

Oakland People’s Housing Coalition Proposal for Inclusionary Zoning

A Core Component of a Comprehensive Approach to Meeting Oakland’s Affordable
Housing Needs

FINAL DRAFT

June 3, 2007

The Oakland People’s Housing Coalition advances the following inclusionary zoning policy which requires all market rate residential developers to include a percentage of affordable units in their projects without City of Oakland subsidy to meet inclusionary zoning obligations:

Threshold	10 units (All projects that contain 10 or more residential units must comply with the ordinance.)
Percentage of Units	15% of total units built on-site must be affordable at the required income levels. 20% of the total units if built off-site must be affordable at the required income levels. The off-site option provides flexibility for developers yet creates an incentive for on-site development given the policy goal of economic integration.
Rental Target Incomes	Average of 60% AMI, Maximum 80% AMI; And a minimum of 5% of the units must be targeted at 30% AMI
Ownership Target Incomes	Average of 100% AMI, Maximum 120% AMI
In Lieu Fee	The in-lieu fee should be based on the off-site percentage (20% of market rate units) in order to incentivize on-site development. The fee should be calculated as the full subsidy required to cover the gap between development costs of affordable units and the amount of funds that can be leveraged through sale or rental at affordable costs.
In Lieu Fee Dedication	The in lieu fees should be dedicated for affordable housing development for households at or below 60% AMI with at least half of the funds dedicated to serving households at 30% AMI and below.
Land Rezoned for Residential Use	At least 25% of the total residential units (on or off-site) on land rezoned for residential use (such as formerly industrial land) will be affordable at the targeted income levels above through a zoning overlay or a new residential zoning category for rezoned sites.
Trigger Date	Vested rights by December 1, 2007

Exemptions	Affordable housing projects funded through the City’s NOFA and other affordable housing projects funded through state and federal funds with 55-year affordability restrictions.
Timing and Terms	Inclusionary units should be built prior to or concurrent with the market rate units. Units should be affordable for 55 years for rental units and 45 years for ownership units.
Mix of Units	The mix of units by size (number of bedrooms) should be proportional to mix of market rate units.
Tracking and Enforcement	The City should track the implementation and outcomes of inclusionary zoning and strictly enforce it with penalties that are strong enough to dissuade non-compliance.
Evaluation	The policy should be evaluated every two years to adjust for real estate market conditions and to ensure that the policy is meeting its stated goals of economic integration and affordable housing production for the lowest income communities.

The Oakland People’s Housing Coalition is comprised of ACORN, Alameda County Central Labor Council, Asian Pacific Environmental Network, East Bay Community Law Center, East Bay Housing Organizations, Green Party, Greenbelt Alliance, Just Cause Oakland, Oakland Community Organizations, Oakland Tenants Union, Public Advocates, Urban Strategies Council, 1021 (formerly SEIU Local 790).

For more information, contact Amie Fishman at East Bay Housing Organizations at 510-663-3830 or amie@ebho.org.

**Oakland People’s Housing Coalition
Proposal for Increasing Funds for Affordable Housing**

**A Core Component of a Comprehensive Approach to Meeting Oakland’s Affordable
Housing Needs**

FINAL DRAFT

June 3, 2007

The Oakland People’s Housing Coalition advances the following policy to increase funds for affordable housing development. This policy should be adopted simultaneously with inclusionary zoning:

Dedicate Low Mod Funds	Dedicate the existing Redevelopment Low-Moderate Housing funds to the lowest income communities (60% AMI and below, and maintain the existing priority for 30% AMI and below).
Cap City Subsidy	The city subsidy cap should remain at 40% of development costs in order to ensure the efficient use of funds to benefit the greatest number of people.
Increase the Low Mod Set Aside	Increase the Redevelopment Low-Moderate set-aside of the tax increment from 25% to 35%, with incremental adjustments up to 50% when feasible as current debt obligations are retired. Dedicate the additional funds to serve the range of low- to moderate-income affordable rental and ownership housing needs.

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