



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community Development

Prepared by: Ethan Guy
Principal Analyst

City Manager Approval: 

TOPIC: CDBG-CARES ACT FUNDING RECOMMENDATIONS FOR FY2019-20

SUBJECT: RESOLUTION RECOMMENDING COMMUNITY DEVELOPMENT BLOCK GRANT CARES ACT (CDBG-CV) FUNDING FOR THE 2019-20 FISCAL YEAR TO THE MARIN COUNTY BOARD OF SUPERVISORS FOR THE SAN RAFAEL PLANNING AREA

RECOMMENDATION:

Adopt a resolution recommending Community Development Block Grant CARES Act (CDBG-CV) funding for the 2019-20 fiscal year to the Marin County Board of Supervisors for the San Rafael Planning Area.

BACKGROUND:

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which appropriates nearly \$2 trillion nationwide for COVID-19 pandemic relief funding. \$5 billion of these CARES Act funds, referred to in this report as CDBG-CV funds, were appropriated to the Community Development Block Grant Program (CDBG) to assist state and local governments in their COVID-19 response.

The County was awarded \$938,065 in CDBG-CV funds, and San Rafael's allocation is \$369,785.22. This total is calculated using the standard allocation for the distribution of annual CDBG funding. These funds are additional dollars and will not impact the 2019-2020 or 2020-2021 recommendations for CDBG and HOME funds approved by the City Council on April 7, 2020.

Due to the immediate need for the CDBG-CV funding, Staff is recommending expediting City Council consideration of CDBG-CV funding recommendations. Expediting City Council consideration of these funding recommendations will make for a faster community response to meet the urgent need and would also correspond with the countywide approval of 2019-2020 and 2020-2021 recommendations for CDBG and HOME funds. These funding recommendations are scheduled for consideration by the County Board of Supervisors on May 12, 2020.

CDBG CARES Funding Background

The CDBG program is a federally funded program of the U.S. Department of Housing and Urban Development (HUD) that provides funding for housing, community facilities, and public

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

services. On April 2, 2020 [HUD announced the allocation 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 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.

ANALYSIS

Safety Net COVID-19 Response Fund

On March 24, 2020, [The Board of Supervisors created a \\$1 million Safety Net COVID-19 Response Fund](#). 50% of these funds came from the Marin Community Foundation and 50% were allocated from the County's General Fund. The purpose of these funds was to support safety-net response efforts to address major issues related to the community impacts of the COVID-19 response. Five main efforts were identified for the funds:

- Emergency rental assistance for low-income residents
- Expanded food for economically disadvantaged families
- Expanded meals for seniors
- Wi-Fi mobile access for economically disadvantaged students
- Emergency childcare for health care workers and emergency responders

Regarding the first bullet above, an [Emergency Rental Assistance Program](#) for low-income residents was created and \$650,000 was allocated for this purpose of the \$1 million. Funding preference was given for emergency rental assistance for extremely low-income households (households with income 30% or below the area median income). Funds were made available for rental assistance payments through service providers including, for San Rafael: Adopt a Family of Marin, Community Action Marin (will serve clients referred by Canal Alliance), Ritter Center, and St. Vincent de Paul Society of Marin.

The Safety Net COVID-19 Response Fund began accepting applications after March 24, 2020. As of April 23, 2020 the program had received 1,500 applications and was able to fund rental assistance for over 600 households, Sixty percent (60%) of funding went to households in San Rafael. Staff estimates approximately sixty percent (60%) of applicants still on the waitlist are for households in San Rafael.

Due to this unmet need, the County approved \$1,000,000 in additional funding (again with half provided by the Marin Community Foundation) for the Safety Net COVID-19 Response Fund on April 21, 2020. Additionally, all Marin County CDBG-CV funding is being recommended for allocation to provide direct subsistence payments. Due to CDBG tracking and reporting requirements, CDBG-CV funding would be provided directly to service providers. The County is not receiving any of the CDBG-CV funds to administer the federal program.

Recommendations for CDBG-CV Funding Allocation

Staff recommends that the total CDBG-CV amount allocated for San Rafael, \$369,785.22, be used to fund subsistence payments for households in San Rafael in need of rental assistance due to the COVID-19 pandemic. Funding would be directed to San Rafael service providers to provide direct subsistence payments to San Rafael households.

As mentioned earlier, the CDBG-CV allocations recommended by staff represent funding from the first \$2 billion of a \$5 billion federal appropriation through the CARES Act. While no timeline has been released for the release of the remaining \$3 billion in CDBG-CV funding, City and County Staff and local organizations have been actively considering additional ways to effectively leverage these monies considering ideas such as:

- Researching potential policies aimed at expanding protections to vulnerable communities;
- Preparation of required CDBG documentation for small business grants to low-income business owners;
- Expanding partnerships to facilitate direct payments to residents;

Lastly, the City of Novato (like the County and San Rafael) is the other CDBG-CV recipient. On April 28, 2020, the Novato City Council voted to allocate their share of the initial CDBG-CV funds to the same Emergency Rental Assistance Program. With the San Rafael City Council's approval, all of this first round of CDBG-CV funding would go to this program.

FISCAL IMPACT:

There is no direct cost or revenue impact generated by the recommended action as the City is directing HUD funds to specific projects. These funds will go to the urgent community need of emergency rental assistance.

OPTIONS:

1. Make allocations of CDBG-CV funding as recommended by staff.
2. Make different allocations of CDBG-CV funding.
3. Take no action.

ACTION REQUIRED:

1. Adopt Resolution recommending CDBG-CV project funding for the FY 2019-2020 CDBG program to the Marin County Board of Supervisors.

ATTACHMENTS

2. Resolution Recommending CDBG-CV Project Funding for FY 2019-20 City of San Rafael CDBG Priorities

RESOLUTION NO. _____

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL RECOMMENDING
COMMUNITY DEVELOPMENT BLOCK GRANT CARES ACT (CDBG-CV) FUNDING
FOR THE 2019-20 FISCAL YEAR TO THE MARIN COUNTY BOARD OF
SUPERVISORS FOR THE SAN RAFAEL PLANNING AREA**

BE IT RESOLVED by the Council of the City of San Rafael as follows:

WHEREAS in June 1999, the City Council revised the Cooperation Agreement with the County of Marin for Community Development Block Grant (CDBG) funds whereby the City remained in the County system; and

WHEREAS the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) signed into law on March 27, 2020, appropriates \$5 billion in additional Community Development Block Program funding to state and local governments; and

WHEREAS Marin County was awarded \$938,065 in CDBG-CV funds, of which San Rafael’s allocation is \$369,785.22, and these additional funds will not impact the 2018-2019 or 2019-2020 recommendations for CDBG and HOME funds approved by the City Council; and

WHEREAS on May 4, 2020, in accordance with the Cooperation Agreement, the City Council reviewed staff’s recommendation that the City of San Rafael’s total CDBG-CV allocation of \$369,785.22 be used to fund rent subsistence payments for people in San Rafael who are housed and at risk of homelessness due to the COVID 19 pandemic.

NOW, THEREFORE IT IS HEREBY RESOLVED that the City Council recommends to the Marin County Board of Supervisors that the City of San Rafael’s total fiscal year 2019-2020 CDBG-CV allocation of \$369,785.22 fund rent subsistence payments for people in San Rafael who are housed and at risk of homelessness due to the COVID 19 pandemic, and that said funding be administered through San Rafael service providers to provide direct subsistence payments to San Rafael households.

I, **LINDSAY LARA**, City Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City held on the 4th day of May 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Lindsay Lara, City Clerk