Marin grand jury: Housing crisis calls for collaboration

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Marin County and its cities and towns should create a regional organization, or empower an existing authority, to coordinate efforts to create more affordable housing, according to a new civil grand jury report.

The grand jury said that while researching the report, it "heard that the county, cities, and towns of Marin have resisted working together on housing policy."

The report points out there is new incentive for collaboration. It notes that the state has "drastically increased" the amount of housing that counties, cities and towns are required to build, and the Legislature has passed legislation that will limit local control over housing construction if jurisdictions fail to create the assigned amount of housing.

"The task ahead for the county and municipalities of Marin is to build more affordable housing while retaining local control," the grand jury wrote. "Achieving these goals will require increased countrywide cooperation at the highest level of government."

The grand jury sees a number of advantages to increased cooperation. But one outshines all the rest: the ability to pool the expertise and resources needed to access funding.

"With the high cost of land and construction in Marin, it is nearly impossible to build affordable housing without subsidies," the grand jury said. "A countywide approach would help jurisdictions navigate the complex landscape of accessing these subsidies."

A recent Los Angeles Times story looked at seven affordable housing projects in Northern California where the cost of development surpassed \$1 million per residence.

The grand jury noted that almost all new affordable housing is built by specialized nonprofit organizations such as Eden Housing, EAH Housing, Homeward Bound and Marin Community Housing. These nonprofits use grants and tax benefits to augment project funding.

Financial support for affordable housing comes from a variety of sources, including state funding with revenue from a \$75 recording fee on real estate documents that was put in place by Gov. Jerry Brown in 2017.

Other sources include Marin County's affordable housing fund; local banks meeting Community Investment Act requirements; federal Community Development Block Grants; the Marin Community Foundation; low-income housing tax benefits for joint venture partners; and government land donations.

"Currently, there is no central repository of information on affordable housing subsidies in the county," the report said. "Such a resource could help developers find subsidies for affordable housing."

The jury said a regional authority could also coordinate the granting of "in lieu" fees by developers. Most jurisdictions require larger housing developments to reserve a percentage of their residences for low- and moderate-income housing, but they allow developers to avoid this requirement by paying an "in lieu" fee.

"In theory, the funds from this fee can be used to subsidize other low-income housing, but in practice this does not always occur," the grand jury said.

Marin could coordinate its affordable housing effort in one of two ways: by creating a new regional authority, or by tasking an existing authority, the report said. It cites examples in other Bay Area counties.

San Mateo County has created a program called "21 Elements," which unites the efforts of the county and its 20 cities. Solano County has created the Solano City County Coordinating Council, which consists of the county supervisors and representatives from each municipality.

The grand jury noted that in 2006 the Transportation Authority of Marin, a joint powers agency of the county and its 11 cities and towns, considered creating a city county planning committee to provide a public forum to collaborate on housing, transportation, land use and sustainability issues.

The committee, which would have consisted of elected leaders of the county and the municipalities, would have pursued grants and other funding opportunities for housing and coordinated housing element updates of jurisdictions' general plans, among other duties.

The grand jury wrote that while there was a consensus that such a committee would be beneficial, the proposal was ultimately shelved because of concerns that it would divert staff and resources from TAM's main objectives, and because of a lack of resolve to make it happen.

"This was a critical missed opportunity," the report said.

Reacting to the report, Leslie Mendez, San Rafael's planning manager, said, "I wholeheartedly support a regional approach of sharing ideas, information and resources."

"Any synergy or efficiencies that we can achieve through collaboration is invaluable," Mendez said. "Will it make a dent in the overall crisis? Maybe not."

Tom Lai, director of the Marin County Community Development Agency, said he agreed with the grand jury's assessment of Marin's lack of affordable and workforce housing, the regulatory barriers to increase the supply of affordable housing, and the shift on housing coming from the state Legislature.

"But in my initial assessment of the recommendations, the challenges associated with interjurisdictional collaboration cannot be overcome simply by creating another regional entity," Lai said.

Lai noted that through the Housing Working Group formed in 2018, the county and its cities and towns work cooperatively in a number of areas around affordable housing, including coordination around housing elements, housing policy, pooling of funding and staffing.

"While I appreciate the civil grand jury bringing more light to this critical issue, we have successful regional models to draw from, and I look forward to exploring further collaboration with our cities and towns on this shared issue," Lai said.

Many think that crooked politicians are stalling everything.