



CITY COUNCIL STAFF REPORT

ITEM NO. 6.22

DATE: May 11, 2026

TO: Honorable Mayor and City Council

FROM: Brent Smith, Community Development Director

SUBJECT: Resolution adopting the Below Market Rate Rental Requirements for affordable units produced through the Inclusionary Housing Ordinance and City-assisted affordable housing developments.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution approving the Below Market Rate Rental Requirements for units produced through the Inclusionary Housing Ordinance and City-assisted affordable housing developments.

DECISION TYPE

Administrative

SUMMARY

Staff recommends City Council adopt the proposed Below Market Rate (BMR) Rental Requirements applicable to affordable rental units restricted through the City's Inclusionary Housing Ordinance and/or those receiving City affordable housing funds. Adoption of the BMR Rental Requirements is consistent with the program goals outlined in the City's 2023–2031 Housing Element Plan. The requirements will establish clear standards and procedures for the marketing, leasing, implementation, and management of income-restricted rental units, ensuring consistency, transparency, and equitable access to affordable housing.

DISCUSSION

Consistent with the City's 2023-2031 Housing Element Plan, staff recommends adopting formal BMR Rental Requirements for affordable units. These requirements will support compliance with the City's Inclusionary Housing Ordinance and advance the City's commitment to housing accessibility, transparency, and equity. Recently approved residential projects have included income-restricted rental units, underscoring the need for consistent implementation and oversight. Establishing formal requirements will help ensure uniformity across development projects and promote fair housing practices. The proposed BMR Rental Requirements will:

- Provide clear procedures for developers, property managers, and affordable unit owners regarding the rental of BMR units.
- Ensure marketing plans, screening process, and local application priority points are consistent for all units.
- Establish standards for the marketing, leasing, management, and ongoing monitoring of BMR units that are restricted through the City's Affordable Housing Inclusionary Ordinance or subsidized with City affordable housing funds.
- Promote the consistent and equitable application of City requirements for restricted rental units.
- Expand access to affordable housing for all low to moderate-income residents, including individuals facing language and accessibility barriers, by requiring all marketing material to be language and ADA-accessible, in addition to targeting diverse groups.

In developing these requirements, staff reviewed best practices among other cities in the region and aligned them with other state and federal compliance standards. Adoption of the BMR Requirements will enhance coordination with developers and community partners, assist residents in applying for affordable housing, and reinforce the City's priorities around housing equity.

FISCAL AND ADMINISTRATIVE IMPACTS

There are no fiscal impacts to the City associated with the adoption of the proposed BMR Rental Requirements. Administration of the requirements will be incorporated into the existing operations of the City's affordable housing programs.

COMMUNITY PILLAR

1: A Safe Community that Thrives

GOAL

7: Expand and preserve the supply of affordable housing opportunities

ATTACHMENTS

1. Resolution
2. Exhibit A - BMR Rental Requirements

Prepared by: Shelly Haynes
Management Analyst II

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director

