



COMMUNITY DEVELOPMENT AGENCY

HOUSING AND FEDERAL GRANTS DIVISION

May 17, 2022

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DIRECTOR

Marin County Board of Supervisors
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SUBJECT: Funding allocations from the Marin County Affordable Housing Trust Fund and matching funds from the Permanent Local Housing Allocation (PLHA) State Grant to affordable housing developments

Dear Board Members:

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

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RECOMMENDATION:

1. Adopt a resolution a) approving funding allocations of Marin County's Affordable Housing Trust Fund in the amount of \$1,071,375, matched with Permanent Loan Housing Allocation Funds in the amount of \$1,071,375, for a total amount of \$2,142,750, to projects located at 31 Wharf Road, Bolinas, 100 Webster Drive, Point Reyes Station, 3301 Kerner Blvd, San Rafael, 8161 Redwood Blvd. and 826 State Access Road, Novato as detailed below; and b) authorizing President to execute, substantially in the form attached and subject to County Counsel approval, (i) Marin County Affordable Housing Trust Fund and Permanent Housing Allocation Fund Loan documents; (ii) Regulatory Agreement; and (iii) related documents (including Subordination Agreements) that may be required in the future by other sources of financing for each of the projects awarded Marin County Affordable Housing Trust Fund and Permanent Local Housing Allocation funds through this Resolution (Attachment 1).
2. Approve the related budget adjustments as detailed in the Fiscal Impact section.

SUMMARY:

The Marin County Affordable Housing Trust Fund (HTF) was created to increase the stock of permanently affordable homes in the County. The HTF provides a local funding source for financial and technical assistance to help non-profit affordable housing developers and local public agencies produce and preserve affordable housing for low- and very-low income households in Marin County. Projects anywhere in the County are eligible to apply for funding, however, projects in the unincorporated areas are given priority over projects located within cities and towns. Affordable Housing Trust 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 Permanent Local Housing Allocation Program (PLHA) is a state funding source through the California Department of Housing and Community Development (HCD) which matches local funds for affordable housing. The County of Marin is eligible for non-competitive PLHA funds as an Entitlement

Community¹ designated by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) program and because it has an approved Housing Element and submits Annual Progress Reports to the state.

In 2020, the Marin County Board of Supervisors received a non-competitive allocation of PLHA grant funding and approved a 5-year expenditure plan. The plan was developed in consultation with the Board of Supervisors Housing Subcommittee and in alignment with the Priority Setting Committee (PSC)-approved 2020-24 Consolidated Plan and Assessment of Impediments to Fair Housing Choice (AI). Applications for funding received by the County in 2022 have been evaluated based on state and local requirements.

In 2021, the County received \$1,127,763² in PLHA grant funding, and anticipates receiving a total of \$4,353,426 over the five-year period. The 2021 program is the second allocation of PLHA funds the County has received.

The approved PLHA funds are matching funds from the Marin County Affordable Housing Trust Fund which can fund projects in all jurisdictions of Marin County. Together these matched funds will support predevelopment, development, acquisition, and preservation of multifamily projects, with an emphasis on those that serve residents at or under 60 percent Area Median Income (AMI), as stipulated in the PLHA Final Guidelines.

In 2022, the County received eight (8) applications for the use of Affordable Housing Fund and matching PLHA funds throughout the County.

- Bolinas Community Land Trust – 31 Wharf Road (County Other)
- EAH – 1 Hamilton Dr (County Other)
- Eden Housing – Point Reyes Coast Guard (County Other)
- Eden Housing – Oak Hill Apartments (County Other)
- Habitat for Humanity Greater San Francisco – Habitat Redwood Blvd. (Novato)
- Homeward Bound of Marin - Novato Veterans & Workforce Housing (Novato)
- Canal Alliance – 0 Belvedere (San Rafael)
- Eden Housing – 3301 Kerner (San Rafael)

Project summaries are detailed in Attachment 2. To conserve resources, the project applications and PLHA guidelines are available for review online at <https://www.marincounty.org/depts/cd/divisions/housing/affordable-housing>, under the “Affordable Housing Funding” panel.

¹ An entitlement community is defined as cities with populations over 50,000 or counties with populations over 200,000 that participate in HUD’s CDBG entitlement program.

² \$1,071,375 in PLHA funds are available to be granted, after accounting for \$56,388 in administrative expenses.

DISCUSSION:

❖ Evaluation Guidelines

All project applications sought both HTF and PLHA funds, and thus were evaluated against HTF program criteria and PLHA criteria developed by HCD and against the PSC's approved program goals.

HTF Project Criteria:

The Housing Trust projects proposed for PLHA matching funds are new construction of permanent supportive housing for people experiencing homelessness, new construction of veteran housing, and rehabilitation and new construction of family housing. The Housing Trust prioritizes rental housing that is restricted for a minimum of 55 years. Activities eligible for funding include predevelopment, construction, rehabilitation and land acquisition.

HCD Project Criteria:

- Project readiness: applicant must have site control for development projects, land use entitlements, environmental review, and commitments of other required funding and resources.
- Priority for projects supporting individuals and households earning 60% AMI or below.

PSC Approved Goals:

To begin committing funds to projects, the Countywide Priority Setting Committee (PSC)³, made up of elected representatives of Marin cities and towns and community members representing members of the protected classes under fair housing laws, must approve PLHA Program goals and ensure the proposed projects meet at least one or more of these goals.

On September 2, 2021, the PSC approved the following HTF and PLHA program goals, which are informed by the HUD-approved 2020-24 Consolidated Plan and Analysis of Impediments to Fair Housing Choice:

- Family Housing
- Rental Housing – Acquisition, New Construction, Rehabilitation
- Homeowner Housing – Acquisition, New Construction, Rehabilitation
- Special Needs Housing
- Land trust in eastern Marin that provides home ownership opportunities, with specific inclusion for African Americans

Further, in alignment with the PSC's efforts on fair housing and equity, all applications include:

- A demographic assessment (race/ethnicity, people with disabilities, families) of the applicant's existing housing developments in Marin.
- Demographics of the applicant organization's staff and board members.

³ The Countywide Priority Setting Committee oversees the distribution of federal funds, including Community Development Block Grants (CDBG) and Home Investment Partnerships Program (HOME), and is composed of members that represent all cities and towns and some members of the protected classes under fair housing laws which includes race, color, national origin, religion, sex, familial status and disability.

❖ **Funding Analysis**

A total of eight (8) HTF/PLHA applications were received for projects across the county collectively totaling \$7,325,000 of requested funds. In alignment with CDBG guidelines, the proposed projects are evenly dispersed across three (3) Planning Areas of County Other, Novato, and San Rafael, with the goal of funding at least one project in each area.

❖ **Funding Recommendations for HTF and PLHA Program funds:**

Project	2022 HTF/ PLHA Request	HTF Recommendation	PLHA Match	Total Funding
Bolinas Community Land Trust (BCLT) <i>31 Wharf Road</i>	\$900,000	\$54,477	\$54,477	\$108,954
Eden Housing <i>Point Reyes Coast Guard Housing</i>	\$1,000,000	\$302,648	\$302,648	\$605,296
Eden Housing <i>3301 Kerner</i>	\$1,025,000	\$357,125	\$357,125	\$714,250
Habitat for Humanity Greater San Francisco <i>Habitat Redwood Blvd</i>	\$1,000,000	\$160,902	\$160,902	\$321,804
Homeward Bound of Marin <i>Novato Veterans and Workforce Housing</i>	\$1,000,000	\$196,223	\$196,223	\$392,446
Total		\$1,071,375		\$2,142,750

On Monday, March 21, 2022, the San Rafael City Council passed a resolution approving the PLHA funding recommendations for the 2022 calendar year. In addition, San Rafael agrees to provide PLHA funding for the approved project located in San Rafael (Attachment 3).

On Tuesday, March 22, 2022, the Novato City Council passed a resolution approving PLHA funding recommendations for the 2022 calendar year. In addition, Novato agrees to match PLHA funding for the approved projects in Novato from the City’s Affordable Housing Trust Fund (Attachment 4).

CONCLUSION:

Award of these funds will allow the listed projects to develop needed affordable housing in Marin County, in line with the priorities and goals of PLHA, the Affordable Housing Trust Fund, and the Countywide Priority Setting Committee.

The PLHA funds effectively double the impact of the Marin County Affordable Housing Trust Fund. In turn, these local funds will be used to leverage additional state, federal and philanthropic dollars to increase the supply of affordable homes in Marin.

Award of these funds will be documented and formalized through County Affordable Housing Trust Fund and Permanent Housing Allocation Fund Loan documents and Regulatory Agreements, in substantially the forms of which are attached hereto as Attachment 5. These form agreements will be adapted to reflect your Board’s decision on the proposed funding allocations described herein.

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. The 5-year expenditure plan with matching State PLHA funds increases the impact of these funds in the community.

The projects detailed in the report above were reviewed and approved by the Priority Setting Committee, a group of local elected officials and community members representing members of the protected classes under federal fair housing laws, that oversee the distribution of federal funds in the County. Some members represent the protected classes, and others represent the interest of members of the protected classes.

When presented with the projects, the Committee added an additional recommendation to address equity goals, and tasked Staff with incorporating an affirmative marketing requirement and prioritizing projects that serve members of the protected classes, and that are led by members of the protected classes.

FISCAL/STAFFING IMPACT:

Approval of this recommendation will increase the revenue and expenditure budget in the Miscellaneous Fund 1010, project 40PLHA, by \$ 2,199,138, fully offset with funding of \$1,127,763 from the PLHA grant and \$1,071,375 transferred in from the Affordable Housing Trust Fund 2070. This expenditure amount includes grant funding to reimburse administrative costs by \$56,388, which may result in a reduction of the salary expense in General Fund 1000 and Fund 2100.

Action	Description	Org	Object Code	Type	Amount
Increase	Grant	10125031	453110	Revenue	(1,127,763)
Increase	Transfer-in	10125031	480210	Revenue	(1,071,375)
Increase	Professional services	10125031	522510	Expense	2,142,750
Increase	Salary reimbursement	10125031	561240	Expense	56,388

Increase	Salary cost recover	21055131	562280	Expense	(28,194)
Increase	Salary cost recover	10025031	562280	Expense	(28,194)
Increase	Transfer-out	20725031	580110	Expense	1,071,375

The current available balance in Fund 2070 is \$10,793,948. Your Board's approval of this action will result in a remaining fund balance of \$9,722,573.

REVIEWED BY:

- | | |
|---|---|
| <input type="checkbox"/> Department of Finance | <input checked="" type="checkbox"/> N/A |
| <input checked="" type="checkbox"/> County Administrator's Office | <input type="checkbox"/> N/A |
| <input checked="" type="checkbox"/> County Counsel | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Human Resources | <input checked="" type="checkbox"/> N/A |

SIGNATURE:



Aline Tanielian
Planner



Leelee Thomas
Deputy Director

Munis BA #2076 (2022/10)

ATTACHMENTS:

1. Board of Supervisors Resolution to approve funding allocations
2. Project Summaries
3. San Rafael City Council Resolution
4. Novato City Council Resolution
5. PLHA Form Agreements