



August 26, 2020



Ms. Diana Pancholi
Senior Planner
City of Mountain View
Community Development Department | Planning Division
500 Castro Street
Mountain View, California 94039

Dear Ms. Pancholi:

We respectfully submit this revised Below-Market-Rate (BMR) Proposal for the 555 West Middlefield Road project in response to the City of Mountain View's Incomplete Letter #3 dated October 16, 2019 (Planning Division Comment #2) and MEMORANDUM from the Housing and Neighborhoods Division dated March 17, 2020. The original BMR Proposal sent to you on March 10, 2020 has been adjusted to incorporate an additional income level and to proportionately distribute the BMR units at the three income levels among the various unit types within the overall development. Also, since the project will be phased, the unit mix has been updated to specify the units that would be delivered in each phase. Below is the updated unit mix:

Unit Type	# Total Units	# BMR Units	Very-Low (50% AMI)	Low (65% AMI)	Moderate (80% AMI)
BLOCK B BUILDING (PHASE III)					
STUDIO	5	1	1	0	0
ONE BEDROOM	50	7	3	2	2
TWO BEDROOM	45	6	2	2	2
THREE BEDROOM	11	2	0	1	1
Subtotal	111	16	6	5	5
BLOCK C BUILDING (PHASE IV)					
STUDIO	12	2	2	0	0
ONE BEDROOM	101	15	5	5	5
TWO BEDROOM	90	14	4	6	4
THREE BEDROOM	15	2	0	0	2
Subtotal	218	33	11	11	11
Total	329	49	17	16	16

The project proposes to provide 49 BMR units at a weighted average of 65% of Area Median Income (AMI). The proposed 49 BMR units will be distributed throughout the buildings and allocated across all unit types, as shown above. All BMR units will be maintained as affordable housing according to the requirements of the City's BMR Housing Program in perpetuity. Additionally, since the BMR obligation results in a fractional BMR unit that is less than 0.5 ($15\% \times 329 = 49.35$), an in-lieu fee will be paid for the 0.35 fractional unit. Payment of the in-lieu fee will be made in full prior to issuance of the project's first building permit.

As you know, our project has been in process since July of 2015 when the City Council voted to allocate staff resources to the proposal via the Gatekeeper process. In April 2017, the City Council held a Study Session at which time the project committed to provide 10% of the total units (35 of 348 units—the total number of units has been reduced to 329 as a result of design changes) at below-market rates. Since then, while the project's CEQA study and design review process have progressed, the City Council amended the BMR Housing Ordinance to increase the inclusionary requirement for rental projects to 15% of units. We acknowledge that the project is subject to this requirement and have increased the total number of BMR units to 49 units.

Thank you very much.

Respectfully,
AvalonBay Communities, Inc.



Katherine Qiu
Development Director



Joe Kirchofer
Vice President - Development