

# Marin developer, bank collaborate on affordable project

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SPECIAL TO THE BUSINESS JOURNAL

NOVATO – Tamalpais Bank and private developer Rob Hart have set out to show that building affordable and environmentally advanced homes can be a viable business model.

The Virginia Grove residential community is being financed by Tamalpais Bank through a \$3.7 million loan to developer Rob Hart of HartMarin in Novato.

The loan will be used to build eight affordable, detached single-family “green” homes on a 0.65-acre parcel at 1845 Virginia Ave. in Novato within an existing residential and mixed-use neighborhood. This is the first low-income residential construction project to be built in Marin County using private capital.

Four 1,134-square-foot, three-bedroom, two-bath homes will be deed restricted with income requirements for eligibility and priced in the \$350,000 to \$400,000 range – which is about 45 percent of the median home price in Novato in 2006.

The other four are 1,260-square-foot, three-bedroom, two-and-a-half-bath homes designated as working middle class housing units priced at \$675,000 to \$725,000, about 80 percent of the Novato median price for similar homes. Today’s median price for a comparable home in

Marin County ranges from \$925,000 to \$950,000. The site will provide 16 on-site parking spaces, including eight one-car garages and eight driveway parking spaces.

To meet demand for affordable housing in 2006, about 21 percent of home mortgages in California were granted with zero down. Today, more than 35 percent of household income is typically required to buy a home. This is why those applying for one of these new low-income homes must be in a lower income classification according to adjusted median income rates published by the government each year. Currently, for a family of four, there is a maximum income limit of \$90,000 per year to qualify.

“We had been searching for ways to help get the average median price for housing down in Marin as part of our ongoing search for development projects in need of funding. That’s why we are extremely proud to provide the capital for this project,” said Mark Garwood, CEO and president of Tamalpais Bank. “We were fortunate to find a for-profit development company willing to become involved.”

The builder is using an old-style architectural approach highly popular in the 1920s for building small cottages.

“I’ve known Rob Hart for years and discovered that he was committed to making this project work and also willing to

give up potential profits he could have received by building two high income homes on this site in order to make a contribution to the community,” Mr. Garwood said.

“We acknowledged that a major problem in Marin County is the lack of affordable housing. That’s why we believe that this is an important first step toward demonstrating that entry-level ownership workforce housing can be both financed and built without public funding.”

According to Mr. Hart, these new homes have been designed and engineered to meet green standards in the use of sustainable and energy-efficient materials.

Mr. Hart, owner of HartMarin and a fifth-generation Marin County resident, has been involved in real estate development since 1986. “I want to provide affordable housing and residences that will support the county’s drive to build to exacting environmental and sustainability standards. Virginia Grove demonstrates that green building and affordable housing is a viable business model,” he said. “We’re also trying to show that private industry can do this and still make a living – even at a time when escalating costs are spinning out of control.”

The City of Novato has a green building ordinance that gives a developer points for the things done to make a building project

environmentally friendly. Virginia Grove scored 99 points, according building permit records, on a scale where 50 points reaches the Gold Standard.

To satisfy green requirements, homes were pre-wired for photovoltaic panels. Energy-efficient steel appliances were used throughout, and fiber concrete siding provides a durable outer shell plus insulation and a measure of fire proofing. The homes also come with a passive solar temperature balance system using built-in small fans inside the ducts to channel warm air from the second level back down to the first. Other amenities include hardwood floors and tile bathrooms.

Novato is also the first city to use California State Law 65915 to obtain a density bonus in return for building affordable housing. The Virginia Grove project is also eligible to receive Community Reinvestment Act credits.

“To my knowledge, other developers in California are building affordable apartments and townhouses but not single-family detached homes. We want to change the definition of affordability. Some think that the term ‘affordable’ implies a gift that is unfair. All of our homebuyers are hard working middle class individuals who are just looking for a little break to make the dream of home ownership a reality,” Mr. Hart added.