

TOWN COUNCIL STAFF REPORT

Subject: Adopt a resolution authorizing application to the Infill Infrastructure Grant Program.

Meeting Date: March 18, 2020

Written by: Chandler Van Schaack, Senior Planner

RECOMMENDATION:

Staff recommends the following to the Town Council: Adopt a resolution authorizing application to the State Housing and Community Development Department (HCD) Infill Infrastructure Grant (IIG) Program for grant funds linked to the Parcel project. A preliminary application for IIG funds was submitted by staff to HCD on March 3, 2020. If the Council adopts the attached Resolution, then the application will continue to move forward; if the Council chooses not to adopt the attached resolution then the application will be withdrawn.

BACKGROUND:

The State Housing and Community Development Department (HCD) has released a funding opportunity for a non-competitive grant opportunity for infrastructure related to affordable housing production. The application period began March 3rd and as funds are first-come, first-serve for eligible projects, staff submitted a preliminary application on March 3 to ensure that we would be first in line for funding. The application requires an adopted Resolution of the Town Council, so staff has prepared a draft resolution for consideration by the Town Council. The resolution will allow the Town to apply for up to \$30MM in grant funds linked to the Parcel project.

The purpose of the Infill Infrastructure Program is to provide grants for Capital Improvement Projects in support of Qualifying Infill Projects or Qualifying Infill Areas. To be eligible for funding, a Capital Improvement Project must be an integral part of, or necessary for the development of either a Qualifying Infill Project or housing designated within a Qualifying Infill Area. The Parcel qualifies as an infill area.

ANALYSIS:

The eligible award amount is calculated based on the number and affordability of housing units involved in the qualifying infill area; using the Parcel as the Town's qualifying infill area is anticipated to result in \$17-22 million dollars in funding to assist with qualifying infill infrastructure. Eligible costs include the construction, rehabilitation, demolition, relocation, preservation, and acquisition of infrastructure. The awarded funds may be spread over multiple projects. Community & Economic Development staff has coordinated with the Parcel consultant team and the selected developer, Pacific West Communities, Inc., to determine a final project list comprised of the following infrastructure improvement projects. These projects have been identified as priority infrastructure needs based on a

variety of criteria including readiness, other sources of funding, and nexus to housing production:

- Utilities, including water, sewer, electric and telephone/broadband cable
- Drainage improvements, including bioswales and the Mill Ditch drainage channel
- Streets and sidewalks
- Transit stops
- Multi-use paths/ bicycle facilities
- Structured parking
- Public open space

The attached resolution (Attachment A) will authorize staff to pursue funding for some or all of the infill projects proposed above, depending on HCD's guidance and the final calculated total grant award.

OPTIONS ANALYSIS

Option 1: Adopt Resolution No. 20-___, a Resolution of the Town Council of the Town of Mammoth Lakes authorizing application to the Infill Infrastructure Grant Program.

Option 2: Do not adopt Resolution No. 20-___.

STAFFING CONSIDERATIONS:

Preparation and submittal of an application to the Infill Infrastructure Grant Program is within the normal scope of work for Town staff. In addition, the Institute for Local Governments (ILG), a non-profit corporation that provides technical assistance to local governments, will provide assistance to staff as needed at no cost to the Town. During the full term of the Standard Agreement and covenant and according to the deadlines identified in the Standard Agreement and the covenant, staff shall also submit, at HCD's request, an annual performance report regarding the construction of the Capital Improvement Project; and upon receipt of the certificate of occupancy, an annual monitoring report regarding the affordability and occupancy of the Parcel project.

FINANCIAL CONSIDERATIONS:

This application is anticipated to result in \$17-22 million dollars in grant funding to assist with qualifying infill infrastructure. However, there is no set-aside for administrative costs. Staff will be responsible for dedicating time to implement and report on the grant.