

AS APPEARED IN THE NOVATO PATCH

## DEVELOPER'S PLAN FOR AFFORDABLE HOUSING COULD BE A GAME-CHANGER

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Novato-based HartMarin believes working directly with employers to create housing for their workers could be a solution to divisive issue.

Emotions are running high in Novato right now as the city tries to find a workable solution for its affordable housing problem. Other than the recent announcement of Hill Middle School's closure and the resulting scramble of where kids will go to school next fall, no other issues has gripped Novato citizens like state-mandated affordable housing quotas.

Charged with adding 669 affordable homes to the local housing inventory by 2018, Novato city leaders must determine whether it will allow high-density residential development (defined by the state at 30 units per acre of land) through the rezoning of properties around the city. If they do, they all but guarantee approval from the state Department of Housing and Community Development.

Members of the Novato City Council and Novato Planning Commission also may incur the wrath of their populace even though many on the panels have publicly mentioned their disapproval of state-mandated quotas.

Some locals fear the creation of insta-slums, pointing to elevated crime levels at a few existing high-density developments. Some, including members of the group Citizens for Balanced Housing, have expressed suspicion regarding developers' intentions, all but calling them robber barons intent on milking the city (and its low-income residents) for dirty profits while rubbing their hands together with glee.

A 21-member city-appointed affordable housing ad hoc working group, faced with pressure from both sides, is trying to find a tenable plan. So far, resolution seems very far away.

But what if it's not? What if at least a partial solution to the issue is sitting a Novato office right now, sketching out its latest creative approach to affordable housing? What if that solution is known to the city, having already completed a successful eight-unit below-median income project in 2007?

Meet Rob Hart of HartMarin, the builder behind Virginia Grove, an ultra-green subdivision on Virginia Avenue near Our Lady of Loretta Catholic Church. The project was the winner of the 2007 Award of Excellence for Smart Growth and Workforce Housing.

Virginia Grove was the first affordable housing project built in Marin County without public financing. It reflects Hart's deeply held views of affordable housing's potential (and his commitment to eco-friendly development) and was a starting point for an evolutionary process that could ease Novato's affordable housing pain.

Hart knows why high-density is on the table. "Nowadays, affordable housing makes no sense for private developers," he says bluntly. "The nature of affordable housing is that for each unit a developer builds, he loses anywhere from \$100,000 to \$300,000."

The solution, Hart says, is to change the paradigm of affordable housing entirely. Rather than depend on government funding or tax credits, builders should go directly to large-scale employers, something he's calling directed workforce housing.

So far, HartMarin has three such projects underway: 35 employee housing units at the Spirit Rock Center in Woodacre (whose go-ahead vote with the county happened Monday), faculty housing at the San Francisco Theological Seminary in San Anselmo and 45 units at the Golden Gate Baptist Theological Seminary.

"Overall," Hart says, "that's 100 units of affordable housing." One crucial element separates Hart's plan from existing affordable housing paradigms: It offers housing for employed individuals. There is no public subsidy plan, which challenges all interested parties to clearly define what they mean by affordable housing.

"We have found a way to build housing where an employer can provide housing to employees at affordable levels – and it still makes financial sense to them," he adds.

The employer owns the homes; rent is capped at 30 percent of the renter's net income, so the homes meet the state's definition of affordable housing. There are no deed restrictions to be fudged; in more than one case, cities have had to repurchase affordable housing out of foreclosure after homeowners worked their below-market rate deals for instant equity.

The stated goal of affordable housing activists – to provide below-market homes for working local residents – would be met under this scenario. Employers, for their efforts, get a perk useful in attracting talent and do their part to reduce greenhouse gases by eliminating long commutes for their workers.

"The county can take credit for these units as affordable housing," Hart points out. "They don't have to, but they can. That takes the pressure off places like Novato."

Can it work in Novato? Hart thinks so. As a member of the Marin Economic Forum, he has already identified potential local sites and employers – although he's not quite ready to reveal those.

Hart is not advocating a return to the era of company towns, during which factories and mills built employee houses, stores and places of worship – and then ruled with impunity. For one thing, we're not talking about mill workers here; more like teachers and tech workers. "This is all new," Hart concludes. "It's housing for people who work in the community, who are the fabric of the community."