



MAMMOTH LAKES HOUSING, INC. STRATEGIC PLAN 2015

Our Mission:

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

Assets:

- Board Members
- Employees
- Outreach
- Lobbying
- Advocacy & expertise
- Partnerships with the Town of Mammoth Lakes, Mono County, City of Bishop, Next Step, and California Coalition for Rural Housing (CCRH)

Challenges:

- Lost inclusionary housing policy in Town of Mammoth Lakes
- Deferred inclusionary housing policy in Mono County
- Low housing mitigation fee in Town of Mammoth Lakes
- Town of Mammoth Lakes must provide 70% of new development's workforce housing need
- 170 additional housing units needed as of 2011
- Aged housing stock
- MMSA employee housing waitlist
- Area Median Incomes (AMI) for Mono County declined in 2015 from 2014
- Increasing property values

Opportunities:

- Shady Rest Site with Affordable Housing overlay zone
- Measure 2002A funding (funded by Town transient occupancy tax)
- Increasing Town transient occupancy tax (TOT)
- Partnerships
- Grants

MLH Successes

Mammoth Lakes Housing, Inc. (MLH), with the political and financial support of the Town of Mammoth Lakes, has spearheaded a workforce housing development program targeted at tackling one of the toughest issues facing Sierra communities today: ensuring there are homes for the workforce that support our ever growing tourism based economy. The private, not for profit, organization was established in 2003 by the Town of Mammoth Lakes and has made significant progress toward mitigating the affordable housing problem that exists in the community. Since inception, the organization has leveraged its initial start-up funds of \$210,000, and ongoing support from the Town, into nearly \$60 million in housing.

The organization now includes two highly skilled staff persons in addition to a diverse and dedicated six-member Board of Directors. Together they are actively working to fulfill MLH's mission to **support[s] workforce housing for a viable economy and a sustainable community**. Through collaborative efforts and public/private partnerships with Town government, State government, other mission driven non-profits, as well as for-profit resort and housing developers, MLH is increasing the supply of housing that is affordable to the Eastern Sierra's workforce and families and helping to achieve the Town's vision of "being a great place to live and work" (General Plan, 2007, Community Vision 2, p.7).

MLH has been successful in providing housing through a variety of programs. Through state, federal and local funding sources Mammoth Lakes Housing has developed and/or rehabilitated 189 housing units in the Town and another 13 in neighboring jurisdictions. MLH currently operates multiple down payment assistance programs throughout the region to help homebuyers into homeownership. MLH recently received their first independent programmatic grant to offer loans for low-income families to purchase, rehabilitate, or replace manufactured homes throughout the region.

MLH has worked closely with the Town of Mammoth Lakes to implement the Housing Element and the housing requirements of the Town's Municipal Code. This contractual relationship has effectively secured grant and other funding, developed a more effective deed restriction program, and spurred the development of affordable units to meet the Regional Housing Needs, determined by the California Department of Housing and Community Development.

The Current Challenge

In late 2015, the Town of Mammoth Lakes finds itself in an improving economic environment having experienced historically high transient occupancy tax (TOT) collections in 2014/2015. Local properties are recovering value lost in the Great Recession and few distressed properties are coming to market. Yet for the first time in at least a decade the Federal Department Housing and Urban Development (HUD) released 2015 Area Median Income (AMI) levels for Mono County that were below the area's 2014 AMIs. This indicates that incomes in our region decreased 3.4% in one year while our single family home prices increased by roughly 23% in 2015. These indicators, along with our growing need for a tourism-based labor force as illustrated by the growth in TOT revenue, are warning signs of instability that the community and MLH cannot afford to ignore.

MLH continues to actively participate in its relationship with the Town of Mammoth Lakes despite financial cuts. In March 2002, 79% of Mammoth Lakes' voters chose to increase TOT by 1% for the funding of workforce housing programs under Measure 2002A. In 2011, the Town capped the funding of workforce housing under Measure 2002A. That cap removes approximately \$327,000 annually for workforce housing programs in the community. These funds could be used for some of the priorities of the Town, such as acquiring existing housing stock for conversion to workforce housing.

In July 2015 the Town Council chose to move away from the Town's 15 years of inclusionary housing policy towards a new fee-based housing mitigation policy. The new policy requires the Town to mitigate 70% of the subsidy gap for housing the 60% Area Median Income (AMI) workforce that is created by new development. This is a significant undertaking given that approximately 90% of new development's impacts on workforce demands will be earning incomes at or below level.

Currently, for many community members owning a home is simply out of reach. The current median condominium sales price in Mammoth Lakes is \$309,900 and median single family sales price is \$745,000. Community members earning \$75,000 annually are able to purchase a small condominium, if the monthly Homeowner Association (HOA) dues are below average, however this same income would not support the purchase of the median single family home. In order to afford the median single family home a household would need to have combined income of approximately \$170,000 annually. Given the majority of local community members are low income, earning approximately \$55,000 for a family of three, ownership of either a condo or a single family residence is well out of reach without assistance.

The acquisition and rehabilitation of the Star Apartments in 2012 was a major organizational success for MLH and additional projects such as this are necessary. This project highlights the ability to improve the quality of the rental housing stock and maintain long-term affordability. The board believes that this should be a primary focus of the organization; however the Federal Community Development Block Grant (CDBG) funds used in this project are highly competitive. In the past year there were only two multifamily properties that sold that would have been competitive for such funding.

It is within this context that the Board of Directors has adopted this new strategic plan for the organization. New roles, strategies, and partners are necessary to meet the current and growing demand for a tourism based labor force. This strategic plan is designed to guide the agency's **activity for the next three to five years**, absent a significant unforeseen change in the economic climate.

Sources of Funding

- **Local Funds, Measure 2002-A**
 In November 2001, the Mammoth Lakes Town Council unanimously passed a resolution putting forth to the voters the question of raising the transient occupancy tax (TOT) in the March 2002 elections. Seventy-nine percent (79%) of the community voted in favor of Measure 2002A. The increase passed and there was a political commitment by the Town Council to set aside 1% of the transient occupancy tax (TOT), for workforce housing. For the past four years only roughly 63% of the 1% has been dedicated to supporting affordable housing for the workforce.
- **Grants Administration**
 Mammoth Lakes Housing, Inc. leverages State and Federal grant funding on behalf of multiple jurisdictions throughout the region. Grant funds, including funding for local administration, have been secured through the Community Development Block Grant program (CDBG), the Home Investment Partnership Program (HOME), CalHome, and the Building Equity and Growth in Neighborhoods Program (BEGIN), among others. California Cap and Trade funds, available through the Affordable Housing and Sustainable Communities (AHSC) program are a new financial resource MLH is tacking for possible use.
- **Consulting Services**
 As experts in affordable housing, MLH staff provides professional consulting services to jurisdictions, businesses, developers, and other nonprofit organizations on issues such as Housing Element Law, Inclusionary Zoning, best practices, housing case law, and much more. These services bring in revenue which compliments the local and state sources of funding available for housing programs.
- **Property Management**
 As an additional source of revenue, MLH staff manages a 4-unit affordable apartment complex, 3 individual condominium units, and has used Lease-to-Own programs on occasion. This additional skillset, allows MLH to secure additional funding while maintaining the affordability of units within the Town of Mammoth Lakes.
- **Private Loans**
 Mammoth Lakes Housing has secured private financing from organizations such as the Rural Community Assistance Corporation (RCAC) and the Clearinghouse CDFI as a means to leverage local capital in the pursuit of preserving the existing affordable housing stock. In November 2015, MLH secured a \$300,000 Revolving Loan Fund (RLF) with Mono County for the preservation of the Town's deed *restricted* assets.

Goals:

- I. Secure a renewed community commitment to workforce housing. The following outcomes will measure the success of this effort:
 - a. The Town removes their cap on the funding for under Measure 2002-A.
 - b. The reinstatement of inclusionary policies in both the Town of Mammoth Lakes and Mono County.
 - c. The Town and Mono County adopt General Plan Housing Elements that promote workforce housing preservation and development.
 - d. The Town adopts a Comprehensive Workforce Housing Strategy.
 - e. Greater collaboration and partnerships within the community of Mammoth Lakes and the greater region including but not limited to the Mammoth Lakes Chamber of Commerce, local business owners, NGOs, and employees.

MLH will pursue several strategies to achieve these outcomes.

- i. Convene a broad representative group of business and community leaders to help develop policies and targets for workforce housing programs.
 - ii. Continue to offer housing counseling programs to assist residents in qualifying for homeownership opportunities.
 - iii. Make regular presentations to the Town Council and Mono County Housing Authority on the status of housing in Mammoth Lakes and Mono County and the impact of the housing developed by MLH.
 - i. Create the Town's Comprehensive Workforce Housing Strategy.
 - ii. Provide information to Town staff, local businesses, and the community at large about the positive impacts of the existing affordable housing stock.
 - iv. Focus on making the work of MLH more transparent to the community at large.
 - a) Continue to post monthly activity summaries on the website.
 - b) Make regular reports to the Town on the outcomes from the work undertaken on their behalf.
 - c) Continue and expand marketing and outreach efforts to the local community; such as Tri County Fair, Job Fair, ski/snowboard school, etc.
 - d) Post annual audits on the website.
2. Improve and expand the existing supply of workforce housing. The following outcomes will measure the success of this effort:

- a. Rental housing owners apply for to use Town loans to rehabilitate their units.
- b. MLH acquire and rehabilitate 10 existing multifamily rental housing units as opportunities and resources present themselves.
- c. Provide down payment assistance to first-time homebuyers throughout the region.
- d. Seek out resources for funding affordable housing programs to the workforce earning 80 – 120% AMI.

The strategies MLH will use to achieve these outcomes include:

- i. Apply to become a Community Housing Development Organization, CHDO, in order to independently secure HOME funds (wait to see if Congress funds the HOME program before moving forward).
 - ii. Apply for the new manufactured housing funds from the State when a Notice of Funding Availability (NOFA) is released for the acquisition of manufactured housing communities in the region.
 - iii. MLH will work with the Town to market and encourage rental property owners to upgrade their housing stock using the Town's CDBG 2013 grant award.
 - iv. MLH will work with the County to develop programs to encourage rental property owners to upgrade their housing stock, and apply on behalf of the County for funding from the state HOME and CDBG programs to fund this effort.
 - v. Identify and secure new funding for first-time homebuyer programs and continue to manage the existing resources on behalf of the Town, Mono County, and City of Bishop.
 - vi. MLH will identify and apply for new funding to acquire, rehabilitate and deed restrict existing rental housing including funding for those earning 80-120-% AMI.
 - vii. Consider the viability of a Community Land Trust model in the town of Mammoth Lakes
3. Preserve the existing stock of workforce housing. The following outcomes will measure the success of this effort;
 - a) Ensure that all deed restricted homes remain community assets for the support of the town's economic growth.
 - b) Ensure that the rental housing owned and developed by MLH is managed in conformance with funding regulations and best practices.
 - c) See that The Shady Rest Tract is acquired by MLH and/or the Town of Mammoth Lakes, or that the owners develop the site to meet the needs of

the current and growing workforce as outlined in the Town's Housing Element, Affordable Workforce Housing Fee Nexus Study, or other market study as available.

MLH will employ the following strategies to achieve these outcomes:

- iii. Ensure MLH capacity and resources meet the demand of reaching the 2015 MLH strategies and goals.
- iv. Encourage the Town to continue to provide appropriate funding for the RLF for the acquisition and preservation of deed restricted units.
- v. Borrow other resources to finance the acquisition of deed restricted units, existing homes, and the purchase of land for workforce housing, leveraging resources from the Town.
- vi. Help eligible buyers secure financing to acquire deed restricted units.
- vii. Manage the waitlist for all MLH rental housing properties.
- viii. Provide property management services on the units owned exclusively by MLH.