

**From:** [Mitch B](#)  
**To:** [CITYCOUNCIL-List](#)  
**Subject:** [EXTERNAL] Written comment for item 7B of 1/6/25 City Council Meeting  
**Date:** Tuesday, January 6, 2026 12:01:12 PM

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Hello,

I will be making a public comment on item 7B for the 1/6/26 City Council Meeting and wanted to share a written copy with linked citations.

First off I want to say I appreciate the work the city has done thus far eliminating parking minimums and adding density bonuses which have enabled the production of below market rate units as well as market rate units which both contribute to making housing affordable. However, despite this great work, we still need to do more as we can see the homelessness count has nearly doubled. The #1 strategy listed in this report is “Assess and use available public and private land for housing” which makes a lot of sense as the most significant contributor to homelessness is the simple fact that right now there are more people than there are homes.

As we’ve learned in previous agenda items involving inclusionary zoning it’s become financially hard to begin construction at this period in time due to a variety of factors. In the correspondence of these previous agenda items, one housing developer, Pacific development has stated that they are prepared to begin construction on their Foundry housing project but currently cannot due to financial infeasibility but would be financially feasible if the inclusionary zoning in-lieu fee were reduced from \$25/sqft floorplan to \$10/sqft floorplan (<https://alameda.legistar.com/LegislationDetail.aspx?ID=7727809&GUID=542F5E0A-07C6-437E-9DF1-6093075C5293&Options=&Search=>). If we take them at their word, reducing the in-lieu fee would allow us to build more units and acquire some funds for BMR housing, but in-lieu fees are for funding housing for people who need it the most and we could acquire a lot more funding for BMR housing if housing development was made financially feasible without reducing the in-lieu fee. There are many more parameters that factor into financial feasibility studies.

In other workshops we’ve discussed the need for a new parcel tax and taxes are included in these financial feasibility studies. As we can see with all the flooding recently, the city needs additional funding for things like sea level rise mitigation, but a floorplan area parcel tax in particular is a discouraging factor for housing development. A \$0.22/sqft floorplan per year parcel tax for 15 years is equivalent to an additional \$2.04/sqft floorplan in-lieu fee amortized at a 7% interest rate over 15 years. In addition, most financial feasibility studies have a 30-40 year outlook and assume parcel taxes get renewed so this may be more equivalent to an additional \$4-5/sqft floorplan in-lieu fee. This is not as large as \$15/sqft reduction in in-lieu fee requested by Pacific Development, but is comparable. In addition, it is likely that while starting construction is truly not yet financially feasible for them, they may be overstating exactly how much reduction in floorplan fees is necessary. In either case, a floorplan area parcel tax would have a calculable and meaningful negative impact on housing development of both market rate and below market rate units.

There is a solution however, this money could be collected in a manner that does not discourage housing development, but actually encourages it as a lot area parcel tax. This tax

would get collected whether a developer decides to build new units or not, so would not negatively impact their decision to begin construction. But in addition, it would also encourage large land owners to try to extract more revenue from their land to match the additional cost of the taxes and make them more willing to work with housing developers to create both market rate and below market rate housing as in-fill development. Taxing lot area is already a well established parcel tax in California and is how Berkeley pays for their floodwater management which is used for functionally the same things as sea level rise mitigation ([https://berkeleyca.gov/sites/default/files/documents/2022-06-28%20Item%2041%20Clean%20Stormwater%20Fee\\_0.pdf](https://berkeleyca.gov/sites/default/files/documents/2022-06-28%20Item%2041%20Clean%20Stormwater%20Fee_0.pdf)).

If we want to use the most public and private land we can for housing we need to put in place the proper incentives and disincentives to make large land owners and developers agree to produce housing as soon as possible and this can be done while still producing many below market rate units either directly on site or by collecting in-lieu fees. This is the biggest problem our city faces and so we need to be considering it with every decision we make as it all connected.

Thank you,  
-Mitch Ball