



COMMUNITY DEVELOPMENT AGENCY
HOUSING AND FEDERAL GRANTS DIVISION

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DIRECTOR

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

SUBJECT: Grant from the Marin County Affordable Housing Fund and Measure W Community Housing Fund to Habitat for Humanity Greater San Francisco for acquisition funds for the properties containing the Overlook-Aspen project in Bolinas and Related Budget Adjustments.

Dear Board Members:

RECOMMENDATIONS:

- 1) Approve a grant in the amount of \$400,000 from Marin County's Affordable Housing Fund 2070 to Habitat for Humanity Greater San Francisco for acquisition funding for two lots containing four prefabricated homes located on Overlook Drive and Aspen Road in Bolinas.
- 2) Approve a grant in the amount of \$400,000 from Marin County's Measure W Community Housing Fund to Habitat for Humanity Greater San Francisco for acquisition funding for two lots containing four prefabricated homes located on Overlook Drive and Aspen Road in Bolinas.
- 3) Authorize President, subject to County Counsel approval, to execute (a) County Housing Grant document; (b) Regulatory Agreement; and (c) related documents (including Subordination Agreements) that may be required by other sources of financing for this project.
- 4) Approve budget adjustment as outlined in the Fiscal Impact section below.

DISCUSSION:

Habitat for Humanity Greater San Francisco (HGSF) is requesting funds for the acquisition of the properties containing the Aspen-Overlook Project, which consists of four prefabricated 3-bedroom/2 bath homes developed by the Bolinas Community Land Trust (BCLT) in Bolinas. Two of the homes are located at 530 and 534 Overlook Drive (Overlook Lot), and two are located on Aspen Road near the intersection of Alder and Big Mesa Streets (Aspen Lot). The homes will be made available to low-income households.

In 2017, BCLT was gifted this parcel of land with the goal of creating four to six units of below market-rate homeownership opportunities through a tenancy in common (TIC) structure. Originally BCLT had designed "stick-built" homes for this location; but, after significant delays, BCLT determined that building in this way would be too costly and that prefabricated homes could be manufactured at a lower cost.

HGSF and BCLT are collaborating on this project. BCLT participates in outreach and engagement, and property and asset management of the four homes. HGSF has provided homeownership opportunities for 246 local families over the past 30 years.

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. The Overlook Lot is fully entitled, and the homes are complete. A complete application has been submitted to the Planning Department for the Aspen Lot and waiting to receive Coastal Permits and other entitlements.

In September 2018, BCLT received \$50,000 in Community Development Block Grant (CDBG) funding for this project. No previous requests for County funds have been made by HGSF. The project was designed by volunteer architects, and a construction loan was provided by a community member, which will be paid back through financing. BCLT has received several gifts to lower the overall project costs, including gifted land, real property tax exemptions, gifted architecture, and other benefits.

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.

On November 6, 2018, the voters of West Marin passed Measure W to establish the West Marin Transient Occupancy Tax area (Measure W Community Housing Fund). In recognition of the impacts of visitors to the area, the increase in the transient occupancy tax approved by the measure provides increased funding for long-term community housing in addition to enhanced fire/emergency services.

The measure allows for an ad-hoc working group to help inform the Marin County Community Development Agency's (CDA) funding recommendations to the Marin County Board of Supervisors. The Measure W Working Group on Fund Expenditures for Community Housing (Working Group) is comprised of nine (9) members selected by the CDA Director. The purpose of the Working Group is to prioritize housing needs in West Marin. The Board of Supervisors and County staff will consider the group's recommendations when awarding funds to specific projects using Measure W proceeds. On May 10, 2022, your Board approved priorities recommended by the Working Group. These priorities are being used to award Measure W community

housing funds for the period of May 2022-2023. This project aligns with the Measure W Housing Production priority.

The County's past practice is to invest approximately \$50,000 per unit of affordable housing. However, this figure no longer accurately reflects the cost of developing affordable homes. In addition, 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 an additional \$600,000 to support the construction of four deed-restricted affordable family housing units, for a total of \$800,000.

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 Trust Fund provides a local funding source for financial and technical assistance to help affordable housing developers produce and preserve affordable housing.

The Measure W West Marin Transient Occupancy Tax area was established in recognition of the impacts of visitors to the area. The increase in the transient occupancy tax approved by the measure provides increased funding for enhanced fire/emergency services and long-term community housing to stabilize the community.

All projects that receive public funds to support housing, including the Affordable Housing Fund and Measure W Community Housing funds, are required to Affirmatively Further Fair Housing¹ and engage in Affirmative Marketing².

FISCAL IMPACT:

There is no impact to General Fund Net County Cost as a result of this recommendation. The \$400,000 grant amount is available in the Marin County Affordable Housing Fund 2070. This action will increase expenditure appropriations in the Community Development Agency Marin County Affordable Housing Fund (2070) by \$400,000, fully offset by the use of available fund balance. The current available balance is \$14,166,044. Your Board's approval of this action will result in a remaining available balance of \$13,766,044.

In addition, this action will increase expenditure appropriations in the Community Development Agency Measure W Fund (3450) by \$400,000, fully offset by the use of available fund balance. The current available balance of Measure W funds available for community housing is approximately \$790,122. Your Board's approval of this action will result in a remaining available balance of \$390,122.

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.

REVIEWED BY:

- Auditor Controller
- County Counsel
- Human Resources
- CAO

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

Respectfully submitted,



Leelee Thomas
Deputy Director



Thomas K. Lai
Director

Munis BUA #890 (2023/03)
Munis BUA #1839 (2023/03)

Attachments:

- A. Affordable Housing Fund Application
- B. Measure W Community Housing Fund Application