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January 21, 2020

Honorable Mayor Abe-Koga, Vice Mayor Kamei, and Councilmembers
City of Mountain View
500 Castro Street
Mountain View, CA 94041

Re: Google's Proposal for Early Investment of the Housing Impact Fee

Dear Mayor Abe-Koga, Vice Mayor Kamei, and Councilmembers:

On behalf of Google, I am pleased to submit this letter regarding Google's proposal to provide an early investment in affordable housing in Mountain View in connection with Google's proposed Landings Project in the City.

BACKGROUND

Google is proposing an 861,562 square foot office development along Landings Drive, known as the Landings Project. The Landing Project's application has been submitted to the City and is anticipated to go before the Planning Commission and City Council this spring/early summer.

In order to accelerate the development of affordable housing in the City, Google is proposing to pre-pay \$5,000,000 (five million dollars) of the City's Housing Impact Fee for the development of affordable housing in the City prior to the City's approval of entitlements and prior to the issuance of building permits for Google's Landings Project. Google recognizes that the City's agreement to this pre-payment proposal in no way restricts the City's discretionary approval authority or otherwise commits the City to approve the Landings Project.

In 2017, LinkedIn made a similar proposal to pre-pay its Housing Impact Fee for the LinkedIn Middlefield Campus through an early investment in affordable housing with a contribution to the Housing Trust Silicon Valley (HTSV). The City approved LinkedIn's proposal with the HTSV. Google is now asking for the City's approval for its proposal with the HTSV.

HOUSING TRUST SILICON VALLEY

As LinkedIn did in 2017, Google identified HTSV as a potential partner to accelerate the development of affordable housing in Mountain View. HTSV is a California nonprofit public

benefit corporation exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. HTSV is organized for charitable purposes including making loans and grants to increase affordable housing opportunities.

HTSV provides acquisition, predevelopment and bridge financing to affordable housing developments in the City and the larger Bay Area. HTSV is raising capital to support these programs through its TECH Fund, which will finance short term land acquisition loans to nonprofit housing developers and mission aligned for-profit housing developers. The investment in HTSV's TECH Fund will help nonprofit housing developers acquire land in the City for one or more affordable housing projects.

GOOGLE'S PROPOSAL

Under the City's Affordable Housing Ordinance and the North Bayshore Precise Plan, all new commercial development is required to pay a Housing Impact Fee prior to issuance of a building permit for a previously entitled project. As LinkedIn did in 2017, Google would like to contribute to the City's Housing Impact Fee, earlier than required by the City, in advance of City entitlements for the Landings Project. This early contribution will provide early funding for affordable housing land acquisitions, which will expedite the development of affordable housing in the City.

Specifically, Google would like the City to consider the following proposal to satisfy a portion of its Housing Impact Fee for the Landings Project in the event the project gets approved. Google would like to make a \$5,000,000 investment in HTSV's TECH Fund in the form of a Community Impact Note, which would have a five-year maturity date and would bear interest at 1.5% per year. The \$5,000,000 investment in the TECH Fund would be earmarked for investment in one or more affordable housing projects in Mountain View.

ROLES AND RESPONSIBILITIES

For this early Housing Impact Fee contribution to the HTSV's TECH Fund, the following is a summary of the roles and responsibilities of Google, the City, and HTSV.

GOOGLE'S ROLE

- Google's \$5,000,000 investment in the TECH Fund is anticipated to occur within the next few weeks, which is well before the City's consideration of entitlements or issuance of a building permit.
- Google would invest \$5,000,000 into HTSV's TECH Fund in the form of a Community Impact Note with a term of 5 years and an expected interest rate of 1.5%.
- If the City approves the Landings Project and the TECH Fund finances a City-approved affordable housing project(s) in Mountain View with the proceeds of Google's Community Impact Note, Google would satisfy a portion of the Housing Impact Fee for the Landings Project by assigning the Community Impact Note to the City.

- For example, if: (i) the TECH Fund financed an affordable housing project in the City by investing \$5,000,000, (ii) the Landings Project was approved by the City, and (iii) Google applied for a building permit for the Landings Project, then Google would assign the Community Impact Note to the City and the \$5,000,000 investment would be credited against the total Housing Impact Fee payment due at the issuance of the building permit for the Landings Project.

THE CITY'S ROLE

- For Google's HTSV funding proposal, similar to its role under the 2017 LinkedIn proposal, the City would establish a process, or use an existing process, to require affordable housing developers to meet with City Staff to discuss the proposed project after the effective date of Google's Community Impact Note and prior to requesting funding from the HTSV TECH Fund. This City process would be incorporated into the HTSV's Lending Policies and Procedures and will include a statement that feedback from the City will not be considered a commitment by the City to fund or entitle any potential affordable housing project. Similarly, it would not be considered a commitment by HTSV to fund a potential affordable housing project that does not meet its underwriting standards.
- If Google's Landings Project is approved by the City, then when the Housing Impact Fee payment is due upon issuance of a building permit for the Landings Project, the City will accept the assignment of Google's Community Impact Note to the City to satisfy the Note's corresponding amount of the Housing Impact Fee requirement. If the amount of the Housing Impact Fee required for the Landings Project is greater than the amount on the Community Impact Note, Google will pay the remainder of the amount to the City in cash via an electronic wire transfer or other method agreed to by the City and Google.
 - For example, if the amount of the Housing Impact Fee for the Landings Project is \$15,000,000, Google would assign the \$5,000,000 Community Impact Note to the City and pay the remaining \$10,000,000 to the City.

HTSV'S ROLE

- HTSV would use Google's investment in the TECH Fund to fund the acquisition, predevelopment, and bridge financing for affordable housing developments solely in the City of Mountain View.
- HTSV would establish, or use an existing, process with the City for affordable housing project funding review for loans approved after the effective date of Google's Community Impact Note, requiring the affordable housing developer to meet and discuss the project with City Staff prior to requesting funding from the HTSV. If not already incorporated, this process will be incorporated in HTSV's Lending Policies and Procedures and will include a statement that feedback from the City will not be considered a commitment by the City to fund or entitle any potential project. Similarly, it will not be considered a commitment by HTSV to fund a potential project that does not meet its underwriting standards.

- HTSV would consent to the assignment of Google's Community Impact Note to the City in connection with the City's issuance of a building permit for Google's Landings Project and the satisfaction of a portion of Google's Housing Impact Fee requirement.

BENEFITS TO THE CITY

Just as in 2017 with the LinkedIn proposal, the City would benefit in two ways from this Google proposal:

- First, up to \$5,000,000 from Google's project(s) would be available to finance the development of affordable housing in Mountain View well in advance of the Landings Project entitlement and the payment of the Housing Impact Fee at building permit issuance for the project's development. This early funding would allow the financing of affordable housing projects in Mountain View approximately 8-12 months sooner than if the Housing Impact Fee was obtained at building permit issuance.
- Second, Google would assign the Community Impact Note to the City, which would result in the City receiving the repayment of the \$5,000,000 in principal plus 1.5% interest. The City can reinvest this money into future affordable housing projects in the City.

Thank you for your consideration of Google's proposal as set forth in this letter. We look forward to continuing to work with the City on creative affordable housing solutions.

Sincerely,



David Radcliffe
Google LLC
VP, Real Estate & Workplace Services

Cc: Max Bosel, Interim City Manager & Chief of Police
Audrey Seymour Ramberg, Assistant City Manager
Aarti Shrivastava, Assistant City Manager/Community Development Director
Javier González, Public Policy & Government Affairs Manager, Google