



COMMUNITY DEVELOPMENT AGENCY
HOUSING AND FEDERAL GRANTS DIVISION

May 12, 2020

Brian C. Crawford
DIRECTOR

Marin County Board of Supervisors
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SUBJECT: Consolidated Plan Amendment to the 2019 Annual Action Plan and Consolidated Plan for Federal Fiscal Years 2020-2024 (including Budgets for the Community Development Block Grant Program (CDBG), and the HOME Investment Partnerships Program (HOME)).

Dear Board Members,

Building and Safety
Environmental Health Services
Planning
Environmental Review
Housing
Sustainability
Code Enforcement
GIS
Federal Grants

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RECOMMENDATIONS:

1. Hold a public hearing on May 12, 2020, for comment on:
 - A. Marin County's housing and community development needs and performance addressing these needs.
 - B. The Consolidated Plan Amendment to the 2019 Annual Action Plan, including proposed activity and budget changes to accommodate additional CDBG-CV funding allocated by the CARES Act.
 - C. The Consolidated Plan for Federal Fiscal Years 2020-2024, including local Policies and Procedures, proposed activities, and budget recommendations for Federal Fiscal Year 2020 funding from CDBG and HOME.
 - D. The proposed reprogramming of past years' CDBG funds to new activities and the proposed use of CDBG and HOME program income included in the Consolidated Plan.
2. Following public testimony, approve:
 - A. Consolidated Plan Amendment to the 2019 Annual Action Plan and the 2020-2024 Consolidated Plan and related documents, in substantially the form attached, including the items listed above, and authorize any budget changes necessary to implement these actions.
 - B. 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 to the 2019 Annual Action Plan and the 2020-2024 Consolidated Plan and to provide such corrections or additional information as HUD may require.

3. Announce that copies of the Consolidated Plan Amendment to the 2019 Annual Action Plan, 2020-2024 Consolidated Plan and related documents, records regarding past use of CDBG and HOME funds, and local Policies and Procedures are available for inspection at the Community Development Agency.

SUMMARY:

The Consolidated Plan and accompanying Annual Action Plan guide the distribution of funding and serve as the grant application to HUD for formula funding from the CDBG and HOME programs. These federally funded programs of HUD provide resources for housing, community facilities, and services for low income households.

In response to COVID-19, HUD has received \$5 billion in additional Community Development Block Grant Program (CDBG-CV) funding to appropriate to state and local governments. These funds are made available through the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) which was signed into law on March 27, 2020. To accommodate the additional funding available through CDBG-CV, the County must amend the 2019 Annual Action Plan approved by the Board of Supervisors on May 7, 2019.

In addition, to access federal resources provided through CDBG and HOME’s annual entitlement allocation, Marin’s fifth Consolidated Plan, which covered Fiscal Years 2015-2019, needs to be replaced with a new Consolidated Plan.

Both the Consolidated Plan Amendment to the 2019 Annual Action Plan and the 2020-2024 Consolidated Plan are prepared in HUD’s Integrated Disbursements & Information System, using their required format.

DISCUSSION:

Consolidated Plan Amendment to the 2019 Annual Action Plan (CARES Act funds)

HUD announced the allocations of the first \$2 billion in CARES Act funding for current CDBG grantees. The CARES Act builds on features of the existing CDBG program as well as precedent set by CDBG Disaster Response (CDBG-DR) supplemental appropriations. The Act directs HUD to administer these funds pursuant to Section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306). This provision calls for HUD to allocate the supplemental funds to CDBG grantees—including eligible local governments, states, and insular areas—proportional to their conventional Fiscal Year 2020 CDBG allocation, as published by HUD in April 2020.

CARES CDBG-CV funding is intended to prevent, prepare for, and respond to impacts of the coronavirus based on public health needs, risk of transmission of coronavirus, number of coronavirus cases compared to the national average, and economic and housing market disruptions. The remaining funds will be distributed to states and units of local government on a rolling basis, at the discretion of the Secretary of the U.S. Department of Housing and Urban Development, with formula factors to be defined by HUD.

The County was awarded \$938,065 in CDBG-CV funds and is proposing to allocate these funds across county jurisdictions relying upon the standard calculations that are used to distribute the annual CDBG funding. These funds are additional dollars and will not impact the 2019-2020 or 2020-2021 recommendations for CDBG.

The CARES Act permits HUD to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the CDBG-CV funds, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment. To this end, HUD has waived the 15% cap on public service dollars for the CDBG-CV funds, allowing for more flexibility in directly serving low- to moderate-income residents. Proposed changes to the 2019 Annual Action Plan related to the CDBG-CV funds are detailed in Attachment 2.

Needs Assessment and County Safety-Net Funding

Staff worked with the Emergency Operations Center (EOC) to determine the greatest needs for our low-income communities in this time of crisis. EOC staff have been conducting an ongoing needs assessment in the County's low-income communities in coordination with various nonprofit organizations and found that the greatest needs are subsistence payments for low income households, also defined as emergency rental assistance payments.

On March 24, 2020, The Board of Supervisors created a \$1 million Safety Net COVID-19 Response Fund to support safety-net response efforts to address major issues related to the community impacts of the COVID-19 response, including emergency rental assistance for low-income residents. This fund was supported by a \$500,000 grant from the Marin Community Foundation (MCF) and \$500,000 from the County's General Fund. These grant funds were quickly expended, and the Board of Supervisors made an additional allocation on April 21, 2020. However, the need for additional resources remains extensive.

Federal Funding Recommended

Staff recommends the allocation of \$938,065 in federal funding provided through CDBG-CV towards subsistence payments for people across Marin County who are housed and at risk of homelessness due to the COVID-19 pandemic. The distribution of funds throughout the County will use the established Planning Areas used by the CDBG program. This distributes CDBG funding across three (3) Planning Areas Novato, San Rafael, and the remainder of the County (County Other). The percentage of funding to each Planning Area is based on HUD's distribution formula which looks at the latest available countywide data on population, the extent of poverty, and the extent of housing overcrowding, with the provision that the extent of poverty be counted twice. Using this model, the funds will be allocated to nonprofits serving residents in the following manner:

- County Other Planning Area - \$346,145.99
- Novato Planning Area - \$222,133.79
- San Rafael Planning Area - \$369,785.22

The use of CDBG-CV funding for subsistence payments 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. The proposed funding allocations are detailed in Attachment 3.

2020-2024 Consolidated Plan

The 2020-2024 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, 2020 is the beginning of the first year covered by the Consolidated Plan. The attached proposed five-year Consolidated Plan includes an analysis of needs and statements of goals and policies covering federal Fiscal Years 2020-2024, as well as budgets (the "Annual Action Plan" component) for the use of \$1,594,625 in federal Fiscal Year 2020 CDBG funds and \$808,057 in federal Fiscal Year 2020 HOME funds. 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. This year's funding is projected to increase slightly from the prior fiscal year funding levels.

The attached Consolidated Plan strategies and priorities have 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.

The CDBG and HOME budget information in the Consolidated Plan for Fiscal Year 2020 expenditures was developed following four public hearings held in the Planning Areas—one hearing held by the Novato City Council on April 14, 2020; two hearings held by the San Rafael City Council on March 23, 2020 and April 6, 2020; and one hearing held by the PSC on May 7, 2020.

Consolidated Plan Process

The Consolidated Plan is a five (5) year strategic plan that identifies goals for federal funding programs provided through HUD, including the Community Development Block Grant program (CDBG) and the HOME Investment Partnerships Program (HOME). The Consolidated Plan provides a framework for identifying priorities and programs to address affordable housing, community development needs, and public services for extremely low- up to moderate-income families, persons with disabilities, seniors, and youth.

Understanding the needs of a community is critical to planning the use of federal grant funds. As part of the 2020-24 Consolidated Planning process, staff engaged the community using various methods to gather information about housing, community spaces and infrastructure, and public service needs in Marin. In addition, staff

reached out to other jurisdictions implementing federal grant programs to learn smart practices to improve impact and effectiveness of Marin County's federal grants program.

Over the course of six (6) months County staff engaged the community in four ways: a community survey, service provider survey, community meetings, and interviews. The community survey was available online and in paper form in English, Spanish, and Vietnamese. An overview of the community engagement findings for the 2020-24 Consolidated Plan can be accessed in Attachment 4.

The recommended goals for the 2020-24 Consolidated Plan are informed by the findings of this community engagement process include the following priorities:

Housing

- Rental Housing – Acquisition, New Construction, and Rehabilitation
- Homeowner Housing – Acquisition, New Construction, and Rehabilitation
- Down Payment Assistance for First-time Homebuyers
- Special Needs Housing

The on-going Voluntary Compliance Agreement with HUD requires the County to prioritize family housing outside areas of minority concentration.

The Analysis of Impediments to Fair Housing Choice (Analysis of Impediments), approved by the Board of Supervisors on February 11, 2020, establishes a priority for applications proposing a land trust model in eastern Marin that provides home ownership opportunities, with specific inclusion for African Americans.

Community Infrastructure and Capital Projects

- Accessibility Improvements
- Community Facilities
- Homeless Shelters

Public Services

- Basic Health Services
- Children, Youth, and Parent Support Services
- Domestic Violence Services
- Education and Job Training
- Food Security
- Housing Support Services
- Legal Services
- Economic Development Assistance for Business including Microenterprise
- Senior Services
- Subsistence Payments

Federal Grant Program Enhancements

Through the Consolidated Plan outreach process County staff interviewed several neighboring jurisdictions that administer federal grant programs and numerous nonprofit service organizations. These interviews were designed to identify practices for increasing impact and effectiveness of funding allocations and address common issues that arise in the implementation of CDBG programs. Two common themes

arose from these conversations that informed two (2) program enhancements. Those enhancements approved by the PSC are:

1. Increase minimum grant size to \$15K per year.
2. Conduct application cycles every 2 years.

These two enhancements increase impact of funded organizations and enables nonprofit partners to better plan their programs.

While applications are only received every two years, funding allocations must be approved annually based on the past performance of the project and expected funding allocated by HUD.

Project Evaluation Guidelines

All project applications are evaluated based on their ability to meet HUD's national objectives, the PSC's enhanced thresholds for evaluating projects, and standard project evaluation criteria as follows:

National Objectives Thresholds:

- Benefit low- and moderate- income persons,
- Prevent or eliminate blight, or
- Meet other community development needs for low- and moderate-income persons.

PSC Enhanced Thresholds:

- Support projects that Affirmatively Further Fair Housing and have the commitment and capacity to engage in Affirmative Marketing.
- Prioritize projects that serve members of the protected classes as defined by HUD.
- Prioritize projects that serve low-income persons.

Project Evaluation Criteria:

- Readiness—can awarded funds be completely expended during the grant year?
- Sustainability—does the organization have capacity to sustain a project or program beyond this federal funding period?
- Effectiveness and Accountability—does the organization have the capacity and track record to effectively conduct the project and administer federal funds?
- Prioritize greatest impact.

In addition to the criteria set forth by HUD, through the Consolidated Plan and Analysis of Impediments process, the Countywide Priority Setting Committee established priorities for funding CDBG and HOME housing projects:

- Family Housing
- Land trust model in eastern Marin that provides home ownership opportunities. (Eastern Marin in this case is defined as all of the areas of Marin, except for West Marin)

The PSC also established the following priorities for CDBG funds allocated to public service projects during Fiscal Year 2020:

- Basic Health Services - includes services that prevent or treat medical conditions for individuals who are un-insured, under-insured, or people with low-incomes who cannot afford their deductible. Programs and services include but are not limited to preventative health such as immunizations, well-childcare from birth, periodic health evaluations for adults, voluntary family planning services, children's eye and ear examinations conducted to determine the need for vision and hearing correction, and hygiene services. Services may also include medically necessary emergency health care, inpatient and outpatient treatment, diagnostic laboratory and diagnostic and therapeutic radiologic services, and provision of prescription drugs.
- Children, Youth, and Parent Support Services - includes services that address disparities in access to early childhood education and high costs of childcare countywide by targeting low-income families. Programs and services include but are not limited to supporting childcare scholarships, student extracurricular activities, parent engagement and training, therapeutic services, teacher salaries, transportation, and home visitations.
- Housing Support Services - includes services that assist individuals in accessing stable housing, prevent discrimination in housing choice, and aid renters in maintaining stable housing. Programs and services include but are not limited to fair housing counseling, legal support, housing locators, down payment, and rental assistance.

CDBG and HOME funding requests for Fiscal Year 2020-21 far exceeded the anticipated funding available from HUD. The expected entitlement from HUD for Marin County is estimated to be just over \$2.4 million as compared to over \$6 million in funding requests received from 48 applications covering both CDBG and HOME programs. This total funding request is nearly \$1 million more than the previous years. The public service funding category, which is always very competitive, received 26 requests-three 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. Due to COVID-19, these meetings were held virtually in order to facilitate public comment of organizations and individuals advocating for projects and providing input on the Consolidated Plan.

Recommended Funding

The funding recommendations before the Board are consistent with the considerations and direction from the Novato and San Rafael City Councils as well as the PSC.

For the 2020-21 funding period, the PSC recommends a funding package that includes administration and support for 26 CDBG projects with \$1,754,139 in combined new entitlement funds, reprogrammed funds, and program income; and administration and support for two HOME projects with \$880,680 in combined new entitlement funds and program income.

FISCAL/STAFFING IMPACT:

Acceptance of these awards has no impact on the General Fund and Net County Cost. However, the County is not receiving administrative funds from the CDBG-CV allocation. All CDBG-CV funds are being allocated for direct subsistence payments. Consistent with federal CDBG and HOME regulations, the County is providing grant funds to sub-recipients to implement the sub-recipients' public benefit projects.

CDBG-CV grants will be held in Fund 1010, Org Code 10155132 (HUD CDBG), project 40COVIDHUD, and will increase revenue and expenditure appropriations in this fund by \$938,065.

CDBG and HOME grants will be held in HUD Fund 2970 and Fund 2770, respectively, Program 5130 CDA Federal Grants until the 2020-21 fiscal year begins, at which time the funds will be transferred to Org Code 29755132 (HUD CDBG), and Org Code 27755133 (HUD HOME Program).

For all funding recommendations approved as part of the Consolidated Plan Amendment to the 2019 Annual Action Plan and 2020-2024 Consolidated 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 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 to the 2019 Annual Action Plan and the 2020-2024 Consolidated Plan.
2. Draft Consolidated Plan Amendment to the 2019 Annual Action Plan.
3. Proposed CDBG-CV Funding Allocations.
4. 2020-24 Consolidated Plan Outreach Findings.
5. 2020-24 Draft Consolidated Plan.
6. CDBG and HOME Requests and Recommendations for all Planning Areas
7. Local Policies and Procedures:
 - 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.

The Board letter and all attachments are available online at:

www.marincounty.org/federalgrants