

CITY COUNCIL POLICY

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SUBJECT: MOUNTAIN VIEW EMPLOYEE HOMEBUYER AND NO.: D-13  
RELOCATION ASSISTANCE PROGRAM

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PURPOSE:

To establish the City's policy for a homebuyer program for City employees and relocation assistance for Council appointees, department heads, assistant directors, and division managers or a position designated by the City Manager, or designee, as hard-to-fill positions.

POLICY:

1. Eligibility for Employee Homebuyer Program

- a. Regular City employees who have passed the initial probationary period are eligible for the Employee Homebuyer Program.
- b. ~~For the purposes of this policy, all City employees shall qualify for the program with the exception of Department heads and Council appointees who are not subject to a probationary period who are eligible for this program the City's housing and relocation assistance program at the time of hire.~~

2. Homebuyer Program

The Employee Homebuyer Program shall consist of the following elements:

a. Loan Amount:

All Employees:

Loan of up to \$250,000 to assist with purchasing a home in, or within a 10-mile radius of, Mountain View.~~a. — \$100,000 maximum loan amount per employee provided at a fixed interest rate set at the Applicable Federal Rate (AFR). The interest rate will be fixed within two weeks of the date of the loan.~~

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### First Responders:

First responders are eligible for either the All Employee loan above, or a loan of up to \$500,000 to assist with purchasing a home in, or within a five-mile radius of, Mountain View.

First responders include Police and Fire emergency responders (Firefighter/Paramedic, Fire Engineer, Fire Captain, Battalion Chief, Deputy Fire Chief, Police Officer, Police Sergeant, Police Lieutenant, Police Captain, Public Safety Dispatcher I, II, III, Lead Public Safety Dispatcher, and Communications Supervisor) and Public Works/Public Services employees designated to respond to calls for service as defined in the City's after-hours Duty Program set forth in the Memorandum of Understanding between the Service Employees International Union (SEIU) and the City of Mountain View. New or reclassified positions may be designed by the City Manager as first responders.

For All Employee and First Responder loans, the maximum loan amount will be adjusted annually, beginning in December 2019, based on the annual change (December to December) in the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-Hayward urban area.

### Department Heads and Council Appointees:

Loan of up to the median home price in Mountain View or 75 percent of the sales price, whichever is lower, to assist with purchasing a home in Mountain View; or a loan of up to 25 percent of the sales price, to a maximum of median home price in Mountain View, for a home within a five-mile radius of Mountain View.

For Department Head and Council Appointee loans, if the participant requires a second loan on the property, any additional loan will be subordinate to the City's loan. Also, the employee must establish a minimum equity in the property equal to at least 10 percent of the total purchase price of the residence. At the City Manager's discretion, equity in the property may be reduced to 5 percent for unusual circumstances.

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b. Source of Loan Funds:

For all Eligible Participants:

~~b. Loan could be used for the following: down payment; interest rate reduction of the primary mortgage; and/or closing costs. Loan proceeds shall be deposited into escrow by the City after City has approved the escrow instructions.~~

~~The funding source for the loan programs will be determined based on availability of funding and approved by City Council. e. The General Fund unrestricted reserve account will be used to fund loans for sworn Police/Fire officers and Dispatchers whose household income exceeds 120 percent of the median household income for Santa Clara County as published by the State Department of Housing and Community Development. Below Market Rate (BMR) housing funds will be used for all other eligible City employees (and eligible Police/Fire officers and Dispatchers) earning 120 percent or less of the Santa Clara County median household income.~~

~~d. Loan term shall be 30 years.~~

c.e. Loan Terms and Repayment terms shall consist of the following:

- Loan term is not to exceed 30 years.
- Fixed interest rate will be determined based on the Applicable Federal Rate (AFR) at the time the loan is issued, for all loans.
- The eligible participant may request to make interest-only payments for up to three years at the start of the loan. Five-year deferment period during which time payments consist of interest only; and
- For interest-only payment option, when principal payments commence, the principal will be amortized over the remaining life of the loan. Twenty five year loan amortization period during which time interest and principal payments are made until loan is fully repaid.

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- The City will be repaid in full upon the sale or transfer of the property.
  - The purchased property must be the primary residence of the employee and may be a single-family home, townhouse, rowhouse, or condominium.
  - The home cannot be rented, except in limited basis emergency situations (to be defined in the program guidelines).
- d. Loan Repayment Upon Separating from the City:
- Upon a participant's separation from the City, the full loan must be paid within 12 months. If the loan is repaid within six months, the interest rate will not change. For repayment after six months, the interest rate will increase by 1 percent.
  - Additional time for repayment may be allowed in hardship situations, as approved by the City Manager or designee.
- f. ~~The maximum mortgage amount that the City's loan will be subordinate to shall not exceed \$850,000. This figure shall be adjusted annually in January based on the mortgage needed to purchase a single-family home at 120 percent of the median home purchase price in Mountain View. This assumes a 10 percent down payment by the employee, plus the City's \$100,000 loan would be applied toward the purchase price.~~
- g. ~~Upon termination of employment with the City, the interest rate on the City loan shall increase to the interest rate on the first mortgage plus 1.5 percent (or other rate acceptable to the mortgage lender and the City's Finance and Administrative Services Director). The employee shall be allowed to make payments on the loan at the higher interest rate for up to five years, at which time the loan shall be due in full to the City. In hardship situations and subject to the approval of the City Attorney and Finance and Administrative Services Director, an extension of the payback period may be granted.~~

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~~h. The loan balance may be carried over to a new home purchased by the employee in Mountain View which meets the guidelines of the program.~~

~~i. The home must be located in Mountain View and be the employee's primary and only residence. The home cannot be rented, except in limited basis emergency situations (to be defined in the program guidelines).~~

### Relocation Assistance

- ~~• The following positions may request relocation assistance: department heads, Council appointees, assistant directors, and division managers or a position designated by the City Manager, or designee, as a hard-to-fill position.~~
- ~~• Relocation Assistance may be requested for a move occurring within one year of date of appointment.~~
- ~~• For a move more than 10 miles but less than 25 miles, up to \$4,500 in reimbursement will be provided upon receipt and approval of documentation of reasonable and necessary moving expenses.~~
- ~~• For a move greater than 25 miles, up to \$6,500 reimbursement will be provided upon receipt and approval of documentation of reasonable and necessary moving expenses. In addition, reimbursement for temporary housing, within five miles of Mountain View, at a rate of up to \$100 per day for no more than 60 days, upon receipt and approval of documentation of such temporary housing.~~
- ~~• Reimbursements will be administered in accordance with procedures set forth by the Finance and Administrative Services Department and IRS regulations. Reimbursements may be a taxable benefit and subject to tax withholdings.~~
- ~~• The maximum reimbursement amount will be adjusted annually, beginning in December 2019, based on the annual change (December to December) in the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-Hayward urban area~~

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PROCEDURE:

The guidelines for this program shall be developed by staff and approved by the City Manager. The Mountain View Employee Homebuyer Program shall be implemented according to the policies and procedures in the "Program Guidelines" which shall be developed and adopted by the Council.

The City Council will authorize housing and/or relocation assistance for Council appointees under this policy. The City Manager will authorize housing and/or relocation assistance for all other employees under this policy.

Revised: May 14, 2019

Revised: January 19, 2010

Revised: June 9, 2009

Effective Date: December 2, 2008, Resolution No. 17348

CNLPOL

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