

CITY COUNCIL POLICY

SUBJECT: MOUNTAIN VIEW EMPLOYEE HOMEBUYER AND RELOCATION ASSISTANCE PROGRAM

NO.: D-13

PURPOSE:

To establish the City's policy for a homebuyer program for City employees and relocation assistance for Council appointees, department heads, assistant directors, ~~and~~ division managers, ~~and other or a positions~~ designated by the City Manager, ~~(or designee)~~, as hard-to-fill ~~positions~~.

DEFINITIONS:

Eligible Participant: An employee who meets the eligibility requirements outlined in this policy.

First Responder: Employees designated as emergency responders, including Police, Fire, Dispatch, and designated Public Works/Public Services staff participating in the City's after-hours Duty Program.

Median Home Price: The median sales price of a detached single-family residence in Mountain View as determined quarterly by the City using a consistent, publicly available data source.

Primary Residence: The employee's principal place of residence, occupied by the employee.

Radius: The geographic eligibility area for the program, as identified in the attached GIS map. Refer to the GIS map attachment for the applicable program boundaries and eligible properties.

Separation from the City: Includes resignation, retirement, or termination of employment.

POLICY:

1. Eligibility ~~for Employee Homebuyer Program~~

- a. **General Employees** - Regular City employees who have successfully completed their ~~passed the~~ initial probationary period are eligible, provided they notify the Human Resources and Finance & Administrative Services departments of their intent to participate in the program within three (3) years of their hire date and complete the loan issuance process within ninety (90) days following such notification ~~for the Employee Homebuyer Program~~. Current employees as of the effective date of this update (June 2026) shall have three (3) years from the effective date of the update (June 2026) to notify the City of their intent to participate in the program and must complete the loan issuance process within ninety (90) days following such notification.
- b. Department ~~H~~Heads and Council ~~a~~Appointees ~~– Department heads and Council appointees who are not subject to a probationary period~~ are eligible for this program at the time of hire, provided they notify the Human Resources and Finance &

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Administrative Services departments of their intent to participate in the program within three (3) years of their hire date and complete the loan issuance process within ninety (90) days following such notification. Current Department Heads and Council appointees employed as of the effective date of this update (June 2026) shall have three (3) years from the effective date of the update (June 2026) to notify the City of their intent to participate in the program and must complete the loan issuance process within ninety (90) days following such notification.

2. Home ~~Loan~~ buyer Programs

~~The Employee Homebuyer Program shall consist of the following elements:~~
a. General Employee Loan Program

- Maximum Loan: Up to 15% of the Median Home Price
- Location Requirement: Within a 7.5-mile radius of Mountain View

b. First Responder Loan Program

- Option 1: Same as General Employee Loan Program
- Option 2: Up to 20% of the Median Home Price, for homes within a 5-mile radius of Mountain View

c. Department Heads and Council Appointees

- Option 1: Up to the median home price or 75% of the purchase price for homes within the city limits of Mountain View
- Option 2: Up to 25% of the purchase price, capped at the median home price, for homes within a 5-mile radius of Mountain View

Distances for purposes of this Program (including the 5-mile and 7.5-mile radii) shall be determined based on the attached GIS map (Attachment 1. The map shall be the controlling reference for determining eligibility, regardless of variations that may result from different mapping tools or measurement methods.

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a3. General. — Loan Terms

a. — Loan Term

Not to exceed 30 years

b. Interest Rate

Fixed rate based on the Applicable Federal Rate (AFR) at time of issuance

c. Interest-Only Payments

- Up to 7 years permitted at loan inception
- Up to 5 additional years may be approved per administrative guidelines
- Maximum total: 12 years

d. Repayment Trigger

The loan must be repaid in full upon sale or transfer of the property, in accordance with Section 7.

e. Property Requirements

- Must be the employee's primary residence
- Eligible property types: single-family, townhouse, rowhouse or condominium
- Property may not be used as a rental or investment property, including renting to short-term tenants or used for vacation rental purposes

4. Equity Requirements

- Standard Requirement: Minimum 10% borrower equity
- Exception: May be reduced to 5% at City Manager discretion

5. Secondary Financing

The City prefers to maintain a first lien position for all Program loans. If a first lien position is not feasible after documented good-faith efforts by the employee to obtain secondary financing with other lending/banking institutions, the City Manager may approve a subordinate lien position, subject to terms and conditions deemed necessary to protect the City's financial interest. Such conditions may include, but are not limited to, execution of an intercreditor or subordination agreement and limitations on financing.

Administrative guidelines shall define required documentation and approval criteria.

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6. Transfer of Loan

Subject to Finance and Administrative Services Director approval (or City Manager if the loan is for the Finance and Administrative Services Director), an employee may transfer the outstanding loan balance to a subsequent eligible property upon sale of the original property. The replacement property must meet all Program requirements in effect at the time of transfer approval. The transferred loan amount shall not exceed the outstanding principal balance of the original loan at the time of transfer approval.

The transferred loan shall retain the original interest rate; however, the repayment term shall recommence upon transfer, including eligibility for up to seven (7) years of interest-only payments, or up to twelve (12) years may be approved per administrative guidelines. The City may require updated underwriting, appraisal, title, insurance, and loan documentation as part of the transfer approval process.

The employee shall be responsible for all costs and expenses associated with the transfer process, including, but not limited to, appraisal, escrow, title, recording, legal, underwriting, and other related transaction costs.

7. Repayment Upon Separation

- Loan must be repaid within 12 months of separation
- If repaid within 6 months: no interest rate change
- If repaid after 6 months: interest rate increases by 1%
- Extensions may be granted in hardship cases, subject to City Manager approval

8. Funding Source

Funding for all loan programs shall be determined based on funds available at the time of the loan request, and as appropriated by the City Council.

9. Relocation Assistance

Eligibility

Available to department heads, Council appointees, assistant directors, division managers, and other positions designated by the City Manager (or designee) as hard-to-fill. Eligibility is limited to an employee's initial relocation associated with accepting a qualifying position with the City

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and may only be utilized one time during the employee’s tenure with the City, regardless of any subsequent promotions or appointments to other eligible positions.

Reimbursement

<u>Distance of Move</u>	<u>Maximum Reimbursement</u>
Up to 10 miles	\$4,000
10.1 - 25.0 miles	\$6,000
Over 25 miles	\$8,000, plus temporary housing

~~Loan of up to \$250,000 to assist with purchasing a home in, or within a 10-mile radius of, Mountain View.~~

- ~~• Temporary housing: Up to \$192/day for up to 60 days within 5 miles of Mountain View~~
- ~~• Move must occur within one year of appointment~~

Administration of Relocation Assistance

- ~~• Subject to Finance and Administrative Services Department procedures and IRS regulations~~
- ~~• May be taxable and subject to withholding~~

10. Overall Administration

The City Council will authorize housing and/or relocation assistance for Council appointees under this Policy. The City Manager will authorize housing and/or relocation assistance for all other employees under this Policy.

Administrative procedures and guidelines shall be developed and maintained by staff and approved by the City Manager.

Attachment: GIS Map

~~First Responders:~~

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~~First responders are eligible for either the All Employees loan above, or a loan of up to \$500,000 to assist with purchasing a home in, or within a five-mile radius of, Mountain View.~~

~~First responders include Police and Fire emergency responders (Firefighter/Paramedic, Fire Engineer, Fire Captain, Battalion Chief, Deputy Fire Chief, Police Officer, Police Sergeant, Police Lieutenant, Police Captain, Public Safety Dispatcher I, II, III, Lead Public Safety Dispatcher, Public Safety Dispatch Coordinator, and Emergency Communications Manager) and Public Works/Public Services employees designated to respond to calls for service as defined in the City's after-hours Duty Program set forth in the Memorandum of Understanding between the Service Employees International Union (SEIU) and the City of Mountain View. New or reclassified positions may be designated by the City Manager as first responders.~~

~~For All Employee and First Responder loans, the maximum loan amount will be adjusted annually, beginning in December 2019, based on the annual change (December to December) in the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-Hayward urban area.~~

~~— Department Heads and Council Appointees:~~

~~Loan of up to the median home price in Mountain View or 75% of the sales price, whichever is lower, to assist with purchasing a home in Mountain View; or a loan of up to 25% of the sales price, to a maximum of median home price in Mountain View, for a home within a five-mile radius of Mountain View.~~

~~The employee must establish a minimum equity in the property equal to at least 10% of the total purchase price of the residence. At the City Manager's discretion, equity in the property may be reduced to 5% for unusual circumstances. In the case that the City's loan does not exceed \$500,000, a minimum equity in the property is not required.~~

~~For department heads, if the participant requires a second loan on the property, it is the City's preference for any additional loan to be subordinated to the City's loan; however, after good-faith attempts to do so are unsuccessful, the City Manager may approve a secondary lien position for the City's loan.~~

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~~b. Source of Loan Funds:~~

~~For All Eligible Participants:~~

~~The funding source for the loan programs will be determined based on availability of funding and approved by City Council.~~

~~c. Loan Terms and Repayment:~~

- ~~• Loan term is not to exceed 30 years.~~
- ~~• Fixed interest rate will be determined based on the Applicable Federal Rate (AFR) at the time the loan is issued, for all loans.~~
- ~~• The eligible participant may make interest-only payments for up to three years at the start of the loan. Participants may request up to four additional years of interest-only payments, to a maximum of seven years, which will be evaluated and considered as set forth in the procedural guidelines.~~
- ~~• For interest only payment option, when principal payments commence, the principal will be amortized over the remaining life of the loan.~~
- ~~• The City will be repaid in full upon the sale or transfer of the property.~~
- ~~• The purchased property must be the primary residence of the employee and may be a single family home, townhouse, rowhouse, or condominium.~~
- ~~• The home cannot be rented.~~

~~d. Loan Repayment Upon Separating from the City:~~

- ~~• Upon a participant's separation from the City, the full loan must be paid within 12 months. If the loan is repaid within six months, the interest rate will not change. For repayment after six months, the interest rate will increase by 1%.~~
- ~~• Additional time for repayment may be allowed in hardship situations, as approved by the City Manager or designee.~~

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~~e. Relocation Assistance~~

- ~~• The following positions may request relocation assistance: department heads, Council appointees, assistant directors, and division managers or a position designated by the City Manager, or designee, as a hard to fill position.~~
- ~~• Relocation assistance may be requested for a move occurring within one year of date of appointment.~~
- ~~• For a move more than 10 miles but less than 25 miles, up to \$4,500 in reimbursement will be provided upon receipt and approval of documentation of reasonable and necessary moving expenses.~~
- ~~• For a move greater than 25 miles, up to \$6,500 reimbursement will be provided upon receipt and approval of documentation of reasonable and necessary moving expenses. In addition, reimbursement for temporary housing, within five miles of Mountain View, at a rate of up to \$100 per day for no more than 60 days, upon receipt and approval of documentation of such temporary housing.~~
- ~~• Reimbursements will be administered in accordance with procedures set forth by the Finance and Administrative Services Department and IRS regulations. Reimbursements may be a taxable benefit and subject to tax withholdings.~~
- ~~• The maximum reimbursement amount will be adjusted annually, beginning in December 2019, based on the annual change (December to December) in the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-Hayward urban area.~~

PROCEDURE:

The guidelines for this program shall be developed by staff and approved by the City Manager.

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~~The City Council will authorize housing and/or relocation assistance for Council appointees under this Policy. The City Manager will authorize housing and/or relocation assistance for all other employees under this Policy.~~

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