

## **TOWN COUNCIL STAFF REPORT**

Title: Establish Goals for the Joint Meeting with Mammoth Lakes Housing.

Meeting Date: February 2, 2022

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### **RECOMMENDATION:**

Staff recommends Town Council provide direction to staff regarding the key focus areas to be discussed at the February 9<sup>th</sup> joint meeting Mammoth Lakes Housing (MLH) in preparation of the contract renewal.

### **BACKGROUND**

On July 7, 2021, the Town Council discussed the MLH contract and approved a one-year contract which expires on June 30, 2022 (Attachment 1). When the Town Council approved the MLH contract, they provided direction to Town staff to seek out additional housing programs and determine the level of support needed from MLH for the new housing programs. MLH has provided real estate services for the new Town “Bridge Program” and has continued to assist the Town with identifying and applying for grant funding. Since execution of the Town contract, MLH has pursued other contract work, grant applications such as the HomeKey hotel conversion project, and continues to seek out additional funding for Access Apartments project (238 Sierra Manor Road). The dynamic nature of the Town’s Housing Now! program, changing state laws, new funding streams, COVID-related support programs and the high demand for affordable, workforce housing has challenged the current contractual structure.

In the past, Town and MLH staff have prepared a draft contract for consideration by the Town Council and the MLH Board. For the 2022 contract negotiations, the Town Council provided direction that rather than staff preparing a draft contract for consideration, they would like to discuss and identify priority focus areas that the Town would like MLH to focus on for the next contract period and frame the contract around these focus areas. This meeting will provide the Town Council with an opportunity to discuss potential priority areas that can be included in the February 9<sup>th</sup> joint meeting with the MLH Board.

The funding for the current contract is a fixed amount of \$336,000 per year with an opportunity to for MLH to request additional funding for specific projects. In the past, MLH has provided services outside of the scope of the contract without additional compensation (e.g., Covid tenant rental assistance) and has also requested additional funding for specific projects (e.g., MLH real estate services associated with certain units purchased and sold through the Bridge Program). While the Town funds a majority of the operating costs for MLH, they do receive funding from Town grant implementation (i.e., activity delivery and administrative funding), non-Town grants, and contract work for other

agencies. The structure and requirements of a new contract will inform any modifications to the funding amount.

### **ANALYSIS:**

The Town Council holds joint meetings with NGOs as part of the contract development and work program update. The intent of these meetings is to allow the Council and the NGO Board to discuss a variety of issues/items that are relevant to both groups. The purpose of this agenda item is to allow the Town Council to prepare for the February 9<sup>th</sup> joint meeting with MLH and determine the topics they would like to discuss at the meeting. This will provide the initial structure for a renewed contract.

Staff recommends that the agenda for the joint meeting include

1. Town's Housing Program Highlights
2. MLH Housing Program Highlights
3. Town Council Identified Contract Focus Areas (as discussed below)
4. Next Steps for MLH Contract
5. Other Items

The first two items will give Council and MLH an updated understanding of the current work programs and projects being undertaken by each agency.

#### ***Town Council Identified Contract Focus Areas***

The primary focus of this meeting is to inform the contract discussion by defining key focus areas that are of importance to Council. This process gives the Town Council the opportunity to identify the top focus areas in order to craft a focused scope of work for the 2022 contract for MLH-provided housing related services. Based on the past six months of progress on the Town's housing program, staff suggests that the focus areas include the following:

1. *Creation and preservation of deed restricted units*
  - a. *Use Revolving Loan Fund (RLF) to preserve deed restricted units*
  - b. *Use the Town Bridge program to add new units*
  - c. *Define funding and programs to add affordable deed restricted units (e.g., Homekey project).*
2. *Develop and maintain a proactive wait list for both renters and owners/matching households with appropriate housing units (affordability level, family size, rental, ownership etc.)*
3. *Seek out and apply for grants to bring more money to produce new housing units in Mammoth Lakes*
  - a. *Traditional funding sources like CDBG, HOME*
  - b. *Non-traditional sources (e.g., Community Reinvestment Act (CRA)),*
  - c. *Provide options to maximize federal, state and other funding sources.*

- d. *Actively manage, report, track and promote grant funding*
- 4. *Provide Real Estate Services*
  - a. *Buy and sell units for the Bridge Program*
- 5. *Provide housing services and information to community members*
  - a. *Office hours*
  - b. *Website*
    - *Provide information on housing related resources and/or services (consider training 'housing ambassadors' or 'ombudsmen' to increase capacity)*

The joint meeting will allow the Town Council to discuss these focus areas with the MLH Board, receive feedback from the Board, and provide Town and MLH staff with direction on focus areas to include in the draft 2022 contract. Each focus area will have additional deliverables to define expectations and specific work program. This will allow MLH to provide an informed response as to how they can make progress in each focus areas.

The contract approved by the Town Council on July 7, 2021 includes a detailed scope of work (Exhibit A) with deliverables in eight program areas:

1. Outreach, Marketing and Education
2. Deed Restriction Owner Services
3. Revolving Loan Fund (RLF)
4. Grants and Loans
5. Rental Management
6. Real Estate Services
7. Miscellaneous
8. General NGO Administration

The deliverables identified in the scope of work provided a framework to allow MLH to assist the Town in meeting its goal to provide safe, decent, and affordable housing to meet the needs of existing and future residents. The proposed focus areas build off the past work and implementation of new programs.

### ***Other Items***

Currently, MLH operates as a Brown Act body due to the appointment of a Town Councilmember and Mono County Board of Supervisor on the MLH board by the respective governing bodies. There have been discussions in the past of changing the relationship between the Town and MLH to be a purely contractual relationship with an independent non-profit which would include removing the local governments directly appointing representatives. This would require changes to MLH structure including amendment of its bylaws. MLH is also a Community Housing Development Organization "CHDO", which restricts some involvement of the local elected officials on the board, as well as the Board makeup but allows MLH to have access to other funding opportunities. As MLH secures other service contracts and expands services beyond the Town, the flexibility afforded to a standalone non-profit may be beneficial. The Town could simply

contract for certain services and/or provide a direct contribution for the public benefit provided by MLH. The Town Council can discuss whether the current relationship is working or if there is a desire to change the relationship structure. If the Town Council provides direction to consider a different relationship structure, staff will analyze this option and will provide the Town Council and MLH with the positives and negatives of this type of change.

***Next Steps***

The next steps include:

- February 9, 2022 Joint Town Council/MLH meeting to discuss with MLH the Council's defined focus areas.
- Draft MLH contract presented to Town Council no later than May 7<sup>th</sup>, with a final contract on June 1, 2022.

**ATTACHMENTS:**

Attachment 1: MLH Contract dated July 1, 2021