

SAN RAFAEL PLANNING AREA

PUBLIC HEARING

**COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
(PUBLIC SERVICE PROJECT FUNDING ONLY)**

Thursday, March 10, 2011
5:30 p.m.

San Rafael Community Center, Clubroom
618 B Street
San Rafael

 ***Please note that this is not our usual meeting time or location!***

AGENDA

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

Future Hearings

March 29	Countywide Priority Setting Committee (CDBG Countywide Housing Projects, HOME Program Projects, and Ratification of CDBG Planning Area Recommendations) Council Chambers, San Rafael City Hall 1400 Fifth Avenue, San Rafael	7:00 p.m.
May 10	Marin County Board of Supervisors Board of Supervisors Chambers Marin County Civic Center, Room 330 3501 Civic Center Drive, San Rafael	(time to be determined)

If you have questions about the public hearings, please call Reid Thaler, 499-6695, or Roy Bateman, 499-6698, at the Marin County Community Development Agency. People using TDD devices may reach us at 499-6172 (TDD) or through the California Relay Service at 711. In consideration of persons with environmental sensitivities, please do not wear perfume or other fragrances. Sign language interpretation and translation into languages other than English are available. Please call our office at 499-6698, at least three days in advance of the public hearing you want to attend, if you need a sign language interpreter, other language interpretation, or an assistive listening device. Call Golden Gate Transit (455-2000, 257-4554 TDD) for transit information.



The Consolidated Plan, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports, records regarding past use of CDBG, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS Program funds, the Civil Rights Policy, the Residential Antidisplacement and Relocation Assistance Plan, the Nondiscrimination Policy, and program files are available for inspection at the Marin County Community Development Agency, 899 Northgate Drive, Room 408, San Rafael, California. Copies of documents are available in accessible formats upon request.

MEMORANDUM

MARIN COUNTY COMMUNITY DEVELOPMENT AGENCY

TO: SAN RAFAEL LOCAL AREA COMMITTEE

FROM: Roy Bateman
Reid Thaler

SUBJECT: Recommendations for Funding Year 37 (2011-12)
Community Development Block Grant (CDBG) Public Service Proposals

DATE: March 6, 2011



The recommendations from Community Development Block Grant staff for funding public service projects in the San Rafael Planning Area are listed below. The public service project recommendations described in this report will be presented and considered at a public hearing to be held by the San Rafael CDBG Local Area Committee on **Thursday, March 10, 2011, at 5:30 p.m., San Rafael Community Center, Clubroom, 618 B Street, San Rafael.**

(Please note that this is a change from last year's meeting time and location.)

A NOTE ON THE CDBG FUNDING LEVEL

Last year, Marin County's CDBG allocation was \$1,727,272, and our HOME Program allocation was \$1,231,666.

Our funding agency, the U.S. Department of Housing and Urban Development (HUD), has not yet announced our CDBG grant allocation for the 2011-12 program year. Funds for Marin's 2011-12 program year come from the federal budget for federal Fiscal Year 2011, which runs from October 1, 2010 to September 30, 2011. Although we are almost halfway through the federal fiscal year, Congress has not yet come to agreement on the federal budget for the current fiscal year. The budget situation in Washington is acrimonious and volatile. The House Republican Study Committee, a group of 175 Representatives, has proposed completely eliminating CDBG. The House Appropriations Committee proposed a 13% cut in CDBG funding, but then announced that it would abandon its initial budget proposal and seek deeper cuts in federal spending. Before leaving for the Presidents' Day recess, **the House of Representatives approved a Fiscal Year 2011 budget bill which would cut CDBG by 66% and cut the HOME Program by 10%. The next step will be Senate consideration of the budget bill.**

The United States Conference of Mayors has designated continued funding for CDBG as its highest priority. Although the Obama Administration had originally proposed continued funding for CDBG at the same level as last year, it recently proposed a 7.5% cut in the program for federal Fiscal Year 2012, which would fund Marin's 2012-13 program year.

Meanwhile, the National Low Income Housing Coalition has reported that the House Financial Services Committee plans to scrutinize the CDBG Program and consider whether to end CDBG funding for the nation's wealthiest communities.

Because there is such a wide range of possible CDBG funding amounts, we have assumed in this report that Marin County's 2011-12 CDBG grant will be the same as last year's grant. The staff recommendations in this report are based on the San Rafael share of our estimated 2011-12 CDBG allocation. However, the actual amount available for public service projects in the San Rafael Planning Area is likely to be different from the amount listed in this report because the County's CDBG allocation could be higher or lower than our estimate, depending on the outcome of the federal budget process.

To avoid the need for an additional hearing, staff recommends that the grant amounts set for public service projects at the San Rafael Local Area Hearing be subject to revision once HUD announces our CDBG formula allocation. At that time, staff would recalculate the amounts available for each planning area and for the public service component of the program. Staff recommends that public services be funded from the San Rafael Planning Area at the maximum amount permitted by the CDBG regulations, in the following order, until the public service funds are exhausted:

\$16,500 to the Pickleweed Children's Center (Child Care Staff)
\$15,000 to the Middle School Program (Canal Alliance)
Any additional funds to be divided among the other recommended public service projects in the same proportion as the funding recommended for those projects in this report.

Staff would then round numbers to the nearest hundred dollars. However, no project could receive more than the amount the sponsor requested.

RECOMMENDED COMMUNITY DEVELOPMENT BLOCK GRANT
FUNDING ALLOCATIONS FOR PUBLIC SERVICE PROJECTS
IN THE SAN RAFAEL PLANNING AREA

PUBLIC SERVICE

1) Family Law Legal Services (Family and Children’s Law Center) Legal assistance for low income persons 30 North San Pedro Road, San Rafael	\$10,800
2) Family Outreach Program, Marin Head Start (Community Action Marin) Family outreach services 498 Pt. San Pedro Road, 21 Front Street, 199 Greenfield Avenue, 125 Bahia Way, 35 Marin Street, and 96 Pilgrim Way, San Rafael	\$11,400
3) Housing Search Specialist (Marin Housing Authority) Housing search assistance and advocacy with landlords for low-income families and individuals with disabilities 4020 Civic Center Drive, San Rafael	\$7,620
4) Marin Brain Injury Network Services for head injury survivors 1132 Magnolia Avenue, Larkspur	\$9,200
5) Middle School Program (Canal Alliance) After school and summer academic program 91 Larkspur Street, San Rafael	\$15,000
6) Pickleweed Children’s Center, Child Care Staff (City of San Rafael) Child care services for low-income families 40 Canal Street, San Rafael	\$16,500
7) Senior Access Scholarships, elderly day care 70 Skyview Terrace, Building B, San Rafael	\$10,800
Public Service Subtotal	\$81,320

Total Funds Designated for San Rafael Planning Area Public Services	\$81,320
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PUBLIC SERVICE PROJECTS

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

The Family and Children's Law Center provides low-cost legal assistance to people who are unable to afford private legal services and need help with family law issues including divorce, domestic violence, spousal and child support, and child custody. Fees are on a sliding scale basis according to income. CDBG funds would be used towards staff salaries. CDBG staff feels that the expenditure of CDBG funds for this program is an extremely cost-effective way of providing substantial long-term emotional and financial benefits to families.

2. Family Outreach Program, Marin Head Start (Community Action Marin)

Head Start is a national program that provides comprehensive developmental services for low-income pre-school children (ages three to five) and social services for their families. The family outreach worker provides social and family support services for lower-income San Rafael area families whose children are enrolled in the Head Start program. The outreach worker also helps the families with crisis issues and provides a linkage to social services. The program has expanded the number of families in its Early Head Start component. The goal of Head Start is to help children gain the skills to succeed in school and later in life. An integral part of the success of the program is its focus on family and supporting the family to move toward self-sufficiency. The outreach workers develop strong relationships with families, visit each family at home, and are available on a daily basis at the center to meet with families and discuss their concerns. National studies tracking families which have participated in the Head Start program have shown that they are less likely to need additional social services in the future than families which have not participated in the program. Local statistics show that over 60% of the children with special needs who have participated in Early Head Start are exited from special education prior to entering Kindergarten.

3. Housing Search Specialist (Marin Housing Authority)

The Section 8 program, funded by the U.S. Department of Housing and Urban Development (HUD) and administered locally by the Marin Housing Authority, reimburses landlords for the difference between fair market rents, established by HUD, and 30% of a participating household's income.

The Housing Search Specialist helps recipients of Section 8 rent subsidy vouchers to overcome barriers to securing, as well as maintaining, affordable housing. The Housing Search Specialist, working primarily with "hard to house" households, continues to make significant impact with this population. These households include homeless families, large families with more than three children, elderly people,

individuals with language barriers, and people with disabilities. In cases where clients are in jeopardy of losing their housing due to issues related to their disabilities, the Housing Search Specialist can link the clients to extra support services and other resources which enable the clients to avoid losing their apartments. Assistance has included helping clients search for available apartments, coaching on presentation skills, advising on how to overcome a poor credit or rental history, and advocacy with landlords.

4. Marin Brain Injury Network

The Marin Brain Injury Network offers support groups for people with traumatic head injuries. This program is the only service which addresses the needs of this population in Marin County. In 1995, the program expanded to include day treatment services, which provide cognitive and vocational rehabilitation for its brain injured clients. It is extremely difficult to fund services for people affected by traumatic brain injury, since no long-term source of government funding exists to provide rehabilitation and vocational services for people with this disability. In 1997, the Network received certification from the California Department of Rehabilitation, which has reimbursed the Network for some of the services it provides. However, because these funds are available only for specific clients on a short-term basis, they do not provide the Network with a reliable steady stream of funding for long-term clients. The Network is not currently receiving any funding from the Department of Rehabilitation. CDBG funds are recommended towards staff salaries.

5. Middle School Program (Canal Alliance)

Canal Alliance's Middle School Program is a rigorous program supporting youth academically, emotionally, and socially with the goal of graduating from college. Students chosen for this program agree to attend sessions which meet three hours a day, five days a week, for ten months of the year. The program emphasizes developing academic skills, leadership abilities, and goal setting by working collectively in groups and engaging in community projects. Students in the program are guided by a family case manager who addresses issues which may impede success in the program.

While Marin County has a relatively low poverty rate compared to the state average, it is ranked just above the bottom on income equity, the discrepancy between those with high and low incomes. Staff acknowledges the long-term vision that Canal Alliance has set for improving the quality of Canal residents' lives through academic achievement coupled with family and community support, and recommends funds for staffing this innovative program.

6. Pickleweed Children's Center, Child Care Staff (City of San Rafael)

The City of San Rafael operates a child care program at the Pickleweed Children's Center. The Center serves low-income working families in the East San Rafael area. This area has the largest number of low-income families and the highest concentration of children in San Rafael. The program operates 246 days per year, providing child care to the neediest families with the youngest children. The program currently serves 116 children, including 68 children in its preschool component and 48 school-age children (grades K-5) in its after-school component. Staff recommends that CDBG funds be used towards child care staff salaries.

7. Senior Access

Senior Access benefits frail elderly people and handicapped adults, who, because of their memory loss, are unable to gain access to and utilize existing community resources designed for the more independent elderly. Services include physical therapy, nursing and social work services, recreational activities, a hot noon meal, and transportation to and from the center. The program also provides respite, support, and counseling for family members who serve as caregivers. CDBG funds will be used for scholarships for clients who have incomes substantially below the CDBG income limits. This project has been funded through the CDBG program since 1982, and staff recommends continued funding for this program.

We are recommending fewer public service projects for funding than last year. We're making this recommendation because we've had to reduce staffing to keep our administrative costs within the limits set by the CDBG regulations. The portion of the grant that we can spend on administration is set by the CDBG regulations.

Administrative, monitoring, and regulatory requirements from the federal government have been increasing. Marin is under increased scrutiny from HUD on equal opportunity issues, and we are now operating under a Voluntary Compliance Agreement (VCA) with the Fair Housing and Equal Opportunity Division of HUD. Among the impacts of the VCA are increased CDBG and HOME recordkeeping, paperwork, and data analysis requirements.

Changes in government accounting standards and local accounting systems require more complex work to assure that transactions are posted correctly, almost doubling our cost of accounting services. We will need to contribute our share of the cost to create a County reserve for retiree health benefits, which is expected to bring our total 2011-12 pension and retiree health benefit charges to \$64,000.

It is becoming more of a challenge to operate the CDBG program within the administrative allowance set by the regulations. CDBG regulations limit administrative expenses to 20% of available funds. The largest administrative cost is salaries and

benefits. In the 1999-2000 fiscal year, we spent 12.97% of our grant for administration. More recently, the number was 19.50% in 2007-08, 16.74% in 2008-09, and 19.87% in 2009-10.

The CDBG Program has cut staff hours, reducing staff from 3 to 2.5 FTE, but we have not made a corresponding reduction in workload. One way to reduce the administrative workload to match the reduction in staff hours would be to reduce the number of projects we have to administer. If we reduce the number of projects, we will reduce the volume of project contracts, project monitoring reports, invoice processing, and accounting so that our workload can better match our reduced staffing level.

Public service projects, limited by the CDBG regulations to only 15% of available funding, are our smallest and most competitive funding category. If we devote too much time and attention to public service funding, there's a risk that we will neglect important issues affecting our larger funding categories, housing and capital projects.

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

In formulating our recommendations for which public services might be cut, staff considered two primary questions:

- Does CDBG represent a significant percentage of the project sponsor's total budget?
- At an emotional level, informed by our experience, can we bring ourselves to eliminate CDBG funding for this project?

We also considered two secondary questions:

- Which projects have difficulty fundraising because the nature of their service is upsetting to some potential donors?
- In the context of other available resources, which projects can have the most lasting impact with a small amount of CDBG funds?

All four considerations led us to the same conclusion, that we should recommend continued funding for the Marin Brain Injury Network, Senior Access, the Housing Search Specialist, the Family and Children's Law Center, the Family Outreach Program (Marin Head Start), the Pickleweed Children's Center, and the Middle School Program, and that we should recommend eliminating CDBG funding for the Food Bank, the Marin

Community Clinic, and the Marin Opportunity Centers. Staff also considered the other requests for public service funding (Fifty Plus Employment Services, Foreclosure Workshops, and Home Connection of Marin) but did not find any to be sufficiently compelling to recommend for funding in a year when we seek to shrink the number of projects.

The Brain Injury Network and Senior Access both have an inherent limitation on their fundraising potential because some people fear becoming disabled. A small amount of assistance from the Housing Search Specialist or the Family Law Center at a crucial time can have a long-term impact on a family's financial status. Youth programs like the Middle School Program and the Pickleweed Children's Center can have a significant lifetime influence.

It seems counter-intuitive to cut funding to basic needs like health care and food in the midst of a recession, but we see financial stress hitting the full range of service providers. When CDBG began funding both the Marin Community Clinic and the Food Bank, they were much smaller organizations than they are today.

If we make this change, we would reinforce the role of CDBG as a source of funds for public services which meet important needs, have limited access to other funding, and are generally provided by small nonprofits. Given the small amount of funds we have available and the flexibility of the CDBG regulations in the public service category, this would seem to be an appropriate niche for CDBG.

The total amount of CDBG funding provided in the public service category would be unchanged, so we would be spending the same amount for public services, but with a higher average grant amount per project. (This assumes flat CDBG funding, but if our grant declines, that's all the more reason to reduce the number of projects.)

Five of the seven recommended public services in the San Rafael Planning Area are multi-area projects that staff is also recommending for funding in at least one other planning area.

Because we don't yet know our actual grant amount, the allocations for these projects are almost certain to change. (See page 2 for the recommended formulas for determining the revised allocations after HUD has announced our grant amount.)

In our recommendations for the Lower Ross Valley, staff did not recommend funding for the Food Bank. At its meeting on March 3, 2011, the Lower Ross Valley Local Area Committee voted to allocate \$3,771 for the Food Bank, contingent upon at least one other planning area funding the Food Bank. We are including this information in the staff reports for subsequent planning area hearings, so that other local area committees would be aware of this decision and could consider the implications for their deliberations.

San Rafael Public Services				
	CODE	PROJECT NAME	Requested	Recommended Funding
Public Service	SS-1	Community Health Services	\$35,000	
	SS-2	Family Law Legal Services	16,000	\$10,800
	SS-3	Family Outreach Program (Head Start)	34,500	11,400
	SS-4	Fifty Plus Employment Services	1,000	
	SS-5	Foreclosure Workshops	3,000	
	SS-6	Home Connection of Marin	10,800	
	SS-7	Housing Search Specialist	9,000	7,620
	SS-8	Marin Brain Injury Network Services	11,000	9,200
	SS-9	Marin Community Food Bank	20,854	
	SS-10	Marin Opportunity Center	800	
	SS-11	Middle School Program (Canal Alliance)	15,000	15,000
	SS-12	Pickleweed Children's Center	21,516	16,500
	SS-13	Senior Access Scholarships	12,000	10,800
		TOTAL	\$190,470	\$81,320
		Maximum San Rafael Funds Available for Public Services According to CDBG Regulations	\$93,796	
		Amount of San Rafael Allocation for Public Services	\$81,320	
NOTE: We are awaiting notification of this year's grant amount. In making the recommendations in this report, we have used an estimate of the grant amount. Therefore, all recommended funding amounts listed above are subject to change.				