

Mammoth Lakes Town Council Agenda Action Sheet

Council Meeting Date: July 15, 2015

Date Prepared: July 9, 2015

Prepared by: Sandra Moberly, Planning Manager

Title: Development Impact Fee, Housing Fee, and Public Art Fee Reductions

Agenda: Policy

Recommended Motion: Staff recommends that Town Council temporarily reduce Development Impact Fees and Housing Fees through August 28, 2015. Staff recommends that the Town Council temporarily reduce Public Art Fees through July 31, 2017.

Background Information: The purpose of the item is to allow the Town Council to consider a temporary reduction of Development Impact Fees (DIF) and Housing Fees through August 28, 2015. Additionally, the Council should consider whether to temporarily reduce the public art fee through July 31, 2017.

Funds Available: N/A

Account #: N/A

Reviewed by:

✓ Town Manager ✓ Town Attorney _____ Finance

X Planning & Economic Development Commission (Public Art Reduction)

X Community & Economic Development Department

TOWN COUNCIL STAFF REPORT

Subject: Consider a reduction of the Development Impact Fees and Housing Fees Through August 28, 2015. Consider a Public Art Fee reduction through July 31, 2017.

Meeting Date: July 15, 2015

Written by: Sandra Moberly, Planning Manager
Grady Dutton, Public Works Director

RECOMMENDATION:

Staff recommends that Town Council temporarily reduce Development Impact Fees and Housing Fees through August 28, 2015. Staff recommends that the Town Council temporarily reduce Public Art Fees through July 31, 2017.

BACKGROUND:

The purpose of the agenda bill is to allow the Town Council to consider a temporary reduction of Development Impact Fees (DIF) and Housing Fees through August 28, 2015. Additionally, the Council should consider whether to temporarily reduce the public art fee through July 31, 2017.

Development Impact Fees/Housing Fees

On July 1, 2015 the Town Council approved new DIF and Housing Fees. Both DIF and Housing Fees become effective 60 days from the date of approval, August 31, 2015. The Development Impact Fees have been temporarily reduced since 2011 as an economic stimulus to help counter the slowdown in building and construction activity resulting from the Great Recession. Housing Fees had also been temporarily reduced through the Interim Housing Policy for smaller projects although larger projects were required to either mitigate impacts on-site or receive approval of an alternate housing mitigation plan with fees approved by the Planning & Economic Development Commission. The updated Housing Fees approved by Council on July 1st allow all projects to pay a fee to mitigate housing impacts and do not require the provision of on-site housing.

During the interim period between the adoption of the new DIF and Housing Fees, staff would like to provide applicants with the opportunity to pay the lowest fee which, depending on the type of project, is either the temporarily reduced DIF fees/Interim Housing Policy fee provisions or the new fees.

Public Arts Fees

The Town Council and Town staff have received numerous comments regarding the high cost of public arts fees. Staff recommends that the Public Arts Fee and Program be reviewed and revised to ensure that the fees are appropriate and the goals of the program are being achieved.

On June 10, 2015 the Planning & Economic Development Commission, the body that is responsible for implementation of the Public Arts Fee and Program, discussed the temporary reduction of the public art fee and made the following recommendation:

The PEDC supports the temporary reduction of the Town's current Public Art Fee and recommends that Town Council approve the temporary reduction. Additionally, the PEDC recommends that, prior to the reinstatement of the public art fee, the Council consider directing staff to prepare an implementation plan for public art within town using funds from the public art fund.

Consistent with the PEDC recommendation, staff has proposed temporarily reducing the Public Arts Fee for two years, to July 31, 2017.

ANALYSIS/DISCUSSION:

Development Impact Fee Reduction

Resolution 14-45 includes the following statements:

The Council shall review the temporary Development Impact Fee waiver program by December 31, 2014 and if not revised as provided for herein, again within one year to determine the scope and structure of the Town's Development Impact Fee program. If no action is taken by the Council to extend the temporary fee waivers, the waivers will cease on July 31, 2015.

Notwithstanding the foregoing, the Town Council reserves the right to rescind this resolution at any time and restore Development Impact Fees to any level or amount not exceeding the levels and amounts of fees in effect immediately prior to the adoption of this temporary Development Impact Fee waiver program on August 10, 2011.

The Town Council approved updated Development Impact Fees on July 1, 2015 which take effect on August 31, 2015. The purpose of this temporary reduction in DIF is to allow applicants to pay the lower of either the temporary reductions or the new Development Impact Fees, implemented as a temporary reduction. Staff recommends Town Council rescind Resolution 14-45 and adopt Resolution 15-____ to waive DIF for certain types of projects and reduce DIF for others in accordance with

the DIF Schedule shown below. Staff recommends the effective dates for these reductions be July 1, 2015 through August 28, 2015.

In reviewing the current and proposed Development Impact Fees (DIF), staff reviewed:

- Current DIF as previously adopted by Town Council.
- Current DIF Reduction as approved July 16, 2014 that includes an expiration date of July 31, 2015.
- Updated DIF Schedule as adopted by Town Council July 1, 2015 with an effective date of August 31, 2015.

In preparing the recommended DIF Schedule for the period July 16, 2015 through August 28, 2015, staff prepared three spreadsheets in accordance with the three descriptions immediately above that show the DIF for each type of project. Staff then identified the lowest DIF for each type of project based on the project types identified in previous DIF summaries. It should be noted the new DIF Study lists differing project types, so staff identified the lowest fee based on the current project types. In all cases, the lowest available rate was selected for the interim period.

The proposed DIF Schedule, including temporary reductions is as follows:

- 100% reduction for residential projects of up to four units, new commercial projects and remodels of residential, commercial or industrial projects.
- Reduction to rates as shown below for all other projects.
- Airport fee 100% reduced for all projects.
- Reductions shall be granted for any project with a complete building permit application submitted on or before August 28, 2015.

If the project is not listed above, the following fees apply:

Facility	Single family Non-transient*	Single family Transient (Per Unit)	Mobile Home (Per Unit)	Multi-unit Non Transient (Per Unit)	Multi Unit Transient (Per Unit)	Commercial and Office (per 1,000 sq. ft.)	Industrial (per 1,000 sq. ft.)
Law Enforcement	\$143	\$143	\$122	\$149	\$287	\$0	\$250
Streets and traffic signals	\$253	\$253	\$132	\$176	\$158	\$0	\$140
Transit and Trails	\$1,325	\$1,325	\$694	\$925	\$831	\$0	\$710
Storm Drainage	\$806	\$806	\$438	\$558	\$417	\$0	\$260
General Facilities	\$674	\$674	\$574	\$705	\$412	\$0	\$260
Parkland and Recreation	\$680	\$680	\$579	\$711	\$508	\$0	\$0
Airport	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$3,881	\$3,881	\$2,539	\$3,224	\$2,613	\$0	\$1,620

Development Impact Fees related to Library, Child Care and Fire District have not changed.

Housing Fee Reduction

The Town Council adopted a Housing Nexus Study and new housing fees on July 1, 2015. The fees will become effective on August 31, 2015. Prior to August 31st the Interim Housing Policy would be the governing document related to housing fees. Because the Housing Fee Nexus study significantly revised housing fees and added new housing fees for certain types of projects, staff proposes to implement a temporary reduction in certain housing fees from July 1st – August 28th in order to ensure that developers are able to take advantage of the lower of the fees between the Interim Housing Policy and the Housing Nexus Study. The proposed housing fees reflect the lower of the two options and are as follows:

Use Type	Fee
Single Family Homes less than 2,500 square feet	\$0
Single Family Homes more than 2,500 square feet	\$2.68 per s.f. above 2,500s.f.
Additions to or remodels of single family residences that would not cause total living area to exceed 2,500 square feet or are less than 400 square feet in aggregate per building for floor areas above 2,500 square feet	\$0
Residential additions	\$0
Projects of four or fewer units in the Residential Multi-Family 1 Zone	\$0
Residential developments of nine or fewer units	\$5,700 per unit
Residential developments of ten or more units	\$5,700 per unit

Lodging developments of 19 or fewer rooms	\$3,700 per room
Lodging developments of 20 or more rooms	\$3,700 per room
Non-transient rental apartments and deed restricted units	\$0
Retail and restaurant development within the Specific Plan, Commercial zones, and Resort Zone	\$0
Developments within the Industrial zone	\$1/gross square foot
Office	\$2/gross square foot
Service Uses	\$2/gross square foot

Public Art Fee Temporary Reduction

The Planning & Economic Development Commission discussed a possible public art fee reduction on June 10, 2015. The Commission recommended that the public art fee be reduced to \$0.00 for a period of two years. The Commission also recommended that prior to the public art fees being collected in the future an implementation plan be developed so there would be clear direction as to where the fees should be spent.

Please note that expenditure of art funds to develop an implementation plan is permitted by Municipal Code Section 15.18.040.D.6 which allows the funds to be used for *administrative expenses, including legal, to otherwise implement uphold or carry out any provision of this chapter*. It is staff's opinion that M.C. Section 15.18.040.D.6 allows the use of the public art funds to develop an art implementation program for consideration by the Town Council.

The Town Council should consider a temporary reduction in the public art fee to allow staff to review and revise the program.

OPTIONS ANALYSIS

Option 1: Temporarily reduce the DIF and Housing Fee through August 28, 2015. Temporarily reduce the Public Art Fee for a period of two years, through July 31, 2017.

Option 2: Do not temporarily reduce DIF and Housing Fees. Do not temporarily reduce the Public Arts Fee. DIF fees would be reinstated to the amounts in effect immediately prior to the adoption of the

Development Impact Fee reduction program on August 10, 2011. The Interim Housing Policy would govern housing fees until the new fees take effect. The Public Arts Fee would continue to be collected as described in Municipal Code Chapter 15.18.

FINANCIAL CONSIDERATIONS:

The fees for DIF and Housing would be reduced to be consistent with the adopted DIF and Housing Fee study and there would be no financial considerations beyond those outlined in the DIF study. The Public Arts Fee reduction would result in no public art fees being collected over the next two years. The Town has no planned expenditures for the Public Art Fund so the impact of forgoing these fees is one the Town can bear.

ENVIRONMENTAL CONSIDERATIONS

Temporarily reducing Development Impact Fees, Housing Fees, and Public Arts Fee does not have the potential to cause a significant impact on the environment and is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), *General Rule*. The General Rule states that *“the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.”*

LEGAL CONSIDERATIONS

The Town Attorney has reviewed the proposed temporary reduction of Development Impact Fees, Housing Fees, and the Public Arts Fee and has determined that there are no legal issues with this action.

Attachments:

1. Town Council Resolution 15-__ (Development Impact Fee Reduction)
2. Town Council Resolution 15-__ (Housing Fee Reduction)
3. Town Council Resolution 15-__ (Public Arts Fee Reduction)

RESOLUTION NO. 15-__

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF MAMMOTH LAKES, STATE OF CALIFORNIA, RESCINDING RESOLUTION 14-45 AND TEMPORARILY REDUCING THE DEVELOPMENT IMPACT FEES THROUGH AUGUST 28, 2015

WHEREAS, the Town of Mammoth Lakes (“Town”) has adopted Development Impact Fees and charges to mitigate impacts on public facilities which are necessary to protect the health, safety and welfare of the public; and

WHEREAS, the Town Council approved an updated Development Impact Fee study on July 1, 2015; and

WHEREAS, the Town Council has determined that a temporary reduction in the Development Impact Fees is warranted through August 28, 2015; and

WHEREAS, the Town Council considered, without limitation:

1. The staff report dated July 15, 2015 to the Town Council;
2. Oral testimony received at the hearing; and
3. Written evidence submitted at the hearing.

NOW THEREFORE, THE TOWN COUNCIL OF THE TOWN OF MAMMOTH LAKES DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. FINDINGS.

All provisions set forth in the recitals above and the staff report are true and correct and are hereby incorporated herein by reference as findings.

SECTION 2. TOWN COUNCIL ACTIONS. The Town Council hereby rescinds Resolution 14-45 and adopts, for the period from July 1, 2015 through August 28, 2015, a temporary reduction in the Development Impact Fees, as follows:

1. The following development impact fees (“Development Impact Fees”) shall be temporarily reduced, through August 28, 2015, to the amounts shown in the table below.

- a. Law Enforcement
 - b. Streets and Traffic Signals
 - c. Transit and Trails
 - d. Storm Drainage
 - e. General Facilities
 - f. Parkland and Recreation
 - g. Airport
2. Development Impact Fees shall be temporarily reduced for the following types of projects:
- a. Residential construction of up to four units. This includes new single family homes, duplexes, triplexes, and quadplexes.
 - b. New commercial projects.
 - c. Remodels of residential, commercial, or industrial projects.
3. Development Impact Fees shall be reduced to the levels shown in the table below for all other types of projects not listed in paragraph 2 of this section.

Facility	Single family Non-transient*	Single family Transient (Per Unit)	Mobile Home (Per Unit)	Multi-unit Non Transient (Per Unit)	Multi Unit Transient (Per Unit)	Commercial and Office (per 1,000 sq. ft.)	Industrial (per 1,000 sq. ft.)
Law Enforcement	\$143	\$143	\$122	\$149	\$287	\$0	\$250
Streets and traffic signals	\$253	\$253	\$132	\$176	\$158	\$0	\$140
Transit and Trails	\$1,325	\$1,325	\$694	\$925	\$831	\$0	\$710
Storm Drainage	\$806	\$806	\$438	\$558	\$417	\$0	\$260
General Facilities	\$674	\$674	\$574	\$705	\$412	\$0	\$260
Parkland and Recreation	\$680	\$680	\$579	\$711	\$508	\$0	\$0
Airport	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$3,881	\$3,881	\$2,539	\$3,224	\$2,613	\$0	\$1,620

4. The impact fee for the Airport is reduced by 100% for all types of projects.
5. Pending projects that have not paid Development Impact Fees shall be eligible to pay the reduced fees adopted pursuant to this resolution, provided that refunds will not be provided for fees already paid. Development Impact Fee reductions shall be granted to all projects listed that have submitted a complete building permit application on or before August 28, 2015.

SECTION 3. JUDICIAL ACTION TO CHALLENGE THIS RESOLUTION

Any judicial action or proceeding to attack, review, set aside, or annul this resolution shall be brought within 120 days of its adoption.

SECTION 4. SEVERABILITY

If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions of applications, and to this end the provisions of this Resolution are declared to be severable.

SECTION 5. CEQA EXEMPTION

The Town Council hereby finds that temporarily reducing Development Impact Fees does not have the potential to cause a significant impact on the environment and is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), *General Rule*.

APPROVED AND ADOPTED this 15th day of July 2015.

MICHAEL RAIMONDO, Mayor

ATTEST:

JAMIE GRAY, Town Clerk

RESOLUTION NO. 15-__

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
MAMMOTH LAKES, STATE OF CALIFORNIA, TEMPORARILY
REDUCING HOUSING FEES THROUGH AUGUST 28, 2015**

WHEREAS, the Town of Mammoth Lakes ("Town") adopted a Housing Ordinance to

1. Encourage the development and availability of housing that is affordable to a broad range of households with varying income levels within the town as mandated by State law, Government Code Section 65580; and
2. Promote the Town's goal to add to, and preserve the existing stock of workforce housing units within the town; and
3. Mitigate the impacts of market rate residential and non-residential development on the need for workforce housing in the town through the imposition of workforce housing requirements; and
4. Implement the goals, objectives, policies, and programs of the General Plan and Housing Element related to workforce housing.

WHEREAS, the Town Council approved an updated Housing Fee nexus study on July 1, 2015; and

WHEREAS, the Town Council has determined that a temporary reduction in the Housing Fees is warranted through August 28, 2015; and

WHEREAS, the Town Council considered, without limitation:

1. The staff report dated July 15, 2015 to the Town Council;
2. Oral testimony received at the hearing; and
3. Written evidence submitted at the hearing.

**NOW THEREFORE, THE TOWN COUNCIL OF THE TOWN OF
MAMMOTH LAKES DOES RESOLVE, DETERMINE, FIND AND ORDER
AS FOLLOWS:**

SECTION 1. FINDINGS.

All provisions set forth in the recitals above and the staff report are true and correct and are hereby incorporated herein by reference as findings.

SECTION 2. TOWN COUNCIL ACTIONS. The Town Council hereby extends until August 28, 2015 the temporary reduction in the Housing Fees, as follows:

1. Housing Fee Schedule

Use Type	Fee
Single Family Homes less than 2,500 square feet	\$0
Single Family Homes more than 2,500 square feet	\$2.68 per s.f. above 2,500s.f.
Additions to or remodels of single family residences that would not cause total living area to exceed 2,500 square feet or are less than 400 square feet in aggregate per building for floor areas above 2,500 square feet	\$0
Residential additions	\$0
Projects of four or fewer units in the Residential Multi-Family 1 Zone	\$0
Residential developments of nine or fewer units	\$5,700 per unit
Residential developments of ten or more units	\$5,700 per unit
Lodging developments of 19 or fewer rooms	\$3,700 per room
Lodging developments of 20 or more rooms	\$3,700 per room
Non-transient rental apartments and deed restricted units	\$0
Retail and restaurant development within the Specific Plan, Commercial zones, and Resort Zone	\$0
Developments within the Industrial zone	\$1/gross square foot
Office	\$2/gross square foot
Service Uses	\$2/gross square foot

2. Pending projects that have not paid Housing Fees shall be eligible to pay the reduced fees established by this resolution

at the time of building permit issuance, provided that refunds will not be provided for fees already paid. Housing Fee reductions shall be granted to all projects listed in Item 1 above that have submitted a complete building permit application on or before August 28, 2015.

SECTION 3. JUDICIAL ACTION TO CHALLENGE THIS RESOLUTION

Any judicial action or proceeding to attack, review, set aside, or annul this resolution shall be brought within 120 days of its adoption.

SECTION 4. SEVERABILITY

If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions of applications, and to this end the provisions of this Resolution are declared to be severable.

SECTION 5. CEQA EXEMPTION

The Town Council hereby finds that temporarily reducing Housing Fees does not have the potential to cause a significant impact on the environment and is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), *General Rule*.

APPROVED AND ADOPTED this 15th day of July 2015.

MICHAEL RAIMONDO, Mayor

ATTEST:

JAMIE GRAY, Town Clerk

RESOLUTION NO. 15-__

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF MAMMOTH LAKES, STATE OF CALIFORNIA, TEMPORARILY REDUCING THE PUBLIC ARTS FEE THROUGH JULY 31, 2017

WHEREAS, the Town of Mammoth Lakes ("Town") has adopted a Public Arts Fee and Program to develop and maintain a visual arts program for the residents and visitors of Mammoth Lakes to add to the economic vitality of the community and to enhance the environment and unique character of Mammoth Lakes by providing for the acquisition and maintenance of quality works of public art; and

WHEREAS, the Town Council has determined that a temporary reduction in the Public Arts Fee is warranted through July 31, 2017 to allow Town staff to evaluate and update the Public Arts Fee and Program; and

WHEREAS, the Town Council considered, without limitation:

1. The staff report dated July 15, 2015 to the Town Council;
2. Oral testimony received at the hearing; and
3. Written evidence submitted at the hearing.

NOW THEREFORE, THE TOWN COUNCIL OF THE TOWN OF MAMMOTH LAKES DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. FINDINGS.

All provisions set forth in the recitals above and the staff report are true and correct and are hereby incorporated herein by reference as findings.

SECTION 2. TOWN COUNCIL ACTIONS. The Town Council hereby temporarily reduces, but does not eliminate, the Public Arts Fee until July 31, 2017, as follows:

1. The Public Arts Fee is temporarily reduced to zero (\$0.00) for all projects.
2. Pending projects that have not paid Public Arts Fees shall be eligible to receive the temporary reduction adopted by this

resolution, provided that refunds will not be provided for fees already paid. Public Arts Fee reductions shall be granted to all projects that have submitted a complete building permit application on or before July 31, 2017.

3. Notwithstanding the foregoing, the Town Council reserves the right to rescind this resolution at any time and restore Public Arts Fee to any level or amount not exceeding the levels and amounts of fees in effect immediately prior to the adoption of this Public Arts Fee temporary reduction on July 15, 2015.

SECTION 3. JUDICIAL ACTION TO CHALLENGE THIS RESOLUTION

Any judicial action or proceeding to attack, review, set aside, or annul this resolution shall be brought within 120 days of its adoption.

SECTION 4. SEVERABILITY

If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions of applications, and to this end the provisions of this Resolution are declared to be severable.

SECTION 5. CEQA EXEMPTION

The Town Council hereby finds that temporarily reducing Public Arts Fees does not have the potential to cause a significant impact on the environment and is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), *General Rule*.

APPROVED AND ADOPTED this 15th day of July 2015.

MICHAEL RAIMONDO, Mayor

ATTEST:

JAMIE GRAY, Town Clerk