



COUNCIL REPORT

DATE: March 24, 2026
CATEGORY: Consent
DEPT.: Community Development
TITLE: **Housing Element Annual Progress Report**

RECOMMENDATION

Accept the 2025 Annual Progress Report on the 2023-2031 Housing Element and direct staff to submit the report to the California Department of Housing and Community Development and the Governor’s Office of Land Use and Climate Innovation, as recommended by the Environmental Planning Commission (Attachment 1 to the Council report).

BACKGROUND

Housing Element and Annual Progress Report

On April 11, 2023, the City Council adopted the Sixth Cycle Housing Element, which covers the eight-year planning period of 2023 to 2031. The Housing Element is one of seven mandated General Plan elements. It is the only General Plan element subject to mandatory review by a state agency, the California Department of Housing and Community Development (HCD). The Housing Element’s purpose is to examine a jurisdiction’s housing needs; create, update, and guide housing policies; and identify locations to accommodate the City’s Regional Housing Needs Allocation (RHNA).

Government Code Section 65400 requires that cities prepare an Annual Progress Report (APR) on Housing Element implementation using forms and definitions adopted by HCD. These reports are submitted to HCD and the Governor’s Office of Land Use and Climate Innovation, formerly the Governor’s Office of Planning and Research.

The Housing Element APR provides data on annual building permit activity, overall progress in meeting the City’s RHNA, and the status of Housing Element program implementation. For the 2025 reporting year, there are some changes to the form that result from legislation enacted during the 2023-2024 regular session.

- **Historical Resources:** State Assembly Bill (AB) 2580 amended Government Code Section 65400 to require an analysis of historical preservation policies and how those policies may

affect a jurisdiction's ability to meet its RHNA allocation. For the purposes of the APR, AB 2580 requires the City to report all historic designations that were newly listed on the National Register of Historic Places, the California Register of Historical Resources, or a local register of historic places in the past year. While the City is currently in the process of updating the Mountain View Register of Historic Resources, no new sites were added to the register in the previous year.

- **New Income Limits:** AB 3093 amended various sections of the Government Code to require RHNA allocations for two additional affordability levels: acutely low-income (0% to 15% of Area Median Income (AMI)) and extremely low-income (15% to 30% of AMI). Since the City received its RHNA allocations prior to the bill's passage and effective date, there are no RHNA allocations for these income levels for the current Housing Element cycle. Therefore, any units reported at these income levels will count as progress toward the City's very low-income target (0% to 30% of AMI).
- **Opportunity Areas:** AB 2667 amended Government Code Section 65400 to require monitoring units within "opportunity areas," as defined in the most recent "CTCAC/HCD Opportunity Map."¹ HCD will be tracking the units directly; therefore, the City's reporting obligations are not impacted.

Regional Housing Needs Allocation

State law requires local jurisdictions to provide for their fair share of regional housing needs. State Housing Element Law (Gov. Code Section 65580, *et seq.*) acknowledges that, in order for the private market to adequately address the housing needs of California, local governments must adopt plans and regulatory systems that provide opportunities for, and do not unduly constrain, housing development. Therefore, the local jurisdictions are required to zone adequate, developable land to build these units and to take other actions to facilitate housing production at various levels of affordability.

Per Government Code Section 65584, HCD is mandated to determine the statewide housing need and provide an allocation of housing units to the councils of government across the state. In the Bay Area, the housing unit allocation is provided to the Association of Bay Area Governments (ABAG). ABAG is the Bay Area's metropolitan planning organization and is responsible for assigning the RHNA for each city and county in the nine-county Bay Area.

¹ CTCAC is the California Tax Credit Allocation Committee. The "[CTCAC/HCD Opportunity Map](#)" identifies "opportunity areas" in every region of the state whose characteristics have been shown to be associated with positive economic, education, and health outcomes for low-income families relative to other neighborhoods in the same region. Opportunity areas are scored according to eight economic and educational indicators, then divided into four primary categories: Highest Resource, High Resource, Moderate Resource, and Low Resource.

The City’s current RHNA allocation for the Housing Element Sixth Cycle (2023-2031) is 11,135 units, which is a substantial increase from the allocation of 2,926 units in the Fifth Cycle (see Table 1). This increase reflects the growing need for housing units statewide. The RHNA methodology assigns units by income category, specifically units serving acutely low-, extremely low-, very low-, low-, moderate-, and above-moderate-income households. Households are categorized into these income groups based on household size and percentages of AMI. These income limits are established annually by HCD. The 2025 AMI for Santa Clara County for a household of four was \$195,200 (see Attachment 2).

Table 1: City of Mountain View Sixth-Cycle RHNA

Income Group	Area Median Income %	Units
Very Low	0% - 50%	2,773
Low	51% - 80%	1,597
Moderate	81% - 120%	1,885
Above Moderate	120%+	4,880
Total		11,135

Environmental Planning Commission Recommendation

The 2025 Housing Element APR was presented to the [Environmental Planning Commission \(EPC\) for review on February 18, 2026](#). At the meeting, the EPC unanimously recommended that the City Council accept the 2025 APR (5-0, with two Commissioners absent).

ANALYSIS

Annual Progress Report

As noted above, the APR provides the state with information on the City’s permit activity for new housing units through the previous calendar year, or between January 1, 2025 and December 31, 2025. This activity includes new development applications submitted² (see Attachment 1, Table A), development entitlements approved (see Attachment 1, Table A2), building permits issued (see Table 2 in this report and Attachment 1, Table A2), and building permits finalized (see Attachment 1, Table A2). The progress report also includes Housing Element policy and program implementation (see Attachment 1, Table D).

² For the purposes of the APR, HCD defines “application submitted” as an application submittal that has been determined complete by the jurisdiction.

1. Residential Building Permit Activity and RHNA Allocation

Progress in meeting the City’s RHNA is measured through the number of building permits issued. In 2025, the City issued building permits for 388 new residential units,³ 26 of which are very low-income units, 26 are low-income units, 26 are moderate-income units, and 310 are above-moderate-income units (see Table 2 and Attachment 1, Tables A2 and B).

Table 2: Sixth-Cycle (2023-2031) RHNA Progress—Building Permits Issued

Affordability by Household Income ⁴	2023 ⁵	2024	2025	Total Units to Date	Percent of RHNA Allocation ⁶
Acutely Low (Up to 15% AMI)	-	-	-	-	-
Extremely Low (15+% - 30% AMI)	-	-	-	-	-
Very Low (30+% - 50% AMI)	142	101	26	269	9.7%
Low (50+% - 80% AMI)	95	17	26	138	8.6%
Moderate (80+% - 120% AMI)	147	18	26	191	10.1%
Above Moderate (120+% AMI)	878	81	310	1,269	26.0%
Total	1,262	217	388	1,867	16.8%

The City of Mountain View continues to experience a high level of residential development activity. Because the APR tracks only those housing units that have hit certain milestones over the course of the previous calendar year, there are pipeline residential projects that do not appear on this form. Currently, there are 539 residential units (352 net new residential units) under construction, approximately 3,606 residential units (3,545 net new residential units) approved but not yet under construction, and 4,914 residential units

³ Per HCD direction, units are reported based on the total number of new units in a project while demolished units are listed separately.

⁴ Consistent with AB 3093 (2023-2024 Reg. Sess.), the APR form now includes columns where jurisdictions can report housing units at acutely low-income and extremely low-income affordability levels.

⁵ Includes the period from June 30, 2022 through December 31, 2023.

⁶ Only jurisdictions who received RHNA determinations for their active planning cycle after the date of the AB 3093’s passage (September 19, 2024) will have RHNA allocations for acutely low-income and extremely low-income housing units. The City received the current cycle RHNA determination prior to this date and does not have RHNA allocations for these affordability levels.

(4,864 net new units) under entitlement review, including 1,587 residential units (1,583 net new units) with applications deemed complete.⁷

2. No Net Loss

Senate Bill (SB) 166 (2017-2018 legislative session), codified as Government Code Section 65863 and known as the “No Net Loss Law,” became effective on January 1, 2018. Among other provisions, SB 166 requires local jurisdictions to maintain an inventory of sites zoned to accommodate their share of the region’s housing needs at all income levels. In other words, if a site is developed with fewer units at the specified income level than the quantity identified in the Housing Element, the jurisdiction must identify, and rezone, if necessary, additional sites to make up for the shortfall.

Program 1.11 of the Housing Element includes instructions for monitoring no net loss, including the preparation of a “provisional inventory” that will give the City advance notice of impending approvals that would reduce the inventory below the RHNA allocation at any income level.⁸ In addition, the program requires the City to separately track the sites available for lower-income housing in the highest-opportunity areas of the City: south of El Camino Real and the area around downtown (bounded by El Camino Real, Mariposa Avenue, Central Expressway, and California State Route 85 and State Route 237).

The Official Inventory and Provisional Inventory counts are shown in Table 3. No individual income level is below the minimum 5% requirement in either the official or provisional inventories; therefore, it is not currently necessary to identify additional opportunity sites or rezonings to meet the City’s RHNA requirements. The current inventory, updated as of January 1, 2026, can be found on the City’s [Housing Element webpage](#).

⁷ Table A of the APR form does not report on all residential projects currently under entitlement review. “Application submitted” per the Department of Housing and Community Development’s guidance means an application submittal that has been determined complete by the jurisdiction. The remaining units have submitted applications but had not yet been deemed complete as of December 31, 2025.

⁸ The program stipulates that if the moderate-income provisional inventory is below the 5% buffer, lower-income sites in the inventory can be converted to moderate-income sites to increase the buffer of that category. However, when the lower-income inventory falls below 5% after reallocating sites to the moderate-income category, the City will begin identifying new sites to address no net loss.

Table 3: No Net Loss, Official, and Provisional Inventories

Affordability by Household Income	RHNA	2025 Inventory* (Official/Provisional)	2025 Project Updates (Official/Provisional)	Inventory on January 1, 2026 (Official/Provisional)	Percent Buffer (Official/Provisional)
Lower (0% - 80% AMI)	4,370	4,989 5,195	-54 111	4,935 5,306	12.9% 21.4%
Lower, south of El Camino Real, and downtown area	830	1,049 1,070	0 0	1,049 1,070	26.4% 28.9%
Moderate (80+% - 120% AMI)	1,885	2,174 2,162	74 -161	2,248 2,001	19.3% 6.2%
Above Moderate (120+% AMI)	4,880	9,035 9,858	598 923	9,633 10,781	97.4% 120.9%

* Inventory counts do not include accessory dwelling units.

3. Housing Element Policies and Programs

The Housing Element includes policies and programs that are intended to remove constraints to housing production, produce housing for all income levels, provide housing assistance, address displacement and homelessness, and create solutions for housing through partnerships and other means. Table D in Attachment 1 summarizes current measures that have been completed in the calendar year 2025 to support the Housing Element’s goals. Several Housing Element implementation items are summarized below. Given this is the third year of the Sixth-Cycle Housing Element, many programs are still in progress or have not yet begun.

Goal 1: An increase in the quantity and diversity of housing options, focusing on active nodes, and walkable neighborhoods with amenities and services.

- a. Updated Zoning Regulations: On December 16, 2025, the City adopted General Plan and Precise Plan/Zoning Amendments to allow residential in several areas throughout the City, consistent with the densities and locations identified in Program 1.1(g).

Goal 2: An inclusive and equitable community with available and accessible housing assistance.

- a. Mediation and Fair Housing Programs: Staff continues to implement Program 2.5 through the Mountain View Mediation program and hosting ongoing outreach/education events regarding housing programs for tenants, local property owners, and managers on a biweekly basis. These events utilize multilingual services.

Goal 3: A comprehensive suite of housing opportunities and services to prevent, respond to, and address displacement and homelessness.

- a. Homelessness Prevention and Services for the Unhoused: In June 2025, the City adopted the Pathways to Housing—Homeless Response Strategy Implementation and Expenditure Plan, which outlines a seven- to 10-year roadmap to address homelessness.

Additionally, the City continues to provide funding to Community Services Agency (CSA) for critical case management, housing information and referral services, and targeted outreach for Mountain View’s unhoused and unstably housed residents.

- b. Study Updates to the Mobile Home Rent Stabilization Ordinance: On March 13, 2025, the City Council approved lowering the allowed annual rent increase in the Mobile Home Rent Stabilization Ordinance (MHRSO) from 100% of the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward region with a 2% floor and 5% ceiling to an adjustment limited to 60% of the CPI-U with no floor and a 3% ceiling. The Ordinance amendments were adopted on March 25, 2025 in a second reading, meeting the Housing Element deadline of March 31, 2025 to study potential amendments to the MHRSO.

Goal 4: A city that is an effective steward of housing solutions through funding, advocacy, partnerships, and community outreach and engagement.

- a. Development Streamlining and Processing Revisions:

- (1) On June 10, 2025, the City Council adopted a new Master Fee Schedule based on the Development Services Fund Fee Study that updated existing development fees.
- (2) City departments have continued to collaborate to implement the 2021 Development Review Assessment (“Matrix Study”). This includes technological improvements, such as posting of interactive dashboards to display the City permitting performance indicators for the development review process and Matrix Study recommendations.

- b. Funding for Affordable Housing Units: The City has participated in a regional process to evaluate its Housing Impact Fee program and fee levels as part of Housing Element Program 4.3. Additionally, the City has secured grants or funding from the state’s Local Housing Trust Fund (grant), the state’s Permanent Local Housing Allocation (grant), federal HOME-ARP (funding), and federal Community Project Funding (grant).

Other funding options include a developer loan for units in the affordable housing pipeline and developing a homeownership assistance pilot program.

Regarding Housing Element Program 4.4, the City continues to evaluate and apply for external grant funding for pipeline projects. The City continues its work to secure additional funding, including discussions with nonprofits and foundations to evaluate potential funding partnerships, to advance the City’s affordable housing pipeline as well as acquisition/preservation projects that are part of the City’s tenant displacement response strategy.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) applies only to projects that have the potential for causing a significant effect on the environment. This action is not a project pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15738.

NEXT STEPS

Following consideration by the City Council, staff will forward the 2025 Housing Element APR to HCD and the Governor’s Office of Land Use and Climate Innovation.

Housing Element Actions Anticipated in 2026

The Housing Element establishes a multi-year program of implementation actions. Programs anticipated to be in process in the upcoming year are summarized in Table 4 below.

Table 4: 2026 Programs in Progress

Program	Description	Status/Timeline
<i>Program 1.1—Ensure Zoning and General Plan for all sites is consistent with the Housing Element Site inventory and pipeline projects.</i>	Rezone areas to allow residential or allow at higher densities, including Moffett Boulevard.	Draft Moffett Boulevard Precise Plan in progress. This includes developing prototypes and standards, road diet analysis, and CEQA analysis. The project overlaps with SB 79, which requires reevaluation of project outcomes and analysis. Housing Element Deadline: December 31, 2025.
<i>Program 1.2 and 1.3.d—Eliminate Minimum Parking/Review and</i>	Adopt a transportation demand management (TDM)	Existing conditions analysis, visioning, and development of a draft ordinance framework that includes

Program	Description	Status/Timeline
<i>Update Ordinance and Precise Plan.</i>	ordinance and enhanced TDM criteria.	TDM performance standards, a TDM menu of options, and ordinance management tools have been completed. Adoption hearings are tentatively scheduled for Q2 2026. Housing Element Deadline: December 31, 2026.
<i>Program 1.3.a, c, e, and h— Review and Update Ordinance and Precise Plan Residential Standards.</i>	Reduce development standards, update code for consistency with state law, study live-work, and upzone R2 properties.	Draft reduced standards and study of live-work for the R3 Zoning District are complete. Updated densities for R2 and compliance with state law expected by Q3 2026. Housing Element Deadline: December 31, 2025.
<i>Programs 1.4 and 2.6— Religious and Church Assembly Sites for Housing/Affirmatively Further Fair Housing.</i>	Both programs aim to increase affordable housing units in areas south of El Camino Real, which are considered the City’s highest opportunity neighborhoods.	Outreach, site analysis, and Study Sessions have been completed. Additional work includes draft standards, prototyping, additional outreach and code amendments. Housing Element Deadline: December 31, 2025.
<i>Program 1.6—SB 9 DUO Subdivisions.</i>	Update the zoning and subdivision codes to allow subdivisions of SB 9 dual-urban-opportunity (DUO) units.	Evaluation of accessory dwelling unit (ADU) subdivisions will be incorporated as part of this program. Next steps include identifying barriers, coordinating with other departments, and updating relevant City Code by Q4 2026. Housing Element Deadline: December 31, 2026.
<i>Program 1.8—Park Land Ordinance Update.</i>	Complete Phase 2 of the Park Land Dedication Ordinance update and adoption of Parks and Recreation Strategic Plan.	Draft plan completed and to be reviewed by the City Council in Q1 2026. Adoption hearings are tentatively scheduled for Q2 2026.

Program	Description	Status/Timeline
		Housing Element Deadline: December 31, 2024.
<i>Program 1.8—Park Land Ordinance Update.</i>	Adopt the nexus study, reduced fees, alternate mitigations, and/or other programs to reduce costs on residential development.	Draft Nexus Study documents are in progress. Adoption hearing scheduled for Q2 2026. Housing Element Deadline: December 31, 2025.
<i>Program 2.2—Pilot ADU and SB 9 Financial Incentives Program.</i>	Evaluate and implement potential options to make ADU and SB 9 projects more feasible.	Item incorporated into the City’s Low- and Middle-Income Homeownership Strategy. Target completion date: December 2026. Housing Element Deadline: December 31, 2026.
<i>Program 3.2—Displacement Response and Mitigation.</i>	Multiple actions to evaluate and respond to residential tenant displacement.	Completion of amendments to the Tenant Relocation Assistance Ordinance (TRAO). Adoption in Q1 2026. Adoption of the Community Ownership Action Plan in 2026. Housing Element Deadline: June 30, 2026.

FISCAL IMPACT

There is no fiscal impact associated with accepting the 2025 APR for the 2023-2031 Housing Element.

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

PUBLIC NOTICING

The City Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. Electronic notices were sent to those who signed up on the Housing Element website to receive information regarding updates for Housing Element program implementation. A newspaper notice has been circulated for this meeting.

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- Attachments:
1. Annual Progress Report
 2. 2025 AMI for Santa Clara County