

TOWN COUNCIL STAFF REPORT

Title: General Plan Housing Element Annual Progress Report Presentation

Meeting Date: October 6, 2021

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RECOMMENDATION:

Receive the presentation from staff and provide comments and direction on the continued implementation of the Town's General Plan Housing Element.

BACKGROUND:

The Housing Element of the Town of Mammoth Lakes General Plan establishes the Town's policy relative to the maintenance and development of safe, decent, and affordable housing to meet the needs of existing and future residents.¹ It addresses the planning period 2019-2027 and addresses the statewide housing goal of "attaining decent housing and a suitable living environment for every California family."

The 2021 Grand Jury report on housing recommended that staff provide a presentation on an annual basis to the Town Council on the status of the Housing Element goals and programs outlined in the 2019-2027 Housing Element. The annual presentation will summarize the data provided in the Housing Element annual progress report (APR) that all jurisdictions are required to prepare and submit to the State by April 1st of each year pursuant to Government Code §65400. The annual APR summarizes the progress made on the Housing Elements goals and programs during the prior calendar year (i.e., January 1st – December 31st). The format of the report is governed by State law and the content requirements are updated periodically to reflect State law changes thereby requiring additional information and reporting on housing development. The APR tracks housing developments from entitlement through occupancy and the implementation status of the Housing Element action items. Additionally, the APR is used by the State to track a jurisdictions progress towards meeting their Regional Housing Needs Allocation (RHNA) requirements and to ensure jurisdictions remain in compliance with Housing Element law. After the report is submitted to the State, the Housing Element APRs are posted online at <https://www.townofmammothlakes.ca.gov/808/Annual-Planning-Reports>.

ANALYSIS:

Housing Development Progress

The APR tracks housing developments from entitlement through occupancy and requires jurisdictions report on the affordability level of those developments to demonstrate that progress towards meeting their RHNA is being made. The RHNA sets the target for how many units at the various income levels the Town needs to plan and issue permits for and is intended to identify the number of units that are needed at various income levels to satisfy

¹ TOML Housing Element - <https://www.townofmammothlakes.ca.gov/DocumentCenter/View/8407>

the minimum housing demand in 2027 based on projected population and the number of existing housing units (*The RHNA is set for a specific time period that coincides with the Housing Element cycles. The Town is currently within the 6th Housing Element cycle which spans from 2019-2027*). For the sixth cycle, the Town is required to plan for 155 units spread across various income levels. The state determines compliance with the RHNA by requiring jurisdictions demonstrate that there is adequate vacant land to accommodate the unmet RHNA numbers for each income category at all times throughout the planning period (i.e., 2019-2027) (“*No Net Loss Law*”, *Government Code §65863*) and compliance is not directly related to the number of units actually constructed. However, the State does monitor the number of units constructed to determine whether a jurisdiction is subject to the streamlined ministerial approval process for projects that meet the minimum affordability levels required by Senate Bill 35 (SB-35) (*Government Code §65913.4*).²

Table 1 summarizes the progress of recent housing development and Table 2 demonstrates the Towns progress towards meeting the RHNA and demonstrates that future anticipated development will accommodate all of the RHNA.

Table 1 – Housing Development Progress (2018 – 2020)¹					
	Extremely Low	Very Low	Low	Moderate	Above Moderate
NUMBER OF ENTITLED UNITS ²					
2018	0	0	0	0	5
2019	0	0	0	0	193
2020	0	0	11	0	18
NUMBER OF UNITS PERMITTED ^{2, 3}					
2018	0	0	0	0	38
2019	0	0	0	0	41
2020	0	0	0	0	61
NUMBER OF UNITS COMPLETED ²					
2018	0	0	0	0	22
2019	0	0	0	0	41
2020	0	0	0	0	37
¹ The State implemented the current method of tracking housing development from entitlement through occupancy in 2018 and the purpose is to better inform policy decisions at both the local level and the State level and determine whether there are issues or barriers at the various points in the development cycle that are preventing, or causing delays to, the development of affordable housing. ² Specific details on the development projects that make up the various housing development statistics are available in the APR for that year. ³ Statistics for 2021 will include Phase 1 of the Parcel (Entitled Units and Permits Issued) under the Low-income category.					

² SB-35 requires the availability of a Streamlined Ministerial Approval Process for developments in localities that have not yet made sufficient progress towards their RHNA. The Town is subject to the less restrictive SB-35 eligibility threshold of requiring the streamlined approval process be available for proposed developments with at least 50% affordability since the Town has made sufficient progress towards their above-moderate RHNA, but have not yet made sufficient progress towards the lower RHNA.

Table 2 – RHNA Progress (2019 – 2030)¹					
Year Constructed/ Restricted ¹	Extremely Low	Very Low	Low	Moderate	Above Moderate
RHNA 2019-2027	10	16	30	34	65
2019	0	0	0	0	41 ²
2020	0	0	0	0	61 ²
Total	0	0	0	0	102
<i>Total Remaining by Income Level</i>	<i>10</i>	<i>16</i>	<i>30</i>	<i>34</i>	<i>0 (37 units over the allocation)</i>
Anticipated³					
2021 – 2022	8	8	75	18	TBD
2023 - 2025	60 – 160 Units (Phase 2 of the Parcel)			6	TBD
2026 – 2030	254 Units (Phases 3 – 5 of the Parcel)			15	TBD
Total ⁴	> 10	> 16	> 30	39	102
<i>Total Remaining by Income Level</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
¹ The State relies on the number of building permits issued, rather than the number of permits completed, to demonstrate progress in meeting the jurisdiction's share of the RHNA for the planning period. ² In 2019 and 2020, all of the Above Moderate units permitted were non-deed restricted market rate units. ³ The numbers shown in the anticipated rows are reflective of the anticipated development projects discussed in the CHAP Update at the September 1, 2021 Town Council meeting. ⁴ It is anticipated that the Town will achieve the RHNA numbers for all income categories by 2027; however, the actual breakdown of units for the Extremely Low through Low-Income categories will be determined by the future phases of the Parcel development.					

Housing Element Program Implementation Status

The following summarizes the Town's progress in 2020 to achieving the programs identified in the adopted Housing Element (see Attachment 1 for the complete 2020 Housing Element Program Implementation Status).

- Significant progress was made on the initial planning work for the Parcel including the drafting of the Master Plan, conduction of a public bid for a development partner, and development of the Phase 1 plans (*80 affordable units and 1 managers unit*). In addition to the planning work, the Town was successful in securing \$20.6M in Infill Infrastructure Grant (IIG) funding and \$65,000 in Local Early Action Planning (LEAP) grant funding for the Parcel.
- The Town continued to partner with the Chamber of Commerce on the housing program aimed at pairing tenants with homeowners. As of the end of 2020, the program had successfully matched 56 tenants.

- The Town, MLH, and other community partners (including funding from private donations) provided approximately \$1M in rental assistance funding to financially assist those impacted by COVID-19.
- Six (6) deed restricted units were preserved through the facilitation of direct sales by MLH and/or the Town to income eligible households, whose income ranged from 80-120% of the Area Median Income (AMI).
- The Town and MLH continued to market CDBG, HOME, and BEGIN Grant programs and provided homebuyer assistance to seven households. Approximately \$900,000 in grant funding was provided which leveraged \$1.4M of private investment for a total of \$2.3M in local real estate investment.
- Progress was made towards the implementation of the Moderate Income Down Payment Assistance Program. This program was funded with an allocation from the General Fund of \$101,000 in 2019.
- The Town completed an update to the Town Density Bonus Program aimed at removing barriers to the development of workforce housing by allowing for more flexible development standards. One project was approved (*6-unit condominium project*) and additional project was submitted (*6-unit apartment project*) in 2020 utilizing the Town density bonus program.
- MLH made significant progress on preparing project plans for their 238 Sierra Manor Road project. The project consists of a substantial rehabilitation and conversion of an existing commercial structure into 11 one-bedroom, low-income apartments. MLH submitted a HOME application for approximately \$1.5M in February 2020 and the Town on behalf of MLH applied for CDBG funds totaling approximately \$3M. A decision on the HOME application is expected in early 2021 and a decision on the CDBG application is expected in late 2021.
- The Town initiated an update to the ADU regulations to improve the clarity and usability of the ADU regulations with the goal of increasing the local rental supply through the development of additional ADUs. The Town and MLH continued to work on an ADU incentive program aimed at increasing the local rental supply. Some of the incentives being researched include pre-approved ADU plans, grant programs, and an amnesty program to bring unpermitted units into compliance.

2021 Housing Element Program Implementation Status

Progress made in 2021 towards implementing the Housing Element programs will be reported in the 2021 Housing Element APR that is due to the State by April 1, 2022. Staff will provide a presentation to the Town Council in March 2022 on the 2021 Housing Element APR. A few highlights that have occurred thus far in 2021 include:

- Adoption of the Parcel Master Plan, approval of the Phase 1 entitlement (*81 units*), selection of a development partner (*Pacific West Companies, Inc.*), and commencement of tree removal on the Parcel.
- Over \$6M in new funding for community housing was allocated for the following projects: \$1.5M to assist MLH fund its 11 unit affordable housing project at 238 Sierra Manor Road; \$3M for the design and construction of a new multi-unit

affordable housing project at 60 Joaquin Road; \$1.5M towards future housing opportunities through a public/private partnership with the goal of generating at least six deed-restricted units; and \$600,000 to provide bridge financing to retain affordable deed-restricted properties.

- Submittal of a 2021 CDBG grant application for \$500,000 for homebuyer assistance and awarding of \$317,184 in CDBG CARES Act funds for mortgage and utility payment assistance.

Attachment 1 - 2020 Housing Element Program Implementation Status Table (Submitted to HCD on April 1, 2021)

