

SAN RAFAEL PLANNING AREA

PUBLIC HEARING

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

Monday, January 9, 2017
7:00 p.m.

San Rafael City Council Chambers
1400 5th Ave, San Rafael

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

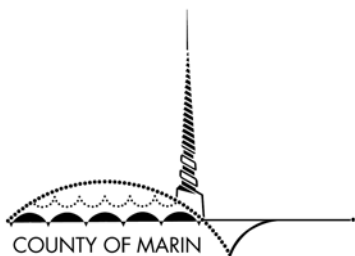
January 17	San Rafael Planning Area Housing funding San Rafael Chambers 1400 5 th Avenue, San Rafael	7:00 p.m. or later
February 2	Countywide Priority Setting Committee (CDBG Countywide Housing Projects, HOME Program Projects, and Ratification of CDBG Planning Area Recommendations) Marin Housing Authority, Garden Room 4020 Civic Center Drive, San Rafael	7:00 p.m.
February 14	Marin County Board of Supervisors Board of Supervisors Chambers Marin County Civic Center, Room 330 3501 Civic Center Drive, San Rafael	

If you have questions about the public hearing, please call Jared Stalling at (415) 473-6279 at the Marin County Community Development Agency. People using TTY devices may reach us at (415) 473-3232 (TTY) or through the California Relay Service at 711. All public meetings and events sponsored or conducted by the County of Marin are held in accessible sites. Requests for accommodations may be made by calling Roy Bateman at (415) 473-6698, (415) 473-3232 (TTY), or by e-mail: rbateman@marincounty.org, at least five business days in advance of the event. Copies of documents are available in alternative formats, upon request. Sign language interpretation and translation into languages

other than English are available upon request. Please call our office at (415) 473-6698, at least five business days in advance of the public hearing you want to attend, if you need language translation, a sign language interpreter, an assistive listening device, or other reasonable accommodation. In consideration of persons with environmental sensitivities, please do not wear perfume or other fragrances. Call Golden Gate Transit (415-455-2000, 711 TDD) for transit information.



The Consolidated Plan, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports, records regarding past use of Community Development Block Grant, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS Program funds, the Civil Rights Policy, the Residential Antidisplacement and Relocation Assistance Plan, the Nondiscrimination Policy, and program files are available for inspection at the Marin County Community Development Agency, 3501 Civic Center Drive, Room 308, San Rafael, California. Copies of documents are available in accessible formats upon request.



STAFF REPORT

TO: SAN RAFAEL LOCAL AREA COMMITTEE

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

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

DATE: Monday, January 9, 2017 7:00 PM

LOCATION: San Rafael City Council Chambers, 1400 5th Ave, San Rafael.

Summary:

Federal funding through the Community Development Block Grant Program (CDBG) provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at the Department of Housing and Urban Development (HUD). The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities for low- and moderate-income persons. Marin County is classified as an urban county which is divided into 6 planning areas. Each of the six planning areas is allocated a portion of the funding, based on the share of population from the most recent Census.

The recommendations from the Community Development Block Grant staff for funding public service projects in the San Rafael Planning Area included funding requests for \$441,139 and are summarized below. Based on last year's allocation, it is estimated that \$69,050 in public service funding could be spent in the San Rafael planning area. These recommendations will be considered at the San Rafael Planning Area public hearing on **Monday, January 9, 2017, at 7:00 p.m., at the San Rafael City Council Chambers, 1400 5th Ave, San Rafael.** Meetings are open to the public and testimony is welcome.

The hearing on CDBG housing and capital funding in the San Rafael Planning Area will be held by the San Rafael City Council on **Tuesday, January 24, 2017 at the San Rafael City Council Chambers, 1400 5th Ave, San Rafael.** San Rafael city staff will make recommendations for that hearing. Their recommendations will be posted at <http://www.cityofsanrafael.org/meetings/>.

The Countywide Priority Setting Committee Meeting is scheduled for **Thursday, February 2, 2017 at the Marin Housing Authority's Garden Room, 4020 Civic Center Drive, San Rafael.**

BACKGROUND:

Program Overview and Grant Amounts

The County advertised extensively and the application period for CDBG and HOME funds was open for 30 days in October and November 2016; application materials were available in English, Spanish and Vietnamese. 46 applications for housing, capital projects and public services were received from local housing and services providers. Under our current process, planning area public hearings are held in each of the six planning areas, followed by a Countywide Priority Setting Committee Meeting and a Board of Supervisors hearing. After this process, a funding application is prepared and submitted to HUD for the formula grant. Due to routine delays in the adoption of the federal budget, funding allocations will likely not be known prior to the County's filing deadline in May.

Marin's actual grant amounts are affected by changes in the overall program funding in the federal budget, and by changes in how Marin ranks in comparison with other grantees on demographic factors (population, poverty, overcrowded housing, etc.). In 2016-17 the total CDBG allocation was \$1,302,255, and the HOME allocation was \$578,379. Staff is currently projecting flat funding levels in both programs and will use these amounts in the funding recommendations.

To avoid the need for an additional hearing, staff recommends that if there is a change in the grant allocation, the grant amounts set at the local planning area hearings be subject to revision. At that time, staff would recalculate the amounts available for each planning area, and for each activity category. To the extent that cuts are needed or additional funds are available, staff would adjust the preliminary project grant amounts, so that the final funding amounts will be proportional to the amounts approved at the hearing. Where feasible, staff would then round numbers to the nearest hundred dollars. If additional funds are available, the adjustment would be limited so that no project receives more than the amount the sponsor requested.

Nationally, the most important long-term trend in the CDBG and HOME Programs has been the decline in funding. This year, staff is projecting no increases or decreases in the CDBG and HOME funding. However, as grants remain flat or decline, and personnel costs increase, we are likely to see a gap between actual administrative costs and the amount HUD allows for administration.

Locally, there has been an increasing emphasis on the extent to which members of the protected classes¹ are served by CDBG and HOME projects, and the quality of each project sponsor's affirmative marketing plan. As required by HUD, staff will also be focusing more on monitoring and measurable outcomes.

Spending Deadlines

HUD regulations stipulate that unspent funds should be taken and used in communities that can meet timely spending guidelines. HUD takes sanctions if, on the annual test date in late April, a community has unspent CDBG funds that exceed 1.5 times its

¹ Race, color, religion, national origin, sex, disability, and familial status are protected under federal fair housing laws.

annual CDBG grant amount. We are typically very close to the allowable limit of unspent funds. If the CDBG grant declines, the amount of unspent funds permitted also declines. Therefore, we should be careful to target CDBG funds to projects that are ready to proceed.

CDBG Administrative Expenses

CDBG regulations limit administrative expenses to 20% of available funds. Administrative, monitoring, and regulatory requirements from the federal government have been increasing. The program requires accountability and extensive recordkeeping. Changes in government accounting standards and local accounting systems require more complex work to assure the adherence to regulations. The CDBG program regulations allow us to spend 20% of available grant funds on administrative costs (including staff, rent, overhead, and office expenses). In that formula, available grant funds also include revenue (“program income”) received from past projects, such as repayments of loans made by the Rehabilitation Loan Program and payments in conjunction with the sale of properties that were purchased or improved with CDBG funds. Because the CDBG program is operated by the County, the County is solely responsible for the risk that administrative costs may exceed the grant’s allowance for administration.

One way to reduce the administrative workload is to reduce the number of projects. Reducing the number of projects would allow funds to be more impactful while also reducing the volume of project contracts, project monitoring reports, invoice processing, and accounting so that our workload can better match our staffing level. Over the last 10 years, the number of CDBG projects funded each year has fluctuated between 30 and 52 projects per year. It may not be sustainable to continue to fund at this level. Therefore, to align with HUD and local goals, staff is recommending that we reduce the number of projects in the 2017-18 program year.

Local Funding Priorities

At their meeting on August 18, 2016, the Priority Setting Committee (PSC) established local funding priorities, discussed below, which will be used by staff in evaluating applications and making funding recommendations.

Affirmatively Furthering Fair Housing:

In recent years, Marin County has received criticism for its lack of affordable housing as well as significant gaps in the availability of affordable housing for members of the protected classes. In 2011, the County submitted an Analysis of Impediments to Fair Housing Choice (AI) to HUD which identified 37 specific barriers to fair housing choice. While many of the items have been addressed, several goals are still outstanding. Federal grants funding will be used in a manner consistent with supporting the goals of furthering fair housing choice in Marin County. This would align with recommendation 4 from the Implementation Plan of the Analysis of Impediments:

Make fair housing and equal opportunity criteria a more visible and comprehensive part of the Community Development Block Grant (CDBG) and HOME Program project selection process by screening all CDBG and HOME applications for compliance with

fair housing and equal opportunity criteria and including an analysis of equal opportunity impact in staff reports recommending projects for funding.

In the 2017-18 cycle and beyond, projects which are aligned with Fair Housing goals that have been laid out in the Consolidated Plan and the Assessment for Fair Housing will be prioritized. Addressing the fair housing concerns in Marin County will require a consolidated effort on behalf of County staff, Board of Supervisors, Cities and Towns and Priority Setting Committee members. One of the first steps is to align our federal funding sources with these fair housing plans and educate and communicate our strategy and goals to our partners to create a more unified effort. An example of this would be considering recommendation 16 from the Implementation Plan of the Analysis of Impediments when funding affordable housing developments:

Encourage and facilitate the development of more subsidized and affordable housing for families with children outside areas of minority concentration. Consider acquisition and shared housing. Screen and prioritize applications for CDBG and HOME funds for housing projects that will serve families and are located outside areas of minority concentration.

Supporting projects that serve members of the protected classes:

The PSC also opted that during the 2017-18 cycle projects that serve members of the protected classes will be prioritized. The application could require that data be provided which would specifically identify how and what members of the protected classes are being served and this data will be used in making funding recommendations and in evaluating whether projects predominantly serve members of the protected classes.

All funded projects will be required to affirmatively market their services. In this context it means to promote fair housing and to empower and give special assistance to groups that have historically been disadvantaged. It is simply not enough to not discriminate; we must also take assertive steps aimed at reversing historical trends and discriminatory patterns. The affirmative marketing plans are one part of that effort. The purpose of the affirmative marketing plan requirement is to promote a condition in which individuals of similar income levels in the same area have available to them a like range of choices in housing and services regardless of their race, religion, color, national origin, sex, disability or familial status. Through an affirmative marketing plan, a provider indicates what special efforts they will make to reach out to potential applicants who might not normally seek housing or services. This requires that the provider study the market area, learn the target population and design methods to reach out to the target population. Affirmative marketing does not limit choices; it expands choices by actively seeking to reverse the patterns of the past and truly provide for open and fair access to housing and services where the individual is free to live, work and recreate where they choose. Affirmative marketing does not include specific goals or quotas. However, quantitative data and analysis are essential to planning and monitoring affirmative marketing program effectiveness.

Prioritizing fewer applications:

HUD requested that Marin reconsider the numerous small allocations that have been made and consider funding fewer projects. More funds could be directed to larger projects that address a priority as established the Priority Setting Committee. This recommendation was based on multiple conversations with the HUD office on ways to utilize our funds in the most efficient and effective way possible. Most recently this included comments on the 2016 Consolidated Plan Amendments requesting that we consider funding larger projects. Larger projects were identified by HUD as \$10,000 per project; however a dollar amount was not this established by the POSC and could be reconsidered at the local level in the future.

Funding fewer housing projects per year:

The PSC also recommended that one or two housing projects that are prepared and ready to utilize funds be prioritized. Funding fewer projects per year could allow more substantial funding commitments instead of funding many projects for multiple years. Funding in larger amounts may assist housing projects meet a more timely completion schedule. However, this may not always be feasible due to the lengthy approval processes common in Marin and HUD's strict timely spending requirements.

Funding Recommendations for San Rafael Planning Area Public Service Projects

The CDBG regulations allow up to 15% of the grant and program income to be used for a wide range of public service activities, including but not limited to:

- Employment services (e.g., job training);
- Child care;
- Health services;
- Fair housing counseling;
- Education programs;
- Energy conservation;
- Services for senior citizens;
- Services for homeless persons;
- Recreational services.

The staff recommendations for the use of CDBG San Rafael Planning Area public service funds are summarized on page 6; including a list of all the applications received and the amount staff recommends for each project. Following the summary is a more detailed description, evaluation and recommendation of each application (applications are included as Attachment 1). In staff's review, federal guidelines were used as the minimum threshold for eligibility. For all proposals, staff evaluated the proposals based on the local priorities established by the Priority Setting Committee and using evaluation criteria include in Attachment 2.

These are recommendations for public services only; the San Rafael City Council will hold a public hearing on January 24, 2017 on the use of CDBG San Rafael Planning Area capital and housing funds. San Rafael City staff will make recommendations for the use of those funds.

PROJECT #	PROJECT NAME	PROJECT SPONSOR	APPLICANT'S REQUEST	APPLICANT'S REQUEST / Planning %	Recommended New Funds
CS-1	CodeForward Academy Life Skills	Ethan Berry, INC. Nonprofit (EBI)	\$340,000	\$134,028	
CS-2	Legal Services	Family & Children's Law Center	\$28,000	\$11,038	
CS-3	Marin Brain Injury Network Services	Schurig Center	\$30,000	\$11,826	
	Public Services subtotal		\$398,000	\$156,892	\$0

PROJECT #	PROJECT NAME	PROJECT SPONSOR		APPLICANT'S REQUEST	Recommended New Funds
SS-1	Housing Locator Services	St. Vincent De Paul		\$211,000	\$26,550
SS-2	UPI Institute	Canal Alliance		\$15,000	\$7,000
SS-3	Performing Stars	Performing Stars of Marin		\$20,000	
SS-4	Pickleweed Children's Center	City of San Rafael		\$70,802	\$20,000
SS-5	Senior Access Scholarships	Senior Access		\$31,473	\$8,000
SS-6	Words in Action	Bay Area SCORES		\$50,000	
SS-7	RotaCare Clinic	RotaCare Bay Area		\$20,000	\$7,500
SS-8	Fifty Plus Employment Program	YWCA San Francisco & Marin		\$23,475	
	Public Services Total			\$441,750	\$69,050

PUBLIC SERVICE PROJECTS

Eleven public service applications totaling \$441,750 were received in the San Rafael Planning Area; it is estimated that \$69,050 will be available. Staff is recommending five public service projects for funding this year, including one new project that has not applied in the past. The projects recommended for funding are highlighted in gray.

- 1. *Housing Locator Services (St Vincent De Paul)*:** The funding requested will be used to fund a case manager and landlord outreach specialist to offer housing locating assistance to homeless and at risk families and individuals which will be augmented by using their existing resources for security deposits and first months rent. Other services offered include a food bank/soup kitchen which employs various part-time staff and volunteers. The administrative staff is very experienced within the organization and has a long history working with homeless individuals and service providers. St Vincent De Paul has a controller that handles all of their financial management. One of the most prepared agencies interviewed in the San Rafael planning area complete with in-house accounting and knowledgeable staff familiar with federal reporting and spending guidelines. Although their request was for a significantly larger sum, staff is recommending funding to support this program with the intention that they use it to leverage other funds.
- 2. *University Prep Institute (Canal Alliance)*:** Canal Alliance's University Prep Program (formerly known as the Middle School Program) supports youth academically, emotionally, and socially. The program starts with middle school youth, including many who are immigrants or children of immigrants, and whose first language is Spanish, and continues through high school. The program identifies students who are academic underachievers with C or D averages, and helps to prepare them for higher education. The program provides tutoring in core subjects, advice on the college admissions process, counseling to create a financial plan for college, and mentoring in problem-solving and social-emotional skills. Family engagement is an important component of the program. Racial minorities are under-represented among the beneficiaries of this program and if funded they will be required to do affirmative marketing, but Hispanic students, for whom the program is designed, are very well-represented. Staff recommends that this program receive funding.
- 3. *Performing Stars (Performing Stars of Marin)*:** Performing Stars of Marin is dedicated to building the self-esteem of low income children through activities in the performing, visual, and literary arts as well as providing access to summer day camp programs and field trips. Racial minorities are very well represented among the beneficiaries of this program. Hispanics are very well represented compared to their proportion of the Marin population. Although this program is based in Marin City, it has a history of outreach to the Canal neighborhood in San Rafael, which has a large Hispanic concentration. Although this is clearly a valuable program, staff is not recommending funding in the San Rafael Planning Area at this time.
- 4. *Pickleweed Children's Center (City of San Rafael)*:** The City of San Rafael operates a preschool program at the Pickleweed Children's Center, in coordination with the nearby Bahia Vista School. The Center serves low-income 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 from August to June, with morning and afternoon sessions for different groups of preschooler age children. The program currently serves 48 pre-kindergartners in separate morning and afternoon programs. Racial minorities are under-represented, but Hispanics are very well represented. Staff recommends funding for critical child care services.

5. **Senior Access Scholarships (Senior Access):** Senior Access benefits frail elderly people and adults with disabilities, who, because of their memory loss, are unable to gain access to and utilize existing community resources designed for the more independent elderly. This day program includes expressive arts, word games, exercise, and field trips. The program also provides respite, support, and counseling for family members who serve as caregivers. Racial and ethnic minorities are under-represented among the beneficiaries of this program, if funded they will be required to do affirmative marketing. Staff recommends CDBG funds for scholarships for individuals with disabilities and who have incomes substantially below the CDBG income limits.
6. **Words in Action (Bay Area SCORES):** Words in Action is an after school program for children 6-13 years old sponsored by Bay Area Scores, a youth oriented soccer program for children from low-income households that cannot afford afterschool recreation activities for their children. In conjunction with the Bay Area Scores soccer program they have integrated a creative writing element called Words in Action. Words in Action uses a curriculum based literature program that develops children's literacy skills through poetry and creative writing. Words In Action/Bay Area Scores is currently at 6 area elementary and middle schools in San Rafael and hoping to expand. Words in Action/Bay Area Scores in San Rafael is a pilot program with the hopes that \$50,000 in CDBG funding amount will help provide the support needed to become a permanent fixture in the community. Bay Area Scores is a larger service provider with multiple locations throughout the Bay Area. Due to their size they have an excellent organizational structure and administration. Difficulties arise in their affirmative marketing plan, in that they only appeal directly to public schools and little to the community at-large. Funding is not recommended at this time, although they are a new applicant, this significant grant request (\$50,000) in conjunction with the fact that they are a pilot program makes it a difficult choice when stacked against other applicants providing similar services.
7. **RotaCare Clinic (RotaCare Bay Area):** RotaCare Bay Area is a clinic located in downtown San Rafael for very low and extremely low income individuals. The RotaCare clinic has been in operation for 21 years and is operates similar to many primary care physician clinics. RotaCare Clinic provides very low-cost medical care to various extremely-low, very-low, and low income residents of Marin County. Their funding request of \$20,000 is primarily for their transitional care program and pharmacy with remaining amounts going towards their marketing campaign. There are three part time medical care providers' on-staff. The clinic operates primarily through volunteer efforts with roughly 65% of their assistance coming in the form of volunteers. The RotaCare clinic serves a large number of Hispanic individuals and families. If funded they would need to develop an affirmative marketing strategy. Staff recommends funding for these needed medical services which fills a gap for people who fall though the gaps and may not be eligible for other medical services.

8. YWCA FiftyPlus Employment Program

The YWCA FiftyPlus Employment program is a program centered on job training and employment opportunities for women aged 50 and older. The FiftyPlus program is the first and only program in Marin County of offer employment services for women 50 and over. The program has been in effect for 11 years and has helped place hundreds of women in jobs throughout Marin County. The funding request for the FiftyPlus Employment program is \$46,950.00 to cover an increase in one-on-one support for clients. The positions needed to provide this increase in service are a Client Employment Specialist and Administrative Assistant, all of whom dedicated to one-on-one employment support for the women of the program. The program currently does not have any partnerships with employment agencies but has maintained a strong presence with temp agencies and smaller businesses which they then share with the women of their program. The FiftyPlus Employment program is a well-run program but is a relatively low-priority item when compared against other area applicants. The services offered through the YWCA program can be found through various agencies in Marin County and neighboring counties. Staff does not recommend funding for this program for the 2017-18 Fiscal Year.

Countywide Organizations – requesting a prorated share of public service funds

9. ***Code Forward Academy Life Skills (Ethan Berry INC.):***
The scope of the funding request, exceeded the available public services funds in all planning areas and although the program is are important, staff is not recommending funding at this time.

10. ***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. Although legal services are important, staff is not recommending funding at this time.

11. ***Marin Brain Injury Network (Brain Injury Network of the Bay Area):*** The Brain Injury Network of the Bay Area (formerly known as the Marin Brain Injury Network) offers services and support groups for people with traumatic head injuries. Their services include day treatment, which provides cognitive and vocational rehabilitation for their brain injured clients. In 1997, the Network received certification from the California Department of Rehabilitation, which has reimbursed the Network for some of the services it provides. Racial minorities and Hispanics are under-represented among the beneficiaries of this program. These services are appreciated; however, staff is not recommended funding at this time, due to the large amount of funding requests and limited resources.

Attachments:

1. Applications received for the San Rafael Planning Area Public Services
2. Evaluation Criteria