

Low Income/Affordable Housing

The Board of Directors is aware of the lack of low income/affordable housing within the District's service area. In support of the need to address the imbalance in housing stock through economic incentives, and in accordance with California State Law, the Board developed this policy. "Housing" under this policy is defined to include rental housing, condominiums, cooperative housing, ownership housing, housing for families, housing for seniors, housing for physically and/or mentally disabled people, emergency shelters, and shared housing.

It is the policy of Marin Municipal Water District (District) not to deny or condition the provision of water service, nor to reduce the amount of service applied for on the behalf of any development that includes housing units affordable to lower and very low income households, unless it makes specific findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- a. District does not have "sufficient water supply," as defined in paragraph (2) of subdivision (a) of Section 66473.7 of the Government Code, or is operating under a water shortage emergency as defined in Section 350 of the Water Code.
- b. District does not have sufficient water treatment or distribution capacity to serve the needs of the proposed development, as demonstrated by a written engineering analysis and report.
- c. District is subject to a compliance order issued by the State Department of Health Services that prohibits new water connections.
- d. The applicant has failed to agree to District's terms and conditions relating to the provision of service generally applicable to development projects seeking water service from District, including, but not limited to, the requirements of local, state or federal laws, regulations and ordinances, payment of necessary fees or charges, and construction of on-site or off-site improvements as needed to serve the proposed development to standards established by District.

Should a water shortage occur, resulting in limited water supplies available for new development, the District shall give preference and priority to any project containing an affordable housing component. Should supplies be so limited that all projects with an affordable housing component cannot be serviced, the District shall grant water service to the project or projects with the highest percentage of units considered affordable to lower or very low income residents. Should two or more competing developments be considered

equal in their provision of affordable housing units, service will be allocated on a first come first served basis, based upon the date that complete submittals were provided to the District, to the project or projects.

The District shall review this policy at least once every five (5) years.

Because capacity charges are based on the estimated reasonable cost of providing service, the District generally does not grant fee reductions. However, the District may grant requests for up to 50% reduction in the capacity charge on any new project or conversion developed by a governmental or non-profit agency or as a part of a for-profit development if such project or conversion meets the following tests:

I. PROJECTS DEVELOPED BY GOVERNMENTAL OR NONPROFIT AGENCIES

A. The District will grant requests for a 50% reduction in the capacity charge on any new or conversion housing project which:

1. Is eligible for Community Development Block Grant (CDBG) assistance; and,
2. Is comprised entirely of units which are:
 - a) In the case of rental projects, for low and moderate income residents whose incomes do not exceed 100% of the area median income as defined in Section 50079.5 of the California Health and Safety Code; or,
 - b) In the case of homeownership projects, for low and moderate income residents, as defined in Sections 50079.5 and 50093 of the California Health and Safety Code; and,
 - c) Legally restricted to retain affordability for at least thirty (30) years; and
3. Reserves at least 50% of the units for persons or households defined as lower income households by the California Health and Safety Code, Section 50079.5; and,
4. Has a commitment of public or foundation funding.

B. The following information shall be provided to the District to support the request:

1. Evidence that the project is being developed and operated by a governmental or non-profit organization.

2. Evidence that the project is legally restricted for a period of not less than thirty (30) years to house only low-income tenants.
3. A statement showing that financing has been obtained and itemizing sources and terms of such financing.
4. Tabulation of types of units and income level parameters.
5. A statement of need and effect of not receiving a capacity charge reduction.

II. **FOR-PROFIT DEVELOPMENTS**

- A. The District will grant requests for a 50% reduction in the capacity charge on those rental or homeownership units in any for-profit development which:
 1. Are for lower income households whose incomes do not exceed 80% of the area median income as defined in Section 50079.5 of the California Health and Safety Code.
 2. Are legally restricted to retain affordability for at least thirty (30) years.
- B. The following information shall be provided to the District to support the request:
 1. Evidence that the units are legally restricted for a period of not less than thirty (30) years to house only said lower income households.
 2. Tabulation of the units which qualify for the reduction in capacity charges and the income level parameters applicable thereto.
 3. The planning agency's stated conditions of project approval.

III. **SECOND LIVING UNITS (JUNIOR AND ACCESSORY DWELLING UNITS (JADUs AND ADUs))**

The Board recognizes that second living units, JADUs and ADUs, may provide affordable housing within the District's service area. To support the development of such units, the District will make the following special allowances:

- A. A payment plan may be available for capacity charges in excess of \$5,000 for any second living unit, either new or the legalization of an existing unit, whereby the payments can be amortized for up to five years. (See Board Policy No. 27 – Capacity Charge Installment Plan &

Deferred Payment of Charges for Qualifying Affordable Housing Projects).

- B. The District may also waive capacity charges for qualifying JADUs and ADUs. (See District Code Section 11.56.040(h)).

IV. **DISTRICT REVIEW AND REQUIREMENTS**

When staff has received sufficient information about a project to assure the requirements listed above have been met, the request for capacity charge reduction may be granted subject to the entire project meeting the following conditions:

1. Projects shall incorporate water conserving fixtures into their designs and shall install and maintain water conserving landscaping in compliance with District requirements in effect at that time.
2. Application for water service shall be completed within one year after approval for reduction is granted.