

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2017

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

WHEREAS, the City Council authorized a Jobs Housing Nexus Study (Nexus Study) dated November 2012 that demonstrates a reasonable relationship exists; and

WHEREAS, the first Housing Impact (HI) fee was deposited February 13, 2003, and in accordance with California Government Code (CGC) Section 66001(d)(1), the City is making all required findings as of June 30, 2017 regarding the unexpended balance of \$15,299,191.

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 HI Fund:

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

The HI funds will be used to fund additional moderate- and lower-income housing in Mountain View, including the affordable housing projects at 779 East Evelyn Avenue, 1701 West El Camino Real, and 460 North Shoreline Boulevard.

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

A reasonable relationship exists between the HI fees and the purpose for which said fees were charged as demonstrated by the Nexus Study, dated November 2012, and prepared by Keyser Marston Associates, Inc. The Nexus Study demonstrates that a reasonable relationship exists between the need for affordable housing and the impacts of new commercial office development within the City. A reasonable relationship also exists between the fee's use and the impacts of new commercial and office development since the developments will create new jobs. The Nexus Study demonstrates that some of the new jobs created would be filled by lower-income workers in need of affordable housing. This type of affordable housing continues to be in short supply within Mountain View. The HI Fund will be used to help increase the

supply of affordable housing in the City to meet the increased need generated by new commercial and office developments.

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

779 East Evelyn Avenue Project

\$15.70	City of Mountain View BMR Funds (previously \$16.25M)
6.00	City of Mountain View Housing Impact Funds
16.53	Tax Credit Investor Capital
16.98	Permanent Loan
2.90	Citi Community Capital
0.67	Lease-Up Income
<u>3.08</u>	Deferred Interest and Fee Waivers
<u>\$61.86</u>	Total Funding

1701 West El Camino Real Project

\$ 2.00	City of Mountain View BMR Funds
5.00	City of Mountain View Housing Impact Funds
1.00	City of Mountain View Rental Housing Impact Funds
17.00	Tax Credit Investor Capital
4.40	VHHP Loan
1.50	Sponsor Loan (new from FY15-16 report)
2.50	County of Santa Clara (new from FY15-16 report)
4.10	Impact Fee Waivers (new from FY15-16 report)
<u>0.75</u>	Deferred Interest (new from FY15-16 report)
<u>\$38.25</u>	Total Funding

460 North Shoreline Boulevard Project

\$ 6.30	City of Mountain View Housing Impact Funds
0.39	City of Mountain View HOME Funds
0.50	Housing Trust of Silicon Valley
0.57	Project Based Voucher Funding
0.25	Contributed Fee
11.86	Tax Credit Investor Capital
1.14	Deferred Developer Fee
4.51	Tranche A Permanent Loan
4.72	Tranche B Permanent Loan
<u>1.25</u>	Tranche C Permanent Loan
<u>\$31.50</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 779 East Evelyn Avenue project is being developed by ROEM Development Corporation (ROEM) and the City loan documents with ROEM closed on May 31, 2016. The HI funds detailed above have been deposited into the fund, a portion of which has been expended. The City is funding the loan and will fully disburse all loan proceeds by the completion of construction. None of the outside funding sources listed in Subparagraph (C) will be deposited into the City's account. All outside funding sources have signed loan agreements with the developer and will disburse loan proceeds by reimbursing the developer during the construction phase.

The 1701 West El Camino Real project is being developed and managed by Palo Alto Housing Corporation (PAH). The City loan with PAH closed on May 2, 2017. The HI funds detailed above have been deposited into the fund, a portion of which has been expended. The City is funding the loan and will fully disburse all loan proceeds by the completion of construction. 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 will disburse loan proceeds by reimbursing the developer during the construction phase.

The 460 North Shoreline Boulevard project will be developed and managed by MidPen Housing. This project will be funded by the City's HI funds and Home Investment Partnership Program (HOME) funds, as well as low-income housing tax credits and a permanent loan. The HI funds detailed above have been deposited into the fund and were appropriated for this project by City Council. None of the outside funding sources will be deposited into the City's account. All outside funding sources will sign loan agreements with the developer and will disburse loan proceeds by reimbursing the developer during the construction phase. It is anticipated the Council will consider this project for approval on December 5, 2017, with construction expected to begin July 2018.

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