

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2018

A RESOLUTION MAKING FINDINGS WITH RESPECT TO THE
UNEXPENDED BALANCE OF THE HOUSING IMPACT FUND
(CALIFORNIA GOVERNMENT CODE SECTION 66001(d))

WHEREAS, the City Council authorized a Jobs-Housing Nexus Study dated November 2012 that demonstrates a reasonable relationship exists between the Housing Impact Fee to be imposed on all new and increased floor area and their use to develop affordable housing; and

WHEREAS, the first Housing Impact Fee was deposited February 13, 2003, and in accordance with California Government Code Section 66001(d)(1), the City is making all required findings as of June 30, 2018 regarding the unexpended balance of \$30,815,286;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mountain View that the following findings are made for the unexpended funds deposited in the Housing Impact Fund:

- (A) Identify the purpose to which the fee is to be put.

The Housing Impact (HI) funds will be used to fund additional moderate- and lower-income housing in Mountain View, including the affordable housing projects at 779 East Evelyn Avenue, 1701 West El Camino Real, and 460 North Shoreline Boulevard.

- (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

A reasonable relationship exists between the HI Fees and the purpose for which said fees were charged as demonstrated by the Jobs-Housing Nexus Study (Nexus Study), dated November 2012, and prepared by Keyser Marston Associates, Inc. The Nexus Study demonstrates that a reasonable relationship exists between the need for affordable housing and the impacts of new commercial office development within the City. A reasonable relationship also exists between the fee's use and the impacts of new commercial and office development since the developments will create new jobs. The Nexus Study demonstrates that some of the new jobs created would be filled by lower-income workers in need of affordable housing. This type of

affordable housing continues to be in short supply within Mountain View. The HI Fee will be used to help increase the supply of affordable housing in the City to meet the increased need generated by new commercial and office developments.

- (C) Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements (dollars in millions).

779 East Evelyn Avenue Project

\$15.70	City of Mountain View Below-Market Rate (BMR) Funds
6.00	City of Mountain View HI Funds
16.53	Tax Credit Investor Capital
16.98	Permanent Loan
2.90	Citi Community Capital
0.67	Lease-Up Income
<u>3.08</u>	Deferred Interest and Fee Waivers
<u>\$61.86</u>	Total Funding

1701 West El Camino Real Project

\$ 2.00	City of Mountain View BMR Funds
5.00	City of Mountain View HI Funds
1.00	City of Mountain View Rental Housing Impact Funds
17.00	Tax Credit Investor Capital
4.40	VHHP Loan
1.50	Sponsor Loan
2.50	County of Santa Clara
4.10	Impact Fee Waivers
<u>0.75</u>	Deferred Interest
<u>\$38.25</u>	Total Funding

460 North Shoreline Boulevard Project

\$ 7.64	City of Mountain View HI Funds (previously \$6.3 million)
0.42	City of Mountain View HOME Funds (previously \$0.39 million)
0.96	City of Mountain View CDBG Funds (new from Fiscal Year 2016-17 report)
0.50	Housing Trust of Silicon Valley
0.25	Contributed Fee
15.28	Tax Credit Investor Capital (previously \$11.86 million)
2.16	Deferred Developer Fee (previously \$1.14 million)
11.15	Tranche A Permanent Loan (previously \$4.51 million)
<u>3.11</u>	Tranche B Permanent Loan (previously \$4.72 million)
<u>\$41.47</u>	Total Funding

- (D) Designate the approximate dates on which the funding referred to in Subparagraph (C) is expected to be deposited into the appropriate account or fund.

The 779 East Evelyn Avenue project is being developed by ROEM and the City loan documents with ROEM closed on May 31, 2016. The HI funds detailed above have been deposited into the fund, as previously discussed, and have been fully expended. The City is funding the loan and has fully disbursed all loan proceeds. None of the outside funding sources listed in Subparagraph (C) will be deposited into the City's account. All outside funding sources have signed loan agreements with the developer and will disburse loan proceeds by reimbursing the developer during the construction phase.

The 1701 West El Camino Real project is being developed and managed by PAH. The City loan with PAH closed on May 2, 2017. The HI funds detailed above have been deposited into the fund, as previously discussed, and have been fully expended. The City is funding the loan and has fully disbursed all loan proceeds. None of the outside funding sources listed in Subparagraph (C) will be deposited into the City's account. All outside funding sources will sign loan agreements with the developer and will disburse loan proceeds by reimbursing the developer during the construction phase.

The 460 North Shoreline Boulevard project will be developed and managed by MidPen Housing. This project will be funded by the City's Housing NOFA HI funds, HOME funds, and CDBG funds, as well as low-income housing tax credits and a permanent loan. The HI funds detailed above have been deposited into the fund, as previously discussed, and were appropriated for this project by City Council. None of the outside funding sources will be deposited into the City's account. All outside funding sources will sign loan agreements with the developer and will disburse loan proceeds by reimbursing the developer during the construction phase. The City Council appropriated funding for this project on January 30, 2018, and additional funding was appropriated with the Fiscal Year 2018-19 budget. Construction is expected to begin in March 2019.
