



COUNCIL REPORT

DATE: May 23, 2023

CATEGORY: Consent

DEPT.: Community Development

TITLE: **Contribution Agreement with the Housing Trust Silicon Valley**

RECOMMENDATION

Authorize the City Manager or designee to execute an agreement with Housing Trust Silicon Valley to provide the annual City contribution of \$150,000 in Fiscal Years 2023-24, 2024-25, and 2025-26 for a total contribution of \$450,000 over three years, subject to City Council appropriation of funds, to fund housing programs.

BACKGROUND

The City of Mountain View has partnered with Housing Trust Silicon Valley (HTSV) for the past two decades to provide various housing programs that benefit the residents of Mountain View. The City has supported this partnership for the last 10 years by providing HTSV \$150,000 annually from the Below-Market-Rate (BMR) Housing Fund, from an appropriation which is included in the City's base budget. In turn, HTSV has significantly leveraged the City's contributions to provide programs and services that have created a positive impact for Mountain View residents. For example, HTSV has engaged with 29 low- to moderate-income Mountain View households to explore first-time homeownership, provided \$17.2 million in loans to create nearly 150 existing and future affordable rental homes, and provided homeless prevention and assistance services for some of the City's most vulnerable residents.

Each year, the City and HTSV staff review the City's housing priorities and explore opportunities to best utilize the City's annual contribution. For example, HTSV continues to explore ways of improving and increasing access to home ownership with their programs based on Council's interest of increasing ownership and middle-income housing opportunities. As another example, HTSV has recently expanded into Accessory Dwelling Unit (ADU) education programs and, based on interest in the City and community for ADUs, HTSV has provided these programs for Mountain View residents.

Additionally, HTSV is a co-lead community partner on the City of Mountain View's Breakthrough Grant awarded to the City by the Partnership for the Bay's Future. HTSV is helping the City advance its initiatives through the Breakthrough Grant, including opportunities for external

funding partnerships to develop new affordable housing units, funding for the acquisition/preservation of existing housing units, and community engagement and storytelling.

ANALYSIS

Prior to Fiscal Year 2020-21, the City entered into annual funding agreements with HTSV that must be approved by Council in accordance with Council Policy A-10, which requires agreements that exceed \$100,000 to receive Council approval.

In Fiscal Year 2020-21, the City entered into a three-year agreement with HTSV which runs through Fiscal Year 2022-23. The purpose of the multi-year agreement was to streamline the annual process, given the City's long history of partnership with HTSV and staff workload. It was recommended that staff review this multi-year approach toward the end of Fiscal Year 2022-23 and recommend whether to continue with this approach.

Staff recommends continuing with a three-year agreement for Fiscal Years 2023-24 through 2025-26, subject to Council appropriation of funds each year, as the City continues to partner with HTSV and staff workload remains high. Funding will be used to support various efforts, such as homebuyer programs, implementing the Breakthrough Grant activities, and other housing initiatives. Throughout the term of the agreement, staff will continue to work with HTSV to coordinate programs and activities that align with Council goals and that will benefit the City's residents. Toward the end of Fiscal Year 2025-26, staff will review the multi-year approach again and recommend whether to recommend that the City continue with this approach.

FISCAL IMPACT

The City provides an annual \$150,000 contribution to HTSV as part of the BMR Housing Fund budget. The annual appropriation of \$150,000 will be available once the Fiscal Year 2023-24 budget (and subsequent fiscal year budgets) is adopted. There is no fiscal impact to the General Fund.

ALTERNATIVES—Provide other input or direction.

PUBLIC NOTICING—Agenda posting.

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