



COUNCIL REPORT

DATE: September 9, 2025

CATEGORY: New Business

DEPT.: Housing

TITLE: **Community Ownership Action Plan –
Housing Element Program 3.2**

RECOMMENDATION

Staff recommends that the City Council take the following actions on the Community Ownership Action Plan:

1. Approve the Community Ownership Action Plan vision and guiding principles (Topic 3).
2. Approve the recommended City roles (Topic 5).
3. Approve the recommended terms for City Funding for Community Ownership projects and a Technical Assistance Grant Program.
4. Adopt a Resolution of the City Council of the City of Mountain View to appropriate \$75,000 from the General Housing Fund for a Technical Assistance Grant Program (Topic 6), to be read in title only, further reading waived (Attachment 1 to the Council report).
5. Approve the recommendation to fund services through the Technical Assistance Grant Program to support goals related to the Opportunity to Purchase Act, and continue to monitor the feasibility of an Opportunity to Purchase program in the future (Topic 7).

EXECUTIVE SUMMARY

The City's Community Ownership Action Plan (COAP) seeks to facilitate the creation of innovative housing models to meet various housing needs not addressed by the existing system. Development of the COAP is a requirement of the City's adopted 2023-31 Housing Element as part of Program 3.2 to address tenant displacement.

The defining characteristics for community ownership projects include: 1) mission-driven organizations permanently owning land and operating affordable housing projects in perpetuity, 2) shared governance where residents are part of decision-making, and 3) community stewardship incorporating sound long-term management practices and involving non-residents.

These projects provide important alternatives to for-profit housing and traditional affordable housing projects. However, there is consensus that community ownership projects can be challenging to execute, and significantly greater resources and support are needed. There is strong interest in the Bay Area to support these models, with many organizations across sectors working together to mobilize resources and technical expertise.

At the same time, Mountain View is one of just a handful of cities that has or is developing a plan, and can play an important role in supporting both regional and local efforts to build capacity, increase resources, and form partnerships to facilitate successful community ownership housing. This will allow the City to be part of the collective effort to leverage external resources and jointly problem solve, while developing a COAP that is responsive to Mountain View's priorities.

Staff seeks Council approval on the recommendations for the COAP vision and guiding principles, City roles, and terms for City funding for community ownership project and a Technical Assistance Grant Program. **Based on Council's direction, staff will develop: 1) a NOFA, evaluation criteria, and underwriting guidelines for community ownership projects, 2) the Technical Assistance Grant Program targeting release in October 2025, and 3) develop the Draft COAP for Council consideration anticipated in Q1 2026.**

BACKGROUND

Over the past decade, approximately 1,000 housing units covered under the City's Community Stabilization and Fair Rent Act have been or will be demolished as part of new residential redevelopment projects. In 2019 and 2020, the City began the process of developing a comprehensive displacement response strategy (Strategy) to prevent tenants from being displaced from their homes or to mitigate the impacts if displacement is unavoidable. The COVID-19 pandemic temporarily redirected staff resources from development of the Strategy to other housing projects and efforts. Development of the Strategy resumed in January 2023. In May 2023, the State certified the City's 2023-31 Housing Element (Housing Element).

Housing Element Program 3.2

Developing the COAP is part of the City's State-certified 2023-31 Housing Element Program 3.2 to comprehensively address the displacement of tenants from housing covered under the City's rent-stabilization program, known as the Community Stabilization and Fair Rent Act (CSFRA).¹ Housing Element Program 3.2 includes the following specific requirements related to developing a Community Ownership Action Plan:

¹ Housing Element Program 3.2 includes several other requirements that are not related to the COAP, such as reviewing the City's Tenant Relocation Assistance Ordinance, modifying allowable rent increases in the Mobile Home Rent Stabilization Ordinance, and evaluating alternatives to displacement.

- **Objectives and Metrics** – “Create a community ownership action plan for a community ownership model/structure that, with community partners, could address housing needs that are not met through traditional affordable housing and that could take part in preservation and acquisition activities. The action plan will identify the City’s and other organizations’ responsibilities, establish a schedule such that acquisition could occur within two years, depending on the timing of funding opportunities and the fulfillment of other organizations’ responsibilities” and “...community ownership models to acquire/preserve at least 50 housing units.”
- **Milestone and Timeframe** – “Create community ownership action plan by June 30, 2025.”

During the Housing Element Update outreach process, the City received feedback that the existing housing system does not meet the full range of community housing needs and that new approaches are needed to promote housing stability and greater control over their lives. As such, the core goal of the COAP is to facilitate the acquisition/preservation of existing housing units, specifically CSFRA units, through new methods and housing models. There was also community interest in evaluating how the COAP can apply to mobile home units/parks.

March 19, 2024 Council Study Session

[On March 19, 2024](#), Council held a Study Session to provide direction on acquisition/preservation funding and scope of work related to the COAP, as follows:

- Providing seed funding of \$4 million in City housing funds to catalyze and leverage external funding, for an overall pool of \$20 million for the acquisition of 50 or more existing housing units covered under the City’s Community Stabilization and Fair Rent Act (CSFRA).
- Scope of work to develop a COAP through a consultant process, including integrating the evaluation of an Opportunity to Purchase Act program as part of the process. Council also asked staff to evaluate options to provide early funding for an acquisition/preservation project prior to adoption of the COAP.

Scope of Work

On June 7, 2024, the City issued a [Request for Proposals \(RFP\)](#) to select a consultant to develop the COAP based on the scope of work presented at the March 2024 Study Session. The City selected the joint consultant team (Consultant) of Community Planning Collaborative (CPC, lead consultant) and ECONorthwest (economic consultant). The Consultant was onboarded and the project kicked off at the end of August 2024. The following is a high-level summary of the key scope of work elements, including the COAP Advisory Committee; focused stakeholder outreach; analysis of literature, case studies, and best practices; and economic analysis/financial modeling.

COAP Advisory Committee (COAPAC)

Staff and the consultant convened a 12-member Advisory Committee to provide key input on development of the COAP.² The COAPAC selection process included identifying key housing leaders and community partners in Mountain View and the region across sectors who may play a role in supporting COAP implementation.

The City held eight COAPAC meetings between October 2024 and June 2025, which included Spanish interpretation as well as translation of presentations and meeting notes/summaries. The COAPAC discussed the following topics – informed by stakeholder input, consultant research, and economic modeling – with a high-level summary of COAPAC input for each. Detailed summaries are in Attachment 2.

- *Problem Statement – What is the COAP trying to solve?*

Summary of COAPAC input: There was COAPAC consensus that market forces and the prioritization of profits over the needs of people are a fundamental cause of housing instability. Additionally, traditional affordable housing may not be sufficiently affordable or flexible. The existing housing system is not structured to create alternative housing models necessary to meet the range of the community's housing needs.

- *Vision and Guiding Principles*

Summary of COAPAC input: There was COAPAC consensus that housing models should put people first (“people-centered”), existing housing units should be taken off of the market and be operated affordably in perpetuity (“decommodification”), residents should have a say in what happens to their housing, and residents should be thought of holistically rather than as just someone who pays rent. The vision and guiding principles are discussed further in the Analysis section below.

² Advisory Committee members include: Day Worker Center of Mountain View; Destination Home; Housing Trust Silicon Valley; Mountain View Community Land Trust (formerly the Solidarity Fund); Mountain View Mobile Home Alliance; Mountain View Tenants Coalition; San Francisco Housing Accelerator Fund; Santa Clara County Housing Authority; Santa Clara County Office of Supportive Housing; Silicon Valley Community Foundation; South Bay Community Land Trust; and SV@Home.

- *What is “community ownership” and what are the different models?*

Summary of COAPAC input: The COAPAC reviewed different housing models and there was consensus that the COAP should be flexible enough to support a range of models.

- *City roles and funding*

Summary of COAPAC input: The COAPAC discussed the different roles that the City can have and multiple roles as presented later in this report. The COAPAC expressed a range of views for terms related to City funding for community ownership projects. Some felt that a loan structure with flexible terms was appropriate. Others felt that the City could consider grants to help get initial projects off the ground.

- *Opportunity to Purchase Act*

Summary of COAPAC input: The COAPAC expressed a range of views regarding the OPA. Some felt that OPA goals could be achieved through other means besides creating an OPA program. Others felt that the City should consider creating an OPA program. Those members felt that this was an opportune time, and tenant notification of properties for sale was an important goal in itself, even if an OPA program may not have a practical impact at this time in terms of allowing a mission-driven organization to acquire a building.

Stakeholder Outreach

Staff and Consultant conducted focused stakeholder interviews as discussed in March 2024. A total of 18 interviews were held with several groups including the San Francisco Community Land Trust (SF CLT), the Bay Area Housing Finance Authority (BAHFA), Enterprise Community Partners, LISC Bay Area, Sobrato Philanthropies, the City of Oakland, the City of San Francisco, and the City of San Jose. Additionally, stakeholder meetings were held with each of the COAPAC members to provide an opportunity for more time and direct engagement outside of the Advisory Committee meetings. Key feedback included:

- Commending Mountain View for its leadership in developing the COAP.
- Funding is available but very limited. Jurisdictions with dedicated funding are more likely to attract funding and facilitate projects. There is interest in exploring funding partnerships with Mountain View.
- Partnerships between new mission-driven organizations and experienced organizations have been the key to starting initial projects; yet projects are still challenging, and it may

take time to form development partnerships, in part due to the experienced organizations' lack of capacity to provide support on a wider scale.

- Organizations need expertise throughout the project lifecycle. While there has been significant emphasis on how a mission-driven organization can acquire properties, just as important are all of the other aspects necessary to operate a project over the long-term. These include but are not limited to early due diligence/tenant outreach, rehabilitation/general contractor management, tenant relocation (if any), operations (such as lease-up, maintenance, etc), asset management, etc.
- The regional efforts are still growing and evolving. Some organizations are working on expanding their activity beyond San Francisco and Oakland, and how to support and transfer expertise and capacity to new mission-driven organizations.

Consultant Research

The Consultant conducted research on established and emerging models of community-owned housing in other communities; lessons learned; funding practices; and Opportunity to Purchase programs that have been implemented or evaluated in other jurisdictions. Findings include:

- There are several different community ownership models, some with a longer history than others. The models have shared similarities but also differences in the way they are structured to facilitate community ownership projects, such as the way they incorporate shared governance and community stewardship practices.
- Community ownership models are a necessary alternative to existing housing models, even if they pose new challenges and operational considerations.
- Funding needs may be different than those for traditional affordable housing development.
- Opportunity to Purchase Act programs can be contentious, should be structured to address certain property-owner concerns, and require project funding and capacity before an OPA program can have a practical impact.

Economic Analysis/Financial Modeling

ECONorthwest performed economic and financial analysis to better understand the total development costs to acquire, rehabilitate, and operate a multifamily building as community ownership housing. Based on market research, stakeholder input, and input from the Advisory Committee, the analysis tested a range of project scenarios. Key findings of the analysis include:

- The total estimated funding needed to facilitate 50 units of acquisition/preservation projects increased to \$25 million, higher than earlier estimates of \$20 million. The increased amount reflects a higher level of rehabilitation costs as well as costs associated with operating and programming a community ownership project.
- Actual costs and funding needed will vary based on many variables, such as purchase price, rehabilitation needs, target affordability and rent levels, financing terms, and operating and program costs, shared governance model, programming, tenant and community engagement, etc.
- The costs of community ownership housing can be higher than expected due to the cost of acquisition, rehabilitation needs, and the operating model, but are lower than new construction projects.
- Traditional affordable housing funding is primarily focused on new construction, and funding for acquisition/preservation projects may have requirements that do not fit the operating models of community ownership projects. As a result, community ownership projects likely need funding that is more flexible than traditional financing terms.

ANALYSIS

This Analysis section is organized into seven topics: 1) Defining “Community Ownership”; 2) Types of Community Ownership Models; 3) COAP Vision and Guiding Principles; 4) Existing Conditions, & Multiple Capacity-Building Efforts; 5) Recommended City Roles; 6) City Funding for Community Ownership Projects and Technical Assistance; and 7) Evaluation of Opportunity to Purchase Act.

Each Topic is informed by the scope of work that has been conducted by staff and Consultant, as well as COAPAC and stakeholder input, as discussed above.

Topic 1: Defining “Community Ownership”

The COAPAC discussed the definition of “community ownership”, the problems that community ownership models seek to address, and the challenges that exist in the housing system. In sum, the private housing market focuses on delivering high-cost units that are out of reach for low-income and moderate-income residents, particularly in high-income areas. Additionally, while traditional subsidized housing provides units that are affordable to many, these programs are underfunded, their rules can be a barrier to some households, and their rents can still be too high for the lowest-income families. Finally, many of the City’s existing housing units are under the CSFRA. These properties are older, smaller, and at higher risk of demolition, resulting in an unstable living situation for tenants who may be displaced by redevelopment projects.

The COAPAC reached the consensus that community ownership has three defining elements: decommodification, shared governance, and community stewardship (See Table 1):

Table 1. Defining Elements of Community Ownership

Elements	Characteristics
Decommodification	<ul style="list-style-type: none"> • Land/housing permanently removed from market. • Removes speculation, rising property values, profit-seeking, or redevelopment that may drive up rents and/or displace tenants. • Residents, land, and housing regarded holistically rather than as primarily economic inputs or financial assets. • Housing is affordable in perpetuity. • Different ways to structure land/property ownership but always involves mission-driven organization (see Topic 2).
Shared Governance	<ul style="list-style-type: none"> • Residents have meaningful decision-making roles; inexperienced residents need education/training. • May include non-residents/external community members. • Different models of shared governance exist.
Community Stewardship	<ul style="list-style-type: none"> • Long-term approach to operate housing to meet needs of current and future residents; with a focus on resident stability. • Incorporates sound practices to maintain longevity of the structure. • May include non-residents into operations of the housing (such as to develop programs, activities, or services) as part of a broader community orientation. “Non-residents” could include neighbors, partners in the project, or other stakeholders.

Topic 2: Types of Community Ownership Models

The Consultant and staff identified several types of community ownership housing models. Some models are relatively well-established — such as the community land trust model — while others are newer or emerging. Interest in these models has increased in recent years, leading to a significant increase in mission-driven entities in the past decade.

Illustrative examples of these models include but are not limited to :

- **Community Land Trusts (CLTs):** CLTs are non-profit organizations that typically acquire land on the open market, through land donations, or at a discount through public entities such as city agencies or county land banks. A CLT retains that land in perpetuity and is never sold. In an ownership project, individual units or homes are sold to households through a long-term ground lease that restricts the resale value of the unit. Alternatively, the units can be rented to households. A CLT might choose to acquire a site and develop new units, or acquire and rehabilitate existing units.
- **Limited Equity Cooperatives (LECs):** Residents collectively own a building through a cooperative corporation (co-op). Residents purchase shares through the co-op, and the shares can be sold but with restrictions on resale value to maintain affordability.
- **Mutual Housing Associations:** Nonprofits that construct, own, and/or operate affordable housing. Residents – and often the larger community surrounding the affordable housing – participate in governance. These are usually rental properties.
- **Resident-Owned Communities (ROCs):** Residents collectively own and manage mobile home parks. This is in contrast to typical mobile home parks where a mobile home owner rents a space in a mobile home park.

Housing projects within each model can be structured differently, with each project adapted to fit specific local conditions, such as land costs, financing availability, and community priorities. Nevertheless, all models incorporate permanent affordability, shared governance, and community stewardship.

Governance Structures

As noted, shared governance with resident participation is a defining feature of community ownership. Common approaches include:

- **Governing Boards:** Often including a mix of residents, community members, and government stakeholders.
- **Resident Councils:** Forums where tenants meet regularly with property managers to discuss issues and priorities.
- **Tenant Committees:** Formal bodies with authority over certain policies or decisions, such as rent setting or capital improvements.

Topic 3: COAP Vision and Guiding Principles

Vision

The Advisory Committee achieved consensus on the following vision for the COAP:

“A future where innovative housing models support community well-being, health, connectedness, affordability, and stability for all.”

The COAPAC articulated several key premises that led to this vision, including the definition of community ownership, which emphasizes people-centered housing, as well as viewing people and housing holistically – such as the residents’ physical health and mental well-being – and not just as economic units.

Guiding Principles

The COAPAC also achieved consensus on the following six guiding principles based on the community ownership definition and vision. These guiding principles will be used to develop the Community Ownership Action Plan as well as the City’s funding criteria for projects (discussed in Topic 5 below):

- **Decommodification:** A mission-driven, community-based organization owns the land and operates the housing at affordable levels in perpetuity, centered on the needs of people over financial returns, and prioritizing resident stability.
- **Shared Governance:** Residents have active role in shaping operations and decisions.
- **Community Stewardship:** Long-term approach to management, considering current and future residents, sound operations, and community building.
- **Capacity Building:** Support local organizations and regional efforts to deliver successful community ownership projects in Mountain View.
- **System Transformation:** Facilitate the creation of new partnerships, funding, and other resources to deliver COAP housing models.
- **Continuous Improvement:** Use data and feedback for ongoing refinement of the COAP.

Summary: Staff recommends that Council approve the COAP vision and guiding principles, which will provide the framework for developing a draft COAP, as well as the City funding programs recommended in Topic 6.

Topic 4: Existing Conditions & Multiple Capacity-Building Efforts

There is strong and growing interest in the Bay Area and across the State to support community ownership housing, with many organizations across sectors working together to identify how best to work together. However, the current system lacks the resources and structure to adequately support community ownership models.

Staff have identified three key challenges: limited technical and organizational capacity, insufficient funding, lack of common standards.

Table 2. Key Challenges to Supporting Community Ownership

Constraints	Issues
Limited Technical and Organizational Capacity	<ul style="list-style-type: none"> • New organizations lack sufficient expertise across range of project needs.³ • Requires partnerships with more experienced developers, hiring experienced professionals, and/or contracting necessary services. • Established nonprofits are interested in community ownership but: <ul style="list-style-type: none"> — Such projects usually too small for their business model. — Costs/staff time often higher than expected when supporting a CLT, potentially limiting future partnerships.
Insufficient Funding	<ul style="list-style-type: none"> • Limited existing funding sources for innovative models. • Existing funding often structured with traditional terms affordable housing projects and lacks flexibility.
Lack of Common Standards	<ul style="list-style-type: none"> • Project-specific priorities and characteristics vary. • Time-intensive to review each unique project, evaluate the likelihood of success, and determine funding levels. • Lack of common standards that balance flexibility while ensuring appropriate safeguards.

Multi-Sector Efforts

As mentioned, organizations across sectors are supporting the movement for community ownership, such as:

³ Projects are complex and require expertise in multiple areas, such as but not limited to financing, acquisition, rehabilitation/construction, leasing, operations, asset management, monitoring/compliance, tenant organizing, fair housing, etc).

- **Experienced mission-driven organizations**⁴ – Staff is aware of several organizations (such as more established CLTs and traditional non-profit housing developers) that support emerging and new CLTs through workshops, contract services, or formal partnerships to support property acquisition, financing/pro forma review, developing shared governance structures, operations, and tenant organizing.
- **Cohort groups** – There are several cohort groups that support acquisition/preservation efforts generally as well as community ownership/CLT models specifically, such as the South Bay-Peninsula Preservation Lab, Regional CLT Cohort, and the California Community Land Trust Network. These cohort groups facilitate peer learning and sharing information about projects and funding opportunities.
- **Intermediaries** – Organizations such as Enterprise Community Partners and Local Initiatives Support Corporation (LISC) have played key roles as funders, trainers, and technical assistance providers for CLTs.
- **Philanthropy** – Various philanthropic organizations have supported CLTs with technical assistance as well as evaluating other options to support community ownership projects.
- **Governmental agencies**⁵ – Agencies at all levels – including local, regional, State, and Federal – have implemented or are evaluating funding programs to support acquisition/preservation projects. However, community ownership projects may need greater flexibility than what these funds currently provide.

City Participation in Regional Efforts

Over the past year, staff have participated in regional cohort groups and met with nearly all of the multi-sector agencies discussed above. Additionally, the City was a recipient of the Breakthrough Grant as part of the Partnership for the Bay's Future through the San Francisco Foundation. The Breakthrough Grant provided a fellow to support the City's tenant displacement response strategy, among other efforts.

Despite the important multi-sector efforts to build the capacity of organizations to undertake community ownership projects which are necessary alternative models to for-profit and traditional affordable housing, **there is consensus that 1) community ownership projects can be challenging to execute, 2) new community-based organizations need significant support, and 3) the need for more resources, capacity, expertise, and support is significantly greater than**

⁴ Examples include San Francisco CLT, San Francisco Housing Accelerator Fund, East Bay Asian Local Development Corporation, Mission Economic Development Agency, and MidPen Housing.

⁵ Examples include Cities of San Francisco, Oakland, and San Jose, Santa Clara County, Santa Clara County Housing Authority, Bay Area Finance Authority, State Department of Housing and Community Development, and federal Department of Housing and Urban Development.

what is currently available. The City can play an important role as both beneficiary of and contributor to these multi-sector efforts, as discussed further in Topic 5.

Community-Based Efforts in Mountain View

There is significant interest among community-based organizations to deliver community ownership projects in Mountain View. Staff have met multiple times with the Mountain View Community Land Trust (MV CLT) (formerly the Fondo de la Solidaridad, or the Solidarity Fund) and at least one other organization in Mountain View that is interested in forming a CLT. Additionally, the COAPAC discussed the potential for a more regional approach, where organizations or CLTs could operate across Santa Clara County, rather than smaller CLTs forming and operating only in individual cities.

MV CLT has incorporated as a 501(c)3 nonprofit and is currently the furthest along in developing a business model for community ownership projects, with the following milestones achieved:

- Secured \$1.5 million unrestricted grant funding from Google.org.
- Hired contracted staff and consultants, including a Co-Director, legal services, and governmental affairs. Receiving pro bono technical assistance from SF CLT to develop its pro forma and skills related to property acquisition and rehabilitation. Volunteers also support MV CLT's efforts.
- Developing conceptual model for a 15-20 unit acquisition/preservation project, including initial operating plans and pro formas for their first project.
- Participating in State and regional CLT peer-learning cohorts as described above.

Prior to the formation of the 501(c)3, staff met with the Solidarity Fund several times and connected the organization to foundations and external funding opportunities to support its process of forming the MV CLT. After the MV CLT was formally established, staff continued to meet with the group to learn about the new organization, provide review and feedback regarding its conceptual housing model and pro formas, and support their grant funding applications to external agencies.

MV CLT, who has made a good start, is aware that it needs to further develop its business plan, housing model, and capacity/expertise in-house or via partnerships to successfully deliver its first project. Staff will continue to work with MV CLT, other local community-based organizations, and regional efforts to build the capacity of organizations to deliver successful community ownership projects in Mountain View.

Topic 5: Recommended City Roles

Mountain View is one of just a handful of cities that has or is developing a community ownership plan and can play an important role in supporting both regional and local efforts to build capacity, increase resources, and form partnerships to facilitate successful community ownership housing.

Staff recommends four key roles for the City as shown in Table 3:

Table 3. Recommended City Roles

Role	Actions
Funder	<ul style="list-style-type: none"> • Fund acquisition/preservation, prioritizing community ownership models. • Create unique, flexible loan program that can fund different models, meet project-specific needs, and be balanced with appropriate safeguards (Topic 6).
Capacity Builder	<ul style="list-style-type: none"> • Fund technical assistance to support mission-driven organizations to successfully undertake projects in Mountain View (Topic 6). • Establish new partnerships and funding with other agencies. • Connect organizations with expertise and funding across the region. • Help organizations navigate complex projects.
Convener	<ul style="list-style-type: none"> • Continue to convene COAPAC to oversee COAP implementation. • Bring partners together to align priorities, share information, and collaborate.
Policy Leader	<ul style="list-style-type: none"> • Complete and implement COAP; iterate over time as needed. • Participate in regional initiatives. • Be a resource and share best practices. • Advocate for State policies that support the COAP.

Summary: Staff recommends Council approve the recommended City roles, which will maximize the City's ability to form partnerships and implement an effective COAP. The City cannot do this work alone, and partnerships and external resources will be required. At the same time, the COAP can serve as a model for other jurisdictions to consider. These four City roles will allow the City to benefit from as well as contribute to local and regional initiatives.

Topic 6: City Funding for Community Ownership Projects and Technical Assistance

Funding Overview for Community Ownership Projects

In the March 2024 Study Session, Council supported staff's recommendation for the City to allocate \$4 million to leverage at least \$16 million in external funding towards the creation of an overall \$20 million pool that the City would implement likely with a third-party fiscal agent. This \$20 million funding pool was estimated to be the minimum amount of funding necessary to achieve the 50-unit goal in the City's Housing Element.

Since the Study Session:

- The City has held discussions with several organizations that are evaluating potential options to support a future project in Mountain View. These discussions have been fruitful, but no funding commitment towards the \$20 million pool has been made at this time.
- MV CLT has secured \$1.5 million in grant funding from Google.org (See Topic 4). Google.org allocated the funding directly to MV CLT. Staff are supportive of funding that may go directly to a mission-driven organization rather than the \$20 million pool; the primary goal of the City's funding is to catalyze and unlock new funding for Mountain View projects whether it goes to the City or directly to an organization.
- As discussed, City's Consultant has estimated that the overall funding needed for 50 units has increased from \$20 million to \$25 million.⁶ Staff recommends using \$25 million as the target funding goal.
- Consultant and staff have evaluated several funding programs in the Bay Area, most or all of which appear to be structured as loans with more traditional terms.

Recommended City Funding Terms

Staff recommends that City funding (which includes the \$4 million as well as any future external contributions to the \$20 million-\$25 million funding pool) be provided as loans that are flexibly structured as compared to the more traditional terms the City provides for typical affordable housing projects (See Table 4).

⁶ At this time, staff is not recommending that the City increase its \$4 million funding contribution to address this increased need due to the lack of City housing funds. Staff will monitor the City's housing fund balance and evaluate potential options for increased funding when the COAP is presented to Council for adoption (estimated to occur in Q1 2026).

Table 4. Comparison of Current City Funding Program v. Proposed COAP Program

Term	Current Program	Proposed COAP Program*
Activity	• Acquisition, Construction	• Acquisition, Rehabilitation
Funding Type	• Loan	• Loan
Duration	• 55 years	• Flexible : 3 to 55 years
Interest Rate	• 3% simple	• Flexible : 0% to 3% simple
Repayment	• Fixed (deferred during predevelopment, discretion on when interest is applied)	• Flexible : Fixed, Deferrable, or Forgivable (more details needed to determine thresholds for deferrable/forgivable loan)
Amount	• Depends on project; no maximum or minimum stipulated	• Maximum: \$100,000/unit.
Rehabilitation requirements	• Not applicable (loans are for new construction)	• Rehabilitation needs established through capital needs assessment . Soft story retrofits required if assessment demonstrates need
Affordability Levels	• Maximum 80% AMI	• Maximum 80% AMI at initial lease-up; evaluating flexibility for households who become over-income

* Bolded terms reflect the differences between the proposed COAP program and the current program for affordable housing projects.

Staff recommends a flexible loan structure because:

- A wider range of community ownership models (such as those discussed in Topic 2) can be supported.
- It provides the necessary balance between meeting the unique needs of each community ownership project while providing appropriate safeguards of public funding. Safeguards are necessary because community ownership projects are unique, complex, and new to Mountain View.
- The City does not have the economic resources to provide grants for projects. Projects will require large sums of funding, and the City has a funding gap of its existing pipeline of at least \$50 million and growing for new affordable housing projects. Once a grant is made, the funding does not return to the City. Conversely, loan repayments can fund future projects.
- Not all projects will need grants. To-date, Consultant and staff have not received information, such as a well-developed operating model and/or pro forma, for any specific

project that demonstrates that a grant is definitively needed. While there may simply be a preference for a grant versus a loan, that is not a sufficient rationale to structure the City's program around grants. Additionally, Consultant and staff reviewed two grant-based programs, one in Los Angeles and one in Baltimore. The grant programs appear to be limited in funding amounts, and include many restrictions and provisions. Therefore, a grant program should not be thought of as free money with no strings attached.

Additionally, staff recommends that all community ownership projects must:

- Meet the definition, vision, and guiding principles for community ownership.
- Demonstrate that the organization has the expertise to deliver and successfully operate a project, whether through comparable past projects, in-house staff expertise with contracted services/consultants as needed, or partnership with an experienced developer.
- Provide a clear business model and operations plan for the entire life cycle of a project.
- Demonstrate financial need with reasonable economic assumptions in their pro forma.
- Comply with all relevant State and federal housing regulations, including fair housing.
- Have transparent governance and accountability mechanisms.
- Be subject to ongoing monitoring and compliance, including regular audits.

Summary: Staff recommends a flexible loan program to be able to fund different community ownership models and projects and provide appropriate safeguards. If Council approves the recommendation, staff will develop a Notice of Funding Availability (NOFA), evaluation criteria, and underwriting guidelines based on the above terms. Staff estimates that **developing these items will take approximately six months, given the workload and current staff capacity.** Additionally, staff will begin the process to procure a third-party fiscal agent to help disburse funds faster and allow a mission-driven organization to be able to close on an acquisition opportunity more quickly.

Early Project Funding

During the March 2024 Study Session, Council asked staff to evaluate the feasibility of providing City funding for an “early project” prior to Council adoption of the COAP, now targeted for Q1 2026. Based on staff's estimate that it will take approximately six months to develop the NOFA, evaluation criteria, and underwriting guidelines, it would not be feasible to fund an early project prior to COAP adoption.

Staff does not recommend funding a project until the program is in place because:

- It would not be possible to evaluate a proposal without the NOFA, evaluation criteria, or underwriting guidelines.
- Current community ownership models being discussed for Mountain View need more operational details to be determined, as well as the capacity to successfully deliver a project.
- Given the target size of the projects being discussed in Mountain View, there would likely be a sizeable funding gap that would need to be filled even with City funding, especially given the overall higher funding need of \$25 million that the Consultant identified. Currently, another funding source has not been identified. Therefore, an allocation of City funding prior to COAP adoption (i.e., prior to Q1 2026) is not anticipated to result in an early project.

Funding for Technical Assistance

As discussed in Topic 5, staff recommends that one of the City's roles be that of a capacity builder. To align with this role, staff recommends that the City implement a grant program to provide technical assistance (TA) and services to support mission-driven organizations to successfully acquire and operate community ownership projects in Mountain View.

Staff recommends the following grant parameters in Table 5:

Table 5. Parameters for Technical Assistance Grant Program

Parameters	Terms
Total grant program	\$75,000
Maximum single grant amount	\$25,000
Eligible Activities	Real-estate brokerage services; Property capital needs assessments; Appraisals; Legal services; Title services; Evaluate pro forma; Develop operating model/business plan; Other services based on need.
Timing	NOFA release targeted for November 2025

If Council approves this recommendation, staff will develop the Technical Assistance Grant Program and target release of a NOFA in November 2025 prior to COAP adoption. Staff anticipates the application will ask applicants at minimum to describe their organization, goals, type of community ownership project they envision in Mountain View, clear scope of services, identified licensed/qualified professional(s), how the grant will assist their organization or project concept, and will include requirements for awardees to provide documentation such as invoices and reports to demonstrate compliance with the grant requirements. Staff will administratively

modify the grant terms as needed to best respond to the needs of organizations interested in a community ownership project in Mountain View.

Topic 7: Evaluation of Opportunity to Purchase Act

In the March 2024 Study Session, Council approved the recommendation to evaluate an Opportunity to Purchase Act (OPA) program as part of the COAP process. OPA is primarily a requirement for property owners to notify qualified organizations or tenant groups before they sell their building, and to provide a first right for such organizations or groups to purchase the property. OPA programs are intended to increase transparency, foster a more level playing field in the marketplace, and provide affirmative opportunities for mission-driven, community-based organizations to acquire and preserve existing housing units for sale.

Since the Study Session, Consultant and staff have evaluated the City of San Francisco's OPA (the only OPA program in operation in the State that staff is aware of), discussed this issue with stakeholders and the COAPAC, and further evaluated the efforts in San Jose where an OPA program was evaluated but ultimately not adopted.

This research surfaced a conclusion that was shared by all stakeholders and the COAPAC: while the goals of OPA are laudable, without sufficient funding and organizational capacity that is already in place, an OPA program may have minimal impact on increasing the likelihood of a mission-driven organization to purchase a building. For example, if an organization is notified of a property for sale, but it does not have access to funding or the expertise to close on a transaction, then the OPA program is not an effective tool in practice to facilitate an acquisition.

Additionally, staff conducted a workload assessment and shared with the COAPAC that it has limited capacity to develop, implement, and administer an OPA program at this time. Given this constraint, staff recommended prioritizing higher-impact items such as developing funding partnerships and increasing the capacity of mission-driven organizations rather than develop an OPA program at this time.

Given these factors, some COAPAC members supported evaluating other options that could support OPA goals besides developing an OPA program. However, other COAPAC members still supported development of an OPA program.

Due to capacity constraints and other higher-impact actions that may be taken, staff recommends that: 1) an OPA program not be developed at this time but continue to monitor whether it is more feasible and practical to develop it at a later point in time; and 2) the Technical Assistance Grant Program discussed above include eligible activities that can address OPA goals, such as funding real estate brokerage services to monitor properties listed for sale, establish relationships with property owners, and identify opportunities for off-market transactions; or providing funding to organizations to help them be ready to acquire a property.

This approach has at least two advantages over an OPA program. First, the goals of OPA may be addressed in a more efficient manner through the Technical Assistance Grant Program. Second, this grant approach provides an opportunity to include real estate firms and other private organizations as part of a community-oriented approach that is fundamental to the COAP.

NEXT STEPS

If Council approves staff's recommendations, the following next steps will be taken:

- Continue to meet with the COAPAC and stakeholders as needed.
- Develop the Technical Assistance Grant Program and release NOFA in November 2025.
- Develop NOFA, evaluation criteria, and underwriting guidelines for community ownership project funding.
- Develop the Draft Community Ownership Action Plan and bring forward for Council consideration in Q1 2026 (along with the NOFA, evaluation criteria, and underwriting guidelines for project funding). While this will not meet the Housing Element deadline of June 30, 2025 for this item, the City will be able to demonstrate to the Department of Housing and Community Development that there has been and will continue to be substantial forward progress developing the COAP and working closely with the COAPAC to bring this item to completion.

FISCAL IMPACT

The recommended actions have no impact on the City's General Fund. Staff recommends that Council appropriate \$75,000 from the Housing Department's General Housing Fund for the Technical Assistance Grant Program. This appropriation is in addition to the \$4 million in BMR Housing funds to support community ownership projects, which was appropriated in October 2024.

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.

EXEMPT FROM THE LEVINE ACT

☒ General policy and legislative actions

CONCLUSION

The City's Community Ownership Action Plan (COAP) seeks to facilitate the creation of innovative housing models to meet various housing needs not addressed by the existing system. Development of the COAP is a requirement of the City's adopted 2023-31 Housing Element as part of Program 3.2 to address tenant displacement.

There is strong interest in the Bay Area to support these models, with many organizations across sectors working together to mobilize resources and technical expertise. The City can play an important role both locally and regionally to facilitate community ownership projects.

Council approval of the recommendations will allow staff to develop 1) a NOFA, evaluation criteria, and underwriting guidelines for community ownership projects, 2) the Technical Assistance Grant Program targeting release in October 2025, and 3) develop the draft COAP for Council consideration anticipated in Q1 2026.

ALTERNATIVES

1. Provide other direction for COAP vision and guiding principles; City roles; City funding terms for community ownership projects and the Technical Assistance Grant Program; and/or funding activities through the Technical Assistance Grant Program to achieve OPA goals rather than developing an OPA program itself at this time.

PUBLIC NOTICING

Agenda posting and a copy of the report to COAPAC members.

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Approved by:

Kimbra McCarthy
City Manager

Attachments: 1. COAPAC Meeting Summaries