September 27, 2022

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

SUBJECT: Loan to BRIDGE Housing for the acquisition of Terra Linda Manor and Northview Apartments, in San Rafael and Related Budget Adjustments

Dear Board Members:

RECOMMENDATIONS:

1) Consider and approve a loan in the amount of $6.25 million from Marin County’s Affordable Housing Trust Fund (Affordable Housing Fund) to BRIDGE Housing for acquisition funding for 125 existing units located at 101 Nova Albion Way and 845 Las Gallinas Avenue, in San Rafael.

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

3) Approve budget adjustment as outlined in the Fiscal Impact section.

DISCUSSION:

BRIDGE Housing is seeking $6.25 million for the acquisition and rehabilitation of the 125-unit portfolio of Terra Linda Manor and Northview Apartments in San Rafael. Terra Linda Manor includes 93 units, including 32 two-story townhomes and 61 apartments built as three stories over parking. Northview Apartments, immediately adjacent to Terra Linda, has 32 two-story garden style apartments. BRIDGE will convert the two naturally unregulated affordable properties into a single regulated affordable housing asset with City, County, and Marin Community Foundation funds.

The properties are in a high resource area within walking distance to the Northgate mall, Safeway, Walgreens, Kaiser’s San Rafael campus, Vallecito Elementary, and Terra Linda High School. This is an important preservation opportunity given the predominance of large family units (62% of the units are 2 and 3-bedroom homes including townhome layouts) occupied by a significant number of lower-income, mostly Latinx families. The majority of residents are in caretaking or service industries and are highly vulnerable to displacement should the buildings be sold to a market-rate, for-profit buyer.

The Board Subcommittee on Affordable Housing, comprised of Supervisors Connolly and Rodoni, met to review the proposal, and support the investment of County Housing Trust dollars into the project. However, they requested that staff work with the City of San Rafael to encourage them to provide funding for the project and, based on the significant level of funding provided by the County, to explore receiving Regional
Housing Need Allocation credit for the County. This award could be made contingent on resolving these issues.

BACKGROUND:
BRIDGE housing is a mission-driven non-profit with a 40-year track record of developing and preserving over 18,000 affordable housing units, including 13,000 units under their in-house property management team. Their mission is to strengthen communities and improve the lives of residents, beginning—but not ending—with affordable housing. They provide over 350 resident programs at over 80 properties. BRIDGE previously preserved two assets in San Rafael and have a long track record of acquiring and preserving naturally affordable properties such as this one.

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 loan 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.

EQUITY IMPACT:
The Marin County Affordable Housing Fund was created to increase the stock of permanently affordable housing units in the County. The Affordable Housing 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\(^1\) and engage in Affirmative Marketing\(^2\). Assembly Bill 686 mandates that local governments identify meaningful goals to address the

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\(^1\) 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.

\(^2\) 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.
impacts of systemic issues such as residential segregation, housing cost burden, and unequal educational or employment opportunities to the extent these issues create and/or perpetuate discrimination against protected classes.

This project aligns with goals to provided housing opportunities in high opportunity areas, defined as places that currently have strong economic, environmental, and educational outcomes. The properties are in a high resource area within walking distance to the Northgate mall, Safeway, Walgreens, Kaiser’s San Rafael campus, Vallecito Elementary, and Terra Linda High. This project presents an impactful housing preservation opportunity given the predominance of large family units (62% of units are 2-3 bedroom homes including highly unique townhome layouts) occupied by a significant number of lower-income, mostly Latinx families. The majority of residents are in caretaking or service industries and are highly vulnerable to displacement should the buildings be sold to a market-rate for-profit buyer.

FISCAL IMPACT:
There is no impact to General Fund Net County Cost as a result of this recommendation. The $6.25 million loan amount is available in the Marin County Affordable Housing Fund 2070. Approval will increase Community Development Agency Marin County Affordable Housing Fund (2070) expenditure appropriations by $6,250,000, fully offset by the use of available fund balance. The current available balance is $13,766,044. Your Board’s approval of this action will result in a remaining available balance of $7,516,044.

Staff will review all other applicable funding sources, including the use of leftover emergency rental assistance funds, and will return to your Board to replenish fund balance in the Affordable Housing Trust, if appropriate.

REVIEWED BY:
☐ Auditor Controller    ☒ County Counsel    ☐ Human Resources
☒ CAO
☐ N/A    ☒ N/A    ☒ N/A

Respectfully submitted,

Leelee Thomas     Thomas K. Lai
Deputy Director     Director

Munis BUA #930 (2023/03)

Attachments:
   A. Affordable Housing Fund Application