



## MEASURE W WEST MARIN TOT OVERSIGHT COMMITTEE

CHAIR  
Scoby Zook  
Inverness

September 9, 2022

Dear Board of Supervisors,

VICE CHAIR  
Pamela Lichtenwalner  
Stinson Beach

SUBJECT: The Measure W TOT Oversight Committee's review of the County of Marin's Measure W TOT Compliance Audit Report for the period of July 1, 2020 to June 30, 2021.

Cathy Schwemm  
Tomas

RECOMMENDATION: The Measure W TOT Oversight Committee recommends the Board of Supervisors accept the Measure W TOT Compliance Report for the period of July 1, 2020 to June 30, 2021.

Emmanuel Serriere  
Inverness

BACKGROUND: The Measure W West Marin TOT Oversight Committee (Committee) exists by virtue of Marin County Ordinance No. 3692 which was approved by your Board on July 31, 2018. Measure W was approved by Marin County voters on November 6, 2018.

STAFF  
Rhonda Kutter  
Aide to Supervisor Rodoni  
District 4

Per Ordinance No. 3692, Measure W created a transient occupancy tax rate of four (4.00) percent ("the West Marin Transient Occupancy Tax") of rent charged in the West Marin Transient Occupancy Tax Area, in addition to the tax rate of ten (10) percent applicable to the entire unincorporated County of Marin. The West Marin Transient Occupancy Tax is a special tax that shall be used for the benefit of the West Marin Transient Occupancy Tax Area. The Special Tax became effective January 1, 2019. Half of the West Marin Transient Occupancy Tax collected must be allocated to fire and emergency services in the West Marin Transient Occupancy Tax Area and half must be allocated for community housing in the West Marin Transient Occupancy Tax Area.

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The purpose of the Committee is to review, on an annual fiscal year basis, the expenditure of Measure W transient occupancy tax revenue to ensure that the revenue is allocated within the boundaries of the West Marin Tax Area and for the purposes approved by the voters. The Department of Finance performs an annual audit of the revenues and expenditures of the West Marin Transient Occupancy Tax and provides the audit to the Committee annually for review.

### DISCUSSION:

[1] On December 13th, 2021 Mina Martinovich, Assistant Director of Finance, guided the Committee, along with representatives of County Fire and the Community Development Agency (CDA), through the Compliance Audit Report, reviewing the process for collecting the 4% portion of the Measure W TOT tax, the process for

allocating costs, and the amounts segregated for the two main funding areas: (1) fire and emergency services and (2) community housing.

[2] Ms. Martinovich then led us through four pages of financial statements: Comparative Balance Sheets; Comparative Statement of Revenues, Expenditures and Changes in Fund Balances; Account Balances by Program Area; and Fire and Emergency Allocations Detail. The Auditors decided that more reports, and more detail than in the previous year were necessary to convey the entire financial picture of these funds. We noted that there are multiple complications in administering these funds; we appreciate the detail of the reports.

[3] Again this year, the Compliance Audit made several recommendations regarding the Fire and Emergency portion of the funds. One, that Marin County Fire, as both the administrator of the fire funds and as a member agency, should consider placing their Measure W Fire member funds in a separate account from the main Special Revenue Fund 3440. Two, that County Fire, as administrator, disburse allocations to member agencies within 90 days of the end of each semi-annual installment period. Three, that County Fire, as administrator, perform, at least quarterly, a cash reconciliation to be prepared and reviewed by two different people. This last recommendation came about due to the detection of an uncashed check that had been written to a member fire department. County Fire, in response to the recommendations, has agreed with all of them. We endorse these recommendations.

[4] The Compliance Audit contained Appendix D which detailed (1) TOT amounts spent by each fire agency and (2) TOT amounts spent for community housing, detailed further by the four housing subject areas and the geographical area of the only grant. The Audit Report team provided us with a second Appendix D (For Informational Purposes Only) which added, for fire and for housing, which specific agencies spent the funds. CDA paid \$8,065 for the entire year for Housing Production and nothing for Rental Assistance. The Committee asked Leelee Thomas of CDA if any others had applied for housing funds. She responded that no one else had applied. See further discussion below.

[5] At all times during the review, the Auditors provided answers to the Committee's questions. We further appreciate that representatives from County Fire and CDA were present for the Audit Report meeting, and that the Auditors provided the Appendix D (Informational Purposes Only) report along with the Audit Report.

[6] As a final step in the oversight process, the Committee formed two sub-committees: one to affect a survey and a second to write the Board letter. Scoby Zook and Emmanuel Serriere were appointed to the survey subcommittee, and Scoby Zook and Pamela Lichtenwalner to write the letter.

[7] The survey sub-committee met and decided to focus this year's survey on the low amount of spending on Community Housing, especially on Housing Production and

Rental Assistance which, according to the guidelines, targeted 70% and 15% respectively of total Measure W housing funds. The sub-committee emailed each entity receiving housing funds in the prior period, asking them to explain the situation from their point of view. The survey sub-committee noted that no funds had been expended for Rental Assistance during this fiscal year, a period of economic stress for many families. Approximately \$80,000 would constitute 15% for Rental Assistance.

[8] The three agencies that received Rental Assistance funds in the prior period all reported that no Rental Assistance funds were available for this period. In a meeting with the Executive Director of WMCS and her colleague, we discovered that the system for getting rental assistance to residents stumbled during this period. She reported that people were put on waiting lists, even as residents bunched together to save rent and borrowed from relatives to avoid losing their housing. The ED stated that the previous period's Rental Assistance (\$37,000) had been used up in a month, and in order to keep helping their clients during this period WMCS used its own funds.

The survey sub-committee then sent an email to CDA requesting clarification. They replied:

- a) The prior year MWWM TOT Rental Assistance funds had been distributed when no other rental assistance funds were available;
- b) The county received millions of dollars from Community Development Block Grants, the Marin Community Foundation and federal and state funds during this period and all of these monies were available for West Marin residents;
- c) Many of the West Marin partner organizations assisted with outreach and referral; and
- d) Housing Assistance has not been prioritized for this year; that it is beneficial to accumulate funds for larger more impactful investments in housing projects; and that Community Housing funds will not always be spent 100% each year.

[9] We also sent an email to Ms. Martinovich, asking if the small amount of spending (on the Housing side) was not worth a comment in the Audit Report. She replied that the Auditors had no reason to make a note of the low amount because it represented only a 'fluctuation' in spending and was not an item that rises to the level of an audit finding or audit observation.

[10] Regarding the Housing Production portion of the Housing funds, the Bolinas Community Land Trust and CLAM (The Community Land Trust of West Marin) both confirmed that they did not request any Housing Production funds because they had no project ready for funding.

[11] The Committee makes the following observations

There appeared to be a lack of coherent communication between CDA and local agencies regarding the availability of Measure W Rental Assistance funds for this period.

Both WMCS and SGVCC reported that they had a need for the Measure W Rental Assistance funds during the year; they often had difficulty connecting their clients with the federal and state funds, which were more restricted than Measure W Rental Assistance funds.

We calculated that \$79,864.50 of Rental Assistance was the targeted figure based on the Working Group guidelines for West Marin residents in need of Rental Assistance during this period. No dollars were actually distributed.

CDA did not disburse funds according to the Working Group guidelines regarding Rental Assistance.

We accept the idea of accumulating funds for the Housing Production portion of the Community Housing money. For this period \$372,701 was available with only \$8,065 spent. The relevant local organizations have confirmed to us that they had no large projects that needed funding for the 2020-2021 fiscal year.

[12] We believe that the Measure W TOT funds were collected and distributed (with the exceptions noted in paragraph [11]) according to Measure W and Ordinance No. 3692 and that the Compliance Audit is complete and correct. We recommend that the Board of Supervisors accept the Compliance Audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Scoby A. Zook". The signature is fluid and cursive, with a long horizontal line extending to the right.

Scoby Zook, Chair  
WMMW TOT Oversight Committee

cc: Roy Given  
Leelee Thomas  
Jason Weber