

TOWN COUNCIL STAFF REPORT

Subject: Implementation Plan for Housing Strategic Priority and Key Objectives

Meeting Date: December 5, 2018

Written by: Daniel C. Holler, Town Manager

Background

The Town Council held a Strategic Priority Setting Workshop on November 19, 2018. During the workshop, the Council requested that staff bring forward a plan to implement Strategic Objectives included in the **Strategic Priority - Expand availability and affordability of Community Housing**. This report provides an overview of the Town's current housing related efforts and a recommendation to substantially enhance the program to implement the above listed Strategic Priority. The focus of this report is on the Town's program, but acknowledges the efforts being undertaken by Mammoth Lakes Housing (MLH) and others in the community to address housing needs.

The proposed plan is based on the re-allocation and use of existing budget authority of funds currently dedicated to Housing. The focus is on continuing current work program (core service area); advancing the development of The Parcel; implementation of the Community Housing Action Plan; and implementing housing projects, programs and policies.

The development of this plan and recommendations also support progress on other Strategic Priorities and Key Objectives. Adding the recommended staff capacity will allow other staff resources to be committed to capital project planning and implementation, support for planning and development of the Multi Use Facility (Year Round Recreation Center), Implementation of the ACIP, private development permit processing and integrated Solid Waste management program and services.

Town Current Housing Work Program

The Town Council identified housing a Strategic Priority. Staff is working on a variety of housing related ongoing programs. This includes the update to the Housing Element, HOME and CDBG Grant management, HOME Grant Monitoring, Program Income (P.I.) re-use, coordination with MLH, Revolving Loan Fund (RLF) administration, application of Town and State density bonuses, and related program processes for development. With the purchase of The Parcel and acceptance of the Community Housing Action Plan, additional staff time has been committed to these efforts. Outside of the Housing Element Update, this work program accounts for approximately 0.3 FTEE.

The Parcel Development Team was established to assist in defining and administering the pre-development planning process. This team is dedicated to ensuring the process moves forward and the project management, financial, planning, and public works needs are met. The Team meets on

a weekly basis to discuss progress, update ongoing assignments/tasks, and identify next steps. The Team is staffed by members of the Public Works, Community and Economic Development, Finance, and Town Manager Departments and supported by MLH staff and limited outside resources such as current consultants. The coordination work accounts for approximately 0.3 FTEE. The work of implementing the conceptual development plan is shared by the Team with coordination assigned to the Public Works Director. Allocating additional funding and staff time to housing-related items will allow staff members to be focused on The Parcel as a Strategic Priority as well as other housing programs.

The same core staff assigned to The Parcel implementation, with support from additional CED staff, are working on areas identified in the Community Housing Action Plan for implementation. The ability to spend detailed time on program and policy development for The Parcel is limited at best. The majority of time over the past several months has been spent on public engagement, pre-planning efforts, and meetings, with less time on program, policy, or project development and implementation.

Housing Related Staffing

To be successful over the next 18 months on the objectives defined by the Town Council during the Strategic Priority setting session, I am proposing that the current Housing Budget be amended for the current year and commitments be made for FY19-20. The proposal provides the necessary support to move forward on four key housing efforts:

- The amended budget provides for the allocation of needed resources with dedicated staff to manage The Parcel project and funding to complete the necessary tasks related to this size of development.
- Resources are provided to continue current core housing services.
- Staff capacity is provide for more directed work and coordination on strategies outlined in the Community Housing Action Plan.
- The allocation of funding for housing programs allows for potential funding to enhance partnerships, actual purchase of housing and/or land, and program implementation.

The addition of staff resources will free up the majority of staff time in the departments currently committed to The Parcel and Housing Programs. The additional staff positions include an Associate Engineer/Project Manager position and a Senior Planner/Housing Coordinator position. The Senior Planner/Housing Coordinator position, working with the Associate Engineer will fill the role of 'Housing Coordinator' for the Town as provided for in the Community Housing Action Plan. The Planning position would take the lead in the overall housing program effort including coordination with partners (i.e. MLH, Chamber, private interests). The Engineer/Project Manager will be the lead person on The Parcel for consultant management, development design, and infrastructure coordination. This position may also take the lead on other actual housing projects initiated by the Town for acquisition or construction. The two positions will work closely together as a 'housing team', with support from and providing support to other staff where needed and receiving ongoing Department Head direction. The overall Parcel development will still be coordinated through the Public Works Director. The shift in staff assignments will provide more

effective use of time for capital projects, processing of development applications, solid waste, and financial management. By having dedicated resources to deliver on the Housing Strategic Priority objectives, there will be added staff capacity to deliver on other Strategic Priority objectives as well as meeting core service requirements. The additional staff will add at least a .6 FTEE of staff capacity to be committed to other work programs.

Housing-Related Funding

The proposed budget for FY18-19 included a contract Housing Coordinator, anticipated to be focused on implementation of the CHAP, coordination with partners, and assisting staff with specific project implementation. The work program would define level of ongoing staffing needs for housing. In addition, the budget included funding for a Civic Spark Fellow program to work on housing related programs and projects. Neither of these positions were filled. These funds are recommended to be shifted to fund the proposed additional staffing.

For FY19-20 I will be recommending a shift in current funding allocations to add an additional \$200,000 in General Fund dollars to the housing program, focused on The Parcel and housing program implementation. This will increase funding for Housing to \$1.08 million per year, the additional funding is not in this amended budget, but will be brought forward as part of the budget process. The budget estimates are based on the current General Fund budget using \$13.5 million as the baseline for TOT revenue. If larger than anticipated revenues are received then the reserve estimate will increase. If revenues are lower than anticipated, then the reserves or un-expended commitments to The Parcel or Housing Programs will be reduced. The proposed Budget Amendment is provided in Attachment A. The amendment would be for FY18-19 only, but sets the foundation for the FY19-20 budget.

The Parcel Project

As noted above, staff is working on the pre-development planning process for The Parcel. On September 19, 2018 staff provided an update on the steps and effort that will be required to make progress on the Parcel and the Council allocated \$75,000 for limited consulting work to provided specified technical expertise. Staff has executed a contract with Keyser Marston for the financial analysis of the project and has released RFP's for land use planning and housing assistance.

This project will require a considerable dedication of staff time. While the detailed elements of the work program for this project are being refined, it is clear that to achieve the delivery of housing on this property a number a number of tasks will need to be completed. To be done in a coordinated manner and at a minimum include the following, all of which have other sub-tasks:

- Comprehensive technical expertise and advice in the area of affordable housing
- Public engagement
- Assistance in defining housing needs to be addressed with the Parcel Development
- Inform real estate financial consultant's pro-forma development
- Identify and monitor grant opportunities – requirements and schedules
- Review of implementation strategy

- Prepare summary of housing type specific financial opportunities
- Infrastructure lay out
- Land planning values, goals and outcomes
- Concept planning through the use of charrettes and preparation of exhibits
- Grant funding applications
- CEQA
- Actual hard development program and plan
- Long-term land and product management

There are a variety of resources needed to program, plan, process, design, fund, and implement a program such as The Parcel. Roles and responsibilities of the parties involved, especially the role of consultants in that process, must be well-defined. The request before the Council is to provide staff capacity and to set aside at least a portion of the initial required funding. Having a dedicated budget and staff will allow the work on The Parcel to progress at a faster pace. The recommended position will add both capacity for assigned work on The Parcel and allow other staff to be more focused when needed for specific tasks.

Housing Program Implementation

The commitment of additional resources is required for the Town to move forward with the implementation of an integrated housing program. There is a need to continue the level of work that is currently being undertaken by the Town and Mammoth Lakes Housing (MLH). The business community has identified housing as a top need. Employers are looking at housing opportunities outside of Mammoth Lakes, with Mammoth Mountain Ski area renting hotels in Bishop for employees. The Community Housing Action Plan and recent Housing Summit identified a number of strategies and programs to assist in addressing housing needs over a multi-year period of time. There has been little success in actually providing housing units over the past several months. The programs currently in place with the Town and MLH continue to provide the base level of services with home buyer assistance grants, rehabilitation grants, management of existing housing units, buy-back of deed restricted properties, and similar ongoing work efforts.

The addition of Town Staff positions to serve as the Housing Coordinated primarily dedicated to housing will ensure continuity of current programs as outlined above and added focus on additional housing programs. This will enhance overall coordination of strategies, projects, programs and securing of actual housing units. The action will provide a primary Town staff position for implementation of the housing programs including the Housing Action Plan. The allocation and use of housing program funding will be a key role in working with partners to maximize the impact of limited funding on generating both short-term housing and program implementation to achieve longer-term housing solutions.

Recommendation

I am recommending the proposed amendment to the FY18-19 budget and funding plan for FY19-20 be approved as presented in Attachment A of this report. Further, that the Town Manager be authorized to recruit for two new positions (Associate Engineer/Project Manager and Senior

Planner/Housing Coordinator), and funds in the amount of \$300,000 be transferred to The Parcel Project Account and that \$200,000 be allocated for Housing Programs. A formal resolution and budget amendment will be brought forward based upon the approval as recommended or modified by Council.

Attachment A

Current General Fund Housing Budget - 100-445		
Dedicated Housing Funding	Budget	
Resources:		
FY17-18 Reserves	40,758	
FY18-19 Revenues	882,692	
Total	923,450	
Appropriations:		
Personnel	58,653	
Contract Services	519,190	
MLH		329,190
Home Grant Monitoring		9,500
Housing Coordinator		80,000
Civic Spark		25,500
Housing Element		75,000
Total	577,843	
Projected Reserves	345,607	

Budget is based on \$13.5 Million in TOT Revenue.

Recommended Budget Adjustments		
Housing Funding	FY18-19	FY19-20
Resources:		
Projected Reserves	345,607	105,957
Revenues	882,692	882,692
Total	1,228,300	988,649
Appropriations:		
Personnel	208,653	300,000
Contract Services	413,690	365,000
The Parcel	300,000	200,000
Housing Programs	200,000	100,000
Total	1,122,343	965,000
Projected Reserves	105,957	23,649