

MARIN COUNTY COMMUNITY DEVELOPMENT AGENCY

ALEX HINDS, DIRECTOR

April 17, 2007

Board of Supervisors
County of Marin
3501 Civic Center Drive, Room 325
San Rafael, CA 94903

SUBJECT: Request to re-establish a short-term loan program in order that the Marin Housing Authority (MHA) may purchase Below Market Rate homes in probate, foreclosure or resale.

Dear Supervisors:

RECOMMENDATION: 1.) Approve use of \$400,000. 2.) Authorize the Community Development Agency Director to execute standard short-term loan agreements not to exceed \$250,000 per loan with MHA for this purpose pending review from County Counsel and the County Administrator's Office.

SUMMARY: The MHA administers the Below Market Rate (BMR) Homeownership Program on behalf of the County. In resale, foreclosure or probate, the MHA must purchase a unit and resell it to a new qualified buyer. In 2005-2006 the median sales price for homes sold in the unincorporated area was \$222,000. If funds are not available to purchase the unit the County may lose that unit as an affordable housing unit.

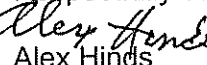
On March 1, 2005 your Board authorized a short-term loan set-aside from #986 in the amount of \$250,000. Before the end of Fiscal Year 2007, two units may need to be purchased at approximately \$216,000 and \$120,000 and MHA is financially challenged to secure the unit with existing resources.

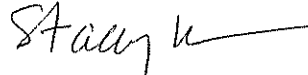
Staff recommends to re-establish Board approval of short-term loan funds for loans to MHA not to exceed \$250,000 per loan. The short-term loan would be non-interest bearing and not to exceed a 1-year term before repayment is required. The MHA would own the property as collateral so there is little risk associated with a loan for this purpose.

Staff also requests the Board continue to authorize the CDA Director to execute standard short-term loan agreements with MHA for this purpose, with approval of the CAO's office and County Counsel.

FISCAL IMPACT: No impact on the General Fund. SAP Fund #80407 is non-budgeted and requires no set-aside.

REVIEWED BY:	<input checked="" type="checkbox"/> Auditor Controller	<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

Respectfully submitted,

Alex Hinds
Director


Stacey Laumann
Affordable Housing Planner