



COMMUNITY DEVELOPMENT AGENCY

Brian C. Crawford
DIRECTOR

February 26, 2013

Marin County Civic Center
3501 Civic Center Drive
Suite 308
San Rafael, CA 94903
415 473 6269 T
415 473 7880 F
415 473 2255 TTY

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www.marincounty.org/cda

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Hearing: Amendments to Consolidated Plan (1) to reallocate ("reprogram") \$100,000 in Community Development Block Grant (CDBG) funds from the Gates Cooperative to City of San Rafael Public Facilities Accessibility Improvements, and (2) to reallocate ("reprogram") \$60,697 in CDBG funds from the Inverness Valley Inn to City of San Rafael Public Facilities Accessibility Improvements.

Dear Board Members,

RECOMMENDATION:

Hold hearing for public comment on proposal to amend the Consolidated Plan (1) to reallocate ("reprogram") \$100,000 in Community Development Block Grant (CDBG) funds from the Gates Cooperative to City of San Rafael Public Facilities Accessibility Improvements, and (2) to reallocate ("reprogram") \$60,697 in CDBG funds from the Inverness Valley Inn to City of San Rafael Public Facilities Accessibility Improvements. Following public testimony, approve the proposed amendments. Authorize any budget changes necessary to implement the amendments.

SUMMARY:

The U.S. Department of Housing and Urban Development (HUD) imposes a timely spending requirement on each community that receives CDBG funds. HUD implements this requirement through an annual test in late April. If, on the test date, a community has unspent CDBG funds that exceed 1.5 times its annual CDBG grant amount, 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 estimate that, if no action is taken, Marin will be \$160,000 short of meeting the timely spending test in April 2013. The proposed actions would help to assure that Marin County will meet the timely spending test this year. The proposed reallocation of funds would move CDBG funds from the Gates Cooperative and the Inverness Valley Inn to the City of San Rafael Public Facilities Accessibility Improvements Project, which can spend the funds by the test date.

Staff recommends the reallocation of \$100,000 in CDBG Countywide Housing funds from the Gates Cooperative (Rehabilitation of Liveaboard Community, Waldo Point Harbor, Sausalito Area) to City of San Rafael Public Facilities Accessibility Improvements (City of San Rafael, various locations in San Rafael).

Staff is proposing to shift \$100,000 from the Gates Cooperative to the City of San Rafael to be used for curb ramp design and construction costs, and other public facilities accessibility improvements, in exchange for reducing the San Rafael Planning Area's normal 2013-14 CDBG allocation by \$100,000, which would then be transferred to the CDBG Countywide Housing allocation and used to replenish the Gates Cooperative's allocation. Under this proposal, the curb ramp program would receive an extra \$100,000 now, in exchange for getting \$100,000 less than usual in the 2013-14 program year. While this would not increase the total funding for the curb ramp program, it would provide some of the funds sooner. The City is confident that they will be able to bill for the entire \$100,000 amount in March, so the expenditure could be credited towards meeting HUD's timely spending test. (See the attached letter from the City of San Rafael.)

The Gates Cooperative now has a \$629,500 unspent CDBG balance, so they would still have \$529,500 available, far in excess of their expected spending between now and July 2013, when the "borrowed" funds would be restored. (The restoration of \$100,000 to the Gates Cooperative would be part of the staff recommendations for the March 21, 2013 meeting of the CDBG Countywide Priority Setting Committee and is also scheduled for the agenda of the Board of Supervisors on May 7, 2013.) In July 2013, the \$100,000 amount would be restored to the Gates Cooperative. In effect, the Gates Cooperative would be temporarily "lending" \$100,000 to the San Rafael curb ramp project, during a period when the Gates Cooperative will not need to spend the funds.

Staff recommends the reallocation of \$60,697 in CDBG Countywide Housing funds from the Inverness Valley Inn (Community Land Trust Association of West Marin, Acquisition of Inn and rehabilitation for affordable housing, 13275 Sir Francis Drake Boulevard, Inverness) to City of San Rafael Public Facilities Accessibility Improvements (City of San Rafael, various locations in San Rafael).

Staff is proposing to shift \$60,697 from the Inverness Valley Inn project to the City of San Rafael to be used for curb ramp design and construction costs, and other public facilities accessibility improvements, in exchange for reducing the San Rafael Planning Area's normal 2013-14 CDBG allocation by \$60,697, which would then be transferred to the CDBG Countywide Housing allocation and used for other projects. The Community Land Trust Association of West Marin has been unable to obtain site control for the Inverness Valley Inn, and has cancelled its proposed housing rehabilitation project at that location. Under this proposal, the curb ramp program would receive an extra \$60,697 now, in exchange for getting \$60,697 less than usual in the 2013-14 program year. While this would not increase the total funding for the curb ramp program, it would provide some of the funds sooner. The City is confident that they will be able to bill for the entire \$60,697 amount in March, so the expenditure could be credited towards meeting HUD's timely spending test. (See the attached letter from the City of San Rafael.)

The proposed reprogrammings were approved by the CDBG Countywide Priority Setting Committee on February 19, 2013.

The following budget changes would be required to implement the proposed reprogrammings:

Reduce appropriation for SAP WBS Element HUD-04326-01-10 (Gates Cooperative) by \$100,000.

Reduce appropriation for SAP WBS Element HUD-04798-01-03 (Inverness Valley Inn) by \$12,993.

Reduce appropriation for SAP WBS Element HUD-04798-01-04 (Inverness Valley Inn) by \$47,704.

Increase appropriation for SAP WBS Element HUD-04536-01-10 (City of San Rafael Public Facilities Accessibility Improvements) by \$100,000.

Increase appropriation for SAP WBS Element HUD-04536-01-03 (City of San Rafael Public Facilities Accessibility Improvements) by \$12,993.

Increase appropriation for SAP WBS Element HUD-04536-01-04 (City of San Rafael Public Facilities Accessibility Improvements) by \$47,704.

FISCAL/STAFFING IMPACT:

Because the County's contribution to this project is in the form of federal CDBG funds, there is no financial impact on County general funds.

REVIEWED BY:

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| <input type="checkbox"/> Department of Finance | <input checked="" type="checkbox"/> N/A |
| <input type="checkbox"/> County Counsel | <input checked="" type="checkbox"/> N/A |
| <input type="checkbox"/> Human Resources | <input checked="" type="checkbox"/> N/A |

SIGNATURE:



Roy Bateman
Community Development Coordinator