

COMMUNITY DEVELOPMENT BLOCK GRANT
COUNTYWIDE PRIORITY SETTING COMMITTEE

SUBCOMMITTEE FOR ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

PUBLIC HEARING

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE
(INCLUDING IMPLEMENTATION PLAN)

Wednesday, May 11, 2011
1:30 p.m.-3:30 p.m.
Council Chambers
San Rafael City Hall
1400 Fifth Avenue, San Rafael

AGENDA

1. Open Time for Public Comment on Matters Not on the Agenda.
2. Review Draft Analysis of Impediments to Fair Housing Choice, including the Draft Executive Summary and Draft Implementation Plan.
 - A. Staff report.
 - B. Public comments.
 - C. Discussion and recommendations by Subcommittee.
3. Review Comments from City and Town Council Meetings.
 - A. Staff report.
 - B. Public comments.
 - C. Discussion and recommendations by Subcommittee.
4. Review Written Comments from the Public.
 - A. Staff report.
 - B. Public comments.
 - C. Discussion and recommendations by Subcommittee.
5. Questions, Comments, and Recommendations from Subcommittee Members on the Draft Analysis of Impediments and the Draft Implementation Plan.
 - A. Staff report.
 - B. Public comments.
 - C. Discussion and recommendations by Subcommittee.
6. Proposal to Add Community Representatives to Community Development Block Grant (CDBG) Priority Setting Committee.
 - A. Staff report.
 - B. Public comments.
 - C. Discussion and recommendations by Subcommittee.

7. Goals for May 31, 2011 Subcommittee Meeting.
 - A. Staff report.
 - B. Public comments.
 - C. Discussion and recommendations by Subcommittee.

FUTURE HEARING DATES:

<p>May 31, 2011 10:00 a.m.</p>	<p>Subcommittee of Priority Setting Committee Board of Supervisors Chambers, Room 330 Administration Building Marin County Civic Center 3501 Civic Center Drive, San Rafael</p>
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<p>June 28, 2011 9:00 a.m. or later (Call 499-6279 for specific time.)</p>	<p>Marin County Board of Supervisors Board of Supervisors Chambers, Room 330 Administration Building Marin County Civic Center 3501 Civic Center Drive, San Rafael</p>
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If you have questions about the public hearings, please call Roy Bateman at 499-6698 at the Marin County Community Development Agency. People using TTY devices may reach us at 473-3232 (TTY) or through the California Relay Service at 711. In consideration of persons with environmental sensitivities, please do not wear perfume or other fragrances. Sign language interpretation and translation into languages other than English are available upon request. Please call our office at 499-6279, at least three days in advance of the public hearing you want to attend, if you need a sign language interpreter, other language interpretation, an assistive listening device, or other reasonable accommodation. Call Golden Gate Transit (455-2000, 257-4554 TDD) for transit information.



The Consolidated Plan, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports, records regarding past use of CDBG, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS Program funds, the Civil Rights Policy, the Residential Antidisplacement and Relocation Assistance Plan, the Nondiscrimination Policy, and program files are available for inspection at the Marin County Community Development Agency, 899 Northgate Drive, Room 408, San Rafael, California. Copies of documents are available in accessible formats upon request.

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ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

IMPLEMENTATION PLAN

The recommendations in the attached draft Implementation Plan are keyed to the numbered recommendations in the Executive Summary of the draft Analysis of Impediments to Fair Housing Choice. For example, item #3 below begins (in the Recommendations column) with a summary of item #3 from the Executive Summary of the draft Analysis of Impediments to Fair Housing Choice (which can be found at www.marincdbg.com). While the focus of many items is on the County government, many of the recommendations also apply to some or all of the other local jurisdictions (cities and towns). In some cases, a recommendation applies to all local jurisdictions, but some jurisdictions are further along in implementation than others. In other cases, a recommendation applies to only some of the local jurisdictions. To avoid unnecessarily complicating the Implementation Plan, we have not posted details on the status of each community on each recommendation. Information in the Time Frame column generally applies to the County, rather than other local jurisdictions.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

IMPLEMENTATION PLAN

Recommendations	Responsibility	Potential Funding	Priority	Time Frame	Status
1. Use the Marin County Task Force on Housing Discrimination as a forum to address impediments and encourage broader involvement from the community in addressing these impediments.	Fair Housing of Marin; Board of Supervisors	Existing Budget	Medium	Short	
1. Notes:					
2. Consider adopting design guidelines for multi-family developments to permit affordable housing projects either “by right” or through a streamlined process of discretionary design review. Consider overlay zones, increased density standards, minimum density requirements.	County; Cities; Towns	Will require additional funding	High	Medium	
2. Notes: Increasing densities may require CEQA analysis to evaluate environmental impacts.					
3. Consider adopting inclusionary zoning requirements. Where they exist, review criteria for allowing inclusionary units to be developed off-site.	County; Cities; Towns	May require additional funding	Medium	Short	
3. Notes: The County is currently in the process of implementing this recommendation through pending changes to the Development Code which seek to clarify inclusionary zoning requirements and the criteria for requesting waivers.					

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Recommendations	Responsibility	Potential Funding	Priority	Time Frame	Status
4. Explore a range of funding options and fees to support affordable housing.	County; Cities; Towns; Fundors	May require additional funding	Medium	Ongoing	
4. Notes: The County currently funds affordable housing through a variety of means including in-lieu fees, impact fees, commercial linkage fees, and general funds.					
5. Diversify development of affordable housing.	County; Cities; Towns	May require additional funding	High	Ongoing	
5. Notes: The County’s 2009 Draft Housing Element includes a number of programs related to this recommendation which are scheduled for implementation during this housing element cycle (2007-2014), including, “Establish Minimum Densities on Housing Element Sites”, “Require Multi-family Residential Development in Multi-family Zones”, and “Zone and Provide Appropriate Standards for SRO units.”					
6. Encourage and facilitate the development of more subsidized and affordable housing for families with children outside areas of minority concentration. Consider acquisition and shared housing.	County; Cities; Towns; Marin Housing Authority	May require additional funding	Medium	Ongoing	
6. Notes: The County is in the process of implementing a program from the 2009 Draft Housing Element, “Conduct a Comprehensive Affordable Housing Sites Inventory” in order to identify and designate sites for multi-family housing development to meet the housing needs of Marin’s workforce, seniors, and special needs populations. These sites will be evaluated for the potential to increase densities which will facilitate multifamily affordable housing developments. Locating sites outside areas of minority concentration is weighted factor being considered when identifying sites.					

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Recommendations	Responsibility	Potential Funding	Priority	Time Frame	Status
7. Develop accessible housing for persons with disabilities in diverse geographic locations.	Marin Housing Authority; County Funders; Nonprofit developers	May require additional funding	Low	Ongoing	
7. Notes: The County will seek to address this recommendation when implementing programs, including, “Encourage Housing for Special Needs Households”, from the 2009 Draft Housing Element.					
8. Increase transportation options in higher-income, less impacted communities. Encourage transit hubs with affordable housing outside areas of minority concentration.	Transportation Authority of Marin; Marin Transit District	Assumes increased resources for public transit	Pending consultation with transit agencies	Pending consultation with transit agencies	
8. Notes:					
9. Conduct regular surveys of privately developed affordable housing projects which are subject to local government restrictions on household income, to determine racial and ethnic demographics of residents.	County	May require additional funding	High	Short term for instituting tracking system; ongoing for data collection	
9. Notes:					
10. Marin Housing Authority should make its lease and rental notices available in Spanish and Vietnamese and a procedure to access interpreters if oral discussion is necessary.	Marin Housing Authority	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	

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Recommendations	Responsibility	Potential Funding	Priority	Time Frame	Status
10. Notes:					
11. When Housing Authority waiting lists are open, place public service announcements in English, Spanish, and Vietnamese media.	Marin Housing Authority	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	
11. Notes:					
12. Collaborate to strategize ways to encourage broader landlord participation in Section 8.	Marin Housing Authority; County; Cities; Towns; Advocates	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	
12. Notes:					
13. Develop subsidized family housing outside impacted areas.	Marin Housing Authority; Nonprofit developers; Fundors	Will require additional funding	High	Ongoing	
13. Notes: See item 6.					
14. Consider modifying Marin Housing Authority “One Strike” policy to limit it to those who present a direct threat to others and allow case-by-case review of circumstances (such as victims of domestic violence).	Marin Housing Authority	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	
14. Notes:					

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Recommendations	Responsibility	Potential Funding	Priority	Time Frame	Status
15. Expand pre- and post-purchase counseling and education for below market rate homebuyers.	Marin Housing Authority; County; Cities; Towns; Fundors	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	
15. Notes: The County will review and revise its contract with Marin Housing to ensure that this recommendation is included in the contract scope for FY 11-12.					
16. Improved housing information and referral services.	Marin Housing Authority; County; Fundors	May require additional funding	Medium	Medium	
16. Notes:					
17. Provide more information in Spanish and Vietnamese.	Marin Housing Authority; Nonprofits	May require additional funding	Pending consultation with Marin Housing Authority	Pending consultation with Marin Housing Authority	
17. Notes:					
18. Increase transit so more sites will qualify for low income housing tax credits. Develop transit hubs where high-density housing is permitted, outside areas of minority concentration. Require commercial developments to include affordable housing.	County; Cities; Towns; Transportation Authority of Marin; Marin Transit District	Assumes increased resources for public transit	Low	Long Term	
18. Notes:					

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Recommendations	Responsibility	Potential Funding	Priority	Time Frame	Status
19. Consider rewording principles in development regulations that might be pretext for discrimination; add language noting intention to expand housing opportunities for all.	County; Cities; Towns	May require additional funding	Medium	Short Term	
19. Notes: The County does not foresee the need for additional funds to make these changes and is in the process of reviewing and amending the Development Code to implement this recommendation.					
20. Consider providing incentives for property owners to make old residential properties accessible.	County; Cities; Towns; Funders	Will require substantial additional funding	Low	Long Term	
20. Notes:					
21. Encourage lenders to market responsible home loan products to groups which have had unequal access to credit.	Financial institution regulators; California Reinvestment Coalition; Fair Housing of Marin; County	May require additional funding	Low	Long Term	
21. Notes:					
22. Fair lending testing and investigations to determine if mortgage lenders are discriminating.	Financial institution regulators; California Reinvestment Coalition; Fair Housing of Marin; Funders	May require additional revenue	Low	Long Term	
22. Notes:					

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Recommendations	Responsibility	Potential Funding	Priority	Time Frame	Status
23. Ongoing monitoring of mortgage lending data and analysis of lending patterns of individual lenders.	Financial institution regulators; California Reinvestment Coalition; Fair Housing of Marin	May require additional funding	Low	Long Term	
23. Notes:					
24. Encourage collaboration among homeownership counseling agencies and more awareness of predatory lending practices.	Fair Housing of Marin; Other service providers	May require additional funding	Low	Long Term	
24. Notes:					
25. Expand legal representation for victims of predatory lending; increase investigation and prosecution of predatory lenders.	Fair Housing of Marin; Consumer advocates; Law enforcement agencies; Financial institution regulators	May require additional funding	Low	Long Term	
25. Notes:					
26. Support legislation to prevent predatory lending practices, to set standards for assisting homeowners seeking loan modifications, and provide recourse to victims of improper foreclosures.	County; Advocates; Fair Housing of Marin	Existing budget	Low	Long Term	

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Recommendations	Responsibility	Potential Funding	Priority	Time Frame	Status
26. Notes:					
27. Support local studies of Marin foreclosure and loan modification data.	California Reinvestment Coalition; Fair Housing of Marin; Fundors	May require additional funding	Low	Long Term	
27. Notes:					
28. Expand financial literacy and counseling programs.	Fair Housing of Marin; Legal Aid of Marin; Marin Housing Authority; Fundors	May require additional funding	High	Short	
28. Notes:					
29. Track development of affordable housing towards RHNA needs and actions localities take to affirmatively further fair housing.	County; Cities; Towns	Existing budget	Medium	Ongoing	
29. Notes: Local governments are required to track development of housing toward RHNA needs and report annually to the Department of Housing and Community Development (HCD).					
30. Rank recommendations from Analysis of Impediments and add to Consolidated Plan.	County	Existing budget	High	Short Term	
30. Notes:					

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Recommendations	Responsibility	Potential Funding	Priority	Time Frame	Status
31. Update Analysis of Impediments within two years of release of Census data.	County	May require additional funding	High	Short Term	
31. Notes:					
32. Publicize Analysis of Impediments public hearing process to raise awareness of barriers to fair housing choice.	County; Fair Housing of Marin	Existing budget	High	Short Term	
32. Notes:					
33. Include community in fair housing education and monitoring and incorporate community recommendations in Analysis of Impediments.	County; Fair Housing of Marin	Existing budget	High	Short Term and Ongoing	
33. Notes:					
34. Consider expansion of Marin County Task Force on Housing Discrimination.	Fair Housing of Marin; County; Advocates; Business; Academics	Existing budget	Medium	Ongoing	
34. Notes:					
35. Ensure that one County department monitors and tracks progress on Analysis of Impediments recommendations.	County	May require additional resources	High	Ongoing	
35. Notes:					

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Recommendations	Responsibility	Potential Funding	Priority	Time Frame	Status
36. Update Analysis of Impediments every two to five years.	County; Fair Housing of Marin	May require additional resources	High	Ongoing	
36. Notes:					

MEMORANDUM

MARIN COUNTY COMMUNITY DEVELOPMENT AGENCY

TO: COUNTYWIDE PRIORITY SETTING COMMITTEE

FROM: Roy Bateman

SUBJECT: Analysis of Impediments to Fair Housing Choice

DATE: May 6, 2011

On March 29, 2011, the Community Development Block Grant (CDBG) Countywide Priority Setting Committee established a Subcommittee to review the proposed Analysis of Impediments to Fair Housing Choice in Marin County, to prioritize the recommendations made in the Analysis, and to recommend a final draft of the Analysis of Impediments (including an implementation plan) for adoption by the Marin County Board of Supervisors. The Subcommittee consists of Supervisor Judy Arnold, Novato Councilmember Denise Athas, San Rafael Councilmember Greg Brockbank, and Mill Valley Mayor Ken Wachtel. Meetings of the Subcommittee have been scheduled for:

Wednesday, May 11, 2011
1:30 p.m. to 3:30 p.m.
Council Chambers, San Rafael City Hall
1400 Fifth Avenue, San Rafael

and

Tuesday, May 31, 2011
10:00 a.m. to Noon
Board of Supervisors Chambers, Room 330, Administration Building
Marin County Civic Center
3501 Civic Center Drive, San Rafael

A final hearing on the Analysis of Impediments is planned for the June 28, 2011 meeting of the Marin County Board of Supervisors.

UPDATE ON THE FEDERAL BUDGET

In February and March 2011, the Priority Setting Committee and its local subcommittees held hearings on the use of 2011-12 Community Development Block Grant (CDBG) and HOME Investment Partnerships Program funds. At the time, we did not know the size of the 2011-12 CDBG and HOME allocations for Marin County. On May 10, 2011, staff will present the annual amendment to the Consolidated Plan for the use of CDBG and HOME funds to the Board of Supervisors for approval. We still don't have final grant figures from the U.S. Department of Housing and Urban Development (HUD). However, we do have almost-final estimates from HUD: \$1,440,511 for CDBG and \$1,084,921 for HOME. These amounts represent ***a 17% decrease in Marin's CDBG allocation and a 12% decrease in the HOME allocation.*** Project allocations approved by the Priority Setting Committee earlier this year will be adjusted downward in accordance with the instructions adopted in the public hearings.

We can anticipate another round of federal budget cuts next year, potentially more substantial than the CDBG and HOME reductions that Congress approved for 2011-12.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

The Analysis of Impediments to Fair Housing Choice was drafted by Caroline Peattie and Jessica Tankersley of Fair Housing of Marin under contract to the County of Marin. The entire Analysis can be accessed at www.marincdbg.com. The Executive Summary, also posted at www.marincdbg.com, is the basis for the Draft Implementation Plan, which is included with this staff report. The majority of the recommendations in the Executive Summary are drawn from Chapter 4 (The Public Sector), but all the chapters should be of interest.

As you review the Analysis of Impediments, and as you prepare for the meetings of the Priority Setting Subcommittee, please consider the following questions:

1. Has the Analysis of Impediments missed anything?
2. What initial thoughts do you have about which of the needs identified in the Analysis are greatest? Are there any obvious priority needs that should be addressed early?
3. Who should be responsible for implementation? Should the Priority Setting Committee have a role in this process?
4. Are there other possible actions, tailored to Marin's unique circumstances and community culture, that were not considered in the Analysis of Impediments? What could create a leading edge towards needed changes? What are the roles for courage and collaboration? What can we learn from progress that has been made in Marin on other issues?
5. Local governments are in fiscal distress, with very limited unused staff capacity, so cost needs to be considered. Staff time costs money which could be used for something else. Policy changes are, at first glance, inexpensive, but may require consensus-building in the community, which can be time-consuming. Some policy actions require environmental review in accordance with California law, which can be costly. What actions would be most cost-effective?
6. The community is now facing prominent controversies about affordable housing policies, development densities, and state planning requirements. What about this context should be considered--or avoided--as we plan an implementation strategy for the Analysis of Impediments?
7. Do the comments from the public about the Analysis of Impediments suggest other issues which the community needs to address? If so, how could those concerns best be addressed?

COMMENTS ON THE ANALYSIS OF IMPEDIMENTS
FROM THE MARCH 29, 2011
COUNTYWIDE PRIORITY SETTING COMMITTEE HEARING

Here is a summary of the comments made about the Analysis of Impediments at the March 29, 2011 meeting of the Countywide Priority Setting Committee:

- ◆ Novato Councilmember Denise Athas: As a real estate broker, I see how hard it is for anyone of any race to get loans these days. It's the lending institutions that make loan decisions; they are often not even local lenders. The County has little control over lending.
- ◆ Corte Madera Councilmember Carla Condon: Local jurisdictions are making earnest efforts to create affordable housing, offering fee waivers and providing property tax exemption, but the lack of federal support is a financial impediment.
- ◆ Kerry Peirson: The Analysis of Impediments is flawed and erroneous, needs to be more thorough for a County that's been in noncompliance. The Analysis reduces the minority population to data points; we have been excluded from public participation. We're excluded from employment generated by these federal funds. Marin is being ridiculed by the media. Disadvantaged groups have not been adequately consulted in the development of the Analysis. There are also errors of fact in the Analysis.
- ◆ Dave Coury, Marin Partnership to End Homelessness (formerly the Marin Continuum of Housing and Services): Timing, implementation, and outreach are issues. The Analysis should be translated into Spanish. The Analysis has been available for only a week before this hearing. I volunteer to assist with prioritization and development of the action plan. Zoning changes are cheap. Let's focus on what we can do in Marin to be effective in achieving a diverse population.
- ◆ Robert Hickey, Non-Profit Housing Association of Northern California: Representing nonprofit housing developers, recommends that the Analysis be more precise about impediments to building affordable rental housing. There should be an action plan, and there should be outreach in the development of the action plan. Nonprofit developers cite three key impediments to building quality affordable housing: the right zoning, local funding to leverage tax credits, and access to viable sites. Marin needs zoning appropriate for multifamily housing in all jurisdictions. Some communities lack local funding for housing. There's a shortage of appropriate sites. The Analysis calls for more zones, but it's more important to apply those zones to more sites. So the key is more rezonings.

- ◆ Community member: Has faced discrimination in Marin. We need more affordable housing in Marin.
- ◆ Ricardo Moncrief: How will the jurisdictions coordinate? When will the next Analysis of Impediments be done?
- ◆ Joe Hegedus, Marin Partnership to End Homelessness (formerly the Marin Continuum of Housing and Services): Let's work together to revive a sense of community to implement the Analysis of Impediments.
- ◆ Gayle Theard: Commends Fair Housing of Marin for this report. It lacks public input, should approach affected communities. I support the recommendations for a minimum density requirement, revision in the wording of the Housing Authority's one-strike policy, and removal of language in local regulations about protecting community character.
- ◆ Ericka Erickson, Grassroots Leadership Network: We see a lot of racism in the community, people who are told they really don't belong here. Nonprofit developers should hire more minorities who can help them become culturally competent.
- ◆ Evan Franzel: Public transportation limits housing choices. Marin needs a more robust transit system so Canal residents can consider moving elsewhere. Public participation in the Analysis of Impediments should be more than consulting with agencies, should have more consultation with the people affected by the Analysis of Impediments. We need an Action Plan, and the community should be involved in creating the Action Plan.

OTHER COMMENTS RECEIVED

Included in the agenda materials for the May 11 Subcommittee meeting are:

- ◆ A letter, dated April 19, 2011, from the Town of Fairfax.
- ◆ Minutes of the April 26, 2011 San Anselmo Town Council meeting.

In addition, the Mill Valley City Council was scheduled to receive a report on the Analysis of Impediments on May 2, 2011.

Also included in the agenda materials are e-mailed comments from two individuals,

- ◆ Pam Drew and
- ◆ Richard Marcantonio.

**PROPOSAL TO EXPAND THE MEMBERSHIP
OF THE PRIORITY SETTING COMMITTEE**

One of the suggestions that has emerged from the discussion around the Analysis of Impediments is a proposal to expand the membership of the CDBG Countywide Priority Setting Committee.

The Countywide Priority Setting Committee currently consists of one member of the Marin County Board of Supervisors and one member of each City/Town Council, except for the Town of Ross, which participates in the program but not the Committee. For the local hearings in the six Planning Areas, the Local Area Committee consists of all the Council appointees to the Priority Setting Committee from the cities and towns in the Planning Area plus a County Supervisor whose supervisorial district most closely coincides with the Planning Area. In the case of Novato and San Rafael, the City Councils have the option to substitute for the Local Area Committee.

Supervisors Susan Adams and Judy Arnold have suggested that additional members might be added to the Priority Setting Committee to represent classes protected under federal civil rights laws. The initial concept is that one individual from each planning area would be added to the Countywide Priority Setting Committee. Selection could be by the same process used by the Board of Supervisors to choose members of County commissions. Each additional member would also join the Local Area Committee for their planning area. In the case of the Novato and San Rafael City Councils, the Councils would have the option to maintain their current process or to add an additional member, selected by the Council or the County, for their CDBG deliberations.

This concept is still in the preliminary stage. In order to make a change in the current system, wording of the City-County CDBG Cooperation Agreements would need to be modified. This could be accomplished in conjunction with the 2011 renewal of the Agreements.

APPENDIX

BACKGROUND INFORMATION ABOUT THE VOLUNTARY COMPLIANCE AGREEMENT (adapted from the November 3, 2010 CDBG staff report)

In 2009, the U.S. Department of Housing and Urban Development (HUD) monitored Marin's compliance with its fair housing and equal opportunity regulations. That monitoring has resulted in a Voluntary Compliance Agreement (VCA), which was approved by the Board of Supervisors on November 30, 2010. HUD staff have assured us that they have not found serious violations in Marin, but want to be sure that Marin does not become "another Westchester."

Part of the reason for the attention that HUD is giving Marin is the aftermath of what has become known as "the Westchester case." The Anti-Discrimination Center, a nonprofit, sued Westchester County, just north of New York City, alleging that the County lied when it filed its annual applications for Community Development Block Grant and HOME Program funds. The applications included standard language, required by HUD, certifying that the applicant community will affirmatively further fair housing, conduct an analysis to identify impediments to fair housing choice, and take action to overcome the identified impediments. The suit alleged that each time it drew funds from HUD, the County was committing a separate act of fraud in violation of the federal False Claims Act. HUD joined the litigation, which resulted in a settlement, under which Westchester County agreed to spend over \$50 million in a 7-year period to create affordable housing, targeted to communities with the smallest minority populations.

There are significant differences between Marin and Westchester. Most of the federally-assisted affordable housing built in Westchester has been located in areas of minority concentration and has not contributed towards the goal of residential integration. Some of the largest subsidized family housing projects in Marin are located in communities like Mill Valley and Tiburon, where they contribute significantly to integration. (In fact, the sponsors of those projects had the specific goal of promoting integration.) Because the methodology of their monitoring focused on just a few years, HUD did not look at the overall history of Marin's siting of affordable housing.

However, both Marin and Westchester are very affluent and mostly white counties, and both have significantly less racial and ethnic diversity than some adjacent counties. In Westchester, 60% of the population is non-Hispanic whites. Marin does not have the ethnic and racial diversity of counties to the south and east. In Marin, 75% of the population is non-Hispanic whites.

We are fortunate to have an excellent fair housing agency in Marin. The CDBG Program has a long history of funding Fair Housing of Marin for its education, testing, and enforcement programs. We have contracted with Fair Housing of Marin to prepare an updated Analysis of Impediments to Fair Housing (AI), to replace one which they

prepared in 1994. HUD requires all of its CDBG recipient communities to have an AI and to periodically update it. By its nature, an AI should look beyond current practices and provide some direction towards positive change.

The Westchester pattern was for the affordable housing to be concentrated in the areas of the County with the highest concentrations of low-income and minority residents, and for that housing to be occupied primarily by minorities. It should be our goal in Marin to show that our affordable housing--both past projects and new sites--improve residential integration. To meet that goal, most new projects should be located outside existing areas of minority concentration.

We plan to collect demographic data on the current residents of the affordable housing that has received assistance from CDBG over the history of the program. That data will enable us to determine to what extent these projects have been successful in increasing the diversity of the neighborhoods where they are located.

While the VCA will increase CDBG and HOME recordkeeping and paperwork requirements, HUD's ultimate goal is CDBG and HOME activities that affirmatively further the goal of neighborhood diversity. HUD wants to see our projects track the demographics of their beneficiaries and make efforts to affirmatively market to underrepresented groups. While this principle applies most obviously to housing projects, it also applies to capital and public service projects.

To be successful in meeting the goals of the VCA, it is important that all the local governments in Marin be mindful of possible fair housing and equal opportunity implications of their policies and decisions. In fact, HUD requires that the City-County Cooperation Agreements (the Agreements by which the Cities and the County agree to operate a joint CDBG program) *"contain a provision prohibiting urban county funding for activities in, or in support of, any cooperating unit of general local government that does not affirmatively further fair housing within its own jurisdiction or that impedes the county's actions to comply with the county's fair housing certification. This provision is required because noncompliance by a unit of general local government included in an urban county may constitute noncompliance by the grantee (i.e., the county) that can, in turn, provide cause for funding sanctions or other remedial actions by the Department."* A provision consistent with this policy has been in Marin's City-County Cooperation Agreements for many years, but in this time of increased scrutiny from HUD on fair housing issues, we may need to be more conscious of how HUD might interpret it.

All the local governments and recipients of CDBG and HOME funds will be asked to provide data for VCA-related reports. We will be asking local governments for demographic information about the occupants of their inclusionary units. That particular requirement will have the most impact on the largest cities; San Rafael and Novato staff have already graciously offered their assistance. We will be asking sponsors of CDBG and HOME projects to increase their affirmative marketing efforts to recruit participants and residents from the demographic groups deemed least likely to apply. For housing projects, where there is likely to be very slow turnover of units after initial occupancy, it

is particularly important that affirmative marketing occur at the outset. We will be asking all project sponsors, including public services, to collect data on the beneficiaries of their programs and to analyze that data to determine how their future affirmative marketing efforts should be shaped and targeted. In some cases, that might mean recruiting non-minorities to participate in programs that currently serve mostly minorities. As part of our evaluation of CDBG and HOME applications, we should consider the sponsor's affirmative marketing plans.