

TOWN COUNCIL STAFF REPORT

Title: Housing Financing Overview.

Meeting Date: August 4, 2021

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RECOMMENDATION:

Receive the presentation from staff and Pacific West Communities, Inc., and provide comments.

BACKGROUND:

On July 21, Town Council received a presentation from the Town Manager covering the Town Housing Work Program and provided direction on current housing initiatives and funding. The Town is currently working with Pacific West Communities, Inc. (Pacific) on development of The Parcel. Pacific is involved on a day-to-day basis with the development of affordable housing projects. They work with a variety of financing strategies and programs, including local, state, and federal. Staff has requested that Pacific provide an overview of affordable housing financing as outlined below.

ANALYSIS:

Affordable housing has been identified as one of the top priorities of Town Council. Staff is involved in a number of initiatives to achieve the goals set by Town Council. Financing strategies for affordable housing are constantly changing as local, state, and federal programs evolve, often very quickly. Staff has requested that Pacific provide an overview of current strategies and available programs to assist the Town by providing up to date information. In this way, the Town Council can be better informed as to options available as they are considering direction to staff.

Outline Presentation:

- A. Affordable Housing Development and Financing Overview
 - i. Current State of Affairs at a State and Federal Level
 - ii. Town of Mammoth Lakes – Challenges
 - 1. The typical stuff:
 - a. High Sierra climate and construction season, challenges and additional cost of finding labor in a remote location, gap in income and housing cost
 - 2. How do projects in Mammoth Lakes compete at a State level and why?

- iii. Town of Mammoth Lakes – Opportunities
 1. Public lands, State IIG Commitment
 2. Engaged community and leadership at Town and County
 3. Experience and Willingness to Act
 - a. Homeownership Deed Restrictions
 - b. Rental Finance and Management
- iv. How to Make it Pencil - What is “The Gap” given current costs?
 1. Affordable Rental (80% AMI and below) ~ 50% of need according to 2017 Needs Assessment
 2. “Missing Middle” Rental (80%- 200% AMI +/-) ~ 40% of overall needs
 3. “Missing Middle” Homeownership (80% -200% AMI +/-) ~ 65% of ownership needs ~ 180 units in 2017

“Alternative financing is needed to provide housing and assistance for households earning over 80% AMI. Many comparative resort communities rely on partnerships and local financing and programs to provide housing assistance at higher income levels.”

~2017 Housing Needs Study

B. Financing Strategies Best Practices

- i. Local Monies – Local tax
- ii. Leverage funds = “best bang for your buck”
- iii. Other ideas from 2017 Community Housing Action Plan (CHAP)

Dedicated Tax		Funding
Sales, property, lodging, real estate transfer, excise tax can be dedicated sources for community housing efforts.	<ul style="list-style-type: none"> • Increase local funding for housing • Pair local funding with private investments, state and federal resources to leverage monies; build more community housing; meet range of housing price/income needs. 	<ul style="list-style-type: none"> • Run a 2018 ballot initiative for 2% of current 13% TOT to be dedicated into a Housing Fund. • Consider also seeking a 1% increase in TOT on the 2018 ballot measure. • Develop staff, capacity, project plan to market with the funding request. • Consider discretionary 2% TOT allocation in the interim.

Matrix of Responsibilities by Type of Action (Continued)HOUSING STRATEGY	STRATEGY TYPE	IMPLEMENTATION RESPONSIBILITIES					
		Town	MLH	Chamber	MMSA	Employers	Other
Finance							
Dedicated local tax	Funding	S	S/L				
Federal and state grants/loans; LIHTC	Funding	L/S	L/S				Lead depends upon task
Private donations/Grants	Funding		x	x			Lead TBD

**Matrix of Responsibilities:
NEAR TERM - in place by the end of 2020**

HOUSING STRATEGY	STRATEGY TYPE*	IMPLEMENTATION RESPONSIBILITIES**					
		Town	MLH	Chamber	MMSA	Employers	Other
Land Acquisition – Acquire Shady Rest	PPP	L					
Dedicated local tax (to vote 2018)	Funding	S	S/L				
Home buyer assistance (community and employers)	Programs	S	L	S	S	Working group	
Renter assistance (employers)	Programs			S	L	Working group	
EAH - Tenant/Landlord matching	PPP			L	S	Working group	
Accessory Dwellings* (promote)	Incentives	x	x				Lead TBD
STR to LTR incentive: roommate match	STR	S	S	L		Working group	Property managers
Federal and state grants/loans; LIHTC	Funding	L/S	L/S				Lead depends upon task
Land Acquisition - MMSA Lodestar	PPP	S			L		
Zoning for Affordability	Incentives	L	S		S		MLF (IP land), community
STR to LTR incentive: amnesty	STR	L	S				
Land Acquisition - Shady Rest Design	PPP	L	S				Community, stakeholders
Housing Mitigation Ordinance	Dev Req	L					
Inclusionary Zoning	Dev Req	L					Community

*Under "Strategy Type": PPP = Public/Private Partnership; STR = Short Term Rental programs; Dev. Req. = Development Requirements

**Under "Implementation Responsibilities": L = Lead role; S = Support role; Working Group refers to an employer working group that will be established to help with employer-assisted housing (EAH) programs; MLF = Mammoth Lakes Foundation.