

TOWN COUNCIL STAFF REPORT

Title: Provide Direction on Phase 3 of the Parcel.

Meeting Date: January 15, 2025

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RECOMMENDATION:

Provide by consensus direction to staff on the unit count and character of the Parcel Phase 3 affordable housing development.

BACKGROUND:

The Town has been advancing the development of the Parcel since purchasing the site in 2018. The Town entered into an agreement with The Pacific Companies to develop and construct the various phases in 2019. In early 2021, a Master Plan for the site was approved providing the development intent for the project.¹ The first phase of the development was completed in 2024 and is now fully occupied. The second phase is well into construction. Staff understands that all the modules for the first half of Phase 2 are complete and will be installed summer of 2025. The first two phases of the Parcel are rental products developed to meet specific low-income levels (30-80% AMI) based on State funding source requirements. As previously discussed with Council and consistent with the Master Plan, the third phase of the Parcel is envisioned to consist of an ownership product to be sold to middle-income residents (120-200% AMI) with deed restrictions to ensure affordability over time.

As was contemplated during the “Plan the Parcel” Conceptual Land Use Planning process and shown in the Master Plan as “Development Area 6”, the third phase of the Parcel will be located south of Tavern Road along the eastern and southerly property lines of the site. Staff and the Pacific development team envision a mix of 2- and 3-bedroom attached townhome-style units all with private garages and driveways. The development would be created as a Planned Unit Development (PUD) in which the buyers will own the land under their unit as well as a small back yard, similar to the Town’s 60 Joaquin project.

The phase would be accessed via an extension of Inyo Street south of Tavern Road connecting to Chaparral Road. The new section of road would be owned and maintained by the Town as public right of way (ROW), similar to the new roads built along with Phase 1. Like other phases, pedestrian infrastructure and connectivity would be provided in the form of multi-use paths (MUPs) and/or sidewalks. The alignments will be determined

¹ Parcel Master Plan - <https://www.townofmammothlakes.ca.gov/DocumentCenter/View/11312>

during the required Planning and Economic Development Commission entitlement approval which would include a Tentative Map for the subdivision as well as Design Review for the units.

Staff have been working with The Pacific Companies and their development partners, The Pinyon Group and Dahlin Group, on the preliminary design of this phase and seek direction from Council before moving further on to entitlement and development.

ANALYSIS:

Staff have reviewed and provided feedback on several iterations of the Phase 3 plan submitted by Pacific and have also internally developed several additional concepts. There are trade-offs or pros and cons to all of the concepts. Staff will provide a presentation during the meeting that will explain the following concepts in greater detail, and is seeking specific input from Council on those concepts, all of which will influence the unit count, cost and character of this phase:

- **Density** - Maximizing units vs “homeowner” neighborhood character. The Phase 3 area is permitted to contain up to 80 units, although building height limits of 2- or 3-stories for this Development Area provide a practical restriction on this number. Per the Master Plan, no more than 15% of the total number of units in the development are permitted to be designated for households between 120-200% AMI.
- **Building Type** - A variety of building types (e.g. small house, duplex, triplex, townhouse, apartment) are identified in the Master Plan’s Guiding Principles, which were developed in accordance with the Town’s Community Housing Action Plan (CHAP).

Pacific’s current proposal includes larger 6-plex rowhouse style buildings to maximize unit count and economy of scale. This creates a denser neighborhood character with a reduced tree canopy. Pacific is currently proposing for there to not be any common area spaces, which would eliminate the need for an HOA. This scenario would reduce the monthly cost of ownership since there would not be a required monthly HOA payment, but it could have negative impacts in the long-term since there would not be a dedicated funding source for ongoing maintenance of the units. Under this development structure, common exterior maintenance of units which are attached into single buildings (i.e., rowhouses) would be governed by a maintenance agreement, however the details of this type of development structure are not yet clear to staff.

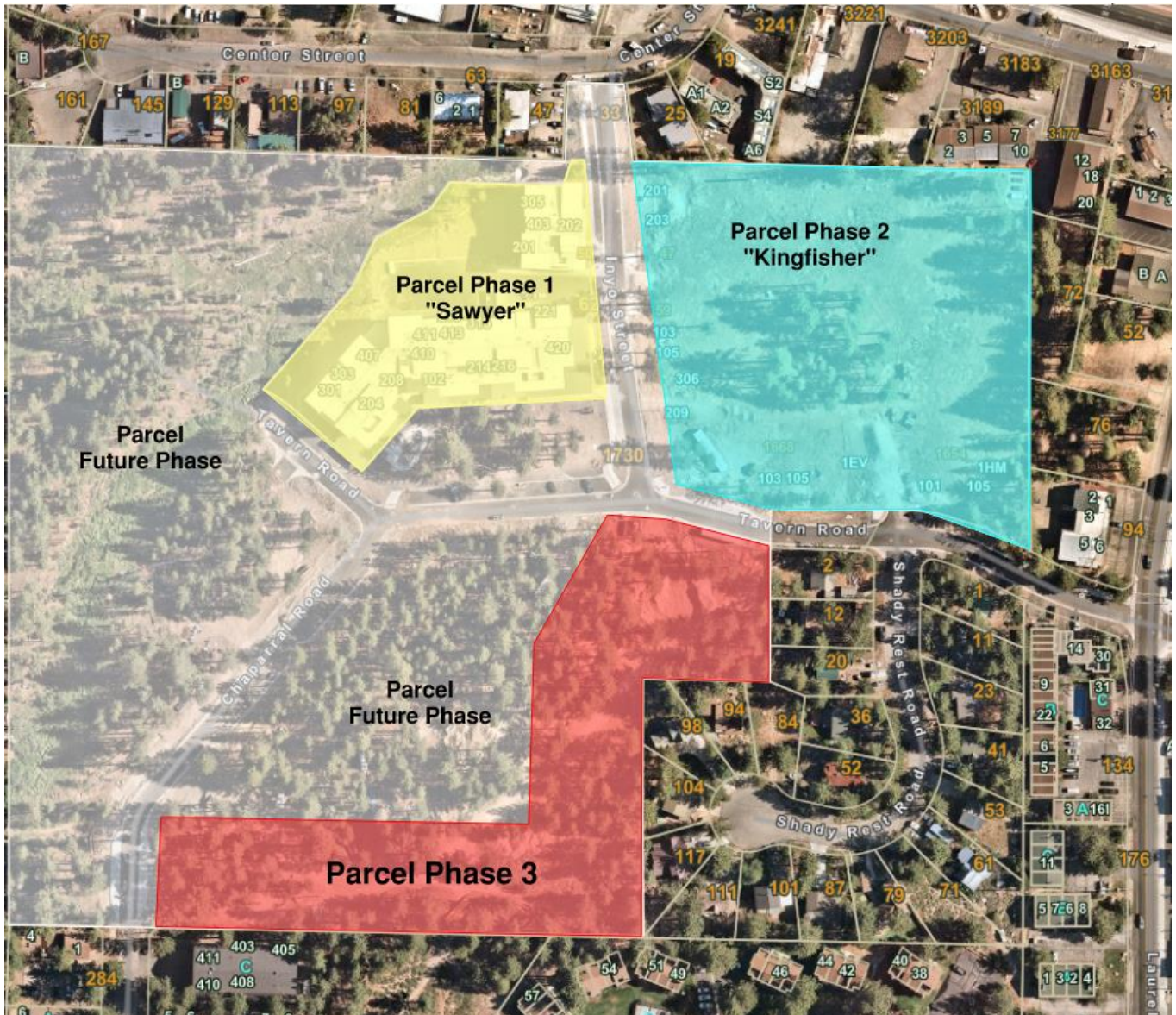
Alternately, smaller buildings (e.g. duplex or 4-plex) or a mix of buildings may be more desirable, although this may result in some loss of economy or reduction of unit count. A more familiar common space/HOA development structure may also be more desirable in the long-term for potential residents so that the long-term costs of maintenance are accounted for in their monthly housing expenses.

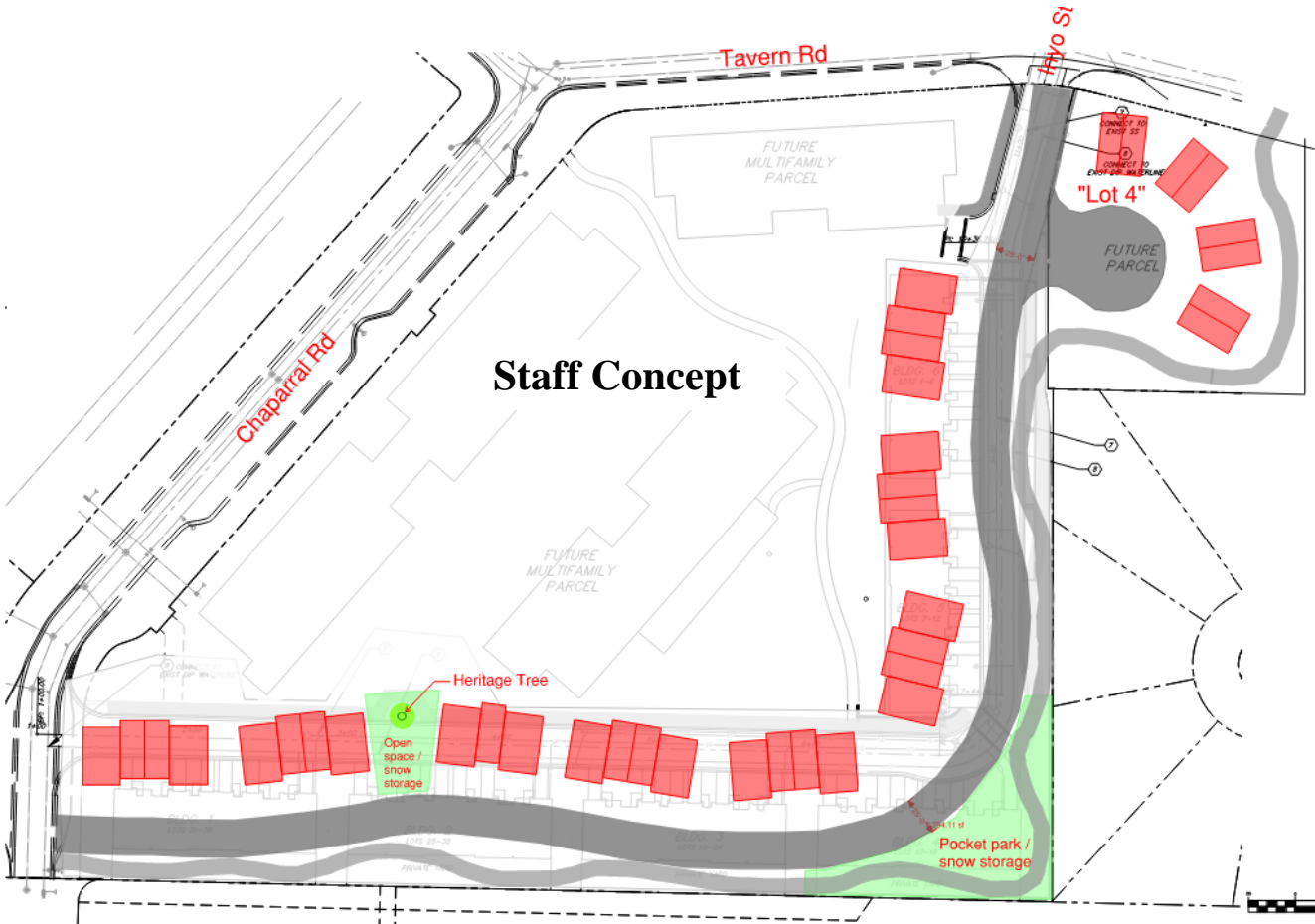
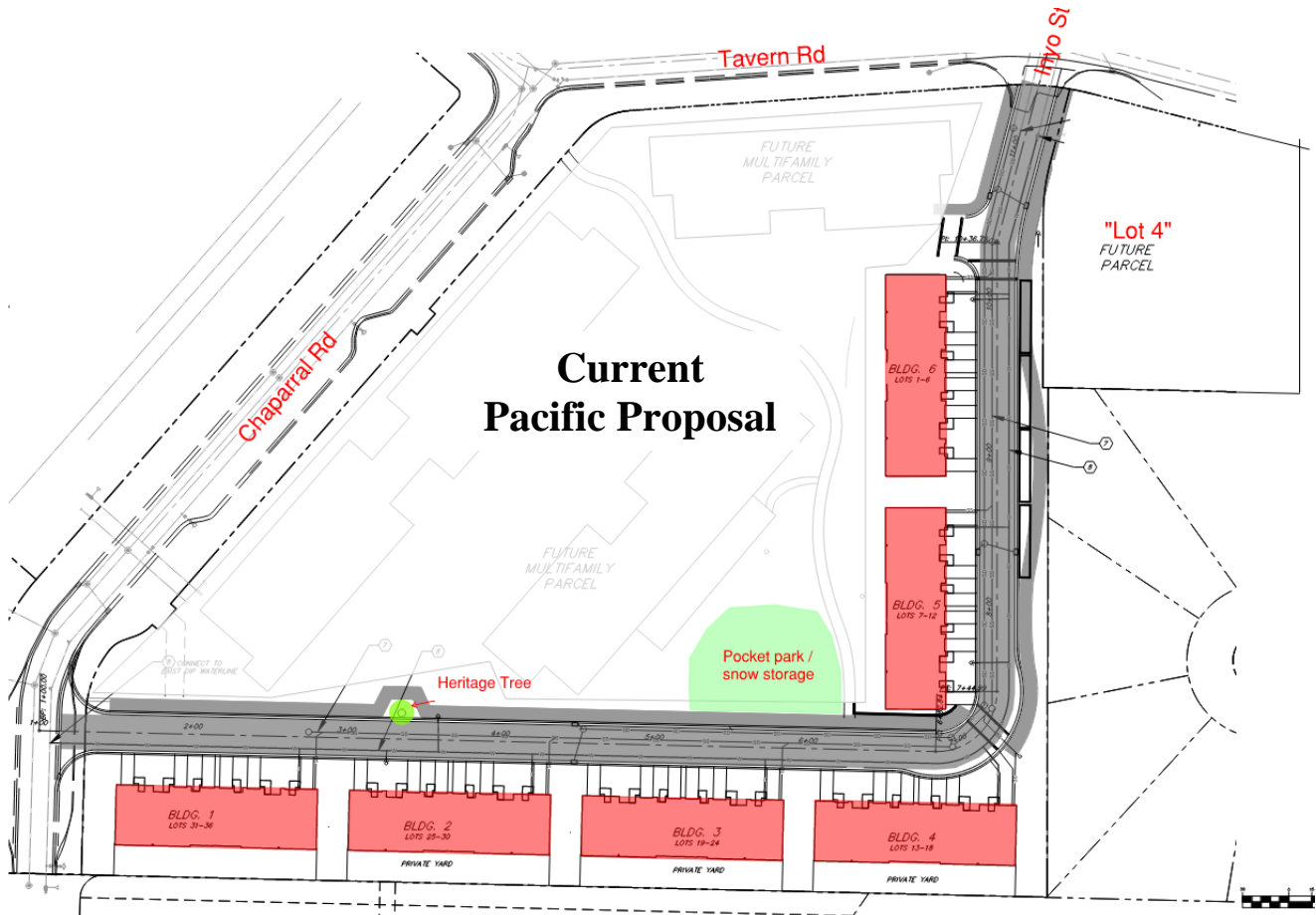
- **Building Spacing** – Minimum building separation is permitted to be 10 feet; however, staff and Pacific propose a minimum 20-foot separation in order to

accommodate access, snow removal and storage. A greater separation may be warranted in consideration of tree preservation, open space, or other factors.

- **Orientation and alignment of buildings and roads** – Buildings must be setback from property lines by a minimum of 20 feet. Roads may be located within 10 feet of property lines. Solar orientation of the roads and driveways, which is important to snow removal and melt, will affect life-cycle cost of both buildings and roads. Pacific’s current proposal places the road and MUP along the east property line with units facing the road to the east, and places units along the south property line with units facing the road to the north. Alternatively, placing the road and MUP along the south property line with south-facing units may be more desirable for future owners. Also, providing some curvature or meandering to the road and MUP would enhance neighborhood character and user experience, including increased safety by reducing driver speeds.
- **Use of Lot 4 “remainder lot”** – Housing, open space, parking, etc. Per staff and Council direction, in most of Pacific’s design iterations, a small “remainder lot” (Lot 4) in the north easterly corner of Phase 3 has been reserved for future development apart from this phase. Staff had previously contemplated constructing a temporary parking area to serve the Parcel in this area. In recent internal meetings, staff has determined that a potential parking lot could be placed at other locations on the Parcel if needed, and Lot 4 could then be developed along with Phase 3 or separately as a “town development” similar to the Town’s 60 Joaquin project.
- **Open Space** – Each Master Plan Development Area must contain open space that is available for public use. A small passive or active pocket park could also serve as snow storage during the winter.

Once staff has consensus direction from Town Council, the final draft plans, engineer’s estimate, and a development pro-forma will be developed for Town Council consideration. If a financial commitment is made, a Tentative Map and Design Review will be created and processed through the typical PEDC entitlement approval process. The developer and staff believe the project could break ground in summer 2025 if consensus between the development and the Town on the average subsidy amount from the Town can be reached.





FINANCIAL CONSIDERATIONS:

Staff continue to discuss costs with the Pacific Companies. Throughout the process, staff's goal is to evaluate the potential short-term and long-term costs to the buyers to make these units as affordable as possible. Staff believe the Town will need to pay for infrastructure costs such as the road, MUP and associated utilities to keep overall unit costs down. This may be done as a separate project. The final costs to the Town of this development will be the result of the direction provided to staff. Staff will return to Council for final direction and approval once these costs are better understood.