January 15, 2019

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

SUBJECT: Contribution to Affordable Housing Trust Fund

Dear Board Members:

RECOMMENDATION: Authorize the transfer of $4,100,000 from the General Fund to the Housing Trust Fund to be used to increase the stock of affordable homes through acquisition, preservation and new construction.

DISCUSSION:
In the past 3 years the County has invested over $5,897,000 of Housing Trust funds in a variety of affordable housing developments, significantly reducing the available balance for future projects. As described in Attachment A, the Board has allocated funds to projects throughout the County, which will result in up to 241 affordable homes. Projects are acquisition and new development, including homes for individuals coming out of homelessness, families and low-income seniors. Housing Trust funds of have leveraged over $58 million from tax credits, State and Federal funds, foundations and local philanthropic fund raising.

In order to continue to address the vital need for affordable housing, staff is recommending an allocation of $4.1 million to support additional housing acquisition, preservation and development from the general fund. These funds represent the remaining balance of $5.3 million in one-time unallocated SB 90 state mandate reimbursement funds received by the state in 2018.

The current balance of the Housing Trust Fund is $3,138,641. With a number of projects in the pipeline (see Attachment B), there would not be adequate funds to continue to ensure that sources are available to support critical affordable housing needs. Adding additional funds will allow the County to work collaboratively with communities, funders, cites and towns and other stakeholders to ensure that we are creatively looking at ways to address the affordable housing needs in our community.

BACKGROUND:
The Board of Supervisors has taken a number of steps to promote the development and preservation of affordable housing in the unincorporated County, including providing a range of funding sources and establishing affordable housing requirements for new development. More recently your Board has extended its reach to facilitate affordable housing in incorporated areas as well.

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1 In 2016 your Board set aside $1 million of this balance to be used for the development or preservation of family rental housing outside areas of minority and poverty concentration.
The Marin County In-Lieu Housing Trust Fund (Housing Trust) was created to increase the stock of permanently affordable homes in the County. The Housing Trust provides a local funding source for financial and technical assistance to help affordable housing developers 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 available for households at a range of income levels.

In February 2016, your Board opted to fund the Piper Court Apartments in the Town of Fairfax and began accepting applications from projects throughout the County, including incorporated areas. This has resulted in additional affordable housing being available to lower income households, but has resulted in fewer funds available for projects in the unincorporated areas.

Direct local support, such as the Housing Trust, is increasingly important in producing affordable housing. Having local funds available allows the County to work with developers to produce affordable housing which meets local priorities, such as acquisition of existing housing and in-fill developments.

CONCLUSION: The Board Subcommittee on Affordable Housing recommends that your Board authorize the $4.1 million transfer of funds to the Affordable Housing Trust Fund.

FISCAL IMPACT: With your Board’s approval, expenditure appropriations will be increased by $4.1 million in the General Fund (1000) Non-Departmental program, Org 10019501, to transfer the one-time unallocated SB 90 state mandate reimbursement funds to the Marin County In-Lieu Housing Trust Fund (Housing Trust, #2070). Any future allocations from the Affordable Housing Trust Fund, with a revised available fund balance of $7,238,641, would be subject to your Board’s approval.

REVIEWED BY:

☐ Auditor Controller ✓ N/A
☐ County Counsel ✓ N/A
☐ Human Resources ✓ N/A

Respectfully submitted,

Leelee Thomas
Planning Manager

Brian C. Crawford
Director

Attachments:
2. Attachment B: Pipeline of affordable housing projects