



COUNCIL REPORT

DATE: June 9, 2026

CATEGORY: Consent

DEPT.: Housing Department

TITLE: **Code Amendment to Chapter 36 (Zoning)—Below-Market-Rate Housing Program (Second Reading)**

RECOMMENDATION

Adopt an Ordinance of the City of Mountain View Amending Chapter 36, Article XIV, Division 2 (Residential Development: Below-Market-Rate Housing Program) of the Mountain View City Code to Modify the Below-Market-Rate Program and add Section 36.40.32 Governing Graduated Fee Reduction for Small Projects, and Finding That These Code Amendments are Not Subject to the California Environmental Quality Act, to be read in title only, further reading waived (Attachment 1 to the Council report). (First reading: 7-0)

SUMMARY

On [May 12, 2026](#), the City Council held a Public Hearing (first reading) to introduce an ordinance to amend Chapter 36 (Zoning) of the City Code to:

- Increase the physical accessibility of BMR units.
- Establish objective standards for alternative means of compliance and removing discretionary approvals from this component of the application process. The ordinance also retains land dedication and off-site development, adds acquisition and preservation and removes the in-lieu fee and catch-all provisions
- Update the in-lieu fee escalator and amounts.
- Complete remaining cleanup items including allowing ownership projects to have a weighted average of up to 100% Area Median Income and updating the administering Department from Community Development to Housing that were not completed during the Phase 1 amendments completed in Feb/March 2025.
- Remove the HOA Reserve Fund requirement.

- Adopt a graduated in-lieu fee reduction for small projects of six units or less.
- Allow updates to the BMR Program Guidelines to occur administratively.

Council unanimously supported the amendments (7-0 vote).

Council also approved staff’s recommendation to relocate the BMR ordinance from Chapter 36 (Zoning) to Chapter 46 (Housing) and bring back amendments before the end of 2026.

This is the second reading of the ordinance for Chapter 36 of the City Code. If approved, the ordinance will become effective thirty (30) calendar days after the second reading, which is July 9, 2026.

FISCAL IMPACT

Approval of the proposed ordinance does not impact the General Fund. The proposed amendments remove the in-lieu fee option for compliance with the Below-Market-Rate Housing Program, which will significantly reduce future in-lieu fee revenues to the City.

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

Agenda posting. The ordinance was published at least two days prior to adoption in accordance with City Charter Section 522.

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Attachment: 1. Ordinance