Mono County
Community Development Department

PO Box 347
Mammoth Lakes, CA 93546
760.924.1800, fax 924.1801
commdev@mono.ca.gov

PO Box 8
Bridgeport, CA 93517
760.932.5420, fax 932.5431
www.monocounty.ca.gov

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To: Honorable Mono County Board of Supervisors

RE: **Analysis of Capacity to Increase Zoning for Housing Density**

INTRODUCTION

Mono County conducted a Special District Needs Assessment, funded by a California Development Block Grant (CDBG), to answer the following questions:

1. Understand capacity of utilities provided by special districts (water, sewer, fire) within community areas to support housing development,
2. Evaluate utility service barriers to the development of certain Housing Opportunities Sites (as identified in the Housing Element),
3. Evaluate whether utility services provided by special districts could support an increase in zoning for housing density, and
4. Identify capital improvement projects that would increase special district capacity to support increased housing densities.

This memorandum addresses objective #3 only. For objectives #1, 2, and 4, please see the Executive Summary of special district capacities, and the reports provided by Resource Concepts, Inc. (RCI).

ANALYSIS ASSUMPTIONS

The following assumptions and limitations are embedded in the capacity analysis provided by RCI:

- Current water use predicts future use.
- The data does not account for vacancy rates or seasonal occupancy. Water use and sewage flows are averaged evenly across all housing units or connections regardless of whether they are year-round residences, or second homes occupied for a few weeks per year.
    - The Maximum Daily Demand scenarios most closely represents full build-out but probably still fall short as some vacancy of units is built into it.
- Based on the assumed number of plumbing fixtures in each unit, detached accessory dwelling units (ADUs) are assumed to require 65% of the capacity of single-family units, and junior ADUs (JADUs) are assumed to require 35%.
- Community statistics are a mixture of information provided by the RCI reports and the US Census Bureau.

<u>Potential Implications of the Assumptions</u>

- Increased occupancy (whether due to more year-round residents or higher overnight/ seasonal occupancy rates) will result in increased water use and sewage flows without the addition of new units in the community.
- The difference between average day demand and maximum day demand may be increased occupancy (year-round residents + visiting second homeowners), not an increase in water consumption or effluent discharge per capita.

- Therefore, maximum day demand scenarios potentially represent water and sewer needs in the case where new units have not been constructed but occupancy increased, either due to second homes converting to year-round occupancy or more/longer stays by second homeowners.

CAPACITY SCENARIOS

The RCI analysis defined the following build-out scenarios and analyzed an "average" day and "maximum" day capacity for each:

1. Current Demand
2. Current Demand + Vacant Parcels
3. Current Demand + Vacant Parcels + Housing Opportunity Sites
4. Current Demand + ADUs + JADUs
5. Current Demand + Vacant Parcels + Housing Opportunity Sites + ADUs + JADUs
6. Full Build-Out of Current Demand + maximum density development of all vacant parcels and ADUs/JADUs.
    - Note: A "true" full build-out analysis would assume year-round occupancy of all units and would therefore increase all use estimates by the vacancy rate.

Full Build-Out is a planning scenario that is rarely achieved for various reasons. "Reasonable" build-out is most often a lesser amount based on practical constraints and the market. In most cases, a "reasonable" build-out is likely closer to the "maximum" day demand, which more fully accounts for vacancy rates, of scenario #5. Therefore, scenario #6 is not discussed below.

COMMUNITY CAPACITY ANALYSES

JUNE LAKE

Basic statistics:

- Year-round population = 611, seasonal population = 2,500 (~400% increase).
- Housing units: 811 existing, 277 occupied, 534 vacant = 65% vacancy rate.
- Visitor occupancy estimated at 60%, 80% of visitor lodging may be seasonal.

Capacity Analysis:

- Water – June Lake PUD (Village):
    - Under average day demand: Sufficient water supply for scenarios 1, 2 & 4; insufficient water supply for scenarios 3 and 5.
    - Under maximum day demand: Only scenarios 1 and 2 have sufficient supply.
- Water – Down Canyon System:
    - Average day demand: Sufficient water supply for all scenarios (1-5).
    - Maximum day demand: Sufficient water supply for scenarios 1-3; insufficient water supply for scenarios 4-5.
- Sewage capacity analysis:
    - Average Day Discharge: Sufficient capacity for scenarios 1-5.
    - Maximum Day Discharge: Only sufficient capacity for scenarios 1 & 2.
- If the vacancy rate was accounted for, the water consumption/effluent discharge amounts should be increased by up to 65%, which would likely reduce the number of scenarios that have sufficient capacity and or increase identified deficiencies.

Results:

- June Lake has about 30% more units than people. In other words, if every person in June Lake had their own unit, 200 units would still be unoccupied.

- June Lake has over seven times more units than households.
- **June Lake PUD water supply**: Water supply is insufficient to serve scenario #5 under either average or maximum day demand under existing zoning densities. If occupancy rates increase, the situation becomes even more limited.
    - *The current water supply does not appear capable of supporting increased housing density.*
- **Down Canyon System water supply**:
    - Assuming occupancy rates remain at the rate represented by "average day demand," water supply is sufficient to serve full build-out and can support increased density of 669 units/connections.
    - If occupancy increases to the rate represented by "maximum day demand," then water supply is only sufficient to serve current demand + vacant parcels and will not accommodate scenarios #4-5.
    - *If average day demand only increases slightly, increased housing density could be supported. However, at the maximum day demand level, which likely represents a significant increase in occupancy without an increase in units, increased density could not be supported.*
    - *Even if density could be increased, Down Canyon tends to have smaller parcels (Petersen & Williamson Tract) and challenging terrain (Clark Tract) where increased density may not be appropriate.*
- **Sewage capacity**: Sufficient capacity exists at build-out if occupancy rates remain the same, with sufficient capacity to increase density by 198 households. If occupancy rates increase to the rate represented by "maximum day demand," then capacity is only sufficient for current discharge + vacant parcels, without enough capacity for scenarios #4-5.
    - *If average day demand only increases slightly, increased housing density could be supported. However, at the maximum day demand level, which likely represents a significant increase in occupancy without an increase in units, increased density could not be supported.*

LEE VINING

Basic statistics:

- Year-round population = 217, seasonal population = 300 (~138% increase).
- Housing units: 114 existing, 88 occupied, 26 vacant = 23% vacancy rate.
- A unique feature of Lee Vining is that only one street is designated residential; the remainder of the community is designated commercial. Many Commercial parcels are under-developed with single-family residential units, and therefore significant increased density may be available under the current zoning that is not analyzed at this time.

Capacity Analysis (Lee Vining Public Utilities District):

- Water average day demand: Sufficient water supply for scenarios #1-5.
- Water maximum day demand: Only scenarios #1-2 have sufficient supply.
- Sewage Average Day Discharge: Sufficient capacity for scenarios #1, 2, and 4. Insufficient capacity for #3 & 5.
- Sewage Maximum Day Discharge: Insufficient capacity for all scenarios.

Results:

- **Water Supply**:
    - Assuming occupancy rates remain at the rate represented by "average day demand," water supply is sufficient to serve full build out and can support increased density/upzoning of 193 units/connections.

    - If occupancy increases to the rate represented by "maximum day demand," then water supply is only sufficient to serve current demand + vacant parcels and will not accommodate scenario #5.
    - *If average day demand only increases slightly, increased housing density could be supported. However, at the maximum day demand level, which likely represents a significant increase in occupancy without an increase in units, increased density could not be supported.*
- **Sewage Capacity**: Sewage capacity appears to be limited and only sufficient in low-development scenarios at Average Day Discharge levels.
    - *Current sewage capacity will not support upzoning for increased housing density even at average day demand levels. Potential increased occupancy and increased density under the current Commercial zoning exacerbate the risk.*

CROWLEY LAKE

Basic statistics:

- Year-round population = 980. No seasonal population estimate.
- Housing units: 538 existing, 402 occupied, 136 vacant = 25% vacancy rate.

Capacity Analysis:

- Water supply – Mountain Meadows Mutual Water Company (MWC)
    - Sufficient water supply for all average day demand scenarios and maximum day demand scenarios 1, 2, & 4. Insufficient water supply for maximum day demand scenarios 3 and 5.
- Sewer – Hilton Creek CSD
    - Sufficient sewer capacity for all average day demand scenarios and maximum day demand scenarios 1 & 2. Insufficient sewer supply for maximum day demand scenarios 3-5.

Results:

- ***Water and Sewer Capacity:*** *If average day demand only increases slightly, increased housing density could be supported. However, at the maximum day demand level, which likely represents a significant increase in occupancy without an increase in units, increased density could not be supported.*

BRIDGEPORT

Basic Statistics:

- Year-round population = 553. No seasonal population estimate.
- Housing units: 349 existing, 246 occupied, 103 vacant = 30% vacancy rate.

Capacity Analysis:

- **Water Supply:** Sufficient water supply for all average day demand scenarios #1-4; insufficient supply for scenario #5. For maximum day demand, only scenario 1 has sufficient capacity.
- **Sewer:** Sufficient sewer capacity for average day demand scenarios #1-3 and maximum day demand scenario 1. Insufficient water supply for average day demand scenarios #4-5, and maximum day demand scenarios #2-5.

Results:

- ***Water Supply:*** *Sufficient capacity does not appear to exist for scenario #5 under either current or increased occupancies. Therefore, capacity does appear to increase zoning densities.*
- ***Sewage Capacity:*** *Sufficient capacity does not appear to exist for scenario #5 under either current or increased occupancies. Therefore, capacity does appear to increase zoning densities.*

CONCLUSION

Most communities appear to have sufficient water and sewer capacity, or close to sufficient capacity, for build out under existing zoning and average day demand, which incorporates a vacancy rate of 23% to 65% depending on community. The maximum day demand better reflects reduced vacancy rates, although likely still not 100% occupancy. Unfortunately, at maximum day demand levels, water and sewer services indicate significant deficiencies in all communities.

The challenge is that the high volume of fluctuation between average and maximum (and then full occupancy) demand cannot be controlled by land use density nor the service providers. Meeting existing needs under current zoning density, and then increasing zoning density to accommodate more housing, comes down to risk tolerance. If the "design" occupancy of water and sewer services should be more similar to the maximum day demand in this study, then none of the communities have the capacity to meet current demand under existing zoning, let alone increase zoning. If the "design" occupancy should be even higher, to reflect closer to 100% occupancy, then the deficiencies are exacerbated. If the "design" occupancy should be lower, however, then potentially some communities have capacity to increase zoning density at an increased risk of being unable to meet demand if the "design" occupancy is exceeded.

Determining the "design" occupancy level and risk tolerance is outside the scope of this study and analysis. However, the suspicion that water and sewer service is a limiting factor to increasing housing development appears to have merit, and so one clear recommendation from this work is to focus on capacity improvements for these services. To that end, capacity improvement projects from Phase 3 of this study (which is filed separately) will be included in the Mono County Comprehensive Economic Development Strategy to facilitate qualification for potential funding sources.

Please direct any questions to Wendy Sugimura at 760-924-1814 or wsugimura@mono.ca.gov.