

**DATE:** April 3, 2023  
**TO:** Honorable Mayor and City Council  
**FROM:** Audrey Seymour Ramberg, Assistant City Manager  
**VIA:** Kimbra McCarthy, City Manager  
**TITLE:** **Update on City/School Collaboration and Challenges**



## **STUDY SESSION MEMO**

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### **PURPOSE**

The purpose of this Study Session memorandum is to:

1. Provide background information on topics relevant to City/School District collaboration, including existing areas of collaboration, housing growth, the Mountain View Shoreline Regional Park Community, and park development;
2. Provide an update on the progress and challenges in two City/School District collaborations: (1) the Education Enhancement Reserve Joint Powers Agreement with Mountain View Whisman School District and Mountain View Los Altos Union High School District; and (2) the Joint Use Agreement with Mountain View Whisman School District;
3. Seek input and direction on a proposed process for a long-term successor Education Enhancement Reserve Joint Powers Agreement; and
4. Seek input and direction on negotiation of a Joint Use Agreement with the Mountain View Whisman School District for community use of parks and open space and next steps on assessment of options if the Joint Use Agreement is ended.

### **BACKGROUND**

Cities and school districts are the most local level of governmental entity, providing close engagement with residents and contributing in significant ways to a high quality of life. They are at the top of the list when residents think about where they live and what makes it special. The City and school districts are governed by separately elected bodies and have unique and important areas of expertise and responsibility with some areas of interdependence.

The Mountain View community is served by award-winning public schools which are widely recognized for providing children and youth with an excellent education guided by the efforts of

outstanding teachers who consistently go above and beyond what is required of them in the classroom. Without a doubt, Mountain View public schools contribute to the high quality of life in the City. Many City staff have children who have attended or currently attend public schools in Mountain View. The City is invested in the success of our schools, not just as a governmental partner, but also as parents.

The Mountain View community is best served when City and school districts work well together. There are times when our interests align and the areas of interdependence and collaboration come easily. There are also times when perspectives and responsibilities differ or there are tradeoffs in the community to be balanced. In such instances, collaboration can require more effort and support.

The City values its collaborative relationships with all three school districts (School Districts or Districts). Since the majority of Mountain View students are served by the Mountain View Whisman School District (MVWSD) and Mountain View Los Altos Union High School District (MVLAUHSD), these districts are the primary focus of this memorandum.

There are two longstanding collaborations currently under negotiation between the City and the School Districts that are facing considerable challenges and are at an impasse and, therefore, require extra effort and support. These collaborations are:

1. The continuation of Mountain View Shoreline Regional Park Community (SRPC or Shoreline Community) payments to the MVWSD and MVLAUHSD through the Education Enhancement Reserve Joint Powers Agreement (EER JPA) to help address the effects of housing growth on schools; and
2. The continuation of City maintenance and scheduling of community use of MVWSD school open space areas through the Joint Use Agreement (JUA).

Successful resolution of these negotiations will directly contribute to the Mountain View Vision (Vision), adopted by the City Council with input from the community. This Vision is for the City of Mountain View to: “Be a welcoming, vibrant city that plans intentionally and leads regionally to create livable, sustainable neighborhoods, access to nature and open spaces, and a strong, innovation-driven local economy.” These negotiations also contribute to two of Council’s Strategic Priorities: (1) Intentional Development and Housing Options, which supports an increase in the quantity and diversity of housing; and (2) Livability and Quality of Life, which provides parks, open space, and other amenities to the community.

In particular, the Shoreline Community is essential to the City’s ability to accomplish its Vision. Without the Shoreline Community, the City would not be able to maintain the Shoreline at Mountain View Regional Park, preserve wetlands and endangered species, protect Mountain

View from the environmental hazards of the closed landfill, plan for sea level rise, or support the infrastructure needed for the development of housing and complete neighborhoods.

The JUA is important to the City's Vision because it allows the City to maintain high-quality parks and fields that are accessible to all, provide the broadest and most equitable access to open space, and keep costs down for youth sports.

These two significant and complex agreements have decades-long histories and involve fiscal and technical details that are described at length in the Discussion section of this memorandum and attachments. The Discussion section also details the challenges encountered to date and proposes a process and next steps to help move forward in a collaborative way.

One of the major challenges has been misinformation and a lack of commonly agreed-upon facts. Therefore, one of the purposes of this memorandum is to provide information on a range of topics relevant to the negotiations and identify where additional information or clarification may be needed.

It is important to view efforts to reach agreement on the EER JPA and JUA in the context of many years of successful collaboration between the City and the School Districts.

### **Examples of Effective City/School District Collaboration**

**There are many examples of effective collaboration between the City and School Districts where areas of shared interest are found and interdependencies and tradeoffs have been well navigated.** Most of these programs also receive funding from the City and are supported by City staffing resources, either by staff working to develop and execute a program for the benefit of students (such as the Safe Routes to School Program) or via direct, daily service to the Districts (such as the School Resource Officers (SRO)). These examples include the following:

- **777 West Middlefield Road teacher/City staff housing project (MVWSD), \$3.06 million of one-time funding provided by the City:** On May 21, 2019, the City approved a Gatekeeper application and required the development at 777 West Middlefield Road to set aside land to be ground-leased for a minimum of 99 years to MVWSD for the construction of 144 units of teacher housing (with up to 20 units reserved for City staff). In addition, the City committed to investing \$2 million in funds for the project. On September 27, 2022, the City increased its contribution to the project to a total of \$3.06 million in response to the increased cost of the teacher housing project.
- **School Resource Officer Program (MVWSD and MVLAUHSD), \$1.55 million in staffing costs provided by the City annually:** The City has executed Memoranda of Understanding with MVWSD and MVLAUHSD regarding the operation of the City's SRO Program. The purpose of the SRO Program is to provide students, school staff, and parents with a familiar

and specifically selected, assigned, and trained public safety contact, who will establish and maintain open lines of communication and foster positive relationships during calls for service and through SRO-run programs in order to: create a safe and secure school environment; prevent juvenile delinquency and reduce referrals to the criminal justice system and student suspensions and expulsions to the fullest extent possible; and foster positive engagement and relationships between the Mountain View Police Department and students. The approximate cost of the SRO Program is \$1.55 million annually.

- **School crossing guards (MVWSD, LASD, MVLAUHSD), \$390,900 provided by the City annually:** The City currently provides school crossing guards in 15 key locations to assist students in safely biking and walking to District schools. Thirteen (13) of the crossing guard locations are along routes to MVWSD school sites, one location is along routes for both MVWSD and MVLAUHSD students, and one is along a route for a Los Altos School District (LASD) school. The City provided \$215,900 to fund the crossing guard program with MVWSD providing \$50,000 in Fiscal Year 2022-23. Staff is recommending an increase of approximately \$175,000 in the Fiscal Year 2023-24 budget to expand the crossing guard program to a total of 21 key locations throughout the City.
- **Safe Routes to School Program (MVWSD, LASD, MVLAUHSD) \$295,000 in staffing and consultant costs provided by the City annually:** The Safe Routes to School Program provides a range of school site and community-based events, such as bicycle and pedestrian safety training classes and assemblies, bike rodeos, and information, such as suggested route maps, to promote walking and bicycling to school for Mountain View students and families. The City's program also includes a coordinating committee of City staff, MVWSD staff, and parents to help plan activities and identify needs and strategies. This program improves student safety, encourages physical activity, promotes inclusion and independence, and reduces traffic congestion. The City spends approximately \$295,000 annually in staff time and consultant services for the Safe Routes to School Program. In addition, Council is expected to approve an expansion of this program via a new project on the upcoming Fiscal Year 2023-25 Council Work Plan.
- **Beyond the Bell and The BEAT after-school programs (MVWSD), \$485,000 provided by the City annually:** Since 2007, the City and the MVWSD have partnered to provide the Beyond the Bell (BTB) after-school program at five school sites, including four elementary schools (Castro, Landels, Monta Loma, and Theuerkauf) and one middle school site (Crittenden). MVWSD is the recipient of the After School Education and Safety (ASES) grant and is responsible for grant administration, student registration, and oversight of the homework and technology components of the program. The City provides recreation and enrichment activities and works collaboratively with MVWSD staff to deliver the program. The City also provides "The BEAT" after-school program at Graham Middle School. This differs from BTB in that Graham is not eligible for the ASES funding. The City is responsible for funding and maintaining all program operations, including curriculum development and

implementation, registration, and staffing. MVWSD provides dedicated spaces to support operations of the program. The City's annual cost for providing these programs is approximately \$485,000.

- **Alta Vista High School use of City property (MVLAUHSD), an annual value of between \$715,000 and \$1 million provided by the City:** In 2005, the City entered into an agreement with MVLAUHSD, providing them 2.22 acres of City-owned land for a 40-year term, with a 10-year renewal option, for \$1 per year. This land is used for Alta Vista High School. If rented at market value, the annual lease rate would be between \$715,000 and \$1,000,000.
- **Community Health Awareness Council (MVWSD, MVLAUHSD, LASD), \$229,000 provided by the City via annual and one-time funds:** The Community Health Awareness Council (CHAC) is a 501(c)(3) tax-exempt organization that provides a variety of mental health services in the community. Since 1973, a JPA has been in place between CHAC and partner agencies, including the cities of Mountain View, Los Altos, and Los Altos Hills, along with MVWSD, MVLAUHSD, and LASD. Services include on-site school-based counseling and crisis services for students at MVWSD, MVLAUHSD, and LASD schools. In Fiscal Year 2022-23, the City provided \$128,000 in funding for CHAC. In the prior year, the City provided an additional \$100,000 in one-time American Rescue Plan Act (APRA) funds to support CHAC's work in the schools and community.
- **The View Teen Center (MVWSD, MVLAUHSD, LASD), \$340,000:** The View Teen Center is a free drop-in center open to all Mountain View and Los Altos sixth- through twelfth-grade students. A game room, makerspace, video game area, kitchen, computer study area, TV lounge, outdoor patio, and lawn area are available for the students' use. Free tutoring, a daily snack, and daily activities are provided to students as well as a variety of weekly classes, such as art and cooking. City staff host special events for students, such as Career Day, Fifth-Grade Open House, Back to School Open House, dances/mixers, college tours, Teen Wellness Retreat, Wellness Workshops, and much more. The City also has a Youth Advisory Committee and a robust Teen Summer Volunteer Program. The City recognizes that focusing on youth and teen students in our community will help with their academic success as well as inspire civic engagement and feelings of self-worth.
- **Community Shuttle (MVWSD):** The Mountain View Community Shuttle is a fare-free shuttle that connects many residential areas in the City to key destinations, such as the Transit Center, medical facilities, Senior and Teen Centers, Civic Center (City Hall, Center for the Performing Arts, Library), and retail/grocery stores. It also has stops at Graham Middle School and Crittenden Middle School. Prior to 2022, the shuttle operated from 10:00 a.m. to 6:00 p.m. and was well-used by middle school students when school let out in the afternoon. The City received many requests to provide morning service so the middle school students could use the shuttle to get to school in the morning. In January 2022, the service hours were expanded to start at 7:00 a.m. to better serve students and other users.

The total cost of operating the Community Shuttle is approximately \$3.5 million per year. Staff does not have an assessment of how much of this amount is of direct benefit to MVWSD, although staff is aware that students use the free shuttle to commute to school, with a daily ridership of up to approximately 110 over the past few months.

City investment in these listed collaborations is estimated at a total of \$7.1 million to \$7.3 million, including \$3.9 million to \$4.2 million per year ongoing. (This does not include the cost of the Community Shuttle or the City's maintenance of school fields.) These joint City/District efforts show what is possible when the agencies work together for the benefit of the community and reflect a significant financial and staffing commitment by the City.

## **DISCUSSION**

The Discussion section of this memorandum is organized into the following seven subsections:

- I. Housing Growth and School Capacity Background, starting below;
- II. School Strategy and Identification of Potential School Sites, starting on Page 10;
- III. Shoreline Regional Park Community Background, starting on Page 11;
- IV. EER JPA Background, starting on Page 13;
- V. Status of Negotiations for a Successor EER JPA, including the City's proposal for a short-term successor agreement, starting on Page 14;
- VI. Proposed Process for Negotiating a Long-Term Successor EER JPA, starting on Page 19;  
and
- VII. Joint Use of MVWSD School Open Space, starting on Page 20.

Of note, there are numerous attachments provided in this memorandum which are intended to serve as historical reference points of the various issues discussed; they do not necessarily need to be read with this memorandum and can be saved for future review, if desired.

### **I. Housing Growth and School Capacity Background**

The first subsection is housing growth and school capacity, which relates to meeting the community's need for increased housing supply and affordability while addressing the effect of residential development on school capacity needs. The avenues for collaboration on this objective are the Council-adopted School Strategy and the EER JPA, which has the potential to provide an increased payment to the School Districts from the Shoreline Community. This

increased payment must be balanced with the Shoreline Community's ability to continue to fulfill its legal and administrative obligations and meet community needs related to the regional Shoreline at Mountain View park, wildlife and habitat preservation, sea level rise protections, management of the significant environmental risks associated with the closed regional landfill, and transportation and utility infrastructure necessary to develop housing and complete neighborhoods.

As mentioned in the Background section of this memorandum, part of planning intentionally is supporting an increase in the quantity, diversity, and affordability of housing to meet the community's needs. This City priority is reinforced by State law, which requires the City to plan for more housing and more affordable housing through adoption of a Housing Element. This will allow Mountain View residents to remain in the community and continue to attend District schools. It will allow teachers and other critical workers to live closer to work. And it will allow Mountain View to remain a Community for All, another of the Council's Strategic Priorities, where residents and students from diverse backgrounds can enjoy Mountain View's excellent schools and quality of life.

**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.**

Before discussing the avenues for collaboration to address this impact, it is helpful to provide information about the plans and projects related to housing development in Mountain View.

### ***Relevant Planning Documents***

Housing in the Shoreline Area is envisioned in a variety of laws, plans, and policies, including the 1969 Mountain View Shoreline Regional Park Community Act (Shoreline Act), the North Bayshore Area Plan (Shoreline Area Plan), 2030 General Plan (adopted in 2012), 2017 North Bayshore Precise Plan, and the 2023-2031 Housing Element set for adoption in Q2 2023.

The 1969 Shoreline Act which created the Shoreline Regional Park Community envisioned as one of its purposes the establishment of a new local government entity that would cooperate in the development of housing in the area.

Adopted in 2017, the North Bayshore Precise Plan (NBPP or Precise Plan) envisions the transformation of an office park into a "complete community" consisting of employment, housing, neighborhood services, and parks that are connected by walkable and bikeable street

corridors and transit. To achieve that vision, the NBPP described and enabled the development of approximately 9,850 housing units in the area, to be developed within complete neighborhoods in the Core Area of the NBPP.

The Housing Element, adopted on an eight-year cycle, is a State-required element of the City's General Plan and is required to be certified by the California Department of Housing and Community Development. The City is in the process of preparing the 2023-2031 Housing Element, which is slated for adoption by Council in April 2023. The Housing Element update is the culmination of almost two years of direct work, but it also benefits from eight years of City actions promoting housing generally and affordable housing specifically. As part of the State-mandated requirements, **the City is required to plan for a total of 11,135 units with an additional buffer.** The Housing Element identifies sites zoned for up to 16,500 housing units, including sites currently under development and expected over the eight year cycle. As a result of previous City actions to create new Precise Plans such as the NBPP and the East Whisman Precise Plan (EWPP), the City requires minimal additional rezoning to meet its Regional Housing Needs Allocation (RHNA) requirements.

A summary of Citywide housing projects, including the expected rezoning required for the Housing Element, is included as Attachment 1.

### ***Projects in North Bayshore***

To-date, four projects have been proposed in North Bayshore:

- The Sobrato Pear Avenue project, which was entitled in 2019 for a total of 645 units. The first residential phase of 220 units is currently under construction. The second phase of the project is proposed to be reduced by 181 units to 244 units (for a total of 464 units for both phases) since the developer has not been able to secure all the properties for the second phase.
- 1100 La Avenida by Eden Housing, which is an affordable project on a 0.96-acre site located on the northwest corner of La Avenida and Armand Drive. The project was entitled in July 2021 through a ministerial Senate Bill (SB) 35 application and will provide 100 affordable rental apartments for individuals and families earning between 30% and 60% of the area median income. The project also seeks to address the homelessness crisis by providing permanent supportive housing to individuals experiencing homelessness.
- The Google North Bayshore Master Plan (NBMP or Master Plan), which was authorized for a Bonus Office Floor Area Ratio (FAR) allocation by Council on March 23, 2021 and submitted in September 2021, was reviewed by the City Council in a Study Session on December 14, 2021. (The Council memorandum for the December 14, 2021 meeting is included as Attachment 2.) A Draft Environmental Impact Report (DEIR) was circulated



between December 21, 2022 and February 6, 2023. The NBMP includes 7,000 housing units, of which 1,400 are affordable. The plan is expected to come to Council for approval in Q2 2023.

- An application from Sywest, for which a preliminary application under the “Builders’ Remedy”<sup>1</sup> was submitted on February 24, 2023. It includes 2,200 units of housing, of which 440 are affordable.

Information about these projects is summarized in Table 1 below.

**Table 1: North Bayshore Housing Development Projects**

Project	No. of Housing Units	Status
1255 Pear Avenue (Sobrato)	464	Phase 1: 220 units under construction; occupancy expected mid-2023.
1100 La Avenida (Eden Housing)	100	Construction started in February 2023.
Google North Bayshore Master Plan (Google)	7,000	Plan anticipated to come to Council in Q2 2023. Development to occur over <u>30-year</u> plan horizon.
1500 North Shoreline (Sywest)	2,200	Application submitted February 2023.

As noted above, the NBMP DEIR was circulated for review. MVWSD and MVLAUHSD submitted letters of comment on the DEIR on February 3, 2023 and February 6, 2023, respectively. These letters are included as Attachments 3 and 4.

Subsequently, MVWSD held a School Board meeting on March 2, 2023 and discussed an agenda item entitled “North Bayshore DEIR Response.” The City sent a letter dated March 2, 2023, and City officials (including the Mayor, Vice Mayor, City Manager, and Assistant City Manager) provided public comment on this agenda item reiterating the desire for continued collaboration between the City and MVWSD to meet all the needs of the community. The City also sent a letter to MVLAUHSD dated March 9, 2023. These letters are included in this memorandum as parts of Attachments 3 and 4. It should be noted that these letters to the School Districts do not constitute an official response to comments on the DEIR. Rather, the official response will be provided in the Final Environmental Impact Report in mid-April and will relate to the specific technical considerations of the California Environmental Quality Act (CEQA) and State law.

<sup>1</sup> See the following link for an explanation of the term “Builders Remedy:”

<https://abag.ca.gov/sites/default/files/documents/2022-10/Builders-Remedy-and-Housing-Elements.pdf>.

**Due to technical and statutory requirements of environmental impact law, the DEIR and responses to comments on the DEIR cannot fully speak to the Districts' interests to plan for school capacity to meet the needs of the Mountain View community.** Consequently, over many years of work, the City developed a "School Strategy," as discussed below, and staff has consistently communicated with the Districts to discuss the various avenues for collaboration on this matter. Most recently, City staff met with representatives of each District to review their comments on the DEIR and discuss these other avenues. In these meetings as well as multiple previous conversations, the City has communicated that it is **prepared to assist the Districts in their efforts to expand school capacity, through: the Council-adopted School Strategy; help identifying sites for future schools; and increased payments from the Shoreline Community made possible as part of an updated Shoreline Area Plan.** Each of these avenues for City support to the District is discussed below.

## **II. School Strategy and Identification of Potential School Sites**

The second subsection relates to the School Strategy Policy, which was adopted by the City Council on June 23, 2020 (see Attachment 5). This strategy is in recognition of the limit faced by both the City and the District to impose requirements on project applicants and the shared goal to enhance school resources. **This unprecedented strategy seeks to enhance state and other resources available to the School Districts through: (i) a program for transfer of development rights to facilitate school purchase of land; (ii) potential collaboration for shared open space; and (iii) working with applicants for large master plans to voluntarily identify the potential to locate or augment school sites.**

### ***Identification of Potential School Sites***

#### **MVWSD**

As an example of this last part of the School Strategy, City staff has worked collaboratively with MVWSD to understand their interests and has worked with the Google/Lendlease team to voluntarily identify a potential school site as part of the North Bayshore Master Plan. In its original project proposal in 2019, Google and Lendlease had identified a 2.5-acre site for a potential school along Plymouth Street. During subsequent discussions between the City and District staff in 2020, the District expressed an interest in exploring a larger site located in the eastern portion of the Master Plan and closer to open space. **Staff subsequently worked with Google, and the project proposal was revised in 2020 and refined in 2021 to include a four-acre site, including one acre of shared open space.** At the Study Session on the North Bayshore Master Plan on December 14, 2021, Council reiterated their commitment to work with MVWSD regarding the site.

**Notably, the City is prepared to provide the entire four-acre site to be leased to MVWSD instead of sharing one acre of open space. This demonstrates the City's willingness to go above**

**and beyond statutory requirements to collaborate with the Districts on shared community goals.** This new school site is expected to serve students who will live in the North Bayshore as housing is developed over a 30-year timeline. This should significantly reduce the need for portable classrooms on School District fields as shown at the March 2, 2023 MVWSD School Board meeting.

### MVLAUHSD

City and MVLAUHSD staff have met recently to discuss opportunities to work together to identify possible locations for future high school development and the use of TDRs per the school strategy as a potential source to help fund the purchase. **One idea discussed is exploration of a smaller high school at NASA Ames in the context of the University of California Berkeley campus being planned for the site and NASA Ames' interest to create an educational hub. In addition, the Shenandoah Square site owned by the Army may again be an area for exploration.** While the option to pursue shared use of this site had been placed on pause at the Federal level, the City received a letter from the Department of the Army in mid-February asking to reengage on plans for the Shenandoah Square site. A meeting was held this week between Army and City staff to discuss interests for this site. While we expect a continued Federal interest to meet the housing needs of soldiers on the site, the Army is expressing an interest to explore benefits to the residents of Mountain View, and the City is encouraged about the potential for this site.

### **III. Shoreline Regional Park Community Background**

The third subsection relates to the SRPC, or Shoreline Community. The Shoreline Community was created by State legislation in 1969, known as the Mountain View Shoreline Regional Park Community Act (Shoreline Act), for the development and support of the Shoreline at Mountain View Regional Park (Shoreline at Mountain View) and to economically and environmentally enhance the surrounding North Bayshore Area. The Shoreline Act is included as Attachment 6.

At that time, the Shoreline Community area was predominantly agricultural with a pig farm and some industrial businesses, including automobile wrecking and storage sites, and a number of residences described as being "in varying degrees of deterioration." In addition, the area was subject to flooding and subsidence, was traversed by narrow, unpaved roads, and had a single, small grocery store. In 1968, a landfill was opened on the site to accept refuse from San Francisco and Mountain View. The landfill operated until 1983, when it was closed and sealed to enable construction of Shoreline at Mountain View.

The Shoreline Act prescribes the powers of the SRPC, including the construction and replacement of the infrastructure needed to serve the Shoreline Community, such as streets, curbs, gutters, parking lots, sidewalks, water and sewer services, lighting, waste disposal, power and communications, housing, and levees as well as operations and maintenance of Shoreline at

Mountain View. These powers allow the SRPC to implement the Shoreline Area Plan, approved in 1977 and last amended in 1992.

The Shoreline Area Plan (Plan) was intended to be a short- to medium-range plan to be updated from time to time to reflect changing conditions and needs in the Shoreline Community area. Many of the improvements contemplated in the Shoreline Act and the Shoreline Area Plan have been implemented, and others, notably the development of housing, have yet to be completed. The Shoreline Area Plan needs to be updated to reflect the current conditions and needs of the community, the schools, and address the as-yet unmet goals of the Shoreline Act. This update is included as a proposed priority project in the Fiscal Years 2023-25 City Council Work Plan. The current Shoreline Area Plan is included as Attachment 7, and the most recent amendment to the Plan, dated 1993, is included as Attachment 8.

### ***Shoreline Community Funding***

The SRPC is a separate legal entity with its own budget and financial statements but is considered a blended component unit of the City, and its financial activities are reported and audited annually with the City's financial documents. The primary source of revenues for the Shoreline Community is property tax increment. The property tax increment is generated by application of the general property tax rate against increases in the assessed value of taxable property within the Shoreline Community above the 1977-78 tax year (base year) assessed value of \$33.9 million. The assessed value today is approximately \$5.9 billion. In accordance with the Shoreline Act, all tax revenues received by the SRPC are deposited into a special fund (the Shoreline Community Fund) and used to pay the principal of and interest on loans, advances, and other indebtedness of the SRPC. These obligations are used to fund the activities outlined in the Shoreline Act solely for the purposes of developing and maintaining the Shoreline Community area, which in turn increases area property values and the tax revenue that is then reinvested in the Shoreline Community.

Under the Shoreline Act, all local taxing agencies, including the City, MVWSD, and MVLAUHSD, receive their proportional share of property taxes from the base year assessed value. Subsequent agreements between the Shoreline Community and the School Districts and between the Shoreline Community and the County of Santa Clara (County) have provided for payments from the SRPC.

**Total Shoreline Community Fund expenditures for Fiscal Year 2022-23 are estimated at \$52.8 million. It is important to note that annual expenditures 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.**

### ***Shoreline Community Areas of Responsibility***

Shoreline Community Revenues are used to fund the following responsibilities:

1. Operation, maintenance, and improvements of the 750-acre Shoreline at Mountain View Regional Park;
2. Preservation and enhancement of extensive wetlands and irrigated meadowlands that are home to Federally protected species;
3. Maintenance and improvements of a system of tidal marshes, sloughs, creeks, and a storm retention basin to provide sea level rise flood protections (see Attachment 9 for a map of projected inundation areas, which includes substantial areas of flood hazard south of U.S. 101, including a portion of Crittenden Middle School);
4. Maintenance, improvements, and regulatory compliance to address environmental risks associated with a 650-acre closed regional landfill;
5. Installation, replacement, and upgrading of transportation infrastructure, including streets, sidewalks, and other projects to support complete neighborhoods, enable active transportation, and address traffic congestion in the North Bayshore Area; and
6. Installation, replacement, and upgrading utilities, including water, sewer, stormwater, and recycled water infrastructure.

Information about these responsibilities is included in Attachment 9, including several exhibits that provide background studies and plans.

#### **IV. Education Enhancement Reserve Joint Powers Agreement Background**

The fourth section provides background information about the EER JPA, which the Shoreline Community and School Districts entered into in January 2006. The EER JPA was created recognizing that both the Shoreline Community and the School Districts benefit from quality educational programs as a way of attracting and retaining major industries into the Shoreline Community which, in turn, support and recharge the City's and Shoreline Community's economic vitality. The initial funding was approximately \$400,000 per year per District, adjusted annually by up to 3%.

An amendment to the JPA was adopted in 2011 to help address School District budget shortfalls due to the economic recession. Increased payments were approved to provide funding for technology education and other programs that help the School Districts provide the kind of education needed for students to work in the industries represented in the Shoreline Community.

In 2013, a new JPA was executed that provided increased funding to the School Districts during the 10-year term from Fiscal Year 2013-14 through Fiscal Year 2022-23. **The payment in Fiscal Year 2022-23 was \$5,346,723 for MVWSD and \$3,423,095 for MVLAUHSD, which far exceeds the initial minimum payments stipulated in the 2013 agreement of \$2.9 million and \$1.8 million, respectively.** These most recent payments to the School Districts represent 42% of the Districts' full tax rate allocation that they would receive if the Shoreline Community did not exist. Since 2005, total payments from the SRPC to the Districts amount to \$49,388,386 to MVWSD and \$32,551,064 to MVLAUHSD.

**In 2019, the JPA was amended to provide the School Districts with their full tax rate allocation on property tax revenue from new residential development in the Shoreline Community.** This amendment recognizes that new housing in the Shoreline Community will result in increased school enrollment, and it also implements the North Bayshore Precise Plan Funding for Schools, Policy 3.4.5.5., as adopted in 2017. **Consequently, when new housing comes online in the North Bayshore Area over time, the payment to the Districts will increase significantly.**

The current EER JPA expires on June 30, 2023.

#### **V. Status of Negotiations for a Successor Education Enhancement Reserve Joint Powers Agreement**

City and District staff have been meeting since August 2019, as required by the agreement, to share information, talk about interests, and negotiate a successor EER agreement. From these discussions, it has become clear that more time is needed to craft a long-term agreement that balances school needs related to housing growth in North Bayshore with the community needs fulfilled by the Shoreline Community. More time is also needed to be able to inform these discussions by the Google NBMP, which is anticipated to come to the City Council for adoption in Q2 2023.

#### ***Short-Term Successor EER JPA***

At the November 29, 2022, EER JPA Board meeting, the Board (which consists of the City Manager and the MVWSD and MVLAUHSD School Superintendents) provided direction to staff to develop a short-term agreement for adoption as soon as possible to provide certainty for a **Fiscal Year 2023-24 payment in an amount no less than the Fiscal Year 2022-23 payment (i.e., \$5,346,723, and \$3,423,095 for MVWSD and MVLAUHSD, respectively).** City staff worked diligently to develop a timely draft agreement and provided it to both Districts on February 24,

**2023. This draft includes the minimum payment as stated above, *plus* an adjustment payment based on the growth in property tax revenue in the Shoreline Community, *plus* an additional one-time payment.** For example, if property tax revenue in the Shoreline Community were to increase 10%, the payment would be almost \$6 million to MVWSD and almost \$3.8 million to MVLAUHS.

After the EER JPA Board meeting, MVWSD staff communicated an interest in having some certainty that a new bond issuance by the Shoreline Community in Fiscal Year 2023-24, if any, would not preclude the ability of the Shoreline Community to make future payments to MVWSD. In response, City staff included a term in the short-term agreement that the Shoreline Community will not issue bonds in Fiscal Year 2023-24, recognizing that these issues will need to be further explored during the negotiation of a long-term successor agreement.

MVWSD staff has shared that the MVWSD Board of Trustees will provide input on the draft agreement at an upcoming Board meeting. Depending on the outcome of that meeting, the hope is that the EER JPA Board will be able to meet early in Q2 2023 to vote to recommend adoption of the agreement to each agency's respective elected bodies.

**Study Session Question 1:** Does Council support the short-term successor EER JPA as described above and want to direct staff to continue to work with the School Districts to seek agreement?

### ***Long-Term Successor EER JPA and Shoreline Area Plan Update***

#### Proposed Timing and Context for the Long-Term Successor EER JPA

At the November 29, 2022 EER JPA Board meeting, the Board also provided direction that staff from the three agencies continue to meet to negotiate a longer-term agreement and present an update to the Board before summer 2023 with a timeline and process for that negotiation. To support a longer-term successor EER JPA agreement, the City intends to update the 1977 Shoreline Area Plan, which, as noted earlier in this memorandum, defines the developments and improvements that accomplish the purposes of the Shoreline Act that created the Shoreline Community in 1969. The update of the Shoreline Area Plan is proposed as one of the City Council's priority projects in its Fiscal Years 2023-25 Work Plan, which Council supported at its February 28, 2023 Study Session.

As presented during the November EER JPA Board meeting, schools were not expressly contemplated in the development of the original Shoreline Area Plan, which is the guiding document for acceptable uses of Shoreline Community funds. As noted in that staff report, an updated Shoreline Area Plan can more effectively enable support for school capacity during the remainder of the *development phase* of the Shoreline Community. This development phase will focus on private housing development, affordable housing creation, and public improvements to

build out the core infrastructure to support the area, including, but not limited to, transportation, utilities, and sea level rise protection.

Following the development phase, the Shoreline Area Plan will transition to a steady-state phase of infrastructure reinforcement, maintenance, and operation. During this phase, the Shoreline Community will continue to be responsible for regional assets—such as the 750 acre Shoreline at Mountain View regional park, extensive wetlands that are home to Federally protected species, and irrigated meadowlands—as well as regional obligations, such as a 650 acre closed landfill and a system of tidal marshes, sloughs, creeks, and a storm retention basin which must be improved and managed to protect the Shoreline Community and the broader area from sea level rise.

**In the steady-state phase, the use of Shoreline Community funds will be more narrowly scoped to continue to support this defined set of regional benefits and obligations with the rest of the revenue paid out to the taxing entities. This approach will address specific concerns about the impacts of new development and support increased school capacity, while also supporting long-term growth in the region that will result in higher assessed value, increased property tax revenue, and a significant, sustainable revenue stream for all taxing entities. As a reminder, the Districts will already be receiving their full property tax allocation from any new residential developments in the Shoreline area.**

MVWSD staff have stated that MVWSD's ideal is to receive its full tax rate allocation now. While this is infeasible to execute immediately due to the obligations of the Shoreline Community and the financial catastrophe that would result due to the City not having funding to pay for a net cost increase of \$45 million in Fiscal Year 2022-23 and much more throughout the Shoreline Community's development phase, the City believes it will be possible to get close to this state over a long-term successor EER JPA and the eventual transition of the Shoreline Community to the steady-state phase.

Between now and then, the City anticipates that the payment to the School Districts will increase significantly over time with the increase in assessed value in the Shoreline Community and within the structure of the successor EER JPA. Moving too quickly would render the Shoreline Community unable to meet the legal and administrative responsibilities for which it was created and would jeopardize the community benefits associated with:

- Developing housing and complete neighborhoods with the associated infrastructure;
- Maintaining Shoreline at Mountain View Regional Park;
- Managing the environmental risks of the regional landfill;
- Protecting against sea level rise flooding to the Shoreline area and beyond; and



- Preserving the area's diverse wildlife and habitat, including wetlands and protected animal species.

### Challenges in Negotiating the Long-Term Successor EER JPA

Staff from the City, MVWSD, and MVLAUHSD have been in discussions since 2019, with a more concentrated effort beginning in 2021 to identify and make progress on EER JPA terms. Forward movement has been challenging due to the complexity of the issues in trying to balance overlapping and separate interests associated with the agreement. The challenges impacting this negotiation include:

1. The magnitude of resources and collaboration needed to meet community needs for: housing; schools; parks; climate change mitigation, adaptation, and resiliency; access to the natural environment; protection of water and air quality from environmental hazards; and continued economic vitality;
2. The timing for the Google NBMP, which provides essential information regarding the capacity of the SRPC to meet the full range of needs;
3. The difference in positions between the parties;
4. The number of primary stakeholders in the process; and
5. The critical need for accurate, up-to-date information and agreed-upon facts.

Each of these challenges is briefly described below.

#### *Significant Resource Needs and Tradeoffs*

At the heart of the EER JPA negotiation is the question of how to use finite resources to meet multiple, critical community needs. Taken individually, each of these needs could require hundreds of millions of dollars to address. Taken together, Mountain View's neighborhoods, parks, schools, and natural environment are what have always, do now, and will continue to make this a great place to live. Yet, there are complex interdependencies, impacts, and tradeoffs which must be considered and worked through with a high degree of collaboration and trust between all parties.

#### *North Bayshore Master Plan Timing*

The Google North Bayshore Master Plan is a major driver in the realization of the North Bayshore Precise Plan. The Master Plan specifies eight development phases over a 30-year plan period, and these phases inform the amount and timing of revenue. This revenue must then be matched

with the cost and timing of the various SRPC-funded improvements discussed in Attachment 9 to understand how quickly the SRPC will achieve a steady state and how much and how quickly payments to the School Districts can increase. Since the anticipated Master Plan public hearing in Q2 2023 is not timely for the June 30, 2023 expiration of the current EER JPA term, City staff proposed the short-term successor agreement as described above in Subsection V.

### *Gap in Positions*

The City and the School Districts have recognized the importance of the various objectives noted above, and there are several areas of shared interest. However, to date, **there appears to be a significant gap in positions to be worked through in order to identify core interests and find common ground.** The City has stated in this memorandum, in letters to the Districts, in public meetings, and in the publicly noticed November 29, 2022 EER JPA Board meeting the commitment to increase payments to the School Districts significantly over time.

Rather than supporting the concept of increased payments over time, in multiple staff-level conversations, MVWSD has expressed an expectation to receive its entire tax rate allocation now. From the City's perspective, as the stewards of the Shoreline Community, calling for immediate payment of the Districts' full tax rate allocation is tantamount to defunding the Shoreline Community, which would have severe consequences. An underlying question in these two positions is the degree to which the Shoreline Community and School Districts have a need for, and a right to, immediate funding that is provided to the Shoreline Community through the Shoreline Act. This question raises strong feelings among the parties that may create barriers to constructive and objective conversations.

### *Number of Primary Stakeholders*

An additional challenge in the negotiation to achieve a long-term successor EER JPA is the number of parties involved. There are three agencies, represented by 17 elected officials and multiple staff, with a range of perspectives and representing important constituencies and stakeholders. This makes it difficult to provide all parties with real-time information and input into the process and to have an efficient and effective exchange of ideas, response to questions and concerns, and open discussion of tradeoffs.

### *Need for Timely, Accurate Information, and Agreed-Upon Facts*

To be successful, a complex negotiation like the EER JPA requires access to timely, accurate information and agreed-upon facts. The City and School Districts have valid questions and information to share to answer these questions. While information has been shared between parties over time, misperceptions and incorrect assumptions remain, and this creates a challenge in bridging the distance between the parties' positions.

## **VI. Proposed Process for Negotiating a Long-Term Successor EER JPA**

Subsection VI outlines a more structured and supported negotiation process in order to address the above challenges. Staff recommends this approach to move things forward in a way that has not been possible previously with the staff-level negotiation under way. The key elements of this process are summarized below. Staff seeks Council's input on this process and direction to propose it to MVWSD and MVLAUHSD.

- **Continue to pursue a long-term successor EER agreement and an updated Shoreline Area Plan.**
  - This plan will reflect the remaining improvements, the role of schools, and the **transition to a steady state over time**, with the SRPC ultimately responsible for a narrowly defined set of regional obligations and the remaining tax increment being paid to the School Districts and other taxing entities.
  - It is expected that the payment to the Districts in the long-term successor EER JPA would start **higher** than the current payment amount and that the payment would be structured to **increase over time**, depending on development and property tax growth in the Shoreline area and the SRPC's fiscal capacity to meet the full range of its obligations.
- **Work with the School Districts to develop and share information and interests among the elected officials.** This process would feature:
  - A joint kick-off meeting of the three elected bodies for information-sharing;
  - A subcommittee meeting of elected officials and staff from the City, MVWSD, and MVLAUHSD to discuss the information, interests, and guidelines and facilitated by a professional, neutral facilitator or mediator; and
  - Direction to staff to negotiate a long-term successor agreement resulting from information, interests, and guidelines discussed in the subcommittee meeting.

This process is seen as helpful to enable objective sharing of accurate information; an opportunity for real-time, unfiltered responses to questions; an identification of shared and separate interests; and constructive discussion of tradeoffs and implications for the Districts' and the City's constituents.

<b>Study Session Question 2:</b> Does Council support staff's proposed negotiation process for the long-term successor EER JPA?
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**Study Session Question 3:** What information or data would Council find helpful to support the EER JPA negotiation process?

## **VII. Joint Use of MVWSD School Open Space**

The seventh and final subsection relates the JUA with MVWSD that addresses the community's need for walkable access to school parks and open space and provides recreation and sports opportunities to residents and youth sports teams balanced with the Districts' needs to use that space for educational purposes and maintain campus safety. One potential education purpose identified by MVWSD is the placement of portable classrooms on the open space if MVWSD is not able to identify other options to expand school capacity in time for the arrival of new enrollments associated with new residential development.

As mentioned in the Background section of this memorandum, the second major City/School District negotiation relates to the JUA between the City and MVWSD. The JUA represents over 60 years of collaboration that has provided quality open space for students, organized sports (with a City Council policy prioritizing youth sports), and community enjoyment.

The City and MVWSD staff teams began meeting to negotiate a new master agreement in 2019. It is the City's understanding that several issues have been resolved and only a few outstanding items remain before agreement language can be drafted for final approval. However, at the March 2, 2023 MVWSD meeting, the staff presentation on the response to the NBMP DEIR stated an intention to explore the potential end to the current JUA in order to preserve school open space for the possible future placement of portable classrooms. In particular, the presentation included a slide showing 45 portable classrooms covering the open space at Monta Loma Elementary School.

Review of the presentation and staff-level conversations indicate that this potential is based on adoption of the NBMP and full build-out of all housing phased for development over the 30-year time frame, the assumption of no ongoing EER JPA payments, no property tax increment increase from new residential developments, and no consideration of the number of students that could be accommodated by a new school on the four-acre site the City has communicated that it will provide in North Bayshore to MVWSD.

If MVWSD decides to not move forward with negotiation of the JUA and ends joint use, there would be many unknowns and implications. This is concerning to the City because residents may have longer distances and fewer options to walk to open space; reduced times of open space access; higher costs for youth sports; possibly reduced access for community and City-sponsored events; and loss of high-quality park maintenance provided by dedicated City crews.

The JUA allows City access to school open space to facilitate use by community members and groups after school hours, weekends, holidays, and during school breaks, such as spring break

and summer break. In turn, the City is responsible for maintaining the open space. Based on current acreage, the City spends approximately \$1.5 million on maintaining MVWSD fields each year.

A specific benefit of the JUA is that the City is able to schedule organized activities on the fields in accordance with the City's Field Use Policy. This Policy guides staff to prioritize youth sports organizations recognized through a process administered by the City Parks and Recreation Commission, followed by other youth sports organizations, followed by other uses. This Policy is followed for all City-owned fields and MVWSD fields, which creates consistency on most fields in Mountain View. In addition, the City currently charges a nominal fee for youth sports teams to access fields. The rates are higher for other organized uses. As discussed below, the City is assessing fee increases to align with market rates.

### ***Status of JUA Negotiation***

The City and MVWSD began meeting in 2019 to create a new JUA for all MVWSD fields under one master agreement. Due to COVID-19 impacts and other priorities, the discussions were limited until 2022, when the City and MVWSD began meeting again regularly to reach a new agreement.

At this point, only a few items remain in order to complete the agreement documents for review by both agencies' administration before being brought to the MVWSD Board and City Council for approval. The following are the remaining items to be negotiated:

1. MVWSD has stated that the City must agree to meet the requirements of the Civic Center Act. This Act requires schools to make open space available to the public and allows a maximum fee to be charged for use of school facilities based on a calculation of a school district's direct costs. The City continues to request additional information from MVWSD regarding why it believes the City's current fees and Field Use Policy do not meet the requirements of this Act since the Act sets a maximum fee, and districts can choose to charge less than the maximum. MVWSD has stated that the fees charged by the City for MVWSD fields are too low and should be increased. The City agrees that the fees charged need to be reviewed and this will be part of the Citywide Fee Study currently under way.
2. Review an attachment to the draft agreement which includes new maps of each school site that have been created and confirm the maps include all necessary information desired by both the City and MVWSD.
3. Review and confirm an attachment that lists responsibilities by agency for each school site, including which agency pays for utilities at each site.

## ***City Consideration of Impacts and Options in the Event of an End of the JUA***

### Assessment of Impacts to Community and Youth Sports Field Access

The end of the JUA would mean MVWSD would be responsible for maintaining and scheduling the use of their school fields. City staff believe that a transition from City-managed fields would adversely impact the community. The City employs teams of professional recreation and park maintenance staff who draw on decades of experience in working with user groups, scheduling access during nonschool hours, and taking care of the fields for the enjoyment of the school and broader community. Parks crews know the parks in detail and take personal responsibility for their areas and follow up quickly on any needs reported to the City. The City often receives positive feedback from park users and sports leagues regarding the quality of turf and recreational facilities.

Should the JUA end, community members, sports groups, and City staff will have a number of questions that will need to be answered. **Unknowns and possible changes include areas and hours of availability; process and priorities for scheduling use; rental fees; and plans and standards for field maintenance.**

If MVWSD's process leads to reduced availability of school fields for youth sports, existing City-owned athletic fields would not be able to meet the demand.

### Addressing Jointly Owned Sites, City-Owned Sites, and Costs of Previous Improvements

Within the context of a joint-use agreement and 60 years of collaboration, the City and MVWSD have undertaken significant improvements at school fields and enjoyed shared use of adjacent land separately owned by each agency.

An example of significant improvements is the project at Crittenden Middle School to include an all-weather track and synthetic turf and improved lighting. These facilities added value for the students of the school as well as for the community. The City provided MVWSD with \$1.5 million toward those facility improvements. These facilities are well-utilized by the community and sports organizations when the City has access to the open space.

Should the JUA end, both agencies would need to review ownership and direct costs of specific school field improvements the City has constructed or contributed to over time, determine the amortized value of improvements, and assess how much is owed to each agency. Examples of such improvements include improvements to restroom facilities, installation of playground equipment, cost of installing new irrigation systems, and installation of synthetic turf and lighting.

The City would also need to assess whether and how to seek compensation for the land it owns that is used by MVWSD. This includes a portion of the School District parking lot, landscaping,

and tennis courts at Stevenson and Theuerkauf Elementary Schools along San Pierre Way, which are owned by the City.

Various parks, such as Whisman Park and Cooper Park, act as contiguous open space even though there are parcels at each of these parks that are owned separately by the City and MVWSD. The majority of open space at Whisman Park is owned by MVWSD. However, the City owns a portion of the east side of the park near Easy Street which encompasses half of the tennis courts, the playground, and the barbecue areas. The restrooms at Whisman Park are currently serviced by the City for public use, and the restroom facility is located on MVWSD property.

Should the JUA end, it is unclear how these areas would be separated and maintained by two different organizations. There would be significant work on the part of both agencies to end the JUA and determine a path forward that would continue to meet the needs of Mountain View residents. Even if the JUA does not continue, ongoing collaboration will be needed between the agencies to separate and manage these areas.

#### Enhanced Strategy to Identify Sites and Fund New Parks

The City is home to more than 40 parks, including Shoreline at Mountain View Regional Park, which connects to nine miles of multi-use trails through the City and provides access to San Francisco Bay and protected habitats for those throughout the region. Over the past few years, the City has purchased several properties to create new parks. For example, the City bought private property in the Rengstorff Planning Area and transformed it into 1.22-acre Heritage Park that opened in 2016.

Other more recent new parks are listed below in Table 2.

**Table 2: Recent Park Development in Mountain View**

<b>Park</b>	<b>Size</b>	<b>Location</b>	<b>Status</b>
Wyandotte	0.90 acre	2254 Wyandotte Street	Opened fall 2021
Mora	0.45 acre	Ortega Avenue/Mora Place	Opened spring 2022
Pyramid	2.76 acre	Pyramid Way/Infinity Way	Opened fall 2022
Fayette	0.50 acre	Fayette Drive near San Antonio Road	Began construction fall 2022
Evelyn	0.68 acre	555 Evelyn Avenue	Design under way
Villa	0.40 acre	1969 Villa Street	Design under way

Looking ahead, there are several new park locations that the City has acquired or that will be dedicated to the City by development projects (see Table 2). The average new park takes two to three years to design and construct. Staff plans to have capacity to have up to four new parks in design and construction at one time in addition to smaller park renovation projects. The timing

for the parks listed in Table 3 will be based upon when the land has been dedicated/acquired, funding availability, and Council priority.

**Table 3: Future New Parks Projects**

Park Location	Status
Showers Drive/California Street (adjacent to Los Altos School District school site)	Planned roll-forward project for Fiscal Year 2024-25.
555 West Middlefield Road	Anticipated developer-dedicated park.
711 Calderon Avenue	In escrow for City purchase pending property owner moving historic house.
900/917 San Rafael Avenue	Recently purchased by the City.
538 Thompson Avenue	Recently purchased by the City.
Maude Park (Middlefield Park Master Plan)	Anticipated developer-dedicated park.
Gateway Park (Middlefield Park Master Plan)	Anticipated developer-dedicated park.
North Bayshore Precise Plan (four to five new public parks)	Proposed as part of Google Master Plan.

Acquisitions of land or parks are made possible, in part, through Park In-Lieu Fees that come from net new residential development. The City does not have an ongoing stream of funds for creating new parks. The City is currently exploring new ways to provide funding sources for future parks and is preparing to take the following actions:

- 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.
- Explore the feasibility of a 2024 revenue measure, which has been proposed as a priority project in the City Council 2023-25 Work Plan. The purposes of this measure could include funding for new parks in addition to funding for a new Public Safety Administration Building, sustainability programs, or other potential uses.
- Complete the Parks and Recreation Strategic Plan, which includes tasks to develop a cost estimate to create new parks to meet current goals, recommend new funding strategies, and recommend changes to the Park Land Dedication Ordinance.



### Vargas and Crittenden Cost-Share Agreements

In addition to the items above, the City and MVWSD have agreed to share costs for the turf field and traffic signal at Vargas Elementary School and parking lot improvements at Crittenden Middle School. MVWSD has stated that the City has outstanding “debt” for money owed. The City does not agree with that characterization because the intention among staff was to incorporate the Vargas cost-share into the *new JUA* and for the City to provide payment *at that time*. Otherwise, the City would be paying for a field that it cannot use. In an effort to further collaboration and show good faith to MVWSD, the City is prepared to transmit funding to MVWSD and prepare a stand-alone cost-share agreement to provide MVWSD with payment for these improvements. The City’s share of the costs are approximately \$1 million for the Vargas turf field and the traffic signal and \$96,000 for the parking lot improvements at Crittenden. The District is preparing an invoice to confirm the City’s share of the Vargas improvements based on actual costs.

**Study Session Question 4:** Does Council support continued negotiation of the JUA with MVWSD, and does Council have any feedback about further exploring the impacts and options in the event the JUA is ended?

### RECOMMENDATION

Staff seeks Council input and direction on the following Study Session questions:

1. Does Council support the short-term successor EER JPA and want to direct staff to continue to work with the School Districts to seek agreement?
2. Does Council support staff’s proposed negotiation process for the long-term successor EER JPA?
3. What information or data would Council find helpful to support the EER JPA negotiation process?
4. Does Council support continued negotiation of the JUA with MVWSD, and does Council have any feedback about further exploring the impacts and options in the event the JUA is ended?

### NEXT STEPS

The next steps are for staff to:

- Continue staff-level negotiation of the short-term successor EER JPA with a goal to reach an agreement and schedule a meeting of the EER JPA Board for consideration and recommendation. The agreement will be brought to the elected bodies for adoption.

- Draft a letter of invitation from the City Council to the MVWSD and MVLAUHSD Boards of Trustees to meet and receive information and updates and provide guidelines to negotiate a long-term successor EER JPA;
- Compile information to support the negotiation process;
- Continue efforts to negotiate the long-standing JUA for parks and open space with MVWSD; and
- Assess the impacts to the Mountain View community and to City operations if the JUA is ended by MVWSD.

## **CONCLUSION**

The City and School Districts have a long history of successful collaboration. This includes: (1) the EER JPA, which provides a payment to MVWSD and MVLAUHSD from the Shoreline Community and can help address school capacity needs associated with residential growth in North Bayshore; and (2) the JUA with MVWSD, which provides neighborhood and group access to school fields in exchange for City maintenance of the fields. These collaborations are at the heart of significant community priorities related to housing, schools, parks, climate change mitigation, resiliency, and adaptability, access to and preservation of the natural environment, and continued economic vitality. Both agreements have been in negotiations since 2019 and are facing challenges. One of the primary challenges is a lack of timely sharing of accurate, up-to-date information. Therefore, this memorandum and its attachments provide information on a range of topics relevant to the negotiations.

The EER JPA expires on June 30, 2023. The City has proposed a short-term successor agreement for Fiscal Year 2023-24 guaranteeing a minimum payment of \$5,346,723 to MVWSD and \$3,423,095 to MVLAUHSD plus an adjustment payment based on property tax growth and an additional one-time payment. The City is awaiting a response from MVWSD. The City also seeks to continue and increase payments to the School Districts through an update to the Shoreline Area Plan and negotiation of a long-term successor EER JPA. In this memorandum, staff has proposed a structured process for negotiating this long-term agreement that would increase payments over time. These payments must be balanced with the Shoreline Community's ability to meet its obligations to: maintain the regional Shoreline at Mountain View park; make improvements to protect North Bayshore and beyond from sea level rise; preserve and enhance the area's wildlife and natural habitats; manage the environmental risks associated with the closed regional landfill; and construct the transportation and utility infrastructure necessary to develop housing and complete neighborhoods. As the development phase of the Shoreline Community is completed, the Shoreline Community would reach a steady-state phase in which the use of Shoreline Community funds will be more narrowly scoped. The share of funds to the

School Districts and other taxing entities would increase accordingly and this share would be applied to the higher assessed value achieved through accomplishment of the Shoreline Act.

MVWSD has paused negotiations on the JUA, stating that they are exploring ending the agreement since MVWSD fields may need to house portable classrooms to address the enrollment growth anticipated by MVWSD. The City has identified a four-acre site for an elementary school in North Bayshore. Staff believes that this, in addition to an increased EER JPA payment and the increased property tax increment from new housing in North Bayshore, provides options other than reducing community access to school fields and seeks to reengage MVWSD in negotiations of the JUA. Staff further believes that discontinuing the JUA and ending the City's role in scheduling use of and maintaining the school fields will have an adverse impact on the community's open space access and experience. This memorandum seeks Council direction to assess the impacts and options if the JUA were to end, including: impacts to park and field access; strategies to support youth sports; strategies to identify and fund new parks; and methods to amortize school field improvements and manage jointly owned sites.

### **PUBLIC NOTICING**

Notice to MVWSD, MVLAUHSD, and LASD. Council's agenda is advertised on Channel 26, and the agenda and this Study Session memorandum appear on the City's website.

ASR/MS/6/CAM  
602-04-03-23SS  
202984

- Attachments:
1. Summary of Citywide Housing Projects
  2. Google North Bayshore Master Plan Council Study Session, Dated December 14, 2021
  3. MVWSD Letter Regarding the NBMP DEIR, Dated February 3, 2023, and City Response, Dated March 2, 2023
  4. MVLAUHSD Letter Regarding the NBMP DEIR, Dated February 6, 2023, and City Response, Dated March 9, 2023
  5. School Strategy Council Report, Dated June 23, 2020
  6. 1969 Shoreline Act
  7. 1977 Shoreline Area Plan
  8. Resolution S-33 Adopting North Bayshore Area Plan
  9. Shoreline Regional Park Community Responsibilities