

Attachment #1

RESOLUTION NO. PEDC-2015-

**A RESOLUTION OF THE MAMMOTH LAKES PLANNING AND
ECONOMIC DEVELOPMENT COMMISSION RECOMMENDING THAT
THE TOWN COUNCIL TAKE THE FOLLOWING ACTIONS:**

- 1. CONSIDER THE ADDENDUM TO THE HOUSING ELEMENT
UPDATE 2014-2019 NEGATIVE DECLARATION AND ADOPT
THE REQUIRED CEQA FINDINGS;**
- 2. ADOPT THE REQUIRED MUNICIPAL CODE FINDINGS;**
- 3. APPROVE GENERAL PLAN AMENDMENT 15-001
(AMENDMENT TO THE HOUSING ELEMENT 2014-2019);**
- 4. APPROVE ZONING CODE AMENDMENT 15-001 (UPDATE OF
THE HOUSING ORDINANCE AND HOUSING RELATED
DEFINITIONS, MUNICIPAL CODE CHAPTERS 17.136 AND
17.148); AND**
- 5. APPROVE THE AMENITY AND DESIGN STANDARDS FOR
WORKFORCE UNITS**

WHEREAS, a request for consideration of a General Plan Amendment and Zoning Code Amendment permit was filed by the Town Council of the Town of Mammoth Lakes to allow an update to the housing ordinance (Municipal Code Chapter 17.136), in accordance with Chapter 17.112 of the Town of Mammoth Lakes Municipal Code; and

WHEREAS, the Planning and Economic Development Commission conducted a noticed public hearing on the application request on April 29, 2015, at which time all those desiring to be heard were heard; and

WHEREAS, the Planning and Economic Development Commission considered, without limitation:

1. The staff report to the Planning and Economic Development Commission with exhibits;
2. The General Plan, Municipal Code, and associated Land Use Maps;
3. Oral evidence submitted at the hearing; and
4. Written evidence submitted at the hearing.

NOW THEREFORE, THE PLANNING AND ECONOMIC DEVELOPMENT COMMISSION OF THE TOWN OF MAMMOTH LAKES DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. FINDINGS.

1. CEQA.

Negative Declaration Addendum

California Environmental Quality Act Guidelines Sections 15162 and 15164:

- a. The Planning and Economic Development Commission considered the proposed Addendum to the Housing Element Update 2014-2019 Negative Declaration (State Clearinghouse No. 2014032067) together with the Negative Declaration (ND), any comments received, and finds that on the basis of the whole record, there is no substantial evidence that the proposed housing ordinance update, which includes General Plan Amendment 15-001 and Zoning Code Amendment 15-001, ("Project") will result in any new or substantially increased significant effects on the environment.
- b. An Addendum is appropriate because only minor technical changes or additions are necessary to the conditions described in CEQA Section 15162 calling for the preparation of a subsequent Negative Declaration have not occurred as described in 1.a, above.
- c. The Planning and Economic Development Commission finds that the Addendum to Housing Element Update 2014-2019 Negative Declaration reflects the lead agency's independent judgment and analysis.
- d. The custodian and location of the documents and other material which constitute the record of proceedings upon which this decision is based is the Town Clerk at the Town of Mammoth Lakes Offices, 437 Old Mammoth Road, Suite R, Mammoth Lakes, California 93546.
- e. The Planning and Economic Development Commission finds that Project will not result in a safety hazard or noise problem for persons using the Mammoth Yosemite Airport or for persons residing or working in the Project area because the Project site is located more than ten miles from the Mammoth Yosemite Airport.

2. MUNICIPAL CODE FINDINGS.

FINDINGS FOR GENERAL PLAN AMENDMENT AND ZONING CODE AMENDMENT

(Municipal Code Section 17.112.060)

- a. The proposed amendment is internally consistent with all other provisions of the General Plan because the Housing Element of the General Plan directs the adoption of an updated housing ordinance, and the updated housing ordinance provides methods by which development projects can mitigate housing and includes provisions for livability and design standards to ensure workforce housing units are adequate and appropriate. Also, the housing ordinance update incorporates specific General Plan policies, including Policies L.2.D, H.1.C, and H.2.B. There is no applicable specific plan or master plan.
- b. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the town because the updated housing ordinance provides methods by which development projects can mitigate housing and includes provisions for livability and design standards to ensure workforce housing units are adequate and appropriate. The ordinance requires that mitigation housing be located within the Town's boundaries, which would encourage workforce to live in town rather than commute from neighboring communities. When increased density would be allowed pursuant to the ordinance, a finding that the project would not result in significant and unavoidable environmental impacts is required.
- c. The proposed amendment is in compliance with the provisions of the California Environmental Quality Act (CEQA) because an Addendum to the Housing Element Update 2014-2019 Negative Declaration (State Clearinghouse No. 2014032067) has been prepared and considered by the decision-making bodies for this Project.
- d. The proposed Zoning Code Amendment is internally consistent with other applicable provision of the Zoning Code because the amendment also includes revisions to the definitions related to housing to ensure internal consistency.
- e. The proposed General Plan Amendment does not result in a mandatory element of the General Plan being amended more than four times during any calendar year because this would be the first amendment to the Housing Element in 2015 (Government Code Section 65358, Municipal Code Section 17.112.080).

SECTION 2. PLANNING AND ECONOMIC DEVELOPMENT COMMISSION ACTIONS. The Planning and Economic Development Commission hereby takes the following actions:

1. Recommends to the Town Council consideration of the Addendum to the Housing Element Update 2014-2019 Negative Declaration (State Clearinghouse No. 2014032067) (Exhibit “A”) and adoption of the required California Environmental Quality Act findings;
2. Recommends to the Town Council adoption of the required Municipal Code findings and approval of General Plan Amendment 15-001 and Zoning Code Amendment 15-001 (Housing Ordinance Update) (Exhibits “B”, “C”, and “D”); and
3. Recommends to the Town Council approval of the Amenity and Design Standards for workforce units (Exhibit “E”); and
4. Recommends Town Council to direct staff to file a Notice of Determination.

PASSED AND ADOPTED this 29th day of April 2015, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

ABSTAIN:

ATTEST:

Sandra Moberly,
Planning Manager

Madeleine “Mickey” Brown,
Chair of the Mammoth Lakes Planning
and Economic Development
Commission

EXHIBIT “A”
Resolution No. PEDC-15-
Case No. GPA 15-001 and ZCA 15-001

Addendum to the Housing Element Update 2014-2019 Negative Declaration



Town of Mammoth Lakes

ADDENDUM
Housing Element Update 2014-2019
Negative Declaration
(State Clearinghouse No. 2014032067)

Housing Ordinance Update
(General Plan Amendment 15-001 &
Zoning Code Amendment 15-001)

April 17, 2015

Lead Agency:

Town of Mammoth Lakes
PO Box 1609
437 Old Mammoth Road, Suite R
Mammoth Lakes, California 93546

Contact: Ms. Jen Daugherty, Senior Planner
(760) 934-8989 ext. 260

INTRODUCTION

On January 21, 2015, the Town of Mammoth Lakes (“Town”) Council directed Town staff to update the Town’s housing ordinance and fee. Subsequently, on March 4, 2015, the Town Council directed Town staff to modify the 2014-2019 Housing Element as necessary to achieve consistency between the 2014-2019 Housing Element and the housing ordinance update. The modifications are being processed as General Plan Amendment (GPA) 15-001 and Zoning Code Amendment (ZCA) 15-001.

This Addendum to the Housing Element Update 2014-2019 Negative Declaration has been prepared by the Town to assess the potential environmental impacts from the housing ordinance update (“Project”), which includes modifications to the 2014-2019 Housing Element, and to assure that all potential impacts have been addressed through the existing environmental documentation and approvals.

BACKGROUND

In June 2014, the Town Council adopted the Housing Element Update 2014-2019 Negative Declaration (ND) and filed a Notice of Determination for the adopted ND. The ND evaluated the impacts of the Housing Element Update 2014-2019, an update to the Housing Element of the General Plan. The 2014-2019 Housing Element Update Negative Declaration is available online: <http://www.townofmammothlakes.ca.gov/index.aspx?nid=636>.

Following preliminary review of the Project, the Town determined that it is subject to the guidelines and regulations of the California Environmental Quality Act (CEQA). This Addendum addresses the proposed Project, pursuant to CEQA Guidelines.

STATUTORY AUTHORITY AND REQUIREMENTS

Under the California Environmental Quality Act (CEQA), an Addendum to an adopted Negative Declaration may be prepared if only minor technical changes or additions are necessary or if none of the conditions requiring a subsequent EIR or Negative Declaration exist.

The specific CEQA Guidelines requirements for an Addendum are:

15164. ADDENDUM TO AN EIR OR NEGATIVE DECLARATION

- (a) The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.
- (b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.
- (c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.
- (d) The decision making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project.

(e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency's findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.

15162. SUBSEQUENT EIRS AND NEGATIVE DECLARATIONS

(a) When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted, shows any of the following:

(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;

(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;

(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

This Addendum demonstrates that the environmental analysis and impacts identified in the Housing Element Update 2014-2019 Negative Declaration (ND) remain unchanged by the Project, and supports the finding that the Project does not result in any new environmental effects and does not exceed the level of impacts identified in the previously adopted ND.

EVALUATION OF PROJECT

The adopted Negative Declaration analyzed the Housing Element Update 2014-2019, which includes an assessment of housing needs, discussions on housing constraints and housing resources, and identifies housing policies and programs for 2014-2019.

The Project proposes a comprehensive update to Municipal Code Chapter 17.136 (Housing) and associated housing definitions contained in Chapter 17.148 (Definitions). The updated Chapter 17.136 would include a menu-based format that allows developers to choose a desired method for housing mitigation (i.e., fee, on-site housing, off-site housing, conveyance of land, or other). A housing fee would be established once a nexus study for such fee is approved by Town Council.

The Project proposes to modify the Housing Element 2014-2019 with the incorporate the updated housing ordinance (Appendix C and text revisions) and revisions to Policy H.1.D, Action H.1.D.1, and Action H.2.B.1 (shown below in strikethrough for deleted text and underline for added text).

H.1.D: Require that applicants proposing on-site housing, off-site housing, or in-lieu fees conveyance of land, instead of ~~on-site mitigation housing~~ paying the fee established by Town Council, provide mitigation considered to be of an appropriate value or cost when compared to the fee ~~are held to a higher standard of demonstrating “greater housing benefit” when seeking approval of such proposals.~~

H.1.D.1: As part of the Housing Ordinance anticipated in 2014, develop criteria, standards and thresholds by which Alternate Housing Mitigation Plans (AHMPs) can be assessed and approved. ~~Such standards should be sufficient to demonstrate the achievement of “greater housing benefit” from off site housing or payment of in-lieu fees, in the form of creating additional units, "deeper" affordability to Extremely Low or Very Low income households, additional units suitable for large families, units provided sooner than might otherwise be the case, or units that better meet an identified community housing need.~~

H.2.B.1: Amend and adopt a revised Housing Ordinance that reflects the 2009 Interim Housing Policy, incorporates refinements to meet legal mandates, addresses aspects not fully articulated in the Interim Housing Policy; and provides needed clarification. The amended Housing Ordinance shall meet the objectives outlined in Policy H.2.B, and should include the following components:

- ~~An inclusionary housing provision that requires~~ allows most ~~new residential and lodging projects to provide; on-site, a fixed proportion of total units as below market-rate deed-restricted affordable or workforce housing units. The specific requirement (e.g., AMI level) shall be based on documented community housing needs and reviewed and updated on a regular basis.~~
- A workforce housing mitigation requirement such as a fee to contribute to affordable housing production.
- A list of project types exempted from housing mitigation requirements.
- ~~A list of project types for which providing on-site units would be undesirable or infeasible, and which may pay in-lieu fees rather than providing units on-site. This may include small multi-family residential and lodging projects, industrial and some commercial projects.~~
- Provisions defining Alternate Housing Mitigation Plans for projects that wish to propose alternative mitigation ~~to construction of on-site units, and findings for approval of such proposals.~~

- Specification of the means and method by which in-lieu fees, affordability levels, unit types, tenure (if legally permissible), livability criteria, and other pertinent criteria not otherwise dictated by the Housing Ordinance shall be established, maintained and updated.
- Density bonus provisions pursuant to State Housing Density Bonus law and to Town General Plan policies and related Housing Element policies.
- A definition of and provisions for ensuring the "livability" of workforce housing units.

In assessing the potential for new or more severe impacts, the Town conducted a review and the conclusions of that process are incorporated into the conclusions of this Addendum.

All impact areas have been analyzed and it has been determined that no changes or new impacts would result from the proposed Project. No new impacts, not previously analyzed in the ND, would occur as a result of the changes because the Project is within the scope of originally approved project.

EVALUATION OF ENVIRONMENTAL EFFECTS

The effects of the Project on each of the environmental categories are summarized below:

Aesthetics

The Project does not grant entitlements for new projects or include site-specific proposals. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process, including design review. Therefore, the Project would not change the level of impact described in the ND.

Agriculture and Forest Resources

The Project does not include any specific provisions related to forest land or resources. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and would be reviewed for conformance with Town Codes and Standards regarding tree removal and the protection of forest resources. Therefore, the Project would not change the level of impact described in the ND.

Air Quality

The Project does not include any specific provisions related to air quality. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and would be reviewed for conformance with Town Codes and Standards regarding air quality. Therefore, the Project would not change the level of impact described in the ND.

Biological Resources

The Project does not grant entitlements for new projects or include site-specific proposals. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process. Therefore, the Project would not change the level of impact described in the ND.

Cultural Resources

The Project does not propose any ground-disturbing activities or grant entitlements for new projects. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process. Therefore, the Project would not change the level of impact described in the ND.

Geology and Soils

The Project does not grant entitlements for new projects or include site-specific proposals. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process, including compliance with applicable Public Works Standards and Building Codes. Therefore, the Project would not change the level of impact described in the ND.

Greenhouse Gas Emissions

The Project does not grant entitlements for new projects or include site-specific proposals. The Project requires housing mitigation units to be located within the Town boundaries, which would encourage workforce to live in town rather than commute from neighboring communities. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process. Therefore, the Project would not change the level of impact described in the ND.

Hazards and Hazardous Materials

The Project does not include any specific provisions related to hazards or hazardous materials. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process. Therefore, the Project would not change the level of impact described in the ND.

Hydrology and Water Quality

The Project does not propose any ground-disturbing activities or alteration of existing land surfaces or drainage patterns. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable review and permitting processes. Therefore, the Project would not change the level of impact described in the ND.

Land Use and Planning

The Project includes amendments to the Zoning Code and Housing Element of the General Plan. However, the Project is otherwise internally consistent with the Zoning Code because it includes updates to the applicable housing related definitions in Zoning Code Chapter 17.148. The Project does not conflict with any applicable land use plan, policy, or regulation, adopted for the purpose of avoiding or mitigating an environmental effect because the Project provides an updated policy framework for which developers can mitigate housing. When increased density would be allowed, a finding that the project would not result in significant and unavoidable environmental impacts is required. Therefore, the Project would not change the level of impact described in the ND.

Mineral Resources

The Project does not include any specific provisions related to mineral resources, and thus would not change the analysis of the ND. Therefore, the Project would not change the level of impact described in the ND.

Noise

The Project does not grant entitlements or construction permits for new projects or include site-specific proposals. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process, including compliance with the Town's Noise Regulations. Therefore, the Project would not change the level of impact described in the ND.

Population and Housing

The Project requires housing mitigation units to be located within the Town boundaries, which is consistent with the General Plan and the Housing Element 2014-2019 for which the ND was prepared. The Project does not grant entitlements for new projects or include site-specific proposals. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process. Therefore, the Project would not change the level of impact described in the ND.

Public Services and Parks and Recreation

The Project does not grant entitlements for new projects or include site-specific proposals. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process, including payment of applicable Development Impact Fees (DIF). Therefore, the Project would not change the level of impact described in the ND.

Transportation and Traffic

The Project does not grant entitlements for new projects or include site-specific proposals. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process. Therefore, the Project would not change the level of impact described in the ND.

Utilities and Service Systems

The Project does not grant entitlements for new projects or include site-specific proposals. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA and the applicable Town's review process. Therefore, the Project would not change the level of impact described in the ND.

Mandatory Findings of Significance

The Project provides an updated policy framework for which developers can mitigate housing. It does not grant entitlements for new projects, include site-specific proposals, or propose any ground-disturbing activities. Future development projects would be subject to the updated housing ordinance and would be required to undergo separate environmental review under CEQA, complete the applicable Town's review process, and obtain all necessary permits. Therefore, the Project would not change the level of impact described in the ND.

FINDINGS

In preparing this Addendum, all of the potential impacts identified on the CEQA "Environmental Checklist Form" were considered. For all impact areas, a detailed review determined that the proposed Project is within the scope of the Negative Declaration analysis and no changes to impacts or mitigation measures are required. The specific findings required under the CEQA Guidelines (Section 15162) are:

- There are no substantial changes that would lead to new or more severe impacts.
- There are no substantial changes to the circumstances under which the project will be undertaken that result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- There is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR or Negative Declaration;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

CONCLUSIONS AND SUMMARY

In summary, the analysis concludes that none of the conditions described in Section 15162 of the CEQA Guidelines calling for preparation of a subsequent EIR or Negative Declaration have occurred, and thus an Addendum to the Housing Element Update 2014-2019 Negative Declaration is appropriate to satisfy CEQA requirements for the proposed Project.

EXHIBIT “B”
Resolution No. PEDC-15-
Case No. GPA 15-001 and ZCA 15-001

Housing Element 2014-2019 revised (track changes excerpts) (GPA 15-001)

Town of Mammoth Lakes

Housing Element 2014-2019



June 18, 2014 (revised May 20, 2015)



HOUSING ELEMENT
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APPENDICES

Appendix A	Relevant General Plan Policies
Appendix B	Agencies and Sources Consulted
Appendix C	Housing Ordinance <u>2015</u>
Appendix D	Interim Housing Policy

Promote Quality and Design. Incorporate standards that improve development quality and design, enhance visual character, avoid conflicts between land uses, and preserve the scenic qualities of the town by maintaining adequate open space.

Improve Readability and Usability. Use charts, graphics, and illustrations to make the Code easier to read and to reorganize the material to group similar and related regulations together.

The Zoning Code Update also included review of administrative procedures, as well as development standards, and incorporated ways in which the Code could be made more user-friendly and processes more streamlined.

Original Affordable Housing Mitigation Ordinance (2000-2009)

Mammoth Lakes adopted ~~an~~ its first Affordable Housing Mitigation Ordinance in 2000, with updates and amendments made in 2004 and 2006. ~~This Town's~~ Affordable Housing Mitigation Ordinance ~~has been~~ was instrumental in facilitating the production of moderately priced housing in Mammoth Lakes ~~since from~~ 2000 to 2009, by placing strict requirements on new development to mitigate its demand for affordable and workforce housing units. The Housing Ordinance ~~is anticipated to be~~ was updated in 2014 ~~following the adoption of this Housing Element Update (see Updated Housing Mitigation Ordinance 2015, below). A copy of the current Housing Ordinance is included in Appendix C.~~

The driving principle of the original Ordinance ~~was~~ is that development must provide housing for the workforce it generates. Formulas ~~are were~~ are applied in the Ordinance to match the type of development with its characteristic job generation to determine the number of Full Time Employee Equivalent (FTEE)²⁰ housing units that must be provided. Table 3-39 shows the FTEE generation table by project type, which ~~can was~~ is then ~~be~~ is used to calculate the total number of FTEEs generated by new development. This number ~~can was~~ is then ~~be~~ is used either to determine the number of units to be constructed or the in-lieu fee a developer ~~will owe~~ must pay the Town for the project.

²⁰ The Full Time Equivalent Employee (FTEE) is a full time employee or combination of part time employees. When the 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.

Certain projects including small residential developments of less than five units, small lodging and commercial developments, and all developments in the industrial zone ~~are-were~~ permitted to pay an in-lieu fee. When units ~~are-were~~ built the Ordinance includes a formula by which those units of different sizes (number of bedrooms and living area) may satisfy FTEEs. When in-lieu fees ~~are-were~~ paid, they ~~are-were~~ calculated by multiplying the total FTEE by the in-lieu fee, which is established by ordinance and periodically updated. The ~~O~~rdinance states~~d~~ that on-site housing units ~~are-were~~ preferred and should be developed on-site unless it can be demonstrated that the location is undesirable for the community or infeasible, or there is an alternative that would better achieve community affordable workforce housing goals. In such cases, the ~~O~~rdinance allowe~~s~~d for Alternate Housing Mitigation Plans (AHMPs) that can include construction on a different location, land dedications, and housing acquisition and rehabilitation within town boundaries, or when the Planning and Economic Development Commission, based upon substantial evidence, that an on-site or off-site alternative is undesirable for the community or infeasible as determined by the Commission or Community and Economic Development Director, may the Town then approve payment of in-lieu fees. An AHMP require~~s~~d approval by the Planning and Economic Development Commission.

Because many of the development projects in Mammoth in recent years have been less conducive to including on-site housing (lodging, luxury condominiums, etc.), it has not been unusual for the Town to negotiate with developers and propose win-win alternatives instead of requiring on-site construction. The Town has been able to reach agreements on AHMPs that include measures such as land dedications or in-lieu fees that result in more flexibility regarding the types and location of housing being produced. For these alternative proposals to work, it is essential that a local developer be in place to utilize the resources (e.g., fees and land) provided. For this reason, Mammoth Lakes Housing, Inc. (MLH), a non-profit housing development agency, was established in 2003, and has since been pivotal in facilitating the production of new affordable housing units in Mammoth Lakes. Since 2010, the MLH has converted 22 market rate units to affordable deed restricted units. MLH and its accomplishments are described in additional detail in Chapter 4.

Additionally, the Town's Housing Ordinance is not a constraint to market rate housing development. Although development has been slow since the 2008 recession, two multi-family structures were constructed between 2010 and 2014, adding 6 additional market rate units. As discussed in Table 2-30 in Chapter 2 the median priced home or condominium is affordable to most moderate-income families in Mammoth Lakes. Despite its obvious merits and importance, the Town also recognizes that the

Housing Ordinance, alongside other development fees, contributes to increased costs for developers of future homes. In light of this, and recent economic conditions, the Town completed a review of the Ordinance as part of a broader review of development fees. This review resulted in a recommendation that the Ordinance be significantly revised, including a restructuring and reduction of the housing mitigation requirements. These revisions are discussed further in the following section^s.

Interim Affordable Housing Mitigation Policy

In late 2008 and 2009, the national economy entered a serious downturn. In 2008, the Town Council approved a temporary reduction in development fees, including Development Impact Fees (DIF) and housing in-lieu fees, as a "stimulus package" to continue investment in residential and other construction.

In mid-2009, as the recession continued, the Town began a process to thoroughly review development costs, including the DIF program, Housing Ordinance and associated in-lieu fees. A Town-commissioned study completed by an independent economic consultant found that the existing DIF and housing fees were a significant impediment to new development, and reflected a disproportionate burden to new development in the funding of new facilities and infrastructure. Overall, the report concluded that fees appeared to be set at levels which are likely to impede new investment, and result in reduced development activity, associated fee revenues, and workforce and market-rate housing production.

Based on the study, the Town adopted interim policies for development impact fees and for housing mitigation and in-lieu fees in November 2009, which reduced fees for most development types by around 50 percent from previous levels. More recently, to help stimulate the local economy, the Town Council extended a temporary reduction to DIF for one to four unit residential projects, commercial projects, and remodel projects to July 31, 2014.

The Town and Mammoth Lakes Housing, Inc. developed the Interim Affordable Housing Mitigation Policy cooperatively, to include the following provisions:

- An inclusionary housing requirement of 10 percent for all new residential and lodging developments larger than nine residential units or 19 lodging units, at a target income level of 120% of AMI or less.

- An in-lieu fee requirement for small residential and lodging projects, commercial and industrial development.
- Exemptions from housing mitigation requirements for small single-family residences (under 2,500 square feet), rental apartments and deed-restricted units, and retail and restaurant development in certain zones.
- Projects required to provide on-site units may propose an Alternate Housing Mitigation Plan, if findings can be made that providing units on-site would be undesirable for the community or infeasible, and that substantial additional housing benefit would result in terms of providing a greater number of units, earlier provision of units, or providing units that better meet priorities established by the Town or Mammoth Lakes Housing, Inc.

The Town ~~anticipates amending~~ the Housing Ordinance in 2015⁵⁴ to reflect ~~the direction established in the~~ feedback regarding the Interim Affordable Housing Mitigation Policy and this Housing Element Update.

Updated Housing Mitigation Ordinance 2015

The Town adopted a comprehensive update to the Housing Ordinance in 2015. The updated Chapter 17.136 includes a menu-based format that allows developers to choose a desired method for housing mitigation (i.e., fee, on-site housing, off-site housing, conveyance of land, or other). A housing fee will be established once a nexus study for such fee is approved by Town Council. A copy of the current Housing Ordinance is included in Appendix C.

Urban Growth Boundary

The Town adopted an Urban Growth Boundary (UGB) in 1993 to ensure a compact urban form, protect natural and outdoor recreational resources, and prevent sprawl. Of the total 24.4 square miles within the Town's municipal boundary, approximately 4.6 miles lie within the UGB. The land outside of the UGB but within the municipal boundary consists largely of public lands administered by the Inyo National Forest, as well as 80 acres of patented mining claims on top of the Sherwin ridge, the Valentine Reserve of the University of California, Mammoth Mountain Ski Area, which is leased from Inyo National Forest, and the City of Los Angeles' Camp High Sierra. Lands beyond the

4.4 FINANCIAL AND ADMINISTRATIVE RESOURCES

A number of different resources are available to landowners and developers seeking to provide housing in the Town of Mammoth Lakes, with certain of those resources targeted towards the provision of affordable and workforce housing. This section describes those various resources, including local non-profit agencies and State or federal programs.

LOCAL RESOURCES

The most important local financial resources available for housing are those associated with the Town's Housing Ordinance, which requires projects to mitigate their workforce housing demand through direct provision of workforce housing units, or payment of in-lieu fees, and the Town's allocation of a proportion of Transient Occupancy Tax (TOT) revenues to housing. It should be noted that none of the projects listed in Table 4-45 are assumed to rely upon allocation of TOT or in-lieu housing fees to construct the affordable housing units that are shown, since (with the exception of Shady Rest), all are required mitigation units that would be built by their respective developer without input of Town or other non-private financial resources.

Affordable Housing Mitigation Ordinance and In-Lieu Fees

The Town ~~is in the process of updating~~updated the existing Housing Ordinance (Municipal Code 17.136) ~~to reflect the Housing Element Update and the interim housing mitigation policy adopted by Town Council in 2015~~09. The interim policy sets revised (reduced) requirements for housing mitigation, including reliance on an inclusionary housing requirement for residential and lodging projects, revision of the in-lieu fee schedule for housing, and exemptions for certain project types from housing mitigation. This update ~~would also ensure compliance~~complies with legal mandates (the "Palmer and Patterson" cases) regarding inclusionary housing programs. The updated Housing Ordinance is ~~anticipated to be adopted and effective in 2014~~included as Appendix C.

The Town requires ~~most types of~~ new development to mitigate a share of its ~~affordable workforce~~ housing demand, ~~by including on-site affordable units in conjunction with market rate units, or through payment of in-lieu fees that support~~ affordable-workforce housing programs, provision of on-site or off-site workforce units, conveyance of land for workforce housing, or other means.

~~The Town receives payment of in-lieu fees for small residential and commercial projects based on the requirements set forth in the interim policy. As allowed in these regulations, projects that are required to directly provide workforce housing are permitted to pay in-lieu fees, subject to the approval of an Alternate Housing Mitigation Plan (AHMP). As directed by the regulations~~Ordinance, ~~these monies~~housing in-lieu fees are deposited in the Affordable Housing In-Lieu Fund that may be used for the purposes of planning for, administering, subsidizing or developing affordable-workforce housing. As of February, 2015~~4~~, the total funds available were \$~~265,104.53~~240,913.

With the recent economic downturn, development activity, and thus, fee revenues associated with that development have slowed dramatically. It is particularly difficult to quantify how much residential and commercial growth might be expected over the Housing Element Update period, given the degree of uncertainty in the development community overall. In the period 2010 to 2014, the Town collected a total of \$62,424 in housing in-lieu fees, an average of \$15,606 annually during the four-year period. Assuming this trend will continue, this annual average would amount to roughly \$78,000 total over the course of the five year planning period.

Transient Occupancy Tax Allocation

One percent of 13 percent Transient Occupancy Tax (TOT) revenues was designated towards the development of workforce and affordable housing within the Town. As a resort community, TOT in Mammoth Lakes represents a significant portion of local revenues. Between 2009 and 2014, the Town collected an average of \$10.5 Million annually in TOT, translating to an average of over \$814,793 annually for housing. Due to the Town's Mammoth Lakes Land Acquisition (MLLA) settlement, this amount has been reduced, and it is anticipated that an average of \$724,549 annually will be allocated to housing over the next five years. TOT will continue to be used as a local resource for the provision of workforce and affordable housing.

As noted below, these monies are principally dedicated to funding the work and programs of Mammoth Lakes Housing, Inc. (MLH), a non-profit organization formed by the Town with other participants in 2003. MLH has used these funds to leverage additional State and Federal grant funds to construct and acquire affordable housing units, to provide down payment assistance to qualifying households, and to provide assistance to qualified families to find and move into affordable housing

Action H.1.B.2 Encourage housing development as part of infill and mixed-use development within the Downtown, Old Mammoth Road, and Mixed Lodging/Residential Commercial Zones, which is now allowed by right with the adoption of the Zoning Code Update in 2014. Outreach to property owners, developers, and brokers to discuss infill and mixed-use development opportunities in these Commercial Zones.

Policy H.1.C. Allow for density bonuses for projects that provide deed-restricted workforce housing in accordance with State density bonus law and 2007 General Plan policy L.2.D. Projects that have applied for and received State, Town, or other housing-related density bonuses shall not be permitted to subsequently move or transfer qualifying units off-site.

Action H.1.C.1. As part of Housing Ordinance amendment, reflect the density bonus provisions of General Plan policy L.2.D, ensuring the amendment remains consistent with State density bonus law.

Policy H.1.D. Require that applicants proposing on-site housing, off-site housing, or in-lieu fees conveyance of land, instead of ~~on-site mitigation housing paying the fee established by Town Council, provide mitigation considered to be of an appropriate value or cost when compared to the fee. are held to a higher standard of demonstrating “greater housing benefit” when seeking approval of such proposals.~~

Action H.1.D.1. As part of the Housing Ordinance anticipated in 2014, develop criteria, standards and thresholds by which Alternate Housing Mitigation Plans (AHMPs) can be assessed and approved. ~~Such standards should be sufficient to demonstrate the achievement of “greater housing benefit” from off-site housing or payment of in-lieu fees, in the form of creating additional units, “deeper” affordability to Extremely Low or Very Low income households, additional units suitable for large families, units provided sooner than might otherwise be the case, or units that better meet an identified community housing need.~~

- An Administration component to guide roles and responsibilities for program implementation.

Action H.2.A.4. Recognizing the housing burdens of extremely low-income households, the Town will implement a program to monitor the construction and rehabilitation of housing to meet the needs of the ELI population as identified in the 2011 Housing Needs Assessment.

Policy H.2.B. Update the Town's workforce housing mitigation requirements to ensure that they meet the following objectives:

- Respond to a technically sound Workforce Housing Needs Assessment that reflects the existing housing resources, seasonality, commuting patterns, and affordability categories.
- Meet current legal mandates and can be successfully implemented by the Town.
- Ensure that new development mitigates an appropriate portion of workforce housing demand that it generates, through requirements and standards that can be reasonably achieved by the development community.
- Meet documented community housing needs and gaps in terms of unit affordability levels, type, tenure, size, amenities, and configuration.
- Achieve quality, livable housing units that are successfully integrated into neighborhoods and the broader community.

Action H.2.B.1. Amend and adopt a revised Housing Ordinance that reflects the 2009 Interim Housing Policy, incorporates refinements to meet legal mandates, addresses aspects not fully articulated in the Interim Housing Policy; and provides needed clarification. The amended Housing Ordinance shall meet the objectives outlined in Policy H.2.B, and should include the following components:

- ~~An inclusionary housing~~ provision that ~~requires~~ allows most new residential ~~and lodging~~ projects to provide, on-site, ~~a fixed proportion of total units as~~ below market-rate deed-restricted affordable or workforce housing units. The specific requirement (e.g., AMI level) shall be based on documented community housing needs and reviewed and updated on a regular basis.
- A workforce housing mitigation requirement such as a fee to contribute to affordable housing production.
- A list of project types exempted from housing mitigation requirements.
- ~~A list of project types for which providing on-site units would be undesirable or infeasible, and which may pay in-lieu fees rather than providing units on-site. This may include small multi-family residential and lodging projects, industrial and some commercial projects.~~
- Provisions defining Alternate Housing Mitigation Plans for projects that wish to propose alternative mitigation ~~to construction of on-site units, and findings for approval of such proposals.~~
- Specification of the means and method by which in-lieu fees, affordability levels, unit types, tenure (if legally permissible), livability criteria, and other pertinent criteria not otherwise dictated by the Housing Ordinance shall be established, maintained and updated.
- Density bonus provisions pursuant to State Housing Density Bonus law and to Town General Plan policies and related Housing Element policies.

- A definition of and provisions for ensuring the "livability" of workforce housing units.

Policy H.2.C. Support the development of market-rate and affordable rental housing. Multi-family housing is a permitted use in all multi-family and commercial zones pursuant to the Zoning Code Update.

Policy H.2.D. Encourage the renovation and conversion of existing non-workforce units, such as condominiums currently used as second homes, to become part of the workforce housing supply.

Action H.2.D.1. As part of the Housing Strategy, work with Mammoth Lakes Housing, Inc. to acquire and renovate units that can be added to the workforce housing inventory. Program creation will include an evaluation of program costs, benefits, and opportunities.

Policy H.2.E. Encourage local homeowners and owners/managers of rental housing properties to upgrade and improve older units, particularly those that do not meet current standards and codes.

Action H.2.E.1. As part of the Housing Strategy study potential strategies to incentivize and encourage upgrades of existing multi-family rental properties, and how code enforcement techniques may be improved and used to correct building violations that pose a threat to residents' safety or wellbeing.

Policy H.2.F. Continue to enforce Municipal Code requirements that preserve the existing supply of non-transient rental housing units. The Zoning Code Update includes thresholds and provisions for the conversion of apartments to condominiums (Section 17.52.110).

Policy H.2.G. Avoid the inadvertent loss of deed-restricted units.

Action H.2.G.1. As part of the Housing Strategy work with Mammoth Lakes Housing, Inc. to study and develop procedures that will avoid the inadvertent loss of deed-restricted units, including:

- Improved structuring of deed restriction agreements so as to ensure their long term availability to the local workforce.

EXHIBIT “C”
Resolution No. PEDC-15-
Case No. GPA 15-001 and ZCA 15-001

Housing Ordinance Update, Municipal Code Chapter 17.136

Chapter 17.136 - Housing

- 17.136.010 - Purpose of Chapter
- 17.136.020 - Applicability
- 17.136.030 - Housing Mitigation Required for Incremental New Demand and Credit
- 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 workforce housing units within the town;
- C. Mitigate the impacts of market rate residential and non-residential development on the need for workforce housing in the town through the imposition of 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 workforce housing.

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 Required for Incremental New Demand and Credit

A. Mitigation Required for Incremental New Demand. 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).

B. Housing Mitigation Credit.

1. 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.
2. Credit for the provision of housing mitigation above that required by this Chapter shall be determined by the Director.
3. Unused credits may be sold or transferred to other properties on which a workforce housing obligation is required under this Chapter.

17.136.040 – Housing Impact Mitigation Fees

A. Fee Established. 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. Director Determination of Category. 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:

Housing fee = (number of new units) X (applicable housing fee for new use)

2. Existing residential developments that include the addition of new gross square feet of habitable space:

Housing fee = (gross square feet of new habitable residential space) X (applicable fee)

3. New lodging developments:

Housing fee = (number of new rooms) X (applicable housing fee for new use)

4. Non-residential developments that include new construction or addition to existing 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 Commission 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. **Established by Council Resolution.** All housing fees shall be established by resolution of the Town Council.
2. **Methodology.** Housing fees shall not exceed the cost of mitigating the impact of market-rate residential and non-residential projects on the need for workforce housing in the town, based on an approved nexus study. 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 workforce housing. The Council may set specific direction, consistent with this Subsection, for use of these funds through the Council resolution establishing the fees.

17.136.050 – On-Site Provision of Units

- A. Applicable to Residential Developments.** Transient and non-transient residential ownership developments including condominiums, fractional ownership, residential ownership components of mixed-use projects, 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 amount 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 on-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 cost to the developer of the provision of the on-site unit(s) through a standard pro forma statement.

D. Calculation of Project Density. On-site housing units provided pursuant to this Section shall not count towards the calculation of total project density (i.e., rooms per acre or units per acre) if all of the following conditions apply:

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 applicable Floor Area Ratio (FAR) limit is not exceeded;
4. The project has not applied for or received a State housing density bonus pursuant to Chapter 17.140; and
5. 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.

In all other cases, total project density, inclusive of provided on-site housing units, shall not exceed the maximum density for the zone in which the project is located, except as permitted by the provisions of Chapter 17.140 (Affordable Housing Density Bonuses and Incentives).

Pursuant to General Plan Policy L.2.D and Housing Element Action H.1.C.1, for housing development projects where all units are deed restricted for workforce housing, a density bonus may be granted in addition to any State housing density bonus pursuant to Chapter 17.140, up to a combined bonus of twice the density identified for the designation in which the project is located. The findings identified in Subsection D.4, above, shall be made by the Review Authority prior to granting a density bonus pursuant to this Subsection.

17.136.060 – Off-Site Provision of Units

A. Off-Site Housing. 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 acquisition and 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 amount of the applicable housing fee pursuant to Section 17.136.040.

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 propose 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.

C. Application Requirements. The applicant shall provide documentation demonstrating the cost to the developer of the provision of the off-site unit(s) through a standard pro forma statement.

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 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.

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. Criteria for Conveyance of Land. 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 General Plan and zoning designations that authorize residential uses.
3. The site is suitable for development of 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.
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.
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.
7. The land is located per the provisions of 17.136.060.B.1.

B. Disposition of Land by the Town. 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 and only when a clearly demonstrable greater housing benefit would be achieved as determined by Council. 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 in compliance with the provisions of 17.136.050. 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.

17.136.080 – Alternate Housing Mitigation Plan

Projects that are required to mitigate 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 a similar value or cost, number and type of housing units, and level of affordability 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 workforce units, including compliance with Section 17.52.110, Condominium Conversions, and relocation benefits for tenants of the workforce units if the owner of the residential project later determines to offer any workforce units in the residential project for sale. If dwelling units in the residential project are later sold at market rate, the applicant shall pay the specified housing fee(s) described in Section 17.136.040, as applicable or other mitigation consistent with this Chapter. If dwelling units are later sold at BMR, 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 or addition of non-habitable square footage such as storage) or would generate no more than one total new employee.
- B. 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.
- C. Live-work units.
- D. Legally-permitted secondary residential units.
- E. Non-transient market-rate rental apartments.
- F. Rental or for-sale units that are deed restricted to workforce housing in any zone.
- G. Any development operated by a non-profit or social services organization to provide food storage, meal service, and/or temporary shelter to the homeless.
- H. Residential care and assisted living facilities.
- I. Any non-residential development generating no more than one total employee.

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 to accommodate phasing schedules, model variations, or other appropriate factors. At the discretion of the Director, a form of security (e.g., surety bond, cash-equivalent security, legally-binding commitment, or other form approved by the Director) may be required to approve a modification of the timing requirements.
- 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 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;
 - 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 livability standards based on site- or project-specific conditions that would make strict compliance with that standard infeasible or impractical. Specifics regarding the allowable waivers and deviations from standards shall be described in the Council resolution for amenity and design standards identified in Subsection 17.136.120.D. 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)

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 workforce 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.

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 55 years for rental units and a minimum of 60 years for ownership unit years. At a minimum agreements provided in accordance with this Section shall provide:

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 or the BMR value, whichever is less, 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 methodology or 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.

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 workforce 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.
 - 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 Rent in accordance with the established affordability level. The initial rent shall be based on the Town's assumptions for utility costs and the methodology or 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 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 as mandated by state law applicable at the time of leasing or renting.
- 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 BMR unit. The Town or its designee may require additional information to confirm household income and rents charged for the unit if it determines necessary.
 - ii. The Town or its designee 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 or its designee, 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. It is anticipated that these provisions would comply with the United States Department of Housing and Urban Development's requirements for annual income recertification.

EXHIBIT “D”
Resolution No. PEDC-15-
Case No. GPA 15-001 and ZCA 15-001

Housing definitions revised (track changes), Municipal Code Chapter 17.148

HOUSING DEFINITIONS, CHAPTER 17.148

Amendments

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.

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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.

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.

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Below-Market Rate (BMR) Unit. A dwelling unit that shall be restricted to offered 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, 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.

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."

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

- **Affordable Housing.** Housing that is restricted as 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 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 a closet(s), 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.

- **Deed Restriction.** A recorded contract entered into between the Town of Mammoth Lakes or its designee and the owner or purchaser of real property identifying the conditions of occupancy and resale.
- ~~**Dwelling Unit.** For the purposes of calculating density in multiple family zones, a one bedroom unit or studio unit up to a maximum eight hundred fifty 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 is Affordable Housing for workers. Employment criteria, rental rates, and sales prices for Workforce Housing shall be established administratively by the Town.

EXHIBIT “E”
Resolution No. PEDC-15-
Case No. GPA 15-001 and ZCA 15-001

Amenity and Design Standards

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Mammoth Lakes Workforce Housing Amenity and Design Standards

These Housing Amenity and Design Standards shall apply to all workforce units developed pursuant to the requirements of the Municipal Code. The intent of these standards is to ensure that developers of workforce units build or renovate units that meet minimum standards of design and amenities necessary for households living and working in Mammoth Lakes, to the extent feasible.

1. Amenities and Design

- a. Each kitchen in a workforce unit shall provide, at a minimum, a range (cooktop and oven) and refrigerator. If provided in market-rate units in the new development, a dishwasher and garbage disposal shall also be provided in the workforce unit.
- b. All units shall have provisions for laundry, either in-unit or via access to a shared laundry facility. If washers/dryers are provided for market-rate units in the new development, then washers/dryers shall be provided in the workforce units.
- c. Appliances and fixtures, including those listed above, water heaters, furnaces, toilets, sinks etc. shall be Energy Star or WaterSense (or similar equivalent standard) rated, as applicable.
- d. Materials and appliances shall have a minimum one year warranty.
- e. Adequate cabinets and storage space shall be provided for kitchen, linens, bathrooms, and outdoor equipment (e.g., bicycles and skis). Storage space shall be located and designed to serve its intended purpose. A minimum of 100 cubic feet of lockable storage shall be provided per unit for multi-family residential projects.
- f. Sound insulation shall be provided within both the interior and exterior walls, sufficient to meet the requirements of Section 8.16.080 (Interior Noise Standards) of the Municipal Code.
- g. A dining area shall be provided, which may be a separate room, part of a combined living/dining area, or within the kitchen.
- h. Bedrooms shall accommodate a minimum of two persons and have at least 100 square feet of habitable space in addition to adequate closet space.
- i. An adequate number of bathrooms, based on number of bedrooms, shall be provided. Studio and one-bedroom units shall have one full bathroom. Two-bedroom units shall have the same number of bathrooms in proportion to bedrooms, on average, as market-rate units in the new development. Three and four bedroom units shall have at least two full bathrooms.
- j. The external appearance, finishing materials, and quality of construction of the workforce units, and any landscaping, private yards or open space that is part of the workforce unit property shall be substantially similar in appearance and durability to the market-rate units in the project.

- k. Project amenities generally available to residents of the market-rate units in the project and parking (except as specified in Chapter 17.140 of the Municipal Code) shall be available on the same basis to the workforce units as to the market-rate units.
- l. Convenient access to common or private outdoor space that is provided in conformance with Section 17.52.210.C or Section 17.52.210.H of the Municipal Code (Common Recreation Area or Private Outdoor Open Space) shall be provided from each unit.
- m. Workforce units should maximize living space (e.g., by reducing space devoted to hallways or stairways) and have direct access to natural light in every living area, similar to market-rate units.

2. Request for Waiver or Modification of Amenity and Design Standards

Requests for waivers or modification of these standards shall be reviewed on a case-by-case basis, depending on site- and/or project-specific conditions, such as undue financial hardship, undesirable environmental effects, or design compatibility issues, and shall meet the requirements of Section 17.136.120.E of the Municipal Code and the following:

- a. Measurable standards may be reduced by up to 10% with respect to minimum room size.
- b. Other measurable standards may be reduced by up to 20%, including:
 - i. Minimum storage space, and
 - ii. Amount of common or private open space per workforce unit compared to market-rate units (per Municipal Code Section 17.52.210 C or H).
- c. Requests for waivers or modifications shall be reviewed considering the targeted income level that the workforce unit would serve to ensure the unit is adequate and appropriate.

In any request for waivers or modifications, an applicant shall demonstrate a financial hardship or other sufficient documentation to support the request and how the overall objectives of these standards will be achieved, notwithstanding the reductions, particularly for the needs of family households with children. An applicant shall provide adequate documentation to demonstrate this hardship (e.g., standard pro forma statement) and/or site- and/or project-specific conditions. Consistent with Municipal Code Section 17.136.120.E, agreement to any waiver or modification shall be made at the sole discretion of the Review Authority.