

RESOLUTION NO. 2024-_____

**RESOLUTION OF THE MARIN COUNTY BOARD OF SUPERVISORS
AUTHORIZING SUBMISSION OF THE 2024-25 ANNUAL ACTION PLAN AND AMENDMENT OF THE
2021-22 ANNUAL ACTION PLAN BOTH AMENDING THE 2020-24 CONSOLIDATED PLAN FOR THE
USE OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, HOME INVESTMENT
PARTERSHIPS PROGRAM, AND AMERICAN RESCUE PLAN ACT HOME FUNDS**

WHEREAS, the County of Marin is an Entitlement Community receiving annual Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development; and

WHEREAS, the County of Marin is a Participating Jurisdiction receiving annual HOME Investment Partnerships Program (HOME) funding from the U.S. Department of Housing and Urban Development; and

WHEREAS, the Board of Supervisors of the County of Marin, in cooperation with eleven cities and towns in the County, has established three CDBG planning areas for citizen participation, allocating a portion of Federal Fiscal Year 2024-25 CDBG funding to each of the planning areas; and

WHEREAS, five local public hearings and three community meetings were held to solicit public input and program ideas; and

WHEREAS, the Countywide Priority Setting Committee, the citizen participation body for the CDBG and HOME programs, conducted a public hearing on May 16, 2024 to solicit public testimony on community development objectives and the projected use of CDBG and HOME funds, and to make funding recommendations to be forwarded to the Board of Supervisors of the County of Marin; and

WHEREAS, a notice was published on May 4, 2024 in the *Marin Independent Journal*, a newspaper of general circulation, announcing availability of the draft 2024-25 Annual Action Plan and amendment to the 2021-22 Annual Action Plan; and

WHEREAS, the Board of Supervisors of the County of Marin conducted a public hearing on June 4, 2024 to hear public testimony and consider in full the draft 2024 Annual Action Plan, amendments to the 2021-22 Annual Action Plan, and associated documents (“Community Development Program”); and

WHEREAS, the Board of Supervisors of the County of Marin has certified that the Community Development Program has been developed with citizen input and gives maximum feasible priority to activities that will principally benefit low- or moderate-income persons.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of the County of Marin hereby authorizes County staff to sign and submit the 2024 Annual Action Plan and amendments to the 2021-22 Annual Action Plan, including the required certifications and associated documents, to the U.S. Department of Housing and Urban Development. The Board of Supervisors of the County of Marin further authorizes staff to act in connection with the submission and to provide such additional information and non-substantial budget adjustments as may be necessary to accommodate any changes in the final allocation given to the County of Marin by the U.S. Department of Housing and Urban Development (HUD).

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Marin held on this 4th day of June, 2024, by the following vote:

AYES: SUPERVISORS

NOES:

ABSENT:

PRESIDENT, BOARD OF SUPERVISORS

ATTEST:

DEPUTY CLERK

RESOLUTION NO. 2024-__
RESOLUTION OF THE MARIN COUNTY BOARD OF SUPERVISORS
APPROVING MARIN AFFORDABLE HOUSING FUND AND PERMANENT LOCAL HOUSING
ALLOCATION FUNDING AND AUTHORIZING BOARD PRESIDENT TO EXECUTE
REQUIRED DOCUMENTS

WHEREAS, the Department of Housing and Community Development (“Department”) is authorized to provide up to \$296 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)));

WHEREAS the State of California (the “State”), Department issued a Notice of Funding Availability (“NOFA”) dated 12/29/2023 under the Permanent Local Housing Allocation (PLHA) Program;

WHEREAS the County of Marin is an eligible Local government who has applied for program funds to administer one or more eligible activities, or a Local or Regional Housing Trust Fund to whom an eligible Local government delegated its PLHA formula allocation;

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;

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

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

WHEREAS, in 2024, the County received seven (7) applications for the use of Marin Affordable Housing Funds and matching PLHA funds throughout the County; and

WHEREAS, the County reviewed the submitted applications in accordance with the required selection process for applications for the Marin Affordable Housing Fund and PLHA.

NOW, THEREFORE, BE IT RESOLVED that the Marin County Board of Supervisors hereby approves a loan in the amount \$605,062, with \$302,531 from the Marin Affordable Housing Fund, matched with \$302,531 of Permanent Local Housing Allocation funds, to Eden Housing, Inc. for affordable housing construction located on a State-owned surplus land site in unincorporated Larkspur.

BE IT FURTHER RESOLVED that the Marin County Board of Supervisors hereby approves a loan in the amount of \$605,062, with \$302,531 from the Marin Affordable Housing Fund, matched with \$302,531 of Permanent Local Housing Allocation funds, to EAH Housing for affordable housing construction located at 1 Hamilton on a City-owned surplus land site in incorporated Mill Valley.

BE IT FURTHER RESOLVED that the Marin County Board of Supervisors hereby authorizes President to execute, substantially in the form attached hereto as Exhibit A and subject to County Counsel approval, (a) County Housing Fund and Permanent Housing

Allocation Fund Loan documents; (b) Regulatory Agreement; and (c) related documents (including Subordination Agreements) that may be required in the future by other sources of financing for each of the funding loans granted herein.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Marin held on this ___th day of _____ 2024, by the following vote:

AYES: SUPERVISORS

NOES: SUPERVISORS

ABSENT: SUPERVISORS

PRESIDENT, BOARD OF SUPERVISORS

ATTEST:

CLERK

Attachment 3 - 2024-25 CDBG, HOME, and PLHA Applications and Recommended Funding

PROJECT SPONSOR	PROJECT NAME	APPLICANT'S CDBG REQUEST	Novato	San Rafael	County Other	CDBG Allocations	APPLICANT'S HOME REQUEST	HOME Allocations	APPLICANT'S PLHA REQUEST	HTF/PLHA Allocations	PROJECT TOTALS
HOUSING											
EAH Housing	1 Hamilton								\$ 1,200,000	\$ 605,062	\$ 605,062
Eden Housing Inc.	Oak Hill Eden								\$ 1,200,000	\$ 605,062	\$ 605,062
Eden Housing Inc.	Pt. Reyes Coast Guard	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ 850,000	\$ -	\$ 1,200,000	\$ -	\$ -
Education Housing Partners, Inc.	Oak Hill Workforce Housing								\$ 1,200,000	\$ -	\$ -
Habitat for Humanity Greater San Francisco	Habitat Redwood Blvd.	\$ 650,000	\$ 107,147	\$ 73,725	\$ 111,079	\$ 291,951					\$ 291,951
Marin CIL	Residential Access Modification Program (RAMP)	\$ 45,000	\$ 14,745	\$ 14,745	\$ 14,745	\$ 44,235					\$ 44,235
Pep Housing/ Demson Development	Marin Vista Residences	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ 850,000	\$ -	\$ 1,200,000	\$ -	\$ -
Bolinas Community Land Trust (BCLT)	2024 Bolinas Affordable Housing Rehabilitation	\$ 261,200	\$ -	\$ -	\$ 93,385	\$ 93,385					\$ 93,385
Community Land Trust Association of West Marin	35 Third Street Septic and Solar Installation	\$ 224,250	\$ -	\$ -	\$ -	\$ -	\$ 224,250	\$ -	\$ 224,250	\$ -	\$ -
EAH Housing	Point Reyes Affordable	\$ 839,000	\$ -	\$ -	\$ 221,175	\$ 221,175			\$ 839,000	\$ -	\$ 221,175
Art Works Downtown	AWD Electrical Upgrade Project	\$ 332,195	\$ -	\$ 196,600	\$ -	\$ 196,600					\$ 196,600
Canal Alliance	Marin Villas Phase 2 Affordable Housing Renovations	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -			\$ -
EAH Housing	Turina House/Riviera Apartments (scattered site project)						\$ 819,893	\$ 708,649			\$ 708,649
		\$ 3,851,645	\$ 121,892	\$ 285,070	\$ 440,384	\$ 847,346	\$ 2,944,143	\$ 708,649	\$ 7,063,250	\$ 1,210,124	\$ 2,766,119

PROJECT SPONSOR	PROJECT NAME	APPLICANT'S CDBG REQUEST	Novato	San Rafael	County Other	CDBG Allocations	APPLICANT'S HOME REQUEST	HOME Allocations	APPLICANT'S PLHA REQUEST	HTF/PLHA Allocations	PROJECT TOTALS
CAPITAL											
Benevolence: A communication Wellness Café	The BlackStage Xperience	\$ 30,000	\$ -	\$ -	\$ -	\$ -					\$ -
Hamilton Community Church of the Nazarene	Project Bethany	\$ 50,000	\$ -	\$ -	\$ -	\$ -					\$ -
WeeCare, Inc. (DBA Upwards)	Boost (Business Operation & Optimization Support Tools)	\$ 240,000	\$ -	\$ -	\$ -	\$ -					\$ -
North Bay Children's Center	Garden of Eatin' Greenhouse and Classrooms	\$ 75,000	\$ -	\$ -	\$ -	\$ -					\$ -
North Marin Community Services	Lower Roof Replacement	\$ 200,000	\$ 122,875	\$ -	\$ -	\$ 122,875					\$ 122,875
Canal Alliance	Proposed pedestrian hybrid beacon located across Grand Avenue between Francisco Boulevard and Second Street in San Rafael, CA.	\$ 350,000	\$ -	\$ 122,875	\$ -	\$ 122,875					\$ 122,875
		\$ 945,000	\$ 122,875	\$ 122,875	\$ -	\$ 245,750					\$ 245,750

PROJECT SPONSOR	PROJECT NAME	APPLICANT'S CDBG REQUEST	Novato	San Rafael	County Other	CDBG Allocations	APPLICANT'S HOME REQUEST	HOME Allocations	APPLICANT'S PLHA REQUEST	HTF/PLHA Allocations	PROJECT TOTALS
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PUBLIC SERVICES

Benevolence: A Communication Wellness Café	The BlackStage Xperience	\$ 30,000	\$ -	\$ -	\$ -	\$ -					\$ -
Fair Housing Advocates of Northern California	Fair Housing Counselling and Education	\$ 85,000	Funding recommendation of 65K from all 3 Planning Areas			\$ 64,710					\$ 64,710
Front Porch Communities Foundation	Home Match Marin	\$ 20,000	\$ 4,000	\$ 7,000	\$ 4,000	\$ 15,000					\$ 15,000
Make It Home	Pilot Furniture Pick-Up and Delivery Program	\$ 65,000	\$ -	\$ -	\$ -	\$ -					\$ -
Marin YMCA	Expanding Affordable Childcare through YMCA Elementary Aged Programs	\$ 30,000	\$ 4,000	\$ 13,000	\$ 6,000	\$ 23,000					\$ 23,000
Mental Health Advocates of Marin/Fiscally sponsored by Marin Link	Enterprise Resource Center	\$ 60,000	\$ -	\$ -	\$ -	\$ -					\$ -
Pearl Transit Corp	Oral health outreach for low income Marin County residents	\$ 60,000	\$ -	\$ -	\$ -	\$ -					\$ -
Planned Parenthood of Northern California	Increasing Access to Sexual Reproductive Health Care In Marin County	\$ 65,000	\$ 4,000	\$ 10,000	\$ 4,000	\$ 18,000					\$ 18,000
Vivalon	Nourish by Vivalon	\$ 55,000	\$ 4,000	\$ 7,000	\$ 4,000	\$ 15,000					\$ 15,000
Young Performers International	YPI Young Musicians Scholarship Program	\$ 45,000	\$ -	\$ -	\$ -	\$ -					\$ -
Bridge the Gap	Bridge the Gap Children, Youth, and Parent Support Services: K-8 Year-Round Academic and Enrichment Activities	\$ 35,000	\$ -	\$ -	\$ 11,250	\$ 11,250					\$ 11,250
Performing Stars of Marin (PSoM)	Robust Social Services for Southern Marin Residents Including Children, Youth, and Families	\$ 15,000	\$ -	\$ -	\$ 11,250	\$ 11,250					\$ 11,250
San Geronimo Valley Community Center	San Geronimo Valley Community Center Food Bank	\$ 32,928	\$ -	\$ -	\$ 11,250	\$ 11,250					\$ 11,250
The Hannah Project Partnership for Academic Achievement	Hannah Freedom School/FS2	\$ 32,822	\$ -	\$ -	\$ 11,250	\$ 11,250					\$ 11,250
North Bay Children's Center	Child Care Scholarships	\$ 20,000	\$ 15,000	\$ -	\$ -	\$ 15,000					\$ 15,000

PROJECT SPONSOR	PROJECT NAME	APPLICANT'S CDBG REQUEST	Novato	San Rafael	County Other	CDBG Allocations	APPLICANT'S HOME REQUEST	HOME Allocations	APPLICANT'S PLHA REQUEST	HTF/PLHA Allocations	PROJECT TOTALS
North Marin Community Services	Nourishing North Marin	\$ 25,000	\$ 15,000	\$ -	\$ -	\$ 15,000					\$ 15,000
City of San Rafael	Pickleweed Preschool	\$ 25,000	\$ -	\$ 23,000	\$ -	\$ 23,000					\$ 23,000
		\$ 700,750	\$ 46,000	\$ 60,000	\$ 63,000	\$ 233,710					\$ 233,710
						\$ 316,702	\$ 71,360	\$ 31,845			\$ 419,906
GRAND TOTALS					<i>CDBG</i>	\$1,643,508	<i>HOME</i>	\$780,009	<i>PLHA</i>	\$1,241,969	\$3,665,485

LEGEND	
Countywide	
County Other	
Novato	
San Rafael	

County of Marin

DRAFT 2024 Annual Action Plan



Prepared by
Marin County Community Development Agency
Housing & Federal Grants Division

June 4, 2024

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The Office of Community Planning and Development (CPD) of the U.S. Department of Housing and Urban Development (HUD) requires that all jurisdictions entitled to receive funding under the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with Aids (HOPWA) programs develop a Consolidated Plan for community development no less than every five years, and an Action Plan every year. Marin County's current Consolidated Plan is a five-year strategic plan that covers the time period of July 1, 2020 through June 30, 2025. The two federal grant programs included in this plan are 1) the Community Development Block Grant program and 2) the HOME Investment Partnerships program. Developing the plan is a collaborative, community-guided process that provides an opportunity for strategic planning to ensure coordination of local actions to comprehensively address priority housing and community development needs. The Action Plan is updated and submitted annually to provide specific information on how the funds awarded will be used to meet the priority needs identified in the Consolidated Plan, and annual evaluation and performance reports are prepared to track progress and measure accomplishments.

The 2024 Annual Action Plan serves as Marin County's application for CDBG and HOME funds for Fiscal Year 2023 (July 1, 2024 – June 30, 2025). The Annual Action Plan addresses the goals established in the 2020-24 Consolidated Plan and represents the annual implementation strategy for the fifth and final year of the Plan. The Action Plan addresses ways in which the County intends to meet its community development and affordable housing goals and discusses specific programs and projects that have been recommended for CDBG and HOME funding for the 2024-25 program year. The Housing and Grants Division (HGD) of the Marin County Community Development Agency (CDA) is the lead agency responsible for submitting the Annual Action Plan to HUD.

Participation by the community, nonprofit organizations, and input by local public entities enriched the planning process for the Consolidated Plan and allowed the County to identify funding strategies that best support individuals, families, and communities countywide. The 2024 Annual Action Plan identifies current projects that address the priorities and strategies stated in the Consolidated Plan. All the proposed projects and activities are intended to benefit Marin County residents who have extremely low, very low, low, and moderate incomes, populations that have special needs, and members of protected classes which include race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, and disability.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The County aims to address the following goals for the planning period:

- Create and preserve housing affordability, accessibility, and quality – Invest in the acquisition, new construction, and rehabilitation of rental and homeownership opportunities and provide first-time homeowners with down payment assistance to preserve housing affordability, stabilize residents at risk of involuntary displacement, and promote equitable access to housing options.
- Assist populations with special needs – Invest in activities that help persons with special needs to access supportive services and facilities and provide affordable and accessible housing.
- Enhanced community and public facilities and spaces – Invest in rehabilitating and enhancing community facilities and public spaces, particularly in neighborhoods serving low-income residents and people experiencing homelessness.
- Services to foster security and economic advancement – Invest in public services that support low-income communities including basic health services; children, youth, and parent support services; domestic violence services; economic development assistance for business, including microenterprise; education and job training; food security; housing support services; legal services; senior services; and subsistence payments.

3. Evaluation of past performance

In general, the community development and affordable housing activities implemented during the previous Consolidated Plan time period served the identified needs. A comparison of performance data to the performance measures matrices in the County's Consolidated Annual Performance and Evaluation Reports (CAPERs) shows how the County performed successfully in accomplishing the goals that were set in the five-year strategic plan and the one-year action plan.

Marin County has funded a variety of programs and activities with HUD block grants and continues to work to address the greatest housing, community, and economic development needs locally. However, due to the complexity and extent of needs paired with limited resource availability, a gap persists. Marin intends to continue funding programs and activities that help ensure safe, accessible, and affordable housing and move residents toward economic security.

Over the past two years staff have had an increased focus on funding projects on track for completion within the funding year to ensure the County meets its timely spending requirement, which it successfully did in May 2024. In addition, staff have worked closely with organizations funded in the three years following the onset of the COVID-19 pandemic to complete projects. COVID-19 created challenges for Capital and Housing projects including delays and increased project costs, while some projects were abandoned altogether. Because of this, the County was unable to meet timeliness in May 2023.

4. Summary of citizen participation process and consultation process

Marin County is committed to making local government open, accessible, and responsive to its residents. To this end, Marin County consulted with community members, nonprofit housing and service providers, advocacy groups, other government jurisdictions, and industry representatives to discuss housing and community development needs. Avenues for engagement included one-on-one communication, community meetings, workshops, and public hearings.

The Annual Action Plan process consisted of three workshops, two public hearings conducted by cooperating jurisdictions, and three public hearings conducted by the County. All meetings were noticed according to the County's Citizen Participation Plan requirements. In addition, three applicant office hours were hosted. Materials for all County-led hearings were available in English, Spanish, and Vietnamese. Further, the final public hearing wherein the Annual Action Plan was presented to the County Board of Supervisors was simulcast in Spanish. The number of confirmed community member participants is (to be updated following BOS hearing).

5. Summary of public comments TO BE UPDATED FOLLOWING BOS HEARING

Public comment on the Annual Action Plan was generally favorable, with applicants expressing gratitude for funding recommendations. The following is a summary of comments from the Countywide Priority Setting Committee and community members at the hearings:

- Concern about decreased HUD funding.
- Support of the considerable work done to address the challenges facing the community.
- Support of the strategies and goals identified in the Plan.
- Support for prioritizing projects serving the protected classes and low-income residents.
- Concern regarding increased levels of need.
- Discussion regarding the necessary and challenging work of making Marin more equitable and desirable place for communities of color to call home.
- Discussion regarding the inability to support projects due to the limited amount of funding available and increased demand resulting from affirmative marketing outreach.
- Questions about the County of Marin and the Countywide Priority Setting Committee's ability to regulate affordable housing developers on rent increases and property management activities.

No written comments have been received pertaining to the draft Annual Action Plan.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments were accepted during this process.

7. Summary

See above.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	MARIN COUNTY	
CDBG Administrator	MARIN COUNTY	Community Development Agency, Federal Grants
HOME Administrator	MARIN COUNTY	Community Development Agency, Federal Grants

Table 1 – Responsible Agencies

Narrative

N/A

Consolidated Plan Public Contact Information

Leelee Thomas, Deputy Director – lthomas@marincounty.org

Molly Kron, Senior Planner – mkron@marincounty.org

Genevieve Hahn Kerr, Budget and Grants Analyst – ghahnkerr@marincounty.org

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

Consultation for the Annual Action Plan occurred over a seven-month period that included hosting and participating in workshops and community meetings as well as office hours with service providers, local government officials, and citizens. Marin County has committed itself to citizen engagement and conducted a wide variety of outreach and consultation activities throughout the County to ensure that citizens are informed of the federal grant programs available.

Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies (91.215(l)).

In preparing the Annual Action Plan, the HGD consulted with agencies and organizations that provide services to the community. These consultations were in addition to ongoing interactions between County departments and divisions, local Public Housing Authority, neighboring public agencies, and numerous nonprofit providers.

The County facilitates and participates in several committees and groups to extensively engage in strategy and planning discussions between public and assisted housing providers and private and governmental health, mental health, and service agencies. These forums allow public and nonprofit agencies to more effectively coordinate service programs, and include: the Homeless Policy Steering Committee, Youth Prevention Collaboration Steering Committee, Housing Acquisition Group, Planning Directors Housing Working Group, Aging Action Initiative, Alcohol and Drug Advisory Board, Marin County Mental Health Board, Mental Health Services Act Advisory Committee, Healthy Marin Partnership, the Community Health Improvement Plan Steering Committee, and the Canal Working Group, among others. This year the County began participating in a regional effort to develop a centralized application portal for all affordable units in the Bay Area. This effort called Doorway is intended to reduce barriers to accessing affordable housing.

In addition, the County continues to engage in multidisciplinary collaborations of government, nonprofit, and for-profit partners from all sectors to address the health, economic, and housing needs of the community in an intentional manner.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The County of Marin’s Health and Human Services Department (HHS) plays the pivotal role of coordinating and implementing the Continuum of Care (CoC) and its efforts to prevent and eliminate homelessness. This work is overseen by the Homeless Policy Steering Committee (HPSC), which is the governing body of the Marin CoC and includes members representing homeless services and housing providers, faith groups, mental health and veterans’ services, nonprofit social services providers, services beneficiaries, city officials and county representatives, and other stakeholders with a role in preventing and ending homelessness. The HPSC develops long-term strategic plans and facilitates year-round efforts to identify the needs of individuals and families experiencing homelessness in Marin. Core responsibilities include:

- Involving key local stakeholders in establishing a community-wide response to the complex problem of homelessness.
- Analyzing relevant data to identify the most effective mix of homeless services and housing for Marin.
- Setting priorities for programs and designing evaluation processes.

- Providing final approval for the Marin Continuum of Care application for submittal to the Department of Housing and Urban Development.
- Overseeing implementation of the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) at a local level.
- Oversight of the CoC's Homeless Management Information System (HMIS).
- Monitoring implementation of the CoC's 10 Year Plan.

The Marin CoC provides a full spectrum of housing services to persons experiencing homelessness, including outreach and engagement, emergency and transitional shelter, rapid re-housing, and permanent supportive housing.

In past years, housing and service providers were focused on homelessness prevention efforts because of the perceived cost-effectiveness of this approach. However, there has been a shift nationally toward prioritizing resources to get people off the streets and into housing. In 2017, the County along with other local public agencies and service providers adopted a series of new strategies for ending chronic homelessness, including Coordinated Entry, Homeless Outreach Team, Housing First, and Whole Person Care. The vision behind these strategies is to build a sustainable, evidence-based, outcomes-focused, and coordinated system of care to house and serve Marin's most vulnerable communities efficiently and effectively. As of April 2024, Marin CoC reports that 752 individuals have been housed in permanent supportive housing since the launch of these strategies.

These collaboration efforts were expanded to address increasing need during the pandemic and continue today. HGD staff partnered extensively with HHS to implement Rental Assistance, Roomkey (non-congregate shelter options for people experiencing homelessness or recovering from COVID-19), and Homekey programs (purchase and rehabilitation of a motel, a vacant commercial building, and a former skilled nursing facility for conversion to permanent supportive housing for people experiencing homelessness).

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS.

The County of Marin does not receive annual Emergency Solutions Grants (ESG) program funding from the U.S. Department of Housing and Urban Development (HUD). Marin Continuum of Care providers receive a noncompetitive funding allocation through the ESG Balance of State process and participate in the associated regional competition for competitive funding opportunities. Marin Continuum of Care develops local performance standards in alignment with criteria outlined in the ESG Balance of State NOFA, evaluates applicant performance according to these standards, and recommends applicants to the ESG Balance of State process. CoC providers are awarded ESG Balance of State funding through grant agreements administered by the California Department of Housing and Community Development.

Housing and Federal Grants Division staff sit on the CoC oversight committee to provide better coordination between these processes.

2. Describe Agencies, groups, organizations, and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities.

1. Adopt A Family
2. Aging Action Initiative
3. Art Works Downtown
4. Bolinas Community Land Trust
5. Bolinas Community Public Utility District
6. Buckelew Programs
7. Canal Alliance
8. Canal Community Resilience Council
9. Center for Domestic Peace
10. City of Belvedere
11. City of Larkspur
12. City of Mill Valley
13. City of Novato
14. City of San Rafael
15. City of Sausalito
16. Commission on Aging
17. Community Action Marin
18. Community Land Trust of West Marin
19. County of Marin African American Employees Association
20. Downtown Streets Team
21. EAH Housing
22. Eden Housing
23. Education Housing Partners, Inc
24. Fair Housing Advocates of Northern California
25. Fairfax Community Church
26. Family and Children’s Law Center
27. Front Porch Foundation
28. Habitat for Humanity Greater San Francisco, Inc.
29. Hamilton Community Church
30. Homeward Bound of Marin
31. Hope Housing of Marin
32. Homeless Policy Steering Committee
33. ISOJI
34. Legal Aid of Marin
35. Make It Home
36. Marin Center for Independent Living
37. Marin City Community Development Corporation
38. Marin City Community Services District
39. Marin Community Foundation
40. Marin County Office of the Executive
41. Marin County Board of Supervisors
42. Marin County Free Library

43. Marin County Homelessness and Coordinated Care
44. Marin County Health and Human Services Department
45. Marin Disability Coalition
46. Marin Foster Care Association
47. Marin Horizon School
48. Marin Housing Authority
49. Marin YMCA
50. Mental Health Advocates of Marin
51. Mt. Tam Community Land Trust
52. North Bay Children's Center
53. North Marin Community Services
54. PEP Housing
55. Performing Stars of Marin
56. Pickleweed Preschool
57. Planned Parenthood Northern California
58. Point Reyes Station Village Association
59. Race Equity Action Plan Committee
60. RotaCare Bay Area
61. San Geronimo Valley Community Center
62. Sausalito Working Waterfront Coalition
63. Schurig Center for Brain Injury Recovery
64. Sia Partners
65. Side by Side
66. St. Vincent de Paul Society
67. Stinson Water
68. Sustainable Marin Schools
69. The Hannah Project
70. The Urban Coalition
71. Town of Corte Madera
72. Town of Fairfax
73. Town of San Anselmo
74. Town of Tiburon
75. Two Valleys Community Land Trust
76. Urban Vision Alliance
77. Valley Elders Advisory Council
78. Vivalon
79. Waters Foundation
80. WeeCare, Inc. (DBA Upwards)
81. West Marin Collaborative
82. Wise Choices/Youth Leadership Marin City
83. Young Performers International
84. Youth Leadership Institute

Identify any Agency Types not consulted and provide rationale for not consulting

The County made a concerted effort to contact and consult with a wide variety of agency types and partnering organizations interested in affordable housing, homelessness, persons with special needs, and community/economic development. No agencies were intentionally excluded from consultation. However, due to COVID-19, the County’s ability to engage and consult in person was reduced dramatically.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Analysis of Impediments to Fair Housing Choice	Marin County Community Development Agency	Both address housing and service issues in the County for members of the protected classes. Findings directly inform broader goals of the Consolidated Plan and funding prioritization.
Continuum of Care Strategic Plan	Marin County Health and Human Services	Both address housing and service issues in the County.
Housing Element	Marin County Community Development Agency	Both address housing issues in the County.
General Plan	Marin County Community Development Agency	Both address housing and development issues in the County.
2021-2025 Agency Plan	Housing Authority of the County of Marin	Both address housing issues in the County.

Table 3 – Other planning efforts.

Narrative (optional):

N/A

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal setting

Countywide Priority Setting Committee, Planning Area, and Board of Supervisors Public Meetings

The initial public meeting for the 2024 Annual Action Plan was held on November 9, 2024 with the Countywide Priority Setting Committee (PSC), which is comprised of community members representing protected classes and city, town, and County elected officials representing the entire county. At this meeting the committee reviewed goals identified in the 2020-24 Consolidated Plan and funding priorities elevated in past funding cycles. The PSC approved funding priorities for the upcoming application cycle. Subsequently, on April 4, 2024, the PSC conducted an application workshop wherein funding applications were reviewed and discussed with members of the public and project sponsors. Next, three local planning area public hearings were held on April 23, May 6, and May 16, 2024 to elicit public comment and make decisions about the use of CDBG and HOME funds. Finally, the Board of Supervisors held a public hearing to receive public comment and adopt the final Annual Action Plan and funding recommendations for submission to HUD on June 4, 2024. Public comments were received regarding the Annual Action Plan, funding amounts, funding trends, prioritization of funds for members of the protected classes, and eligibility for CDBG/HOME funded projects.

Formal notice of the 30-day comment period for the Annual Action Plan was published in the Marin Independent Journal on May 4, 2023. The comment period began on May 6, 2024 and concluded on June 5, 2024.

Funding Application Outreach

On December 22, 2023, a public notice was published in the Marin Independent Journal and issued to 4,180 email subscribers to inform the community that funding application period would open on January 22, 2024 until February 16, 2024. On January 19, the County issued a press release to over 80 media outlets. In addition, on January 24, 2024, two bidding conferences were held via Zoom. On February 1, 8, & 15, 2024 staff provided technical assistance to potential applicants through Zoom office hours. Staff presented at the ISOJI meeting for the Marin City community on January 5 and February 3, 2024. Staff also conducted targeted email outreach to nonprofit affordable housing developers. These meetings and outreach were all intended to inform the public and prospective applicants about the opportunity to apply for CDBG and HOME funds, elicit project ideas, and discuss CDBG and HOME eligibility requirements.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
1	Public Hearing/Priority Setting	Non-targeted/broad community	On 11/09/2023 the PSC reviewed Consolidated Plan goals and data on community needs and determined funding priorities for the upcoming application cycle. 15 community members attended.	Comments were made in support of the strategies, goals, and existing priorities. Consensus was reached on funding priorities for the upcoming cycle.	N/A
2	Bidders Conference	Non-targeted/broad community	On 01/24/2024, the County held two information sessions regarding the application process and eligible projects. 64 community members attended.	Comments consisted of project eligibility, total funding available, and process for allocating funds.	N/A
3	Public Meeting/ Application Workshop	Non-targeted/broad community	On 04/04/2024, the County held a workshop to review applications, hear from applicants, and provide staff with direction on recommendations. 27 community members attended.	Comments consisted of project eligibility, total funding available, process for allocating funds, and allowable rents, and whether participation in the meeting prioritizes projects for funding.	N/A

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
4	Public Hearing	Non-targeted/broad community	On 04/23/2024 and 05/06/2024, Cooperating Jurisdictions reviewed Annual Action Plan goals and funding recommendations during public City Council hearings. 6 community members provided public comment. Due to the hybrid structure of the meetings it is unknown the total number of community members who attended online.	Comments were made in support of the strategies, goals, and funding recommendations. Concerns were raised regarding reduced HUD funding. Staff was asked about the equitable distribution of funds and existing funding in Marin City. Clarifying questions were asked about the review and selection process. Consensus was reached on recommending funds to meet local and national priorities.	N/A

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
5	Public Hearing	Non-targeted/broad community	County held a session finalizing the Annual Action Plan goals and funding recommendations at the Countywide Priority Setting Committee hearing on 05/16/2025. 18 community members attended.	Comments were made in support of the strategies, goals, and funding recommendations proposed. Questions were raised including how HUD allocates funding and if other jurisdictions are receiving cuts or just Marin. Concerns were raised about organizations not being funded and that small and large organizations are vying for the same pool of funds. It was highlighted that the need for funds is much greater than funds available and thus valuable projects are left unfunded. Questions were raised on the process for determining which projects received funding. Consensus was reached on recommending funds to meet local and national priorities.	N/A

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
6	Public Hearing	<p>Non-English Speaking – Specify other language: Spanish</p> <p>Non-targeted/broad community</p>	<p>County held a public hearing approving the Annual Action Plan on 06/4/2024. Due to the hybrid structure of the meeting it is unknown how many community members attended. ■ individuals made a public comment. The public hearing provided oral interpretation in Spanish.</p>	<p>To be completed following BOS Hearing.</p>	<p>N/A</p>

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
7	Listserv Digital Outreach	<p>Non-English Speaking - Specify other language: Spanish and Vietnamese</p> <p>Non-targeted/broad community</p>	<p>Staff sent emails to the Federal Grants listserv reaching between 3,900 and 4,200 subscribers each time on 09/13/2023, 10/02/2023, 10/11/2023, 10/26/2023, 11/07/2023, 12/22/2023, 01/17/2024, 01/22/2024, 01/29/2024, 02/15/2024, 03/06/2023, 03/29/2024, 05/06/2024, 05/13/2024, 05/31/2024 regarding, opportunities to participate on the PSC, public hearings, and funding applications. The materials linked in the emails were translated into Spanish and Vietnamese.</p>	N/A	N/A

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
8	Newspaper Ad	Non-targeted/broad community	County published notices in the Marin Independent Journal announcing public hearings on 10/28/2023 and 03/05/2024, a notice of the funding application on 12/22/2024, and a notice on 05/04/2024 announcing that the draft Annual Action Plan was available for public review on 05/06/2024.	N/A	N/A

Table 4 – Citizen Participation Outreach

Annual Action Plan

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The CDBG and HOME entitlement amounts available for Year 5 of Marin County's 2020-24 ConPlan are decreased from 2023-24 funding levels. The Program Income for CDBG represents the actual amounts received in 2023-24, less 20% allowed for Administration and Planning costs. The Program Income for HOME represents the actual amounts received in 2023-24. The amount of CDBG and HOME Program Income is included in the 2024-25 Annual Action Plan.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public-Federal	Acquisition, Admin and Planning, Economic Development, Housing, Public Improvements, Public Services	1,559,706	0	83,802	1,643,508	-455,342	Includes the expected 2024-25 CDBG entitlement as of June 2024; 2023 actual program income; assumes level CDBG funding for all years; and assumes \$39,000 of Program Income for all years.
HOME	Public-Federal	Acquisition, Homebuyer assistance, Homeowner rehab, Multifamily rental (new construction), Multifamily rental (rehab), New construction for ownership	713,595	66,413	0	780,008	-230,012	Includes the expected 2024-25 HOME entitlement as of June 2024; 2023 actual program income; assumes level HOME funding in all years; and assumes \$0 HOME Program Income for all years.

Table 5 – Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state, and local funds), including a description of how matching requirements will be satisfied

The County leverages local, State, and Federal funds in order to support the acquisition, rehabilitation, and new construction of affordable housing and to offer rental assistance to lower income households. Historically, these funds are leveraged by additional funds from several sources, including local County Marin Affordable Housing Fund, philanthropy, private investments, State housing funds (including the cap-and-trade funds), and other programs. These funds come to the developments and programs in several ways: through grants, low-interest loans, and other investments/program support.

The County will meet the match requirement on a case-by-case basis, through its existing excess match log. The County generally requires each project to provide the 25% match. Match is often achieved through project-specific investments by the Marin Community Foundation.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

In 2023, the County completed an extensive Housing Element process and evaluated County-owned land for possible affordable housing development. The County has identified potential County-owned properties for affordable housing, including a corporation yard in Inverness and Nicasio and an underutilized area in Lucas Valley. These sites were rezoned and a potential for at least 133 units was added.

In addition, the State of California is pursuing the development of deed restricted affordable housing and public employee housing on surplus state-owned land across from San Quentin Prison in Unincorporated Marin County. This project is a direct result of 2019 actions by the California State Legislature and the California State Governor to significantly expand the Surplus Lands Act requirements for local agencies in an effort to achieve more affordable housing on surplus properties. The California Department of Housing and Community Development (HCD) identified approximately 100 State-owned sites for potential affordable housing development statewide. This site is one of three potentially suitable sites identified by County staff within unincorporated Marin County (APNs are 018-152-12, 018-154-15, and 052-041-27). Two sites are owned by the State Department of Corrections and Rehabilitation and one site is owned by Caltrans. The project being pursued includes one residential community developed by Eden Housing partners, for low income families, will have 115 units, and the other community developed by Education Housing Partners will have 135 apartments for income qualifying local staff and teachers and County employees.

Discussion -

N/A

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Create and preserve housing affordability, accessibility, and quality	2024	2025	Affordable Housing	Countywide Areas with High-Need Populations; Countywide Areas of Opportunity	Affordable Housing; Equity and Access to Opportunities	CDBG: \$994,809 HOME: \$780,009	Rental units rehabilitated – 99 Units Homeowner units constructed – 40 Units
2	Assist populations with special needs	2024	2025	Affordable Housing; Homeless; Non-Homeless Special Needs	Communities of Minority Concentration; Countywide Areas with High-Need Populations; Countywide Areas of Opportunity	Affordable Housing; Emergency Shelter and Transitional Housing for Homeless; Equity and Access to Opportunities; Services to Stabilize Low-Income Populations	CDBG: \$247,975	Improved physical access to services – 7,478 Individuals Residential units with accessibility improvements – 5 Units

3	Enhanced community and public facilities and spaces	2024	2025	Non-Housing Community Development	Communities of Minority Concentration; Countywide Areas with High-Need Populations; Countywide Areas of Opportunity	Emergency Shelter and Transitional Housing for Homeless; Community and Public Facilities and Spaces; Equity and Access to Opportunities	CDBG: \$152,205	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit – 201 Individuals
4	Services to foster security and economic advancement	2024	2025	Non-Housing Community Development	Communities of Minority Concentration; Countywide Areas with High-Need Populations; Countywide Areas of Opportunity	Equity and Access to Opportunities; Services to Stabilize Low-Income Populations	CDBG: \$248,618	Public Service Activities other than Low/Moderate Income Housing Benefit – 9,507 Individuals Public Service Activities for Low/Moderate Income Housing Benefit – 270 Households

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Create and preserve housing affordability, accessibility, and quality
	Goal Description	Invest in the acquisition, new construction, and rehabilitation of rental and homeownership opportunities and provide first-time homeowners with down payment assistance to preserve housing affordability, stabilize residents at risk of involuntary displacement, and promote equitable access to housing options.
2	Goal Name	Assist populations with special needs
	Goal Description	Invest in activities that help persons with special needs to access supportive services and facilities and provide affordable and accessible housing.
3	Goal Name	Enhance community and public facilities and spaces
	Goal Description	Invest in rehabilitating and enhancing community facilities and public spaces, particularly in neighborhoods serving low-income residents and people experiencing homelessness.

4	Goal Name	Services to foster security and economic advancement
	Goal Description	Invest in public services that support low-income communities including basic health services; children, youth, and parent support services; domestic violence services; economic development assistance for business including microenterprise; education and job training; food security; housing support services; legal services; microenterprise business support services; senior services; and subsistence payments

Table 7 – Goal Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

Roughly 56 families will benefit from affordable housing through HOME investments.

AP-35 Projects – 91.220(d)

Introduction

A summary of the eligible programs or activities, also called “projects,” that will take place during the program year to address the Priority needs and specific objectives identified in the Strategic Plan.

Projects

#	Project Name
1	Rental Housing – Rehabilitation
2	Homeowner Housing – New Construction
3	Accessibility Improvements
4	Community and Public Facility Improvements
5	Basic Health Services
6	Children, Youth, and Parent Support Services
7	Food Security
8	Housing Support Services
9	Administration

Table 8 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Priority is assigned based on the level of need as demonstrated by the data collected during the preparation of the Annual Action Plan and includes consideration of the Consolidated Plan’s Needs Assessment and Market Analysis, information gathered during community engagement and the citizen participation process, and the availability of resources to address these needs. One of the primary obstacles to meeting residents’ underserved needs is funding availability. The Countywide Priority Setting Committee established priorities for projects that Affirmatively Further Fair Housing (AFFH) and serve members of protected classes. In addition, Public Services funding priorities have been narrowed down to: Basic Health Services; Children, Youth, and Parent Support Services; Food Security; and Housing Support Services.

AP-38 Project Summary
Project Summary Information

1	Project Name	Rental Housing – Rehabilitation
	Target Area	Countywide, Areas with High-Need Populations Countywide, Areas of Opportunity Countywide, Areas of Minority Concentration
	Goals Supported	Create and preserve housing affordability
	Needs Addressed	Affordable Housing Equity and Access to Opportunities
	Funding	CDBG: \$511,160 HOME: \$708,649
	Description	Support development soft costs and construction hard costs to rehabilitate deed restricted affordable housing units available for extremely low, very low, and low-income residents.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	99 low, very low, or extremely low-income households will be served.
	Location Description	Rehabilitation activities will take place at 6 Wharf Road, Bolinas Beach, CA Rehabilitation activities will take place at 12 Giacomini Road, Point Reyes Station, CA Rehabilitation activities will take place at 1337 Fourth Street, San Rafael, CA Rehabilitation activities will take place at 10 Labrea Way and 455 Canal Street, San Rafael, CA

	Planned Activities	Bolinas Community Land Trust: NO - LMH, Presumed Benefit – N, Matrix Code – 14B, Units – 7 EAH Housing: NO - LMH, Presumed Benefit – N, Matrix Code – 14B, Units – 19 Art Works Downtown: NO – LMH, Presumed Benefit – N, Matrix Code – 14A, Units – 17 EAH Housing: HOME, CHDO Allocation, Presumed Benefit – N, Units – 56
2	Project Name	Homeowner Housing – New Construction
	Target Area	Countywide, Areas of Opportunity
	Goals Supported	Create and preserve housing affordability
	Needs Addressed	Affordable Housing Equity and Access to Opportunities
	Funding	CDBG: \$291,951
	Description	Support the development of 40 affordable single-family homes on a donated surplus land site in Northern Novato. Funding will support public infrastructure enhancements to make new affordable housing units available for low-income residents.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	40 low, very low, or extremely low-income households will be served.
	Location Description	New construction activities will take place in Northern Novato at 8161 Redwood Boulevard, Novato, CA.
	Planned Activities	Habitat for Humanity of Greater San Francisco: NO – LMH, Matrix Code - 03H, 03I, 03J, 03K, 03L, 03Z, Presumed Benefit – N, Units – 40
3	Project Name	Accessibility Improvements
	Target Area	Countywide, Areas with High-Need Populations Countywide, Areas of Opportunity Countywide, Areas of Minority Concentration
	Goals Supported	Assist populations with Special Needs Enhance community and public facilities and spaces

	Needs Addressed	Community and Public Facilities and Spaces Equity and Access to Opportunities
	Funding	CDBG: \$167,110
	Description	Support infrastructure improvements to construct a new ADA pedestrian crosswalk, hybrid beacon to increase accessibility and usability. Support the provision of rehabilitation and home access modifications to improve housing accessibility for people with disabilities.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	5 low, very low, or extremely low-income households will be served. Approximately 4,800 residents of a Low-Mod Census Tract will benefit from enhanced access facilities.
	Location Description	Crosswalk improvements are located between Francisco Blvd. & Second Street, San Rafael, CA. Home access modification services are provided throughout the Marin County and administered from 710 Fourth Street, San Rafael, CA;
	Planned Activities	Canal Alliance: NO – LMA, Presumed Benefit – Y, Matrix Code – 03K, 03L, 03Z, 4,800 low/mod-area to benefit Marin Center for Independent Living: NO – LMC, Presumed Benefit – Y, Matrix Code – 14A, 14B, Units – 5
4	Project Name	Community and Public Facility Improvements
	Target Area	Countywide, Areas with High-Need Populations
	Goals Supported	Enhanced community and public facilities and spaces
	Needs Addressed	Community and Public Facilities and Spaces Equity and Access to Opportunities
	Funding	CDBG: \$122,875
	Description	Support the roof replacement and associate rehabilitation at a childcare facility serving low-income families.
	Target Date	6/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	Approximately 201 individuals will benefit from access to the enhanced facilities.
	Location Description	The project is located at 680 Wilson Avenue, Novato, CA.
	Planned Activities	North Marin Community Services: NO – LMC, Presumed Benefit – N, Matrix Code – 03D, 201 low/mod-income persons to benefit
5	Project Name	Basic Health Services
	Target Area	Countywide, Areas with High-Need Populations
	Goals Supported	Services to foster security and economic advancement
	Needs Addressed	Equity and Access to Opportunities Services to Stabilize Low-Income Populations
	Funding	CDBG: \$18,000
	Description	Support the provision the purchase of ADA compliant exam tables and accompanying vital monitoring devices.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 2,628 low, very low, and extremely low-income individuals will benefit from the provision of quality accessible reproductive healthcare.
	Location Description	Services are provided at 2 H St, San Rafael, CA.
	Planned Activities	Planned Parenthood of Northern CA: NO – LMC, Presumed Benefit – Partial, Matrix Code – 05M, 2,628 low/mod-income persons to benefit
6	Project Name	Children, Youth, and Parent Support Services
	Target Area	Communities of Minority Concentration Countywide, Areas with High-Need Populations Countywide, Areas of Opportunity
	Goals Supported	Services to foster security and economic advancement

	Needs Addressed	Equity and Access to Opportunities Services to Stabilize Low-Income Populations
	Funding	CDBG: \$109,750
	Description	Support the provision of academic enrichment, afterschool programs, and childcare.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 829 low, very low, and extremely low-income individuals will benefit from the provision of child, youth, and family services.
	Location Description	Services are provided throughout Marin County at 1600 Los Gamos Drive, San Rafael, CA; 271 Drake Avenue, Marin City, CA; 2330 Marinship Way # 302, Sausalito, CA; 3001 Bridgeway #422, Sausalito, CA; 932 C Street, Novato, CA; 680 Wilson Avenue, Novato, CA; and 50 Canal Street, San Rafael, CA.
	Planned Activities	Marin YMCA: NO – LMC, Presumed Benefit – N, Matrix Code – 05L, 50 low/mod-income persons to benefit Bridge the Gap: NO – LMC, Presumed Benefit – N, Matrix Code – 05D, 285 low/mod-income persons to benefit Performing Stars of Marin: NO – LMC, Presumed Benefit – N, Matrix Code – 05D, 125 low/mod-income persons to benefit The Hannah Project: NO – LMC, Presumed Benefit – N, Matrix Code – 05D, 150 low/mod-income persons to benefit North Bay Children's Center, Inc.: NO – LMC, Presumed Benefit – N, Matrix Code – 05L, 44 low/mod-income persons to benefit North Marin Community Services: NO – LMC, Presumed Benefit – N, Matrix Code – 05L, 107 low/mod-income persons to benefit City of San Rafael, Library and Recreation Department: NO – LMC, Presumed Benefit – N, Matrix Code – 05L, 68 low/mod-income persons to benefit
7	Project Name	Food Security
	Target Area	Countywide, Areas with High-Need Populations

	Goals Supported	Services to foster security and economic advancement
	Needs Addressed	Equity and Access to Opportunities Services to Stabilize Low-Income Populations
	Funding	CDBG: \$26,250
	Description	Support the provision of food access and food distribution services for individuals and families.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 6,050 low, very low, and extremely low-income individuals will receive free fresh and packaged food.
	Location Description	Services are provided throughout the County of Marin and administered from 930 Tamalpais Avenue, San Rafael, CA; and 6350 Sir Francis Drake Blvd, San Geronimo, CA.
	Planned Activities	Vivalon: NO – LMC, Presumed Benefit – Yes, Matrix Code – 05B, 50 low/mod-income persons to benefit San Geronimo Valley Community Center: NO – LMC, Presumed Benefit – Partially, Matrix Code – 05W, 6,000 low/mod-income persons to benefit
9	Project Name	Housing Support Services
	Target Area	Countywide, Areas with High-Need Populations
	Goals Supported	Services to foster security and economic advancement
	Needs Addressed	Equity and Access to Opportunities Services to Stabilize Low-Income Populations
	Funding	CDBG: \$79,710
	Description	Support the provision of home and roommate matches and comprehensive fair housing services by a HUD-certified Housing Counseling Agency.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	270 low, very low, and extremely low-income households will receive housing support services.

	Location Description	Services are provided throughout the Marin County and administered from 851 Irwin St., Ste 200G, San Rafael, CA and 1314 Lincoln Avenue, Suite A, San Rafael, CA.
	Planned Activities	Front Porch Foundation: NO – LMC, Presumed Benefit – N, Matrix Code – 05X, 20 low/mod-income households to benefit Fair Housing Advocates of Northern California: NO – LMC, Presumed Benefit – N, Matrix Code – 05J, 250 low/mod-income households to benefit
10	Project Name	Administration
	Target Area	Communities of Minority Concentration Countywide, Areas with High-Need Populations Countywide, Areas of Opportunity
	Goals Supported	Create and preserve housing affordability, accessibility, and quality Assist populations with special needs Enhanced community and public facilities and spaces Services to foster security and economic advancement
	Needs Addressed	Affordable Housing Community and Public Facilities and Spaces Equity and Access to Opportunities Services to Stabilize Low-Income Populations
	Funding	CDBG: \$316,702 HOME: \$71,360
	Description	2024-25 CDBG and HOME Program Administration.
	Target Date	6/30/2025

Estimate the number and type of families that will benefit from the proposed activities	<p>144 housing units will benefit from CDBG and HOME investments.</p> <p>5,001 low, very low, and extremely low-income individuals will benefit from community infrastructure improvements.</p> <p>9,507 low, very low, and extremely low-income individuals will receive community services.</p> <p>270 low, very low, and extremely low-income households will benefit from housing support services.</p>
Location Description	The CDBG and HOME programs will be administered from County of Marin offices at 3501 Civic Center Drive, Suite 308, San Rafael, CA.
Planned Activities	2024-25 CDBG and HOME Program Administration

Table 9 – Project Summary Information

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Marin County has two areas of low-income and minority concentration: 1) the Canal Neighborhood of San Rafael, and 2) the Marin City community of unincorporated Marin County. While the County makes an intentional effort to support Capital and Public Services projects in these areas, it does not designate a specific funding amount for these communities. In addition, the County can only invest in rehabilitation of affordable housing with federal housing dollars in these communities. This is a result of the work undertaken to comply with the 2010 and 2019 Voluntary Compliance Agreements with HUD.

Federal funds are distributed in three planning areas:

1. Novato Planning Area (includes Novato, Ignacio, Bel Marin Keys, and Black Point).
2. San Rafael Planning Area (includes San Rafael, the Canal, Los Ranchitos, Lucas Valley, Marinwood, and Santa Venetia).
3. County Other Planning Area (includes Belvedere, Corte Madera, Fairfax, Greenbrae, Kentfield, Larkspur, Marin City, Mill Valley, Ross, San Anselmo, San Quentin, Sausalito, Strawberry, Tam Valley, Tiburon, Waldo Point, and West Marin, encompassing the inland rural and coastal corridors).

Geographic Distribution -

Target Area	Percentage of Funds
Communities of Minority Concentration	26%
Countywide, Areas with High-Need Populations	43%
Countywide, Areas of Opportunity	31%

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The County contains two cities with populations exceeding 50,000 that have opted to be included in the CDBG Urban County rather than receive funding directly from HUD as separate entitlement communities. Funds are distributed as described in the "Discussion" section below and according to established HUD procedures.

Discussion

Planning areas make recommendations for distribution of funds to the Priority Setting Committee and subsequently the Board of Supervisors for approval. Distribution is consistent with HUD guidelines and evaluation criteria developed by participating cities and the County to ensure consistency among the planning areas and facilitate implementation of countywide goals.

After deduction of administrative expenses, planning areas make recommendations on the net CDBG Urban County allocation, which is sub-allocated to the planning areas according to the general HUD-established distribution formula. The formula is based on the latest available countywide data on population, extent of poverty, and extent of housing overcrowding, with the provision that extent of poverty be counted twice. However, a different distribution formula is hereby expressly authorized if and when necessary to comply with Title I of the Housing and Community Development Act of 1974, as amended.

AP-55 Affordable Housing – 91.220(g)

Introduction

Marin County offers varied and attractive residential environments due to its unique combination of natural beauty and proximity to San Francisco. In addition, historical zoning is primarily single unit homes. Many of today's housing problems such as low vacancy rates, escalating housing prices and rents, and the overall demand for housing and pressure for growth are a result of the attractive qualities and constraints on new development.

The County of Marin will continue to place the highest priority on meeting the housing needs of extremely low and very low-income individuals and families, including families with children, other members of the protected classes, persons experiencing and at risk of homelessness, and individuals with special needs, including elderly and disabled households throughout the county.

To meet our affordable housing goals, Marin County will evaluate opportunities for production through both new construction and acquisition of existing market rate homes to preserve them as affordable. In addition, the County will prioritize protection of existing renters. Marin County will continue to leverage federal, state, and local funds to support the acquisition, rehabilitation, preservation, and new construction of all types of housing and to offer rental assistance to lower income households.

Marin County and several of its jurisdictions have adopted and state certified 2023-2031 Housing Elements, a mandatory element of the General Plan and Countywide Plan. The State of California requires the County to show how it will meet the total Regional Housing Needs Allocation (RHNA) for 14,405 units in all jurisdictions and unincorporated County. Of those 14,405 units, there is a requirement of 6,571 for very low and low-income units. The very low and low-income unit requirement for unincorporated Marin County is 1,734 units. Overall, the County of Marin's Housing Element identified 3,210 sites which were rezoned/upzoned to accommodate additional housing.

Marin County's Housing Element consists of Policies and Programs that further preservation, protection, and production of affordable housing. Programs including annually monitoring existing affordable housing, such as mobile home parks, help staff monitor units that are at risk of converting to market rate. Program 31 in the Housing Element includes outreach, education

and evaluation of additional tenant protections. The suggestions for this program include additional just-cause for eviction protections, tenant bill of rights, and rent stabilization. Staff commenced work on this program in February 2024.

In order to facilitate production of affordable housing, all of the Housing Element sites in unincorporated County would qualify as ministerial review projects, therefore the process for entitlements will be shorter than it has been in the past. Since the Housing Element was certified, the Planning Division has received applications for several sites, including a 125-unit affordable housing project. The number of households served by affordable housing projects depends highly on the amount of available funding from the federal and state governments, the availability of suitably zoned sites, and the initiative taken by community-based nonprofits.

Timing requirements and federal funding usage restrictions can act as barriers to creating new units in an already tight real estate market. This is partly due to the extended process that many projects must undergo to acquire entitlements. In addition, limited vacant land and community opposition to multi-unit family housing pose constraints on creating new units. The demanding nature of developing new housing in Marin County makes it difficult to predict construction timelines. For this reason, County staff prioritizes projects that are ready to move forward. County staff will remain committed to the acquisition and construction of new development, but anticipate greater progress in the rehabilitation and acquisition of existing units due to the nature of federal funding and timely spending requirements.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	139
Special Needs	5
Total	144

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
Production of New Units	0
Rehab of Existing Units	144
Acquisition of Existing Units	0
Total	144

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion

The County’s approach to funding affordable housing projects is informed by the 2020 Analysis of Impediments to Fair Housing Choice, 2020-24 Consolidated plan, and changes identified and implemented in partnership with HUD during two Voluntary Compliance Agreements (VCA). The first VCA ran from November 30, 2010 to December 22, 2015. The second VCA began on May

7, 2019 and was successfully closed on November 8, 2022. One priority that is consistently identified in all guiding documents is encouraging and facilitating the creation of multi-bedroom units available to families in areas of concentrated affluence and areas of opportunity. In addition, the County is now investing in rehabilitation of existing affordable housing units in areas of minority concentration and areas with high-needs populations. All housing providers are required to develop and implement Affirmative Marketing Plans.

AP-60 Public Housing – 91.220(h)

Introduction

The Marin Housing Authority's (MHA) public housing program continues to operate at appropriation levels that are too low for the long-term sustainability of the properties. Over the last few years, MHA has significantly reduced its administrative costs and continues to implement less cumbersome policies and procedures and more efficient systems, including a resident and applicant portal to safely submit and process paperwork online. The Marin Housing Authority currently serves approximately 850 household members within nearly 500 units of public housing.

Actions planned during the next year to address the public housing needs

The Capital Fund Program (CFP) has generally been the only federal funding source for public housing agencies to replace obsolete building systems (heating, electrical, plumbing, ventilation, etc.); make major repairs to elevators, roofs, exteriors, bathrooms, and kitchens; abate hazardous materials; add accessibility modifications; make site improvements; and provide energy upgrades, security, resident services, operating subsidy, and management improvements. Federal CFP funding has declined dramatically and is inadequate to cover replacement costs for the aging public housing stock.

Golden Gate Village (GGV), MHA's only public family housing complex, has significant capital improvement needs. HUD has emphasized that a revitalization plan for GGV must be expeditiously prepared and thoroughly analyzed to ensure it is in the best interest of the residents, and MHA concurs. After years of considering an extensive redevelopment of GGV, including many discussions with the GGV Resident Council and HUD, in November 2022 the MHA Board of Commissioners approved a rehabilitation-only plan called the GGV Revitalization Framework.

The GGV Revitalization Framework embraces the goals and outcomes expressed by GGV residents. When completed, the revitalization will include a comprehensive renovation of GGV, incorporating "deep green" features, and preserving the historic integrity of the property. In addition, it will:

- Preserve affordability for current and future residents.
- Bring resident services to GGV.
- Work with the Resident Council to enhance resident empowerment.

- Create pathways to homeownership and wealth creation.

In December 2023 MHA Board of Commissioners voted to approve the Santa Rosa-based Burbank Housing as the development partner for its Golden Gate Village Revitalization Project. Over the next year, MHA will work closely with the GGV Resident Council and Burbank Housing to begin the pre-construction phase the revitalization effort.

MHA intends to finance the Revitalization Framework using Section 18 Obsolescence. Under this repositioning option MHA is eligible to receive a new Section 8 Tenant Protection Voucher (TPV) for every occupied unit. These TPVs can be used to enter a project Based Voucher (PBV) contract resulting in the leverage capital needed to make physical improvements. PBV contracts also require income and rent restrictions, and so will preserve affordable housing in Marin City.

Based on eligibility, economic analysis, and desired outcomes, Section 18 Obsolescence is the preferred Repositioning option for GGV. However, MHA will also be submitting a RAD application to provide resident protections.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The primary goal of the Resident Opportunities and Self-Sufficiency (ROSS) Service Coordinator is to help residents improve their living conditions, enabling them to age-in-place, and avoid placement in a full-care facility to the greatest extent possible. Multi-year HUD funding provides service coordination to 200 elderly and disabled residents in the five MHA complexes designated for this population. MHA was recently awarded a renewal grant by HUD to continue the ROSS program for the next three years.

The Family Self-Sufficiency Program (FSS) currently assists approximately 100 families in the Housing Choice Voucher (HCV) program and approximately 30 families in Marin City Public Housing. Most participants are single parents and are provided case management and referrals toward individually crafted educational or employment goals. With special HUD grants, the Marin Housing Authority has maintained the Family Self-Sufficiency Program in both the Section 8 Voucher Program as well as in Marin City family public housing. This program is directed toward improving families' economic situations by ultimately increasing their earned income and increasing savings.

In 2022, the MHA Board approved a homeownership preference for Golden Gate Village public housing residents under the HCV program and expanded use of the Marin City Down Payment Assistance Program approved by the Board to support homeownership among public housing residents. Since then, six Golden Gate Village households have received vouchers through this preference, and all six of those households have utilized their vouchers. There are an additional three GGV households currently on the HCV waiting list to receive vouchers through the

homeownership preference.

Section 3 Resident Training allows the Marin Housing Authority to periodically provide short-term training opportunities to public housing residents in maintenance, landscaping, property management, and administrative support work. Residents work in paid training positions under the supervision of community-based training organizations. These projects typically last four to eight weeks and are designed to provide basic skills that trainees can take to more permanent jobs in maintenance, construction, landscaping, property management, or office support. MHA has hired a Director of Resident Services to build capacity and partner with local Community Based Organizations to support Golden Gate Village residents to increase job training programs and placement opportunities. Currently there are two Community Based Organizations that come to GGV on a weekly basis to provide services. Moving forward, MHA will be working with their developer partner to build capacity and assist Golden Gate Village residents in developing resident-owned businesses and increase job training opportunities through the Revitalization process. This developer will partner with employers and funders to increase access and training.

In addition, MHA continues to participate in Resident Advisory Board (RAB) meetings on a regular basis. The RAB is made up of residents from Public Housing and representatives holding Housing Choice Vouchers.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance.

MHA is actively working with HUD to bring Golden Gate Village into physical compliance and is on track to achieve this.

Historically, MHA has scored highly on the Public Housing Assessment System (PHAS) in the financial, management, and Capital Fund areas, and achieved an overall PHAS score of “Standard” or “High Performer.”

Discussion

In addition to public housing-related programs, Marin Housing Authority offers supportive housing programs to holders of its approximately 2,600 vouchers. These include:

1. **The Shelter Plus Care Program**, which combines housing subsidy from HUD McKinney Vento Funds with case management services funded by Marin County Mental Health and Substance Use Services (MHSUS). Program eligibility includes individuals and families experiencing chronic homelessness and who have a severe and persistent mental illness. The Shelter Plus Care Program serves at least 90 households and referrals come through the Coordinated Entry system. Coordinated Entry makes up to 50 referrals per year for the most medically vulnerable people experiencing chronic homelessness. The referrals will also be provided with wrap-around supportive services through outside agencies.
2. **The Emergency Housing Voucher Program** provides vouchers and case management

services for individuals and families experiencing homelessness.

3. **Veterans Administration Supportive Housing (VASH)** provides housing vouchers and supportive services to veterans experiencing chronic homelessness.
4. **Mainstream vouchers and case management services** are provided for non-elderly individuals and families experiencing disabilities and homelessness.
5. **The HOPWA Program** combines housing subsidy from HUD and case management services from local community-based organizations, with which MHA has entered into a Memorandum of Understanding for service provision. Individuals and families must have an HIV/AIDS diagnosis confirmed by an appropriate third party and meet income eligibility guidelines. HOPWA is expected to continue serving 15 households in 2024-25.
6. **The Below Market Rate (BMR) Homeownership Program** manages a portfolio of over 329 homes for low- and moderate-income first-time homebuyers. MHA assigns a priority preference to families living or working in Marin City for all re-sell units available in Marin City. MHA offers First-Time Homebuyer Education Workshops in both English and Spanish in collaboration with Fair Housing Advocates of Northern California. MHA staff also collaborates with the Marin City Community Development Corporation to prepare Marin City residents for homeownership opportunities by addressing credit issues, down payments, and savings. In terms of marketing, MHA continues to collaborate with Habitat for Humanity, Hello Housing, and Marin City Community Development Corporation to publicize opportunities for first-time homebuyers through BMR and Section 8 programs.

MHA was awarded 117 emergency housing vouchers and a total of 207 mainstream vouchers during the COVID-19 pandemic. As a result of strong partnerships with the County of Marin and community-based organizations to provide case management services and deploy MHA's Housing Locator program services, MHA is utilized 100% of the EHV and additional mainstream vouchers allocated. The County of Marin provides a \$450,000 grant to support landlord partnerships, this program enables MHA to provide security deposits, vacancy loss, and damage loss to encourage voucher utilization.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Section AP-35 shows the proposed CDBG and HOME activities to be undertaken serving the homeless and special needs populations. In the list of proposed CDBG and HOME projects, activities serving homeless and special needs populations are so noted.

Describe the jurisdiction's one-year goals and actions for reducing and ending homelessness, including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

County HHS has staff dedicated to ending chronic homelessness and coordinating and improving services for people experiencing homelessness. They run the 473-INFO resource hotline to refer older adults and those with disabilities to resources, and they also staff the

Homeless Policy Steering Committee, which is the Continuum of Care organization for the County. Partnering with community-based organizations, Marin County oversees a Coordinated Entry system with a standardized assessment to prioritize the highest-need, most vulnerable individuals and families for supportive housing, including the 473-HOME line to refer people experiencing homelessness to the Coordinated Entry system as well as referrals to address immediate needs. Additional efforts include:

- Behavioral Health and Recovery Services Division placed a mental health clinician in the field to conduct eligibility and intake assessments for mental health services.
- County hired a new Senior Homelessness Program Coordinator position whose duties includes coordinating countywide homeless outreach activities to eliminate gaps and overlapping efforts.
- All key homeless services providers participate in the Homeless Management Information System (HMIS), which helps identify unsheltered persons.
- Dedicated encampment/street outreach activities (conducted by Mental Health Transition Teams, CARE Teams, Marin Interfaith Street Chaplaincy, and a San Rafael Police Department Mental Health Outreach Worker) identify and engage unsheltered individuals daily and participate in planning meetings to ensure countywide coverage.
- With CoC, County used state Homeless Housing, Assistance, and Prevention (HHAP) funds to create an additional outreach team to improve coverage, including boat rental to reach Marin's unique "anchor-out" population moored offshore in Richardson Bay.
- In collaboration with Tipping Point, County helped CoC member agency Community Action Marin receive private grant funding for three additional street outreach teams to focus on transition-age youth.
- County's primary Emergency Shelter for single adults has transitioned to housing-focused shelter, reducing barriers and adding case management to increase placements and shorten length-of-time homeless.
- Case management initially provided by Whole Person Care Medicaid waiver program and continued and expanded with County Medical Services Program (CMSP), Homeless Housing, Assistance, and Prevention (HHAP), Encampment Resolution Funding (ERF), and American Rescue Plan Act funding allows data-sharing and coordination between housing, health care, and homeless services organizations. The program pairs case management with Housing Choice and Mainstream Vouchers to create new Permanent Supportive Housing beds each year.
- County CDA, HHS, and DPW collaborated to use state Project Homekey funding to purchase three properties to create 105 new units of permanent supportive housing and construct a new property with an additional 50 units of permanent supportive housing.

The County's goals over the next year are:

- Increase housing-based case management to create additional Permanent Supportive Housing beds with Section 8/811 vouchers.
- Add partners to the coordinated homeless system of care to create more robust data-

sharing and improve coordination.

- Apply for new project funding through various state and federal streams.
- Evaluate and improve our housing-focused Emergency Shelter system.
- Increase and improve diversion resources to reduce first-time homelessness.
- Continue to add Coordinated Entry points to ensure minimal barriers to housing.
- Expand outreach to underserved areas and improve coordination with alternative outreach partners including police, parks, and public works.
- Continue evaluating the homeless system of care's impact on racial equity and implementing improvement strategies.

Addressing the emergency shelter and transitional housing needs of people experiencing homelessness

All transitional housing and emergency shelters in Marin participate in HMIS. The Continuum of Care regularly analyzes HMIS data to develop strategies for improving utilization of transitional housing and shelter by those most in need, identify services and programs that will help households achieve housing stability and self-sufficiency, and determine gaps in inventory and capacity. Existing emergency shelters have transitioned to a housing focus to further improve housing outcomes for clients. By focusing on permanent housing in every area of our homeless system, including emergency shelter, Marin seeks to end the cycle of chronic homelessness.

Helping persons experiencing homelessness (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that they experience homelessness, facilitating their access to affordable housing units, and preventing recurring homelessness

With support and funding from the County, Homeward Bound of Marin has created new permanent supportive housing beds for individuals and families experiencing homelessness each year, including the conversion of several transitional housing projects into permanent supportive housing. Their New Beginnings Center serves as a housing-focused emergency shelter for individuals, and they have placed 70% of their clients into permanent, non-supportive housing throughout the county. The Marin Housing Authority and Marin County HHS have teamed up to pair Section 8, Section 811, and Emergency Housing vouchers with housing-based case management to increase the available permanent supportive housing in Marin. HHS also directly funds 54 units of permanent supportive housing with local providers, as well as providing the services and matching funds for much of the federally funded homeless housing. Marin currently has 819 units of permanent supportive housing, up from 336 in 2016.

HHS uses County general funds, CalWORKs Housing Support Program funds, state Housing and Homelessness Incentives Program, and federal Emergency Solutions Grants to provide Rapid Rehousing for clients who do not need the ongoing services of permanent supportive housing. In addition, the Marin Housing Authority provides Moving On vouchers: Section 8 vouchers for clients who are in Permanent Supportive Housing and still need the rental subsidy

but no longer need the services. This frees up additional Permanent Supportive Housing beds.

HHS and its nonprofit partners have recently implemented coordinated entry for rapid rehousing, which will streamline referrals, improve targeting of resources, and enhance communication and coordination between providers. HHS also coordinates with stakeholders and identifies opportunities to increase long-term permanent housing stability. Long-term strategies include:

- Increasing access to mainstream services to better stabilize clients in the long-term. Services include outreach, SSI advocacy, and on-site benefits enrollment. HHS uses national best practices to expedite SSI/SSDI enrollment for people with disabilities who are experiencing homelessness.
- Expanding integrated interagency service teams providing housing-linked wraparound services.
- Integrating mental health and substance abuse programs to form a behavioral health team, which serves as a cross-sector initiative to increase access to integrated services in community clinics.
- Mental health transition teams providing support to people experiencing mental health crises to prevent mental health-related housing loss.
- Evaluating annual agency performance to deliver targeted technical assistance.
- Enhancing data-sharing between all health, behavioral health, and homeless services to improve care and decrease duplication of services.

The County has invested in the Housing Authority's ability to attract and retain landlords willing to accept vouchers through the Landlord Partnership Program, including funding a Housing Locator position, providing funding for deposits, and creating a risk pool to pay for any damages to units.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Regarding preventing households from becoming homeless, Marin County Health and Human Services staff assists in the coordination of efforts of several key prevention providers, including Adopt a Family, Canal Alliance, Community Action Marin, Legal Aid of Marin, North Marin Community Services, Ritter Center, St. Vincent De Paul Society, and the West Marin Resource Center. In the Ten-Year Plan update process, the Homeless Policy Steering Committee (HPSC) identified prevention as a key priority. Prevention action steps include enhancing the capacity of phone services to assess and link callers to prevention services and expanding outreach to landlords to make them aware of prevention services. County HHS also invested state Homeless Emergency Aid Program (HEAP) funding into a diversion program to move people

who are newly homeless back into housing before entering the homeless system of care.

Additionally, County HHS funds a medical respite program for people being discharged from any of the three local hospitals. HHS's Children and Family Services Division supports foster youth to ensure that they are not discharged into homelessness. Furthermore, HHS employs a staff person to coordinate between the local mental health facility and our County Behavioral Health and Recovery Services (BHRS). HHS's Residential Services Unit also works closely with Institutes for Mental Disease (IMD) to support people during the transition to a lower level of care. To support this effort, people are stepped down from IMDs into local residential supportive units with increasing levels of independence to ensure that people have support adequate to keep them stable and housed. HHS also operates a Transition Team through BHRS, which identifies people who are held in our local Crisis Stabilization Unit to connect them with ongoing supports.

Further, throughout the COVID-19 pandemic the Housing and Grants staff, in collaboration with Health and Human Service, Emergency Operations Center, and nonprofit partners, developed a rental assistance program to disburse \$33.5 million in funds to support renters who lost income due to the pandemic.

Discussion

Marin County providers and government partners are working to implement best practices across the entire homeless system of care to reduce and end homelessness in our community. These include Coordinated Entry to prioritize the highest-needs clients for permanent supportive housing; diversion to help clients find housing options outside the system of care; specialized approaches for subpopulations including veterans, youth, and families; Housing First which recognizes a homeless person must first be able to access a decent, safe place to live, that does not limit length of stay (permanent housing), before stabilizing, improving health, reducing harmful behaviors, or increasing income; and lowering case management staff to client ratios to improve outcomes for the hardest to serve.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

According to the County's Analysis of Impediments to Fair Housing Choice submitted to HUD, the following are barriers to affordable housing:

Community Opposition to Affordable Housing

Community opposition has been identified as the number one reason for the lack of affordable housing development in the County, particularly for families and in areas outside of minority concentration. Opposition to new housing developments can arise in all of the County's neighborhoods, but is especially prevalent in majority White neighborhoods. The opposition is often based on common growth issues such as traffic congestion, water demand versus supply,

and increased school enrollment. However, opposition can also reflect underlying fears of reduced property values, misperceptions of the type of housing that would be created, and stereotyped impressions of the potential occupants.

A greater understanding of affordable rental housing and its positive impact on individuals, families, and the community at large is instrumental to gaining support. The more informed the public, local government staff, and elected officials are about the need for affordable rental housing and benefits of avoiding housing insecurity, the more leverage supporters will have to advance development of affordable rental homes.

The Cost of Developing Affordable Housing

The cost of developing affordable housing in Marin is prohibitive even after accounting for grant and loan funding, direct and indirect subsidies, tax credits, and private donors. Many Marin communities require that developers of multi-unit housing set aside a percentage of units as affordable housing, and the County's Housing Trust Fund provides financial assistance to help affordable housing developers create and preserve housing for low and very low-income households. Some cities and towns do not have inclusionary policies or affordable housing impact fees, and for some jurisdictions, the housing trust account balances are too low to be useful. In addition, in-lieu fees do not reflect the actual costs of building affordable housing in the County.

Lack of Affordable Housing Sites

Developers and community members are unaware of potential affordable housing sites across the County. Because of this, opportunities to purchase land or properties for non-affordable housing may reduce the availability for affordable developments.

Lack of Opportunities for Home Ownership by People of Color and Ongoing Concerns of Gentrification

Housing prices in Marin are unaffordable for most residents, but because of historic, discriminatory practices and government policies, African Americans – in particular, people who lived in Marin City during the “Marinship” years of the 1940s – have been particularly affected by policies that have created segregated communities with limited access to opportunities.

In addition, gentrification of some Marin communities is forcing people of color and low-income residents to be priced out of their own neighborhoods. Designating land for developing affordable housing that will remain affordable in perpetuity will create home ownership opportunities while affirmatively furthering fair housing. Transforming racially and ethnically concentrated areas of poverty into areas of opportunity can preserve existing affordable housing and protect current residents from displacement.

Actions planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies

affecting the return on residential investment

The County's 2020 Analysis of Impediments to Fair Housing Choice proposes the following actions to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing:

- Community Opposition to Affordable Housing
- The Cost of Developing Affordable Housing
- Lack of Affordable Housing Sites
- Lack of Opportunities for Home Ownership by People of Color and On-going Concerns of Gentrification

A detailed list can be found uploaded with the Grantee Unique Appendices.

In addition, the County collaborated with six other local jurisdictions to update and adopt inclusionary policies. Two of the six jurisdictions do not have inclusionary policies requiring that affordable units be included in market rate developments. As of December 2023 five of the jurisdictions effectively adopted and implemented policies. .

Discussion

The main constraints to new affordable housing include limited available land and high land costs, lack of funding, and community opposition. Two major factors contribute to high land costs, which significantly impact housing development and affordability In Marin County as a whole, land costs average around 15% to 20% of construction costs for multi-family developments. Land zoned for multi-family and mixed-use developments generally costs more than land zoned for single-family residential. For example, recent sales in Marin show that the former averages over \$2 million dollars per acre and total development costs exceed \$650,000 per subsidized multi-unit development.

Construction loans for new housing are difficult to secure in the current market. In past years, lenders would provide up to 80% of the loan-to-value ratio of the new construction cost. However, due to market conditions and government regulations, banks now require larger investments from the builder. Affordable housing developments face additional constraints, although public funding is available, it is highly competitive and developments must meet multiple qualifying criteria, often including the prevailing wage requirement. Given the State of California's current budget deficit, fewer public resources will be available in the coming years.

For smaller developments, the higher per-unit costs result in a sale or rental price that is above the affordability limits set for many funding programs, and such projects often require significant time investments from developers. Because the overall budget is smaller and a developer's operating income is based on a percentage of total costs, smaller projects are often infeasible without special incentives or significant local funding.

Affordable rental developments tend to be easier to finance than for-sale developments, as there are more funding sources. However, recent cuts in public spending statewide have put

pressure on these sources. Few potential sites in the County qualify for tax credits, which are a valuable revenue source for affordable housing developers. The cost of construction has grown considerably in the Bay Area region and beyond over the past seven years. The trend began with the extensive fires that have consistently impacted the State since 2017, the trend expanded because of the impacts of COVID-19 on the industry, and now inflation is impacting costs. These combined with stagnant tax credit revenue and reduced public resources put developers of low-income properties at an even greater disadvantage. Community resistance to new development is also a factor. Marin County's strained infrastructure leads to several concerns, primarily: 1) new developments may cause increased traffic, 2) long-term sustainability of the local water supply, 3) potential impacts on schools and other local infrastructure, 4) valuable open space could be lost, and 5) risk of fire and flooding on new development. Also, issues related to community character are often raised, such as how density may adversely affect the visual cohesiveness of the neighborhood, how affordable housing may impact property values, or how it should be distributed more evenly countywide. At times, there is tension between fair housing laws and a desire to provide preferential affordable housing access for some populations, such as local workers (examples are nurses, teachers, and law enforcement personnel). In many cases, it is impossible to target housing to select groups. These concerns are often expressed during project review phases and can present significant political barriers.

Marin County aims to alleviate these housing barriers. New developments in Marin County are financially assisted with Marin Affordable Housing Fund, CDBG, and HOME dollars to provide gap financing. In addition, the Housing Element process included opportunities for members of the public to identify development sites, many of which are included in the final sites list of the 2023-31 Housing Element.

The County is currently planning for implementation of the Bay Area Housing Finance Authority bond that will be on the ballot in November 2024. If approved by voters, it would generate \$350-\$700 million dollars to support affordable housing in Marin County.

AP-85 Other Actions – 91.220(k)

Introduction:

Obstacles to meeting underserved needs for Marin County are tied to the extent of need in the County and its cities and towns, as well as the geographic topography of the County. Major obstacles include limited funds; extremely high housing, land, and development costs; and gaps in institutional structure.

Due to high costs, economic conditions, poverty and unemployment, and a high occurrence of low-wage service industry jobs, a significant number of low-income Marin County residents struggle to make ends meet. The available resources to support programs and services that help individuals and families become self-sufficient are inadequate. The situation was made worse by the COVID-19 pandemic and its disproportionate effects on low-income persons of

color. Marin's unemployment rate is currently at 3.7% as of April 22, 2024.

Actions planned to address obstacles to meeting underserved needs

To address obstacles to meeting underserved needs, the County proposes to fund activities directed at members of protected classes, including racial and ethnic minorities, people with disabilities, and families with children. For example, Community Development Block Grant assistance will be used to support public services for children of low-income minority families (such as youth development programs in Marin City and various childcare programs across the County). Conservation and expansion of the supply of subsidized family rental housing will be a major priority for the use of HUD funds.

Actions planned to foster and maintain affordable housing

To foster and maintain affordable housing, the County will use a large portion of its HUD funding for development, preservation, and rehabilitation of subsidized housing. The County will also seek to leverage other funding sources, including Federal, State, and local funds.

Actions planned to reduce lead-based paint hazards

To evaluate and reduce lead-based paint hazards, the County will require all recipients of HUD funding to comply with the requirements for lead paint testing and abatement. The Marin Housing Authority will also continue its program of lead paint testing and abatement for public housing.

Marin County Childhood Lead Poisoning Prevention Program (CLPPP) continues to monitor and respond to elevated blood lead levels of children here in Marin County. Marin Environmental Health Services works in collaboration with Marin CLPPP in performing Environmental Investigations (EI) which involves inspecting, sampling and testing of paint, dust, soil and non-household items at homes of children with Elevated blood lead levels (EBLL) that meet State case criteria. In addition, Marin CLPPP has worked with the State to collect data and use it to identify high-risk areas in hopes of targeting messaging and outreach to those at higher risk for lead exposure. EHS have performed and will continue to perform proactive inspections (visual inspection) and remediation follow up on dwellings in areas with the largest number of children under the age of six with elevated blood lead levels reside. The geographic areas are identified using census tract numbers. The focus is on census tracts having a higher population living within a pre-1978 dwelling. Outreach to families, businesses and medical providers for lead poisoning education and prevention is ongoing.

Actions planned to reduce the number of poverty-level families (Additional information being supplied by HHS)

As a provider of employment services to public assistance recipients, the Public Assistance/Employment & Training Branch within Marin County Health and Human Services (HHS) is in the unique position to blend services that help low-income persons to obtain and retain employment. The Public Assistance/Employment and Training Branch (ETB) houses the

CalFresh Employment and Training and General Relief programs. The integration of these programs creates an efficient combination of employment services that provides job search readiness and vocational and on-the-job training for participants, with the ultimate goal of creating multiple pathways to self-sufficiency.

Employment services include:

- Workshops on resume building, interview skills, and career exploration.
- Self-directed use of the Marin's Career Resource Center (temporarily closed for construction).
- Individualized career services featuring one-on-one meetings with an Employment Development Counselor for self-assessments, developing an individual employment plan, and counseling.
- Vocational training services where participants are eligible for up to \$4,500 for classroom training in a growth industry.
- “Earn and learn” training that places participants in an in-demand, sector-driven occupation that will enhance their prospects for long-term employment and maintain or increase their wage levels, with the overall goal of becoming self-sufficient. Through exposure in an actual work setting, participants acquire field-specific skills and employment competencies.

Retention services are provided for three months after exiting a program with unsubsidized employment. To reduce the number of poverty-level families, Marin County will continue its extensive employment training program and encourage nonprofit organizations to better coordinate their services toward serving families in distress.

The CalWORKs Housing Support Program (HSP) helps place CalWORKs families experiencing homelessness directly into permanent housing and connects them to services that will support their movement towards self-sufficiency. Marin HSP tailors the level of rental assistance to each individual family's changing needs, using a Progressive Engagement approach, providing only the necessary assistance to stabilize each family into permanent housing.

The Marin HSP also utilizes a Housing First approach, meaning that there are no conditions to receiving housing services. We understand that in order for families to become employed, increase their earnings or focus on their education goals (or any other stabilizing activity) a family must first have the safe haven of a home to return to every day. Focusing on stable housing, as opposed to employment alone, with unhoused families is a key component of exiting poverty and increasing a family's chances for self-sufficiency.

Furthermore, the Marin HSP serves Welfare to Work (WTW) cases and Child Only cases; this means that families where the parent(s) is/are either CalWORKs timed out, disabled SSI recipients, or ineligible non-citizens are all eligible to housing services. Child only cases are at a disadvantage for lifting themselves out of poverty, in comparison to the work eligible individuals that are in WTW, for not having access to employment services, training programs, the

advocacy of a WTW case manager and more. Therefore, our team of housing case managers help bridge this gap by offering additional services and more intensive case management to these households to ensure their success in housing, long term.

The California Work Opportunity and Responsibility to Kids (CalWORKs) program provides crucial support to families and children facing poverty through several means. Cash Assistance to eligible families with children to help cover basic needs such as food, clothing, and shelter. Employment services offers job training, educations, work placement assistance to help parents find and maintain employment, ultimately leading to self-sufficiency. Childcare Assistance helps families access affordable childcare services, allowing parents to work or participate in education and training programs. Health Care Coverage to eligible families thru CalWORKs Medi-Cal, ensuring that children have access to essential medical services. Supportive Services such as transportation, counseling, referrals, and other community resources.

By offering a combination of financial aid, employment support, childcare assistance, and access to healthcare, CalWORKs plays a vital role in helping families and children break the cycle of poverty and pursuit of financial stability.

Additionally, the other program or populations we serve are refugees. Refugee Cash Assistance (RCA) administered under the CalWORKs program provides crucial support to individuals and families who have fled their home countries due to persecution, conflict, or violence. Similar to CalWORKs RCA supports refugees and families who are ineligible to other cash assistance programs due to their immigration status. The financial assistance helps cover basic needs such a housing, food, clothing, and other essential expenses. Employment Services thru the CFET program recipients receive assistance in finding employment. By helping refugees secure employment RCA promotes self-sufficiency and integration into Marin communities. Many RCA recipients are eligible for RCA based Medi-Cal which provides access to essential healthcare services, including medical, dental, and mental health care.

The Marin County Public Assistance and Employment and Training branch offers several options for health coverage for Marin County residents, including Medi-Cal and the County Medical Services Program (CMSP). As of 2024, about 1 in 5 Marin County residents receives free or low-cost medical, vision, and dental services through the Medi-Cal program. Medi-Cal is California's Medicaid program. Medi-Cal is a crucial program to combat poverty in Marin County, by providing free or low-cost health coverage to qualifying individuals and families. Medi-Cal beneficiaries may qualify for other services as well, including In Home Support Services (IHSS) to help keep seniors and persons with disabilities in their homes.

Low-income adults, families with children, seniors, persons with disabilities, pregnant persons, children in foster care, former foster youth up to age 26, and individuals with diseases such as tuberculosis, breast and/or cervical cancer, or HIV may be potentially eligible for Medi-Cal; however, anyone can apply for services at any time. Our highly trained staff of Eligibility Workers are ready to take applications year-round and help connect Marin County residents to

the services they are eligible for.

Actions planned to develop institutional structure

The Marin County Housing and Grants Division and Community Development Agency staff participate on the Homeless Policy Steering Committee, Canal Working Group, Child Care Council, First 5 Initiative, Housing Working Group, Housing Funders Group, ISOJI, Committee on Housing for Farm Workers and their Families, County Ag Team, and Planning Directors Group. In addition, staff collaborate closely with the Departments of Health and Human Services, Public Works, Parks and Open Space, and Fire.

Actions planned to enhance coordination between public and private housing and social service agencies

In 2023 the Marin Housing Authority began implementing the Resident Empowerment Fund (REF). The REF is a new effort in community power that has taken root in Golden Gate Village in Marin City, where a group of dedicated residents are not just beneficiaries of philanthropic efforts but are actively participating in them. These six residents are members of a committee that is playing a pivotal role in the inaugural round of grantmaking from the Golden Gate Village Resident Empowerment Fund—a \$3 million fund created through collaboration among the Marin Community Foundation, Marin Housing Authority, and the County of Marin.

Here are a few highlights of the Resident Empowerment Fund:

- **Resident-Led Initiative:** Six residents from Golden Gate Village formed the Resident Empowerment Fund (REF) Committee. This committee is central to the participatory grantmaking process that allocated \$500k from the Fund in its first round. Committee members had not participated in a process like this ever before.
- **Empowering Process:** The Committee's engagement went beyond grantee selection. They were instrumental in setting priorities for the grantmaking, developing the request for proposals (RFP), and strategizing the outreach. Their initial listening process highlighted four critical areas they deemed essential for their community: Education & Workforce Development, Emergency Services, Wealth Creation, and Health & Wellbeing.
- **Community Impact:** The Committee reviewed 23 proposals and selected 9 awardees, a testament to the thoughtful and thorough vetting process they conducted. The chosen projects promise to bolster community strength and address pressing needs for residents of Golden Gate Village.
- **Inspirational Outcomes:** The participatory process was not only a means of distributing funds but also an empowering experience for the Committee members. They have said that it deepened their understanding of local organizations, initiatives, and services and inspired ongoing community engagement. They are enthusiastic about continuing this work in subsequent funding rounds, eager to sustain the momentum and encourage even more community-led initiatives by future applicants.
- **Sustainable Vision:** The Resident Empowerment Fund is set to continue making impacts

with additional rounds of grantmaking planned, ensuring long-term benefits to the Golden Gate Village community.

The REF Committee's work illustrates a powerful story of local empowerment, collaborative spirit, and meaningful participation in community change. The REF Committee selected nine non-profit organizations that will provide services to GGV residents.

Discussion

The large number of nonprofit organizations serving low-income communities in Marin is both an asset and a challenge. The sheer number of nonprofits creates increased competition for limited resources. Conversely, the benefits of a rich variety of social service organizations often translates to more community-based and culturally competent services for low-income residents. Lack of organizational capacity among nonprofits is another gap in institutional structure. In response, the Marin Community Foundation engages with nonprofits in organizational and programmatic capacity-building to improve the effectiveness and efficiency of service delivery. Additionally, the Department of Health and Human Services coordinates with agencies that serve homeless individuals and families.

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

This section addresses the program-specific requirements for the Annual Action Plan that are identified in the Consolidated Plan Final Rule.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies available program income to be applied toward projects planned for 2023-24.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	23,802
2. The amount of proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities	0

Total Program Income 23,802

Other CDBG Requirements

- 1. The amount of urgent need activities 0
- 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income (##.##) 70.00

Overall Benefit - A consecutive period of one, two, or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

- 2025, 2026, 2027 (July 1, 2024-June 30, 2027)

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(I)(2)**

- 1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:
 - Marin County intends to use its entire HOME allocation for projects described in 24 CFR 92.205(b).
 - The County does not intend to use any HOME funds for projects not described in 24 CFR 92.205(b).
- 2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:
 - No homeowner projects are planned in the current plan. However, any property receiving HOME funds will have a declaration of restrictions recorded against the property, which will specify the affordability requirements of the HOME funds. The declaration of restrictions and its affordability restrictions remain recorded on the property even if the HOME funds are repaid before the end of the declaration of restriction’s term. Furthermore the HOME loan agreement includes the County’s annual monitoring report that subrecipients of HOME funds must submit to the County on an annual basis. This report includes residency status and any resale home prices that the County crosschecks against the HOME resale restrictions.
 - All HOME loan repayments will be deposited into the County Fund 2770 for allocation to future HOME projects in accordance with the HOME program guidelines.

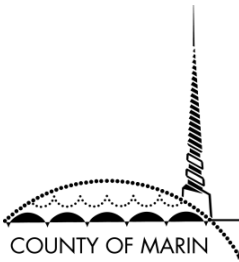
3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds (see 24 CFR 92.254(a)(4)) are as follows:
 - Any property receiving HOME funds will have a declaration of restrictions recorded against the property, which will specify the affordability requirements of the HOME funds. The declaration of restrictions and its affordability restrictions remain recorded on the property even if the HOME funds are repaid before the end of the declaration of restriction's term. Furthermore the HOME loan agreement includes the County's annual monitoring report that subrecipients of HOME funds must submit to the County on an annual basis. This report includes the rent schedule that the County crosschecks against the HOME affordability restrictions.
4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:
 - The County will evaluate and underwrite the proposed HOME project to ensure:
 - the primary eligible activity is rehabilitation by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing;
 - disinvestment in the property has not occurred, the long-term needs of the project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated;
 - current affordable units are maintained;
 - the period of affordability will be extended for minimum 15 years;
 - HOME funds may be countywide; and
 - HOME funds will not be utilized to refinance single family or multifamily housing loans made or insured by any Federal program, including CDBG.

Discussion

Eligible applicants and application process: Local nonprofit housing developers, owners, and managers are eligible for funding. Funds are available for a wide range of activities including acquisition, development, and/or rehabilitation of affordable housing for rent or ownership by low-income households. HOME applications are evaluated through the Grants application process, which includes both CDBG and HOME funds. All known nonprofit affordable housing providers working in Marin are notified when the application process opens. Throughout the year staff work to identify projects that may be candidates for HOME funds. Applications are evaluated and awarded funds through a competitive process. Staff review and evaluate each project application against a standard scoring tool. The Countywide Priority Setting Committee then reviews and recommends project funding to the Marin County Board of Supervisors, who issue a final approval.

Beneficiaries: Marin County HOME funds are available for very low- and low-income renters and homebuyers with a household income not exceeding 80% of area median income and in accordance with HOME income limits published annually. Consistent with the County's Analysis of Impediments to Fair Housing Choice, 2020-24 Consolidated Plan, and previous Voluntary Compliance Agreement, family housing projects outside impacted census tracts are prioritized.

No other preferences are allowed.



COMMUNITY DEVELOPMENT AGENCY
HOUSING AND FEDERAL GRANTS DIVISION

Attachment 5 –Guiding Principles for Funding Recommendations

❖ Program Structure and Requirements

Community Development Block Grants (CDBG) & HOME Investment Partnerships Program (HOME) –

The Marin County Federal Grants program generally runs on a two-year application cycle. However, because this is the last year of the five-year Consolidated Plan, 2024-25 is a one-year application cycle. Under the two-year cycle Housing and Capital projects apply for funding using the two-year project timeline and budget. Public Services projects are eligible for funding renewal based on accomplishments and subject to available CDBG funds. This process provides the flexibility for staff to open a mid-cycle (annual) application in the event that projects are not moving forward or additional resources become available.

The Marin County Federal Grants program has a minimum individual grant size of \$15K per year. Countywide projects may receive funding from each planning area to bring their grant amount up to at least \$15K. The Countywide Priority Setting Committee (PSC) and Board of Supervisors have discretion to modify this.

These program design elements are intended to increase the funded organizations' impact and enables nonprofit partners to better plan their programs. While organizations typically only submit applications every two years, funding allocations must be approved annually based on each project's past performance and expected HUD allocation.

In recent years, there has been an increased local emphasis on the extent to which members of the protected classes are served by CDBG and HOME projects, and the quality and effectiveness of each funded organizations' Affirmative Marketing Plan. Accordingly, all project applications are evaluated based on their ability to meet HUD's national objectives, the PSC's enhanced thresholds for evaluating projects, and standard project evaluation criteria as follows:

National Objectives:

- Benefit low- and moderate-income persons.
- Prevent or eliminate blight.
- Meet other community development needs for low- and moderate-income persons.

PSC Thresholds:

- Support projects that Affirmatively Further Fair Housing¹ and have the commitment and capacity to engage in Affirmative Marketing.
- 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 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—greatest number of people served, greatest impact on an individual basis, and/or serving hard to reach populations.

Permanent Local Housing Allocation (PLHA) -

The Permanent Local Housing Allocation currently operates based on a Board approved a five-year expenditure plan that was passed in August 2020. This plan was developed in consultation with the Board of Supervisors Housing Subcommittee and in alignment with the Countywide Priority Setting Committees' (PSC) approved 2020-24 Consolidated Plan and Assessment of Impediments to Fair Housing Choice (AI).

The funding is allocated through an annual application cycle. Under the five-year plan, PLHA funds match portions of funds provided through the Marin Affordable Housing Fund. Marin Affordable Housing Fund can be applied to projects in all jurisdictions of Marin and seeks collaborative funding from cities and towns where eligible projects are approved. When matched with PLHA, staff aim to distribute funding across the county.

The Marin County Affordable Housing Fund was created in 1988 to increase the stock of permanently affordable homes in the County. The Fund provides a local funding source for financial and technical assistance to help non-profit affordable housing developers and local public agencies produce and preserve affordable housing for low-, very-low and extremely low-income households in Marin County. Projects anywhere in the County are eligible to apply for funding.

All project applications are evaluated based on their ability to meet PLHA criteria developed by HCD, PSC's approved program goals, as well as the PSC Thresholds and Project Evaluation Criteria detailed in the previous section. HCD Project criteria includes:

¹ 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, which are: race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, and disability.

- Demonstration of readiness, including site control for development projects, land use entitlements, environmental review, and commitments of other required funding and resources.
- Prioritization for projects that support those earning 60% AMI or below.

Readiness is a key factor identified by HCD. The County is not eligible to receive additional PLHA allocations if there are uncommitted formula funds.

❖ PSC Priorities

Community Development Block Grants (CDBG) & HOME Investment Partnerships Program (HOME) –

In addition to the criteria set forth by HUD through the Consolidated Plan and Analysis of Impediments to Fair Housing Choice (AI) processes, the PSC established the following priorities:

CDBG and HOME **housing** projects:

- Family Housing—units not deed-restricted for specific populations.
- Land trust model in eastern Marin that provides home ownership opportunities. (Eastern Marin in this case is defined as all areas of Marin except for West Marin.)

CDBG **public services** projects:

- **Basic Health Services** – includes services that prevent or treat medical conditions for individuals who are uninsured, 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 countywide, 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.

Affirmatively Furthering Fair Housing

Marin County has received criticism for its lack of affordable housing, particularly for members of the protected classes. The 2020 County Analysis of Impediments to Fair Housing Choice (AI) identifies four (4) broad categories of barriers to fair housing choice. Federal grant funding will be used in a manner consistent with supporting the goals of furthering fair housing choice in Marin County. To do this, fair housing and affirmative marketing criteria have been elevated as a comprehensive part of the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) project selection process. All CDBG and HOME applications are assessed for capacity and compliance with those criteria.

Projects in alignment with the Fair Housing goals laid out in the Consolidated Plan and the AI will be prioritized. Addressing the fair housing concerns in Marin County will require a concerted effort on behalf of County staff, the Board of Supervisors, cities and towns, and Countywide Priority Setting Committee members.

Supporting Projects That Serve Members Of The Protected Classes

The PSC has opted to prioritize projects that serve members of the protected classes. The funding application collects data that specifically identifies which members of the protected classes are being served and how. This data aids in making funding recommendations and evaluating whether projects predominantly serve members of protected classes.

All funded projects will be required to affirmatively market their services. In this context, project applicants must market services and give special assistance to historically disadvantaged groups. It is insufficient to simply not discriminate; assertive steps aimed at reversing historical trends and discriminatory patterns must be taken. The affirmative marketing plans are one part of that effort, with the purpose of promoting a condition in which individuals of similar income levels in the same area have available to them a range of choices in housing and services regardless of their race, religion, color, national origin, sex, disability, or familial status. Through an affirmative marketing plan, a grantee indicates what special efforts they will make to reach out to potential clients who might not normally seek housing or services. This requires that the provider study the market area, learn the target population, and design methods to reach out to the target population. Affirmative marketing does not limit choices; it expands choices by actively seeking to reverse the patterns of the past and provide for open and fair access to housing and services where the individual is free to live, work, and recreate where

they choose. Affirmative marketing does not include specific goals or quotas. However, quantitative data and analysis are essential to planning and monitoring affirmative marketing program effectiveness.

To better support organizations in conducting affirmative marketing, County staff have updated affirmative marketing planning templates and continue to provide technical assistance to encourage successful planning. In addition, Fair Housing Advocates of Northern California recently offered a training for public service providers to increase capacity around conducting affirmative marketing.

Prioritizing Fewer Applications

HUD requested that Marin reconsider the numerous small allocations that have been made in favor of funding fewer, larger projects that address priorities established by the Priority Setting Committee, “larger projects” being identified by HUD as \$10,000 per project. This recommendation was based on multiple conversations with the HUD office on ways to utilize funds more efficiently and effectively, most recently with comments on the 2016 Consolidated Plan Amendments.

Funding Fewer Housing Projects Per Year

The PSC also recommended that one or two housing projects that are prepared and ready to utilize funds be prioritized. Funding fewer projects per year could allow more substantial funding commitments instead of funding many projects for multiple years. Funding in larger amounts may also assist housing projects with meeting a timelier completion schedule. However, this may not always be feasible due to Marin’s commonly lengthy approval processes and HUD’s strict timely spending requirements.

Permanent Local Housing Allocation (PLHA) -

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 Black/African Americans residents.

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 applicants existing housing developments in Marin.
- Demographics of staff and board members of the applicant organization.

❖ Program Spending Deadlines

Community Development Block Grants (CDBG) –

HUD regulations stipulate the timely expenditure of project funds and that unspent funds should be reallocated and used in communities that can meet timely spending guidelines. HUD takes sanctions if, on the annual test date in late April, an entitlement community has unspent CDBG funds that exceed 1.5 times its annual CDBG grant amount. If a community's unspent CDBG balance exceeds the 1.5 standard on the test date for two years in a row, HUD will designate the community as a "high-risk" grantee and may also take funds away. The reduction of grant awards is done through an automated process, so there is no opportunity to request a waiver or extension. If the CDBG grant declines, the amount of unspent funds permitted also declines. Therefore, we must take care to prioritize CDBG funds for projects that are ready to proceed.

Current HUD regulations and policy trends suggest increased scrutiny on entitlement communities and the administration of their federal dollars. Funding should therefore be prioritized for projects that can meet timely spending requirements, avoiding funding agencies with unspent balances or agencies lacking the administrative capacity to execute their spending in a timely manner.

HOME Investment Partnerships Program –

The 2023 HOME appropriations included a provision continuing the suspension of the 24-month commitment requirement for Community Housing Development Organization (CHDO)² set-aside funds and the suspension of the 24-month commitment requirement for regular HOME funds. Both deadline requirements are suspended through December 31, 2025.

Prior to the passage of this, the County was required to enter into a contract with a CHDO project sponsor, committing the HOME funds to a specific project within 2 years of the HUD allocation. The requirement that HOME funds be placed under contract within two years is extremely difficult to implement in Marin County. This change combined with the increased time for project completion will ease some burden and risk of losing funds due to projects involved in prolonged entitlement, funding obtainment, and construction processes. The County is not permitted to enter into a contract to provide a project sponsor with HOME funds unless all other necessary financing has been secured, and there is a reasonable expectation that the project can start construction or rehabilitation within one year of the contract date. If the project involves acquisition, there must be a reasonable expectation that acquisition will occur within six months. In practice, the sponsor needs to have secured all local planning approvals before they can obtain the funding commitments for the entire cost of the project.

Although the 24-month commitment has been suspended, the four-year project completion requirement is now being enforced following the expiration of COVID related waivers. In addition, there remains a 9-year expiration on funds. If this deadline is not

² A CHDO is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves.

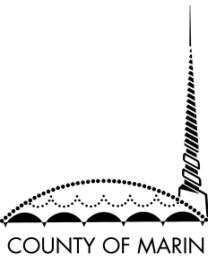
met, HUD can cancel that portion of the community's HOME grant. HUD can also require repayment of funds, even if the County has already spent the money on a project, regardless of whether the project is eventually completed.

The most challenging aspect of HOME funds is the requirement that all other financing must be secured prior to the County entering into a contract to provide a project with HOME funds. Most sponsors of affordable housing find that they need a significant commitment of HOME funds in order to leverage commitments from other sources of funding, particularly if those sources are not local. For example, in order for an affordable housing development project to successfully compete for Low-Income Housing Tax Credits (LIHTC), it needs a substantial commitment of local funding, which often includes HOME funds.

Permanent Local Housing Allocation (PLHA) -

In order for the County to be eligible to receive a new allocation of PLHA funds, prior year funds must be committed. Uncommitted funds cannot exceed 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.



COMMUNITY DEVELOPMENT AGENCY
HOUSING AND FEDERAL GRANTS DIVISION

Attachment 6 – Draft Amendment to the 2021 Annual Action Plan

2021 Annual Action Plan Amendment

To accommodate changes to projects receiving HOME Investment Partnerships Program funding provided through the American Rescue Plan Act of 2021 (HOME-ARP), the County must amend the 2021 Annual Action Plan (AAP) approved by the Board of Supervisors on May 4, 2021. The Board of Supervisors approved an amendment to the 2021 AAP on June 13, 2023, adding funding and projects to receive HOME-ARP funding.

The Annual Action Plan guides the distribution of funding and serves as the application to HUD for the expenditure of these funds. Staff propose making the following changes to the 2021 Approved Annual Action Plan:

AP-20 Annual Goals and Objectives

- Change the anticipated number of rental units constructed from 283 to 278.

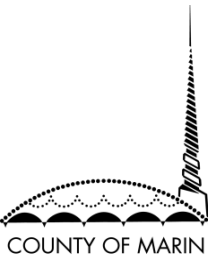
AP-38 Project Summary

- Change the following information to project summary tables describing the projects to be undertaken.

Project Summary Information

1.	
Project Name	Rental Housing – New Construction
Target Area	Countywide, Areas of Opportunity
Funding	HOME-ARP: \$1,890,000 \$1,600,000
Description	Support development soft costs, construction hard costs, and public infrastructure enhancements to make new affordable housing units available for extremely low, very low, and low-income residents.
Estimate the number and type of families that will benefit from the proposed activities	16 low, very low, or extremely low-income families who are experiencing homelessness, at risk of homelessness, and families that are domestic violence victims and experiencing homelessness or at risk of homelessness will be served.
Location Description	New construction activities will take place on State surplus land in unincorporated central Marin on Sir Frances Drake Blvd, near San Quentin Village, CA New construction activities will take place in southern Novato at 1385 N. Hamilton Parkway, Novato, CA
Planned Activities	Eden Housing, Inc. Oak Hill – HOME-ARP, Presumed Benefit – N, Units – 11 Homeward Bound of Marin Veteran and Workforce Housing – HOME-ARP, Presumed Benefit – N, Units – 5

2.	
Project Name	Rental Housing – Rehabilitation
Target Area	Countywide, Areas of Opportunity
Funding	HOME-ARP: \$710,000 \$1,000,000
Description	Support development soft costs, construction hard costs, and public infrastructure enhancements to rehabilitate deed restricted affordable housing units available for extremely low, very low, and low-income residents.
Estimate the number and type of families that will benefit from the proposed activities	6 low, very low, or extremely low-income families who are experiencing homelessness, at risk of homelessness, and families that are domestic violence victims and experiencing homelessness or at risk of homelessness will be served.
Location Description	Renovation activities will take place at 1 Commodore Webster Drive, Point Reyes Station, CA
Planned Activities	Eden Housing, Inc. Coast Guard – HOME-ARP, Presumed Benefit – N, Units – 6



COMMUNITY DEVELOPMENT AGENCY
HOUSING AND FEDERAL GRANTS DIVISION

Attachment 6 – Local Policies and Procedures for CDBG and HOME

- I. The Local Standard for Affordable Rents
- II. The Civil Rights Policy
- III. The Residential Antidisplacement and Relocation Assistance Plan
- IV. Notice of Nondiscrimination Policy

Availability of Information

Additional information about the Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships Program, and the Housing Opportunities for Persons with AIDS Program, is available from the Housing and Grants Division of the Marin County Community Development Agency at www.marincounty.org/federalgrants, 3501 Civic Center Drive, Room 308, San Rafael, California, phone 415-473-6279, federalgrants@marincounty.org. This information includes copies of the Consolidated Plan, records regarding past use of funds, a plan for minimizing the displacement of persons as a result of CDBG activities, a plan to assist persons actually displaced by CDBG activities, and an assessment of Marin County's housing and community development performance prepared by the U.S. Department of Housing and Urban Development. Copies of documents are available in accessible formats upon request.

I. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM LOCAL STANDARD FOR AFFORDABLE RENTS

In order for most rental housing projects to qualify for Community Development Block Grant assistance, a specified percentage of the units must be occupied by low- and moderate-income households at affordable rents. The Community Development Block Grant regulations at 24 CFR 570.208(a)(3) require that localities define "affordable rents" for this purpose.

It is the policy of the County of Marin that, for the purposes of 24 CFR 570.208(a)(3), for each dwelling unit, affordable rent equals the greater of:

- (a) 30% of the occupant household's gross income, or

- (b) 30% x 1.3 x the San Francisco Primary Metropolitan Statistical Area Very Low-Income limit, as published by the U.S. Department of Housing and Urban Development, for the appropriate household size for the unit.

<u>Number of Bedrooms</u>	<u>Appropriate Household Size</u>
0	2
1	3
2	5
3	7
4	9

Part (b) of this standard may not be applied to projects with less than four individual dwelling units. Part (b) of this standard may not be applied to existing tenants already in occupancy if it would result in a rent increase beyond normal annual increases in debt service and operating expenses.

This Local Standard for Affordable Rents is to be used solely for determining whether projects meet Community Development Block Grant Program eligibility standards, and does not in any way supersede the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, Section 104(d) of the Housing and Community Development Act of 1974, as amended, or the federal and local regulations and policies implementing those statutes.

II. CIVIL RIGHTS POLICY

In accordance with requirements for receiving funding from the U.S. Department of Housing and Urban Development, it is the policy of the County of Marin that:

The use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations is prohibited; and

Applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction will be enforced.

III. RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN

In accordance with the replacement housing requirements of Section 104(d) of the Housing and Community Development Act of 1974, as amended, it is the policy of the County of Marin that:

All reasonable steps, consistent with other goals and objectives of the Community Development Block Grant Program and the HOME Investment Partnerships Program, will be taken to minimize the displacement of families and individuals from their homes and neighborhoods as a result of any activities assisted by the Community Development Block Grant Program or the HOME Investment Partnerships Program. In its evaluation of project proposals, Marin County will give substantially lower priority to projects which will cause involuntary displacement, or which will cause rents to rise so as to cause involuntary economic displacement of residential tenants. In all cases, Marin County will carefully weigh the benefits of a proposed project against any hardship it might impose on potential displacees, giving special consideration to the shortage of low-priced rental housing in Marin County.

In accordance with the requirements of 24 CFR 570.606(c)(1), if any occupied or vacant occupiable low/moderate-income dwelling units are demolished or converted to a use other than low/moderate-income dwelling units in connection with an activity assisted by Community Development Block Grant Program funds or HOME Investment Partnerships Program funds, the demolished or converted units will be replaced with low/moderate-income dwelling units which are located within Marin County, which are sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units that are demolished or converted, which are in standard condition, which are initially available for occupancy during the period required by 24 CFR 570.606(c)(1)(ii)(D), and which will remain as low/moderate-income dwelling units for at least 10 years.

Any eligible displaced person will be given relocation assistance as required by all applicable regulations, including 24 CFR 570.606(c)(2). Any displaced person who is eligible under 24 CFR 570.606(c)(2) will be advised of the option to receive benefits under either Section 104(d) of the Housing and Community Development Act of 1974, as amended, or 49 CFR 24.

If Community Development Block Grant Program funds or HOME Investment Partnerships Program funds are committed for any activity that would directly result in the demolition of low/moderate-income dwelling units or the conversion of low/moderate-income dwelling units to another use, the County will make public and submit to the U.S. Department of Housing and Urban Development the information required by 24 CFR 570.606(c)(1)(iii).

IV. NOTICE OF NONDISCRIMINATION POLICY

The County of Marin does not discriminate on the basis of handicap in violation of 24 CFR Part 8 in admission or access to, or treatment or employment in, its federally assisted programs and activities, including those funded by the Community Development Block Grant Program, the HOME Investment Partnerships Program, and the Housing Opportunities for Persons With AIDS Program. Anyone with questions about this policy or the activities of the programs listed above may contact the Housing and Federal Grants Division of the Marin County Community Development Agency at 3501 Civic Center Drive, Room 308, San Rafael, phone 415-473-6279, federalgrants@marincounty.org. The Disability Access Manager has been designated to process grievances under this policy and may be contacted at 3501 Civic Center Drive, Room 304, San Rafael, California 94903, phone 415-333-4549, disabilityaccess@marincounty.org. Information about the existence and location of accessible services, activities, and facilities is available from the Section 504 Compliance Office at 3501 Civic Center Drive, Room 304, San Rafael, California 94903, phone 415-333-4549, disabilityaccess@marincounty.org. People using TTY devices may reach all County of Marin offices, including the Section 504 Compliance Office and the Housing and Federal Grants Division Office, at 415-473-3232, or through the California Relay Service at 711.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Marin
3501 Civic Center Drive
San Rafael, California 94903
Attention: Community Development Director
and County Administrator

No fee for recording pursuant to
Government Code Section 27383

DEED OF TRUST,
SECURITY AGREEMENT, AND FIXTURE FILING
(Forgivable Housing Trust and PLHA)

THIS DEED OF TRUST, SECURITY AGREEMENT, AND FIXTURE FILING ("Deed of Trust") is dated as of _____, 202_ (the "Effective Date"), by and among _____ ("Trustor"), to _____ Title Company, a California corporation ("Trustee"), and the County of Marin, a political subdivision of the State of California, as the Manager of the Marin County Affordable Housing Fund ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's fee interest in the property located _____, in the County of Marin, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates, or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments, and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title, and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed,

adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or will be, attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes, drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (together, the "Secured Obligations"):

A. Payment to Beneficiary of all sums at any time owing under or in connection with (i) the Note (defined in Section 1.4 below) until paid in full or cancelled, and (ii) any other amounts owing under the Loan Documents (defined in Section 1.3 below). Subject to forgiveness of the Loan as provided in the Loan Documents, principal and other payments are

due and payable as provided in the Note or other Loan Documents, as applicable. The Note and all its terms are incorporated herein by reference, and this conveyance;

B. Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein;

C. Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents; and

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1 DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms have the following meanings in this Deed of Trust:

Section 1.1 The term "Loan" means the loan made by Beneficiary to Trustor in the amount of _____ Dollars (\$_____,000). [Note- Make consistent with Recital D Loan Agreement.]

Section 1.2 The term "Loan Agreement" means that certain Loan Agreement between Trustor and Beneficiary relating to the Loan.

Section 1.3 The term "Loan Documents" means this Deed of Trust, the Loan Agreement, the Note, the Regulatory Agreement, and any other agreements, debt, loan or security instruments between Trustor and Beneficiary relating to the Loan.

Section 1.4 The term "Note" means the promissory note in the principal amount of _____ Dollars (\$_____) of even date herewith, executed by Trustor in favor of Beneficiary, as it may be amended or restated, the payment of which is secured by this Deed of Trust. The terms and provisions of the Note are incorporated herein by reference.

Section 1.5 The term "Principal" means the amounts required to be paid under the Note.

ARTICLE 2 MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve, and keep the

Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary has no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security or any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary exercises its rights as agent of Trustor only in the event that Trustor fails to take, or fails to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary specifies upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained requires Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of the County of Marin, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

ARTICLE 3 TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company that are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor is not required to pay and discharge any such tax, assessment, charge or levy so long as the legality thereof is promptly and actively contested in good faith and by appropriate proceedings. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments, or charges can be paid in installments, Trustor

may pay in such installments. The provisions of this Section may not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges, and levies.

In the event that Trustor fails to pay any of the items required by this Section to be paid by Trustor, Beneficiary may (but is under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within the cure periods set forth in the Loan Agreement. Any amount so advanced therefor by Beneficiary will become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide the insurance as required by the Loan Documents during the course of construction and following completion, and at all times until all amounts secured by this Deed of Trust have been paid, all Secured Obligations secured hereunder have been fulfilled, and this Deed of Trust has been reconveyed.

Section 3.3 Advances.

In the event the Trustor fails to maintain the full insurance coverage required by this Deed of Trust or fails to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Trustor, may (but is under no obligation to) (i) take out the required policies of insurance and pay the premiums on the same, and (ii) make any repairs or replacements that are necessary and provide for payment thereof. All amounts so advanced by the Beneficiary will become part of the Secured Obligations (together with interest as set forth below) and will be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, will bear interest from the date of the advance at the Default Rate.

ARTICLE 4 DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

Subject to the rights of senior lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of: (1) the taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property (collectively, the "Funds") are hereby assigned to and are to be paid to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them to any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary determines at its sole option. If the Beneficiary applies the Funds in an amount equal to or less than the principal amount of the Loan, the Beneficiary will forgive the Loan, cancel the Note, and reconvey the Deed of Trust. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition.

The Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property provided that Beneficiary reasonably determines that the Funds provide sufficient funds to rebuild the improvements in substantially the form that existed prior to the casualty or condemnation.

ARTICLE 5
AGREEMENTS AFFECTING THE PROPERTY; FURTHER
ASSURANCES; PAYMENT OF PRINCIPAL

Section 5.1 Other Agreements Affecting Property.

Trustor shall duly and punctually perform all terms, covenants, conditions, and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

Should legal action be brought by either party for breach of this Deed of Trust or to enforce any provision, the prevailing party in such action, as determined by a court of competent jurisdiction, will be entitled to attorneys' fees, court costs and other litigation expenses, including, without limitation, expenses incurred for preparation and discovery, and on appeal. Any such amounts paid by the Beneficiary will be added to the Secured Obligations, and will bear interest from the date such expenses are incurred at the Default Rate.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust is deemed to be fixtures and part of the real property and this Deed of Trust constitutes a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust constitutes a security agreement under the California Commercial Code.

Section 5.5 Financing Statement.

If the Beneficiary prepares a financing statement as required to convey to the Beneficiary a valid perfected security interest in the Security, the Trustor will execute the financing statement to the extent required for filing with the California Secretary of State. The Beneficiary is authorized to file a copy of any such financing statement in order to protect the security interest established pursuant to this instrument.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the

Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, may inspect the Security, without payment of charges or fees.

Section 5.8 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there will be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, age, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor will the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants run with the land.

ARTICLE 6
EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default.

The following are events of default following the expiration of any applicable notice and cure periods as set forth in the Loan Agreement (each an "Event of Default"): (i) failure to make any payment to be paid by Trustor under the Loan Documents; and (ii) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, which failure is not cured within the times and in the manner provided in the Loan Documents; (iii) failure to make any payment or observe or perform any of Trustor's other covenants, agreements, or obligations under any Secured Obligations, which default is not cured within the times and in the manner provided therein; and (iv) failure to make any payments or observe or perform any of Trustor's other covenants, agreements or obligations under any other debt instrument or regulatory agreement secured by the Property, which default is not cured within the time and in the manner provided therein. Trustor's limited partner shall have the right, but not the obligation, to cure any Event of Default hereunder in accordance with the provisions of Section 8(d) of the Note.

Section 6.2 Acceleration of Maturity.

If an Event of Default has occurred and is continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and all unpaid Secured Obligations are immediately due and payable, and no omission on the part of the Beneficiary to exercise such option when entitled to do so may be construed as a waiver of such right.

Section 6.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default has occurred and is continuing, the Beneficiary may:

- (a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Property and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security will not cure or waive any Event of Default or Notice of Sale (as defined below) hereunder or invalidate any act done in response to such Event of Default or pursuant to such Notice of Sale, and, notwithstanding the continuance in possession of the Security, Beneficiary will be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;
- (b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;
- (c) Deliver to Trustee a written declaration of an Event of Default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of San Joaquin County; or
- (d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing the Secured Obligations

Section 6.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall deliver to the Trustee the Notice of Sale and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which will be deemed to constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

- (a) Upon receipt of the Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published, and delivered to Trustor such Notice of Sale as is then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after the lapse of that amount of time as is then required by law and after recordation of such Notice of Sale as required by law, sell the Security, at the time and place of sale set forth in the Notice of Sale, whether as a whole or in separate lots or parcels or items, as Trustee deems expedient and in such order as it determines, unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters

of facts will be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other Secured Obligations owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 6.5 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy will be cumulative and concurrent and will be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 6.6 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default will exhaust or impair any such right, power or remedy, and may not be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to breach, or waiver of, any obligation of the Trustor hereunder will not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, will not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power, or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment or performance of any Secured Obligation, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (vi) makes or consents to any agreement subordinating the lien hereof, any such act or omission will not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security; nor will any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event

of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary, will the lien of this Deed of Trust be altered thereby.

Section 6.7 Suits to Protect the Security.

The Beneficiary has the power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 6.8 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, will be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount that becomes due and payable by the Trustor hereunder after such date.

Section 6.9 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

Section 6.10 Nonrecourse.

Neither the Trustor, nor any director, member, officer, employee, or agent of the Trustor will have any direct or indirect personal liability for payment of the principal of, or any other amount due, on the Note or any other of the Secured Obligations. The sole recourse of the Beneficiary with respect to the principal of, or any other amount due on, the Note will be to the Property securing the indebtedness evidenced by the Note. No judgment, or execution on a judgment, entered in any action, legal or equitable, on the Note or this Deed of Trust securing the Note or with respect to any other of the Secured Obligations will be enforced personally against the Trustor or nor any director, member, officer, employee, or agent of the Trustor but shall be enforced only against the Property described in the Loan Documents.

ARTICLE 7
MISCELLANEOUS

Section 7.1 Amendments.

This Deed of Trust cannot be waived, changed, discharged, or terminated orally, but only an instrument in writing signed by Beneficiary and Trustor.

Section 7.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and all obligations under the Loan Documents have been performed in full, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 7.3 Notices. Formal notices, demands and communications between the Borrower and the City will be sufficiently given and will not be deemed given unless dispatched by: (1) personal delivery with a delivery receipt; (2) USPS certified mail, postage prepaid, return receipt requested, (3) by reputable delivery service with a delivery receipt, to the principal offices of the Borrower and the City as follows:

To the County County of Marin
 Community Development Agency
 3501 Civic Center Drive
 San Rafael, CA 94903
 Attention: Director and County Administrator

To the Borrower : _____

Notice will be deemed to have been received on the date shown on the delivery receipt as the date of delivery, the date delivery was refused, or the date the item was returned as undeliverable.

Section 7.4 Successors and Joint Trustors.

Where an obligation created herein is binding upon Trustor, the obligation also applies to and binds any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation will be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor will be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 7.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 7.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term

or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity will not affect the balance of the terms and provisions hereof, which terms and provisions will remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, will be considered to have been first paid or applied to the full payment of that portion of the debt that is not secured or partially secured by the lien of this Deed of Trust.

Section 7.7 Governing Law.

This Deed of Trust is governed by the laws of the State of California.

Section 7.8 Gender and Number.

In this Deed of Trust the singular includes the plural and the masculine includes the feminine, neuter, and vice versa, if the context so requires.

Section 7.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage also refers to a deed of trust and any reference to a deed of trust also refers to a mortgage.

Section 7.10 Actions.

Trustor shall appear in and defend any action or proceeding purporting to affect the Security.

Section 7.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter will be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution is to be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, will be conclusive proof of proper appointment of the successor trustee.

Section 7.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 7.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not

obligated to notify any party hereto of a pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee is a party unless brought by Trustee.

[Signature on Following Page]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the Effective Date.

TRUSTOR

By: _____

Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A

LEGAL DESCRIPTION

The land is situated in the State of California, City of _____, County of Marin,
and is described as follows:

FORGIVABLE LOAN AGREEMENT
Housing Trust Funds
and
Permanent Local Housing Allocation Funds

[Project]

This Forgivable Loan Agreement (the "Agreement") is entered into as of ___, 202__, ("Effective Date") by and between Marin County, a political subdivision of the State of California, as the Manager of the Marin County Affordable Housing Fund (the "County"), and _____, a ___[type of entity] ("Borrower"), with reference to the following facts:

A. The County was awarded funds from the Permanent Local Housing Allocation ("PLHA") Program and entered into an agreement Standard Agreement No _____ with the Department of Housing and Community Development ("HCD") to receive those funds (the "PLHA Agreement"). The purpose of the PLHA Program and PLHA Agreement is to make funds available for housing related projects and programs that assist in addressing the unmet housing needs of the local community. The PLHA funds may be used for Work activity 1 in the PLHA agreement: "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".

B. The County intends to provide a loan to Borrower from the County's Housing Trust Fund and PLHA funds. Borrower understands and acknowledges that the funds may only be used for eligible uses specified in the PLHA Program, which are included as Exhibit C (the "Eligible Uses").

C. Borrower intends to _____[describe project here] on real property located in the County, as more particularly described in Exhibit A (the "Property"), and which real property is commonly known as _____[address] for _____ housing [further describe project: e.g. new development; property acquisition; rehab; etc.].

D. On _____[date], the Marin County Board of Supervisors approved a loan in the amount of _____ and No/100 Dollars (\$____) to Borrower, comprised up of _____ Dollars (\$____) from the County's Housing Trust Fund and _____ Dollars (\$____) from PLHA funds to [preserve/develop/rehabilitate/etc.] the Property as affordable to low and very low-income households.

E. Based on that approval, Borrower wishes to be awarded from the County, and the County wishes to extend to the Borrower a loan of _____ and No/100 Dollars (\$____) to assist in _____[describe use of funds] of the Project, as defined herein (the "Loan").

F. The Loan is being made to finance _____[describe use of funds identify by PLHA Activity] in order to help achieve financial feasibility for the Project and maximize the affordability of the Project.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND EXHIBITS

Section 1.1 Definitions

The following capitalized terms have the meanings set forth in this Section 1.1 wherever used in this Agreement, unless otherwise provided:

- (a) "Agreement" means this Loan Agreement.
- (b) "Approved Development Budget" means the proforma development budget, including sources and uses of funds, as approved by the County, and attached hereto and incorporated herein as Exhibit B.
- (c) "Approved Financing" means all of the following loans or equity funds acquired by Borrower and approved by the County for the purpose of financing the Project in addition to this Loan:
 - (i) [add other loans/financing]
- (d) "Borrower" means _____, and its permitted successors and assigns.
- (e) "Completion" means _____[point in time when Borrower has performed what is required for use of grant funds].
- (f) "County" means the County of Marin, a political subdivision of the State of California.
- (g) "Deed of Trust" means the Deed of Trust, Security Agreement, and Fixture Filing of even date herewith among Borrower, as trustor, _____, as trustee, and the County, as beneficiary, which will encumber the Property to secure repayment of the Loan and performance of the covenants of the Loan Documents.
- (h) "Default" shall have the meaning set forth in Section 4.1 below.
- (i) "Loan" has the meaning set forth in recital E.
- (j) "Loan Documents" means this Agreement, the Promissory Note, the Deed of Trust, the Regulatory Agreement, and any other document executed by Borrower in favor of the County.
- (k) "Parties" means the County and Borrower.

- (l) "Project" means _____[description of project].
- (m) "Property" has the meaning set forth in Recital C, above.
- (n) "Unit" means one of the units to [be constructed] on the Property.

Section 1.2 Exhibits

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

EXHIBIT A: Legal Description of the Property

EXHIBIT B: Approved Development Budget

EXHIBIT C: PLHA Eligible Use of Funds

EXHIBIT D: PLHA Requirements

EXHIBIT E: Schedule of Performance

ARTICLE 2 LOAN

Section 2.1 Loan.

The County hereby agrees to loan the amount of _____ Dollars (\$____) to Borrower on the terms and conditions set forth herein. The Borrower's obligation to repay the Loan shall be evidenced by the Promissory Note and secured by the Deed of Trust.

Section 2.2 Interest

Except in the event of a default, the outstanding balance of the Loan shall accrue simple interest at the rate of three percent (3%) per year.

Section 2.3 Use of Loan Funds.

The Borrower shall use the Loan funds to _____[describe use of funds], consistent with the Approved Budget. The Borrower shall not use the Loan funds for any other purpose without the prior written consent of the County, and in no event may Loan funds be used for a purpose not identified in Exhibit C.

Section 2.4 Compliance with Regulatory Agreement.

For all housing assisted through this Agreement, County and Borrower agree to execute a Regulatory Agreement ("Regulatory Agreement"), which will be recorded, on or about the date

of this Agreement, as a deed restriction in the Official Records of Marin County and will specify terms and conditions of affordability consistent with this Agreement. Borrower, as a condition of this Agreement, shall cause the Project to be operated in accordance with the Regulatory Agreement, for the entire term thereof, including ensuring that the required units are available to, and occupied by, low and very low-income households as defined in the Regulatory Agreement.

Section 2.5 Security

Borrower shall execute the Deed of Trust to secure the Promissory Note, and shall record it as a lien against Borrower's [fee] interest in the Property. Borrower shall also cause or permit the Regulatory Agreement to be recorded against Borrower's interest in the Property, in a lien position prior to all Approved Financing.

Section 2.6 Term.

Subject to the forgiveness provisions of Section 2.7 of this Agreement, the term of this Agreement, which shall commence on the Effective Date, shall end on the earlier of (i) 55 years from certificate of occupancy, or (ii) the date of full repayment or forgiveness of the Loan.

Section 2.7 Loan Term and Repayment Schedule.

(a) Forgiveness. As more particularly described in the Promissory Note, commencing on the first April 1st following the Effective Date of this Agreement and continuing on each April 1st thereafter during the Term the Borrower will submit an Annual Report to the County with the information regarding occupancy as required by the Regulatory Agreement. Provided that: (i) the Borrower is not in default under any Loan Document, and (ii) the Borrower has continuously operated the Project as affordable housing in compliance with the terms of the Regulatory Agreement and the PLHA Requirements, no payment will be due under the Note. If the Borrower has complied with the requirements of the Loan Documents (including cure of any Events of Default) during the entire Term of this Agreement, as evidenced by the Annual Reports, all sums otherwise due under the Note or any other Loan Documents will be forgiven by the County and the Deed of Trust will be reconveyed and released from the Property.

(b) Balance Due. Unless forgiven pursuant to Section 2.7(a), all outstanding principal and accrued interest on the Loan shall be due in full at the end of the Term, or upon County declaration of Default pursuant to Article 4.

Section 2.8 Disbursement of Loan Proceeds.

County shall disburse the Loan in an amount not to exceed ___ Dollars (\$___) subject to the satisfaction of the disbursement conditions set forth below:

(a) Borrower holds, or along with the first disbursement will hold, good and marketable fee title to the Property.

(b) Borrower has delivered to the County a copy of Borrower's organizational documents and a corporate authorizing resolution authorizing Borrower's execution of the Loan Documents and the transactions contemplated by the Loan Documents.

(c) Borrower has signed and delivered to County the Promissory Note, the Deed of Trust, the Regulatory Agreement, and any other Loan Documents required by County.

(d) Borrower has furnished the County with evidence of insurance coverage satisfying the requirements of Section 5.2.

(e) The Deed of Trust and the Regulatory Agreement have been recorded against the Property in the Office of the Recorder of the County of Marin, and recorded copies have been delivered to the County.

(f) All environmental review necessary for the construction of the Development has been completed, and Borrower has provided the County evidence of compliance with all CEQA mitigation measures, as applicable.

(g) Borrower has obtained all permits and approvals necessary for the construction of the Development, provided however the Borrower may satisfy this requirement with regards to the building permit, if the Borrower provides the County with a permit ready letter from the [City Building Department].

(h) There exists no Default, nor any act, failure, omission, or condition that would constitute a Default under this Agreement, or any of the Loan Documents.

(i) A title insurer reasonably acceptable to the County is unconditionally and irrevocably committed to issuing an LP-10 2006 ALTA Lender's Policy of title insurance insuring the priority of the Deed of Trust in the amount of the Loan, subject only to such exceptions and exclusions as may be reasonably acceptable to the County, and containing such endorsements as the County may reasonably require. The Borrower shall provide whatever documentation (including an indemnification agreement), deposits or surety is reasonably required by the title company in order for the County's Deed of Trust to be senior in lien priority to any mechanics liens in connection with any start of construction that has occurred prior to the recordation of the Deed of Trust against the Property in the Office of the Recorder of the County of Marin.

(j) The County has received a written draw request from Borrower, including: (i) certification that the condition set forth in Section 2.8 continues to be satisfied; (ii) certification that the proposed uses of funds consistent with the Approved Development Budget; (iii) the amount of funds needed; and (iv) where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred. When a disbursement is requested to pay any contractor in connection with improvements on the Property, the written request must be accompanied by: (A) certification by the Borrower's architect reasonably acceptable to the County that the work for which disbursement is requested has been completed (although the County reserves the right to inspect the Property and make an independent evaluation); and (B) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to the County.

(k) Draw request for the entire Loan amount must be submitted to the County, and the entire Loan disbursed by the County to the Borrower, within twenty-four (24) months from the Effective Date.

ARTICLE 3 LOAN REQUIREMENTS

Section 3.1 Schedule of Performance.

Borrower shall perform the tasks described in the Schedule of Performance, attached hereto as Exhibit E, no later than the dates set forth in the Schedule of Performance, subject to Section 5.13. The Schedule of Performance may be modified in writing by the County Administrator, or the Community Development Agency Director, or their designee, on behalf of the County without the need for formal amendment of this Agreement or further approval by the Board of Supervisors.

Section 3.2 Permits and Approvals.

Borrower shall obtain all permits and approvals necessary for the construction of the Development no later than the date set forth in the Schedule of Performance.

Section 3.3 Construction Contract.

(a) Not later than thirty (30) days prior to the proposed Commencement of Construction, Borrower shall submit to the County for its approval a draft of the proposed construction contract for the Development (the "Construction Contract") with Borrower's general contractor (the "General Contractor"). All construction work and professional services are to be performed by persons or entities licensed or otherwise authorized to perform the applicable construction work or service in the State of California. The Construction Contract is to provide that at least ten percent (10%) of the hard costs incurred will be payable only upon completion of the construction, or such other amount that may be allowed under the Senior Loan, as defined in Section 5.4, subject to written approval by the County. The County's approval of the construction contract may not be deemed to constitute approval of or concurrence with any term or condition of the construction contract except as such term or condition may be required by this Agreement.

Section 3.4 Approved Development Budget; Revisions to Budget.

As of the date of this Agreement, the County has approved the Approved Development Budget set forth in Exhibit B. Borrower shall submit any proposed or required amendments to the Approved Development Budget, along with evidence that the changes to the Approved Development Budget are reasonable and necessary, to the County for approval within five (5) days of the date Borrower receives information indicating that actual costs of the Development vary or will vary from the costs shown on the Approved Development Budget, which approval shall not be unreasonably withheld or delayed. Written consent of the County will be required to amend the Approved Development Budget. The County will make best efforts to respond in

writing within seven (7) days after receipt of a proposed amendment to the Approved Development Budget.

Section 3.5 Commencement of Construction.

Borrower shall cause the Commencement of Construction of the Development no later than the date set forth in the Schedule of Performance, which in no event shall be any later than twelve (12) months from the Effective Date. For the purposes of this Agreement, "Commencement of Construction" means the date set for the start of construction of the Development in the notice to proceed issued by Borrower to Borrower's general contractor.

Section 3.6 Completion of Construction.

For purposes of this Agreement, "Completion of Construction" means the following:

(a) Borrower shall diligently prosecute construction of the Development to completion, and shall cause the completion of the construction of the Development no later than the date set forth in the Schedule of Performance.

(b) Borrower shall record a Notice of Completion within ten (10) days of completion of construction of the Development and provide the County a copy of the recorded Notice of Completion.

(c) Borrower shall provide the County a copy of the Certificate of Occupancy, or other evidence of completion of the Development within ten (10) days of receipt from the City.

Section 3.7 Financial Accountings and Post-Completion Audits.

No later than one hundred twenty (120) days following Completion of the Project, Borrower shall cause to be provided to the County a financial accounting of all sources and uses of funds for the Project. No later than one hundred eighty (180) days following Completion of the Project, Borrower shall cause to be submitted to the County an audited financial report showing the sources and uses of all funds utilized for the Project.

Section 3.8 Information.

Borrower shall provide any information reasonably requested by the County in connection with the Project within thirty (30) calendar days. Borrower understands that the County has reporting and auditing obligations related to the use of PLHA funds and agrees to cooperate with the County in providing necessary information requested by the County in order for the County to meet such obligations.

Section 3.9 Records.

(a) Borrower shall maintain complete, accurate, and current records pertaining to the Project for a period of five (5) years after Completion date, or June 30, 2035, whichever is later,

and shall permit any duly authorized representative of the County to inspect and copy records. Records must be kept accurate and current.

(b) The County shall notify Borrower of any records it deems insufficient. Borrower shall have thirty (30) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the County in such notice, or if a period longer than thirty (30) days is reasonably necessary to correct the deficiency, then Borrower shall begin to correct the deficiency within thirty (30) days and correct the deficiency as soon as reasonably possible.

(c) If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started, involving HCD, County, or Borrower related to the Loan or this Agreement, before the expiration of the required record retention period, Borrower will retain all records until completion of the action and resolution of all issues that may arise from it.

Section 3.10 Audits.

(a) Borrower shall make available for examination at reasonable intervals and during normal business hours to County all books, accounts, reports, files, and other papers or property with respect to all matters covered by this Agreement, and shall permit County to audit, examine, and make excerpts or transcripts from such records. County may make audits of any conditions relating to this Agreement.

(b) If the PLHA portion of the Loan exceeds \$10,000, Borrower shall make available for examination by HCD all books, accounts, reports, files, and other papers or property with respect to all matters covered by this Agreement, and shall permit HCD to audit, examine, and make excerpts or transcripts from such records. Borrower shall make its employees available for interview by HCD upon request.

Section 3.11 PLHA Requirements.

Borrower acknowledges that a portion of the Loan comes from the PLHA Program. Borrower agrees to comply with all provisions of the PLHA, Health and Safety Code section 50470, the PLHA Guidelines issued by HCD, and requirements identified in Exhibit D.

Section 3.12 Prevailing Wages.

If the Project is subject to the California Labor Code Section 1720 et seq. requirements applicable to the payment of state prevailing wages, whether due to the Loan, other development financing, a future court decision, or a California Department of Industrial Relations ("DIR") determination requiring compliance, then Borrower shall:

(a) cause any consultants or contractors to employ apprentices as required by California Labor Code Section 1777.5 et seq., and the implementing regulations of DIR, and to comply with the other applicable provisions of California Labor Code Sections 1720 et seq., 1777.5 et seq., and implementing regulations of the DIR.

(b) keep and retain, and shall cause any consultants and contractors to keep and retain, such records as are necessary to determine if such prevailing wages have been paid as required pursuant to California Labor Code Section 1720 et seq., and apprentices have been employed as required by California Labor Code Section 1777.5 et seq.;

(c) post at the Property, or shall cause the contractor to post at the Property, the applicable prevailing rates of per diem wages. Copies of the currently applicable current per diem prevailing wages are available from DIR;

(d) cause contractors and subcontractors constructing Project improvements to be registered as set forth in California Labor Code Section 1725.5;

(e) cause its contractors and subcontractors, in all calls for bids, bidding materials and the construction contract documents for the construction work to specify that:

(i) no contractor or subcontractor may be listed on a bid proposal nor be awarded a contract for the construction work unless registered with the DIR pursuant to California Labor Code Section 1725.5; and

(ii) the construction work is subject to compliance monitoring and enforcement by the DIR.

(f) provide the County all information required by California Labor Code Section 1773.3 as set forth in the DIR's online form PWC-100 within 2 days of the award of any contract (<https://www.dir.ca.gov/pwc100ext/>);

(g) cause its contractors to post job site notices, as prescribed by regulation by the DIR; and

(h) cause its contractors to furnish payroll records required by California Labor Code Section 1776 directly to the Labor Commissioner, at least monthly in the electronic format prescribed by the Labor Commissioner.

(i) Borrower shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the County) the County against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Borrower, its contractor and subcontractors) to pay prevailing wages as required by Subsection (a) or (b) above, and if applicable, to employ apprentices pursuant to California Labor Code Section 1777.5 et seq., to meet the conditions of California Labor Code Section 1771.4, and implementing regulations of the DIR, or to comply with the other applicable provisions of California Labor Code Sections 1720 et seq., 1777.5 et seq., and 1771.4, and the implementing regulations of the DIR, in connection with the Construction Work or any other work undertaken or in connection with the Property. This obligation to indemnify survives termination of this Agreement, repayment of the County Loan, and the reconveyance of the Deed of Trust.

Section 3.13 Maintenance and Damage.

During the operation of the Project, Borrower shall cause the Project and the Property to be maintained in good repair and in a neat, clean and orderly condition.

Section 3.14 Notice of Litigation.

Borrower shall promptly notify the County in writing of any litigation materially affecting Borrower or the Property and of any claims or disputes that involve a material risk of such litigation.

Section 3.15 Nondiscrimination.

The Borrower covenants by and for itself and its successors and assigns that during the performance of this Agreement there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, physical disability, mental disability, medical condition, genetic information, sex, sexual orientation, gender, gender identify, gender expression, marital status, military or veteran status, ancestry, or national origin, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Borrower or any person claiming under or through the Borrower establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property. Borrower shall market units in accordance with the HUD-approved affirmative fair housing marketing plan and all Federal, State, or local fair housing and equal opportunity requirements.

Section 3.16 Hazardous Materials.

(a) Borrower shall keep and maintain the Project in compliance with, and shall not cause or permit the Project to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Project including, but not limited to, soil and ground water conditions. Borrower shall not use, generate, manufacture, store or dispose of on, under, or about the Project or transport to or from the Project any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be used in construction of the Project or customarily kept and used in and about residential property of this type.

(b) Borrower shall immediately advise the County in writing if at any time it receives written notice of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Borrower or the Project pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Borrower or the Project relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii)

above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Project that could cause the Project or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Project under any Hazardous Materials Law.

(c) The County shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Borrower. Borrower shall indemnify and hold harmless the County and its commissioners, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Project including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Project and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by the County in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees. This obligation to indemnify shall survive termination of this Agreement.

(d) Without the County's prior written consent, which shall not be unreasonably withheld, Borrower shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Project, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the County's reasonable judgment, impair the value of the County's security hereunder; provided, however, that the County's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Project either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the County's consent before taking such action, provided that in such event Borrower shall notify the County as soon as practicable of any action so taken. The County agrees not to withhold its consent, where such consent is required hereunder, if either: (i) a particular remedial action is ordered by a court of competent jurisdiction; (ii) Borrower will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Borrower establishes to the reasonable satisfaction of the County that there is no reasonable alternative to such remedial action which would result in less impairment of the County's security hereunder; or (iv) the action has been agreed to by the County.

(e) Borrower hereby acknowledges and agrees that: (i) this Section is intended as the County's written request for information (and Borrower's response) concerning the environmental condition of the Project as required by California Code of Civil Procedure Section 726.5; and (ii) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach of any such representation and warranty) with respect to the environmental condition of the Project is intended by the Parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(f) In the event that any portion of the Project is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or

to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the County's or the trustee's rights and remedies under the Deed of Trust, the County may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to: (1) waive its lien on such environmentally impaired or affected portion of the Project; and (2) exercise, (a) the rights and remedies of an unsecured creditor, including reduction of its claim against Borrower to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the County right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), Borrower shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of Hazardous Materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Project and Borrower knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the County in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Project is environmentally impaired, plus interest thereon at the rate specified in the Note until paid, shall be added to the indebtedness secured by the Deed of Trust and shall be due and payable to the County upon its demand made at any time following the conclusion of such action.

Section 3.17 Transfer

(a) For purposes of this Agreement, "Transfer" means any sale, assignment, or transfer, whether voluntary or involuntary, of: (i) any rights and/or duties under this Agreement; and/or (ii) any interest in the Project, including (but not limited to) a fee simple interest, a joint tenancy interest, a life estate, a partnership interest, a leasehold interest, a security interest, or an interest evidenced by a land contract by which possession of the Development is transferred and Borrower retains title. The term "Transfer" excludes the leasing of any single unit in the Project to an occupant in compliance with the Regulatory Agreement.

(b) No Transfer shall be permitted without the prior written consent of the County, which the County may withhold in its sole discretion; provided, however, that: (i) the project investor selected by Borrower to be admitted to a limited partnership to be formed by Borrower, whose sole member is Borrower (or an affiliate), as general partner, and the investor as a limited partner ("Investor") may Transfer its limited partnership interest to affiliates of Investor, without the consent of the County, so long as the managing general partner of the Borrower provides notice of such Transfer within thirty (30) days after such Transfer is effective; (ii) the Investor shall have the right to Transfer its limited partner interest, to any person without the County's consent; and (iii) the Investor shall have the right to remove and replace a general partner of the Borrower in accordance with the agreement of limited partnership of the partnership formed by Borrower without the County's consent so long as Borrower provides notice to County of such removal and replacement of the general partner within thirty (30) days of such replacement, which shall list the reasons for removal and the qualifications on which the new general partner was chosen, and shall provide written assurance that the change of the general partner will not

affect Borrower's ability to satisfy the requirements of the Regulatory Agreement or any of the other Loan Documents.

Section 3.18 Non-Recourse.

Except as provided below, Borrower or the partners of the Borrower shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Loan or the performance of the covenants of Borrower under the Deed of Trust. The sole recourse of the County with respect to the principal of, or interest on, the Promissory Note and defaults by Borrower in the performance of its covenants under the Deed of Trust shall be to the Development; provided, however, that nothing contained in the foregoing limitation of liability shall: (a) limit or impair the enforcement against all such security for the Promissory Note of all the rights and remedies of the County thereunder; or (b) be deemed in any way to impair the right of the County to assert the unpaid principal amount of the Promissory Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Promissory Note and the performance of Borrower's obligations under the Deed of Trust, except as hereafter set forth; nothing contained herein is intended to relieve Borrower of its obligation to indemnify the County under Sections 4.4, and 6.5 of this Agreement; or liability for: (i) fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Deed of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Development.

ARTICLE 4 DEFAULT AND REMEDIES

Section 4.1 Events of Default.

Each of the following shall constitute a "Default" by Borrower under this Agreement:

(a) Failure to Construct. Failure of Borrower to obtain permits, commence, and prosecute to completion, construction of the Development within the times set forth in the Schedule of Performance.

(b) Breach of Covenants. Failure by Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of this Agreement or any other the Loan Documents, and such failure having continued uncured for thirty (30) days after receipt of written notice thereof from the County to the Borrower or, if the breach cannot be cured within thirty (30) days, the Borrower shall not be in breach so long as Borrower is diligently undertaking to cure such breach and such breach is cured within ninety (90) days, and has notified County of such efforts, and efforts are satisfactory to County; provided, however, that if a different period or notice requirement is specified under any other section of this Article 4, the specific provisions shall control.

(c) Assignment; Attachment. Borrower shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution.

(d) Suspension; Termination. Borrower shall have voluntarily suspended its business.

(e) Liens on Property and the Project. There shall be filed any claim of lien (other than liens approved in writing by the County) against the Project or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the County.

(f) Condemnation. The condemnation, seizure, or appropriation of all or the substantial part of the Property and the Project.

(g) Representation or Warranty Incorrect. Any Borrower representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the County in connection with this Agreement, proves to have been incorrect in any material respect when made.

Section 4.2 Remedies.

The occurrence of any Default hereunder following the expiration of all applicable notice and cure periods will, either at the option of the County or automatically where so specified, relieve the County of any obligation to make or continue the Loan and shall give the County the right to proceed with any and all remedies set forth in this Agreement, including but not limited to the following:

(a) Specific Performance. The County shall have the right to bring an action or proceeding at law or in equity to require Borrower to perform its obligations and covenants under this Agreement or to enjoin acts or things which may be unlawful or in violation of the provisions of this Agreement.

(b) Repayment of Loan. The County shall have the right to accelerate repayment of the Loan.

(c) No Future Funds. The County shall have the right to bar the Borrower from applying for future PLHA and other County funds.

(d) Return of Funds. The County shall have the right to require the return of any unexpended or expended funds disbursed under this Loan Agreement.

(e) Other Remedies. The County shall have the right to exercise any and all rights and remedies afforded by this Agreement, law, equity or otherwise, including obtaining the appointment of a receiver (to which Borrower hereby consents).

(f) Remedies not Exclusive. All remedies available to the County are cumulative and not exclusive.

Section 4.3 Right of Contest.

Borrower shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute a Default hereunder. Any such contest shall be prosecuted diligently and in a manner unprejudicial to the County or the rights of the County hereunder, and Borrower shall provide to the County such security or other assurances, reasonably satisfactory to the County, as shall be required in the judgment of the County to ensure that such contest shall not materially adversely impair the construction or operation of the Project or any security held by the County.

Section 4.4 Remedies Cumulative.

No right, power, or remedy given to the County by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the County by the terms of any such instrument, or by any statute or otherwise against Borrower and any other person. Neither the failure nor any delay on the part of the County to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the County of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 5 GENERAL PROVISIONS

Section 5.1 Relationship of Parties.

Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the County and Borrower or its agents, employees or contractors, and Borrower shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both,

perform the services required of it by the terms of this Agreement. Borrower has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In regards to the purchase of the Property, construction of improvements, and operation of the Project, Borrower shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and shall include requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees. Borrower shall be solely responsible for its own acts and those of its agents and employees.

Section 5.2 Insurance

(a) Borrower shall maintain the following insurance coverage through the Term of the Loan or for such other period as indicated below:

(i) Workers' Compensation insurance to the extent required by law, including Employer's Liability coverage, with limits not less than One Million Dollars (\$1,000,000) each accident.

(ii) Commercial General Liability insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations.

(iii) Automobile Liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for owned, non-owned and hired vehicles, as applicable.

(iv) Builders' Risk insurance during the course of construction, and upon completion of construction, property insurance covering the Development, in form appropriate for the nature of such property, covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value, with deductible, if any, acceptable to the County, naming the County as a Loss Payee, as its interests may appear. Flood insurance must be obtained if required by applicable federal regulations.

(v) Commercial crime insurance covering all officers and employees, for loss of Loan proceeds caused by dishonesty, in an amount approved by the County, naming the County a Loss Payee, as its interests may appear.

(b) Borrower shall cause any general contractor, agent, or subcontractor working on the Development under direct contract with Borrower or subcontract to maintain insurance of the types and in at least the minimum amounts described in subsections (i), (ii), and (iii) above, except that the limit of liability for commercial general liability insurance for subcontractors must be One Million Dollars (\$1,000,000), and must require that such insurance will meet all of the general requirements of subsections (d) and (e) below.

(c) The required insurance must be provided under an occurrence form, and Borrower shall maintain the coverage described in subsection (a) continuously throughout the Term. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit must be three times the occurrence limits specified above.

(d) Commercial General Liability, Automobile Liability and Property insurance policies must be endorsed to name as an additional insured the County and its officers, agents, employees and members of the County Board of Supervisors.

(e) All policies and bonds are to contain: (i) the agreement of the insurer to give the County at least ten (10) days' notice prior to cancellation or material change for non-payment of premium, and thirty (30) days' notice prior to cancellation for any other change or cancellation in said policies; (ii) an agreement that such policies are primary and non-contributing with any insurance that may be carried by the County; (iii) a provision that no act or omission of Borrower shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (iv) a waiver by the insurer of all rights of subrogation against the County and its authorized parties in connection with any loss or damage thereby insured against.

Section 5.3 No Claims.

Nothing contained in this Agreement shall create or justify any claim against the County by any person that Borrower may have employed or with whom Borrower may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the purchase of the Property, the construction of the Improvements, or the operation of the Project.

Section 5.4 Subordination.

(a) Any agreement by County to subordinate the Deed of Trust to security for any loan obtained by Borrower, or to refinance any loan obtained by Borrower (each a "Senior Loan"), is subject to the satisfaction of the following conditions:

(i) All of the proceeds of any proposed Senior Loan, less any transaction costs, must be used to provide construction and/or permanent financing for the Project.

(ii) The proposed lender of a Senior Loan (each a "Senior Lender") must be a state or federally chartered financial institution, a nonprofit corporation, or a public entity that is not affiliated with Borrower or any of Borrower's affiliates, other than as a depositor or a lender.

(iii) Borrower demonstrates to the County's reasonable satisfaction that subordination of the Deed of Trust is necessary to secure adequate construction and/or permanent financing to ensure the viability of the Project, including the operation of the Project as affordable housing, as required by the Loan Documents. To satisfy this requirement, Borrower must provide to the County, in addition to any other information reasonably required by the County, evidence demonstrating that the proposed amount of any Senior Loan is

necessary to provide adequate acquisition, construction, and/or permanent financing to ensure the viability of the Project, and adequate financing for the Project would not be available without the proposed subordination.

(iv) The subordination agreement(s) must be structured to minimize the risk that the Deed of Trust would be extinguished as a result of a foreclosure by the Senior Lender or other holder of the Senior Loan. To satisfy this requirement, the subordination agreement(s) must provide the County with adequate rights to cure any defaults by Borrower, including: (1) providing the County or its successor with copies of any notice of default at the same time and in the same manner as provided to Borrower; and (2) providing the County with a cure period of at least sixty (60) days to cure any default.

(v) Any subordination of this Loan is effective only during the term of any Senior Loan (including contemplated extension described in the documents evidencing the Senior Loan) and any additional extensions of its term that is approved in writing by the County.

(vi) The subordination does not limit the effect of the Deed of Trust before a foreclosure, nor requires the consent of the Senior Lender prior to the County exercising any remedies available to the County under the Loan Documents, unless set forth in the subordination agreement or expressly approved by the County in writing.

(b) Upon a determination by the County that the conditions in this Section have been satisfied, the County Administrator will be authorized to execute the approved subordination agreement without the necessity for further action or approval.

Section 5.5 Amendments.

No alteration or variation of the terms of this Agreement shall be valid unless made in writing by the Parties.

Section 5.6 Indemnification.

Except as directly caused by the County's gross negligence or willful misconduct, Borrower agrees to indemnify, protect, hold harmless, and defend (by counsel reasonably satisfactory to the County) the County, its officers, employees, agents, and contractors from all suits, actions, claims, causes of action, costs, demands, judgments, and liens arising out of: (i) Borrower's performance or non-performance of its obligations under this Agreement; (ii) Borrower's ownership of the Project; (iii) the development, marketing, rental, and operation of the Project; or, (iv) any documents executed by Borrower in connection with the Project. The provisions of this Section shall survive termination of this Agreement.

Section 5.7 Non-Liability of County Officials, Employees and Agents.

No member, official, employee or agent of the County shall be personally liable to Borrower in the event of any default or breach by the County or for any amount which may become due to Borrower or its successor or on any obligation under the terms of this Agreement.

Section 5.8 No Third Party Beneficiaries.

There shall be no third party beneficiaries to this Agreement, except for rights HCD may have pursuant to the PLHA Agreement.

Section 5.9 Notices, Demands and Communications.

Formal notices, demands, and communications between the Parties shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

County:

County of Marin
Community Development Agency
3501 Civic Center Drive
San Rafael, CA 94903
Attn: Director AND County Administrator

Borrower:

[NAME]
[ADDRESS]
[ADDRESS]
Attn: _____

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable). Copies of notice, sent to Borrower shall also be sent to any limited partner of Borrower who requests such notice in writing and provides its address.

Section 5.10 Applicable Law.

This Agreement shall be governed by California law.

Section 5.11 Parties Bound.

Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns. Without limiting the foregoing, the County shall have the right to assign its rights under the Agreement to any third party, whether on a collateral assignment basis or otherwise, and in connection therewith the County shall have the right to deliver and otherwise disclose to such third party all information relating to the Borrower, any

partners of the Borrower, and/or the Project and the Property, including without limitation financial and credit information.

Section 5.12 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing Party will have the right to recover its reasonable attorneys' fees and costs of suit from the other Party.

Section 5.13 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 5.14 Force Majeure.

In addition to specific provisions of this Agreement, performance by either Party shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; quarantine restrictions; freight embargoes; lack of transportation; or court order; or any other similar causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any cause will be deemed granted if notice by the Party claiming such extension is sent to the other within ten (10) days from the commencement of the cause and such extension of time is not rejected in writing by the other Party within ten (10) days of receipt of the notice. In no event shall the County be required to agree to cumulative delays in excess of one hundred eighty (180) days.

Section 5.15 County Approval.

Whenever this Agreement calls for County approval, consent, or waiver, and such action is requested of the County in the normal course of the administration and disbursement of the Loan, the written approval, consent, or waiver of the County Administrator of the County shall constitute the approval, consent, or waiver of the County, without further authorization required from the County Board of Supervisors. The County hereby authorizes the County Administrator of the County to deliver such approvals or consents as are required by this Agreement, or to waive such requirements under this Agreement, on behalf of the County. Waiver of a material term of the Loan or approval of a material change in the Loan or the Project shall require approval of the County Board of Supervisors. Any consents or approvals required under this Agreement shall not be unreasonably withheld or made, except where it is specifically provided that a sole discretion standard applies. The County Administrator of the County is also hereby authorized to approve, on behalf of the County, requests by Borrower for reasonable extensions of time deadlines set forth in this Agreement. The County shall not unreasonably delay in reviewing and approving or disapproving any proposal by Borrower made in connection with this Agreement.

Section 5.16 Waivers.

Any waiver by the County of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the County to take action on any breach or default of Borrower or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Borrower to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the County to any act or omission by Borrower shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the County's written consent to future waivers.

Section 5.17 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

Section 5.18 Entire Understanding of the Parties

The Agreement and Loan Documents constitutes the entire understanding and agreement of the Parties with respect to the Loan.

Section 5.19 Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

[THE SIGNATURE PAGE FOLLOWS]

WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

COUNTY:

MARIN COUNTY, a political subdivision of the State of California

By: _____

Name: _____

Its: _____

Approved as to Form:

By: _____

Name: _____

Its: _____

BORROWER:

_____, a _____

By: _____

Name: _____

Its: _____

EXHIBIT A

Legal Description of the Property

[Insert]

EXHIBIT B

Approved Development Budget

See attached

EXHIBIT C
Eligible Uses of PLHA Funds

Eligible uses of PLHA Funds:

- 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 a term of no less than thirty 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 California Emergency Solutions and Housing (CESH) program or Homeless Emergency Aid Program (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.

EXHIBIT D
PLHA Requirements

The following are required by PHLA funds:

1. Work under this Agreement will not commence prior to the Effective Dates.
2. Borrower must provide eligible activities in a manner consistent with the housing first practices described in California Code of Regulations, title 25, section 8409(b)(1)-(6). If funds are approved to provide permanent housing shall incorporate the core components of Housing First as provided in Section 8255(b) of the Welfare and Institutions Code.
3. Monitoring Activities:
 - a. Onsite monitoring visits by County or HCD shall occur whenever determined necessary by County, but at least once during the Loan Term.
 - b. County and HCD may monitor Borrower's performance based on a risk assessment according to the terms of the PLHA Agreement.
 - c. County may be required to submit to HCD all PLHA monitoring documentation necessary to ensure Borrower is in continued compliance with PLHA requirements. Borrower agrees to provide such documentation requested by County by the date specified in County's request.
4. Reporting and Audits:
 - a. Borrower shall submit an annual report to the County by July 10 of each year that reports all activities from the previous fiscal year (7/1 – 6/30), on forms prepared by HCD.
 - i. The annual report shall include, at a minimum:
 1. Amounts of Loan disbursed and activities Loan funds were applied to.
 2. Income levels of households assisted with Loan funds and affordability level for any assisted units.

3. Close out report once all Loan funds have been disbursed and all activities funded during the fiscal year.
 4. Any additional information requested by the County or HCD.
- b. The County and HCD reserve the right to perform or cause to be performed a financial audit at Borrower's expense.
 - c. If a financial audit is required by the County or HCD, the audit shall be performed by an independent certified public accountant. Selection of an independent audit firm shall be consistent with procurement standards contained in 24 CFR 85.36.
 - d. The Borrower shall notify the County and/or HCD of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by the County and HCD to the independent auditor's working papers.
 - e. Borrower is responsible for the completion of audits and all costs of preparing audits.
 - f. If there are audit findings, Borrower must submit a detailed response acceptable to the County and/or HCD for each audit finding within ninety (90) days from the date of the audit finding report.

5. Retention and Inspection of Records

- a. Borrower is responsible for maintaining records, which fully disclose the activities funded by the Loan. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by the County or HCD, of the accuracy of the records and the allowability of expenditures charged to Loan funds.
- b. Borrower agrees that the County and HCD or their designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. Borrower agrees to provide the County and HCD or its designee, with any relevant information requested. Borrower agrees to permit the County and HCD or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with the PLHA Statutes, the NOFA, and this Agreement.

- c. Borrower agrees to retain all records for a period of five (5) years after the end of the term of this Agreement:
 - i. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues, which arise from it.
 - ii. Borrower also agrees to include in any contract that it enters into in an amount exceeding \$10,000, the County and HCD's right to audit the contractor's records and interview their employees. Borrower shall comply with the caveats and be aware of the penalties for violation of fraud and for obstruction of investigation as set forth in California Public Code Section 10115.10.
 - d. The determination by the County and/or HCD of the eligibility of any expenditure shall be final. If the eligibility of any expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and County or HCD shall determine the reimbursement method for the amount disallowed.
 - e. Borrower shall retain all books and records relevant to this Agreement for a minimum of five years after the end of the term of this Agreement. Records relating to any and all audits or litigation relevant to this Agreement shall be retained for five years after the conclusion or resolution of the matter.
6. Relocation: Borrower shall comply with all requirements of applicable California relocation law (Gov. Code, § 7260 et seq. and the regulations promulgated thereunder at Cal. Code Regulations, Title. 25, § 6000 et seq.). Any relocation plan for the Development shall be subject to the review and approval by the County and State.
7. Compliance with law: Borrower agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Loan and Loan activities.
8. Borrower certifies that it is qualified to do business and is in good standing with the California Secretary of State and the California Franchise Tax Board.
9. Compliance with conditions: Borrower agrees to comply with all conditions of this Agreement. Failure to comply with conditions may result in cancellation of the Agreement.

EXHIBIT E
Schedule of Performance

LOAN AGREEMENT

Between

Marin County

and

Housing Trust Fund

and

Permanent Local Housing Allocation Funds

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PROMISSORY NOTE
[Insert Project Name]

\$_____

Marin County, California

_____, 20__

FOR VALUE RECEIVED, ___[name], a ___[type of organization], (the "Borrower"), promises to pay to Marin County, a political subdivision of the State of California, as the Manager of the Marin County Affordable Housing Fund (the "County"), or order, the principal sum of ___ Dollars (\$___), or so much thereof as is loaned by the County to the Borrower pursuant to Article 2 of the Loan Agreement (as defined below). The outstanding principal balance of the Loan shall accrue interest as set forth below.

1 Loan Agreement; Security Agreement. This Promissory Note is made pursuant to a Loan Agreement dated of even date herewith by and between the Borrower and the County (the "Loan Agreement"). This Promissory Note is secured by a Deed of Trust, Security Agreement, and Fixture Filing of even date with this Promissory Note (the "Deed of Trust") and is subject to the terms of that certain Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), which will encumber the Property to secure repayment of the Loan and performance of the covenants of the Loan Documents. Capitalized terms used but not defined in this Promissory Note shall have the meanings given in the Loan Agreement.

2 Forgiveness; Maturity Date; Interest.

(a) Forgiveness. Commencing on April 1st following the Effective date of the Loan Agreement and continuing on each April 1st thereafter during the Term, Borrower will submit an Annual Report to the County with information regarding occupancy as required by the Regulatory Agreement. Provided that: (i) the Borrower is not in default under the Loan Agreement or under any Loan Document, and (ii) the Borrower has continuously operated the Improvements as affordable housing in compliance with the terms of the Regulatory Agreement and the PLHA Requirements, no payments will be due under this Note. If Borrower has complied with the requirements of the Loan Documents (including cure of any Events of Default) during the entire Term of the Loan Agreement, as evidenced by the Annual Reports, all sums otherwise due under this Note or any other Loan Documents will be forgiven by the County. Upon the Borrower's full repayment of the Loan or upon the County's forgiveness of the entire outstanding balance of the Loan the County shall mark this Promissory Note as "Canceled" and shall return this Note to the Borrower.

(b) Balance Due. Unless forgiven pursuant to Section 2(a), all outstanding principal on the Loan shall be due in full at the end of the Term, or upon

County declaration of Default pursuant to Article 4.

(c) Interest. The outstanding principal balance of the Loan shall accrue simple interest at the rate of three percent (3%) per year, except as set forth in Section 4, below.

3 Prepayment. The Borrower shall have the right to prepay all or a portion of the principal and interest due under this Promissory Note without any charge or penalty being made therefor.

4 Acceleration. Upon the occurrence of a Default, the County shall have the right to accelerate the debt evidenced by this Promissory Note and declare all of the unpaid principal and interest, if any, immediately due and payable. Upon the occurrence of a Default, the outstanding portion of the principal shall bear interest at the rate of the lesser of ten percent (10%), compounded annually, and the highest rate permitted by law. Any failure by the County to pursue its legal and equitable remedies upon a Default shall not constitute a waiver of the County's right to declare a Default and exercise all of its rights under this Promissory Note, Loan Documents, and the Loan Agreement. Nor shall acceptance by the County of any payment provided for herein constitute a waiver of the County's right to require prompt payment of any remaining payment owed.

5 No Offset. The Borrower hereby waives any rights of offset it now has or may hereafter have against the County, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Promissory Note and the Loan Agreement.

6 Manner and Place of Payment. All payments of principal and interest and any late charge due under this Promissory Note shall be payable in lawful money of the United States of America to the County of Marin at 3501 Civic Center Drive, San Rafael, CA 94903, or such other address as the County may designate in writing.

7 Waiver; Attorneys' Fees. The Borrower, for itself, its heirs, legal representatives, successors and assigns, respectively, waives diligence, presentment, protest, and demand, and notice of protest, dishonor and non-payment of this Promissory Note, and expressly waives any rights to be released by reason of any extension of time or change in terms of payment, or change, alteration or release of any security given for the payments hereof, and expressly waives the right to plead any and all statutes of limitations as a defense to any demand on this Promissory Note or agreement to pay the same, and agrees to pay all costs of collection when incurred, including reasonable attorneys' fees. If an action is instituted on this Promissory Note, the undersigned promises to pay, in addition to the costs and disbursements allowed by law, such sum as a court may adjudge reasonable as attorneys' fees in such action.

BORROWER:

____[Name], a ____[type of organization]

By: _____

Name: _____

Its: _____

FREE RECORDING REQUESTED PURSUANT TO
GOVERNMENT CODE SECTION 27383
AND WHEN RECORDED MAIL TO:

Marin County
County of Marin
Community Development Agency
3501 Civic Center Drive, Suite 308
San Rafael, California 94903
Attn: Director AND County Administrator

REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS
Marin County Affordable Housing Funds
and
Permanent Local Housing Allocation Funds
Loan

[Project Name]

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made and entered into as of ____, 202__, by and between the **County of Marin**, as Manager of the Marin County Affordable Housing Fund (the "County"), and _____ [name of Borrower], a _____ [type of entity], (the "Borrower").

RECITALS

A. The County and the Borrower have entered into a Loan Agreement pursuant to which the County will provide a Loan in the principal amount of _____ (\$____) (the "Loan") to the Borrower to ___ [describe project here] located in the County as more particularly described in Exhibit A attached hereto (the "Property"). Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Loan Agreement.

B. The Loan funds come from the County's Housing Trust Fund and moneys received through the Permanent Local Housing Allocation ("PLHA") Program. The County will apply the County Assisted Units to be constructed by the Borrower pursuant to this Agreement toward satisfaction of the requirement for the PLHA Program.

C. On __, County adopted Resolution No. __ allocating __ Dollars (\$____) from the County's Housing Trust Fund and __ Dollars (\$____) of PLHA funds to the Project, the County shall apply the Restricted Units to be developed pursuant to this Agreement toward satisfaction of the requirements for the PLHA.

D. The Borrower intends to construct or rehabilitate _____ units of residential rental housing (including ___ manager's unit), all common areas, plans, entitlements,

appurtenances, improvement easements, buildings and fixtures associated with the Property (hereinafter referred to collectively as the "Improvements"). The Improvements together with the Property shall hereinafter be referenced as (the "Project").

E. The County has agreed to make the Loan to the Borrower on the condition that the Property be maintained and operated in accordance with Health and Safety Code Section 50470 and guidelines promulgated thereunder, and in accordance with restrictions concerning affordability, operation, and maintenance of the Property, as specified in this Agreement, and the Loan Agreement.

F. In consideration of receipt of the Loan, the Borrower has further agreed to observe all the terms and conditions set forth below.

G. In order to ensure that the entire Property will be used and operated in accordance with these conditions and restrictions, the County and the Borrower wish to enter into this Agreement.

THEREFORE, the County and the Borrower hereby agree as follows.

ARTICLE 1 DEFINITIONS

1.1 Definitions

When used in this Agreement, the following terms shall have the respective meanings assigned to them in this Article 1.

(a) "Actual Household Size" means the actual number of persons in the applicable household.

(b) "Adjusted Income" means the total anticipated annual income of all persons in a household, as calculated in accordance with 25 California Code of Regulations Section 6914. In the event that no such program exists, the County shall provide the Borrower with a reasonably similar method of calculation of adjusted income as provided in said Section 6914.

(c) "Agreement" means this Regulatory Agreement and Declaration of Restrictive Covenants.

(d) "Borrower" means _____ and its successors and assigns to the Project.

(e) "County" means the County of Marin, a political subdivision of the State of California.

(f) "County Assisted Unit" means units restricted pursuant to Section 2.1 below, and more particularly identified in Exhibit B.

(g) "Deed of Trust" means the deed of trust to the County on the Property which secures the performance of the Loan Agreement and this Agreement.

(h) "Extremely Low Income Household" means a household with an Adjusted Income that does not exceed thirty percent (30%) of Median Income, the qualifying limits for extremely low income households, adjusted for Actual Household Size, as calculated pursuant to Health and Safety Code Section 50106 and published annually for Marin County by HCD in Title 25, Section 6932, California Code of Regulations, or successor provision.

(i) "Extremely Low Income Rent" means the rent permitted to be charged for an Extremely Low Income Unit pursuant to Section 2.2, below.

(j) "Extremely Low Income Units" means the Units, which are required to be occupied by Extremely Low Income Households.

(k) "Loan" means all funds Loaned to the Borrower by the County pursuant to the Loan Agreement.

(l) "Loan Agreement" means the Loan Agreement entered into by and between the County and the Borrower, dated of even date herewith.

(m) "Low Income Household" means a household with an Adjusted Income that does not exceed, eighty percent (80%) of Median Income, the qualifying limits for lower income households, adjusted for Actual Household Size, as calculated pursuant to Health and Safety Code Section 50106 and published annually for Marin County by HCD in Title 25, Section 6932, California Code of Regulations, or successor provision.

(n) "Low Income Rent" means the maximum allowable rent for a Low Income Unit pursuant to Section 2.2 below.

(o) "Low Income Units" means the Units, which are required to be occupied by Low Income Households.

(p) "Median Income" means the median gross yearly income, adjusted for Actual Household Size or Assumed Household Size as specified herein, in the County of Marin, California, as published annually by the United States Department of Housing and Urban Development ("HUD") and the State of California. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the County shall provide the Borrower with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by HUD and the State.

(q) "Project" has the meaning set forth in Recital D, above.

(r) "Property" has the meaning set forth in Recital A, above.

(s) "Rent" means the total of monthly payments by the Tenant of a County Assisted Unit for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by the Borrower which are required of all Tenants, other than security deposits; an allowance for the cost of an adequate level of service for utilities paid by the Tenant, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service or cable TV; and any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than the Borrower, and paid by the Tenant.

(t) "Tenant" means a household occupying a Unit.

(u) "Term" means the term of this Agreement, which shall commence on the date of this Agreement and shall continue for 55 years after the issuance of a certificate of occupancy for the Project or _____, 20____. These deed restrictions and covenants running with the land shall remain in force, without regard to the term of any mortgage or the transfer of ownership by the Owner or any subsequent Owner, in-perpetuity commencing on the date of this Agreement.

(v) "Unit" means one of the units on the Property.

(w) "Very Low Income Household" means a household with an Adjusted Income that does not exceed fifty percent (50%) of Median Income, the qualifying limits for very low income households, adjusted for Actual Household Size, as calculated pursuant to Health and Safety Code Section 50106 and published annually for Marin County by HCD in Title 25, Section 6932, California Code of Regulations, or successor provision.

(x) "Very Low Income Rent" means the rent permitted to be charged for a Very Low Income Unit pursuant to Section 2.2(b) below.

(y) "Very Low Income Units" means the Units, which, pursuant to Section 2.1(b) below, are required to be occupied by Very Low Income Households.

ARTICLE 2 AFFORDABILITY AND OCCUPANCY COVENANTS

2.1 Occupancy Requirements.

(a) **Occupancy Requirements.** The Units shall be occupied by Residents meeting the following income requirements, and shall be provided in a manner that complies with the PLHA Guidelines:

(b) Extremely Low Income Units. _____ () Units, including _____ () single room occupancy/ studio Units, _____ () one-bedroom Units, _____ () two-bedroom Units, and _____ () three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Extremely Low Income Households.

(c) Very Low Income Units. _____ () Units, including _____ () single room occupancy/ studio Units, _____ () one-bedroom Units, _____ () two-bedroom Units, and _____ () three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Very Low Income Households.

(d) Low Income Units. _____ () Units, including _____ () single room occupancy/ studio Units, _____ () one-bedroom Units, _____ () two-bedroom Units, and _____ () three-bedroom Units shall be rented to and occupied by or, if vacant, available for occupancy by Low Income Households.

(e) All income restricted Units, under this Section 2.1, shall be referred to as the "County Assisted Units".

(f) Manager's Unit. One (1) ___-bedroom Unit shall be available for designation as the manager's unit and shall not be restricted.

2.2 Allowable Rent

(a) Very Low Income Rent. Subject to Section 2.3 below, the Rent charged to Residents of the Very Low Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of Area Median Income, adjusted for Assumed Household Size.

(b) Very Low Income Rent. Subject to Section 2.3 below, the Rent charged to Residents of the Very Low Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of Area Median Income, adjusted for Assumed Household Size.

(c) Low Income Rent. Subject to Section 2.3 below, the Rent charged to Residents of the Low Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of sixty percent (60%) of Area Median Income, adjusted for Assumed Household Size.

(d) Assumed Household Size. In calculating the allowable Rent for the Units, the following "Assumed Household Sizes" shall be utilized, provided that the Project receives an allocation of low income housing tax credits, otherwise Assumed Household Size shall be determined pursuant to the terms of Health and Safety Code Section 50052.5(h):

<u>Number of Bedrooms</u>	<u>Assumed Household Size</u>	<u>TCAC Assumed Household Size</u>
Studio	1	1
One	2	1.5
Two	3	3
Three	4	4.5

(e) The initial rent for the County Assisted Unit shall be approved by the County prior to occupancy. All Rent increases shall also be subject to approval by the County. No later than November 1 of each calendar year, the County shall provide the Borrower with a schedule of permissible maximum Extremely Low Income, Very Low Income Rents, Low Income Rents, for the succeeding year. Under no circumstance may Borrower raise rents above the permissible maximum rents as allowed under the annual rent schedule provided by the County.

(f) Rent. Subject to the provisions of above and in Section 2.3 and 2.4 below, the Rent (including utility allowance) charged to Tenants of the County Assisted Units shall not exceed one-twelfth (1/12) of thirty percent (30%) of [__ sixty percent (60%)] of Area Median Income, as appropriate based on the applicable income level set forth in Section 2.1(a) of this Agreement, and adjusted for Assumed Household Size or the applicable fair market rent if rented to a household with a Housing Choice Voucher. Borrower is precluded from tenants paying increased rent amounts in excess of five-percent (5%) during a 12 month period.

2.3 Tenant Protections

(a) Just Cause for Eviction. Property is subject to Just Cause for Eviction. For a termination to qualify as "For Cause," the Borrower shall demonstrate any of the following circumstances with respect to a termination of tenancy. Nothing in this section shall abrogate the protections afforded to survivors of violence consistent with the California Code of Civil Procedure Section 1161.3, as amended, and the Violence Against Women Act, Public Law 102-322, as amended.

(1) Failure to Pay Rent. Tenant failed to pay Rent within three days of receiving written notice from the Landlord demanding payment as provided in subsection 2 of California Code of Civil Procedure section 1161.

(2) Breach of Rental Contract. Tenant violated a material term of the rental agreement as provided in subsection 3 of California Code of Civil Procedure section 1161.

(3) Tenant Illegal Activities. Tenant has been convicted for using the Unit for an illegal purpose as provided in subsection 4 of California Code of Civil Procedure section 1161, including but not limited to the unlawful distribution of a controlled substance as contemplated by California Civil Code section 3486, the unlawful use, manufacture, or possession of weapons and ammunition as contemplated by California Civil Code section 3485, or for of a serious crime or violent felony as defined by applicable law, which occurred during the tenancy and within 1,000 feet of the Unit. For purposes of this subsection, tenant household, after receiving a written notice, may cure the violation by removing, and demonstrating such removal, of the offending Tenant.

(4) Threat of Violent Crime. Any statement made by a Tenant, or at his or her request, by his or her agent to any person who is on the property that includes the Unit or to the Landlord, or his or her agent, threatening the commission of a crime which will result in death or great bodily injury to another person, with the specific intent that the statement is to be taken as a threat, even if there is no intent of actually carrying it out, when on its face and under the circumstances in which it is made, it is so unequivocal, immediate and specific as to convey to the person threatened, a gravity of purpose and an immediate prospect of execution of the threat, and thereby causes that person reasonably to be in sustained fear for his or her own safety or for his or her immediate family's safety.

(5) Nuisance Behavior. The Tenant, after written notice to cease and the passage of a reasonable period of time to abate or cure, continues to be so disorderly or to cause such a nuisance as to destroy the peace, quiet, comfort, or safety of the Landlord or other Tenants of the structure or rental complex containing the Unit. Such nuisance or disorderly conduct includes violations of state and federal criminal law that destroy the peace, quiet, comfort, or safety of the Landlord or other Tenants of the structure or rental complex containing the Unit, or the creation or maintenance of a dangerous or unsanitary condition in violation of applicable local, state, and Federal law, and may be further defined in the regulations adopted by the County's Community Development Director.

(6) Notwithstanding the limitations of California Code of Civil Procedure Section 1161.3, as amended, act or acts constituting domestic violence or sexual assault or stalking against the Tenant or a member of Tenant's household cannot form the substantial basis of a For Cause reason to terminate the tenancy of the victim of such acts. A member of a Tenant household may raise such facts as an affirmative defense to an action terminating the tenancy.

2.4 Increased Income of Tenant Households.

(a) Increase from Extremely Low Income to, at or below Very Low Income. If upon recertification of income for a tenant of an Extremely Low Income Unit, the Borrower determines that tenant's Adjusted Income has increased and exceeds the qualifying income for an Extremely Low Income Household (but does not exceed the qualifying limit for a Very Low Income Household), then, such County Assisted Unit shall be considered a Very Low Income Unit, on expiration of the tenant's lease, such tenant's Rent may be increased to Very Low Rent upon sixty (60) days written notice to the tenant, and the Borrower shall rent the next available Unit to an Extremely Low Income Household to comply with the requirements of Section 2.1 above.

(b) Increase from Very Low Income to, at or below Low Income. If upon recertification of income for a tenant of a Very Low Income Unit, the Borrower determines that tenant's Adjusted Income has increased and exceeds the qualifying income for a Very Low Income Household (but does not exceed the qualifying limit for a Low Income Household), then, such County Assisted Unit shall be considered a Very Low Income Unit, on expiration of the tenant's lease, such tenant's Rent may be increased to Low Income Rent upon sixty (60) days written notice to the tenant, and the Borrower shall rent the next available Unit to a Very Low Income Household to comply with the requirements of Section 2.1 above.

(c) Non-Qualifying Household. If, upon recertification of income for a tenant that occupies a County Assisted Unit, the Borrower determines that a former

Extremely Low Income or Very Low Income Household's Adjusted Income has increased and exceeds Low Income and if no other Unit in the Project can serve as a County Assisted Unit to satisfy the requirements of Sections 2.1 and 2.2 above, then such tenant shall be given six (6) months' notice to vacate the Unit.

(d) Termination of Occupancy. Upon termination of occupancy of a Unit by a Tenant, such Unit shall be deemed to be continuously occupied by a household of the same income level (e.g., Extremely Low Income Household or Very Low Income Household) as the initial income level of the vacating Tenant, until such Unit is reoccupied, at which time the income character of the Unit (e.g., Extremely Low Income or Very Low Income Unit) shall be redetermined.

2.5 Tax Credit Rules.

If the Project is subject to federal low-income housing tax credit requirements, the provisions of those requirements regarding continued occupancy by households whose incomes exceed the eligible income limitations may apply in place of the provisions set forth in Section 2.3.

ARTICLE 3 INCOME CERTIFICATION AND REPORTING

3.1 Income Certification.

The Borrower will obtain, complete and maintain on file, immediately prior to initial occupancy and annually thereafter, income certifications from each Tenant renting any of the County Assisted Units. The Borrower shall make a good faith effort to verify that the income provided by an applicant or occupying household in an income certification is accurate by taking two or more of the following steps as a part of the verification process: (a) obtain a pay stub for the most recent pay period; (b) obtain an income tax return for the most recent tax year; (c) conduct a credit agency or similar search; (d) obtain an income verification form from the applicant's current employer; (e) obtain an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies; or (f) if the applicant is unemployed and has no such tax return, obtain another form of independent verification. Copies of Tenant income certifications shall be available to the County upon request.

3.2 Annual Report to County.

The Borrower shall submit to the County (a) not later than the July 10 of each calendar year, a statistical report, including income and rent data for all County Assisted Units and racial and ethnicity data of all households, setting forth the information called for therein, use of PLHA Loan funds, or such other data as may be reasonably requested by the County, and (b) within fifteen (15) days after receipt of a written request, any other information or completed forms

requested by the County in order to comply with reporting requirements of the California Department of Housing and Community Development ("HCD").

3.3 Additional Information.

The Borrower shall provide any additional information reasonably requested by the County. The County shall have the right to examine and make copies of all books, records or other documents of the Borrower which pertain to the Project.

3.4 Records.

The Borrower shall maintain complete, accurate and current records pertaining to the Project, and shall permit any duly authorized representative of the County to inspect records, including records pertaining to income and household size of Tenants. All Tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower and shall be maintained in a reasonable condition for proper audit and subject to examination during business hours by representatives of the County. The Borrower shall retain copies of all materials obtained or produced with respect to occupancy of the County Assisted Units for a period of at least five (5) years.

3.5 Other Records.

Borrower acknowledges that a portion of the Loan it received from the County comes from the PLHA Program. Borrower agrees to comply with requests of the County for information for information necessary for the County's reporting obligations to HCD and all agrees to provide all information and records required under the Loan Agreement.

ARTICLE 4
OPERATION OF THE PROJECT

4.1 Residential Use.

Borrower shall operate the Project only as rental housing. No part of the Project shall be operated as transient housing.

[Use of the Project; example: The Project shall be operated only for use as permanent affordable rental housing.]

4.2 Compliance with Loan Agreement.

Borrower shall comply with all the terms and provisions of the Loan Agreement.

4.3 Taxes and Assessments.

Borrower shall pay all real and personal property taxes, assessments and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed

against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Borrower shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event Borrower exercises its right to contest any tax, assessment, or charge against it, Borrower, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

4.4 Condominium Conversion.

The Borrower shall not convert Units in the Project to condominium or cooperative ownership or sell condominium or cooperative conversion rights in the Project or the Property during the Term of this Agreement.

4.5 Taxes and Assessments.

The Borrower shall pay any real and personal property taxes, assessments, and charges and all franchise, income, employment, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that the Owner shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Owner exercises its right to contest any tax, assessment, or charge against it, the Owner, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges, and interest.

ARTICLE 5 PROPERTY MANAGEMENT AND MAINTENANCE

5.1 Management Responsibilities.

The Borrower is responsible for all management functions with respect to the Property, including without limitation the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The County shall have no responsibility over management of the Property. The Borrower shall retain a professional property management company approved by the County in its reasonable discretion to perform its management duties hereunder. If Borrower becomes qualified as a professional property management company, this could be approved by the County in lieu of an outside management company.

5.2 Management Agent; Periodic Reports.

The Property shall at all times be managed by an experienced management agent reasonably acceptable to the County, with demonstrated ability to operate residential facilities like the Property in a manner that will provide decent, safe, and sanitary housing (as approved, the "Management Agent"). The Borrower shall submit for the County's approval the identity of any proposed Management Agent. The Borrower shall also submit such additional information about the background, experience and financial condition of any proposed Management Agent as

is reasonably necessary for the County to determine whether the proposed Management Agent meets the standard for a qualified Management Agent set forth above. If the proposed Management Agent meets the standard for a qualified Management Agent set forth above, the County shall approve the proposed Management Agent by notifying the Borrower in writing. Unless the proposed Management Agent is disapproved by the County within thirty (30) days, which disapproval shall state with reasonable specificity the basis for disapproval, it shall be deemed approved.

5.3 Approval of Management Policies.

The Borrower shall submit its written management policies with respect to the Project to the County for its review and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement.

5.4 Property Maintenance.

The Borrower agrees, for the entire Term of this Agreement, to maintain all interior and exterior improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, County, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials.

5.5 Replacement of Management Agent.

If the County determines in its reasonable judgment that the Project is not being operated and managed in accordance with the requirements and standards of this Agreement, the County shall deliver notice to the Borrower of its intention to cause replacement of the Management Agent and the reasons for such intention. Within fifteen (15) days of receipt by the Borrower of such written notice, County and Borrower shall meet in good faith to consider methods for improving the financial and operating status of the Project, including, without limitation, replacement of the Management Agent. If, after such meeting, the County elects to proceed with the replacement of the Management Agent, the County shall so notify the Borrower in writing within fifteen (15) days following the meeting. Thereupon, Borrower shall promptly dismiss the Management Agent and appoint as the new Management Agent a person or entity approved by the County pursuant to Section 5.2, above. Any contract for the Management Agent entered into by Borrower shall be approved in advance by the County and shall provide that the contract can be terminated, as set forth above. Borrower's failure to dismiss the Management Agent in accordance with this Section shall constitute a default under the Agreement, and the County may enforce this provision through any legal remedy available to it.

5.6 Insurance Coverage.

The Borrower shall cause to have in full force and effect during the Term of this Agreement insurance coverage as required by the Loan Agreement.

5.7_ Property Damage or Destruction.

If any building or improvements erected by Borrower on the Property are damaged or destroyed by an insurable cause, Borrower shall, at its own cost and expense, but subject to the extent and availability of sufficient insurance proceeds and other lender requirements, diligently repair or restore the Property to its pre-damage or destruction condition. Such work or repair shall commence within one hundred twenty (120) days after the damage or loss occurs and shall be completed within one (1) year thereafter.

5.8_ Hazardous Materials.

During the Term of this Agreement, the Owner shall comply with all of the obligations with respect to Hazardous Materials in the Loan Agreement.

ARTICLE 6
MISCELLANEOUS

6.1 Lease Provisions.

The form of Tenant lease utilized by Borrower shall be submitted to the County for review and approval and shall comply with all requirements of this Agreement and the Loan Agreement, and shall, among other matters provide for termination of the lease and consent by the Tenant to immediate eviction for only for just cause, as defined in Section 2.3.

6.2 Nondiscrimination.

There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, age, ancestry, or disability, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any Unit nor shall the Borrower or any person claiming under or through the Borrower, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of any Unit or in connection with the employment of persons for the construction, operation and management of any Unit. Borrower shall market units in accordance with the HUD-approved affirmative fair housing marketing plan and all Federal, State, or local fair housing and equal opportunity requirements.

6.3 Section 8 Certificate Holders.

The Borrower will accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. The Borrower shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective Tenants, nor shall the Borrower apply or permit the application of management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of units by such prospective Tenants.

6.4 Term.

The provisions of this Agreement shall apply to the Property for the entire Term. This Agreement shall bind any successor, heir or assign of the Borrower, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the County. The earlier expiration or termination of the Loan Agreement shall not terminate this Agreement. The County makes the Loan on the condition, and in consideration of, this provision, and would not do so otherwise.

6.5 Subordination.

This Agreement shall be recorded in a lien priority subject only to the liens and encumbrances approved in writing by the County in its reasonable discretion as provided in the Loan Agreement.

6.6 Transfer and Encumbrance of Property.

Except as otherwise provided herein or the Loan Agreement, the Borrower shall not make or permit any sale, assignment, conveyance, lease (other than the rental of the Units to eligible tenant occupants), or transfer of the Property or any part thereof, without the prior written consent of the County during the Term of this Agreement.

6.7 Compliance with Loan Agreement.

Borrower's actions with respect to the Property shall at all times be in full conformity with all requirements of the Loan Agreement.

6.8 Covenants to Run With the Land.

The County and the Borrower hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall run with the land, and shall bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof, shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the County expressly releases such conveyed portion of the Property from the requirements of this Agreement.

6.9 Enforcement by the County.

If the Borrower fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the County has notified the Borrower in writing of the default or, if the default cannot be cured within thirty (30) days, failed to commence to cure within thirty (30) days and thereafter diligently pursue such cure and complete such cure within ninety (90)

days, and shall notice the County of its efforts, and these efforts must be to the satisfaction of the County, the County shall have the right to enforce this Agreement by any or all of the following actions, or any other remedy provided by law:

(a) Action to Compel Performance or for Damages. The County may bring an action at law or in equity to compel the Borrower's performance of its obligations under this Agreement, and/or for damages.

(b) Remedies Provided Under Loan Agreement. The County may exercise any other remedy provided under the Loan Agreement.

6.10 Attorneys Fees and Costs.

In any action brought to enforce this Agreement, the prevailing party shall be entitled to all costs and expenses of suit, including attorneys' fees. This section shall be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

6.11 Non-Liability of Officials, Employees and Agents.

The County shall not be personally liable to the Borrower for any obligation created under the terms of this Agreement except in the case of actual fraud, willful misconduct or sole gross negligence by such person.

6.12 Indemnity.

Notwithstanding the insurance coverage required herein, the Borrower shall indemnify and hold the County free and harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including without limitation attorneys' fees) which the County may incur as a direct or indirect consequence of (a) the Borrower's negligent or willful failure to perform any obligations as and when required by this Agreement; (b) any failure of any of the Borrower's representations or warranties to be true and complete; or (c) any negligent or willful act or omission by the Borrower or any contractor, subcontractor, management agent, or supplier with respect to the Project or the Property, except where such losses are caused by the sole gross negligence, or willful misconduct of the County. The Borrower shall pay immediately upon the County's demand any amounts owing under this indemnity. The duty of the Borrower to indemnify includes the duty to defend the County in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. The Borrower's duty to indemnify the County for acts, failures to act, or misrepresentations occurring during the Term shall survive the Term of this Agreement

6.13 Recording and Filing.

The County and the Borrower shall cause this Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the County of Marin.

6.14 Governing Law.

This Agreement shall be governed by the laws of the State of California.

6.15 Waiver of Requirements.

Certain requirements of this Agreement may be expressly waived by the County in writing, but no waiver by the County of any requirement of this Agreement shall, or shall be deemed to, extend to or affect any other provision of this Agreement.

6.16 Amendments.

This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title, and duly recorded in the real property records of the County of Marin.

6.17 Notices.

Any notice requirement set forth herein shall be deemed to be satisfied three (3) days after mailing of the notice first-class United States certified mail, postage prepaid, addressed to the appropriate party as follows:

Borrower: [Borrower Name]
[Address]
[Address]
Attn: [Name]

Copies of notices sent to Borrower shall also be sent to the limited partner of the Borrower if the limited partner has requested such notice and provided the County with its address.

County: County of Marin
Community Development Agency
3501 Civic Center Drive, Suite 308
San Rafael, California 94903
Attn: Director AND County Administrator

Such addresses may be changed by notice to the other party given in the same manner as provided above.

6.18 Regulatory Agreement Controls

In the event that any provisions of the Agreement and other agreements on the Property conflict, the terms of the most restrictive agreement shall control and/or regulate the property.

6.19 Severability.

If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Agreement shall not in any way be affected or impaired thereby.

6.20 Consent and Approvals.

Any consent or approval by the County or the Borrower required under this Agreement shall not be unreasonably delayed or withheld, unless otherwise provided in this Agreement. Any approval required under this Agreement shall be in writing and executed by an authorized representative of the party granting the approval.

6.21 County Actions.

Except where approval by the County Counsel is expressly required in this Agreement, all references in this Agreement to County action (including approvals, consents or extensions of time) shall mean action by the County Administrator of the County or the County Administrator's designee.

6.22 Multiple Originals; Counterparts.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

IN WITNESS WHEREOF, the County and the Borrower have executed this Agreement by duly authorized representatives, all on the date first written above.

BORROWER:

_____, a

By: _____

Name: _____

Its: _____

COUNTY:

County of Marin, a political subdivision of the State
of California

By: _____

Name: _____

Its: _____

Approved as to Form:

By: _____

Name: _____

Its: _____

EXHIBIT A

Legal Description of the Property

EXHIBIT B

County Assisted Units