

Regional Early Action Planning Grants of 2019 (REAP) Close Out Report Form



Mono County

January 27, 2025

REAP Close Out Report Form Instructions

This form is for Regional Early Action Planning Grants of 2019 (REAP) grant holders to satisfy the reporting requirements of California Health and Safety Code section 50515.04. The report must be submitted to the California Department of Housing and Community Development (HCD) via email to reap@hcd.ca.gov no later than December 31, 2025.

Additional information about the REAP program is found at the program's webpage at: <https://www.hcd.ca.gov/grants-and-funding/programs-active/regional-early-action-planning-grants-of-2019>

Please proceed to the REAP Close Out Report Form on the next page and complete Parts I–X.

REAP Close Out Report Form

Part I – Summary

Briefly describe the grantee's REAP project(s), including but not limited to the following information:

1. Overview of the project
2. Project start date, duration and completion
3. Project goals and relevance to REAP goals
4. Proposed uses and actions taken in support of proposed uses
5. Actions that had the greatest impact on housing production
6. Overall outcomes including quantified outcomes

October 2023 Mono County proceeded with hiring a Housing Opportunities Manager to primarily start work on the housing crisis within our community. He was tasked with creating a Housing Policy Analysis to show to the Mono County Board of Supervisors the different options ranking to best suite the needs of Mono County residents. This project began October 30, 2023 and ended December 31, 2024 with a Mono County Board of Supervisor adoption date of February 11, 2025.

The goals of this analysis were to determine what has been done in that past in regard to housing, what have been the problems and direct impacts, what exactly are the goals set forth in Mono County and how as a county we can decide among a range of ideas with the solutions available to us.

Once the Mono County Board of Supervisors decide on the best course of action from thei policy analysis the Housing Opportunities Manager can move forward with housing production.

This analysis will provide Mono County with scored criteria and a strong recommendation from the Housing Opportunities Manager to ensure enough units are created to meet the housing needs.

The overall outcomes will include data driven decision making systematic comparison of potential optionsm evidence and ligic to asses effectiveness, fairness, costs and feasibility in addition to evidence based advise giving.

Part II – Lead Agency and Partnerships

List lead agency and partnerships, including names, position titles, organizations, and the roles and responsibilities of each. What did those collaborative relationships and processes look like?

Since October 30, 2023 the Mono County Housing Opportunities Manager has cultivated relationships externally with Inyo County, The Town of Mammoth Lakes, Eastern Sierra Community Housing, and our local tribes. He has taken into account what the goals of these external agencies and relied on their advice to create a more comprehensive housing policy. Internally he has formed relationships with the Board of Supervisors by leading an Ad-Hoc committee to discuss the comprehensive housing program. He also has worked closely with our Community Development department to find faster solutions to the housing needs.

Part III – Drivers

Answer the following questions:

1. Did any local, state, or federal legislation or mandates drive the project(s)? (SB 35, AB 1397, etc.)
2. Was it a community-driven effort?
3. Were there additional funding opportunities present?

No local, state or federal legislation has driven this Housing Policy Analysis as it is more of a community driven effort. There is a desperate need for affordable housing in Mono County and there are criteria in which our community members need in order to make a program work for them. Mono County received LEAP funds to help with a short-term rental study. In recent years there has been a drive for nightly rentals as owners can make much more on nightly rentals than long term rentals and still enjoy their property. This has added to the housing crisis and the study completed provided data to support the dire situation.

Part IV – Engagement Process

Answer the following questions:

1. Who were your stakeholders?
2. What did the engagement process look like?
3. What role did stakeholders play in the process? (Keep in mind: training, education, council formation, technical assistance, etc.)
4. What were the outcomes of the engagement process?

The Stakeholders for this Housing Policy Analysis are every community member that lives in Mono County. This analysis is to figure out the best solution for our rural area. The Housing Opportunities Manager has provided updates during board meetings during the entire process as well as meeting with those local agencies to gather their feedback and include it in this analysis. The addition of the Ad-Hoc housing committee has allowed for open communications from not only board members but our county leadership. Through the policy analysis and the formation of the Ad-Hoc Committee, there have been some major milestones already such as a purchase of rental units by the county in Bridgeport California. These rental units will provide affordable housing to employees struggling to find housing as well as member of the public that wish to live in Bridgeport. Our Housing Opportunities Manager has created these relationships with members outside and within the county to keep the topic of housing on the forefront of everyone's mind.

The housing Policy Analysis was adopted by the Mono County Board of Supervisors on 02.11.25 with 4 yes votes and 1 absent .

Part V – Challenges

Answer the following questions:

1. What challenges were encountered?
2. What solutions were encountered or created?
3. Are there areas for improvement of policy alignment at the state or federal level to help achieve this project more easily?

Challenges:

Complexity of housing issues, which are impacted by: interest rates, construction costs, local labor shortages, rental rates, area incomes, sources of subsidy that are very competitive, unique nature of Mono County's tourist driven economy, difficulty understanding and communicating the mathematics involved in proformas, ideological commitments to specific solutions.

Solutions:

The Housing Policy Analysis is a solution in and of itself to develop a clear logical framework to think through housing policy options given all the constraints and opportunities in Mono County. In addition, the analysis developed six potential policy options to pursue and recommends utilizing them all opportunistically but focusing on one that would produce the most net benefit for the community. In short, the best policy option is utilizing cross-subsidization between short term rentals and units with rents affordable for workforce households. Because of all the constraints around state and federal funding, this was the best platform and policy option to meet our housing need.

Areas for improvement of policy alignment at the state or federal level to help achieve this project more easily:

Low cost, flexible debt financing:

Either the State or Federal government needs to provide a source of very low cost and flexible debt for housing with limited constraints in order to ensure it can be utilized by most communities. For example, debt financing limited to non-profits or government entities (including Authorities) offering somewhere between zero interest to interest equal to an equivalent duration treasury. Perhaps including requirements for:

- Sustainability goals (like meeting high PHIUS standards),
- walkability requirements (especially design/land-use/zoning that would be ideal for land use, like zero setbacks, allowance for very high lot coverages, getting rid of parking minimums, etc)
- Inducements, but not hard requirements for transit orientation and car sharing
- Limited AMI caps, for example only serving households earning 200% of AMI or less when they move in (with no annual income checks, to allow for households to make these units their forever homes)

- Allowing cross subsidization from either higher income households, or other higher revenue sources like commercial/retail uses, and short-term rentals. In the case of Mono County all of these would be helpful, our AMI to rent/purchase price ration is much worse than other areas due to our tourism driven economy.
- Flexible amortization schedules allowing for deferrals, and amortization scheduled shaped to projected and actual cashflows would assist in making more high-quality housing projects possible.
- Allowing up to 100% of costs to be financed with a relatively low DSCR required (would suggest 1.05 or 1.1, which after considering low interest rates, allowing projects to serve a range of incomes including those up to 200% AMI, and allowing amortization flexibility both initially and over time, would make projects fairly low risk of default.)
- No required loan to value, and
- Generally minimizing the rules and restrictions to the least necessary. This is important here and in many other places both because it increases feasibility and lowers the capacity required.

Equity and Grant Funding:

Expansion of the LIHTC, particularly the 4% program. Ideally with much lower requirements for bonds or expanded offerings of bonds, and ideally a federal financing of the bonds that fits the requirements suggested in the paragraph above this. Further even more ideally non-profits and government entities would be able to get access to direct funding from these tax credits and other tax credits without delays that would create the need for expensive bridge financing.

Labor and Construction Issues:

Assistance in dealing with labor shortages, especially in communities like ours (tourism economy, relatively low population, and environmental factors like high elevation and climate zone 6 in an area surrounded by climate zone 1 to 3 (making the skills of dealing with cold and snow rare anywhere nearby.)

Reducing Complexity:

Reduced the complications of utilizing programs. Each additional approval, contract with an outside entity, every hour of labor required by lawyers and accountants, and any other increase in capacity required makes it extremely difficult for many communities across the country, but especially communities like Mono County (already described in previous paragraphs). Our capacity is necessarily limited by our low population. Many communities have departments, divisions, or authorities focused on housing. Mono County has a single staff person.

Giving Broader Access to Regulatory Exemptions:

Inclusion of rural “urbanized” areas in housing CEQA exemptions. We have several areas that are urban in nature, but because our overall population is too low, we are not able to take advantage of useful CEQA exemptions for higher density and affordable housing. This limits us in ways that don’t fit with the underlying logic of the laws offering

these exemptions. We have the ability to create walkable, transit oriented, sustainable housing and generally the political will to do so, but lacking these CEQA exemptions along with some of the issues mentioned above, it becomes extremely difficult, even with political will, as a result of the capacity gaps that only reduced complexity or permanent sources of funding for staff or consultants would provide. (However, that funding would be almost meaningless without the financing improvements suggested). As a note here, If you look at Mono County, it is clearly not a distant suburb or exurb of anywhere else, and so I can understand the value of some how discriminating between fully urbanized areas and suburbs/exurbs on the edge of development, however some places, like Mono County and all of its “urbanized” areas, won’t fit within that simple dichotomy.

Part VI – Outcomes

Answer the following questions:

1. What are the current or projected outcomes? What are the benefits?
2. Did actual outcomes meet expectations?
3. Have new opportunities arisen as a result of this project?
4. What are the next steps?

After the analysis it was determined by the Housing Opportunities Manager that the best solution for housing in Mono County is a publicly led development with a flexible model. This allows for ownership with permanent affordability of some units and for control over long term management and maintenance of the property.

The outcomes proved what the expectations were to suit rural Mono County. No new opportunities arose from this study however it did bring to light what will be the most costly in Mono County to produce for housing.

The next steps are to have our Mono County Board of Supervisors adopt this Housing Policy and move forward with production with the resources available.

The Mono County Board of Supervisors adopted the Housing Program on 02.11.25 and will start to acquire affordable housing accordingly.

Part VII – Replicability

Answer the following questions:

1. What aspects of the project could be replicated in other communities?
2. What useful resources and tools were implemented? Were there specific tools used for specific regions or sectors?

This Housing Policy Analysis could be replicated to any rural community to determine the best solution to a housing shortage. By comparing the potential options for an area as rural as Mono County we could score criteria such as Unit Production, Initial County investment, Annual Net Revenue, Green House Gas Reduction, Duration of use, and Geographis equity.

Public Development: Publicly Led Development with a Flexible Model is recommended as the core of the housing program because it scores well on all the criteria and allows for a range of options to be funded with the revenue it creates while also being able to ensure enough units are created to meet the housing need.

Part VIII – Project Highlights, Best Practices and Anticipated Achievements

Answer the following questions:

1. What are the most prominent project highlights and why?
2. What are some of the best practices that could be used by other agencies at a local, regional, state or federal level?
3. What are some long-term achievements that could result from the overall project?

The most prominent highlights were to see what will work best for a rural community such as Mono County. Other rural counties may take benefit from this analysis if they have the same criteria being scored. Different communities have different needs in regard to housing however the criteria Mono County used are fairly standard: Unit production, initial county investment per unit, annual net revenue, green house gas reduction, duration of use and geographic equity.

The long term effects of this policy will allow Mono county to build affordable housing with the most cost saving to the county which still being environmentally concious. It will take into account the longevity of the property as well as the needs/desires of community members in terms of geographic equity.

Part IX – Additional Resources

Provide web links to:

1. the project itself, and
2. resources used throughout the project, and any other relevant resources.

The Mono County Board of Supervisors adopted this Housing Policy Analysis on February 11, 2025. The Housing Policy Analysis can be found at the below link on the Mono County Housing Program page:

<https://monocounty.ca.gov/cao/page/mono-county-housing-program>
[monocounty.ca.gov]

A direct link to the pdf can also be found at:

chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://monocounty.ca.gov/sites/default/files/fileattachments/county_administration/page/34080/mono_county_housing_policy_analysis.pdf

The Housing Opportunities Manager, Tyrone Grandstrand, worked closely with the Mono County Community Development Department regarding the effects of short term rentals on the population here in Mono County.

Part X – Further Information

Provide information on who can be reached for HCD to obtain more information about the project. Include names, phone numbers, and email addresses for one or more individuals.

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