



# COMMUNITY DEVELOPMENT AGENCY

Brian C. Crawford  
DIRECTOR

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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

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

**SUBJECT:** Grant and loan of Housing Trust Funds to Resources for Community Development (RCD) for the development of Victory Village located at 2626 Sir Francis Drake Boulevard, Fairfax.

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

[www.marincounty.org/cda](http://www.marincounty.org/cda)

Dear Supervisors:

**RECOMMENDATION:**

1. Approve a grant of \$1,500,000 to RCD for the development of the property located at 2626 Sir Francis Drake Blvd, Fairfax.
2. Approve a loan in an amount of up to \$1,100,000 from the Marin County In-Lieu Housing Trust Fund (Housing Trust) to RCD for the acquisition of the property located at 2626 Sir Francis Drake Blvd, Fairfax to be repaid within one year.
3. Authorize President, subject to County Counsel approval, to execute (a) County Housing Trust Loan Agreement; (b) Regulatory Agreement; and (c) related documents (including Subordination Agreements) that may be required by other sources of financing for this project.
4. Approve related budget adjustments and related financial transactions as detailed in the Fiscal Impact section.

**SUMMARY:**

The property at 2626 Sir Francis Drake Blvd. in Fairfax would be developed as 54 units of permanently affordable rental housing for people 62 and over. With the award of Housing Trust Funds, staff anticipates RCD will be able to secure the Low-Income Housing Tax Credit award and begin construction in the fall of 2018. The project will include a 20% set aside of the homes for people coming out of homelessness to align with the Board of Supervisors 2018 goal to prioritize the Housing First Model for people experiencing homelessness.

**DISCUSSION:**

RCD has been working on the project at 2626 Sir Francis Drake Blvd. for over six years. The Town of Fairfax embarked on a rezoning process to accommodate the project in 2012, but the rezoning process was delayed when the Town's approval was challenged by a group of residents. RCD eventually received their entitlements from the Town of Fairfax in June 2017. This lengthy approval process increases the

costs of development and is reflective of the difficulty of developing affordable homes in Marin. With RCD's perseverance, the project also garnered an outpouring of public support from a wide range of community members and interested groups. The support for the development of this property resulted in a community coalition that will be an important foundation for other affordable housing proposals and policies, including the strategies endorsed by the Board of Supervisors during the FY 2015-16 workshops on Preserving Housing Affordability and Preventing Displacement. The success of this project may also have a positive effect on affordable housing developers who are considering the risk of pursuing projects in Marin.

RCD applied for and will be awarded Low Income Housing Tax Credits for Victory Village in June of 2018. Your Board's previous award of Housing Trust Funds helped leverage \$13 million in tax credit equity and nearly \$10 million in permanent mortgage. The tax credit map was modified, and Marin is now in the Rural Northern Region, which is smaller with less funds available than the broader Bay Area Region. With less funding available from tax credits and increased construction costs due to the North Bay Fires, a funding gap of \$4,850,000 exists for the Victory Village project. The proposal is to fill the gap through a combination of grants from the County, the Marin Community Foundation and the Tamalpais Pacific Foundation and a loan from the County. This allocation of Housing Trust Funds would include a grant in the amount of \$1,500,000 and a loan in the amount of \$1,100,000 to be repaid within one year. The Marin Community Foundation is considering a grant of \$2,000,000 to match the County's funds. The project has a range of local and state funding. In addition, the Marin Housing Authority awarded 53 Project Based Vouchers, allowing RCD to serve some of our most vulnerable extremely low and very low income elderly adults. The proposed funding sources include:

<b>Funding Source</b>	<b>Amount</b>	
<b>County Housing Trust Grant</b>	<b>1,500,000</b>	<b>current request</b>
<b>County Housing Trust Loan</b>	<b>1,100,000</b>	<b>current request</b>
Permanent Loan	2,591,309	expected commitment
Section 8 Increment Loan	7,783,266	expected commitment
Marin Community Foundation	3,050,000	1,050,000 committed
HOME/CDBG	1,426,527	committed
County Housing Trust Fund	1,100,000	committed
County Mental Health Service Act	1,418,973	committed
Tamalpais Pacific	500,000	250,000 committed
Permit Fee Waiver (Fairfax)	134,401	committed
Deferred Developer Fee	850,000	committed
General Partner Equity	13,230	committed
Tax Credit Equity	14,202,960	tax credits committed
<b>TOTAL SOURCES</b>	<b>35,670,666</b>	

**BACKGROUND:**

The Housing Trust was created to increase the stock of permanently affordable homes in Marin. The Housing Trust provides a local funding source for financial and technical assistance to help create and preserve affordable housing for low and very low- income households. Housing Trust monies are intended to advance the values of a balanced community by providing support for a variety of housing types at a range of household income levels. The proposed funding meets the guidelines for the County's Housing Trust and furthers several Countywide Plan goals, including the following:

**CWP Policy CD-2.11 Promote Diverse Affordable Housing Strategies**

Promote a diverse set of affordable housing strategies to convert existing market rate units to permanently affordable units, in addition to building affordable housing in appropriate locations.

**Housing Element Goal 2 Meet Housing Needs through a Variety of Housing Choices**

Respond to the broad range of housing needs in Marin County by supporting a mix of housing types, densities, affordability levels, and designs.

**FISCAL IMPACT:** There is no impact to General Fund net county cost as a result of this recommendation. The proposed action would increase expenditure appropriations in the Housing Trust Fund (2070) by \$2,600,000 with a corresponding reduction in the fund balance. The current available balance in Fund 2070 is \$5,291,202. Your Board's approval of this action will result in a remaining fund balance of \$2,691,202.

**REVIEWED BY:**

- Dept. of Finance
- County Counsel
- Human Resources

- N/A
- N/A
- N/A

Respectfully Submitted,



Leelee Thomas  
Planning Manager



Brian C. Crawford  
Director

**Attachments:**

1. Victory Village Housing Trust application materials