

**MAMMOTH LAKES HOUSING, INC.
Board of Directors Meeting**

**Monday, April 6, 2015
6:00 p.m.**

**Mammoth Lakes Housing Conference Room
587 Old Mammoth Rd.**

Agenda

NOTE: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Mammoth Lakes Housing, Inc. at (760) 934-4740. Notification 48 hours prior to the meeting will enable Mammoth Lakes Housing, Inc to make arrangements to ensure accessibility to this meeting. (28 CFR 13.102-35.104 ADA Title II)

- I. Call to Order
- II. Roll Call
Members: Bill Taylor, Kirk Stapp, Larry Johnston, Colin Fernie, Lindsay Barksdale, and Tom Mazaitis
- III. Public Comments
This is the established time for any member of the public wishing to address the Mammoth Lakes Housing, Inc. Board of Directors on any matter that does not otherwise appear on the agenda. Members of the public desiring to speak on a matter appearing on the agenda should ask the Chairman for the opportunity to be heard when the item comes up for consideration.
- IV. Approval of Minutes from the March 2, 2015 regular BOD Meeting
- V. Review and provide recommendation on the Town of Mammoth Lakes Draft Housing Mitigation Ordinance
- VI. Discussion and direction to amend MLH Bylaws
- VII. Review and discussion of MLH Board letter to the Mammoth Lakes Town Council
- VIII. Board Member Reports
- IX. MLH Monthly Status Report
- X. Adjourn

**MAMMOTH LAKES HOUSING, INC.
Board of Directors Meeting**

**Monday, March 2, 2015
6:00 p.m.**

**Mammoth Lakes Housing Conference Room
587 Old Mammoth Rd.**

Minutes

I. Call to Order

II. Roll Call

Members: Bill Taylor, Kirk Stapp, Larry Johnston, Colin Fernie, Lindsay Barksdale, and Tom Mazaitis

Staff: Jennifer Halferty and Patricia Robertson

Public: Jen Daugherty, Senior Planner; Shields Richardson, Town Council; Dan Holler, Town Manager

III. Public Comments

There were no comments from the public.

IV. Approval of Minutes from the February 2, 2015 regular BOD Meeting

Lindsay Barksdale made a motion to approve the minutes. Tom Mazaitis seconded the motion. The motion passed 5-0. Bill Taylor abstained.

V. Review and recommendation on the Mountainside Project AHMP

Jennifer Halferty presented the Mountainside Project AHMP. She explained that under the current Interim Policy, the AHMP must meet two requirements in order to be considered: 1) that on site workforce housing is undesirable for the community or infeasible, and 2) that there will be substantial additional affordable housing benefit. She explained that the AHMP did not meet the required finding that on site housing is undesirable for the community due to the size of the units, new construction, as well as its location near a major employment center and transit hub.

Jen Daugherty confirmed that the townhome units were 2,000 square feet each with an attached 2-car garage. The zoning allows for 21 units; however the site is difficult in terms of space for snow storage, etc.

Kirk Stapp noted that the proposed fee of approximately \$325,000 can hardly secure one unit of similar type and does not equate to a greater housing benefit required by the ordinance.

Bill Taylor confirmed that the location is desirable based on its proximity to employment, major transit routes, and is a residential neighborhood. He noted that from the community's standpoint, this would make a good asset in terms of workforce housing.

Kirk Stapp made a motion to recommend that the Town of Mammoth Lakes not accept the AHMP on grounds that it does not meet the findings required by the interim housing

policy and recommend that the Town require the provision of the on-site unit and the \$9,288.80 in fees as is consistent with the current policy (Option 1). Bill Taylor seconded the motion. The motion passed 5-0. Colin Fernie abstained.

VI. Review and direction on the Draft Middle Income Workforce Homebuyer Assistance Program Policies and Guidelines

Jennifer Halferty presented the Draft Middle Income Program Guidelines. Colin Fernie mentioned that he thought the starting point of a 10% down payment requirement or \$50,000 maximum seemed reasonable. This would allow MLH to help approximately four families with \$200,000 from Measure 2002A. Lindsay Barksdale asked about the modesty clause which limits the purchase to a 3 bedroom, 2 bath home. Jennifer Halferty explained the importance of spending tax payer dollars judiciously. She also mentioned that she would look for some conflict of interest language. Staff will revise the draft and provide a copy to the Town Manager.

VII. Discussion of upcoming joint meeting with the Town Council and the Planning and Economic Development Commission

Kirk Stapp acknowledged the importance of framing the upcoming discussion with the Town Council and the Planning and Economic Development Commission. He explained that the reality is that we compete with other resorts. He pointed out the community's success in providing units (MLH, Town, Mammoth Hospital, MCWD, and the business community have all participated in housing). He emphasized the importance of weighing the value of getting housing with the prospect of new development for the Town Council.

Larry Johnston asked if we as a community wanted to be a place like Vail where no one can afford to live or if we wanted to be a thriving, vibrant community where people lived, worked, and volunteered. He noted that new housing policies should have only intended consequences. Kirk Stapp agreed that building a community was not the developer's prerogative but that sustainability was our issue. Colin Fernie agreed that having affordable housing for people to live in is important as Mammoth Lakes continues to develop.

Bill Taylor pointed out that the General Plan states that a priority for the Town is to increase the supply of adequate housing that workers can afford. Is this still a priority? And if so, how are we going to achieve this goal? Peer resort communities typically have a 3 to 1 ratio of long-term housing units compared to transient units.

Colin Fernie expressed that the concrete numbers and comparisons are useful tools to see how we are doing as a community. He also said that we need to think of more creative ways to house locals.

VIII. Board Member Reports

Tom Mazaitis noted that he watched the Cornerstone webinar on inclusionary zoning and had concerns over whether and to what extent the Town has three of the five components that make fee-based policies successful: capacity, land, and community support.

Larry Johnston noted that there will be a special Board of Supervisors meeting on March 3rd at 6:00 PM at the Crowley Lake Community Center to discuss issues surrounding the Round Fire recovery efforts.

IX. MLH Monthly Status Report

Jennifer Halferty gave an update regarding Speaker Toni Atkins Housing Bill which is gaining momentum. The bill proposes four items:

1. Create a permanent source for affordable housing at the State level through a transfer tax,
2. Increase the 4% tax credit allotment for affordable apartment developments,
3. Establish the framework under which the State Department of Housing and Community Development will distribute federal National Housing Trust Fund dollars,
4. And define a rapid rehousing program funded with savings from Prop 47, which required misdemeanor sentences (instead of felonies) for certain drug and property offenses.

X. Adjourn

AGENDA BILL

Subject: Review Town of Mammoth Lakes' Draft Housing Ordinance

Presented by: Jennifer Halferty, Executive Director

BACKGROUND:

The Town of Mammoth Lakes has entered into a contractual agreement with AECOM to provide services that include updating the Town's housing mitigation ordinance, establishing a nexus method for the housing mitigation fee, and providing a peer resort analysis. The Town has requested Mammoth Lakes Housing, Inc. (MLH) review and provide expertise guidance on the early draft policy. A more vetted version of the draft ordinance and draft nexus study is anticipated to be presented to the MLH Board at their May 4, 2015 meeting.

ANALYSIS:

The *Housing Definitions, Chapter 17.148* is attached. Below are staff analysis and recommendations.

I Definitions to be considered:

1. **Affordable Ownership Cost.** Due to MLH's years of experience with affordable workforce housing ownership programs that have a cap of 35 percent of a household's income for housing costs; it is recommended to maintain the language in this definition.
2. **Below Market Rate (BMR) Unit.** MLH suggests the following definition which will allow for more flexibility in income levels served by BMR units. For example, BMR is a tool that has been used in the past to serve households earning up to 200% of the AMI.

A dwelling unit that shall be restricted to at an affordable rent or affordable ownership cost to individuals and households working in the community of Mammoth Lakes including but not limited to those at the very-low, low-, or moderate income levels pursuant to Chapter 17.136.

3. Housing.

- **Affordable Housing** is defined by HUD as: *In general, housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities. Please note that some jurisdictions may define affordable housing based on other, locally determined criteria, and that this definition is intended solely as an approximate guideline or general rule of thumb.*

MLH proposes changing the Town's definition to read as:

Housing that is restricted to a rental rate or sales price for which the occupant(s) is/are paying approximately 30 percent of their gross income for housing costs, adjusted for household size.

- **Bedroom** as currently defined by the Town states that having a closet is optional. It is recommended that the definition be amended so that a closet is a requirement in a bedroom.
- **Deed Restriction.** MLH currently enters into resale restrictions on behalf of the Town. MLH proposes adding “or its designee” in this definition.
- **Dwelling Unit.** Based upon MLH experience with density at developments such as Meridian Court, where one bedroom units are approximately 500 square feet, it’s recommended to remove the one half unit calculation consistent with market rate residential projects.
- **Workforce Housing.** MLH recommends the following definition which includes language discussed at the joint MLH, Town Council, and Planning and Economic Development Commission meeting:

Housing that is restricted for rent or purchase by individuals and households working in the community of Mammoth Lakes. Workforce housing is Affordable Housing for workers. Employment criteria, rental rates, and sales prices for Workforce Housing shall be established administratively by the Town.

II Draft Ordinance:

The attached draft Housing Ordinance reflects Town Council direction to Town staff to create a policy that does not mandate on-site housing mitigation (not an inclusionary policy), offers a toolbox of mitigation options without any preference for one tool over another and includes a housing mitigation fee (not an “in-lieu” fee). Below are highlights of each section that either Town staff is seeking input from MLH, or that the MLH staff seeks to provide feedback on.

17.136.010 Purpose of Chapter

- The term “affordable housing” and “workforce housing” are used throughout the policy. Based upon the recommended definitions above, and the draft Housing Strategy it is more inclusive to either: 1) only use the term “workforce housing” and understand that to mean housing affordable to the workforce, or 2) to combine them and be more explicit, though possibly redundant, by using “affordable workforce housing.”
 - **MLH staff request Board input.**
- A. Section D reads: “*Implement the goals, objectives, policies, and programs of the General Plan and Housing Element related to affordable and workforce housing.*”
 - **MLH staff suggests that the Comprehensive Workforce Housing Strategy be added. Perhaps this should be considered throughout the ordinance, as appropriate.**

17.137.020 Applicability

- The mitigation toolbox includes:
 - Housing Impact Mitigation Fees
 - On-Site Provision of Units
 - Off-Site Provision of Units
 - Conveyance of Land
 - Alternate Housing Mitigation Plan
 - **Are there any other tools that the Board would like to suggest be included?**

17.137.030 Housing Mitigation Credit for Existing Uses

- Credits would be based on the calculated formula of the fee for the existing uses being credited. The fee is expected to be available for MLH review at their May 4, 2015 meeting.
 - **MLH staff does not have any comments or suggestions at this time. Does the Board have any comments?**

17.137.040 Housing Impact Mitigation Fees

- The term “Director” is first used in this section and then throughout the document. Who is that if the Town doesn’t have a Director?
 - **MLH staff request clarification on this.**
- Use of Fees: Currently, housing “in-lieu” fees are being used for planning (General Plan Housing Element Updates and the housing ordinance and nexus study update) and the Town’s Revolving Loan Fund (RLF). Because the draft ordinance allows the payment of a housing mitigation fee as an equal option to all other mitigation options, it is likely that the fee will be utilized more often under the new ordinance. The use of the fee will directly correlate to the number of affordable workforce housing units created.
 - **MLH staff recommends that the Town identify more specific parameters for the use of the fee as a way to ensure the creation of units without the overwhelming use of funds for planning or administration. This could be accomplished through different means, for example: a cap on the split of funds between planning, administering, subsidizing, or developing (i.e. 1/4 each); or more specific focus on one or more strategic objectives from the Housing Strategy. The draft ordinance proposes that the Council establish direction for the use of the fee through the annual adoption of the resolution establishing the fees.**

17.136.050 On-Site Provision of Units

- How will the AMI for the on-site units be decided? Will this be part of the nexus study by AECOM? How can MLH provide expertise to help inform the resolution?
 - **MLH staff requests to be involved in the process.**

17.136.060 – Off-Site Provision of Units

- Town housing policy has historically focused on serving the workforce housing needs within the Town limits. MLH has acknowledged that the affordable workforce housing challenge is a regional issue. As documented repeatedly through research, allowing or promoting off-site housing mitigation in locations outside of job centers/Mammoth Lakes will exacerbate environmental degradation by encouraging more vehicle miles

travelled, remove more local dollars from the local economy, and potentially reduce the quality of life for employees and visitors alike.

- **MLH staff requests input on this from the Board.**
- Current Town policy does not allow for mitigation of housing on the Shady Rest Tract. Members of the Mammoth Lakes community have expressed opposition to future housing mitigation being located in the Sierra Valley Sites. The draft ordinance identifies the following list of locations for off-site mitigation: Downtown, Old Mammoth Road, Mixed Lodging and Residential, Residential Multi-Family 2, Resort, or Specific Plan Zones.
 - **Should mitigation be allowed on Shady Rest Tract?**
 - **Should Shady Rest Tract and Residential Multifamily-1 (RMF-1) be options listed for off-site mitigation?**

17.136.070 Conveyance of Land

- The value of the site upon the date of conveyance is equal to or greater than the applicable housing fee for the market-rate development. Fair market value shall be determined preliminarily at the time the market-rate development is submitted to the Town for review. Final determination of fair market value shall be made by a licensed California appraiser prior to building permit issuance and shall be net of any real estate commission for the conveyance of the land.
 - **Should a lower value be considered due to the cost associated with conveyance (e.g., infrastructure, environmental review, appraiser, etc.)?**
- The Town is not be required to construct BMR units on land conveyed, but may sell, transfer, lease, or otherwise dispose of the dedicated site in order to facilitate the construction of units.
 - **MLH staff questions: If the Town is not required to build residential units, but can sell the land, then why does the conveyed land have to have a “General Plan designation that authorizes residential uses and is zoned for residential development”?**

17.136.080 Alternate Housing Mitigation Plan

- The AHMP is part of the toolbox, meant to allow developers an opportunity to provide new ideas on how to mitigate housing impacts.
 - **Does the MLH Board have any input for the Town on this section?**

17.136.090 Residential Projects: Rental permitted if consistent with Costa Hawkins Act

- Allowing the rental unit to be sold appears to not take into consideration the Condo Conversation section of the Municipal Code.
 - **MLH staff request Town staff verify conformance with the Municipal Code.**

17.136.100 Exemptions from Housing Mitigation Requirements

- While the Town does charge a housing mitigation fee for commercial development (office space) it excludes ground-floor retail and restaurant uses that are part of a mixed-use project where there is also residential or lodging uses on the same parcel.

Should there be a threshold for mixed-use development's provision of residential units in order to qualify for the exemption? What are the peer resorts reviewed by AECOM doing in this type of scenario?

- **MLH staff requests Board input.**
- Currently, the Town exempts non-residential developments from mitigation when they create only one employee from mitigation. The peer resort community of Truckee exempts developments that create up to seven employees.
 - **MLH staff requests Board feedback.**
- Live- work Unit:
 - **MLH staff recommends a definition of a Live – work unit” be included.**

17.136.110 Time Performance Required

- The term “greater public benefit” is included.
 - **MLH staff recommends that this term be clearly defined or eliminated given the existing confusion around similar terminology in the interim housing policy.**

17.136.120 Livability Standards

- The Livability Standards are proposed to be created by AECOM and adopted through Council resolution.
 - **MLH would like review and provide feedback in the creation of the Standards. Could this be included for the May 4 meeting?**
- For on-site developments a developer may apply for an exemption from the Livability Standards if strict compliance with the standards are “infeasible or impractical.”
 - **MLH staff suggests this section should be clearer on the use of these terms to avoid abuse of this section and subjective interpretation. The units should be required to be consistent, still, with the market rate units being provided on-site.**

17.136.130 Eligibility, Continued Affordability

- The current MLH resale restriction allows for a rental or leasing of the home under a hardship exemption.
 - **MLH staff recommends this continue.**
- The draft ordinance proposes a minimum of 30 year restrictions. The current resale restriction in use in the Town is a 60 year restriction and the rental regulatory agreements created by MLH are for 55-99 years.
 - **MLH staff recommends the mitigation of impacts to the community of Mammoth Lakes should stand the test of time to the greatest extent allowed under law.**
- As stated in the draft ordinance, the continued affordability agreement should allow the Town or its qualified designee the continuing right-of-first-refusal to purchase or lease any or all of the designated dwelling units at the appraised value subject to the resale restriction.
 - **MLH staff recommends that “or the BMR value, whichever is less” be added to this section.**

- Sales price formula:
 - **MLH suggests the sales price formula and the rental rate formula for each specific development be included in the Planning and Economic Development Commission's Use Permit Resolution instead of a Council resolution, as suggested in the draft ordinance, given the process for planning approvals.**
- In section C.2.iv., there is a requirement that the resale restriction have a provision to release the restriction should the market-rate value of the property fall below the BMR value. As with all real estate holdings, there are no guarantees made by the Town, MLH or otherwise that the market forces will ensure any sales price or value into the future. This would not constitute sufficient reasoning to release the housing mitigation unit from the workforce restriction.
 - **MLH staff advises against requiring such a provision.**
- Move-in Costs:
 - **MLH staff suggests that the Move-in Costs section should reference that the limits imposed by California State law on deposits be applicable at the time of leasing or renting.**
- Under Reporting Requirements, MLH commonly handles the reporting requirements of rental units and developments on behalf of the Town under more current rental restrictions.
 - **MLH staff recommends the policy refer to the Town, "or is designee."**

RECOMMENDATION:

No action is requested. This workshop is an opportunity for the MLH Board of Directors to provide feedback and direction to staff on the Town of Mammoth Lakes draft Housing Mitigation Ordinance. MLH staff will in turn share the MLH Board input with Town staff.

Enclosures:

- 1) Draft Town of Mammoth Lakes Zoning Code: Chapter 17.136 – Housing
- 2) Draft Housing Definitions, Chapter 17.148

Chapter 17.136 - Housing

- 17.136.010 - Purpose of Chapter
- 17.136.020 - Applicability
- 17.136.030 - Housing Mitigation Credit for Existing Uses
- 17.136.040 - Housing Impact Mitigation Fees
- 17.136.050 - On-Site Provision of Units
- 17.136.060 - Off-Site Provision of Units
- 17.136.070 - Conveyance of Land
- 17.136.080 - Alternate Housing Mitigation Plan
- 17.136.090 - Residential Projects: Rental permitted if consistent with Costa Hawkins Act
- 17.136.100 - Exemptions from Housing Mitigation Requirements
- 17.136.110 - Time Performance Required
- 17.136.120 - Livability Standards
- 17.136.130 - Eligibility, Continued Affordability

17.136.010 – Purpose of Chapter

The purpose of this Chapter is to:

- A. Encourage the development and availability of housing that is affordable to a broad range of households with varying income levels within the town as mandated by State law, Government Code Section 65580;
- B. Promote the Town's goal to add to, and preserve the existing stock of affordable and workforce housing units within the town;
- C. Mitigate the impacts of market rate residential and non-residential development on the need for affordable and workforce housing in the town through the imposition of affordable and workforce housing requirements as included in this Chapter; and
- D. Implement the goals, objectives, policies, and programs of the General Plan and Housing Element related to affordable and workforce housing.

Comment [JD1]: See definitions re affordable and workforce housing; should this just be "workforce"?; throughout

17.136.020 – Applicability

New development, additions, and conversion of uses from one type to another, that are not exempt pursuant to Section 17.136.100, shall be required to mitigate housing in accordance with the options identified in Sections 17.136.040 through 17.136.080, listed below.

Mitigation Option	Code Section
Housing Impact Mitigation Fees	17.136.040
On-Site Provision of Units	17.136.050
Off-Site Provision of Units	17.136.060

Conveyance of Land	17.136.070
Alternate Housing Mitigation Plan	17.136.080

17.136.030 – Housing Mitigation Credit for Existing Uses

Where a project would replace existing residential, lodging, or non-residential uses on the project site, the project shall only be required to mitigate the incremental new demand of the proposed project (such as an increase in gross commercial or industrial square footage, the net increase in the number of lodging rooms, or the net increase in the number of market rate housing units). Credit for existing uses shall be calculated based on the housing impact mitigation fee(s) applicable to the existing use(s) at the time of demolition or as follows.

- A. An existing hotel room shall equate to one half of a residential unit.
- B. Each 900 gross square feet of existing non-residential use (retail, restaurant, office, etc.), or industrial use shall equate to one residential unit.
- C. Where the existing development consists of a mixture of uses, the calculation of credit for existing uses shall be determined by the Director, based on the factors listed in a) and b), above.

17.136.040 – Housing Impact Mitigation Fees

- A. The housing impact mitigation fee (“housing fee”) applicable to each use shall be established by resolution of the Council, in accordance with the provisions of Subsection 17.136.040.G.
- B. The Director shall determine the appropriate category for the development, and shall calculate the amount of the housing fee based on the adopted fee schedule, based on the provisions herein.
- C. **Housing Fee Calculations.** Housing fees shall be calculated as follows:
 1. New residential developments:

$$\text{Housing fee} = (\text{number of new units}) \times (\text{applicable housing fee for new use})$$
 2. Existing residential developments that include the addition of new gross square feet of habitable space:

$$\text{Housing fee} = (\text{gross square feet of new habitable residential space}) \times (\text{applicable fee})$$
 3. New lodging developments:

$$\text{Housing fee} = (\text{number of new rooms}) \times (\text{applicable housing fee for new use})$$
 4. Non-residential developments that include new construction or addition to existing

Comment [JG2]:

It is likely that that this ratio is a bit on the high side compared to case study jurisdictions. Mammoth Lakes may want to consider 0.3 – 0.35 residential unit per hotel room.

Comparison communities employee or housing generation rates (based on nexus study) or requirements:

Aspen: 0.5 workers per 1,000 square feet which, depending on the amount of non-hotel room square footage, would equate to a likely range of 0.25-0.35 workers per room.

Jackson: 1.234 workers per 1,000 square feet
Crested Butte: 0.5 workers per room (**Note: This is the City's requirement, not based on a nexus study**)

Telluride: 0.33 per unit (**Note: This is the City's requirements, not based on a nexus study**)

Truckee: based on comparative study of relevant type of lodging

Comment [JG3]: Comparison case study communities use FTE ratios of about 1 to about 4 per 1,000 square feet. Average is about 2 FTE per 1,000 square feet. Mammoth Lakes ratio is at the low end, but perhaps the Town's experience is that this ratio is about right.

Comment [JD4]: I don't think these equations are necessary if we calculate credit based on current fees, right?

non-residential space:

Housing fee = (gross square feet of new non-residential space) X (applicable fee by type of use)

5. Conversion of one non-residential use, without addition of new space, to another non-residential use:

Housing fee = [(gross square feet) X (applicable housing fee for new use)] – [(gross square feet) X (applicable housing fee for prior use)]

6. Conversion from a residential use to a non-residential use:

Housing fee = [(gross square feet of new non-residential use) X (applicable housing fee)] – [(number of prior residential units) X (applicable housing fee)]

7. Conversion from a lodging use to a non-residential use:

Housing fee = [(gross square feet of new non-residential use) X (applicable housing fee)] – [(number of prior lodging rooms) X (applicable housing fee)]

D. Individualized Use Determination for Housing Fees. The land use category for a development shall be determined by the Director based on an individualized determination only if:

1. The adopted fee schedule so specifies; or
2. The Director determines that insufficient generalized information is available to permit a determination that the use falls within one of the specified use categories.
3. Any application for a non-residential project where an individualized fee determination is required pursuant to this Section shall be accompanied by information sufficient to enable the Director to make a determination of employee generation or density. The determination of employee generation or density shall be based on: data concerning anticipated employee generation or density for the project submitted by the applicant; employment surveys or other research on similar uses submitted by the applicant or independently researched by the Director; or any other data or information the Director determines relevant. Based on the evidence submitted, the Director shall determine the most similar land use category, or shall establish a mixed fee, as appropriate.

E. Appeal. An applicant may appeal the Director's fee determination to the Council according to provisions of Chapter 17.104 (Appeals) of the Municipal Code.

F. Refund or Rebate of Housing Fees Based on Conversion of Use. No refund or rebate of housing fees previously paid shall be made in the case of conversion from one use with a higher housing fee to one with a lesser housing fee, or conversion from a non-exempt to an exempt use.

G. Housing Fees Established.

1. All housing fees shall be established by resolution of the Town Council. Such fees shall not exceed the cost of mitigating the impact of market-rate residential and non-residential projects on the need for affordable and workforce housing in the town, based on an approved nexus study.
2. Housing fees shall be established per unit for for-sale transient and non-transient residential uses; per room for lodging uses; and per gross square foot for non-residential uses (office, retail, restaurant, and industrial) and residential additions.
3. **Review and Update.** The Town Council shall periodically review the housing fees for various land uses including residential, lodging and non-residential developments and adjust the fees by resolution. At a minimum the housing fees shall be reviewed and, if appropriate, revised at the time of each Housing Element update. The Town Manager shall prepare a recommendation to the Council for such fee revision.
4. **Use of Housing Fees.** Fees collected pursuant to this Chapter shall be placed in a separate fund of the Town and shall be used only for the purposes of planning for, administering, subsidizing, or developing affordable or workforce housing. The Council may set specific direction, consistent with this Subsection, for use of these funds through the Council resolution establishing the fees. This direction would be supported by the Town's approved Housing Strategy.

Comment [JD5]: Discuss?**17.136.050 – On-Site Provision of Units**

- A.** Transient and non-transient residential ownership developments including condominiums, fractional ownership, and single family or other subdivisions may propose to provide on-site unit(s) to satisfy the housing mitigation requirement for the development. The cost to the developer of such on-site unit(s) shall not be required to exceed the value of the applicable housing fee pursuant to Section 17.136.040.
- B. On-Site Unit Requirements.** The on-site unit(s) required to satisfy housing mitigation for a particular residential ownership development shall comply with the following:
 1. The affordability level(s) of the unit(s) (stated as a proportion of Area Median Income (AMI)) shall comply with those established by Council resolution, which shall be periodically reviewed and updated.
 2. Such units shall be for-sale units, unless the builder/developer chooses the rental alternative specified in Section 17.136.090 of this Chapter.
 3. If the total cost to the developer to mitigate on-site would result in a fraction of a dwelling unit, the proportionate share of the housing fee described in Section 17.136.040 shall be paid for the fraction.

4. The proposed off-site units shall meet or exceed the livability and design standards described in Section 17.136.120 unless a waiver or modification to those standards has been approved by the Town.

C. Application Requirements. If on-site mitigation housing is proposed, the applicant shall provide the following information for Town review, prior to project approval:

1. Identification of the location within the project of the mitigation unit(s).
2. A description and floor plan of the proposed unit(s) including habitable square footage, number of bedrooms, living areas, and proposed resident amenities. Such information shall be provided in sufficient detail so as to permit an evaluation of the units' conformance with the livability and design criteria set forth in Section 17.136.120.
3. The proposed timeframe for development of the mitigation unit(s), including number of units to be provided within each phase of multi-phase projects.
4. The proposed sales price, or rental price if applicable (refer to Section 17.136.090), and calculation method or basis for establishing such price).
5. Documentation demonstrating the value/cost of the provision of the on-site unit(s).

Comment [JD6]: Or will the precise requirement be established for all projects in Council resolution?

D. Calculation of Project Density. On-site housing units provided pursuant to this Section shall not count towards the calculation of total project density or intensity (e.g., Floor Area Ratio (FAR)) if all of the following conditions apply:

Comment [JD7]: Andy to check Napa case

Comment [JD8]: Policy question

1. The project fully satisfies its housing mitigation requirements on-site by providing on-site housing units consistent with the target AMI established by Council resolution;
2. The project is located in the Downtown, Old Mammoth Road, Mixed Lodging/Residential, or Residential Multi-Family 2 zones, or in an area subject to a specific plan or master plan that permits such an exclusion;
3. The project has not applied for or received a State housing density bonus pursuant to Chapter 17.140 ; and
4. Findings can be made in conjunction with project approval that the total project density or intensity, considering all uses, would meet all applicable design and development standards of the Municipal Code, would not result in significant and unavoidable environmental impacts, and would be compatible with surrounding uses.
5. In all other cases, total project density or intensity (e.g., Floor Area Ratio (FAR)), inclusive of provided on-site housing units, shall not exceed the maximum density or intensity for the zone in which the project is located, except as permitted by the

Comment [JG9]: Propose deleting as a way to further incentivize affordable housing production.

provisions of Chapter 17.140 (Affordable Housing Density Bonuses and Incentives).

17.136.060 – Off-Site Provision of Units

- A. Off-site housing units may be proposed within the Town limits to satisfy the housing mitigation requirement for the development. Off-site housing units may include any combination of new dwelling units, new dwelling units created in existing structures, or conversion of existing market-rate to below market rate (BMR) units. The cost to the developer of such off-site unit(s), including acquisition and rehabilitation, shall not be required to exceed the value of the applicable housing fee pursuant to Section 17.136.040.

Comment [JD10]: Policy question (Shields comments from 3/18 joint workshop)

- B. **Off-Site Unit Requirements.** The off-site unit(s) required to satisfy housing mitigation for a particular development shall comply with the following:

1. For new construction of off-site units, such units shall be within the Downtown, Old Mammoth Road, Mixed Lodging and Residential, Residential Multi-Family 2, Resort, or Specific Plan Zones.
2. Units acquired shall not be currently serving as long-term (i.e., non- transient) rental units.
3. The affordability level(s) of the unit(s) (stated as a proportion of Area Median Income (AMI)) shall comply with those established by Council resolution, which shall be periodically reviewed and updated.
4. If the total cost to the developer to mitigate off-site would result in a fraction of a dwelling unit, the proportionate share of the housing fee described in Section 17.136.040 shall be paid for the fraction.
5. The proposed off-site units shall meet or exceed the livability and design standards described in Section 17.136.120 to the extent feasible unless a waiver or modification to those standards has been approved by the Town.
6. If the off-site housing units will not be constructed or otherwise secured concurrently with the market-rate units, the builder shall specify the security to be provided to the Town to ensure the timely construction or acquisition of said units, including evidence of ownership, control or other legally-binding commitment to required sites, and evidence that funding has been secured for the off-site units. Such security shall be provided prior to issuance of any certificates of occupancy for the market-rate units.

Comment [JD11]: Policy question – this would not allow off-site mitigation housing in the RMF-1 Zone, including the Sierra Valley Sites and the Shady Rest Tract

- C. **Application Requirements.** The applicant shall provide documentation demonstrating the value/cost of the provision of the off-site unit(s).

Comment [JD12]: Or will the precise requirement be established for all projects in Council resolution?

- D. **Deed Restricting Existing Market-Rate Ownership Unit(s) within the Town.** As a condition of project approval, when the deed restriction of existing market-rate unit(s) is proposed, the applicant must describe the specific unit(s) to be deed restricted. Applicants

Comment [JG13]: This is based on Telluride's ordinance

must demonstrate:

1. The long term affordability of the proposed unit(s) is adequately protected, considering issues including but not limited to long term maintenance and homeowner's assessments.
2. The targeted income level(s) of the deed restricted units.
3. If under the jurisdiction of a homeowner's association, that the project's governing documents, if any, do not prohibit the deed restrictions.
4. Provisions to ensure that any unit(s) so restricted meets long term standards for maintenance and affordability.
5. The Town may request additional information about the proposed unit(s) as reasonable to make such a determination.

17.136.070 – Conveyance of Land

A. The dedication of land may be proposed satisfy the housing mitigation requirement, if it can be determined by the Town that all of the following criteria have been met:

1. Marketable title to the site is transferred to the Town, or an affordable housing developer or non-profit approved by the Town, no later than the approval of a final map or issuance of first building permit, pursuant to an agreement between the market-rate project developer and the Town, and such agreement is in the best interest of the Town.
2. The site has a General Plan designation that authorizes residential uses and is zoned for residential development.
3. The site is suitable for development of the affordable workforce units in terms of configuration, physical characteristics, location, access, adjacent uses, and other relevant planning and development criteria including, but not limited to, factors such as the cost of construction or development arising from the nature, condition, or location of the site.
4. Infrastructure to serve the dedicated site, including but not limited to streets and public utilities, must be available at the property line, or will be made available prior to issuance of certification of occupancy, at the property line and have development pursuant to zoning regulations allowable residential.
5. Environmental review of the proposed site has been completed to allow full disclosure for the conveyance of the proposed site, including analysis of the site for the presence of hazardous materials and geological review for the presence of geologic hazards and that such hazards are or will be mitigated to the satisfaction of the Town prior to acceptance of the site by the Town.

Comment [JG14]: Tied to occupancy of proposed project, which could help with project financing/feasibility. This would be consistent with donation occurring by or before issuance of first building permit.

Comment [JD15]: Unclear; clarify

6. The value of the site upon the date of conveyance is equal to or greater than the applicable housing fee for the market-rate development. Fair market value shall be determined preliminarily at the time the market-rate development is submitted to the Town for review. Final determination of fair market value shall be made by a licensed California appraiser prior to building permit issuance and shall be net of any real estate commission for the conveyance of the land.

Comment [JD16]: Should a lower value be considered due to the cost associated with conveyance (e.g., infrastructure, environmental review, appraiser, etc.)?

Comment [JG17]: Based on Telluride ordinance.

7. The land is located per the provisions of 17.136.060.B.1.

- B.** The Town shall not be required to construct BMR units on the site dedicated to the Town, but may sell, transfer, lease, or otherwise dispose of the dedicated site in order to facilitate the construction of those units. Any funds collected as a result of sale, transfer, lease, or other disposition of sites dedicated to the Town shall be deposited into the Town's Housing Mitigation Fund and the funds and interest accrued shall remain in the fund and shall be used pursuant to Subsection 17.136.040.G.4.

- C. Conveyance of Development-Ready Lots within the Project Site.** The builder or developer may dedicate development-ready lots within the project site according to the provisions of 17.136.060. All such conveyed lots shall be part of an approved final subdivision map and have completed utility connections and roadway improvements at the time of conveyance so as to be development ready.

Comment [JG18]: Allowed by Crested Butte

Comment [JD19]: Should this also allow conveyance to qualified households? Or to Town then Town/MLH finds qualified households?

17.136.080 – Alternate Housing Mitigation Plan

Projects that are required to mitigation housing and propose to utilize a combination of the options identified herein or an alternative method of mitigation not identified herein, may propose an Alternate Housing Mitigation Plan (AHMP) subject to approval by the Town, based on the following provisions:

- A. Application.** An AHMP shall be submitted at time of the application for first approval associated with the project. The application shall include:
1. A calculation of the housing mitigation requirements generated by the project, as defined herein.
 2. A description of the proposal by which the housing mitigation requirement is to be satisfied.
 3. An analysis demonstrating that the AHMP provides housing mitigation at an equivalent value as other methods outlined in Sections 17.136.040 through 17.136.070.
 4. A description of how the AHMP is in conformance with the Town's approved Housing Strategy.
 5. Any other information determined relevant to the application by the Director.

B. Early Consultation. Prior to submitting an application for an AHMP, the applicant should hold preliminary consultations with the Director to provide the applicant information and guidance.

C. Approval. The Review Authority may approve, conditionally approve, or reject any alternative proposed by a builder/developer as part of an AHMP. Approval or conditional approval shall be based on the conformance to this Chapter and applicable Council resolutions, including the resolution establishing the target AMI.

17.136.090 – Residential Projects: Rental permitted if consistent with Costa Hawkins Act

- A. Rental Housing Alternative.** As an alternative to providing for-sale mitigation units on-site pursuant to Section 17.136.050, an applicant may propose to provide some or all of the mitigation units as BMR rental units restricted to occupancy by households at the target proportion of AMI. The target AMI shall be established by Council resolution. To ensure compliance with the Costa-Hawkins Act (Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code), the Town may only approve such a proposal if the applicant agrees in a rent regulatory agreement with the Town to limit rents in consideration for a direct financial contribution or a form of assistance specified in Section 65915 of the Government Code (State Density Bonus Law).
- B. Rental Regulatory Agreement Provisions.** The rent regulatory agreement with the Town shall include provisions for sale of affordable units and relocation benefits for tenants of the affordable units if the owner of the residential project later determines to offer any affordable units in the residential project for sale. If dwelling units in the residential project are later sold, the applicant shall provide payment of the specified housing fees described in Section 17.136.040, as applicable or other mitigation consistent with this Chapter. Continued affordability of such units shall be assured through deed restrictions or other document acceptable to the Director, and include all other relevant requirements as noted in Section 17.136.130.

17.136.100 – Exemptions from Housing Mitigation Requirements

The following development types are exempt from the housing mitigation requirements set forth in this Chapter:

- A.** Any non-residential development where it can be determined, by the Director, that the project would not contribute new demand for employment or housing within the community (e.g. replacement of an existing use or facility, construction of a structure or facility not intended for permanent occupancy by employees or residents, or addition of non-habitable square footage such as storage).
- B.** New single family residences with habitable space of 2,500 square feet or less, in the Residential Single Family, Rural Residential, and Residential Multi-Family 1 zones. Standalone units that are part of condominium development are not exempt.
- C.** Subdivision of property into single family lots is exempt. Applicable housing fees for single family homes built on these lots will be assessed at time of building permit issuance.

Comment [JD20]: MC 17.104.020.A allows any Director decision to be appealed

Comment [JD21]: I consider permanent occupancy to mean sleeping, which wouldn't apply to non-residential anyway; clarify

Comment [JD22]: For example, the standalone units proposed in the Mountainside project

- D. Additions to, or remodels of, single family residences in the Residential Single Family, Rural Residential, and Residential Multi-Family 1 zones, that would not cause total habitable space to exceed 2,500 square feet; or for residences with over 2,500 square feet of habitable space, that would add less than 400 habitable square feet in aggregate per building. Fees shall only be charged for the incremental habitable square footage addition above the 400 square foot exemption.
- E. Multi-family projects of four or fewer units in the Residential Multi-Family 1 Zone, where the average habitable area per unit would not exceed 1,300 square feet.
- F. Live-work units.
- G. Legally-permitted secondary residential units.
- H. Non-transient market-rate rental apartments.
- I. Rental or for-sale units that are deed restricted to affordable housing or workforce housing in any zone.
- J. Ground-floor retail and restaurant uses included as part of a mixed-use project, where the commercial component would be located within the same building or on the same parcel as residential or lodging uses, within the Downtown, Old Mammoth Road, Mixed Lodging/Residential, and Resort zones, or within a specific plan or master plan area.
- K. Any development operated by a non-profit or social services organization to provide food storage, meal service, and/or temporary shelter to the homeless.
- L. Residential care and assisted living facilities.
- M. Any non-residential development generating no more than one total employee.

Comment [JD23]: Policy discussion; AECOM – compare to how peer resorts apply commercial linkage fee; mixed-use projects can only include 1 residential unit

Comment [JD24]: Truckee exempts when up to 7 employees; policy discussion

17.136.110 – Time Performance Required

- A. No certificate of occupancy shall be issued for any market-rate unit or development subject to the requirements of this Chapter until the permittee has:
 1. Complied with housing mitigation requirements specified in Sections 17.136.040 to 17.136.070;
 2. Received certification from the Director that the permittee has met, or made arrangements satisfactory to the Town to meet, an alternative requirement as specified in Section 17.136.080; or
 3. Received Director approval to modify the timing requirements because the Town determined that this will provide greater public benefit and to accommodate phasing schedules, model variations, or other appropriate factors.

- B.** No final inspection for occupancy for any market-rate unit in a for-sale project shall be completed until the permittee has complied with Section 17.136.110.A.

17.136.120 – Livability Standards

The following livability standards shall apply to all housing mitigation units developed pursuant to the requirements of the Municipal Code. The intent of these requirements is to ensure that developers of housing mitigation units build units that meet minimum standards of square footage and amenities necessary for households living and working in Mammoth Lakes.

- A. Distribution of Units.** Housing mitigation units shall be distributed throughout a project to the extent feasible, and, where units at multiple levels of affordability are proposed, such units shall also be distributed both throughout the project and in relationship to one another to the extent feasible.
- B. Size of Units.** Housing mitigation units shall meet minimum size requirements for square footage and number of rooms. It is the Town's desire to achieve comparability of average size and number of rooms of housing mitigation units and market-rate units to the extent feasible.
- C. Minimum Square Footage.** Housing mitigation units shall meet the following minimum square footage requirements, exclusive of garages, decks and balconies, as follows:
1. A studio unit shall be no less than 450 square feet
 2. A one (1) bedroom unit shall be no less than 650 square feet
 3. A two (2) bedroom unit shall be no less than 900 square feet
 4. A three (3) bedroom unit shall be no less than 1,150 square feet
 5. A four (4) bedroom unit shall be no less than 1,350 square feet
- D. Amenities and Design Standards.** Housing mitigation units shall meet minimum amenity and design standards adopted by Council resolution. These standards may be revised, as needed, to meet changing affordable and workforce housing needs and housing development practices and technologies. The amenities and design standards shall address minimum requirements for:

1. Kitchen, bathroom, laundry, and other appliances and fixtures, including appliance and fixture energy and water efficiency standards;
2. Minimum kitchen cabinet, closet, and other storage space;
3. Dining area;
4. Number and dimensions of bedrooms;

Comment [JG25]: These recommendations are based on examination of minimum, average, and range of unit sizes in the Jackson, Aspen, Crested Butte, and Telluride housing design guidelines.

These minimum sizes would be comparable to typical sizes of condos designed for year-round occupancy in multi-unit buildings.

Comment [JG26]: As we discussed on the last conference call, we recommend that Amenity and Design Standards be adopted separately by Town Council resolution so that they can be updated and revised more readily and as frequently as needed without having to amend the Housing Ordinance. Most of the comparable case study communities have adopted separate design guidelines that are not codified.

Comment [JD27]: AECOM to prepare resolution documenting these design standards

5. Number of bathrooms, bathroom fixtures, and amenities;
6. Sound insulation and other noise attenuation;
7. Quality and external appearance of construction materials and finishes;
8. Comparability of project amenities for occupants of housing mitigation units relative to market-rate units (except as specified in Chapter 17.140); and
9. Convenient access to private or common outdoor space that is provided in conformance with Section 17.52.210 (Multi-Family Residential Projects).

E. Request for Waiver or Modification of Livability Standards.

1. A developer may submit a request for a waiver or modification of one or more of the standards identified by Council resolution based on site- or project-specific conditions that would make strict compliance with that standard infeasible or impractical. Agreement to any such concession shall be made at the discretion of the Review Authority.
2. In the case of off-site units provided through acquisition and rehabilitation of existing unit(s), particularly when such units are located within an existing larger development of market-rate units, strict adherence to standards for interior room size and configuration, noise insulation, number of bathrooms, and common areas used by all residents of the project shall only be required to the extent feasible based on the existing characteristics and location of the unit being acquired. Such a determination shall be made by the Director.

17.136.130 – Eligibility, Continued Affordability

A. Eligibility for Below Market Rate Units (owner-occupied and rental units)

Comment [JD28]: Workforce? Throughout?

1. No household shall be permitted to occupy a BMR unit, or to purchase a BMR unit for owner occupancy, unless the Town or its designee has approved the household's eligibility. If the Town or its designee maintains a list of eligible households, households selected to occupy such units shall be first selected from that list to the extent provided in the affordable housing agreement, rent regulatory agreement, or resale restrictions.
2. Any household which occupies a rental BMR unit or purchases a BMR unit shall occupy that unit as its principal residence and shall not lease or sublease to a different party, unless allowed in special circumstances as documented in the deed restriction.

Comment [JD29]: Check with MLH

B. Continued Affordability Requirements (owner-occupied and rental units). Prior to the issuance of certificates of occupancy for BMR units provided in accordance with this

Chapter, resale restrictions, deeds of trust, rent regulatory agreements, and/or other documents, as appropriate, all of which must be acceptable to the Director and Town Attorney and consistent with the requirements of this Chapter, shall be recorded against parcels or units having such BMR units and shall ensure that each BMR unit remains affordable to the same income level for a minimum of 30 years. At a minimum agreements provided in accordance with this Section shall provide:

Comment [JD30]: Should this be more than 30?

1. A provision to provide the Town or its qualified designee the continuing right-of-first-refusal to purchase or lease any or all of the designated dwelling units at the appraised value of the unit subject to the resale restriction;
2. A covenant stating that the developer or successors-in-interest shall not assign, lease, rent, sell, sublet, or otherwise transfer any interests for the designated units without the written approval of the Town or its designee;
3. That the Town or its designee shall have the authority to enter into other agreements with the developer, or purchasers of the designated dwelling units, to ensure that the required dwelling units are continuously occupied by eligible households for the agreed to affordability period;
4. Provisions, in a form satisfactory to the Town, for the enforcement of owner or developer compliance. Any default or failure to comply may result in foreclosure, specific performance, or withdrawal of the certificate of occupancy;
5. That in any action taken to enforce compliance with the deed restrictions, the Town Attorney shall, if compliance is ordered by a court of competent jurisdiction, take all action that may be allowed by law to recover all of the Town's costs of action including legal services; and
6. That compliance with the agreement will be monitored and enforced in compliance with the measures included in the agreement.

C. Initial and Continued Affordability: Owner-Occupied Units. In addition to the minimum requirements set forth in Subsection B, the developer shall agree to the following measures to assure the initial and on-going affordability of required BMR units:

1. **Initial Sales Price for Below Market Rate Units.** The initial sales price of a for-sale BMR unit shall be set by the Town or its designee at the time a building permit is issued for the unit, so that the eligible household will pay an affordable ownership cost. The initial sales price shall be based on the developer's estimate of homeowners association dues, if any, the Town's assumptions for interest rates and other factors, and the formula for calculating sales prices contained in the Council resolution. The Town shall provide the developer, with an estimate of the initial sales price for the BMR units at an earlier date if so requested by the developer in writing. After the building permit is issued, the initial sales price may be adjusted by the Town, due to changes in market factors upon written request by the developer no less than 90 days prior to marketing of the BMR units.

Comment [JD31]: MLH – should we reference another place for the affordable rent formula?

2. **Resale Restrictions.** Documents to assure continued affordability shall be recorded against the property in accordance with the provisions of Subsections A and B, above, and the following concerning resale restrictions:
- a. Terms and conditions concerning the resale of the units shall be specified as necessary to ensure their continuing affordability. Such requirements may include, but are not limited to:
 - i. Limits on resale price, based on an appropriate calculation method.
 - ii. Provisions offering units for resale to the Town or its designee, and/or which limit resale to households determined to be eligible for affordable units by the Town in compliance with this Section.
 - iii. Monitoring requirements for resale of units, including required notice of intent to sell in a timely manner before the unit is intended to be marketed.
 - iv. Provisions concerning release of applicable restrictions, should market conditions dictate that the market-rate value of the property is below the designated affordability level in the initial agreement.
 - b. The Town reserves the right to modify or waive recorded resale restrictions at the time of resale, as warranted, based on residential real estate market conditions or economic hardship on the part of the BMR homeowner. A BMR homeowner may request a modification or waiver of resale restrictions by completing a modification/waiver request form provided by the Town.

D. Initial and Continued Affordability: Rental Units

1. **Initial Rents for Below Market Rate Units.** The initial rent of BMR units shall be set by the Town or its designee at least 30 days prior to the marketing of the BMR unit, so that the eligible households will pay an affordable rental cost in accordance with the established affordability level. The initial rent shall be based on the Town's assumptions for utility costs and the formula for calculating rents contained in the Council resolution. The Town shall provide the developer with an estimate of the initial rent for the BMR units at an earlier date upon written request.
2. **Rent Regulatory Agreement.** A rent regulatory agreement acceptable to the Town shall be recorded against the residential development prior to issuance of certificate of occupancy. Such an agreement shall reflect the limitations on rents required by this Chapter, the provisions of Subsection A, above, and the minimum requirements outlined below:
 - a. **Nondiscrimination.** When selecting tenants, the owners of BMR units shall follow all fair-housing laws, rules, regulations and guidelines. The owner

Comment [JD32]: MLH – should we reference another place for the affordable rent formula?

shall apply the same rental terms and conditions to tenants of BMR units as are applied to all other tenants, except as required to comply with this chapter (for example, rent levels and income requirements) or with other applicable government subsidy programs.

- b. **Move-in Costs.** Total deposits, including security deposits, required of households occupying a BMR unit shall be limited to first and last month's rent plus a cleaning deposit not to exceed one month's rent.
- c. **Reporting Requirements.**
 - i. The owner (or their designated agent) shall be required to submit an annual report summarizing the occupancy of each BMR unit for the year, demonstrating the continuing eligibility of each tenant, and the rent charged for each market rate unit. The Town may require additional information to confirm household income and rents charged for the unit if it determines necessary.
 - ii. The Town shall maintain the right to periodically audit the information supplied to the Town for the annual report if deemed necessary to ensure compliance with this Chapter.
- d. The owners of any BMR unit shall agree to cooperate with any audit or reporting requirements conducted by the Town, State agencies, federal agencies, or their designees.
- e. Provisions concerning changes in tenant income, where, after moving into a unit a tenant's household income would exceed the specified limit for that unit.

Comment [JD33]: BMR?

DRAFT

HOUSING DEFINITIONS, CHAPTER 17.148

Current Definitions - Proposed to be revised

Affordable Housing Unit. A housing unit that is available at an Affordable Rent, or Affordable Ownership Cost.

Affordable Rent. Monthly housing expenses, including rent and a reasonable allowance for utilities, which does not exceed one-twelfth of thirty-30 percent of the maximum annual income for a household of the applicable income level for Mono County as published annually pursuant to Title 25 of the California Code of Regulations, Section 6932 (or its successor provision) by the California Department of Housing and Community Development, and adjusted for household size.

Comment [PAK1]: Can we just say 30% of the gross monthly income?

Affordable Ownership Cost. A sales price for a housing unit resulting in projected average monthly housing payments, during the first calendar year of a household's occupancy, including interest, principal, mortgage insurance, property taxes, homeowners insurance, homeowner's association dues if any, and a reasonable allowance for utilities, property maintenance and repairs, all as determined by the Town, which does not exceed one-twelfth of 35 percent of the maximum annual income for a household of the applicable income level for Mono County as published annually pursuant to Title 25 of the California Code of Regulations, Section 6932 (or its successor provision) by the California Department of Housing and Community Development, and adjusted for household size.

Comment [PAK2]: ?

Comment [JD3]: Check with MLH

Comment [PAK4]: Or % of gross monthly income?

Alternate Housing Mitigation Plan (AHMP). A plan, prepared in conformance with the requirements of Chapter 17.136, proposing an alternate means to fulfill the inclusionary housing requirements otherwise required by the Chapter.

Below -Market Rate (BMR) Unit. A dwelling unit that shall be offered at an affordable rent or affordable ownership cost to very-low, low-, or moderate income households and is required by the Town pursuant to Chapter 17.136. At the Town's discretion, a Workforce Housing unit may also be classified as a BMR unit.

Comment [PAK5]: Are we limited to these income levels?

Housing Mitigation Plan. An applicant's statement, developed in accordance with the provisions of Chapter 17.136, of how a project will conform to the Town's inclusionary housing requirements. See also "Alternate Housing Mitigation Plan."

Comment [JD6]: This is addressed through the AHMP definition

Housing. The following terms are defined for the purposes of Chapter 17.136 (Housing).

- **Affordable Housing.** Housing that is restricted as to rental rate or sales price based upon household income and size criteria as defined by the state of California or the Town of Mammoth Lakes.
- **Bedroom.** A room designed to be used for sleeping purposes which may contain closets, shall have access to a bathroom and which meets applicable California Building Standards Code requirements for light, ventilation, sanitation and egress and has a minimum floor area of 100 square feet plus closet.

Comment [JD7]: Check MLH – HUD?

Comment [PAK8]: Current livability standards require 120 square feet

DRAFT

- **Deed Restriction.** A recorded contract entered into between the Town of Mammoth Lakes and the owner or purchaser of real property identifying the conditions of occupancy and resale.
- **Dwelling Unit.** For the purposes of calculating density for Workforce Housing developments in multiple-family zones, a one bedroom unit or studio unit up to a maximum eight hundred fifty ~~850~~ net square feet of living area, shall be considered to equal one-half of a dwelling.
- **Existing Long-Term Rental Unit.** Any dwelling that has been leased for residential purposes for a period or periods in excess of thirty consecutive days for more than five months per year within the last two years.
- ~~Full-time Equivalent Employee (FTEE). A full-time employee or combination of part-time employees. When employee generation calculation results in seasonal or part-time employees, those employees are grouped together to form FTEEs. Full-time year round employees equal one FTEE, part-time year round employees and full-time seasonal employees equal one-half FTEE, and part-time seasonal employees equal one-quarter FTEE.~~
- ~~Housing Mitigation Development Plan (HMDP). A housing mitigation plan, written and submitted by the developer, that details how the developer intends to mitigate affordable housing impacts.~~
- **New Development.** Any new construction or conversion of use resulting in an increase in housing mitigation requirements the employee generation as described in Table 17.132.020-1 Chapter 17.136. New development includes expansions of, or additions to, existing uses.
- ~~Sleeping Area. Any bedroom, loft, or other space that can be equipped with beds, foldout sofas or other similar sleeping furniture within a visitor accommodation/transient occupancy facility.~~
- **Workforce Housing.** Housing that is restricted for rent or purchase by individuals and households working in the community of Mammoth Lakes. Workforce Housing includes, but is not limited to, Affordable Housing. Employment criteria, rental rates, and sales prices for Workforce Housing shall be established administratively by the Town.

Comment [JD9]: We removed this 1/2 unit calculation from market rate residential projects; do we want to keep for Workforce Housing projects?

Comment [JD10]: FTEE not proposed to be used

Comment [JD11]: Replaced with AHMP definition, above

Comment [JD12]: Sleeping area not proposed to be used

Comment [PAK13]: Maybe "workforce housing may serve local employees of all income groups and may include market rate units." ...?

Current Definitions - Not proposed to be changed

Affordable Housing Density Bonus. A density increase over the otherwise maximum allowable residential density under the applicable zone and designation of the Land Use Element of the General Plan as of the date of the application by the applicant to the Town, as allowed under Government Code 65915 or Article IV (Affordable and Workforce Housing).

DRAFT

Area Median Income (AMI). The median household income for Mono County as published by the State of California pursuant to California Code of Regulations, Title 25, Section 6932, or successor provision.

Household. One person living alone or two or more persons sharing residency whose income is considered for housing payments.

Agenda Item:
April 6, 2015

VI

AGENDA BILL

Subject: MLH Bylaw Amendment

Presented by: Jennifer Halferty, Executive Director

BACKGROUND:

The California Nonprofit Corporation Law was amended as of January 1, 2015 to prohibit nonprofit public benefit corporations to have non-voting members of the Board of Directors. Mammoth Lakes Housing, Inc. (MLH) has two officer positions, the Secretary, and the Vice President of Sales, that are non-voting board members under the current bylaws.

OPTIONS:

Outline below are the options for MLH to bring itself into compliance with the change in California law.

All options require yet another change to MLH's recently amended and restated bylaws to remove the provision stating that the Secretary and the Vice President of Sales are non-voting Board members. We have the following options:

1. Amend the bylaws to make the positions of Secretary and Vice President of Sales full, voting Board member positions. If this is done, special attention to the recently-adopted CHDO requirement that one-third of your Board members must be residents of low income neighborhoods or representatives of low income organizations. Also, since these Board member(s) are also paid staff of the organization, they will need to recuse themselves from Board decisions affecting compensation or benefits in which they have an economic interest and, therefore, a conflict of interest.
2. Officers of a nonprofit corporation are not required to be Board members. Consequently, MLH could amend the bylaws to state that the offices of Secretary and Vice President of Sales shall be appointed by the Board, have specified powers, and shall attend Board meetings, but that those officers are not Board members. The bylaws could also state that the Executive Director shall always serve as the Secretary of the Corporation.

RECOMMENDATION:

Option 2 is recommended because it will not interfere with the CHDO Board member composition requirements. MLH staff will work with legal counsel to draft an amendment and bring it back to the MLH Board of Directors for adoption.

April 2015

Dear Mayor Jo Bacon and Town Council:

Thank you for convening the joint meeting with Mammoth Lakes Housing, Inc. Board of Directors and the Planning and Economic Development Commission.

As productive as the meeting was, MLH's Board of Directors thinks that it would be worthwhile to provide further background information and clarification of some of the questions and suggestions that the Council will consider prior to adopting a final workforce housing strategy, policy, and ordinance.

MLH Role:

Mammoth Lakes Housing, Inc. ("MLH") provides consulting services to the Town, focused on the delivery of affordable workforce housing services and programs, as well as assistance to Town staff in the implementation of the Town's adopted housing programs and policies, including the Housing Ordinance and General Plan Housing Element.

The organization's mission is "Mammoth Lakes Housing, Inc. supports workforce housing for a viable economy and a sustainable community." That mission finds its roots in the General Plan Vision of "Adequate and appropriate housing that residents and workers can afford," and the Goal to "Substantially increase housing supply available to the workforce." When reviewing proposals such as Mountainside Project AHMP, MLH basis its analysis and recommendation on the Town's housing mitigation ordinance, using MLH's mission, and the Town's vision, and goal as our guiding principles.

Acknowledgments:

- Mammoth Lakes has an affordable housing deficit of 170 units according to the 2011 Needs Assessment.
- Inclusionary housing, in part, was adopted in consideration of the fact that the community lacks available land to address the workforce housing needs.
- Some of the town's workforce choose to live down valley.
- Down valley workforce negatively impacts the town's businesses, workers, community, environment, and visitors.
- At build-out, it is estimated that Mammoth Lakes may need approximately 1,250 workforce housing units to house workers (p. 14: Comprehensive Workforce Housing Strategy.)
- MMSA's base lodge development is not included in the 1,250 assessment for future workforce housing.
- Currently the MLH website provides a "Rental Vacancy Bulletin Board" for owners to list market rate rentals (apartments, homes, and condos) available to the public. This is a community service.

Shady Rest:

There are several issues related to Shady Rest that should be considered in conjunction with any proposed changes to the current Master Plan. Primary among these is the availability of land suitably zoned for workforce housing.

The issue of new development utilizing Shady Rest to mitigate their impacts was raised at the March 18, 2015 meeting. Current regulations exclude Shady Rest from use for mitigation of new development impacts because there is a shortfall between the amount of land needed to meet Mammoth Lakes' projected workforce housing needs and suitably zoned land for that use.

In 2009, MLH, Town staff, and a representative from the development community analyzed the available land in the Town of Mammoth Lakes for workforce housing. Through housing needs assessments, growth projections, and estimates of housing generation based on development projections at build-out, Mammoth Lakes will need an additional 1,000 workforce housing units to house employees generated by new development impacts. Updated analysis in the draft Housing Strategy estimates a need for 1,250 workforce housing units at build out. This number could increase with the projected redevelopment of Main Street and the Mammoth Mountain Ski Area Base Lodge.

Mammoth Lakes' available land in 2009, excluding land governed by a Master or Specific Plan, was as follows:

- Commercial General – 4 acres
- Commercial Lodging – 5 acres
- Residential Multifamily 1 – 9 acres
- Residential Multifamily 2 – 15 acres
- Total – 33 acres

MLH has developed several sites with densities ranging from 12 units per acre to 24 units per acre. Through these developments the organization has learned a tremendous amount about providing livable workforce housing communities. MLH would recommend that workforce housing be developed at no more than 16 units per acre.

Assuming a density range of 12 to 16 units per net acre, 1,000 units requires between 62 and 83 acres of land. 1,250 units would require between 77 and 104 acres. It is unrealistic to expect that workforce housing will be built on all the available vacant land within the above mentioned zones. At best, the **available vacant land can meet half of the projected need if it is all developed for workforce housing**, an unlikely outcome. Inclusionary housing, in part, was adopted as policy in consideration of the fact that the town lacked available land to address Mammoth Lakes' workforce housing needs

Therefore, in order to meet the workforce housing demands of new development other methods of housing delivery will need to be utilized. Developers will have to incorporate housing units into their developments, existing market rate units will have to be converted to workforce housing, and Shady Rest Tract will have to be developed within its current zoning.

The MLH Board recommends that the Town Council direct Town and MLH staff to further analyze the available land for workforce housing within both the town and the county. This can be easily accomplished using the Town's GIS software and should be available in conjunction with the policy update.

Underutilized Assets in Mammoth Lakes:

Can the Town leverage and/or rehabilitate underutilized assets (incentivize owners of condos/homes) to meet some of Mammoth Lakes' workforce housing need? Can the Town rehab underutilized assets to address some of Mammoth Lakes' workforce housing needs?

Rental:

- What would MLH's role be in addressing a private property transaction between a landlord and a tenant? Would MLH operate as a management company, monitoring units that have been turned over to MLH to rent (collecting rents, repairs, etc), or would MLH simply attempt to match renters with owners, or would MLH purchase units and manage them?
- Currently, MLH financially qualifies households (what they can afford as members of the workforce, etc) with a workforce unit available for rent. The unit being rented should be approximately 30% of the household's income.
- The unit should **substantially** meet the Town's "Workforce Housing Livability Requirements."
- Matching members of the workforce with units they can afford could result in an affordability gap between what a landlord can rent his condo/home for on the open market and what a qualified workforce renter can afford.
- Second home owners who might consider renting their units year-around will forgo the private use of their units as vacation homes.

Ownership:

- MLH has proposed a Middle Income Workforce Assistance Program to provide lending assistance to the workforce making up to 150% of the Area Median Income (AMI).
- Currently, under the "First Time Homeowner Down-payment Assistance" program, MLH qualifies (with a primary lender) potential home buyers. The qualified employee then goes out and searches the market for a unit that he or she can purchase. This is only **one** solution, does not create additional affordable housing units or long term affordability, and will likely require additional subsidies over time as property values rise.
- Where there is deferred maintenance, it may not be possible for MLH or the Town to upgrade the exterior or structure of a single unit as those are the responsibility of the project's HOA.
- When evaluating the purchase of a condo unit, the buyer must consider the purchase price, the monthly HOA fees, and the HOA's percentage of capital reserves to prevent future major assessments among other considerations. Increases in HOA fees or special assessments are out of the control of the Town, MLH, or the unit occupant making assurance of affordability impossible.
- If the Town adopts a housing mitigation fee with the intention to purchase underutilized units, an inventory will need to be established.

- If a fee program is included in the new mitigation policy's toolbox, the full cost of impacts will need to be evaluated to ensure the fee collected will fully mitigate the new development's impacts.

If it is the desire of the Town Council to analyze the availability of underutilized assets to address Mammoth Lakes' growing workforce housing shortage, then the first step is to create an inventory which assesses the available homes/condos that could be utilized for affordable workforce housing including: units on rental programs, livability, affordability of homes and condos (monthly HOA fees, and the adequacy of the HOA's reserve). Currently, this inventory/evaluation does not exist.

Rehabbing Existing Units:

In collaboration with the Town, MLH applied for and was awarded acquisition and rehabilitation funding from CDBG. This grant allowed MLH to buy a mid-1960's three unit apartment building. With the grant, MLH was able to bring into compliance an illegal fourth unit as well as extensive interior remodeling throughout the building. Today, these four apartments serve the low-income (<80% AMI) segment of Mammoth Lakes' workforce.

Under a second CDBG award, the Town and MLH will soon implement the first ever owner or investor rehabilitation program in Mammoth Lakes. This program will also serve the low-income segment of Mammoth Lakes' workforce and will allow for upgrades that will increase a home's energy efficiencies.

Down Valley—Up Valley Workforce Housing Options:

The intent of past Town Councils was to provide housing in town for those workers that preferred to live within Mammoth Lakes. As of the 2000 census, roughly 80% of the permanent resident workforce resided in the town. This does not include seasonal residents, but does include seasonal workers who are permanent residents. That 80% number became a soft target for providing workforce housing.

Reasons for keeping the workforce in town included social, economic, and environmental components. Workers who live in town engage in local activities and spend more of their money in town, supporting local clubs, events, and businesses. Workers who live elsewhere tend to spend their free time and money in the communities where they live. Long commutes lead to a greatly increased carbon foot print (roughly 9 tons per year per commute from Benton or Bishop), contrary to the General Plan Goal to "Reduce greenhouse gas emissions." If gasoline goes back to \$4.00 a gallon, the round trip Bishop or June Lake commute could cost an employee \$16 driving to and from work. If the employee's workday is cut short, the employee could actually go behind financially.

Past proposals to house workers in other regional communities have run into a couple of practical obstacles. The first is a lack of suitably zoned land. Based on the housing elements of Bishop, Inyo County, and Mono County, there is not enough land between June Lake and Bishop to house Mammoth's workforce, even if all of it were put to that purpose, an unlikely outcome. The development of June Lake's "Rodeo Grounds" could further exacerbate Mammoth Lakes' workforce housing options.

The second is political will. A proposal to construct an affordable housing project in Crowley Lake ran into strong local opposition based on water availability, aesthetics, and other considerations. The project was not built. Other regional communities have expressed a reluctance to absorb Mammoth Lakes' workforce overflow.

All that being said, housing outside of Mammoth will continue to provide housing alternatives for workers seeking housing options that Mammoth Lakes cannot provide. MLH continues to work with Bishop and Mono County to provide down payment assistance and other forms of assistance in those areas. Some of that assistance supports Mammoth Lakes' workers.

Thank you for scheduling the meeting with MLH, Town staff, Council and the Planning and Economic Development Commission. Hopefully the information above will inform the Council in their decision making. MLH is looking for further direction in respect to addressing Mammoth Lakes' workforce housing needs.

Sincerely,
Kirk Stapp, MLH President

Cc. Planning and Economic Development Commission
Enclosure: MLH, TC, PEDC Joint Meeting Handout



Since 2003, Mammoth Lakes Housing, Inc. (MLH) has been working in partnership with the Town of Mammoth Lakes and the community to create workforce housing opportunities that support a vibrant community and a stable workforce for local businesses.

I. WHY WORKFORCE HOUSING MATTERS:

Definition: “Workforce” refers to teachers, first responders, utility providers, forest service employees, hospitality and food service employees, and service workers who clean toilets, make beds, and shovel snow.

- **Businesses:** *A shortage of workforce housing can negatively impact local employers’ ability: to attract and keep workers; to reduce employee turnover; to reduce the time and cost of training new employees; to find qualified applicants; to fill vacant job positions; and to foster positive employee attitude and job satisfaction which can eliminate bad guest experiences. Conversely, a sufficient workforce housing supply results in: fewer turnovers; job retention; less training; and qualified employees that care about their jobs and community.*
- **Employees:** *A shortage of workforce housing can negatively impact local employees by: requiring long commutes which increases household expenses; creating longer work days which reduces quality time with family and friends; decreasing available parking for both workers and visitors; increasing traffic. Conversely, a sufficient workforce housing supply results in: healthier community members and families; reduced vehicle miles travelled; and personal savings which can be spent in the community.*
- **Community:** *A shortage of workforce housing can negatively impact the community by: encouraging sprawl; forcing out full-time community members; increasing traffic congestion and greenhouse gas emissions; and straining available parking. Conversely, a sufficient workforce housing supply can result in: long-term commitment and investment in the well-being of the community; healthy families; and better performing schools; as well as volunteerism (Volunteer Fire Department, Fourth of July events, school and community events, athletic events, and clubs such as Rotary, Lions, and Friends of the Inyo).*

“In Glenwood Springs, volunteer clubs can’t recruit enough members to put on charity pancake breakfasts or chili suppers, because downtown employees spend their free time commuting to cheaper homes far from town.” -Denver Post



What is the community’s goal for workforce housing?



II. OTHER RESORTS

Mammoth Lakes competes for much of the same investment capital and development as other destination resort communities in North America. Investors are looking for many factors when evaluating whether a community is a smart place to invest. A community that is an economically viable investment includes assets such as the ability to provide a stable workforce that can support the new development. Housing mitigation policies help ensure the ongoing supply of a local workforce.

PEER RESORTS: Mammoth's Competition (a partial list)						
Resort	Population	Total Housing Units	Deed Restricted Units (own and rent)	Deed restricted units as a percentage of total housing units	Housing Goal (includes deed restricted and market rate homes)	Commercial Linkage Requirement
Aspen, CO	6,658	5,929	2,062	35%	Provide for a critical mass of year-round residents	YES
Crested Butte, CO	1,487	1,069	199	19%	Maintain a diverse and enduring community by providing dispersed housing for people of all economic levels, employees, and people who contribute to the community	YES
Telluride, CO	2,325	2,070	310	15%	At least 70%	YES
Vail, CO	5,305	7,230	727	10%	Deed restricted housing for at least 30% of Vail's workforce	YES
Jackson Hole, WY	9,577	4,736	357	8%	65% of those employed locally	YES
Mammoth Lakes, CA	8,234	9,626	191 ¹	2%	A high value on adequate and appropriate housing that residents and workers can afford	NO
Source: U.S. 2010 Census; MLH conversations with local housing authorities, March 2015.						

Does the community want to quantify our housing goal beyond the General Plan vision for "adequate and appropriate housing that residents and workers can afford"?

¹ Includes: Aspen Village (48), MLH Apartments (30), STAR Apartments (4), Bristlecone (30), Kitzbuhl (17), Glass Mountain (25), and 37 ownership units monitored by MLH.

III. WHERE WE ARE TODAY: WHO IS DOING HOUSING?

CURRENT HOUSING STATUS	
ENTITY	# OF UNITS
MLH	119
MMSA (seasonal and long-term)	183
Town of Mammoth Lakes	2
Mammoth Community Water District	4
Mammoth Hospital	6
Local businesses	???
Cerro Coso Student Housing	35
IMACA	25
Intrawest DA	31
Bristlecone	30
TOTAL	435+

SUMMARY OF PROJECTED HOUSING UNITS	
ENTITY	# OF UNITS
Holiday Haus	14
Shady Rest Master Plan	172
Clearwater Specific Plan/Old Mammoth Place	8
MMSA Arrowhead Road	15
Lodestar Housing site	30
Snowcreek Master Plan	47
TOTAL	286

IV. WHAT ARE OUR WORKFORCE HOUSING NEEDS?

- **At Build-Out:** The Town is in the midst of modifying it's methodology of calculating build-out. The Strategy currently utilizes the figure from the 2009 POAT Town study. Based on current calculations, at build-out the community will need approximately 1,250 more units for the workforce. This figure **includes both deed restricted and market rate units.**

This calculation does not take into consideration additional impacts due to the MMSA land trade or any impacts that may result from the forthcoming Floor Area Ratio (FAR) density requirements for commercial development.

- **Past needs:** Through grants and the TOT allocation to Housing, MLH seeks to address the current deficit in workforce housing.

- **New development:** New development only provides for their impacts and has been exempt from providing for very low-income households under the current policy. This impact is the responsibility of MLH. As with Developer impact fees, the housing mitigation fee should collect the *actual impact* to workforce housing as a result of new development and at the same time the town must not penalize current developments for any historical housing deficiencies.

V. HOW WILL THE FUTURE HOUSING MITIGATION POLICY HELP US MEET THE WORKFORCE HOUSING NEED?

The proposed new policy does not require on-site housing mitigation. A mitigation fee and other options will be available to **developers for mitigation of their housing impacts**. It is anticipated that developers will more often choose to pay the fee. Units not built by the developer will need to be created by the community. The Town, through its consultant, is looking at both, the **production cost gap** and the **affordability gap** methodology to determine the housing mitigation fee.

How the mitigation fee will provide additional workforce housing (at all income levels including extremely low, very low, moderate, above moderate, etc.) should address the advantages and limitations of the fee, including:

- How much land can be bought (and then how many units can that land support)?
- How many units will the mitigation fee produce at various income levels; evaluating non- prevailing wage development and prevailing wage development when state and federal funds are used for leverage?
- How many additional staff will be necessary (MLH & Town) to implement a more fee centric ordinance?
- What percent of Mammoth Lakes' current condominium developments are viable options for purchase/rehab/restriction/resale? Viable meaning:
 - a) Accommodates full-time ownership occupancy livability standards,
 - b) Affordable, well-managed HOA with the required reserve balance,
 - c) No major deferred maintenance or major assessments.

VI. THE HOUSING STRATEGY

The Housing Strategy is meant to be a flexible resource that will change with the times.

MLH recommends the Town adopt the **five community housing strategies and the 31 actions** to address workforce housing past deficits, and new impacts. No single strategy or action is more important than any other, due to the local variables and the availability of state and federal funding resources.



What is the community's goal for workforce housing?



April 2015 - Mammoth Lakes Housing Status Update**1) Community Resource****a) Wait-List Management**

- 1) **33** low and very low income households currently on rental waiting list
- 2) Processed **three (3)** new rental application for Town's Low-income units
- 3) Processed **two (2)** new first-time homebuyer applications.

b) Application distribution, provide program/project information

- 1) **Distributed fifteen (15)** rental and purchase applications
- 2) Answered **nineteen (19)** rental inquiries via phone/email/walk-ins
- 3) Answered **twenty three (23)** ownership inquiries via phone/email/walk-ins
- 4) Answered **one (1)** fair housing inquiries via email

c) Counseling Programs

- i. There were **two** participants at our Homebuyer Education Course on Tuesday, March 9th.

d) Mammoth Lakes Housing Website Data:

2015	Jan	Feb	March
Total Visitors	930	656	1,141
Percent of Sessions that are New Visitors	70%	72%	68%
Pages per Visit	3.01	3.07	3.4
Avg. Length of Visit in Minutes	2:10	1:54	2:26

2) Housing Program Development, Management and Maintenance

- a) **One Kitzbuhl** rental application was processed in accordance with the Town's Deed Restriction on that property and under our service agreement with the Town.
- b) Down Payment Assistance-
 - i. One household closed on the purchase of a Manufactured Home using the CalHome loan program. The home is located in Mammoth Lakes. We have two other applications being processed.
 - ii. BEGIN Funds available in Town of Mammoth Lakes. Up to 20% of purchase price available as deferred loan to households earning up to 120% of the AMI at Aspen Village, Meridian Court, and San Joaquin Villas.
 - iii. HOME funds for the City of Bishop and the Town of Mammoth Lakes' HOME funds are now available. One Town Program applicant is shopping the market for a home to combine with the program.
- c) The CHODO application has been review by the State. We have received comments and requests for additional information. Staff will work to address the response over the next month.
- d) Staff attended both the Mono County Planning Commission and the Board of Supervisors' meetings to participate in the Public Hearings for their 2015 CDBG application. MLH recommended an application for funds to perform a county-wide housing needs assessment.

3) Deed Restriction Management

- a) MLH purchased deed restricted unit H105 at Aspen Village. The unit is in escrow and scheduled to close at the end of May.
- b) MLH is in escrow to buy back a deed restricted San Joaquin Villas using both the Town Revolving Loan Fund and MLH capital.
- c) Corresponding with a deed restricted rental unit in which the owner lives in the unit which is in violation of the restriction.

4) Administration of Local Housing Trust Fund and Other Funding Opportunities

- a) Special condition set-up for the Town's CDBG award is complete.
- b) Staff participated in a joint meeting with Town staff and CDBG staff to review the Town's current award and the management of the grant.
- c) A draft Alpine County Housing Element Update has been submitted to the Department of Housing and Community Development (HCD).

- d) MLH is working with Mono County staff on a draft Subrecipient Agreement for their 2013 HOME award.

5) Market Analysis

- a) MLH staff is tracking the real estate market for the potential sale of deed restricted units.
- b) Watching for BEGIN eligible units to promote those down payment assistance funds
 - i. One deed restricted San Joaquin Villa units is anticipated to be on the market in early May.
- c) **Median home sales** figures for Mammoth Lakes:

2012

- Single family: \$575,000
- Condominiums: \$244,000

2013

- Single family: \$575,000
- Condominiums: \$260,500

2014

- Single family: \$619,000
- Condominiums: \$292,500

2015 Year-to-Date

- Single family: \$907,500
- Condominiums: \$294,500

6) Coordination with Town of Mammoth Lakes Staff

- a) MLH staff provided input to Town staff on the inclusionary housing ordinance update process. MLH staff provided names of comparable resorts for housing ordinance comparison. AECOM has provided a draft ordinance which staff has reviewed with Town staff and in preparation for the April MLH Board meeting.
- b) MLH staff prepared a handout for and attended the joint Town Council and PEDC meeting on the Draft Housing Strategy. Feedback from the meeting has been integrated into the Strategy. The revised Draft will go back before the Commission at their April 8 meeting.
- c) MLH staff attended the Town Hall Meeting of the Mammoth Lakes Police Hispanic Advisory Committee on March 19.
- d) Staff responded to Town inquiring on Star Apartment's net rents.
- e) Tracking the Tallus project's required update for housing mitigation on phase 1 as required from last year's use permit condition.

- f) On March 25, staff attended the Planning and Economic Development Commission (PEDC) meeting for their Mountainside Project workshop. While the PEDC took no action, the majority expressed support for the Mountainside Project's alternate housing mitigation proposal (AHMP). At the March MLH Board of Directors' meeting, the Board recommended the PEDC adhere to the 2009 Interim Housing Mitigation Policy for an on-site unit due to the applicant's application under said policy and the proposal's lack of compliance with the required findings for an AHMP.

Peer Resort Analysis

To: Sandra Moberly, Jen Daugherty
From: Jeff Goldman, Matt Hertel
Date: March 30, 2015
Subject: Peer Resort Analysis

INTRODUCTION

In advance of the Town of Mammoth Lake's (Town) update to its housing ordinance, this memo provides a summary of housing mitigation requirements of five mountain resort communities similarly positioned to the Town. The five peer resort communities reviewed, include: Aspen, Colorado; Jackson, Wyoming; Mt. Crested Butte, Colorado; Telluride, Colorado; and Truckee, California. AECOM also reviewed other potential peer resort case studies (Breckenridge, Colorado, Park City Utah, and Big Bear Lake, and South Lake Tahoe, California), but determined that these cities did not have specific inclusionary requirements or were not comparable in terms of housing market context. As part of this memo, we prepared a matrix with a quick snapshot of the housing mitigation requirements for each of these communities (see page 4).

The housing mitigation requirements for Steamboat Springs, Colorado were also reviewed, but not included in this summary. In July 2013, the Steamboat Springs City Council suspended the Community Housing Ordinance and its affordable housing requirements for a period of two years. The City Council is presently reviewing affordable housing policies in advance of the suspension's expiration this August.

This memo explores five areas of housing mitigation policy—inclusionary housing requirements, housing mitigations options, employee generation mitigation, and the unit size of newly deed restricted affordable housing.

INCLUSIONARY HOUSING REQUIREMENTS

Three of the communities maintain inclusionary housing requirements. Jackson, Wyoming requires 25 percent of residential development be affordable, with an even split of units made available to low-income, moderate-income, and middle-income households. Two communities require 15 percent of new residential units be affordable. In addition to an inclusionary housing requirement, Mt. Crested Butte also requires employee generation mitigation for residential development. Mt. Crested Butte's inclusionary housing is restricted for low and moderate-income households, whereas Truckee also sets-aside units for very low-income households.

HOUSING MITIGATION OPTIONS

Each of the five communities offered a variety of options to meet housing mitigation requirements. All of the communities allowed the following options for mitigation: on-site affordable housing, off-site affordable housing, fees in-lieu of constructing affordable housing, and dedication of land to the municipality or housing authority. Some communities expressed preference for on-site housing, and others required additional approvals to take advantage of the full-range of mitigation options. Mt. Crested Butte also allows developers to meet their single-family/duplex affordable housing obligations by transferring ownership of deed restricted lots to builders, or sell them to eligible households who are able demonstrate the capacity to build the home. Telluride permits the construction of dormitory or shared facility units to meet requirements. Developers can purchase inclusionary housing credits from other residential development projects with excess affordable units to meet Truckee's affordable housing obligations. Housing mitigation is limited to in-lieu fees for single-family and duplexes in many of the communities. In Aspen, these fees are deferred if the owner of the unit is a qualified working resident.

EMPLOYEE GENERATION MITIGATION—RESIDENTIAL

Two communities require residential developments to address imputed affordable housing needs for workers at specified targeted income levels. Mt. Crested Butte's goal is to mitigate 30 percent of the demand for affordable housing (for income levels at or below 80 percent AMI) generated by the permanent jobs created. Employee mitigation requirements are calculated by multiplying the number of affordable housing units needed by the specified job generation rates (i.e. $\leq 2,000$ square feet: 12 full-time equivalent employees), divided by the number of employee generated per unit (1.8), and then multiplied by the mitigation rate of 30 percent.

Telluride requires mitigation for job creation for new residential development with the town limits. Telluride determined that 4.5 employees are generated for every 1,000 square feet of net floor area of commercial, and .33 employees are generated per unit for multi-family and accommodations, and .07 employees are generated by single-family and duplex residences. An independent calculation of the number of employees to be generated by a proposed development can also be submitted by the project applicant. Mitigation units are restricted to households with incomes that do not exceed 120 percent AMI (Tier 1), or 180 percent AMI (Tier 2).

EMPLOYEE GENERATION MITIGATION—COMMERCIAL

All five of the communities have enacted employee generation mitigation requirements for commercial development. Employee generation requirements are typically based upon the incremental employee generation difference between the existing development and the proposed development.

Aspen quantifies employee generation as full-time equivalents (FTEs) per 1,000 square feet of net leasable space or per lodge bedroom. The city determined that 4.7 employees are generated per 1,000 square feet of net leasable space. Employee generation rates are also determined for each of the other types of commercial or lodging development. The number of employees housed by employee generation mitigation units type is as follows: 1.25 employees per studio, 1.75 employees per one-bedroom unit, 2.25 employees per two-bedroom unit, and 3 employees per three-bedroom unit.

Jackson's employee generation mitigation requirements are calculated by requiring a specific number of residential square feet assumed to be needed for affordable housing for every 1,000 square feet of commercial or industrial uses that are developed. Retail has the largest floor area requirement of 378

square feet of affordable housing required for every 1,000 square feet of commercial development. Industrial uses have the smallest floor area requirement at 8 square feet.

Mt. Crested Butte requires commercial development to provide affordable housing units (for income levels at or below 80 percent AMI) equivalent to 15 percent of the demand for additional housing units generated by the employees of that development. Accommodation development (e.g. hotel) must provide 15 percent (30 percent in the Downtown Development Authority (DDA) District) of the housing units for which demand is generated by on-site permanent employment for households with incomes at or below 80 percent AMI. The number of jobs generated (2.9 per 1,000 square feet of commercial and 0.5 per room for accommodations) is divided by the number of employees per job (1.3). The number of employees generated is then divided by the number of employees per unit (1.8) to obtain the number of households generated. This is then multiplied by 15 percent (30 percent in DDA District) to determine the number of housing mitigation units required.

Truckee has determined that one FTE employee is created for every 500 square feet of gross floor space of commercial and for every 1,000 square feet of industrial. Truckee's employee generation mitigation requirements are calculated by the number employees generated by the project (FTE) and the number of very low, low, and moderate-income category employees the project creates. Projects are exempt if less than seven employees are created. For projects that create over seven jobs the number of affordable units required are directly proportional to the number and income levels of the jobs created, based on a prescribed formula.

AFFORDABLE UNIT SIZE

The minimum net square footage requirements for newly deed restricted affordable housing units are between 400-450 square feet for a studio, and 150 square feet for dormitory or lodge housing. This requirement is generally flexible if it can be demonstrated that livability and storage is appropriately accommodated. In some cases, there is a maximum unit size requirement to ensure an adequate supply of housing to meet the needs of the community.

Mammoth Lakes Housing Ordinance Update – Peer Resort Analysis

Jurisdictions (Population, U.S. 2010 Census) (Housing Mitigation Document)	Inclusionary Housing (% of units)	15%	25%	Housing Mitigation Options	On-Site Housing	Off-Site Housing	In-Lieu Fee	Dedication of Land	Market Rate Deed Restrictions	Lots to Builders (Single-family/Duplex)	Lots to Household (Single-family/Duplex)	Construction of Dormitory Units	Purchase Affordable Housing Credits	Employee Generation Mitigation	Residential Linkage	Commercial Linkage	Minimum Affordable Unit Size	150 Square Feet (Dormitory/Lodge)	400 Square Feet	450 Square Feet
Aspen, Colorado (6,658) (Affordable Housing Guidelines, 2015 & Land Use Code)					●	●	●	●	●							●		●	●	
Jackson, Wyoming (9,577) (Land Use Development Regulations, 2015 & Town Housing Authority Guidelines)			●		●	●	●	●	●							●		●	●	
Mt. Crested Butte, Colorado (1,487) (Community Housing Guidelines, 2009 & Town Code)		●			●	●	●	●	●	●	●				●	●			●	
Telluride Colorado (2,325) (Land Use Code & Affordable Housing Guidelines, 2014)					●	●	●	●	●			●			●	●				●
Truckee, California (16,181) (Municipal Code, 2013)		●			●	●	●	●	●				●			●				