

**Council Questions**  
**April 3 – City Council Meeting**

**ITEM 4.4 2022 Annual Housing Element Progress Report: 2015-2023 Housing Element (Revised)**

1. During the 5<sup>th</sup> Cycle, how many units in each income category were entitled? What percentage of projects that were entitled actually received building permits?

During the 5th Cycle, approximately 426 Very Low units, 515 Low units, 286 Moderate units, and 6,020 Above Moderate units were entitled.

There are at least three different ways to look at the issue (focusing on units instead of projects):

- a) There were approximately 5,466 units of building permits issued in the 5th Cycle, compared to approximately 7,247 entitled units, about 75% percent. However, these are not the same projects (i.e., many projects entitled in the 4th cycle received building permits in the 5th cycle and many projects entitled in the 5th cycle will presumably receive building permits in the 6th cycle).
- b) There were approximately 6,065 entitled units in projects that could have received building permits in the 5th cycle, of which approximately 5,070 actually did receive building permits, approximately 84%. However, this double counts several sites (for example, 525 East Evelyn Avenue and 2645 Fayette Drive had previous entitlements that expired because new, larger developments were proposed and approved). This number also does not include projects with active unbuilt entitlements – i.e., projects that have time to apply for and receive building permits. The 5,070 is less than the 5,466 above for several reasons, the main one being that it does not count ADUs and other small projects (which would tend to increase the percentage).
- c) In September 2022, staff conducted an analysis to support the Housing Element Sites Inventory, focusing on sites that proceed with housing developments within 8 years, even if the project that was constructed is different than the project approved (only if the built project was larger). Staff found only one approved project with more than 10 units on a site that did not result in a housing development within 8 years: 881 Castro Street, with fewer than 1% of proposed units over that span.

2. How many 5<sup>th</sup> Cycle units are also being (double) counted in the 6<sup>th</sup> Cycle?

State Law prescribes how units are counted in different cycles. Housing Element sites inventories are subject to different time periods and counting methodologies than the Annual Progress Reports. The Annual Progress Reports starting next year will not “double count” any units. However, the 6th Cycle Housing Element sites inventory, consistent with State Law, will include some units previously counted in the 5th Cycle Annual Progress Reports. The RHNA is not additive between cycles and the RHNA projections are determined based on the number of units that have received a Certificate of Occupancy at the start of the projection period (June 30, 2022 – December 15, 2030). Therefore, even if a project received their building permit and was counted as a unit built during the 5th Cycle, it may also be counted to the 6th Cycle allocation.

Projects under construction (and therefore included in 5th Cycle Annual Progress Reports) that will receive a final certificate of occupancy during the 6th Cycle projection period (and therefore included in the Sites Inventory) include:

- 1001 N Shoreline Boulevard (303 net new units)
- 1255 Pear Avenue (220 net new units)
- 777 W Middlefield Road (508 net new units)
- 851-853 Sierra Vista Avenue (6 net new units)
- 950 W El Camino Real (71 net new units)
- 1720 Villa Street (207 net new units)
- 2580-2590 California Street (632 net new units), and
- 555-557 E Evelyn Avenue (471 net new units)

This totals 2,418 units.

#### **ITEM 6.1 Floodplain Management Ordinance**

1. What is the maximum discount percentage (at CRS Class 1 rating)?

The maximum discount available with the CRS program for a Class 1 community is 45%. Based on current flood insurance policies in place, this would increase the Citywide savings in insurance premiums from \$30,000 to \$95,000 per year.

2. What would the city need to do to earn a lower CRS Class rating? What would be the cost?

The CRS program includes specific prerequisites for several of the classes, including the next lower Class of 6. To earn a Class 6 rating, the City would need to receive a classification of 5 or better under the Building Code Effectiveness Grading Schedule (BCEGS). The City does not currently participate in BCEGS, and participating would be a major undertaking by the Community Development Department to be initially classified and maintain that classification. At this time, it is unknown the specific staff resources needed and costs associated with obtaining a lower rating.

As part of the staff's annual review of the CRS program's eligible points, staff do identify and request credit for programs or activities currently being implemented or could be implemented within current workloads to maximize the City's rating.

#### **ITEM 7.1 Fiscal Year 2023-24 through Fiscal Year 2027-28 Capital Improvement Program**

1. What is the projected volume of users on the Stevens Creek Train extension?

The existing and projected volumes provided in the grant application for Measure B funds are summarized in the table below. The existing bicycle and pedestrian volumes were based on an average of counts taken in 2019 near the current southern terminus at Dale Avenue and at the mid-trail location just north of Evelyn Avenue/Central Expressway.

Future volumes for the extension were calculated based on the number of students at Mountain View High School adjacent to the southern terminus of the proposed trail extension, who walk and bike to school, added to the existing volumes. The share of school trips was based on using VTA’s methodology as required for the grant application.

Scenario	Horizon Year	Two-way peak hour volume		
		Cyclists	Pedestrians	Total
Existing	2019	137	79	216
Future	1 year after implementation	367	349	716

2. What routes are bicyclists using currently that they would not use if the Stevens Creek Trail extension was built?

Those traveling south from Dale Avenue/Heatherstone Way to Remington Drive or Mountain View High School currently travel along streets that include: Heatherstone Way, Sleeper Avenue, Franklin Avenue, Levin Avenue, Diericx Drive, Lubich Drive, Bryant Avenue and Grant Road as well as Knickerbocker Drive and Bernardo Avenue in Sunnyvale. Apart from Diericx, Lubich and Knickerbocker, these streets and roads have a Bicycle Level of Traffic Stress (LTS) rating of 3, which indicates that the facilities are suitable for confident adult riders and do not meet the “All Ages and Abilities” threshold.

For local east-west travel between Mountain View High School and Sunnyvale, bicyclists would need to travel 2 miles out of direction via the streets listed above. For longer east-west travel, bicyclists are more likely to need to travel along higher stress corridors such as Fremont Avenue and El Camino Real at the interchange with State Route 85. Fremont Avenue and El Camino Real are both on the Vision Zero High Injury Networks for Sunnyvale and El Camino Real is on the High Injury Network for Mountain View and both are also high stress facilities with LTS 3 and LTS 4, respectively.

3. Can you provide information on the Whisman Sports Center and the Mountain View Sports Pavilion? Does the city own 100% of these facilities? What sports are offered at each location? Are people who use the facilities charged for using them? Do non-Mountain View residents use the facilities?

The City and School District are co-owners of both facilities on a 50/50 split. The City provides for the maintenance and repairs to both facilities, including major capital rehabilitation projects, such as new roofs and HVAC systems. The School District reimburses the City for 50% of the annual costs to maintain and repair the Whisman Sports Center. In return for allowing the City to construct the water reservoir at Graham Middle School, the City agreed to cover 100% of the costs to maintain and repair the Mountain View Sports Pavilion.

Both gymnasiums host youth and adult sports programs through the gym reservation program, teen and adult drop-in sports programs, and youth sports classes and camps. The Gym reservation program for both sites is available for basketball and volleyball on the main gym floor and the auxiliary rooms are available to reserve for dance programs. The adult drop-in program includes Basketball at the Whisman Sports Center, and Volleyball and Pickleball at the Mountain View Sports Pavilion. Teen Open Gym is available at the Whisman Sports Center weekly and hosts basketball, dodgeball, indoor soccer, and volleyball. The classes and camps offered by the City include basketball, volleyball, gymnastics, and futsal soccer.

All programs associated with the gyms, with the exception of Teen Open Gym, are available for a fee. Non-residents represent a small percentage of the users for the gym programs and fees are generally 25% higher for non-residents than residents.

4. Staff capacity has been a perennial challenge and major impediment to delivering projects. Can staff provide an update regarding vacancies and recent hires that may affect the schedule moving forward? Would adding additional positions in the upcoming budget process be helpful in expediting the delivery of projects in the CIP schedule?

The Engineering Division currently has 10 vacancies representing 23% of the Engineering staff. The two Engineering sections managing non-utility CIP projects together now have 4 vacancies (26% vacancy) after one new engineer started on March 27. There are currently several parallel recruitment efforts to fill these 10 remaining vacancies, and within the 2 Engineering sections mentioned, two more new staff are anticipated to start by the end of April 2023. HR has been a great partner to Public Works with recruitments. In the current environment, recruiting has been challenging - even with the additional outreach efforts through multiple platforms and creative ways of attracting candidates, we are seeing a low turnout of qualified candidates. Filling the vacant positions with qualified candidates will be most effective to bring delivery of projects back on track. After that, staff can further re-evaluate workloads and project lists to determine if additional CIP staff positions would be recommended.

5. What is the status of the Latham Street traffic calming project?

The Latham Street Neighborhood Traffic Management Program (NTMP) has been proceeding forward. Staff recently received the final postcards ballots for suggested improvements supported at the community meeting that include speed humps and electronic speed feedback signs between Ortega Avenue and Escuela Avenue. Although the total postcards received was under the 35% minimum threshold needed, support for these two measures was very high. On April 10, staff will be bringing the Latham NTMP improvements to the CTC recommending staff proceed with the installation of the improvements.

6. What is the status of the implementation of a Trusted System?

In conjunction with the City Clerk's Office, the IT Department has been working with the City's Laserfiche vendor to add support for "Trusted Systems" as defined by the state of California. This will allow the City to migrate to paperless systems in the future. The hardware upgrade requirements have been identified, and IT is contacting a consultant to help review procedures and policies to meet the State's requirements for these systems. IT plans to have the system implemented by Quarter 1 of 2024.

7. Does the City have a Deferred Maintenance and Infrastructure Backlog that has been quantified? Would it be helpful to focus more on maintenance and less on new projects, or are the projects scheduled sufficient?

Staff have completed Water and Wastewater Master Plans that have identified maintenance and replacement priorities, some of which can be considered deferred maintenance or backlog. In addition, the ongoing biennial pavement report provides staff with street rehabilitation priorities, and there is also a list of deferred maintenance and major maintenance needs for the City's facilities.

Staff recommends prioritizing deferred maintenance and infrastructure rehabilitation projects for funding and staffing resources and has recommended this as a criterion for allocating unrestricted and transportation CIP funds.

8. With current funding, roughly how many miles of sidewalk can be repaired each year?

Approximately 0.2 miles (1,110 lineal feet) of sidewalk, curb and driveways can be repaired with the annual non-discretionary Concrete Sidewalk/Curb Repairs project. In addition, the Streets Section works on sidewalk offsets at individual locations. On average, staff and vendors repair about 2,600 offset locations annually.

9. Does the Castro Street Interim Pedestrian Mall project allow/include bicycling on Castro Street? If not, when would be an appropriate time to consider modifying the project to allow bicycling?

Under the interim pedestrian mall conditions, Castro Street will be “walk your bike” zone within the pedestrian mall segments, i.e., between Evelyn Avenue and California Street. Most of the feedback from the Bicycle/Pedestrian Advisory Committee, Downtown Committee, and public engagement supported not mixing pedestrian and bicycle traffic within the pedestrian mall segments. There is a very high volume of pedestrian activity along the mall segments crisscrossing to the storefronts and outdoor dining on both sides of the street. Adding a bicycle facility along the mall segments would lead to a high level of bicycle/pedestrian conflicts. The Active Transportation Plan is looking at the feasibility of adding bicycle facilities on the parallel streets to strengthen the bicycle network within and into Downtown.

10. What trade-offs (or additional resources) would be necessary to advance the following projects on the Unscheduled List (Attachment 7):

- 18 California St Complete Streets, Ortega-Shoreline Pilot
- 21 El Camino Real Streetscape Phase 2 Design & Construction (protected intersections currently unscheduled)
- 22 Escuela Avenue (North) Bicycle Improvements
- 23 Evelyn Avenue Cycle Track - Transit Center to Sunnyvale - Feasibility Study, Design and Construction
- 28 Rengstorff Streetscape and Bikeway Improvements, Feasibility Study, Design and Construction

The California Street Complete Streets Pilot project (Ortega to Shoreline) is currently underway in design. The El Camino Streetscape Plan identified the following five potential locations for protected intersections to be installed after Caltrans completes its repaving project with the bicycle and pedestrian improvements included in their project: Phyllis Avenue/Calderon Avenue, Castro Street, Shoreline Boulevard, El Monte Avenue/Escuela Avenue, and Rengstorff Avenue. The El Camino Real/EI

Monte/Escuela intersection recently received grant funding for implementation of this project and design is planned to begin in 2024.

It may be possible to add the other projects listed above to Years 4 and 5 of the CIP but moving them up to earlier years would likely require deferring another active or roll-forward bicycle/pedestrian project to free up funding and staffing resources. The Active Transportation Plan to be completed in Q2 2024 will help prioritize these and other new active transportation projects relative to other planned transportation projects.

11. Can staff provide information about the California Street Complete Street project, including what it would take to convert the pilot into a permanent improvement if the pilot is successful? Does the permanent project include green street improvements (vegetation, tree canopy, stormwater runoff)?

The pilot project is in design and is scheduled for construction in early 2024. Staff plans to recommend that the final design and construction for the permanent improvements be included in the 5-year CIP as a year 2 project (Fiscal Year 2024-25), following the pilot study evaluation period of one year. The addition of green street improvements and public art (as previously directed by the City Council) to enhance the bicycle and pedestrian experience within the project limits will be included during the design phase for the permanent improvements.

12. Can staff provide information about what it would take, including funding, to add permanent pickleball court design and construction to the CIP schedule?

Pickleball Court Preliminary Study and Design, Project 23-36, has recently started with a release of a Request for Proposals, and includes a preliminary design phase of the project. The study will assess and evaluate potential locations, layouts, total court numbers and an initial cost estimate for final design and construction. There will be a public input process as part of the study with anticipated completion of the study in early 2024. The study recommendations for total court numbers, locations, and layout will be brought to the City Council for approval. Until the study is complete, the staff does not know how much money will be needed for final design and construction. When staff brings the study recommendations to Council, staff can also bring a midyear amendment to Project 23-36 to add the funding needed to implement the study's recommendations. The recommended funding source will be Citywide Park Land Funds.

13. Can staff provide an update regarding Community Shuttle stop amenities (like shelter)? Are improvements planned or underway?

Twenty-seven (27) of the 50 Community Shuttle stops have benches and/or shelters, most of which are shared with VTA. Staff and VTA are considering the feasibility of improvements at two more shared stops that meet VTA's ridership criteria for adding amenities such as benches or shelters. No additional amenities are currently planned at non-shared stops due to right of way constraints or low ridership use. However, should any shuttle users have a request for amenities at a stop, they can submit an AskMV request and staff will evaluate the location for amenities in terms of feasibility and cost.

14. What is the estimated cost of the revised Shoreline Reversible Bus Lane project?

Currently, the staff does not have an updated cost estimate for the project. This project was paused due to lack of project manager resources, and multiple recruitment efforts have not yet filled the vacancy to assign this project. To avoid further delays to the project, staff recently contracted with a project management consultant firm and, in coordination with the existing design consultant, will be developing a new cost estimate as part of final design. Any additional construction funding is expected to come from the Water, Wastewater, and Shoreline funds.

15. What process would need to be followed to adopt or implement specific standards or design guidelines related to bicycle, pedestrian, and street safety, such as the multimodal design standards endorsed by Caltrans, including the National Association of City Transportation Officials (NACTO) urban design guidelines and/or the Institute of Transportation Engineers (ITE) walkable urban thoroughfares?

The City has adopted Caltrans design standards, including those for bicycle and pedestrian improvements. Additionally, staff's current practice includes utilizing several other guidelines for the design of multimodal improvements, including NACTO, ITE, and the Federal Highway Administration (FHWA). These guideline resources provide staff flexibility in applying the most appropriate multimodal treatment for various scenarios, while being consistent with Caltrans standards and staff's evaluation for safety concerns. As part of the scope of the Active Transportation Plan, there will be an evaluation of the policies and standards the City is using, including consistency with best practices for active transportation.

16. Is there any way to expedite construction of more pickleball courts, such as maybe pre-allocating some funds to that project?

See response to Question 12.

17. There are a lot of CIP projects related to improving conditions for cars and bikes but very few for pedestrians. I think more of those may come out of our Biodiversity, Active Transportation and Urban Forestry planning this year. Is there any way to expedite creation of those projects, such as maybe pre-allocating some funds?

Staff have worked to incorporate pedestrian improvements into the various transportation and repaving projects. However, the studies and plans mentioned may identify specific pedestrian-only projects for implementation. Depending on the pedestrian project scopes identified and locations, there may be options for funding and implementation that could include being delivered as part of a developer's project or integrating it into another CIP project. Until specific projects are identified with cost estimates, pre-allocating funds will not expedite delivery of these projects and could tie up unrestricted CIP funds or transportation funds that may be needed for maintenance or other priority projects. Once projects are identified, staff can review the various opportunities for implementation and funding the projects and Council can choose to give these projects priority for funding allocations as part of the annual CIP allocation process and biennial 5-year CIP planning process.

## **ITEM 7.2 Update on City/School Collaboration and Challenges**

1. What is the exact definition of the word "online" as it pertains to housing coming online? Is it when an occupancy permit is issued? (Page 14 of staff report)

For the purposes of the 2019 amendment to the EER JPA providing MVWSD and MVLAUHSO with their full tax rate allocation on new residential development, "online" means when the newly constructed residential buildings are reassessed by the County Assessor's office resulting in new residential Assessed Value in North Bayshore.

2. If on November 29, 2022, the three EER JPA parties directed staff to develop a short-term agreement for adoption as soon as possible, what causes a change in this direction? (Page 14 of staff report)

City staff did develop a short-term agreement within three months of the EER JPA Board meeting and circulated the draft to School District staff on Feb. 24, 2023. Staff just received an edited draft of the Agreement from MVWSD yesterday and staff is reviewing their suggested changes.

3. Who develops the Shoreline Area Plan, and who can change it? Are there any restrictions in terms of what can be changed, how often it can be changed, etc.?

The North Bayshore Area Plan was adopted and can be amended by the Shoreline Board of Directors. Shoreline Community staff would prepare a draft amendment and make a recommendation to the Board of Directors. Notice of a proposed amendment must be provided to the City and County Planning Commissions and the Shoreline Board of Directors must hold a public hearing. There are no limits to how often the Plan can be amended. It was envisioned as a primarily short and midrange plan and was to be considered flexible and subject to periodic review and updating as new information, potentials or constraints emerge.

4. How have utilities been paid historically at each school site? Is it just utilities serving the areas that are jointly used? (Page 21 of staff report)

Each school site varies slightly in how utilities are paid by the City and MVWSD for the joint use areas. At most facilities, the City pays for water for irrigation as well as electricity to run the irrigation controllers and other electrical needs. For some sites, such as Imai (irrigation controller), Landels (irrigation controller), Castro (irrigation controller), and Stevenson (Restroom, YSO snack shack), the City pays for the water while MVWSD pays for the electricity. The City recently became aware that the District is paying for electricity at Crittenden Middle School for field lighting. Through the process of drafting a new JUA, both agencies will need to confirm utility costs by site and confirm each agency's responsibilities. This information would be memorialized in an attachment of a new JUA.

5. How much is the proposed additional one-time payment proposed in the short-term agreement?

The amount of the one-time additional payment is proposed by City staff to be 10% of the growth in property tax revenues and will depend on the amount of that growth. For example, for MVWSD, if property tax revenue grows by 10%, the Additional One-Time payment will be \$53,467. Following this example, the total payment for MVWSD would be \$5,934,862, which is the Minimum Payment of \$5,346,723, plus the Adjustment Payment of \$534,672 (the 10% growth in property tax used for this example), plus the Additional One-Time Payment of \$53,467 (10% of the Adjustment Payment).



6. Can staff provide the actual language in the Civic Center Act and the specific text regulating the maximum fees that can be charged?

Following are exact quotes from the relevant sections of the Civic Center Act regulating the amount of fees that can be charged:

**California Education Code Section 38134(b)**

“Except as otherwise provided by law, a governing board of a school district may charge an amount not to exceed its direct costs for use of its school facilities or grounds pursuant to this section. A governing board of a school district that levies these charges shall first adopt a policy specifying which activities shall be charged an amount not to exceed direct costs.”

**California Education Code Section 38134(c)**

“The governing board of a school district may charge an amount, not to exceed its direct costs for use of its school facilities or grounds by the entity using the school facilities or grounds, including a religious organization or church, that arranges for and supervises sports league activities for youths as described in paragraph (6) of subdivision (b) of Section 38131.”

**California Education Code Section 38134(e)**

In the case of entertainment or a meeting where an admission fee is charged or contributions are solicited, and the net receipts are not expended for the welfare of the pupils of the school district or for charitable purposes, a charge equal to fair rental value shall be levied for the use of the school facilities or grounds.

7. When the city requests additional information as to why MVWSD believes the city’s current fees and Field Use Policy do not meet the requirements of the Civic Center Act, what response is provided by MVWSD? (Page 21 of staff report)

The MVWSD has not identified a specific provision of the Civic Center Act (“Act”) that the City is violating. In addition, the Act by its own terms, governs “public school facility and grounds” and provides no direction to cities or other local agencies aside from school districts. When the City has asked MVWSD to explain how it is failing to meet the requirements of the Civic Center Act, MVWSD’s responses have been brief and non-specific. MVWSD generally states that the City’s fees are too low, especially considering other comparable school districts in the region. MVWSD has also referred the City to the California Department of Education’s (CDE) website where Civic Center Act fees can be calculated. However, the CDE’s [website](#) states “[w]hile the calculated fees will represent the maximum amount a school district is authorized to charge, a school district is not precluded from electing to charge less, or to assess no fee at all.” Therefore, it remains unclear how the City could be violating the Civic Center Act when the Civic Center appears to only apply to school districts and even school districts may elect to “charge less or assess no fee at all” under the Act.

8. What are the maximum fees permitted under the Civic Center Act, and what does the City currently charge?

Fees under the Civic Center Act (“Act”) fall into two major categories: community/nonprofit uses and for-profit uses. Pursuant to subsections (b) and (c) of California Education Code section 38134, a school district may charge an amount that does not exceed its direct cost for use of its school facilities or grounds; it may never charge an amount that exceeds its direct costs. In the case of a for-profit use of school facilities and grounds, subsection (e) of California Education Code section 38134 states that a district shall charge an amount equal to “fair rental value”, which means the direct costs to the school district plus the amortized costs of the school facilities or grounds used for the duration of the activity.

Below is a table that summarizes what the City currently charges for field reservations by the hour.

Field Type	YSO*	Resident Youth Sports	Resident Adult Sports	Non-Resident
Grass Field	\$2	\$8	\$36	\$45
Grass Field with Lights	\$2	\$10	\$61	\$76
Synthetic Field	\$2	\$15	\$72	\$90
Synthetic Field with Lights	\$2	\$18	\$97	\$121

\*YSO is the City-recognized Youth Sports Organizations.

9. Can staff estimate the property tax growth resulting from 1) the proposed SyWest “Builder’s Remedy” application for 1500 N Shoreline, and 2) Google North Bayshore Master Plan Phase 1? What would be the estimated revenue for each School District?

a) The total incremental property tax growth for the proposed SyWest property is projected to be approximately \$13.6 million. This is anticipated to occur incrementally beginning in FY 2040 with the full amount not realized until FY 2045.

The estimated payment to the Districts for the new Sywest residential development at their full tax rate allocation plus the non-residential development based on the rate of current EER JPA payments is:

- MVWSD: \$3.2 million
- MVLAUHSD: \$2.0 million

b) For the Google North Bayshore Master Plan Phase 1 (2027-2033), the total incremental property tax growth is projected to be approximately \$28.6 million. However, this estimate and the phasing at this time is tentative and it will likely change based on office trends (telecommuting) and Google’s business decisions about office uses as well as market and financing conditions for residential uses.

The estimated payment to the Districts for the new North Bayshore Master Plan residential development at their full tax rate allocation plus the non-residential development based on the rate of current EER JPA payments is:

- MVWSD: \$4.6 million
- MVLAUHSD: \$2.9 million

10. Why was the number of units in the Sobrato Pear Avenue project reduced? Was there a corresponding reduction in 1) office development and 2) community benefits provided to the City?

The Sobrato Organization has submitted for a modification to their 1255 Pear Avenue Mixed-Use Project, which is currently under review. The modification includes removal of two Google-owned parcels from the original project approval, which were planned to accommodate 2 of the 5 residential buildings in the project. Instead, Google is pursuing redevelopment of these two parcels as part of their North Bayshore Master Plan proposal.

The project modification results in the reconfiguration of the residential buildings into three new residential buildings on the remaining lots. The modification does not result in a corresponding reduction in office development, as the one new office building is currently under construction. The North Bayshore Precise Plan does not have a prescriptive job-housing linkage requirement like the East Whisman Precise Plan – therefore the reduction in units continues to comply with the Precise Plan. Additionally, Sobrato is not proposing any changes to their BMR Alternative Mitigation or their community benefits – all of which have already been executed or provided by the developer, including a dedicated 1.4-acre parcel for affordable housing and additional funds for the local school district. The proposed modification will be reviewed by the City Council at a public hearing anticipated in Q3 2023.

11. The staff report says, “The City recognizes that an increase in housing development will also create a need for an increase in school capacity, and the community depends on the City and School Districts to work together on solutions. Importantly, as discussed below, the North Bayshore Precise Plan stipulated, and the EER JPA was amended in 2019, to enable MVWSD and MVLAUHSD to receive their full tax rate allocation on all new residential development in North Bayshore. This means that the Districts’ full share of property tax revenue will be realized and will increase substantially when any new residential housing comes online in North Bayshore.” Is the full tax rate allocation from residential references here the actual full tax allocation or do schools get taxes from commercial development too?

Per the 2019 amendment to the EER JPA, the full tax rate allocation would be paid on the property tax revenue from all new residential assessed value. This is in addition to the payment to MVWSD and MVLAUHSD for all other assessed value in North Bayshore (i.e., commercial development and housing that existed before the adoption of the 2017 North Bayshore Precise Plan). Based on recent payments through the EER JPA, this amounts to about 42% of the full tax rate allocation.

12. The staff report proposes to, “Conduct a new nexus study to determine the impact of commercial and hotel development on parks. This study will help determine if staff will recommend assessing a park fee on future commercial and hotel development. The fee is currently charged only on residential development.” Isn’t there already a nexus particularly with office because HCD does a Regional Housing Needs Assessment and assigns the city a certain number of housing units to be produced based on jobs largely created through new offices? What more proof do we need that a nexus exists?

Local agencies are allowed to charge fees to development project applicants — known as mitigation fees, impact fees, or developer fees — for the purpose of defraying all or a portion of the cost of public facilities related to the development project. Impact fees support a wide range of community services and benefits such as public safety infrastructure, transportation infrastructure, affordable housing, environmental mitigation, libraries, parks, flood control, and other projects. Impact fees are subject to the Mitigation Fee Act (AB 1600) and must be justified with a “nexus study” demonstrating the relationship between a development project and the fee designed to mitigate its impacts on a community’s infrastructure.

The key requirements of the Mitigation Fee Act that determine the structure, scope, and amount of the proposed Fee Program are as follows:

- Collected for Capital Facility, Equipment, and Infrastructure Improvements. Impact fee revenue can be collected and used to cover the cost of constructing capital facilities and infrastructure improvements required to serve new development and growth in the City. However, impact fee revenue cannot be used to cover the operations and maintenance costs of these or any other facilities and infrastructure.
- Cannot Fund Existing Needs. Impact fee revenue cannot be collected or used to cover the cost of existing needs/deficiencies in City capital facilities or infrastructure. Thus, the cost of capital projects or facilities designed to meet the needs of the City’s existing population must be funded through other sources. The costs associated with improvements that serve the needs of both new development and the existing development are split on a “fair share” basis according to the proportion attributable to each. Thus, fee program revenue may need to be augmented by other funding sources to meet overall funding requirements.
- Must Be Based on a Rational Nexus. An impact fee must be based on a reasonable nexus, or connection, between new growth and development and the need for a new facility or improvement. As such, an impact fee must be supported by specific findings that explain or demonstrate this nexus. In addition, the impact fee amount must be structured such that the revenue generated does not exceed the cost of providing the facility or improvement for which the fee is imposed.

13. The Shoreline Community Park District has obligations to maintain a toxic dump, address sea level rise and maintain wildlife preserves. How much do these and any other obligations cost to fulfill per year?

The obligations of the SRPC include annual operating expenditures, debt service, and contributions to capital improvements which are made and vary over time. Staff is developing a long-range forecast which will estimate total costs on a yearly basis. Staff will be able to provide this information to the Council when the forecast is completed.

In addition, the Study Session report notes that: "Total Shoreline Community Fund expenditures for Fiscal Year 2022-23 are estimated at \$52.8 million. It is important to note that annual expenditure can vary significantly depending on the timing of major capital improvements. This cost will increase over time as the cost of the Shoreline Community's obligations increase. If the Shoreline Community did not exist and the City were receiving its full tax rate allocation of \$8.1 million, the City would be forced to cover nearly \$45 million in unfunded costs this year that were previously funded by the Shoreline Community, based on estimated costs for Fiscal Year 2022-23. These unfunded Shoreline Community costs equate to 29% of the City's current General Operating Fund expenditures, which would be impossible for the City to absorb and would result in catastrophic impacts to City operations and service to the public."

14. The city's current school strategy includes a four-acre site in N Bayshore with an adjacent strip of land that was intended for sewage treatment but that will no longer be used for sewage treatment as that will be carried out elsewhere. Is there a way to add that strip of land in whole or part to the school site? If so, how large would the school site be?

The "strip of land" mentioned is the location of the Central Utility Plan for the Google North Bayshore Master Plan area and is still required to provide district level services for electrical needs even without the sewage treatment equipment to produce recycled water. This is consistent with the North Bayshore Precise Plan which encourages the creation of district utility systems to reduce the load on the existing power grid. The Central Utility Plant is separated from the 4-acre site by a new street that serves the area and provides school access. For these reasons, the land cannot be combined with the 4-acre site.

15. The MVWSD Superintendent stated that the four-acre school site was too small. Can staff name one or more public grade school sites in the Bay Area that are four acres or less?

On April 25, 2019, the MVWSD Board of Trustees held a Study Session on Urban School Design. The presentation entitled "North Bayshore Mountain View Whisman School District Urban School Model" identified the following neighboring urban schools (begins on slide 66): Horace Mann (2.98 acres) 420 students enrolled (700 capacity) in San Jose; Jean Parker (.75 acre) with 250 students enrolled, Urban School (.15 acres) with 420 students enrolled, and Tenderloin (1.5 acres) with 331 students enrolled in San Francisco; and Nueva School (2.8 acres) with 390 students enrolled (450 capacity) in San Mateo. In addition, the Superintendent's presentation provided scale diagrams of what could be programmed on a 3.5-acre North Bayshore school site (begins on slide 83).

[North Bayshore Mountain View Whisman School District Urban School Model](#)

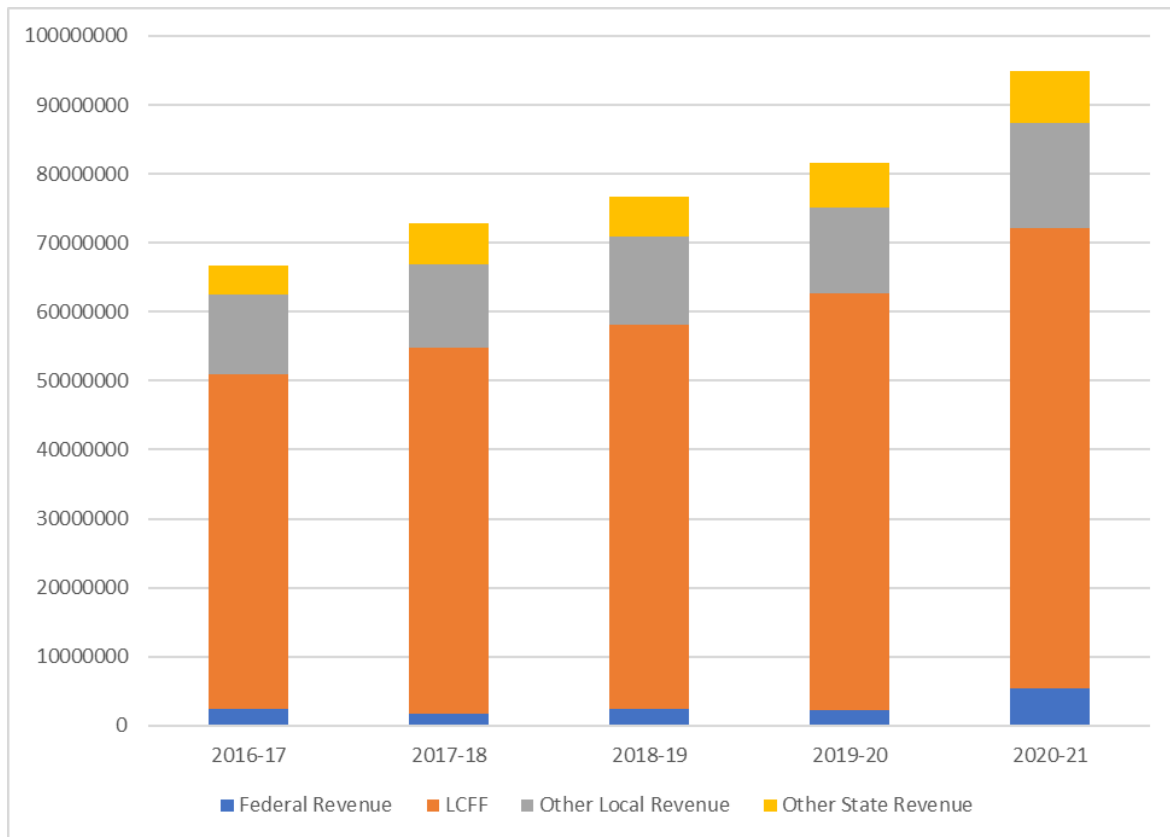
16. MVWSD owns several school sites that are currently unbuilt (Cooper), largely unbuilt or built but rented to private schools. How many sites are there that the district owns but does not use for its own schools? How large is each site? Where are they and what are their current uses?

The Cooper site (9.5 acres) is leased to Action Day until 2026. The Whisman site (10.85 acres) is leased to the German School until 2045 with a 5-year notice to terminate. The Slater/Vargas site (3.8 acres of 8.8 acres) is leased to Google until 2028.

17. The MVWSD Superintendent stated that as housing is built, enrollment grows and the District won't have enough revenue to operate. Has District property tax revenue increased over time with the increase in housing development? How has student enrollment trended along with housing development?

According to data reported by MVWSD to the California Department of Education, revenues have increased 42.2% from 2016-17 to 2020-21 (see Figure below). The orange segment of this figure is property tax revenue. It is the largest component and accounts for most of the growth in total revenue.

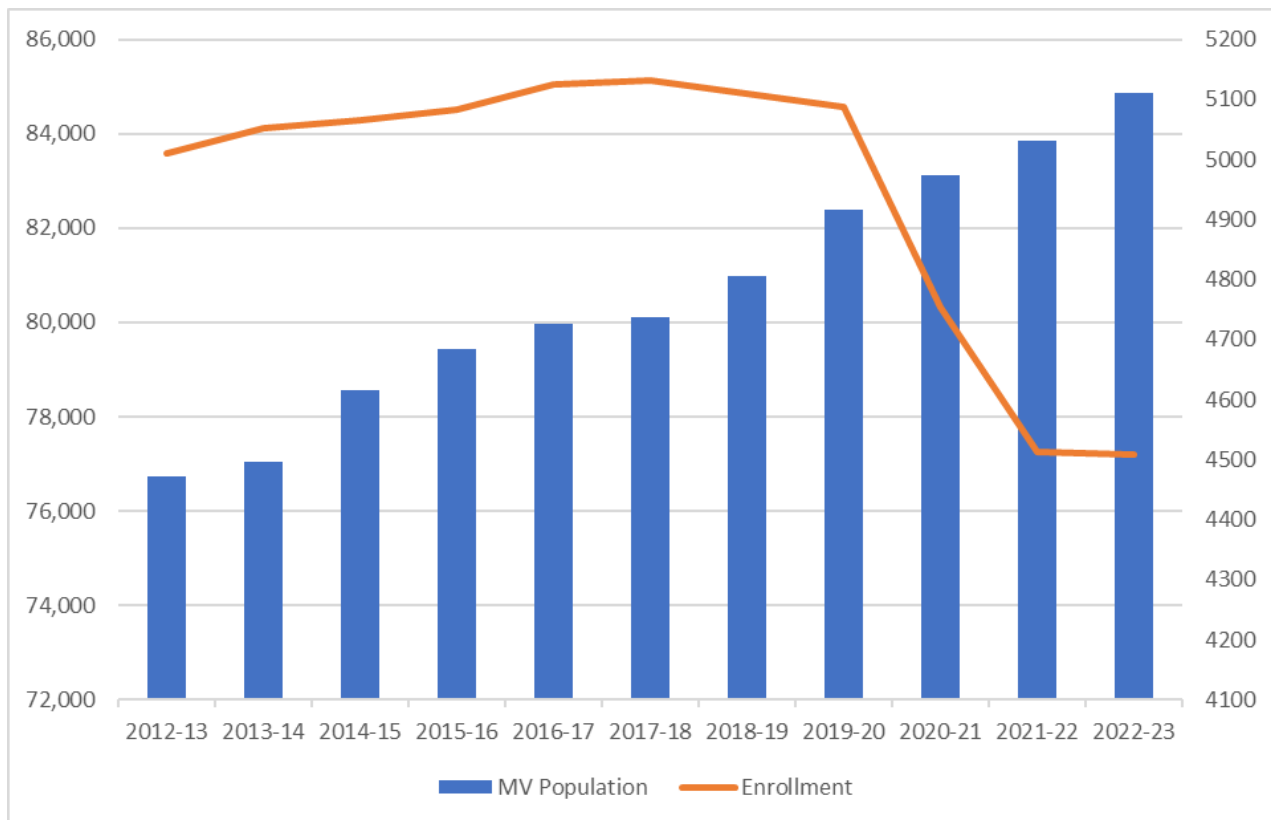
**MVWSD Annual General Fund Revenue by Category**



\*MVWSD Data reported to California Department of Education.

Since 2012, 4,888 housing units have been added in Mountain View, which is an increase of 14.3%. Similarly, the population in Mountain View has grown 10.6% since 2012. Conversely, as shown in the figure below, from 2012-13 to 2022-23, MWVSD enrollment was relatively flat. Since that time, enrollment has dropped significantly. Over the time period as a whole, MVWSD enrollment has decreased 10.0%. While housing growth in Mountain View over the next 30 years will certainly increase student enrollment, there are questions as to how quickly and the degree to which this will occur, given the lack of a strong correlation between population growth and enrollment over the past decade.

**MVWSD Enrollment and Mountain View Population**



\*Student Enrollment data MVWSD “Budget Facts at a Glance” December 2022.

Population data California State Department of Finance and 2022-23 projection World Population Review.

- 18. The MVWSD Superintendent cited an expected operating budget shortfall this coming year. The district revenue projections every year are very conservative, but the actuals exceed projections every year. Has this been true over the past five years?

Similar to the City’s midyear budget process, school districts produce a “1st Interim budget update” followed by a “2nd interim budget update.” As illustrated below, MVWSD’s most recent update to the Adopted 2022-23 budget no longer projects a deficit. This change is largely the result of MVWSD increasing their initial property tax growth assumption from 3% to 9% resulting in an increase to revenues of \$3.5 million.

Budget Adoption and Subsequent Changes	FY 2022-23 Adopted	FY 2022-23 1 <sup>st</sup> Interim
Beginning Balance	\$33,802,267	\$38,789,754
Total Revenues	\$97,026,661	\$108,816,970
Total Expenditures	\$101,052,588	\$107,041,890
Net Increase/(decrease)	<b>(\$4,025,927)</b>	\$1,775,080
Ending Balance (Reserve level)	\$29,776,340	\$40,564,834
Reserve Level	25.08%	29.20%

The district is currently assuming 3% and 2% growth in property tax revenues for FY 2023-24 and FY 2024-25, respectively. These growth assumptions appear conservative relative to those being used by Mountain View Los Altos High School District of 7.0% and 5.0%, respectively. In addition, it is unclear whether MVWSD budgets for the entire payment received through the EER Agreement.

This variability in assumptions makes it hard to ascertain the MVWSD’s true fiscal picture. Further, staff does not have access to five years of budget to actual MVWSD revenues and expenses.

This is an area where MVWSD could provide information on their past 5 years of Adopted versus Actual budget as part of the suggested joint meeting between the elected bodies.