

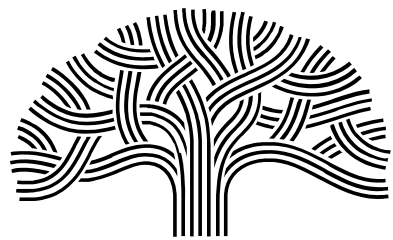
Impact Fee Annual Report FY 2023-24

Albert Merid, Assistant Director, PBD

Alicia Gaylord, Housing Development, Deputy Director, HCD

Jamie Parks, Assistant Director, OakDOT

Christine Reed, CIP Manager, OPW

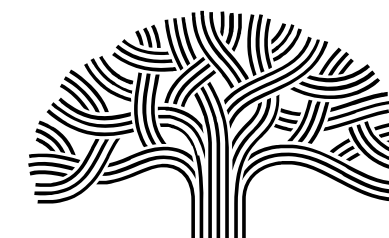


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Purpose of Meeting

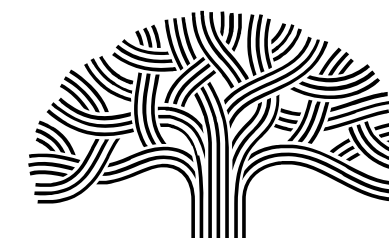
- Present the Annual Impact Fee Report for fiscal year (FY) 2023-24 to meet requirements of Mitigation Fee Act.
- For the full Impact Fee Annual Report for Affordable Housing, Jobs/Housing, Transportation, and Capital Improvements Impact Fees, Fiscal Year Ended June 30, 2024 see ***Attachment A of the Report***.
- The full report can be found online at www.oaklandca.gov/topics/impact-fees



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What are Impact Fees?

- Governed by the Mitigation Fee Act (Gov. Code Section 66000 et seq.).
- Impact fees are one-time contributions made by project applicants to offset the effects that result from their project.
- Impact fees must bear a reasonable relationship to the impacts of the project.
- Related to increased demands to the City of Oakland for the services and facilities it provides.

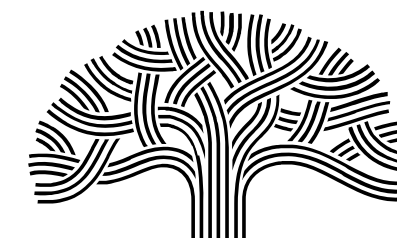


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How have impact fees been implemented in Oakland?

Oakland currently assesses the following impact fees:

- Jobs/Housing – Chapter 15.68 of the Oakland Municipal Code (OMC)
- Affordable Housing – Chapter 15.72 of the OMC
- Capital Improvements and Transportation – Chapter 15.74 of the OMC

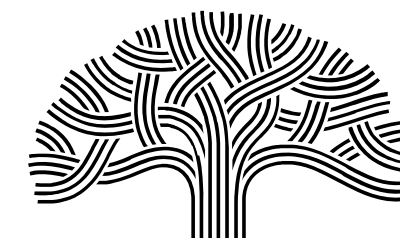


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What fees were collected in fiscal year (FY) 2023-24?

Impact Fees Assessed July 1, 2023–June 30, 2024

Impact Fee Type	Total Assessed	Total Collected
Affordable Housing Impact Fees	\$3,915,115	\$3,310,216
Jobs/Housing Impact Fee	\$501,692	\$1,752,809
Transportation Impact Fees	\$1,116,709	\$1,312,509
Capital Improvements Impact Fees	\$604,010	\$867,205



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Assessed Fees vs. Collected Fees

Table 7. Expired Permits with Assessed Fees as of FY 2023-24

Impact Fee Type	Total Fees for Expired Permits
Affordable Housing Impact Fees	\$246,132
Jobs/Housing Impact Fee	\$501,692
Transportation Impact Fees	\$9,839
Capital Improvements Impact Fees	\$47,607

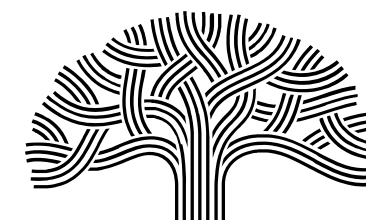


HCD – Affordable Housing Impact Fees

- Adopted in 2016 in OMC Chapter 15.72, the Affordable Housing Impact Fee is focused on development of new housing units, including live/work and work/live units



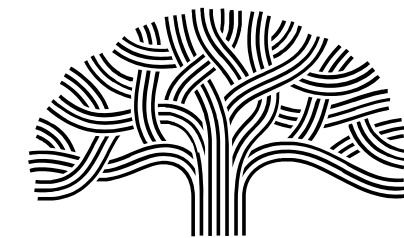
3050 International



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AHIF Options

- As an alternative to payment of the Affordable Housing Impact Fee, developers have the option to build affordable units on-site or off-site.
- **Attachment B** provides details for projects that opted to develop affordable housing in lieu of fees.
- **Attachment C** provides projects that were assessed impact fees in fiscal year 2023-24 (July 1, 2023 – June 30, 2024).



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HCD – Affordable Housing Impact Fee (AHIF) Fund Balance Summary

Table 3. Affordable Housing Impact Fees, FY 7/1/23 – 6/30/24	
Document Establishing Fee	OMC Chapters 15.72 & 15.62
Project	N/A
Starting Balance	\$25,420,635
Fees Collected (Fund 1870, 1872)	\$3,310,216
Refunds	(\$137,724)
Interest Earned (Fund 1870, 1872)	\$531,103
Expenditures	(\$10,962,124)
Ending Balance as of June 30, 2024	\$18,162,106
Funds Committed as of June 30, 2024	\$11,067,664
Funds Yet to be Committed as of June 30, 2024	\$7,094,443

HCD – AHIF Impact Fee Funded Projects (1 of 3)

Project and Address	Affordable Units	AHIF Funding (All Years)	Status as of June 30, 2024	Status as of 3/13/2025
2700 International	75	\$2,500,000	In predevelopment, seeking additional funding commitments.	Predevelopment
500 Lake Park	53	\$983,130	In predevelopment, seeking additional funding commitments.	Predevelopment
34th & San Pablo	60	\$527,870	In predevelopment, seeking additional funding commitments.	Predevelopment
3050 International	75	\$1,430,371	In construction as of March 2024.	Construction underway, (Estimated completion: January 2026)
Phoenix	101	\$272,034	In construction as of August 2023.	Construction underway, (Estimated completion: July 2025)

HCD – AHIF Impact Fee Funded Projects (2 of 3)

Project and Address	Affordable Units	AHIF Funding (All Years)	Status as of June 30, 2024	Status as of 3/13/2025
Friendship Senior Rental Housing: 1904 Adeline Street	48	\$2,872,998	In construction (started September 2023).	Construction underway, (Estimated completion: Spring 2025)
Longfellow Corner: 3801-3807 & 3823-3829 MLK Jr. Way	77	\$11,318,000	In construction (started May 2024).	Construction underway, (Estimated completion: Oct. 2026)
West Grand & Bush Phase I: 760 22nd Street & 2201 Brush Street	59	\$2,330,000	In construction. (started October 2022, but experienced major storm-related delays in 2023)	Scheduled for completion in Spring 2025.
7th & Campbell: 7th & Campbell	79	\$460,192	Construction completed in June 2024.	Preparing for permanent loan closing.

HCD – AHIF Impact Fee Funded Projects (3 of 3)

Project and Address	Affordable Units	AHIF Funding (All Years)	Status as of June 30, 2024	Status as of 3/13/2025
Oak Hill Apartments/NOV A: 445 30th Street	57	\$1,600,000	Construction was completed as of June 2021.	Completed
95th Avenue & International Blvd	55	\$1,409,714	Completed June 2023; permanent closing occurred February 2024.	Completed
Agnes Memorial Senior Housing	60	\$769,629	Predevelopment	Funding commitment expired after 6/30/2024. AHIF funding has been redeployed in FY25.
2000 36th Avenue (ACAH)	55	\$40,119	Acquisition completed, rehabilitation phase to start in FY 2024-25	
524-530 8th Street (ACAH)	39	\$1,158,809	Acquisition completed, rehabilitation phase to start in FY 2024-25.	

AHIF/JHIF Project Profile: 2700 International

New Construction

- 75 Units (22 Homeless/SN)
- 2700 International (CD 5)

Developer: The Unity Council

City Funding: \$16,300,000 (inc. \$2.5M AHIF & \$2.5M JHIF funds)

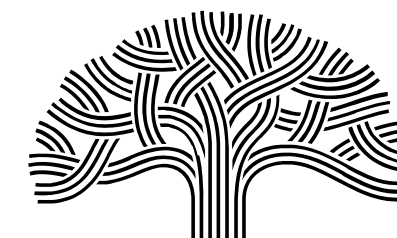
Total Development Cost: \$87.5M

Other: Project plans to serve 19 homeless veterans with VASH voucher funding. Potential Homekey+ hybrid project.



HCD – Jobs/Housing Impact Fee

- OMC Chapter 15.68 (Ordinance No. 12442 C.M.S.) established a Jobs/Housing Impact Fee
- Any new office or warehouse/distribution development project in a new or existing building over 25,000 square feet must pay to the City the Jobs/Housing Impact Fee, or may elect to construct affordable housing per OMC Section 15.68.080



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HCD – Jobs / Housing Impact Fee (JHIF) Fund Balance Summary

Table 5. Jobs/Housing Impact Fee, Fiscal Year 7/1/23 – 6/30/24	
Document Establishing Fee	Oakland Municipal Code Chapters 15.68 & 15.62
Project	N/A
Starting Balance	\$10,518,369
Fees Collected(Fund 1871)	\$1,752,809
Refunds	\$0
Interest Earned (Fund 1870, 1871)	\$669,442
Expenditures	\$(2,941,187)
Prior Year Expenditures Returned to JHIF	\$3,965,000
Ending Balance as of June 30, 2024	\$13,964,433
Funds Committed as of June 30, 2024	\$9,547,703
Funds Yet to be Committed as of June 30, 2024	\$4,416,730

HCD – JHIF Impact Fee Funded Projects (1 of 4)

Project and Address	Affordable Units	JHIF Funding (Since FY17)	Status as of June 30, 2024	Status as of 3/13/2025
2700 International	75	\$2,500,000	In predevelopment, seeking additional funding commitments.	In predevelopment
34th & San Pablo	60	\$3,472,130	In predevelopment, seeking additional funding commitments.	In predevelopment
3050 International	75	\$2,263,889	In construction as of March 2024.	Construction underway. (Est. completion: January 2026)
Longfellow Corner, 3801-3807 & 3823-3829 MLK Jr. Way	77	\$1,018,000	In construction (started May 2024).	Construction underway, (Estimated completion: Oct. 2026)

HCD – JHIF Impact Fee Funded Projects (2 of 4)

Project and Address	Affordable Units	JHIF Funding (Since FY17)	Status as of June 30, 2024	Status as of 3/13/2025
Phoenix: 801 Pine Street	101	\$1,018,588	In construction as of August 2023.	Construction underway, (Estimated completion: July 2025)
Friendship Senior Rental Housing: 1904 Adeline Street	48	\$1,193,000	In construction (started September 2023).	Construction underway, (Estimated completion: Spring 2025)
Casa Suenos aka Fruitvale Transit Village Phase II-B: E. 12th Street & 35th Avenue	181	\$1,604,123	Construction completed in January 2024.	Permanent loan closing underway.

HCD – JHIF Impact Fee Funded Projects (3 of 4)

Project and Address	Affordable Units	JHIF Funding (Since FY17)	Status as of June 30, 2024	Status as of 3/13/2025
95th Avenue & International Blvd	55	\$129,681	Completed June 2023; permanent closing occurred February 2024.	Completed
West Grand & Brush Phase I: 760 22nd Street & 2201 Brush Street	59	N/A	Funds swapped out from JHIF FY24	N/A
Agnes Memorial Senior Housing	60	\$1,096,456	Predevelopment	Funding commitment expired after 6/30/2024. JHIF funding has been redeployed in FY25.
1432 12th Avenue (ACAH)	7	\$1,209,000	Acquisition completed; rehabilitation 99% completed.	Construction completion projected March 2025.

HCD – JHIF Impact Fee Funded Projects (4 of 4)

Project and Address	Affordable Units	JHIF Funding (Since FY17)	Status as of June 30, 2024	Status as of 3/13/2025
2000 36th Avenue (ACAH)	55	\$138,096	Acquisition completed, rehabilitation phase to start in FY2024-25.	Rehabilitation phase start projected May 2025.
1921 & 2022 36th Avenue (ACAH)	25	\$1,450,000	Acquisition and minor rehabilitation phase completed, larger rehabilitation phase to start in early 2025.	Rehabilitation phase start projected Spring 2025.
Predevelopment Loan Program	n/a	\$400,000	Over the counter available. Current program maximum is \$50,000 per project.	On hiatus pending program revamp.

JHIF Project Profile: 2000 36th Avenue Apartments

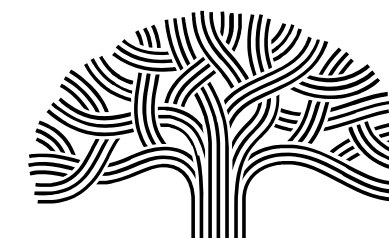
- 55 units, acquired by The Unity Council in 2020 for \$9.6 M
- Built in 1959, 2-story wood construction
- Acquisition Financing – \$9.6 M :
 - Oakland Bond Measure KK - \$5M
 - Oakland JHIF Funds: \$138,096
 - Enterprise Loan Fund: \$2.3 M
 - Enterprise Housing for Health: \$3.3 M
- Rehab: Plumbing, Windows, Retrofit



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Transportation Impact Fee

- OMC Chapter 15.74 (Ordinance No. 12442 C.M.S.) establishes citywide transportation impact fees to assure:
 - development projects pay their fair share
 - compensate for the increased demand for transportation infrastructure

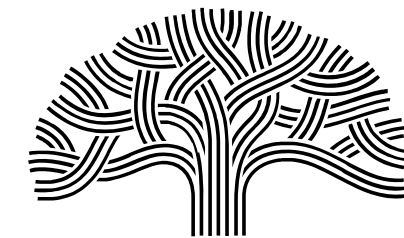


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Transportation Impact Fees

Funded projects must meet the following criteria:

- Consistency with City goals, plans, and policies;
- Contained within the City's Capital Improvement Program;
- Part of the City's citywide transportation infrastructure or provides connectivity between neighborhoods and activity centers within the City, or to neighboring communities or regional transportation facilities, and is not primarily for access to one specific neighborhood or development site;
- May not be used for rehabilitation, maintenance or operating cost; and
- Improves or expands the City's citywide transportation infrastructure to address and manage travel demand from new development



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Transportation

Transportation Impact Fees FY 2023-24	
Starting Balance	\$9,373,212
Fees Collected	\$1,312,509
Refunds	\$(180,197)
Interest Earned	\$436,870
Ending Balance as of June 30, 2024	\$10,481,326*
Funds Committed as of June 30, 2024	\$9,373,868
Funds Held in Contingency (as of June 30, 2024)	\$1,107,458

*Does not reflect unrealized gain/loss

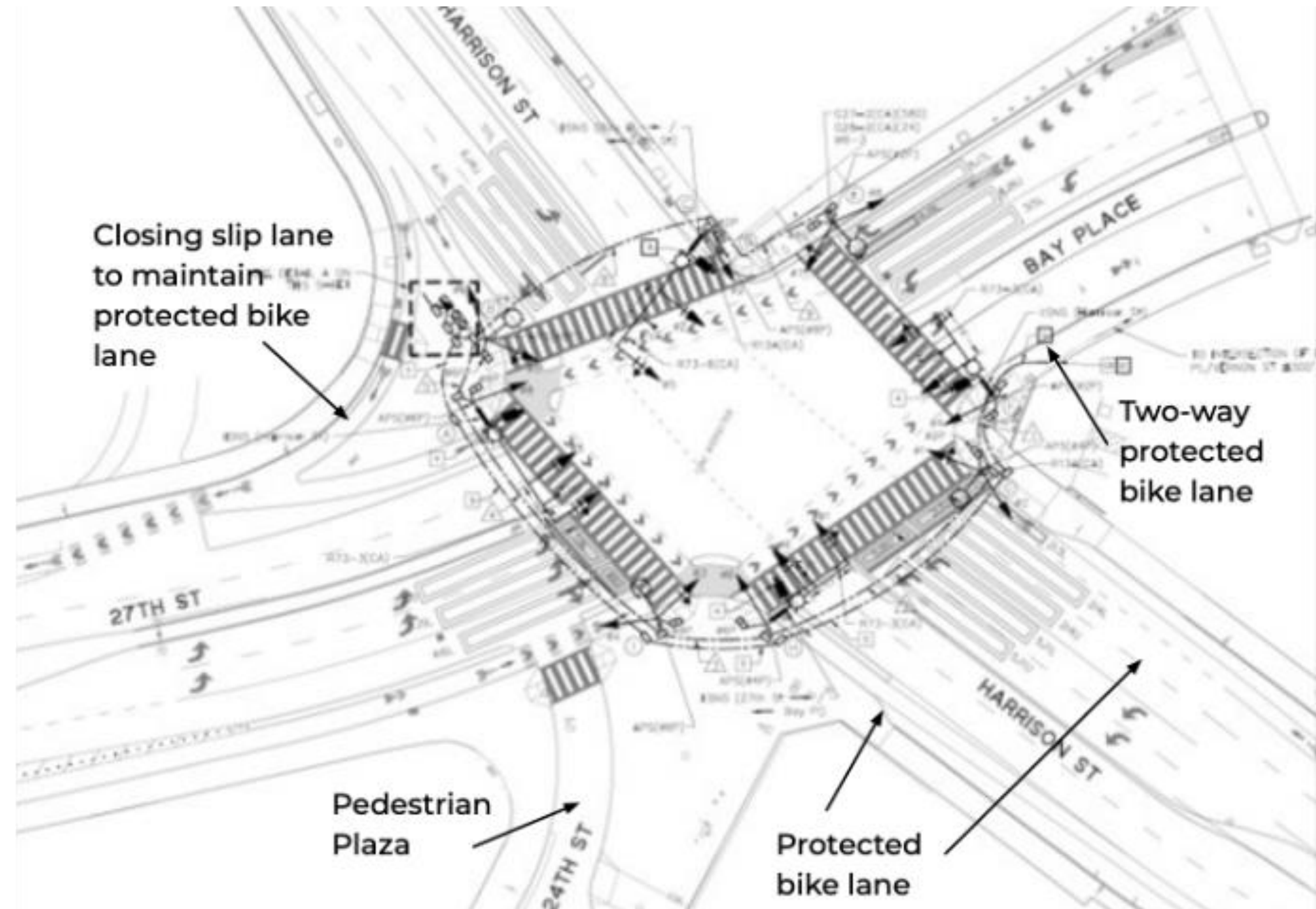
\$2.1 Million in TIF funding for: Public Improvements at 24th St, Harrison St, Bay Place & 27th St

Goals:

- Improve pedestrian, bicyclist, and traffic safety
- Realign this five-way intersection to a four-way intersection
- Shorten traffic signal length; reduce vehicle delay
- Reduce crossing distance for pedestrians and bicyclists
- Create continuous bike lanes
- Create a public plaza

Status:

- Construction began in June 2022
- Expected completion by winter 2025



\$1 Million in TIF Funding for: Garfield Elementary Pedestrian Improvements

Goals:

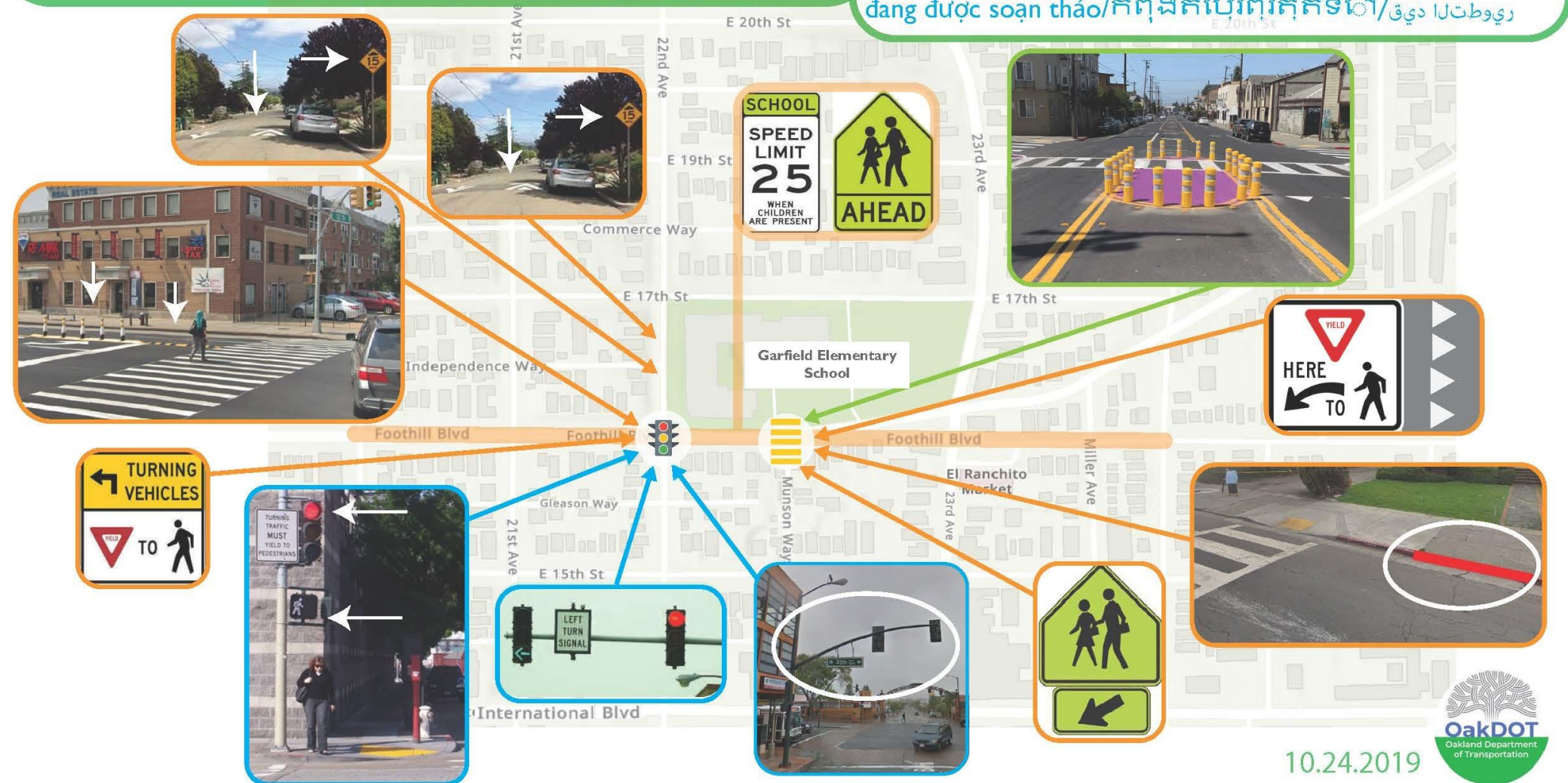
- Improve signal visibility
- Eliminate conflicts between left-turning vehicles and pedestrians
- Install leading pedestrian intervals
- Modernize signal equipment at 22nd Ave and Foothill Blvd.
- Install concrete median island at intersection of Foothill Blvd and Munson Way

Status:

- Project currently in design
- Anticipated to start construction by spring 2025
- Expected completion by winter 2025

Garfield Elementary School Safety Improvements
Mejoras de seguridad de tráfico en el área de Garfield Elementary School
加菲爾德小學 (Garfield Elementary School) 地區交通安全改進
Cải Thiện An Toàn Giao Thông Khu Vực Trường Tiểu Học Garfield
ការលើកកម្ពស់សុវត្ថិភាពចរាចរណ៍នៅតំបន់សាលាបឋមសិក្សា Garfield
ةقائداتبالا دلي فراغ ةسردم ةقطنم يف تالصالوم ةم ال س تانيسحت

Completed/Completadas/立即改進/تức thì/បន្តទាន/قُيُومَف
Next/Próximas/快速改進/nhanh chóng/ឱ្យមានលឿន/عَيسِرْس
Following/En Desarrollo/開發中的改進/
đang được soạn thảo/កំពុងតែប្រព្រឹត្តទៅ/ريوطت لا ديقي



\$6.3 Million in TIF Funding for: Complete Streets Capital Projects

Goals:

- Supports high-scoring CIP projects ([Complete Streets Capital Program |.opengov.com](http://CompleteStreetsCapitalProgram.opengov.com)) that implement larger scale streetscape improvements with a focus on safety for people walking, biking, transit and driving
- Serves as local match for outside grants

Status:

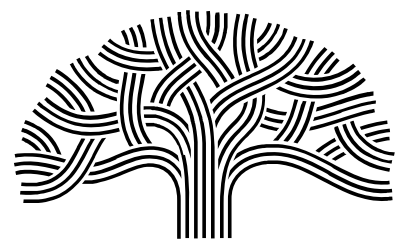
- TIF funding is allocated to specific projects, typically once they enter construction
- Current funded projects:
 - 14th Ave Streetscape
 - Lakeshore Ave Separated Bike Lanes



Oakland Public Works

FY 23-24 Capital Improvements Impact Fee

Project Status Report through 6.30.24



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Capital Improvement Impact Fee

Project identification

Oakland Public Works Department consults with the Planning and Building Department and City Attorney's Office to develop eligible capital projects and implement them in accordance with the Administrative Regulations and Manual.

OPW – Capital Improvement Impact Fee FY 2023-24

Funding criteria for public facilities:

- The project is a capital project contained within the **City's Capital Improvement Program**;
- If the project supports fire, police, library, or parks and recreation services, the project must **improve or expand the City's public facilities** to accommodate service demand from new development; funds may not be used for rehabilitation, maintenance or operating costs; and
- If the project supports storm drain services the project must **improve, expand, or rehabilitate the City's storm drain facilities** to accommodate service demand from new development.
- The project **may include preparation and revision of plans, policies, and studies** that are required to make necessary findings, prioritizations, and determinations for projects that improve, expand or rehabilitate approved infrastructure.

OPW – Capital Improvement Impact Fee FY 2023-24

Capital Improvement Impact Fees FY 2023-24	
Starting Balance	\$5,898,947
Fees Collected	\$867,205
Refunds	(\$282,136)
Interest Earned	\$269,657
Expenditures	(\$1,306,744)
Ending Balance as of June 30, 2024	\$5,501,667
Funds Committed as of June 30, 2024	\$2,429,636
Funds Yet to be Committed as of June 30, 2024	\$3,072,031

Capital Improvement Impact Fee (CIIF) Projects 1 of 4

Project	CIIF Funding	Fiscal Year	Status as of 06/30/2024
Storm Drainage Master Plan (SDMP)	\$991,000	FY 2020-21	Currently in process. For example, the hydraulic model is 100% complete, condition assessments 40% complete, and design standards are 95% complete. Public outreach is underway. The City Council approved Resolution No. 88355 C.M.S. on November 10, 2020 to award the firm Wood Rogers the contract to develop the SDMP.
Fire Station 10 & 12 Renovation Project	\$700,000 + \$691,000 + <u>\$218,500</u> \$1,609,500	FY 2017-19 Capital Program FY 2020-21 FY 2022-23	The project is currently in construction for Fire Station 10. Fire Station 12 paving is in process and pending the contractor to proceed with the work. Construction is set to begin in February 2025.
Brookfield Library Renovation Project	\$300,000	FY 2017-19 Capital Program	This project is currently complete in the design phase and will be going out to bid for construction at the end of 2024. Construction is set to begin in July of 2025.

Capital Improvement Impact Fee (CIIF) Projects 2 of 4

Project	CIIF Funding	Fiscal Year	Status as of 06/30/2024
Malonga Center Feasibility Study	\$800,000	FY 2021-22 Biennial Council Amendment	Feasibility Study was completed and issued to stakeholders in September of 2024. Further work pending outcome of presentation and feedback to stakeholders.
Digital Arts & Culinary Academy Phase 2 Renovation & Expansion	\$500,000	FY 2021-2022	The project is currently in construction and expected to be substantially completed by the end of 2024.
Mosswood Recreation Center Expansion	\$125,000 + \$125,000 + <u>\$715,000</u> \$965,000	FY 2021-2022 FY 2022-2023 FY 2023-2024 CIP	The project is currently in construction. Completion is anticipated in late summer 2025.
Redwood Heights Park Tot Lot & Park Expansion	\$100,000	FY 2021-22 Biennial Council Amendment	Project is completed and all funds have been expended.

Capital Improvement Impact Fee (CIIF) Projects 3 of 4

Project	CIIF Funding	Fiscal Year	Status as of 06/30/2024
Junior Science Center	\$40,000	FY 2021-22 Biennial Council Amendment	This project is complete and invoices are in process for payment. The City's Risk Department is coordinating with the City's Insurance Company's Restoration vendor who is handling the restoration project.
West Oakland Youth Center	\$50,000	FY 2021-22 Biennial Council Amendment	Project is complete and final invoices are in process for payment
District 3 Community Center CIP	\$96,000	FY 2021-22 Biennial Council Amendment	Exploring repurposing funds for DeFremery Recreation Center for facility improvements.
Arroyo Viejo Park	\$25,000	FY 2021-22 Biennial Council Amendment	Project on hold, awaiting larger site remodel.

Capital Improvement Impact Fee (CIIF) Projects 4 of 4

Project	CIIF Funding	Fiscal Year	Status as of 06/30/2024
Feasibility Study for 1310 Oak Street Fire Alarm Building	\$30,000	FY 2021-22 Biennial Council Amendment	The project has been completed and remaining available funds of \$8,947 has been returned to the fund balance.
Holly Mini Park	\$250,000	FY 2022-2023	The project is complete. A ribbon-cutting celebration was held in September 2024.
73 rd Avenue Soil Remediation	\$50,000	FY 2023-2024 CIP	Project is currently in process with construction to begin in March of 2025.
East Oakland Sports Center Expansion	\$200,000	FY 2023-2024 CIP	Project is currently in process with construction to begin in March of 2025.
Oakland Tool Lending Library	\$35,000	FY 2023-2024 CIP	The project is on hold pending additional funding or reduction in design scope.

CIIF Project Highlights

Holly Mini Park



Redwood Heights Park Tot Lot & Park Expansion

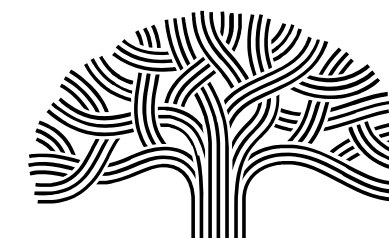


OPW – Future Project Fund Requests

Item #	Description	FY 2024-2025 One-Time	FY 2024- 2025 Total	Notes
1	Caldecott Trail	\$115,000	\$115,000	
2	Mosswood Recreation Center Expansion	\$35,000	\$35,000	
3	Digital Arts – Phase 2	\$350,000	\$350,000	
4	Storm Drain Master Plan	\$300,000	\$300,000	
5	Tyrone Carney Park Renovation	\$700,000	\$700,000	
6	Sobrante Park Renovation	\$600,000	\$600,000	
7	<i>Tyrone Carney Park Renovation (proposed additional request)</i>	<i>\$200,000</i>	<i>\$200,000</i>	<i>Sample Project (proposed)</i>
8	<i>Sobrante Park Renovation (proposed additional request)</i>	<i>\$772,031</i>	<i>\$772,031</i>	<i>Sample Project (proposed)</i>
	Subtotal of Expenditure Additions	\$3,072,031	\$3,072,031	

Study for Impact Fees

- Phase I, State Required Impact Fee Five Year Review - Completed Dec. 2021
- Phase II, Completed 2024:
 - Feasibility Analysis and Evaluation of Impact Fees
 - Analysis of Inclusionary Affordable Housing and AHIF Options Evaluate Implications for Affordable Housing Production (added with Housing Element)
- Phase III, Completed 2024: Stakeholder Meetings
- Phase IV, City Council Hearings:
 - CED - Initial Feedback of Updates to Impact Fees – Completed Dec. 2024
 - CED – Return With Code Changes to Impact Fees – June 2025



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Staff Recommendation

That the Community & Economic Development Committee Receives the Annual Report on the Affordable Housing, Capital Improvements, Transportation, and Jobs/Housing Impact Fees for FY 2023-24.

That this be scheduled for the next City Council Meeting.