

Agenda Item 1  
01/16/91  
File No. 450-20  
(420-30)

AGENDA BILL

Subject: District Zoning Amendment 90-5  
Initiated by: Randy Mellinger, Planning Director *RM*

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BACKGROUND:

On October 3, 1990, the Town Council adopted a Negative Declaration for up to 172 units in the 25 acre Shady Rest Tract which is zoned RMF-1 (AH - Affordable Housing). The Council also directed that the Master Development Plan include rental units for low and very low income households and open space and park area.

In August, 1986, the Town Council approved the Trails subdivision and required the developer (Bob Tanner) to construct up to 200 affordable units at another location. Since the Shady Rest Tract is designated in the General Plan for up to 300 affordable housing units, the proponent submitted proposals on this site to the Planning Commission.

In May, 1990, the Planning Commission reviewed a proposal for 208 units including 72 apartment units, 72 townhouses, 64 single family residences and a 1.5 acre park site. The Planning Commission heard substantial testimony in opposition to this proposal and also determined that an Environmental Impact Report was necessary.

In August, 1990, a new proposal for 86 single family residences (duplex units) was reviewed by the Planning Commission with no park area. Again, substantial opposition from neighbors was expressed. This proposal was forwarded to the Town Council with no recommendation and direction to staff was given October 3.

Applicable General Plan Policies

A. Housing Element, P. 153 of the General Plan:

"The Town shall approve and encourage the development of affordable housing in the Shady Rest Tract, by designation of the site for affordable housing and shall assist in the upgrading of a mobile home park in Old Mammoth District."

"The Town shall encourage affordable housing development through incentives in the Town Development Code, such as density bonuses, waiver or reduction in community review fees, etc."

Housing Element, P. 154 of the General Plan:

"The Town may promote affordable housing by actively seeking the following:

- issuance of municipal bonds for the financing of affordable rental and owner occupied housing.
- Providing affordable housing sites by encouragement of the designation of affordable housing areas within land exchange areas, and through write-downs and cash donations.
- Aggressive use of appropriate available housing programs and financing offered by State, Federal and private groups (see Discussion in Implementation Section)."

B. Housing Element Text Exerpts:

Page 141 of the General Plan:

"The short supply of affordable land to develop housing is currently being addressed through a land exchange with the Federal Government. An exchange property is being considered for affordable housing purposes. Figure 44 presents a specifically planned location for affordable residential units in Mammoth Lakes. The Shady Rest area is designated an affordable housing site in Mammoth Lakes. Approximately 300 affordable rental units are planned for the Shady Rest site."

Figure 44 (attached) also designates the Shady Rest Tract for 200 affordable units.

Applicable Zoning Standards

The Shady Rest Tract is zoned Residential Multifamily (RMF-1) with an Affordable Housing (AH) Overlay. The RMF-1 Zone allows up to 36 sleeping areas per acre and the General Plan allows up to 12 units per acre.

The 172 maximum units can be easily accommodated on the 25 acre parcel.

The AH Overlay Zone is intended to promote the development of affordable housing with performance and development standards designed "to make the provision of affordable housing more attractive to private developers while retaining good design and compatibility with adjacent land uses (Section 17.28.390 of Title 17).

The zone allows single family units, apartments, condominiums, townhouses, cluster housing all developed and intended to be purchased or rented by households in the very low, low and moderate income categories (Section 17.28.400).

In addition, the Town Council can waive or reduce Town fees imposed on a development project based upon evidence supplied by the proponent that the savings from such waivers will be passed onto future residents (Section 17.28.410-E).

If this Master Plan is approved, the proponent will return with a detailed development plan including site information, circulation, grading, elevations of structures, provisions for common maintenance,

provisions for continued affordability, infrastructure requirements and subdivision maps, if required (Section 17.28.440).

DISCUSSION:

Alternative Projects

Staff has developed three master plan alternatives:

Alternative "A" (See attached graphic)

This includes up to 55 single family residential units in a zero lot line configuration to provide substantial unit separation. Up to 117 multifamily units are also included with an open space/park area of approximately 6 acres.

The 55 SFR units will be limited to moderate income households only with restrictions on resale to ensure continued occupancy by moderate or lower income households. No rental of these units is proposed.

The 117 units will be apartments. These could be 100% low and very low income occupancies or there can be a mix of moderate, low and very low income households. The circulation plan is conceptual only.

Advantages of Alternative "A"

This project would be the most viable of the three alternatives for private development since economic return from the 55 "for sale" units would expedite the development. The development could be privatized further if the rental units were occupied by a percentage of moderate income households, i.e. 39 moderate, 39 low and 39 very low; instead of 100% lower income.

The single family units provide compatibility with the Shady Rest Road residents and the park site is located in the drainage area where residential development would be more costly. The 6 acre park meets the neighborhood park standard in the General Plan and would serve the subject project, residents in the Chaparral/Arrowhead area to the south, Shady Rest Road residents, Sierra Valley Sites residents and pedestrian visitors from the Main Street commercial area in the summer.

Disadvantages to Alternative "A"

This alternative would not provide as many low and very low income household rental opportunities.

Alternative "B" (See attached graphic)

This alternative has the same 6 acre park as Alternative "A" but has more rental units (up to 142) and fewer single family units (up to 30). Again, the circulation plan is conceptual and will be more precise in the development plan.

#### Advantages to Alternative "B"

The 30 single family residences provide compatibility with the Shady Rest Road residences. The increased number of rental units would provide more potential for low and very low income units.

The park advantages are the same as Alternative "A".

#### Disadvantages to Alternative "B"

The fewer "for sale" units may reduce the economic ability to provide affordable units as a primarily private development. While the project may be viable, the development may take longer due to a likelihood of more public financing.

#### Alternative "C" (See attached graphic)

Alternative "C" consists of up to 172 apartment units, the same 6 acre park as in the two other plans in the northwest portion of the property, and another 6+ acres of open space between the proposed apartments and properties to the south and southeast.

#### Advantages to Alternative "C"

This alternative provides the greatest potential for lower income units and includes nearly half the site in open space and parkland. Tree preservation is substantial with this alternative.

#### Disadvantages to Alternative "C"

The economic viability will likely depend heavily upon public financing. The alternative does not include median income ownership potential.

#### ANALYSIS:

All three alternatives meet General Plan objectives for this site. The recommended development standards and AH zoning allow the proponent to request public assistance once the detailed development plan is presented.

#### Financing

Financing the project will likely be a function of both private and public investment. Fee waivers, Community Development Block Grants, State or Town supported bond financing, and other assistance programs are potential public resources.

When the development plan is reviewed, the pro forms can be formulated and the amount and type of public assistance can be determined by the Town Council. It is likely that Alternative "A" will require less public involvement and "C" the most involvement.

#### Unit Mix

Another consideration is the breakdown of the apartment units. Nathan Jones of Laurin Associates indicated that approximately 50 lower income rental units would be a significant project for a town of our size.

A mix of one-third moderate, one-third low, and one-third very low income units would result in the following number of lower income units:

<u>Alternative</u>	<u>Lower Income Unit Potential</u>
A	78
B	95
C	115

Of course, 100% of the rental units could be lower income. If developed and operated by the Town, this may require a referendum as required by the State Constitution.

Furthermore, it is typical that only a percentage of units be reserved for lower income units so the project can be financially viable for private sector operation. For example, the City of Palm Springs allows a 25% density bonus in return for 20% of the units being reserved for lower income households (see attached memo from Karen Johnston to Glenn Thompson dated September 24, 1990).

#### Mitigation for the Trails Subdivision

As indicated in the "Background" section of this report, the proponent of the Trails, Bob Tanner, is obligated to build up to 200 affordable units prior to the Final Map approval of Tract Map No. 36-161.

Provided that mitigation is not waived and Mr. Tanner proceeds with the land exchange with the Forest Service, implementation by Mr. Tanner of any of these alternatives, if approved, would appear to meet the mitigation measure. For information purposes, a letter from the Forest Service dated May 9, 1990, is attached.

#### Environmental Review

On October 3, 1990, the Town Council adopted a Negative Declaration for up to 172 units and an open space/park area.

#### Options Analysis

1. Any of the three alternatives can be selected.
2. Another alternative can be selected with a specific mix related to income levels or 100% lower income rental units.

#### FINANCIAL CONSIDERATIONS:

As indicated earlier, Alternative "A" would likely result in the least amount of public financial participation with "B" likely to be greater and "C" likely to be the greatest.

LEGAL CONSIDERATIONS:

A 100% lower income project sponsored, developed and/or operated by the Town may require a referendum as required by the State Constitution.

RECOMMENDATION(S):

Therefore, it is recommended that the Town Council:

- 1) Approve Alternative "A" based upon the potential for meeting a variety of affordable housing needs; compliance with General Plan and AH Zoning objectives; and, the likelihood of the least amount of public participation in financing the project.
- 2) The following development standards shall apply:
  - A. Open space areas shall be dedicated to the Town.
  - B. All provisions and requirements of the AH Zone shall be met in the submittal of a development plan to implement Alternative "A".
  - C. The circulation plan and land use boundaries may be adjusted provided a minimum of 6 acres are designated for park and open space purposes and that the number of lower income apartment units shall be at least 78. Adjustments may be made for drainage, tree preservation, buffering or other purpose deemed necessary by the Planning Commission to meet the objectives of this project.
  - D. For the single family residences, each lot may have construction to one side line (zero lot line), provided that the structure on the adjoining lot on that side is also built to the property line and that the side yard setback on the opposite side is at least 15 feet.
  - E. The architectural quality of all structures shall meet or exceed that of the attached exhibits marked: "Proponent's Previous Submittal".
  - F. All conditions of the Water and Fire Districts and the California Department of Forestry shall be incorporated into the development project.
  - G. Prior to application for approval of a tentative map in accordance with this master plan, an instrument shall be recorded with the County of Mono establishing a deed

restriction limiting sale and resale of the single family residences to a level of affordable to persons in the median income category of Mono County.

- H. The apartment units shall have at least one-third of the units occupied by low income households, at least one-third occupied by very low income households and the remaining units occupied by moderate income households. Pursuant to Section 17.28.440-D of the Zoning Code, provisions shall be made for compliance with this standard.
- I. Reductions from RMF standards, parking standards and public works requirements may be considered if construction savings can be demonstrated as being passed onto the project residents.

ATTACHMENT(S)

- 1. Alternatives A, B and C
- 2. Memo concerning Palm Springs Affordable Housing
- 3. Proponents previous submittal
- 4. 1990 Income Limits (HCD)

APPROVED ON: 1-16-91 BY  
MAMMOTH LAKES TOWN COUNCIL  
Alt. A development stnds  
Pam Kraft  
TOWN CLERK

ALTERNATIVE "A"

