June 21, 2022

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

SUBJECT: Affordable Housing Fund award for 31 Wharf Road in Bolinas

Dear Supervisors:

RECOMMENDATIONS:

1) Approve a grant in the amount of $610,000 total, $500,000 of which is new, from Marin County’s Affordable Housing Fund to Bolinas Community Land Trust for the development of 9 permanently affordable homes on the property located at 31 Wharf Road in Bolinas.

2) Amend existing Affordable Housing Fund award approved by your Board on November 5, 2019 to reappropriate $110,000 of funds intended for the Mesa Project to the 31 Wharf Road project.

3) Authorize President, subject to County Counsel approval, to execute (a) County Housing Grant document, including funding thresholds; (b) Regulatory Agreement; and (c) related documents (including Subordination Agreements) that may be required by other sources of financing for this project.

4) Approve the related budget adjustments as detailed in the Fiscal Impact section.

SUMMARY:
The Bolinas Community Land Trust (BCLT) is developing affordable housing at 31 Wharf Road, Bolinas. They will provide affordable workforce housing for households who have incomes between the very low to low-income\(^1\) levels. BCLT is requesting:

- An amendment to the November 5, 2019 Affordable Housing Fund award for $400,000 to move $110,000 from the Mesa Project to 31 Wharf, and raise the income targeting from extremely low to very low.
- $500,000 in additional Affordable Housing Fund resources to support construction costs.

DISCUSSION:
BCLT is requesting funds which will leverage over $4.4 million in funding from a local anonymous donor and $750,000 from the Marin Community Foundation, among other contributors. These resources have supported the purchase of the 31 Wharf site, contributed to predevelopment costs, and will support construction financing to develop affordable homes in Bolinas available to the workforce. The 31 Wharf Road site is a 2.5-acre parcel in the downtown business district that has a gently sloping area of about an acre that abuts into a wider, two-acre area of steep forested slope.

\(^1\) According to the FY 2022 HUD income limits, for a household of four this would be $93,200 for very low and up to $149,100 for a low-income household

On this site they have received entitlements for nine, 2- and 3-bedroom units. The Downtown project will be a mixed-use project, including affordable homes, commercial space and parking.

The BCLT has been in operation since 1982 and has completed two projects in downtown Bolinas. They provide affordable homes for 25 households, including 10 in single room occupancy (SRO) shared units, seven in studio apartments, five in attached townhouses, and two in a detached residential dwelling and accessory dwelling unit. In the past four years, BCLT has raised over $1,700,000 towards the creation of a revolving fund, with the goal of raising $2,000,000. This is part of their strategy to grow the organization in order to respond to the increasing need for affordable homes in Bolinas.

In November 2019, the BCLT requested and received a grant for $400,000 from the County’s Affordable Housing Fund, for two scattered sites, Mesa Road and 31 Wharf. However, the Mesa Road project has been slow to proceed, while the 31 Wharf project has experienced significant cost increases due to an appeal of the project which caused delays. These delays and subsequent cost escalations due to COVID and supply-chain issues require the project sponsor to seek additional resources and increase the income targets for rents to make the project feasible.

The Marin County Affordable Housing Fund was created to increase the stock of permanently affordable homes in the County. The Affordable Housing Fund 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. Monies from the Affordable Housing Fund can be used anywhere in the County, with a priority for projects in the unincorporated areas.

Housing Fund 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. The proposed grant for these developments meets the guidelines for the County’s Housing Fund and furthers a number of Countywide Plan goals including the following:

**HS-3.1 House Local Workers.** Strive to provide an adequate supply and variety of housing opportunities to meet the needs of Marin County’s workforce and their families, striving to match housing types and affordability with household income.

**HS-3.5 Maintain Population Diversity.** Maintain a diversity of age, social, and economic backgrounds among residents throughout Marin County by matching housing size, types, tenure, and affordability to household needs.

The County’s past practice is to invest approximately $50,000 per unit of affordable housing. However, in recognition of the high cost of development in the Coastal Zone, the limited opportunities for creating new affordable family housing in West Marin, and the project’s readiness to proceed, staff are recommending allocating the additional $610,000 to support the construction of 9-units of deed restricted affordable family housing. Staff also recommend that the funding approval be contingent on commitment by the BCLT board to pursue Project Based Vouchers when they are available in the future to increase overall affordability for residents.
EQUITY IMPACT: The Marin County Affordable Housing Trust Fund was created to increase the stock of permanently affordable housing units in the County. The Affordable Housing Trust Fund provides a local funding source for financial and technical assistance to help affordable housing developers produce and preserve affordable housing. All projects that receive public funds to support housing through the Affordable Housing Fund are required to Affirmatively Further Fair Housing\(^2\) and engage in Affirmative Marketing\(^3\).

FISCAL IMPACT: There is no impact to General Fund net county cost as a result of this recommendation. The $610,000 grant amount is available in the Marin County Affordable Housing Fund (Fund 2070). This action will increase expenditure appropriations in the Marin County Affordable Housing Fund by $500,000 in 20725031/524710 in July (FY 2022-23) using available fund balance. The current available balance is $9,853,586. Your Board’s approval of this action will result in a remaining fund balance of $9,353,586.

REVIEWED BY:
- [ ] Auditor Controller
- [x] County Counsel
- [ ] Human Resources
- [x] CAO

Respectfully submitted,

Molly Kron
Senior Planner

Thomas K. Lai
Director

Munis BUA #TBD (2023/01)

Attachments:
- A. Affordable Housing Fund Application

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\(^2\) Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics, which are: race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, and disability.

\(^3\) Methods of advertising and community outreach that are designed to reach persons who are least likely to know about or apply for the program, including marketing in formats that are accessible for persons with disabilities and in languages other than English.