

RICHARDSON BAY PLANNING AREA

PUBLIC HEARING

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

Wednesday, March 6, 2013

7:00 p.m.

Marguerita C. Johnson Senior Center, Multipurpose Room
640 Drake Avenue, Marin City

A G E N D A

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

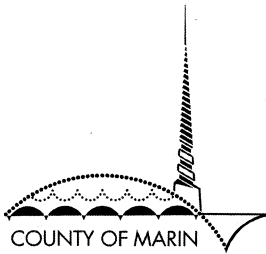
Future Hearings

March 21	Countywide Priority Setting Committee (CDBG Countywide Housing Projects, HOME Program Projects, and Ratification of CDBG Planning Area Recommendations) Board of Supervisors Chambers Marin County Civic Center, Room 330 3501 Civic Center Drive, San Rafael	7:00 p.m.
May 7	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 hearing, please call Roy Bateman at 473-6698 at the Marin County Community Development Agency. People using TTY devices may reach us at 473-3232 (TTY) 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 upon request. Please call our office at 473-6279, at least three 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. Call Golden Gate Transit (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, 899 Northgate Drive, Room 408, San Rafael, California. Copies of documents are available in accessible formats upon request.



STAFF REPORT

TO: RICHARDSON BAY LOCAL AREA COMMITTEE

FROM: Roy Bateman *Roy Bateman*

SUBJECT: Recommendations for Funding 2013-14
Community Development Block Grant (CDBG) Proposals

DATE: February 27, 2013

The recommendations from Community Development Block Grant staff for funding projects in the Richardson Bay Planning Area are listed below. These recommendations will be presented and considered at the Richardson Bay Area public hearing on Wednesday, March 6, 2013, at 7:00 p.m., at the Marguerita C. Johnson Senior Center, Multipurpose Room, 640 Drake Avenue, Marin City.

Federal Sequestration

The Budget Control Act of 2011 requires across-the-board cuts in federal discretionary programs unless Congress is able to agree on an alternative plan. If Congress did nothing, sequestration of funding for federal discretionary programs was expected to result in an 8% cut in CDBG and HOME as of January 1, 2013. H.R. 8, approved by the House of Representatives on January 1, delayed the sequestration until March 1, giving Congress more time to agree on an alternative to the pre-determined "fiscal cliff." Depending on whether Congress can come to an agreement, which programs Congress decides to shield from cuts, whether additional revenues are planned, and how much the deficit is allowed to grow, this could result in no cuts to CDBG and HOME, or cuts below or above 8%.

Because of the federal budget impasse, HUD has not been able to provide us with estimates of our grant amounts for the 2013-14 program year. However, there is a substantial possibility that automatic sequestration will be triggered on March 1, resulting in an 8% reduction in funding for CDBG and HOME. If Congress is able to agree on an alternative to sequestration, the impact on CDBG and HOME might be positive or negative. For example, Congress might agree to exempt the military from budget cuts, but make deeper cuts in "non-defense discretionary programs," such as CDBG and HOME, in order to balance the budget. Last year, Marin received a \$1,166,041 CDBG allocation and a \$595,350 HOME allocation. Our best estimate is that Marin

County's CDBG and HOME grant allocations for the 2013-14 program year will be 8% lower than last year, resulting in an estimated CDBG grant of \$1,072,758 and an estimated HOME grant of \$547,722. Recommendations in this staff report are based on these estimates.

Trends in the CDBG and HOME Programs

Nationally, the most important trend in the CDBG and HOME Programs is the decline in funding. Less money means less impact, and unless other funding sources fill the gap, it means fewer and/or smaller projects. Along with the decline in grant allocations, the amount that HUD allows for administrative expenses has also been shrinking. The amount HUD allows for administration is no longer enough to cover the County's CDBG administrative costs.

Meanwhile, HUD is requiring increased documentation for our projects, partly because Congress is divided on whether CDBG and HOME are worthy of support, and partly because it's easy to add additional data fields to HUD's computer system. HUD is increasingly using its computer system as a management and monitoring tool, making it increasingly risky to fund projects that might not quickly generate beneficiary statistics. The increased emphasis on accountability creates disincentives for risk-taking. In a system where HUD demands repayment of funds advanced for projects that fail, it becomes riskier to fund an inexperienced project sponsor or to provide the first dollars for a great new idea.

Locally, there has been an increasing emphasis on the extent to which racial and ethnic minorities are served by potential projects, and the quality of each project sponsor's affirmative marketing plan. (Affirmative marketing is a process by which an organization determines which racial and ethnic groups are least likely to apply for its services, followed by targeted marketing efforts to reach those "least likely to apply" groups.)

Spending Deadlines

The ability to spend funds quickly has become increasingly important. Under pressure from Congress, HUD is becoming more aggressive about taking CDBG funds away from communities that can't spend them fast enough. HUD takes sanctions if, on the annual test date in late April, a community has unspent CDBG funds that exceed 1.5 times its annual CDBG grant amount. We are typically very close to the allowable limit of unspent funds. As our CDBG grant declines, the amount of unspent funds we are permitted to hold also declines. Therefore, we should be careful to target CDBG funds to projects that are ready to proceed.

Administrative Expenses Likely to Exceed Limit

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 list below shows the trend in the percentage of CDBG funds spent for administration in recent years:

Fiscal Year	Percentage of CDBG Funds Spent for Administration
1999-2000	12.97%
2000-01	15.86%
2001-02	17.57%
2002-03	13.21%
2003-04	11.09%
2004-05	13.09%
2005-06	15.13%
2006-07	16.62%
2007-08	19.50%
2008-09	16.74%
2009-10	19.87%
2010-11	20.00%*
2011-12	18.74%

*The 2010-2011 entry includes \$65,500 booked as an unliquidated obligation for accrued liability for future retiree health benefits, which has the effect of reducing our administrative percentage in the future.

Administrative, monitoring, and regulatory requirements from the federal government have been increasing. Congress wants greater accountability and more recordkeeping, and as HUD enhances its computer system, we are asked to feed that system more information. 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 need to contribute our share of the cost to build a reserve for retiree health benefits. The CDBG Program has cut staff hours, reducing staff from 3 to 2.4 FTE, which has reduced costs but did not affect 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.

There are certain fixed costs of basic HUD compliance, reporting, and monitoring of past projects. There are no indications that Congress or HUD will reduce the administrative requirements they impose on localities. There are also variable costs for contract administration, reporting, invoice processing, and accounting, which are largely dependent on the number and complexity of projects we fund.

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.

We expect that the CDBG grant's allowance for administration will not cover the full cost of CDBG administration this year. Because the program income component of the formula varies from year to year, it is difficult to predict the administrative shortfall. We expect that the range will be somewhere between \$3,000 and \$49,000, with the most likely value approximately \$33,000. Because the CDBG program is operated by the County, the County is solely responsible for this financial exposure and would have to absorb any excess expenses.

Reducing the Overall Number of Projects

Over the last 12 years, the number of CDBG projects funded each year has fluctuated between 36 and 52 projects per year. Last year, Marin funded 30 CDBG projects.

This did not shrink administrative expenses to the point where they could be covered by the administrative allowance provided by the grant. Administrative costs are not strictly proportional to the number of projects, partly because there is a fixed cost for meeting HUD planning and reporting requirements. In order to bring actual CDBG administrative costs in balance with the administration allowance provided by the CDBG grant, we may have to reduce the number of projects again.

At its February 16, 2012 meeting, the CDBG Countywide Priority Setting Committee set a goal of reducing the number of CDBG projects from 38 to 27, instructed County staff to make all reasonable efforts in its budget recommendations to achieve that goal, and asked all Planning Areas to join in this difficult process.

Recommendations for Richardson Bay

The staff recommendations for the use of CDBG Richardson Bay Planning Area funds are shown in the table on page 8.

Because of the uncertainty about the federal budget, we should expect that the final Marin County grant amount will vary from our estimate, and that would impact the Richardson Bay CDBG allocation. To avoid the need for an additional hearing, staff recommends that the grant amounts set at the Richardson Bay Local Area Hearing be subject to revision when HUD announces the County's CDBG allocation. At that time, staff would recalculate the amounts available for each planning area, and 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 Richardson Bay 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.

The table on page 8 lists all the applications received and the amount staff recommends for each project, as well as some additional information about the equal opportunity impact of each proposal. In view of the commitments the County has made in the Implementation Plan for its

Analysis of Impediments to Fair Housing Choice, we are including information about the extent to which racial and ethnic minorities are being served by potential projects, and ratings of each applicant's affirmative marketing plans. Affirmative marketing is a process by which an organization analyzes which racial and ethnic groups are least likely to apply for its services, followed by targeted marketing efforts to reach those "least likely to apply" groups. (Please note that federal guidelines recognize Hispanic status as an ethnicity, not as a race.)

For projects which have previously received CDBG funding, we have included the percentage of clients who are racial minorities and the percentage of clients who are Hispanic, based on reports that have been previously filed by the sponsors. For new proposals, not previously funded by CDBG, we did not report this information, and have noted "new" in the data columns.

For all proposals, we have included a staff evaluation of the sponsor's answer to the affirmative marketing question on the CDBG application. An "A" grade indicates that the applicant analyzed which racial and ethnic groups are least likely to apply for its project, and clearly stated how they would market their project specifically to the "least likely to apply" groups. A "B" grade indicates that the applicant was responsive to the question, but was not specific enough in its analysis of which racial and ethnic groups are least likely to apply, was too general in its proposed affirmative marketing activities, or proposed weak affirmative marketing actions. A "C" grade indicates that the applicant was not responsive to the question. In some cases, the quality of an applicant's response to the affirmative marketing question is very different from its actual affirmative marketing performance. It is also possible for a project to be very effective in serving a particular minority group but to be less effective in affirmatively marketing its services to other demographic groups.

Reprogramming of Previously Allocated Funds

At its January 1992 meeting, the CDBG Priority Setting Committee decided that unspent CDBG balances allocated to projects over two years ago should be considered for reallocation (“reprogramming”) to other projects which may be in greater need of the funds. In compliance with this policy, CDBG staff has sent the required 30-day notices to all project sponsors with CDBG funds which were allocated two years ago or earlier, as well as to newer projects which have been moving slowly, so that the Committee would have the option of reprogramming these funds. This year, there were two projects with unspent balances over two years old in the Richardson Bay Planning Area.

Gates Cooperative (Gates Cooperative, Marin County Housing Authority, and EAH Inc.)

(1985-86)	\$24,824.89
(1986-87)	28,636.00
(1987-88)	15,000.00
(1988-89)	9,000.00
(1989-90)	500.00
(1990-91)	1,250.00
(1992-93)	10,000.00
(1993-94)	21,692.00
(1994-95)	15,000.00
(1996-97)	17,300.00
(1997-98)	27,007.00
(2004-05)	22,000.00
(2005-06)	47,558.00
(2008-09)	18,809.00
(2009-10)	51,200.00
(2010-11)	21,200.00
TOTAL	\$330,976.89

The Gates Cooperative is a liveaboard low-income community located within Waldo Point Harbor, just north of Sausalito. CDBG funds are being held for use by Gates Cooperative residents for rehabilitation of individual boats to bring them up to code standards so they will qualify to remain in the new Waldo Point Harbor project. A very lengthy planning approval process for Waldo Point Harbor has been completed and rehabilitation of the Gates Cooperative boats has begun. Therefore, staff recommends that the CDBG Richardson Bay allocation for the Gates Cooperative be maintained for this project.

Note that the amounts listed in the table above are limited to the CDBG allocations for the Gates Cooperative from the Richardson Bay Planning Area component of CDBG. There are also allocations for the Gates Cooperative from the Countywide Housing component of CDBG. On February 26, 2013, \$100,000 in CDBG Countywide Housing funds was reprogrammed from the Gates Cooperative to the San Rafael curb ramps project to help us meet the annual timely spending quota in April. The City of San Rafael will return the \$100,000 to the Gates

Cooperative later in the 2013-14 hearing process. Including the \$100,000 reprogrammed funds, the combined total of CDBG funds being held for the Gates Cooperative from the Richardson Bay and Countywide Housing components is \$629,499.89.

Galilee Harbor (Galilee Harbor Community Association)

(2011-12)	\$2,760.35
(2012-13)	58,762.00
TOTAL	\$61,522.35

The Galilee Harbor Community Association has successfully relocated the Galilee Harbor liveaboard community of 38 member boats to a permanent marina site on the Sausalito waterfront. Over 90% of the residents of Galilee Harbor are low income, and this project represents a unique opportunity to preserve existing affordable housing while retaining the character of the working waterfront. Because this project is making good progress, staff recommends that the CDBG Richardson Bay allocation for Galilee Harbor be maintained for this project. (See more details on page 9.)

Note that the amounts listed in the table above are limited to the CDBG allocations for Galilee Harbor from the Richardson Bay Planning Area component of CDBG. There are also allocations for Galilee Harbor from the Countywide Housing component of CDBG. The combined total of CDBG funds being held for Galilee Harbor from the Richardson Bay and Countywide Housing components is \$79,139.84.

Old Mill Commons (Interfaith Housing Foundation)

In 2004, Interfaith Housing Foundation utilized \$19,880.48 in CDBG funds towards the proposed development of Old Mill Commons, ten units of infill rental housing in downtown Mill Valley. However, the estimated development costs were very high, and the sponsor ultimately decided not to proceed with the Old Mill Commons project. Last year, Interfaith Housing Foundation, now affiliated with EAH Housing, refunded the \$19,880.48 to the CDBG program. Because the original allocation for Old Mill Commons was entirely Richardson Bay Planning Area funds, the returned funds are available for reallocation as Richardson Bay funds. Staff recommends that these funds be allocated to:

Galilee Harbor	\$19,880.48
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RICHARDSON BAY

TYPE	PROJECT #	PROJECT NAME	If previously funded project, data reported:			Quality of Affirmative Marketing Plan	REQUEST	Recommended New Funds	Reprogrammed Funds	
			% Racial Minorities	% Hispanic	A-Excellent; B-Responsive; C-Non-Responsive					
Housing	RH - 1	Galilee Harbor-rehabilitation	16%	3%	A	\$139,912	\$40,000	\$19,880		
	RH - 2	Gates Cooperative	5%	5%	B	\$317,516	\$0			
	RH - 3	Rehabilitation Loan Program	11%	22%	A	\$45,000	\$0			
						\$502,428	\$40,000	\$19,880		
Capital	RC - 1	Manzanita Extended Learning Program-Imagination Playground	New	New	B	\$5,600	\$0			
	RC - 2	Marin City CDC-office rehabilitation	N/A	N/A	C	\$29,752	\$12,438			
						\$35,352	\$12,438	\$0		
Public Service	RS - 1	Family Law Legal Services	14%	39%	A	\$4,000	\$0			
	RS - 2	High Risk Youth Mentoring Program	New	New	A	\$5,000	\$0			
	RS - 3	Marin Brain Injury Network Services	9%	3%	A	\$1,500	\$0			
	RS - 4	Marin Learning Center, Therapeutic Services	35%	60%	B	\$20,000	\$11,067			
	RS - 5	Performing Stars	53%	40%	B	\$10,000	\$10,000			
	RS - 6	San Francisco and Marin Food Banks	11%	63%	A	\$9,500	\$0			
	RS - 7	Senior Access Scholarships	5%	0%	A	\$7,000	\$1,500			
	RS - 8	Small Business Technical Assistance	New	New	B	\$7,000	\$0			
	RS - 9	Transitional Housing Programs-gap funding	New	New	A	\$3,292	\$0			
	RS - 10	WISE Choices for Girls	New	New	C	\$12,000	\$0			
						\$79,292	\$22,567	\$0		
Marin County, 2010 Census						14%	16%	TOTAL	\$617,072	\$75,005

Total Available for Planning Area **\$75,005**

Maximum funds available for Public Services **\$22,567**

Minimum funds required for Housing (County policy requires each planning area to allocate at least 30% of its funds for housing.) **\$22,502**

NOTE: If it proves infeasible to fund operating expenses of the Rehabilitation Loan Program by transferring funds from its Revolving Loan Fund, then the recommended amount of reprogrammed funds for Galilee Harbor would be reduced by \$17,501, and \$17,501 would be recommended for the Rehabilitation Loan Program.

HOUSING PROJECTS

1. Galilee Harbor (Galilee Harbor Community Association)

The Galilee Harbor Community Association is seeking funding towards completion of a major project which has enabled the Galilee Harbor liveaboard community to relocate its 38 member boats to a permanent marina site on the Sausalito waterfront. Over 90% of the residents of Galilee Harbor are low income, and this project represents a unique opportunity to preserve existing affordable housing while retaining the character of the working waterfront. In November 1995, the Bay Conservation and Development Commission (BCDC) approved a settlement agreement with Galilee Harbor which has enabled the project to move forward. The terms of its settlement agreement with BCDC require Galilee Harbor to complete public improvements (including a parking area, public access paths, landscaping, docks, a wheelchair access ramp, and utility hook-ups).

In 1997, with CDBG assistance, Galilee Harbor purchased the final portion of its site. In 1999, Galilee Harbor completed dredging and excavation in preparation for the installation of new docks. In 2001, toxic remediation was completed, and a portion of the parking lot for residents was constructed. In 2003, new docks and sewer connections were built. In 2004, many boats were connected to the sewer, bathrooms were completed, an irrigation system was installed, benches and picnic tables were installed in the public access area, and historic pilot houses from the Issaquah Ferry were moved to the entrance to the main Galilee Harbor dock. In 2005, concrete piles were removed from the dinghy dock area. In 2006, Galilee buried the electric service for the harbor. In 2007, Galilee made landscaping improvements, encased sewer boxes, replaced the wood floors in the pilot houses, installed a ramp at the dinghy dock, established a revolving loan fund to help residents pay for hook-ups to the sewer system, replaced the roof of the building where the showers, toilets, and laundry machines are located, and added railings to the handicapped access ramp at that building. In 2011, Galilee installed a floating wheelchair ramp for dock access. In 2012, Galilee expanded its restroom facility to meet current wheelchair accessibility standards.

The recommended funding would be used towards the next phase of improvements, including installation of asphalt paving to permanently cap a shorefront area which had been contaminated with diesel fuel, hydraulic fluid, and heavy metals. The asphalt paving would replace a temporary liner and meet state environmental standards. Galilee Harbor is also required to have a garbage enclosure with a roof and fire sprinkler system. Galilee Harbor also needs to begin to prepare its application to BCDC to renew its permits, which would otherwise expire in 2016.

By preventing the displacement of existing lower income residents, Galilee Harbor will retain economic diversity and the historic working waterfront in an area with extremely high housing costs.

Equal Opportunity Analysis: Racial minorities are well represented among the beneficiaries of this program. Hispanics are under-represented compared to their proportion of the Marin population. The sponsor's affirmative marketing proposal is excellent (rated A).

2. Rehabilitation Loan Program (Marin Housing Authority)

There is an ongoing need for rehabilitation loans for lower income homeowners in the Richardson Bay area. Over the past thirty-seven years, the Housing Authority has made 134 rehabilitation loans totaling over \$2.3 million in the Richardson Bay area. The program operates on a countywide basis. Loans are made available to owners of single-family homes to correct substandard housing conditions, to eliminate health and safety hazards, to create second units within an existing house where permitted by local ordinance, for rehabilitation of houseboats docked at approved berths, and for mobile homes located within a mobile home park. New loans range from \$5,000 to a usual limit of \$35,000, with an average of \$25,000. Loan terms are set according to the borrower's situation. The program offers amortized loans, interest-only loans, and deferred payment loans (with no payments due until the property is transferred). New loans are being made at a 5% interest rate.

Eighteen years ago, in response to a local policy limiting the number of CDBG projects, the Housing Authority expanded the scope of this program to include non-profit-operated group homes serving special populations. The program offers group homes deferred payment loans at 3% interest, with no payments due until the use or ownership of the house changes. This has enabled the CDBG program to continue to assist the rehabilitation of group homes while reducing the administrative burden on the CDBG office. Involvement of the Housing Authority as intermediary also gives group homes the benefit of the knowledge of the rehabilitation experts on the staff of the Housing Authority.

The Gates Cooperative is a liveaboard low-income community located within Waldo Point Harbor, just north of Sausalito. A very lengthy planning approval process for Waldo Point Harbor has been completed and rehabilitation of the Gates Cooperative boats has begun.

The Priority Setting Committee has designated the Rehabilitation Loan Program to help Gates Cooperative members upgrade their boats to meet code standards so that they can qualify for berths in the new Waldo Point Harbor. Staff of the Rehabilitation Loan Program have been working closely with the Gates Cooperative and EAH, Inc. to carefully plan the details of houseboat rehabilitation for the Gates Cooperative. For the next three years, the Rehabilitation Loan Program will devote much of its attention to the rehabilitation of Gates houseboats. During the period of Gates rehabilitation, the Program will continue its work with single-family houses and group homes, although possibly at a limited pace.

Annual CDBG funding allocations are used towards the cost of staff and other operating expenses of the Rehabilitation Loan Program. The program's loans are funded from a revolving loan fund. Revenue from monthly loan payments and repaid loans is expected to total \$350,000 in program income for the 2013-14 program year, and will be added to the revolving loan fund and used to make additional loans.

Normally, the Richardson Bay Planning Area contributes towards the countywide cost of operating expenses for the Rehabilitation Loan Program. However, CDBG staff is exploring the possibility of funding the operating expenses for the Rehabilitation Loan Program by (1) liquidating a CDBG reserve for relocation benefits that is no longer needed, and (2) transferring funds from the Rehabilitation Loan Program's Revolving Loan Fund to its operating expense account. If both strategies prove to be feasible, Richardson Bay and the other planning areas could enjoy a temporary "holiday" from funding the Rehabilitation Loan Program. However, accounting and regulatory issues must be resolved to make it feasible to move money from the Revolving Loan Fund to the operating expense account. If these issues cannot be resolved, then CDBG staff would request a \$17,501 "fair share" contribution from the Richardson Bay CDBG allocation, and CDBG staff would recommend that the allocation of reprogrammed funds for Galilee Harbor be reduced by \$17,501 in order to provide \$17,501 for the Rehabilitation Loan Program. It should be noted that the transfer of funds from the Revolving Loan Fund to cover operating expenses for the program is a short-term strategy, and that continuation of the Rehabilitation Loan Program will require annual contributions in future years.

Equal Opportunity Analysis: Racial minorities are under-represented among the beneficiaries of this program, partly because racial minorities are under-represented among homeowners and the elderly. A large fraction of the program's beneficiaries are elderly homeowners. The sponsor's affirmative marketing proposal is excellent (rated A).

Galilee Harbor has been a CDBG project for 30 years, and it is important that the improvements required as conditions of its BCDC permits be completed before it seeks renewal of those permits.

The Gates Cooperative, a liveaboard houseboat community described on page 6 of this report, is seeking additional CDBG funds for rehabilitation of its members' boats. After many years of waiting, the owner of Waldo Point Harbor has obtained approvals from the County, making it possible for Gates Cooperative residents to receive permits to bring their boats up to code standards. The good news is that the total cost of rehabilitation is likely to be lower than had been feared. Inspections are now underway, and soon there should be more clarity about the total rehabilitation cost. Presently, the County is holding a total of \$629,499.89 in CDBG funds (including both Richardson Bay and Countywide Housing funds) for rehabilitation of the Gates Cooperative boats. Staff is reluctant to allocate additional funds for the Gates Cooperative until its spending needs are more certain.

CAPITAL PROJECT

1. **Marin City Community Development Corporation Offices, Rehabilitation (Marin City Community Development Corporation)**

The Marin City Community Development Corporation (CDC) has become a major provider of job training services for low-income people, serving clients from Marin City and the rest of the county. In 2011, the CDC became a service provider for clients of the California Department of Rehabilitation. Its contracts with the Department of Rehabilitation require the CDC to meet the standards of the Commission on the Accreditation of Rehabilitation Facilities, including requirements for accessibility to people with disabilities. In 2010, the CDC purchased the Livermore Estate, and has relocated its offices to the historic mansion (circa 1895) on the property. The CDC has much work to do to meet the accessibility requirements of the Americans with Disabilities Act (ADA). Among the needed items are smoke detectors with integrated flashing lights, door threshold modifications, repair of trip hazards in the rear parking lot, improving exterior lighting, and replacing handrails to meet current standards. Staff is recommending funding towards accessibility improvements for the CDC offices.

Equal Opportunity Analysis: Although all indications are that this program serves a diverse population, the sponsor's affirmative marketing proposal was deemed to be non-responsive (rated C).

Staff did not recommend one capital project proposal for funding. The Manzanita Extended Learning Program is an early childhood education program, located within the Manzanita Recreation Center in Marin City. The Program applied for CDBG funds for a "loose parts" play structure. An alternative to fixed equipment, the "loose parts" system consists of large plastic parts that can be flexibly configured and reconfigured. This system would generate creative possibilities for the children, and would also enable the Program to remove its play equipment from the site every Friday so that the space can be used for other purposes over the weekend. Unfortunately, because the "loose parts" are not fixed to the ground, they are not eligible under the federal CDBG regulations as a capital project.

PUBLIC SERVICE PROJECTS

1. Marin Learning Center (Community Action Marin)

The Marin Learning Center provides child care, along with therapeutic services that address issues of social and emotional development. The Center continues to develop its therapeutic component for children and their families, as well as its focus on kindergarten school readiness, social and emotional development, cultural and environmental awareness, and community building. The therapeutic component at the Marin Learning Center is based on a play therapy room model and is staffed by a licensed therapist. The focus of the play room is to assist children in developing social and emotional skills and to create a climate of mutual respect, caring, and trust. The therapist works with small groups of children on a regular basis, consults with staff, and meets with parents. The Learning Center serves low income and working families.

Equal Opportunity Analysis: Racial minorities are very well represented among the beneficiaries of this program. Hispanics are extremely well represented compared to their proportion of the Marin population. The sponsor's affirmative marketing proposal is responsive (rated B).

2. Performing Stars of Marin

Performing Stars of Marin is dedicated to building the self-esteem of low income children of Marin County through activities in the performing, visual, and literary arts as well as providing access to summer day camp programs and field trips. This program has proven to be a valuable tool for building self-confidence in participating children. Staff recommends funding towards staff for this program.

Equal Opportunity Analysis: 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. The sponsor's affirmative marketing proposal is responsive (rated B).

3. 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. 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. 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.

Equal Opportunity Analysis: Racial and ethnic minorities are under-represented among the beneficiaries of this program, partly because racial and ethnic minorities are under-represented among the elderly. Stigmatization based on disability is an issue for all racial and ethnic groups, affecting utilization of this service. The sponsor's affirmative marketing proposal is excellent (rated A).

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 does not diminish the amount of public service funding, and actually results in a higher average grant in the public service category.

In the Richardson Bay Planning Area, staff is recommending three public service projects for funding this year, one less than was funded last year in this planning area. Given the substantial reduction in the CDBG resources available for public services in the Richardson Bay Planning Area in recent years, staff is recommending that the funds be targeted primarily to projects serving Marin City, the community where there is the most severe need for services. In formulating our recommendations for which public services should be funded, staff also considered:

- To what extent does the program serve racial and ethnic minorities or people with disabilities, and does the sponsor have a reasonable affirmative marketing plan?
- How needy is the project sponsor, considering its size and financial strength?
- In the context of other available resources, which projects can have the most lasting impact with a small amount of CDBG funds?

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