



Mountain View  
Whisman  
School District

District Office  
T 650.526.3500  
750-A San Pierre Way  
Mountain View, CA 94043

October 4, 2018

Dan Rich, City Manager  
City of Mountain View  
500 Castro St.  
Mountain View, CA 94039

October 16 Study Session RE: 777 West Middlefield Rd.

Dan:

Fortbay/Mountain View is in the process of seeking entitlements for a 716 unit project with associated underground parking, amenities and open space. As part of the original project Fortbay/Mountain View had agreed that 20% or 144 units would be affordable housing units for households that earn between 60% AMI and 80% AMI per conventional tax credit financing mechanisms and without seeking additional subsidies from the City. Under current tax credit tools, moderate income/workforce housing households are not served in a meaningful way. Fortbay/Mountain View and the Mountain View Whisman School District are seeking a modification to the affordable housing offering elements as such; a) preference for teacher/employee predominately moderate income/workforce affordable housing, b) an exception to the BMR Ordinance to reduce the Low Income requirement from 10% of the affordable units to 5% and with the 15% balance dedicated to moderate income/workforce housing c) direction on community benefit for the project.

Since Fortbay/Mountain View submitted its original proposal we understood from the City that there was a need for affordable housing for teachers in Mountain View (the Missing Middle). A meeting was facilitated by City staff in March 2018. Since this meeting, Fortbay/Mountain View has been working closely with Ayinde Rudolph, Superintendent and the Board of the Mountain View Whisman School District and discussing the need for affordable Teacher/Employee housing in Mountain View to retain teachers and staff in the District.

Since that meeting both parties have been discussing how this affordable housing could be created and financed without any subsidy from the City. We are pleased to say that we have agreed on basic business terms and how those 144 units can be financed with the District's funding. The benefit of the proposal you will be discussing would:

- Provide 144 affordable units with a preference for Mountain View Whisman School District Teachers and staff.
- Would not require the use of either District or City-owned land
- Would not require financing or a subsidy from the City
- The cost of construction for the affordable housing units is substantially less because some of the costs are absorbed as part of the larger market rate project

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- Fortbay/Mountain View has agreed and stated previously, that the property will be dedicated "in perpetuity" to affordable housing.
- Meets a housing need to retain District teachers and other staff.

As stated above, both parties have come to agreement on the basic business terms for the project in terms of financing, construction, operation and maintenance. We are seeking clarification from the City Council for the following:

Affordable Teacher Housing Concept Fortbay/Mountain View has always agreed to provide 20% of the housing units for the project as affordable units to meet and exceed the City's BMR requirements with no preference. In the original Gatekeeper proposal it was stated that 100% of the affordable units will be targeted to 60% to 80% of the area median income. The joint proposal between Fortbay/Mountain View and the District is seeking to provide units to service 60% to 120% AMI. Further it would not require any subsidy from the City.

The only differences from the original Fortbay proposal is 1) the project proposes serving households from 60% to 120% AMI versus serving only the average 60% AMI under the original proposal, and 2) the affordable housing component of the Fortbay/Mountain View project has a preference for Teacher/Employee housing for the Mountain View Whisman School District versus the community at large.

Exception to the City BMR Ordinance. At the time the project application was deemed complete, the City required that 10% of the units be for low income households with incomes between 50% - 80% AMI. After surveying teachers in the District it has been determined that many of them interested in this type of housing earn between 80%-120% AMI. We are seeking direction from the City Council to consider an exception from the Fortbay original proposal to this requirement that instead of 10% (72 Units), that 5% of the units (36 Units) be reserved for households that earn between 60% -80% AMI and that the remaining 15% of the units (108 Units) be reserved for moderate income households that earn between 80% to 120% AMI. It is a difference of 36 units that would be for Moderate Income households.



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Affordable Housing Community Benefit. Providing Teacher/Employee Housing to the Mountain View Whisman School District would be considered a Community Benefit to the project because it is offering double the 10% BMR requirement, which was part of the original Fortbay proposal. Currently, there are no other readily available tax credit or other financing mechanisms available to fund moderate income/workforce housing. Fortbay/Mountain View would still consider that the additional 10% of the project's units targeted to Moderate income/workforce households as a significant community benefit, well exceeding examples set in other areas of Mountain View.

We feel that support for these requests will help address the City and District's desire to retain qualified teachers and Districts staff to better serve the Mountain View Community.

Thank you for considering this request and we look forward to favorable feedback on this proposal.

Perry Hariri

Ayinde Rudolph

Cc District Governing Board  
Randy Tsuda  
Wayne Chen  
Diana Pancholi  
Kathy Thibodeaux  
Ellis M. Berns