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SAN RAFAEL

Two affordable housing projects get financial lift

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The San Rafael City Council has approved \$1.55 million in expenditures for two affordable housing projects.

The payments, approved unanimously, include a \$750,000 grant to Homeward Bound of Marin for its 32-residence project at 190 Mill St. and an \$800,000 loan to Eden Housing for its 67-resident development at 999 Third St.

The money comes from the city's affordable housing trust fund. Developers pay into the fund to bypass San Rafael's inclusionary housing requirement, which mandates that 20% of homes in large developments be sold or rented at below-market rates. City officials in some cases agree to lower the requirement in exchange for payments into the trust fund.

The city solicited applications this year for trust fund grants, and four organizations responded by the June 19 deadline, according to city officials. An application submitted by the San Francisco Community Land Trust, seeking \$500,000 to help the organization buy an eight-home property, was not approved for funding. Another application that didn't make the cut, submitted by Bridge Housing, sought \$1 million toward rehabilitating a 60-home complex.

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The Homeward Bound and Eden Housing projects were chosen in part "because they are both new construction projects, which was indicated as a funding priority by City Council," according to a city report. The projects were also selected because they provide homes for very-low-income and extremely-low-income households, the report says.

Homeward Bound's project, which the City Council approved in April, will provide low-income housing for the homeless. The homeless services nonprofit plans to demolish its one-story homeless shel-

ter at 190 Mill St. and construct a four-story building in its place, with a 60-bed homeless shelter and 32 low-income apartments.

The site will be staffed at all times with workers providing support services for tenants who might otherwise struggle living on their own, according to Homeward Bound. Tenants will be allowed to live in the apartments indefinitely, the organization said.

Eden Housing's project is part of a redevelopment plan that the City Council approved in March for 999 Third St. The East Bay real estate nonprofit has partnered Vivalon, a San Rafael-based senior services nonprofit formerly known as Whistlestop, to construct a six-story building

on the site. Vivalon plans to run a senior center on the first two floors of the building, while Eden Housing will own and operate 67 apartments designated for low-income seniors on the four floors above. The pharmaceutical company BioMarin, which bought the property in 2015 and donated a portion of it to Vivalon as part of a land swap, is set to build two 72-foot-tall office buildings on the site.

The \$800,000 allocated to Eden Housing is a residual receipts loan. According to a city report, "payments would be made to the city's housing trust fund only if there is revenue available for the project to make a payment each year."

Mayor Gary Phillips said

the city does not expect to get any payment back on the loan.

San Rafael's affordable housing fund had a balance of about \$1.6 million when the city sought grant applications in June, but the city has since received a \$1.84 million payment from Marina Village Associates, which owns the Loch Lomond Marina. The company has agreed to pay an additional \$1.84 million into the fund by March 31. The council in April approved the company's request to pay the \$3.68 million in fees instead of building an additional six affordable homes on the marina property.

Paying into the housing fund rather than building affordable housing requires approval from the

council, but city officials are considering a plan that would give developers the option to pay the fees by default in some cases. Last month, the council agreed to move forward with the plan and asked city staff to create a draft ordinance that would codify the new rules.

For projects with more than 15 residences, developers would be allowed to designate 5% of units for affordable housing and pay a fee into the trust fund equal to an additional 5%. The plan would also lower the city's inclusionary housing requirement, bringing the requirement for affordable units from 20% down to 10%. The proposal is aimed at enticing developers into building in San Rafael, officials said.