homes                     | Habitat for Humanity GSF                  | 1112 4th Street, Novato 94945                      | Homeowner mortgage assistance  | \$250,000                |
| NH - 4                   | Lifehouse: Novato homes-thermostat             | Lifehouse Inc                             | 627 Wilson Avenue & 2 Stonehaven, Novato, CA 94947 | Rehabilitate HVAC thermostats group home for disabled adults                             | \$1,400                  |
| NH - 5                   | Lifehouse: Stonehaven House-rehabilitation     | Lifehouse Inc                             | 2 Stonehaven Court, Novato, CA 94947               | Rehabilitate group home for developmentally disabled adults                              | \$19,500                 |
| NH - 6                   | Lifehouse: Sunrise I-rehabilitation            | Lifehouse Inc                             | 627 Wilson Avenue, Novato, CA 94947                | Rehabilitate group home for developmentally disabled adults                              | \$9,200                  |
| NH - 7                   | New Beginnings Center-Rehabilitation           | Homeward Bound of Marin                   | 1399 N. Hamilton Parkway, Novato 94949             | Rehabilitation of emergency shelter facility   | \$89,672                 |
| NH - 8                   | Oma Village-Housing for Working Families       | Homeward Bound of Marin                   | 5394 Nave Drive, Novato 94949                      | Site demolition, project design, pre-development, off-site improvements for rental homes | \$200,000                |
| NH - 9                   | Rehabilitation Loan Program                    | Marin Housing Authority                   | 4020 Civic Center Drive, San Rafael 94903          | Staff salaries to provide residential rehabilitation loans                               | \$80,000                 |
| NH - 10                  | Sol-Catcher                                    | John Sarter and non-profit to be selected | 1300 Vallejo Avenue, Novato, CA 94945              | Development of group home  | \$200,000                |
|                          |  |   |  |  | <b>\$873,847</b>         |

| PROJ.#                | PROJECT NAME                                 | PROJECT SPONSOR                                 | PROJECT ADDRESS  | PROJECT DESCRIPTION  | APPLICANT'S CDBG REQUEST |
|-----------------------|--|---|--|--|--------------------------|
| <b>Richardson Bay</b> |  |   |  |  |                          |
| RH - 1                | Galilee Harbor                               | Galilee Harbor Community Association            | 300 Napa Street, Sausalito 94965                             | Liveaboard community, public facility improvements                   | \$225,649                |
| RH - 2                | Rehabilitation Loan Program                  | Marin Housing Authority                         | 4020 Civic Center Drive, San Rafael 94903                    | Staff salaries to provide residential rehabilitation loans           | \$45,000                 |
| RH - 3                | Gates Cooperative                            | Gates Cooperative, EAH, Marin Housing Authority | Waldo Point Harbor, Sausalito Area                           | Rehabilitation, liveaboard community                                 | \$717,516                |
|                       |  |   |  |  | <b>\$988,165</b>         |
| <b>San Rafael</b>     |  |   |  |  |                          |
| SH - 1                | Buckelew - Horizon House                     | Buckelew Programs                               | 108 Spring Grove Avenue, San Rafael, CA 94903                | Rehabilitation of group home for adults with severe mental illness   | \$14,620                 |
| SH - 2                | Buckelew - Lakeside House                    | Buckelew Programs                               | 7 Washington St., San Rafael, CA 94903                       | Rehabilitation of group home for adults with severe mental illness   | \$33,077                 |
| SH - 3                | Del Ganado Apartments                        | EAH, Inc  | 626 Del Ganado, San Rafael, CA 94903                         | Rehabilitation of housing for adults with developmental disabilities | \$80,000                 |
| SH - 4                | Lifehouse: San Rafael homes-thermostat       | Lifehouse Inc                                   | Laurel Place, Montecillo Rd., Nova Albion & Golden Hinde, SR | Rehabilitate HVAC thermostats group home for disabled adults         | \$2,800                  |
| SH - 5                | Lifehouse: Sunrise II-kitchen rehabilitation | Lifehouse Inc                                   | 48 Golden Hinde, San Rafael, CA 94903                        | Rehabilitate group home for developmentally disabled - kitchen       | \$30,100                 |
| SH - 6                | Lifehouse: Sunrise II-pool rehabilitation    | Lifehouse Inc                                   | 48 Golden Hinde, San Rafael, CA 94903                        | Rehabilitate group home for developmentally disabled-swimming pool   | \$22,500                 |
| SH - 7                | Marinwood Plaza Housing                      | BRIDGE Housing Corp                             | 121, 155, 175, 197 Marinwood Avenue, San Rafael 94903        | Development of rental housing  | \$250,000                |
| SH - 8                | Rehabilitation Loan Program                  | Marin Housing Authority                         | 4020 Civic Center Drive, San Rafael 94903                    | Staff salaries to provide residential rehabilitation loans           | \$140,000                |
| SH - 9                | Whistlestop Senior Housing                   | Eden Housing, Inc.                              | 930 Tamalpais Ave., San Rafael 94901                         | Site acquisition for senior housing development                      | \$1,000,000              |
|                       |  |   |  |  | <b>\$1,573,097</b>       |

| PROJ.#                   | PROJECT NAME                                | PROJECT SPONSOR                                | PROJECT ADDRESS   | PROJECT DESCRIPTION   | APPLICANT'S CDBG REQUEST |
|--------------------------|---|--|---|---|--------------------------|
| <b>Upper Ross Valley</b> |   |  |   |   |                          |
| UH - 1                   | Fairfax Vest Pocket Community               | Marin Housing Authority                        | 75,80,82&84 Park Rd; 3&5 Frustruck St. Fairfax, CA 94930        | Rehabilitation of rental housing  | \$310,573                |
| UH - 2                   | Lifehouse: San Anselmo House-rehabilitation | Lifehouse Inc                                  | 1032 Sir Francis Drake Blvd., San Anselmo, CA 94960             | Rehabilitate group home for developmentally disabled adults                   | \$16,800                 |
| UH - 3                   | Lifehouse: Fairfax & San Anselmo-thermostat | Lifehouse Inc                                  | 16 Porteous Ave., Fairfax & 1032 Sir Francis Drake Blvd, SA, CA | Rehabilitate HVAC thermostats group home for disabled adults                  | \$1,400                  |
| UH - 4                   | Lifehouse: Fairfax House-rehabilitation     | Lifehouse Inc                                  | 16 Porteous Ave., Fairfax, CA 94930                             | Convert garage to apartment at group home for developmentally disabled adults | \$80,000                 |
| UH - 5                   | Peace Village                               | Resources for Community Development            | 2626 Sir Francis Drake Blvd., Fairfax 94930                     | Site acquisition for senior housing   | \$1,165,000              |
| UH - 6                   | Rehabilitation Loan Program                 | Marin Housing Authority                        | 4020 Civic Center Drive, San Rafael 94903                       | Staff salaries to provide residential rehabilitation loans                    | \$35,000                 |
|                          |   |  |   |   | <b>\$1,608,773</b>       |
| <b>West Marin</b>        |   |  |   |   |                          |
| WH - 1                   | Gibson House-Rehabilitation                 | Bolinas Community Land Trust                   | 20 Wharf Road, Bolinas 94924                                    | Rehabilitation of affordable rental housing                                   | \$7,400                  |
| WH - 2                   | Mesa Apartments-Rehabilitation              | Community Land Trust Association of West Marin | 988 Mesa Road, Pt Reyes Station, CA                             | Replace water heaters   | \$11,500                 |
| WH - 3                   | Rehabilitation Loan Program                 | Marin Housing Authority                        | 4020 Civic Center Drive, San Rafael 94903                       | Staff salaries to provide residential rehabilitation loans                    | \$15,000                 |
| WH - 4                   | Stockstill House                            | West Marin Senior Services                     | 12051 State Route #1, Point Reyes Station, 94956                | Rehabilitation of senior assisted living home                                 | \$13,000                 |
|                          |   |  |   |   | <b>\$46,900</b>          |
|                          |   |  |   |   | <b>\$5,371,835</b>       |

**HOME PROGRAM REQUESTS FOR FUNDING (2014-15)**

| <b>PROJ.#</b> | <b>PROJECT NAME</b>                      | <b>PROJECT SPONSOR</b>              | <b>PROJECT ADDRESS</b>                                   | <b>PROJECT DESCRIPTION</b>   | <b>APPLICANT'S HOME REQUEST</b> |
|---------------|--|-------------------------------------|--|--|---------------------------------|
| H - 1         | Fairfax Vest Pocket Community            | Marin Housing Authority             | 75,80,82&84 Park Rd; 3&5 Frustruck St. Fairfax, CA 94930 | Rehabilitation of rental housing                                     | \$155,287                       |
| H - 2         | Grady Crossing                           | PEP Housing                         | 2400 Lucas Valley Road, San Rafael, CA                   | Predevelopment costs, senior rental housing                          | \$150,000                       |
| H - 3         | Habitat - 4th Street Homes               | Habitat for Humanity GSF            | 1112 4th Street, Novato 94945                            | Construction of homeownership units                                  | \$250,000                       |
| H - 4         | Marinwood Plaza Housing                  | BRIDGE Housing Corp                 | 121, 155, 175, 197 Marinwood Ave, San Rafael 94903       | Development of rental housing  | \$200,000                       |
| H - 5         | Oma Village-Housing for Working Families | Homeward Bound of Marin             | 5394 Nave Drive, Novato 94949                            | Development of affordable rental homes                               | \$533,103                       |
| H - 6         | Peace Village                            | Resources for Community Development | 2626 Sir Francis Drake Blvd., Fairfax 94930              | Development of senior housing  | \$1,165,000                     |
| H - 7         | Whistlestop Senior Housing               | Eden Development, Inc. (CHDO)       | 930 Tamalpais Ave., San Rafael 94901                     | Construction of affordable housing for seniors and disabled          | \$1,000,000                     |
| SH - 3        | Del Ganado Apartments*                   | EAH, Inc                            | 626 Del Ganado, San Rafael, CA 94903                     | Rehabilitation of housing for adults with developmental disabilities | \$80,000                        |



**CDBG and HOME Projects - Program Year 2014-15  
Funding Summary**

| PROJECT NAME   | APPLICANT'S REQUEST | Community Development Block Grant<br>CDBG Planning Areas |                   |           |                |            |                   |            |             | HOME Program     |  |             | PROJECT TOTAL |
|--|---------------------|--|-------------------|-----------|----------------|------------|-------------------|------------|-------------|------------------|--|-------------|---------------|
|  |                     | Countywide   | Lower Ross Valley | Novato    | Richardson Bay | San Rafael | Upper Ross Valley | West Marin | CDBG Total  | HOME Allocations | Reprogrammed Prior Year Funds & Program Income | HOME Total  |               |
| <b>HOUSING</b>                                       |                     |  |                   |           |                |            |                   |            |             |                  |  |             |               |
| Buckelew - Novato House                              | \$13,675            |  |                   | \$8,785   |                |            |                   |            | \$8,785     |                  |  | \$0         | \$8,785       |
| Del Ganado Apartments                                | \$80,000            |  |                   |           |                |            |                   |            |             |                  | \$89,303                                       | \$89,303    | \$89,303      |
| Fair Housing Services                                | \$62,853            | \$18,819   |                   | \$12,077  |                | \$20,104   |                   |            | \$51,000    |                  |  | \$0         | \$51,000      |
| Fairfax Vest Pocket Community                        | \$310,573           |  |                   |           |                |            |                   |            | \$0         |                  | \$140,000                                      | \$140,000   | \$140,000     |
| Galilee Harbor                                       | \$225,649           |  |                   |           | \$33,376       |            |                   |            | \$33,376    |                  |  | \$0         | \$33,376      |
| Gibson House-Rehabilitation                          | \$7,400             |  |                   |           |                |            |                   | \$7,400    | \$7,400     |                  |  | \$0         | \$7,400       |
| Gilead House-Rehabilitation                          | \$10,400            |  |                   | \$5,000   |                |            |                   |            | \$5,000     |                  |  | \$0         | \$5,000       |
| Habitat - 4th Street Homes                           | \$250,000           |  |                   | \$21,397  |                |            |                   |            | \$21,397    |                  |  | \$0         | \$21,397      |
| Lifehouse: Stonehaven House-rehabilitation           | \$19,500            |  |                   | \$19,500  |                |            |                   |            | \$19,500    |                  |  | \$0         | \$19,500      |
| Marinwood Plaza Housing                              | \$250,000           | \$41,951   |                   |           |                |            |                   |            | \$41,951    | \$150,000        |  | \$150,000   | \$191,951     |
| Oma Village-Housing for Working Families             | \$200,000           |  |                   | \$21,397  |                |            |                   |            | \$21,397    |                  | \$416,542                                      | \$416,542   | \$437,939     |
| Peace Village  | \$1,165,000         |  |                   |           |                |            | \$10,111          |            | \$10,111    | \$413,078        |  | \$413,078   | \$423,189     |
| Rehabilitation Loan Program                          | \$500,000           | \$65,870   | \$28,000          | \$54,464  | \$10,000       | \$90,666   | \$10,000          |            | \$259,000   |                  |  | \$0         | \$259,000     |
| Residential Accessibility Modification Program       | \$30,000            | \$5,535  |                   | \$3,552   |                | \$5,913    |                   |            | \$15,000    |                  |  | \$0         | \$15,000      |
| Stockstill House                                     | \$13,000            |  |                   |           |                |            |                   | \$13,118   | \$13,118    |                  |  | \$0         | \$13,118      |
| <b>CAPITAL</b>                                       |                     |  |                   |           |                |            |                   |            |             |                  |  |             |               |
| Hamilton Child Development Center - Rehab            | \$13,500            |  |                   | \$13,500  |                |            |                   |            | \$13,500    |                  |  | \$0         | \$13,500      |
| Fairfax-San Anselmo Children's Center-Rehabilitation | \$93,500            |  |                   |           |                |            | \$10,000          |            | \$10,000    |                  |  | \$0         | \$10,000      |
| Marguerita C. Johnson Senior Center rehabilitation   | \$6,410             |  |                   |           | \$6,410        |            |                   |            | \$6,410     |                  |  | \$0         | \$6,410       |
| Marin City Community Development Corp.               | \$8,250             |  |                   |           | \$8,250        |            |                   |            | \$8,250     |                  |  | \$0         | \$8,250       |
| San Rafael ADA Compliance                            | \$300,000           |  |                   |           |                | \$183,370  |                   |            | \$183,370   |                  |  | \$0         | \$183,370     |
| <b>PUBLIC SERVICES</b>                               |                     |  |                   |           |                |            |                   |            |             |                  |  |             |               |
| After School Transportation Program                  | \$13,850            |  |                   |           |                |            | \$5,600           |            | \$5,600     |                  |  | \$0         | \$5,600       |
| Family Law Legal Services                            | \$25,600            |  | \$4,200           |           |                | \$6,750    | \$2,500           |            | \$13,450    |                  |  | \$0         | \$13,450      |
| Home Care Assistance for the Elderly                 | \$10,000            |  |                   |           |                |            |                   | \$4,000    | \$4,000     |                  |  | \$0         | \$4,000       |
| Human Services Program                               | \$18,000            |  |                   |           |                |            |                   | \$5,248    | \$5,248     |                  |  | \$0         | \$5,248       |
| Marin Brain Injury Network Services                  | \$30,000            |  | \$3,450           |           |                | \$6,750    | \$2,900           |            | \$13,100    |                  |  | \$0         | \$13,100      |
| Marin Learning Center, Therapeutic Services          | \$20,000            |  |                   |           | \$14,658       |            |                   |            | \$14,658    |                  |  | \$0         | \$14,658      |
| Middle School Program                                | \$15,000            |  |                   |           |                | \$15,000   |                   |            | \$15,000    |                  |  | \$0         | \$15,000      |
| North Bay Children's Center Scholarships             | \$20,000            |  |                   | \$6,200   |                |            |                   |            | \$6,200     |                  |  | \$0         | \$6,200       |
| Novato Independent Elders Program                    | \$26,000            |  |                   | \$26,000  |                |            |                   |            | \$26,000    |                  |  | \$0         | \$26,000      |
| Novato Youth Center-Scholarships                     | \$15,000            |  |                   | \$6,200   |                |            |                   |            | \$6,200     |                  |  | \$0         | \$6,200       |
| Novato Youth Community Diabetes Project              | \$10,000            |  |                   | \$4,931   |                |            |                   |            | \$4,931     |                  |  | \$0         | \$4,931       |
| Performing Stars                                     | \$20,000            |  |                   |           | \$11,500       | \$2,501    |                   |            | \$14,001    |                  |  | \$0         | \$14,001      |
| Pickleweed Children's Center                         | \$51,601            |  |                   |           |                | \$15,200   |                   |            | \$15,200    |                  |  | \$0         | \$15,200      |
| Quality Care for Kids Scholarships                   | \$12,500            |  |                   | \$6,700   |                |            |                   |            | \$6,700     |                  |  | \$0         | \$6,700       |
| Senior Access Scholarships                           | \$50,000            |  | \$4,970           | \$2,350   |                | \$6,750    | \$2,571           |            | \$16,641    |                  |  | \$0         | \$16,641      |
| CDBG Administration                                  |                     | \$350,000  |                   |           |                |            |                   |            | \$350,000   |                  |  | \$0         | \$350,000     |
| HOME Administration                                  |                     |  |                   |           |                |            |                   |            | \$0         | \$62,564         |  | \$62,564    | \$62,564      |
|  | \$3,803,586         | \$482,175  | \$40,620          | \$212,053 | \$84,194       | \$353,004  | \$43,682          | \$29,766   | \$1,245,494 | \$625,642        | \$645,845                                      | \$1,271,487 | \$2,516,981   |