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NOT YET ADOPTED

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**”), dated for reference purposes only as of March 1, 2022, is by and between the City of Mountain View, a California charter city and municipal corporation (“**City**”) and the County of Santa Clara, a political subdivision of the State of California (“**County**”). The City and the County are collectively referred to herein as the “**Parties.**”

WHEREAS, the voters of Santa Clara County passed the County’s 2016 Measure A Affordable Housing Bond (“**Housing Bond**”), which is a \$950 million affordable housing bond measure intended to increase affordable housing opportunities;

WHEREAS, the County is collaborating with cities and other public agencies to support the development of supportive, affordable and workforce housing;

WHEREAS, the City actively supports the development of affordable housing through its adopted policies and programs, and the provision of financial support for new construction and rehabilitation;

WHEREAS, the City is currently negotiating with developers for the development of approximately 400 units of affordable multi-family rental housing on five separate sites within the City;

WHEREAS, the County has generally required that when projects are assisted with Housing Bond proceeds, ownership of the fee interest in the land must be conveyed to the County and then ground leased to the developer unless the land is owned by a public agency; and

WHEREAS, the City and the County desire to set forth a framework that will guide their collaborative efforts to fund and support the development of affordable and supportive housing within the City, including without limitation, procedures that will ensure continued control of affordable housing sites by the City and the County.

NOW THEREFORE, based upon the foregoing recitals, the Parties agree as follows:

1. Housing Production. Prior to the expiration of the term of this MOU, provided that adequate financial resources, including County funding, are made available, the City will use best efforts to support the development of affordable rental housing within the City of Mountain View that will include approximately 200 Rapid Rehousing (“**RRH**”) and/or Permanent Supportive Housing (“**PSH**”) units (such developments, collectively, the “**Assisted Developments**”). “Rapid Rehousing” means a type of housing intervention that connects families and individuals to permanent housing through time-limited financial assistance and targeted supportive services. “Permanent Supportive Housing” means a type of housing intervention that provides permanent affordable housing and supportive services to individuals (and their families) who have disabling conditions. As of the Effective Date (defined on the signature page hereto), it is anticipated that 136 of these units will be constructed in the

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developments described in the following Table A. The City may substitute other projects if the City determines that any of the below Assisted Developments will not proceed in a timely manner.

Table A – City and County Funding Commitments for Assisted Developments

Project Name	Sponsor	Current Land Owner	City Funding Commitment (Not Including Land Value)	County Funding Commitment	Supportive Housing Units	Est. Total Units in the Project
Lot 12	Alta, Related	City	\$12,250,000	\$9,750,000	20 RRH	120
La Avenida	Eden	Private party	\$15,000,000	\$19,000,000	30 PSH	101
Montecito	Charities Housing	Charities	\$16,000,000	\$18,000,000	41 RRH	85
Crestview Hotel	TBD	Private party	\$3,700,000	\$7,000,000	25 RRH + 20 PSH (TBD)	67
Totals			\$46,950,000	\$53,750,000	136	373

2. County Financial Support. To support the development of the Assisted Developments, the County will use its best efforts to provide funding in the amounts and for the projects indicated in Table A above, plus an additional \$26,250,000 to support additional Mountain View housing projects in the pipeline that will include an aggregate of up to additional 64 supportive housing/ rapid rehousing units. Such County funding would support a total of 200 supportive housing/rapid rehousing units with a total of Eighty Million Dollars (\$80,000,000) using funds from Measure A housing bond proceeds, No Place Like Home (NPLH) funds from the State Department of Housing and Community Development, and other available sources. The County’s “best efforts” to provide the foregoing funding shall mean that the County shall earmark these funds to support Assisted Developments in the City of Mountain View which meet the requirements of this paragraph and paragraph 3 below and are moving towards development on a reasonably timely basis.

The anticipated number of RRH and PSH units to be included in each project is listed in Table A above. The County Funding Commitment shown in Table A includes land acquisition cost. Additional funding provided by the County for project construction may also be provided in the form of residual receipts loans. If the City or County determine that any project identified in Table A will not proceed in a timely manner, the County will work to provide funding equivalent to the amount shown in Table A to substitute project(s) identified by the City.

3. Notwithstanding anything to the contrary above, the County’s commitment to funding any Assisted Development is contingent upon the project meeting the County’s standard terms and conditions for affordable housing development, including due diligence on the soundness and feasibility of the project and compliance with laws, including the California Environmental Quality Act.

4. Land Ownership. The City and County agree that as a condition to providing financing, fee simple title to the land upon which the Assisted Developments will be constructed shall be offered for sale to and held by either the City or the County, which in turn will ground lease the land to the project developer for a minimum of 65 years with developer options to extend the term to 99 years. The jurisdiction that provides the highest actual total financial contribution to the individual project (including land costs) will have the first right to acquire fee title to the land. Calculation of the City and County financial contributions shall include capital contributions, such as acquisition and construction loans, only. Notwithstanding the foregoing, the Parties acknowledge and agree that Lot 12 is currently, and will remain, in City ownership, and any other land leased or acquired by City will remain in City ownership unless otherwise agreed upon by City in the exercise of its sole discretion.

5. City Option to Acquire Land. In the event the County is the ground lessor for any Assisted Development, the City will have a springing option to purchase the County's interest in the land and the improvements located thereon in the event that the County decides to sell such interests. An option agreement will be executed by and between the City and the County, and either the option agreement or a memorandum thereof will be recorded in connection with closing for project financing and commencement of the ground lease. The memorandum or option agreement will be recorded senior to, and will remain unsubordinated to, all deeds of trust and financing documents, and unless prohibited by applicable State of California regulations, senior to all regulatory agreements. The purchase price payable upon exercise of the option will be the fair market value of the land at the time the option is exercised based upon the use of the land for affordable supportive housing. The City will take title subject to then-existing liens and encumbrances as reasonably approved by City. The cash payment payable to the County will be reduced by the amount of any outstanding debt assumed by the City which is secured by a lien on the fee interest in the land. Upon exercise of the option, the land will be conveyed to the City for the purposes of preserving affordable and supportive housing.

6. Term. The term of this MOU shall commence upon the Effective Date, and unless the Parties agree to extend the term, shall terminate on the earlier of the tenth (10th) anniversary of the Effective Date or the date of closing for the latest of the Assisted Developments to close.

7. General Provisions.

7.1 Conditional Commitment. The Parties acknowledge and agree that the City and County commitments to provide funding for Assisted Developments are subject to compliance with all legal requirements, including but not limited to, with respect to procedures regarding the purchase of real property and compliance with the California Environmental Quality Act. Nothing in this MOU shall be construed to compel the County or City to approve or make any particular findings with respect to any environmental documentation that is prepared, pursuant to CEQA, for any portion of an Assisted Development. .

7.2 Further Assurances. The Parties each agree to take all such actions and to make, execute and deliver such other documents and instruments as reasonably requested to carry out

the provisions, intent and purpose of this MOU.

7.3 Amendments. This MOU may not be changed, modified or rescinded except in writing, signed by the Parties, and any attempt at oral modification of this MOU shall be void and of no effect.

7.4 Notices. All required or permitted reports, demands and notices may be sent to the Parties at the addresses set forth below or such other address as a Party may specify in writing to the other Party by overnight delivery service, in which case notice is effective upon delivery if delivery is confirmed by the delivery service, or by electronic mail, in which case notices shall be deemed delivered upon the sender's receipt of an acknowledgement from the intended recipient provided that, if such notice is not sent during the normal business hours of the recipient, such notice shall be deemed to have been sent at the opening of business on the next business day of the recipient.

City: City of Mountain View
Community Development Department
500 Castro St.
Mountain View, CA 94041
Attention: Housing and Neighborhood Services Manager

County: County of Santa Clara
Office of Supportive Housing
2310 N 1st Street, Suite 201
San Jose, CA 95131
Attention: HCD Division Manager

7.5 No Third-Party Beneficiaries. Nothing contained in this MOU is intended to or shall be deemed to confer upon any person, other than the Parties and their respective permitted successors and assigns, any rights or remedies hereunder.

7.6 Authority; Authorized Signatories. Each Party represents and warrants that it is authorized to execute and perform this MOU, and that the persons executing this Agreement on such Party's behalf have been duly authorized to do so.

7.7 Counterparts. This MOU may be executed in counterparts, each of which shall be an original, and all of which taken together shall constitute one and the same instrument. Unless otherwise prohibited by law, County, or City policy, the Parties agree that an electronic copy of this agreement, or an electronically signed agreement, has the same force and legal effect as the agreement executed with an original ink signature. The term "electronic copy of this agreement" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of the original signed agreement in a portable document format. The term "electronically signed agreement" means the agreement that is executed by applying an electronic signature using technology approved by the County and the City. The County and the City both agree that for purposes of this MOU, DocuSign is an approved technology for execution.

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SIGNATURES ON FOLLOWING PAGE.

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IN WITNESS WHEREOF, the Parties have executed this MOU as of the dates set forth below (the latest of the dates set forth below the “**Effective Date**”).

CITY OF MOUNTAIN VIEW, a California
charter city and municipal corporation

COUNTY OF SANTA CLARA, a political
subdivision of the State of California

By: _____
City Manager

MIKE WASSERMAN, President
Board of Supervisors

Date: _____

Date: _____

APPROVED AS TO CONTENT:

Signed and Certified that a copy of this
document has been delivered by electronic
or other means to the President, Board of
Supervisors

Title:

ATTEST:

APPROVED AS TO FORM:

TIFFANY LENNEAR
Clerk of the Board of Supervisors

City Attorney

By: _____

Print Name: _____

Title: _____

APPROVED AS TO FORM AND LEGALITY:

KAREN M. WILLIS
Deputy County Counsel