



COUNCIL REPORT

DATE: May 12, 2026

CATEGORY: Consent

DEPT.: Housing Department

TITLE: **Appropriation of Senate Bill 129 Funds for the Lot 12 Affordable Housing Project**

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Mountain View appropriating \$8,000,000 in State Funds Received Pursuant to Senate Bill 129 for the Lot 12 Affordable Housing Project, to be read in title only, further reading waived (Attachment 1 to the Council report). (Five votes required)

BACKGROUND

In July 2021, the State adopted Senate Bill (SB) 129, which included \$8.0 million in State funding for affordable housing in Mountain View. This funding was secured through the leadership of State Senator Josh Becker and is intended to support the City's Lot 12 project, a 120-unit affordable housing development in downtown Mountain View. The City subsequently accepted the funds through the California Department of Housing and Community Development and incorporated them into the City's funding for Lot 12, which totals \$23.45 million.

On [March 14, 2023](#), the City Council appropriated \$8.0 million in SB 129 funds for the Lot 12 project, which was subsequently reappropriated in the Fiscal Year 2023-24 Adopted Budget. As the funds were not expended during the fiscal year, the appropriation lapsed in accordance with the City's budget policies and is no longer available for expenditure.

ANALYSIS

The proposed action is a technical budget "clean-up" item necessary to align prior Council actions with the City's current budget process. This action includes reappropriating previously approved SB 129 funds that lapsed and are not currently budgeted for expenditure. It does not represent new funding or an increase in the City's total commitment of \$23.45 million for the project. Rather, it formalizes the reappropriation and availability of previously awarded and accepted State SB 129 funds for their intended use for the Lot 12 project. This appropriation clean-up

action will make the funds in the executed loan agreement available for project costs and will not impact project timing; construction has already begun and is expected to be completed in 2028.

Appropriating the funds at this time will:

- Make the \$8 million in State funding available in the 2025-26 Fiscal Year Budget, with any unspent funds reappropriated in future fiscal years through the budget process;
- Allow staff to include the funds in the project's purchase order and disbursement process, allowing the developer's construction cost invoices to be paid; and
- Ensure consistency between Council-approved project financing and the City's accounting records.

The SB 129 funds will continue to be provided to the developer as a loan under the same general terms and conditions as other City housing funds for the project.

FISCAL IMPACT

There is no impact to the City's General Fund or housing funds, as this action does not increase the City's total subsidy commitment. Instead, it enables the use of SB 129 funds that have already been secured and received from the State.

Approval of the recommended action will appropriate \$8,000,000 in previously awarded State SB 129 funds into the Lot 12 project budget for Fiscal Year 2025-26, making the funds available for expenditure.

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

ALTERNATIVES

1. Do not appropriate the SB 129 funds to the Lot 12 project.
2. Provide other direction.

PUBLIC NOTICING

Agenda posting.

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Attachment: 1. Resolution