



County of San Mateo

Inter-Departmental Correspondence

Department: PLANNING AND BUILDING

File #: 22-915

Board Meeting Date: 11/15/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Steve Monowitz, Community Development Director
Subject: Consideration of an Amended and Restated Affordability Agreement for an Affordable Housing Site at 5677 Cloverdale Rd., Pescadero

County File Number: PLN20221-00112

RECOMMENDATION:

Adopt a resolution authorizing an amended and restated agreement between the County of San Mateo and the Estate of Gary Pete Marchi to provide long term affordable housing at 5677 Cloverdale Rd. in Pescadero and directing staff to record the agreement.

BACKGROUND:

Local Coastal Program (LCP) Policy 3.23 allows a density bonus for affordable housing to be built and land divided for that purpose in rural areas of the Coastal Zone. The subject property was created by a subdivision approved by the County in 1982. The subdivision resulted in 3 lots, including two affordable housing sites, 3.5 and 2.3 acres in size, and a 14.9-acre agricultural parcel with an existing house on it (5675 Cloverdale Rd., APN 086-050-060). Affordability agreements were recorded in 1985 to ensure that the housing units constructed on the smaller lots would be occupied by low or moderate-income households. A house was subsequently constructed on the 3.5-acre lot (5677 Cloverdale Rd., APN 086-050-080) in 1987. At this time, the 2.3-acre lot (APN 086-050-070) remains undeveloped (see location/vicinity map, Attachment C).

In 2005, at the request of Natalino and Phyllis Marchi, the original owners of the properties, the County approved amended affordability agreements which facilitated transfer of ownership of the properties to different Marchi family members, while retaining sales price and occupancy restrictions to meet the affordable housing requirement.

Gary Marchi, who owned the 3.5-acre lot and home at 5677 Cloverdale Rd., passed away in 2020. The administrator of his estate is now requesting that the agreement for that property be amended to lift the sales price restriction, while retaining the occupancy restriction.

DISCUSSION:

The primary objective of LCP Policy 3.23 and the original affordability agreement is to ensure that

housing unit(s) built on the property are available for occupancy only by households who cannot afford to pay market rate rents. Restricting the sales price is of secondary importance, and necessary only to the extent required to ensure that the primary objective to provide affordable housing is met. As such, Planning staff worked with staff at the Department of Housing and the County Attorney's Office to draft an updated agreement that retains a restriction on the occupancy of the unit, while allowing increased flexibility on the sale of the property. Specifically, the amended and restated agreement allows the property to be sold to a non-profit organization or public agency at an unrestricted price, while retaining the original sales price restriction if sold to a private buyer. In all cases, occupancy of the unit is restricted to an acutely low, extremely low, very low or low-income household, to ensure the primary policy objective to provide affordable house is met. (Maximum rental charges are similarly restricted to levels affordable to the income level of the occupant.) Per the revised agreement, moderate/median income households no longer qualify for occupancy, because rents affordable to moderate/median income households are essentially market rate rents. The agreement was also updated to incorporate best practices for affordability agreements.

The resolution and the Amended and Restated Agreement have been reviewed and approved by the County Attorney's Office as to form.

FISCAL IMPACT:

Nominal cost to Planning and Housing staff to monitor compliance with terms of the agreement annually or upon sale or transfer of title.

ATTACHMENTS:

- A. Resolution
- B. Amended and Restated Agreement
- C. Location/Vicinity Map