

Mammoth Lakes Town Council Agenda Action Sheet

Title: Accept the sales price offer on the Town owned Meridian Court F203 condominium unit being sold through the Town's Housing Now! Bridge Program.

Council Meeting Date: 10/19/2022

Prepared by: Nolan Bobroff, Senior Planner / Housing Coordinator

Recommended Motion: Accept the sales price offer on the Town owned Meridian Court F203 condominium unit being sold through the Town's Housing Now! Bridge program.

Summary: Staff is recommending the Town Council accept the sales price offer of \$230,000 plus a \$3,000 credit for a next price of \$227,000 on the Town owned condominium unit in the Meridian Court complex, located at 550 Mono Street, Unit F203. The credit allows buyer to stay within guidelines to not have a payment exceeding 35% of income. The unit is a one-bedroom, one-bath unit with a one-car garage. The unit is being sold through the Town's Housing Now! Bridge Program as a deed-restricted unit that is restricted to households earning no more than 120% of the area median income (AMI).¹

The subject unit was purchased by the Town in December 2021 for \$379,000 utilizing the funding set aside by the Town Council for the Housing Now! Bridge Program.² The unit had been listed for sale since February 2022 for \$285,000; however, with the increase in interest rates and after a sales price comparison of similar deed restricted units previously sold within the same complex, it was determined that the sales price needed to be reduced in order to ensure that the unit would be affordable for a household earning the target income. The Town subsidy to make the unit affordable, inclusive of the purchase escrow fees, will be approximately \$154,000 plus closing escrow fees. This subsidy is within the range that staff anticipated when the Bridge program was launched.

The Town Council previously authorized the sale of this unit through the Bridge Program and authorized the Town Manager to sign on behalf of the Town all documents related to the sale of the unit via Resolution 22-26.

Through the Bridge program, the Town and MLH have successfully completed the sale of two deed-restricted units, and this will be the third sold unit. There are currently two additional units for sale at deed restricted prices that are available to households earning at or below 120% of the area median income. Individuals interested in purchasing a unit through the Bridge program should contact Mammoth Lakes Housing (MLH) at (760) 934-4740.

¹ For a single person household, the maximum annual income to qualify at 120% AMI is \$68,200.

² The Bridge program is a part of the Housing Now! initiative and is a partnership program between the Town and Mammoth Lakes Housing aimed at increasing the number of affordable ownership units within the Town through the purchase of existing market-rate homes that are then deed restricted and sold to qualified households at a subsidized price.