



Agenda Item: 15.B
Date of Meeting: July 13, 2026
Department: Administration

STAFF REPORT

To: City Council
From: Pam Foster
Subject: **Discussion Regarding Potential Workforce Housing Occupancy Requirements for New Residential Development**
Prepared On: June 26, 2026

Background/History:

The City of Bishop, in coordination with regional partners, recently completed the Regional Housing Needs Assessment, which identified the community's ongoing need for additional housing across all income levels. The Needs Assessment recognizes that housing affordability, limited inventory, and the availability of housing for the local workforce continue to be significant challenges affecting the City's economic vitality, public services, and overall quality of life.

As the City evaluates strategies to facilitate new residential development, questions have arisen regarding whether newly constructed housing can be preserved for year-round residents and members of the local workforce through the use of deed restrictions or other occupancy requirements. Similar housing challenges have been experienced by other California communities, including Mammoth Lakes, many of which have adopted workforce housing programs utilizing deed restrictions and long-term occupancy requirements.

The purpose of this discussion is to provide the City Council with an overview of potential regulatory tools that may assist in implementing the City's housing objectives while recognizing the legal limitations that exist under California law.

Analysis/Discussion:

The City's goal is to explore legally permissible tools that help ensure a portion of newly constructed housing remains available to support the long-term housing needs.

Communities throughout California have increasingly utilized workforce housing programs to preserve housing opportunities for local employees, families, and year-round residents. Rather than attempting to prohibit second-home ownership altogether, these communities have generally focused on creating a dedicated inventory of deed-restricted workforce housing through inclusionary housing requirements, negotiated development agreements, public-private partnerships, and other land use tools. These tools can be further explored with

models and options brought forward for Council consideration.

Staff's preliminary research indicates that California law clearly authorizes deed restrictions in connection with affordable housing and workforce housing programs. However, broader restrictions applicable to all market-rate housing without negotiated agreements or other supporting legal authority present significantly more complex legal questions and would require additional analysis by the City Attorney before any policy recommendations are developed.

Impacts to Council Goals and Strategic Planning Priorities:

Addressing the need for local housing meets Strategic Plan objective 2.1 Address the shortage of affordable housing.

Budget Impacts:

There is no direct fiscal impact associated with this discussion.

Should the City Council direct staff to further evaluate potential workforce housing regulations, future costs may include legal review, ordinance preparation, consultant assistance, and public outreach. Any future expenditures would be presented to the City Council for consideration during the normal budget process.

Legal Review:

Legal review will be required of any future policy or ordinance recommendations.

Recommended Action:

Receive the staff presentation and provide policy direction regarding whether the City should further explore regulatory options to preserve housing opportunities for local residents and the workforce, including the potential use of deed restrictions, development agreements, inclusionary housing requirements, or other legally permissible tools.

Approved By: Pam Foster 7/8/2026

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