

MCPFA Executive Director Report

October 21, 2026

Oak Hill Workforce Housing Project Update

Affordable workforce rental housing remains a critical need in Marin County to support and retain employees who provide essential County and educational services. The project continues to face external challenges such as construction cost escalation and rising interest rates. These factors have contributed to a current estimated project funding shortfall of \$12.5 million, before accounting for potential savings from value engineering. Staff are evaluating cost-reduction opportunities and working with the development team, financing partners, and prospective guarantor agencies to identify potential funding solutions and determine whether a financially viable plan can be achieved.

Financial Feasibility

As we evaluate the project's financial feasibility, our priority is to ensure that any recommendation to proceed is supported by a complete and reliable assessment of project costs, financing sources, and long-term financial sustainability. This assessment will include updated development and operating budgets, identified financing sources, and an updated estimate of any remaining funding shortfall.

The project must also satisfy our guiding principles that required environmental remediation must be completed before construction and that the development proceeds only with the Board's approval of a balanced and financially sustainable budget. Staff will continue evaluating the project's financial feasibility and will present the Board with the information necessary to assess the proposed financing plan and remaining funding requirements before recommending that the project proceed.

Eden Housing Tax Credit Extension

As the Board is aware, our project shares significant infrastructure with Eden Housing, helping reduce the overall costs of both projects. Due to delays in completing the environmental mitigation work, Eden Housing has been granted a 180-day extension to its approved tax credit financing timeline. Staff will continue to coordinate with Eden Housing regarding the implications of this extension for shared infrastructure, project scheduling, and overall development costs.

Next Steps

Over the coming weeks, staff will focus on the following priorities:

- **Value Engineering:** Finalize the evaluation of potential value engineering measures to determine whether additional construction cost reductions can be achieved without compromising the project's core objectives.
- **Environmental Review and Approvals:** Continue coordinating with the State regarding the RAW public comment and approval process, ensuring that required environmental remediation and applicable regulatory conditions are satisfied before construction begins, and monitoring any resulting impacts on the overall project schedule.
- **Financial Feasibility:** Continue working with the development team, financing partners, and prospective guarantor agencies to refine project costs, identify remaining funding requirements, and evaluate whether a balanced and financially sustainable financing plan can be achieved.

Conclusion

Staff will continue working with EHP, Eden Housing, financing partners, and prospective guarantor agencies to finalize cost-reduction opportunities, coordinate environmental approvals, and determine whether a financially viable project can be achieved.

Once these efforts are complete, staff will return to the Board with an updated assessment of the project's financial feasibility, environmental approval status, and recommended next steps. Any recommendation to proceed will be contingent on completion of required environmental remediation, Board approval, and the availability of a balanced and financially sustainable financing plan.