

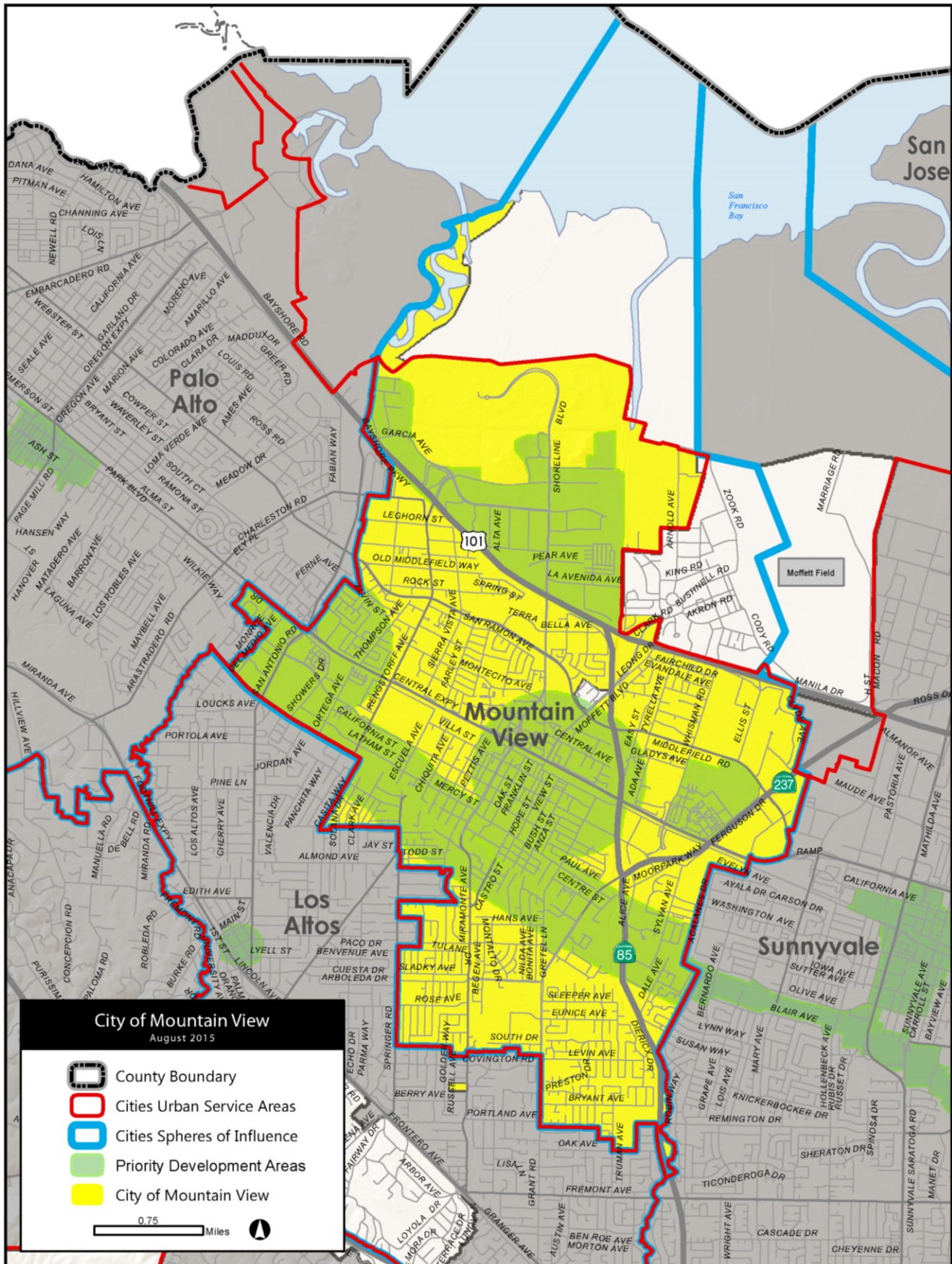
12 City of Mountain View



12.1 Agency Overview

The City of Mountain View was incorporated in November 1902. According to the California DOF 2015 estimates, the population of Mountain View is 77,914. As of 2015, the City's incorporated area spans 12.20 square miles. Surrounded by the cities of Los Altos, Palo Alto and Sunnyvale, Mountain View is located in the northern part of Santa Clara County. The City is home to NASA Ames Research Center and retains a diverse mix of land use, including residential, commercial and industrial. As of 2015, Mountain View's USA spans 11.88 square miles, and its SOI encompasses 16.36 square miles. These boundaries can be seen in Figure 28.

Figure 28. City of Mountain View Existing Boundaries



12.1.1 City Staffing

In FY 2014, total City staffing included 568.3 FTE employees. As shown in Table 126, the greatest number of FTEs is assigned to the police function.

Table 126. City of Mountain View Staffing in Top Four Functions

City Staffing by Major Service Function	FY 2014 FTEs
Police	140.0
Culture and Recreation	111.8
Fire	79.6
General Government	74.8

Source: CAFR

12.1.2 Form of Government

Mountain View is a charter city that operates under a council-manager form of government. The City Council consists of seven members who are elected at large. Council members serve four-year terms and select a mayor and vice mayor annually.

12.1.3 Joint Powers Authorities

The City of Mountain View is a member of two JPAs, as shown in Table 127.

Table 127. City of Mountain View Joint Powers Authorities by Major Service Function

Name of JPA	Major Service Function
Community Health Awareness Council	Counseling/mental health services to children, teens, and families in Mountain View, Los Altos, or Los Altos Hills
Congestion Management Agency	Administration of the traffic congestion management program in Santa Clara County, administered by the Valley Transportation Authority
Education Enhancement Reserve JPA	Support public schools in cooperation with Shoreline Regional Park Community, the Mountain View Los Altos Union High School District, and the Mountain View Whisman School District
Pacific Library Partnership	Access to public library resources and services in Alameda, Contra Costa, San Francisco, San Mateo, Monterey, Santa Cruz, San Benito, and Santa Clara counties
Silicon Valley Animal Control Authority	Animal control services
Silicon Valley Regional Interoperability Authority	Identify, coordinate, and implement public safety communications interoperability

Source: City website and City staff interviews

12.1.4 Awards and Recognition

The City of Mountain View has been the recipient of several awards between 2010 and 2015, as shown in Table 128.

Table 128. City of Mountain View Recent Awards

Name of Award	Issuer	Year(s) Received
Award for Excellence in Financial Reporting	Government Finance Officers Association	2010-15
Award for Distinguished Budget Presentation	Government Finance Officers Association	2010-15
Silver Level Bicycle Friendly Community	League of American Bicyclists	2010-15
Multilingual Community Outreach Program – Model Program Recognition	National League of Cities	2010-15
Award for Achievement of Excellence in Procurement	National Purchasing Institute	2010-15
Award for Excellence in Operational Budgeting	California Society of Municipal Finance Officers (CSMFO)	2010-15
Award for Excellence in Public Communications	CSMFO	2010-12
Recognition – Largest number of solar power generating rooftops of any City in California	Environment California	2010-15
“Moving Forward Award” for Improving Labor Relations	California Public Employers Labor Relations Association	2012
LEED Gold Certification – Fire Station 5	United States Green Building Council	2012
North Bayshore Precise Plan	American Planning Association	2015

Source: City of Mountain View staff

12.2 Growth and Population

12.2.1 Growth and Population Projections

State law requires the ABAG to prepare an SCS that considers how the region will accommodate projected growth over a long period while also reducing the region’s generation of GHGs consistent with state goals for GHG reduction. “Plan Bay Area” is this region’s SCS, adopted by ABAG and the MTC in July 2013.

The fundamental thrust of Plan Bay Area is to accommodate the majority of growth in PDAs. PDAs include infill areas within a city usually served by transit, such as historic downtowns and underutilized commercial strips. This approach is consistent with and supportive of LAFCO’s goals to encourage orderly boundaries, discourage urban sprawl, and preserve agricultural and open space lands. Plan Bay Area includes projections for the region’s population, housing, and job growth within existing urbanized areas. These projections demonstrate that the region has the capacity to accommodate expected growth over the next 30 years without sprawling further into undeveloped land on the urban fringe.

Many Bay Area cities use ABAG’s projections as the basis for long-range planning. When ABAG prepared Plan Bay Area in 2013, it made projections for population and housing for 2015 for each city in the region. However, some cities believe that the state DOF estimates for population (based on information received on housing development and other current information) are more accurate. The City of Mountain View developed its own population and employment projections for its 2030 general plan (adopted in 2012). For its general plan, the City assumed population for its forecast year of 2030 would be 86,330 (Table 3.1 of the City’s general plan) and employment would be 80,820, considerably higher than projected by ABAG as shown Table 129.

ABAG’s projections for population, households (occupied housing units) and jobs are shown in Table 129.

Table 129. City of Mountain View Population, Job, and Housing Projections through 2040

	2010	2015	2020	2025	2030	2035	2040
ABAG							
Population	74,066	78,000	82,000	86,100	90,500	95,200	100,000
Total Jobs	47,950	52,040	56,550	57,940	59,390	61,440	63,590
Total Households	31,957	33,570	35,240	36,830	38,510	40,130	41,800
City of Mountain View							
Population	73,860 ¹				88,570		
Total Jobs	60,460 ¹				87,570		

Source: 2010 population from US Census. ABAG data used for 2015 to 2040 projections. City Projections from Table 3.1 of general plan.

¹Estimates were calculated by City staff for 2009, which the City used as a baseline.

City staff indicated they believe the ABAG long-term job projections are understated for Mountain View, as discussed in 14.2.2.

12.2.2 Jobs and Housing

In 2015, according to ABAG estimates, the City has 52,040 jobs within the community and 42,310 employed residents. Using ABAG estimates, there are 1.23 jobs for every employed resident in Mountain View. However, City staff use the U.S. Census American Community Survey employment estimates, which reports 79,239 jobs within the community and 44,167 employed residents. Using the American Community Survey estimates, there are 1.79 jobs for every employed resident, which staff believe is more accurate. The U.S. Census American Community Survey 2013 estimates that Mountain View has 33,468 housing units; when combined with ABAG's estimate of 52,040 jobs within the City, jobs and housing balance is 1.55.

State law requires that ABAG quantify and allocate housing needs to each jurisdiction within the Bay Area. In periodic updates to the general plan's Housing Element, each Bay Area jurisdiction must then demonstrate how it will meet that need over the next planning period. The current Housing Element update cycle is from 2015 to 2023.

As Table 130 shows, the majority of housing units in Mountain View are renter-occupied housing units. According to ABAG, between January 1, 2014 and October 31, 2022, the City of Mountain View's assigned housing need is 2,926 units. In October 2014, Mountain View adopted its 2015-2023 Housing Element and demonstrated that projects approved, under construction or constructed since the beginning of this RHNA cycle on January 1, 2014 totaled 2,056 units.

While Mountain View has already approved or constructed housing that exceeded its RHNA quota for above-moderate-income housing, it has a remaining RHNA obligation of 1,665 units of moderate-, low- and very low-income housing. The Housing Element demonstrates the City has sites for 1,990 units for very low-, low- and moderate-income housing, and additional sites for 1,176 units of above-moderate-income housing.

In total, the City has sites and housing opportunities available to accommodate 3,166 units. When both potential sites and approved sites are considered, the City has a surplus of 240 units over its assigned regional share of 2,926 units. The City of Mountain View's housing element was certified by the State of California's Housing and Community Development Department in December 2014.

Table 130. City of Mountain View Housing Profile

Housing Statistic	Number
Number of total existing housing units	33,468
Owner-occupied (SFR) housing units	13,406
Renter-occupied housing units	18,641
RHNA by income category	2014 to 2022
Above moderate	1,093
Moderate	527
Low	492
Very Low	814
Total	2,926

Sources: U.S. Census American Community Survey 2013 (number of total housing units); ABAG (housing needs)

12.2.3 Planning and Building

In calendar year (CY) 2014, Mountain View issued a total of 8,109 residential and commercial building permits. Total building permit valuation is estimated at \$557,227,055.

The City's total assessed valuation for FY 2014 is approximately \$18.8 billion. This represents a 23% increase from FY 2009.

12.2.4 Priority Development Areas

The City has five priority development areas; four are potential PDAs (see section 22.1.4 for complete definition) and one is a planned PDA. The planned PDA spans 552 net acres in downtown Mountain View and is a transit town center served by Cal Train and VTA's bus rapid transit and light rail systems. The four potential PDAs include a mixed use corridor along El Camino Real (spanning net 726 acres), a suburban center in North Bayshore (683 net acres), a transit town center along San Antonio Avenue (365 net acres) and a transit neighborhood in Whisman Station (132 net acres). The City has precise plans for the proposed El Camino Real and San Antonio PDAs and the planned downtown PDA. A precise plan for East Whisman will be developed beginning in 2016.

Staff indicated that supporting the proposed PDAs would require some infrastructure work, including upsizing of utilities. There is interest in increasing the City's housing stock, especially to address the jobs-housing imbalance and growing congestion within the City, which is acute in the North Bayshore region where Google and LinkedIn's corporate headquarters are located.

12.2.5 Planning for an Aging Population

The City of Mountain View is working to accommodate the needs of its aging population through community development policies that favor connectivity. The City is focused on creating more housing opportunities that promote connectivity to the downtown and transportation. According to staff, both Millennials and seniors who want to age in place want transit-oriented, high density housing. Policies to promote this type of development can be found in the City's Housing Element that was adopted in 2014.

In addition to these policies, the City constructed a new senior center in 2007. The design of the center incorporated as much flexibility of use as possible to serve seniors and changing senior needs. According to staff, the Mountain View Senior Center offers robust programming and a popular lunch program that

attracts seniors from neighboring communities. The Avenidas Rose Kleiner Center, which provides affordable daytime care for seniors, is co-located on the same site as the Senior Center.

12.3 Boundaries, Islands, and Disadvantaged Unincorporated Communities

12.3.1 Planning Boundaries

The City's USA and municipal boundaries are nearly contiguous with the exception of two unincorporated islands and the Moffett Field/NASA Ames Research Center. The USAs of Mountain View and Sunnyvale bisect Moffett Field and its federal research park. More information about Moffett Field can be found in chapter 18.

Moffett Field is located in the northeastern portion of the City, but does not receive municipal services from Mountain View, other than wastewater collection and treatment services that also include a sewer main easement used to serve NASA Ames Research.

With the exception of limited sewer service, the City is not currently providing services to the area outside of its city boundaries but within its USA. Planetary Ventures, LLC (a wholly-owned subsidiary of Google) has entered into a lease agreement with the federal government for portions of Moffett Field that are within the City's USA. However, all municipal-type services are provided to Planetary Ventures by Moffett Field through the lease agreement. The City does not have plans to provide municipal services to that area.

The City has no plans to amend its USA or SOI within the next five years.

12.3.2 Unincorporated Islands

Two unincorporated islands exist within the City of Mountain View's USA. The smaller island, referred to as MV01 (5.7 acres), is located in the North Bayshore region of the City. The larger island, known as MV02, is situated outside the City's downtown area at the intersection of Middlefield Road and Moffett Boulevard. Staff was not aware of any development or services being provided to MV01.

MV02 (19.3 acres) consists of a residential development known as Mariner Island and open space that is the property of the federal government. According to staff, the Army is interested in disposing of this parcel, but likely not through the traditional surplus process. The City reported interest in MV02 as a potential future site for housing. There are no immediate plans to annex either island. In the event that ownership of MV02 changes, annexation may be discussed in the future. Both parcels are eligible for streamlined annexation due to their small size.

Maps of each city's unincorporated islands are included in Attachment B.

12.3.3 Disadvantaged Unincorporated Communities (DUCs)

No disadvantaged unincorporated communities were identified within the City of Mountain View.

12.4 City Services

In Mountain View core municipal services are delivered primarily by City staff. The primary service provider for the major municipal services discussed in this report is summarized in Table 131.

Unless specifically noted, the City of Mountain View did not anticipate difficulty in continuing to provide services or maintain infrastructure or facilities related to service delivery in the following areas.

Table 131. City of Mountain View Service Delivery Model by Major Service Function

Major Service Function	Primary Service Provider	Non-City Service Provider, if applicable
Animal Control	JPA	Silicon Valley Animal Control Authority
Law Enforcement	City	
Library	City	
Parks and Recreation	City	
Planning/Building	City	
Solid Waste	Franchise Agreement	Recology Mountain View
Streets	City	
Stormwater	City	
Utilities		
Electricity	Franchise Agreement	Pacific Gas and Electric
Gas	Franchise Agreement	Pacific Gas and Electric
Telephone, High-speed Internet	Franchise Agreement	AT&T, Comcast (State-Issued Franchise)
Wastewater	Partnership Agreement ¹	City of Palo Alto

Source: City website and City Staff interviews

¹The Palo Alto Regional Water Quality Control Plant is a partnership agreement among several public agencies. The City of Palo Alto is the owner and operator of the Regional Water Quality Control Plant. The cities of Mountain View, Los Altos, Los Altos Hills along with Stanford University and East Palo Alto Sanitary District have agreements to use a portion of the plant's capacity. Through this partnership agreement, all six agencies proportionately share in the costs of building and maintaining the facility.

In the past five years the City has not stopped providing any municipal services. In January 2015, the City began providing community shuttle services. This two-year pilot program is funded by Google and provides free shuttle service to 50 locations throughout the City. The vehicles used for shuttle service are all-electric and offer wireless internet to riders.

Given the expected population growth for the City of Mountain View, City staff does not anticipate any difficulty providing municipal services to its community.

A summary of key service level statistics is compiled as part of Attachment A to this report.

12.4.1 Animal Control

SVACA is the service provider for animal control within the City of Mountain View. In FY 2014 total City expenditures for this function were \$471,418. Service level statistics are included in Attachment A.

12.4.2 Law Enforcement

The City of Mountain View provides law enforcement and dispatch services within the City limits. In total, the Mountain View Police Department has 96 sworn officers. During FY 2014, there were 72,318 calls for service. The City reports that response time for Priority One calls averaged 3 minutes and 44 seconds. The City's goal for response time for Priority One calls is 4 minutes.

In FY 2014, total City expenditures on this function were \$30,447,000. Approximately 28.5% of the City's General Fund is dedicated to law enforcement.

In addition to core law enforcement services, the City of Mountain View provides School Resource Officers, SWAT and K-9 specialized services.

12.4.3 Library

The City provides library services within the City of Mountain View. There is one facility located within the City and there is one mobile library. Annual print circulation exceeds 1.6 million, and nearly 12,000 digital books are available for download to library patrons.

12.4.4 Lighting

Lighting within the City is provided and maintained by the City. According to City staff, select areas of the City are now being served by LED streetlights. The City will continue installing LED streetlights in FY 2015-16. A summary of lighting infrastructure is provided in Attachment A.

12.4.5 Parks and Recreation

The City is the primary service provider for parks and recreation. FY 2014 total expenditures for parks and recreation were \$12,754,319. The City has 40 parks and a total of 196 park acres. In addition, 908 acres of open space owned by the City are publicly accessible. The City's desired ratio is three municipal park acres per 1,000 residents. In 2010 (the most recent year for which data is available), the City provided 13.5 acres of parkland per 1,000 residents. Data includes park acres from the City's Shoreline Regional Park and the Stevens Creek trail. The City reports 2.6 acres of community municipal parks per 1,000 residents, excluding Shoreline Regional Park and Stevens Creek Trail. The City aims to increase its target to five municipal park acres per 1,000 residents. To achieve this, the City has added several new parks in the last five years and has several more in the design stages.

The City operates one community center, one senior center, one teen center, one golf course and two swimming pools. The City has joint use agreements for 13 elementary and middle school sites with the Mountain View-Whisman School District, which includes use of gyms and fields.

12.4.6 Solid Waste

The City of Mountain View receives solid waste services through a franchise agreement with Recology Mountain View. In FY 2014, City expenditures for public solid waste services were \$12,124,000.

In CY 2013, Mountain View disposed of 51,172 tons of solid waste. Mountain View offers green waste and yard trimming disposal and recycling of mixed paper, bottles, cans and other recyclable materials. In 2013, the City's amount of pounds of solid waste disposed per person per day was 3.7 for its general population, meeting the state's goal for the community of 7.8 pounds. The pounds of solid waste per person per day for employees in the community was 3.8, meeting the state's goal for the community of 10.9 pounds. One solid waste disposal facility is located within Mountain View.

12.4.7 Streets

The City of Mountain View maintains 332 lane miles, 630 sidewalk miles and 28,579 street trees. The City expends approximately \$4,405,000 annually on street-related expenditures. Street sweeping is provided by the City. The City's pavement condition index (PCI) is 70, which falls below its PCI goal of 75.

12.4.8 Stormwater

The City's stormwater system is managed and maintained by the City's Public Works Department. The City has received funding for its stormwater system from grants and a small fee collected from developers. A feasibility study to map catchment areas is currently underway and staff expects draft findings to be available later in 2015. Given the new regulations coming into effect, City staff noted concerns about unfunded state mandates related to stormwater. The City does not have a dedicated stormwater fund, and in the future may consider alternate funding options, such as impact fees.

Mountain View participates in the SCVURPPP along with several other cities and the County to address water pollution on a regional basis (more information on SCVURPPP is included in the Shared Services chapter of this document). SCVURPPP members share a common NPDES permit, allowing member agencies to discharge stormwater into the San Francisco Bay (see the Shared Services chapter for more information). The City reports that it is compliant with NPDES standards.

12.4.9 Utilities

PG&E is the electricity and gas provider within Mountain View. PG&E did not respond to requests to identify the total number of PG&E gas and electric meters in the City of Mountain View. The City did not indicate concerns about PG&E's ability to serve Mountain View's existing population or its future demand for energy and natural gas. City staff noted that Mountain View is partnering with Cupertino, Sunnyvale, Monte Sereno and unincorporated areas of the County to discuss the possibility of becoming a CCA under the provisions of AB 118 to allow them to pool electricity demand of their residential, business and municipal accounts to purchase or develop power on their behalf.

Telecommunications providers (telephone, high speed internet and land-based video/cable services) serving Mountain View are AT&T and Comcast. Mountain View indicated no concerns about the availability or reliability of telecommunications services, including high-speed internet.

12.4.10 Wastewater

The City of Mountain View maintains its own wastewater system.

Mountain View does not operate a wastewater treatment plant. The City is a partner agency of Palo Alto's RWQCP. The Palo Alto RWQCP provides wastewater treatment for six agencies (Los Altos, Los Altos Hills, Mountain View, Palo Alto, Stanford University and East Palo Alto Sanitary District). The RWQCP incinerates sludge collected from its partner agencies, including the City of Mountain View. Palo Alto RWQCP is developing plans to move toward more environmentally conscious biosolid waste management practices.

Palo Alto RWQCP provides recycled water to select areas of the City of Mountain View. As of 2015, recycled water is available only in the North Bayshore region. There are plans to extend recycled water access to the Middlefield and North Whisman areas in the future.

12.5 Financial Information

The following section provides key financial data points related to Mountain View's municipal operations based on the most recent audited financial statements available from FY 2014. Select information is provided from FY 2009 for trend and comparative information.

In FY 2014, Mountain View's total citywide expenditures were approximately \$196.0 million. Approximately 54% (\$106.7 million) of these expenditures constituted General Fund expenditures.

12.5.1 Revenues and Expenditures

The City's primary source of revenue is property tax. Since FY 2009 property tax revenue has increased by about \$9.3 million (18%), which now includes the excess property tax increment previously collected by the City's former redevelopment agency that was dissolved by the state in 2012. Sales tax revenue in Mountain View in FY 2014 is slightly above pre-Great Recession levels (see Table 132).

Table 132. City of Mountain View Tax Revenues

Tax Revenue Type	FY 2009	FY 2014
Property Tax	\$53,264,000	\$62,601,000
Sales Tax	\$16,264,000	\$16,935,000
Utility Users Tax	\$5,866,000	\$7,335,000

Source: CAFR

A summary of the City's General Fund revenues and expenditures is shown in Table 133.

Table 133. City of Mountain View Major Sources of General Fund Revenue and Expenditures

	FY 2009	FY 2014
Total General Fund Revenues	\$87,617,000	\$108,213,000
Total General Fund Expenditures	\$87,880,000	\$106,688,000
Top Four Sources of General Fund Revenues		
Taxes	\$51,153,000	\$61,256,000
Charges for services	\$14,996,000	\$19,688,000
Use of money and property	\$12,810,000	\$12,162,000
Licenses, Permits and Fees	\$4,798,000	\$10,858,000
Top Four Sources of General Fund Expenditures		
Public Safety	\$44,126,000	\$50,234,000
Culture and Recreation	\$16,101,000	\$16,984,000
General Government	\$13,660,000	\$16,694,000
Community Development	\$5,041,000	\$13,683,000

Source: CAFR

12.5.2 Debt

A summary of the City's obligations, debt, and liabilities is provided in Table 134.

Table 134. City of Mountain View Obligations, Debt and Liabilities

Obligations, Debt and Liabilities	FY 2009	FY 2014
General Bonded Debt	\$8,696,000	\$3,655,000
Ratio of Direct Debt (General Bonded Debt) to Net Assessed Valuation	0.2%	0.0%
Ratio of Combined Debt (Direct and Overlapping Debt) to Net Assessed Valuation	2.4%	2.5%
Unfunded pension liability	\$52,240,000	\$115,142,000

Source: CAFR, City Finance Staff

12.5.3 Reserves

Mountain View's unassigned General Fund reserve levels have increased since FY 2009. Such increases are a positive indicator of economic recovery from the Great Recession and proactive fiscal management practices employed by the City (see Table 135).

Table 135. City of Mountain View Reserves

Line Item	FY 2009	FY 2014
Unassigned General Fund Reserve Levels	\$27,720,000	\$36,880,000
Economic Uncertainty Reserve Fund (separate from General Fund Reserve)	\$5,000,000	\$5,163,000

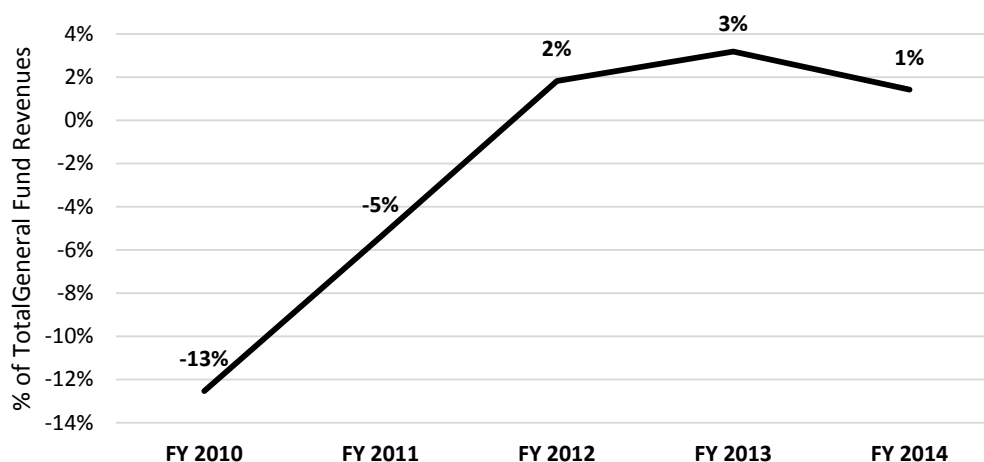
Source: CAFR

12.5.4 Financial Health Indicators

Using select indicators from the League of California Cities' Financial Health Diagnostic Tool, the City of Mountain View is in positive fiscal health.

Over the past three years the City has accumulated annual surpluses in the General Fund. The City's General Fund surplus has increased by 14 percentage points since FY 2010, an indicator of positive fiscal health. The trend of the City's General Fund deficit/surplus is shown in Figure 29.

Figure 29. City of Mountain View Gross Annual General Fund Deficit/Surplus by year from FY 2010 to FY 2014



Source: CAFR

The City has essentially adopted a break-even operating budget for its General Fund in FY 2015. The City's ten-year financial plan assumes surpluses through FY 2019. City officials anticipate that a market correction is likely to occur again in FY 2020 that could yield deficits as high as \$10 million per year assuming no expenditure reductions and standard inflationary impacts. The City's reserves could be depleted if the market correction is not met with expenditure reductions.

The City has generally been conservative in its budget estimates, and actual results typically yield higher reserves than budget forecasts. The City's long-range forecast assumes increased funding of planned and discretionary capital projects through various funding sources, including existing capital project fund reserves and Construction/Conveyance Tax funds. In addition, General Fund reserves totaling \$47.8 million have been committed by City Council action towards such uses as budget contingency reserves, building operations, open space and land acquisition, and other capital improvement needs.

Table 136 shows the City's General Fund Fiscal Indicators. The City's liquidity ratio indicates the necessary cash to fund its liabilities. General Fund reserves of 36.1% exceed the GFOA-recommended minimum reserve of 17% (or two months) of annual operating expenditures.

Table 136. City of Mountain View General Fund Fiscal Indicators

Fiscal Year	Indicator	Value
FY 2015	Net Operating Deficit/Surplus	-0.3%
FY 2014	Liquidity Ratio ¹	12.5
FY 2014	Fund Balance as percent of Expenditures ²	36.1%

Source: CAFR, City Finance Staff

¹ Calculated by combining cash and short-term investments and then dividing by current liabilities

² Unreserved (unassigned and assigned) General Fund Reserves as a percent of annual operating expenditures

12.5.5 Financial Reporting

The City's CAFR is prepared in a timely manner and audited by an independent CPA. See Table 137.

Table 137. City of Mountain View Financial Reporting

Financial Reporting Indicator	Status
Unqualified opinion from independent CPA	Yes
Publication of CAFR within six months of fiscal year	Yes

12.6 Service Review Determinations

LAFCO is required to prepare a written statement of determination with respect to six key areas as specified by Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Using criteria described in section 2.4, the following determinations are provided for the City of Mountain View.

1. GROWTH AND POPULATION PROJECTIONS

As of 2015, the City of Mountain View serves 77,914 residents within its 12.20 square mile incorporated area. ABAG projects that the City's population will grow steadily by approximately 1% per year, leading to a population of 100,000 in 2040.

The City has identified housing opportunities well in excess to meet its RHNA of 2,926 housing units between 2014 and 2022. The City does not anticipate that growth patterns will expand beyond Mountain View's existing USA.

Mountain View has five PDAs, one of which is planned as 552 net acres in downtown. Three of the potential PDAs have precise plans, and the remaining potential PDA is expected to have a precise plan in late 2015.

The City's most recent general plan was adopted on July 10, 2012. The City's existing boundaries accommodate the level of growth projected by ABAG in Plan Bay Area. However, the City is aware that the Federal government has plans to surplus a parcel (US Army Reserve Center site) that is outside of the City's USA. The City and Federal government will continue to discuss this and any potential annexation or expansion of the City's USA boundaries.

2. LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

No DUCs were identified within or contiguous to Mountain View's SOI.

3. PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES, ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES, INCLUDING THOSE RELATED TO SEWERS, WATER AND FIRE IN ANY DUCs WITHIN OR CONTIGUOUS TO THE SOI

City staff noted that, given new regulations coming into effect, the City is concerned about unfunded state mandates related to stormwater infrastructure maintenance. As a result of these regulations, the City anticipates future costs to address its stormwater system and related deferred maintenance and will need to identify alternate funding options such as impact fees.

The City of Mountain View does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs in the next five years, given the growth and population increases projected.

4. FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

Mountain View's General Fund operated at a deficit in FY 2010 and FY 2011, but has operated at a surplus since that time as economic recovery from the Great Recession and reductions in staffing (resulting in some service level changes). The City has a ten-year financial plan that assumes surpluses and maintaining a healthy level of General Fund reserves through FY 2019, but anticipates another market correction in FY 2020 that could yield deficits as high as \$10 million per year assuming no expenditure reductions and standard inflationary impacts. The City's reserves could be depleted if the market correction is not met with expenditure reductions. Mountain View's General Fund reserves of 36.1% exceed the minimum reserve threshold of two months of operating expenditures (17%) as recommended by the GFOA, indicative of the City's ability to meet future service needs in the event of an economic downturn. In addition, the City's liquidity ratio of 12:1 indicates the necessary cash to fund its short-term obligations with sufficient cash flow.

The City of Mountain View has sufficient financial resources to accommodate infrastructure expansion, improvements or replacement based on the agency's capital improvement plans. One area of potential concern is stormwater, as discussed under Determination Three.

The City prepared its CAFR in a timely manner, which was audited by an independent CPA with an unqualified opinion.

5. STATUS AND OPPORTUNITIES FOR SHARED FACILITIES

The City of Mountain View is engaged in service sharing agreements as identified in Table 138 below.

Table 138. Summary of Shared Services in the City of Mountain View

Service Area	Type of Sharing Arrangement	Partnering Entity
Animal Control	JPA	SVACA
Law Enforcement – Radio Communications	JPA	SVRIA

Law Enforcement - Operations	MOA	City of Santa Clara
Law Enforcement - Dispatch	Interoperability Partnership Agreement	Shared between Mountain View, Los Altos and Palo Alto
Recreation – Athletic Fields and Gyms	JUA	Mountain View-Whisman School District
Recycled Water	Partnership Agreement	City of Palo Alto
Stormwater	MOU	SCVURPPP
Wastewater Collection	Services Agreement with Moffett Field	City of Mountain View
Wastewater Treatment	Partnership Agreement	City of Palo Alto

Mountain View is looking to expand its cooperative agreements with other public entities in the areas of recycled water, consolidated fire dispatch, wastewater, stormwater, fleet management, and public-private partnerships for services such as transportation with companies such as Google.

6. ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

Mountain View provides comprehensive information about core municipal operations on its website, including public hearing notices, agendas, and minutes for the City Council and its various advisory commissions and committees; annual budget; CAFR; general plan; and various master plans.

Through the publication of these documents, the City of Mountain View promotes accountability for its community service needs.

12.7 Sphere of Influence Recommendations and Determinations

SOI BOUNDARY RECOMMENDATION

The City's existing SOI boundary is coterminous with the City limits to the east, south, and west. The northern portion of the City's SOI boundary includes unincorporated areas and extends 2 miles into the San Francisco Bay. It also includes approximately half of Moffett Field. The City is substantially bounded by the City of Sunnyvale to the east; by the City of Los Altos to the south; and by the City of Palo Alto to the west.

Since the existing Mountain View SOI is coterminous with the City limits and fully bounded by other cities, or their SOI, and no further outward expansion is possible, it is recommended that LAFCO reaffirm the existing SOI for the City of Mountain View.

SOI DETERMINATIONS FOR THE CITY OF MOUNTAIN VIEW

Government Code §56425(e) requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information contained within Mountain View's service review profile in this chapter, the following determinations are provided to update the City's existing SOI:

1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

The Mountain View SOI is coterminous with the boundaries of the City. Planned land uses in the City are consistent with existing land uses.

2. The Present and Probable Need for Public Facilities and Services in the Area

The need for a full range of public facilities and services is expected to grow modestly in the future.

3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The present capacity of public facilities appears to be adequate. However, Mountain View is still in the process of addressing the impacts that state mandates will have related to stormwater infrastructure maintenance on budgetary and operational resources, as indicated in the City's service review determination #3 above.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They are Relevant to the Agency

There exist social and economic conditions that cause interaction and interdependence between the City and the areas within its SOI boundary.

5. For Those Cities that Provide Public Facilities or Services Related to Sewers, Water or Fire Protection, the Present and Probable Need For Those Public Facilities and Services in Any DUCs within the Existing SOI

Not applicable.