

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2018

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

WHEREAS, the City Council authorized a Nexus-Based Affordable Housing Fee Analysis, dated September 29, 2011, and the memorandum entitled "Draft Technical Memorandum," dated November 29, 2012, that demonstrate a reasonable relationship exists between the Rental Housing Impact Fee to be imposed on all new market-rate rental housing developments and their use to develop affordable housing; and

WHEREAS, the first Rental Housing Impact fee was deposited February 12, 2013, and in accordance with California Government Code (CGC) Section 66001(d)(1), the City is making all required findings as of June 30, 2018 regarding the unexpended balance of \$2,142,341;

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 Rental Housing Impact Fund:

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

The Rental Housing Impact (RHI) funds will be used to fund additional moderate- and lower-income housing in Mountain View, including the affordable housing project at 1701 West El Camino Real.

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

A reasonable relationship exists between the RHI Fees and their use to develop affordable housing as demonstrated by the Nexus-Based Affordable Housing Fee Analysis and "Draft Technical Memorandum," (together, the "Nexus Study") prepared by Economic and Planning Systems, Inc. The Nexus Study demonstrated that to fully mitigate the impacts of new rental housing development on the need for affordable housing, a Rental Housing Impact Fee on new market-rate rental development would be needed.

The Nexus Study demonstrates that a reasonable relationship exists between the need for affordable housing and the deleterious impacts of new market-rate rental housing development within the City. A reasonable relationship also exists between the fee's use and the impacts of new market-rate rental housing development. Development of new rental housing results in more residents living in the City. The residents who move into new rental housing developments will increase the demand for services provided by the public and private sectors. Some of the public- and private-sector employees needed to meet the needs of the new City residents earn incomes that only allow these employees to afford housing for moderate low, very low, and extremely low-income housing. This type of affordable housing is in very short supply within Mountain View and other available housing subsidies are inadequate to meet the need created by new rental housing developments. The RHI Fee will be used to help increase the supply of affordable housing in the City to meet the increased need generated by new rental housing developments.

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

1701 West El Camino Real Project

\$ 2.00	City of Mountain View Below-Market-Rate (BMR) Funds
5.00	City of Mountain View Housing Impact (HI) Funds
1.00	City of Mountain View RHI 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

- (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 1701 West El Camino Real project is being developed and managed by PAH. The City loan with PAH closed on May 2, 2017. The RHI 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 disburse loan proceeds by reimbursing the developer during the construction phase.

ROD/2/RESO
572-11-13-18r-1