



AGENDA REPORT

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SUBJECT: Impact Fees Annual Report for
Fiscal Year 2022-23

DATE: January 23, 2024

City Administrator Approval


Jestin Johnson (Jan 11, 2024 14:58 PST)

Date: Jan 11, 2024

RECOMMENDATION

Staff Recommends That The City Council Receive The Annual Report On The Affordable Housing, Transportation, Capital Improvements, And Jobs/Housing Impact Fees For Fiscal Year 2022-23.

EXECUTIVE SUMMARY

To ensure that new development in the City of Oakland (City) pays its appropriate share towards funding affordable housing, transportation improvements, and capital facilities, certain development projects must pay impact fees as part of the building permit process.

The purpose of this agenda report is to present the annual report (Impact Fees Annual Report, **Attachment A**) for the fiscal year (FY) July 1, 2022 to June 30, 2023 (FY 2022-23) of the Affordable Housing, Transportation, Capital Improvements and Jobs/Housing Impact Fees, together “Impact Fees,” as required per the Mitigation fee Act. A full copy may be accessed here: <https://www.oaklandca.gov/topics/impact-fees>.

BACKGROUND / LEGISLATIVE HISTORY

The Mitigation Fee Act, California Government Code Sections 66000 – 66025, requires cities to prepare an annual report containing an annual accounting for fees and information regarding the types of fees, amount, the balance of the accounts, amounts collected, among other things.

CED Committee
January 23, 2024

There are two sets of impact fees: one passed by the City Council in 2016, consisting of the Affordable Housing, Transportation and Capital Improvement Impact Fees; and one passed in 2002, consisting of the Jobs Housing Impact Fee. The background on each set of these Impact Fees is discussed in sections 1 and 2 below.

1. Summary of the Affordable Housing, Transportation and Capital Improvement Impact Fees

In 2016, by [Ordinance No. 13365 C.M.S.](#), the City adopted into the Oakland Municipal Code (OMC) the Affordable Housing Impact Fee ([OMC Chapter 15.72](#)), the Transportation Impact Fee and the Capital Improvements Impact Fee ([OMC Chapter 15.74](#)) to defray the costs associated with addressing its housing affordability crisis and its need to enhance the City's infrastructure. The Ordinance found that as Oakland experiences economic growth, it is specifically important that the City plan for and provide funds for affordable housing, transportation improvements, and capital facilities to meet the current and evolving needs of residents. Multiple City policies and initiatives, such as the General Plan, Housing Equity Roadmap, and the Mayor's Housing Cabinet "Oakland At Home" report called for adopting development impact fees so that new development in the City pays its fair share towards funding affordable housing, transportation improvements, and capital facilities. The Housing and Community Development Department (HCD) 2021-2023 Strategic Action Plan, which included an equity framework to target available resources towards vulnerable low and extremely low income households, provides further policy directives to "accelerate the pace of creating housing opportunities for people who have been left out of the housing market, face displacement, and experience homelessness while planting the seeds for more substantial resources in the future." While impact fees alone will not solve Oakland's pressing affordable housing and infrastructure improvement needs, the Impact Fees passed by [Ordinance No. 13365 C.M.S.](#) are an important resource that may be utilized towards addressing these problems.

Applicable Projects and Exemptions

The 2016 Impact Fees focus on specific development projects as follows:

Affordable Housing Impact Fee

- New housing units (including live/work and work/live units)

Transportation and Capital Improvements Impact Fees

- New housing units (including live/work and work/live units)
- New nonresidential projects
- Nonresidential projects with additional floor area
- Nonresidential projects with a "Change and Intensification of Use"

The following projects are exempt from paying the 2016 Impact Fees:

1. Secondary units.
2. Affordable housing projects (exempt from the Affordable Housing Impact Fee and the Capital Improvements Impact Fee, but subject to the Transportation Impact Fee).
3. Nonresidential projects converting less than 5,000 square feet of floor area to another use.

4. Nonresidential projects involving less than 5,000 square feet of building floor area occupied by institutional uses.
5. Vehicular residential facilities, as defined in Section 17.10.700 of the Oakland Planning Code, are also exempt from Affordable Housing, Transportation, and Capital Improvement Impact Fees.

Zones for Residential Development Projects

Pursuant to [Ordinance No. 13365 C.M.S.](#), three (3) different 2016 Impact Fee zones for residential projects correspond to three (3) geographic zones of the City that have different market characteristics (i.e., support different prices and rents) and different levels of economic feasibility, and thus different abilities to pay impact fees. A general description of the zones is listed below (see pages 28-32 of **Attachment A** for maps of the Impact Fee Zones):

1. Impact Fee Zone 1: Downtown, the east side of Lake Merritt, much of North Oakland, and the Hills above Interstate-580
2. Impact Fee Zone 2: West Oakland, a small part of North Oakland, the area east of Lake Merritt to 23rd Avenue
3. Impact Fee Zone 3: areas east of 23rd Avenue and below Interstate-580

Payment Requirements, Fee Amounts

When reviewing the Impact Fees Annual report, it is important to note that pursuant to [OMC 15.72.070](#) for Affordable Housing Impact Fees, and [OMC 15.74.070](#) for Transportation and Capital Improvements Impact Fees, the 2016 Impact Fees are:

1. designed to generate revenue over time to mitigate impacts from new development.
2. paid during the building permit process in a phased manner. Allowing for fee payment in a phased approach improves economic feasibility by reducing the carrying cost period:
 - a. All Transportation and Capital Improvement Impact Fees are due prior to the issuance of a building permit.
 - b. The Affordable Housing Impact Fee is due in two installments:
 - i. The first installment of 50 percent is due prior to the issuance of a building permit; and
 - ii. The second installment for the remaining 50 percent is due prior to the issuance of a temporary or permanent certificate of occupancy, whichever comes first.

Fee Amounts and Phasing

The 2016 Impact Fees are intended to “follow” the market, so that new fees were phased in consistent with continued real growth of rents and improved feasibility of housing development. By doing so, it intended to encourage near-term development that provides successes on the ground for lenders and investors and increases the ability to absorb higher fees in the future. Further, the fees were designed to generate revenue over time to mitigate impacts from new development.

The amount charged for the Affordable Housing Impact Fee is intended to balance the need to generate funding for more affordable housing, without impeding construction of new housing for

all income levels. The generation of additional housing units addresses the scarcity of available units in the current market, scarcity which ultimately contributes to displacement.

The Transportation Impact Fee is intended to cover the California Environmental Quality Act (CEQA) transportation cumulative impact mitigations that are within the Environmental Impact Report for all the Specific Plans, Redevelopment Plans, General Plan, and other major projects. Therefore, paying the Transportation Impact Fee satisfies a development’s obligation to contribute its fair share towards mitigating the cumulative impact without having to fully fund the mitigation project.

The Capital Improvements Fee is intended to pay for projects that are required for fire, police, library, parks & recreation, or storm drain services that improve or expand the City’s public facilities to accommodate service demand from new developments. The Capital Improvement fee fund cannot be used for rehabilitation, maintenance, or operating costs.

The collection of fees for the 2016 Impact Fees started on September 1, 2016 (see **Tables 1 – 4a** below for fee rate amounts over time). The 2016 Impact Fees were phased in as described in the tables below. The fees are assessed at the time of building permit application based upon the date when the applicant applied for a building permit, and reassessed based on the current rate if the project does not receive a certificate of occupancy within three years of issuance of the building permit. Starting July 1, 2021, the fees were adjusted based upon inflation and will continue to be adjusted for inflation in future years. Although assessed at the time of building permit application, as noted above, the fees do not begin to be due and collected until building permit issuance. If the building permit is never issued, then the assessed fee is not collected.

Affordable Housing Impact Fees

Table 1. Affordable Housing Impact Fees - Residential (Fee Per Housing Unit) The Date is Based on When the Applicant Applies for Building Permit								
Housing Use Type	Zone	9/1/16 - 6/30/17	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/20 – 9/19/2021	9/20/21 - 6/30/22	7/1/22- 6/30/23
Multi-family	Zone 1	\$ 5,500	\$ 11,500	\$ 22,000	\$ 22,000	\$ 22,000	\$ 23,166	\$ 26,652
	Zone 2	\$ 4,550	\$ 9,250	\$ 17,750	\$ 17,750	\$ 17,750	\$ 18,691	\$ 21,504
	Zone 3	\$ -	\$ -	\$ 3,000	\$ 6,000	\$ 12,000	\$ 12,636	\$ 14,538
Townhome	Zone 1	\$ 6,500	\$ 12,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 21,060	\$ 24,230
	Zone 2	\$ 2,600	\$ 7,200	\$ 14,250	\$ 14,250	\$ 14,250	\$ 15,005	\$ 17,263
	Zone 3	\$ -	\$ -	\$ 1,000	\$ 4,000	\$ 8,000	\$ 8,424	\$ 9,692
Single-family	Zone 1	\$ 6,000	\$ 12,500	\$ 23,000	\$ 23,000	\$ 23,000	\$ 24,219	\$ 27,865
	Zone 2	\$ 3,750	\$ 9,000	\$ 16,500	\$ 16,500	\$ 6,500	\$ 17,375	\$ 19,990
	Zone 3	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 8,000	\$ 8,424	\$ 9,692

Transportation Impact Fees

Table 2. Transportation Impact Fees – Residential (Fee Per Housing Unit) The Date is Based on When the Applicant Applies for Building Permit								
Housing Use Type	Zone	9/1/16- 6/30/17	7/1/17- 6/30/18	7/1/18- 6/30/19	7/1/19- 6/30/20	7/1/20- 9/19/21	9/20/21- 6/30/22	7/1/22- 6/30/23

Multi-family	Zone 1	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 790	\$909
	Zone 2	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 790	\$909
	Zone 3	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 790	\$909
Townhome	Zone 1	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,053	\$1,212
	Zone 2	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,053	\$1,212
	Zone 3	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,053	\$1,212
Single-family	Zone 1	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,053	\$1,212
	Zone 2	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,053	\$1,212
	Zone 3	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,053	\$1,212

Nonresidential Use Type	9/1/16 - 6/30/17	7/1/17 - 6/30/18	7/1/18 – 6/30/19	7/1/19 – 6/30/20	7/1/20 – 6/30/21	7/1/21- 6/30/22	7/1/22- 6/30/23
Office	\$0.85	\$0.85	\$1.00	\$1.00	\$2.00	\$2.11	\$2.43
Retail, Freestanding	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.79	\$0.91
Retail, Ground Floor	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.79	\$0.91
Industrial	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.58	\$0.67
Warehouse	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.37	\$0.43
Hotel/Motel	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.68	\$0.79
Institutional	\$1.20	\$1.20	\$2.00	\$2.00	\$3.00	\$3.16	\$3.64

Capital Improvement Impact Fees

Housing Use Type	Zone	9/1/16- 6/30/17	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/21	7/1/21 - 6/30/22	7/1/2022- 6/30/2023
Multi-family	Zone 1	\$ 750	\$ 750	\$1,250	\$ 1,250	\$ 1,316	\$ 1,515
	Zone 2	\$ 250	\$ 500	\$ 750	\$ 750	\$ 790	\$ 909
	Zone 3	\$ -	\$ -	\$ -	\$ 750	\$ 263	\$ 303
Townhome	Zone 1	\$ 1,000	\$ 1,000	\$ 3,000	\$ 3,000	\$ 3,159	\$ 3,635
	Zone 2	\$ 1,000	\$ 1,000	\$ 2,000	\$ 2,000	\$ 2,106	\$ 2,423
	Zone 3	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,053	\$ 1,212
Single family	Zone 1	\$ 1,500	\$ 2,000	\$ 4,000	\$ 4,000	\$ 4,212	\$ 4,846
	Zone 2	\$ 1,000	\$ 1,500	\$ 3,000	\$ 3,000	\$ 3,159	\$ 3,635
	Zone 3	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,053	\$ 1,212

Nonresidential Use Type	9/1/16 - 6/30/17	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/19 - 6/30/21	7/1/21 - 6/30/22	7/1/22 - 6/30/23
Office	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00	\$2.11	\$2.43

Retail, Freestanding	\$0.00	\$0.15	\$0.25	\$0.25	\$0.25	\$0.53	\$0.61
Retail, Ground Floor	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Industrial	\$0.40	\$0.40	\$0.75	\$0.75	\$0.75	\$1.05	\$1.21
Warehouse	\$0.65	\$0.90	\$1.00	\$1.00	\$1.00	\$1.05	\$1.21
Hotel/Motel	\$0.10	\$0.20	\$0.35	\$0.35	\$0.35	\$0.63	\$0.73
Institutional	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$3.16	\$3.64

On-Site and Off-Site Affordable Housing Options

As an alternative to payment of the Affordable Housing Impact Fee, a developer has the option to mitigate their project’s impacts by building affordable units on-site or off-site.

[Ordinance No. 13365 C.M.S.](#) incentivizes the creation of on-site affordable housing units in market rate developments by providing an exemption or reduction of a project’s Affordable Housing Impact Fee. The extra costs associated with providing a higher percentage of affordable units can be offset because the developer can take advantage of the State and local Density Bonus and Incentive Programs to bridge the gap between the cost of the Impact Fees and the cost of building affordable units on-site. Per Section 17.107.040 of the Oakland Planning Code, to receive a density bonus for the affordable units on-site, a developer is required to construct: ten (10) percent of the units for either low-income or moderate-income households; or five (5) percent for very low-income households. **Attachment B** lists all the projects that opted to build low-income housing in lieu of impact fees, the number of market rate and affordable units, and the level of affordability for low-income housing that involved permits opened in FY 2022-23. An applicant for a development project that is otherwise subject to the impact fee can mitigate the fee by building off-site affordable housing units approved by City Council that are ½ a mile of the development project. This provides an applicant with flexibility to contribute affordable housing units when there are constraints on the existing property.

2. Summary of Jobs/Housing Impact Fee

On July 30, 2002, the City Council adopted the Jobs/Housing Impact Fee, OMC Chapter 15.68 ([Ordinance No. 12442 C.M.S.](#)). This impact fee went into effect for development projects submitting a building permit on or after July 1, 2005. The intent of the Jobs/Housing Fee was to assure that certain commercial development projects compensate and mitigate for the increased demand for affordable housing generated by such development projects within the City. The Jobs/Housing Impact Fee started at \$4.00 per square foot and have adjusted with inflation. For FY 2022-23 the fee is \$7.24 per square foot.

Development Projects Subject to Jobs/Housing Impact Fee and Exemptions

The following development projects are subject to the Jobs/Housing Impact Fee:

- New nonresidential Office or Warehouse projects that exceed 25,000 square feet.
- Nonresidential Office or Warehouse projects with additional floor area that exceeds 25,000 square feet.

- Nonresidential projects with a “Change and Intensification of Use” to an office or warehouse that exceeds 25,000 square feet.
- A building that is vacant for a year or more and exceeds 25,000 square feet that obtains a building permit for an office or warehouse activity.
- Development projects subject to the Jobs/Housing Impact Fee only pay for square footage of the building that exceeds 25,000 square feet.

Fee Amounts and Payment Requirements

Development projects subject to the Jobs/Housing Impact Fee only pay for square footage of the building that exceeds 25,000 square feet or may elect to construct affordable housing as per OMC Section 15.68.080. The Jobs/Housing Fee is set out in **Table 5**.

Table 5. Jobs/Housing Impact Fees - Nonresidential (Fee Per Square Foot on Projects >25,000 sq. ft.) The Date is Based on When the Applicant Applies for Building Permit					
Nonresidential Use Type	7/1/16 – 6/30/19	7/1/19 – 6/30/20	7/1/20 – 6/30/21 ¹	7/1/21 – 6/30/22	7/1/22 – 6/30/23
Office	\$5.44	\$5.89	\$5.98	\$6.29	\$7.24
Warehouse	\$5.44	\$5.89	\$5.98	\$6.29	\$7.24

The Jobs/Housing Impact Fee is due in three installments:

- The first installment of 25 percent is due prior to the issuance of a building permit;
- The second installment of 50 percent is due prior to the issuance of a temporary or permanent certificate of occupancy, whichever comes first; and
- The third installment for the remaining 25 percent is due 18 months after the temporary certificate of occupancy.

¹ The FY 2020/21 Master Fee Schedule incorrectly listed the Jobs Housing Impact Fee as \$5.90 per square foot, rather than the correct amount of \$5.98 per square foot. The inflation increase for FY 2022/23 was applied to the corrected FY 20/21 baseline amount of \$5.98.

ANALYSIS AND POLICY ALTERNATIVES

Summary of Impact Fees Collected and Assessed

As expected, and as shown in previous years, there is not a correlation between the Impact Fees assessed and collected in FY 2022-23. This discrepancy results from the timing of payments, and the cancellation of some projects. The assessment may have occurred the same year as collection if a building permit is quickly sought and issued, or it may be years later if the project faces delays. If a project never moves forward, then the assessment is never collected.

Table 6 contains a summary of the Impact Fees collected and assessed. **Table 6** below lists:

1. The amount of Impact Fees already collected/paid during each fiscal year since the program inception.
2. The amount of Impact Fees that have been assessed. Note: Assessed Impact Fees listed in this report will only be fully collected if all the projects that have applied for building permits are built to completion.
3. Impact Fees collected in any fiscal year include projects where the impact fees were assessed in prior fiscal years.

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Table 6. Impact Fee Summary by Fund and Fiscal Year					
Impact Fee Fund	Impact Fee		Amount Collected/Paid^{ab}	Assessed^{bc}	
Affordable Housing Trust Fund	Affordable Housing Impact Fees (AHIF)	FY 2016-2017	\$467,983	\$4,780,280	
		FY 2017-2018	\$3,594,508	\$14,235,884	
		FY 2018-2019	\$3,475,063	\$10,144,113	
		FY 2019-2020	\$5,616,699	\$6,630,877	
		FY 2020-2021	\$4,430,250	\$15,688,799	
		FY 2021-2022	\$8,013,783	\$28,579,457	
		FY 2022-2023	\$2,238,635	\$9,393,221	
		Total FY 2017-2023	\$27,836,921	\$89,452,631	
	Jobs/Housing Impact Fee (JHIF)	FY 2015-2016	\$528,861	\$528,861	
		FY 2016-2017	\$303,360	\$749,943	
		FY 2017-2018	\$1,631,583	\$3,285,424	
		FY 2018-2019	\$627,936	\$6,648,931	
		FY 2019-2020	\$4,190,080	\$8,746,381	
		FY 2020-2021	\$2,841,342	\$3,250,168	
		FY 2021-2022	\$2,089,819	\$889,243	
		FY 2022-2023	\$2,276,425	\$9,138,900	
	Total FY 2016-2023	\$14,489,406	\$33,237,851		
	AHIF & JHIF ^d	FY 2015-2016	\$528,861	\$528,861	
		FY 2016-2017	\$771,343	\$5,530,223	
		FY 2017-2018	\$5,226,091	\$17,521,308	
		FY 2018-2019	\$4,103,000	\$16,793,043	
		FY 2019-2020	\$9,806,779	\$15,377,258	
		FY 2020-2021	\$7,271,592	\$18,938,967	
		FY 2021-2022	\$10,103,602	\$29,468,700	
		FY 2022-2023	\$4,515,060	\$18,532,121	
	Total FY 2016-2023	\$42,326,328	\$122,690,481		
	Transportation Impact Fee Trust Fund	Transportation Impact Fee (TIF)	FY 2016-2017	\$1,082,050	\$1,539,594
			FY 2017-2018	\$1,867,348	\$2,616,865
FY 2018-2019			\$1,636,015	\$1,934,844	
FY 2019-2020			\$1,082,171	\$2,383,796	
FY 2020-2021			\$1,319,704	\$2,148,217	
FY 2021-2022			\$1,203,661	\$4,313,208	
FY 2022-2023			\$1,979,184	\$5,246,826	
Total FY 2016-2023			\$10,170,133	\$20,183,350	
Capital Improvements Impact Fee Trust Fund	Capital Improvements Impact Fee (CIIF)	FY 2016-2017	\$139,536	\$1,052,355	
		FY 2017-2018	\$1,718,942	\$1,761,865	
		FY 2018-2019	\$641,137	\$1,614,160	
		FY 2019-2020	\$1,210,684	\$2,072,728	
		FY 2020-2021	\$984,335	\$2,040,876	
		FY 2021-2022	\$1,447,618	\$3,976,321	
		FY 2022-2023	\$2,032,301	\$5,056,149	
		Total FY 2016-2023	\$8,174,553	\$17,574,454	

- ^a The “Amount Collected/Paid” represents the total amount collected less any refunds.
- ^b The amount of Impact Fee still outstanding equals the Total Assessed minus the Collected Amount minus the amount of Impact Fees attributable to Expired Permits.
- ^c The “Assessed” amount for AHIF excludes fees for inactive and withdrawn permits that have not been invoiced. It is inclusive of reinstated permits, valued at \$13,589,208 total.
- ^d AHIF & JHIF: These rows provide a summation of the two funds housed in Fund 1870 – Affordable Housing Trust Fund along with the Boomerang fund as of FYE 6/30/2023.

Analysis of Fees Collected vs. Assessed

The assessed Impact Fees that are listed in this report will only be fully collected if all of the projects that have applied for building permits are built to completion. **Table 7** below summarizes projects with expired permits that have had fees assessed as of FY 2022-23. There is no way for staff to determine whether or when these projects will be completed. The variability in the construction market contributes significantly to the variances summarized in **Table 6** between the amount of assessed Impact Fees versus the fees that have been collected in any given fiscal year.

Table 7. Expired Permits with Assessed Fees as of FY 2022-23

Impact Fee Type	Total Fees for Expired Permits
Affordable Housing Impact Fee (AHIF)	\$1,970,447
Jobs/Housing Impact Fee (JHIF)	\$0
AHIF & JHIF Total	\$1,970,447
Transportation Impact Fee (TIF)	\$52,864
Capital Improvements Impact Fee (CIIF)	\$117,850

Additional City Council Data Requests for the Impact Fee Annual Report

In 2021, the City Council directed staff to prepare the following data:

- Whether the project was exempt from paying the fee and the reason for such exemption (e.g. affordable housing projects and secondary units).
- For development projects normally subject to the fee, but which decided to build in-lieu affordable housing units instead, the number and affordability level of units provided in lieu of paying the fee.

Both of these items are included as **Attachment B** to this report. City Council also previously requested that staff project the “expected completion date” of a given project. However, staff cannot predict the date of completion of any project. Staff can only report on the status of the project at a given point in time. Therefore, that information is not included with this report.

When the FY 2019-20 Impact Fee report was presented, the City Council requested that staff provide the following data for projects assessed Impact Fees:

- Name and location of project.
- The impact fee zone in which the project is located.
- Number of housing units.
- Amount of fee assessed.
- Date building permit application was submitted.
- Date building permit was issued.

Staff has prepared **Attachment C** with these data for FY 2022-23. Please see a description of the data elements in the “Description of Data Fields in Attachment C” that follows this section.

Description of Data Fields in Attachment C

The data contained in **Attachment C** comes from Accela – Planning and Building Department’s permit tracking system. The report covers the time period of July 1, 2022 to June 30, 2023. The Excel version may be downloaded here: <https://www.oaklandca.gov/documents/city-of-oakland-annual-impact-fee-reports>. Readers should note that each time a fee is assessed, a transaction line is then generated, so some records appear several times. Note that a record is the unique identifier associated with the project in the Accela system.

- a. Name and location of project.
 - i. Record ID: The record number used to identify the project (Column A)
 - ii. Address: The project address (Column B)
- b. The Impact Fee Zone in which the project is located.
 - i. The Impact Fee Zones correspond with the maps that were adopted at the time the ordinances went into effect. (Column C).
- c. Number of housing units.
 - i. Housing Units: The total number of housing units to be constructed (Column D)
- d. Amount of fee assessed.
 - i. Amount Assessed: The impact fee that was assessed for that project. (Column E)
 - ii. Description: The fee that has been assessed for a given project. (Column F)
 - iii. Date Assessed: The date that the impact fee was assessed for the project. (Column G)
 - iv. Date Invoiced: The date that the impact fee was involved (Column H)
 - v. Amount Due: The current impact fee invoiced and due for the project at time of report. (Column I)
 - vi. Amount Paid: The amount of impact fee paid. (Column J)
- e. Date building permit application was submitted.
 - i. Date Opened: The date the building permit application was filed with the City. (Column K)
- f. Date building permit was issued.
 - i. Record Status: Projects that have had permits issued will have a status of “Permit Issued” or “Issued”. (Column L)
 - ii. Record Status Date: This column contains the date that the record status was updated. IT is aligned with the Current Record Status. (Column M)
- g. Other data included in **Attachment C**
 - i. Several other data elements were included in the report, including:
 - 1. Extremely Low Existing – The number of existing extremely low-income units on the site. (Column N)
 - 2. Extremely Low New – The number of new extremely low-income units to be constructed. (Column O)

3. Extremely Low Demo – The number of existing extremely low-income units to be demolished or removed from the property. (Column P)
4. Very Low Existing – The number of existing very low-income units on the site. (Column Q)
5. Very Low New – The number of new very low-income units to be constructed. (Column R)
6. Very Low Demo – The number of existing very low-income units to be demolished or removed from the property. (Column S)
7. Low Existing – The number of existing low-income units on the site. (Column T)
8. Low New – The number of new low-income units to be constructed. (Column U)
9. Low Demo – The number of existing low-income units to be demolished or removed from the property. (Column V)
10. Moderate Existing – The number of existing moderate-income units on the site. (Column W)
11. Moderate New – The number of new moderate-income units to be constructed. (Column X)
12. Moderate Demolition – The number of existing moderate-income units to be demolished or removed from the property. (Column Y)
13. Market Rate Existing – The number of existing market rate units on the site. (Column Z)
14. Market Rate New – The number of new market rate units to be constructed (Column AA)
15. Market Rate Demolition – The number of existing market rate units to be demolished or removed from the property (Column AB)
16. Total Affordable Units Existing – The number of existing affordable housing units on the property. (Column AC)
17. Total Affordable Units New – The number of new affordable housing units to be constructed. (Column AD)
18. Total Affordable Units Demolition – The number of existing affordable housing units to be demolished or removed from the property. (Column AE)

Affordable Housing Impact Fee Projects

A Notice of Funding Availability (NOFA) for New Construction of Affordable Rental Housing was released in early 2023, with funding awards approved by City Council in Spring 2023. This funding round, which included impact fees as well as other sources, including State tax credits and other funds, are expected to propel several projects in pre-development (including Longfellow Corner) into construction in the first half of 2024. Note that Friendship Senior Housing started construction in FY 2023-2024, outside of the current reporting period.

Projects that were awarded AHIF funds in prior fiscal years have made significant progress in the past year, with one project completing construction and another project currently under construction. City funding for new construction affordable housing rental developments is limited to 40% of total development costs from all City funding sources.

Table 8. Summary of Affordable Housing Impact Fee (AHIF) Projects

Project and Address	Affordable Units	AHIF Funding	Status as of June 30, 2023
2700 International	75	\$2,500,000	In predevelopment, seeking additional funding commitments.
500 Lake Park	53	\$1,983,139	In predevelopment, seeking additional funding commitments.
34th & San Pablo	60	\$527,870	In predevelopment, seeking additional funding commitments. Planning entitlements were secured during FY 2022-23.
Friendship Senior Rental Housing, 1904 Adeline Street	48	\$4,042,000	Planning entitlements secured, building entitlements pending, closing the gap with 100% of funds committed is underway. The project commenced construction in September 2023, after the end of this reporting year..
Longfellow Corner, 3801-3807 and 3823-3829 Martin Luther King Jr. Way	77	\$10,264,000	Planning entitlements secured, building entitlements pending, closing the gap with 100% of funds committed is underway, and the estimated construction start is Winter 2024.
West Grand & Brush Phase I, 760 22nd Street & 2201 Brush Street	59	\$2,330,000	Construction is underway as of October 2022. After severe winter storm event-related delays in December 2022, the building is now back under construction, and scheduled for completion by the Spring 2025.
7th & Campbell	79	\$460,192	Construction commenced in August 2022, and is projected to complete in Spring 2024.
Oak Hill Apartments/NOVA, 445 30th Street	57	\$1,600,000	Construction was completed as of June 2021, the building is 100% occupied as of July 2021, and the permanent loan conversion was completed in April 2022.
95th Avenue & International Blvd	55	\$1,409,717	The project received a temporary certificate of occupancy in June 2023, and permanent closing is scheduled in late 2023.

Jobs/Housing Impact Fee Projects

Any unspent funding from Jobs/Housing Impact Fee projects is committed to oversight and construction of affordable housing projects in various stages of the development process: from predevelopment to construction completion and project closeout. The fund balance expenditures are shown in **Table 9**. (The awards made in FY 2023 used FY 2024 budgeted funding, hence the larger amount committed over fund balance.) As a noted above, City affordable housing loan commitments are often the first funding source committed to an affordable housing project, and leverage significant non-City resources, but assembling complete financing packages can be challenging. However, the projects funded by the Jobs/Housing Impact Fee are on a similar path towards delivering affordable housing.

Table 9. Summary of Jobs/Housing Impact Fee (JHIF) Projects

Project and Address	Affordable Units	JHIF Funding	Status as of June 30, 2023
Longfellow Corner, 3801-3807 and 3823-3829 Martin Luther King Jr. Way	77	\$1,018,000	Planning entitlements secured, building entitlements pending, closing the gap with 100% of funds committed is underway, and the estimated construction start is Winter 2024.
3050 International	75	\$2,077,870	Predevelopment, seeking additional funding commitments.
34 th & San Pablo	60	\$3,472,130	Predevelopment, seeking additional funding commitments.

Phoenix: 801 Pine Street	101	\$2,175,000	The project commenced construction in August 2023, after the end of this reporting year.
Friendship Senior Rental Housing: 1904 Adeline Street	48	\$3,018,000	The project commenced construction in September 2023, after the end of this reporting year..
Fruitvale Transit Village Phase II-B: E. 12 th Street & 35 th Avenue	181	\$1,604,123	Construction is now underway as of August 2021 – projected completion in December 2023.
West Grand & Brush Phase I: 760 22 nd Street & 2201 Brush Street	59	\$3,965,000	Construction is underway as of October 2022. After severe winter storm event-related delays in December 2022, the building is now back under construction, and scheduled for completion by the Spring 2025.
95 th Avenue & International Blvd	55	\$129,681	The project received a temporary certificate of occupancy in June 2023, and permanent closing is scheduled in late 2023.
Predevelopment Loan Program	n/a	\$400,000	Over the counter.

Transportation Impact Fee Projects

For FY 2022-23, the City, through its Department of Transportation (OakDOT), had two existing projects with updates as listed in **Table 10** below.

Table 10: Transportation Impact Fee (TIF) Projects

Active TIF Project	TIF Funding	FY 2022-23 Expenditures	Status as of June 30, 2023
Public Improvements at 24th Street, Harrison Street, Bay Place and 27 th Street	\$2,100,000	\$732,787	Project began construction in June 2022 and is expected to be completed by Spring 2025.
Traffic Signals Garfield Elementary Pedestrian Improvements, Foothill Blvd at intersections with 22nd Ave and Munson Way	\$1,000,000	\$119,662	Project began construction in June 2022 and is expected to be completed by Spring 2025.

Capital Improvement Impact Fee Projects

For FY 2022-23, OPW’s projects and commitments are shown in **Table 11**.

Table 11: Capital Improvement Impact Fee (CIIF) Projects

Project	CIIF Funding through FY 2023	Status as of June 30, 2023
Storm Drainage Master Plan (SDMP)	\$991,000	Currently in process, with contract awarded to develop SDMP
Fire Station 10 & 12 Renovation Project	\$1,609,500	The project is currently in construction for Fire Station 10. Fire Station 12 is in process pending contractor to proceed with work

Brookfield Library Renovation Project	\$300,000	This project is currently complete in the design phase and will be going out to bid for construction at the end of 2023
Malonga Center Feasibility Study	\$800,000	Security system installation is complete. Currently in process of kicking off feasibility study
Mosswood Recreation Center Expansion	\$250,000	Project is currently in construction
Junior Science Center	\$40,000	Project is being vetted by Office of the City Attorneys as eligible
West Oakland Youth Center	\$50,000	Project is in process and the installation of the new alarm system is ongoing
District 3 Community Center	\$96,000	Exploring repurposing funds for DeFremery Recreation Center for facility improvements.
Kono Signage/ Archway	\$125,000	Project on hold as Office of City Attorney confirms eligibility
Arroyo Viejo Park	\$25,000	Project on hold, awaiting larger site remodel
Feasibility Study for 1310 Oak Street Fire Alarm Building	\$30,000	Consultant is preparing report by the end of 2023
Redwood Heights Park Tot Lot & Park Expansion	\$100,000	Project scope was changed after quote was received and awaiting new quote to proceed

FISCAL IMPACT

This item is for informational purposes and does not have a direct fiscal impact or cost. The fiscal benefit of the revenues generated by the Impact Fees for FY 2022-23 is \$2,238,635 for the Affordable Housing Impact Fee, \$1,979,184 for the Transportation Impact Fee, \$1,979,184 for the Capital Improvements Impact Fee, and \$2,276,425 for the Jobs/Housing Impact Fee. The Affordable Housing and Jobs/Housing Impact Fees are deposited into the Affordable Housing Trust Fund, AHIF Fund 1870. The Transportation Impact Fee is deposited into Fund 2420 and the Capital Improvements Impact Fee is deposited into Fund 2421.

The Mitigation Fee Act requires annual monitoring and reporting, and a five-year update of the Impact Fees. Two percent of the Impact Fees paid are being held to pay for these requirements. The two percent service charge associated with this program is being used to pay for the five-year assessment of the City’s impact fee program, with \$138,787 paid in FY 2021-22 to Hausrath Economic Group to conduct part of the five-year assessment. None of the fees were expended in FY 2022-23, and there are anticipated expenditures in FY 2023-24.

Affordable Housing Impact Fee Fund Balance

The starting balance for the Affordable Housing Impact Fee fund in FY 2022-23 was \$22,530,930 and the ending balance was \$25,420,635 (See Table 3 of the Impact Fee Annual Report FY 2022-23, **Attachment A**). There were \$0 Affordable Housing Impact Fee fund expenditures in FY 2022-23 and \$17,840,000 in Affordable Housing Impact Fee funds committed. As of June 30, 2023, there was \$7,580,000 in Affordable Housing Impact Fee funds that had yet to be committed but are being held in reserve for applicants to the State’s Homekey Round 3 for rapid rehousing of unhoused individuals and families. Homekey Round 3 awards, and formal commitments of AHIF, are expected in FY 2023-24. There was a budget allocation of \$1,807,000 that occurred in FY 2022-23 from FY 2023-24 projected budget for the Friendship Senior Project. There was a budget allocation of \$2,000,000 that occurred in FY 2022-23 from

FY 2023-24 for the West Grand and Brush Project. These allocations are not deducted from the Funds Yet to be Committed as of June 30, 2023.

Jobs/Housing Impact Fee Fund Balance

The starting balance for the Jobs/Housing Impact Fee fund in FY 2022-23 was \$11,891,730 and the ending balance was \$10,518,369 (See Table 5 of the Impact Fee Annual Report FY 2022-23, **Attachment A**). There was \$3,965,000 in Jobs/Housing Impact Fee fund expenditures in FY 2022-23 and \$9,572,174 in Jobs/Housing Impact Fee funds committed as of June 30, 2023. As of June 30, 2023, there was \$946,195 in Jobs/Housing Impact Fee funds that had yet to be committed.

Transportation Impact Fee Fund Balance

The starting balance of the Transportation Impact Fee fund for FY 2022-23 was \$8,254,810 and the ending balance was \$9,329,885. There was \$1,064,656 in Transportation Impact Fee fund expenditures in FY 2022-23 (See Table 7 of the Impact Fee Annual Report FY 2022-23, **Attachment A**).

Of the \$9,329,885 ending fund balance, \$2,247,551 remains of the \$3,100,000 programmed to the two existing projects in **Table 10**; \$5,675,234 was programmed through the FY 23-25 CIP to high-scoring Capital Improvement Program (CIP) projects; and the remaining balance is being held as contingency to account for fluctuations in TIF revenue. The CIP, approved every two years, programs a portion of TIF funds to eligible capital projects, and plays a role assessing alignment of existing capital projects and cumulative mitigation measures to ensure TIF funding is best utilized and impact from future developments are addressed. Several policy documents guided the overall preparation of the City's Fiscal Year 2023-2025 CIP for transportation assets. These include:

- 2022 Infrastructure Bond, Measure KK (Resolution 89021 C.M.S., 2022)
- 2021 Measure KK Reallocation from OPW to OakDOT (Resolution 88651 C.M.S., 2021)
- 2020 Infrastructure Bond, Measure KK (Resolution 87981 C.M.S., 2020)
- 2019 Infrastructure Bond, Approved CIP Projects (Resolution 87981 C.M.S., 2019)
- Capital Improvement Program Prioritization Process (Resolution 87376 C.M.S., 2018)
- 2017 Infrastructure Bond, Approved CIP Projects (Resolution 86773 C.M.S., 2017)
- 2016 Infrastructure Bond, Measure KK (Resolution 86335 C.M.S., 2016)
- Five Year Pavement Program (Resolution 85227 C.M.S., 2014)
- Sidewalk Prioritization Program (Resolution 81751 C.M.S., 2009)
- Racial Equity (Ordinance 14-0457, O.M.C. 2.29.170, 2016)
- Public Art Ordinance (Ordinance 11086 C.M.S., 1989)
- Transit First Strategy
- 2030 Oakland Equitable Climate Action Plan (ECAP) (Resolution 88267 C.M.S., 2020)
- 2045 Carbon Neutrality TIF Project Eligibility Criteria (Resolution 88268 C.M.S., 2020)

Capital Improvement Impact Fee Fund Balance

The starting balance for the Capital Improvement Impact Fee fund in FY 2022-23 was \$4,461,782 and the ending balance was \$5,898,947 (See Table 9 of the Impact Fee Annual Report FY 2022-23, **Attachment A**). There was \$913,041 in Capital Improvement Impact Fee fund expenditures in FY 2022-23 and \$2,861,380 in Capital Improvement Impact Fee funds committed as of June 30, 2023. As of June 30, 2023, there was \$3,037,567 in Capital Improvement Impact Fee funds that had yet to be committed. OPW will program the remaining \$3,037,567 Capital Improvement Impact Fee through the CIP process fund balance. OPW will make recommendations to commit funds to projects through the mid-cycle and next two-year CIP and in accordance with ordinance authorizing collection of the fee (OMC Chapter 15.74, Ordinance No. 12442 C.M.S).

PUBLIC OUTREACH / INTEREST

The Impact Fee Annual Report for: Affordable Housing, Jobs/Housing, Transportation, and Capital Improvements Impact Fees, Fiscal Year Ended June 30, 2023 was posted to the City website and may be accessed here: <https://www.oaklandca.gov/documents/city-of-oakland-annual-impact-fee-reports>. Subscribers to the Planning and Building department's newsletter were also sent notice that the Impact Fee Annual Report had been posted.

COORDINATION

Project management, policy guidance, and implementation was coordinated with the City Administrator's Office, Office of the City Attorney, and the Planning and Building Department, as well as the OPW, OakDOT, and HCD along with other departments, as appropriate, based on the topic(s) addressed.

SUSTAINABLE OPPORTUNITIES

Economic: The Impact Fees require private development to fund its fair share of affordable housing, transportation and capital improvements infrastructure in a manner that does not hamper new development. The application of the development impact fee process helps provide certainty about development costs.

Environmental: Impact Fees pay for the impacts that a project creates and serves to mitigate the cumulative transportation impacts on the environment. Providing bike and pedestrian improvements removes a major barrier for people walking and biking and reduce the number of potential conflicts between all modes. Active transportation improvements can have both air quality and mode shift benefits, reducing the environmental impacts associated with transportation.

Race & Equity: Impact Fees on new development provides funding for affordable housing units and transportation and capital improvements infrastructure. These funds are used to mitigate impacts of new development citywide such as the displacement of long-term residents, particularly African American residents, who are the overwhelming majority of the unhoused/unsheltered in Oakland. In addition, these funds are used in support of capital and infrastructure improvements that have been evaluated for their capacity to address historic under investment in Oakland neighborhoods where the majority of residents are Black

Indigenous and People of Color (BIPOC). For example, in 2018, the Oakland Equity Indicators Report found troubling disparities in pedestrian deaths in Oakland², with crashes disproportionately impacting BIPOC communities. Active transportation improvements address safety, helping reduce collision disparities and economic and physical barriers to accessing essential places.

ACTION REQUESTED OF THE CITY COUNCIL

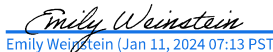
Staff Recommends That The City Council Receive The Annual Report On The Affordable Housing, Capital Improvements, Transportation, And Jobs/Housing Impact Fees For Fiscal Year 2022-23.

For questions regarding this report, please contact Monica Davis, Assistant Director, Planning and Building Department, at 510-238-3362.

Respectfully submitted,



William Gilchrist
Director, Planning and Building


Emily Weinstein (Jan 11, 2024 07:13 PST)

Emily Weinstein
Director, Housing and Community Development


Fred Kelley (Jan 11, 2024 09:33 PST)

Fred Kelley
Director, Department of Transportation


Tom Morgan (Jan 11, 2024 13:45 PST)

Harold Duffey
Director, Oakland Public Works

Prepared by:
Monica Davis, Assistant Director, Bureau of
Operations & Administration, Planning and
Building

² Oakland Equity Indicators Report, pg 128, accessible at <https://www.oaklandca.gov/documents/equity-indicators-community-briefing-documents>

Attachments (3):

- A. Impact Fee Annual Report, Affordable Housing, Jobs/Housing Transportation, and Capital Improvements Impact Fees, Fiscal Year Ended June 30, 2023
- B. Projects that Built Low-Income Housing In-Lieu of Impact Fees or are Exempt From Fees
- C. Projects Assessed Impact Fees in FY 2022-23