COUNTY OF MARIN

HOUSING AND FEDERAL GRANTS DIVISION

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Building and Safety Environmental Health Services Planning Environmental Review Housing Sustainability Code Enforcement GIS Federal Grants

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August 1, 2017

Board of Supervisors County of Marin 3501 Civic Center Drive San Rafael, California 94903

**SUBJECT:** Progress report on work plan to preserve housing affordability and prevent displacement.

Dear Board Members:

## **RECOMMENDATION:**

- 1. Enhance our preservation strategy by considering hiring technical assistance to evaluate and facilitate the acquisition of affordable housing units.
- 2. Approve an amendment to the County contract with Marin Housing Authority (MHA) for the Landlord Partnership Program to increase security deposit assistance, loss mitigation and vacancy loss coverage.
- 3. Provide policy direction for these remaining options:
  - a. Voluntary rent guidelines;
  - b. Ordinance to require Just Cause for evictions;
  - c. Second unit amnesty;
  - d. Re-evaluation of Housing Overlay Designation (HOD) Policy; and
  - e. Mandatory mediation.

# SUMMARY:

A comprehensive set of policy options to address the County's affordable housing needs was first presented to your Board through a series of three public workshops between October and December 2015. At the December workshop your Board directed staff to pursue eleven of those policy options. An eighteen-month, three-phase implementation timeline and work plan was confirmed by your Board at a subsequent hearing on February 9, 2016. In accordance with direction provided by your Board at a regular meeting on July 26, 2016, mandatory mediation is presented as a potential alternative to replace the voluntary rent guidelines program.

The median price for a single-family home in Marin reached record levels in April of this year. As housing and rental prices continue to rise, many residents are being displaced from their homes. Since the initiation of this work plan, your Board has advanced several programs of the work plan including: (1) acquisition of new property; (2) preservation of existing affordable housing; (3) adoption of an ordinance to establish source of income protection for renters; (4) development of landlord incentives to maintain and support the Housing Choice Voucher ("Section 8") program; and (5) amendment of the Development Code to encourage second units.

# Previous actions to preserve housing affordability and prevent displacement.

**Acquisition/preservation strategy.** Since February 2016, the Board has contributed financing through the Housing Trust Fund and staff has provided technical assistance for the following projects:

*Piper Court Apartments.* In February 2016, the Board approved a \$675,000 loan to finance the acquisition of 49% of a twenty-seven unit property in Fairfax. This loan contributed to the conversion of twenty-seven multi-bedroom homes into units affordable to low-income families. Located near a high performing school and close to public transit, this agreement furthers a County Fair Housing goal of providing affordable housing to families in areas of opportunity.

*Ocean Terrace Apartments.* In June 2016, the Board approved a \$500,000 grant and a \$500,000 loan to support the acquisition of an eight-unit apartment complex in the coastal community of Stinson Beach.

This policy option represents an ongoing strategy of CDA. Staff continues to collaborate with community partners to identify and assess the feasibility of properties for acquisition and several properties are currently under consideration. The collaborative effort has benefited from real estate professionals that offer their services pro bono to identify potential multi-family acquisition opportunities prior to or at the time that such properties are placed on the open market.

Landlord partnership program. Since September 2016, 52 families have been successfully housed through the Landlord Partnership Program "security deposit assistance" service and 55 new landlords have partnered with MHA to increase access to housing for Housing Choice Voucher recipients.

**Ordinance to establish source of income protection.** The Board adopted a Fair Housing Ordinance to establish source of income protections on November 8, 2016<sup>1</sup> and adopted amendments to eliminate exceptions for owner-occupied properties on March 21, 2017.<sup>2</sup>

**Development code amendments.** Comprehensive amendments to the Development Code were adopted by the Board on March 14, 2017. In compliance with new State law,<sup>3</sup> detached Accessory Dwelling Units (ADUs) in new homes or accessory buildings may now be as large as 1200 SF and ADUs designed to fit within the envelope of existing homes may be larger. These code amendments also implement State law for Junior Accessory Dwelling Units.

# Recommended actions to enhance existing efforts.

Staff continues to assess opportunities for improvement of ongoing programs and makes the following recommendations to improve on existing successes.

Ord. No.3656

<sup>&</sup>lt;sup>2</sup> Ord. No. 3667

<sup>&</sup>lt;sup>3</sup> SB 1069

Acquisition/preservation strategy. To expedite the property vetting process, staff is exploring the possibility of partnering with a local organization to engage a neutral and locally-informed professional to assist in the preparation of feasibility analyses and budgets, to identify short and long-term expenses, and to explore creative financing solutions as needed. CDA is collaborating with the County Administrator's Office (CAO) and partnering with the Marin Community Foundation (MCF) to identify and retain an appropriate candidate. The Board Housing Subcommittee and staff will continue to work on this issue and will provide updates as this strategy progresses.

Landlord partnership program. Staff recommends that the funds initially allocated for the voluntary rent guidelines be redistributed to other aspects of the landlord incentives package that have exceeded expectations in their ability to create sustainable affordable housing solutions for program clients. As the program has exceeded many of its first year goals and even a few of its second year objectives, additional funding could be allocated for MHA's security deposit assistance, loss mitigation and vacancy loss coverage to support its continued success.

# Items for further policy discussion.

Several programs of the work plan require further consideration and direction from you Board. Those items are presented within the body of this report; a detailed progress report of all other work plan programs is provided in Attachment 1.

For context, Table A identifies the timeline, responsible entity, and implementation status associated with each work item. Programs identified with an asterisk in Table A require further direction from your Board; a detailed discussion of those items follows.

Table A. Housing Policy Options: August 2017 Status				
Timeframe	Initiative	Responsible Entity	Status / Recommendation	
<b>Phase I:</b> Aug. – Oct. 2016	Acquisition of multi-family rental properties for preservation as affordable housing.	CDA: Housing and Federal Grants	Complete and continue	
	Development Code amendments for junior second units.	CDA: Current Planning	Complete	
	Landlord incentives program.	МНА	Complete and continue	
<b>Phase II:</b> Oct. 2016 – Feb. 2017	Voluntary rent guidelines.*	MHA	Consider deletion or replacement; consider amendment to MHA contract	
	Ordinance to establish source of income protection.	CDA: Housing and Federal Grants	Complete	
<b>Phase III:</b> Feb. – Aug. 2017	Ordinance to require Just Cause for evictions.*	CDA: Housing and Federal Grants	Direction requested	
	Development Code amendments for second	CDA: Current Planning	Complete	

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unit regulations.		
Short-term rental regulations.	CDA: Current Planning	In progress
Second unit amnesty.*	CDA: Housing and Federal Grants	Consider deletion
Evaluate multi-family land use designations.	CDA: Housing and Federal Grants	In progress
Re-evaluate the Housing Overlay Designation (HOD) policy.*	CDA: Housing and Federal Grants	Direction requested

The work plan items scheduled for further deliberation at this Board of Supervisors hearing are examined below. Individual work plan items are indicated by a bold font and followed by an italicized description of work initially described in the work plan approved by your Board on February 9, 2016. A discussion of each item is accompanied by potential options for your Board to consider, and also staff recommendations.

**Voluntary rent guidelines.** *MHA staff will begin by collaborating with stakeholders in the community to draft a set of voluntary rent guidelines. The proposed guidelines will then be presented to the Board of Supervisors for consideration at a public hearing. If approved by the Board, the guidelines will apply as a voluntary policy for the unincorporated county.* 

Last year, staff from Marin Housing Authority (MHA) and the Community Development Agency (CDA) held several meetings with landlords, property managers, tenants, and leadership from local income property associations to design voluntary rent guidelines. Initiated as a strategy to stabilize rapidly increasing rents and curb displacement among Marin communities, the program sought to work with neighborhood landlords to highlight their accountability to the larger communities. The effectiveness of such a program would rely upon two fundamental components: (1) establishment of a limit that will make a positive impact towards affordability for renters; and (2) wide-spread participation among landlords.

Those incentives proved insufficient to overcome the critical challenge of agreeing to an effective annual limitation on rent increases. The working group recommended discontinuation of the program and staff supports this recommendation. Financial incentives for landlords in the amount of \$135,000 were allocated for this program in the July 2016 Landlord Partnership Program contract with MHA. A detailed report on the landlord incentives program and a proposed revision of the County contract with MHA for the Landlord Partnership Program are provided in Attachments 1 and 2, respectively.

In July 2016, staff presented two alternatives to the voluntary rent guidelines program: 1) development of a data collection program to track specific trends in rental rates and 2) expansion of existing tenant-landlord mediation services. Your Board requested that staff return with additional information as to the opportunities for and implications of each option. To date, research and development of best practices for a data collection initiative have not resulted in a feasible option for further discussion with the Board; staff therefore does not recommend a course of action at this time. Discussion of an option to expand the County's existing tenant-

PG. 5 OF 9

landlord mediation services is discussed below as a second alternative to pursuing voluntary rent guidelines.

Alternative program: Mandatory mediation. Mandatory mediation is used in San Leandro, Fremont and Los Gatos as a tool to promote community accountability and to support housing stability. Such ordinances may be structured to facilitate constructive conversation in a neutral and accountable environment for a variety of issues including rent increases above a specified percentage or lease terminations. Mandatory mediation is distinguished from the County's existing voluntary mediation services in that it requires that parties participate in a mediated discussion, although the outcome of the mediation would not be binding on the parties; it would not require parties to reach or abide by a decision.

Similar to the intent of the voluntary rent guidelines, mandatory mediation could be tailored to address rapid increases in rental housing costs by requiring mediation for rental increases over a specified percentage, for example over 5%. If the County chooses to pursue this option, it would require additional staffing for mediation services or funding for a contract with the California State Office of Administrative Hearings (OAH) or similar organization. The cost of a hearing by OAH is often as much as \$5,000. The city of Fremont reduced the cost of its program to approximately \$30,000 per year through the utilization of an outside provider and volunteer mediators.

<u>Recommendation</u>: MHA and CDA recommend removal of the voluntary rent guidelines program from the work plan and request that monetary resources designated for that line item in the July 2016 Landlord Partnership Program contract be reallocated to security deposit assistance, loss mitigation and vacancy loss coverage. CDA staff also request that your Board provide direction to staff on whether or not to proceed with mandatory mediation.

**Ordinance to require Just Cause for evictions.** CDA staff will draft an ordinance establishing criteria that constitute a "just cause" for eviction of rental housing tenants. The proposed ordinance will be presented to the Board of Supervisors for consideration. If adopted by the Board, the ordinance will apply to all rental housing in the unincorporated county.

Under state law, landlords are able to terminate a periodic tenancy without reason so long as they provide written notice to the tenant to vacate. State law requires that a residential tenant living in a home for less than one year receive thirty-days written notice; the termination of a tenancy where the tenant has resided in a home for one year or more must be noticed sixty days in advance. Landlords can also serve tenants with a three-day written eviction notice for any reason consistent with the State Code of Civil Procedure §1161, such as non-payment of rent or remaining in a home after the expiration of a lease.

Just Cause ordinances are intended to provide stability for households who rent by preventing the termination of leases without cause. Such ordinances fully retain the rights of landlords to terminate a lease for valid reasons such as owner move-in, non-payment of rent, nuisance to landlords/other tenants, damage to unit/building, illegal activity, or any other violation of a lease agreement. This would prevent "no-fault" eviction of responsible tenants, providing them with greater security and stability. It would not protect tenants from lease terminations or evictions based on

non-payment of rent or other lease violations, nor would it prevent landlords from raising rents.

Just Cause ordinances have existed in California and the Bay Area since the 1980s and have recently reemerged as a tool to provide stability in the rental market (Table B shows Just Cause ordinances around the Bay Area and the State). In some Bay Area jurisdictions, Just Cause protections are triggered only by code violations; they prevent a landlord from evicting a tenant without cause for a period of time following the submission of a formal complaint to the local agency code enforcement staff. However, according to staff from other jurisdictions, these have proven difficult to enforce and tend to have a limited impact. The City of San Jose originally adopted a Just Cause ordinance with tenant protection based on code violations, but opted to revise and expand the scope of their ordinance to reflect more typical penalty mechanisms for enforcement. A Just Cause ordinance could also include provisions to help offset relocation costs for tenants in certain scenarios, for example when a new owner decides to renovate and requires tenants to move out.

Jurisdiction	Jurisdictions with Just Caus Just Cause? (Year Est.)	Rent Stabilization?	Mediation?
Alameda Co.	Y (2017)	Υ	Y
Berkeley	Y (1980)	Y	Y
East Palo Alto	Y (1988)	Υ	N
Emeryville	Y (2017)	N	Y
Glendale	Y (2002)	N	N
Hayward	Y (2003)	Υ	Y ·
Maywood	Y (2008)	N	N
Oakland	Y (2004)	Y	Y
Richmond	Y (2016)	Y	Y
San Diego	Y (2004)	Ν	Ν
Union City	Y (2017)	N	Y

Other jurisdictions with Just Cause ordinances with simple metrics for establishing applicability and with the most straightforward enforcement mechanisms are more effective by virtue of their being more easily communicated to and understood by both landlords and tenants. Similar to the County's own Fair Housing Ordinance to establish source of income protections, Just Cause ordinances that are enforced by civil and criminal penalties are commonly held to be the most unambiguous.

<u>Recommendation</u>: Provide direction on whether to further consider a Just Cause ordinance in the near term. If the Board chooses to proceed, staff would explore options and address issues in accordance with the Board's direction, conduct case studies of Just Cause ordinances, and return to the Board later this year with a report after conducting outreach with landlords and tenant groups.

**Second unit amnesty.** CDA staff will draft an ordinance re-establishing the second unit amnesty program to create opportunities for existing, unpermitted second units in unincorporated Marin to be brought into compliance with County standards and to become a legal, permitted unit. The proposed ordinance will be presented to the Board of Supervisors for consideration. If adopted by the Board, the program will commence and CDA staff will begin outreach to communities throughout unincorporated Marin.

Since the establishment of the work plan, the State Legislature passed new legislation to remove or mitigate many of the preexisting regulatory barriers to the approval of Accessory Dwelling Units (ADUs, formerly called "Second Units") and Junior Accessory Dwelling Units (JADUs).

Effective January 1, 2017, changes to California law<sup>4</sup> made it significantly easier to create an ADU (formerly called a "second unit") on a property developed with a single family residence. If a property in a single-family zoning district was developed with a main residence or accessory building prior to January 1, 2017, creating an ADU will not be subject to any parking requirements or size limitation other than those typically associated with the main residence. In March 2017, your Board approved Development Code amendments implementing these new state laws.

In consideration of these changes, staff considers a revival of the Amnesty Program to be unnecessary and duplicative as a tool to encourage this type of housing. Therefore, staff recommends that this program be removed from the work plan.

Ancillary to the aforementioned changes, staff will explore local regulatory or procedural reforms with the goal of further facilitating the creation of ADUs and Junior Accessory Dwelling Units (JADUs).

<u>*Recommendation:*</u> Delete program and continue to facilitate the approval of ADUs and JDUs.

**Re-evaluate the Housing Overlay Designation (HOD) policy** (Housing Element Program 1.c, scheduled for 2016). *CDA staff will analyze the effectiveness of the Housing Overlay Designation (HOD) in the unincorporated county, consistent with Housing Element Program 1.c. If opportunities for amending the HOD policy are identified, then any proposed changes will be presented to the Planning Commission followed by the Planning Commission's recommendation being presented to the Board of Supervisors for consideration. The Board will review the recommendation and provide staff with direction on next steps.* 

The Housing Overlay Designation (HOD) was established in 2007 as a policy and program of the Countywide Plan (CWP) (CD-2.3 excerpted below). Designed and promoted as a critical tool supporting the County's efforts to develop new affordable workforce housing, the program has fallen short of its aspirations to encourage the development of that housing through infill development on commercial sites.

**CWP CD-2.3 Establish a Housing Overlay Designation**. The Housing Overlay Designation (HOD) is established, as shown in Maps 3-2a and 3-2b. The purpose of the HOD is to encourage construction of units to meet the need for workforce housing, especially for very low and low income households, and for special needs housing, in the City-Centered Corridor close to transit, employment, and/or public services. Sites for the HOD include reuse of existing shopping centers or other underutilized sites. Development on sites designated as both mixed use and as suggested HOD sites shall be developed pursuant to the HOD Policy and Program and not the mixed-use land designation criteria. Each square foot of market-rate HOD housing shall be offset by an equal reduction in the square footage of the

<sup>&</sup>lt;sup>4</sup> AB 2406; SB 1069

PG. 8 OF 9 permissible commercial development. Up to 658 housing units may be approved within the HOD, subject to a discretionary approval process.

The HOD program requires that to the maximum extent feasible, 49% of all new units developed on selected sites be restricted as affordable to low- and very-low-income households. In exchange, it incentivizes development by requiring housing densities of at least thirty units per acre and establishes grounds for developers to apply for concessions such as parking, floor area ratio (FAR), and height and fee reductions. The HOD also requires high-quality building and site design that fits into the surrounding area. However, as a result of the expansion of State density bonus<sup>5</sup> law, all of the incentives offered to induce the development of affordable housing through this program are available to projects that qualify for a State-mandated density bonus. With the adoption of the most recent Housing Element, your Board directed staff to evaluate the program and identify alternative strategies to reinvigorate it as an effective tool to promote affordable workforce housing.

In early 2017, CDA staff convened a working group of industry experts to evaluate ways to make the policy more effective. Their deliberations and recommendations are discussed below.

Amend the HOD to require residential development. Since the HOD Policy does not establish a minimum residential requirement (affordable housing is strongly encouraged), a loophole in this policy permits a site to develop as a 100% commercial use without any residential development. An amendment to require that a minimum percentage of new floor area be created for residential use would not only support the intent of this policy but also better align it with the vision of the County's Mixed-Use Policy, which promotes the creation of walkable, economically diverse communities.

The minimum residential standard could be structured to mirror the criteria of the Mixed-Use Policy, which requires:

"For parcels larger than two acres in size, no more than 50% of the new floor area may be developed for commercial uses, and the remaining new floor area shall be developed for new housing."

"For parcels 2 acres and less in size, no more than 75% of the new floor area may be developed for commercial uses, and the remaining new floor area shall be developed for new housing."

Specific Plans. As in the 2017 Grand Jury Report,<sup>6</sup> the working group identified lengthy, costly and uncertain entitlement processes as a critical barrier to the creation of affordable housing in Marin. Specific Plans could lower this barrier by doing up front detailed planning with a community to establish specific criteria that would be used to evaluate housing projects on defined sites before a development is proposed. The planning review process and criteria would be developed with input from the community and major planning issues would be resolved up front through the Multifamily Design Guidelines, adopted by your Board on December 10, 2013, community plans and the Countywide Plan. Environmental review would be required

<sup>&</sup>lt;sup>5</sup> Marin County Code § 22.24.030

<sup>&</sup>lt;sup>6</sup> Marin Civil Grand Jury. (April 12, 2017). *Overcoming Barriers to Housing Affordability*.

PG. 9 OF 9

to implement such a program. Specific Plans would enhance transparency for all interested parties, as it could specify physical and programmatic criteria that a housing development would necessarily meet to receive approvals.

In addition to the above options, staff can work with the Board Housing Subcommittee to explore additional strategies.

<u>Recommendation</u>: Direct staff to work with the Board subcommittee on presenting options to revise the HOD Program and to schedule a workshop on a date to be determined by staff.

# CONCLUSION:

As has been demonstrated over the past several years, there is not one solution to our affordable housing challenge. Staff has been successful in implementing most of the programs on the work plan, however, as noted above, after further consideration a number of the items have been identified as less effective and are recommended for deletion. After further study, staff is recommending enhancing our existing efforts and further consideration of some additional policy options. Our overall goal is to help preserve existing rental housing and stabilizing our renter community.

### **REVIEWED BY:**

☐ Auditor Controller ⊠ County Counsel ☐ Human Resources

⊠ N/A □ N/A ⊠ N/A

Respectfully submitted,

Leelee Thomas Planning Manager

candles

Brian C. Crawford Director

### **Attachments:**

- 1. Report on Work Plan Implementation Status.
- 2. Draft amended contract with Marin Housing Authority for the Landlord Partnership Program.
- 3. Administrative Record (comments received).

A full reference copy of this staff report and associated attachments are available for public review at the Board of Supervisors office, 3501 Civic Center Drive, Suite 329 (8:00 a.m. to 5:00 p.m., Monday through Friday) and at the Community Development Agency, Planning Division, 3501 Civic Center Drive, Suite 308 (8:00 a.m. to 4:00 p.m., Monday through Thursday, closed Fridays).

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# **Report on Work Plan Implementation Status**

# Phase I: August-October 2016

Acquisition of multi-family rental properties for preservation as affordable housing. This strategy is already in progress. The Community Development Agency (CDA) is collaborating on a task force with the Marin Community Foundation, Marin Housing Authority, Tamalpais Pacific Foundation, and the City of San Rafael to seek out opportunities for acquisition of multi-family rental properties in Marin's cities and the unincorporated area. This strategy will require ongoing funding and support from the Board of Supervisors.

This policy option represents an ongoing strategy of CDA. Staff continues to collaborate with community partners to identify and assess the feasibility of properties for acquisition; several properties are currently under consideration. The collaborative effort has benefited from real estate professionals that offer their services pro bono to identify potential multi-family acquisition opportunities prior to or at the time that such properties are placed on the open market. To expedite the property vetting process, staff is exploring the possibility of partnering with a local organization to engage a neutral and locally-informed professional to assist in the preparation of feasibility analyses and budgets, to identify short and long-term expenses, and to explore creative financing solutions as needed. Staff is partnering with the Marin Community Foundation to identify and retain an appropriate candidate. The Board Housing Subcommittee and staff will continue to work on this issue and will provide updates as this strategy progresses.

**Development Code amendments for junior second units.** CDA staff drafted Development Code amendments to improve and enhance the implementation of existing regulations allowing room rentals otherwise known as "junior second units." The proposed code amendments were adopted by the Board of Supervisors.

The Board adopted amendments to establish Junior Accessory Dwelling Units ("JADU")—in the County Development Code at a regular meeting on March 14, 2017. In compliance with State law,<sup>1</sup> JADUs may only be created within the exterior building envelope of existing owner-occupied single-family residential structures by converting a bedroom. A JADU must have its own external door and wet bar ("efficiency kitchen"), and may not exceed five hundred square feet in size. The Local Coastal Plan must be updated before JADUs may be permitted in the Coastal Zone.

# Phase II: October 2016 – February 2017

**Landlord incentives program.** Marin Housing Authority (MHA) staff will draft a "landlord incentives" program offering a variety of incentives to landlords who rent to low income tenants, including those with Section 8 vouchers. The proposed program will be presented to the Board of Supervisors for consideration at a public hearing. If approved by the Board, the program will managed by MHA.

On July 26, 2016, the Board approved and funded a landlord incentives program to encourage landlords to rent to low-income tenants. Contracts to the Marin Housing Authority (MHA) and the Community Land Trust of West Marin (CLAM) were approved in the amounts of \$404,000 and \$46,000 respectively, to fund the administration and financing of several incentives including security deposit assistance, vacancy loss coverage, and a loss mitigation pool. Included in MHA's contract was also \$135,000 to finance incentives for the proposed voluntary rent guidelines program in the form of forgivable loans of up to \$3,000 for landlords that pledge to limit rent increases for a fixed period.

Landlord Partnership Program (MHA). In its first year, MHA reported progress on the following objectives:

1. Partner with twenty-five new landlords in year one (September - June 2017).

As of July 1, MHA had signed fifty-five new landlords into the program—achieving 220% of its original goal.

2. Increase applicant/participant voucher success rate from 37% to 50% (of those issued a voucher that successfully find a unit) before July 2018.

MHA reports that its success rate rose to 52% in the first year of the program.

3. Provide fifty families with security deposit assistance.

Fifty-two families have received security deposit assistance through this program. Accordingly, 91.6%, or \$114,546 of the original \$125,000 allocated for this service has been expended.

4. Landlord Liaison answering service will answer 100% of the calls by person not voicemail.

One hundred percent of calls have been answered in person by the dedicated answering services that forward calls to staff via email and text. Staff responds to all calls and texts within twenty-four hours, seven days a week.

5. Respond to 75% of landlord calls with a first responder response not transferred.

A change in the MHA answering service has altered this objective. All calls are now answered by a receptionist that is trained to respond to the questions that are most commonly asked about the program. Any calls requiring redirection to a specialist are sent directly by text to three key staff members; those staff members respond within twenty-four hours, seven days a week. 6. Forwarded calls will be inputted into MHA housing software immediately and will be closed (responded to) within twenty-four hours.

All forwarded calls were responded to by staff within 24 hours.

Increasing success and utilization rates for Housing Choice vouchers resulted in an increased amount of HUD funding for that program in 2017. MHA requests that the \$135,000 of funds originally designated to fund incentives for the voluntary rent guidelines are reallocated to support continuation of the three critical Landlord Partnership Program services that have led to an increase in utilization rates: security deposit assistance, vacancy loss coverage, and a loss mitigation pool (Table B). At present, both the funds allocated for security deposit assistance and those assigned for vacancy loss mitigation are nearly expended (Table A).

Table A. Landlord Partnership Program contract balance (July 1, 2017)				
Line Item	Original Allocation (\$)	Balance (\$)	Percent Expended (%)	
Security Deposit Assistance	125,000.00	10,454.00	91.6	
Damages	64,000.00	36,002.56	43.7	
Vacancy Loss Mitigation	30,000.00	85.00	99.7	
Landlord Liaison	50,000.00	27,719.58	44.6	
Voluntary Rent Cap Increases	135,000.00	135,000.00	0.0	
TOTAL	404,000.00	209,261.14	48.2	

Table B. Reallocation request: Landlord Partnership Program				
Line Item	Original Allocation (\$)	Proposed Reallocation (\$)	Net Change, Allocation (\$)	
Security Deposit Assistance	125,000.00	180,000.00	55,000.00	
Damages	64,000.00	89,000.00	25,000.00	
Vacancy Loss Mitigation	30,000.00	85,000.00	55,000.00	
Landlord Liaison	50,000.00	50,000.00	-	
Voluntary Rent Cap Increase	135,000.00	-	(135,000.00)	
TOTAL	404,000.00	404,000.00	-	

PG. 3 OF 6

# PG. 4 OF 6 Real Community Rentals (CLAM).

In the past year, CLAM has been engaged in developing affordable workforce housing in West Marin. It has provided tenant selection services for four homeowners and is shepherding three more homeowners through construction projects to convert spare bedrooms into room rentals.

In collaboration with the County, MHA, Bolinas Community Land Trust, Lilypad Homes, and the San Geronimo Valley Affordable Housing Association, CLAM developed educational materials and orchestrated a series of three workshops to advocate for the development of ADUs and room rentals as a critical tool to support affordable workforce housing on a local scale. The workshops provided an overview of the both the entitlement and construction processes and provided critical educational resources to attendees.

**Ordinance to establish source of income protection.** CDA staff will draft an ordinance establishing source of income protection for renters with third-party rental subsidies, including section 8 voucher holders. The proposed ordinance will be presented to the Board of Supervisors for consideration. If adopted by the Board, the ordinance will apply to all rental housing in the unincorporated county.

The Fair Housing Ordinance eliminates limitations in the provision of rental housing against families and veterans who receive third party rental assistance. Source of income protection prevents landlords from advertising or stating a preference for certain sources of income, from charging a higher deposit based on a person's source of income, and from treating a person differently based on their source of income. The Board adopted a Fair Housing Ordinance to establish source of income protections on November 8, 2016<sup>2</sup> and adopted amendments to eliminate exceptions for owner-occupied properties on March 21, 2017.<sup>3</sup>

# Phase III: February-August 2017

**Development Code amendments for second unit regulations.** CDA staff will draft Development Code amendments to help improve the approval process for second units. Concurrently, the CDA will collaborate with the Department of Public Works to conduct a parking study to evaluate parking needs for second units and other types of housing, so that any resulting recommendations can be incorporated into the proposed amendments. The proposed amendments will be presented to the Planning Commission followed by the Planning Commission's recommendation being presented to the Board of Supervisors. If adopted as an ordinance by the Board, the amendments will apply to second units in the unincorporated county.

Comprehensive amendments to the Development Code were adopted by the Board on March 14, 2017. In compliance with new State law,<sup>4</sup> detached ADUs may now be

<sup>&</sup>lt;sup>2</sup> Ord No.3656

<sup>&</sup>lt;sup>3</sup> Ord. No. 3667

<sup>&</sup>lt;sup>4</sup> SB 1069

PG. 5 OF 6 as large as 1200 square feet; attached ADUs designed to fit within the envelope of a single-family home may be as large as up to fifty percent of the floor area of the primary residence.

**Short-term rental regulations.** CDA staff will draft an ordinance regulating shortterm rentals (i.e. "vacation rentals") initially for the Marin County Coastal Zone. The proposed ordinance will be presented to the Planning Commission followed by the Planning Commission recommendation being presented to the Board of Supervisors at a public hearing. If adopted by the Board, the regulations will be filed with the California Coastal Commission (CCC) for review and certification. If certified by the CCC, the regulations will be brought back to the Board to be considered for applicability to the non-coastal area of unincorporated Marin. If adopted by the Board, the regulations will apply to rental housing in the unincorporated county.

At a regular hearing of the Board of Supervisors on July 18, 2017, Current Planning presented a workshop and white paper "Short-Term Rentals: A White Paper on Planning and Economic Considerations" to kick off a formal public discussion of regulatory options to mitigate or monitor this rising trend. Supervisors Rodoni and Sears have formed a Short-Term Rental Subcommittee to shepherd both the public outreach and continued research process. Staff is anticipated to return to the Board with an update in approximately four months' time.

**Evaluate multi-family land use designations** (Housing Element Program 1.b, scheduled for 2016). CDA staff will analyze existing multi-family land use designations in unincorporated Marin County, consistent with Housing Element Program 1.b. If opportunities for rezoning are identified, then any proposed changes will be presented to the Planning Commission followed by the Planning Commission's recommendation being presented to the Board of Supervisors for consideration. The Board will review the recommendation and provide staff with direction on next steps.

Staff is engaged in an analysis of sites that are currently designated for multi-family housing. The sites will be considered independently and as a group to identify any locational trends or potential constraints to development, including evaluation from a Fair Housing perspective.

# Alternative Programs

# Data collection.

To facilitate the development of affordable housing policies that are reliable, precise, and timely, staff is researching the development of a local data source to catalog rental increases and lease terminations. Such a resource would allow staff to identify nuanced trends in Marin's unique rental housing market and responds to interest from the Board of Supervisors and the landlord and tenant communities for more precise data on rental housing trends in Marin.

The County could function as the sole entity retaining and reporting out aggregate data only and not disclosing information on individual rental properties, thereby allaying potential privacy concerns.

PG. 6 OF 6

This programmatic option is contingent upon identification of a County department with the capacity to administer it. Staff will continue to explore the feasibility of collecting rental cost and lease termination data, and will continue to engage the Board Housing Subcommittee for direction prior to reporting back to the full Board on this opportunity.

COUNTY OF MABIN

# ADDENDUM TO CONTRACT BY AND BETWEEN THE

COUNTY OF MARIN AND THE HOUSING AUTHORTY OF THE COUNTY OF MARIN

THIS ADDENDUM is made and entered into on the <u>1</u> day of <u>August</u>, 20<u>17</u>, by and between the COUNTY OF MARIN, a political subdivision of the State of California (hereinafter referred to as "County") and The Housing Authority of the County of Marin, (hereinafter referred to as ("Contractor").

# **RECITALS**

WHEREAS, the County and the Contractor entered into a contract for the Landlord Partnership Program dated 7/1/2016 ("Contract"); and

WHEREAS, Exhibit A of the contract obligated Contractor to provide incentives to Landlords; and

WHEREAS, the parties desire to amend the contract to change Exhibit A the Scope and reallocate the \$135,000 from the voluntary rent guidelines program to security deposits, loss mitigation and vacancy loss coverage;

NOW, THEREFORE, the parties agree to modify Exhibit A as set forth below.

#### <u>CONTRACT</u>

1. Except as otherwise provided herein, all terms and conditions of the contract shall remain in full force and effect.

2. Updated Certificate of Insurance(s) attached hereto.

3. Exhbit A Scope is/are hereby amended as follows: see attached

IN WITNESS WHEREOF, the parties hereto have executed this First Addendum on the day first written above.

CONTRACTOR

COUNTY OF MARIN

By: Executive Director

**Board President** 

COUNTY COUNSEL REVIEW AND APPROVAL (required if template content has been modified)

**County Counsel** 

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# LANDLORD PARTNERSHIP PROGRAM Amended Scope of Work August 1, 2017

In 2015, more than two thousand families and individuals used federally funded Housing Choice ("Section 8") vouchers to rent homes throughout Marin, bringing in over \$29 million dollars into the local economy. However, hundreds more families and individuals struggled to find rental housing where they could use their Section 8 vouchers in Marin County's dynamic and competitive rental housing market. Not being able to find housing put families at risk, was a loss to the economy and contributed to the broader housing crisis in Marin County. The County is committed to leveraging this significant federal investment towards meeting the housing needs of some of the most vulnerable people in our communities.

The Landlord Partnership Program aims to expand rental opportunities for families with a voucher by making landlord participation in the program more attractive, feasible and streamlined. In addition, the Landlord Partnership program will partner with the Community Land Trust Association of West Marin (CLAM) to increase rental housing in West Marin, including renters who may not have a Section 8 housing voucher.

The program will recruit new landlords while retaining current landlords by:

- (1) Providing new incentives and support systems that address potential risks that property owners may associate with the program; and
- (2) Realigning staff and internal program management by MHA to make the program easier to participate in.

Financial-based incentives could help mitigate the real and perceived risks associated with participating in the program, such as non-payment of rent and property damage, while also providing reduced costs for improvements to homes rented through the Section 8 program. In addition, nonfinancial incentives, including support from staff, will be key in promoting landlord participation.

The County is committed to working with our local landlords as community partners throughout the planning and implementation of this program.

# Financial Based Partnership

• Security Deposits, Loss Mitigation Pool and Vacancy Loss: In order to provide coverage for potential financial risks that may be associated with the Section 8 program, the program would cover a range of potential costs, including security deposit assistance for participating tenants, a loss mitigation pool for potential damage beyond security deposits or non-payment of rent that exceed security deposit, and vacancy loss coverage that would provide a month's rent payment during vacancy. These incentives will also be available to landlords working with CLAM that are choosing to keep their rents affordable in West Marin and rent to tenants at or below 80% of AMI.

- Waiving Building and Planning Permit Fees: Owners that participate in rental assistance programs with 50% of their units could qualify for Building and Planning permit fees waivers or reductions on a prorated basis for work done at the rental site for repairs or improvements. Sample: a 4 unit complex, with extensive repairs which resulted in \$40,000 in fees, if one units is currently rented to a section 8 tenant, the owner would be eligible to request a free waiver which would cover 1 unit or \$10,000; (if 2 units \$20,000 etc.).
- Rehabilitation Loan Program: In an effort to support local landlords and encourage participation in the rental assistance program, the Rental Rehab program would provide loans up to \$25,000 per unit for rehab and/or up to \$35,000 to create a junior unit. The loan can be interest fee and deferred while owner rents to a Section 8 participant. Once the unit is no longer rented to Section 8 participant the loan would become due and payable with fully amortized payments at 3.0% over a five year term. To qualify, 51% of the units in the complex would need to be deemed affordable under the Section 8 program, or one unit in a two-unit property or two units in a tri- or quadplex.

# **Programmatic Shifts and Partnership**

- Landlord Liaison Project: As means of increasing access to private market owned rental units and to address arising issues with current property owners we have proposed the creation of the Landlord Liaison project. This project will provide landlords with the following services:
  - Access to a dedicated landlord liaison 24-hour hotline to address immediate issues; and
  - Rapid response to landlord concerns through collaborative partnerships with County Departments and other community based non-profit providers.

This dedicated service would help troubleshoot the program and enhance successful ongoing landlord relationships.

- Landlord Advisory Committee (LAC): An advisory committee would meet quarterly or semi-annually to review incentive programs and discuss marketing strategies for landlord recruitment and retention.
- Landlord Resources, Fairs and Outreach: MHA and the County would facilitate ongoing series of Landlord Resource workshops to offer help and support to our community partners. Additional offered support would include biennial unit inspection, unit inspection upon request and assistance in filling unoccupied units.

# CONTRACT SCOPE

**Timeline MHA** 

- July 2016:Newsletter distributed to 1,000 landlords/property owners announcing the<br/>LPP. Press release and IJ article. Distribute Landlord Survey to obtain<br/>information that will assist MHA to provide improved partnership<br/>strategies with landlords, including launching a landlord portal.
- August 2016: Launch the LPP. Landlord Liaison will meet with various landlord groups and leasing agents not currently partnering with MHA. Liaison will also reach out to those currently partnered with MHA in an effort to obtain additional units not currently under contract with MHA. The Landlord Hotline 24/7 goes live.
- October 2016: Community event with landlords/property owners to introduce the LPP and launch voluntary guidelines. The event will be targeted towards new landlords/property owners in a recruitment effort.
- November 2016: Present an educational workshop for landlords/property owners in collaboration with Fair Housing of Marin and California Apartment Association.

Semiannual Reports will be submitted by:

- (1) January 31, 2017
- (2) July 17, 2017
- (3) January 15, 2018
- (4) July 16, 2018

# **Measurable MHA**

- MHA will partner with twenty-five new landlords each year.
- Use the tools of vacancy loss and a loss mitigation pool to encourage new landlord partnerships and landlord retention. Loss mitigation can be paid up to the \$3,200 per unit and vacancy loss can be paid up to \$3,000 per unit.
- Increase applicant/participant voucher success rate from 37% to 50% (of those issued a voucher that successfully find a unit).
- Provide fifty families with security deposit assistance up to \$2,500 per household.
- Landlord Liaison answering service to answer all calls by person (not voicemail).
- Forwarded calls to be inputted into MHA housing software immediately and will be closed (responded) within 24 hours.

# TWO-YEAR PROJECT BUDGET

REQUESTED FUNDS			
Security Deposits:		\$	180,000
Mitigation Pool:		\$	89,000
Vacancy Loss:		\$	85,000
Landlord Liaison:		\$	50,000
Total Funding Request			\$ 404,000
LEVERAGED FUNDS: Rental Rel	nab Loan Program Funds		
Staffing	1.5 FTE	\$	390,000
Administration/Non-Personal		\$	189,302
Loans	· · · ·	******	
Rental Rehab—Existing	15 x \$25,000	\$	750,000
Rental Rehab—New ADU	5 x \$35,000	\$	350,000
Total Leveraged Funds			\$ 1,679,302

At a minimum, the requested funds would benefit the following numbers of households:

- A. Security Deposits—72 Households
- B. Mitigation Pool-27 Households
- C. Vacancy Loss-28 Households

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COMMUNITY DEVELOPMENT AGENCY

COUNTY OF MARIN

Brian C. Crawford DIRECTOR

Marin County Civic Center 3501 Civic Center Drive Suite 308 San Rafael, CA 94903 415 473 6269 T 415 473 7880 F 415 473 2255 TTY

Building and Safety Environmental Health Services Planning Environmental Review Housing Sustainability Code Enforcement GIS Federal Grants

www.marincounty.org/cda

July 26, 2016

Board of Supervisors County of Marin 3501 Civic Center Drive San Rafael, California 94903



**SUBJECT:** Public hearing to implement landlord incentives program and provide direction on voluntary rent guidelines.

Dear Board Members:

**RECOMMENDATION:** To implement policy options aimed at preventing displacement of renters and preserving housing affordability, Staff recommends that your Board:

- 1. Accept the report on Landlord Incentives;
- 2. Approve the contract with Marin Housing Authority for the Landlord Partnerships program in an amount not to exceed \$404,000;
- 3. Approve the scope of the contract with the Community Land Trust of West Marin (CLAM) for the Community Homes Program in an amount not to exceed \$46,000; and
- 4. Accept the report on voluntary rent guidelines and provide direction to staff.

**BACKGROUND:** A comprehensive set of policy options to address the County's affordable housing needs was first presented to your Board through a series of four public workshops between October 2015 and February 2016. At the February workshop the Board provided direction to staff as to which policy options should be prioritized. Programs in phase one, including acquisition of multi-family rental properties for preservation as affordable housing and Development Code amendments for junior second units, are scheduled for implementation between August and October 2016 and are underway. Policies in phase two are scheduled for implementation between October 2016 and February 2017 and include the landlord incentives and voluntary rent guidelines programs. Marin Housing Authority staff, the landlord incentives program and is seeking further direction from the Board on the voluntary rent guidelines due to lack of agreement between County staff and landlord representatives regarding a mutually acceptable voluntary rent limit.

PG. 2 OF 5

# **DISCUSSION:**

**Landlord incentives program.** Marin Housing Authority (MHA) staff will draft a "landlord incentives" program offering a variety of incentives to landlords who rent to low income tenants, including those with Section 8 vouchers. The proposed program will be presented to the Board of Supervisors for consideration at a public hearing. If approved by the Board, the program will managed by MHA (Board approved policy option, February 9, 2016).

During the workshops on preserving housing affordability and preventing displacement, your Board prioritized incentives to landlords who rent to low income tenants, including those with Section 8 vouchers. Over the last six months, staff from the Marin Housing Authority, the Community Development Agency and the Office of Supervisor Connolly held a series of meetings with representatives of the landlord community to discuss opportunities and to understand common concerns about participating with the Section 8 program and have designed a program to respond to those concerns.

The proposal to implement the landlord incentives program is an innovative partnership between the County of Marin, the Marin Housing Authority and the CLAM, to increase the number of rental homes available for low income persons, in particular, those who hold a Section 8 voucher anywhere in the county, and low-income renters in West Marin, one of the most difficult rental markets in the County.

The contracts will provide funds for Marin Housing Authority and CLAM to implement the program in ways specifically tailored to meet the needs of the different housing markets addressed.

Marin Housing Authority's proposed Landlord Partnerships program aims to expand rental opportunities for families with a voucher by making landlord participation in the program more attractive, more feasible and streamlined. In order to provide coverage for potential financial risks that may be associated with the Section 8 program, the program would cover a range of potential costs, including an increased or double security deposit, a loss mitigation pool for potential damage or non-payment of rent that exceed security deposit, and vacancy loss coverage that would provide a month's rent payment during vacancy.

The above mentioned incentives will also be available to landlords working with CLAM that are choosing to keep their rents affordable in West Marin and rent to low income tenants. CLAM's proposed Community Homes Program will be initiated by conducting outreach to homeowners, including existing property owners, new homeowners and vacation rental owners. Relationships with homeowners will be established and rental rates and affordability explored. CLAM will review the wait list chronologically to find a good tenant match on the basis of income, rental rate, and household size. Prescreened tenants that are deemed a good match will be shared with the homeowner. Final decision on tenant selection rests with the homeowner. A

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PG. 3 OF 5

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one year lease will be required and access to incentives will be maintained as long as the unit is rented affordably. Periodic property inspections will also be offered.

**Voluntary rent guidelines.** MHA staff will begin by collaborating with stakeholders in the community to draft a set of voluntary rent guidelines. The proposed guidelines will then be presented to the Board of Supervisors for consideration at a public hearing. If approved by the Board, the guidelines will apply as a voluntary policy for the unincorporated county (Board approved policy option, February 9, 2016).

Staff from Marin Housing Authority, the Community Development Agency and the Office of Supervisor Connolly held several meetings with landlords, property managers, and leadership from local income property associations to gain input and insight on rental issues from a range of perspectives that represent the broader landlord community of Marin. A meeting with tenant representatives to hear their perspective on voluntary rent guidelines was also held where strong support was expressed for a comprehensive data collection system to track rent increases. As a broad concept, many landlords were receptive and welcoming to the idea of voluntary rent guidelines, particularly as an alternative to a rent stabilization ordinance.

However, a critical challenge in discussions around voluntary rent guidelines is determining an annual limitation on rent increases that will achieve a balance of the primary goals of a voluntary agreement: 1) establishing a limit that will make a positive impact towards affordability for renters; and 2) generating wide-spread participation among landlords. Feedback indicates that many local landlords would be willing to agree to a voluntary rent guideline limiting rent increases to 10% annually; however, such a high limit would have limited impact on preserving affordability for Marin County renters.

Other potential elements of voluntary rent guidelines could include increased advance noticing of rent increases to tenants, and voluntary mediation between landlords and tenants. Potential incentives for participation could be modeled after elements of Marin Housing Authority's proposed Landlord Partnership program, and a rental rehabilitation program in Healdsburg. However, it is unclear whether such incentives would be effective in encouraging landlord participation. In addition, administering an incentives program would require an active registry to track rent increases among participating landlords. Another challenge would be tracking success of the program.

The Board could also consider whether to issue an advisory resolution adopting rental guidelines or create a program similar to the County's Green Business Program that could closely administer incentives such as business promotion through public acknowledgement and program participation. Given the challenges in agreeing on a percentage for annual rent increases, staff is seeking direction from your Board on whether to further pursue the voluntary rent guidelines, as initially approved in concept, or consider alternative options to address rental increases, many of which are being implemented in other jurisdictions. Discussed below are alternatives which could be considered as part of the voluntary rent guidelines or as standalone actions. PG. 4 OF 5

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### Rental Housing Dispute Resolution Program

Establish a mechanism whereby both landlords and tenants may discuss obstacles and present grievances in a neutral and accountable environment and maintain or facilitate productive tenant-landlord relations. Similar programs entail conflict resolution (conciliation, mediation, and/or arbitration), facilitated by a neutral and certified third-party. Eligible subjects for conflict resolution could include: Rent increases beyond an established threshold; security deposits; notices to vacate; maintenance and repairs issues; and service reductions. The program may serve to cultivate goodwill between landlord and tenant communities; facilitate a neutral and accountable environment where landlords and tenants may discuss contentious subjects and actions; and provide more accurate information to the County regarding current issues contributing to the rental housing crisis. Implementation would be dependent on the staffing and funding to accommodate the additional workload produced by program participation.

# **Data Collection**

Staff could pursue developing a mechanism for the routine collection and tracking of rental rates. This approach would respond to requests from the Board of Supervisors and landlord and tenant communities for more precise data on rental housing trends in Marin. The County could function as the sole entity retaining and reporting out on aggregate data only, thereby allaying any potential privacy concerns. Program costs may include staff resources to implement and maintain a data collection system. The data collected through this program would assist the County in monitoring trends in rental housing costs and to help inform future consideration of other affordable housing policy options.

### CONCLUSION

Staff recommends the implementation of the landlord incentives program through the approval of the contracts with Marin Housing Authority and CLAM, and requests Board direction prior to proceeding with the voluntary rent guidelines.

**FISCAL IMPACT**: Funding for the landlord incentive program was approved by your Board as part of the FY 2016-17 Proposed Budget.

**REVIEWED BY:** 

Auditor Controller
 County Counsel
 Human Resources

⊠ N/A ⊠ N/A ⊠ N/A PG. 5 OF 5

Respectfully Submitted,

Leelee Thomas Interim Planning Manager

# Attachments:

Brian C. Crawford

Brian C. Crawfor Director

# 1. Contract with Marin Housing Authority

- 2. Scope of contract with the Community Land Trust of West Marin
- 3. Board approved affordable housing policy options, February 9, 2016.

This Board letter and all attachments are available online at: <u>http://www.marincounty.org/depts/cd/divisions/planning/housing/affordable-housing</u>

A full reference copy is available for public review at the Board of Supervisors office, 3501 Civic Center Drive, Suite 329 (8:00 am to 5:00 pm, Monday through Friday) and at the Community Development Agency, Planning Division, 3501 Civic Center Drive, Suite 308 (8:00 am to 4:00 pm, Monday through Thursday, closed Fridays).

Munis Contract # 31700219 (Marin Housing Authority)

#### CAO Contract Log #\_\_\_\_

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# COUNTY OF MARIN PROFESSIONAL SERVICES CONTRACT 2015 - Edition 1

THIS CONTRACT is made and entered into this <u>First</u> day of <u>July</u>, 20<u>16</u>, by and between the COUNTY OF MARIN, hereinafter referred to as "County" and Marin Housing Authority, hereinafter referred to as "Contractor."

**RECITALS:** 

WHEREAS, County desires to retain a person or firm to provide the following service: Landlord Partnership Program; and

WHEREAS, Contractor warrants that it is qualified and competent to render the aforesaid services;

**NOW, THEREFORE,** for and in consideration of the Contract made, and the payments to be made by County, the parties agree to the following:

### 1. <u>SCOPE OF SERVICES</u>:

Contractor agrees to provide all of the services described in Exhibit A attached hereto and by this reference made a part hereof.

### 2. FURNISHED SERVICES:

The County agrees to:

- A. Guarantee access to and make provisions for the Contractor to enter upon public and private lands as required to perform their work.
- B. Make available all pertinent data and records for review.
- C. Provide general bid and Contract forms and special provisions format when needed.

### 3. FEES AND PAYMENT SCHEDULE:

The fees and payment schedule for furnishing services under this Contract shall be based on the rate schedule which is attached hereto as **Exhibit B** and by this reference incorporated herein. Said fees shall remain in effect for the entire term of the Contract. Contractor shall provide County with his/her/its Federal Tax I.D. number prior to submitting the first invoice.

#### 4. MAXIMUM COST TO COUNTY:

In no event will the cost to County for the services to be provided herein exceed the maximum sum of \$404,000.00 including direct non-salary expenses. As set forth in section 14 of this Contract, should the funding source for this Contract be reduced, Contractor agrees that this maximum cost to County may be amended by written notice from County to reflect that reduction.

#### 5. TIME OF CONTRACT:

This Contract shall commence on July 1, 2016, and shall terminate on June 30, 2018. Certificate(s) of Insurance must be current on day Contract commences and if scheduled to lapse prior to termination date, must be automatically updated before final payment may be made to Contractor. The final invoice must be submitted within 30 days of completion of the stated scope of services.

## 6. <u>INSURANCE</u>:

## Commercial General Liability:

The Contractor shall maintain a commercial general liability insurance policy in the amount of \$1,000,000 (\$2,000,000 aggregate). The County shall be named as an additional insured on the commercial general liability policy.

# Commercial Automobile Liability:

Where the services to be provided under this Contract involve or require the use of any type of vehicle by Contractor, Contractor shall provide comprehensive business or commercial automobile liability coverage, including non-owned and hired automobile liability, in the amount of \$1,000,000.00.

### Workers' Compensation:

The Contractor acknowledges the State of California requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. If Contractor has employees, a copy of the certificate evidencing such insurance, a letter of self-insurance, or a copy of the Certificate of Consent to Self-Insure shall be provided to County prior to commencement of work.

# Errors and Omissions, Professional Liability or Malpractice Insurance.

Contractor may be required to carry errors and omissions, professional liability or malpractice insurance.

All policies shall remain in force through the life of this Contract and shall be payable on a "per occurrence" basis unless County specifically consents to a "claims made" basis. The insurer shall supply County adequate proof of insurance and/or a certificate of insurance evidencing coverages and limits prior to commencement of work. Should any of the required insurance policies in this Contract be cancelled or non-renewed, it is the Contractor's duty to notify the County immediately upon receipt of the notice of cancellation or non-renewal.

If Contractor does not carry a required insurance coverage and/or does not meet the required limits, the coverage limits and deductibles shall be set forth on a waiver, **Exhibit C**, attached hereto.

Failure to provide and maintain the insurance required by this Contract will constitute a material breach of this Contract. In addition to any other available remedies, County may suspend payment to the Contractor for any services provided during any time that insurance was not in effect and until such time as the Contractor provides adequate evidence that Contractor has obtained the required coverage.

# 7. ANTI DISCRIMINATION AND ANTI HARASSMENT:

Contractor and/or any subcontractor shall not unlawfully discriminate against or harass any individual including, but not limited to, any employee or volunteer of the County of Marin based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Contractor and/or any subcontractor understands and agrees that Contractor and/or any subcontractor is bound by and will comply with the anti discrimination and anti harassment mandates of all Federal, State and local statutes, regulations and ordinances including, but not limited to, County of Marin Personnel Management Regulation (PMR) 21.

## 8. SUBCONTRACTING:

The Contractor shall not subcontract nor assign any portion of the work required by this Contract without prior written approval of the County except for any subcontract work identified herein. If Contractor hires a subcontractor under this Contract, Contractor shall require subcontractor to provide and maintain insurance coverage(s) identical to what is required of Contractor under this Contract and shall require subcontractor to name Contractor and County of Marin as an additional insured under this Contract for general liability. It shall be Contractor's responsibility to collect and maintain current evidence of insurance provided by its subcontractors and shall forward to the County evidence of same.

## 9. ASSIGNMENT:

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The rights, responsibilities and duties under this Contract are personal to the Contractor and may not be transferred or assigned without the express prior written consent of the County.

## 10. LICENSING AND PERMITS:

The Contractor shall maintain the appropriate licenses throughout the life of this Contract. Contractor shall also obtain any and all permits which might be required by the work to be performed herein.

## 11. BOOKS OF RECORD AND AUDIT PROVISION:

Contractor shall maintain on a current basis complete books and records relating to this Contract. Such records shall include, but not be limited to, documents supporting all bids, all income and all expenditures. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the work on this Contract. In addition, Contractor shall maintain detailed payroll records including all subsistence, travel and field expenses, and canceled checks, receipts and invoices for all items. These documents and records shall be retained for at least five years from the completion of this Contract. Contractor will permit County to audit all books, accounts or records relating to this Contract or all books, accounts or records of any business entities controlled by Contractor who participated in this Contract in any way. Any audit may be conducted on Contractor's premises or, at County's option, Contractor shall provide all books and records within a maximum of fifteen (15) days upon receipt of written notice from County. Contractor shall refund any monies erroneously charged.

### 12. WORK PRODUCT/PRE-EXISTING WORK PRODUCT OF CONTRACTOR:

Any and all work product resulting from this Contract is commissioned by the County of Marin as a work for hire. The County of Marin shall be considered, for all purposes, the author of the work product and shall have all rights of authorship to the work, including, but not limited to, the exclusive right to use, publish, reproduce, copy and make derivative use of, the work product or otherwise grant others limited rights to use the work product.

To the extent Contractor incorporates into the work product any pre-existing work product owned by Contractor, Contractor hereby acknowledges and agrees that ownership of such work product shall be transferred to the County of Marin.

#### 13. TERMINATION:

- A. If the Contractor fails to provide in any manner the services required under this Contract or otherwise fails to comply with the terms of this Contract or violates any ordinance, regulation or other law which applies to its performance herein, the County may terminate this Contract by giving five (5) calendar days written notice to the party involved.
- B. The Contractor shall be excused for failure to perform services herein if such services are prevented by acts of God, strikes, labor disputes or other forces over which the Contractor has no control.
- C. Either party hereto may terminate this Contract for any reason by giving thirty (30) calendar days written notice to the other parties. Notice of termination shall be by written notice to the other parties and be sent by registered mail.
- D. In the event of termination not the fault of the Contractor, the Contractor shall be paid for services performed to the date of termination in accordance with the terms of this Contract so long as proof of required insurance is provided for the periods covered in the Contract or Amendment(s).

#### 14. APPROPRIATIONS:

The County's performance and obligation to pay under this Contract is contingent upon an annual appropriation by the Marin County Board of Supervisors, the State of California or other third party. Should the funds not be appropriated County may terminate this Contract with respect to those payments for which such funds are not appropriated. County will give Contractor thirty (30) days' written notice of such termination. All obligations of County to make payments after the termination date will cease.

Where the funding source for this Contract is contingent upon an annual appropriation or grant from the Marin County Board of Supervisors, the State of California or other third party, County's performance and obligation to pay under this Contract is limited by the availability of those funds. Should the funding source for this Contract be eliminated or reduced, upon written notice to Contractor, County may reduce the Maximum Cost to County identified in section 4 to reflect that elimination or reduction.

# 15. RELATIONSHIP BETWEEN THE PARTIES:

It is expressly understood that in the performance of the services herein, the Contractor, and the agents and employees thereof, shall act in an independent capacity and as an independent Contractor and not as officers, employees or agents of the County. Contractor shall be solely responsible to pay all required taxes, including but not limited to, all withholding social security, and workers' compensation.

### 16. AMENDMENT:

This Contract may be amended or modified only by written Contract of all parties.

### 17. ASSIGNMENT OF PERSONNEL:

The Contractor shall not substitute any personnel for those specifically named in its proposal unless personnel with substantially equal or better qualifications and experience are provided, acceptable to County, as is evidenced in writing.

### 18. JURISDICTION AND VENUE:

This Contract shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Marin County, California.

### 19. INDEMNIFICATION:

Contractor agrees to indemnify, defend, and hold County, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Contractor's negligence, recklessness or willful misconduct in the performance of this Contract.

#### 20. COMPLIANCE WITH APPLICABLE LAWS:

The Contractor shall comply with any and all Federal, State and local laws and resolutions: including, but not limited to the County of Marin Nuclear Free Zone, Living Wage Ordinance, and Board of Supervisors Resolution #2005-97 prohibiting the off-shoring of professional services involving employee/retiree medical and financial data affecting services covered by this Contract. Copies of any of the above-referenced local laws and resolutions may be secured from the Contract Manager referenced in section 21. In addition, the following <u>NOTICES</u> may apply:

- 1. Pursuant to California Franchise Tax Board regulations, County will automatically withhold 7% from all payments made to vendors who are non-residents of California.
- 2. Contractor agrees to meet all applicable program access and physical accessibility requirements under State and Federal laws as may apply to services, programs or activities for the benefit of the public.
- 3. For Contracts involving any State or Federal grant funds, Exhibit D must be attached. Exhibit D shall consist of the printout results obtained by search of the System for Award Management at www.sam.gov.

#### Exhibit D - Debarment Certification

By signing and submitting this Contract, the Contractor is agreeing to abide by the debarment requirements as set out below.

- The certification in this clause is a material representation of fact relied upon by County.
- The Contractor shall provide immediate written notice to County if at any time the Contractor learns that its certification was erroneous or has become erroneous by reason of changed circumstances.
- Contractor certifies that none of its principals, affiliates, agents, representatives or contractors are excluded, disqualified or ineligible for the award of contracts by any Federal agency and Contractor further certifies to the best of its knowledge and belief, that it and its principals:

- Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal Department or Agency;
- Have not been convicted within the preceding three-years of any of the offenses listed in 2 CFR 180.800(a) or had a civil judgment rendered against it for one of those offenses within that time period;
- Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or Local) with commission of any of the offenses listed in 2 CFR 180.800(a);
- Have not had one or more public transactions (Federal, State, or Local) terminated within the preceding three-years for cause or default.
- The Contractor agrees by signing this Contract that it will not knowingly enter into any subcontract or covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
- Any subcontractor will provide a debarment certification that includes the debarment clause as noted in preceding bullets above, without modification.

# 21. NOTICES:

This Contract shall be managed and administered on County's behalf by the Department Contract Manager named below. All invoices shall be submitted and approved by this Department and all notices shall be given to County at the following location:

	Leelee Thomas
Contract Manager:	Principal Planner
	3501 Civic Center Drive, Room 308
Dept./Location:	San Rafael, CA 94903
Telephone No.:	415-473-6697

Notices shall be given to Contractor at the following address:

Marin Housing Authority	
4020 Civic Center Drive	
San Rafael, CA 94903	
415-491-2525	
	4020 Civic Center Drive San Rafael, CA 94903

# 22. ACKNOWLEDGEMENT OF EXHIBITS

	Check applicable Exhibits	CONTRACTOR'S
<u>EXHIBIT A.</u>	Scope of Services	INITIALS
EXHIBIT B.	Fees and Payment	
EXHIBIT C.	☐ Insurance Reduction/Waiver	
EXHIBIT D.	Contractor's Debarment Certification	
<u>EXHIBIT E.</u>	Subcontractor's Debarment Certification	T RE-

IN WITNESS WHEREOF, the parties have executed this Contract on the date first above written.

CONTRACTOR:	APPROVED BY
By: Caroll	COUNTY OF MARIN:
Name: LIMBERLY CAREDIL Title: Deputy Dilectore	Ву:

COUNTY COUNSEL REVIEW AND APPROVAL (required if template content has been modified) County Counsel: \_\_\_\_\_\_ Date:

# LANDLORD PARTNERSHIP PROGRAM

In 2015 over two thousand families and individuals used federally funded Section 8 vouchers to rent homes throughout Marin, bringing in over \$29 million dollars into the local economy. However, hundreds more families and individuals struggled to find rental housing where they could use their Section 8 vouchers in Marin County's dynamic and competitive rental housing market. Not being able to find housing put families at risk, was a loss to the economy and contributed to the broader housing crisis in Marin County. The County is committed to leveraging this significant federal investment towards meeting the housing needs of some of the most vulnerable people in our communities.

The Landlord Partnerships program aims to expand rental opportunities for families with a voucher by making landlord participation in the program more attractive, more feasible and streamlined. In addition, the Landlord Partnership program will partner with the Community Land Trust Association of West Marin (CLAM) to increase rental housing in West Marin, including renters who may not have a Section 8 housing voucher.

The program will recruit new landlords while retaining current landlords by:

1.) providing new incentives and support systems that address potential risks that property owners may associate with the program; and

2.) realigning staff and internal program management by MHA to make the program easier to participate in.

Financial-based incentive could help mitigate the real and perceived risks associated with participating in the program, such as non-payment of rent and property damage, while also providing reduced costs for improvements for homes rented through the Section 8 program. In addition, nonfinancial incentives, including support from staff, will be key in promoting landlord participation.

The County is committed to working with our local landlords as community partners throughout the planning and implementation of this program.

#### Financial Based Partnership

- Security Deposits, Loss Mitigation Pool and Vacancy Loss: In order to provide coverage for potential financial risks that may be associated with the Section 8 program, the program would cover a range of potential costs, including an increased or double security deposit, a loss mitigation pool for potential damage beyond security deposits or non-payment of rent that exceed security deposit, and vacancy loss coverage that would provide a month's rent payment during vacancy. These incentives will also be available to landlords working with CLAM that are choosing to keep their rents affordable in West Marin and rent to tenants at or below 80% of AMI.
- Waiving Building and Planning Permit Fees: Owners that participate in rental assistance programs with 50% of their units would be allowed to have building permit fees waived on a prorated basis for work done at the rental site for repairs or improvements. *Sample: a 4 unit complex, with extensive repairs which resulted in \$40,000 in fees, if one units is currently*

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rented to a section 8 tenant, the owner would be eligible to request a free waiver which would cover 1 unit or \$10,000; (if 2 units \$20,000 etc.).

- Rehabilitation Program: In an effort to support local landlords and encourage participation in the rental assistance program, the Rental Rehab program would provide loans up to \$25,000 per unit for rehab and/or up to \$35,000 to create a junior unit. The loan can be interest fee and deferred while owner rents to a Section 8 participant. Once the unit is no longer rented to Section 8 participant the loan would become due and payable with fully amortized payments at 3.0% over a five year term. To qualify, 51% of the units in the complex would need to be deemed affordable under the Section 8 program, or one unit in a two-unit property or two units in a three or four-plex.
- Voluntary Rent Increase Limit: Property owners who agree not to raise their rents more than 3% annually for three years would have access to a forgivable loan of \$3000 per unit to address unit rehab or improvement. These funds would offer financial assistance to property owners to correct potential health and safety hazards and extend the useful life of their rentals. It would cover items like electrical upgrades, and repro or replacement of hot water heaters, furnaces, roofs and plumbing for example.

#### **Programmatic Shifts and Partnership**

- Landlord Liaison Project: As means of increasing access to private market owned rental units and to address arising issues with current property owners we have proposed the creation of the Landlord Liaison project. This project will provide landlords with the following services:
  - o Access to a dedicated landlord liaison 24-hour hotline to address immediate issues.
  - Rapid response to landlord concerns through collaborative partnerships with County Departments and other community based non-profit providers.

This dedicated service would help troubleshoot the program and enhance successful on-going landlord relationships.

- Landlord Advisory Committee (LAC): An advisory committee would meet quarterly or semiannually to review incentive programs and discuss marketing strategies for landlord recruitment and retention.
- Landlord Resources, Fairs and Outreach: MHA and the County would facilitate ongoing series of Landlord Resource workshops to offer help and support to our community partners. Additional offered support would include biennial unit inspection, unit inspection upon request and assistance in filling unoccupied units.

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# CONTRACT SCOPE

Timeline MHA	
July 2016:	Newsletter distributed to 1000 landlords/property owners announcing the LPP. Press release and IJ article. Distribute Landlord Survey to obtain information that will assist MHA to provide improved partnership strategies with landlords, including launching a landlord portal.
August 2016:	Launch the LPP. Landlord Liaison will meet with various landlord groups and leasing agents not currently partnering with MHA. Liaison will also outreach to those currently partnered with the authority in an effort to obtain additional units not currently under contract with MHA. The Landlord Hotline 24/7 goes live.
September 2016:	Community event with landlords/property owners to introduce the LPP and launch voluntary guidelines. The event will be targeted towards new landlords/property owners in a recruitment effort.
November 2016:	Present an educational workshop for landlords/property owners in collaboration with Fair Housing of Marin and California Apartment Association.

Quarterly Reports will be submitted by:

October 15, 2016	January 15, 2017 report)	April 15, 2016	July 15, 2017 (final yr 1
October 15, 2017	January 15, 2018 report)	April 15, 2018	July 15, 2018 (final yr 2

### Measurable MHA

- MHA will partner with 25 new landlords year one; and an additional 25 new landlords in year 2.
- Use the tools of vacancy loss and a loss mitigation pool to encourage new landlord partnerships and landlord retention. Loss mitigation can be paid up to the \$3,200 per unit and vacancy loss can be paid up to \$3,000 per unit.
- Increase applicant/participant voucher success rate from 37% to 50% (of those issued a voucher that successfully find a unit).
- Provide 50 families with security deposit assistance up to \$2,500 per household.
- Landlord Liaison answering service will answer 100% of the calls by person not voicemail.
- Respond to 75% landlord calls with a first responder response not transferred.
- Forwarded calls will be inputted into MHA housing software immediately and will be closed (responded) within 24 hours.

	Proposed 2-Year Project Budget	
Fund request		
Security Deposits:	50 Households x \$2,500	\$ 125,000
Mitigation Pool:	20 Households x \$3,200	\$ 64,000
Vacancy Loss:	10 Households x \$3,000	\$ 30,000
Landlord Liaison:	1 Part-time extra hire staff	\$ 50,000
Voluntary Rent Increase Ca	p Guidelines 45 Units x \$3,000	\$ 135,000
Voluntary Rent Increase Ca	p Guidelines 45 Units x \$3,000	\$ 135,000
Voluntary Rent Increase Ca	p Guidelines 45 Units x \$3,000	\$ 135,000 \$404,000
Total Funding Request	p Guidelines 45 Units x \$3,000	
Total Funding Request	····· · · · · · · · · · · · · · · · ·	
Total Funding Request LEVERAGED Proposed 2-Ye	ar Rental Rehab Program Funds 1.5 FTE	\$404,000
Total Funding Request LEVERAGED Proposed 2-Ye Staffing	ar Rental Rehab Program Funds 1.5 FTE	\$404,000 \$390,000
Total Funding Request LEVERAGED Proposed 2-Ye Staffing Administration/Non-Person	ar Rental Rehab Program Funds 1.5 FTE al	\$404,000 \$390,000

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### EXHIBIT "B" FEES AND PAYMENT SCHEDULE (required)

COUNTY shall pay CONTRACTOR as follows:

- (1) BASE CONTRACT FEE. COUNTY shall pay CONTRACTOR a contract fee not to exceed \$404,000.00 during the term of the contract. CONTRACTOR shall submit requests for payment via invoice net 30 following provision of services.
- (2) MILEAGE. COUNTY shall not pay CONTRACTOR for travel by private, leased or hired vehicle as required by this Contract.
- (3) AUTHORIZATION REQUIRED. Services performed by CONTRACTOR and not authorized in this Contract shall not be paid for by COUNTY. Payment for additional services shall be made to CONTRACTOR by COUNTY if, and only if, this Contract is amended by both parties in advance of performing additional services.
- (4) MAXIMUM CONTRACT AMOUNT. The maximum term of this Contract is July 1, 2016 June 30, 2018. The maximum amount payable to Contractor under this Contract for this period shall not exceed \$404,000.00.



Create an Account

# Search Results

# Current Search Terms: Marin\* housing\* authority\*

Notice: This printed document represents only the first page of your SAM search results. More results may be available. To print your complete search results, you can download the PDF and print it. No records found for current search.	Glossary
	<u>Search</u>
	<u>Results</u>
·	Entity
	Exclusion
	Search
	<u>Filters</u>
	By Record Status
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SAM   System for Award Management 1.0 IBM v1.P.48.20160624-1124	
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189 Commerce Court PO Box 189 Cheshire, CT 06410-0189 203-272-8220 or 800-873-0242 fax 203-271-2265 www.housingcenter.com

# **CERTIFICATE OF INSURANCE**

ID: 145, Endorsement: 01-10A-12-2016-20

Issue Date: 07/15/2016

Insured: Marin County Housing Authority

Address: 4020 Civic Center Drive San Rafael, CA 94903-4173

Coverages	بد در در بن در ها به ها به در به بن بن بن بن بن بن بن عن او ها بن بن بن بن در در بن بن بن بن من در بن	뭱끹끹끹끹=삠멑글북희성워진원리는는는구구구드는는는것같은 동양대로 두구분의는한단을 위한 관련을 받으며 발생 또 다 난 산
Type of Insurance	Policy Number	Limits
Commercial Liability [X] CoverageA; Bodily Injury and Property Damage Liability: <u>Occurrence</u> [X] CoverageB: Personal and Advertising Injury Liability: <u>Occurrence</u> [X] CoverageE: Mold, Other Fung or Bacteria Liability: <u>Claims Made</u> Retro Date: 6/30/11	HARRG-145-160106-2016 Effective Date: 06/30/2016 12:01 AM Expiration Date: 06/30/2017 12:01 AM	General Aggregate:       \$ 2,000,000         Per Occurrence:       \$ 2,000,000         Personal and Adv Inj:       \$ 2,000,000         Fire Damage Sub-Limit:       \$ 50,000         Athletic Sport Sub-Limit       \$ 50,000         Per Occurrence:       \$ 250,000         Aggregate:       \$ 250,000         Mold, Other Fungi       or Bacteria:       \$ , 250,000

Description: County of Marin as additional insured per endt. 01-10A-12

Certificate County of Marin Holder: 3501 Civic Center Drive, Suite 308

San Rafael, CA 94903

Company: Housing Authority Risk Retention Group, Inc.

THIS IS TO CERTIFY THAT THE POLICIES LISTED ABOVE HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY CLAIMS PAID. THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES ABOVE.

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 90 days written notice to the certificate holder named above, but failure to mail such notice shall impose no obligations or liability of any kind upon the company, its agents, or representatives.

Signature of Authorized Representative

HAI Group<sup>®</sup> | 189 Commerce Court, Cheshire, CT 06410 | HAI Group is a registered trademark for a family of companies which includes Housing Authority Risk Retention Group, Inc.; Housing Authority Property Insurance, A Mutual Company; Housing Enterprise Insurance Company, Inc.; and Housing Insurance Services, Inc. (DBA Housing Insurance Agency Services in NY and MI).



#### Policy Change No. 01-10A-12-2016-20

#### **Change Endorsement**

Additional Insureds - Designated Person or Organization

Named Insured: Policy Number: Issue Date: Premium:

Marin County Housing Authority HARRG-145-160106-2016 Policy Effective Date: 06/30/2016 - 06/30/2017 07/15/2016

Effective From: 06/30/2016 at the time of day the policy becomes effective.

Commercial Liability

#### The Insurance is Amended as follows:

This Endorsement modifies insurance provided under the following Coverage Section(s):

Bodily Injury and Property Damage Liability - Coverage Section A Personal and Advertising Injury Liability - Coverage Section B

SCHEDULE Additional Insured: Marin County 3501 Civic Center Drive, Rm 308 San Rafael, CA 94903

**Operations/Premises:** Landlord Participation Program

Paragraph II.A., Who Is An Insured, is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability for "bodily injury," "property damage" and/or "personal and advertising injury" caused or committed, in whole or in part, by you or those acting on your behalf:

A. In the performance of the ongoing operations described in the Schedule; or

B. In connection with the premises shown in the Schedule

All other terms and conditions contained in the policy remain in full force and effect.

Description: Person/Organization scheduled as additional insured

HACL 10A 0807

Housing Authority Risk Retention Group Date: 07/15/2016

HAI Group» [189 Commerce Court, Cheshire, CT 06410 | HAI Group is a registered trademark for a family of companies which includes Housing Authority Risk Retention Group, Inc.; Housing Authority Property Insurance, A Mutual Company; Housing Enterprise Insurance Company, Inc.; and Housing Insurance Services, Inc. (DBA Housing Insurance Agency Services in NY and MI).



189 Commerce Court PO Box 189 Cheshire, CT 06410-0189 203-272-8220 or 800-873-0242 fax 203-271-2265 www.housingcenter.com

## July 15, 2016

Mr. Ilya Filmus General Counsel Marin County Housing Authority 4020 Civic Center Drive San Rafael, CA 94903-4173

# Re: Policy Change - HARRG Policy # HARRG-145-160106-2016

Dear Mr. Filmus,

Enclosed please find Endorsement #01-10A-12-2016-20 amending the policy as described.

If you have any questions or concerns please contact me at (800) 873-0242 extension 208.

Sincerely,

Robert Mensah Senior Underwriter

Enclosures

HAI Group® [189 Commerce Court, Cheshire, CT 06410 ] HAI Group is a registered trademark for a family of companies which includes Housing Authority Risk Retention Group, Inc.; Housing Authority Property-Insurance, A Mutual Company; Housing Enterprise Insurance Company, Inc.; and Housing Insurance Services, Inc. (DBA Housing Insurance Agency Services in NY and MI).

Community Land Trust Association of West Marin

## **CLAM Community Homes Program**

#### **Needs Overview**

The lack of rental housing in West Marin has reached crisis proportions as the demand for rental housing, both market rate and affordable, far exceeds the supply; this situation has been exacerbated by the influx of vacation rentals through services such as Airbnb. The Community Land Trust Association of West Marin (CLAM) is an established community organization that has created eight affordable rental homes and one affordable home-ownership in West Marin, and is deeply engaged in the effort to secure the Point Reyes Coast Guard site for 36 or more affordable homes. CLAM 's strengths include strong community support, strong knowledge of the rental market situation, and an existing wait list of people looking for housing in West Marin. In partnership with the County of Marin and the Marin Housing Authority, CLAM seeks to incentivize West Marin property owners toward renting affordably, building on CLAM's strengths and local knowledge.

#### **Program Overview**

A two year pilot program will help increase the supply of rental housing in West Marin. The program has the following components:

- CLAM uses its wait list and income verification procedures to identify a good renter match for the property owner.
- Property owners agree to setting rents at 80% AMI or less, with each renting household paying no more than 35% of their income on rent.
- If the above requirement is met, property owners have access to all incentives provided in the Housing Authority's Landlord Partnerships Program, which includes:
  - o Security Deposits, Loss Mitigation Pool and Vacancy Loss
  - o Waiving Building and Planning Permit Fees
  - o Rehabilitation Program (\$25,000 loan for unit rehab, \$35,000 loan to create JADU)
  - Voluntary Rent Increase Limit (\$3,000 forgivable loan to limit rent increase to 3% annually)

#### Specifics of the Community Homes Program

CLAM will conduct outreach to homeowners, including existing property owners, new homeowners and vacation rental owners. Relationships with homeowner will be established and rental rates and affordability are explored. CLAM will review the wait list chronologically to find a good tenant match on the basis of income, rental rate, and household size. Prescreened tenants that are deemed a good match are shared with the homeowner. Final decision on tenant selection rests with the homeowner.

CLAM will review and retain a copy of the lease agreement and conduct a move-in inspection. A one year lease will be required and access to incentives is maintained as long as the unit is rented affordably. Periodic property inspections will also be offered.

#### **CLAM and Affirmative Marketing**

CLAM currently fills vacancies from its waiting list. For this program, CLAM would seek to expand its waiting list through affirmative marketing. Special marketing outreach consideration will be given to the following underserved populations who are least likely to apply:

- 1) Latino
- 2) Seniors and disabled persons

Marketing shall include the use of newspapers such as the Point Reyes Light, in addition to flyers and newsletters. Applications, notices, and publications will display the Fair Housing and Equal Opportunity logo. CLAM staff will contact community organizations of the underserved populations about this program. CLAM will contact the following organizations:

- West Marin Community Services
- West Marin Collaborative
- West Marin Senior Services
- Point Reyes Affordable Homes (EAH)
- Walnut Place (EAH)

#### CLAM as Master Lease holder

In some cases CLAM itself might be the best tenant as a master tenant which then sublets a home to individuals interested in a shared home living arrangement. Shared home living can greatly increase affordability for individuals. In cases in which CLAM holds the master lease, staff would contact single persons on our wait list to inquire about their interest in a home share situation. CLAM would do the tenant selection, create sub-leases for each renter, create house rules for a home share situation, conduct periodic property inspections, and collect monthly rent – that we would then forward to the property owner. As the major lease holder, CLAM would access the Security Deposit/Loss Mitigation

Pool, and Vacancy Loss incentive if necessary, in order to 1) provide the property owner with full rent in the case of a vacancy of one or more bedrooms, and 2) in the case of damage beyond what a security. deposit may cover.

#### <u>Timeline</u>

August 2016: CLAM hosts stakeholder conversations with vacation rental owners, bed & breakfast owners, and those who own homes that are minimally occupied in West Marin. CLAM identifies key messages to property owners for communications plan, and identifies key property owners to approach.

September 2016: Create and implement a communication plan targeting new and existing homeowners in West Marin, as well as vacation rental owners, informing them of the program. Prepare printed material for mailings, a webpage, radio publicity, and newspaper articles. Conduct affirmative marketing to expand CLAM's wait list.

October 2016: Launch the program.

Submit quarterly progress reports to County: (as suggested below, or as suggested by County)

October 7, 2016

January 13, 2017

April 7, 2017

#### <u>Outcomes</u>

- Affordable Rental homes for 12 households, and potentially more in a home-share situation.
- Local media attention to pilot project may also draw out property owners who would turn their properties to rentals independent of CLAM, helping to open back up rentals in West Marin.

#### **Ongoing Monitoring of Pilot Program**

- CLAM will submit quarterly reports to County staff on the progress of implementation of this proposal. These reports will include:
  - o Documentation of incentives utilized
  - o Reports of number of new rentals created through the program
  - o Any unforeseen concerns

#### <u>Evaluation</u>

• Success will be measured by whether CLAM was able to successfully match & provide homes for 12 households over 2 years' time.

• Ongoing monitoring of property will be done through period property inspections (bi-annually, or quarterly if requested by property owner).

#### Summary

With limited new housing development capacity in West Marin – and with a great number of homes that are not occupied, under-occupied, or occupied as vacation rentals – the time is right to create a way in which property owners can easily rent their homes to long term residents. As a community organization with community trust and a network of relationships, CLAM is well positioned to help open back up the rental market through this pilot program. Property owners who are renting their property for the first time value a solid renter that is vouched for by a local organization, and they also value incentives that provide additional financial security and actually add value to their property.

In addition to the twelve homes that are CLAM's goal as a part of this pilot project, the communications surrounding this initiative has the potential to influence property owners toward creating even more homes for rent in a shorter amount of time. In addition, this program helps encourage the creation of Junior Accessory Dwelling Units - a key affordable housing strategy for the County. By providing tenant selection and linking up with incentives to create JADU's, CLAM can work to match newly created rental units with prospective renters.

# Program Budget

# Proposed 2-Year Project Budget

CLAM Staffing	\$ 30,000
CLAM Admin	\$ 6,000
CLAM Legal	\$ 10,000

\$ 46,000

COUNTY OF MARIN

# COMMUNITY DEVELOPMENT AGENCY

Brian C. Crawford DIRECTOR

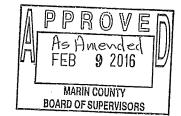
Marin County Civic Center 3501 Civic Center Drive Suite 308 San Rafael, CA 94903 415 473 6269 T 415 473 7880 F 415 473 2255 TTY

Building and Safety Environmental Health Services Planning Environmental Review Housing Sustainability Code Enforcement GIS Federal Grants

www.marincounty.org/cda

February 9, 2016

Board of Supervisors County of Marin 3501 Civic Center Drive San Rafael, California 94903



**SUBJECT:** Confirm direction to staff on policy options for preserving housing affordability and preventing displacement. This is the fourth meeting to complete the informational and strategic planning discussions from previous workshops held on October 13, November 17 and December 15, 2015.

Dear Board Members:

**RECOMMENDATION:** Staff recommends that your Board confirm the timing and next steps for policy options aimed at preventing displacement of renters and preserving housing affordability.

**SUMMARY:** A comprehensive set of policy options to address the County's affordable housing needs was first presented to your Board through a series of three public workshops between October and December 2015. At the December workshop the Board provided direction to staff as to which policy options should be pursued.

The purpose of the February 9 hearing is to confirm the timing and next steps for the policy options selected by your Board including: Acquisition for preservation and conversion, source of income protection, landlord incentives, voluntary rent guidelines, just cause for evictions, second unit amnesty, short-term rental regulations, and Development Code amendments, including those for second units and junior second units.

Policy options are proposed for implementation in three phases, based on staff's estimate of the time and staffing necessary for each option. Phase one includes options that can be implemented within 6 to 8 months, phase two includes options that can be implemented within 8 to 12 months, and phase three includes options that would take 12 to 18 months to implement. Also included here for reference is a summary of the steps necessary to implement each option.

PG. 2 OF 4

## Phase One (6 to 8 months to implement):

- A. Acquisition of multi-family rental properties for preservation as affordable housing. This strategy is already in progress and is expected to continue. The Community Development Agency (CDA) is collaborating on a task force with the Marin Community Foundation, Marin Housing Authority, Tamalpais Pacific Foundation, and the City of San Rafael to seek out opportunities for acquisition of multi-family rental properties in Marin's cities and the unincorporated area. This strategy will require ongoing funding and support from the Board of Supervisors and continued partnerships with community based organizations.
- B. Development Code amendments for junior second units. CDA staff will draft Development Code amendments to improve and enhance the implementation of existing regulations allowing room rentals otherwise known as "junior second units." The proposed code amendments will be presented to the Planning Commission followed by the Planning Commission's recommendation being presented to the Board of Supervisors. If adopted, the amendments will continue the allowance for junior second units in the unincorporated county.

#### Phase Two (8 to 12 months to implement):

- A. Landlord incentives program. Marin Housing Authority (MHA) staff will draft a "landlord incentives" program offering a variety of incentives to landlords who rent to low income tenants, including those with Section 8 vouchers. The proposed program will be presented to the Board of Supervisors for consideration at a public hearing. If approved by the Board, the program will managed by MHA.
- **B.** Voluntary rent guidelines. MHA staff will begin by collaborating with stakeholders in the community to draft a set of voluntary rent guidelines. The proposed guidelines will then be presented to the Board of Supervisors for consideration at a public hearing. If approved by the Board, the guidelines will apply as a voluntary policy for the unincorporated county.
- **C.** Ordinance to require just cause for evictions. CDA staff will draft an ordinance establishing criteria that constitute a "just cause" for eviction of rental housing tenants. The proposed ordinance will be presented to the Board of Supervisors for consideration. If adopted by the Board, the ordinance will apply to rental housing in the unincorporated county.
- D. Ordinance to establish source of income protection. CDA staff will draft an ordinance establishing source of income protection for renters with third-party rental subsidies, including section 8 voucher holders. The proposed ordinance will be presented to the Board of Supervisors for consideration. If adopted by the Board, the ordinance will apply to renters with Section 8 vouchers or other third party rental subsidies in the unincorporated county.

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PG. 3 OF 4

## Phase Three (12 to 18 months to implement):

- A. Development Code amendments for second unit regulations. CDA staff will draft Development Code amendments to help improve the approval process for second units. Concurrently, the CDA is collaborating with the Department of Public Works to conduct a parking study to evaluate parking needs for second units and other types of housing, so that any resulting recommendations can be incorporated into the proposed amendments. The proposed amendments will be presented to the Planning Commission followed by the Planning Commission's recommendation being presented to the Board of Supervisors. If adopted as an ordinance by the Board, the amendments will apply to second units in the unincorporated county.
- B. Short-term rental regulations. CDA staff will draft an ordinance regulating short-term rentals (i.e. "vacation rentals") initially for the Marin County Coastal Zone. The proposed ordinance will be presented to the Planning Commission followed by the Planning Commission recommendation being presented to the Board of Supervisors at a public hearing. If adopted by the Board, the regulations will be filed with the California Coastal Commission (CCC) for review and certification. If certified by the CCC, the regulations will be brought back to the Board to be considered for applicability to the non-coastal area of unincorporated Marin. If adopted by the Board, the regulations will apply to rental housing in the unincorporated county.
- **C. Second Unit Amnesty.** CDA staff will draft an ordinance re-establishing the second unit amnesty program to create opportunities to legalize existing, unpermitted second units in unincorporated Marin. The proposed ordinance will be presented to the Board of Supervisors for consideration. If adopted by the Board, the program will commence and CDA staff will begin outreach to communities throughout unincorporated Marin.
- D. Evaluate multi-family land use designations (Housing Element Program 1.b, scheduled for 2016). CDA staff will analyze existing multi-family land use designations in unincorporated Marin County, consistent with Housing Element Program 1.b. If opportunities for rezoning are identified, then any proposed changes will be presented to the Planning Commission followed by the Planning Commission's recommendation being presented to the Board of Supervisors for consideration. The Board will review the recommendation and provide staff with direction on next steps.
- E. Re-evaluate the Housing Overlay Designation (HOD) policy (Housing Element Program 1.c, scheduled for 2016). CDA staff will analyze the effectiveness of the Housing Overlay Designation (HOD) in the unincorporated county, consistent with Housing Element Program 1.c. If opportunities for amending the HOD policy are identified, then proposed changes will be presented to the Planning Commission followed by the Planning Commission's recommendation being presented to the Board of Supervisors for consideration.

PG. 4 OF 4

The Board will review the recommendation and provide staff with direction on next steps.

#### CONCLUSION

The timeframes for implementation provided in this report are based on staff's estimate of approximate time needed to complete the implementation of each policy option. However, the actual amount of time needed to complete the initiatives may be affected by various factors, such as the extent of community engagement and the number of public hearings for ordinances and code amendments, possible changes in staff resources, opportunities to complete work ahead of schedule and competing workload demands associated with the CDA's performance plan to be considered by the Board in March 2016.

🛛 N/A **REVIEWED BY:** Auditor Controller 🖾 N/A County Counsel ]Human Resources 🕅 N/A Respectfully Submitted, Leelee Thomas Brian C. Crawford **Principal Planner** Director

#### **Attachments:**

1. Administrative Record (comments received)

This Board letter and all attachments are available online at: <u>http://www.marincounty.org/depts/cd/divisions/planning/housing/affordable-housing</u>

A full reference copy is available for public review at the Board of Supervisors office, 3501 Civic Center Drive, Suite 329 (8:00 am to 5:00 pm, Monday through Friday) and at the Community Development Agency, Planning Division, 3501 Civic Center Drive, Suite 308 (8:00 am to 4:00 pm, Monday through Thursday, closed Fridays).



4020 Civic Center Drive San Rafael, CA 94903-4173

> Executive Director Lewis A. Jordan

SUBJECT: Contract for Housing Choice Voucher Case Management and Landlord Call Service

**RECOMMENDATION:** Authorize selection of Nan McKay and Associates pursuant to RFP MHA-007-2016, and authorize the Executive Director to negotiate and execute a contract with the vendor for case management and landlord call answering services for the Housing Choice Voucher ("HCV") program for up to a five-year term for an amount of \$159.90 per Housing Choice Voucher for approximately 1,200 vouchers – about \$220,000 annually – and not to exceed \$1,200,000 over a five-year term.

**SUMMARY:** MHA issued a Request for Proposals ("RFP") for HCV case management and landlord call answering services in May 2016. An RFP solicitation was published on MHA's website, and various websites pertaining to public housing authorities. Further, MHA sent the RFP to the select number of consultants who do this type of work. MHA received three proposals in response to the RFP. The RFP outlined the Scope of Work as well as the criteria for selection. Based on the published selection criteria, Nan McKay and Associates was the highest ranked bidder.

**FISCAL IMPACT:** The cost of the HCV case management and 24/7 landlord call answering service has been included in MHA's operating budget for the HCV program.

J.T.L. for LJ

Lewis A. Jordan Executive Director

July 26, 2016

Board of Commissioners

3501 Civic Center Drive

San Rafael, CA 94903

Marin County Civic Center

Housing Authority of the County of Marin

Attachment

Housing Authority of the County of Marin

415/491-2525

(FAX) 415/472-2186 (TDD) 1-800-735-2929

www.marinhousing.org



# HOUSING AND FEDERAL GRANTS DIVISION

# Administrative Record (comments received)

This attachment includes all public correspondence received as of 10:00 a.m. on July 26, 2017 for the August 1, 2017 Board of Supervisors hearing on the work plan to preserve housing affordability and prevent displacement.

# La Rue, Debbi

From:	CjK <thiskidd@yahoo.com></thiskidd@yahoo.com>
Sent:	Friday, July 21, 2017 3:04 PM
То:	La Rue, Debbi; Thomas, Leelee
Subject:	COMMENTS & IDEAS Re: Scheduled Hearing: Progress Report on Affordable Housing Work Plan

Debbi La Rue, Planner at <u>dlarue@marincounty.org</u> | 415-473-7309 Leelee Thomas, Planning Manager at <u>lthomas@marincounty.org</u>. Marin County Board of Supervisors

I am glad to see you are finally standing up for the average working renters, who by Marin income standards are low-income, with some effort to reel-in the rent abuses in Marin County. However, another way is to engage property owners to reduce rents to the populace with **incentives**! Which if you can't stand reading my scathing commentary, is outlined below in BLUE.

As you know, keeping rents reasonable/low enough so qualified workers can remain in Marin is the biggest challenge and resulting impact of exorbitant rents. Marin has always prided itself on being one of the richest and most expensive counties in the nation. So really how is that working for you?! I'm one of the lucky ones because I got out and was able to take my job with me. But for all the other single mom's and dad's, who are working hard to pay the greed, and are stuck in Marin desperate to keep their jobs, they won't likely be so fortunate. Everyone likes to say the MARKET is the cause, but it is the greed that "always asks for more, because it will never know how much is enough."

Property investors feel they have the right to ask what ever they want and offer little in return. Which is why few rentals have air conditioning, dishwashers, and/or laundry appliances yet cost \$1800-3000/mo. Most owners just throw a coat of paint, and maybe steam the carpets before releasing units to the next tenant, with no thought of any improvements. Housing is a basic need, like food and water, not a luxury like the rental owners of Marin think it is. Is there any point when Marin County is going to take any real action? Building a few buildings for waiting list survivors isn't a solution, it isn't even a band-aid on the gaping wound of affordable housing needs. Oakland's Ghost Ship tragedy is the worst cost of unaffordable housing, and over-entitled negligent property owners. Yet, Oakland's mayor throws a \$1.7 million grant out, not even the cost of one decent rental property, into the wrong bureaucratic hands to cover her re-election tracks. I hope Marin's Board of Supervisors is watching carefully, to do something more effective!

# I hope you will consider these solutions:

1) Raise property taxes on Rental Properties, **IF their rental rates increase more than \$50-100/annually per unit (or x% per year) and give % discounts for rent reductions**. This would be based on REQUIRED property owner income tax filings from the property and revenue disclosures Marin would require them to submit with their property tax installment payments so the next year property tax installments can be adjusted. Failure to submit income/revenue disclosures would result in fees, penalties, and eventual liens against the property. These fees would help the

county pay for implementation and will likely discourage escalating the rental markets over the true property value. FYI - True property value is not the 2007 values everyone is trying to restore.

2) Give affordable housing wait list priority to **single income households with children/students**.

3) **Set rent guidelines**, based on the number of household earners per unit. i.e. 1Br for 1 earner = \$1000, 1Br for 2 earner = \$1800, <u>AND</u> a requirement of a minimum of 50% of all 1BR units rented to 1 earner households. If your affordable housing office doesn't have any 1 earner households left on its wait list, then this limitation could be lifted on a 6 month basis. Here again owners could face property tax penalties for non-compliance.

If Marin truly wants affordable housing for families, not just seniors and the disabled crammed into cubicles, they will need to implement some guidelines, set some standards, and impose consequences for non-compliance. Property owners will scream unfair, but what is fair about forcing families out of housing. Families who rent, do so because they CAN'T buy in most cases, thus it is criminal to force them out of housing all together!

I understand property owners invest, no one is saying that they should not benefit, but gouging is not acceptable. That is what has been taking place in the most rental markets, since they have captive market of foreclosure victims. This **numbers-only driven rental market** creates instability in neighborhoods, and negatively affects individuals, families, owner occupied neighbors, schools, businesses and local economies...everyone wants to live well and spend reasonably within our communities so we all prosper, but it can't be done if 60-70% of our income goes to rent. I hope you will see reason in implementing some changes so that Marin can be a lovely place that people from all incomes can call home.

Thanks for your patience and for hearing me out, I wish you all the best in finding solutions and creating truly affordable housing in Marin.

Sincerely,

Carlotta Kidd 415-578-5828 thiskidd@yahoo.com 7136 Diablo Oak Court Sacramento, CA 95842

The Board of Supervisors will meet at **5:30 PM\* on Tuesday, August 1, 2017** to consider a progress report on a work plan to preserve housing affordability and prevent displacement in unincorporated Marin County. The work plan is comprised of eleven programs, and was approved by the Board of Supervisors on February 9, 2016 with an eighteen-month, three-phase implementation timeline. At the August 1<sup>st</sup> hearing, the Board will provide direction to staff on how to proceed with four programs that require further deliberation and direction: voluntary rent guidelines; an ordinance to require Just Cause for evictions; Second Unit Amnesty; and a re-evaluation of the Housing Overlay Designation (HOD) Policy.

The staff report will be available in English, Spanish, and Vietnamese on the <u>County of Marin Affordable</u> <u>Housing webpage</u> next week. In addition, an agenda and staff report will be made available on the Friday before the scheduled hearing on the Board of Supervisors meeting webpage and at the Community Development Agency, Suite 308, San Rafael (open Monday through Thursday 8:00 AM to 4:00 PM, closed Friday). If you have comments regarding this hearing, please contact Debbi La Rue, Planner at <u>dlarue@marincounty.org</u> or 415-473-7309, or Leelee Thomas, Planning Manager at <u>lthomas@marincounty.org</u>.

The hearing will be held at 5:30 PM\* on Tuesday, August 1, 2017 in the Board of Supervisors Chambers (Room 330, Administration Building), 3501 Civic Center Drive, San Rafael, California, where anyone interested in the matter may appear and be heard. To request translation services, please contact Debbi La Rue, Planner, at 415-473-7309 or <u>dlarue@marincounty.org</u> by Friday, July 28. Speakers using translation services will be granted additional time to testify at the hearings.

\*Please note that proposed meeting times are estimates only and may be subject to change.

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This email was sent to thiskidd@yahoo.com using GovDelivery Communications Cloud on behalf of: County of Marin

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From: Marin County Subscriptions <camarin@public.govdelivery.com>
To: thiskidd@yahoo.com
Sent: Thursday, July 20, 2017 9:31 AM
Subject: Scheduled Hearing: Progress Report on Affordable Housing Work Plan



July 25, 2017

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PO Box 9633 San Ratael, CA 94912 www.MarinMEHC.org Judy Arnold, President Marin County Board of Supervisors 3501 Civic Center Drive San Rafael, CA 94903

Dear Supervisor Arnold:

The Marin Environmental Housing Collaborative strongly urges the Board of Supervisors to pursue a Just Cause Eviction ordinance, to provide a sorely needed measure of fairness and stability to residential tenants in our County.

Today, landlords have the right, which we do not question, to evict their tenants who have fallen behind in their rent or breach material clauses in their rental or lease agreements. But, except for evictions that occur during the term of a binding lease, tenants don't even have a right to know why a landlord is evicting them! Rather, they have *absolutely no protection* from arbitrary evictions if they rent from month-to-month, or upon expiration of a longer lease. We have heard too many stories of unfair evictions from people we know personally. We know that families on month-to-month tenancies have been given 30 days' notice to vacate with no stated reason, or, sometimes, with a stated reason that the landlord needs them to vacate the premises in order to perform upgrades, when, in fact, the property owner follows up with very minor repairs (perhaps that should have been made for the now-evicted tenant), with the real goal simply to find a new tenant willing to pay substantially more rent for basically the same housing. We know that you have and will continue to hear such stories from people who have experienced this kind of arbitrary treatment.

There are important reasons why we need eviction protections.

*Equity.* At the very top of this list is equity. Lacking a Just Cause Eviction Ordinance, the property owner holds all the high cards. A local property management firm,<sup>1</sup> seeking investors, advertises on its website<sup>2</sup> that "[s]ince 1984, the historical annual rent averages in Marin have been on a steady increase. This trend will continue into the foreseeable future due to low unemployment, continued job creation, virtually no new construction and low vacancy rates." The website goes on: "Investors consistently profit year after year from robust property appreciation in Marin, with an average per year gain of 10%." The

<sup>1</sup> PFI Incorporated <sup>2</sup> www.investpfi.com Board of Supervisors 7/25/17 pg. 2

company lists properties it manages with annual rent incomes over one million dollars and vacancy losses of less than 1%.

In economic terms, landlords have no financial incentive to be fair with their tenants, because there are no vacancies and the tenants have nowhere else in the County they can afford to go. Equity – basic fairness – demands that the tenant should some level of protection in the rental transaction.

For the tenant, the apartment or rented house is more than shelter; It is home. Everyone needs a safe place where they can rest every day -- a base from which they can earn a living, take care of their children and, simply. be secure. They should have the right to expect that if they follow the rules, including paying the rent on time, they will not be arbitrarily thrown out of their home. A well-drafted just cause ordinance will give tenants a level of stability that otherwise may not be there.

*Displacement.* A second consideration is displacement. When tenants are forced out of their homes, the unmet demand gets one-household-higher and the market gets tighter. In some cases, the evicted become homeless. In other cases, locally-employed workers move elsewhere and become part of the already congested commute back into Marin. Some level of displacement is inevitable, but unwarranted evictions must be avoided.

*Improve habitability.* Often, renters are afraid to seek even simple repairs to their home, out of fear of facing eviction. Instead, they tolerate substandard, and sometimes unsafe or unhealthy conditions rather than asking their landlords to provide decent housing in return for the rent.

We think the majority of landlords do play fair, treat their tenants with respect and evict only when absolutely necessary. A carefully drafted Just Cause Eviction Ordinance – one that sets clear standards for eviction and protects property owners from unfair claims by tenants who abuse the terms of their rental agreements – will not adversely affect them. It is needed, however, to protect tenants from the minority of property owners who don't treat renters equitably, looking at their property simply as a means to reap profits at the expense of those unable to protect themselves.

We are aware of the potential for unintended consequences. Accordingly, we urge that you to direct staff to develop options for a Just Cause Eviction Ordinance so that the Board, renters, property owners and advocates on both sides of the issue can have a fully informed discussion before a draft ordinance is proposed for adoption. Tenants deserve protection from arbitrary treatment by landlords; by the same token, landlords need clear guidelines so that they will know what is appropriate and what is not.

Thank you for your consideration. We look forward to moving forward on renter protections.

Sincerely,

Steven Saxe

Steven Saxe