



AGENDA

SAN RAFAEL CITY COUNCIL – MONDAY, MARCH 21, 2022

REGULAR MEETING AT 7:00 P.M.

Watch on Webinar: <https://tinyurl.com/cc-2022-03-21>

Watch on YouTube: www.youtube.com/cityofsanrafael

Listen by phone: (669) 900-9128

ID: 899-2635-9885#

One Tap Mobile: US: +16699009128,,89926359885#

CORONAVIRUS (COVID-19) ADVISORY NOTICE

In response to Assembly Bill 361, the City of San Rafael is offering teleconference without complying with the procedural requirements of Government Code section 54953(b)(3). This meeting will be held virtually using Zoom and is being streamed to YouTube at www.youtube.com/cityofsanrafael.

How to participate in the meeting:

- Submit public comment in writing before 4:00 p.m. the day of the meeting to city.clerk@cityofsanrafael.org.
- Join the Zoom webinar and use the 'raise hand' feature to provide verbal public comment.
- Dial-in to Zoom's telephone number using the meeting ID and provide verbal public comment.

Any member of the public who needs accommodations should contact the City Clerk (email city.clerk@cityofsanrafael.org or phone at 415-485-3066) who will use their best efforts to provide reasonable accommodations to provide as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

OPEN SESSION – (669) 900-9128 ID: 894-8602-0233# - 6:15 PM

1. Mayor Kate to announce Closed Session items.

CLOSED SESSION – (669) 900-9128 ID: 894-8602-0233# - 6:15 PM

2. Closed Session:
 - a. Conference with Legal Counsel—Anticipated Litigation
Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Government Code Section 54956.9(d)(2) and (e)(3): (One case)

OPEN TIME FOR PUBLIC EXPRESSION

The public is welcome to address the City Council at this time on matters not on the agenda that are within its jurisdiction. Please be advised that pursuant to Government Code Section 54954.2, the City Council is not permitted to discuss or take action on any matter not on the agenda unless it determines that an emergency exists, or that there is a need to take immediate action which arose following posting of the agenda. Comments may be no longer than two minutes and should be respectful to the community.

CITY MANAGER'S REPORT:

3. City Manager's Report:

COUNCILMEMBER REPORTS:

(including AB 1234 Reports on Meetings and Conferences Attended at City Expense)

4. Councilmember Reports:

CONSENT CALENDAR:

The opportunity for public comment on consent calendar items will occur prior to the City Council's vote on the Consent Calendar. The City Council may approve the entire consent calendar with one action. In the alternative, items on the Consent Calendar may be removed by any City Council or staff member, for separate discussion and vote.

5. Consent Calendar Items:

a. **Approval of Minutes**

Approve Minutes of City Council / Successor Agency Regular Meeting and Special Meetings of Tuesday, March 7, 2022 (CC)

Recommended Action – Approve minutes as submitted

b. **Use of Teleconferencing for Public Meetings During State of Emergency**

Resolution Pursuant to Assembly Bill 361 Making Findings and Confirming the Need for Continued Use of Teleconferencing to Hold Public Meetings of the San Rafael City Council and City Boards and Commissions During the Continuing State of Emergency Relating to the COVID-19 Pandemic (CA)

Recommended Action – Adopt Resolution

c. **Update to Assistant City Attorney Compensation**

Resolution Approving the Adjustment of the Compensation Schedule for the Assistant City Attorney to Align with Executive Management Salaries (HR)

Recommended Action – Adopt Resolution

d. **Fifth Avenue Traffic Signal Upgrades**

Resolution Authorizing the City Manager to Sign Purchase Orders and/or Agreements with Miovision and DC Electric Group for Traffic Signal Upgrades on Fifth Avenue at: C, B, A, and Court Streets (PW)

Recommended Action – Adopt Resolution

PUBLIC HEARINGS

6. Public Hearings:

a. **2021-2022 City Council Redistricting Process**

Fourth Public Hearing on Existing City Council District Lines and Possible Changes; Resolution Adjusting the Boundaries and Selecting a Preferred District Map of the City Council Districts in Accordance with California Elections Code Sections 21601-21609 and San Rafael Municipal Code Section 2.02.040 (CA)

Recommended Action – Adopt Resolution, in the form attached to the staff report, approving the current district map for use beginning at the City's November 2022 election

b. **Annual Progress Report & Housing Policy Update**

Annual Progress Report (APR) on Residential Development Approved and Built in 2021 and Implementing Housing Element Programs, Including an Update on Progress Implementing City Council Housing Policy Priorities. Case No. P21-003 (CD)

Recommended Action – Accept report

OTHER AGENDA ITEMS:

7. Other Agenda Items:

- a. **Community Development Block Grant (CDBG)**
Resolution Recommending Community Development Block Grant (CDBG) Project Funding for the Fiscal Year 2022-23 to the Marin County Board of Supervisors (CD)
Recommended Action – Adopt Resolution

- b. **Permanent Local Housing Allocation (PLHA)**
Resolution Recommending Permanent Local Housing Allocation (PLHA) Project Funding for the Fiscal Year 2022-23 to the Marin County Board of Supervisors (CD)
Recommended Action – Adopt Resolution

SAN RAFAEL SUCCESSOR AGENCY:

- 1. Consent Calendar: - None

ADJOURNMENT:

Any records relating to an agenda item, received by a majority or more of the Council less than 72 hours before the meeting, shall be available for inspection online. Sign Language interpreters may be requested by calling (415) 485-3066 (voice), emailing Lindsay.lara@cityofsanrafael.org or using the California Telecommunications Relay Service by dialing "711", at least 72 hours in advance of the meeting. Copies of documents are available in accessible formats upon request.



MINUTES

SAN RAFAEL CITY COUNCIL – MONDAY, MARCH 7, 2022

REGULAR MEETING AT 7:00 P.M.

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Present: Mayor Kate
Vice Mayor Kertz
Councilmember Bushey
Councilmember Hill
Councilmember Llorens Gulati

Absent: None

Also Present: City Manager Jim Schutz
City Attorney Robert Epstein
City Clerk Lindsay Lara

OPEN SESSION

1. None.

CLOSED SESSION

2. Closed Session: - None.

Mayor Kate called the meeting to order at 7:02 p.m. and invited City Clerk Lindsay Lara to call the roll. All members of the City Council were present.

Mayor Kate provided opening remarks, which included a land acknowledgement, gratitude to City Staff and Russia's attack on Ukraine.

City Clerk Lindsay Lara informed the community that the meeting would be recorded and streamed live to YouTube and through Zoom and members of the public would provide public comment either on the telephone or through Zoom. She explained the process for community participation on the telephone or through Zoom.

OPEN TIME FOR PUBLIC EXPRESSION

- Eva Chrysanthe, addressed the City Council regarding her California Public Records Act (CPRA) request regarding services at the Service Support Area.

CITY MANAGER’S REPORT:

3. City Manager’s Report:

City Manager Jim Schutz announced:

- Citywide Parks & Recreation Master Plan Update
- Joint & District Community Conversations Update
- Joint Community Conversation to be held on March 17 at 5:30 p.m.

Mayor Kate invited public comment; however, there was none.

COUNCILMEMBER REPORTS:

(including AB 1234 Reports on Meetings and Conferences Attended at City Expense)

4. Councilmember Reports:

- Councilmember Kertz reported on a walkabout with Mayor Kate, the Canal Lighting Project and Marin County Council of Mayors & Councilmembers (MCCMC) Legislative Committee and Homeless Committee meetings. She announced an upcoming Marin Wildfire Prevention Authority (MWPA) forum on March 10th and a Freitas Parkway Roundabout Community meeting on March 9th.
- Councilmember Bushey reported on San Rafael Sanitation District and MCCMC Water Subcommittee meetings.
- Councilmember Hill reported on Children for Change events, BioMarin Rare Disease Day and a West End Neighborhood Association meeting.
- Councilmember Llorens Gulati reported on the Canal Lighting Project, MCCMC Climate Action Committee, Canal Community-Based Transportation Plan, East San Rafael Parking Task Force and Canal Community Resilience Council meetings. She announced an upcoming Neighborhood Clean-up on April 23rd.
- Mayor Kate reported on SMART, Marin Transit and Gun Safety Collaborative meetings. She announced an upcoming gun buyback event on June 4th.

Mayor Kate invited public comment; however, there was none.

CONSENT CALENDAR:

Mayor Kate invited public comment; however, there was none.

Councilmember Kertz moved and Councilmember Bushey seconded to approve the Consent Calendar.

5. Consent Calendar Items:

- a. **Approval of Minutes**

Approve Minutes of City Council / Successor Agency Regular Meeting of Tuesday, February 22, 2022 (CC)

Approved minutes as submitted

- b. **Use of Teleconferencing for Public Meetings During State of Emergency
Resolution Pursuant to Assembly Bill 361 Making Findings and Confirming the Need for Continued Use of Teleconferencing to Hold Public Meetings of the San Rafael City Council and City Boards and Commissions During the Continuing State of Emergency Relating to the COVID-19 Pandemic (CA)**
Resolution 15039 - Resolution Pursuant to Assembly Bill 361 Making Findings and Confirming the Need for Continued Use of Teleconferencing to Hold Public Meetings of the San Rafael City Council and City Boards and Commissions During the Continuing State of Emergency Relating to the COVID-19 Pandemic
- c. **Amendment to the San Rafael Municipal Code Regarding Recycling of Organic Waste to Comply with Senate Bill 1383
Final Adoption of Ordinance 2004: An Ordinance Amending the San Rafael Municipal Code to Repeal Chapter 9.19 – Refuse and Recycled Materials Collection and Disposal and Replace It with New Chapter 9.19 – Solid Waste Collection and Disposal and Edible Food Recovery (CM)**
Approved final adoption of Ordinance 2004
- d. **Audit Services
Resolution Approving and Authorizing the City Manager to Execute an Agreement with Maze and Associates to Provide Auditing Services for the Fiscal Years Ending June 30, 2022 Through June 30, 2025, with Options for the Fiscal Years Ending June 30, 2026 and June 30, 2027 (Fin)**
Resolution 15040 - Resolution Approving and Authorizing the City Manager to Execute an Agreement with Maze and Associates to Provide Auditing Services for the Fiscal Years Ending June 30, 2022 Through June 30, 2025, with Options for the Fiscal Years Ending June 30, 2026 and June 30, 2027
- e. **Canal Neighborhood Pedestrian Improvements Project
Accept Completion of the Canal Neighborhood Pedestrian Improvements Project (City Project No. 11381), and Authorize the City Clerk to File the Notice of Completion (PW)**
Accepted Completion and authorized City Clerk to file Notice of Completion
- f. **999 Third Street – Eden Housing/Vivalon Healthy Aging Center
Approve Staff Recommendation for Terms of a Below Market Rate (“BMR”) Agreement Imposing Affordability Restrictions on the Property Located at 999 Third Street Being Developed as the Vivalon Healthy Aging Center (CD)**
Accepted Report approving Staff’s recommendation

AYES: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: None

SPECIAL PRESENTATIONS:

6. Special Presentations:

- a. [Presentation of Proclamation Supporting Women’s History Month \(CC\)](#)

Mayor Kate presented the proclamation.

Lindsay Lara, City Clerk provided comments.

Mayor Kate invited public comment.

Speaker: Eva Chrysanthe

b. [Presentation of Proclamation Recognizing Stephen Mizroch, Retiring from Fire Commission \(FD\)](#)

Mayor Kate presented the proclamation.

Darin White, Fire Chief provided comments.

Mayor Kate invited public comment.

Speaker: Eva Chrysanthe

OTHER AGENDA ITEMS:

7. Other Agenda Items:

a. [2021 Affordable Housing NOFA Funding Recommendation](#)

Resolution Authorizing the Expenditure of Funds in Fulfillment of the Affordable Housing Trust Fund 2021 Notice of Funding Availability (NOFA), And Supporting the Award of Funding from the County of Marin for Permanent Local Housing Allocation (PHLA) Funding to Projects Receiving City Funding (CD)

Alicia Giudice, Community Development Director introduced Alexis Captanian, Housing Program Analyst presented the Staff Report.

Staff responded to questions from Councilmembers.

Mayor Kate invited public comment.

Speakers: Tamar, Eden Housing, John Reynolds, Paul Fordham, Homeward Bound, Omar Carrera, Canal Alliance, Cory Hiraga, Eden Housing, Eva Chrysanthe, Anne Grey, Vivalon

Councilmembers provided comments.

Councilmember Kertz moved and Councilmember Llorens Gulati seconded to adopt the resolution.

Resolution 15041 - Resolution Authorizing the Expenditure of Funds in Fulfillment of the Affordable Housing Trust Fund 2021 Notice of Funding Availability (NOFA), And Supporting the Award of Funding from the County of Marin for Permanent Local Housing Allocation (PHLA) Funding to Projects Receiving City Funding

b. [Cannabis Program – State Regulatory Updates](#)

Resolution Amending the “Cannabis Business Operator License Program” (CBOL), and Restating It in Its Entirety (ED)

Danielle O'Leary, Director of Economic Development and Innovation presented the Staff Report.

Staff responded to questions from Councilmembers.

Mayor Kate invited public comment; however, there was none.

Councilmembers provided comments.

Councilmember Bushey moved and Councilmember Hill seconded to adopt the resolution.

Resolution 15042 - Resolution Amending the "Cannabis Business Operator License Program" (CBOL), and Restating It in Its Entirety

- c. [Interim Financial Update and Budget Amendments to Reflect Operational Activity; Mid-Year Personnel Changes](#)
 - i. **Fiscal Year 2021-2022 Interim Financial Update**
 - ii. **Resolution Adopting Amendments to the 2021-2022 Budget and Approving Mid-Year Personnel Changes (Fin)**

Nadine Hade, Administrative Services Director presented the Staff Report.

Staff responded to questions from Councilmembers.

Mayor Kate invited public comment; however, there was none.

Councilmembers provided comments.

Councilmember Bushey moved and Councilmember Llorens Gulati seconded to adopt the resolution.

Resolution 15043 - Resolution Adopting Amendments to the 2021-2022 Budget and Approving Mid-Year Personnel Changes

SAN RAFAEL SUCCESSOR AGENCY:

- 1. Consent Calendar: - None

ADJOURNMENT:

City Attorney Rob Epstein adjourned the meeting in honor of Judge Richard Breiner.

Mayor Kate adjourned the meeting at 9:20 p.m.

LINDSAY LARA, City Clerk

APPROVED THIS ____ DAY OF _____, 2022

KATE COLIN, Mayor

Minutes subject to approval at the meeting of March 21, 202

MINUTES



**SAN RAFAEL CITY COUNCIL SPECIAL MEETING
MONDAY, MARCH 7, 2022 AT 5:30 P.M.**

Watch Webinar: <https://tinyurl.com/sm-2022-03-07>

Listen by phone: (669) 900-9128,

ID: 885-9184-8610#

One Tap Mobile: +16699009128,,88591848610#

Present: Mayor Kate
Vice Mayor Kertz
Councilmember Bushey
Councilmember Hill
Absent: Councilmember Llorens Gulati
Also Present: City Manager Jim Schutz
City Clerk Lindsay Lara

Mayor Kate called the meeting to order at 5:32 p.m.

Mayor Kate invited public comment; however, there was none.

1. Fire Commission Interviews

Interview Applicants and Make an Appointment to Fill One Four-Year Term and One Alternate Member Four-Year Term to the End of March 2026 on the Fire Commission Due to the Expiration of Terms of Stephen Mizroch and Stan Burford (CC)

The City Council interviewed the following applicants: Donna McCusker, Greg Knell, Jared White and Stan Burford.

After discussion, there was consensus to appoint Stan Burford to fill one four-year term to the end of March 2026 and Donna McCusker to fill one alternate member four-year term to the end of March 2026.

AYES: Councilmembers: Bushey, Hill, Kertz & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: Llorens Gulati

ADJOURNMENT:

Mayor Kate adjourned the meeting at 6:34 p.m.

LINDSAY LARA, City Clerk

APPROVED THIS ____ DAY OF _____, 2022

KATE COLIN, Mayor



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: City Attorney

Prepared by: Lisa Goldfien,
Assistant City Attorney

City Manager Approval: _____

A handwritten signature in blue ink, appearing to be 'AS', written over a horizontal line.

TOPIC: USE OF TELECONFERENCING FOR PUBLIC MEETINGS DURING STATE OF EMERGENCY

SUBJECT: RESOLUTION PURSUANT TO ASSEMBLY BILL 361 MAKING FINDINGS AND CONFIRMING THE NEED FOR CONTINUED USE OF TELECONFERENCING TO HOLD PUBLIC MEETINGS OF THE SAN RAFAEL CITY COUNCIL AND CITY BOARDS AND COMMISSIONS DURING THE CONTINUING STATE OF EMERGENCY RELATING TO THE COVID-19 PANDEMIC

RECOMMENDATION:

Adopt the resolution pursuant to Assembly Bill 361 making findings and confirming the need for continued use of teleconferencing to hold public meetings of the San Rafael City Council and City boards and commissions during the continuing state of emergency relating to the COVID-19 pandemic

BACKGROUND:

The Ralph M. Brown Act (“Brown Act”) requires that except as specifically provided, “meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body”. (Gov. Code §54953(a).) For many years, the Brown Act has authorized members of a local agency’s legislative body to attend a public meeting by teleconference in compliance with strict procedural requirements. Under Government Code section 54953(b)(3), to use teleconferencing, at least a quorum of the legislative body must participate from locations within agency’s boundaries, and the agency must give notice of each teleconference location, post an agenda at each teleconference location, provide for public access to each teleconference location, and allow members of the public to address the Council at each teleconference location.

On March 4, 2020, Governor Newsom declared a statewide state of emergency in connection with the COVID-19 pandemic. Subsequently, on March 18, 2020, the Governor issued Executive Order [No. N-29-20](#) suspending the Brown Act’s requirements for in-person meetings and facilitating the use of teleconferencing for public meetings during the state of emergency. The Executive Order authorized public meetings to be held by teleconference only, provided that notice and accessibility requirements are met, members of the public are allowed to observe and address the legislative body at the meeting, and there is a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities. This order has allowed the City Council and the City’s other formal boards

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

and commissions to hold their public meetings using teleconferencing technologies, with the requisite notice and public participation; however, the order was due to expire on September 30, 2021, and without legislative action, in-person meetings and the strict teleconferencing procedures of the Brown Act would again be required.

Because the statewide state of emergency continues and the COVID-19 pandemic still poses a health risk for public meetings, on September 16, 2021, Governor Newsom signed into law as an urgency measure Assembly Bill (AB) 361. [AB 361](#) amends the Brown Act provisions governing the use of teleconferencing for public meetings of a local agency's legislative bodies, allowing more liberal teleconferencing requirements to continue during the current and future state-declared emergencies.

ANALYSIS:

Executive Order N-29-20 has now expired, but AB 361 is now in effect, and its amendments to the Brown Act will allow the City to continue to hold its meetings using teleconferencing technology after September 30. Government Code section 54953, as amended by AB 361, now provides in new subsection (e)(1), that during the current and any future state-declared state of emergency, the legislative body of a local agency may use teleconferencing without complying with the procedural requirements of Government Code section 54953(b)(3) in any of three circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

Certain additional requirements would apply under the new law, however, including specific requirements as to how public comment must be allowed and heard, with which the City already complies. In addition:

- In the event of a disruption which prevents the City from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.
- If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:
 - The legislative body has reconsidered the circumstances of the state of emergency.
 - Any of the following circumstances exist:

- (i) The state of emergency continues to directly impact the ability of the members to meet safely in person.
- (ii) State or local officials continue to impose or recommend measures to promote social distancing.

The resolution before the City Council is intended to comply with the requirement to make specified findings every 30 days. The resolution finds that the state of emergency continues in effect, that measures to promote social distancing are still being imposed or recommended by the state and county, and that the state of emergency directly impacts the ability of the public and the members of the City's Council, boards, and commissions to meet safely in person. The proposed resolution confirms the City Council's determination that all public meetings of the City's legislative bodies (the Council and all formal boards and commissions) should continue to be held using only teleconferencing technology.

Staff plans to agendize the same type of resolution at each regular City Council meeting during the pendency of the statewide state of emergency, so that the Council may continue to reconsider these findings at least every 30 days.

The Brown Act amendments adopted by AB 361 will be operative until January 1, 2024, and will then expire unless extended by new legislation.

FISCAL IMPACT:

There is no fiscal impact associated with the adoption of the attached resolution.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Adopt the resolution as proposed.
2. Adopt a modified resolution.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

Adopt the resolution pursuant to Assembly Bill 361 making findings and confirming the need for continued use of teleconferencing to hold public meetings of the San Rafael City Council and City boards and commissions during the continuing state of emergency relating to the COVID-19 pandemic.

ATTACHMENTS:

1. Resolution

RESOLUTION NO.

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL PURSUANT TO ASSEMBLY BILL 361
MAKING FINDINGS AND CONFIRMING THE NEED FOR CONTINUED USE OF
TELECONFERENCING TO HOLD PUBLIC MEETINGS OF THE SAN RAFAEL CITY COUNCIL
AND CITY BOARDS AND COMMISSIONS DURING THE CONTINUING STATE OF
EMERGENCY RELATING TO THE COVID-19 PANDEMIC**

WHEREAS, on March 4, 2020 Governor Newsom issued a proclamation pursuant to Government Code Section 8625 declaring a state of emergency in California due to the COVID-19 pandemic; and

WHEREAS, the Ralph M. Brown Act (Gov. Code §§ 54950 et seq.) (hereafter, the “Brown Act”) provides in Government Code section 54953 that “all meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided by this chapter”; and

WHEREAS, Government Code section 54953(b)(3) permits the legislative body of a local agency to use teleconferencing for the benefit of the public and the legislative body in connection with any meeting or proceeding authorized by law, subject to specified procedural requirements including, but not limited to, the posting of agendas at all teleconference locations, the opportunity for members of the public to address the legislative body directly at each teleconference location, and that at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the legislative body exercises jurisdiction; and

WHEREAS, Government Code section 54953(e), added by Assembly Bill 361 effective September 16, 2021, provides, in section 54953(e)(1), that during a state of emergency proclaimed pursuant to Government Code section 8625, the legislative body of a local agency may hold a meeting using teleconferencing without complying with the procedural requirements of section 54953(b)(3), provided that the legislative body complies with the requirements of section 54953(e)(2); and

WHEREAS, pursuant to Government Code section 54953(e)(3), if a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, then in order to continue to teleconference without compliance with the requirements of section 54953(b)(3), the legislative body shall make specified findings at least every 30 days; and

WHEREAS, the City Council has reconsidered the circumstances of the proclaimed COVID-19-related state of emergency and finds that it remains active; and

WHEREAS, the City Council finds that state and/or local officials continue to impose or recommend measures to promote social distancing, including masking in certain indoor public settings; and

WHEREAS, the City Council finds that the state of emergency continues to directly impact the ability of the members of the City Council and other City boards and commissions to meet safely in person;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Rafael that in order to protect the safety of the members of the public, the City Council and all City boards and commissions, for the 30 days following adoption of this resolution, public meetings of the City's legislative bodies shall continue to be held using teleconferencing technology in compliance with the requirements of Government Code section 54953(e)(2) and all other applicable laws.

I, Lindsay Lara, 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 City Council of the City of San Rafael, held on Monday, the 21st day of March 2022, by the following vote, to wit:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

Lindsay Lara, City Clerk



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Nadine Atieh Hade,
Administrative Services Director

City Manager Approval: 

TOPIC: UPDATE TO ASSISTANT CITY ATTORNEY COMPENSATION

SUBJECT: RESOLUTION APPROVING THE ADJUSTMENT OF THE COMPENSATION SCHEDULE FOR THE ASSISTANT CITY ATTORNEY TO ALIGN WITH EXECUTIVE MANAGEMENT SALARIES.

RECOMMENDATION:

Adopt the Resolution approving the adjustment of the compensation schedule for the Assistant City Attorney to align with executive management salaries.

BACKGROUND:

The City of San Rafael has a part-time elected City Attorney who serves as the legal advisor and representative for the City. The Assistant City Attorney functions as the day-to-day head of the City's legal operations in areas including City litigation, labor negotiations and contract review.

ANALYSIS:

The Assistant City Attorney is currently the lowest-paid executive management position. Based on the extensive duties of the Assistant City Attorney position, the specialized and certified skillset, and the position's role in the legal intricacies of City government, staff recommends an increase to the Assistant City Attorney position salary to align with its Executive Management counterparts, including the positions of Digital Services Director, Economic Development Director, Human Resources Director, and Finance Director. This alignment will also support the current recruitment process to find a top-tier candidate to fill the position.

	PROPOSED CHANGES				
	A	B	C	D	E
Assistant City Attorney - Proposed	\$12,646	\$13,278	\$13,942	\$14,639	\$15,371
Assistant City Attorney - Current	\$12,035	\$12,637	\$13,268	\$13,932	\$14,628

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

FISCAL IMPACT:

The Assistant City Attorney total compensation (base salary and benefits) would increase by approximately \$13,552 per year and will be absorbed through the Department's current and ongoing general fund budget.

OPTIONS:

The City Council has the following options to consider in this matter:

- Approve the Resolution as presented.
- Request changes to the recommendations.
- Direct staff to develop alternatives to the recommendation.

RECOMMENDED ACTION: Staff recommends that the City Council adopt the Resolution as presented.

ATTACHMENTS:

1. Resolution
2. Updated Executive Management Salary Schedule

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL APPROVING THE ADJUSTMENT OF THE COMPENSATION SCHEDULE FOR THE ASSISTANT CITY ATTORNEY TO ALIGN WITH EXECUTIVE MANAGEMENT SALARIES.

WHEREAS, the Assistant City Attorney provides crucial and valued legal expertise and support to citywide operations; and

WHEREAS, the City currently has an Assistant City Attorney salary schedule that is lower than other Executive Management roles of similar responsibility;

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of San Rafael hereby approves the recommended personnel compensation changes listed below:

AS PROPOSED					
	A	B	C	D	E
Assistant City Attorney	\$12,646	\$13,278	\$13,942	\$14,639	\$15,371

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of said City held on Monday, the 21st day of March 2022, by the following vote to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk

**SAN RAFAEL UNREPRESENTED EXECUTIVE MANAGEMENT
SALARY SCHEDULE**
Effective March 21, 2022

Grade	Position	A	B	C	D	E
2142	Administrative Services Director	\$ 13,303	\$ 13,968	\$ 14,667	\$ 15,400	\$ 16,170
2501	Assistant City Attorney	\$ 12,646	\$ 13,278	\$ 13,942	\$ 14,639	\$ 15,371
2001	Assistant City Manager	\$ 14,305	\$ 15,020	\$ 15,771	\$ 16,560	\$ 17,387
2300	Community Development Director	\$ 13,888	\$ 14,583	\$ 15,312	\$ 16,078	\$ 16,881
4205	Director of Digital Service & Open Government	\$ 12,646	\$ 13,278	\$ 13,942	\$ 14,639	\$ 15,371
2801	Director of Economic Development & Innovation	\$ 12,646	\$ 13,278	\$ 13,942	\$ 14,639	\$ 15,371
2205	District Manager/Engineer (SRSD)	\$ 12,585	\$ 13,214	\$ 13,875	\$ 14,568	\$ 15,297
2140	Finance Director	\$ 12,646	\$ 13,278	\$ 13,942	\$ 14,639	\$ 15,371
7101	Fire Chief	\$ 14,235	\$ 14,946	\$ 15,694	\$ 16,478	\$ 17,302
1106	Human Resources Director	\$ 12,646	\$ 13,278	\$ 13,942	\$ 14,639	\$ 15,371
2406	Library and Recreation Director	\$ 13,283	\$ 13,947	\$ 14,644	\$ 15,376	\$ 16,145
6101	Police Chief	\$ 14,235	\$ 14,946	\$ 15,694	\$ 16,478	\$ 17,302
2201	Public Works Director	\$ 13,956	\$ 14,653	\$ 15,386	\$ 16,155	\$ 16,963

Position	Monthly Salary
City Manager (Appointed)	\$ 20,987

**SAN RAFAEL UNREPRESENTED EXECUTIVE MANAGEMENT
SALARY SCHEDULE
Effective July 1, 2022**

Grade	Position	A	B	C	D	E
2142	Administrative Services Director	\$ 13,835	\$ 14,527	\$ 15,253	\$ 16,016	\$ 16,817
2501	Assistant City Attorney	\$ 13,151	\$ 13,809	\$ 14,499	\$ 15,224	\$ 15,986
2001	Assistant City Manager	\$ 14,877	\$ 15,621	\$ 16,402	\$ 17,222	\$ 18,083
2300	Community Development Director	\$ 14,375	\$ 15,093	\$ 15,848	\$ 16,640	\$ 17,472
4205	Director of Digital Service & Open Government	\$ 13,151	\$ 13,809	\$ 14,499	\$ 15,224	\$ 15,986
2801	Director of Economic Development & Innovation	\$ 13,151	\$ 13,809	\$ 14,499	\$ 15,224	\$ 15,986
2205	District Manager/Engineer (SRSD)	\$ 13,025	\$ 13,676	\$ 14,360	\$ 15,078	\$ 15,832
2140	Finance Director	\$ 13,151	\$ 13,809	\$ 14,499	\$ 15,224	\$ 15,986
7101	Fire Chief	\$ 14,804	\$ 15,544	\$ 16,321	\$ 17,137	\$ 17,994
1106	Human Resources Director	\$ 13,151	\$ 13,809	\$ 14,499	\$ 15,224	\$ 15,986
2406	Library and Recreation Director	\$ 13,814	\$ 14,505	\$ 15,230	\$ 15,991	\$ 16,791
6101	Police Chief	\$ 14,804	\$ 15,544	\$ 16,321	\$ 17,137	\$ 17,994
2201	Public Works Director	\$ 14,514	\$ 15,239	\$ 16,001	\$ 16,801	\$ 17,642

Position	Monthly Salary
City Manager (Appointed)	\$ 21,721

**SAN RAFAEL UNREPRESENTED EXECUTIVE MANAGEMENT
SALARY SCHEDULE
Effective July 1, 2023**

Grade	Position	A	B	C	D	E
2142	Administrative Services Director	\$ 14,389	\$ 15,108	\$ 15,863	\$ 16,657	\$ 17,489
2501	Assistant City Attorney	\$ 13,677	\$ 14,361	\$ 15,079	\$ 15,833	\$ 16,625
2001	Assistant City Manager	\$ 15,472	\$ 16,246	\$ 17,058	\$ 17,911	\$ 18,806
2300	Community Development Director	\$ 14,878	\$ 15,621	\$ 16,403	\$ 17,223	\$ 18,084
4205	Director of Digital Service & Open Government	\$ 13,677	\$ 14,361	\$ 15,079	\$ 15,833	\$ 16,625
2801	Director of Economic Development & Innovation	\$ 13,677	\$ 14,361	\$ 15,079	\$ 15,833	\$ 16,625
2205	District Manager/Engineer (SRSD)	\$ 13,481	\$ 14,155	\$ 14,863	\$ 15,606	\$ 16,386
2140	Finance Director	\$ 13,677	\$ 14,361	\$ 15,079	\$ 15,833	\$ 16,625
7101	Fire Chief	\$ 15,396	\$ 16,166	\$ 16,974	\$ 17,823	\$ 18,714
1106	Human Resources Director	\$ 13,677	\$ 14,361	\$ 15,079	\$ 15,833	\$ 16,625
2406	Library and Recreation Director	\$ 14,366	\$ 15,085	\$ 15,839	\$ 16,631	\$ 17,462
6101	Police Chief	\$ 15,396	\$ 16,166	\$ 16,974	\$ 17,823	\$ 18,714
2201	Public Works Director	\$ 15,094	\$ 15,849	\$ 16,641	\$ 17,474	\$ 18,347

Position	Monthly Salary
City Manager (Appointed)	\$ 22,482



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Public Works

Prepared by: Bill Guerin,
Director of Public Works

City Manager Approval: _____

TOPIC: FIFTH AVENUE TRAFFIC SIGNAL UPGRADES

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN PURCHASE ORDERS AND/OR AGREEMENTS WITH MIOVISION AND DC ELECTRIC GROUP FOR TRAFFIC SIGNAL UPGRADES ON FIFTH AVENUE AT: C, B, A, AND COURT STREETS

RECOMMENDATION: Adopt the Resolution authorizing the City Manager to sign purchase orders and/or agreements with Miovision and DC Electric Group for traffic signal upgrades on Fifth Avenue at: C, B, A, and Court Streets.

BACKGROUND: The majority of signalized intersections in Central San Rafael went through extensive upgrades as part of the Innovative Deployments of Enhanced Arterials (IDEA) grant program, administered by the Metropolitan Transportation Commission (MTC). The upgrades included: new traffic signal cabinets and controllers, video detection, and an Automated Traffic Signal Performance Measure (ATSPM) platform so the traffic engineering division could better monitor traffic conditions in central San Rafael.

The video detection includes travel time summaries and turning movement counts, which help the traffic engineering division make informed decisions on temporary traffic control requests, detours, and multi-modal circulation. Further, video detection allows the signals to operate with actuated timing which is more reactive and efficient than the current pre-timed system. The traffic engineering division also worked with the Department of Digital Service and Open Government to expand the fiber network downtown.

The grant funding did not cover intersection improvements on Fifth Avenue at C, B, A, or Court Streets. The signal cabinets and controllers are at the end of their life. The traffic engineering division is proposing to upgrade these intersections so that all signalized intersections in Central San Rafael operate on the same system with the same equipment.

ANALYSIS: Miovision Technologies (Miovision) has provided cameras and related technology at more than 40 intersection locations in San Rafael. Staff proposes to add these new locations using the same

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

equipment in order to have a City-wide integrated traffic monitoring system. The San Rafael Municipal Code section 11.50.090 allows the City to purchase without competitive bidding under specific circumstances where:

1. Limitations on the source or the scope and nature of the contract are such that no more than one contractor is available to meet the technical specifications and/or quality considerations of the project;
2. The work is of a highly specialized nature;
3. There would be no competitive advantage to requiring bidding for the contract;
4. The cost of the work would be significantly increased, or its completion significantly delayed;
5. There exist other specific considerations justifying the waiver of the bidding requirements.

All of the exceptions apply to this procurement as Miovision is the only technology company that supplies these cameras, the technology is highly specialized, and other, inferior technology would be more expensive and harder to procure. Miovision will provide the cameras and processing equipment plus one spare set for this project at a cost of \$96,570.25. DC Electric will install the video detection equipment and city-furnished cabinets and controllers at a cost of \$26,795, or \$28,000 with a contingency. Completing these upgrades will bring the total modernized signalized intersections to 46 out of 50 locations in central San Rafael. There are plans to upgrade the remaining locations in central San Rafael with future projects.

FISCAL IMPACT: There are sufficient funds available in the Traffic Signal Maintenance Fund (#206) for the proposed labor. There are sufficient funds in the Traffic Mitigation Fund (#246) for the equipment purchase.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Approve the resolution authorizing the City Manager to purchase four plus one spare Miovision cameras plus processing equipment in a total amount not to exceed \$96,570.25 and to enter an agreement with DC Electric to install the new equipment in a total amount not to exceed \$28,000.
2. Direct the Department of Public Works to modify the proposed project.
3. Direct the Department of Public Works to not proceed with the project upgrades.

RECOMMENDED ACTION: Adopt Resolution.

ATTACHMENTS:

1. Resolution Authorizing the City Manager to Sign Purchase Orders and/or Agreements with Miovision Technologies and DC Electric Group for Traffic Signal Upgrades on Fifth Avenue at: C, B, A, and Court Streets
2. Miovision quotation
3. DC Electric proposal

RESOLUTION NO.

**RESOLUTION OF CITY COUNCIL OF THE CITY OF SAN RAFAEL
AUTHORIZING THE CITY MANAGER TO SIGN PURCHASE ORDERS
AND/OR AGREEMENTS WITH MIOVISION AND DC ELECTRIC
GROUP FOR TRAFFIC SIGNAL UPGRADES ON FIFTH AVENUE
AT: C, B, A, AND COURT STREETS**

WHEREAS, the City of San Rafael desires to facilitate safe and convenient movement of vehicles, bicycles, and pedestrians within the City; and

WHEREAS, delays currently experienced by all modes could be improved with traffic signal detection; and

WHEREAS, the City has made investments in Miovision Technology (Miovision) at most other signalized intersections in Central San Rafael; and

WHEREAS, DC Electric Group is familiar with the installation of Miovision detection equipment, traffic signal cabinet upgrades, and traffic signal controller switchovers and is the City's maintenance contractor for all of its traffic signals; and

WHEREAS, Miovision Technology proposed a quote for video detection and processing equipment for \$96,570.25, a unique and sole source offer, and this agreement qualifies for a waiver of competitive bidding pursuant to San Rafael Municipal Code 2.55.100(C); and

WHEREAS, DC Electric Group provided a proposal for the installation of the new equipment at \$26,795; and

WHEREAS, Public works staff reviewed the terms of the agreement, as included with the staff report for this resolution, and found it beneficial to the community.

NOW, THEREFORE, BE IT RESOLVED, that, in consideration of the above, the City Council hereby waives the requirement of competitive bidding and authorizes the City Manager to execute purchase orders and/or agreements with Miovision Technologies to provide the City of San Rafael with video detection equipment in the amount of \$96,570.25 and with DC Electric Group for the installation of the Miovision equipment and City-furnished cabinets and controllers in the amount of \$26,795 and a contingency of \$1,005, for a total not to exceed amount of \$28,000 in forms to be approved by the City Attorney.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was regularly introduced and adopted at a regular meeting of the City Council held on Monday, the 21st day of March 2022, by the following vote, to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

Lindsay Lara, City Clerk



Quote

Miovision Technologies
137 Glasgow Street, Suite 110
Kitchener, ON N2G 4X8
Tax ID #831042346

Customer: **City of San Rafael (CA)**
Payment Term: Net 30
Shipping Term: FOB Shipping Point
Software Start Date: 10/25/2021
Software End Date: 10/24/2023
Subscription Term (Months): 24

Quote Number:	Q-14830
Account Executive:	Kyle McKenzie kmckenzie@miovision.com
Date:	9/9/2021
Valid Until:	11/3/2021
Currency:	U.S. Dollar

Bill To

City of San Rafael (CA)
Public Works Dept. P.O. Box 151560
San Rafael, California 94901
United States

Ship To

City of San Rafael (CA)
Public Works Dept. P.O. Box 151560
San Rafael, California 94901
United States

Description	Term (Months)	Qty	Price	Total
Miovision SmartLink - Wireless connectivity and sensor hub, includes ruggedized TrafficLink Antenna		5	\$3,000.00	\$15,000.00
Miovision SmartSense. Requires a SmartLink and SmartView 360 to function. SmartSense provides the computation power for Miovision's Detection and Counts products (software license required).		5	\$6,700.00	\$33,500.00
Miovision SmartView 360 - 360 degree camera including bell housing only.		5	\$2,000.00	\$10,000.00
Universal Camera Mount with Universal Hub - Camera mount used for both vertical and horizontal installs		5	\$480.00	\$2,400.00
Universal Camera Extension - 6ft extension used for both vertical and horizontal installs		5	\$400.00	\$2,000.00
Ethernet Cable - 100 ft with RJ45		5	\$160.00	\$800.00
TrafficLink Performance Measures A cloud-hosted solution that proactively surfaces inefficient operations using ATSPM data. Users also have access to 12 ATSPM metrics for detailed analysis, Travel Time information, and a before/after comparison tool to measure impact.	24	4	\$1,500.00	\$6,000.00
TrafficLink Continuous Counts Continuous multimodal traffic counts with cloud-based count storage, dashboard, reporting tools, API, configuration, and software updates.	24	4	\$1,500.00	\$6,000.00
Miovision Detection Video detection license to enable detection and actuation capability and configuration. Compatible with Miovision SmartSense.		4	\$3,000.00	\$12,000.00
TrafficLink Intersection Monitoring Real time cabinet telemetry, smart infrastructure alerts, remote cabinet device access, and video streaming & recall through the web-based TrafficLink portal.	24	4	\$390.00	\$1,560.00

Description	Term (Months)	Qty	Price	Total
Managed LTE Connectivity (2GB) Miovision device connectivity, managed Internet of Things (IoT) network, corporate firewall and 2GB of high-speed LTE connectivity per intersection per month. Customer agrees that Miovision may limit and/or charge Customer for excess or unauthorized data use.	24	1	\$600.00	\$600.00
UPS - UPS Standard		1	\$818.00	\$818.00

Subtotal (Net) : USD 90,678.00
Tax Total : USD 5,892.25
Total : USD 96,570.25

The Customer hereby agrees to order the products outlined above at the prices indicated, and acknowledges it has read, understands and agrees to be bound by the terms and conditions outlined at <http://miovision.com/terms-and-conditions>

Date:

Name:

Signature:

Select Payment Type:

Credit Card*

Purchase Order

Check (Net Term 30d)**

Bank Transfer

*Requires a Credit Card Authorization form

**Requires an approved Credit Application



July 16, 2021

City of San Rafael
Department of Public Works
111 Morpew St.
San Rafael, CA 94915

Attn: Lauren Davini

Job Name: Controller Cabinet & Video Detection Installations (City Furnished)
Job Location: 1.) 5th Ave & A (Miovision Camera Only)
2.) 5th Ave & B (Cabinet, Controller, and Miovision Camera)
3.) 5th Ave & C (Miovision Camera Only)
4.) 5th Ave & Court (Cabinet, Controller, and Miovision Camera)

Dear Lauren:

Per your request, we offer to perform the following work, based on our standard terms and conditions:

Cabinet & Controller Installation (Scope of Work Per Location):

- Construct temporary framework around existing signal cabinet and suspend in place.
- Demolish existing foundation and protect conduits and conductors in place.
- Form and pour a new foundation for the new Type OL cabinet, including two new 3" conduits (for future use) to a new DCE furnished #5 (N30) pull-box where determined by City Staff.
- Establish temporary traffic control and set intersection to Red Flash.
- Place stop signs and disconnect power to intersection (i.e. black.)
- Remove and dispose of existing CBD cabinet.
- Install new City-furnished OL Cabinet and modify conduits as necessary.
- Restore power to intersection and immediately place intersection in Red Flash.
- Terminate all remaining field conductors.
- Check all detection, signal indications, and restore intersection to full auto-operation.
 - NOTE: Existing Type 1 service to be re-mounted to new cabinet at 5th/Court.

Video Detection Installation (Scope of Work Per Location)

- Pick up City-furnished Miovision™ video detection camera, mounting brackets, and associated Smart Sense and Smart Link devices from City DPW.
- Establish minor temporary traffic control as needed.
- Install one (1) new Miovision™ camera per intersection on the pre-determined traffic signal poles.
- Install necessary Smart Sense and Smart Link components in the signal cabinet at each location.
- Furnish and install new Cat5e cable from the traffic signal cabinet to each of the new cameras (assumes conduits are accessible, free of debris, and in good working order).
- Return to meet Miovision™ representative on site (or remotely) at each location to commission the new system and confirm proper operation.

Total Labor, Material, & Equipment... \$26,795.00



Work can begin within fifteen (15) days from receipt of Notice to Proceed from the City of San Rafael upon receipt (by City) of new material.

This price is valid for 30 days and assumes work will be done directly for the City of San Rafael and excludes any potential fees/permits. Any change to the above schedule/scope of work will need to be negotiated in writing in advance of said work.

This proposal is hereby accepted on this _____ day of _____, 2021.

City of San Rafael

By: _____

Title: _____

DC Electric Group, Inc.

Tim Carter

A handwritten signature in blue ink, appearing to read 'Tim Carter', is written over a faint, larger version of the signature.

Regional Manager



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: CITY ATTORNEY

Prepared by: Lisa Goldfien,
Assistant City Attorney

City Manager Approval: 

TOPIC: 2021-2022 CITY COUNCIL REDISTRICTING PROCESS

SUBJECT: FOURTH PUBLIC HEARING ON EXISTING CITY COUNCIL DISTRICT LINES AND POSSIBLE CHANGES; RESOLUTION ADJUSTING THE BOUNDARIES AND SELECTING A PREFERRED DISTRICT MAP OF THE CITY COUNCIL DISTRICTS IN ACCORDANCE WITH CALIFORNIA ELECTIONS CODE SECTIONS 21601-21609 AND SAN RAFAEL MUNICIPAL CODE SECTION 2.02.040

RECOMMENDATION:

Conduct the public hearing and, absent persuasive public comment to the contrary, select the current district map as the preferred district map, and MOVE:

to adopt a resolution, in the form attached to the staff report, approving the current district map for use beginning at the City's November 2022 election.

BACKGROUND:

On [April 16, 2018](#), the City Council adopted [Ordinance No. 1956](#), approving the move from at-large voting to "by-district" voting for council elections, in which each member of the Council must reside in a district and is elected only by the voters within that district, and approving the district map designated as "[Canal 3B](#)." The City's first general municipal election using the new City Council districts was held on November 3, 2020, for the City Council seats in District 1/South and 4/North. The first elections in Districts 2/West and 3/East will be held on November 8, 2022.

Even though the City created its four electoral districts only three years ago, Elections Code § 21621 requires that the redistricting process occur again following each federal decennial census to rebalance the districts' populations in light of the most recent data available. The most recent decennial census was conducted in 2020, and the Bureau released its "PL94-171" redistricting data on August 12, 2021. However, under changes to California law adopted in 2019, known as the FAIR MAPS Act, the City is required to use data from the California Statewide Database at UC Berkeley ("SWDB"), which "adjust the Census Bureau's data to account for legislatively-required reallocation of incarcerated felons within the

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2

State.” (See Elec. Code § 21621(a)(2).) Those adjusted data were released on September 21, 2021, and a corrected version of the data was released on September 27, 2021.

At its meeting on July 19, 2021, the Council received a presentation regarding the redistricting process from the City’s special counsel, Chris Skinnell of Nielsen Merksamer Parrinello Gross & Leoni, after which the Council approved the timeline for the redistricting process. At its September 13 meeting, the Council received a further presentation from Mr. Skinnell summarizing the legal rules governing the readjustment of district lines and the preliminary demographics of the existing districts based on the PL94-171 data.

Pursuant to the FAIR MAPS Act, the Council is required to conduct four public hearings, the first two of which focused on receiving feedback from the Council and the public regarding the current lines, and desired changes, and the City’s communities of interest, and the last two of which are to focus on actual draft maps to readjust the Council districts.

At its meeting on November 15, 2021, the Council received updated information regarding the final “adjusted” demographics of the existing districts based on the SWDB data, after which the Council conducted its first duly-noticed public hearing to receive public testimony regarding the composition of the districts, especially communities of interest. At its meeting on January 18, 2022, the Council conducted the second duly-noticed public hearing to receive public testimony regarding the composition of the districts, especially communities of interest.

The Council conducted its first post-mapping public hearing (and third overall) on February 22, 2022, following a presentation of proposed mapping options by the City’s demographer. This is the fourth required public hearing and the second post-mapping public hearing, following which it is proposed that the Council choose a final map. Although the original City Council districts were adopted by ordinance, the FAIR MAPS Act authorizes subsequent district boundary changes to be approved either by ordinance or by resolution.

The statutory deadline for completion of the redistricting process is April 17, 2022.

ANALYSIS:

At the meeting, the City’s demographic consultant, Ms. Kristen Parks of National Demographics Corporation (“NDC”), will again present proposed draft maps to readjust the City Council district boundaries, and the Council will again be asked to conduct a public hearing to receive feedback from the public regarding the draft maps.

The following is a summary of the main substantive legal requirements for the redistricting process:

- 1) The districts must be “substantially equal” in population as defined by the Supreme Court.
- 2) The districts must comply with the federal Voting Rights Act of 1965 (52 U.S.C. Sec. 10301 et seq.)
- 3) The districts must comply with constitutional restrictions on “racial gerrymandering.”
- 4) Subject to the constitutional and federal law requirements noted in paragraphs (1) – (3), voting districts must be established according to four statutory criteria, ranked in order of priority:
 - To the extent practicable, council districts shall be geographically contiguous. Areas that meet only at the points of adjoining corners are not contiguous.

Areas that are separated by water and not connected by a bridge, tunnel, or regular ferry service are not contiguous.

- To the extent practicable, the geographic integrity of any local neighborhood or local community of interest shall be respected in a manner that minimizes its division. A “community of interest” is a population that shares common social or economic interests that should be included within a single district for purposes of its effective and fair representation. Communities of interest do not include relationships with political parties, incumbents, or political candidates.
- Council district boundaries should be easily identifiable and understandable by residents. To the extent practicable, council districts shall be bounded by natural and artificial barriers, by streets, or by the boundaries of the city.
- To the extent practicable, and where it does not conflict with the preceding criteria in this subdivision, council districts shall be drawn to encourage geographical compactness in a manner that nearby areas of population are not bypassed in favor of more distant populations.

Third Required Public Hearing on February 22, 2022:

As discussed at the February 22 meeting, the current district lines comply with the first three criteria above, and they are contiguous, so if the City Council believes they adequately respect communities of interest, retention of the current lines would be an option. (See Attachment 3.a.)

NDC also prepared a second option for the Council to consider in light of the discussion at the previous meetings. That option, labeled the “NDC Minimal Change Map” begins with the current lines but makes discrete changes to reduce the population imbalance (to 5.55% compared to 8.53% under the current map). (See Attachment 3.b.)

At the time of the February 22 City Council meeting, no public draft maps had been submitted and no public comment was received, and following the public hearing the City Council members appeared to agree that since the current district map complies with all legal requirements, they did not yet see a need to change the current boundaries.

Fourth Required Public Hearing on March 21, 2022:

For this fourth public hearing, no public maps were received by the March 7 deadline, though one person submitted a comment requesting the unification of the Bret Harte neighborhood (Attachment 3). The demographer has concluded that the requested unification could be accomplished within the 10% population deviation, but it would dilute the community of interest that currently characterizes District 1. Therefore, staff has concluded that overall, this requested change would not best maintain the City’s primary communities of interest.

Thus, for tonight’s public hearing, the City Council still has only the current and the “NDC Minimal Change” maps to consider. Based on the proceedings to date, it appears that there is little interest on the part of the public or the City Council to alter the existing district boundaries. Therefore, unless the fourth public hearing generates requests for substantial changes to the district boundaries, staff recommends that the City Council vote to retain the current district map.

Once the City Council selects a preferred district map, the attached resolution will be finalized to refer specifically to and attach a copy of that map.

Online versions of the current map and the “NDC Minimal Change Map” that would allow a viewer to zoom in down to the street level are available on the City’s redistricting website, under the “[Draft Maps](#)” tab.

The two maps have both been posted at least seven days in advance of the hearing, as required by the FAIR MAPS Act.

COMMUNITY OUTREACH:

As staff advised the Council at the prior meetings, the City has established a City redistricting website with all pertinent documents in both English and Spanish. It can be found at <https://redistrictsanrafael.org/>. By visiting that website, members of the public also had the option, until March 7, to submit proposed district maps for the Council’s consideration, using either a paper mapping kit or online mapping tools. Staff also conducted additional outreach to interested community groups, media organizations, and other interested parties.

FISCAL IMPACT:

There is no fiscal impact from the recommended City Council action. Completion of the redistricting process will incur expenses of approximately \$50,000 in consulting attorney’s fees and \$60,000 in consulting demographer’s fees (including the online mapping tool), in addition to regular staff time. Sufficient funds have been included in the current budget to cover these expenses.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Accept the information report on the proposed draft maps, conduct the fourth public hearing, select the current district map as the preferred map and adopt a Resolution approving its use beginning at the City’s November 2022 election, as recommended by staff.
2. Accept the information report on the proposed draft maps, conduct the fourth public hearing, select the “NDC Minimal Change Map” as the preferred map and adopt a Resolution approving its use beginning at the City’s November 2022 election.
3. Hold the fourth public hearing but do not select a preferred map. In this case a fifth public hearing will be scheduled for the April 4, 2022 City Council meeting, at which time action must be taken to comply with the statutory deadline of April 17, 2022.

RECOMMENDED ACTION:

Conduct the public hearing and, absent persuasive public comment to the contrary, select the current district map as the preferred district map, and MOVE:

to adopt a resolution, in the form attached to the staff report, approving the current district map for use beginning at the City’s November 2022 election.

ATTACHMENTS:

1. PowerPoint Presentation
2. Draft Resolution adopting (preferred) final map
 - a. Exhibit A to Resolution: Either
 - i. Current District Map, or
 - ii. NDC Minimal Change Map
3. Public correspondence

City of San Rafael



Redistricting Public Hearing #4

National Demographics Corporation

San Rafael's Transition to Districts

Date	Event	
November 10, 2017	City received letter alleging violation of the California Voting Rights Act (CVRA)	} Districting
January 16, 2018	Council passed resolution to change to district elections	
April 16, 2018	Council adopted district map	
November 3, 2020	Elections for Districts 1 & 4	
2021 - 2022	Districts must be redrawn to reflect 2020 Census data	← Redistricting

Redistricting Timeline

Date	Event
<input checked="" type="checkbox"/> August 12, 2021	Release of 2020 Census data
<input checked="" type="checkbox"/> September 27, 2021	Release of California's official redistricting data
<input checked="" type="checkbox"/> November 15, 2021	Public Hearing #1
<input checked="" type="checkbox"/> January 18, 2022	Public Hearing #2
<input checked="" type="checkbox"/> February 22, 2022	Public Hearing #3
March 21, 2022	Public Hearing #4
April 17, 2022	Legal deadline for Council to adopt redistricting plan
November 8, 2022	First election with new map

Legal Criteria for Redistricting

Federal Law

- ✓ Ensure equal population*
- ✓ Comply with federal Voting Rights Act
- ✓ Avoid racial gerrymandering

* Total population deviation < 10%

California Law

1. Ensure geographic **contiguity**
 2. Minimize division of neighborhoods & **“communities of interest”**
 3. Create easily identifiable boundaries
 4. Maintain **compactness**
- ✓ Do not “favor or discriminate against a political party”

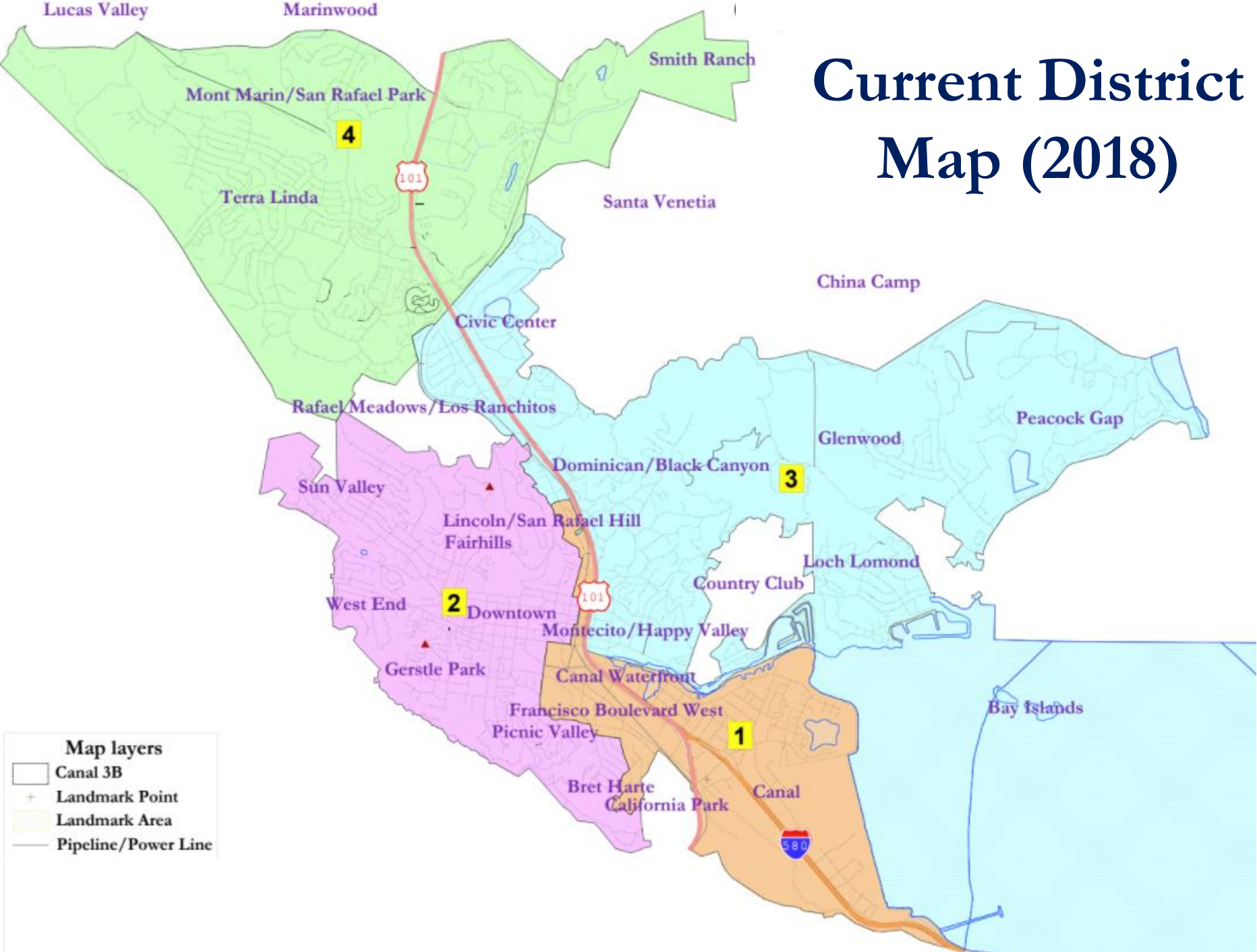
Traditional Criteria

May include:

- Preserve core of existing districts
- Minimize changes to election cycles

Do not bypass a nearby population to take in a more distant population

Current District Map (2018)



✓ Current Districts Are Pop. Balanced

District		1	2	3	4	Total
2020	2020 Census (Adjusted)	14,853	15,732	14,720	16,028	61,333
	Deviation from ideal	-480	399	-613	695	1,308
	% Deviation	-3.13%	2.60%	-4.00%	4.53%	8.53%
2020 Total Pop	% Hisp	80%	21%	21%	18%	34%
	% NH White	12%	65%	64%	64%	52%
	% NH Black	1%	2%	2%	2%	2%
	% Asian-American	5%	7%	9%	12%	8%
Citizen Voting Age Pop	Total	4,296	10,843	10,421	10,843	36,403
	% Hisp	42%	7%	10%	9%	12%
	% NH White	41%	84%	76%	80%	75%
	% NH Black	3%	3%	3%	1%	3%
	% Asian/Pac.Isl.	13%	5%	9%	8%	8%

Calculating Population Deviation

Ideal district size = 15,333

- Calculated by dividing the total population by the number of districts
- $61,333/4 = 15,333.25$

Total deviation = 1,308

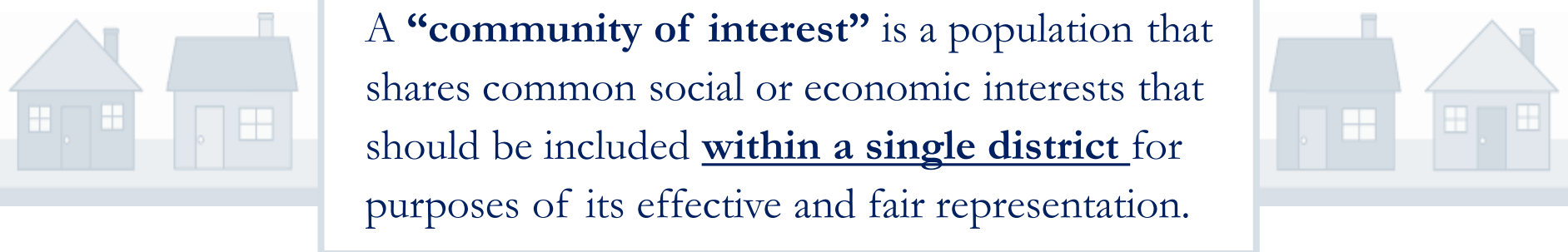
- Calculated by subtracting the smallest district's population from the largest district's population
- $D4 (16,028) - D3 (14,720) = 1,308$

Total deviation % = 8.53%

- Calculated by subtracting the smallest district's deviation from the largest district's deviation
- $D4(4.53) - D3(-4.00) = 8.53\%$

Defining “Communities of Interest”

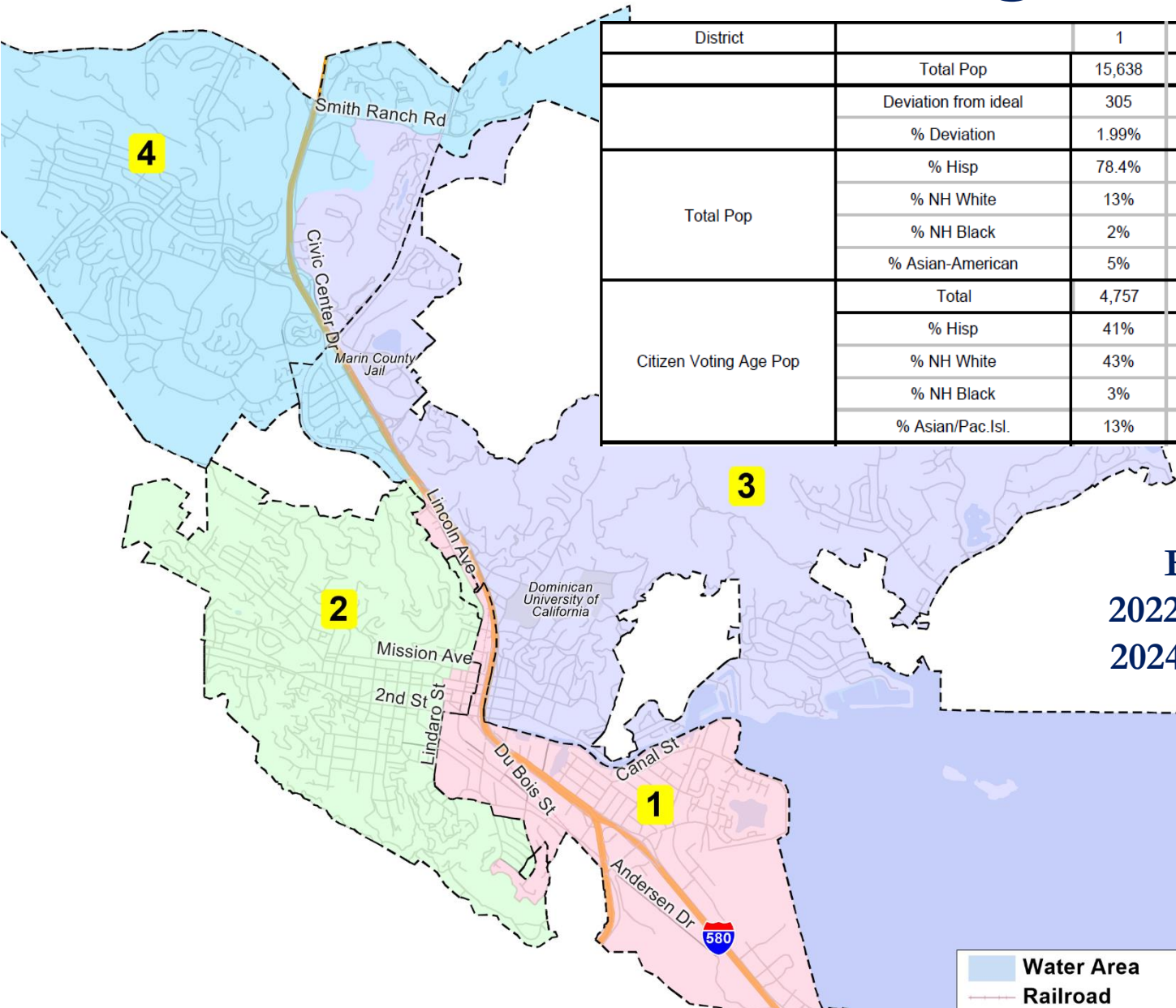
Under California Elections Code, “community of interest” has a specific definition in the context of redistricting:



A “community of interest” is a population that shares common social or economic interests that should be included within a single district for purposes of its effective and fair representation.

Definitions of “communities of interest” do **not** include relationships with political parties, incumbents, or political candidates.

NDC Minimal Change Map

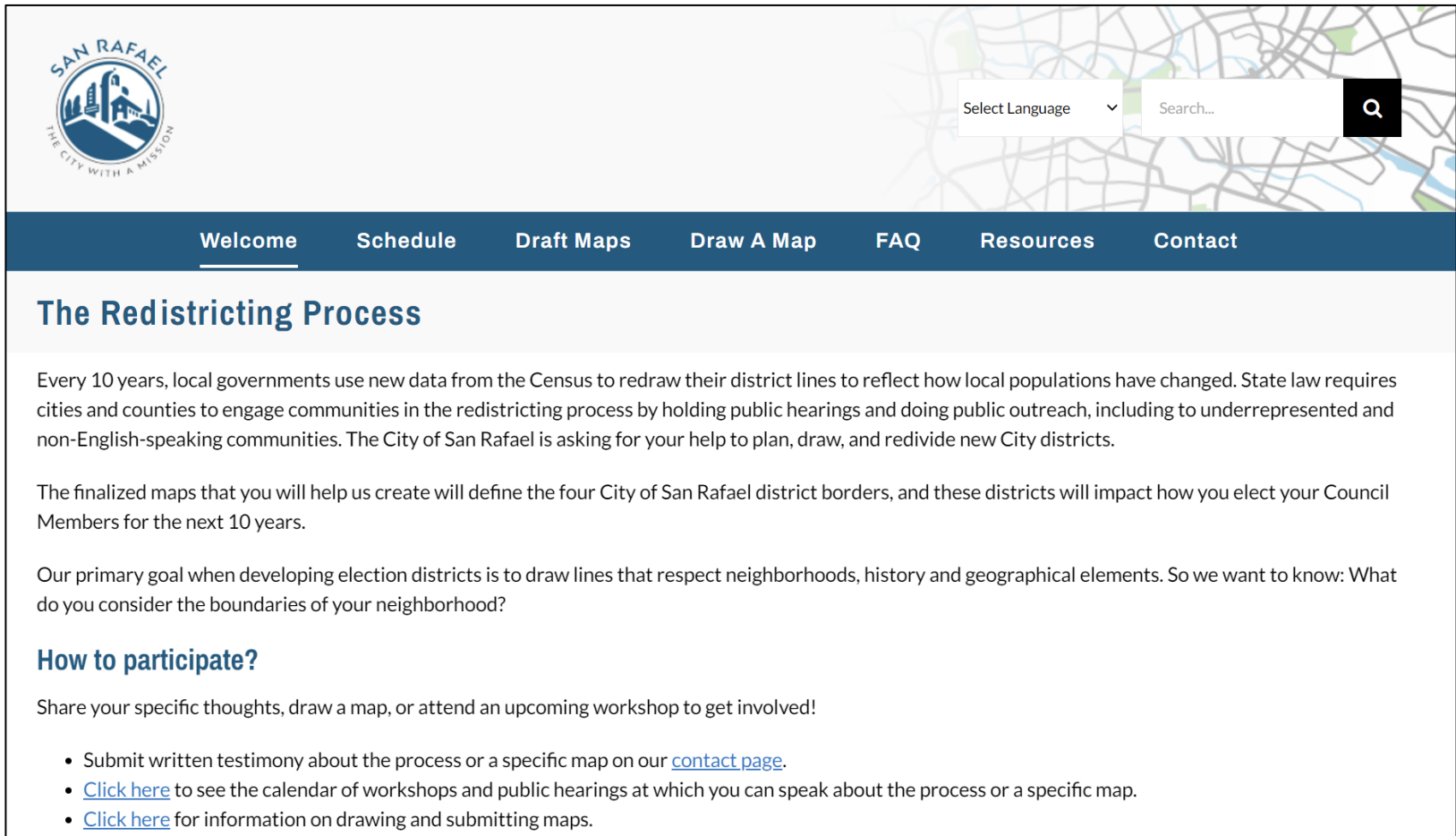


District	1	2	3	4	Total
Total Pop	15,638	15,700	14,849	15,146	61,333
Deviation from ideal	305	367	-484	-187	851
% Deviation	1.99%	2.39%	-3.16%	-1.22%	5.55%
Total Pop	78.4%	21%	19%	18%	34%
% NH White	13%	65%	66%	64%	52%
% NH Black	2%	2%	3%	2%	2%
% Asian-American	5%	7%	9%	12%	8%
Citizen Voting Age Pop	4,757	10,771	10,539	10,336	36,403
% Hisp	41%	8%	7%	10%	12%
% NH White	43%	83%	80%	77%	75%
% NH Black	3%	3%	3%	1%	3%
% Asian/Pac.Isl.	13%	5%	8%	9%	8%

Election Cycle:
2022: Districts 2 and 3
2024: Districts 1 and 4

Water Area
 Railroad

Share Your Thoughts



The screenshot shows the City of San Rafael website. At the top left is the city logo with the text 'SAN RAFAEL THE CITY WITH A MISSION'. To the right is a search bar with a 'Select Language' dropdown and a search icon. Below the header is a navigation menu with links: Welcome, Schedule, Draft Maps, Draw A Map, FAQ, Resources, and Contact. The main content area is titled 'The Redistricting Process' and contains the following text:

Every 10 years, local governments use new data from the Census to redraw their district lines to reflect how local populations have changed. State law requires cities and counties to engage communities in the redistricting process by holding public hearings and doing public outreach, including to underrepresented and non-English-speaking communities. The City of San Rafael is asking for your help to plan, draw, and redivide new City districts.

The finalized maps that you will help us create will define the four City of San Rafael district borders, and these districts will impact how you elect your Council Members for the next 10 years.

Our primary goal when developing election districts is to draw lines that respect neighborhoods, history and geographical elements. So we want to know: What do you consider the boundaries of your neighborhood?

How to participate?

Share your specific thoughts, draw a map, or attend an upcoming workshop to get involved!

- Submit written testimony about the process or a specific map on our [contact page](#).
- [Click here](#) to see the calendar of workshops and public hearings at which you can speak about the process or a specific map.
- [Click here](#) for information on drawing and submitting maps.

Website: redistrictsanrafael.org

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SAN RAFAEL ADJUSTING THE BOUNDARIES AND SELECTING A PREFERRED DISTRICT MAP OF THE CITY COUNCIL DISTRICTS IN ACCORDANCE WITH CALIFORNIA ELECTIONS CODE SECTIONS 21601-21609 AND SAN RAFAEL MUNICIPAL CODE SECTION 2.02.040

WHEREAS, in 2018 the City Council of San Rafael adopted Ordinance No. 1956, approving the change of the City’s electoral system from an at-large to a “by-district” electoral system with a separately elected mayor; and

WHEREAS, the districts adopted thereby were used for the first time at the 2020 elections; and

WHEREAS, California Elections Code section 21621 requires each charter city that uses by-district elections to readjust those district boundaries in the year following the release of a new Census, to ensure compliance with constitutional equal population requirements; and

WHEREAS, the United States Supreme Court has held that a “total deviation” under 10% is presumptively constitutional; and

WHEREAS, the existing council districts have a “total deviation” of population between the districts of 8.53% based on the 2020 Census; and

WHEREAS, under changes to state law adopted by the Legislature in 2019 there are additional criteria that electoral districts must comply with, including contiguity, minimizing division of neighborhoods and communities of interest to the extent possible, following easily understandable boundaries to the extent possible, and encouraging the compactness of population to the extent practicable; and

WHEREAS, the City has retained an experienced redistricting/demographic consulting firm, National Demographics Corporation (“NDC”), and experienced legal counsel, Nielsen Merksamer, to advise it on the process of preparing a revised district plan; and

WHEREAS, on July 19, 2021, the City Council received a presentation from the City’s retained special voting rights counsel regarding the redistricting process, after which the Council approved a detailed timeline and work plan for the redistricting process; and

WHEREAS, the Census Bureau belatedly released the 2020 “Public Law 94-171” (“PL94-171”) redistricting data files on August 12, 2021; and

WHEREAS, on September 13, 2021, the City’s special counsel provided the City Council with an additional presentation summarizing the legal rules governing the

readjustment of district lines and the preliminary demographics of the existing districts based on the PL94-171 data; and

WHEREAS, the California Statewide Database (“SWDB”) released an “adjusted” version of the Census redistricting data on September 21, 2021, as required by state law, and a corrected version of those adjusted data on September 27, 2021; and

WHEREAS, on November 15, 2021, the City Council received updated information regarding the final “adjusted” demographics of the existing districts based on the SWDB data, after which the Council conducted its first duly-noticed public hearing to receive public testimony regarding the composition of the districts, especially communities of interest; and

WHEREAS, on January 18, 2022, the City Council conducted a second duly-noticed public hearing at its regular council meeting to receive public testimony regarding the composition of the districts and instructed its consultants to prepare draft maps for consideration at future public hearings; and

WHEREAS, on February 22, 2022, NDC presented two draft council district plans to the City Council—both of which were prepared according to the criteria set forth in state law—one showing the existing lines, which, as noted above, remain population-balanced, and another “Minimal Change” plan that preserves the communities of interest identified during the 2018 district process; and

WHEREAS, following the demographic consultant’s presentation on February 22 the City Council conducted a third duly-noticed public hearing to receive public input regarding the draft maps; and

WHEREAS, on March 21, 2022, the City Council conducted a fourth duly-noticed public hearing regarding the draft maps; and

WHEREAS, throughout this process the City has maintained a detailed redistricting website as required by law, <https://redistrictsanrafael.org/>; and

WHEREAS, the City has provided notices and other materials in Spanish, and has provided translation services upon request; and

WHEREAS, the City has engaged in good-faith public outreach to community groups and other interested parties as required by law; and

WHEREAS, the City made available to the public paper and online mapping tools to permit them to submit draft maps if so desired;

WHEREAS, the City Council has considered all public comments on the proposed council district plans; and

WHEREAS, the Council believes that the districts contained in **[the Existing (2018) map/the “Minimum Change” map]** (the “Preferred Map”), incorporated herein, would best serve the interests of the City and the public at large; and

WHEREAS, the populations in the proposed districts of the Preferred Map are substantially equal in compliance with legal requirements; and

WHEREAS, Section 2 of the Voting Rights Act, 52 U.S.C. § 10301, prohibits the use of any voting qualification, or prerequisite to voting, or standard, practice, or procedure in a manner which results in a denial or abridgement of the right of any citizen of the United States to vote on account of race or color, and the Preferred Map complies with section 2 of the Voting Rights Act; and

WHEREAS, the Preferred Map is drawn is geographically contiguous; and

WHEREAS, the Preferred Map seeks to minimize the division of communities of interest and neighborhoods to the extent possible; and

WHEREAS, the Preferred Map uses easily understandable boundaries, like streets, natural and artificial barriers, and the boundaries of the City, to the extent possible; and

WHEREAS, the Preferred Map is drawn to encourage geographical compactness to the extent practicable;

NOW, THEREFORE, the City Council of San Rafael does hereby resolve, declare, and determine as follows:

DIVISION 1: FINDINGS AND DETERMINATIONS.

All of the recitals set forth above are true and correct, and the City Council so finds and determines.

DIVISION 2: ADOPTION OF NEW COUNCIL DISTRICT MAP.

Pursuant to California Elections Code section 21601 and San Rafael Municipal Code section 2.02.040, the City Council prefers the district boundaries in **[the Existing (2018) map/the “Minimum Change” map]**, attached hereto as Exhibit “A” and incorporated herein by this reference; believes that its adoption would best serve the public interest of the City’s residents and voters; and by this resolution hereby adopts the district boundaries in that Preferred Map for use at the City’s November 2022 election and subsequent elections until a further re-alignment is required pursuant to Elections Code section 21601 and San Rafael Municipal Code section 2.02.040, following the release of the 2030 Census.

DIVISION 3: IMPLEMENTATION.

1. The City Manager and/or designee shall take all actions necessary to notify the Marin County Registrar's Office of the Council's determination forthwith and provide whatever assistance may be required by the Registrar's Office to implement the new district lines.

2. Because the new district plan may contain technical anomalies caused by errors in the 2020 Census line files that do not substantively affect the populations in the districts, the district boundaries, or the intent of this Resolution, which anomalies are not revealed until implementation begins, the City Manager and/or designee is authorized to make technical emendations to the new plan that do not substantively affect the populations in the districts, the district boundaries, or the intent of this Resolution, and shall advise the City Council of any such emendations that are found to be required in plan implementation by the County Registrar's Office.

3. The City Manager shall consult with legal counsel and/or the City's demographic consultant as necessary to resolve any legal or technical issues necessary to give effect to this Resolution.

DIVISION 4: CEQA COMPLIANCE.

The City Council finds that the proposed realignment of the existing council district map is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3) in that it is not a project which has the potential for causing a significant effect on the environment

DIVISION 5: CONFLICTING MEASURES.

To the extent that the terms and provisions of this Resolution may be inconsistent or in conflict with the terms or conditions of any prior City ordinance, motion, resolution, rule or regulation governing the same subject, the terms of this Resolution shall prevail with respect to the subject matter thereof.

DIVISION 6: INTERPRETATION.

In interpreting this Resolution or resolving any ambiguity, this Resolution shall be interpreted in a manner that effectively accomplishes its stated purposes.

DIVISION 7: SEVERABILITY

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Resolution, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The City Council of the City of San Rafael hereby declares that it would have adopted this Resolution, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that anyone or more

sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

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 21st day of March 2022, by the following vote:

AYES: **COUNCIL MEMBERS:**

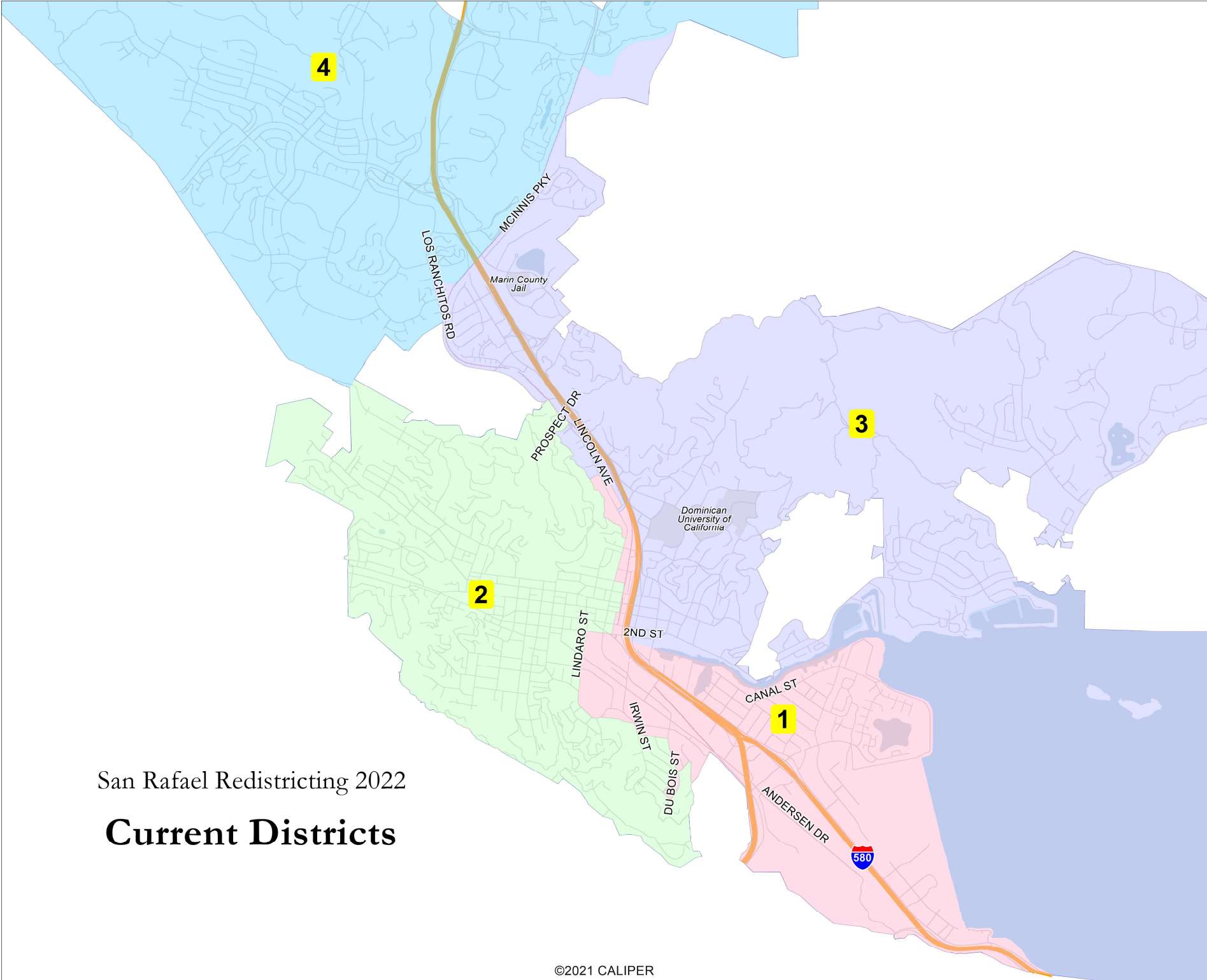
NOES: **COUNCIL MEMBERS:**

ABSENT: **COUNCIL MEMBERS:**

Lindsay Lara, City Clerk

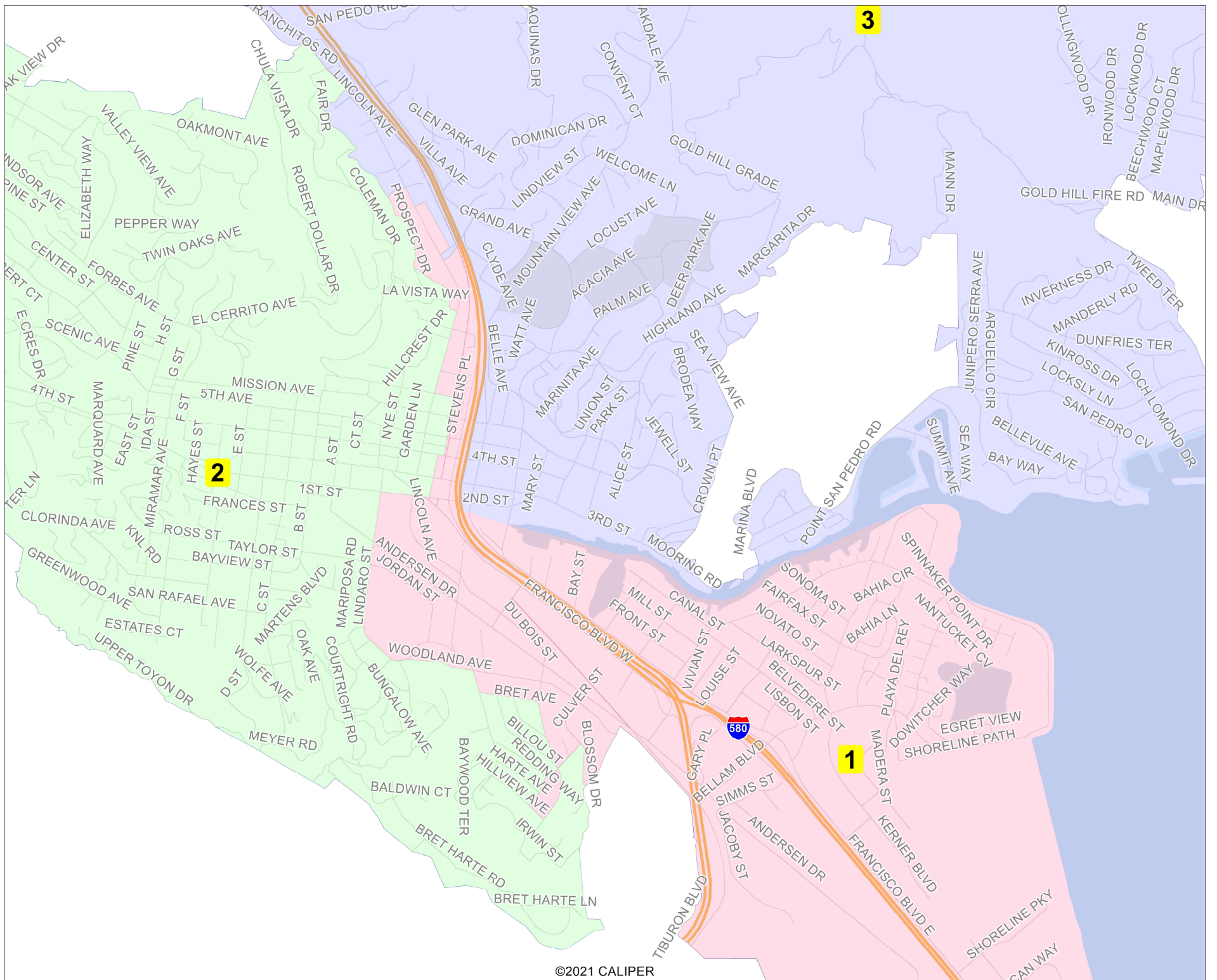
Attachment:
Exhibit A ([the Existing (2018) map/the “Minimum Change” map])
.....

Exhibit A to Resolution No. _____
(Map of City Council Districts – 2020 Census)

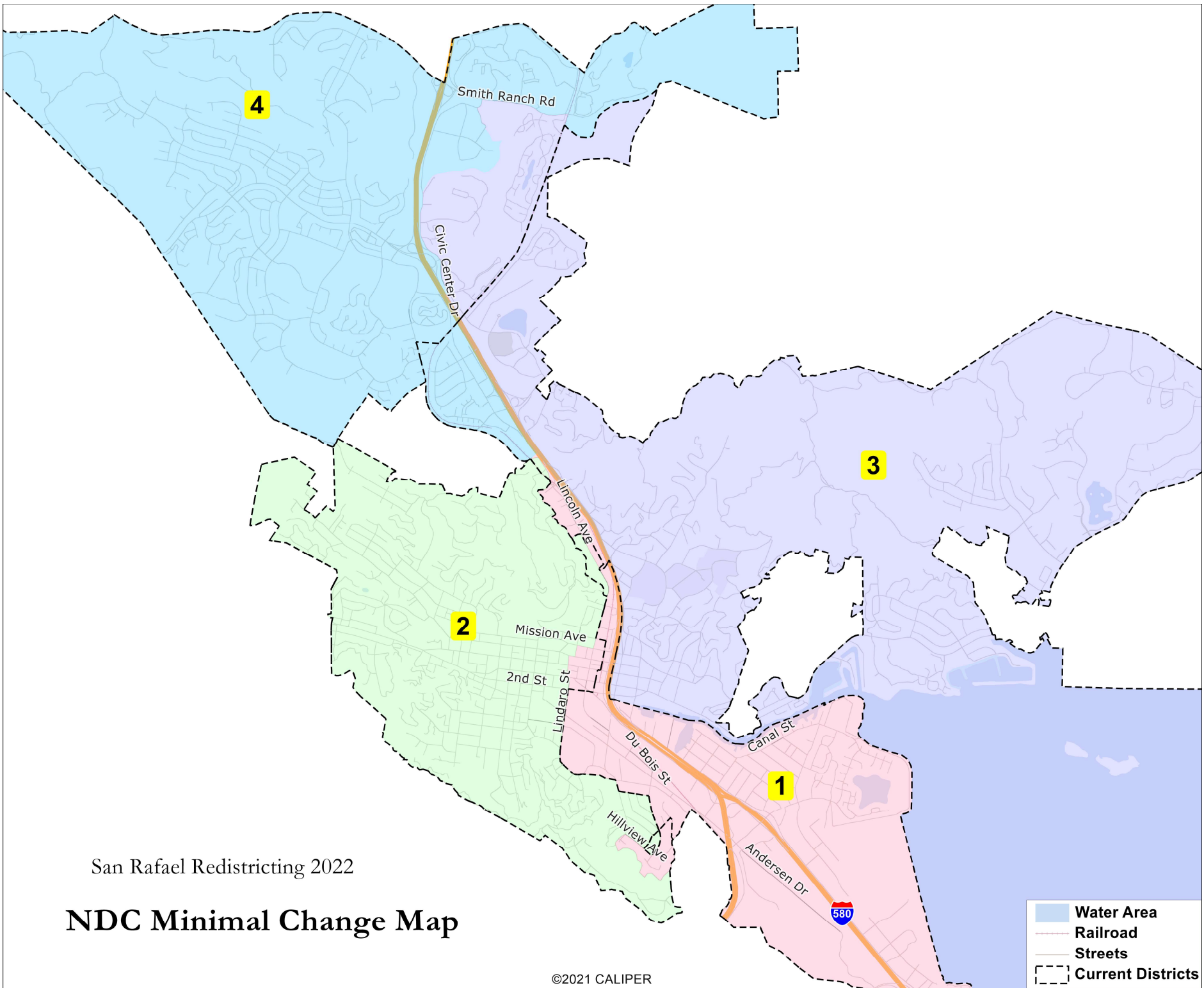


San Rafael Redistricting 2022

Current Districts



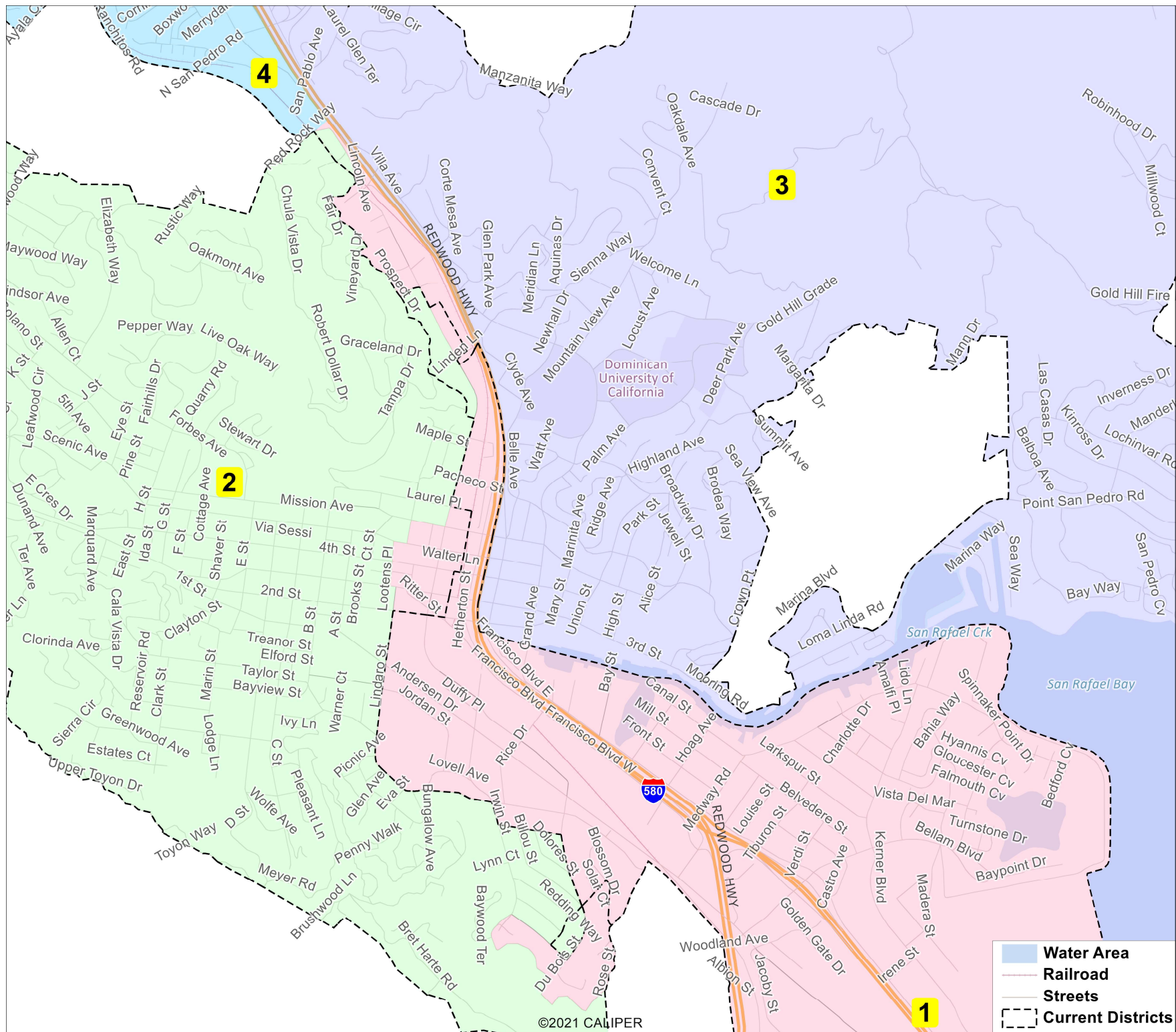
Current Districts						
District		1	2	3	4	Total
	Total Pop	14,853	15,732	14,720	16,028	61,333
	Deviation from ideal	-480	399	-613	695	1,308
	% Deviation	-3.13%	2.60%	-4.00%	4.53%	8.53%
Total Pop	% Hisp	79.8%	21%	21%	18%	34%
	% NH White	12%	65%	64%	64%	52%
	% NH Black	1%	2%	2%	2%	2%
	% Asian-American	5%	7%	9%	12%	8%
Citizen Voting Age Pop	Total	4,296	10,843	10,421	10,843	36,403
	% Hisp	42%	7%	10%	9%	12%
	% NH White	41%	84%	76%	80%	75%
	% NH Black	3%	3%	3%	1%	3%
	% Asian/Pac.Isl.	13%	5%	9%	8%	8%
Voter Registration (Nov 2020)	Total	3,340	10,501	9,653	10,440	33,934
	% Latino est.	33%	7%	7%	7%	10%
	% Spanish-Surnamed	30%	7%	7%	6%	9%
	% Asian-Surnamed	10%	3%	4%	4%	4%
	% Filipino-Surnamed	1%	1%	1%	1%	1%
	% NH White est.	54%	85%	86%	87%	83%
Voter Turnout (Nov 2020)	Total	2,637	9,288	8,610	9,231	29,766
	% Latino est.	30%	7%	6%	6%	9%
	% Spanish-Surnamed	28%	6%	6%	6%	8%
	% Asian-Surnamed	10%	3%	4%	4%	4%
	% Filipino-Surnamed	1%	1%	1%	1%	1%
	% NH White est.	56%	86%	87%	87%	84%
Voter Turnout (Nov 2018)	Total	1,858	7,801	7,233	7,691	24,583
	% Latino est.	22%	5%	6%	5%	7%
	% Spanish-Surnamed	21%	5%	5%	5%	6%
	% Asian-Surnamed	8%	3%	3%	4%	4%
	% Filipino-Surnamed	1%	0%	1%	1%	1%
	% NH White est.	64%	88%	88%	89%	86%
ACS Pop. Est.	Total	15,353	14,193	13,721	15,632	58,898
	age0-19	37%	17%	20%	23%	25%
	age20-60	54%	57%	44%	47%	50%
	age60plus	9%	25%	36%	31%	25%
	immigrants	48%	18%	19%	22%	27%
	naturalized	17%	38%	63%	48%	34%
Language spoken at home	english	25%	82%	76%	72%	64%
	spanish	67%	12%	11%	11%	25%
	asian-lang	4%	2%	5%	5%	4%
	other lang	3%	4%	8%	12%	7%
Language Fluency	Speaks Eng. "Less than Very Well"	48%	7%	9%	12%	19%
Education (among those age 25+)	hs-grad	32%	29%	28%	25%	28%
	bachelor	12%	37%	34%	34%	31%
	graduatedegree	8%	22%	24%	29%	22%
Child in Household	child-under18	51%	22%	23%	27%	29%
Pct of Pop. Age 16+	employed	73%	71%	57%	62%	66%
Household Income	income 0-25k	20%	12%	14%	11%	13%
	income 25-50k	24%	17%	14%	11%	16%
	income 50-75k	21%	12%	8%	15%	13%
	income 75-200k	25%	38%	36%	40%	36%
	income 200k-plus	10%	22%	28%	23%	22%
Housing Stats	single family	30%	53%	74%	60%	56%
	multi-family	70%	47%	26%	40%	44%
	rented	77%	58%	36%	37%	50%
	owned	23%	42%	64%	63%	50%
Total population data from the 2020 Decennial Census.						
Surname-based Voter Registration and Turnout data from the California Statewide Database.						
Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2015-2019 American Community Survey and Special Tabulation 5-year data.						



San Rafael Redistricting 2022

NDC Minimal Change Map

- Water Area
- Railroad
- Streets
- Current Districts



NDC Minimal Change						
District		1	2	3	4	Total
	Total Pop	15,638	15,700	14,849	15,146	61,333
	Deviation from ideal	305	367	-484	-187	851
	% Deviation	1.99%	2.39%	-3.16%	-1.22%	5.55%
Total Pop	% Hisp	78.4%	21%	19%	18%	34%
	% NH White	13%	65%	66%	64%	52%
	% NH Black	2%	2%	3%	2%	2%
	% Asian-American	5%	7%	9%	12%	8%
Citizen Voting Age Pop	Total	4,757	10,771	10,539	10,336	36,403
	% Hisp	41%	8%	7%	10%	12%
	% NH White	43%	83%	80%	77%	75%
	% NH Black	3%	3%	3%	1%	3%
	% Asian/Pac.Isl.	13%	5%	8%	9%	8%
Voter Registration (Nov 2020)	Total	3,738	10,355	10,006	9,835	33,934
	% Latino est.	30%	7%	7%	7%	10%
	% Spanish-Surnamed	28%	7%	6%	6%	9%
	% Asian-Surnamed	10%	3%	4%	4%	4%
	% Filipino-Surnamed	1%	1%	1%	1%	1%
	% NH White est.	55%	86%	87%	87%	83%
Voter Turnout (Nov 2020)	Total	2,957	9,179	8,887	8,743	29,766
	% Latino est.	28%	7%	6%	7%	9%
	% Spanish-Surnamed	26%	6%	6%	6%	8%
	% Asian-Surnamed	10%	3%	3%	4%	4%
	% Filipino-Surnamed	1%	1%	1%	1%	1%
	% NH White est.	58%	86%	87%	87%	84%
Voter Turnout (Nov 2018)	Total	2,084	7,721	7,433	7,345	24,583
	% Latino est.	20%	6%	5%	5%	7%
	% Spanish-Surnamed	19%	5%	5%	5%	6%
	% Asian-Surnamed	8%	3%	3%	4%	4%
	% Filipino-Surnamed	1%	1%	1%	1%	1%
	% NH White est.	66%	88%	89%	89%	86%
ACS Pop. Est.	Total	16,077	14,087	13,938	14,795	58,898
	age0-19	36%	18%	20%	23%	25%
	age20-60	54%	57%	46%	45%	50%
	age60plus	10%	26%	34%	32%	25%
	immigrants	47%	18%	19%	23%	27%
	naturalized	17%	39%	60%	49%	34%
Language spoken at home	english	27%	82%	78%	71%	64%
	spanish	65%	12%	8%	13%	25%
	asian-lang	4%	2%	5%	5%	4%
	other lang	3%	4%	9%	11%	7%
Language Fluency	Speaks Eng. "Less than Very Well"	46%	7%	8%	12%	19%
Education (among those age 25+)	hs-grad	32%	29%	26%	26%	28%
	bachelor	14%	38%	36%	32%	31%
	graduatedegree	9%	22%	25%	29%	22%
Child in Household	child-under18	48%	22%	24%	27%	29%
Pct of Pop. Age 16+	employed	73%	71%	60%	59%	66%
Household Income	income 0-25k	20%	12%	9%	15%	13%
	income 25-50k	24%	16%	14%	11%	16%
	income 50-75k	20%	11%	12%	12%	13%
	income 75-200k	26%	38%	37%	39%	36%
	income 200k-plus	11%	23%	28%	24%	22%
Housing Stats	single family	31%	54%	75%	58%	56%
	multi-family	69%	46%	25%	42%	44%
	rented	76%	58%	34%	39%	50%
	owned	24%	42%	66%	61%	50%
Total population data from the 2020 Decennial Census.						
Surname-based Voter Registration and Turnout data from the California Statewide Database.						
Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2015-2019 American Community Survey and Special Tabulation 5-year data.						

San Rafael Redistricting - New submission from Contact Us

To: [redacted]

Mon, Mar 7, 2022 at 3:46 PM

Name

Amie Reed

Email

[redacted]

Message

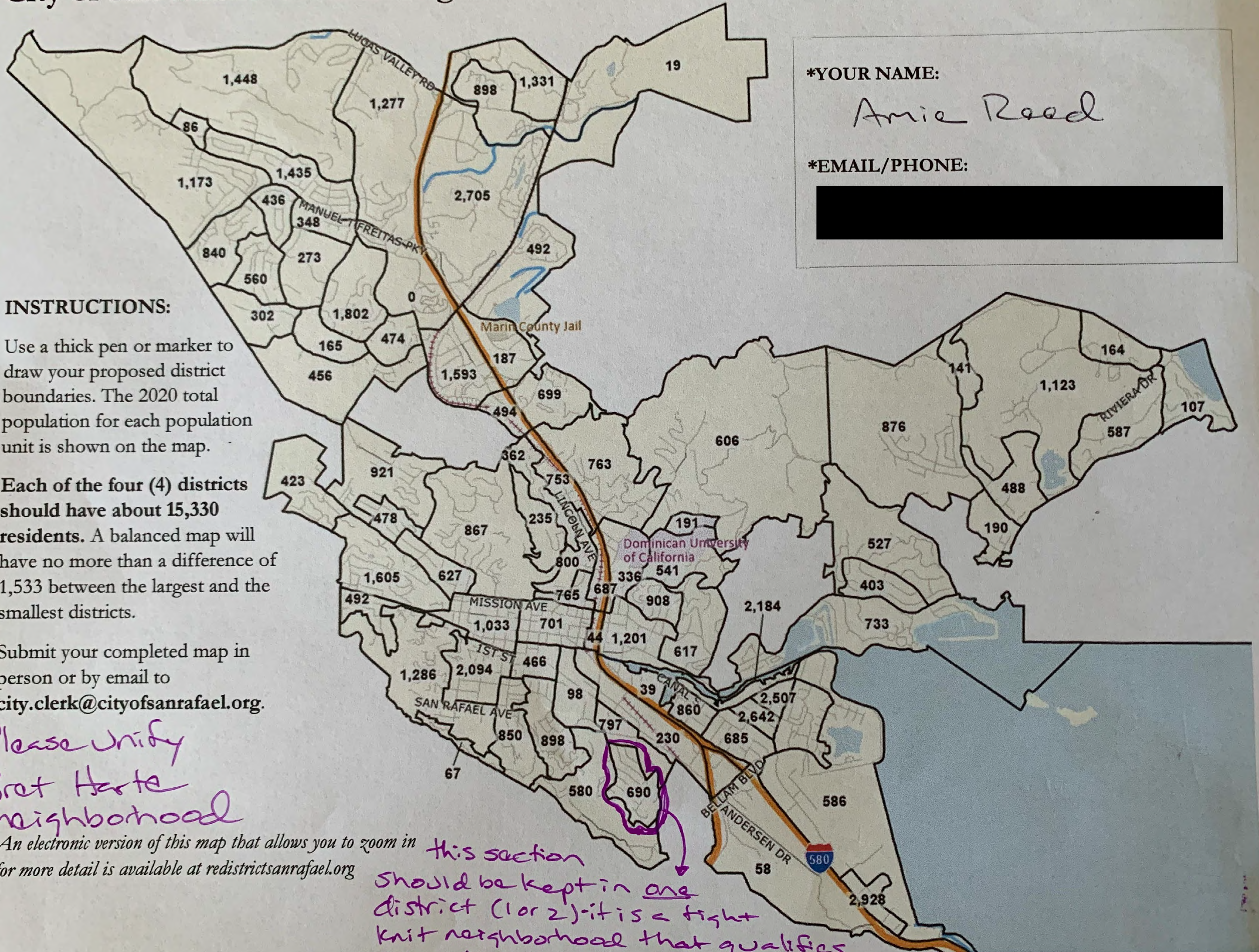
I wanted to draw attention to the fact that in the current 2018 district map, the neighborhood of Bret Harte is split between Districts 1 & 2. According to the staff report this neighborhood community would be considered a "community of interest" and should be kept in a single district. Currently I vote in one district and my neighbor across the street votes in another. I do not care which district our neighborhood is a part of (1 or 2), but firmly believe it should be kept unified as to follow the legal parameters of this process. I would respectfully ask that the city uses this current redistricting opportunity to correct this oversight. I also hope that all new residential developments that are drastically adding new population numbers (Los Gamos village development: 192 units = 200-800 people & Northgate Mall conversion: 1400 units = 1400-5600 people) have been accounted for. Thank you.

Upload a Map

- [IMG_4902.jpg](#)

City of San Rafael Redistricting 2022

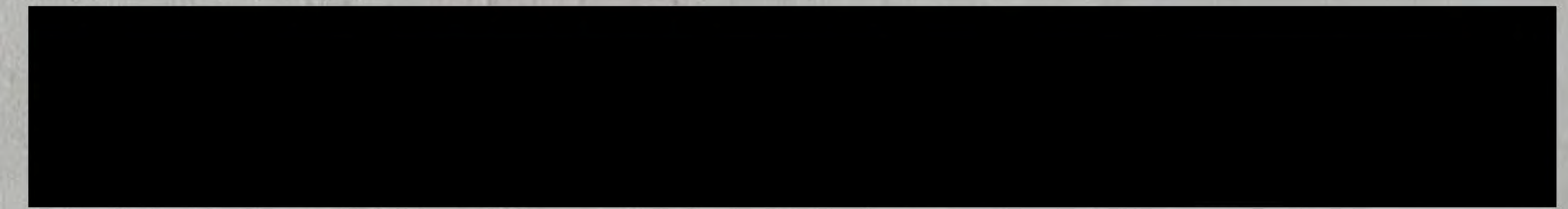
Public Map Submission



*YOUR NAME:

Amie Reed

*EMAIL/PHONE:



INSTRUCTIONS:

Use a thick pen or marker to draw your proposed district boundaries. The 2020 total population for each population unit is shown on the map.

Each of the four (4) districts should have about 15,330 residents. A balanced map will have no more than a difference of 1,533 between the largest and the smallest districts.

Submit your completed map in person or by email to city.clerk@cityofsanrafael.org.

*Please unify
Bret Harte
neighborhood*

An electronic version of this map that allows you to zoom in for more detail is available at redistrictsanrafael.org

this section should be kept in one district (1 or 2) it is a tight knit neighborhood that qualifies as a "community of interest" per the redistricting definition.




Agenda Item No: 5.b
Meeting Date: March 21, 2022

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community Development

Prepared by: Ali Giudice, CD Director
Jacob Noonan, Housing Program Manager
Alexis Captanian, Housing Analyst

City Manager Approval: _____ 

TOPIC: ANNUAL PROGRESS REPORT (APR) ON HOUSING AND UPDATE ON CITY COUNCIL HOUSING POLICY PRIORITIES

SUBJECT: ANNUAL PROGRESS REPORT (APR) ON RESIDENTIAL DEVELOPMENT APPROVED AND BUILT IN 2021 AND IMPLEMENTING HOUSING ELEMENT PROGRAMS, INCLUDING AN UPDATE ON PROGRESS IMPLEMENTING CITY COUNCIL HOUSING POLICY PRIORITIES. CASE NO. P21-003

- RECOMMENDATION:**
It is recommended that the City Council:
- a. Open the public hearing and accept comments; and
 - b. Accept report.

BACKGROUND:
Government Code Section 65400 requires local jurisdictions to prepare an Annual Progress Report (APR) on the status of the City’s Housing Element and the City’s progress in meeting its share of regional housing needs. A copy of the report must be submitted to both the Governor’s Office of Planning and Research (OPR) and the State Department of Housing and Community Development (HCD) by April 1st for the previous calendar year (January 1-December 31). Prior to submitting the report to HCD, the City is required to hold a public hearing on the APR to allow for public comment. Included with this report, staff has also provided an update on progress made towards implementing the City Council’s housing policy priorities as Attachment 2.

The APR is reported on [forms](#) prescribed by HCD. Prior to the 2018 reporting year, the APR forms were simpler, requiring the reporting of housing units approved (entitled) in the reporting calendar year, and progress on the implementation programs contained in the Housing Element. However, in response to changes in State housing laws, in 2020 the forms became far more complex. The APR now requires that the local jurisdictions itemize and report the number of housing units: a) submitted and deemed complete; b) approved/entitled; c) issued building permits; and d) built and issued final inspections for occupancy. Further, the APR requires reporting the type of housing unit and the level of affordability. As noted above, the APR also requires listing all housing programs outlined in the Housing Element and status of

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

implementation of these programs. Lastly, the recent changes to the APR require that local jurisdictions report on housing development processed using the by-right housing approval process prescribed by Senate Bill 35 (SB 35). The APR now contains nine (9) reporting tables briefly described as follows:

1. Table A – Housing Development Applications Submitted. An “application” is a formal permit application submittal of a project for approval. This application is either for a discretionary entitlement (e.g., Environmental and Design Review, Use Permit), or where a ministerial process is solely required, such as an application for a building permit.
2. Table A2 – Annual Building Activity Report Summary. This table requires reporting all new housing construction, approved/entitled units, building permits issued, and built units issued a Certificate of Occupancy/final inspection.
3. Table B – Regional Housing Needs Allocation Progress. This table tallies the reporting year and prior year(s) of building permits issued for housing units under the current Regional Housing Need Allocation (RHNA) Planning Cycle (current cycle is 2015-2023). Permitted housing units are reported by their affordability (e.g., low-income, above moderate income/market rate). This table tracks the local jurisdiction’s progress towards meeting the RHNA. Table B contains the RHNA by income level and compares that number with total annual new housing units and housing units to date.
4. Table C – Properties Rezoned to Accommodate a Shortfall of Housing Need. State housing law requires that if the local jurisdiction approves a housing development on a housing opportunity site that results in fewer units than the number estimated for the site in the Housing Element, the shortfall of units must be made by rezoning another site to accommodate the shortfall. For the 2021 reporting year, the City was not required to rezone any site(s) to accommodate a shortfall of housing need.
5. Table D – Housing Element Program Implementation. This table requires that all Housing Element programs be listed and accompanied by a report on the progress of program implementation.
6. Table E – Commercial Development Bonus. This table allows for reporting of commercial development bonus for applications that include an agreement for partnered housing that contributes affordable housing through a joint project or two separate projects encompassing affordable housing. For the 2021 reporting year, the City did not approve any project involving a commercial development bonus.
7. Table F – Housing Units Rehabilitated, Converted from Non-affordable to Affordable and Preserved. This table allows the local jurisdiction to report housing units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved. For the 2021 reporting year, there were no housing units approved/built that meet this criterion.
8. Table G – City-owned Properties Sold, Leased or Otherwise Disposed. This table requires the local jurisdiction to identify any City-owned property that has been included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of during the reporting year. The City did not dispose of any such property during the 2021 reporting period.

9. **Summary Table.** This table tallies the data from several of the tables listed above. The summary data focuses on the total of all permits issued and all applications submitted and approved for the 2021 reporting period.

ANALYSIS:

Staff has completed the APR for the 2021 calendar year. The APR tables are attached ([Attachment 1](#)). Staff will submit the report to HCD by April 1, 2022. The following is a summary of the City’s progress on housing approvals/entitlements, building permits issued and housing units completed for occupancy.

- As reported in Table A, a total of 22 housing development applications were submitted to the City and deemed complete in 2021. These completed applications included: 14 Accessory Dwelling Units (ADUs); seven (7) Junior Accessory Dwelling Units (JADUs); and one (1) four-unit development. The 7 JADUs and 5 of the ADUs qualified as low-income units due to size, as HCD allows accessory units that are less than 500 square feet in area to be reported for low-income (non-deed restricted) as rental prices for these units fall within the low-income rental rates.
- Table A2 data includes the following report for 2021:
 - a. Housing Units Entitled: 12 units
 - b. Building Permits Issued: 66 units
 - c. Units Built and Granted Final Occupancy: 103 units
 - d. Units Lost: 0 units
- RHNA (Regional Housing Needs Allocation) progress is presented in Table B (below):

Income Level		RHNA Allocation by Income Level	2015	2016	2017	2018	2019	2020	2021	Total Units to Date
Very Low	Deed Restricted	240	2	-	-	1	-	4	-	39
	Non-Deed Restricted		-	-	-	-	-	-	32	
Low	Deed Restricted	148	10	5	-	1	-	2	1	76
	Non-Deed Restricted		4	-	7	22	6	7	11	
Moderate	Deed Restricted	181	-	-	-	-	-	-	-	11
	Non-Deed Restricted		10	-	-	1	-	-	-	
Above Moderate		438	94	21	20	14	22	69	22	262
Total RHNA		1,007								
Total Units			120	26	27	39	28	82	66	388

Note: Units serving extremely low-income households are included in the very low-income permitted unit totals.

As mentioned above, the tables use building permit issuance for the purposes of determining progress towards RHNA. The 66 units that were issued building permits in 2021 include the 32 units of permanent supportive housing currently under construction at 190 Mill Street. The development at 190 Mill Street is recorded as very low-income units, but were in fact approved as extremely low-income units. Please note that housing projects that have been approved/entitled are not necessarily reflected in the RHNA progress if they did not also receive a building permit. Those units will be counted in future reporting periods once building permits are issued. Entitlements were granted for the following key housing projects in 2019 and 2020, but are not yet counted toward the RHNA number as building permits for these projects were not issued in 2021:

- 703 Third Street (138 multi-family apartment units)
- 999 Third Street (BioMarin R&D + Whistlestop/EDEN Housing Senior Center and Housing – 68 low-income housing units for older adults)
- 350 Merrydale Road (45 townhome units)
- Northgate Walk (136 units)

Additionally, in early 2022 the City granted entitlement for a project of 192 residential units at Los Gamos Drive. Staff anticipates issuing building permits for these five projects in 2022 and 2023. While Table B only shows credit for 66 units, the City received completed applications for 25 units in 2021, getting us closer to reaching our RHNA goals.

➤ As reported in Table D, there are a number of Housing Element programs that are ongoing and serve to streamline housing development within the City and provide housing protections to vulnerable communities. The following are some key Housing Element programs that were part of the 2021 reporting period:

- **H11-b. & H16-a. Accessory Dwelling Units and Junior Accessory Dwelling Units.** In 2021, the City entitled and/or issued building permits for 21 ADUs/JADUs. The City completed final building inspections for 31 ADUs/JADUs. In late 2021, the City adopted a new ordinance applicable to both ADUs and JADUs and in compliance with recent changes in state law.
- **H-5a. Fair Housing Program.** In 2021, the City adopted temporary rent caps and initiated eviction protections to protect vulnerable tenants during the COVID-19 pandemic. In summer 2021, City staff distributed flyers to community members in two census tracts, informing them of renter protections that were in place and advising them of ways to seek rental assistance and legal advice around housing-related issues.
- **H-6a. Funding Sources.** The City continues to collect affordable in lieu fees for new residential and non-residential (commercial linkage fee) development, and the collected fees are held in an Affordable Housing Trust Fund. In late 2021, the City released a Notice of Funding Availability (NOFA) and is hoping to fund four affordable housing projects in 2022.
- **H-7b. Preserving Existing Rental Housing Affordable to Low Income Households At Risk of Conversion.** In 2021, the City Council entered into a ground lease agreement with an affordable housing developer that extended the affordability terms of a property at 855 C street for a period of 99 years. While this property was not at risk of converting in the near term, this ground lease agreement allowed the developer to apply for state and local funding for rehabilitation of the property and ensure long term affordability of this site and extended the term of affordability to 99 years.
- **H-9d. Housing for Extremely Low-Income Households.** In 2021, the City issued a building permit and construction began for the redevelopment of the Homeward Bound emergency

shelter at 190 Mill Street. The redevelopment includes 32 extremely low-income transitional housing units.

- **H-13a. Assisted Living.** In 2018, the City Council directed staff to complete a study of residential care and assisted living facilities to: a) determine their impact on the community (an aging community); and b) identify appropriate measure for affordable and/or inclusionary housing requirements. This study was initiated in 2021 and will be completed in 2022.
- **H-15a. Downtown Station Area Plan.** In 2021, the City adopted General Plan 2040 and the Downtown Precise Plan, which covers an area that is generally 1/2-mile around the Downtown SMART commuter rail station. The intent and goal of the Downtown Precise Plan is to develop and incorporate a form-based code as a tool to streamline the environmental and development review process for Downtown projects, particularly for new housing development. This Precise Plan incorporates the recommendations of the Downtown Station Area Plan and the Downtown Parking & Wayfinding Study. The latter study includes creative measures for reducing parking and parking cost. This Precise Plan includes, among others, the recommendation of the Parking & Wayfinding Study relative to non-residential parking standards, reduced parking standards for new residential development, and expansion of the existing Downtown Parking District.
- **H-18a. Inclusionary Housing Nexus Study.** In 2021, the City adopted revisions to the inclusionary housing requirements in an effort to stimulate housing construction. Changes include reducing the requirement for market rate housing projects from 20% to 10%. The City also partnered with the County of Marin and other cities/towns in Marin County to complete a study of the affordable housing in-lieu fee for new residential and non-residential (commercial linkage fee) projects. The study was completed in 2021 and the City will consider adjustments to the in-lieu fee in 2022.

City Council Adopted Policy Changes in 2021

On August 20, 2018, the City Council received an informational report on housing and directed staff to follow up on four specific topics and issues: renter regulations, short-term rentals, housing for an aging population, and challenges to the approval and development of housing. On September 3, 2019, the City Council received an additional informational report on the challenges to housing development. This second report presented 11 challenges and identified 13 potential solutions. On September 3, 2019, City Council directed staff to host public workshops on the recommendations in the report and to return with the input received from the community. The workshops were held on November 3 and November 14, 2019. Following the workshops, the City Council received informational reports on the challenges to approving and developing housing on [January 21, 2020](#), [September 8, 2020](#), [September 21, 2020](#), and [December 7, 2020](#). The City Council directed staff to proceed with drafting code amendments and policy documents that serve to remove barriers to housing development. The City Council identified key areas for staff to focus on. Attachment 2 provides an update on the status of those areas of focus, as well as description of additional policies and ordinances that address housing and renter protections that were adopted since the December 2020 report.

On February 16, 2021, the City Council adopted an amendment to the Affordable Housing [Ordinance 1990](#) and associated Resolutions [14890](#) and [14891](#). The amendment adjusted the affordable housing obligation for residential projects and updated the City's density bonus regulations to align with state law. These changes contribute to the City Council's overarching goal to remove barriers to housing development and will be evaluated over time to determine effectiveness in measurably increasing housing development within the City. The changes to the affordable housing obligation allowed for a reduction in the total affordable housing obligation from 20% down to 10% of total market rate units and allowed housing development projects of over 15 units the option to pay an in-lieu fee as an option to meeting 5% of the required units. The ordinance allowed applicants with approved projects at the time of adoption of the ordinance an opportunity to request a modification of the affordable housing

requirements to allow payment of in lieu fee. Since that time the city has received a request for modification to the affordable housing obligation for the project at 350 Merrydale. This project requested approval to pay the in-lieu fee instead of constructing 2.5 of the required units. This resulted in an obligation to pay \$859,922.50

Through the 2021 Affordable Housing NOFA, which was the most recent funding award to affordable housing developers, the City has been able to fund affordable housing at an average rate of \$37,936 per unit. This was possible since the City funds were leveraged by the non-profit housing developers to attain state and federal tax credit and bond financing, and other funding including loans and grants from HCD, the County of Marin, and private funds. Therefore, the loss of 2.5 affordable housing units on the Merrydale project will allow the City to use the in-lieu funds to fund approximately 22.5 affordable housing units within the City, assuming non-profit project sponsors continue to be successful in attracting the necessary additional capital and sites for future affordable housing projects are available.

- **Summary Table.** The Summary Table tab includes a summary of building permits issued in 2021 according to their affordability (from Table A2), which is the most relevant table for tracking RHNA progress. As shown below, a total of 66 units were issued building permits in the 2021 reporting period. This is also the total number of units that count toward the City’s RHNA goals.

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	32
Low	Deed Restricted	1
	Non-Deed Restricted	11
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		22
Total Units		66

Note: Units serving extremely low-income households are included in the very low-income permitted units totals.

ENVIRONMENTAL REVIEW:

As required by State law (California Environmental Quality Act), review and action on the APR must be reviewed to determine if it is subject to environmental review. As the APR is an informational report, it will have no physical impact on the environment. The APR is classified as a planning study, which qualifies for a Statutory Exemption from the provisions of the CEQA Guidelines under 14 CRR Section 15262.

COMMUNITY OUTREACH:

Notice of the public hearing was conducted in accordance with the public review period and noticing requirements contained in Chapter 14.29 of the San Rafael Municipal Code. Notice of public hearing was mailed to all neighborhood associations and stakeholders including the San Rafael Chamber of Commerce and housing advocacy groups.

FISCAL IMPACT:

There is no fiscal impact associated with the completion and submittal of the 2021 APR.

OPTIONS:

1. Accept the APR as presented by staff;
2. Accept the APR with modifications; or
3. Reject the APR and direct staff to return with additional information.

RECOMMENDED ACTION: Accept the APR as presented by staff.

ATTACHMENTS:

1. [2021 HCD Annual Progress Report Tables](#)
2. Update on City Council Priority Policies
3. Public Hearing Notice

Attachment 1

[2021 HCD Annual Progress Report Tables](https://www.dropbox.com/s/pd01oms6xlp6rhs/2.%20Housing%20Element%20Annual%20Progress%20Report%20for%20CY2021.xlsm?dl=0)

URL for above hyperlink:

<https://www.dropbox.com/s/pd01oms6xlp6rhs/2.%20Housing%20Element%20Annual%20Progress%20Report%20for%20CY2021.xlsm?dl=0>

ATTACHMENT 2

On August 20, 2018, the City Council was presented a comprehensive, [informational report](#) on housing. In response to the housing report information, the City Council directed staff to follow-up on four specific housing topics and issues: renter regulations, Short-Term Rentals, housing for an aging population, and challenges to the approval and development of housing.

On September 3, 2019, City staff presented an [informational report](#) on challenges to housing development. The report presented 11 key challenges pertaining to the approval and development of housing in San Rafael. Moreover, this report identified 13 recommended measures to address these challenges. Also, at the September 3rd City Council meeting, staff was directed to host public housing workshops on proposed policies to address challenges to approving and developing housing. The purpose of these workshops was to gain a better understanding of the public's view on the housing crisis, as well as to get feedback on the prioritization of the proposed policy actions. The City hosted two housing workshops, which were attended by the City Council and the public. These workshops exposed the public to issues surrounding the housing crisis and generated feedback from both the public and City Council.

On January 21, 2020, the City Council was presented an [informational report](#) on staff recommendations for prioritization, timing, and future City Council actions on these proposed policy actions to address challenges to approving and developing housing.

The purpose of this informational report is to provide an update on these housing policy actions.

Since January 21st, 2020 staff has completed the following policy actions:

		Summary	Status
<u>Completed Policy Actions</u>			
Policy 1	"Planning Commission First" Review	Maintain current policy of a Planning Commission study session as first public forum on development projects, rather than the Design Review Board.	In effect.
Policy 2	Form-Based Code for Downtown Precise Plan	Support the direction of a form-based code for the Downtown Precise Plan	Downtown Precise Plan draft released Q1 2021, Adopted Q2 2021
Policy 3	Streamline CEQA/ Environmental Review	Continue the practice of using the CEQA exemptions, where appropriate and practical, to streamline the CEQA/ environmental review process for housing projects	In effect.
Policy 4	Reduce Requirements for Technical Studies	Continue to minimize requirements for the preparation of technical studies when appropriate and warranted	In effect.
Policy 5	Streamlined Pre-Application "Concept" Review Process	Continue with streamlined, Pre-Application "concept review" process for housing projects with no fee	In effect.
Policy 6	Affordable Housing Trust Fund Administration	Policy resolution establishing policies and procedures for awarding trust fund monies	In effect.
Policy 7 & 8	Adopt Changes to Inclusionary Housing Requirements & Adopt Changes to Affordable Housing In-lieu Fee	Amendments reducing the City's Inclusionary Housing Requirement and allowing developers flexibility in meeting the requirement, including paying an in-lieu fee for a portion of the requirement.	On September 21, 2020, City Council directed staff to move forward with a reduced requirement meeting 10% below market rate (BMR) equivalent option. Planning Commission recommended moving forward with

ATTACHMENT 2

			this option at the November 17, 2020 meeting.
Policy 11	Update "Density Bonus" Ordinance	Aligning the City's Density Bonus Ordinance with the State Density Bonus Law (SDBL)	On September 21, 2020, City Council directed staff to move forward with a amendments aligning the SRMC with the SDBL. Planning Commission recommended moving forward with this option at the November 17, 2020 meeting.
Policy 10	New Accessory Dwelling Unit (ADU) Ordinance	Adopt a new ADU ordinance compliant with recently passed State Legislation	Completed Q4 2021.

City Council has received informational reports specific to the following policies and corresponding ordinances and policy resolutions are ready for final City Council consideration at a future meeting:

	Summary		Status
<u>Ready for Council Consideration</u>			
Policy 12	Consider Changes to Design Review Board (DRB)	Amendments changing the structure and role of the DRB to one that is more informal and advisory.	On September 21, 2020, City Council directed staff to work with the DRB to move forward with the following: <ul style="list-style-type: none"> • "Pilot" a Less Formal Design Review Advisory Committee (DRAC); • Include Public Noticing Procedures & Measures similar to Zoning Administrator Meeting Format.
Policy 8	Adopt Changes to Affordable Housing In-lieu Fee	Update fee consistent with the proposed fee amount developed collaboratively with neighboring cities and the county.	The County has completed a collaborative in-lieu fee study for southeastern Marin County. The recommended fee schedule is available for consideration and adoption.

Staff is currently working on follow-up actions for the following policy actions:

	Summary		Status
<u>Under Development</u>			
Policy 9	"By-Right" Zoning for Affordable Housing Projects	Resolution establishing a "by right" planning process for affordable housing projects	Aligning process with the Objective Design Guidelines required by SB35. Draft Guidelines expected to be completed by Q4 2022.
Policy 13	Changes to Payment of Development Impact Fees	Resolution changing the timing of fee payments for development impact fees	Informational Report on potential changes to the payment of development impact fees expected late 2022.

ATTACHMENT 2

Policy 14	Support City/Developer Partnerships	Conduct an in-depth assessment of air rights use of the seven City-owned parking lots for development potential.	Informational Report assessing air rights use of the seven City parking lots and recommended next steps expected late 2022.
<i>On-Hold</i>			
Policy 15	Raise Appeal Fee and/or Change Appeal Process	Appeal fee to be studied as part of the Citywide Master Fee Schedule Update	No further action

Since the January 21, 2020 City Council meeting, staff has identified the following new policy actions:

	Summary	Status	
<i>New Policy Actions</i>			
<i>New Policy</i>	Expanded Renter Relocation Assistance for Opportunity Zone	Expansion of Renter Relocation Assistance for households displaced due to a no-fault eviction in the City's federally designated Opportunity Zone.	Completed. On November 2, 2020, City Council directed staff to move forward with amendments expanding protections to Opportunity Zone.
<i>New Policy</i>	Allow Developer Buy-out of New Construction projects	Allow entitled development projects to buy-out half of the required onsite below market rate units under certain conditions.	In effect. On September 21, 2020, City Council directed staff to move forward with allowing Buy-outs. No further action necessary, any requested buy out will require City Council approval
<i>New Policy</i>	Minor Streamlining Amendments	Minor amendments to streamline the permitting process including changes to Appeals scheduling, development on small lots, changes to the City's Height Bonus, and align the hillside exception process within similar exception permits.	On September 21, 2020, City Council directed staff to move forward with amendments aligning the SRMC with the SDBL. Planning Commission recommended moving forward with this option at the November 17, 2020 meeting.
<i>New Policy</i>	Priority Development Area (PDA) Designation	Designate Northgate and Canal Neighborhoods as PDA's for the Plan Bay Area 2050 process allowing access to funding for a Specific or Precise Plan process.	Will begin when funding available. City's application was not funded in the first round. Will continue to apply as funding is available. PDAs approved by ABAG/MTC.
<i>New Policy</i>	Housing Development Incentive Pilot Program	Development of a "Pilot" incentive program providing developers additional height, density, and parking reductions if specific community benefits are provided.	Feedback received during Inclusionary Housing policy outreach indicated interest in a pilot program but further analysis is needed.
<i>New Policy</i>	Canal Policy Working Group	Collaborative policy working group aimed at identifying policy actions to address the impacts of COVID-19 on households in the Canal Neighborhood	In Progress. Follow-up actions to be identified through the Canal Policy Working Group.

Marin Independent Journal

4000 Civic Center Drive, Suite 301

San Rafael, CA 94903

415-382-7335

legals@marinij.com

CITY OF SAN RAFAEL
1400 FIFTH AVENUE
CITY CLERK, ROOM 209
SAN RAFAEL, CA 94901

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Amount: \$133.64

**Invoice Text: CITY OF SAN RAFAEL
NOTICE OF ONLINE PUBLIC HEARING**

Notice is hereby given that the San Rafael City Council will hold an online public hearing on the following project:

MEETING DATE/TIME/LOCATION:

Monday, March 21, 2022 7:00 p.m. COVID-19 ADVISORY NOTICE

In response to Assembly Bill 361, the City of San Rafael is offering teleconference without complying with the procedural requirements of Government Code section 54953(b)(3). This meeting of the San Rafael City Council on March 21, 2022 will not be physically open to the public. The meeting will be streamed live to YouTube at <https://www.youtube.com/cityofsanrafael>. Instructions on how to participate online will be available on the San Rafael City Council YouTube channel, as well as on the posted Agenda for the meeting. Please check <http://www.cityofsanrafael.org/departments/public-meetings/> 72 hours before the meeting for said Agenda and further instructions.

PROJECT DESCRIPTION: ANNUAL PROGRESS REPORT (APR) ON HOUSING Per State law, the City of San Rafael is required to complete and submit an Annual Progress Report (APR) on housing to the State of California Department of Housing and Community Development. The APR includes data on the number of housing units submitted and approved in 2021, and an update on the progress of implementing programs in the City's Housing Element. Further, State law requires that the City conduct a public hearing on the APR to solicit public comments. File No.: P21-003.

As required by State law (California Environmental Quality Act), review and action on the APR must be reviewed to determine if it is subject to environmental review. As the APR is an informational report, it will have no physical impact on the environment. The APR is classified as a planning study, which qualifies for a Statutory Exemption from the provisions of the CEQA Guidelines under 14 CRR Section 15262.

WHAT WILL HAPPEN: You may comment on the project online. The City Council will consider public comment/testimony and decide whether to accept the APR.

IF YOU CANNOT PARTICIPATE: You may send a letter to Lindsay Lara, City Clerk, City of San Rafael, 1400 5th Ave, San Rafael, CA 94901 or via email Lindsay.Lara@cityofsanrafael.org.

FOR MORE INFORMATION: Contact Alexis Captanian, Housing Analyst at **(415) 458-2392** or alexis.captanian@cityofsanrafael.org. You can also view the staff report after 5:00 p.m. on the Friday before the meeting at <http://www.cityofsanrafael.org/meetings>.

SAN RAFAEL CITY COUNCIL

/s/ Lindsay Lara

Lindsay Lara
CITY CLERK

March 5, 2022

Marin Independent Journal

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415-382-7335
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2070419

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1400 FIFTH AVENUE
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SAN RAFAEL, CA 94901

PROOF OF PUBLICATION (2015.5 C.C.P.)

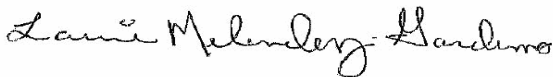
STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

03/05/2022

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 5th day of March, 2022.



Signature

PROOF OF PUBLICATION

Legal No. **0006650436**

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SAN RAFAEL CITY COUNCIL
/s/ Lindsay Lara
Lindsay Lara
CITY CLERK

March 5, 2022



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: **COMMUNITY DEVELOPMENT**

Prepared by: **Alicia Giudice, Director**
Alexis Captanian, Housing Analyst
Jacob Noonan, Housing Manager

City Manager Approval:  _____

TOPIC COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

SUBJECT RESOLUTION RECOMMENDING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECT FUNDING FOR THE FISCAL YEAR 2022-23 TO THE MARIN COUNTY BOARD OF SUPERVISORS

RECOMMENDATION

Adopt a resolution recommending CDBG funding for Fiscal Year 2022-23 to the Marin County Board of Supervisors.

BACKGROUND

The Community Development Block Grant (CDBG) is a federally funded program of the U.S. Department of Housing and Urban Development (HUD) that provides funding for local community-based projects including affordable housing, community infrastructure and capital projects, and public support services. Examples of CDBG-funded projects in San Rafael include the soon to begin construction Vivalon Healthy Aging Center at 999 Third Street, which when completed will provide 66 low and very low rent apartments to income qualifying individuals and couples age 62 or older. Other examples include the recent Pickleweed Park play structure replacement, and services, including free or low-cost legal services for renters.

In 2020, the City entered into a cooperation agreement with the County of Marin to manage the CDBG funds. Under this agreement, Marin County is divided into three local planning areas (Countywide, City of San Rafael, City of Novato). Funding recommendations for the three areas are overseen by a Countywide Priority Setting Committee (PSC) made up of City and Town Council members, a County Supervisor, and community members representing members of the protected classes (race, color, national origin, religion, sex, familial status, or disability) under fair housing laws.

Under the cooperative agreement, the City has responsibility for allocating CDBG funding in the San Rafael planning area. The City Council provides its recommendations to the PSC, which in turn provides the recommendation along with the recommendations for the other two planning areas to the Board of Supervisors (BOS).

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2

In May 2022, the BOS will hold a public hearing and act on the funding recommendations from the City and the PSC. Following BOS action, the recommendations will be submitted to HUD.

ANALYSIS

The CDBG program uses a two-year application cycle. Housing and community infrastructure/capital projects apply for funding using a two-year project timeline and budget. There is a minimum grant size of \$15K per year, and Countywide projects may receive funding from each planning area to bring their grant amount up to \$15K. While applications are only received every two years, funding allocations must be approved annually based on the project's past performance and expected funding allocated by HUD.

Evaluation Guidelines

All applications received by the County were evaluated based on the criteria listed below:

HUD National Objective 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.¹
- 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 the 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 projects that will provide the greatest impact.

In addition to the criteria set forth by HUD, the Countywide PSC approved establishing two additional priorities for funding CDBG and HOME housing projects:

- Family Housing²
- Land trust model in eastern Marin that provides home ownership opportunities (In this context, Eastern Marin is defined as all areas in Marin except West Marin).

¹ Affirmative Marketing is targeted outreach about program opportunities to groups of people otherwise least likely to apply for or receive those opportunities. Given Marin's history of segregation, the protected class populations typically included in Affirmative Marketing are Black/African American, Asian/Pacific Islander, and Latinx. Programs that do not conduct broad affirmative marketing are less competitive in the allocation process.

² Family Housing has been identified as a need in both the County's Consolidated Plan and Analysis of Impediments to Fair Housing Choice. In addition, HUD is requiring Marin's CDBG and HOME grant funding to contribute to the creation of at least 100 new family housing units by 2022. The only application for a project developing family housing this year is Eden Housing's Coast Guard Housing.

The PSC also established the following priorities for public services projects:

- **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, childcare from birth, periodic health evaluations for adults, voluntary family planning services, children’s eye and ear examinations 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 target low-income families and address disparities in access to early childhood education, high costs of childcare county-wide, and family self-sufficiency. Programs and services include but are not limited to supporting childcare scholarships, student extracurricular activities, parent engagement and training, case management, therapeutic services, transportation, home visitations, and family legal supports.
- **Food Security** – includes services that provide physical and/or economic access to food to meet dietary needs for a productive and healthy life. Programs and services include but are not limited to free meal sites, food banks, grocery subsidies, home-delivered meals, and other programs that provide food to people in need.
- **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, and down payment and rental assistance.

CDBG Funding – City of San Rafael Planning Area

The charts beginning on the following page provide the funding recommendations based on the evaluation criteria above. The San Rafael planning area allocations are in bold. Following each chart is a brief description of the project(s) recommended for funding.

The estimated amount of CDBG funding available for the San Rafael planning area, as determined by the HUD formula included in the cooperative agreement, in 2022-2023 is \$485,000 (sum of “San Rafael Recommended Funds” in Attachment 2). Per HUD regulation, a maximum of \$70,000 can be used for public services, a minimum of \$205,000 must be spent on housing, and the remaining \$210,000 can be spent on either housing or community infrastructure/capital projects.

A list of the applications received for the San Rafael Planning Area and for Countywide projects serving the San Rafael Planning Area is provided as Attachment 2. The recommendations for allocating the San Rafael planning area CDBG funds and total expected allocations including funding from the other planning areas are also included. The list of all applications received by the County for funding in the current round can be accessed online via these links. This list of applications includes applications for Countywide Planning Area and the Novato Planning Area in addition to funding applications for the San Rafael Planning Area: [Community Infrastructure/Capital Projects](#), [Housing Projects](#), and [Public Services Projects](#).

Housing Projects

Six (6) housing projects submitted applications for funding from the San Rafael Planning Area. The six (6) projects have a Year-1 funding request of \$1,290,800.

- Five (5) of those projects are countywide, which will result in units or services available to current San Rafael residents.
- The one project based in San Rafael with a total funding request of \$300,000 applied for Year-2 funding only. (Belvedere St. Project, Canal Alliance)
- The one family-housing project was determined to be ineligible due to regulatory flood hazards located on the property.

Following CDBG guidelines, the minimum of \$205,000 in CDBG funds available for 2022 must be spent on housing projects. The funding recommendation totaling \$265,000 is as follows:

Housing Project Funding Applications	Year 1 CDBG Request	Year 2 CDBG Request	San Rafael Year 1	Expected Total CDBG Allocations Yr 1
Eden Housing, Inc (CHDO) <i>Point Reyes Coast Guard</i>	\$ 273,000	\$ 273,000	Ineligible	\$ -
Episcopal Community Services <i>1251 S. Eliseo</i>	\$ 500,000	\$ 500,000	\$ 92,500	\$ 408,250
Homeward Bound of Marin <i>Novato Veterans and Workforce Housing</i>	\$ 250,000	\$ -	\$ 92,500	\$ 250,000
Marin Center for Independent Living <i>Residential Access Modification Program</i>	\$ -	\$ 18,000	\$ -	\$ -
Residential Rehabilitation Loan Program	\$ 267,800	\$ 282,200	\$ 80,000	\$ 250,000
Canal Alliance <i>Canal Alliance Affordable Housing</i>	\$ -	\$ 300,000*	\$ -	\$ -
<i>* San Rafael only request</i>	\$ 1,290,800	\$ 1,373,200	\$ 265,000	

1251 S Eliseo (Episcopal Community Services) is a former skilled nursing facility that will be renovated into 43 units of supportive housing for chronically homeless adults plus one manager’s unit. When completed the project will provide housing for the regional homeless population throughout Marin County, including San Rafael.

Novato Veterans and Workforce Housing (Homeward Bound of Marin) is a future housing community providing 24 affordable 1-bedroom apartments of supportive housing for formerly homeless veterans and 26 1-bedroom apartments for formerly homeless adults and small families who are re-entering the workforce. When completed the project will provide housing for the regional homeless population throughout Marin County, including San Rafael.

Residential Rehabilitation Loan Program is administered by the County and offers affordable loans to income qualifying homeowners to complete needed home repairs.

Capital Projects

Two applications for community infrastructure and capital projects were received serving San Rafael. Staff recommends the following capital application for Year 1, totaling the full \$150,000.

Capital Project Funding Applications	Year 1 CDBG Request	Year 2 CDBG Request	San Rafael Year 1	Expected Total CDBG Allocations Yr 1
City of San Rafael Department of Public Works* <i>Canal Area Pathway Projects</i>	\$ -	\$ 350,000	\$ -	\$ -
Community Action Marin <i>Renovation of the De Colores Children's Center & Safety Net Services Hub to Increase Childcare for Families of Low Income</i>	\$ 150,000	\$ 50,000	\$ 150,000	\$ 150,000*
* San Rafael only request	\$ 150,000	\$ 400,000	\$ 150,000	

De Colores Children's Center and Safety Net Services Hub (Community Action Marin) currently provides childcare and healthy meals to 33 children Monday through Friday. As proposed, the renovations will increase the capacity of the center to provide services and healthy meals for 17 additional children in San Rafael.

Public Services

The chart on the following page provides funding recommendations for public services. The County expects to receive an allocation of approximately \$70,000 for public services in 2022-23 for the San Rafael planning area. This allocation is based on 15% of the total entitlement funding available through CDBG for public services. The overall allocation to each planning area is a percentage of this total, less the allowed administration costs and required fair housing service funding. No more than the amount indicated in this staff report may be spent on public services, which is based on the overall countywide grant's 15% cap. The amount of funding allocated to public services can be reduced, however, it cannot be increased.

There are a total of 13 projects applying for public services funding—12 Countywide projects with a portion of services going to San Rafael residents, and one (1) serving San Rafael only. Staff recommends funding for five (5) public services projects totaling \$70,000 in CDBG monies, the maximum allowed by HUD.

Public Service Funding Applications	2021-22 San Rafael Allocation	CDBG Request for 2022-23	San Rafael Year 1	Total CDBG Allocations
Bambini Yoga Project <i>Wednesday Food Distribution Center at Martin Luther King Jr. Academy</i>	\$ -	\$ 17,674	\$ -	\$ -
Center for Employment Opportunities, Inc <i>Employment & Training Services for Formerly Incarcerated Marin County Residents</i>	\$ -	\$ 15,000	\$ -	\$ -
Community Action Marin <i>Driving to Thriving Project: Commercial Driver's License Workforce Development Project</i>	\$ -	\$ 65,000	\$ -	\$ -

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 6

Public Service Funding Applications	2021-22 San Rafael Allocation	CDBG Request for 2022-23	San Rafael Year 1	Total CDBG Allocations
Covia Foundation <i>Home Match Marin</i>	\$ 8,000	\$ 15,000	\$ 7,500	\$ 15,000
ExtraFood.org <i>Building an Equitable and Sustainable Food Safety Net in Marin County</i>	\$ -	\$ 25,000	\$ 7,750	\$ 15,000
Fair Housing Advocates of Northern California <i>Fair Housing Counseling and Education (HUD required funding)</i>	\$ 25,000	\$ 75,000	\$ -	\$ 65,000*
Family & Children's Law Center <i>Domestic Violence Legal Services for Low Income Families</i>	\$ 6,750	\$ 30,000	\$ 9,750	\$ 15,000
In Spirit <i>Food Stipend and Caregiver Financial Aid Expansion Program</i>	\$ -	\$ 48,800	\$ -	\$ -
Legal Aid of Marin <i>Keeping Marin Residents in their Homes</i>	\$ 18,240	\$ 40,000	\$ 22,000	\$ 34,500
Marin County Dental Care Foundation <i>Helping Children Smile</i>	\$ -	\$ 50,000	\$ -	\$ -
Multicultural Center of Marin <i>Equity in Access for Self-Sufficiency</i>	\$ -	\$ 65,000	\$ -	\$ -
Vivalon <i>Nourish by Vivalon</i>	\$ -	\$ 65,000	\$ -	\$ -
City of San Rafael/Pickleweed Preschool <i>Preschool/Pickleweed Preschool</i>	\$ 21,500	\$ 44,424	\$ 23,000	\$ 23,000**
*Required Fair Housing Services		\$ 555,898	\$ 70,000	
**San Rafael only request				

Home Match Marin (Covia Foundation) provides a roommate matching service. The program is mainly used by older adults. Benefits of the program include providing a means for older residents to remain in their homes and to supplement incomes, while avoiding isolation.

Building an Equitable and Sustainable Food Safety Net in Marin County (ExtraFood.org) distributes unused fresh foods from local participating businesses to lower income families. The program supports access to healthy foods while reducing food waste.

Domestic Violence Legal Services for Low Income Families (Family and Children's Law Center) supports victims of domestic violence. The funding requested anticipated assisting 70 lower income individuals and their children.

Keeping Marin Residents in their Homes (Legal Aid Marin) provides free legal assistance to extremely low income renters experiencing eviction or threat of eviction. The funding requested anticipated assisting 75 renters.

Preschool/Pickleweed Preschool (City of San Rafael, Pickleweed Preschool) provides preschool programming for 68 children in the Canal Neighborhood.

FISCAL IMPACT:

There is no direct cost or revenue impact from the recommended action.

City is directing HUD funds to specific projects. Allocating funds to potential City projects may allow City general and capital funds to be allocated to other priorities.

Funds for the County of Marin's 2022-2023 CDBG program funding cycle come from the Fiscal Year 2022 federal budget, which runs from October 1, 2021, to September 30, 2022. The funding is allocated formulaically to entitled cities and counties. Three factors are included in the San Rafael Planning Area allocation formula: population, overcrowding, and poverty. Because the 2020 Census data, which is required to update the calculation has not yet been released, the planning area percentages are consistent with previous years. In addition, the County of Marin has not yet received its CDBG program allocation from HUD for the coming year. Therefore, the recommendations provided in this report are based on last year's allocation. The recommendations shall be adjusted proportionately and subject to program guidelines as necessary if the 2022-23 allocation differs from the 2021-22 allocation.

OPTIONS:

1. Approve the CDBG funding as recommended.
2. Make different allocations of CDBG funding. (Funds may be shifted within categories, but the Public Services category cannot exceed \$70,000.)
3. Let the Countywide Priority Setting Committee provide a recommendation for the San Rafael Planning Area funding requests.
4. Provide direction to staff.

ACTION REQUIRED:

Adopt a resolution recommending CDBG funding for Fiscal Year 2022-23 to the Marin County Board of Supervisors.

ATTACHMENTS

- Attachment 1 Resolution
- Attachment 2 Exhibit A to Resolution 2022-23 CDBG Project Allocations
- Attachment 3 PSC 2022-23 Roster
- Attachment 4 2022-24 CDBG Application Guidelines

RESOLUTION NO. _____

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL RECOMMENDING
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECT FUNDING FOR
THE FISCAL YEAR 2022-23 TO THE MARIN COUNTY BOARD OF SUPERVISORS**

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 in December 1999, the City devised a project selection process for CDBG projects; and

WHEREAS on March 21, 2022, in accordance with the adopted project selection process the City Council reviewed the submitted applications;

NOW, THEREFORE IT IS HEREBY RESOLVED that the City Council recommends to the Marin County Board of Supervisors that the \$485,000 in CDBG funds available for allocation by the City of San Rafael be distributed to the projects and in the amounts shown on Exhibit A attached hereto and incorporated herein by reference, subject to adjustments necessary to accommodate any changes in the final allocation given to the County of Marin by the federal Department of Housing and Urban Development (HUD).

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 21st day of March 2022, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Lindsay Lara, City Clerk

Project #	Project Sponsor	Project Name	Countywide Funding Request	San Rafael Allocation	Total CDBG Allocations
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HOUSING

CH 01	Eden Housing, Inc (CHDO)	Point Reyes Coast Guard	\$ 273,000	Ineligible	\$ -
CH 02	Episcopal Community Services	1251 S. Eliseo	\$ 500,000	\$ 92,500	\$ 408,250
CH 03	Homeward Bound of Marin	Novato Veterans and Workforce Housing	\$ 250,000	\$ 92,500	\$ 250,000
CH 04	Marin Center for Independent Living	Residential Access Modification Program	\$ -	\$ -	\$ -
CH 05	TBD	Residential Rehab Loan Program	\$ 267,800	\$ 80,000	\$ 250,000
SH 01	Canal Alliance	Canal Alliance Affordable Housing	\$ -	\$ -	\$ -
Housing Sub-total			\$ 1,290,800	\$ 265,000	\$ 908,250

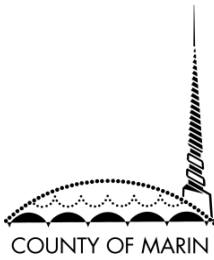
CAPITAL

SC 01	City of San Rafael Department of Public Works	Canal Area Pathway Projects	\$ -	\$ -	\$ -
SC 02	Community Action Marin	Renovation of the De Colores Children's Center & Safety Net Services Hub to Increase Childcare for Families of Low Income	\$ 150,000	\$ 150,000	\$ 150,000
Capital Sub-total			\$ 150,000	\$ 150,000	\$ 150,000

Project #	Project Sponsor	Project Name	Countywide Funding Request	San Rafael Allocation	Total CDBG Allocations
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PUBLIC SERVICES

CS 01	Bambini Yoga Project	Wednesday Food Distribution Center at Martin Luther King Jr. Academy	\$ 17,674	\$ -	\$ -
CS 02	Center for Employment Opportunities, Inc	Employment and Training Services for Formerly Incarcerated Marin County Residents	\$ 15,000	\$ -	\$ -
CS 03	Community Action Marin	Driving to Thriving Project: Commercial Driver's License Workforce Development Project	\$ 65,000	\$ -	\$ -
CS 04	Covia Foundation	Home Match Marin	\$ 15,000	\$ 7,500	\$ 15,000
CS 05	ExtraFood.org	Building an Equitable and Sustainable Food Safety Net in Marin County	\$ 25,000	\$ 7,750	\$ 15,000
CS 06	Fair Housing Advocates of Northern California	Fair Housing Counseling and Education	\$ 75,000	\$ -	\$ 65,000
CS 07	Family & Children's Law Center	Domestic Violence Legal Services for Low Income Families	\$ 30,000	\$ 9,750	\$ 15,000
CS 08	In Spirit	Food Stipend and Caregiver Financial Aid Expansion Program	\$ 48,800	\$ -	\$ -
CS 09	Legal Aid of Marin	Keeping Marin Residents in their Homes	\$ 40,000	\$ 22,000	\$ 34,500
CS 10	Marin County Dental Care Foundation	Marin County Dental Care Foundation: Helping Children Smile	\$ 50,000	\$ -	\$ -
CS 11	Multicultural Center of Marin	Equity in Access for Self-Sufficiency	\$ 65,000	\$ -	\$ -
CS 12	Vivalon	Nourish by Vivalon	\$ 65,000	\$ -	\$ -
SS 01	City of San Rafael/Pickleweed Preschool	Preschool/Pickleweed Preschool	\$ 44,424	\$ 23,000	\$ 23,000
			\$ 555,898	\$ 70,000	\$ 167,500
			Total	\$ 485,000	



COMMUNITY DEVELOPMENT AGENCY
HOUSING AND FEDERAL GRANTS DIVISION

2022 Countywide Priority Setting Committee

Name	Affiliation
Cathy Cortez	At-Large Community Representative
Loni Mahanta	Lower Ross Community Representative
Curtis Aikens Sr.	Novato Community Representative
Darlene Goins	San Rafael Community Representative
Ida Green	Southern Marin Community Representative
PJ Feffer	Upper Ross Community Representative
Madeline Nieto Hope	West Marin Community Representative
Jim Lynch	City of Belvedere Councilmember
Catherine Way	City of Larkspur Councilmember
Stephen Burke	City of Mill Valley Councilmember
Denise Athas	City of Novato Councilmember
Eli Hill	City of San Rafael Councilmember
Melissa Blaustein	City of Sausalito Councilmember
Judy Arnold	County of Marin Supervisor
Leila Mongan	Town of Corte Madera Councilmember
Barbara Coler	Town of Fairfax Councilmember
Alexis Fineman	Town of San Anselmo Councilmember
Holli Their	Town of Tiburon Councilmember

2022-24 COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION GUIDELINES

Application logistics:

Application Process and Timing

- Applications will be open on **Monday, January 3, 2022.**
- Bidders Conference: Tuesday, January 11th, 2022 via Zoom. **Registration is required.**
 - 11:00 am to 12:00 pm - Public Service Projects:
<https://us06web.zoom.us/meeting/register/tZ0qd-yqrTgtHdPnC7alxakdQGoDnJg47-6A>
 - 1:00 to 2:00 pm - Community Infrastructure/Capital and Housing Projects:
<https://us06web.zoom.us/meeting/register/tZUofu6pqDkqE9LDPyuqfuEw8p6jPr8n5wJr>
- Application Office Hours via Zoom - January 4 through January 24. **Registration is required.**
 - Tuesday – January 4, 11, and 18 from 3-4 pm:
<https://us06web.zoom.us/meeting/register/tZcrdOGqrzgjGd32GYslxMGQ2gDENckO4fgs>
 - Wednesday – January 5, 12, and 19 from 1-2 pm:
<https://us06web.zoom.us/meeting/register/tZlqcO2qrT8tE9HudS8R6UDKIVJ-Cnlw3klV>
 - Thursday – January 6, 13, and 20 from 12-1 pm:
https://us06web.zoom.us/meeting/register/tZAoceGppzosEtK-C2PRY_crFv-Y3zuqQtis
 - Friday – January 7, 14, and 21 from 10-11 am:
https://us06web.zoom.us/meeting/register/tZ0lf-GhqjMjH9HvKMKr_yOuWV2LyKJdj9h9
 - Monday – January 24 from 3-5pm, **LAST DAY to Submit.**
https://us06web.zoom.us/meeting/register/tZlkcO6qrD0uGNXDSaFGG1Cb77Y--_gBYfEi
- Applications will be due on **Monday, January 24, 2022, no later than 5:00 PM.** Authorized hardcopy submissions must be in hand - **POSTMARKS WILL NOT BE ACCEPTED.**
- Federal Grants staff will review applications between January and March.
- Public hearings to determine recommendations will be held March-April 2022.
- The Board of Supervisors will hold the final public hearing to approve final recommendations in May.
- County of Marin will submit approved recommendations to HUD on May 15.

Application submittal

Submissions should be made through the online application form available on the Federal Grants webpage at www.marincounty.org/federalgrants.

It is recommended that applicants complete the application questions in a document saved to a local computer prior to completing the online form for submission.

Under certain circumstances emailed and mailed hard copy applications will be accepted. Please contact staff at federalgrants@marincounty.org for a reasonable accommodation if you are unable to submit the application using the online form.

Applications submitted in Spanish or Vietnamese will be accepted via email or hardcopy.

Average Annual Grant Size

- Public service grants are typically awarded between \$15,000 and \$65,000.
- Community Infrastructure/Capital improvement grants range from \$30,000 to \$200,000, depending on the project scope.
- Housing grants vary from \$30,000 to \$500,000, depending on the project scope.

Eligible Applicants and Projects

- Applicants must either be a nonprofit, government entity, or have a fiscal sponsor that is a nonprofit or government entity. Individuals are not eligible for funding.
- To ensure affordable housing is dispersed throughout the county, CDBG and HOME funds cannot be used for housing projects in the Canal Neighborhood of San Rafael or Marin City.
- To learn more about eligible and ineligible activities, review these guides to [eligible CDBG activities](#) and [eligible HOME activities](#).
- Projects **cannot be located in a Floodway** and projects in a **Special Flood Hazard Zone must have flood insurance**. Use this to verify if your project is in a floodway/zone: <https://msc.fema.gov/portal/home>.

Important Points to Keep in Mind for Applications and Project Planning

- Applications are for a 2-year cycle. This application will be used to fund projects in program years 2022-23 and 2023-24¹.
- Minimum grant size is \$15,000 per year.
- Organizations may only apply for **one project** in each category of funding. (Eg. an organization may apply for funding under the Public Service category and the Community Infrastructure/Capital category.)
- **Only complete applications submitted on-time will be considered for funding.**
- Complete applications include the **application document, project budget, and organization budget.**
- Housing funding will first prioritize projects that provide **Family Housing and/or a Land trust model** in eastern Marin that provides home ownership opportunities, with specific inclusion for African Americans.
- CDBG public service funds will first prioritize projects that provide **Basic Health Services; Children, Youth, and Parent Support Services; Food Security; and Housing Support Services**. Detailed descriptions are available on page 4.
- Housing projects built before 1978 will require lead testing or proof of past testing/treatment in accordance with the [Lead Safe Housing Rule](#). **Project scopes should consider this and include these costs.**
- Staff will pursue reprogramming of funds for projects that do not make substantial progress in the initial funding year.

Notice of Funding Availability: Community Development Block Grant (“CDBG”) and Home Investment Partnership Program (“HOME”) For 2022-24 application cycle

The Marin County Community Development Agency’s Housing and Federal Grants Division is pleased to announce the opening of the application period for the CDBG and HOME programs.

¹ Staff reserve the right to open the application in 2023-24, if deemed necessary.

Overview

Federal funding through the Community Development Block Grant (CDBG) program provides communities with resources to address a wide range of unique community development needs. The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop thriving communities by providing funding to assist in the creation of affordable housing, a suitable living environment, and expanded economic opportunities for low and moderate-income persons. The Home Investment Partnerships Program (HOME) funds the creation, preservation, and rehabilitation of affordable housing for low income households. The programs are managed by the Federal Department of Housing and Urban Development (HUD).

National objectives for funding

Each activity funded by CDBG must meet one of the following national objectives for the program. Each application must clearly state which objective the proposed project addresses.

- Benefit low and moderate-income persons.
- Prevention or elimination of slums or blight.
- Address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which no other funding is available.

Priority Setting Committee local thresholds for funding

All applications are assessed using the following as thresholds for funding:

- 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 (race, color, religion, national origin, sex, disability, and familial status).
- Prioritize projects that serve low-income persons.

Evaluation Criteria:

All applications are assessed on the following baseline 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? Are there current or upcoming organizational leadership transitions?
- Prioritize greatest impact.

The Countywide Priority Setting Committee has approved funding priorities for Housing and Public Services dollars that consider projects in the following categories first:

Funding priorities for Housing funds:

- Family Housing
- Land trust model in eastern Marin² that provides home ownership opportunities, with specific inclusion for African Americans.

² Eastern Marin in this case is defined as all of the areas of Marin, except for West Marin

Funding priorities for Public Service funds:

- **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-child care 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 target low-income families and address disparities in access to early childhood education, high costs of childcare county wide, and family self-sufficiency. Programs and services include but are not limited to supporting childcare scholarships, student extracurricular activities, parent engagement and training, case management, therapeutic services, transportation, home visitations, and family legal supports.
- **Food Security** – includes services that provide physical and/or economic access to food to meet dietary needs for a productive and healthy life. Programs and services include but are not limited to free meal sites, food banks, grocery subsidies, home delivered meals, and other programs that provide food to people in need.
- **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, and down payment and rental assistance.

While this priority list does not preclude the funding of other types of projects, it provides staff with further direction when evaluating applications that meet both the national and local baseline thresholds.

Project budgets:

Detailed project budgets including sources and uses of funds to complete the project are required.

Public Services:

Project budgets for all public service project applications should cover a 1-year time period only. Year two funding allocations will be based on the 1-year budget in relation to outcomes achieved and HUD funding levels.

Community Infrastructure/Capital and Housing:

Project budgets for community infrastructure/capital and housing project applications should be developed spanning a two-year time period, with specific outcomes and line items associated with each year. If your project has received planning approvals, has an environmental review on file, and is ready to move forward in a 1-year time frame please indicate so.

Income verifying clients:

All applicants are required to income qualify beneficiaries of services provided with CDBG and HOME funds. Under CDBG regulations HUD presumes the following groups to be low-income and **income verification is not required:** abused children, battered spouses, the elderly, adult persons with serious disabilities, individuals who are homeless, illiterate persons, and migrant farm workers. Removal of architectural barriers to assist seniors and adults with severe disabilities would fall under this category of Presumed Benefit.

Marin County Federal Grants Program Overview

All of the eleven cities and towns in Marin County and the County of Marin participate in the Federal Grants program through a cooperation agreement. The cooperation agreement establishes a Countywide Priority Setting Committee to oversee the Federal Grants program and is renewed every three years. The cooperation agreement allows Marin County to be defined as an “urban county” for CDBG and enables it to receive a direct CDBG funding allocation. Novato and San Rafael are eligible to receive CDBG funding as entitlement cities because their populations exceed 50,000 persons. However, both cities have chosen to continue with the cooperation agreement to assure that Marin meets the population standard for urban counties and to streamline funding processes for applicants.

The County is divided into three (3) planning areas: Novato, San Rafael, and County Other. Each planning area receives a portion of the overall allocation based on an analysis of the most recent Census Data looking at population, the extent of poverty, and the extent of housing overcrowding, with the provision that the extent of poverty be counted twice.

The total CDBG allocation for Marin County has been about \$1.5 Million dollars annually and HOME is about \$800,000 annually. Staff will make funding recommendations based on these previous allocations.

Marin County Allocation Formula:

The Federal Grants program is administered by staff in the Marin County Community Development Agency. Federal regulations for CDBG limit the amount of administrative costs to 20% of the available grant funds. In addition, public services are limited to 15% of available grant funds. 40% of funds are allocated to housing and the remaining 25% of funding is available for community infrastructure/capital improvement projects and/or housing.

HOME funds are used exclusively for affordable housing serving low and very low-income. Federal regulations limit the amount of administrative costs to 10% of the available grant funds.

Selection Process:

The Novato City Council and San Rafael City Council hold public hearings on all CDBG applications for their respective planning areas and make a funding recommendation to the Board of Supervisors.

The Countywide Priority Setting Committee makes funding recommendations for the County Other planning area and HOME Program funding to the Board of Supervisors.

Requirements for Grant Disbursement:

All recipients will be required to enter into a contract with the County of Marin. This contract will include:

- Scope of service and use of funds.
- Expected outcomes.
- Compliance with certain administrative requirements and accounting records.
- Agreement to affirmatively further fair housing and conduct affirmative marketing.
- Non-discrimination.

All projects will require Federal **environmental review** clearance (NEPA). This is required even for projects that are not subject to CEQA. The Housing and Federal Grants Division is responsible to conduct the environmental review. Awardees should note that project funds may not be spent until the environmental review has been completed.

All community infrastructure/capital projects and some housing projects will be subject to the Federal Davis-Bacon Act regarding prevailing wages for construction workers. Davis Bacon often has standards that differ from California prevailing wage standards.

A lien is placed on all community infrastructure/capital and housing improvement projects. This lien must be repaid if the property is ever sold. The lien amount is not fixed and will be calculated as the amount of funding to the current value. The lien will increase as the value of the property rises. This lien has no time limit. The lien can be assumed by another nonprofit.

HOME will establish regulatory agreements dictating the affordability of the property and/or HOME units.

Commonly Used Terms

Affirmatively Furthering Fair Housing: Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. Public service projects can affirmatively further fair housing by providing access to opportunities and by transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

Affirmative Marketing: Through an affirmative marketing plan, a housing and service provider indicates what special efforts they will make to reach out to potential tenants or applicants who might not normally seek housing or services in their project and identify those least likely to apply and market to them.

Community Housing Development Organization (CHDO), is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. To qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience. At least 15% of HOME funds must be allocated to CHDOs. A minimum requirement to be a CHDO is that at least one-third of the board membership are either low-income, residents of low-income neighborhoods, or are elected as representatives of low-income neighborhood organizations.

Community Development Block Grant (CDBG): funds local [community development](#) activities such as [affordable housing](#), [anti-poverty programs](#), and infrastructure development.

Construction of Housing: Under this category, CDBG funds may be used in certain specified circumstances to finance the construction of new permanent residential structures. Eligible uses include acquisition of sites, site improvements to publicly-owned land to enable the property to be used for the new construction of housing (provided the improvements are undertaken while the property is still in public ownership) and the cost of disposing of real property acquired with CDBG funds, which will be used for new construction of housing.

Countywide Priority Setting Committee (PSC): oversees the distribution of federal funds through the Community Development Block Grant program (CDBG) and HOME Investment Partnerships Program (HOME)

to support a variety of community-based projects, including affordable housing, community facilities, and public services such as childcare scholarships and services for individuals with disabilities. The PSC establishes funding priorities and reviews applications from local nonprofit and public agencies. The PSC includes a member of the Board of Supervisors, 10 city/town council members, as well as seven (7) community members representing six (6) regions spanning Marin and an at-large member representing the County.

Davis-Bacon: The Davis–Bacon Act of 1931 is a United States federal law that establishes the requirement for paying the federally established prevailing wages on construction projects for laborers and mechanics.

Demographics: HUD changed the data collection requirements regarding race/ethnicity categories during program year 2002-2003. These changes reflect Office of Management and Budget 1997 standards establishing that “Hispanic” is not a race category, but an ethnic category that cuts across all races. Those who are White, Black, Asian, Pacific Islander, American Indian, or a multi-race may also be counted as being of Hispanic ethnicity. As such, when asking the individual/household to select a race category, the individual/household must also state whether they are of Hispanic ethnicity. For example, an individual/household of Mexican descent would likely state their race as either American Indian or White, and would also fall under the category of “also Hispanic.”

Housing and Federal Grants Division: Staffed by the Marin County Community Development Agency, Housing and Federal Grants provides Marin communities with resources to address a wide range of unique community development needs and Housing Policy.

HOME Investment Partnerships Program (HOME): funds a wide range of activities including building, buying, and/or rehabilitating affordable housing for low-income people. HOME projects must match every dollar of HOME funds used with 25 cents from nonfederal sources, which may include donated materials or labor, the value of donated property, proceeds from bond financing, and other resources.

HUD: US Department of Housing and Urban Development

Protected classes: Under federal anti-discrimination law, a protected class is a group of people with a common characteristic who are legally protected from discrimination on the basis of that characteristic. The following characteristics are protected by the Federal Fair Housing Act: race, color, religion, national origin, sex, disability, and familial status (this last term refers to the presence of at least one child under 18 years old, and also protects prospects and tenants who are pregnant or in the process of adopting a child).

Public Services: CDBG funds can be used for activities that benefit low- and moderate-income people, such as childcare, health care, job training, recreation programs, education programs, public safety services, fair housing activities, services for senior citizens, services for homeless persons, drug abuse counseling and treatment, energy conservation counseling and testing, and homebuyer down payment assistance. To be eligible for funding, public services must be either a new service or provide a quantifiable increase in the level of a service. No more than 15% of CDBG funds can be used for public services.

Rehabilitation: CDBG funds may be used to finance the costs of rehabilitation as shown below.

Residential—Residential property, whether privately or publicly owned. This includes manufactured housing when such housing constitutes part of the community’s housing stock.

Commercial/industrial—Commercial or industrial property, but where such property is owned by a for-profit, rehabilitation under this category is limited to exterior improvements of the building and the correction of code violations.

Other—Nonprofit-owned, nonresidential buildings and improvements that are not considered to be public facilities or improvements under §570.201(c) of the CDBG program regulations.

NEPA: The National Environmental Policy Act (NEPA) is a United States environmental law that promotes the enhancement of the environment and established the President's Council on Environmental Quality (CEQ). Staff must complete an environmental review for all CDBG and HOME funded projects.

Income Limits - 2021 HUD INCOME LIMITS

Household Size	Extremely Low (0-30%)	Very-Low (30+-50%)	Low (50+-80%)	Moderate (80+-120%)	Median
1	\$38,400	\$63,950	\$102,450	\$125,650	\$104,700
2	\$43,850	\$73,100	\$117,100	\$143,650	\$119,700
3	\$49,350	\$82,250	\$131,750	\$161,600	\$134,650
4	\$54,800	\$91,350	\$146,350	\$179,500	\$149,600
5	\$59,200	\$98,700	\$158,100	\$193,850	\$161,550
6	\$63,600	\$106,000	\$169,800	\$208,250	\$173,550
7	\$68,000	\$113,300	\$181,500	\$222,600	\$185,500
8	\$72,350	\$120,600	\$193,200	\$236,950	\$197,450

SOURCE: U.S. Department of Housing and Urban Development



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: COMMUNITY DEVELOPMENT

**Prepared by: Alicia Giudice, Director
Alexis Captanian, Housing Analyst
Jacob Noonan, Housing Manager**

City Manager Approval: 

TOPIC PERMANENT LOCAL HOUSING ALLOCATION (PLHA)

SUBJECT RESOLUTION RECOMMENDING PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROJECT FUNDING FOR THE CALENDAR YEAR 2022 TO THE MARIN COUNTY BOARD OF SUPERVISORS

RECOMMENDATION

Adopt a resolution recommending Permanent Local Housing Allocation (PLHA) project funding for the calendar year 2022 to the Marin County Board of Supervisors.

BACKGROUND

The Permanent Local Housing Allocation Program (PLHA) is a state program providing funding to local jurisdictions for affordable housing. The funding was created by Senate Bill 2 (SB2, 2017), the “Building Homes and Jobs Act”. PLHA aims to address housing shortages and high housing costs by providing an ongoing source of financing through real estate fees.

The County of Marin is eligible for non-competitive PLHA funds as an Entitlement Community from the U.S. Department of Housing and Urban Development for the Community Development Block Grant (CDBG) program and because it has an approved Housing Element and submits Annual Progress Reports to the state. In 2020, the Marin County Board of Supervisors received a non-competitive allocation of PLHA grant funding and approved a 5-year expenditure plan. The plan was developed in consultation with the Board of Supervisors Housing Subcommittee and in alignment with the 2020-24 Consolidated Plan and Assessment of Impediments to Fair Housing Choice approved by the Countywide Priority Setting Committee¹ (PSC). Applications for funding received by the County in 2022 have been evaluated based on state and local requirements.

¹ The Countywide Priority Setting Committee is made up of elected representatives of Marin cities and towns, a member of the Board of Supervisors and community members representing the federally protected classes under fair housing law which includes race, color, national origin, religion, sex, familial status, and disability.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2

The draft resolution provided with this report as Attachment 1 includes the recommendation for awarding PLHA funding requests received for projects in San Rafael. The recommendation has been drafted following the plan and the goals and criteria established by the Countywide PSC and by the California Department of Housing and Community Development (HCD).

Following City Council action, the PLHA funding recommendation will be vetted through the Countywide PSC. In early May, the Board of Supervisors will hold a final public hearing on the recommendations from the Countywide PSC, and subsequently the County will submit the list of approved projects to HCD.

ANALYSIS:

All project applications were evaluated by County staff based on the PLHA criteria developed by HCD and on the PSC approved program goals.

HCD PLHA Criteria:

- Project readiness: applicant must have site control for development projects, land use entitlements, environmental review, and commitments of other required funding and resources.
- Priority for projects supporting individuals and households earning 60% AMI or below.

PSC Approved Program Goals:

In addition to the criteria set forth by HCD, the PSC approved the following PLHA program goals, which are informed by the HUD approved 2020-24 Consolidated Plan and Analysis of Impediments to Fair Housing Choice:

- Family Housing
- Rental Housing – Acquisition, New Construction, Rehabilitation
- Homeowner Housing – Acquisition, New Construction, Rehabilitation
- Special Needs Housing
- Land trust in eastern Marin that provides home ownership opportunities, with specific inclusion for African Americans

Additionally, in alignment with the PSC's efforts on fair housing and equity, all applications include:

- A demographic assessment (race/ethnicity, people with disabilities, families) of the applicant's existing housing projects in Marin.
- Demographics of staff and board members of the applicant organization(s).

Applications Received and Funding Recommendation

A total of eight (8) PLHA applications were received for projects across the county, two (2) of which are in San Rafael.

Following the program goals and priorities, PLHA funds are dispersed across the three (3) CDBG Planning Areas of San Rafael, Novato, and County Other, with the goal of funding one project in each area each funding cycle. This funding is designed to provide grants for eligible housing-related projects and programs that help meet housing needs of local communities.

The State requires a local one-for-one match of trust fund dollars to award PLHA funding. This local match can come from the Marin County Affordable Housing Fund (Housing Trust), which can fund projects in all jurisdictions of Marin County. This activity was recommended by staff to ensure effective and efficient deployment of PLHA funds. Together the matched funds support

predevelopment, development, acquisition and preservation of multifamily projects, with an emphasis on projects housing those that are at or under 60 percent Area Median Income (AMI), as stipulated in the PLHA Final Guidelines. In consultation with City of San Rafael staff, PLHA projects can also be reviewed with a match of San Rafael Housing Trust dollars.

For the 2022 program year, the County has \$1,127,763 in PLHA funds to distribute. The County recommendation is to award the funds approximately proportional between the three planning areas (San Rafael, Novato, Countywide) with the requirement one-for-one match of local funds coming from the County Housing Trust fund. Therefore, the share of PLHA funds available for applications in the San Rafael Planning Area is \$357,125 which will be matched with an equal funding award from the County Housing Trust.

The projects in San Rafael requesting PLHA funding were:

Belvedere St. (Canal Alliance) is a conceptual project that includes acquisition of a market-rate multi-unit property in San Rafael's Canal neighborhood consisting of between 25 to 35 apartments. As envisioned, the existing property would be converted to permanently affordable housing. Canal Alliance has requested \$400,000 in PLHA funds (with a match of \$400,000 from the County of Marin Affordable Housing Fund) for acquisition of the Belvedere St. project. The project concept was reviewed by the City Council on March 7, 2022 as part of the City's 2021 Affordable Housing NOFA recommendations, at which time the City Council also preliminarily committed \$400,000 in City Affordable Housing Trust Funds with an option for Canal Alliance to request additional funding should PLHA not be awarded.

At this time, PLHA funding is not recommended for the Belvedere St. project. For the project to be eligible under the state guidelines for PLHA funding, Canal Alliance must have site control. Once site control is obtained, Canal Alliance may reapply for PLHA, with the City's housing trust fund counted as the local match, or if funding is available, a match from the County trust fund could be used.

PLHA Funding Recommendation: \$0

3301 Kerner (Eden Housing) is a State Homekey project (with a City funding match) in the Canal neighborhood. This project was awarded additional funding through a loan of \$850,000 on March 7, 2022 through the 2021 Affordable Housing NOFA. This project is the adaptive reuse of an existing three-story office building. Once complete, the project will provide 40 apartments serving as supportive housing with wrap around services for formerly homeless persons with mental illness. Eden Housing has requested \$1,025,000 in PLHA funds and \$1,025,000 from the County Affordable Housing Fund for predevelopment expenses.

This project meets the regulatory requirements set forth by the PLHA program including readiness and site control. In addition, the project meets two of the program goals approved by the PSC, which are the project creates rental housing and serves a special needs population.

PLHA Funding Recommendation: \$357,125

FISCAL IMPACT:

There is no direct cost or revenue impact from the recommended action.

The City Council recommendation would be to the Priority Setting Committee to recommend that the Board of Supervisors allocate the funds as proposed for projects in the San Rafael Planning Area. The award of PLHA funds requires a one-for-one local funding match, which each project has requested from the County Housing Trust Fund. Additionally, on March 7, 2022 the City Council awarded Affordable Housing Trust funds to both projects which could be used as the local match required by the PLHA funding guidelines.

OPTIONS:

1. Approve the PLHA funding as recommended.
2. Defer to the Countywide Priority Setting Committee to provide the recommendation for the San Rafael Planning Area applications.
3. Do not approve the recommendation and provide direction to staff.

ACTION REQUIRED:

Adopt a resolution recommending Permanent Local Housing Allocation (PLHA) project funding for the calendar year 2022 to the Marin County Board of Supervisors.

ATTACHMENTS:

- Attachment 1 Resolution
- Attachment 2 PLHA Guidelines

RESOLUTION NO. _____

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL RECOMMENDING
PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROJECT FUNDING FOR
THE FISCAL YEAR 2022-23 TO THE MARIN COUNTY BOARD OF SUPERVISORS**

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

WHEREAS in September 2017, the Governor signed into law Senate Bill 2, the “Building Homes and Jobs Act”; and

WHEREAS in February 2020, the California Department of Housing and Community Development (HCD) released the PLHA Program Notice of Funding Availability (NOFA) for ongoing local government provision of housing financing through real estate fees; and

WHEREAS in July 2020, the Marin County Board of Supervisors passed a resolution to apply for PLHA grant funding through the non-competitive NOFA process; and

WHEREAS in August 2020, the Marin County Board of Supervisors approved a 5-year expenditure plan for the funds; and

WHEREAS in September 2021, the Countywide Priority Setting Committee approved program goals for projects; and

WHEREAS on March 21, 2022, the City Council reviewed the submitted applications in accordance with the required selection process;

NOW, THEREFORE IT IS HEREBY RESOLVED that the City Council recommends to the Marin County Board of Supervisors that the \$357,125 in PLHA funds available for allocation by the City of San Rafael be distributed to Eden Housing’s 3301 Kerner project, subject to adjustments necessary to accommodate any changes in the County of Marin’s final allocation from the California Department of Housing and Community Development (HCD).

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 21st day of March 2022, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Lindsay Lara, City Clerk

Permanent Local Housing Allocation Final Guidelines



**Gavin Newsom, Governor
State of California**

**Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency**

**Douglas R. McCauley, Acting Director
California Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 150
Sacramento, CA 95833

October 2019

The matters set forth herein are regulatory mandates, and are adopted in accordance with the authorities set forth below:

Quasi-legislative regulations ... have the dignity of statutes ... [and]... delegation of legislative authority includes the power to elaborate the meaning of key statutory terms...

Ramirez v. Yosemite Water Co., 20 Cal. 4th 785, 800 (1999)

In consultation with stakeholders, the California Department of Housing and Community Development (Department) may adopt Guidelines to implement this Section, including determining allocation methodologies. Any guideline, rule, policy, or standard of general application employed by the Department in implementing this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Title 2 Government Code, Part 1 of Division 3).

NOTE: Authority Cited: Health and Safety Code Section 50470, subdivision (d).

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of these Guidelines, including, but not limited to, grant award amounts.

INTRODUCTION

Chapter 364, Statutes of 2017 (SB 2, Atkins) was part of a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it establishes a permanent source of funding intended to increase the affordable housing stock in California. The revenue from SB 2 will vary from year to year, as revenue is dependent on real estate transactions with fluctuating activity. The legislation directs the California Department of Housing and Community Development (Department) to use 70 percent of the revenue collected, beginning in calendar year 2019, to provide financial assistance to local governments for eligible housing-related projects and programs to assist in addressing the unmet housing needs of their local communities. This program is hereafter referred to as the Permanent Local Housing Allocation (PLHA) program.

Guidelines for the PLHA program are organized into five Articles as follows:

Article I. General provisions: This article includes information on the purpose of the Guidelines, program objectives, and definitions used throughout the document.

Article II. Program funding: This article describes allocation formulas and methodologies, and award amounts.

Article III. Formula allocation component: This article describes the requirements for Applicants to apply for funds under the formula allocation of the PLHA program.

Article IV. Competitive allocation component: This article describes requirements and uses for PLHA competitive allocation funds.

Article V. Administration: This article describes administrative functions such as terms, non-performance remedies, and reporting and monitoring requirements.

Permanent Local Housing Allocation (PLHA) Program: 2019 Guidelines

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ARTICLE I. GENERAL PROVISIONS

Section 100. Purpose and Scope

- (a) These Guidelines (hereinafter “Guidelines”) implement, interpret, and make specific Chapter 364, Statutes of 2017 (SB 2, Atkins - hereinafter “SB 2”) as authorized by Health and Safety Code (HSC) Section 50470, which created the Building Homes and Jobs Trust Fund and the PLHA program. The principal goal of this program is to make funding available to eligible local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. Twenty percent of the funding in the Building Homes and Jobs Trust Fund is required to be expended for Affordable Owner-Occupied Workforce Housing, and the program prioritizes investments that increase the supply of housing to households that are at or below 60 percent of the Area Median Income (AMI), adjusted for household size.
- (b) These Guidelines establish terms, conditions, and procedures for local governments to submit applications to the Department for funds from the PLHA program’s three components, as listed below:
 - (1) Entitlement formula component per HSC 50470(b)(2)(B)(i)(I)
 - (2) Non-entitlement formula component per HSC 50470(b)(2)(B)(i)(II)
 - (3) Non-entitlement competitive grant program component per HSC 50470(b)(2)(B)(i)(I) (eligible Applicants are the same as for component 2 above)
- (c) The non-entitlement competitive grant program component prioritizes assistance to persons experiencing or At risk of homelessness.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(A), subdivision (b)(2)(B)(i) and subdivision (b)(2)(B)(ii)(I-V).

Section 101. Definitions

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meanings of terms described in HSC Section 50470.

- (a) “Accessory dwelling unit” (ADU) means a dwelling unit which is attached, detached or located within the living area of the existing dwelling or residential dwelling unit and which provides complete independent living facilities for one or more persons pursuant to Government Code (GC) Section 65852.2 and 65852.22. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling. An Accessory dwelling unit also includes the following: an efficiency unit, as defined in Section 17958.1 of the HSC, or a manufactured home, as

defined in Section 18007 of the HSC.

- (b) "Activity" means any single eligible undertaking carried out as part of an Applicant's allocation(s) under the Program.
- (c) "Affordable" means a housing unit that satisfies at least one of the following criteria:
1. If the unit is being rented to low-income, Very low-income or Extremely low-income households, it complies with the Multifamily Housing Program guidelines Section 7312 and the Section 7301 definition of "Affordable Rent"; or
 2. If the unit is being sold, it is offered at an "Affordable housing cost", as published in the Fannie Mae Selling Guide, Part B, Debt to Income Ratios, as updated annually (<https://www.fanniemae.com/content/guide/selling/b3/6/02.html#DTI.20Ratios>), and it complies with the income limits stated in the definitions of Moderate-Income and Lower-Income in this section; or
 3. If the unit is being rented to Moderate-Income households, it is available at a gross rent, including a utility allowance, that does not exceed 30 percent of the applicable income eligibility level, and complies with the definition of Moderate-Income in these guidelines
- (d) "Affordable Owner-Occupied Workforce Housing" (AOWH) means owner-occupied housing per HSC Section 50092.1 that is affordable to persons and families of low or moderate income, as that term is defined in HSC Section 50093, except in High-cost areas where Moderate-income shall include households earning up to 150 percent of AMI.
- (e) "Annual Progress Report" (APR) means the Housing Element APR required by GC Section 65400 on the prior year's activities and due to the Department April 1 of each year.
- (f) "Annual Report" means a form issued by the Department and completed by a Local government awarded PLHA funds on which the Local government documents the uses and expenditures of any allocated funds and outcomes achieved.
- (g) "Applicant" means an eligible Local government applying for the program to administer one or more eligible activities. Applicant also means a Local or Regional Housing Trust Fund delegated by an eligible Local government to apply for the program and administer its allocation in accordance with all program rules.

- (h) “Area Median Income” or “AMI” means the most recent applicable county median family income published by the Department, available at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>
- (i) “At risk of homelessness” means the same as defined in Title 24 Section 578.3 of the Code of Federal Regulations and also includes any household receiving rental assistance funded by the California Emergency Solutions and Housing (CESH) program or the California Homeless Emergency Aid Program (HEAP).
- (j) “Capitalized Reserve for Services” means the reserve funded by the Local government pursuant to Section 301(a)(5) to address project supportive service budget deficits attributable to shortfalls in service funding sources.
- (k) “Comprehensive Housing Affordability Strategy” or “CHAS” means annual data compiled by the United States Census Bureau for the U.S. Department of Housing and Urban Development (HUD) to document the extent of housing problems and housing needs, particularly for low-income households.
- (l) “Community Development Block Grant” or “CDBG” means the program created pursuant to Title I of the Housing and Community Development Act of 1974, 42 U.S.C. 5301 et seq., as amended.
- (m) “Department” means the California Department of Housing and Community Development.
- (n) “Extremely Low Income” has the meaning set forth in HSC Section 50106, which is a maximum of 30 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (o) “Fund” means the Building Homes and Jobs Trust Fund pursuant to HSC Section 50470.
- (p) “High-cost area” means those counties defined as high cost by the Federal Housing Finance Agency (at: <https://www.fhfa.gov/DataTools/>) and those counties for which HUD adjusted the Very low income and low-income rents due to high costs (at: https://www.huduser.gov/portal/pdrdatas_landing.html), as published by the Department in the annual PLHA Notice of Funding Availability.
- (q) “Local government” means any city, including a charter city, any county, including a charter county, or a city and county, including a charter city and county.

- (r) "Local Housing Trust Fund" or "Regional Housing Trust Fund" means a public, joint public and private fund or charitable nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code, which was established by legislation, ordinance, resolution (including nonprofit articles of incorporation), or a public-private partnership organized to receive specific revenue to address local or regional housing needs.
- (s) "Low or Lower Income" has the meaning set forth in HSC Section 50079.5, which is a maximum of 80 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (t) "Moderate-Income" has the meaning set forth in HSC Section 50093, which is a maximum of 120 percent AMI, or in High-cost areas, 150 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (u) "Non-entitlement local government" means a Local government in an area which is not a metropolitan city or part of an urban county, a Local government that, as of September 1, 2017, was an incorporated city with a population of less than 50,000 or a county with an unincorporated area population of less than 200,000 persons which had not entered into a three-year Urban County Cooperation Agreement, or a Local government that was not otherwise entitled to receive CDBG funds directly from HUD.
- (v) "Operating subsidies" means payments to owners of affordable housing developments that make the housing more affordable by covering a portion of the ongoing costs of operating the development. Such payments would have the same effect as rental assistance.
- (w) "Owner-occupied" means a dwelling which is occupied by the owner and includes a single family dwelling or a dwelling unit in a stock cooperative, as defined by Business and Professions Code (BPC), Section 11003.2, a community apartment project, as defined by BPC Section 11004, or a condominium project, as defined by subdivision (c) of BPC Section 11004. 5.
- (x) "Plan" means the document submitted by the Applicant to the Department as part of a complete application in which the Applicant proposes to use allocated funds for at least one eligible Activity. The Plan shall have a term of five years. In succeeding years, the Local government is required to obtain the approval of the Department for any amendments made to the Plan, as set forth in Section 302(c)(5).
- (y) "Permanent Local Housing Allocation Program", "Program", or "PLHA" means the program developed to annually allocate 70 percent of the moneys deposited into the Fund pursuant to HSC Section 50470(b)(2)(B)(i).

(z) "Permanent supportive housing" has the same meaning as in HSC Section 50675.14, that is, housing with no limit on the length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing residents in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Permanent supportive housing may include associated facilities if used to provide services to housing residents. Permanent supportive housing does not include "health facility" as defined by HSC Section 1250 or any "alcoholism or drug abuse recovery or treatment facility" as defined by HSC Section 11834.02 or "Community care facility" as defined in HSC Section 1502, "Mental health rehabilitation centers" as defined in Section 5675 of the Welfare and Institutions Code (WIC), or other residential treatment programs.

(aa) "Regional Housing Needs Allocation" or "RHNA" means the share of the regional housing need represented by persons at all income levels within the area significantly affected by the general plan of the city or county allocated to an Applicant Local government pursuant to GC Section 65584(b).

(bb) "Sponsor" means the legal entity or combination of legal entities with continuing control of a Rental Housing Development. Where the borrowing entity is or will be organized as a limited partnership, Sponsor includes the general partner or general partners who have effective control over the operation of the partnership, or, if the general partner is controlled by another entity, the controlling entity. Sponsor does not include the seller of the property to be developed as the rental housing Project, unless the seller will retain control of the Project for the period necessary to ensure Project feasibility as determined by the Department.

(cc) "Very Low Income" has the meaning set forth in HSC Section 50105, which is a maximum of 50 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470.5 and 50470, subdivision (b)(2).

ARTICLE II. PROGRAM FUNDING

Section 200. Allocations

(a) SB 2 created a dedicated revenue source for affordable housing and directed the Department to make available 70 percent of the moneys in the Building Homes and Jobs Trust Fund, collected on and after January 1, 2019, to Local governments through the following allocations:

(1) Ninety percent of the moneys available shall be allocated based on the formula used under Federal law to allocate CDBG funds within California. This is the formula specified in Title 42 United States Code (USC), Section 5306.

(A) The amount of funds awarded to each Local government eligible for the entitlement formula component shall be determined by the 90 percent of PLHA funds available pursuant to this paragraph (1) and the percentage of funds received by the entitlement Local government in the CDBG federal fiscal year 2017 allocation process performed by HUD.

(B) Through the formula specified in paragraph (1), the percentage of funds allocated to Non-entitlement local governments shall be distributed to Non-entitlement local governments through a competitive grant program.

(2) Ten percent of the moneys available shall be allocated equitably among Non-entitlement local governments. The equitable allocation awarded to each Local government eligible for the Non-entitlement formula component shall be based on the sum of: (1) 50 percent of the funding available for the Non-entitlement formula component divided by the number of local governments eligible for the Non-entitlement formula component and (2) 50 percent of the funding allocated in proportion to each Non-entitlement local government's share of the total most severe housing need in California's Non-entitlement local governments, based upon the most recent HUD Comprehensive Housing Affordability Strategy.

(b) After funds are appropriated by the Legislature as part of the budget act, the Department will issue one or more Notices of Funding Availability (NOFA). Local governments shall submit an application under the NOFA pertaining to the specific allocation for which the Local government is eligible.

(c) It is recommended that Local governments that were urban counties in accordance with the distribution of funds pursuant to the formula specified in 42 USC, Section 5306 for the federal fiscal year 2017 provide a proportional share of their allocations to Local governments within their county with which they had a three-year Urban County Cooperation Agreement as of September 1, 2017, provided that these Local governments meet the threshold requirements of the PLHA and expend sub-allocated funds for eligible activities within the deadlines of the Standard Agreement governing the sub-allocation.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

Section 201. Award Amounts

(a) The formula allocation amounts derived pursuant to the formulas in Section 200 will be announced in the NOFA.

- (b) The maximum application amount and the minimum application amount for the competitive allocation will be stated in the NOFA.
- (c) An Applicant may apply for its formula allocation from the current and two prior NOFAs for which it did not receive an award, provided that the award meets the requirements of Section 304(a).

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

ARTICLE III. FORMULA ALLOCATION COMPONENT

Section 300. Eligible Applicants

- (a) Eligible Applicants for the entitlement formula component described in Section 100(b)(1) are limited to the metropolitan cities and urban counties allocated a grant for the federal fiscal year 2017 pursuant to the federal CDBG formula specified in 42 USC, Section 5306.
- (b) Eligible Applicants for the non-entitlement formula component described in Section 100(b)(2) and the competitive grant program component described in Section 100(b)(3) are limited to the Non-entitlement local governments.
- (c) A Local government may delegate another Local government to submit an application and administer on its behalf its formula allocation of Program funds, provided that the Local governments enter into a legally binding agreement and the funds are expended for eligible Activities and consistent with Program requirements. The delegating Local government shall be identified in the application. The administering Local government shall be responsible for all Program requirements.
- (d) A Local government may delegate a Local or Regional Housing Trust Fund to submit an application and administer on its behalf its formula allocation of Program funds, provided that the Local government enters into a legally binding agreement with the Local or Regional Housing Trust Fund and the funds are expended for eligible Activities and consistent with Program requirements. The delegating Local government shall be identified in the application. The Local or Regional Housing Trust Fund shall be responsible for all Program requirements.
- (e) An Applicant shall not be eligible to receive a new allocation of PLHA funds if it has an uncommitted amount of formula PLHA funds greater than the following:
 - (1) Four times the pending annual allocation if the pending annual allocation is \$125,000 or less;
 - (2) \$500,000 if the pending annual allocation is greater than \$125,000 and less than \$500,000;

- (3) The amount of the pending annual allocation if the pending allocation is \$500,000 or more.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

Section 301. Eligible Activities

(a) Eligible Activities are limited to one or more of the following:

- (1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is Affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary Operating subsidies.
- (2) The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.
- (3) Matching portions of funds placed into Local or Regional Housing Trust Funds.
- (4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
- (5) Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.
- (6) Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
 - (A) This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded CESH program or HEAP funds for rental assistance to continue assistance to these households.
 - (B) Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core

components of Housing First, as provided in WIC Section 8255, subdivision (b).

- (7) Accessibility modifications in Lower-income Owner-occupied housing.
 - (8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
 - (9) Homeownership opportunities, including, but not limited to, down payment assistance.
 - (10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing Projects, or matching funds invested by a county in an Affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the Affordable housing Project.
- (b) A Local government that receives an allocation shall use no more than 5 percent of the allocation for costs related to the administration of the Activity(ies) for which the allocation was made. Staff and overhead costs directly related to carrying out the eligible activities described in Section 301 are “activity costs” and not subject to the cap on “administrative costs.” A Local government may share any funds available for administrative costs with entities that are administering its allocation.
 - (c) Two or more Local governments that receive PLHA allocations may expend those moneys on an eligible jointly funded project as provided for in Section 50470 (b)(2)(B)(ii)(IV). An eligible jointly funded project must be an eligible Activity pursuant to Section 301(a) and be located within the boundaries of one of the Local governments.
 - (d) Entitlement Local governments may use the flow of PLHA funds to incentivize private lender loans and to guarantee payments for some or all public agency bond financings for activities consistent with the uses identified in Section 301 “Eligible Activities”. This loan guarantee Activity must be identified and fully explained in the Applicant’s “Plan”.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivisions (b)(2)(B)(ii)(IV), (b)(2)(D)(i-x), and (b)(3).

Section 302. Threshold Requirements

Applicants must meet all the following threshold requirements for participation in the formula allocation:

- (a) **Housing Element compliance:** The Applicant and any delegating Local government, if applicable, must have a Housing Element that has been adopted by the Local

government's governing body by the application deadline and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585. A Local government's current Housing Element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element>.

- (b) **APR on the Housing Element submitted to the Department:** The Applicant and any delegating Local government, if applicable, must submit to the Department the APR required by GC Section 65400 for the current or prior year by the application deadline date.
 - (1) Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a Local government, please contact the Department for more information.
- (c) Submit, by the deadline specified in the NOFA, on a form made available by the Department, a complete application which shall meet the following minimum requirements:
 - (1) Application requests an allocation pursuant to Section 200 in order to carry out one or more of the eligible activities described in Section 301. Except for a jointly funded project as described in Section 301(c), any activities must be carried out within the jurisdiction of the Applicant Local government.
 - (2) Submission of the application is authorized by the governing boards of the Applicant.
 - (3) Certification in the resolution that, if the Local government proposes allocation of funds for any Activity to another entity, the Local government's selection process shall avoid conflicts of interest and shall be accessible to the public. For the purposes of this paragraph, "entity" means a housing developer or program operator; "entity" does not mean an administering Local government to whom a Local government delegates its PLHA formula allocation, pursuant to Section 300(d).
 - (4) A Plan detailing:
 - (A) The manner in which allocated funds will be used for eligible Activities.
 - (B) A description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of AMI. Programs targeted at households at or below 60 percent of AMI will be deemed to meet this requirement.

- (C) A description of how the Plan is consistent with the programs set forth in the Local government's Housing Element.
- (D) Evidence that the Plan was authorized and adopted by resolution by the Local government and that the public had an adequate opportunity to review and comment on its content.
- (E) The following for each proposed Activity:
 - (i) A description of each proposed Activity, pursuant to Section 301, and the percentage of funding allocated to it. The description shall specifically include the percentage of funds, if any, directed to AOWH.
 - (ii) The projected number of households to be served at each income level and a comparison to the unmet share of the RHNA at each income level.
 - (iii) A description of major steps/actions and a proposed schedule required for the implementation and completion of the Activity.
 - (iv) The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least 55 years.
- (5) The Plan submitted in response to the NOFA shall be for a term of five years. Local governments shall obtain approval of the Department for amendments made to the Plan in each succeeding year of the term of the Plan. Reallocations of more than 10 percent of funds among Activities require amendment of the Plan, with approval granted by the governing body at a publicly noticed public meeting.
- (6) A certification that, if funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the following requirements if the property is no longer the primary residence of the homeowner due to sale, transfer or lease, unless it is in conflict with the requirements of another public funding source or law:
 - (A) The PLHA loan and any interest thereon shall be repaid to the Local government's PLHA account. The Local government shall reuse the repayments consistent with Section 301; or
 - (B) The initial owner and any subsequent owner shall sell the home at an Affordable housing cost to a qualified Lower-Income or Moderate-Income household; or
 - (C) The homeowner and the Local government shall share the equity in the unit pursuant to an equity-sharing agreement. The grantee shall reuse the proceeds

of the equity-sharing agreement consistent with this section.

- (7) A certification that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Local government-approved underwriting of the Project for a term of at least 55 years.
- (8) A Program income reuse plan describing how repaid loans will be reused for eligible activities specified in Section 301.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

Section 303. Application Review

- (a) Applicants must submit a complete application by the deadline stated in the NOFA in order to be eligible for funding. Application forms provided by the Department will be available upon release of the NOFA and will require Applicants to submit the forms and other documents to demonstrate that the Local government has met threshold requirements.
- (b) The Department may request additional information to complete its review.
- (c) Applications recommended for funding are subject to conditions specified by the Department. Applicants will receive an official letter of award after the Department approves funding recommendations.
- (d) The Department may issue an Over-the-Counter formula allocation NOFA after completing the NOFA process so that Local governments who were not able to submit formula allocation applications by the application deadline will have another opportunity to do so.
- (e) If funding proposed in Local government Plans for AOWH activities is lower than 20 percent of the moneys available in the Fund, the Department may require Local governments to use a specific percentage of their annual formula allocations in some future year for AOWH activities as part of the annual funding process.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(A).

Section 304. Deadlines and Funding Requirements

- (a) The initial PLHA application, including the Plan, must be submitted within 48 months of the budget appropriation (for example, the budget appropriation for 2019 is July 1, 2019, so the application deadline is June 30, 2023).
- (b) Funds allocated to Local governments that do not submit a complete application by the deadline stated in subsection (a) will revert to the Housing Rehabilitation Loan Fund for the Multifamily Housing Program or for Department-administered technical assistance to Local governments.
- (c) A Local government may petition the Department to return any funds allocated to it to be used for the Multifamily Housing Program.
- (d) Except for predevelopment expenses for construction projects funded by PLHA and costs to develop and prepare the Plan and the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the Plan and the PLHA application are subject to the cap on administrative fees.
- (e) After the Standard Agreement and attachments have been finalized, the Local government will follow provided instructions for signing all required documents. The Local government must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instruction.
- (f) After the Standard Agreement has been executed by the state, the Local government may submit a request for 100 percent of the funds allocated to be used for eligible expenditures for the Activity(ies) that received the award, and subject to the terms and conditions of the Standard Agreement.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i) and subdivision (b)(2)(B)(ii)(VI).

ARTICLE IV. COMPETITIVE ALLOCATION COMPONENT

Section 400. Eligible Applicants

- (a) Eligible Applicants for the non-entitlement competitive allocation described in Section 100(b)(3) are limited to Non-entitlement local governments. For development of Rental Housing Projects, the Sponsor must be a co-Applicant.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I).

Section 401. Eligible Activities

- (a) Eligible Activities are limited to the following and must take place within the jurisdiction of the Applicant Local government:
- (1) Development of new multifamily rental housing that is Affordable to households at or below 60 percent of AMI or substantial rehabilitation of multifamily rental housing that will be Affordable to households at or below 60 percent of AMI, but which is not currently restricted as Affordable housing; or
 - (2) Assistance to persons who are experiencing or At risk of homelessness, including, but not limited to, through rapid rehousing, or rental assistance, supportive services and case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers, or new construction, rehabilitation, or preservation of permanent or transitional rental housing.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I)(ia), (b)(2)(B)(i)(I)(ib) and subdivision (b)(2)(B)(ii)(V).

Section 402. Threshold Requirements

Applicants must meet all the following threshold requirements for participation in the competitive allocation:

- (a) **Housing Element compliance:** The Applicant must have a Housing Element that has been adopted by the jurisdiction's governing body by the application deadline date and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585. A Local government's current Housing Element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element>.
- (b) **APR on the Housing Element submitted to the Department:** The Applicant must submit to the Department the APR required by GC Section 65400 for the current or prior year by the application deadline date.
- (1) Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a Local government, please contact the Department for more information.
- (c) Submit by the deadline specified in the NOFA, on a form made available by the Department, a complete application which shall meet the following minimum requirements:
- (1) Application requests a grant pursuant to Section 100(b)(3) in order to carry out one

or both of the eligible Activities set forth in Section 401.

- (2) Submission of the application is authorized by the governing board of the Applicant and by the developer co-applicant, if any.
- (3) Certification in the resolution that, if the Local government proposes allocation of funds for any Activity to another entity, the selection process shall avoid conflicts of interest, and shall be accessible to the public.
- (4) Demonstration of readiness, including site control for development Projects, land use entitlements, environmental review and commitments of other funding and resources required, as further set forth in the NOFA;
- (5) Underwriting requirements:
 - (A) Uniform Multifamily Regulations Subchapter 19 of Title 25, Division 1, Chapter 7 (commencing with Section 8300), as amended from time to time, and the Multifamily Housing Program Guidelines (commencing with Section 7300), as amended from time to time, are hereby incorporated by reference into this subchapter and shall apply to Rental Housing Developments receiving assistance under the PLHA competitive allocation. In the event of a conflict between the provisions of Subchapter 19 and these Guidelines, the provisions of these Guidelines shall prevail.
 - (i) Section 8312(c) of the Uniform Multifamily Regulations is hereby amended to read:
 - (c) For Projects utilizing 4 percent tax credits, Developer Fee payments shall not exceed the amount that may be included in Project costs pursuant to 4 CCR, Section 10327. In addition, the Developer Fee paid from development funding sources shall not exceed the following:
 - (1) For acquisition and/or rehabilitation Projects, or adaptive reuse Projects, the lesser of the amount of Developer Fee in Project costs or \$2,000,000.
 - (2) For new construction Projects, the base limit shall be the lesser of the amount that may be included in Project costs or \$2,200,000. To arrive at the final limit on Developer Fee paid from development funding sources, the base limit shall then be multiplied by a ratio that is the average of (i) the difference between 2 and the Project's high-cost ratio, as calculated pursuant to 4 CCR, Section 10317(i)(6) or successor language and (ii) 100 percent.
 - (ii) Section 8312(d) of the Uniform Multifamily Regulations shall not apply.
 - (iii) Section 8314(a)(1)(A) of the Uniform Multifamily Regulations is amended to read:
 - (A) Approved deferred Developer Fee, pursuant to Section 8312, provided that the aggregate of the Developer Fee paid from sources and paid as deferred shall not exceed \$3,500,000.

(B) Period of affordability: All assisted rental units shall be restricted for not less than 55 years.

(C) All development Projects shall demonstrate fiscal integrity.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

Section 403. Selection Criteria

(a) Applications submitted within a competitive funding round shall be evaluated using the following criteria. Total available points shall equal 100.

1. Priority Points – 25 points

A. Population - 5 points

(i) If the Applicant is a county that has a population of 200,000 or less within the unincorporated areas of the county, the Applicant shall receive all points.

B. Prior Award – 5 points

(i) If the Applicant did not receive an award based on the formula specified in 42 USC, Section 5306 in 2016, the Applicant shall receive all points.

And either C (i) or C (ii) or C (iii) below:

C. Activity

(i) Assistance for Homeless Persons through Program Activities – 15 points

(a) Applications to assist persons experiencing or At risk of homelessness, including, but not limited to, through programs providing rapid rehousing, or rental assistance, or operating assistance to navigation centers shall receive all points.

Or

(ii) Assistance to Homeless Persons through Development of Navigation Centers– 15 points

(a) Applications for construction of navigation centers shall receive all points.

Or

(iii) Assistance for Homeless Persons through Rental Projects – 15 points

(a) Applications for the new construction, rehabilitation, or preservation of permanent or transitional rental housing in which all or at least 10 percent of the units are restricted to occupancy by tenants who are homeless or At risk of homelessness shall receive all points.

2. Evaluation Criteria – 75 points

Precise scoring for these factors will be set forth in the NOFA.

A. Community Need – 30 points

(i) Applicants will receive up to a maximum of 30 points based on the rate of households experiencing the most severe housing need according to the most recent HUD CHAS dataset in the Applicant Local government. Applicants will receive points in proportion to this percentage.

B. Applicant Administrative Experience – 15 points

(i) Applicants with prior experience administering local, state or federal affordable housing or community development programs or who have entered into a contract with an entity with prior experience in the implementation of local, state or federal affordable housing or community development programs will receive up to 15 points.

C. Demonstrated Capacity – 30 points

(i) Capacity points will be based on:

(a) Sponsor experience in Affordable Rental Housing Development and ownership (Up to 30 points) or

(b) Navigation center development experience (for development of these facilities) (Up to 30 points) or

(c) Program Operator experience (for non-development Activities) (Up to 30 points)

(b) Where applications requesting funds for more than one eligible Activity pursuant to Section 401 are permitted by the NOFA, each Activity will receive a separate score for each rating factor, and have an individual Activity total. It is possible that one Activity may score highly enough to receive an award, and the other Activity does not.

(c) In the event of tied point scores and insufficient funding for both applications, the Department shall rank the tied applications as follows:

(1) If one of the tied applications is for an Affordable Rental Housing Development and the other is for a program Activity or development of a navigation center, the

- Affordable Rental Housing Development application will be selected for funding;
- (2) If one of the tied applications is for a navigation center and the other is for a program Activity, the navigation center will be selected for funding;
 - (3) If both of the tied applications are for Affordable Rental Housing Developments, the Project with the lowest weighted average affordability of Restricted Units will be selected;
 - (4) If both of the tied applications are for navigation centers, the facility that provides overnight shelter to the greatest number of people will be selected;
 - (5) If both of the tied applications are for programs, the Local government with the highest rate of households experiencing the most severe housing need according to the most recent HUD CHAS dataset will be selected.
- (d) In the event there are insufficient funds to fulfill the entire funding request for the next highest scored application (Application A), the Department will determine whether Application A is feasible without the full funding request. If Application A is not feasible without full funding, the Department may offer the remaining funds to the application whose score is immediately below Application A. If the remaining funds are insufficient to fulfill the funding request for that application (Application B), the Department will again determine whether this application is feasible without the full funding request. If Application B is not feasible without the full funding request, the Department will perform the same analysis for the application whose score is immediately below Application B.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I)(ia) and subdivision (b)(2)(B)(ii)(V).

Section 404. Application Review

- (a) Applicants must submit a complete application by the deadline stated in the NOFA in order to be eligible for funding. Application forms provided by the Department will be available upon release of the NOFA and will require Applicants to submit the forms and other documents to demonstrate that the Local government has met threshold requirements. The application will require submission of documentation adequate to demonstrate that the application has earned the appropriate number of points.
- (b) The Department may request additional information to complete its review, provided that the new information would not affect scoring.
- (c) Applications recommended for funding are subject to conditions specified by the Department. Applicants will receive an official letter of award after the Department approves funding recommendations.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

Section 405. Deadlines and Funding Requirements

- (a) Applicants will be required to enter into a state Standard Agreement (Standard Agreement) that will set forth conditions for funding and milestones that are required to be met.
- (b) After the Standard Agreement and attachments have been finalized, the Local government will follow provided instructions for signing all required documents. The Local government must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instructions or risk forfeiting the grant award.
- (c) Except for predevelopment expenses for construction projects funded by PLHA and the costs to develop and prepare the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the PLHA application is subject to the cap on administrative fees.
- (d) Grant funds shall not be disbursed until:
 - (1) the Department authorizes loan closing, in the case of development projects; or
 - (2) all general and special conditions have been complied with, in the case of other Activities.
- (e) If funds are used for the development of an Affordable Rental Housing Development, the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Department-approved underwriting of the project for at least 55 years.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(VI).

ARTICLE V. ADMINISTRATION

Section 500. Accounting Records

- (a) The grantee shall establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the approved work plan, budget, and schedule. Separate bank accounts are not required.
- (b) The grantee shall maintain documentation of its financial records for expenditures incurred during the course of the PLHA Activity in accordance with generally accepted accounting principles. Such records shall be kept for at least five years after the close-out report is submitted to the Department.

- (c) The Department or its designated representative shall have the right to review and copy any records and supporting documentation pertaining to the PLHA grant.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(III) and subdivision (b)(2)(B)(IV) and subdivision (b)(3).

Section 501. Audits/Monitoring of Project Files

- (a) Grantee shall maintain PLHA files which, at a minimum, should include the following information and reports:
 - 1) Project/Activity description
 - 2) Land/site Information
 - 3) Planning & zoning history (as appropriate)
 - 4) Records of public hearings and public comments
 - 5) Relocation needs (as appropriate)
 - 6) Contracts, loan and grant agreements, Standard Agreement
 - 7) Environmental records & reports/findings (as appropriate)
 - 8) Design/engineering reports & plans (as appropriate)
 - 9) Description of targeted beneficiaries, services to be provided, household incomes, special needs
 - 10) PLHA Activity costs, invoices, purchase orders, sources and uses of funds for PLHA Activities, terms & conditions of financings, draws and all supporting documentation, change orders (as appropriate)
 - 11) Activity schedule and amendments
 - 12) History of Plan amendments
 - 13) Procurement policy used for PLHA Activity(ies)
- (b) The grantee shall maintain such records for possible audit for a minimum of three years after the close-out report is submitted, unless a longer period of records retention is stipulated in the Standard Agreement.
- (c) The grantee shall be responsible for monitoring Rental Housing Developments that received PLHA funds for the term of the loan, including, but not limited to, the Projects' compliance with the occupancy and rent requirements set forth in the Regulatory Agreement, compliance with reserve requirements, and the compliance with habitability standards.
- (d) The grantee shall be responsible for monitoring AOWH loans to assure that the homes remain Owner-occupied.
- (e) If requested by the Department, the grantee shall obtain a report from a qualified,

licensed third party that certifies to the amounts of disbursement and identifies the specific Activities for which the disbursements were made. Such a report is permitted to be a component of the A-133 audit.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(IV) and subdivision (b)(3).

Section 502. Cancellation and Termination

- (a) In the event that it is determined, at the sole discretion of the Department, that the grantee is not meeting the terms and conditions of the Standard Agreement, the Department shall issue a notice to stop work. Immediately upon receiving the written notice to stop work, the grantee shall cease all work under the Standard Agreement. The Department has the sole discretion to determine the grantee's compliance with the terms and conditions after issuance of a stop work order, and to deliver a written notice to the grantee to resume work under this Standard Agreement.
- (b) The Department shall terminate the Standard Agreement if the grantee is not in compliance with the Guidelines or the terms and conditions of the Standard Agreement. At least 30 days prior to the effective date of the termination of the Standard Agreement, the Department shall provide written notice to the grantee of its intent to cancel the funding allocation. The notice shall specify the reason for early termination and may permit the grantee or the Department to cure any deficiency(ies) prior to the early termination date. The grantee will submit requested documents to the Department within 30 days of the early termination notice.
- (c) Failure to meet reporting requirements will result in notice to the grantee that it must satisfactorily cure any deficiencies within three months of the notice or it will forfeit the following year's PLHA formula allocation and be ineligible for a competitive award. The Local government will forfeit subsequent PLHA formula allocations and be ineligible for a competitive award until the Department determines that the Local government has met reporting requirements.
- (d) The Department may, as it deems appropriate or necessary, request the repayment of funds from a Local government or offset future years' funds, or pursue any other remedies available to it by law for failure to comply with the Guidelines and/or the terms and conditions of the Standard Agreement.
- (e) Co-Applicants may be adversely impacted by a notice to stop work and/or termination if one grantee is deemed by the Department to not meet the terms and conditions of the Standard Agreement, or fails to meet the reporting requirements outlined in Section 503.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(IV) and subdivision (b)(3).

Section 503. Reporting

- (a) The Department shall provide grantees with reporting formats and instructions.
- (b) Annual Reports are required from all grantees pursuant to HSC Section 50470(b)(2)(B)(ii)(III) each year by July 31 for the term of the Standard Agreement. The Annual Report shall document the uses and expenditures of all awarded allocations and outcomes achieved. This report must be signed by both the Local government's PLHA administrator and the Local government's City Manager (or his/her designee), or Chief Executive Officer (or his/her designee) or Chief Financial Officer (or his/her designee). The Annual Report must describe any proposed amendment(s) to the approved Activity and schedule.
- (c) Upon expenditure of all allocated funds and completion of the Activities funded by PLHA, the grantee shall submit a close-out report, which will be part of the Annual Report.
- (d) The Department may request additional information as needed to meet other applicable reporting or audit requirements.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(III) and subdivision (b)(2)(B)(ii)(IV).