



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community & Economic Development

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City Manager Approval:  _____

TOPIC: AUTHORIZE AFFORDABLE HOUSING TRUST FUND AWARD TO INCLUDE RENOVATION OF UNITS IN AN ADDITIONAL BUILDING AT MARIN VILLA ESTATES

SUBJECT: RESOLUTION AMENDING RESOLUTION 15244 AUTHORIZING THE USE OF AFFORDABLE HOUSING TRUST FUNDS FOR RENOVATION OF UNITS IN AN ADDITIONAL BUILDING AT MARIN VILLA ESTATES

RECOMMENDATION:

Adopt the resolution amending Resolution 15244 to authorize the use of \$200,000 in funds from the Affordable Housing In-Lieu Fee Fund (Fund 243) for the renovation of three units at 153 Novato Street in Marin Villa Estates.

BACKGROUND:

Canal Alliance owns twelve affordable rental units in three buildings at Marin Villa Estates, including 153, 161, and 165 Novato Street, in the Canal neighborhood of San Rafael. These units have not been updated in over 20 years.

In 2023, Canal Alliance responded to a Notice of Funding Availability (NOFA) for the City’s Affordable Housing Trust Fund, requesting \$400,000 for the renovation of four existing units at 161 and 165 Novato Street. The City Council authorized a \$200,000 grant from the Housing In-Lieu Fee Fund (Fund 243) for the proposed renovation project. The award constituted half of the funding amount requested.

The original City Council authorization included 161 and 165 Novato Street only. Canal Alliance now requests to use the previously awarded NOFA funding to renovate three units within their third building at Marin Villa Estates, located at 153 Novato Street, instead of using the funds to renovate the units at 161 and 165 Novato Street as originally planned. No additional funding is requested.

ANALYSIS:

Canal Alliance requests to use previously awarded NOFA funds to renovate units in an additional building at Marin Villa Estates located at 153 Novato Street. Currently, the City award authorizes use of funds for renovation at 161 and 165 Novato Street only. The units at 153 Novato Street are equally in

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

need of renovation and are deed-restricted for households earning very low (<50% of Area Median Income (AMI) or low (<60% of AMI) incomes.

Canal Alliance has added asbestos testing and removal to the scope of their renovations. The scope still includes bathroom and kitchen remodel, new flooring, painting the entire units, and temporary relocation of tenant households. Canal Alliance's request is not asking for additional dollars, but proposes to renovate three units instead of four, factoring in an increase in per-unit expenditures due to increases in material and labor costs, including the application of prevailing wage requirements that apply through multiple funding sources, as well as the addition of asbestos inspection and abatement.

The proposed use of funds would help preserve affordable housing and meet the evaluation criteria provided in the NOFA and in Section 5 of City Council [Resolution No. 14760](#), *Guidelines for the Administration of the Affordable Housing Trust Fund*. The project continues to align with the City's [Housing Element](#) goals to ensure housing habitability and maintenance and foster a range of housing choices throughout the City.

FISCAL IMPACT:

No additional funding is requested. In July 2023, the City Council authorized a grant award of \$200,000 from the Affordable Housing In-Lieu Fee Fund for renovation of units at Marin Villa Estates. Authorizing the application of funds to the renovation of an additional building on the property will maintain this same fiscal impact to the Affordable Housing In-Lieu Fee Fund, Fund 243.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Staff's recommended action, which is to adopt the resolution.
2. Adopt a modified resolution.
3. Direct staff to provide additional information.
4. Take no action.

RECOMMENDED ACTION:

Adopt the resolution.

ATTACHMENTS:

1. Resolution

RESOLUTION NO.

RESOLUTION AMENDING RESOLUTION 15244 AUTHORIZING THE USE OF AFFORDABLE HOUSING TRUST FUNDS FOR RENOVATION OF UNITS IN AN ADDITIONAL BUILDING AT MARIN VILLA ESTATES

WHEREAS, on January 21, 2020, the City Council adopted Resolution No. 14760, establishing Guidelines for the Administration of the Affordable Housing Trust Fund; and

WHEREAS, on April 10, 2023, the City issued a Notice of Funding Availability (NOFA) for funding from the Housing In-Lieu Fee Fund to support affordable housing, with an application deadline of May 15, 2023 by 5:00pm; and

WHEREAS, the City received three responses to the NOFA, including a \$400,000 funding request from Canal Alliance for the renovation of four units at 161 and 165 Novato St at Marin Villa Estates; and

WHEREAS, on July 17, 2023, the City Council adopted Resolution 15244, authorizing a \$200,000 grant from the Housing In-Lieu Fee Fund (#243) for the Canal Alliance for renovation of four units at 161 and 165 Novato Street at Marin Villa Estates; and

WHEREAS, Canal Alliance owns 12 units in Marin Villa Estates at 153, 161, and 165 Novato Street; and

WHEREAS, all 12 units have not been updated in over 20 years and are in need of renovation; and

WHEREAS, Canal Alliance proposes to use the previously awarded NOFA funding to renovate three units within the organization's third building at Marin Villa Estates, located at 153 Novato Street; and

WHEREAS, Canal Alliance proposes to add asbestos testing and removal to the renovation activities, which are otherwise unchanged from the original NOFA application; and

WHEREAS, Canal Alliance is not requesting additional dollars, but proposes to renovate three units instead of four, factoring in an increase in per-unit expenditures due to increases in material and labor costs, as well as the addition of asbestos inspection and abatement; and

WHEREAS, the funding request continues to meet the evaluation criteria listed in Section 5 of the Guidelines for the Administration of the Affordable Housing Trust Fund for use of the funds.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of San Rafael hereby amends the entirety of Paragraph i of Resolution 15244, Section 1 as follows:

- i. \$200,000 grant from the Housing In-Lieu Fee Fund (#243) for the Canal Alliance for renovation of at least three units within the Marin Villa Estates property on Novato Street. The project will continue to be restricted at 50% and 60% of Marin County Area Median Income set by the United States Department of Housing and Urban Development (HUD AMI) as published by the Marin Housing Authority.

Resolution 15244 remains otherwise unchanged.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of said City held on Monday the 15th day of April 2024, by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk