

**Working Agenda
Town Council/Mammoth Lakes Housing
Joint Meeting
Wednesday, October 19, 2016
4:00 p.m. – 6:00 p.m.**

20 minutes

- A. General Context of Affordable / Workforce Housing in the Town of Mammoth Lakes
 - a. Current and projected needs
 - b. Town Council perspectives on housing needs
 - c. Changing conditions, including impacts of tourism and nightly rentals
 - d. Land and funding constraints

10 minutes

- B. Current Programs to Address Affordable / Workforce Housing Needs
 - a. Deed restriction management
 - b. Remodel programs
 - c. First time homebuyer programs
 - d. Private sector units

40 minutes

- C. Services Agreement between the Town and Mammoth Lakes Housing (Attachment 1)
 - a. General scope of services
 - b. Fiscal year deliverables
 - c. MLH Funding

50 minutes

- D. Future Options to Address Affordable / Workforce Housing Needs
 - a. Conversion and related issues
 - b. New construction
 - i. Shady Rest (Attachment 2)
 - 1. Cap and Trade analysis (Attachment 3)
 - ii. Other properties
 - iii. Other funding opportunities

Attachments

1. Services Agreement between the Town and Mammoth Lakes Housing
2. Shady Rest Background Staff Report
3. Cap and Trade Analysis

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ATTACHMENT 1

TOWN OF MAMMOTH LAKES SERVICES AGREEMENT BETWEEN THE TOWN OF MAMMOTH LAKES AND MAMMOTH LAKES HOUSING (MLH)

**TOWN OF MAMMOTH LAKES SERVICES AGREEMENT BETWEEN
THE TOWN OF MAMMOTH LAKES AND
MAMMOTH LAKES HOUSING (MLH)**

1. PARTIES AND DATE.

This Agreement is made and entered into effective as of October 20, 2016, by and between the Town of Mammoth Lakes, a municipal corporation, organized under the laws of the State of California, with its principal place of business at 437 Old Mammoth Rd., Suite R, Mammoth Lakes, California, 93546 ("Town") and Mammoth Lakes Housing, a California nonprofit public benefit corporation, with its principal place of business at 587 Old Mammoth Road, Mammoth Lakes CA, 93546 ("Contractor"). Town and Contractor are sometimes individually referred to herein as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Contractor.

Contractor desires to perform and assume responsibility for certain services pertaining to Housing, required by the Town on the terms and conditions set forth in this Agreement.

2.2 Sources of Funding.

Contractor acknowledges that all of the funds to be provided to Contractor by Town pursuant to this Agreement are public funds, and that some or all of such funds are restricted in the uses to which they may be put.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to the Town all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the services described in Exhibit "A" attached hereto and incorporated herein by reference ("Services"). All Services shall be subject to, and performed in accordance with this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations. Exhibit "B" sets forth the deliverables under the scope of work for Fiscal Year 2016-17. Exhibit "B" will be updated annually to reflect changes in specific deliverables for each Fiscal Year.

3.1.2 Term. The term of this Agreement shall commence on October 20, 2016 and expire on June 30, 2018 (the "Initial Term"). Notwithstanding the foregoing, this Agreement may be terminated as provided herein.

3.2 Responsibilities of Contractor.

3.2.1 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. Town retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of Town and shall at all times be under Contractor's exclusive direction and control. Neither Town, nor any of its officials, officers, directors, employees or agents shall have control over the conduct of Contractor or any of Contractor's officers, employees, or agents, except as set forth in this Agreement. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Town's Representative. The Town hereby designates the Town Manager or designee, to act as its representative in all matters pertaining to the administration and performance of this Agreement ("Town's Representative"). Town's Representative shall have the power to act on behalf of the Town but not the authority to change the total compensation due to Contractor under this Agreement. Contractor shall not accept direction or orders from any person representing the Town other than the Town Manager or action of the Town Council.

3.2.3 Contractor's Representative. Contractor hereby designates its Executive Director or his/her designee, as such position may be filled during the term of this Agreement, to act as its representative for the performance of this Agreement ("Contractor's Representative"). In the absence of an Executive Director, the Board Chair is designated as Contractor's Representative. Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his/her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.4 Coordination of Services. Contractor agrees to work closely with Town staff in the performance of Services and shall be available to Town's staff, contractors and other staff at reasonable times.

3.2.5 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the Town, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein.

3.2.6 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Services, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold Town, its officials, directors, officers, employees, agents, and volunteers free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations

3.2.7 Insurance:

3.2.7.1 Time for Compliance. Contractor shall not commence work under this Agreement until it has provided evidence satisfactory to the Town that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the Town that the subcontractor has secured all insurance required under this section. Contractor shall provide immediate written notice if: (i) any of the required insurance policies is terminated; (ii) the limits of any of the required policies are reduced; or (iii) the deductible or self-insured retention is increased.

3.2.7.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder, and without limiting the indemnity provisions of the Agreement, the Contractor, in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement the following policies of insurance. If the existing policies do not meet the insurance requirements set forth herein, Contractor agrees to amend, supplement or endorse the policies to do so.

(A) Commercial General Liability: Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, or the exact equivalent, and shall be no less than \$1,000,000 per occurrence and no less than \$2,000,000 in the general aggregate. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(B) Automobile Liability Insurance: Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1), or the exact equivalent, covering bodily injury and property damage for all activities shall be in an amount of not less than \$1,000,000 combined limit for each occurrence. This provision shall apply to vehicles owned and operated by MLH. MLH employees shall maintain at a minimum, the State required insurance on any personal vehicles used in the course of work.

(C) Workers' Compensation: Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less

than \$1,000,000 per accident for bodily injury and disease.

(D) Professional Liability: Professional Liability insurance with minimum limits of \$1,000,000. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.). If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement. This section shall apply only to those activities engaged in by MLH that require such insurance. The Town and MLH will review such needs on a case by case basis.

3.2.7.3 Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the Town for approval.

(A) The policy or policies of insurance required by Section 3.2.8.2(A), Commercial General Liability shall be endorsed to provide the following:

(1) Additional Insured: Contractor agrees to endorse the third party general liability coverage required herein to include as additional insured the Town, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition date of 2010. Contractor also agrees to require all contractors, subcontractors, and anyone else involved in any way with the Services contemplated by this Agreement to do likewise.

(B) The policy or policies of insurance required by Section 3.2.8.2(C), Workers' Compensation, shall be endorsed to provide the following:

(1) Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

3.2.7.4 Primary and Non-Contributing Insurance. All insurance coverages shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

3.2.7.5 Waiver of Subrogation. Required insurance coverages shall not prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor shall waive all subrogation rights against the indemnified parties. Policies shall contain or be endorsed to contain such provisions.

3.2.7.6 Deductible. Any deductible or self-insured retention must be approved in writing by the Town and shall protect the parties indemnified by Section 3.5.8.1 in

the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.2.7.7 Evidence of Insurance. The Contractor, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the Town. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the Town. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the Town evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

3.2.7.8 Failure to Maintain Coverage. Contractor agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to the Town. The Town shall have the right to withhold any payment due Contractor until Contractor has fully complied with the insurance provisions of this Agreement. In the event that the Contractor's operations are suspended for failure to maintain required insurance coverage, the Contractor shall not be entitled to an extension of time for completion of the Services because of production lost during suspension.

3.2.7.9 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.2.7.10 Insurance for Subcontractors. All subcontractors shall be included as additional insureds under the Contractor's policies, or the Contractor shall be responsible for causing subcontractors to purchase the appropriate insurance in compliance with the terms of these Insurance Requirements, including adding the Town as an Additional Insured to the subcontractor's policies. Contractor shall provide to Town satisfactory evidence as required under Section 3.2.8.1 of this Agreement.

3.2.8 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed.

3.3 Compensation and Accounting.

3.3.1 Compensation. The Town will provide Contractor, under the terms and conditions set forth herein, with the compensation as set forth in Exhibit C.

3.3.2 Reimbursement for Expenses. The compensation provided for in this Agreement constitutes the total compensation to be provided to Contractor. Contractor shall not be granted additional reimbursement for any expenses.

3.3.3 Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of Town during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.4 Contracting and Conflicts of Interest.

3.4.1. Public Contracting Requirements. Contractor shall comply with all bidding and contracting requirements applicable to public entities in general and/or to the Town in particular in the course of awarding subcontracts or procuring goods and services pursuant to this Agreement, to the same extent as the Town would be required to comply if the Town itself were undertaking such activities. Such requirements include, without limitation: (i) the requirements of Public Contract Code Section 20160 et seq regarding competitive bidding for "public projects" in excess of \$5,000; (ii) the requirements of Labor Code Section 1720 et seq regarding payment of prevailing wages for "public works" projects in excess of \$1,000; (iii) the provisions of Government Code Section 4525 et seq regarding procurement of engineering, environmental, and certain other types of professional services; and (iv) the provisions of the Mammoth Lakes Municipal Code regarding procurement and expenditures of funds, as they may be amended. Contractor shall maintain records evidencing its compliance with all applicable requirements for a period of five years after each expenditure of funds received from the Town, and shall provide Town with copies of such records not less than four times annually (approximately quarterly) and otherwise upon request.

3.4.2 Conflicts of Interest. Contractor, and its board members and employees, shall fully comply with the provisions of the California Political Reform Act regarding conflicts of interest, and with such regulations as may be adopted by any government agency to implement and enforce the Political Reform Act, to the same extent as such statutes and regulations apply to the Town. Contractor shall cause its board members and employees to obtain the training in ethics and laws governing local governments required by Government Code Section 53234 et seq as if Contractor provides compensation or reimbursement to its board members, regardless of whether Contractor actually does so.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. Town may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof,

at least ninety (90) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to Town, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause, which shall consist solely of a breach by Town that remains uncured following 30 days notice from Contractor to Town specifying the nature of the alleged breach. Contracts entered into by MLH which are supported by Measure R or Measure U funds and for which the project or service was approved through the public recommendation process by the Town Council and for which funds were allocated will be recognized by the Town and honored to the extent possible through the end of this Agreement if the contract is terminated without cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, Town may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Replacement Services. In the event this Agreement is terminated in whole or in part as provided herein, Town may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor: Mammoth Lakes Housing, Inc.
P.O. Box 260
587 Old Mammoth Road, Suite 4
Mammoth Lakes, CA 93546
ATTN: Executive Director

Town: Town of Mammoth Lakes
P.O. Box 1609
437 Old Mammoth Rd., Suite R
Mammoth Lakes, CA 93546
ATTN: Town Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for Town to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans,

specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Contractor under this Agreement ("Documents & Data"). Contractor shall require all subcontractors to agree in writing that Town is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Contractor represents and warrants that Contractor has the legal right to license any and all Documents & Data. Contractor makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Contractor or provided to Contractor by the Town. Town shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Town's sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor. Such materials shall not, without the prior written consent of Town, be used by Contractor for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or is generally known, or has become known, to the related industry shall be deemed confidential.

3.5.3.3 Confidential Information. The Town shall refrain from releasing Contractor's proprietary information ("Proprietary Information") unless the Town's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case the Town shall notify Contractor of its intention to release Proprietary Information. Contractor shall have five (5) working days after receipt of the Release Notice to give Town written notice of Contractor's objection to the Town's release of Proprietary Information. Contractor shall indemnify, defend and hold harmless the Town, and its officers, directors, employees and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. Town shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Contractor fails to fully indemnify, defend (with Town's choice of legal counsel), and hold Town harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that Town release such information.

3.5.4 Brown Act Compliance. At all times during the term of this Agreement Contractor's board of directors shall comply fully with the Ralph M. Brown Act, Government Code Section 54950 et seq. Contractor's obligation hereunder shall not be limited to complying with the Brown Act with respect to the Services, but rather such obligations shall apply to all activities of Contractor and/or its board during the term of this Agreement.

3.5.5 No Monetary Damages. Contractor acknowledges that Town would not have entered into this Agreement if it were to be subject to liability for monetary damages.

Accordingly, Contractor hereby waives any right to seek or obtain monetary damages from the Town in connection with any actual or alleged breach of this Agreement by Town. Contractor's remedy for a breach by Town shall be limited to seeking specific performance or other injunctive relief.

3.5.6 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.7 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.8 Indemnification.

3.5.8.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the Town, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, Contractors or agents in connection with the performance of the Contractor's Services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorney's fees and other related costs and expenses.

3.5.8.2 Additional Indemnity Obligations. Contractor shall defend, with counsel of Town's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.8.1 that may be brought or instituted against Town or its directors, officials, officers, employees, volunteers and agents. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against Town or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse Town for the cost of any settlement paid by Town or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for Town's attorney's fees and costs, including expert witness fees. Contractor shall reimburse Town and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Town, its directors, officials officers, employees, agents, or volunteers.

3.5.9 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.10 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Mono County.

3.5.11 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.12 Town's Right to Employ Other Contractors. Town reserves the right to employ other Contractors to provide services of any kind.

3.5.13 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.14 Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the Town. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.15 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to Town include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.16 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.17 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.18 No Third-Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.19 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.20 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely

for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Town shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of Town, during the term of his or her service with Town, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.21 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.5.22 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.23 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.24 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 To the extent that Contractor subcontracts any portion of the work required by this Agreement, each such subcontract shall contain a provision making it subject to all provisions stipulated in this Agreement.

TOWN OF MAMMOTH LAKES

MAMMOTH LAKES HOUSING

By: _____
Daniel C. Holler
Town Manager

By: _____
, Board President

Attest:

By: _____
, Secretary

By: _____
Jamie Gray, Town Clerk

Approved as to Form:

By: _____
Andrew Morris, Town Attorney

DRAFT

EXHIBIT "A" SCOPE OF SERVICES

Mammoth Lakes Housing, Inc. supports workforce housing for a viable economy and a sustainable community.

Purpose of Services

Mammoth Lakes Housing, Inc. (MLH), with political and financial support from the Town of Mammoth Lakes was established in 2003 by the Town of Mammoth Lakes for the purpose of acquiring and developing reasonably priced housing for the resident worker population of the greater Mammoth Lakes area. The further purposes of MLN include managing, facilitating the ownership or rental of such housing, promoting the need for reasonable priced housing for resident workers, as well as assisting and encouraging other entities, both public and private in the development and acquisition of housing for this purpose.

The Town requires the assistance with the implementation of various components of the Towns' Housing Element of the General Plan, including affordable housing with the meaning of State and Federal Law, as well as present and future CDBG and HOME programs and contracts. MLH assists Town in securing a variety of grant programs and provides grant administration, implementation and monitoring. MLH serves as a source of information on affordable, workforce housing and advocates for such housing. The Contractual relationship provides a defined overall scope of work for MLH with set deliverables that will enhance the collaborative process with Town Staff, Planning and Economic Development Commission and Town Council and the MLH Board and staff.

Both parties recognize the continued need to secure additional workforce housing within the Town of Mammoth Lakes and the local region. Achieving this housing will require focused effort, creativity and financial resources. The reference to "Town" includes the required reporting relationship to the Town Council, coordination of work efforts with the Town Manager or designee and collaborative work with appropriate Town Departments and staff.

- **Provide Community Resources, Education and Outreach Efforts**
 - Complement and enhance community housing information and services and provide leadership and expertise to the Town of Mammoth Lakes.
 - Maintain website with related information and bulletin board type tools
 - One on one interactions, attendance at local/regional events
 - Brochures and other written materials
 - Assist with tenant-landlord rights matters and referrals
 - Monitor and provide updated information on state and federal law changes
 - Conduct outreach and advertising of programs offered
 - Monitor and report on workforce housing trends in Mammoth Lakes and the region
 - Participate in regular coordination meetings with Town staff as requested
 - Keep Town staff informed of changes in laws, programs, funding and requirements related to workforce housing

- Enhance visibility and transparency of MLH's services through the broadcast and streaming of board meeting via Town systems (i.e. Granicus)*
- Participate in monthly Town/NGO leadership team meetings
-
- **Housing Program Management.**
 - Develop housing rehabilitation programs to improve livability and affordable restrictions
 - Develop housing acquisition program to provide variety of workforce housing opportunities including affordable units
 - Oversee Town compliance with California Debt Limit Allocation Committee's (CDLAC) requirements for Aspen Village and other housing projects subject to CDLAC reporting
 - Provide options for Town consideration in the development of new reasonably priced workforce housing including affordable units
 - Foster partnerships between private interests, the Town and MLH to enhance the provision of workforce housing
 - Upon request of the Town, cooperate in discussions with developers on housing proposals to facilitate the production of workforce housing
 - Provide review of and comment on proposed alternative housing mitigation plans
 - Pursue the acquisition and rehabilitation of existing hours stock to provide quality workforce rental housing opportunities in the Town and Eastern Sierra
 -
- **Management of Deed Restricted Affordable Housing Units.**
 - Manage and monitor deed restricted housing units within the Town of Mammoth Lakes for compliance with terms of affordability and use requirements
 - Work with owners and renters of deed restricted units to address questions and issues
 - Manage as needed the "buy back" of affordable units, subject to financial limitations, to retain affordable units
 - Review and modify deed restrictions in compliance with changing laws and keep Town informed of requests for modifications
 - Administer the recordation of new deed restrictions
 - Target Management efforts to achieve no net loss of deed restricted units
 - Manage MLH owned rental housing units and identify opportunities to acquire additional units
 -
- **Assist in the Application and Administration of Housing Related Grant Funds.**
 - Seek grants to fund increased housing alternatives
 - Cultivate individual and business support for and partnerships with MLH both locally and regionally to secure additional workforce units
 - Partner with Town on the application for housing related grants (HOME, CDBG, CalHFA, etc.)

- Update as needed Program Guidelines set forth by the State of California HCD for State housing programs
- Provide required State reporting on re-use, recaptured and program income programs
- Ensure project and program activities using pass-through grant funds from the Town meet Town standards on the form and content of all bid and contract documents
- Provide required grant compliance reporting directly and/or through the Town as required by the grant
- Maintain up to date grant program guidelines, policies, and procedures required to administer and monitor each grant and related program
-
- **Manage Homebuyer Assistance Program(s).**
 - Manage Revolving Loan Accounts for first-time homebuyer program
 - Develop, update and maintain the Homebuyer Assistance Program Guidelines
 - Administer Town Revolving Loan Accounts for first-time homebuyer programs that have recaptured funds/loans and ensure funds are re-used in accordance with grant agreements
 - Assist owners and lenders on home loans as necessary and offer homebuyer educational courses and counseling to prospective homebuyers
 -
 -

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EXHIBIT “B”
Fiscal Year (FY16-17 – FY17-18) Deliverables

The following defines specific work products or deliverables required of Mammoth Lakes Housing (MLH). Specific deliverables build off of the general scope of work and the ongoing work program of MLH. Both parties recognize that other work will be undertaken to meet the requirements of the overall scope of this agreement. Based on new opportunities, priorities may shift accordingly, provided that MLH shall remain responsible for delivering the work products and deliverables provided herein unless this Exhibit B is amended. The Parties agree that this Exhibit B may be amended by mutual agreement of the parties to include additional deliverables and to define the responsibility and authority to achieve those deliverables.

1. Maintain an updated website that serves as an authoritative location for workforce housing information and coordinates with other agencies on the dissemination of information*
2. Identify sources of funding to enhance rental and ownership workforce housing that may leverage Town funds, stand alone, leverage private sector investment, and assist in securing funding through means which include, but are not limited to the following:
 - Provide analysis of investment opportunities including the use of Cap and Trade funds*
 - Provide a competitive profile of the Town and showing limits and opportunities for the Town to be competitive in accessing housing financial capital*
 - Coordinate with Town staff and provide support, data and expertise in the preparation of housing related grants.
 - Provide grant management, guidelines, monitoring and reporting on grants for which MLH is a sub-recipient.
 -
3. Prepare the following reports and strategies:
 - Work with Town staff to prepare a workforce housing rental and ownership strategy for PEDC and Town Council consideration*
 - Work with Town staff to prepare median and higher income housing strategy for rental and ownership*
 - Develop analysis for the conversion of existing housing inventory for workforce housing*
 - Explore mobile home rent stabilization programs, coordinate with Town staff on report of findings to Town Council
 -
4. Collaborate with the Town on priorities and steps necessary to implement approved strategies through defined funding options for prospective projects to increase the number of workforce units in the Town of Mammoth Lakes*

5. Collaborate with the Town as requested on the review of projects in relationship to the development of transit oriented development in meeting the needs of workforce housing*
- 6.
- 7.
- 8.
9. Additional tasks, projects, and deliverables may be mutually agreed upon by the Town and MLH fulfilling the overall scope of work provided in Attachment A.
10. MLH will provide the Town Council with at a quarterly update on their housing related work program and an annual financial and work program report for the previous fiscal year by the end of November of the following fiscal year

*Items relate directly to Town and NGO Strategic Plan

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EXHIBIT "C"
COMPENSATION

Section 1: Payments and Financial Accounting and Reporting

- (a) The Town shall pay to Mammoth Lakes Housing (MLH) the sum of \$27,500 per month beginning November 1, 2016, subject to change as provided in subsection (e) and Section 5 below.. Payment will be made by the 15th day of each month during the term of this agreement. Payments under this section are not to exceed \$330,000 per fiscal year.
- b) Accounting information on the use of the previous month's allocation will be provided to the Town for review through a monthly statement of activity. This will include at a minimum an overview of expenditures tied to the scope of work and specific deliverables by expenditure category (i.e. personnel, operations, contract services, capital etc.). The Town and MLH will develop a standard template for the statement of activity. Additional information will be provided as requested by the Town.
- (c) MLH may carry over not more than 15% of the actual fiscal year payment from one fiscal year to the next to assist in meeting cash flow needs of MLH. A carryover of any amount in excess of 15% from one fiscal year to the next requires Town approval prior to the end of the fiscal year and requires specific use of such funds to be defined and made a part of the deliverables provided for in this agreement. Any funds retained by the Town will be restricted for housing related purposes.
- (d) By December 15th of each year, MLH will provide to the Town an accounting of expenditures showing the use of Town provided funding for the previous fiscal year, July 1 to June 30.
- (e). Funding provided from grant funds for administration and program delivery will be accounted for through the use of a separate fund and accounts. To the extent that grant provided funding directly offsets the operational costs of MLH that would otherwise be funded as provided for in (a) above, the amount provided above will be adjusted accordingly through the monthly payment process.
- (f) Funds received from non-Town sources shall be identified and accounted for. Separation of source and use of funds are necessary to provide accounting of the use of restricted funds as being expended in accordance with restrictions placed on the funding such as state, federal or other grants, funding from other agencies and the Town.

Section 2: The Town may in its sole discretion provide additional funding to MLH in amounts approved by a resolution of the Town Council. The resolution will set forth the purpose of the funding, the source, any restrictions, and other matters relating thereto.

Section 3. Town funding provided for under this agreement is for Mammoth Lakes Housing, Inc. only and are not intended to be used on behalf of or to offset expenses incurred by Sierra

Housing Advocates LLC (SHA) or activities undertaken by MLH on behalf of SHA unless such use of Town funds are expressly approved by the Town Council.

Section 4. The Town has committed \$400,000 for the repayment of the CALHFA Help 2 Loan scheduled for repayment in September 2017. If the payment is less than \$400,000 any remaining funds will be reserved and held by the Town for housing purposes. The \$200,000 per fiscal year commitment made to fund this loan will continue to be allocated and held by the Town for housing related purposes.

Section 5. Ongoing funding is subject to Town Council appropriation and subject to available revenues. In the event that revenues are not available or not appropriated the Town shall no longer be obligated to make any payments to MLH.

Section 6. In the event MLH ceases to operate or exist, all unexpended Town funds held by MLH shall be returned to the Town.

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TOWN COUNCIL STAFF REPORT

Subject: Shady Rest Parcel Background Report

Meeting Date: October 19, 2016

Written by: Ruth Traxler, Associate Planner
Jennifer Halferty, Executive Director, Mammoth Lakes Housing

RECOMMENDATION:

Consider and discuss the questions provided at the conclusion of this report, related to the provision of affordable housing on the Shady Rest parcel.

BACKGROUND:

Property Description

The Shady Rest parcel is a 24.5 acre property located adjacent to the Town's Downtown zoning district and several residential zoning districts (Figure 1). The property is heavily forested and the overall terrain is relatively flat. There is a wetland on the northwest portion of the property. Vehicular access is available from Center Street, Shady Rest Road, and Chaparral Road and there is a designated pedestrian access easement providing connectivity to Manzanita Road. In addition, the site is commonly used by the residential areas to the south and west as a pedestrian cut-through to the surrounding commercial districts.

The Shady Rest parcel is governed by the Shady Rest Master Plan (Attachment 1), the Zoning Code (Attachment 2), and the General Plan (Attachment 3), each of which are discussed in this report. A summary of the property's history is provide below.

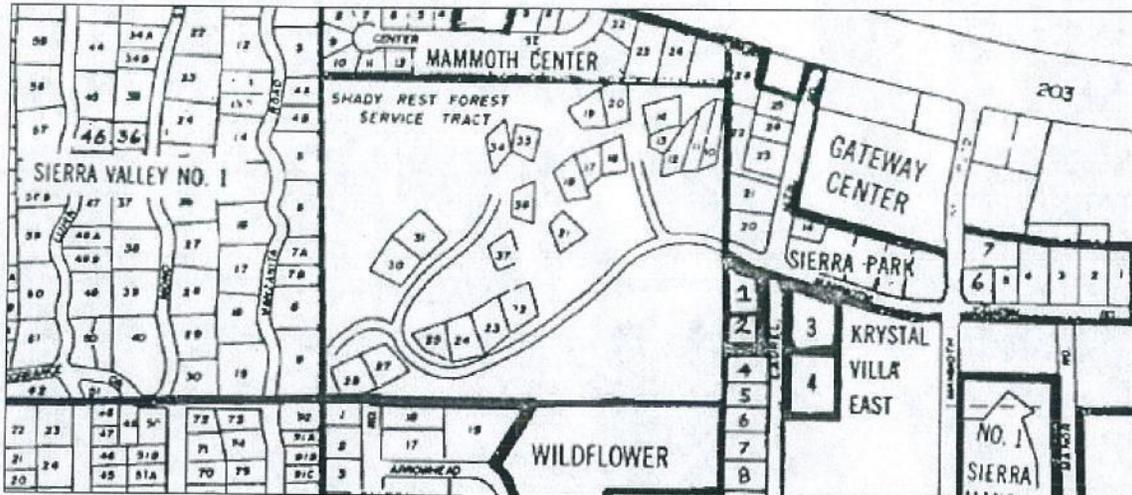
Figure 1. Shady Rest Parcel Aerial Map



Chronology

In the 1920s, the Shady Rest parcel was used as a site for summer cabins administered by the United States Forest Service. At that time the property was 30 acres in size and was called the Shady Rest Summer Home Tract. As the Town grew, the use of the summer cabins expanded to accommodate full time residency, which was (and still is today) an unpermitted use of Forest Service property.

Figure 2. Shady Rest Summer Home Tract



In the early 1980s, a development group known as the RTS Group initiated a series of land exchanges with the United States Forest Service for several parcels in the Mammoth Lakes area. These land exchanges included five of the 30 acres in the Shady Rest parcel as well as what later became the Gateway Specific Plan (Trails subdivision) area, located on the eastern perimeter of town along Meridian Boulevard. The five acres exchanged at Shady Rest are located on what is today known as Shady Rest Road and were subdivided into private lots. The cabins on the Shady Rest Summer Home Tract were either moved to or rebuilt on Shady Rest Road which created affordable housing by allowing for full time residency.

The exchange for the Gateway Specific Plan area was initiated pursuant to a Memorandum of Understanding (MOU) between the Forest Service, Mono County, and the Mammoth Unified School District, which stated that the lands would be used to help resolve the community's needs for public land uses including schools, affordable housing, and maintenance facilities. In 1981, Mono County adopted General Plan Amendment 81-2 which rezoned the Gateway Specific Plan area from Institutional Public and Protection zoning districts to Affordable Housing in an effort to expedite the land trade with the Forest Service under the conditions of the MOU. It was estimated that approximately 200 low income affordable housing units would be developed on this site.

In 1984, the Town of Mammoth Lakes was incorporated and the zoning districts as established by Mono County remained. However, in July 1986, prior to the completion of the Gateway exchange, the Town adopted the Gateway Specific Plan which changed the zoning from the previous County designation of Affordable Housing to Residential Low

Density. The basis for the decision to allow market rate housing was the incompatibility of high density residential uses with nearby public and industrial uses as well as visual impacts along Meridian Boulevard, an entrance corridor to the Town.

In reference to the loss of potential affordable housing in the Gateway Specific Plan area, the associated Environmental Impact Report incorporated the following mitigation measure:

“The developer shall be required to construct at some location up to 200 additional affordable housing units, as that term is defined in Section 19.39.020 of the Municipal Code in accordance with an approved phased development plan. These units shall be provided within three (3) years from the date of approval of the tentative map or prior to approval of the final for the final phase of the Gateway Subdivision. A time extension or modification of this requirement may be granted by the Town Council if unusual circumstances or unexpected conditions arise to justify such an extension or modification. This requirement is applicable depending on the availability of A-H Zoning or such other zoning regarding affordable housing as may be adopted from time to time by the Town Council.” (Site Specific Mitigation Measure #2, Gateway Specific Plan EIR)

The text of the EIR identified the Shady Rest parcel as an “ideal affordable housing site which could accommodate high density, low cost residential development without major infrastructure improvements. Capacity of the site is estimated at 300 housing units” (Gateway Specific Plan EIR, page 50).

In August 1986, the associated Trails Tentative Tract Map (TTM No. 36-161) for a 100-unit subdivision was also approved, with a similar condition to mitigate the loss of the originally proposed affordable housing units in the Gateway area: “If affordable housing units are not provided within the subdivision, the developer should be required to provide replacement housing at some other location (preferably the Shady Rest Tract).” The Gateway land exchange was completed soon after in 1987.

During this same time period, in 1987, the General Plan was adopted by the Town and the Shady Rest parcel was designated for High Density Residential uses (Figure 3). Shady Rest was identified as a target area for the development of primarily low and moderate-income affordable housing as well as for a commercial parking area (Attachment 3). With the adoption of the Town’s first Zoning Map in 1989, Shady Rest was zoned Affordable Housing (Figure 4).

Figure 3. General Plan Land Use Map (1987)

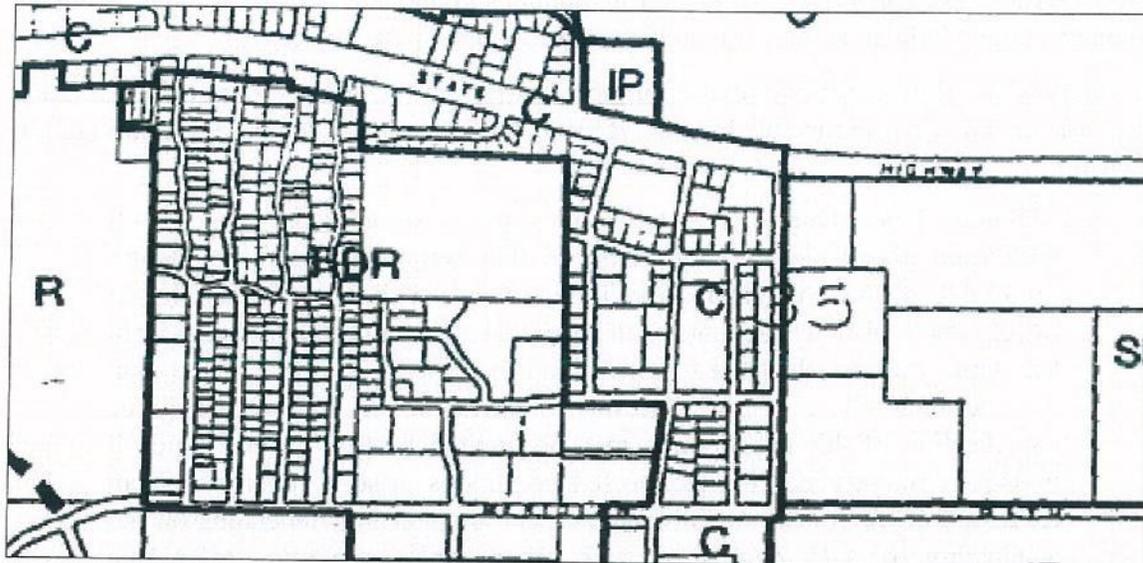
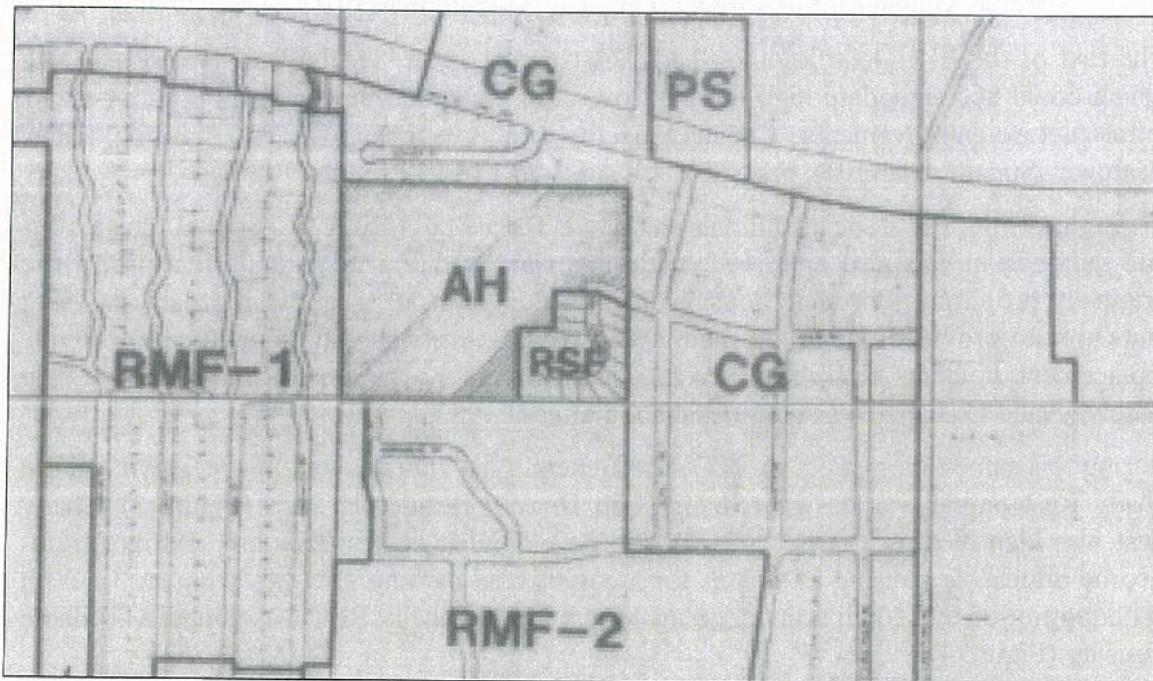


Figure 4. Zoning Map (1989)



In order to satisfy the requirement for 200 affordable housing units, the developer of the Trails subdivision filed a request for a land exchange which includes what is today the 24.5 acre Shady Rest parcel and initiated the required environmental analysis. In 1990 the Town Council adopted a Negative Declaration for up to 172 affordable housing units on the Shady Rest parcel. The Council also directed that a Master Plan for the site include rental units for low and very-low income households and open space and park area. The Master Plan for the Shady Rest parcel was approved by Town Council in 1991

(Attachment 1). The Master Plan set a maximum of 172 units with a mix of 120 low and very low-income and 52 moderate-income units.

The following year, the Council determined that Site Specific Mitigation Measure #2 of the Gateway Specific Plan and the condition of the Trails Tentative Tract Map, that required the “construction . . . of up to 200 affordable housing units” had been met through the adoption of the Shady Rest Master Plan. Council did not require that the housing units be built.

In 1996 a citizens’ initiative, “Heart of Mammoth,” was filed in response to the progress being made on the development of affordable housing on the Shady Rest parcel. The initiative (96-C), proposed to rezone the site from Affordable Housing to a Special Conservation Planning Area, requiring reduced acreage for affordable housing. Proponents of the initiative cited quality of life and an existing adequate supply of affordable housing as reasons to rezone the property. The initiative appeared on a special election ballot on November 5, 1996 and was opposed by a majority of the voters.

The land exchange with the United States Forest Service for the remaining 24.5 acres of the Shady Rest property was completed in 2002. Since that time, several development proposals for modifications to the Shady Rest Master Plan, Affordable Housing Overlay Zone, and General Plan to allow a more diverse mix of housing types and affordability levels have been reviewed on a conceptual level, but no formal applications have been pursued.

In 2007, an updated General Plan was adopted, which includes specific characteristics for the Shady Rest parcel (Attachment 3). In the General Plan, the property was designated High-Density Residential 1 which allows for up to 12 units per acre. The General Plan identified the property for primarily workforce housing. In 2010, the Downtown Concept for Main Street (Downtown Neighborhood District Plan) was accepted by Council in 2010 (Attachment 4). This District Plan identified Shady Rest as a livable workforce neighborhood with a mix of housing types and affordability levels that includes both market rate and below-market rate units. The conceptual plan showed a density of 235 units (172 units + 35% State Density Bonus).

Most recently, in 2015, the Housing Ordinance was updated to no longer prohibit off-site affordable housing mitigation on Shady Rest parcel (Ordinance 15-03). However, because inclusionary housing mitigation is no longer required, the property is unlikely to be used for off-site mitigation, though required housing mitigation fees could be used towards a project at Shady Rest.

DISCUSSION:

The Shady Rest parcel today remains designated High-Density Residential 1 (HDR-1) in the General Plan and Residential Multi-Family 1 (RMF-1) with an Affordable Housing (AH) Overlay Zone in the Zoning Code. The Shady Rest Master Plan limits the site density to 172 units plus density bonuses allowed pursuant to State law and Town provisions. The details of each of these governing documents are provided below. In

addition, descriptions of the ways in which the Housing Element and the Downtown Neighborhood District Plan relate to the Shady Rest parcel have been included.

General Plan

The General Plan establishes the priorities that define the community and guidelines for the future. It was originally adopted in 1997 and most recently amended in 2015. The General Plan addresses the Shady Rest parcel in the Neighborhood and District Character Element and the Land Use Element (Attachment 3). The Housing Element is discussed separately, below.

The Neighborhood and District Character Element describes the characteristics of specific neighborhoods and commercial areas. Desired characteristics and objectives of the Shady Rest parcel are as follows:

1. A livable in-town neighborhood for the workforce:
 - a. Not fractional, not second homes
 - b. Mechanisms to ensure units remain at determined rates in perpetuity
 - c. Variety of unit size and scale
2. Preservation and restoration of unique site features, including wetlands
3. A community-oriented design:
 - a. Neighborhood context and connections:
 - i. Pedestrian and auto connections to adjoining areas and neighborhoods (e.g. Sierra Valley District, Tavern Road, Main Street, and Center Street)
 - ii. Traffic calming and management with adjoining neighborhoods
 - iii. Trail and pedestrian emphasis
 - iv. Transit accessible
 - b. Integrated site planning and architectural design:
 - i. Accessible wetlands and community park(s)
 - ii. Significant tree preservation
 - iii. Unobtrusive, articulated buildings
 - iv. Minimum paving, maximum permeable surface
 - v. High quality materials
 - vi. Parking
 - vii. Energy efficient design
 - viii. Innovative snow management
4. A future catalyst to surrounding commercial areas
5. Developed in phases:
 - a. High quality of living throughout (no disparity, grouping or phasing by income)
 - b. Reasonable product absorption rate
6. Long-term affordability:
 - a. Durability of materials and design
 - b. Designed for low operating and maintenance costs and energy efficiency
 - c. Transit accessibility
7. Provision of key resident amenities such as:
 - a. Child care

b. Active and passive recreation

In the Land Use Element, the Shady Rest parcel is designated High-Density Residential 1 (HDR-1). This designation allows for multi-unit residential development, up to a maximum of 12 units per acre. The Land Use Element states that the “Shady Rest Tract is intended primarily for workforce housing.” Under the General Plan, a total of approximately 294 housing units, plus potential density bonuses through the Town’s density bonus program and the State Density Bonus Law could be permitted.

Housing Element

The State of California requires each city and county to adopt a Housing Element as a part of their General Plan and that each Housing Element must be updated on a regular basis, either a four and a half or eight year cycle, depending on coordination with regional transportation planning. Housing Element compliance is a requirement for state and federal affordable housing capital. Should the Town not have a certified Housing Element, it would be ineligible for HOME, CDBG, and other commonly used funds.

Housing Element law mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community within each element cycle. Each jurisdiction is given a number of housing units to be provided during the planning cycle, broken down by incomes. This is called the Regional Housing Need Allocation (RHNA) process. The State Housing and Community Development department is required to determine the RHNA. The RHNA is based on Department of Finance population projections and regional population forecasts.

The Town of Mammoth Lakes’ current Housing Element has a RHNA of 74 units that it must demonstrate it has the ability to accommodate. Below, Table 1 (Table 4-45 of the Housing Element) indicates the sites which may accommodate the Town’s current RHNA, including a limited number of the housing units described in the Shady Rest Master Plan. Since the Town’s last Housing Element update, one of the projects listed in the table below (Old Mammoth Place) has been approved to pay the required housing mitigation fee and will not be providing the units as shown.

As a result of the changes to the Town’s Housing Ordinance in 2015, inclusionary housing mitigation for new development is no longer required. It is unlikely that as previously projected, that Shady Rest will be used for off-site housing mitigation. However, required housing mitigation fees collected by the Town could be used towards a project at Shady Rest. Shady Rest has historically played a key role in meeting the RHNA.

The present Housing Element addresses the current and projected need over a four and a half year time-frame (2014 – 2019) based on the Department of Finance’s population projections. In 2011, Mammoth Lakes Housing (MLH) procured a housing needs assessment from RRC Associates. RRC Associates collected local data through five surveys in addition to secondary sources such as the U.S. Census. The outcome of that needs assessment indicate that in 2015 Mammoth Lakes had a housing shortage of 216 to 329 homes, depending on the rate of job growth.

Table 1. Housing Element Table 4-45

Table 4-45 Housing Sites Subject to Approved Permits, Plans, or Affordable Housing Overlay Zoning

Site or Project Name	Site Size (Acres)	APN	Zoning	General Plan	Permitted Density (DU/Acre)	Maximum Unit Potential	Estimated Actual Production of Housing Units
1. Holiday Haus	1.55	33-10-017, 33-110-01	Mixed Lodging/ Residential (MLR)	C-1	12 Units/ 80 Rooms*	18.6 Units or 124 Hotel Rooms	14 Units
2. Shady Rest Master Plan	25.00	35-010-20	RMF-1 (AH)	HDR-1	12 Units	172 Units	60 Units
3. Clearwater Specific Plan/Old Mammoth Place	6.09	35-230-06	Clearwater Specific Plan (CSP)	CSP	12 Units/ 80 rooms*	73 Units or 488 Hotel Rooms	8 Units
4. MMSA Arrowhead Road	1.24	35-16-083	RMF-2	HDR-2	12 Units	15 Units	15 Units
5. Lodestar Housing Site	3.6	33-33-062	R	R	8 Units	30 Units	30 Units
6. Snowcreek Master Plan	143	40-07-011	R	R	8 Units	790 Units and 200 Hotel Rooms	47 Units
7. Ettinger, 2144 Old Mammoth Road	1.09	22-242-14	RMF-1	HDR-1	12 Units	12 Units	10 Units
8. Tihana Townhomes, 48 Lupin Street	0.53	33-122-08	RMF-1	HDR-1	12 Units	9 Units**	9 Units
9. Saraf, 41 Manzanita Road	0.49	33-125-01	RMF-1	HDR-1	12 Units	6 Units	4 Units***
10. Hill Duplex, 200 Lupin Street	0.23	33-143-014	RMF-1	HDR-1	12 Units	2 Units	2 Units
11. Large Vacant/Underutilized RMF Sites (See Table 4-47 for detail)	5.83	Various (see Table 4-47)	RMF-1	HDR-1	12 Units	70 Units	48 Units
Total						247 Units	

* The Town specifies permitted density for hotels and lodging uses in terms of rooms per acre.

** Nine units permitted by use permit, based on Zoning Code Update allowing one-bedroom units up to 850 sf to equal one half unit of density.

*** Two units exist on this site, for a net addition of four units.

Source: Town of Mammoth Lakes Community and Economic Development Department, 2014

Zoning Code

The Town's Zoning Code is the tool used to implement the General Plan and is amended on a regular and as-needed basis. The Shady Rest parcel is zoned Residential Multi-Family (RMF-1) 1 with an Affordable Housing (AH) Overlay Zone (Attachment 2). Permitted uses in the AH Overlay Zone are single and multi-family residential units for very low, low, and moderate income households. This does not include the Town's defined "workforce housing" category, which allows for a higher affordability and income level. Accessory and temporary uses incidental to permitted uses are also allowed. The underlying density allowed by the Zoning Code is 12 units per acre, for a total of approximately 294 units, plus potential density bonuses through the Town's density bonus program and the State Density Bonus Law.

Pursuant to State Density Bonus Law, a density bonus of 20-35% shall be approved according to the percentage of units that are restricted to very low, low, and moderate-income households. Very low-income households are defined by the State of California as 0-30% of area median income, low-income households are 30-80% of area median income, and moderate-income households are defined as 80-120% of area median income (California Health and Safety Code).

The Zoning Code also includes a density bonus provision which allows for greater or lesser density bonuses of up to twice the density of the permitted density, pursuant to General Plan Policy L.2.D. The density increase amount is not specified, but is instead dependent on the qualifications of a specific project.

Shady Rest Master Plan

The Shady Rest Master Plan was approved by Town Council in 1991 and sets a maximum of 172 units with a mix of 120 very low and low-income apartments and 52 moderate-income housing units on the property. In Mono County, those household incomes range from \$20,050 to \$97,450 for a family of three. The Master Plan recommends that at least a third of the units be very low income, a third low income and the rest moderate income units. The State Density Bonus Law and the Town's density bonus provisions may be approved subject to the affordability levels and qualifications of the project, as described previously.

The Master Plan also calls for any project to include an open space/park area of approximately six acres to be dedicated to the Town. One of the conditions of approval allows for reductions in applicable development standards and public works requirements to be considered by the Town if construction savings could be demonstrated as being passed onto the project residents.

Downtown Neighborhood District Plan

District planning was initiated by the adoption of the updated General Plan in 2007 in order to implement planning of neighborhoods and districts and to provide for additional analysis of a specific geographic area. The district planning process recognizes that many areas of the community have special considerations or conditions for which more focused, community-driven planning should be undertaken. District Planning allows for the desired form, function, and character of an area to be defined, setting the stage for future Town actions, such as revised development standards, development of new facilities or improvements, and consideration of development proposals that may come forward.

The Downtown Neighborhood District Plan (DNNDP) was accepted by Town Council in 2010. The goal of the DNNDP was to develop directed and strategic planning and policy recommendations for the Downtown area, which included Main Street, North Old Mammoth Road, and the Shady Rest parcel.

The DNNDP identified Shady Rest as a livable workforce neighborhood, convenient to amenities, services, and transit. The Plan envisioned development on the property as a mix of housing types, including small lot single-family homes to townhomes and apartments. A range of affordability levels were proposed that included both market rate and below-market rate units. The preferred concept also identified community facilities, and one or more neighborhood parks to serve local residents and provide a buffer between adjacent neighborhoods. The development concept (Figure 6) shows a density of 235 units (172 units + 35% State Density Bonus).

FINANCIAL CONSIDERATIONS:

Staff time on this report is supported by the General Fund. Any development applications submitted for Shady Rest and associated staff time would be paid for by the property owner or applicable developer.

ENVIRONMENTAL CONSIDERATIONS:

CEQA analysis for any development applications will be reviewed.

LEGAL CONSIDERATIONS:

Government Code Section 65863, or the “no net loss rule,” has been discussed in the context of the Shady Rest parcel. Government Code Section 65863 requires that Town “shall ensure that it can accommodate its share of the regional housing need pursuant to Section 65584 [Regional Housing Needs Allocation as provided for by the State], throughout the planning period.” The current “planning period” for this Housing Element is 2014 – 2019 and the Regional Housing Needs Allocation is 74 units, as shown in Table 2. The estimated production of housing units at Shady Rest in the Housing Element is 60 units (with a maximum unit potential of 172). Any development application for the Shady Rest parcel will be evaluated for its impact on the Town’s capacity to meet the Regional Housing Needs Allocation.

Table 2. Housing Element Table 4-44

Table 4-44 Regional Housing Need Allocation (RHNA) Plan (January 2014 - June 2019)

<i>Jurisdiction</i>	<i>Extremely Low</i>	<i>Very Low</i>	<i>Low</i>	<i>Moderate</i>	<i>Above-Moderate</i>	<i>Total</i>
Mammoth Lakes	8	9	12	14	31	74
<i>Percentage of Total</i>	<i>10.8%</i>	<i>12.2%</i>	<i>16.2%</i>	<i>18.9%</i>	<i>41.9%</i>	<i>100%</i>
Unincorporated Mono County	5	6	7	9	19	46
<i>Percentage of Total</i>	<i>10.9%</i>	<i>13.0%</i>	<i>15.2%</i>	<i>19.6%</i>	<i>41.3%</i>	<i>100%</i>
Total	13	15	19	23	50	120

Source: Regional Housing Needs Allocation Plan (Jan. 1, 2014 - June 30, 2019)

RECOMMENDATION:

Staff recommends that the Town Council review the staff report and discuss and provide direction on the following questions related to Shady Rest:

- 1) Does the Town Council see a need for additional affordable housing?
- 2) Is the Town Council committed to the provision of affordable housing on the Shady Rest parcel?

If so, the following questions address the provision of affordable housing as required by the Zoning Code and the General Plan.

- a) Is there a commitment to the requirements of the Affordable Housing Overlay Zone as described in the Zoning Code?

The Shady Rest parcel is the only property in town designated with an Affordable Housing (AH) Overlay Zone. Permitted uses in the AH Overlay Zone are single and multi-family residential units for very low (0-30% median income), low (30-80% median income), and moderate income (80-120% median income) households. This does not include the Town's defined "workforce housing" category, which allows for a higher affordability and income level (120% and higher median incomes). Accessory and temporary uses incidental to permitted uses are also allowed. The underlying density allowed by the Zoning Code is 12 units per acre, for a total of approximately 294 units, plus potential density bonuses through the Town's density bonus program and the State Density Bonus Law.

- b) Is there commitment to the description of the Shady Rest parcel in the General Plan?

The General Plan characterizes the Shady Rest site as "a livable in-town neighborhood for the workforce" which requires the housing units remain at determined rates in perpetuity. The site is designated High-Density Residential I which allows for up to 12 units per acre, consistent with the Zoning Code. The General Plan also identifies the site for affordable and workforce housing. A total of approximately 294 affordable and workforce housing units, plus potential density bonuses through the Town's density bonus program and the State Density Bonus Law could be permitted.

- 3) To address community housing needs, would the Town Council consider alternative development proposals for the Shady Rest parcel, which may require amendments to the Shady Rest Master Plan, the Zoning Code, and/or the General Plan?

For example, a new or amended Master Plan would be required if any development other than up to 172 units of affordable housing units (plus applicable density bonuses) were proposed, including 120 low and very low (0-80% median income) units and 52 moderate income (80-120% median income) units.

An amendment to the Zoning Code would be required if any development other than very low, low, or moderate income housing units and uses accessory to this housing were developed.

An amendment to the General Plan would be required if the site would not be developed primarily with workforce housing or the proposed development would not conform to the Shady Rest neighborhood characteristics. Additionally, an amendment may be required if the development included fractional or second homes or did not include mechanisms to ensure units remained at determined rates in perpetuity. Transient rentals are prohibited.

Attachments:

Attachment 1: Shady Rest Master Plan

Attachment 2: Zoning Code, Section 17.32.020, Affordable Housing Overlay Zone

Attachment 3: General Plan, excerpts from the Neighborhood and District Character and Land Use Elements

Attachment 4: Housing Element (available online at: <http://www.ci.mammoth-lakes.ca.us/index.aspx?nid=636>)

Attachment 5: Downtown Neighborhood District Plan (available online at: <http://www.ci.mammoth-lakes.ca.us/index.aspx?NID=133>)

ATTACHMENT 1

Shady Rest Master Plan

Agenda Item 1
01/16/91
File No. 450-20
(420-30)

AGENDA BILL

Subject: District Zoning Amendment 90-5
Initiated by: Randy Mellinger, Planning Director *Jm*

BACKGROUND:

On October 3, 1990, the Town Council adopted a Negative Declaration for up to 172 units in the 25 acre Shady Rest Tract which is zoned RMF-1 (AH - Affordable Housing). The Council also directed that the Master Development Plan include rental units for low and very low income households and open space and park area.

In August, 1986, the Town Council approved the Trails subdivision and required the developer (Bob Tanner) to construct up to 200 affordable units at another location. Since the Shady Rest Tract is designated in the General Plan for up to 300 affordable housing units, the proponent submitted proposals on this site to the Planning Commission.

In May, 1990, the Planning Commission reviewed a proposal for 208 units including 72 apartment units, 72 townhouses, 64 single family residences and a 1.5 acre park site. The Planning Commission heard substantial testimony in opposition to this proposal and also determined that an Environmental Impact Report was necessary.

In August, 1990, a new proposal for 86 single family residences (duplex units) was reviewed by the Planning Commission with no park area. Again, substantial opposition from neighbors was expressed. This proposal was forwarded to the Town Council with no recommendation and direction to staff was given October 3.

Applicable General Plan Policies

A. Housing Element, P. 153 of the General Plan:

"The Town shall approve and encourage the development of affordable housing in the Shady Rest Tract, by designation of the site for affordable housing and shall assist in the upgrading of a mobile home park in Old Mammoth District."

"The Town shall encourage affordable housing development through incentives in the Town Development Code, such as density bonuses, waiver or reduction in community review fees, etc."

Housing Element, P. 154 of the General Plan:

"The Town may promote affordable housing by actively seeking the following:

- issuance of municipal bonds for the financing of affordable rental and owner occupied housing.
- Providing affordable housing sites by encouragement of the designation of affordable housing areas within land exchange areas, and through write-downs and cash donations.
- Aggressive use of appropriate available housing programs and financing offered by State, Federal and private groups (see Discussion in Implementation Section)."

B. Housing Element Text Exerpts:

Page 141 of the General Plan:

"The short supply of affordable land to develop housing is currently being addressed through a land exchange with the Federal Government. An exchange property is being considered for affordable housing purposes. Figure 44 presents a specifically planned location for affordable residential units in Mammoth Lakes. The Shady Rest area is designated an affordable housing site in Mammoth Lakes. Approximately 300 affordable rental units are planned for the Shady Rest site."

Figure 44 (attached) also designates the Shady Rest Tract for 200 affordable units.

Applicable Zoning Standards

The Shady Rest Tract is zoned Residential Multifamily (RMF-1) with an Affordable Housing (AH) Overlay. The RMF-1 Zone allows up to 36 sleeping areas per acre and the General Plan allows up to 12 units per acre.

The 172 maximum units can be easily accommodated on the 25 acre parcel.

The AH Overlay Zone is intended to promote the development of affordable housing with performance and development standards designed "to make the provision of affordable housing more attractive to private developers while retaining good design and compatibility with adjacent land uses (Section 17.28.390 of Title 17).

The zone allows single family units, apartments, condominiums, townhouses, cluster housing all developed and intended to be purchased or rented by households in the very low, low and moderate income categories (Section 17.28.400).

In addition, the Town Council can waive or reduce Town fees imposed on a development project based upon evidence supplied by the proponent that the savings from such waivers will be passed onto future residents (Section 17.28.410-E).

If this Master Plan is approved, the proponent will return with a detailed development plan including site information, circulation, grading, elevations of structures, provisions for common maintenance.

provisions for continued affordability, infrastructure requirements and subdivision maps, if required (Section 17.28.440).

DISCUSSION:

Alternative Projects

Staff has developed three master plan alternatives:

Alternative "A" (See attached graphic)

This includes up to 55 single family residential units in a zero lot line configuration to provide substantial unit separation. Up to 117 multifamily units are also included with an open space/park area of approximately 6 acres.

The 55 SFR units will be limited to moderate income households only with restrictions on resale to ensure continued occupancy by moderate or lower income households. No rental of these units is proposed.

The 117 units will be apartments. These could be 100% low and very low income occupancies or there can be a mix of moderate, low and very low income households. The circulation plan is conceptual only.

Advantages of Alternative "A"

This project would be the most viable of the three alternatives for private development since economic return from the 55 "for sale" units would expedite the development. The development could be privatized further if the rental units were occupied by a percentage of moderate income households, i.e. 39 moderate, 39 low and 39 very low; instead of 100% lower income.

The single family units provide compatibility with the Shady Rest Road residents and the park site is located in the drainage area where residential development would be more costly. The 6 acre park meets the neighborhood park standard in the General Plan and would serve the subject project, residents in the Chaparral/Arrowhead area to the south, Shady Rest Road residents, Sierra Valley Sites residents and pedestrian visitors from the Main Street commercial area in the summer.

Disadvantages to Alternative "A"

This alternative would not provide as many low and very low income household rental opportunities.

Alternative "B" (See attached graphic)

This alternative has the same 6 acre park as Alternative "A" but has more rental units (up to 142) and fewer single family units (up to 30). Again, the circulation plan is conceptual and will be more precise in the development plan.

Advantages to Alternative "B"

The 30 single family residences provide compatibility with the Shady Rest Road residences. The increased number of rental units would provide more potential for low and very low income units.

The park advantages are the same as Alternative "A".

Disadvantages to Alternative "B"

The fewer "for sale" units may reduce the economic ability to provide affordable units as a primarily private development. While the project may be viable, the development may take longer due to a likelihood of more public financing.

Alternative "C" (See attached graphic)

Alternative "C" consists of up to 172 apartment units, the same 6 acre park as in the two other plans in the northwest portion of the property, and another 6+ acres of open space between the proposed apartments and properties to the south and southeast.

Advantages to Alternative "C"

This alternative provides the greatest potential for lower income units and includes nearly half the site in open space and parkland. Tree preservation is substantial with this alternative.

Disadvantages to Alternative "C"

The economic viability will likely depend heavily upon public financing. The alternative does not include median income ownership potential.

ANALYSIS:

All three alternatives meet General Plan objectives for this site. The recommended development standards and AH zoning allow the proponent to request public assistance once the detailed development plan is presented.

Financing

Financing the project will likely be a function of both private and public investment. Fee waivers, Community Development Block Grants, State or Town supported bond financing, and other assistance programs are potential public resources.

When the development plan is reviewed, the pro forms can be formulated and the amount and type of public assistance can be determined by the Town Council. It is likely that Alternative "A" will require less public involvement and "C" the most involvement.

Unit Mix

Another consideration is the breakdown of the apartment units. Nathan Jones of Laurin Associates indicated that approximately 50 lower income rental units would be a significant project for a town of our size.

A mix of one-third moderate, one-third low, and one-third very low income units would result in the following number of lower income units:

<u>Alternative</u>	<u>Lower Income Unit Potential</u>
A	78
B	95
C	115

Of course, 100% of the rental units could be lower income. If developed and operated by the Town, this may require a referendum as required by the State Constitution.

Furthermore, it is typical that only a percentage of units be reserved for lower income units so the project can be financially viable for private sector operation. For example, the City of Palm Springs allows a 25% density bonus in return for 20% of the units being reserved for lower income households (see attached memo from Karen Johnston to Glenn Thompson dated September 24, 1990).

Mitigation for the Trails Subdivision

As indicated in the "Background" section of this report, the proponent of the Trails, Bob Tanner, is obligated to build up to 200 affordable units prior to the Final Map approval of Tract Map No. 36-161.

Provided that mitigation is not waived and Mr. Tanner proceeds with the land exchange with the Forest Service, implementation by Mr. Tanner of any of these alternatives, if approved, would appear to meet the mitigation measure. For information purposes, a letter from the Forest Service dated May 9, 1990, is attached.

Environmental Review

On October 3, 1990, the Town Council adopted a Negative Declaration for up to 172 units and an open space/park area.

Options Analysis

1. Any of the three alternatives can be selected.
2. Another alternative can be selected with a specific mix related to income levels or 100% lower income rental units.

FINANCIAL CONSIDERATIONS:

As indicated earlier, Alternative "A" would likely result in the least amount of public financial participation with "B" likely to be greater and "C" likely to be the greatest.

LEGAL CONSIDERATIONS:

A 100% lower income project sponsored, developed and/or operated by the Town may require a referendum as required by the State Constitution.

RECOMMENDATION(S):

Therefore, it is recommended that the Town Council:

- 1) Approve Alternative "A" based upon the potential for meeting a variety of affordable housing needs; compliance with General Plan and AH Zoning objectives; and, the likelihood of the least amount of public participation in financing the project.
- 2) The following development standards shall apply:
 - A. Open space areas shall be dedicated to the Town.
 - B. All provisions and requirements of the AH Zone shall be met in the submittal of a development plan to implement Alternative "A".
 - C. The circulation plan and land use boundaries may be adjusted provided a minimum of 6 acres are designated for park and open space purposes and that the number of lower income apartment units shall be at least 78. Adjustments may be made for drainage, tree preservation, buffering or other purpose deemed necessary by the Planning Commission to meet the objectives of this project.
 - D. For the single family residences, each lot may have construction to one side line (zero lot line), provided that the structure on the adjoining lot on that side is also built to the property line and that the side yard setback on the opposite side is at least 15 feet.
 - E. The architectural quality of all structures shall meet or exceed that of the attached exhibits marked: "Proponent's Previous Submittal".
 - F. All conditions of the Water and Fire Districts and the California Department of Forestry shall be incorporated into the development project.
 - G. Prior to application for approval of a tentative map in accordance with this master plan, an instrument shall be recorded with the County of Mono establishing a deed

restriction limiting sale and resale of the single family residences to a level of affordable to persons in the median income category of Mono County.

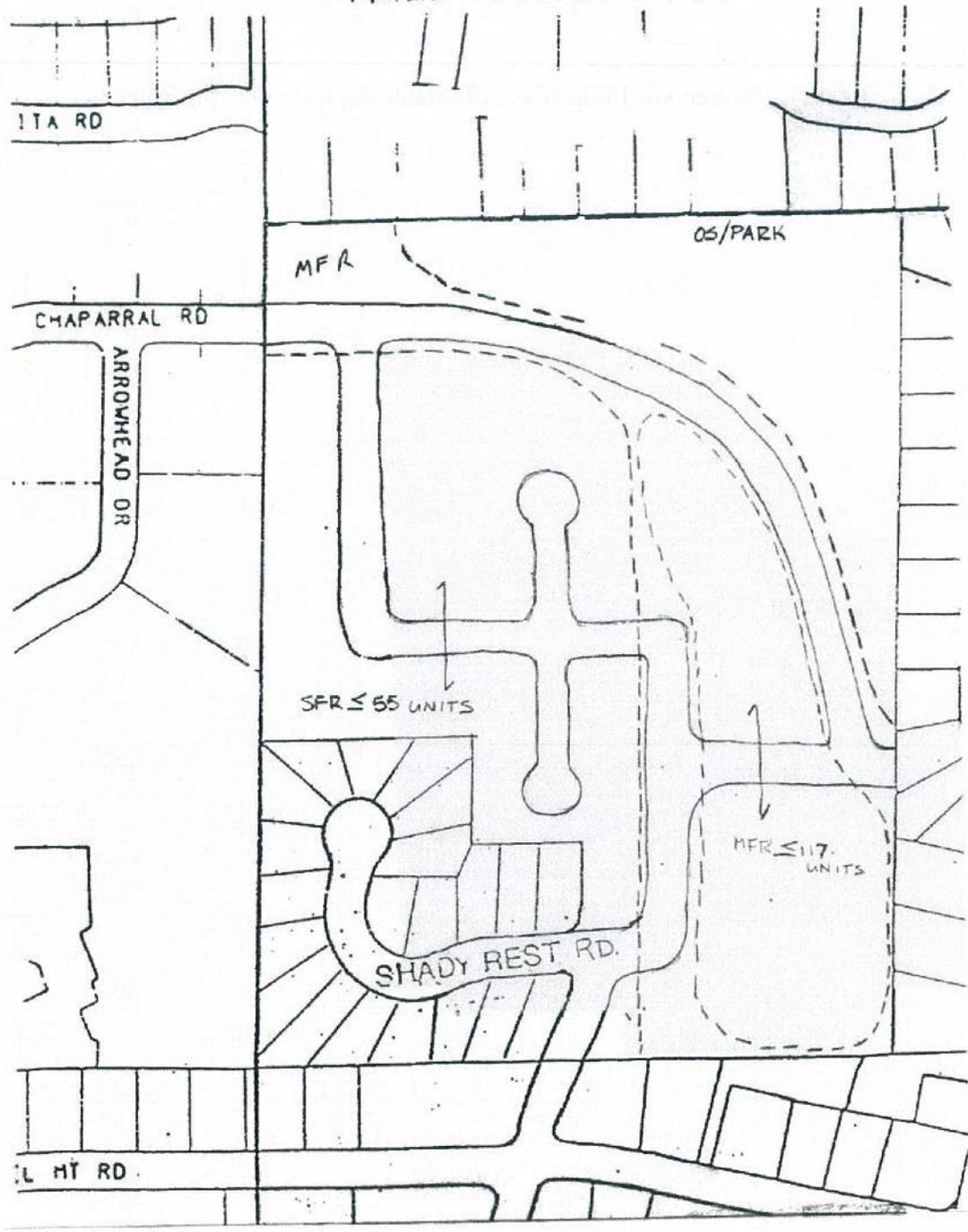
- H. The apartment units shall have at least one-third of the units occupied by low income households, at least one-third occupied by very low income households and the remaining units occupied by moderate income households. Pursuant to Section 17.28.440-D of the Zoning Code, provisions shall be made for compliance with this standard.
- I. Reductions from RMF standards, parking standards and public works requirements may be considered if construction savings can be demonstrated as being passed onto the project residents.

ATTACHMENT(S)

- 1. Alternatives A, B and C
- 2. Memo concerning Palm Springs Affordable Housing
- 3. Proponents previous submittal
- 4. 1990 Income Limits (HCD)

APPROVED ON: 1-16-91 BY
MAMMOTH LAKES TOWN COUNCIL
Alt. A + development stnds
Pam Kraft
TOWN CLERK

ALTERNATIVE "A"



ATTACHMENT 2

Zoning Code, Section 17.32.020, Affordable Housing Overlay Zone



Chapter 17.32 Special Purpose Zoning Districts

17.32.010	General Provisions
17.32.020	Affordable Housing Overlay Zone (AH)
17.32.030	Equestrian Overlay Zone (E)
17.32.040	Open Space/Stream Corridor Overlay Zone (OSSC)
17.32.050	Snow Deposition Design Overlay Zone (SDD)
17.32.060	Airport Zone (A)
17.32.070	Mobile Home Park Zone (MHP)
17.32.080	Open Space Zone (OS)
17.32.090	Planned Residential Development Zone (PRD)
17.32.100	Public and Quasi Public Zone (P-QP)
17.32.110	Resort Zone (R)

17.32.010 General Provisions

In addition to the purposes outlined in Section 17.04.020, the following special purpose zones are established because of the special or unique land use character characteristics with which they are associated and because of the need to implement specific sections of the General Plan.

A. **Overlay Zones.** The special purpose overlay zones are as follows:

1. Affordable Housing Overlay Zone (AH)
2. Equestrian Overlay Zone (E)
3. Open Space/Stream Corridor Protection Overlay Zone (OSSC)
4. Snow Deposition Design Overlay Zone (SDD)

B. **Special Purpose Zones.** The special purpose zones are as follows:

1. Airport Zone (A)
2. Mobile Home Park Zone (MHP)
3. Open Space Zone (OS)
4. Planned Residential Development Zone (PRD)
5. Public and Quasi-Public Zone (P-QP)
6. Resort Zone (R)

17.32.020 Affordable Housing Overlay Zone

A. **Purpose.** In addition to the purposes outlined in Section 17.04.020, the Affordable Housing Overlay Zone is intended to promote the development and provision of affordable housing within the community and thereby implement the policies of the Housing Element of the General Plan.

Standards of development and performance shall be designed to make the provisions of affordable housing more attractive to private developers while retaining good design and compatibility with adjacent land uses.

B. Uses permitted.

1. Single-family and multi-family residential development developed and intended to be purchased or rented based on criteria and formulas established by the state Department of Housing and Community Development for very low, other low and moderate income household categories;
2. Accessory uses and structures incidental to permitted uses;
3. Temporary uses as prescribed in Chapter 17.56; and
4. Model homes or units and subdivision sales offices subject to the granting of a use permit.

C. Permits required. A development for property with an Affordable Housing overlay requires filing of a Master Plan in order to establish the zone and development standards.

D. Property development standards. The following development standards shall apply to an affordable housing project:

1. The maximum number of dwelling units permitted in an affordable housing project shall be that designated for the zone in which the project is located and as modified by the density adjustment provisions of Section 17.20.030;
2. Requirements calling for the provision of covered off-street parking spaces for residential units shall not be applied to affordable housing projects;
3. Infrastructure facilities normally required for residential development may be modified by the Commission for affordable housing projects if deemed necessary to ensure affordability of dwelling units. Examples of the modified facility requirements could include the use of private streets at reduced construction standards, and waiver of any required off-site improvements;
4. There shall be no minimum area requirement for individual lots or individual dwelling units in an affordable housing project; and
5. If deemed appropriate by the Council, any or all fees normally imposed by the Town on development projects may be waived or reduced. Included in this fee category are such fees as zoning or subdivision fees, plan check and building permit fees, major thoroughfare fees and master plan fees. Waiver of such fees shall be based upon the project proponent supplying the Council with evidence and assurances that savings realized from such waivers will be passed on to the future residents by way of reduced rent or purchase price for units.

- E. **Performance standards.** For affordable housing projects, performance standards shall be as specified in the Master Plan and shall be incorporated into the conditions of approval of the project.
- F. **Pre-application procedure.** Prior to submitting an application for an affordable housing project, the applicant or prospective developer should hold preliminary consultations with the Director to obtain information and guidance before entering into binding commitments incurring substantial expense in the preparation of plans, surveys and other data. Such preliminary consultations should be relative to a Master Plan which outlines the concept and characteristics of the project.
- G. **Application.** In addition to the information and materials required by Chapter 17.120 (Master Plans), the following shall also be required:
1. The boundaries of the subject property indicating the land area and sufficient contour information to clearly indicate the topography of the property and any significant features;
 2. The approximate location of each existing and each proposed structure in the development area, the use or uses of the structures, the number of stories, the gross building and floor areas, and approximate location of all entrances;
 3. All streets, driving lanes, parking areas, loading areas, public transportation points, and illumination facilities for the same;
 4. All pedestrian walks, malls, fences and open areas for the use of the public;
 5. Types of surfacing, such as paving, turfing, or gravel to be used at the various locations;
 6. A preliminary grading plan of the area;
 7. A preliminary landscaping plan of the project area;
 8. Plans and elevations of buildings, structures and signs indicating the architectural style, colors, construction standards and lighting;
 9. The proposed means for assuring continuing existence, maintenance and operation of the various common elements and facilities. If a community association or similar governing structure is to be established, a copy of the covenants, conditions and restrictions (CC&Rs) shall be made a part of the record;
 10. A preliminary or draft contract to be executed between the Town and the applicant/developer, or such other document approved as to form by the Town Attorney, which contractor or document outlines the sales and rental prices for the various types of units to be established, provisions for the sale, resale, renting and restrictions that will be applicable to the project and which ensure the continued availability of units for purchase or occupancy by households of very low, other low and moderate incomes;

11. A preliminary report and overall plan describing proposed provisions for storm drainage, sewage disposal, water supply and such other public improvements and utilities as the town engineer may require; and
 12. Such other information as may be required by the Director to permit a complete analysis and appraisal of the project.
- H. **Adoption of Master Plan.** The Master Plan and accompanying maps, contracts and other documentation submitted with the application for an affordable housing project shall be approved and adopted in accordance with the provisions of Chapter 17.120 (Master Plans) and shall be subject to such conditions, requirements and stipulations as are deemed appropriate and necessary to ensure compliance with the purposes of the Housing Ordinance and the Housing Element of the General Plan.

17.32.030 Equestrian Overlay Zone (E)

- A. **Purpose.** In addition to the purposes outlined in Section 17.04.020, the Equestrian Overlay Zone is intended to provide areas where the keeping of horses or pack stock is permitted subject to various standards of operation and maintenance which are designed to minimize the impacts of animals on adjacent properties and uses.
- B. **Permitted uses.** The Equestrian Overlay Zone shall permit the keeping of horses or pack stock only as a use accessory or subordinate to an existing permitted use on the site; provided, however, that such horses or pack stock are maintained only for the personal use of the members of the family or household residing on the premises. No commercial operations shall be permitted on property that does not belong to members of the family or household residing thereon.
- C. **Property maintenance standards.** The keeping of horses in the Equestrian Overlay Zone shall be subject to the following standards:
1. The minimum lot size shall be 20,000 square feet;
 2. A maximum of two horses may be kept on a lot having 20,000 square feet; one additional horse may be kept for each additional 10,000 square feet of lot area;
 3. No horse may be kept, pastured or penned closer than 50 feet to a dwelling on an adjoining lot, but in no event closer than 25 feet to any property line;
 4. All requirements of the Mono County Environmental Health Department and Town of Mammoth Lakes Police Department (Animal Control) shall be satisfied;
 5. Barns, stables, or similar structures shall be subject to the setback requirements of the main building but in no case may be located closer than 10 feet to any side or rear lot line and shall not exceed 15 feet in height;
 6. Animal confinement areas, including, but not limited to, pens and corrals, shall be maintained in a clean and orderly manner at all times. Accumulation of waste or other odor or insect producing material is not permitted; and

ATTACHMENT 3

General Plan, excerpts from the Neighborhood and District Character and Land Use Elements

regional and local level. The City of San Francisco is committed to providing a high quality, diverse and vibrant community for all its residents. The City's General Plan is the foundation for this commitment. The City's General Plan is a long-term, comprehensive strategy for the City's future. It provides a framework for the City's policies, programs, and services. The City's General Plan is a living document that is updated regularly to reflect the City's changing needs and priorities. The City's General Plan is a key tool for the City's leadership to guide the City's development and to ensure that the City's future is bright and prosperous for all its residents.

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Community Character

Protection of the character and quality of life of stable residential neighborhoods is paramount. This section summarizes the desired characteristics and roles of the five distinct districts and four mountain portals where the greatest amount of change is expected to occur. These districts and mountain portals are:

1. Main Street, Old Mammoth Road, and Shady Rest
2. Gateway
3. North Village
4. Sierra Star
5. Snowcreek
6. Eagle Lodge / Mountain Portal
7. Canyon Lodge / Mountain Portal
8. Main Lodge / Mountain Portal
9. Village / Mountain Portal

For the successful and sustainable development of the community, each district should provide different recreation and leisure opportunities, uses, facilities and activities. Each district should add to and complement the community's overall resort offerings and be programmed to serve the community as well as increase midweek and shoulder season visitation. Program opportunities include but are not limited to:

- Convention and conference facilities
- Performance and cinema theaters
- Anchor retail and entertainment uses
- An indoor four seasons field house, skating rink, and swimming facility
- Expanded golf and tennis facilities
- In-town state-of-the-art Nordic Ski center facility
- Improved equestrian facilities
- Open space
- Plazas and special events areas
- Arts, culture and heritage facilities
- Public parking facilities
- Market rate workforce housing
- Child and infant care facilities
- Parks and passive recreational space
- Snow play areas

Districts

1. Main Street, Old Mammoth Road, and Shady Rest

The Main Street, Old Mammoth Road, and Shady Rest areas should invite pedestrian activity and provide gathering places and opportunities for interaction in a vibrant mix of retail, commercial, and workforce housing. Development should be attractive with a high level of detail and active storefront uses resulting in a pleasing pedestrian-oriented streetscape. Commercial corridors

should be walkable year-round, vibrant, colorful, and accessible. Uses should be mixed to allow offices, residential housing and visitor accommodations above ground floor retail.

Buildings should have distinctive mountain architecture and varied roof forms with accentuating physical landmarks at intersections, street corners and other appropriate locations. The streetscape should be safe and designed for the pedestrian with the inclusion of street furniture, trees, flowers and planters, interesting sidewalk surfaces and public art.

New development should improve connectivity and circulation with bike and pedestrian paths, sidewalks and roads.

General characteristics:

1. Maintain views of the Sherwin Range, the Knolls and Mammoth Mountain from public spaces
2. Landscaping reinforces Eastern Sierra native pine, fir, aspen, ground cover and wildflowers
3. Landscaping establishes scale and street edge
4. Pedestrian-oriented sidewalk/boardwalk with public art, centrally located parks, plazas, courtyards and pedestrian links that create a sense of exploration
5. Walk-to neighborhood or community parks in all districts
6. Mid-block pedestrian access
7. Occasional small plazas and courts visible from the public way that can be used as public event venues
8. Active day and evening and through all four seasons
9. Retail and services in storefront setting, located next to the sidewalk
10. District animation with retail oriented to the street
11. Higher lot coverage may be acceptable with pockets of effective landscaping and open space
12. Encourage transit-oriented development
13. Strip mall development pattern shifted to a pattern of commercial in front and parking in back
14. Convenient structured parking and small-scale surface parking
15. Shared and pooled parking
16. Alley and side street access for deliveries, service and emergency access and pedestrian connections appropriate to district character

Main Street characteristics:

1. Grand boulevard, most significant entry and exit for the town
2. Primary intersections (Old Mammoth Road, Manzanita Road, Minaret Road) create visual book-ends to neighborhoods
3. Multiple safe pedestrian crossings from north to south side of Main Street

4. Landscaping and commercial mixed use development located so as to frame and enclose the boulevard
5. Incorporate Murphy Gulch as a natural landscape amenity.
6. Reduction or elimination of frontage roads
7. Long major street divided into distinct and unique areas:
 - a. From town entry to Laurel Mountain Road:
 - (1) Landmark entrance architectural design
 - (2) Integrates civic center design with Eastern Sierra forest
 - (3) Inspirational and inviting to the community, a town square
 - (4) Mixed use and shared parking resource
 - (5) Old Mammoth Road entrance
 - (6) Connected and integrated with Shady Rest workforce neighborhood and Sierra Nevada Road
 - b. From Laurel Mountain Road to Manzanita Road/Sierra Blvd:
 - (1) Create a vibrant mix of retail, commercial and workforce housing
 - (2) Neighborhood commercial for central Mammoth neighborhood
 - (3) Outdoor enjoyment
 - (4) Forested and natural
 - c. From Sierra Blvd to Minaret Road and Lake Mary Road:
 - (1) Mountain portal and gateway to the North Village District
 - (2) Lake Mary Road gateway
 - (3) Smooth transition and connectivity from commercial to commercial
 - (4) Mixed use, lodging and residential
 - (5) Heavily forested, greater setbacks and acknowledgement of slopes
 - (6) Lower lot coverage
 - (7) Promenade on both sides
2. Preservation and restoration of unique site features, including wetlands
3. A community-oriented design:
 - a. Neighborhood context and connections:
 - (1) Pedestrian and auto connections to adjoining areas and neighborhoods (e.g. Sierra Valley District, Tavern Road, Main Street and Center Street)
 - (2) Traffic calming and management with adjoining neighborhoods
 - (3) Trail and pedestrian emphasis
 - (4) Transit accessible
 - b. Integrated site planning and architectural design:
 - (1) Accessible wetlands and community park(s) connected to the community
 - (2) Significant tree preservation
 - (3) Unobtrusive, articulated buildings
 - (4) Minimum paving, maximum permeable surface
 - (5) High quality materials
 - (6) Parking
 - (7) Energy efficient design
 - (8) Innovative snow management
4. A future catalyst to surrounding commercial areas
5. Developed in phases:
 - a. High quality of living throughout (no disparity, grouping or phasing by income)
 - b. Reasonable product absorption rate
6. Long-term affordability:
 - a. Durability of materials and design
 - b. Designed for low operating and maintenance costs and energy efficiency
7. Transit accessibility
 - a. Provision of key resident amenities such as:
 - a. Child care
 - b. Active and passive recreation

2. Gateway

Located south of State Route 203, east of Old Mammoth Road, the Gateway District should be an attractive and iconic corridor in to and out of town, and should communicate Mammoth Lakes' character. It includes schools, hospital, industrial park, library, parks, trails, open space and the future Civic Center site. The District should provide a safe pedestrian environment, and emphasize linkages between all elements in the Gateway District and the community's residential neighborhoods. Significant public views should be preserved through high-level design standards.

Old Mammoth Road characteristics:

1. Traditional small-scale mixed use "Main Street" development pattern

Shady Rest characteristics:

1. A livable in-town neighborhood for the workforce:
 - a. Not fractional, not second homes
 - b. Mechanisms to ensure units remain at determined rates in perpetuity
 - c. Variety of unit size and scale

Urban Growth Boundary

L.6. **GOAL: Maintain the Urban Growth Boundary to ensure a compact urban form; protect natural and outdoor recreational resources; prevent sprawl.**

L.6.A. Policy: No residential, commercial, or industrial development is permitted outside the Urban Growth Boundary (UGB) identified in Figure 4.

L.6.B. Policy: Recreation facilities, other public facilities, and public utility installations may be permitted outside of the UGB when determined to be in the public interest and compatible with other Town goals.

L.6.C. Policy: The Town shall work collaboratively with Mono County, Inyo National Forest, and the Bureau of Land Management to ensure that land uses occurring adjacent to the Urban Growth Boundary are compatible with Town goals.

L.6.D. Policy: Support land exchanges for existing special uses that maintain the integrity of the General Plan and promote Town policies when determined to be in the public interest and compatible with other Town goals.

L.6.E. Policy: National Forest lands that are exchanged into private ownership will be included within the UGB whether or not they are contiguous with the UGB.

L.6.F. Policy: The Town may consider adjustments to the UGB that do not increase the acres of developable land of Mammoth Lakes, are contiguous to the UGB, and are otherwise in the public interest.

L.6.G. Policy: Coordinate with agencies undertaking planning or development activities outside of the UGB and within the Town's Planning Area.

District Planning

Some areas of the community have special needs or conditions that would benefit from detailed investigation to address issues such as allowable land use patterns, design standards, zoning codes and other property development standards and protections.

These standards and protections may include detailed regulations, conditions, programs and proposed designations supplemental to the General Plan, including infrastructure requirements, resource conservation, housing for locals, implementation measures, and potential changes in land use to meet future needs.

Land Use Designations

Residential

Residential designations are defined by the maximum density allowed. Specific designations regulate height, setbacks, and lot coverage. Other design standards are implemented through the Zoning Code and design guidelines.

Low-Density Residential 1 (LDR-1) This designation allows single-family detached residential development at a maximum density of two (2) dwelling units per gross acre. This density range is typical of residential subdivisions in the Old Mammoth District and is intended to protect their existing densities and character. Lots within this designation are typically larger, have increased setbacks, and lower lot coverage.

Low-Density Residential 2 (LDR-2) This designation allows single-family detached residential development of up to four (4) dwelling units per gross acre. This density range is typical of residential subdivisions in the Mammoth Slopes, Knolls, the Trails, and the Majestic Pines District. This designation protects the low-density character of existing neighborhoods. Development standards are intended to provide for privacy through building separation, usable yards, and limited shading by structures of adjoining parcels.

High-Density Residential 1 (HDR-1) This designation allows residential multi-unit townhouses, condominiums and apartments at a density of six (6) to a maximum of twelve (12) dwelling units per acre. This designation applies to the Sierra Valley District, the Shady Rest Tract, and portions of the Old Mammoth District. The HDR-1 designation is intended primarily for workforce housing. The HDR-1 designation is intended to preserve existing housing and allow for additional high quality housing opportunities. Development standards ensure compatibility with adjacent properties, building separation, adequate on-site recreation space, and well-designed livable development.

ATTACHMENT 4

Housing Element

(available online at: <http://www.ci.mammoth-lakes.ca.us/index.aspx?nid=636>)

ATTACHMENT 5

Downtown Neighborhood District Plan

(available online at: <http://www.ci.mammoth-lakes.ca.us/index.aspx?NID=133>)

ATTACHMENT 3

CAP AND TRADE ANALYSIS

EXECUTIVE SUMMARY

The purpose of this report is to provide a comprehensive analysis of the current and projected carbon cap and trade program. The program is designed to reduce greenhouse gas emissions and is a key component of the state's climate change strategy. This report will discuss the program's objectives, the cap and trade mechanism, and the expected benefits and challenges.

INTRODUCTION

The state has committed to reducing greenhouse gas emissions to meet its climate change goals. The cap and trade program is a market-based approach to achieving these goals. It involves setting a cap on total emissions and allowing companies to trade allowances. This report provides an overview of the program and its implementation.

The program's design is based on the principle of "polluter pays." It ensures that emissions are reduced in a cost-effective manner. The program also includes provisions for monitoring, reporting, and verification (MRV) to ensure transparency and accountability.

The program is expected to generate significant revenue that can be used for various purposes, including funding climate change research and development, and supporting vulnerable communities. The program is a key element of the state's climate change strategy.

The program is designed to be flexible and responsive to changing market conditions. It includes provisions for adjusting the cap and trade mechanism as needed. The program is a key component of the state's climate change strategy.

The program is expected to have a positive impact on the state's economy and environment. It will help to reduce greenhouse gas emissions and support the state's transition to a low-carbon economy. The program is a key element of the state's climate change strategy.

TOWN COUNCIL STAFF REPORT

Subject: Cap and Trade Analysis on the Shady Rest Parcel

Meeting Date: October 19, 2016 – MLH – Town Council Workshop

Written by: Jennifer Halferty, Executive Director, Mammoth Lakes Housing

RECOMMENDATION:

Consider and discuss the information in this report, related to the analysis of utilizing the Cap-and-Trade program, Affordable Housing and Sustainable Communities (AHSC), for the provision of affordable housing in Mammoth Lakes. The analysis is on the Shady Rest parcel.

BACKGROUND:

Program Description:

The AHSC Program aims to reduce Greenhouse Gas (GHG) emissions by supporting compact, infill development and encouraging transit usage. The Program is provided by the Cap-and-Trade auction proceeds. The Cap-and-Trade Program is a key strategy for achieving the GHG emission reduction goals of the State. The State holds quarterly auctions for GHG emissions permits thereby generating auction proceeds. These State auction proceeds fund the AHSC Program.

Since the Program's creation there have been two Notices of Funding Availability (NOFA) releases. The third NOFA is anticipated to be announced in January 2017. Funds are awarded through a competitive process, based on the merits of the applications submitted and the proposed use of funds within the Project Area. Mammoth Lakes falls within the Rural Innovation Project Area (RIPA).

Minimum transit requirements must be met by the RIPA in order to qualify. Mammoth Lakes is the only jurisdiction in the Eastern Sierra that currently meets the qualifying transit requirement of a transit line that services the general public, operated by a public entity, for which service departs two or more times during peak hours.

RIPA applications must include two project components: Sustainable Transportation Infrastructure and at one of the following; Affordable Housing Development; Housing-Related Infrastructure; Transportation-Related Amenities; and/or Programs as defined within the Program guidelines.

All funds awarded under the AHSC Program are grants except for those that are for rental developments. Homeownership grants are structure as twenty percent down payment loans to the homebuyers.

DISCUSSION:

MLH has engaged with Rural Community Assistance Corporation (RCAC) to assist with the financial analysis of using the AHSC Program in Mammoth Lakes. For the ease of having a real life project to perform the analysis, MLH choose the Shady Rest parcel. This analysis built off the current Master Plan for the Shady Rest site to serve very-low, low- and moderate-income households.

The analysis includes breaking the development into six phases (see attached concept site plan). Three phases are multifamily rental and three are single family developments. The AHSC program requires a minimum density of 15 units per net acre. Due to the levels of affordability proposed, this analysis assumes the usage of the State Density bonus with the option to request a local density bonus. Together, the six phases result in a proposed 192 new affordable housing units serving incomes from very low to moderate.

Up to \$20 million is available per application under the AHSC Program. Phase one of the proposed concept consist of a total of 42 affordable multifamily apartments, the entire multiuse trail system throughout the site, a playground, a 5,000 square foot neighborhood center including approximately 1,500 square feet for child care, an outdoor amphitheater, plus the proposed backbone street that connects Tavern Road to Chaparral.

UNIT MIX:	# OF UNITS
Manager's Unit – 2 bedroom	1
1-bedroom	14
2-bedroom	13
3-bedroom	14
Total Units	42

The financial analysis for the first phase/Development Opportunity 1, in addition to the other amenities mentioned above proposes utilizing the following sources of capital:

SOURCE	AMOUNT
Rural Development 538	\$341,000
AHSC Rental Housing	\$5,013,047
Housing Related Infrastructure	\$2,050,000
Affordable Housing Program (AHP)	\$420,000
HOME	\$2,181,666
Deferred Developer Fee	\$100,000
Other Cap & Trade Funds	\$6,757,177
4% Low-Income Housing Tax Credits Equity	
General Partner	\$1,103,000
Limited Partner	\$8,237,707
Mammoth Lakes Contribution	\$1,610,000
Total	\$27,813,597

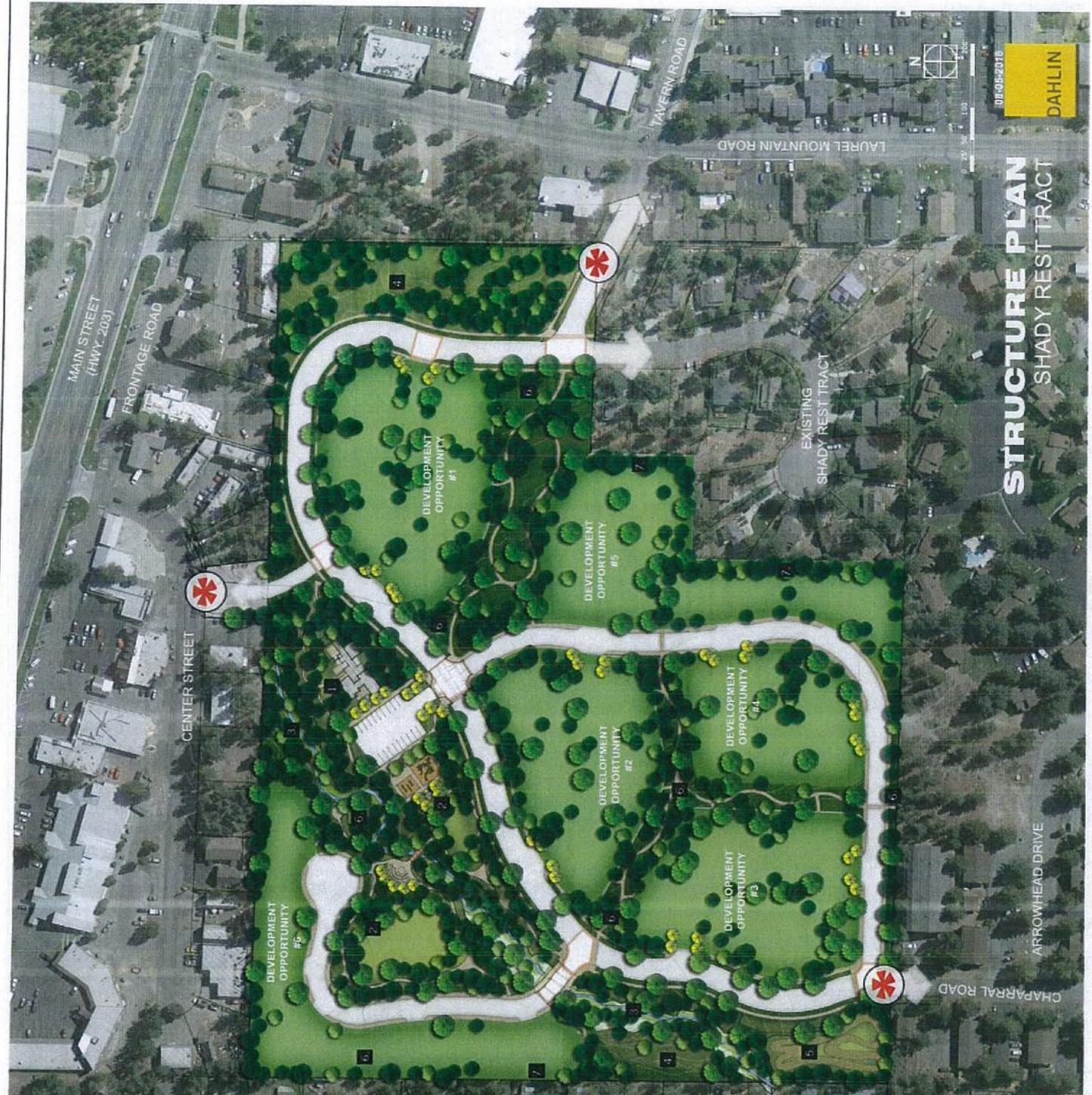
DESIGN IDEAS:

The Community Center is the core of this community and the surrounding neighborhoods. It is centrally located along the major road and provides easy, direct access.

The location along the existing wetland and drainage corridor, provides opportunity for connections through the site and to the surrounding communities through an extensive trails system.

All future 'Development Parcels' are situated adjacent to an open space framework, with trails and open space, which provides pedestrian connections to the community center

1. Neighborhood Center: +/- 5,000 sq.ft.
 - child care center
 - neighborhood room
2. Community Park (Passive)
 - outdoor amphitheatre, tot lot, picnic area
3. Existing Wetland / Creek
4. Open Space (Passive)
5. Pump Track
6. Trail System
7. Landscape Buffer



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STRUCTURE PLAN

SHADY REST TRACT



DESIGN IDEAS:

Provide opportunity for a variety of housing types: small single family, duplex and townhouse

Create development parcels manageable in size to allow for phasing of project

Locate all housing to either front onto the street or front onto the open space and trail system

Layer the housing to be 2 story adjacent to existing residential or when fronting onto the open space and trail system. Locate 3 story buildings along the major street, which allows shadows to be cast onto the street

1. Neighborhood Center: ~75,000 sq.ft.
 - child care center
 - neighborhood room
2. Community Park (Passive)
3. Existing amphitheatre, tot lot, picnic area
4. Open Space (Passive)
5. "Pump" Track
6. Trail System: multi-use path (class I)
7. Attached Housing (Townhome)
8. Detached Housing (Garden Cluster)
9. Landscape Buffer



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CONCEPT PLAN SHADY REST TRACT