



**DATE:** March 22, 2022

**CATEGORY:** New Business

**DEPT.:** Human Resources

**TITLE:** **Council Appointee Request for Housing Assistance**

### **RECOMMENDATION**

Adopt a Resolution of the City Council of the City of Mountain View Approving Housing Assistance for the City Clerk, to be read in title only, further reading waived (Attachment 1 to the Council report).

### **BACKGROUND**

The City Council appointed Heather Glaser as City Clerk on April 19, 2021 and executed an employment agreement with terms and conditions of employment. As acknowledged in her employment agreement, Council Appointees are eligible for the Mountain View Employee Homebuyer and Relocation Assistance Program (Council Policy D-13), subject to City Council approval and availability of funds at the time of the request.

### **ANALYSIS**

Under the City's Homebuyer Program, Council Appointees are eligible to request a loan up to the median price in Mountain View or 75% of the sales price, whichever is lower, to assist with purchasing a home in Mountain View; or a loan of up to 25% 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 Council Appointee loans, if the participant secures a second loan on the property, any additional loan is required to be subordinate to the City's loan, and the employee is required to establish a minimum equity in the property equal to at least 10% of the total purchase price of the residence.

The City Clerk is in the preliminary stages of searching for a primary residence for purchase within a five-mile radius of Mountain View and is requesting approval for a loan of up to 25% of the sales price, to a maximum of median home price in Mountain View, with the City's loan subordinate to an additional loan. This is necessary, as it is extremely difficult, if not impossible, to find a financial institution as a primary lender that would approve a loan that is subordinate to another loan.

If, for any reason, the City Clerk is unable to purchase a home within the five-mile radius, she is requesting the City Council authorize a loan under the “All Employee” section of the policy, which allows for a loan up to \$250,000 to assist with purchasing a home within a 10-mile radius of Mountain View.

**FISCAL IMPACT**

There is currently funding available for City Council Policy D-13, Mountain View Employee Homebuyer and Relocation Assistance Program, in the Earned Lease Revenue Reserve, including funds for the City Clerk to receive a loan up to 25% of the sales price, to a maximum of median home price in Mountain View. However, due to the possible risk from being a subordinated loan, staff recommends the maximum loan amount to be set at \$500,000.

**ALTERNATIVES**

1. Approve the loan for a different amount.
2. Provide other direction.

**PUBLIC NOTICING**—Agenda posting.

Prepared by:

Sue C. Rush  
Human Resources Director

Lindsey Bishop  
Senior Human Resources Analyst

Approved by:

Kimbra McCarthy  
City Manager

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Attachment: 1. Resolution—City Clerk Housing Assistance