

**June 19, 2018**  
**Regular Meeting**  
**Item # 1**

**Public Address**

**Letters re: Zero Tolerance  
Immigration Policy**

Dear Mono County Board of Supervisors:

I am writing to encourage you to draft a letter to our representatives in Washington, DC, denouncing the policy of separating children from their parents. I join Laura Bush and many others in calling this political move for what it is: senseless, cruel, and permanently damaging to the children being detained away from their families.

I spoke with the staffs of Senators Harris and Feinstein this morning and both are against this policy and have sponsored bills to end this horrible approach justified as a way to discourage immigration.

Unfortunately, when I talked to a staff person in Representative Cook's office, I had a very different experience. I asked where the congressman stood on this issue. His first response was to say he didn't know and he directed me read Cook's website. When I asked him to find out from another staff person, after 5 minutes he told me this: Representative Cook supports our law enforcement officers doing their jobs and supports following our immigration laws. He never answered my question! I responded by sharing my beliefs and concerns and said that I would be contacting Cook tomorrow with the same question until he comes out either supporting or denouncing this inhumane policy so I can at least know where he stands.

When I wrote to the Board after President Trump was elected with my fears of how our immigrant community members might be treated, I never imagined something this horrific and disgraceful happening at our borders. I do believe that as our county representatives, you can have an influence over Representative Cook and I hope that you will write to him and tell him to support abolishing this terrible policy.

Thank you for your work in serving your Mono County constituents and speaking out for justice at our borders.

Sincerely,

Jeanne Oakeshott

Dear Mono County Board of Supervisors,

I am writing today to express my dismay and disgust at our Federal government's current practice of separating immigrant families at the border. I understand that immigration is a complicated and challenging issue, however, separating children from their parents is wrong. Period. This practice must be stopped immediately – keeping families together while they wait to be processed. This is not what America – a country founded by immigrants – stands for. America is better than this.

As the mother of a young daughter myself, I can't begin to imagine the agony, grief, and anguish that these parents must be going through. To say nothing of the torment and fear the children must be suffering, not knowing when or if they will see their parents again. According to the United Nations, nearly 2,000 children have been forcibly separated from their parents in the past six weeks. The UN has called the current practice unconscionable. The American Academy of Pediatrics has written to the Department of Homeland Security on numerous occasions opposing family separation and outlining its detrimental child health effects and issued a statement saying, "we know that family separation causes irreparable harm to children."

I urge the Board of Supervisors to condemn the separation of immigrant families and request that you send a letter to Congressman Paul Cook urging him to do the same and to take action against this practice immediately.

Thank you for your time,

Pam Heays  
Mammoth Lakes resident

Board of Supervisors  
Mono County, CA  
June 18, 2018

Dear Mono County Supervisors,

I am writing this letter as a resident of Mono County and a citizen of the United States. I am asking the Board of Supervisors to stand together to oppose the policy of separating children from their immigrant parents at the U.S./Mexico border. Representative Paul Cook needs to know where the Mono county citizens stand on this issue; a letter to the effect that many of us vehemently oppose this policy needs to be written.

In any circumstance, separation of children from their parents is cruel and inhumane. History has proven this! Our own United States has committed this action on several occasions in the past. As an example, what good ever came of separating Native American children from their parents when they were sent away to white schools and foster homes? The emotional, physical, and cultural damage inflicted on these children was irreparable.

We are talking about a basic human right here. This new policy must be stood up to and Representative Cook needs to know where Mono County stands.

Thank you for your time and consideration.

Sincerely,

Nancy Fiddler  
Crowley Lake, CA

**June 19, 2018**  
**Regular Meeting**  
**Item # 7c**

**CDD**

**Housing Needs Assessment**  
**PPT**

# Housing Needs Assessment Review and Community Feedback on Housing Toolbox

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Mono County Board of Supervisors

June 19, 2018



# Housing Needs Assessment Review

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- Occupancy rates decreasing (down to 35 percent)
- Housing limitations in Mammoth Lakes could put increased pressure on County's inventory
- Affordability gap
- **120 to 170 units needed in unincorporated County by 2022.**
  - 50 to 100 units needed to meet current needs.
  - Additional 70 units to accommodate projected growth through 2022
- Community based strategies required to meet diverse needs

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# Community Feedback on Housing Toolbox



# Incentivize Creation of ADUs\*

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- Board member(s) priority
- All RPACs listed as priority
- June Lake: modify setback standards/provide flexibility

# Actively Engage Employers\*

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- Board member(s) priority
- Capture employee housing provided by businesses in the housing “count.”

# Incentivize Conversion from Short- to Long- Term Rentals\*

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- Board member(s) priority
- Strong support of this tool in June Lake, Mono Basin, and Long Valley.
- Not an issue in Antelope Valley.
- Bridgeport: Initially provided input that housing is not an issue, subsequently input was received that STRs are a potential concern.
- Potential solutions: Promote long-term rentals over short-term through fees and incentives.



# Develop New Housing Opportunities by Acquiring Land and Improving Infrastructure

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- Board comments: Hesitation over the County managing properties or being a landlord
- Board comments: Work with those interested in building affordable housing units, create opportunity, be aware of infrastructure needs/opportunities to improve.
- Bridgeport: Most developable land is held by those with no intention of developing, no land available for new development.
- Mono Basin: Improve infrastructure.

# Support Dedicated Funding Source Through a Tax Increase

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- Board comments: Develop a funding mix which may include a tax and the HMO.
- If the County no longer wants to manage property or be a landlord, sale of existing County housing units could generate revenue for a diversified funding mix.
- Bridgeport RPAC does not support this tool.



# Regulate Vacation Home Market\*

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- Board member(s) priority
- Strong support of this tool in June Lake, Mono Basin, and Long Valley.
- Not an issue in Antelope Valley.
- Bridgeport: Initially provided input that housing is not an issue, subsequently input was received that STRs are a potential concern.
- Potential solutions: Promote long-term rentals over short-term through fees and incentives.

# Funds to Assist with Rehabilitation of Properties\*

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- Board member(s) priority

# Explore Rental Rehabilitation Programs\*

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- Board member(s) priority



# Support Deed-Restriction of Homes for Sale

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- If sale of existing County housing units is pursued, units could be deed-restricted to guarantee continued use as workforce housing.

# Housing Mitigation Ordinance\*

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- Board member(s) priority
- Board feedback: Fees should be responsive to economic cycles to be sustainable over the long term, support for HMO may depend on how fees are used, concern about location factor.
- Antelope Valley, Bridgeport, Mono Basin: Single-family homes should be excluded from the HMO.
- Bridgeport: HMO will discourage development.



# Housing Mitigation Ordinance\*

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- Antelope Valley: Eliminate the location factor.
- Mono Basin: Keep the location factor.
- Most RPAC discussions expressed concern that not much development occurs in Mono County, and therefore a fee could discourage development or would not generate much revenue. It was also acknowledged that the HMO would not generate much revenue without a fee on single-family residential development.

# Other Comments

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- Partner with other agencies to use all employee units.
- Use a regional approach and seek efficiencies.
- Antelope Valley RPAC: Incentives for private developers (tax credits, financing programs, etc.) and public/private partnerships.
- Long Valley & June Lake: Reduce square footage requirements for homes.
- June Lake: More multi-family designations, configuration/size of lots difficult to develop, increase density, snow storage difficult to meet.



# Other Comments

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- Lee Vining: Parking requirements difficult to meet
- Bridgeport: Develop separate standards to remove barriers for workforce housing and waive fees.

# Next Steps

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- HMO on separate track for adoption in July, and is one funding source for implementation of toolbox.
- Revise toolbox to reflect feedback and priorities.
- Develop specific programs and actions under the toolbox → becomes the basis for Housing Element update.
- Determine capacity of County to implement programs\*\*\*, and implement.
- Implementation expectations need to be matched with capacity.

**June 19, 2018**  
**Regular Meeting**  
**Item # 7d**

**CDD**

**Housing Mitigation**  
**Ordinance Update PPT**



# Affordable Housing Fees Study

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presented to  
Mono County Board of Supervisors

presented by  
Ashleigh Kanat  
Economic & Planning Systems, Inc.



June 19, 2018

# PRESENTATION OVERVIEW

- ❖ Introduction/Background
  - Approach to Housing Fee Studies and Current Legal Context
- ❖ Fee Calculations
  - In-Lieu Fee for Single-Family and Multifamily
  - Impact fee for Ownership Residential (Nexus)
  - Impact Fee for Rental Residential (Nexus)
  - Commercial Linkage Fee
- ❖ Fee Comparisons
- ❖ Feasibility Analysis
- ❖ EPS Recommendations
- ❖ Discussion and Questions

# INTRODUCTION/ BACKGROUND

**Economic & Planning Systems, Inc. (EPS)** is a land economics consulting firm with over 30 years of experience in the full spectrum of services related to real estate development, the financing of public infrastructure and government services, land use and conservation planning, and government organization.

### Areas of Expertise

- Real Estate Market and Feasibility Analysis
- Regional Economics and Industry Analysis
- Public Finance
- Land Use Planning and Growth Management
- Fiscal and Economic Impact Analysis
- Housing Development Feasibility and Policy
- Open Space and Resource Conservation
- Reuse, Revitalization, and Redevelopment
- Government Organization
- Transportation Planning and Analysis

Located in Oakland, Los Angeles, and Sacramento, California; and Denver, Colorado

[www.epsys.com](http://www.epsys.com)

# INCLUSIONARY HOUSING PHILOSOPHY

- ❖ The construction of new, market-rate housing affects both the demand and supply fundamentals of affordable housing
  - Escalating housing prices are creating economic hardships for lower-income residents
  - The development of market-rate housing reduces the availability of developable land for affordable housing, and
  - Market-rate housing increases demand for retail and service jobs that typically pay modest wages



# INCLUSIONARY HOUSING PHILOSOPHY

- ❖ The County is required by State law to plan for the construction and retention of housing affordable to households of diverse incomes.
- ❖ The Supreme Court of California has affirmed that the provision of affordable housing is a legitimate public interest that can be addressed through the regulatory powers of a jurisdiction.
- ❖ An inclusionary requirement sets aside a portion of market rate units for households earning lower incomes (or allows the payment of fees, dedication of land, acquisition and preservation of existing units, or other means of compliance).
- ❖ Many jurisdictions throughout California have successfully implemented inclusionary housing ordinances that have led to the construction or preservation of affordable housing units.

# EPS SCOPE OF SERVICES

- ❖ Reviewed existing Housing Mitigation Ordinance (HMO) and inclusionary policies and affordability requirements
- ❖ Calculated Single-Family and Multifamily In-Lieu Fees
- ❖ Calculated Ownership and Rental Housing Impact Fees (Nexus)
- ❖ Calculated Commercial Linkage Fees
- ❖ Surveyed fees in other peer jurisdictions
- ❖ Testing feasibility of maximum and recommended fees to inform final fee level recommendations
- ❖ Working with staff to establish appropriate fee levels and other related policy updates

# APPROACH TO HOUSING FEE STUDIES

## ❖ Reflect Economic Circumstances

- Housing market and development economics are different today than when HMO was prepared
- Uncertain external funding sources

## ❖ Reflect Legal Changes

- *BIA v. San Jose case supported policy basis for inclusionary housing and fees*
  - Policy-based fee for Ownership Housing
- *AB 1505 (November 2017)*
  - Affirms policy-based fee for Rental Housing

## ❖ Test Maximum Fees vs. Feasible Fee Levels

# COUNTY'S CURRENT HOUSING REQUIREMENTS

- ❖ HMO is currently suspended; suspension expires at end of August
- ❖ Inclusionary requirements for residential developments
  - Single Family: One affordable unit for every 10 units developed (10% inclusionary requirement)
    - Affordability distribution varies by number of units required (size of unit, number of bedrooms and AMI target)
  - Multifamily: One affordable unit for every 15 units developed (6.7% inclusionary requirement)
    - All affordable units to be affordable to low-income households (up to 80% AMI)
- ❖ Inclusionary requirements for nonresidential developments
  - Visitor Accommodations = one affordable unit for every 20 sleeping areas
  - Commercial = one affordable unit for every 8,000 sq.ft.
  - Industrial/Service Commercial = one affordable unit for every 10,000 sq.ft.
  - Storage/Warehouses = one affordable unit for every 20,000 sq.ft.



# FINANCING GAP TO BUILD AFFORDABLE HOUSING

## Key Inputs for All Fees

Item	Low Income (80% AMI)	Moderate Income (120% AMI)
<b>Development Program Assumptions</b>		
Number of Bedrooms	2	2
Number of Persons per 2-Bedroom Unit	3	3
<b>Cost Assumptions</b>		
Land	\$519,000	\$519,000
Direct Costs	\$201,850	\$201,850
Indirect Costs	\$80,740	\$80,740
Profit (at 14%)	<u>\$42,000</u>	<u>\$42,000</u>
<b>Total Cost/Unit</b>	<b>\$344,552</b>	<b>\$344,552</b>
<b>Total Cost/SF</b>	<b>\$300</b>	<b>\$300</b>
<b>Maximum Supported Home Price</b>		
Household Income	\$57,550	\$87,700
<b>Total Supportable Unit Value</b>	<b>\$204,818</b>	<b>\$296,545</b>
<b>Affordability Gap</b>	<b>(\$139,733)</b>	<b>(\$48,006)</b>

Assumes County would subsidize rental apartments averaging 2BR

Costs based on market prices for land, labor, materials, and capital

Values determined by household income level

# HOUSING IN-LIEU FEE CALCULATIONS

# IN-LIEU FEE CALCULATION FOR OWNERSHIP HOUSING

- ❖ In lieu of building units onsite, developers pay County to subsidize affordable units elsewhere in the County.

Item	Low (80% AMI)	Moderate (120% AMI)	Total	In-Lieu Fee	
				per Affordable Unit	per Market-Rate Unit
Units	5.0	5.0	<b>10</b>	10	100
Value/Unit	\$204,818	\$296,545			
Total Value	\$1,024,091	\$1,482,727	\$2,506,818		
Costs/Unit	\$344,552	\$344,552			
Total Costs	\$1,722,758	\$1,722,758	\$3,445,515		
Subsidy per Unit	\$139,733	\$48,006			
Total Subsidy Required	\$698,667	\$240,030	<b>\$938,697</b>	<b>\$93,870</b>	<b>\$9,387</b>

# IN-LIEU FEE CALCULATION FOR RENTAL HOUSING

- ❖ In lieu of building units onsite, developers pay County to subsidize affordable units elsewhere in the County.

Item	Low (80% AMI)	Total	In-Lieu Fee	
			per Affordable Unit	per Market-Rate Unit
Units	6.7	<b>6.7</b>	6.7	100
Value/Unit	\$204,818			
Total Value	\$1,372,282	\$1,372,282		
Costs/Unit	\$344,552			
Total Costs	\$2,308,495	\$2,308,495		
Subsidy per Unit	\$139,733			
Total Subsidy Required	\$936,213	<b>\$936,213</b>	<b>\$139,733</b>	<b>\$9,362</b>



# HOUSING NEXUS FEE CALCULATIONS

# RESIDENTIAL NEXUS METHODOLOGY

New homebuyers  
and new renters

Stimulate  
economic activity  
through spending  
patterns

Generate  
additional low-  
income workers  
who need housing

# HOME PRICE AND REQUIRED INCOME ASSUMPTIONS

## Required Income by Home Price

Home Price	Down Payment	Annual Mortgage	Property Taxes + Insurance	Annual Housing Costs	Minimum Annual Household Income Required
\$350,000	10%	\$18,216	\$5,250	\$23,466	\$78,222
\$550,000	10%	\$28,626	\$8,250	\$36,876	\$122,920
\$750,000	10%	\$39,035	\$11,250	\$50,285	\$167,618
\$950,000	10%	\$49,445	\$14,250	\$63,695	\$212,316

# MAXIMUM FEE LEVELS BY HOMEBUYER CATEGORY

Residential Prices	Maximum Nexus-Based Fees		Unit Requirements by Income Level			Total
	Fee per Unit	Fee/Sq.Ft.	Very Low (<50% of AMI)	Low (<80% of AMI)	Moderate (<120% of AMI)	
<b>\$350,000</b>	\$19,817	\$16.51	4.3%	5.7%	1.7%	11.7%
<b>\$550,000</b>	\$29,404	\$18.38	6.4%	8.6%	2.4%	17.4%
<b>\$750,000</b>	\$40,114	\$20.06	9.2%	11.2%	2.3%	22.7%
<b>\$950,000</b>	\$51,435	\$21.43	11.7%	14.1%	4.2%	30.0%



# RENT AND REQUIRED INCOME ASSUMPTIONS

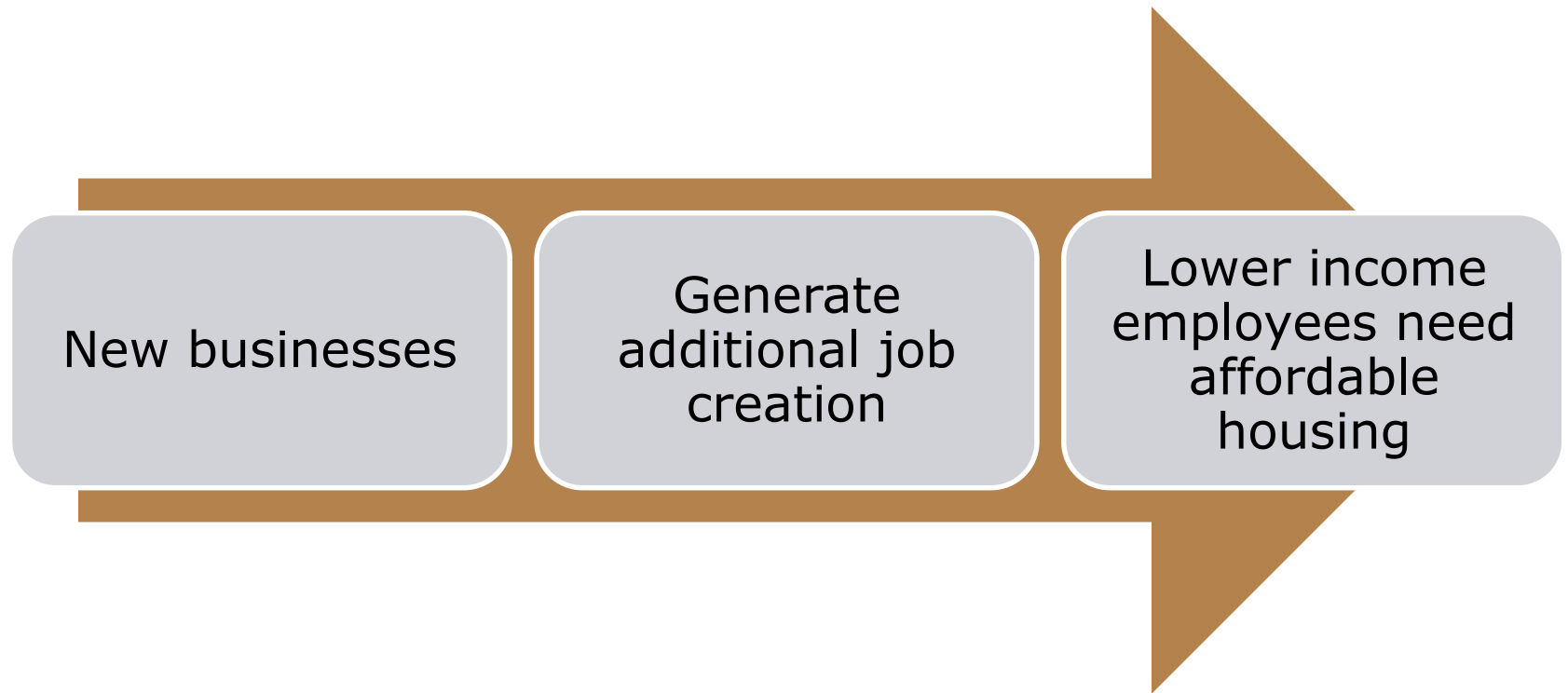
Apartment Size	Required Monthly Rent	Required Income by Unit Type			
		Monthly Utility Cost	Monthly Rent and Utilities	Annual Rent and Utilities	Minimum Annual Household Income Required
<i>Formula</i>	<i>A</i>	<i>B</i>	$C = A + B$	$D = C * 12$	$E = D / 30\%$
<b>Studio/1-Bedroom</b>	\$1,600	\$256	\$1,856	\$22,272	<b>\$74,240</b>
<b>2-Bedroom</b>	\$2,200	\$306	\$2,506	\$30,072	<b>\$100,240</b>
<b>3-Bedroom</b>	\$3,400	\$357	\$3,757	\$45,084	<b>\$150,280</b>

# MAXIMUM FEE LEVELS BY RENTER CATEGORY

Rental Apartments	Maximum Nexus-Based Fees		Unit Requirements by Income Level			Total
	Fee per Unit	Fee/Sq.Ft.	Very Low (<50% of AMI)	Low (<80% of AMI)	Moderate (<120% of AMI)	
Studio/1-Bedroom	\$18,808	\$20.90	4.1%	5.4%	1.6%	11.1%
2-Bedroom	\$23,763	\$19.01	5.2%	7.0%	1.5%	13.7%
3-Bedroom	\$35,949	\$17.97	7.8%	10.5%	2.9%	21.2%

# COMMERCIAL LINKAGE FEE CALCULATION

# COMMERCIAL LINKAGE METHODOLOGY



# COMMERCIAL LINKAGE - EXAMPLE

Item	Example
Employment Category	Visitor Accommodations
Industry	Accommodation (NAICS Code 721000)
Occupation Category	Buildings and Grounds Cleaning and Maintenance
Nationwide Median Income for Occupation	\$25,870
Regional Wage Adjustment Factor for Occupation	101.5%
Median Wage Estimate for the Eastern Sierra Region	\$26,263
Workers per Household	1.86
Median Income per Household	\$48,770
Income Category for 3-person Family	Low Income - up to 80% AMI



# COMMERCIAL LINKAGE – MAXIMUM FEE LEVELS

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<b>Land Use Category</b>	<b>Maximum Fee per sq. ft.</b>
Storage and Warehouses	\$26.40
Commercial	\$71.30
Industrial/Service Commercial	\$8.60
Visitor Accommodations	\$94.74

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# FEE COMPARISONS

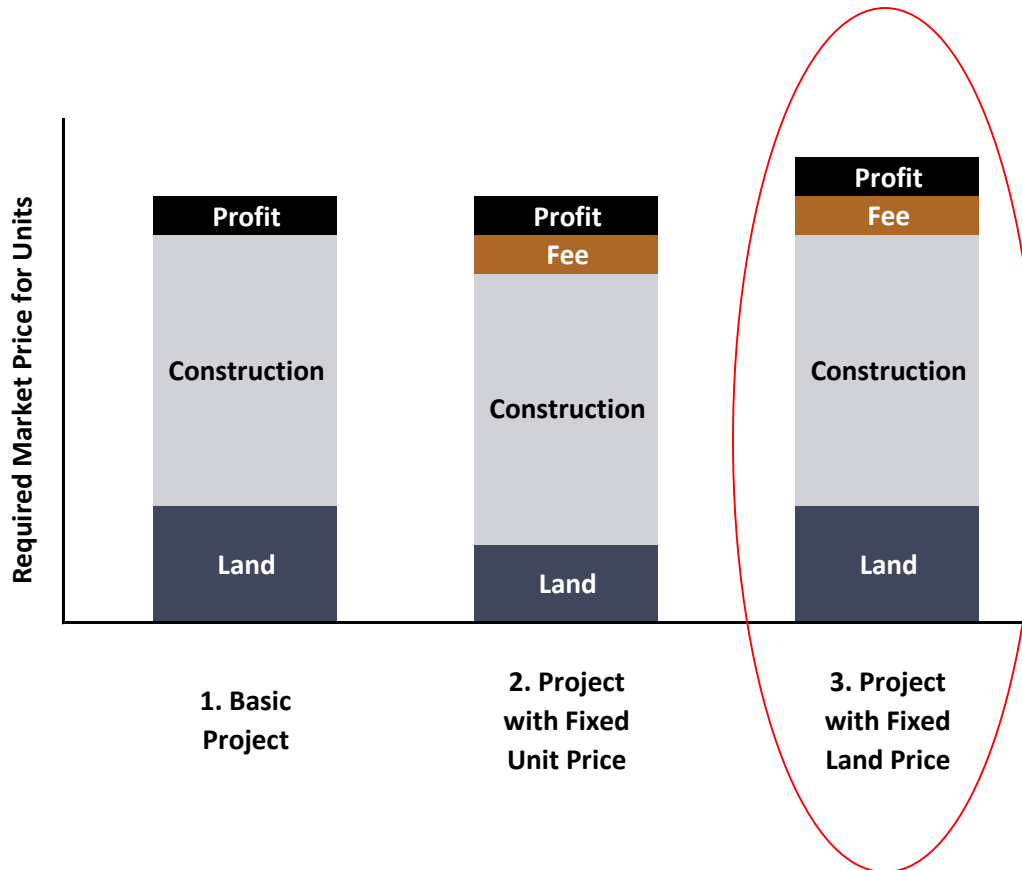
**Affordable Housing Requirements and Fees**

<b>Location</b>	<b>Ownership</b>	<b>Rental</b>	<b>Nonresidential</b>
Town of Mammoth Lakes	\$5,700 per unit	\$5,700 per unit	Lodging \$3,700 / room Retail/Restaurants \$2 / gross sf Office \$2 / gross sf Light Industrial \$1 / gross sf Service Uses \$2 / gross sf
Nevada County (Truckee Only)	15% Moderate-Income <b>or</b> 5% Above Moderate-Income, 5% Moderate-Income, and 5% Low- Income	15% Low-Income <b>or</b> 5% Moderate-Income, 5% Low- Income, and 5% Very-Low Income	N/A
Tuolumne County	10% Median-Income or Below  Fee = 10% of the County-wide median sales price of a single-family residence in Tuolumne County	10% Low-Income or Below  Fee = 10% of the County-wide median sales price of a single-family residence in Tuolumne County	N/A
Alpine County (Kirkwood Resort Only)	10% Employee Housing	33% Employee Housing	.03% Employee Housing
Inyo County	N/A	N/A	N/A
Sierra County	N/A	N/A	N/A
El Dorado County	N/A	N/A	N/A
Mariposa County	N/A	N/A	N/A



# FEASIBILITY ANALYSIS

# COST INCIDENCE OF A FEE



Assumes cost is borne by the consumer, who must pay higher prices or rents for a developer to receive reasonable return



# FEASIBILITY TEST FINDINGS

Item	Residential In-Lieu Fees		Nonresidential Linkage Fees		
	Single Family	Multifamily	Storage/ Warehouse	Commercial	Industrial/Service Commercial
<i>Mono County - Current Fee</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EPS-Calculated Fee	\$9,387	\$9,362	\$26.40	\$71.30	\$8.60
<i>Required % Increase above Current Price/Rent</i>	1.6%	3.3%	26.8%	27.1%	8.2%
<b>Recommended Fee</b>	<b>\$9,400</b>	<b>\$9,400</b>	<b>\$1.00</b>	<b>\$2.00</b>	<b>\$1.00</b>
<b><i>Required % Increase above Current Price/Rent</i></b>	<b>1.6%</b>	<b>3.3%</b>	<b>1.0%</b>	<b>0.8%</b>	<b>1.0%</b>

# FEASIBILITY TEST FINDINGS

- ❖ County's inclusionary requirements are consistent, if not lower than requirements among surveyed jurisdictions
- ❖ County's inclusionary requirements translate to in-lieu fees higher than fees among surveyed jurisdictions
- ❖ Maximum fees calculated in nexus studies greatly exceed feasible levels for residential and commercial development
- ❖ Fees more consistent with fee levels in the Town of Mammoth Lakes appear feasible for nonresidential developments

# EPS RECOMMENDATIONS

# EPS RECOMMENDATIONS

- ❖ Update HMO to reflect the following affordable housing fee programs:
  - Inclusionary Requirements and In-Lieu Fees
    - 10% inclusionary requirement for single family development projects, affordable to Low and Moderate income households (50/50)
    - 6.7% inclusionary requirement for multifamily development projects, affordable to Low income households
    - Set fee at \$9,400 per market rate unit to be updated annually per construction cost index
      - Establishing a lower fee will require adjusting the inclusionary requirements
  - Commercial Linkage Fees
    - Storage and Warehouses: \$1/sq.ft.
    - Commercial: \$2/sq.ft.
    - Industrial/Service Commercial: \$1/sq.ft.
    - Visitor Accommodations: \$4,000 per room (approx. \$8/sq.ft., assuming 500 sq.ft. average room size)

# DISCUSSION AND QUESTIONS