

OPINION
COMMENTARY

Marin Voice: Bay Area affordable housing bond measure is right for county plans

By **JENNIFER SILVA**

March 8, 2024 at 2:59 p.m.

Marin residents want more affordable housing. The county's 2023 community survey confirmed that housing is our top issue. While longtime community resistance to housing in Marin is well-known, it is slowly changing. The funding challenges are less well known, but just as formidable.

Simply put, current affordable housing programs are underfunded. Financing is extremely complicated. Federal and state programs receive far more requests for funding than they are able to grant. Last cycle, the largest California funding source, its "super NOFA (notice of funding availability)," received requests for 10 times the available funding.

Affordable housing projects require a regulatory wizard to navigate the system and put various sources together. A typical affordable housing project requires six to eight different funding sources, each with its own monitoring, reporting and deadlines. Missing a deadline by a week can delay a project by a year. Each source has different requirements, such as services provided (like free Wi-Fi and after-school programming), labor standards or use of environmentally sustainable materials.

Each requirement has a worthwhile objective. But the mix of requirements doesn't always work well together and each requirement comes with a price. The complexity slows development, increases costs and makes affordable units more expensive to build than market-rate units built with investor capital and commercial loans. Many affordable projects are ready to go, but die from lack of funding.

The Bay Area Housing Finance Authority can help.

If you're not familiar, you're not alone. BAHFA is a young agency (established in 2019). It supports affordable housing in the Bay Area. The authority is planning a \$10 billion to \$20 billion regional bond measure for the November 2024 ballot. Should it pass, 80% of the funds generated in Marin – between \$350 million and \$700 million – would be returned to Marin for distribution according to a Marin County-developed expenditure plan. This funding is significant. (By contrast, Marin commits about \$5 million annually for affordable housing.) The remaining 20% would go to the BAHFA agency for regionwide initiatives, including projects in Marin.

Importantly, this funding is for Marin. Currently, county projects compete for funding with affordable housing projects across the state, often in areas that are less expensive and easier to build in. Residents will decide how to allocate the BAHFA bonds via an expenditure plan that must be developed in a public process. The plan must meet general allocation guidelines, but Marin County will determine the specifics of how the funding is allocated, not the state. There is currently no other significant funding source under local control.

Marin has considerable flexibility in how it uses the bonds to create and preserve affordable housing. There are overarching guidelines: 52% of the bonds must be for the production of new deed-restricted affordable housing, 15% must be for preservation of affordable units and 5% will fund tenant protection programs. The remaining 28% is at the discretion of the county, as long as it supports affordable, deed-restricted housing. Other than that, it would be up to us. The county decides the specific affordability levels up to 120% of area median income, rental versus home ownership opportunities, and how to best leverage the funds.

The benefits go beyond funding. The size of this potential funding source could simplify the process for financing projects. Instead of cobbling together six to eight sources, a project might be able to launch with two or three sources. This alone would reduce costs and speed development.

This could attract new developers to affordable housing. There is little funding for pre-entitlement work – development of site plans, presenting at community meetings and securing funding – leading developers to front the bulk of these costs. EAH, a Marin-based nonprofit developer, estimates that they will spend about \$1 million of its own capital before it receives funding for building 1 Hamilton, a 44-unit 100% affordable project in Mill Valley. Easier access to capital will attract a more diverse mix of developers, something that is sorely needed.

The Marin Environmental Housing Collaborative hosts a free webinar April 10.

Register at marinmehc.org. To endorse the BAHFA bond measure now, go to bayareahousingforall.org.

The severity of Marin's housing crisis is widely recognized. Residents want solutions. The existing programs are insufficient to solve our housing crisis. We need more.

Jennifer Silva, of Sausalito, is on the Marin Environmental Housing Collaborative Board of Directors.