



COMMUNITY DEVELOPMENT AGENCY
HOUSING AND FEDERAL GRANTS DIVISION

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May 8, 2025

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SUBJECT: Funding Recommendations for FY 2025-26 Community Development Block Grant (CDBG), 2025-26 HOME Investment Partnership Program (HOME); CY 2025 Permanent Local Housing Allocation (PLHA).

RECOMMENDATIONS:

1. Consider and approve 2025-26 funding recommendations for the Community Development Block Grant (CDBG) for the County Other Planning Area.
2. Consider and approve 2025-26 CDBG funding recommendations provided by the Novato City Council and the San Rafael City Council.
3. Consider and approve 2025-26 funding recommendations for the HOME Investment Partnerships Program (HOME).
4. Consider and approve 2025 funding recommendations for the Permanent Local Housing Allocation program (PLHA).

SUMMARY:

The Countywide Priority Setting Committee annually reviews applications and approves allocations for federal and state funding programs aimed at supporting housing, community infrastructure, and public services for low-income and moderate-income households in Marin County. For FY 2025-26, the committee is evaluating recommendations for the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME), as well as allocations from the Permanent Local Housing Allocation (PLHA) program.

Staff propose specific funding distributions for each Planning Area (County Other, Novato, and San Rafael) based on community priorities, program effectiveness, readiness, and alignment with HUD and state objectives. Consistent with the priorities set by your committee, the proposed recommendations prioritize affordable housing development and preservation, critical infrastructure improvements, and high-impact public services that affirmatively further fair housing, promote housing stability, and support underserved and vulnerable populations across Marin County, aligning closely with the goals outlined in the Marin County Consolidated Plan.

DISCUSSION/ BACKGROUND:

The Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) are federal programs funded by the U.S. Department of Housing and Urban Development (HUD). These programs support affordable housing creation and preservation, community infrastructure enhancements, and essential public services for low- and moderate-income households.

- CDBG funds cover diverse activities, including property acquisition, housing and facility construction or rehabilitation, economic development, and public services.
- HOME funds exclusively support affordable housing initiatives, such as new construction, rehabilitation, homebuyer assistance, and tenant-based rental assistance.

Federal regulations require at least 85% of CDBG funds be allocated to administration, housing, and capital projects, with a maximum of 15% can be designated for public services. This framework ensures a balance between addressing critical infrastructure and housing needs, and providing essential community services.

Both programs must meet HUD's national objectives: benefiting low- and moderate-income persons, preventing or eliminating slums or blight, or addressing urgent community needs. Marin County prioritizes projects benefiting low-income residents, stabilizing affordable housing, enhancing community facilities, and delivering critical services.

The FY 2025-26 recommendations include allocations approved by the Novato and San Rafael City Councils, with final approval by the Marin County Board of Supervisors scheduled for June 2025.

2025-26 Funding Year

Marin County's estimated CDBG allocation for FY 2025-26 is approximately \$1,559,706. Administrative costs are set at 20%, leaving a net grant amount of \$1,247,765. The anticipated HOME allocation remains approximately \$690,000. The PLHA allocation is expected to be around \$476,762, matched by the County's Affordable Housing Trust fund.

These allocations support strategic investment in projects addressing local housing and infrastructure needs, aligning with federal and state funding criteria and Marin County's long-term goals. Staff recommendations reflect thorough analysis, extensive community engagement, and alignment with strategic priorities identified in the Consolidated Plan, aimed at enhancing community resilience and equitable access to housing and services.

Application Process and Community Needs

The Notice of Funding Availability (NOFA) generated significant interest, with 34 applications requesting approximately \$3.83 million in CDBG funds, \$1.6 million in HOME funds, and approximately \$1.39 million in PLHA funds. The robust application volume underscores substantial community demand for affordable housing, infrastructure enhancements, and public service expansions. Staff carefully reviewed each application based on readiness, impact, sustainability, and alignment with strategic goals, leading to targeted funding recommendations

Program Structure and Evaluation Criteria

CDBG grants require a minimum award of \$15,000 per year. Countywide projects, which serve all three planning areas, may pool funds from multiple Planning Areas to meet this threshold.

To strengthen the review process, the Priority Setting Committee (PSC) formed an Application Review Subcommittee to lead in-depth discussions, evaluate applications, and recommend funding allocations. The Subcommittee met on March 20 and 26 and reviewed applications and provided insight and questions.

All applications must meet at least one HUD National Objective:

- Benefit low- and moderate-income persons
- Prevent or eliminate blight
- Address other urgent community needs for low- and moderate-income persons

Applications are further assessed based on:

- **Readiness:** Can funds be fully expended during the grant year?
- **Sustainability:** Is the project viable beyond the CDBG funding period?
- **Effectiveness & Accountability:** Does the organization have a strong track record and current capacity? Are leadership transitions anticipated?
- **Impact:** Does the project serve the greatest number of people, deliver high impact per person, or reach hard-to-serve populations?

PSC-Adopted Priorities

- Projects that affirmatively further fair housing
- Projects serving protected classes
- Projects serving low-income persons

Public Services Priority Areas

1. **Children, Youth, and Parent Support Services**
This priority area supports programs that assist low-income families and reduce disparities in access to early childhood education and childcare. Eligible services include childcare scholarships, student enrichment activities, parent education and engagement, case management, therapeutic services, transportation, home visitations, and family legal support.
2. **Housing Support Services**
This area focuses on services that promote housing stability and fair housing choice. Eligible activities include fair housing counseling, legal assistance, rental and down payment support, and housing locator services.

CDBG Recommendations:

For FY 2025-26, staff are estimating that Marin County will receive a CDBG entitlement of \$1,559,706. After allocating 20% (\$311,941.20) for administration, \$1,247,765 is available for project funding.

The following CDBG recommendations reflect allocations for Countywide Fair Housing, the County Other Planning Area, and the City Council-approved allocations for Novato and San Rafael Planning Areas. Recommendations were informed by

funding formula allocations, project scores, public input, and alignment with HUD objectives and local priorities.

Countywide Fair Housing

In recent years funding for Fair Housing services has been allocated before funding calculations are made for each Planning Area. Funding fair housing services is a CDBG requirement, and doing so before making other recommendations ensures that we meet the requirement.

Funding recommendation: Staff and Subcommittee recommend allocating \$50,000 to support funding for one fair housing project.

Project	Current Request	Total Recommended
Fair Housing Advocates for Northern California Fair Housing Counseling	\$ 85,000	\$ 50,000

County Other Planning Area

The County Other Planning Area is expected to receive a total CDBG allocation of \$450,996 for FY 2025-26. A minimum of \$266,606 is designated for housing projects, a maximum of \$67,879 may be applied to public services, and the remaining \$116,271 can be applied to either capital or housing projects. A total of 19 applications were evaluated for the County Other Planning Area – 13 Countywide projects and 6 serving the County Other Planning Area only.

Housing Projects

A total of four housing applications requesting CDBG funding were submitted for consideration in the County Other Planning Area. These included one Countywide project, one Novato project, and two San Rafael projects. Combined, these applicants requested a total of \$1,894,881 in CDBG funds.

Of the total requested, \$606,313 in CDBG funds is recommended across all Planning Areas, including \$242,805.04 from the County Other allocation to support the following two (2) projects:

Project	CDBG Request	County Other Recommendation	Total Expected CDBG Allocation (Including San Rafael and Novato Planning Areas)
Canal Alliance Marin Villas Rehab	\$ 400,000		\$ 138,525
Habitat for Humanity Redwood Blvd	\$ 1,000,000	\$ 228,805.04	\$ 403,748
Habitat for Humanity Home Rehab Program	\$ 94,881	\$ 14,000.00	\$ 40,000
Marin Foster Care Assoc. 158–166A Park Street	\$ 400,000		
<i>Total County Other</i>		\$ 242,805.04	

There was a calculation error in the total available budget for Housing and Capital Projects, the total available was reduced by \$23,801 as a result. This correction is causing some of the percentages spent by Novato and San Rafael Planning Areas to appear higher than prescribed. Since the projects funded are Countywide and beneficial to the entire County we are meeting our allocation guidelines.

Capital Projects

A total of five capital project applications were submitted, requesting \$850,150 in CDBG funds across the Countywide, County Other, San Rafael, and Novato Planning Areas.

Of the total requested, \$417,642.03 in CDBG funds is recommended across all Planning Areas, including \$116,271.63 from the County Other allocation to support the following three (3) projects:

Project	CDBG Request	County Other Recommendation	Total Expected CDBG Allocation (Including San Rafael and Novato Planning Areas)
North Marin Community Services 680 Wilson Siding Replacement	\$ 110,000		\$ 35,000
Ritter Center Ritter Builds Hope Capital Campaign	\$ 150,000		\$ 125,000
Two Valleys Community Land Trust Forest Knolls Mobile Home Park Common Building (County Other)	\$ 59,000	\$ 49,582.63	\$ 49,582
Homeward Bound New Beginnings Shelter Repairs	\$ 571,150	\$ 66,689.00	\$ 196,689
North Bay Children’s Center Outdoor Classrooms Learning-Lab	\$ 75,000		\$ 25,263
<i>Total County Other</i>		\$ 116,271.63	

Public Services

A total of 21 Public Services applications were submitted requesting \$1,082,383.50 in CDBG funds. These applications represent a mix of Countywide, County Other, San Rafael, and Novato areas.

Due to the 15% cap on public services and a highly competitive pool of applications totaling over \$1 million in CDBG requests, several meritorious projects could not be recommended for funding in FY 2025–26. While many proposed services align with program priorities and demonstrated community need, the available public services allocation was significantly oversubscribed.

\$238,955.91 in CDBG funds is recommended across all Planning Areas, including \$67,879.73 from the County Other to support the following four (4) projects:

Project	CDBG Request	County Other Recommendation	Total Expected CDBG Allocation (Including San Rafael and Novato Planning Areas)
Legal Aid of Marin (County Wide) Keeping Marginalized Marin Tenants Housed	\$ 135,000	\$ 32,879.73	\$ 73,955.91
Marin Center For Independent Living (County Wide) Residential Access Modification Program	\$ 45,000	\$ 5,000.00	\$ 15,000.00
San Geronimo Valley Community Center (County other) Child and Family Food Access	\$ 30,000	\$ 15,000.00	\$ 15,000.00
Performing Stars of Marin (County other) Youth Afterschool and Summer Enrichment Programming	\$ 20,000	\$ 15,000.00	\$ 15,000.00
<i>Total County Other</i>		\$ 67,879.73	

To see the full list of funding requests & recommendations please refer to attachment 1

San Rafael Planning Area

On Monday, April 21, 2025, the San Rafael City Council will consider approving a resolution recommending Community Development Block Grant (CDBG) funding recommendations for the 2025–26 fiscal year (Attachment 3). Staff recommends that the Priority Setting Committee adopt these recommendations, with a pro-rata reduction across Housing and Capital projects in accordance with the Cooperation Agreement governing the administration of the San Rafael Planning Area.

Novato Planning Area

On Tuesday, April 22, 2025, the Novato City Council will consider approving a resolution recommending Community Development Block Grant (CDBG) funding allocations for the 2025–26 fiscal year (Attachment 3). Staff recommends that the Priority Setting Committee adopt the City’s recommendations, applying a pro-rata reduction across Housing and Capital projects in accordance with the Cooperation Agreement governing the Novato Planning Area.

HOME Investment Partnerships Program (HOME)

For the FY 2025–26 funding cycle, the Countywide HOME Investment Partnerships Program has a total of \$713,595.82 available for project funding, including entitlement and program income. After accounting for the allowable 10% administrative set-aside, the amount available for project use is approximately \$642,237.24

In accordance with HOME regulations, a minimum of 15% of the annual entitlement—estimated at \$107,039.37 for FY 2025–26—must be reserved for a Community Housing Development Organization (CHDO).

Countywide HOME Funding Recommendations

A total of three applications were submitted for FY 2025–26, requesting \$1.6 million in HOME funds. Based on funding availability, staff recommend allocating the full \$642,237.24 to support the following two (2) projects:

Project	HOME Request	Home Recommendation
Habitat for Humanity Greater San Francisco Redwood Blvd.	\$ 700,000.00	\$ 442,237.00
EAH (CHDO) Riviera and Turina Scattered Site Renovation	\$ 700,000.00	\$ 200,000.00
Marin Foster Care Association 158-166 Park Street	\$ 200,000.00	
<i>Total HOME Recommendation</i>		\$ 642,237.00

Permanent Local Housing Allocation (PLHA)

Overview

PLHA is a state housing funding program administered by the California Department of Housing and Community Development (HCD). In 2020, the Marin County Board of Supervisors approved a five-year expenditure plan that aligns with the PSC’s priorities and the County’s Assessment of Impediments to Fair Housing Choice. PLHA funds are matched 1:1 with Marin County Affordable Housing Trust funds and distributed countywide.

2025-26 Funding Cycle

For 2025-26, \$476,762 in PLHA funds is available, the Marin County Board of Supervisors will consider matching this with Housing Trust. A joint NOFA was released in January 2025 along with CDBG and HOME. Three (3) applications totaling \$1,394,938 in PLHA requests were submitted by the February 16 deadline.

Evaluation Criteria

Applications were evaluated by County staff and the PSC’s Application Review Subcommittee based on readiness, including site control, land use approvals, environmental clearance, and secured funding. Projects were also required to be located in jurisdictions with certified housing elements and prioritized if they serve households at or below 60% AMI. In line with PSC goals, projects were expected to support family, special needs, rental, and homeownership housing, as well as promote equity and fair housing outcomes. Applicants submitted demographic data for their developments, staff, and boards to support these goals.

Funding recommendation:

Staff and Subcommittee recommend allocating a total of \$476,762 to support funding the following two (2) projects:

Project	PLHA Request	PLHA Recommendation
Habitat for Humanity Greater San Francisco Redwood Blvd	\$ 500,000.00	\$ 286,057.00
Eden Housing, Inc. Oak Hill	\$ 594,938.00	\$ 190,705.00
Abode Housing Development	\$ 300,000.00	
<i>Total PLHA Recommendation</i>		\$ 476,762.00

The \$286,057 PLHA recommendation is proposed as a match for the \$5,239,098 in Marin County Affordable Housing Trust Fund dollars approved on April 15, 2025, for the Habitat Redwood Blvd project. The PLHA match aligns with the same project scope and income targeting, consistent with the County’s local PLHA expenditure plan and Section 301(a)(3) of the PLHA Program Guidelines, which permits use of PLHA funds to match contributions to local housing trust funds.

The \$381,410 PLHA recommendation for the Eden Housing Oak Hill project includes both the \$190,705 in PLHA funds and a matching \$190,705 from the Marin County Affordable Housing Trust Fund, consistent with the 1:1 local match policy. This combined funding is consistent with the County’s PLHA Expenditure Plan and Section 301(a)(3) of the PLHA Program Guidelines.

OPTIONS:

1. Approve the recommended allocations for CDBG, HOME, and PLHA funds as presented in this staff report.
2. Modify the recommended allocations for CDBG, HOME, and PLHA funds.
(Note: CDBG funds may be reallocated among categories; however, the Public Services category may not exceed 15% of the total and the Housing category must receive at least 40%.)
3. Provide alternative direction to staff.

Attachments:

- Attachment 1 - CDBG, HOME, and PLHA Recommendations
- Attachment 2 - Project Applications
- Attachment 3 - CDBG, HOME, and PLHA Project Application Summary
- Attachment 4 2025-26 PSC Roster