

RESOLUTION NO. 2024-__

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
MAMMOTH LAKES, STATE OF CALIFORNIA, ADOPTING THE
TOWN OF MAMMOTH LAKES LEASE TO LOCALS
PILOT PROGRAM DESCRIPTION AND GUIDELINES**

WHEREAS, the Town Council’s strategic priorities adopted on December 20, 2023 include a priority to “Invest in Community Focused projects” and a key objective statement to “Continue implementation of the Town’s Housing Now! Initiative programs to deliver a mix of community housing opportunities (e.g., ‘missing middle’ and Parcel Phase 2)”; and

WHEREAS, the Town Council has authorized funding for the implementation of several housing policy directives and programs, branded as the “Housing Now!” initiative; and

WHEREAS, implementation of Town housing programs includes the dedication of Town resources to provide a range of community housing that is available and affordable to those working in the community; and

WHEREAS, to effectively implement the Town’s Housing Now! program, the Town has set aside resources to provide a range of community housing that is affordable to the community, including community housing opportunities for households that earn above 80% of the area median income (AMI) (“*moderate-income households*”); and

WHEREAS, state and federal programs generally do not provide funding assistance to households that earn above 80% AMI, despite those households not being able to afford housing in the Town of Mammoth Lakes; and

WHEREAS, the Town, in partnership with Placemate, are working to implement the Lease to Locals program (“Program”), which will be a component of the Housing Now! initiative, and offers cash incentives to homeowners who lease their homes, or rooms in their homes, to qualified local tenants with the goal of converting underutilized properties into long-term and seasonal leases; and

WHEREAS, the Program aims to target the “missing middle” by allowing for households earning up to an average of 150% of the AMI to be eligible;

WHEREAS, the Town allocated \$450,000 in one time funding for the initial year of the Program during the FY 23/24 -2nd quarter budget update on March 20, 2024; and

WHEREAS, the Town entered into a one-year contract with Placemate on July 3, 2024 to implement and manage the Program; and

WHEREAS, the Town and Placemate prepared the Town of Mammoth Lakes Lease to Locals Pilot Program Description And Guidelines attached hereto as Exhibit “A”.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Mammoth as follows:

Section 1. Adopts the Town of Mammoth Lakes Lease to Locals Pilot Program Description And Guidelines attached hereto as Exhibit "A".

APPROVED AND ADOPTED THIS 17th day of July 2024.

BILL SAUSER, Mayor

ATTEST:

JAMIE GRAY, Town Clerk

EXHIBIT "A"

Town of Mammoth Lakes Lease to Locals Pilot Program Description and Guidelines

Town of Mammoth Lakes Lease to Locals Pilot Program Program Description and Guidelines

Adopted July ____, 2024

Resolution #2024-__

1 PROGRAM OVERVIEW

The Lease to Locals Program (the “Program”) offers cash incentives to homeowners who lease their homes, or rooms in their homes, to qualified local tenants with the goal of converting underutilized properties into long-term and seasonal leases. The Program aims to increase the supply of housing available for employees working within the geographic boundaries of the Mammoth Unified School District.

2 PROGRAM DEFINITIONS

2.1 Adult: means any individual 18 years or older.

2.2 Property: means the real property leased under the Program.

2.3 Long-Term Lease: means a lease of 12 months or greater.

2.4 Seasonal Lease: means a lease that is at least 5 months but less than 12 months.

2.5 Property Owner: means the individual(s) or legal entity that holds fee title to the property, as reflected on the recorded real property records.

2.6 Qualified Household: means any group of individuals who intend to occupy the Property together as their primary residence, where at least 50% of the adults are a Qualified Tenant, and who meets the income requirements in Section 6

2.7 Qualified Tenant: means an adult currently employed an average of at least 30 or more hours per week, or who meets full time employment equivalency with employer verification, based out of or at a site within the Mammoth Unified School District geographical boundary, who is not of blood relation to the Property Owner. Provisions for determining dependent children as a Qualified Tenant are referenced in Section 4.

2.8 Dependent Child: A dependent Child is a child claimed on a Qualified Tenant’s Federal Tax Returns

3 PROGRAM ADMINISTRATION

The Town will administer the Program with support from a third-party administrator (“Administrator”).

3.1 Town of Mammoth Lakes Role

The Town will oversee and fund the Program. This includes managing the contract with Administrator, granting disbursements, and evaluating Program metrics.

3.2 Administrator Role

Under a contract with the Town, the Administrator will provide the following services for the Program: Program development, customer service, marketing, compliance, reporting, and processing applications per Program Guidelines.

4 PROGRAM GRANT FUNDING

4.1 Grant Amounts

The Town will provide a \$2,000 grant per Qualified Tenant housed through the Program for a Seasonal Lease and a \$4,500 grant per Qualified Tenant for a Long-Term Lease.

Dependent children will count as one (1) additional Qualified Tenant, for every two children, rounded down when necessary. Three children will count as two (2) Qualified Tenants. The maximum grant amount is for four (4) Qualified Tenants.

The table below shows the available grant amounts.

Number of Qualified Tenants	1 Qualified Tenant	2 Qualified Tenants	3 Qualified Tenants	4 Qualified Tenants
Seasonal (5-11 months)	\$2,000	\$4,000	\$6,000	\$8,000
Long-Term (12 months or greater)	\$4,500	\$9,000	\$13,500	\$18,000

There is a limit of one grant per Property for the life of the Program.

4.2 Grant Disbursement

- (a) Prior to disbursing grants, the Town will review documentation submitted by Administrator including:
 - i. A copy of the fully executed lease agreement(s);
 - ii. Proof of local employment and income for Qualifying Tenants;
 - iii. Property Owner W-9; and
 - iv. Check request form.
- (b) The Town must receive a complete application from Administrator and confirm Property Owner eligibility before issuing payment. Once both of those conditions are met, the Town will issue the first half of the grant payment within thirty (30) days.
- (c) The Town will issue the second half of the grant payment to the Property Owner within thirty (30) days of the completion of the lease, or one (1) year, whichever comes first.
- (d) Grant payments shall be issued to the Property Owner, as their legal name(s) appear on recorded real property records. All payments will be made by check. All Property Owners will receive a 1099 MISC from the Town by January 31, following the year of any payments.
- (e) Power of attorney or statement of authority with signatures of all title holders may be required to disburse to only one contact.

5 PROPERTY OWNER ELIGIBILITY & REQUIREMENTS

5.1 Grant Application

Property Owners must submit a complete online form and sign a self-certification checklist with Administrator and comply with the following criteria to have their Property considered for the Program. Property Owners must submit all documentation within no more than 60 days

from the lease start date and will not be eligible for payment unless and until the grant application is reviewed and the Property Owner is deemed eligible for the Program.

5.2 Eligibility & Requirements

To participate in the Program, Property Owners must meet the following requirements.

- (a) Location: The Property must be located within the Town's Urban Growth Boundary.
- (b) Status: The Property must be a legally permitted dwelling unit and each bedroom in the property must have a door, window, and an adjoining area or space that may be used as a closet and meet the minimum dimension, area, and height requirements for a habitable room as specified in the California Building Standards Code and California Residential Building Code.
- (c) Room Rentals: If multiple rooms in a home are rented on separate leases, all rooms must be included on a single application and all move in dates are within 30 days.
- (d) New Rental: The Property cannot have been leased full time in the past 12 months. This shall be verified by the Administrator and/or the Town.
- (e) Eligible Properties: The Property must be a single-family home, condo, townhome, mobile home, accessory dwelling unit, or a single room or group of rooms in an owner-occupied property, that has not been rented full time in the past 12 months. Multi-family homes greater than two units, hotels and motels are not eligible for the Program.
- (f) Ownership: The Property Owner(s) must hold fee title to the Property.
- (g) Property Condition: The Property must meet basic health and safety criteria per California Health and Safety Code, Division 13, Housing Part 1.5, Chapter 2.
- (h) Signed Lease Agreement and Complete Lease Packet: The Property Owner must complete an application and sign a Seasonal Lease or Long-Term Lease with a Qualified Household or Qualified Tenant.
- (i) Lease Compliance Checks: The Property Owner must comply with the terms of the lease and the Program requirements for the full length of the lease. Failure to do so shall disqualify Property Owner from receiving grant payment.

For a Seasonal Lease, the Property Owner will be checked for compliance by Administrator at lease end. For a Long-Term Lease, the Property Owner will be checked for compliance by Administrator 6 months into the lease and 12 months into the lease.

- (j) Rental Affordability Cap: The Property Owner cannot charge monthly rent exceeding the below rates, not including utilities and/or pet fees:

Unit Size	Max Rental Rate
Private Room	\$1,000
Studio*	\$1,500
1BD	\$1,700
2BD	\$2,500
3BD+	\$3,500

- (k) Fair Housing Act Compliance: The Property Owner must comply with California Fair Employment and Housing Act and the Federal Fair Housing Act at all times during the lease.
- (l) Conflict of Interest: No individual who advises or has decision making authority on this Program in an official capacity may participate in the Program as a Property Owner.

5.3 Contingencies

- (a) Change of Ownership: If the Property is sold, the lease must be accommodated in accordance with California State law and the property owner will be ineligible for the 2nd grant payment.
- (b) Break of lease / Eviction: If the tenants break a Long-Term Lease or are evicted for not complying with lease terms, the Property Owner will remain eligible for a second grant payment if the tenants are replaced within a reasonable timeframe. Replacing the tenants who break the lease or are evicted for not complying with lease terms after completing a minimum nine months of the lease is not required, and the homeowner is eligible for a prorated second grant payment.
- (c) Additional Tenants: Tenants added to a lease after the application is submitted to Town will not count toward eligibility for additional grant award.
- (d) Property Condition: If the Property is deemed in violation of California Health and Safety Code, Division 13, Part 1.5, Chapter 2, the grant payment(s) may be withheld.

6 TENANT ELIGIBILITY & REQUIREMENTS

6.1 Individual & Household Qualification

Individuals and households applying to the Program must meet the definitions set forth in Sections 2 and 3 of these guidelines:

6.2 Documentation

As part of the application, each adult member of the Qualified Household must submit the following:

- (a) Paystubs covering the most recent 90-day period, or offer letter of employment stating employer address, employment address, rate of pay, and expected number of hours worked.
- (b) Copy of driver's license or another government issued photo ID.
- (c) If a Qualified Tenant is self-employed, the most recently filed federal tax return with all statements and schedules included, most recent federal 1065, 1120-S or 1120 business returns if filed separately with all statements and schedules included, business license (if applicable), profits and losses statement covering the time period from the end of the last filed tax returns through the most recently completed month, at least three recent contracts that show the volume of work and pay, and proof of locally serving business operations may be required. If additional documentation is required to verify self-employment, Administrator may work with the tenant to determine necessary documents for verification.
- (d) If a Qualified Household is claiming dependent children, a copy of most recently filed federal tax return with all statements and schedules included and/or official custody

document is required. If a tax return hasn't been completed within two years of birth of child, birth certificate may be eligible.

6.3 Income

- (a) The average annual income of all adult residents of a household (related or unrelated) cannot exceed 150% AMI for Mono County (the 2024 150% AMI limit for a 1-person household is \$111,200).
- (b) The income qualification for single parent households with one adult and more than 50% child custody is a household income of 1.5 times the 150% of the area median income for a household of 1 as set by CA Dept. of Housing and Community Development, which includes all income, including child support.

7 PROGRAM DURATION

- (a) Town staff will review Program progress, housing needs, and the services being provided by Administrator on a bi-annual basis, and will provide recommendations to the Town Council regarding any potential modifications to the Program. These updates shall occur at the second Town Council meeting in December and June.
- (b) Town staff will provide an annual report to the Town Council at the second Town Council meeting in June using the following criteria to measure success of the Program and to determine whether to continue the Program.
 - i. Number of people served (including children);
 - ii. Number of homes unlocked;
 - iii. Types/Sizes of units unlocked;
 - iv. Rental prices for each home, average per room;
 - v. Income of renters (area median income of each adult in the home) being served;
 - vi. Number of rentals extended beyond 12-month lease.