



**Mammoth Lakes Housing Board Meeting
Agenda**

Monday, April 3, 2023, 6:00 p.m.

437 Old Mammoth Road, Suite Z, Mammoth Lakes

Members of the Board

President Kirk Stapp, Vice President Tom Hodges, Treasurer Lindsay Barksdale, Board Member Jennifer Kreitz, Board Member Tony Perkins, Board Member Heidi Steenstra, Board Member Brian D'Andrea, Board Member Sarah Nuttall, Board Member Amanda Rice

NOTE: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Mammoth Lakes Housing, Inc. at (760) 934-4740. Notification 48 hours prior to the meeting will enable Mammoth Lakes Housing, Inc to make arrangements to ensure accessibility to this meeting (28 CFR 13.102-35.104 ADA Title II).

NOTE: This meeting will be conducted pursuant to the provisions of Assembly Bill 361 (AB 361) which amends certain requirements of the Ralph M. Brown Act. You are encouraged to watch this meeting live through the online eSCRIBE system here: <https://pub-townofmammothlakes.escribemeetings.com>, on the local government cable channel 18, or by utilizing the Zoom link below.

ZOOM INFORMATION:

Join from a PC, Mac, iPad, iPhone or Android device: <https://monocounty.zoom.us/j/98707718059>

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 646 876 9923 or +1 301 715 8592 or +1 312 626 6799

Webinar ID: 987 0771 8059 - Callers: To Raise your hand Press *9, to Unmute/Mute Press *6

International numbers available: <https://monocounty.zoom.us/j/98707718059>

Public comments may be submitted to the Executive Director at patricia@mammothlakeshousing.org or clerk@townofmammothlakes.ca.gov or they may be made via Zoom or in person in Suite Z.

1. Call to Order

Regular meeting of the public benefit corporation, 501(c)3, Mammoth Lakes Housing, Inc. whose mission is to support affordable housing for a viable economy and sustainable community.

2. Public Comments

This is the established time for any member of the public wishing to address the Mammoth Lakes Housing, Inc. Board of Directors on any matter that does not otherwise appear on the agenda. Members of the public desiring to speak on a matter appearing on the agenda should ask the Chairman for the opportunity to be heard when the item comes up for consideration. Public comments may be submitted to the Executive Director at patricia@mammothlakeshousing.org or clerk@townofmammothlakes.ca.gov before or during the meeting, may be made in person in Suite Z or by "Raising your hand" in Zoom.

3. Consent Agenda

3.1 Approve the Minutes from the February 27, 2023 Special Board Meeting

4. Policy Matters

4.1 Introduction of Housing Navigator, Olya Egorov

4.2 MLH Programs Update

4.3 Section 4 Capacity Building Grant Opportunity

4.4 Innsbruck Lodge Project Update

4.5 Review and Approve the Fiscal Year 2022/2023 Second Quarter Financial Statements:

- Mammoth Lakes Housing, Inc.
- Sierra Housing Advocates, LLC
- Innsbruck Lodge Affordable Housing, LLC

5. Board Member Reports

6. Adjourn



Mammoth Lakes Housing Board

Special Meeting Minutes

**February 27, 2023, 6:00 p.m.
437 Old Mammoth Road, Suite Z, Mammoth Lakes**

Members Present: Vice President Jennifer Kreitz, Board Member Lindsay Barksdale, Board Member Tom Hodges, Board Member Heidi Steenstra, Board Member Brian D'Andrea, Board Member Sarah Nuttall, Board Member Amanda Rice

Members Absent: President Kirk Stapp, Board Member Tony Perkins

1. Call to Order

Vice President Tom Hodges called the meeting to order at 6:08 p.m. Members of the Board attended the meeting via videoconference.

2. Assembly Bill 361 (AB 361) Findings

2.1 Adopt Resolution 2023-03 to allow virtual Board meetings to continue during the Covid-19 pandemic declared emergency.

Moved by Board Member Tom Hodges
Seconded by Vice President Jennifer Kreitz

Adopt Resolution 2023-03 to allow virtual Board meetings to continue during the Covid-19 pandemic declared emergency.

For (6): Vice President Jennifer Kreitz, Board Member Lindsay Barksdale, Board Member Tom Hodges, Board Member Heidi Steenstra, Board Member Brian D'Andrea, and Board Member Sarah Nuttall

Absent (3): President Kirk Stapp, Board Member Tony Perkins, and Board Member Amanda Rice

Carried (6 to 0)

3. Public Comments

Executive Director Patricia Robertson announced that MLH had received a Mono County CalHome Grant Award for approximately \$1M to be used for mortgage assistance, rehabilitation loans, and loans to create Accessory Dwelling Units (ADUs) in Mono County, and discussed the requirements to qualify for this funding. Ms. Robertson reported that there were a lot of leaks and other storm related damages at MLH's tax credit properties, and said that the Buckingham Property Management Emergency phone line would hang up automatically when people called it during business hours. She said that she would find out why that continued to happen.

Town of Mammoth Lakes (TOML) Community and Economic Development Director Sandra Moberly said that Town staff would follow up with Buckingham Property Management and Pacific West with regard to maintenance response times.

Agnew Beck Strategic Planning Consultant Seana Doherty outlined the information in the Board Update: Strategic Planning Update Process PowerPoint presentation.

Board Member Amanda Rice joined the meeting at 6:23 p.m.

There was discussion between Ms. Robertson, Ms. Doherty and members of the Board.

4. CONSENT AGENDA

Moved by Board Member Lindsay Barksdale
Seconded by Board Member Tom Hodges

Approve Consent Agenda.

For (7): Vice President Jennifer Kreitz, Board Member Lindsay Barksdale, Board Member Tom Hodges, Board Member Heidi Steenstra, Board Member Brian D'Andrea, Board Member Sarah Nuttall, and Board Member Amanda Rice

Absent (2): President Kirk Stapp, and Board Member Tony Perkins

Carried (7 to 0)

4.1 Approve the minutes from the regular January 23, 2023 Board meeting

5. Policy Matters

5.1 The Board will consider authorizing the form of Grant Agreement for funds from both the Town of Mammoth Lakes and Mono County at the Innsbruck Lodge Project

Executive Director Patricia Robertson outlined the information in the staff report.

TOML Senior Planner/Housing Coordinator Nolan Bobroff reported that the Town wanted to go on record, as Ms. Robertson had commented, that there would be several revisions made to the agreement based on discussions between the various Legal Counsels and staff members involved, and said that the Town would be okay with the MLH Board approving the agreement with the understanding of the additional changes as agreed to by the Town Attorney, Mono County's Legal Counsel, and MLH's Legal Counsel prior to the Town Council's consideration of the agreement.

TOML Town Manager Dan Holler said that there would be several modifications to the agreement including comments he had received from Town Attorney Andy Morris, which were not addressed in the draft agreement, and said that he felt there was still significant work to be done on the agreement. Mr. Holler discussed some of the revisions that needed to be made and spoke about issues that would need to be resolved. He said that Mono County Legal Counsel would have similar questions.

There was discussion between Ms. Robertson, Town staff, and members of the Board.

Moved by Vice President Jennifer Kreitz
Seconded by Board Member Amanda Rice

Authorize the Executive Director to execute a Grant Agreement for funds for the Innsbruck Lodge project between the Town of Mammoth Lakes and Mammoth Lakes Housing, and Mono County and Mammoth Lakes Housing with the stated major amendments stated in the agenda and all other minor edits.

For (7): Vice President Jennifer Kreitz, Board Member Lindsay Barksdale, Board Member Tom Hodges, Board Member Heidi Steenstra, Board Member Brian D'Andrea, Board Member Sarah Nuttall, and Board Member Amanda Rice

Absent (2): President Kirk Stapp, and Board Member Tony Perkins

Carried (7 to 0)

5.2 Discussion regarding rescheduling the regular March Board meeting from March 6, 2023 to March 23, 2023

Executive Director Patricia Robertson outlined the information in the staff report.

There was discussion between Ms. Robertson and members of the Board.

CONSENSUS: There was consensus from the Board to move the March 6th meeting to March 23rd.

6. Closed Session

The Board went into recess at 7:01 p.m.

The Board went into closed session at 7:09 p.m.

6.1 Pursuant to Government Code Section 54956.8, the Board will hold a closed session to discuss property negotiations and possible staff directions and/or action –Assessor's Parcel Number 0012120500

Property: 1700 Old Mammoth Road, Aspen Village Townhomes, G-105, Mammoth Lakes, CA 9354

Negotiating Parties: Patricia Robertson representing MLH (prospective buyer); Jamie and Joel Rathje (Owner)

Under Negotiation: Terms of sale

The Board returned from closed session at 7:41 p.m.

Executive Director Patricia Robertson announced that it was moved by Board Member Jenifer Kreitz, seconded by Board Member Brian D'Andrea, with President Kirk Stapp and Board Member Tony Perkins absent, and carried by a 7-0 vote to transfer the MLH option to purchase the unit to an eligible household and to close escrow within 90 days, if that was not possible, MLH would utilize the Town of Mammoth Lakes Revolving Loan Fund to purchase the unit and close escrow within 90 days.

7. Board Member Reports

Board Member Brian D'Andrea announced that the Housing California Conference was coming up at the end of March in San Diego, and said that he would attend the conference.

Board Member Jennifer Kreitz reported that she would also attend the Housing California Conference.

Executive Director Patricia Robertson reported that MLH had a travel and training budget available for members of the Board to utilize if they wanted to attend the Housing California Conference.

Board Member Jennifer Kreitz said that she had been working on advocacy at the State level. Ms. Kreitz reported that proposed Assembly Bill 1035 would address mobile home park rent control issues and suggested that the Board write a letter of support for the Bill and agendaize it on the April meeting. She requested that MLH staff send out the Bill language to the members of the Board. She said that she would meet with California Department of Housing and Community Development (HCD) Director Gustavo Velasquez tomorrow along with the California Coalition for Housing Board to discuss issues that came up at the Annual Housing Summit, and said she felt that summit was something members of the Board should attend.

Vice President Tom Hodges spoke about the down payment assistance program and Accessory Dwelling Units (ADUs).

Ms. Robertson reported that MLH staff was invited to and would attend multiple Mono Basin Community meetings in March with housing advocates who would like to know what resources MLH had, and how MLH could contribute to their efforts. She said that staff would also attend community meetings in June Lake and Lee Vining. She said that she had been working on the website redesign.

There was discussion between Mr. Robertson and members of the Board.

8. Adjourn

The meeting was adjourned at 7:53 p.m. to the next regular meeting which was rescheduled to be held on March 23, 2023.

Angela Plaisted, Assistant Clerk
Town of Mammoth Lakes

Patricia Robertson, Secretary
Mammoth Lakes Housing, Inc.



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

STAFF REPORT

Subject: MLH Programs Update

Date: December-March

Presented by: Erik Guzman-Rangel, Program & Project Associate
Patricia Robertson, Executive Director

Marketing

- MLS
- Chamber e-newsletter
- MLH website and e-newsletter
- Social media
- Fliers
- Emails to Town/County staff

Rental Unit Turnover:

- No unit turnover (Dec., Jan., Feb., Mar.)

Waitlist Management:

- 165 Households
- 476 individuals (including 218 children under 18)
- 26% are households of 2
- 68% are households of 1, 2, 3
- 45% have income below 50% AMI

Homelessness Prevention:

- Coordinated Entry
 - 37 households entered into coordinated entry by MLH staff
 - 3 referrals to Inyo County
 - Currently 158 clients in SPDAT system
 - Not all clients have been transferred to the SPDAT system
- Birch Creek
 - Currently occupied

- Reserve Repairs (\$5,200)
 - Wall Heater
 - Windows- in queue for service
- Operation Reserves \$24,800
- Working on a new lease agreement

Deed Restriction Retention & Land Trust Expansion – Town of Mammoth Lakes Bridge Program

- COMPLETE APPLICATIONS FIRST
 - Numerous reasons to clients not working out:
 - Unit preference (need garage, prefer top floor, need 2 parking spaces, etc.
 - DACA – can’t get an FHA loan in a property that allows nightly rentals
 - Interest rates nearing 7%
 - No down payment assistance available for people above making over the Low-Income AMI Limit
 - Condo insurance policies are rising, and will impact local monthly HOA rates
 - Snow removal special assessments

- Homeownership Waitlist

<u>Applicants</u>	<u>HH Size</u>	<u>Income Levels</u>	<u>Process</u>
1	3	120%	On the waiting list
2	2	80%	Pending Income Documents
3	4	120%	On the waiting list
4	1	120%	On the waiting list
5	2	80%	Pending Income Documents
6	5	120%	Currently in escrow
7	2	150%	Pending Pre-qual
8	2	150%	Pending Income Documents

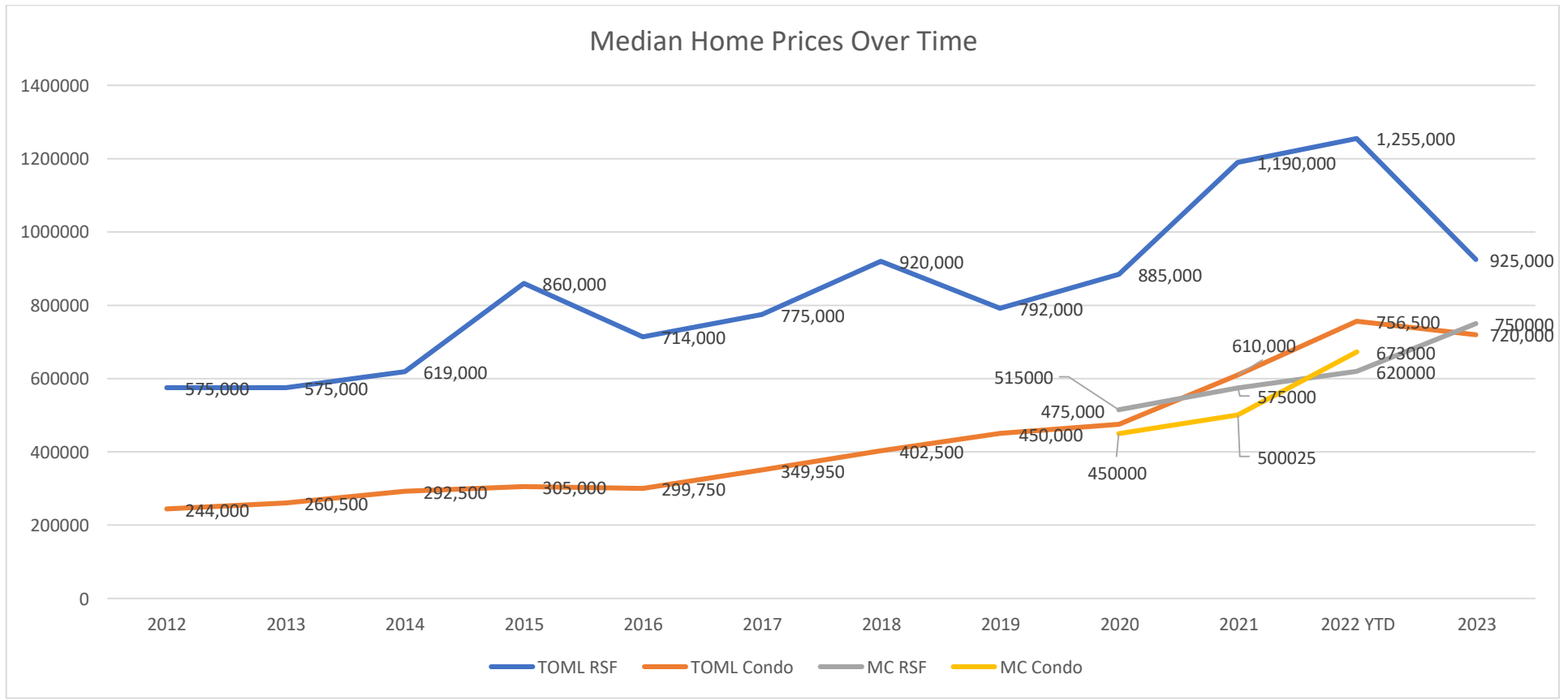
• Units

In Process	Sold
<ul style="list-style-type: none"> - La Vista Blanc #65 <ul style="list-style-type: none"> o 2-bedroom, 1-bath o Closed to MLH 2/2 o Minor repairs <ul style="list-style-type: none"> ▪ sliding glass door-completed o CURRENTLY AVAILABLE 	<ul style="list-style-type: none"> - Meridian Court G-101 <ul style="list-style-type: none"> o Town-owned o 3-bedroom, 2-bath o Minor repairs coordinated o Sold to eligible buyer on 5/31
<ul style="list-style-type: none"> - Meridian Court E-301 <ul style="list-style-type: none"> o MLH owned o 2-bedrooms, 1 bath o Repairs <ul style="list-style-type: none"> ▪ Mold Mitigation-completed ▪ Drywall Repair-completed ▪ Paint- completed o NOT AVAILABLE 	<ul style="list-style-type: none"> - SJV C-5 <ul style="list-style-type: none"> o Closed escrow to MLH 11/8 o Repairs <ul style="list-style-type: none"> ▪ Sell furniture - complete ▪ Paint- complete ▪ Carpet- complete ▪ Windows- complete ▪ Minor repairs- complete o Sold to eligible buyer on 4/14
<ul style="list-style-type: none"> - Aspen Village G-105 <ul style="list-style-type: none"> o MLH transferred Option to Purchase to eligible household o Currently in escrow 	<ul style="list-style-type: none"> - Meridian Court F-203 <ul style="list-style-type: none"> o Town-owned o 1-bedroom, 1-bath o Showed to multiple clients o Sold to eligible buyer on 11/28
	<ul style="list-style-type: none"> - Meridian Court C-201 <ul style="list-style-type: none"> o Town-owned o 1-bedroom, 1-bath o Showed to multiple clients o Sold to eligible buyer on 02/23
	<ul style="list-style-type: none"> - Meridian Court G-201 <ul style="list-style-type: none"> o MLH owned o 3-bedrooms, 2 bath o Waiting for windows o Sold to eligible buyer on 02/23

- Mortgage Assistance Programs

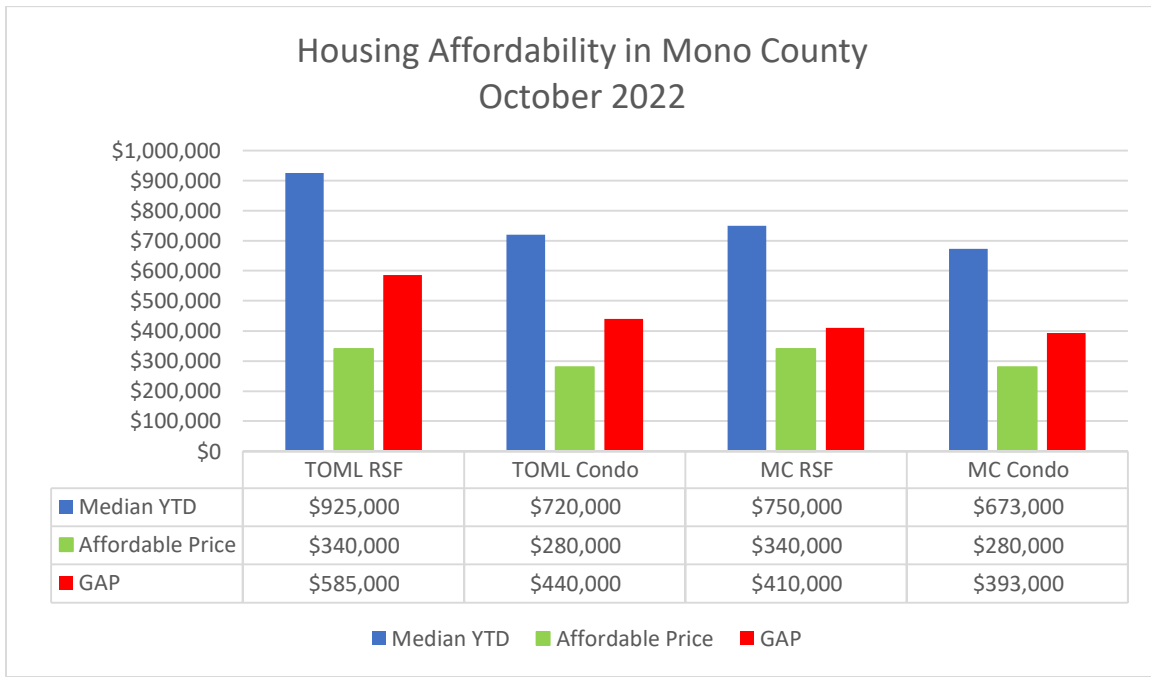
Jurisdiction	Funding Source	AMI	~ Funds Available	Notes
Town	CDBG	80%		<i>Waiting Award</i>
Town	PHLA	120%		<i>Waiting Award</i>
Town	HOME Reuse	80%	~\$100,000	FROZEN BY STATE – We have not heard anything from the State about when this will be available
Town	BEGIN Reuse	120%	\$0	Available at specific complexes
Town	Local	120%		<i>Pending funding</i>
Mono County	HOME	80%	\$455,800	FROZEN BY STATE Expires February 2, 2023 (Possible Extension)
MLH – Mono County + Town	CalHome	80%	\$981,000 funds available	Program Guidelines approved by HCD on 02/2023 Available for: <ul style="list-style-type: none"> • Mortgage Assistance • Rehab • ADU Loans

MEDIAN HOME PRICES



*MC RSF numbers do not include manufactured homes. If included, it drops the median price YTD.

% INCREASE OVER 2022			
MC Condo up	TBD	Town Condo down	5%
MC RSF up	21%	Town RSF down	26%



*Assumptions: 6.8% interest, \$400 personal debt, \$500 HOA, 5% down (with PMI);
 120% AMI household of 4

Projects

1. Innsbruck Lodge (Project Homekey)
 - a. AMI negotiations with HCD
 - b. Demolition completed
 - c. Weekly calls between MLH staff, GC, PM, and Architects
 - d. Building permit approved
 - e. Final budget about \$200,000 over budget

2. Access Apartments
 - a. HOME - \$3.4M
 - b. CDBG - \$3M
 - c. Up to date fundraising - \$68,425
 - i. Coffee sleeve co-lab with Stellar Brew and MLT LAUNCHED
 - d. Whole Person Care – Mono County
 - e. Opened bid packets on 03/17/2023
 - i. Received 2 bids
 - f. Working through financial closing
 - i. Biweekly calls with all funders

3. Valley Apartments
 - a. Escrow- Possible Extension
 - b. PRP Application Submitted
 - c. In negotiations with HCD on loan terms
 - d. Looking for additional funding opportunities
4. Glass Mountain Apartments
 - a. Pending LOI with IMACA
5. Silverpeaks
 - a. Not awarded MHP
 - b. Continuous meetings with the City of Bishop

Work Items Completed

- CHDO renewal submitted!
- PRP Application Submitted for Valley!
- Heaters replaced at Birch Creek Condo!
- Coordinated Entry System training in Bishop!
- Insurance grant application submitted to help cover snow removal costs (\$2,500)
- Alterra Mountain Community Foundation grant application completed for snow removal needs at Star Apartments
- Submitted application to participate in a cohort of community-based developers, to prepare for the Foreclosure Intervention Housing Preservation Program (FIHPP) through HCD. Over the next few years, FIHPP will provide approximately \$375 million in grants and loans to nonprofits to acquire, rehabilitate and preserve affordable housing in foreclosure or at risk of foreclosure. This cohort will provide training and resources for community-based developers to help them prepare to leverage this opportunity.
- Fair Housing Month – accept proclamation at Town Council 4/5 in partnership with the Mammoth Lakes Board of Realtors. Partnered on Fair Housing advertisement to appear in The Sheet.

Work Items Currently Ongoing

- **Projects (Innsbruck, Access, Valley)**
- **Bridge Program – handful of clients and units in various stages of processing/rehab**
- **Advertising for free virtual legal aid in MLH office – Tuesdays 12:00 – 2:00 PM – we had our first client last week!**
- **Fundraising for 238 SMR: \$68,425**
 - Coffee sleeve co-lab with Stellar Brew and MLT LAUNCHED
- 20th Anniversary Rebranding/Marketing
 - Working through website design

- Launch summer 2023
- Mono County and Alpine County TA on service coordination (ChangeWell)
 - Hired both Mono and Alpine County Housing Navigators

Upcoming Work Program Items

- Broker's License = 9 courses, 45 hours each
 - 4 courses completed
- HUD Homeownership Counseling Training

Upcoming Agenda Items

- 5-year Strategic Planning for MLH
- Strategic Investments for Developer Fees
- Advocacy goals for MLH and individual Board members
- Home Keeper Deed Restriction Database Software presentation



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

STAFF REPORT

Subject: Section 4 Rural Capacity Grant Opportunity

Presented by: Patricia Robertson, Executive Director

BACKGROUND

Enterprise Community Partners, Inc. released a NOFA for HUD Section 4 Rural Capacity Grant Opportunities. This NOFA is specifically available to Community Development Corporations (CDCs) and Community Housing Development Organizations (CHDOs) to carry out community development and affordable housing activities that benefit individuals and families with low-incomes (80% AMI or <). Funding is made available through the U.S. Department of Housing and Urban Development's (HUD).

The average grant award is expected to be about \$45,000. The grant expenditure period is 18-24 months. Costs must be incurred during the grant expenditure period.

Eligible Program Areas (choose one)

1. Preservation of Existing Housing
2. New Housing Production
3. Climate and Community Resilience
4. Economic Mobility
5. Eviction Prevention

Eligible Costs

Common examples (but not an exhaustive list) of capacity-building activities that can be funded include the following costs.

- Staff Labor – Salaries and fringe benefits for existing or new staff members.
- Consultants – for capacity-building activities that fall within the program areas of the application. Examples include consultants with expertise in strategic planning, financial management, asset and property management, bookkeeping, board governance, staff professional development, market analysis neighborhood planning, data analysis and tracking, performance measurement, and other areas. Note that consultants shall be

chosen through full and open competition and must possess the ability to perform successfully under the terms and conditions of the proposed activity with price and other factors considered. Consultant pricing shall be fair, reasonable, and comparable to pricing of other entities providing similar services, within HUD's Section 4 program requirements.

- Staff or Board Training – to enhance skillsets, knowledge, and/or strengthen the capacity of the organization. Examples may include topics can include housing development, financial management, economic development, asset management, board development or technology delivered through seminars/workshops or by a consultant.
- Computer Software/Hardware – or other essential technical equipment. These costs may require additional reporting requirements in accordance with Federal Regulations.
- Other Professional Services – as required for project/portfolio or financial planning.

POSSIBLE MLH APPLICATION

Consultants must be selected through an open process.

- Ongoing predevelopment work and grant applications at Valley Apartments
- Access Apartments pre-construction work with General Contractor to refine building plans and/or other predevelopment work including grant applications
- Mono County project in the unincorporated area – propose a third-party consultant to facilitate a partnership between MLH and Mono County to develop a housing project in the unincorporated area.
- Technology upgrades – Salesforce Client Relationship Management for Nonprofits – hire a consultant to provide Salesforce customization for donor/tenant management, property management, grant management, homeownership tools including integration of HomeKeeper and website upgrades (online applications or pre-determination quiz, pay rent online, etc.). To include staff training.

NEXT STEPS

The application is due April 28th. Awards are expected in June.

RECOMMENDATION

The Board should receive the report and make recommendations and/or staff direction as needed.



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

STAFF REPORT

Subject: Innsbruck Lodge Project Update

Presented by: Patricia Robertson, Executive Director

BACKGROUND

The Town of Mammoth Lakes previously committed \$1,000,000 towards Innsbruck Lodge, for which the project received a 1:1 match from the State. On February 15, 2023, the Town also committed an additional \$400,000 under the conditions that it be the last source of funds used.

Mon County also committed \$550,000 for which a 1:1 match from the State was received.

MLH contributed a capital investment of \$141,131. Other investments by MLH include: staff time, project management consultant, and operating/holding costs (utilities, snow removal, etc.).

In February, MLH approved the form of the Grant Agreement. This will be considered by Mono County on April 4, 2023 and subsequently by the Town.

CONSTRUCTION BUDGET

In February, after value-engineering some of the design, the construction budget came in at \$2,364,928. The Board of Directors authorized the construction contract in that amount.

After the building plan-check revisions, the cost went up roughly \$150,000. This creates an additional funding gap.

Staff is working with the contractor and the architects to get the cost down; however, we need to execute the GC contract in order for them to order the electrical equipment and get started as soon as possible.

COORDINATED ENTRY SYSTEM AND LEASE UP

Coordinated Entry (CES) is the federal system through which homeless individuals and families access resources. A “Continuum of Care” (COC) is the administrative entity of CES. Our COC is regional and covers the tri-county area. IMACA was historically the administrator for the COC,

and this has been temporarily moved over to Inyo County. MLH is a participating partner, and our staff have access to enter clients into the Coordinated Entry system.

When applying for Homekey, MLH proposed leasing Innsbruck units to households experiencing homelessness that could afford a mix of rents, ranging from 30% to 60% to 80% AMI. This was disclosed in our application and discussed with HCD staff given the atypical approach which is unique to the realities of homelessness in a rural community like the Town of Mammoth Lakes.

HCD appears to be requiring that MLH lease up the property utilizing the Coordinated Entry System (“CES”) for homelessness, based on clients with the “highest need,” but not on income level. Clients are ranked by the CES based on various factors including if there are children in the household, chronic homelessness, rental history, medical and legal history, safety, etc.

HCD is requiring this without providing any operating subsidy to help cover the gap between the potential low revenue generated and the actual costs to operate the project. Typically, a project serving extremely low-income households or homeless populations cannot afford to operate without subsidizing the low rents through sources such as higher income units within the project (e.g. market rate units), a larger portfolio of projects, or other sources such as project-based Section 8 vouchers or an Operating Reserve. An Operating Reserve is often capitalized at the beginning of the project through grant funds, though it can be created through other grant sources later as well. The Innsbruck Lodge did not obtain any Operating Reserve funds from Project Homekey because it did not have occupancy within 8 months.

If one applies the “highest need” standard without consideration of the ability to pay our originally modeled rents, the financial feasibility of the project is undermined if not jeopardized. This is a similar situation to the Valley Apartments where the population served is disabled seniors with very-low incomes. The very-low rents charged to these households do not support the actual costs of running the facility, which has no substantial or ongoing source of operating subsidy. You can see how this could affect an asset’s financial situation in Scenario 2, below. In this scenario we are showing a reduction in 80% AMI units from 11 to 7; those 4 units have now been rented to households earning 50% AMI.

PROJECT OPERATING BUDGET

Scenario 1 – Proposed in Application

AMI level	30%	50%	60%	80%	Manager – no rent
# Units	2	0	2	11	1

Annual Revenue	\$177,720
Vacancy	\$8,901
Reserves	\$16,000
Expenses	
Amin + Staff	\$72,543
Utilities	\$21,298
Operating + Maintenance	\$26,233
Taxes + Insurance	\$13,100
Supportive Services	\$5,008
NET INCOME	\$14,637

Scenario 2 – Trial with less 80% units

AMI level	30%	50%	60%	80%	Manager – no rent
# Units	2	4	2	7	1

Annual Revenue	\$157,800
Vacancy	\$7,905
Reserves	\$16,000
Expenses	
Amin + Staff	\$72,543
Utilities	\$21,298
Operating + Maintenance	\$26,233
Taxes + Insurance	\$13,100
Supportive Services	\$5,008
NET INCOME	-4,287

Scenario 3 – Conservative based on lowest rents

AMI level	30%	50%	60%	80%	Manager – no rent
# Units	15				1

Annual Revenue	\$75,240
Vacancy	\$3,777
Reserves	\$16,000
Expenses	
Amin + Staff	\$72,543
Utilities	\$21,298
Operating + Maintenance	\$26,233
Taxes + Insurance	\$13,100
Supportive Services	\$5,008
NET INCOME	-82,719

*Assumptions

- Vacancy 5%
- Staff salaries + Property management fee to 3rd party
- No operating subsidies

Based on conservative Scenario 3, in which the project generates the least amount of revenue (15 units at 30% AMI), an annual Operating Subsidy of approximately \$100,000 would be a sufficient amount to capitalize at project start. I would recommend capitalizing a reserve for at least 3-5 years to get the project off the ground.

SOURCES OF OPERATING SUBSIDIES

1. Project-based Section 8 Vouchers
 These vouchers pay the difference between the low-income rent and Fair Market Rent to the owner/operator through the Federal government. There are currently no project-based vouchers in the tri-county region. We are currently working on a strategy to procure these resources from Stanislaus County Housing Authority.
2. Grants
 Grant programs such as HOME and CDBG may have Operating Subsidies as eligible uses. Other grant sources through the Continuum of Care and county social services departments may also allow operating subsidies.
3. Local Appropriations
 Jurisdictions may set aside a funding stream for Operating Subsidies from sources such as tax revenue, a housing trust fund, grant program income, or other sources. Los Angeles County, San Francisco, D.C., and Chicago all have a program like a Local Rent Supplement Program.

4. Housing Choice Vouchers

These vouchers are household specific and travel with the tenant. By accepting tenants with vouchers this will help cover any financial gap; however, this is not a reliable source to plan long-term financial feasibility.

5. Donations

Private donations could fund an Operating Subsidy for an affordable housing project, or a transitional/emergency shelter.

The preferred option would, as an alternative to securing a source of operating subsidy or in the absence thereof, MLH could take the position that the “highest need” standard is applied but it is supplemented with an “ability to pay” requirement, amongst other traditional resident screening criteria. In this manner the CES would refer “high acuity” households that meet the income requirements and have an ability to pay the affordable rents originally modeled. As noted above, this would be required for financial feasibility.

NEXT STEPS

1. Draw Request submitted to the State (3/29)
Mono County approve Grant Agreement (4/4)
2. Town Council approve Grant Agreement (TBD)
3. Draw funds from jurisdictions to Innsbruck Lodge bank account.
4. Execute Contract with GC
5. Pull building permit and pay required fees including DIF
6. Start rehab
7. Continue to pursue sources of Operating Subsidy

RECOMMENDATION

Staff recommends that the Board discuss the status of the project and provide staff direction as appropriate.



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

Subject:

Board Member Reports

This is the time set aside during the meeting for reports from individual members of the Board of Directors – *information item*
