



**DATE:** January 24, 2017

**CATEGORY:** Consent

**DEPT.:** Community Development

**TITLE:** **Contribution to the Housing Trust Silicon Valley**

### **RECOMMENDATION**

Authorize the City Manager to execute an agreement with the Housing Trust Silicon Valley for a City contribution of \$150,000 in Fiscal Year 2016-17.

### **BACKGROUND**

The City of Mountain View has made annual contributions to the Housing Trust Silicon Valley (HTSV) since 2001. Below-Market-Rate (BMR) In-Lieu fees have been used for these contributions. HTSV has recently expanded its focus to provide more assistance in site acquisition and financing of affordable housing, but still operates programs that serve extremely low-, low-, and moderate-income households. The City's contributions to HTSV support financing of local affordable housing projects and provide assistance to first-time homebuyers for Mountain View residents.

Between Fiscal Years 2011-12 and 2015-16, the City contributed \$150,000 annually to HTSV, and the amount has been included in the annual budget. Because the contract for the contribution amount to HTSV exceeds \$100,000, staff is requesting authorization by Council for the City Manager to execute the agreement in accordance with Council Policy A-10.

### **ANALYSIS**

Mountain View has contributed a total of \$2.25 million to HTSV. As noted in the attached letter from HTSV, this amount has been invested in Mountain View to assist 37 low- to moderate-income, first-time homebuyers, to help create 337 new affordable rental homes for extremely low- to low-income residents with special needs, and to fund homeless assistance services for some of the Valley's most vulnerable residents (refer to Attachment 1). The City's agreement with HTSV stipulates that the City's contribution be used exclusively for affordable housing activities in Mountain View.

In Fiscal Year 2016-17, it is anticipated that funds will be used to assist up to six very low-income (VLI) homebuyers in purchasing VLI homes—created through the City’s Density Bonus Program—in two upcoming condominium projects. There may also be opportunities to leverage the contribution with other funding sources, such as Measure A, that facilitate housing for the homeless, in addition to bridge financing for the affordable housing NOFA projects and security deposit grants for the homeless.

### **FISCAL IMPACT**

The City collects three types of affordable housing funds, including BMR In-Lieu fees, Rental Housing Impact Fees, and Housing Impact Fees. BMR In-Lieu fees have been used for HTSV contributions, so General Fund support is not required. It is recommended that the Council continue to use BMR In-Lieu fees for this purpose. A \$150,000 contribution to HTSV will help the City meet housing needs for its lower- and moderate-income residents, which promotes a diverse workforce vital to sustaining an economically resilient community. The funds are included in the Fiscal Year 2016-17 Adopted Budget.

### **ALTERNATIVES**

1. Modify the amount of the City’s contribution to the Housing Trust.
2. Do not make a contribution to HTSV.

**PUBLIC NOTICING**

The Council agenda has been posted, notice of this item appears on the City's home page and local Channel 26, and a copy has been sent to HTSV.

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Attachment: 1. Letter from HTSV