



DATE: June 25, 2019

CATEGORY: Consent

DEPT.: City Manager's Office

TITLE: **Amendment to Education Enhancement Reserve Joint Powers Agreement**

RECOMMENDATION

Approve an amendment to the Education Enhancement Reserve Joint Powers Agreement to provide Mountain View Whisman School District and Mountain View Los Altos High School District with property tax revenue from new residential development in the Shoreline Regional Park Community to implement the North Bayshore Precise Plan Funding for Schools, Policy 3.4.5.5 and authorize the Shoreline Community Manager to execute the agreement on behalf of the Shoreline Community.

BACKGROUND

The Mountain View Whisman School District (MVWSD) and the Mountain View Los Altos High School District (MVLAHSD) (jointly "School Districts") and the City of Mountain View (City) have worked closely over many years to foster positive working relationships in order to effectively serve families and youth in Mountain View. Examples include City maintenance of school fields, funding for school crossing guards, and provision of after-school care, enrichment services, and school resource officers. Another example of this is the Education Enhancement Reserve Joint Powers Agreement (JPA), which was entered into by the Shoreline Regional Park Community (Shoreline Community), a separate legal entity from the City, and the School Districts in January 2006, and replaced by a new agreement in June 2013. The purpose of the JPA is to provide for annual payments to the School Districts from the Shoreline Community to benefit local education in order to attract and retain a quality employment base and future supply of quality employees. Section 3.4 of the JPA describes the calculation of these payments based on the property tax revenue growth from fiscal year to fiscal year.

In December 2017, the Mountain View City Council adopted the North Bayshore Precise Plan (NBPP), which allows for the creation of new residential neighborhoods and up to 9,850 housing units in the Plan area. Recognizing the increase in school enrollment that would result when such housing was developed, the NBPP included a

section on Local School Policies (3.4.5). Within this section, Policy 5, Funding for Schools, states: “The Shoreline Community shall work with the Mountain View Whisman School District and the Mountain View Los Altos High School District to allocate revenue related to the growth in assessed value due to new residential development within the Community pursuant to/in accordance with the annual tax allocation for each school district, through mutually agreed to and legally binding agreements.”

City staff initiated discussions with MVLAHSD and MVWSD in May 2018 and staff from the three JPA member agencies met between June and August 2018 to develop an agreement setting forth how new residential property tax revenue in the Shoreline Community would be allocated. The form of the agreement, drafted by City staff, is an amendment to JPA Section 3.4. The final wording of the JPA Amendment was shared with the School Districts in August 2018. A brief status update was provided to the JPA Board, comprised of the Superintendents of the two School Districts and the Shoreline Regional Park Community Manager, at its November 2018 meeting. At that time, the School Districts were invited to indicate when they would like to schedule the item for the Board’s consideration and action. The JPA Board met on June 5, 2019 to discuss the amendment and voted unanimously to recommend it to the governing bodies of the JPA’s member agencies.

ANALYSIS

The proposed amendment to the JPA is included as Attachment 1 to this Council report. This amendment provides a clear and transparent methodology for calculating how new Community residential property tax revenue would be allocated to the School Districts. When such new residential property tax revenue is realized, this allocation will be in addition to the allocation provided for in the Shoreline Regional Park Community Act and in the current Education Enhancement Reserve JPA.

The JPA Amendment describes how:

- New property tax revenue will be calculated, subtracting out the base residential Assessed Value (AV) associated with the residential uses already in place in the Shoreline Community prior to the reporting of new residential development AV;
- The increment allocation factors for MVLAHSD and MVWSD will be used to determine the new residential property tax payment for each School District; and

- Adjustment will be made in the calculation of the property tax payment provided for in the current agreement to prevent the double-counting of new property tax revenue.

It is anticipated that the School Districts will bring the amendment to their Boards for approval in August upon return from the summer break.

FISCAL IMPACT

After new residential AV is reported in the Shoreline Community, the School Districts will receive new residential property tax revenue based on their respective increment allocation factors. While it is not possible to know the precise timing and extent to which residential development will occur in the Shoreline Community, illustrative examples have been provided in the JPA Amendment to indicate how the methodology would work over a five-year time horizon, assuming \$100 million in new residential AV is reported each year.

ALTERNATIVES

1. Direct changes to the JPA Amendment.
2. Do not approve the JPA Amendment.
3. Provide other direction.

PUBLIC NOTICING

Agenda posting. The Council report was sent to MVWSD and MVLHSD.

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Approved by:

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ASR/3/CAM/602-06-25-19CR/190409

- Attachments:
1. Amendment to JPA Section 3.4 (Final Draft)
 2. Amendment to JPA Section 3.4 (Track Changes)