

County of Santa Clara

Office of the County Executive

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Jeffrey V. Smith, M.D., J.D.
County Executive

October 15, 2019

Facebook, Inc.
1 Hacker Way
Menlo Park, CA 94025
Attention: Menka Sethi

Dear Menka:

The County of Santa Clara (the "County") is pleased to partner with Facebook, Inc. ("Facebook") to support construction of a new educator and workforce housing project at 231 Grant Avenue in Palo Alto, California.

The proposed project is an estimated 93-unit apartment building to be developed by a joint venture of Mercy Housing and Abode Communities.

The County understands that Facebook has offered to donate \$25 million (the "Facebook Housing Grant") to the project on the following terms:

1. The Facebook Housing Grant will be paid upon completion of construction of the project. Facebook's obligation to pay the Facebook Housing Grant will terminate if
 - (a) construction of the project does not commence by thirty (30) months after the date hereof or
 - (b) completion of the construction of the project does not occur by the date which is thirty (30) months after the commencement of construction. The deadline in clause (b) will be extended by force majeure events, however, force majeure events will expressly exclude the failure to procure entitlements, permits, environmental clearance, financing, or tax benefits.
2. Thirty-two (32) units in the project (the "Facebook Workforce Housing Units") will be allocated for the life of the project (an estimated 55 years) to households in the following order:
 - First, to teachers employed by the Ravenswood City School District or by a non-profit school (including pre-schools) located in the area encompassed by the Ravenswood City School District;
 - Second, to teachers employed by the Menlo Park City School District or the Las Lomas School District, or who work at Menlo-Atherton High School;

- Third, to persons engaged in public safety professions (e.g., police officers, fire fighters, nurses, etc.); and
 - Fourth, to persons employed by certain public-interest, non-profit organizations agreed to by the County and Facebook.
3. The program for administering the Facebook Workforce Housing Units would be substantially similar to the program developed for administering Facebook's existing workforce housing program located at 777 Hamilton Avenue in Menlo Park, California (the "Existing Facebook Workforce Housing Program"). Each of the Facebook Workforce Housing Units would be restricted to households whose combined monthly income does not exceed 3.5 times the fair market value of the unit. Rents for the Facebook Workforce Housing Units would be set at 30% of a household's combined monthly income (but not to exceed fair market value of the unit). Households enrolled under the Existing Facebook Workforce Housing Program will have the first opportunity to move to one of the Facebook Workforce Housing Units when the Project is completed.
 4. The County will provide an annual report on the project and the Facebook Workforce Housing Units. In addition, Facebook will have an ongoing audit right of the application and selection process for the Facebook Workforce Housing Units.
 5. Changes to the program for administering the Facebook Workforce Housing Units would require Facebook's approval. The County would also meet with Facebook from time-to-time to review the program, discuss lessons learned, and develop best practices.
 6. The remainder of the units in the project would also be dedicated to workforce housing not funded by low income housing tax credits. The County may administer those units in its discretion.
 7. Facebook would be recognized as a key financing partner for the project, would be given the opportunity to review and provide input on the project design, and would collaborate with the County and the developer on the name of the project. The County would also coordinate with Facebook on the project's public announcement.

The County is committed to supporting the project with Facebook's generous donation, subject to the project's compliance with law (including CEQA), and subject to acceptance by the County Board of Supervisors of the Facebook Housing Grant and agreement to these terms.

Sincerely,



Jeffrey V. Smith, County Executive
County of Santa Clara