

TOWN COUNCIL STAFF REPORT

Subject: Housing Impact Mitigation Fee Schedule Update

Meeting Date: September 15, 2021

Written by: Sandra Moberly, Community and Economic Development Director

RECOMMENDATION:

Adopt the attached resolution making the required findings adopting a Housing Impact Mitigation Fee Schedule.

BACKGROUND:

Upon Councilmember request, a review of the housing fee was presented on August 4, 2021, and at that meeting the Town Council provided staff direction to increase the fees by seven percent (7%) which is roughly equivalent to the California Construction Cost Index (CCCI) increase over the past two years.¹ Staff has included the August 4, 2021, staff report as Attachment 3 and the CCCI as Attachment 4. The staff direction was to increase fees as shown in the table below:

Use Category	Use Types	Fee	Additional Information
Residential	Single family homes, multi-family (MF) units	\$6,000 <u>\$6,420</u> per unit	Exemptions include additions, RMF-1 Zone MF projects of 4 or fewer units where average habitable s.f. does not exceed 1,300 per unit, legal secondary units, and apartments
Lodging	Hotels, motels	\$4,000 <u>\$4,280</u> per room	Room = a hotel or motel key Fee includes accessory uses in a lodging project (e.g., retail, restaurant, conference, etc.)
Retail/ Restaurants	General retail, bars, cafés, restaurants, coffee shops	\$2.20 <u>\$2.35</u> per gross square foot	Any non-residential development that would not contribute new demand for employment or housing (e.g., replacement of an existing use or addition on non-habitable s.f.) or would generate no more than one total new employee is exempt
Office	Offices providing accounting, advertising, architectural, counseling, research, graphic design, interior design, legal, and/or similar services	\$2.20 <u>\$2.35</u> per gross square foot	
Light Industrial	Manufacturing, recycling facility	\$1.10 <u>\$1.17</u> per gross square foot	
Service Uses	Banks, day care centers, maintenance services, medical services, personal services	\$2.20 <u>\$2.35</u> per gross square foot	

¹ Percentages as follows: 2020: 2.8%; 2019: 3.6%. Total percentage increase: 6.4%

ANALYSIS:

On August 4, 2021, staff provided information and a rationale to Town Council to allow an increase in the fees adopted under the 2015 Housing Nexus Study (Attachment 2). The recommendation recognized local changes that modify or update the assumptions used in setting the current fees. At the August 4th meeting, the Town Council provided staff direction to schedule a public hearing to consider fee increases as described in the Background section above. Staff has prepared a Town Council resolution (Attachment 1) reflecting the consensus direction from August 4, 2021. Because the Nexus Study established a nexus methodology and determined the maximum allowable fees for the 2015 Housing Ordinance Update, an additional nexus study is not necessary to increase the fees within the parameters allowed in the nexus study. Please see Attachment 3 for further analysis of the proposed fee increase.

The Community Housing Action Plan (CHAP) recommends that the Town require new residential and commercial development to pay fees related to their impact on employee housing needs and also recommends that the Town adopt a fee schedule that will raise fees over time to address actual impacts (Page 31 of CHAP). This fee increase is consistent with these CHAP recommendations.

OPTIONS ANALYSIS

Option 1: Adopt the attached resolution making the required findings adopting an updated Housing Impact Mitigation Fee Schedule.

Option 2: Do not adopt the attached resolution.

FINANCIAL CONSIDERATIONS:

Revenue from the Housing Impact Mitigation Fee is restricted for housing purposes only. In the past, the revenues have been used to fund the Town's Revolving Loan Fund (RLF) which is utilized to buy back deed restricted units to retain the deed restrictions and affordability of the units. Additionally, revenue was used for the purchase of The Parcel for affordable housing purposes.

ENVIRONMENTAL CONSIDERATIONS:

The proposed approval of the Housing Impact Mitigation Fee Schedule is not a project as defined by CEQA Section 21065 and State CEQA Guidelines Section 15378(b)(4), as it relates to the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

LEGAL CONSIDERATIONS:

The Town Attorney has reviewed this staff report, and his edits have been incorporated.

ATTACHMENTS:

Attachment 1: Town Council resolution adopting an updated Housing Impact Mitigation Fee Schedule

Exhibit A – Affordable Workforce Housing Fee Nexus Study and Fee Recommendation – Approved by Town Council July 1, 2015

Exhibit B – Housing Impact Mitigation Fee Schedule

Attachment 2: 2015 Housing Fee Nexus Study – available online:
[https://www.townofmammothlakes.ca.gov/DocumentCenter/View/5415/Mammoth Nexus Memo 20150603 final-w-Appendix?bidId](https://www.townofmammothlakes.ca.gov/DocumentCenter/View/5415/Mammoth_Nexus_Memo_20150603_final-w-Appendix?bidId)

Attachment 3: Town Council Staff Report dated August 4, 2021 – available online:
<https://pub-townofmammothlakes.escribemeetings.com/filestream.ashx?DocumentId=16991>

Attachment 4: California Department of General Services, Real Estate Services Division: California Construction Cost Index (CCCI): <http://www.dgs.ca.gov/resd/Resources.aspx>