

August 6, 2009

Harold C. Brown, Jr., President
Marin County Board of Supervisors
3501 Civic Center Drive, Room 329
San Rafael, CA 94903

Dear Supervisors Adams, Brown, McGlashan, Kinsey and Arnold,

Thank you for taking the time on Tuesday to clarify your reasoning behind the proposed suspension of the Housing Impact Fee. We continue to be troubled by the Board's decision to suspend the fee after your unanimous support only ten months ago. We appreciate the difficulty of the decision before you, and certainly sympathize with contractors and builders who are hurting during these economic times. However, suspending the Affordable Housing Impact Fee is the wrong means to bring about economic recovery for the following reasons:

- **This fee suspension *will not* provide the kind of help the construction industry needs to restart the housing market.** According to the County's 2009 Housing Element, the \$2,500 total fee for a 2,500-square-foot home is less than one half of one percent of average construction costs.
- **This 'symbolic gesture' *will* undermine countywide efforts** to raise awareness about the urgent need for workforce housing by sending the message that affordable housing is not a priority during this economic downturn.
- **\$78,000 in local funding is far from insignificant in the world of affordable housing finance.** Funds from local housing trust funds are crucial sources of *predevelopment assistance*. Even \$50,000 in predevelopment assistance can go on to leverage upwards of \$10 million in other affordable housing funding.
- Nonprofit and affordable housing developers are also builders, so **a strong Housing Trust Fund creates jobs for workers in the construction industry and stimulates the economy**, while building the type of housing Marin so desperately needs. It's a win-win.
- **The Impact Fee *does not* apply to simple remodels, such as adding a bathroom or expanding a kitchen. The fact is that this fee only applies to remodels that add a minimum of 500 square feet onto a house**, with the total square footage exceeding 2000 sq ft. A one-room addition of a bathroom or bedroom is not subject to the fee as it is currently written. Only costly large-scale remodels would be required to pay the Impact Fee.
- We are concerned that the County's willingness to reverse course on this fee so quickly **sends a confusing and damaging message to other jurisdictions about the value of such a program at a time when the need for affordable housing continues to grow.** Currently, Belvedere and Ross are considering similar impact fees, and we hope other jurisdictions will follow. We need the County to hold steadfast to its commitment to create more affordable housing choices.

- **This Fund is critical to the County’s ability to implement its upcoming Housing Element.** For a Housing Element to fulfill its purpose, the County must be able to fund development on the sites identified. Taken together, the Housing Element and the Affordable Housing Trust Fund are the best chance Marin has to truly create the housing needed for its workforce and aging population, and to ultimately reduce its hefty carbon footprint.

We ask you to reconsider suspending the Housing Impact Fee at this time for all of the above reasons.

Sincerely,