Council Questions

November 4, 2025 – Special City Council Meeting

ITEM 4.1 Multi-Family Housing Tax-Exempt Bond Financing for 424 Bryant Street (Lot 12)

1. Why $75 million of bonds?

   On August 5, 2025, the Lot 12 Affordable Housing Development received a reservation of federal tax credits, including $62.9 million in tax-exempt bonds from the California Debt Limit Allocation Committee (CDLAC). This secured the final piece of funding needed for the project to close on its overall financing and move forward toward construction. The $75 million referenced in the resolution represents the not-to-exceed amount authorized for the bond financing. As is typical for this type of bond issuance for affordable housing projects, the resolution is set higher ($75 million) than the awarded amount ($62.9 million) to provide flexibility for final costs and underwriting. The actual bond issuance is expected to align with the $62.9 million approved by CDLAC.

2. Is the City going to give more money if needed?

   No, the project is now fully financed and will not require additional City funding. Note that the bonds are issued through the California Municipal Finance Authority (CMFA) and do not involve City funds. The developer is solely responsible for repaying the bonds.

3. Can there be a motion to cap the amount of funding for this project?

   This item and resolution already include a "not-to-exceed" limit of $75 million. Additionally, as noted in Question 2, no additional City funding is being provided for this project. Therefore, staff do not believe that Council needs to cap the funding because it is already capped.

4. If the bonds are the sole financial obligation of the developer, why is the City involved?

   Federal law (the Tax Equity and Fiscal Responsibility Act, or TEFRA) requires the local jurisdiction where the project is located—in this case, the City of Mountain View—to hold a public hearing and approve the bond issuance by resolution before tax-exempt bonds can be issued. The City's role is procedural only, to satisfy federal requirements for the tax-exempt bond issuance.

ITEM 4.2 Joint Powers Agreement for Employee Vision Benefits through PRISM

5. Those employees who chose Kaiser, doesn't that include vision coverage?

   That's correct, vision coverage for non-safety Kaiser members is provided as part of Kaiser's integrated care model for those enrolled on a Kaiser medical plan. Employees on Health Net or on a CalPERS plan (safety) receive their vision insurance through VSP.

6. What coverage difference is there between VSP and Kaiser?

Both vision insurance plans cover an annual eye exam and provide an allowance for glasses or contacts every 12 months.

While each provider has a distinct plan structure, the benefit totals are similar and are intended to provide access to a generally equivalent benefit:

	Kaiser	VSP – In Network*
Exam	Annually	Annually
Lenses	$175	Covered – Value of coverage not stated
Frame Allowance		$135
Contact Allowance (in lieu of frames)	$175	$150

**Out-of-network coverage will result in reduced VSP plan coverage. Visiting an In-Network provider is recommended for maximum coverage. Additionally, certain featured frame brands may be eligible for an extra $50 allowance/discount.*

7. What is the cost difference between the two?

It is challenging to provide a like-for-like comparison, as the cost of Kaiser vision coverage is included in Kaiser's medical premiums, and the cost of VSP benefits fluctuates depending on claims. With the Kaiser model, premiums are paid regardless of utilization and remain stable with Kaiser taking on the full financial risk. With VSP, the City's costs fluctuate month to month and year to year based on the number of members accessing services.

The cost for VSP's self-funded vision coverage has two components:

1. The cost of the claims that are generated when a covered member obtains covered services.
2. The administrative fees paid to VSP for processing claims are made up of

    a. $0.75 per covered subscriber per month, and
    b. 7.5% of the claims cost for adjudicating each claim.

This self-funded rate has generally fluctuated between $8 and $12 per subscriber per month, and with VSP has remained at or below $10 per subscriber per month. This is an overall savings from prior providers (EyeMed and Medical Eye Services); however, this could be based on the reduced administrative fees, a reduction in claims, or a combination of the two. The rate for the 2026 plan year will be set at $8.33 per subscriber per month, based on the claims from the prior year.

8. In this case, what does self-funded mean? For instance, if an employee buys a new pair of glasses and gets the discount offered through the VSP Plan, how is the discount paid for?

   In a self-funded plan, the City takes on the financial responsibility for providing the benefits to employees, instead of paying fixed premiums to the insurance carrier. Rather than paying the insurance carrier premiums each month to assume the risk, the City pays the actual claims costs as they occur, along with administration fees.

   This is different than a fully insured plan. In a fully insured plan, the City pays a fixed monthly premium to the insurance carrier. The insurance carrier assumes all financial risk and pays the employees' claims.

   Specific to the self-funded VSP plan, the City ultimately pays for the benefits used by members. When someone accesses their covered benefits (for glasses, contracts, exam, etc.), the City pays the balance of the invoice after any employee copay or provider discount. Discounts are negotiated rates that do not require funding and are automatically included with membership in the VSP provider network. VSP's administration of the City's self-insured vision plan includes providing the City with consolidated billing, as well as handling claims, provider networks, discounts, and customer service — but VSP does not pay for the claims themselves.

ITEM 4.4 Temporary Closure from Public Access of Blossom Lane Adjacent to 747 West Dana Street

9. What happens if utility work lasts longer than 5 consecutive weeks?

   Per the applicant, the proposed work is expected to be completed within an estimated timeframe of two weeks. To ensure flexibility for weather conditions and other unforeseen delays, staff have prepared the temporary closure authorization to allow for up to five consecutive weeks.

   In the unlikely event the proposed work continues beyond five weeks, the applicant would need to request, and Council would need to authorize, a new/extended temporary closure.

10. Can financial penalties be assessed?

    The work is allowed on City property through a real property license agreement. The agreement does not include daily penalties, but the City may suspend or terminate the license agreement if the work exceeds the approved timeframe or fails to meet City conditions.

11. Does $400 really cover the City costs?

    The $400 that will be charged to this project is a standard administrative fee for a short-term license to use City-owned property. All additional City oversight, such as inspections, coordination, and traffic control review, is recovered separately through other fees associated with the applicant's Public Works excavation permit.

12. How much is needed to monitor this project?

    Staff time to monitor the improvements in Blossom Lane is recovered through the construction inspection fee collected as part of the excavation permit. The inspection fee is determined as a percentage of the scope of work of the off-site improvements. The amount of time to monitor the project varies, as the level of inspection required varies by the scope of work. Although staff does not have the specific number of hours needed to monitor this project, due to its proximity to the downtown, regular monitoring will be provided during the estimated two weeks of construction.

13. When is the building expected to be constructed?

    Construction is currently underway and is expected to continue for at least another six months.

ITEM 4.5 Shoreline Boulevard at Highway 101 Bicycle/Pedestrian Bridge, Preliminary Design, Project 16-60-Professional Services Agreement

14. Why is there a need for identical Bike/Ped improvement on both sides of the North Shoreline?

    The Bike/Pedestrian Bridge, identified by Council as a Priority Transportation Improvement as part of the North Bayshore Circulation Study in 2021, would provide a pedestrian path and a bi-directional bikeway designed for all ages and abilities. On Shoreline Boulevard over U.S. 101, the existing sidewalks would remain, as would the on-street Class II bike lanes, due to right-of-way constraints. A buffer or raised curb would be included where feasible. The on-street bike lanes are less protective and meant for more confident riders. Providing the bridge and on-street bicycle lanes, as well as pedestrian access along both, promotes multi-modal access for all levels of users.

15. How many bike riders cross over US 101 on North Shoreline?

    Data on multi-modal transportation use to/from the North Bayshore area have been collected through the North Bayshore Trip Cap Monitoring reports, conducted twice a year, which collect data for peak periods. The data from the spring 2025 monitoring report showed that during the morning inbound peak period (7:45 a.m. to 10:45 a.m.), 19 bicycles crossed over Highway 101 using North Shoreline Boulevard. For the evening outbound peak period (3:30 p.m. to 6:30 p.m.), 14 bicycles crossed over Highway 101 using North Shoreline. These results were also shared with the City Council at the meeting on June 24, 2025.

16. How many pedestrians cross over US 101 on North Shoreline?

    The following data comes from the spring 2025 North Bayshore Trip Cap Monitoring report. During the morning inbound peak period (7:45 a.m. to 10:45 a.m.), 26 pedestrians crossed over Highway 101 using North Shoreline. For the evening outbound peak period (3:30 p.m. to 6:30 p.m.), 15 pedestrians crossed over Highway 101 using North Shoreline.

17. How many bike riders use San Antonio to cross US 101?

The following data comes from the spring 2025 North Bayshore Trip Cap Monitoring report. During the morning inbound peak period (7:45 a.m. to 10:45 a.m.), 21 bicycles crossed over Highway 101 using San Antonio. For the evening outbound peak hour (3:30 p.m. to 6:30 p.m.), 27 bicycles crossed over Highway 101 using San Antonio.

18. How many bike riders use the Steven Creek Trail to cross US 101?

The following data comes from the spring 2025 North Bayshore Trip Cap Monitoring report. During the morning inbound peak hour (7:45 a.m. to 10:45 a.m.), 188 bicycles used the Stevens Creek Trail to get across Highway 101. For the evening outbound peak hour (3:30 p.m. to 6:30 p.m.), 195 bicycles used the Stevens Creek Trail to get across Highway 101.

19. Is cost and ridership factored into the decision on how the Bike/Ped is designed?

Cost was a significant factor in the development of the concept design, resulting in the selection of bridge materials and bridge alignment for cost effectiveness. While bicycle ridership is low, the Council's adopted policies support the implementation of pedestrian and bicycle facilities to promote the use of multi-modal transportation elements for all abilities, providing alternatives to and reducing the number of single-occupant vehicles. Council item 4.5 for the November 4, 2025, meeting is requesting additional funding to perform documentation prior to the closeout of the preliminary concept phase for the bike/pedestrian bridge project.

20. When do we expect the bike bridge project to move forward to construction?

A specific timeline has not been determined for the bike/pedestrian bridge, but it is likely several years out. The bike/pedestrian bridge project would move forward in tandem with the Shoreline median bus lane improvements. Both projects would occur when development and traffic conditions in North Bayshore support an effective and well-used median bus lane. During the development of the Capital Improvement Program (CIP) in spring 2025, staff informed Council that the bike/pedestrian bridge project will be closed out in Fiscal Year 2025-26, after work is performed to document the efforts to date. This was recommended as a result of the cost of the bridge project, lack of staff resources, and priorities given to other projects. Council item 4.5 for the November 4, 2025, meeting is requesting additional funding to perform documentation prior to the closeout of the preliminary concept phase for the bike/pedestrian bridge project.

In the interim, to facilitate bike access north/south on Shoreline across the freeway, staff will propose the creation of a new CIP project and appropriation for the Shoreline Project, Phase 2 Feasibility Study for consideration as part of the next CIP process in spring 2026. This project will consider the use of the Shoreline Boulevard median between Terra Bella Avenue and La Avenida for a two-way bikeway.

21. How have traffic volumes changed in the past few years as more people have gone back to work in the office?

    Traffic volumes have changed over the past four years due to COVID-19 and back-to-office policies. According to the North Bayshore Trip Cap Program, traffic volumes in North Bayshore increased by 6% in spring 2025 compared to spring 2024. This indicates more people are driving, with single-occupant vehicle share increasing by 7% over the same period. The implementation of infrastructure projects such as enhanced bicycle and pedestrian improvements would encourage more travelers to walk or bike, helping the City meet its mode share goals and create safer streets and a healthier environment.

22. Are there any other plans for getting the recycled water line across 101?

    Based on the City Council's consensus of the 2022 Recycled Water Feasibility Study, staff is currently focused on building out the recycled water distribution system, including a recycled water reservoir in the North Bayshore. Once the North Bayshore build-out is nearing completion, staff will reevaluate all potential crossing alternatives identified in the Study to deliver recycled water to East Whisman and areas south of Highway 101, which include:

    1. Shoreline Boulevard corridor – the route along Shoreline Boulevard may be evaluated as an alternative, depending on the Shoreline Boulevard Bike/Ped Bridge project schedule, which could have the potential to move up the schedule for the pipeline crossing;
    2. NASA Ames/Moffett Field route – crossing U.S. 101 via federal property to serve areas south of the freeway;
    3. Other freeway crossing locations, depending on the availability of public right-of-way.

    These alternatives remain conceptual, and final selection will depend on right-of-way, engineering feasibility, permitting, and cost considerations.

ITEM 6.1 Public Safety Building, Design, Project 20-49-Environmental Certification

23. What is meant by "Add Biodiversity to the Park and Open Space Category"?

    At the September 10, 2024, Council meeting, Council clarified its programmatic goals and spending priorities for the use of Measure G funds. The Council-approved resolution allocates Measure G revenue in the following percentages for three categories of programs/projects:

35%	40% Public Safety
30%	35% Parks and Open Space
20%	25% Affordable Housing

    As part of Council approval, "biodiversity" was added to the Parks and Open Space category of spending priorities for Measure G, making funds available for achieving the biodiversity goals established by Council as part of the Parks and Open Space category of projects.

24. What is the revenue we are seeing from Measure G to help cover this cost?

Over the past five years, Measure G revenues would have averaged $8.0 million per year. However, due to the volatility associated with property transfers, revenue variability from year to year can be considerable. Measure G has generated approximately $500,000 in revenue so far in 2025, largely due to the current sluggish commercial real estate market.

25. How much bond debt will the Ameswell Hotel TOT be able to cover?

The City currently receives approximately $4.8 million in annual ground lease, sales tax, and TOT revenues from the Ameswell Property agreement. In addition, there is currently $25.8 million in Ameswell revenues in reserve, and FY 2025-26 revenues are estimated at $5.3 million. The City anticipates issuing approximately $135 million in lease revenue bonds with an estimated level annual debt service of $8.3 million per year. The FY 25-26 estimated Ameswell revenues would be approximately 64% of annual debt service.

ITEM 7.1 Recommended Amendments to the Below Market Rate Housing Program - Housing Element Program 1.9

26. Please list the pipeline projects (Table 2. Increase in BMR Units in Pipeline – 2023 to 2025) and when the entitlements expire.

Project	Total number of units (market-rate + BMR)	BMR Units**	Entitlement expiration date
601-649 Escuela Ave & 1873 Latham St.	25	4	3/27/2026
870 West El Camino Real*	371	37	3/27/2026
730 Central Ave	21	4	6/22/2026
400 Logue	407	62	12/22/2026
301-317 Moorpark Way*	22	2	3/13/2027
918 Rich Ave*	32	4	4/24/2027
400 Moffett Blvd*	174	18	8/27/2027
828 & 836 Sierra Vista*	20	5	9/9/2027
266 & 272 Tyrella*	47	5	9/23/2027
749 West El Camino Real*	266	33	under review
490 East Middlefield Road*	460	54	under review
333 Franklin Street*	14	8***	under review

Project	Total number of units (market-rate + BMR)	BMR Units**	Entitlement expiration date
555 West Middlefield Road*	323	48****	under review
924 San Rafael*	36	9	under review
969 Hope St. & 679 Fairmont Ave*	36	8	under review
2172-2144 Wyandotte Street*	36	9	under review
1411-1495 West El Camino Real*	99	15	under review
922-944 San Leandro*	38	10	under review
881 Castro Street*	70	22	under review

* Projects utilizing the state density bonus law
** inclusive of density bonus affordable units and BMR units. The density bonus units count towards the BMR units if both requirements are met; in general, the BMR units required exceed the number of affordable units provided through the density bonus.
*** All units at 333 Franklin are provided under SB 330 replacement units; the project would need to provide two units under the BMR program.
**** Since the Council report was finalized, this project made some unit adjustments, resulting in 3 fewer units

27. Does the in-lieu fee apply to ADUs? Or are all ADUs exempt from the in-lieu fee?

    All ADUs are exempt from in-lieu fees.

28. How many SB 9 projects have there been in Mountain View?

    Since 2022, 13 projects have utilized SB 9.

29. How many SB 684 / SB 1123 projects have there been in Mountain View?

    The City has not received any qualifying applications for the above but has received two or three informal inquiries at the Planning counter.

30. Can staff provide the amount of BMR in-lieu fees collected (2023-2025)?

Between 2023 and 2025, the City received $12,700,000 in BMR in-lieu fees, which is composed of $11,900,000 from Phase 1 fees and $800,000 from Phase 2 fractional in-lieu fees.

31. How many alternative compliance projects have there been? How many units have been provided through alternative compliance?

Under the original BMR ordinance, many projects that did not provide the BMR units paid in-lieu fees. Staff is aware of two projects that did not provide on-site units or fees but instead completed preservation projects (660 Mariposa – 50 units in the preservation project, plus 3 on-site BMR units at The Tillery) and another through off-site delivery (777 W. Middlefield – 144 units in the stand-alone BMR building).

Under the current BMR program, only one project has been approved that utilized an alternative means of compliance (685 E Middlefield using off-site development – estimated 150 units).

32. On page 18, the staff report says, "Developers may fulfill BMR obligations by acquiring existing, unrestricted residential units off-site, rehabilitating them to required standards, and recording long-term affordability covenants." What does unrestricted mean in this context?

In this context, "unrestricted" means that there are no recorded covenants (for example, a BMR agreement) on the property that restrict the units to affordable levels for income-qualifying households. The intent of the program is to convert an unrestricted unit into affordable housing; while this would not increase the total number of overall units in Mountain View, it would increase the number of deed-restricted affordable housing as a percentage of total units in the City.

33. The staff report says, "Total number of acquired units cannot exceed 1.5 times the required number of BMR units." Why set this restriction?

The intent of this objective standard is to provide developers with flexibility while balancing it with the policy goal of producing BMR units that are proportionate to the market rate unit mix, thereby meeting diverse housing needs, particularly for larger families/households.

For example, new market-rate projects typically include larger units, such as 2-, 3-, and 4-bedroom units. However, the City's older housing stock (i.e., properties that may be best suited for acquisition/preservation projects, such as apartments covered under the CSFRA) typically includes a greater percentage of smaller units (studios and one-bedrooms). Therefore, developers may find it challenging to purchase an apartment building that provides the same distribution of unit sizes as the on-site BMR units would have, which is a requirement of the program.

Therefore, the staff recommends that the acquisition/preservation alternative compliance allow developers some flexibility in meeting their BMR requirements. For example, the developer could provide two 1-bedroom units in an acquisition project for a 2-bedroom BMR unit that would have been built on-site.

However, the 1.5 cap prevents a developer from meeting its BMR obligation by providing all small units instead of some larger units. For example, a developer cannot provide 20 one-bedroom units to meet a BMR obligation of 10 two-bedroom units. The developer would have the flexibility to provide some one-bedroom units but would be required to also have two-bedroom units to meet the BMR goal of having proportionate unit sizes to accommodate diverse housing needs.

34. On page 21, Table 6, when looking at the three housing types, rentals, row homes/town homes, and other ownership types, recommended in-lieu fees have gone up for some housing types and down for others. Why is that? Is it mainly related to fluctuations in rents and sales prices?

    That is partially correct. The change in the in-lieu fee amounts is a result of a combination of three factors: 1) relatively high increases in the annual State income limits published by the Department of Housing and Community Development over the last several years; 2) the increases in rents and sales prices based on the increasing income limits (and mortgage rates for for-sale units); and 3) construction and financing costs. The in-lieu fee is calculated by measuring the gap between construction cost and revenue (rents in the case of rental projects, and sales prices in the case of ownership projects). In BMR programs, rents and for-sale pricing are determined through AMI levels.

    For rental projects, income limits – and therefore rents – have increased faster than construction costs. Similarly, for ownership rowhome/townhome projects, the sales prices have increased faster than construction costs for that product type. This means that the gap between construction cost and revenue has decreased, resulting in a lower in-lieu fee.

    Conversely, non-rowhome/townhome ownership projects, such as condos, have seen construction costs increase faster than sales prices. This means that the gap between construction cost and revenue has increased, resulting in a higher in-lieu fee.

35. How much would the HOA fees be?

    HOA fees vary by project and are set by developers. Staff's research found a wide range of initial HOA fees for current projects, ranging from $250/mo. up to $900/mo. Note that if a developer sets a higher starting HOA fee, the BMR sales price will be lower, based on the overall amount of housing costs an income-eligible buyer can afford. Similarly, if a developer sets a lower starting HOA fee, the BMR sales prices will be higher.

36. Why is the staff recommending the removal of HOA fees for low-income housing?

    As noted in the memo, the state passed AB 573 to limit excessive HOA fee increases for affordable housing. Staff's evaluation is that this state law generally addresses the intent of the HOA Reserve Fund. The recommendation is to remove the HOA Reserve fund requirement for developers due to AB 573. BMR homeowners would still be required to pay the monthly HOA fees.

37. How much more will the market rate units be paying in HOA fees because of the extra burden?

The market rate homeowners will not be impacted, as the BMR homeowners will continue to pay the monthly HOA fees associated with their unit.

38. Has the requirement for 25% BMR for a project size of 7 or more units of row/town been removed?

No, removing this requirement was not part of the scope of work as discussed in the December 2023 Study Session. Additionally, Housing Element Program 1.9, which requires periodic reviews of the BMR Program, stipulates the implementation of the BMR Program as modified in 2019, including the 25% rowhome/townhome requirement.

39. How does staff define “significantly more BMR units”? How many more?

The Council report notes that the current BMR program is "estimated to result in significantly more BMR units under the current version of the BMR Program.” This evaluation is based on the 186 units that were created through the original program, which was in effect between 1999 to 2019 (20 years). The current BMR program has produced 30 new BMR units and has an additional 340 units in the pipeline, which would significantly exceed the units produced under the current program if and when the pipeline units are constructed.

40. Is 3% rent increase max per year realistic? Is that a detriment?

The 3% maximum allowable rent increase is applicable to the BMR units only (does not apply to market-rate units) and was codified in the BMR Ordinance when it was updated in February 2025. Prior to its incorporation into the BMR Ordinance, the 3% was a policy that was included in the City’s BMR agreement with developers. The City has not received any feedback from developers regarding the 3% allowable increase that impacts their project feasibility.

41. When it is stated that 340 units are in the pipeline, what does that mean in terms of?

This number includes projects under the current BMR requirements that have received their entitlements but have not yet commenced construction or are under review and have not yet been approved.

42. Have the permits been approved, construction started, and how many have been built and rented?

Please refer to question 41. However, one project (which includes two BMR ownership units) that has been entitled has been submitted for building permits.

43. How much extra cost does making a unit accessible?

Based on stakeholder input by developers, the range can vary widely. Based on stakeholder input from developers, the range can vary widely; however, stakeholders did provide specific amounts. There are minimal/low-cost features, such as smart lights, whereas other design features can be more costly, like side-by-side washer/dryers or lower counter heights, because these require a redesign of these units.

44. Did all the outreaches have any effect on the length of preparing the staff report?

The outreach itself was not a primary driver of the time it took to prepare this report and bring it back for Council input. The main factors affecting the time include 1) comprehensive review and evaluation of options; 2) limited staff capacity; 3) other Housing Element requirements/deadlines, such as the Community Ownership Action Plan, updating the TRAO, evaluating local replacement requirements, etc.; and 4) multiple priorities Citywide competing for Council meeting agenda time.

45. How do these changes fit into the goal of supporting and preserving naturally affordable housing stock for other kinds of formal affordable housing like CLTs?

The preservation of naturally affordable housing stock, such as CSFRA units, is part of the City's tenant displacement response strategy. However, as related to the BMR program, the staff report notes that developers may opt to select a partner to meet their BMR obligation via an alternative means of compliance, such as the acquisition/preservation alternative compliance. These partners could include a CLT, for example.

46. What is the number of affordable housing units in Mountain View today? Weren't almost all of them assisted by funds from our BMR fees? Please share some of this history. It is also interesting to know what the typical multiplier of these funds has been.

The total number of affordable housing units in Mountain View is 1,904, comprising 1,685 units in fully affordable projects and 219 BMR units. The City provides funding for fully affordable projects but not for BMR projects, as BMR units are the developer's obligation.

The City has 20 fully affordable projects comprising the 1,685 units. The City has provided a total of $135 million in funding, of which approximately half ($68 million) was BMR in-lieu fees. Seven out of the 20 projects were funded in part by BMR in-lieu fees.

The City typically targets a minimum of a 4:1 ratio, meaning $4 of external funding is leveraged for each dollar of City funding. Staff does not have an exact overall multiplier of these funds but believes that this leverage ratio has been met or exceeded.