

## Five-Year Impact Fee Review Timeline

The four phases are:

1. Phase I, July – December 2021: Impact Fee Five-Year Review
  - This initial phase is a statutory requirement of the State Mitigation Fee Act, which requires a five-year review of each impact fee.
  - The City first started collecting the affordable housing, transportation and capital improvements fees on September 1, 2016 during the 2016-17 fiscal year; thus, FY 2020-21 ending on June 30, 2021, is the end of the fifth fiscal year.
  - In accordance with the State Mitigation Fee Act, the following reports are being published on the City's website by December 27, 2021:
    - Oakland Affordable Housing Impact Fee Five-Year Review and Update
    - Oakland Jobs/Housing Impact Fee Review and Update
    - Oakland Transportation and Capital Improvements Impact Fee Five-Year Review and Update
  - The reports will review and update the maximum justified fee that could be charged.
2. Phase II, January 2022 – Summer 2022: Feasibility Analysis and Evaluation of Impact Fees and Options for New Development
  - This phase will analyze the impacts of increasing or otherwise changing the fee structure based on the Impact Fee Five Year Review.
  - It is important to conduct this analysis, because in urbanized areas the maximum legal fee amount may exceed what is economically feasible for a development to meet. The ability to pay impact fees requires that project rents and charges increase to levels that are high enough to cover development costs, pay new impact fees, cover risks and provide a competitive return to induce development. If these conditions are not met, then new impact fees may slow development and adversely affect the actual generation of new impact fees for collection.
  - Therefore, the Phase II analysis will include:
    - A feasibility analysis on increasing the impact fees, including analysis of:
      - Potential for increases in the amount of citywide impact fees, by type of fee, by fee zone, and by land use
      - Timing and phase-in for changes in fees
      - Paying the fee earlier in the process
      - Changing fee zone boundaries
      - Increases in providing on-site affordable units in lieu of paying the fee
    - Identification of other funding options for new development to support affordable housing and transportation and capital improvements, such as:
      - Affordable Housing Impact Fee (with on-site option)
      - Consideration of Inclusionary housing built on-site (with fee option)
      - Enhanced Infrastructure Financing District (EIFD)
      - Mello-Roos tax

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3. Phase III, Summer 2022: Stakeholder Meetings
  - This phase will allow staff to present proposed options for changing existing impact fees for feedback and input from the community
4. Phase IV, Fall 2022: City Council Hearings for Updated Impact Fees Adoption
  - This final phase will be for staff to present the options and recommendations to the City Council for action based on the analysis and outreach from the preceding phases.