



COMMUNITY DEVELOPMENT AGENCY  
**HOUSING AND FEDERAL GRANTS DIVISION**

May 7, 2019

Brian C. Crawford  
DIRECTOR

Marin County Board of Supervisors  
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**SUBJECT:** Consolidated Plan Amendments 2019 Annual Action Plan (including Budgets for the Community Development Block Grant Program (CDBG), and the HOME Investment Partnerships Program (HOME)).

Dear Board Members,

**RECOMMENDATIONS:**

1. Hold a public hearing on May 7, 2019, for comment on:
  - A. Marin County's housing and community development needs.
  - B. Marin County's community development performance.
  - C. The Consolidated Plan Amendment 2019 Annual Action Plan, including activities proposed for federal fiscal year 2019 funding from CDBG and HOME.
  - D. The proposed budget for the use of federal fiscal year 2019 CDBG funds included in the Consolidated Plan Amendment 2019 Annual Action Plan.
  - E. The proposed reprogramming of past years' CDBG funds to new activities and the proposed use of CDBG program income included in the Consolidated Plan Amendment 2019 Annual Action Plan.
  - F. The proposed budget for the use of federal fiscal year 2019 HOME funds included in the Consolidated Plan Amendment 2019 Annual Action Plan.
  - G. The proposed reprogramming of past years' HOME funds to new activities and the proposed use of HOME program income included in the Consolidated Plan Amendment 2019 Annual Action Plan.
  - H. Local Policies and Procedures, including:
    - i. The Local Standard for Affordable Rents.
    - ii. The Civil Rights Policy.
    - iii. The Residential Antidisplacement and Relocation Assistance Plan.
    - iv. Notice of Nondiscrimination Policy.

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2. Following public testimony, approve the Consolidated Plan Amendment 2019 Annual Action Plan and related documents, in substantially the form attached, including the items listed above, and authorize any budget changes necessary to implement these actions.
3. Following public testimony, approve the Resolution authorizing staff to submit the Consolidated Plan Amendment to the U.S. Department of Housing and Urban Development (HUD), and authorize staff to act in connection with the submission of the Consolidated Plan Amendment 2019 Annual Action Plan and to provide such corrections or additional information as HUD may require.
4. Announce that copies of the Consolidated Plan Amendment 2019 Annual Action Plan (as amended) are available from the Community Development Agency, and that program files, records regarding past use of CDBG and HOME funds, the Local Standard for Affordable Rents, the Civil Rights Policy, the Residential Antidisplacement and Relocation Assistance Plan, and the Nondiscrimination Policy are available for inspection at the Community Development Agency.

**SUMMARY:**

On May 12, 2015, the Marin County Board of Supervisors approved the Consolidated Plan for fiscal years 2015-19, the document required by HUD as our application for formula funding from HUD through CDBG and HOME. These federal grant funds are used for housing, community facilities, and public services for low and moderate-income households. The five-year Consolidated Plan includes an analysis of affordable housing and community development needs and statements of policies for the entire period, as well as CDBG and HOME project budgets for the first year of the five-year period. In the second, third, fourth, and fifth years, the Consolidated Plan must be amended with an "Annual Action Plan" to add each year's CDBG and HOME project budgets.

July 1, 2019 will mark the beginning of the fifth year covered by the Consolidated Plan and an annual amendment is required. The attached 2019 Annual Action Plan amendment to Marin County's five-year Consolidated Plan, updates the policy section and adds budgets for the use of \$1,505,533 in federal fiscal year 2019 (2019-20 local program year) CDBG funds and \$742,490 in federal fiscal year 2019 (2019-20 local program year) HOME funds. The 2019 Annual Action Plan is prepared in HUD's Integrated Disbursements & Information System, using their required format. In order to meet HUD's strict time limits on spending, the budget also includes CDBG and HOME funds from prior years which are recommended for reprogramming (reallocation) to new projects, and allocations of CDBG and HOME program income.

Marin's actual grant amounts are affected by changes in the overall program funding in the federal budget and Marin's ranking in comparison with other grantees based on demographic factors. Staff are projecting flat funding for CDBG and a slight reduction in HOME funding from the prior fiscal year funding levels.

The attached 2019 Annual Action Plan has been reviewed and recommended by the Novato and San Rafael Planning Area Subcommittees, comprised of elected officials, and the Countywide Priority Setting Committee (PSC), which is made up of community members representing protected classes and elected representatives from city, town, and County jurisdictions.

## DISCUSSION

The CDBG and HOME budget information in the 2019 Annual Action Plan was developed following three public hearings held in the Planning Areas—one hearing held by the Novato City Council on March 12, 2019; one hearing held by the San Rafael City Council on March 18, 2019; and one hearing held by the PSC on April 4, 2019.

The application, review, and approval process for CDBG and HOME funding encourages community participation. To ensure engagement, eight public meetings were conducted for the 2019-20 application cycle. Four meetings were PSC meetings, which included two planning hearings to identify local funding priorities; an application workshop to discuss various projects in more detail; and the public hearing, noted above, where committee members adopted recommendations for funding. In addition, a bidding conference was held, and staff presented at a West Marin community forum for potential applicants to learn about funding requirements and discuss potential projects. Finally, the Novato and San Rafael City Councils' dedicated time at their regularly scheduled meetings to consider and adopt recommendations for their respective planning areas, noted previously. All these meetings were open to the public and provided opportunities for public comment.

The local funding priorities identified by the PSC and used by staff in evaluating applications and making funding recommendations were expanded for the 2019-20 application cycle to include more explicit direction for the public service category. This funding category regularly receives far more requests for funding than funds available. The public services identified to focus funding on for the 2019-20 fiscal year are:

- Basic health services - established to address the urgent medical need for individuals living in the region who are un-insured, under-insured, working poor, newly unemployed, or people with low-incomes who cannot afford their deductible. Services may include medically necessary emergency health services, inpatient and outpatient hospital services, short-term outpatient evaluative and crisis intervention mental health services, medical treatment and referral services for the abuse of or addiction to alcohol and drugs; diagnostic laboratory and diagnostic and therapeutic radiologic services, home health services, and preventative health services including immunizations, well-child care from birth, periodic health evaluations for adults, voluntary family planning services, infertility service, and children's eye and ear examinations conducted to determine the need for vision and hearing correction.
- Childcare and parenting services - programs targeting low-income families to address disparities in access to early childhood education and high costs of childcare county wide. Programs and services include but are not limited to supporting childcare scholarships, therapeutic services, teacher's salaries, transportation, and home visitations. Services in locations which are likely to result in increased racial and ethnic diversity Countywide with an emphasis on high-need neighborhoods are prioritized.
- Fair housing services and Legal services - this priority has two components: (1) Fair housing services are consistent with HUD's requirement to serve protected classes under federal fair housing law and to affirmatively further fair housing. Services may include counseling victims of housing discrimination, investigating potential complaints, mediating settlements where appropriate, referring cases to federal and state enforcement agencies,

monitoring complaints, helping people with disabilities request reasonable accommodations, conducting training seminars for the housing industry, and providing community education on fair housing rights.

(2) Ensure legal services are accessible, affordable, and high quality to help individuals gain or maintain economic security, preserve safe housing, prevent domestic violence, and maintain other basic needs. Services may include direct legal representation, legal advice, self-help, and community education.

- Senior services - programs targeted to address the low-income and isolated senior populations throughout the county of Marin. Programs and services include but are not limited to nutritional meals and grocery delivery services, case management services, free and discounted medical services, and social programs.

The PSC reaffirmed requirements used to assess applications for all project categories, including:

- Capacity and commitment to Affirmatively Further Fair Housing (a legal requirement that federal grantees further the purposes of the Fair Housing Act by taking steps to address historical patterns of segregation and discrimination).
- Support projects that serve members of the protected classes (under federal civil rights laws).
- Prioritize fewer applications.
- Fund fewer housing projects per year.

In addition, there are several HUD regulations that staff must adhere to in order to ensure future funding. These requirements include:

- Timely spending
  - CDBG - if the County has an unspent balance of CDBG funds exceeding 1.5 times the annual grant award in April of the following calendar year, HUD will designate the community as “high-risk” and may take funds away.
  - HOME - funds are automatically taken if a project has not completed within 9 years. This rule will become stricter after December 31, 2021 when funds will be automatically taken if the County has not entered into contract within two years of a grant award OR a project has not completed within 4 years.
- CDBG funding activities and required allocations (federal regulation that stipulates a maximum of 20% may be spent on administration, a maximum of 15% may be spent on public services, at least 40% of funds must be spent on housing, and the remaining funds may be spent on capital or housing projects).

Funding requests for the 2019-20 CDBG and HOME application cycle far exceeded the anticipated funding available from HUD. The expected entitlement from HUD was estimated to be just over \$2.1 million as compared to over \$5.1 million in funding requests received from 44 applications covering both CDBG and HOME programs. This total funding request is consistent with the previous year’s requests. The public service funding category, which is always the most competitive, received 23 requests-four more than the prior year. Unfortunately, due to the considerable gap in resources, very difficult choices were made, and many valuable projects did not receive funding recommendations for this cycle.

The local Planning Area and PSC meetings provide an opportunity for community members, funding applicants, and decision makers to hear from each other and discuss the merits of specific proposals. The PSC public hearing held on April 4<sup>th</sup>, 2019 was attended by applicants and community members. A significant portion of the public comment consisted of organizations providing updates on how previously awarded funds are being implemented and thanking the committee for supporting their projects. Given the demand for funding and the limited funds available, projects also advocated to receive funding and increased support.

There was additional discussion regarding increasing funding for the Fairfax San Anselmo Children's Center's afterschool transportation program, which received a reduced funding recommendation this year due to the increased number of applications received. The PSC expressed support for the program and a proposal was considered to move funds from other projects to allocate towards the Fairfax San Anselmo Children's Center. After careful consideration the PSC ultimately chose not to make changes to the recommendations. The PSC requests that the Board of Supervisors increase funding by \$4,000 for the program, if additional entitlement funds are made available by HUD and consider further funding for the project if the County has other resources.

Following the PSC meeting staff received funding allocations from HUD, which provides \$12,248 of additional funds available for CDBG and \$74,229 of additional funds for HOME. In addition, staff received payment of program income for both the CDBG housing category and HOME program. Moreover, by reducing the administrative allocation, staff identified \$70,852 of entitlement funding available to apply towards projects in the housing and capital categories. Staff request the Board of Supervisors consider allocating these funds toward the following projects:

Countywide Projects –

- \$7,961 of CDBG entitlement funding to the New Marin City Mixed-Use Health Hub, a project of the Marin City Health and Wellness Center.

County Other Planning Area

- \$10,000 of CDBG entitlement funding and \$3,077 of CDBG program income to Mesa and Ocean Terrace Apartments, a project of the Community Land Trust Association of West Marin.
- \$1,837 of CDBG entitlement funding to the After School Transportation Program, a project of Fairfax San Anselmo Children's Center. This is the full amount available for public service from the additional entitlement received.
- \$10,000 of CDBG entitlement funding to Creating Healthy Environments Through Infrastructure, a project of Marin City Community Services District.
- \$6,144 of CDBG entitlement funding to Sage Lane Senior Affordable Housing Rehabilitation, a project of San Geronimo Valley Affordable Housing Association.

Novato Planning Area

- \$7,778 of CDBG entitlement funding to the Rehabilitation Loan Program, a project of the Marin Housing Authority.
- \$9,000 of CDBG entitlement funding to an Elevator Modernization, a project of North Marin Community Services.

San Rafael Planning Area

- \$27,930 of CDBG entitlement funding and \$11,152 of CDBG program income to Art Works Downtown Affordable Housing Electrical Upgrade, a project of Art Works Downtown.
- Staff evaluated the other San Rafael specific eligible project, the Pickleweed Park and Playground Improvements, a project of City of San Rafael Department of Public Works. However, after consulting with City staff it was determined that the project will be fully funded with the current recommendation.

HOME

- \$20,363 of entitlement funding and \$7,728 of program income to Centertown Apartments, a family rental project of BRIDGE Housing and EAH Housing.
- \$46,443 of entitlement funding to Victory Village, a senior housing project of Resources for Community Development.

These recommendations are consistent with the considerations and direction from the Novato and San Rafael City Councils as well as the PSC.

For the 2019-20 grant cycle, the PSC recommendation combined with these additional allocations provides a funding package that includes administration and support for 27 CDBG projects with \$1,664,864 in combined new entitlement funds, reprogrammed funds, and program income; and administration and support for two HOME projects with \$860,017 in combined new entitlement funds, reprogrammed funds, and program income.

**FISCAL/STAFFING IMPACT:**

The 2019 Annual Action Plan serves as Marin County's application for federal CDBG and HOME grants, which the County then distributes to eligible projects sponsored by local nonprofit organizations and public agencies. As contemplated in the federal CDBG and HOME regulations, the County is providing grant funds to sub-recipients to implement the sub-recipients' public benefit projects. Acceptance of these awards has no impact on the General Fund.

The federal fiscal year 2019 CDBG and HOME funds become available to the County at the start of the local program year, which runs from July 1, 2019 to June 30, 2020. CDBG and HOME grants will be held in HUD Fund 2100; Program 5130 CDA Federal Grants until the 2019-20 fiscal year begins, at which time the funds will be transferred to Org Code 21055132 (HUD CDBG), and Org Code 21055133 (HUD HOME Program).

For all funding recommendations approved as part of the Consolidated Plan Amendments 2019 Annual Action Plan public hearing, contract approval for commitments of less than \$50,000 shall be delegated to the County Administrator, or their designee. This is consistent with approval authority for Professional Services as described in the Countywide Procurement Manual, effective February 2018.

**REVIEWED BY:**

- |                                                |                                         |
|------------------------------------------------|-----------------------------------------|
| <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:**



Molly Kron  
Planner



Leelee Thomas  
Planning Manager

**Attachments:**

1. Resolution approving the Consolidated Plan Amendments 2019 Annual Action Plan.
2. Consolidated Plan Amendments 2019 Annual Action Plan
3. Local Policies and Procedures, including:
  - i. The Local Standard for Affordable Rents.
  - ii. The Civil Rights Policy.
  - iii. The Residential Antidisplacement and Relocation Assistance Plan.
  - iv. Notice of Nondiscrimination Policy.
4. CDBG and HOME Requests and Recommendations for all Planning Areas

The Board letter and all attachments are available online at:  
[www.marincounty.org/depts/cd/divisions/federal-grants](http://www.marincounty.org/depts/cd/divisions/federal-grants)