



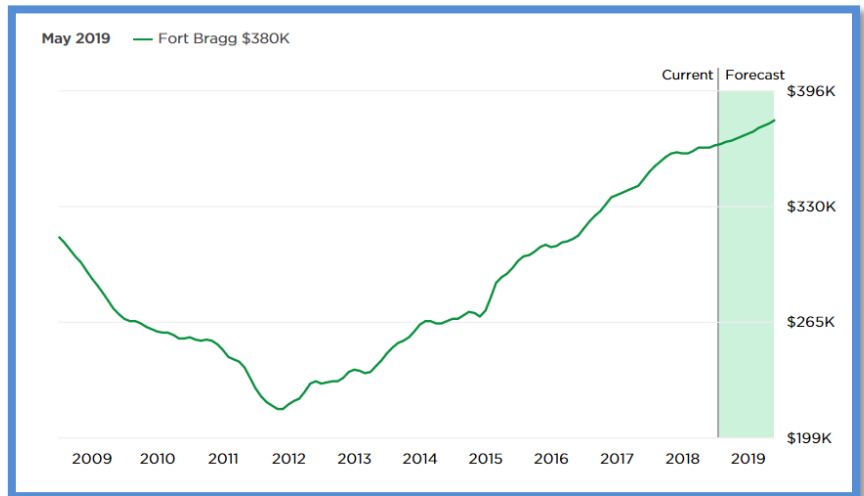
AGENCY: City Council
MEETING DATE: August 13, 2018
DEPARTMENT: Community Dev
PRESENTED BY: M Jones & N Gregory
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AGENDA ITEM SUMMARY

TITLE:
Receive Report on City Activities to Support Housing Development in Fort Bragg

ISSUE:
 Housing costs have steadily increased over the past five years in Fort Bragg. The cost of a Single Family Home makes homeownership infeasible even for well-paid working residents in Fort Bragg. The median home value in Fort Bragg is now \$364,500. A family earning \$10,500/month would find this home affordable; families earning less than this amount may qualify for a mortgage but would struggle with budgeting. Fort Bragg home values have gone up 5.1% over the past year and they are predicted to rise another 4.3% within the next year.

Rental rates have increase at a faster pace over the past year but appear to be leveling off somewhat. Rental rates range from \$800 to \$1,000 for a one bedroom, \$1,150 to \$1,250 for a two bedroom and \$1,300+ for three or more bedrooms. Rental housing is difficult to find as the stock of housing available to new renters ranges from 5 to 15 units at any given time.



Housing is no longer affordable in Fort Bragg; City Council and City staff has been working on multiple fronts to address the housing crisis.

ANALYSIS:

The following is a short synopsis of the many actions of City staff, at City Council’s direction, to resolve the housing crisis in Fort Bragg.

1. Affordable Housing Projects

- **Danco Cottages at Cypress Street.** This 24 unit Affordable Senior Housing was constructed in 2014. The City participated in this project by reaching out to Danco and getting them interested in our community. We also helped them locate the property, assisted with grant writing for the project and processed the Coastal Development Permit and Design Review Permit in two months to meet grant deadlines.
- **Danco South Street Project.** This 44 unit affordable senior and market rate housing project is pending. The City encouraged Danco to include market rate housing in this project, completed the permitting process in two months, and committed to a \$250,000 55-year loan to support the project.

- **Parents & Friends Residential Care Facility for the Elderly.** This Cypress Street Project will result in three residential units consisting of 4 bedrooms and 3 bathrooms each. Each home will provide support to 4 extremely-low-income, developmentally disabled adults who are living with age-related disabilities, providing services to a total of 12 individuals at any given time. The City of Fort Bragg paid for a feasibility study for this project and submitted for and was awarded just over \$3M to fund the construction of this Residential Care Facility for the Elderly for Parents and Friends, Inc.
 - **Housing Rehabilitation Project at the Glass Beach Apartments.** The City's 2016 Community Development Block Grant (CDBG) program income will be used for the Housing Rehabilitation Project at the Glass Beach Apartments. This project was applied for as a Supplemental Activity in our 2016 CDBG application and meets the national objective of benefitting low-to-moderate income individuals. The project will improve the exterior lighting at the 15-unit apartment that houses 64 Fort Bragg residents.
2. **Mill Site Reuse Plan.** The City is rezoning the Mill Site to include 400 to 800 units of housing. The Inclusionary Housing Ordinance will require that 15% of these units (120) be affordable to low and moderate income households.
 3. **Zoning Ordinance Regulation Changes.** In 2014 and 2017 the City Council revised the zoning ordinance to make housing development easier. Some of the many actions that City Council took to reduce regulatory barriers to housing include:
 - I. Removal of regulatory requirements to build a second unit;
 - II. Allowed houses to be used for residential uses when they are located in commercial zoning districts;
 - III. Allowed live-work housing in a variety of zoning districts;
 - IV. Allowed co-housing in all multifamily zoning districts; and
 - V. Reduced parking requirements in the downtown for residential uses on the second story of existing commercial structures.
 4. **Second Unit Program.** The City's Second Unit program includes: three free second unit plans (savings of about \$10,000 in engineering and architectural fees), no capacity charges for hooking up to sewer or water (a savings of about \$7,500 per unit), and the elimination of the on-site parking requirements and minimum lot size for a second unit. These changes have doubled the number of new second units constructed each year.
 5. **Housing Rehab Loan Program.** The City has operated a housing rehabilitation program for most of the past ten years. On July 13, 2017 the City was awarded \$500,000 to assist with the rehabilitation of as many as 7 owner-occupied homes within the city of Fort Bragg. The intention of the program is to help qualified, low-income homeowners correct health and safety repairs, building code and local regulation violations. During the 2013 HOME grant the City assisted five residences to make home repairs through 30-year deferred loan agreements.
 6. **Work with Healthy Mendocino Housing Action Team.** Staff has been meeting on a monthly basis with the Healthy Mendocino Housing Action Team to assist the team with the development and implementation of ideas for increasing affordable housing in Fort Bragg.
 7. **Research.** Staff completed a Vacancy Report and may develop a vacancy ordinance if directed by City Council.

RECOMMENDED ACTION:

Receive staff report and provide direction to staff.

ALTERNATIVE ACTION(S):

None.

FISCAL IMPACT:

None.

IMPLEMENTATION/TIMEFRAMES:

Ongoing.

ATTACHMENTS:

1. Free second unit brochure & plans

NOTIFICATION:

Housing Notify Me list