



January 31, 2023

City of Oakland
1 Frank H Ogawa Plaza
Oakland, CA 94612

**RE: Amendments to 2023-2031 Housing Element (Nov 2022 Draft) - Action 3.3.9 (page 78):
Deferring Building Permit Fees for 100% Affordable Housing Developments**

Dear Oakland City Council,

The City of Oakland has an opportunity to incentivize 100% affordable housing developments by adjusting one of the major financial barriers to construction: **building permit fees**. By amending the November 2022 draft **Housing Element Action 3.3.9** to include deferring building permit fees payment until issuance of a Certificate of Occupancy for 100% affordable housing developments as a strategy to expand resources for the construction of affordable homes (Policy 3.3), Oakland will be on track to meet, and even exceed, its goal of building 13,000 new affordable housing units by 2031.

The language in Action 3.3.9 on page 78 is **vague and confuses** the issue of affordable housing impact fees, which are not paid by 100% affordable housing developments, with other fees including building permit fees. As such, we are humbly requesting that Action 3.3.9 be amended after the certification process with the following revisions:

Amendments to Action 3.3.9 (page 78):

1. Add explicit language on the consideration of deferring building permit fees payment until issuance of a Certificate of Occupancy for 100% affordable housing developments,
2. Since 100% affordable housing projects are exempt from Affordable Housing Impact Fees (AHIF), remove references of AHIF or adjust the language to make this distinction, and

3. Make 2023 as the timeline for completing this action as this will allow current projects in the pipeline to begin construction

Since the Housing Element must be approved & certified on January 31, 2023, as is, we:

- Urge the City Council to expeditiously commence the amendment process of action 3.3.9 within 60 days of the Housing Element certification and commit to a 2023 timeline for its adoption, with openness to further revisions at Council direction.

Affordable housing is urgently needed in Oakland but **building permit fees are a big financial barrier to start construction**. As critical partners to the City of Oakland, we are committed to building a better Oakland for all.

Thank you for your consideration.

In partnership,

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Cc:

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