

## Mammoth Lakes Town Council Agenda Action Sheet

**Title:** Consider the request for an additional \$400,000 contribution to the Mammoth Lakes Housing Innsbruck Lodge Affordable Housing Project.

**Council Meeting Date:** 2/15/2023

**Prepared by:** Nolan Bobroff, Senior Planner / Housing Coordinator

**Recommended Motion:** Adopt the resolution approving an additional \$400,000 contribution to the Mammoth Lakes Housing Innsbruck Lodge Affordable Housing Project contingent on the specified terms.

**Summary:** In January 2022, the Town Council authorized a joint grant application with Mammoth Lakes Housing, Inc. (MLH) to the State's Homekey Program for the acquisition and rehabilitation of the Innsbruck Lodge located at 913 Forest Trail into a 16-unit affordable housing project (*15 affordable units and 1 manager's unit*). At the time of application, the estimated cost of the project was \$5.96M, with \$4.4M coming from the State program, \$1M from the Town, and \$550K from Mono County. The Town and MLH were successful in the grant application and an award announcement was made in May 2022 followed up by the acquisition of the property in August 2022. After acquiring the property, MLH completed the construction drawings and executed a contract with a local contractor to complete the rehabilitation work. Demolition work is ongoing at the site and the building permit is currently in plan review. Construction is expected to be completed in late-2023 with a target occupancy date of early-2024.

Through the course of developing the construction drawings and detailed scope of work, the total anticipated construction budget rose from \$5.9M to \$6.8M primarily due to increases in construction costs and a more in-depth review of the interior of the ~50 year old structure that couldn't happen until acquisition was complete. Due to the increase in construction costs, there is a funding gap of approximately \$884K. MLH has secured an additional grant award of \$343,338 from the Eastern Sierra Continuum of Care (CoC) Homeless Housing, Assistance, and Prevention Program (HHAP) Round 1 & 2 funds and has committed a non-refundable capital contribution of MLH funds of \$141,131. With those additional contributions, the funding gap for the project is now \$400K, which is being asked for from the Town.

The Town has identified available funding in the Housing Now! program to contribute the additional \$400K beyond the \$1M previously committed to the project. Staff recommends that the \$400K be committed to the project with the following contingency on the use of the funds:

1. All other funding sources, including, but not limited to, the budgeted \$120,000 in contingency funds, the \$31,019 in budgeted reserves, and the \$141,161 from MLH, shall be drawn down prior to any use of the additional \$400,000 from the Town.

With this additional \$400K contribution from the Housing Now! program, there remains adequate funding for the previously made financial commitments, including, but not limited to, the Access Apartments project (\$1.5M), the 60 Joaquin small unit development project (\$2.42M), Bridge program (~1M), and the Creative Housing Public/Private Partnership (TBD - \$1.5M).

The Homekey Program is a State housing financial assistance program that is intended to rapidly expand the inventory of housing for people who are experiencing homelessness or at risk of

homelessness and who are, thereby, inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases. Homekey is an opportunity for state, regional, and local public entities to develop a broad range of housing types, including but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, and manufactured housing, and to convert commercial properties and other existing buildings to Permanent or Interim Housing for the Target Population.