RECOMMENDED ACTION AND JUSTIFICATION:  (POLICY ITEM: YES__ NO_X__)

Discussion and Possible Action regarding a Request from Mariposa Apartments II for a Fee Waiver and Other Cash Incentives for the Development of Affordable Housing. (At the request of the Applicant's agent).

BACKGROUND AND HISTORY OF BOARD ACTIONS:

State Law and the County Code provide for a 25% density bonus or other incentives of equal value.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION.

See attached memo and correspondence.

************************************************************
COSTS:  (X) Not Applicable
A. Budgeted CURRENT FY $________
B. Total anticipated costs $________
C. Required Add'l funding $________
D. Internal Transfers $________

SOURCE:  ( ) 4/5ths vote required
A. Unanticipated revenues $________
B. Reserve for contingencies $________
C. Source description: __________________________
Balance in Reserve for Contingencies, if approved: $________

************************************************************
CLERK'S USE ONLY:  94-555
Resolution No.:  
Ordinance No.:  
Vote - Ayes: _______ Noes: _______
Absent: _______ Abstain: _______
( ) Approved  ( ) Denied
( ) Minute Order Attached
( ) No Action Necessary

This item on agenda as:

V Recommended
□ Not Recommended
□ Policy Determination
□ Submitted w/ Comment
□ Returned for further action

Comment: __________________________

A.O. Initials: [Signature]

The foregoing instrument is a correct copy of the original on file in this office.

Date:  ____________________

ATTEST:
MARGIE WILLIAMS
Clerk of the Board
County of Mariposa,
State of California

By:  ____________________
Deputy
TO: JIM EVANS, Housing and Community Development Agency Director; and
ED JOHNSON, Planning and Building Director

FROM: MARGIE WILLIAMS, Clerk of the Board

SUBJECT: Discussion Regarding Mariposa Apartments for Fee Waiver and Other Cash Incentives Resolution Number 94-555

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,

ADOPTED THIS Order on December 20, 1994

ACTION AND VOTE:

10:24 a.m. Jim Evans, Housing and Community Development Agency Director; and Ed Johnson, Planning and Building Director;
Discussion and Possible Action Regarding Request from Mariposa Apartments for Fee Waiver and Other Cash Incentives for the Development of Affordable Housing
BOARD ACTION: Discussion was held and staff advised that their recommendation was to not waive the fees and other cash incentives requested by the applicant; but to approve the reduction in parking spaces and defer payment of County fees. Input was provided by the following: Bob Borchard/agent, referred to requirements and advised they would need to take out landscaping to make more parking. Bob Spears/Saint Andrews Church, advised the Church is opposed to the project as the trees will be cut and major leveling of the land will occur. Lucille Apcar/Mueller Road, commented on the requested fee waiver and cash incentives, and expressed concern with the type of population that the project will attract. Micki Finney suggested the density for the project should take into account the topography of the land; the Specific Plan should be followed, and stated she feels that not enough parking spaces have been planned. Marilyn Kendall/Saint Andrews Church, expressed concern with grading and traffic impacts, and the impact on the atmosphere around the Church; and expressed concern with notification for the project. Dana Finney advised that a similar project was opposed five years ago; requested that specifics of what is requested to be waived be provided, and that no requirements be waived. Following further discussion, motion by Erickson, that the Board consider these incentives upon receipt and approval of a grading plan for the project site which meets
standards of the Grading Ordinance, Town Plan, and slope
densities, etc., of the Specific Plan, died for lack of a second.
Further discussion was held and the matter was continued to later
this date for staff to present information on the grading plan.

11:17 a.m. Further discussion was held concerning request from
Mariposa Apartments for fee waiver and other cash incentives.
Sarah Williams/Planning Division, presented the site plan for the
project and advised of step versus cut-and-fill foundation
options. (M)Parker, (S)Balmain, Res. 94-555 adopted directing
that fees not be waived; that the parking and grading
requirements be waived to allow for retaining wall concept as
presented in the site plan/Baggett, Balmain, Parker; Noes:
Erickson; Excused: Taber.

cc: Mike Edwards, Public Works Director
    File
December 13, 1994

TO: Board of Supervisors

FROM: James F. Evans, Director

SUBJECT: MARIPOSA APARTMENTS II: FEE WAIVERS AND CASH INCENTIVES

Attached please find correspondence between the agent for the Mariposa Apartments II project and the County regarding incentives for the development of affordable housing. After receipt of the letter from County staff, dated December 2, 1994, the agent requested that the Board consider the request for fee waivers and cash incentives as outlined in the Agent’s letter, dated October 26, 1994.

Planning Department and HCDA staff do not recommend the fee waivers and other cash incentives requested by the applicant’s agent for the following reasons:

1) The project has received funding to pay associated local permit fees (12/2/94 letter page 1).

2) The reduction in parking spaces from the County standard of 66 spaces to the applicant’s requested 51 spaces would provide an incentive that is “worth” more than that required by State Law and County Code. Staff disagrees with the applicant agent’s determination of the value of the reduction in parking spaces. Staff calculates that the reduction is “worth” approximately $250,000 based on the following analysis:

* Total square footage of 34 residential units = 27,498
* Square footage of 15 parking spaces = 5,400 (360 SF x 15)
* Percentage of parking spaces to total SF of residences = 19.6% (5,400 divided by 27,498).
* Monetary value (“worth”) of the reduction in parking spaces from the County standard = $252,056 ($1,286,000 residential construction cost X 19.6%).

Due to the topography of the building site, the residential square footage would have to be reduced to provide for the 15 additional parking spaces required by County standards.

Staff recommends that the Board approve the reduction in parking spaces from 66 to 51 and defer payment of COUNTY fees until issuance of the Certificate of Occupancy.

Thank you very much for your consideration of this matter.
December 2, 1994

Robert Borchard
Community Concepts Inc.
P.O. Box 249
Mariposa CA 95338

RE: APN 13-020-28. MARIPOSA APARTMENTS.

Dear Mr. Borchard:

This letter is in response to your request for affordable housing incentives for the above-referenced multi-family housing project.

In past correspondence you have requested a waiver of fees associated with the affordable housing project. This discussion is solely about County fees. Any requests for fee waivers for school impact and water/sewer connections should be made to the Mariposa County Unified School District and Mariposa Public Utility District, respectively.

The letter, dated October 31, 1994 to you from Ed Johnson, Planning and Building Director stated that Government Code Section 65915(e) and Mariposa Code Section 17.330.020D require that the housing developer must show that the waiver of modification is necessary to make the housing units economically feasible.

Financial information contained in the application for State and Federal tax credits submitted by Mariposa Enterprises II to the California Tax Credit Allocation Committee indicates the following:

1) $151,000 has been budgeted and approved for "Local Permit Fees" (TCAC application, page 14). The TCAC application indicates that with Farmers Home Administration (FmHA) Section 515 loan funds and net proceeds from syndication of the approved tax credits, the project is fully funded.

2) FmHA has committed full rental assistance to the project thereby ensuring that the units will be affordable to very low income households (TCAC application, Part VIII.30).
Therefore, it is our determination that a waiver of fees is not necessary to make the housing units economically feasible. In accordance with policies contained in the Mariposa County Housing Element, Mariposa County Code, and California Government Code, we would recommend that the Board of Supervisors offer the following incentives:

1) A deferral of County fees until a Certificate of Occupancy is issued.

2) Waiver of on-site development standards. The type and extent shall be requested by the applicant.

3) An increase the number of dwelling units up to the maximum allowed by law. For your information, the Housing Authority has the ability to issue additional Housing Certificates and Vouchers. While we cannot earmark the rental assistance to this specific project, we are confident that households with rental assistance will find new apartments attractive due to their amenities and location.

Thank you for your attention to these matters. Please feel free to contact us at your convenience.

Sincerely,

JAMES F. EVANS, Director
Housing and Community Development Agency

Sincerely

ED JOHNSON, Director
Planning and Building Department
October 31, 1994

Mr. Robert Borchard  
Community Concepts Inc.  
P. O. Box 249  
Mariposa, CA 95338

Re: APN 13-020-28

Dear Mr. Borchard:

We have received your application for design review and consideration of low/moderate income housing incentives for Mariposa Apartments to be constructed on St. Andrews Way.

In accordance with Mariposa County Code Section 17.338.020C and Government Code Section 65915(d) we are hereby notifying you of the procedures under which the County will comply with associated State and County codes relative to low/moderate income incentives.

Once a completed submittal is received, staff will evaluate the applicant’s proposal and present a staff recommendation to the Board of Supervisors for formal determination.

The Board will consider granting a density bonus of at least 25% and waiving or modifying development and zoning standards which would otherwise inhibit the utilization of the density bonus on the applicant’s site. The Board will also consider other incentives of equivalent financial value based upon the land cost per dwelling unit.

However, Government Code Section 65915(e) and Mariposa County Code Section 17.330.020 D require that the housing developer must show that the waiver or modification is necessary to make the housing units economically feasible. The information you submitted is not adequate to make this determination. Also note that Government Code Section 65915 (h) provides that the County is not required to provide direct financial incentives. Therefore, please provide further justification as to why financial incentives, specifically, are required to provide for affordable housing costs or rent. In addition, the developer must agree to ensure continued affordability of the low/moderate income units. Please submit your proposal for meeting this requirement. Until we receive this information, your application is incomplete and we cannot process your request.
The design review portion of the application also includes a request for a fee waiver. Our policy is to submit these requests to the Board prior to considering the application complete. However, in this case we feel such a request should accompany the other financial incentive requests. Therefore we will withhold further action on the design review pending receipt of the information requested herein. An option for your consideration is to pay the $194 fee now, which we would reimburse if approved by the Board, and we would proceed with the review now.

Please note that other financial assistance may be available from other sources outside of County funds. The County Housing and Community Development Agency can assist you in identifying such resources. Mr. Jim Evans, Director, can be reached at 966-6121.

Thank you for your interest in providing low/moderate income housing. The County Housing Element supports and endorses such efforts and we look forward to working with you on this project.

Sincerely,

ED JOHNSON
Planning and Building Director

EJ:bc
cc: Jeff Green, County Counsel
     Jim Evans, HCD
Ms. Sara Williams, Planner  
Mariposa County Planning Dept.  
Mariposa, CA 95338  

October 26, 1994  

Re: Mariposa Apartments  
Project Site Plan Review  
Application.  

Dear Ms. Williams:  

Attached, please find application forms and construction plans for the above referenced project. This application is submitted in compliance with the Design Review Overlay Zone requirements of Mariposa County Code.  

Additionally, the project applicant is requesting that the County of Mariposa grant low/moderate income housing incentives for the project as required under state law (Government Code Section 65915-65589.5) and Mariposa County Code Section 17.338. The project is a low and moderate income housing project funded through Farmers Home Administration (FmHA) 515 Rural Rental Housing loan funds. The project complies, by virtue of the requirements of the FmHA loan, with all County and state requirements for low and moderate income housing.  

Under the law, the project is qualified for a 25% density bonus or "other incentives" which are the financial equivalent of the land value that the 25% density bonus would have provided. Our calculations, based on the density bonus equivalent of 17 units and the project appraised land value from the FmHA loan application, is $135,367.  

In order to achieve this cash "incentive", as defined by County Code, we are proposing a few incentives that the County may provide and their relative value as follows:  

<table>
<thead>
<tr>
<th>Waiver of County Fees:</th>
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| Building Permit Fees   | $9,300  
| Planning Fees (Site Plan Review) | $194  
| Zone of Benefit Fees: |  
| Application fee | $680  
| Initiation fee | $3,410  
| Annual assessment | $1,590  

<table>
<thead>
<tr>
<th>Reduction of County Parking Standards:</th>
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<tbody>
<tr>
<td>Current County standards require 66 spaces and the proposed plan includes 51 spaces. There are 34 tenant spaces and 15 visitor spaces which is adequate for a project of this nature. The plan includes 15 less spaces than required by County standards. It is estimated that the value of these spaces is equivalent to $19,818 (360 s.f. X $3.67/s.f X 15 spaces).</td>
</tr>
</tbody>
</table>
Contribute Cash to Non-County Fees:
Mariposa Unified School District
School Impact Fees $45,372
MPUD Water $43,000.
MPUD Sewer $30,000.

Based on our calculations of the value of potential County fee and standards waivers, a maximum of $33,402 in "other incentives" are possible for this project leaving a balance of $101,965. The balance of the incentives could take the form of waiving the annual assessment fee for the maintenance of St. Andrews Road for a specified number of years and/or contributing cash towards the reduction of school, water and sewer fees.

Thank you for your attention to these matters. I realize that the request for "incentives" under County Code Section 17.338 must be acted on by the Mariposa County Board of Supervisors. We would request that the Design Review Overlay request proceed independent of the anticipated Board's action on the fee waiver request to assure timely review of the project. If you need payment of these fees at this time to comply with this request, please let me know as soon as practical and I will see that a check is delivered to your Department immediately.

Sincerely,

Robert L. Borchard, AICP

RLB/msw