



COUNCIL REPORT

DATE: January 27, 2026

CATEGORY: Consent

DEPT.: Housing

TITLE: **Mountain View Affordable Housing Initiative Fund – Partnership with Los Altos Mountain View Community Foundation**

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Mountain View (1) Appropriating One Million Dollars (\$1,000,000) in the City’s Below Market Rate Housing Fund to Fund the Mountain View Affordable Housing Initiative Fund With the Los Altos Mountain View Community Foundation; and (2) Authorizing the City Manager or Designee to Negotiate and Execute the Funding Agreement with the Los Altos Mountain View Community Foundation, and to Negotiate and Execute All Necessary Documents to Effectuate Its Purposes, to be read in title only, further reading waived (Attachment 1 to Council Report).

BACKGROUND

The City has been a leader in increasing the supply, diversity, and affordability of housing. This leadership is reflected in the City’s Strategic Priorities – including facilitating a “Community for All” and “Intentional Development of Housing Options” – and the biannual Council Work Plan.

The Housing Department implements several programs to advance these City priorities, including funding an extensive affordable housing development pipeline to increase supply, developing an acquisition/preservation strategy to retain naturally affordable housing, and developing a low- and middle-income homeownership strategy to increase homeownership in Mountain View. Since 2014, the City has invested \$119 million in affordable housing.

The need for affordable housing is significant given the extraordinarily high cost of housing in Mountain View and in the region, and there is not enough funding to meet the demand. As such, the City has undertaken actions to secure external funding and form partnerships over the past few years. This has included successfully securing various State and federal grants to fund projects and programs. Additionally, the City and the County of Santa Clara established a Memorandum of Understanding in 2019 to allocate Measure A funds to advance the City’s affordable housing pipeline.

Yet, more funding partnerships are needed. To that end, staff has collaborated with the Los Altos

Mountain View Community Foundation (“LAMVCF”) to develop the Mountain View Affordable Housing Initiative Fund (“Fund”) to advance affordable housing opportunities in the City.

ANALYSIS

The proposed partnership between the City and LAMVCF aligns with the City’s 2022-27 Affordable Housing Strategy to identify partnerships to fund the City’s affordable housing pipeline and the 2023-31 Housing Element, which includes Program 4.4 “Partnerships to Support Affordable Housing” including “programmatic partnerships” with philanthropic agencies to leverage funds for a range of projects.

More broadly, there has been increased interest regionally over the past few years to identify new ways of increasing affordable housing funding from sources that have not historically been part of the system. Partnerships with foundations and philanthropic organizations have been identified as an untapped opportunity to address this interest.

LAMVCF

LAMVCF is a 501(c)(3) nonprofit public benefit corporation serving as a regional philanthropic partner supporting local community impact initiatives, including affordable housing. LAMVCF has partnered with the City in the past on various initiatives, such as the creation of the TogetherMV fund to support small business loans and tenant rent relief, supporting the Mompreneur Program’s participation in the City’s workforce development grant program, and acting as the fiscal sponsor for the City’s funding of the Solidarity Fund, an unrestricted financial assistance program for extremely low-income residents to provide vulnerable households greater stability during the COVID-19 pandemic.

Mountain View Affordable Housing Initiative Fund (Fund)

The proposed Mountain View Affordable Housing Initiative Fund builds on the partnership between the City and LAMVCF. The Fund will serve as a vehicle for attracting private donations that would be used to advance key affordable housing initiatives in Mountain View. LAMVCF recognizes the need for affordable housing in the community to support lower-income households and the Mountain View workforce, and seeks to advance its community impact initiatives in collaboration with the City to attract much-needed resources to advance the City’s affordable housing priorities.

This Fund will be a unique partnership between a foundation and a public sector agency, and represents an innovative approach to addressing one of the most pressing issues in Mountain View and Silicon Valley. The approach includes undertaking donor engagement activities to attract philanthropic funding from individuals who are drawn to the issue of affordable housing.

To maximize the ability to attract private donations, the Fund would be seeded with a City grant contribution of one million dollars (\$1,000,000) from the Below Market Rate Housing Fund (“BMR Housing Fund”). This will allow donor engagement efforts to demonstrate that the City has “skin in the game,” which has been a consistent theme that staff have heard over the past two years regarding a key barrier that must be overcome to attract philanthropic funding.

Key elements of the Fund include:

- City control over use of City and donated funds to achieve City-identified affordable housing priorities.
- Goal to achieve at least a 1-to-1 match, i.e., attract \$1 of philanthropic funding for every dollar of City grant.
- Various eligible activities in Mountain View, such as new construction projects; the acquisition, preservation and/or rehabilitation of existing housing; homebuyer programs; or other types of projects or programs on a case-by-case basis as approved by the City. However, advancing new construction projects as part of the City’s affordable housing pipeline is a priority activity.
- Fund will retain and use any interest earned on the City contribution for affordable housing purposes.
- A three percent (3%) administrative fee consistent with LAMVCF’s policy will apply to the City’s \$1.0 million contribution. Donor contributions will be used to offset this administrative fee.
- City approval of all invoices and Fund expenditures to be paid out of the Fund.
- City has the ability to require the return of its grant contribution if the Fund does not attract sufficient philanthropic donations.

Next Steps

If Council approves the recommended actions, staff will coordinate with LAMVCF to execute the funding grant and begin implementing donor engagement activities to attract philanthropic donations to the Fund.

FISCAL IMPACT

The recommended action has no impact to the General Fund. If City Council approves the recommended action, a grant of one million dollars (\$1,000,000) from the City's BMR Housing Fund will be deposited into the Fund for the purpose of attracting private donations to increase resources for affordable housing initiatives in Mountain View. The grant agreement will allow the City to request the return of the funds if the Fund has not substantially advanced its goal to attract philanthropic donations.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a "license, permit, or other entitlement for use" if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

SUBJECT TO THE LEVINE ACT

☒ Contract or franchise agreement

ALTERNATIVES

1. Approve a different amount of grant funding from the City's BMR Housing Fund to be deposited into the fund.
2. Provide other direction.

PUBLIC NOTICING

Agenda posting and a copy of report to LAMVCF Executive Director.

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Attachment: 1. Resolution