Oakland Impact Fee Summary

On April 19, the Oakland City Council adopted ordinances to create impact fees to be charged on new residential development. Fees would mostly for affordable housing, with small additional amounts for transportation and capital improvements (storm drains, and public facilities for parks, libraries, police and fire). Final approval will happen with the second reading of the ordinances on May 3.

What is covered?
All new residential development (new construction, conversion of non-residential space, etc.) that submits an application for a building permit on or after September 1, 2016. Projects that have obtained “vested development rights” (development agreement, vesting tentative map, etc.) are exempt by law. Secondary units and affordable housing developments would not be subject to the housing impact fee.

Timing
Fee will be phased in over time, with an initial fee starting Sept 1, 2016 followed by increases on July 1, 2017 and July 1, 2018. Eventually the fee will increase annually based on changes in construction costs.

Geographic Zones
The City has established geographic zones with different fee schedules.
- Zone 1: Downtown, North Oakland above MLK, and Oakland Hills (above Hwy 580)
- Zone 2: West Oakland, North Oakland below MLK, Eastlake/San Antonio (from Park Blvd/2nd Ave to 23rd Ave)
- Zone 3: East Oakland (east of 23rd Ave)

Housing Fee Amounts during Phase-In
There are separate fee amounts that will be assessed on multifamily housing developments, townhomes, and single-family homes. Fee amounts are based on the date that a complete application for a building permit is submitted to the City. Projects must start and finish construction within specified time frames. If these performance requirements are not met, developers would then be subject to the higher fees in effect at that time.
### Payment of Fees
Fees will be due in two installments – 50% prior to issuance of building permit, and 50% prior to issuance of Certificate of Occupancy or Temporary Certificate of Occupancy.

### Uses of Funds
All fee revenues will be deposited to the City’s Affordable Housing Trust Fund, which is dedicated to production and preservation of housing affordable to very low and low income households, with priority for assistance to very low income. The impact fee ordinance contains provisions that allow no more than 15% of housing impact fee revenues to be used for housing for moderate income households (incomes up to 120% of area median income).

### Alternative Onsite (“Inclusionary”) Compliance
In lieu of paying the fee, developers may choose to provide affordable housing units on site (or offsite within ½ mile if approved by City). Onsite affordable units must meet one of the following three requirements:

- 10% of total project units restricted to moderate income households (81-120% of AMI); or
- 10% of total project units restricted to low income households (51-80% of AMI); or
- 5% of total project units restricted to very low income households (0-50% of AMI)

### Other Fees
In addition to the housing fees, as noted above, the Council also adopted fees for transportation and capital improvements. These other fees range from $1,000 to $2,500 per unit in the first year and increasing to $1,500 to $5,000 per unit over the phase-in period, depending on the type of development and impact fee zone. Transportation and capital improvements fees are somewhat higher when transportation and capital improvements fees are included.
improvement fees will also apply to a range of non-residential developments (the City already has a Jobs/Housing Fee that generates affordable housing funds from new office and warehouse development).