



DATE: December 7, 2021

CATEGORY: Consent

DEPT.: Community Development

TITLE: **Resolution for SB 129 Funds for Affordable Housing – Lot 12 Project**

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or Designee to Accept and Execute an Agreement with the State of California Department of Housing and Community Development for \$8 Million in State Funding for Affordable Housing, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

In July 2021, the State Budget Act of 2021 (Senate Bill (SB) 129) was approved by the Governor and chaptered into law. SB 129 includes appropriation of \$8 million from the State's General Fund for affordable housing in Mountain View. Inclusion of this funding in SB 129 was made possible through the leadership of State Senator Josh Becker.

The purpose of the funding is to support the City's Lot 12 project, a 120-unit affordable housing project in downtown. As noted in the August 24, 2021 Council report, at which Council conditionally authorized submittal of the Lot 12 formal planning application, this State funding is a key component to making the project financially feasible.

The funding is being disbursed through the State Department of Housing and Community Development (HCD). HCD has notified staff that a resolution identifying the signatory authorized to sign the contract for distribution of the funds is required prior to disbursement.

ANALYSIS

Staff recommends that Council adopt a resolution authorizing the City Manager or designee to sign the agreement with the State and take all other necessary actions for the City's acceptance and receipt of the SB 129 funds. Once the resolution is adopted by

Council, staff will provide HCD a copy of the resolution and begin the agreement and fund distribution process. As discussed in the August 24, 2021 Council meeting, the funds will be part of the City's \$12.25 million total subsidy amount for the Lot 12 affordable housing project.

FISCAL IMPACT

SB 129 will allow the City to provide needed additional funding to the Lot 12 project using State funding instead of additional funding from the City's housing fees. The City's housing fees are limited due to its significant pipeline of affordable housing projects. The SB 129 funds will be loaned to the developer under the same terms as City funds. The City will use loan repayments by the developer for future affordable housing projects.

ALTERNATIVES

1. Do not authorize the City Manager or designee to be the signatory for any agreements or documents related to the SB 129 funds.
2. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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821-12-07-21CR
201596

Attachment: 1. Resolution