Exhibit 2

File #:	2025-5502
Type:	Continued Agenda Item
Body:	City Council
On agenda:	12/2/2025
Title:	Workshop to Discuss Updates to the Inclusionary Housing Ordinance. In accordance with the California Environmental Quality Act (CEQA), this workshop is categorically exempt from further environmental review pursuant to CEQA Guidelines section 15262 (Feasibility and Planning Studies). (Planning, Building and Transportation) [Continued from November 18, 2025]
Attachments:	1. Exhibit 1: Alameda Municipal Code Section 30-16, 2. Exhibit 2: Policy Review and Recommendations, 3. Supplemental Memo, 4. Presentation, 5. Presentation - Revised, 6. Correspondence, 7. Additional Supplemental Memo

Workshop to Discuss Updates to the Inclusionary Housing Ordinance.

In accordance with the California Environmental Quality Act (CEQA), this workshop is categorically exempt from further environmental review pursuant to CEQA Guidelines section 15262 (Feasibility and Planning Studies). (Planning, Building and Transportation) [Continued from November 18, 2025]

Body

To: Honorable Mayor and Members of the City Council

From: Jennifer Ott, City Manager

EXECUTIVE SUMMARY

Program 7 of the Housing Element calls for a review of the City of Alameda's (City) Inclusionary Housing Ordinance, which currently requires residential projects of five or more units to provide 15% of units at affordable prices for moderate, low, and very low-income households. State law also requires that developers have alternative compliance options, such as paying an in-lieu fee, dedicating land, or constructing units off-site. In addition, meeting certain affordable housing thresholds helps the City qualify for state and regional funding programs related to planning, transportation, and climate adaptation.

Over the past year, staff, a consultant team, and a working group reviewed feasibility analysis, discussed program structure, and gathered input from developers. This includes feedback from the Housing and Human Services (HHS) Division of the City Manager's Office based on their experience managing and monitoring the affordable housing program. After incorporating this input, staff is seeking City Council feedback on potential updates that would generally maintain the overall cost of compliance for developers while adjusting the income mix to better align with local housing needs and regional grant eligibility. Staff is also presenting options for establishing a Citywide in-lieu fee that could be calibrated to either encourage on-site affordable units or generate funding for off-site affordable housing development. These approaches may differ for rental and ownership projects. Overall, staff and the working group believe flexibility in these approaches will best ensure development activity will resume while achieving affordable housing goals.

This report provides background on affordable housing needs, summarizes key issues identified during the Housing Element process, reviews the inclusionary alternatives discussed by the Planning Board, and requests Council direction prior to the preparation of a draft ordinance amending the Inclusionary Housing Ordinance (Alameda Municipal Code Section 30-16) for Planning Board and City Council consideration.

BACKGROUND

Affordable Housing Overview

Affordable housing is meant to help households with lower incomes find housing they can afford, which is something the private housing market does not reliably provide on its own. As the terminology is commonly used, housing is "affordable" if a household spends no more than 30% of its monthly gross household income on mortgage or rent payments and basic utilities. Most affordable housing programs also set maximum income limits to determine who qualifies for subsidized or deed-restricted housing. These affordable units may be created through publicly funded affordable housing projects or provided by market-rate developers as part of City requirements for new development. In either case, the units are typically deed-restricted to ensure they remain affordable for a long-term period.

Each year, the California Department of Housing and Community Development (HCD) publishes official income limit tables used to determine household eligibility for a variety of housing programs. These limits are based on federal limits set by the U.S. Department of Housing and Urban

Development (HUD) using surveys of Area Median Income (AMI) in every county. In 2025, Alameda County's AMI for a four-person household is $159,800, which is one of the highest in California, exceeded only by Marin, San Francisco, San Mateo and Santa Clara counties.

Income categories and affordability levels vary by household size and county. Table 1 provides sample 2025 income limits and the corresponding maximum affordable rents and sales prices for a four-person household in a three-bedroom unit in Alameda County. Maximum sales prices reflect assumptions for down payment, interest rate, mortgage term, property taxes, insurance, and homeowner association fees.

Table 1 - 2025 Income Limits and Rent/Sales Prices in Alameda County

Income Category	AMI Category	Income Limit	Max. Rent	Max. Price
Very Low Income (VLI)	<50% AMI	$79,900	$2,000	$108,000
Low Income (LI)	50-80% AMI	$125,050	$3,250	$279,000
Moderate (MOD)	<120% AMI	$191,750	$4,050	$449,000

Requiring deed-restricted "inclusionary" units in new development affects the financial feasibility of market-rate housing projects. Because land, construction, and financing costs are high, the affordable units in each project must be subsidized by the market-rate units. However, if the subsidy required of market rate units becomes too large, the project may no longer be financially feasible. When this occurs, inclusionary requirements can unintentionally act as a constraint on housing production, resulting in fewer or no units being built across all income levels. Conversely, setting rental prices based on Moderate income levels exceeds the rental rates for most new rental products, meaning these units are not effective in providing affordable housing and can actually sit empty for lack of interest.

Affordable Housing in Alameda

Inclusionary.Housing.Program?Citywide

In 2004, City Council adopted Ordinance No. 2926, which added section 30-16, the Inclusionary Housing Ordinance to the Alameda Municipal Code (AMC) (Exhibit 1). Implementation of this ordinance is referred to as the Inclusionary Housing Program and housing within the program is referred to as Below Market Rate (BMR) housing.

The ordinance currently requires that all residential projects with five or more units provide at least 15% of the units as deed-restricted affordable housing for very low-, low-, and moderate-income households. The ordinance generally specifies the following income distribution: 4% Very Low Income, 4% Low Income, and 7% Moderate Income. These units are required to be deed-restricted for at least 59 years to ensure long-term affordability. Projects with nine or fewer units may pay an in-lieu fee instead of providing units on-site, while projects with ten or more units must construct the affordable units within the development. Maximum household incomes, and therefore maximum rents and sales prices, are updated annually by the State based on established formulas tied to household size and Area Median Income and county

Inclusionary.Housing.Program?Alameda.Point.

Properties located on the former Naval Air Station Alameda/Fleet Industrial Supply Center (Alameda Point) are subject to a higher requirement based on a settlement agreement that stipulates that 25% of all newly constructed housing units at Alameda Point shall be made permanently affordable as follows: 6% for very low income, 10% for low income, and 9% for moderate income households. The current update of the Inclusionary Housing Ordinance will not recommend modifying those requirements because they are established by a legally binding agreement.

To implement the Inclusionary Housing Program, developers enter into an Affordable Housing Agreement with the City. This agreement identifies the number and type of units, establishes marketing and income qualification procedures, and incorporates the City's Homeownership and Rental Guidelines. To date, the Inclusionary Housing Program has facilitated the creation of nearly 150 homes that have been purchased or are available for sale, with approximately 40 additional homes in the development pipeline. On the rental side, more than 300 affordable rental units have been completed and are occupied or expected to be leased within the year, with approximately 30 more units currently in the pipeline. In addition, the Alameda Housing Authority owns, manages, and monitors approximately 1,200 subsidized housing units Citywide.

State Law Requirements

State law, specifically Assembly Bill 1505 (2017), reaffirmed the authority of cities to adopt and enforce inclusionary housing ordinances for rental units. An anti-rent control law enacted in 1995 called Costa-Hawkins made it nearly impossible to place deed restrictions on inclusionary rental units. However, in 2017, the Legislature enacted AB-1505, also known as "The Palmer Fix", to restore the City's ability to require on-site and off-site inclusionary affordable rental housing without qualifying for an exemption from Costa Hawkins. Under AB 1505, cities may now place inclusionary requirements on rental housing to require, as a condition of development, that the development include a certain percentage of affordable rental units, as long as the ordinances provide alternative means of compliance, such as payment of in-lieu fees or provision of on-site or off-site ownership units. These alternative forms of compliance do not need to be offered to for sale developments.

As mentioned above, the law requires that inclusionary programs provide alternative methods of compliance, such as:

- Paying an in-lieu fee to support affordable housing development elsewhere in the City
- Building the affordable units off-site or in a separate building (Clustered Option)
- Dedicating land for future affordable housing development
- Acquiring and rehabilitating existing housing units for affordable use

Under AB 1505, HCD may review ordinances that require more than 15% of units at 80% AMI to ensure it does not create a constraint on housing production. During the review of the City's 2023-2031 Housing Element, HCD noted that while the City does allow several alternative compliance options, many are currently applied on a case-by-case basis through individually negotiated situations (i.e., through development agreements) rather than as standard features of the program. In response, the City initiated this update to the Inclusionary Housing Ordinance to evaluate and formalize additional compliance pathways.

<u>Policy Background</u>

Presently, the need for affordable housing in Alameda remains both significant and diverse. While the City does not directly construct housing, it plays a central role in establishing the regulatory framework that enables private development and requires the inclusion of affordable units through the Inclusionary Housing Ordinance. In parallel, the Alameda Housing Authority develops and manages its own portfolio of affordable housing, supported in part by in-lieu fees currently collected from residential developments with five to nine units.

The City's 2023-2031 Housing Element sets a goal of producing at least 803 deed-restricted affordable units, representing 15% of Alameda's 5,353-unit Regional Housing Needs Allocation (RHNA). However, the RHNA identifies a broader need for 3,107 affordable units across various income levels. The Housing Element outlines multiple strategies to help address this need, including inclusionary housing requirements, in-lieu fees, partnerships with nonprofit and private developers, rezoning and density bonuses, infrastructure funding, streamlined review processes, and objective design standards. While these tools are intended to support production, achieving the full RHNA allocation will depend on improved market conditions and additional funding for affordable housing development.

During preparation of the Housing Element in 2022, the City identified that the current Inclusionary Housing Ordinance could be better aligned with local housing needs and development feasibility.

Specifically, certain requirements do not sufficiently distinguish between rental and ownership housing, and the inclusion of moderate-income rental units has not effectively produced units that are meaningfully more affordable than the market.

Specifically, Moderate Income units in Alameda are generally priced close to market rents and do not fill a critical affordability need. Concentrating the requirement at the Low Income category better targets households with the greatest need in Alameda and provides the most public benefit for each unit produced.

Accordingly, the Housing Element committed the City to consider adjusting the affordability mix, including reducing or eliminating the 7 percent moderate-income rental requirement and increasing the share of units affordable to lower-income households.

Intersection with Future Funding Opportunities

Inclusionary housing requirements are becoming increasingly important for eligibility in regional funding programs that support housing, transportation, and infrastructure. The Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) administer several such funding sources. One key upcoming opportunity is the Transit Oriented Communities (TOC) Program, expected in 2026, which will direct significant resources to cities that align local land use and affordable housing policies with regional goals. Guidance issued by ABAG/MTC in May 2025 specifies minimum inclusionary standards to qualify for TOC housing and infrastructure funding. For rental housing, cities must require at least 15% of units to be affordable, with the average affordability level at or below 80% of Area Median Income (AMI), and no affordable units reserved for households earning above 120% of AMI. For ownership housing, the average affordability level must be 120% of AMI or below, with no designated affordable units reserved for households above 150% of AMI. If a city cannot meet these standards, either in the percentage of affordable units required or the income levels served, it must demonstrate that meeting those standards would be financially infeasible for market rate developers to achieve in current market conditions, in which case a waiver from those requirements may be granted by the funding agencies. Otherwise, the City may lose access to regional funding. Aligning the City's inclusionary requirements with TOC eligibility would improve the City's competitiveness for major infrastructure, transportation, and housing grant opportunities in future years.

The following discussion evaluates the City's current program within the broader local, state, and regional context and provides recommendations to improve program effectiveness and maintain compliance with funding and regulatory requirements.

DISCUSSION

Findings To-Date

The City hired Streetlevel Advisors in Fall 2024 to assist Planning staff with the inclusionary housing analysis (Exhibit 2). In December 2024, the Planning Board appointed two members to a working group with representatives from the Alameda Housing Authority and the Housing and Human Services Division of the City Manager's Office. The working group met regularly beginning January 8, 2025, to review research, evaluate alternatives, and provide feedback to staff and the consultant.

The Planning Board held public workshops on January 27, May 27, 2025 and November 10, 2025, to review the consultant's analysis and provide policy direction. Through these discussions, several key findings emerged.

Inclusionary Ratios

1. Moderate Income rental units are generally priced close to market rents and do not fill a critical affordability need. Also AB 1485 (State rent control) operates to keep the rates reasonably static and operating to protect those renters. Concentrating the requirement at the Low Income category better targets households with the greatest need in Alameda and provides the most public benefit for each unit produced.

2. Rental and Ownership housing have different economic conditions, so separate inclusionary requirements should be applied for each to ensure both feasibility and public benefit.

3. To reflect current market conditions and support continued housing development, the inclusionary requirements should be structured so that the overall cost to developers is similar to the existing Ordinance.

4. It is reasonable to adjust percentage ratios slightly higher or lower based on policy goals, to encourage either the construction of on-site affordable units or payment of in-lieu fees, depending on which outcome better advances City priorities. It may also be helpful to adjust affordability levels to incentivize RHNA shortfalls during compliance periods.

In-Lieu Fees

5. In-lieu fees, currently limited to small projects, should be expanded to all project types to provide funds that can support other affordable housing projects.

6. In-lieu fees should be comparable to the cost of providing onsite units and should be within the range of fees collected by similar local jurisdictions.

7. In-lieu fees should be converted to a fee per square foot of building floor area so it can be properly scaled to unit size and affordability level.

8. The City Council can adjust fees to encourage different outcomes based on local policy goals. If fees are slightly higher or lower than the cost of building affordable units in a project,

developers may be more likely to either include affordable units on-site or pay in-lieu fees, depending on which outcome the City prefers.

Criteria for Clustered Option

9. Large projects may include a mix of income levels, where moderate income units are located in the main project and lower-income units are developed separately, sometimes by nonprofit partners such as the Alameda Housing Authority.

10. The City should establish a formal process with project-specific criteria to evaluate and approve these "clustered" affordable housing arrangements.

Term of Affordability

11. The term of affordability refers to the length of time units must remain deed restricted as affordable units. Consistent with current best practice, the recommendation is to extend the current 55-year requirement to a 99-year term to better preserve long-term affordability.

Inclusionary Ratios

Rental Units. For rental projects, the working group reviewed several options for adjusting both the number of affordable units required and the income levels they should serve. Overall, priority is needed for Low Income rental units, since Very Low Income units are more commonly developed by the Alameda Housing Authority and nonprofit partners, and Moderate Income units are generally priced close to market rents and do not fill a critical affordability need. Concentrating the requirement at the Low Income category better targets households with the greatest need in Alameda and provides the most public benefit for each unit produced. The working group was supportive of offering options to the development community within these ranges.

Staff recommends requiring 15% of rental units to be affordable to Low-Income households, which would:

- Maintain the current overall ratio of affordable units within a project at 15%.
- Meet regional TOC funding eligibility and AB 1505 for 15% of rental units to be provided at Low Income (or equivalent).
- Address housing needs not served by non-profit or market rate development.
- Avoid reserving units at rent levels already attainable without subsidy.

- Entitle developers to a 27.5% density bonus and incentives under State Density Bonus Law. These density bonus incentives are established under State law and do not remove the City's design review authority; rather, they allow adjustments to development standards when needed to support the feasibility of projects that include affordable housing.

Streetlevel Advisors analyzed the cost of providing on-site Low Income units within new rental developments. This change would modestly increase the cost of compliance from approximately $17.50 to $20.00 per square foot of development, but it remains a balanced and feasible approach. It is also still less costly than paying the City's current in-lieu fee of $28,149 per unit (available only to projects with 5-9 units), which equates to approximately $27.50 per square foot

If City Council wishes to consider alternative approaches that also meet TOC eligibility, the working group reviewed additional income-mix scenarios, shown in Table 2. These ratios were modeled using an ABAG/MTC spreadsheet tool to estimate the developer's cost of compliance under different income mix scenarios to be equivalent to the TOC requirement. Final ratios may need to be adjusted with further analysis.

Table 2 - Income Mix Options for Rental Units.

	VLI (50% AMI)	LI (80% AMI)	MOD (120% AMI)	TOTAL
Existing Ordinance	*4%*	*4%*	*7%*	*15%*
Option 1 (All LI)	0%	15%	0%	15%
Option 2 (Mix)	5%	5%	0%	10%
Option 3 (All VLI)	8%	0%	0%	8%

Option 1 is the primary staff recommendation for rental units.

If the City were to determine that meeting the full TOC income mix requirements is not feasible under current market conditions, the City could seek a feasibility waiver from ABAG/MTC. However, doing so may require ongoing recertification and could affect future eligibility for housing, transportation, and climate adaptation funding. The extent of this risk is uncertain at this time.

Ownership Units. For ownership projects, the working group noted that Very Low Income and Low Income ownership units can be challenging to sell, as eligible buyers may have difficulty providing a sufficient down payment and covering ongoing ownership costs. While these units can offer long-term housing stability for first-time homebuyers, the level of subsidy required at these income levels is substantial, resulting in significant revenue loss to developers. Conversely, Moderate Income ownership units are more financially feasible for both buyers and developers while still addressing identified affordability needs for households that are priced out of the market.

Staff recommends requiring 5% of units at Low Income and 10% at Moderate Income, ownership units (with income limits of 120% AMI and pricing at 100% to 110% AMI), which would:

- Maintain the current overall share of deed-restricted units.
- Continue to offer ownership opportunities to lower income households.
- Meet regional TOC requirement that 15% of ownership units be affordable at the Moderate Income level (or equivalent).
- Better match local ownership housing needs while reducing the depth of subsidy required for developers.
- Qualify developers for a 5% density bonus and incentives under State Density Bonus Law. As with rental projects, these incentives do not replace City review or objective design requirements, but they allow flexibility in development standards to help ensure the affordable ownership units can be delivered.

To evaluate alternative approaches, the working group also reviewed options that include varying combinations of LI and MOD ownership units. Maintaining roughly equal costs to developers, emphasis could range from all moderate income (0% LI / 15% MOD) to all low-income (10% LI / 0% MOD), with a mid-range option of 6% LI / 6% MOD, as shown in Table 3. These ratios were modeled using an ABAG/MTC spreadsheet tool to estimate the developer's cost of compliance under each scenario. In each case, costs are substantially lower cost than the requirement of the existing ordinance, and more in keeping with the subsidy of the ABAG TOC program requirement.

This strategy also addresses the current issue with challenges identifying qualified buyers for very low income units and then the units being instead purchased by the Housing Authority for rental instead of the original intent for household ownership.

Table 3 - Income Mix Options for Ownership Units.

	VLI (50% AMI)	LI (80% AMI)	MOD (120% AMI)	TOTAL
Existing Ordinance	*4%*	*4%*	*7%*	*15%*
Option 1 (All MOD)	0%	0%	15%	15%
Option 2 (Mix)	0%	6%	6%	12%
Option 3 (All LI)	0%	10%	0%	10%
Option 4 (High Mix)	0%	5%	10%	15%

Option 4 is the primary staff recommendation for ownership units.

This recommended approach maintains the City's current overall 15% inclusionary requirement and adjusts the income levels to those that are both needed in the community and financially feasible for ownership projects. It supports homeownership for lower-income households, ensures units are marketable to qualified buyers, reduces the subsidy burden on developers, and maintains the City's eligibility for regional funding as described above.

In-Lieu Fees

The Housing Element identified affordable housing in-lieu fees as a key revenue source that can fund the City's various affordable housing programs. Housing projects of 5-9 units may pay an in-lieu fee of $28,149 per unit, based on an earlier feasibility analysis and inflation adjustments.

Expanding the in-lieu fee to apply to all housing projects could generate a more consistent and flexible source of local funding, which is especially important because many state and federal housing grants require local matching funds. These funds are generally focused at the very low and extremely low income households and special needs populations such as homeless, veterans, disabled, and seniors. Even in slower development cycles, in-lieu revenue can support priority programs identified in the Housing Element, including:

- Acquisition/rehabilitation program for existing rental buildings
- Seismic and flooding renovations for affordable housing buildings
- Pre-development work, including:
  - Development of affordable housing on school district surplus lands
  - Seed money to non-profit and partner agencies
  - A study of a bond measure for affordable housing development
- Down payment assistance, HOA fees subsidies, or other gap financing for low-income homeownership.

Working with Streetlevel Advisors, staff and the working group evaluated several approaches for setting a citywide in-lieu fee. The current in-lieu fee of $28,149 per unit (approximately $27.50 per net square foot) is higher than the estimated cost of providing affordable units on-site for rental projects (approximately $17.50 per square foot), and therefore is not an appropriate basis for establishing a new fee level for rental projects. In some cases, however, developers may still prefer to pay a fee even when it is slightly higher than the cost of on-site compliance, given the administrative and operational challenges of managing BMR rental units and the effects of rent control on long-term project returns.

For ownership projects, the effective cost of on-site inclusionary compliance is significantly higher, approximately $62.00 per square foot when accounting for lost revenue from BMR sales. This suggests that a higher in-lieu fee for ownership would remain feasible for developers while generating meaningful funds for the City's affordable housing priorities.

Based on this analysis, staff recommends establishing a citywide in-lieu fee program that applies to all residential development, with separate fees for rental and ownership recommended in the Streetlevel Advisors study. Staff recommends these fees set at $25.00 per square foot for rental projects and $50.00 per square foot for ownership projects. Comparable cities in the Bay Area have fees ranging from $20 to $50 per square foot of residential development. Fees could be adjusted annually for inflation as part of the annual Master Fee Schedule update and adjusted to reflect changing construction and housing market conditions. Dedicating the revenue to a local housing fund would ensure funds are strategically reinvested in programs that advance the City's affordable housing goals, provide local match for competitive grants, and expand housing opportunities across income levels.

Criteria for Clustered Option

In Alameda, many projects comply with inclusionary requirements by providing land and resources for clustered affordable housing. The clustered compliance option relies on a developer partnership with a non-profit affordable housing developer. These partnerships are a powerful tool to achieve inclusionary housing outcomes, often improving the outcomes by providing more units and/or deeper levels of affordability. Generally, these arrangements mean non-profit developers receive land and some cash subsidy from the market rate developer, and then the developer contributions are used to leverage additional resources, such as County or State funding, to fully fund the affordable housing project.

The working group recommends an update to the Inclusionary Housing Ordinance to include criteria for clustered housing development, including:

- The City Manager having the authority to approve a clustered project concept.
- Housing and Human Services Division and Alameda Housing Authority input on the affordable housing plan.
- Consider the likely competitiveness of the clustered project to secure State and federal funding, including the pipeline of proposed affordable housing projects in the City that are currently planning to pursue these funding sources.
- Require the combined value of donated land and cash contribution be equivalent in value to the in-lieu fee that would otherwise be required.
- Ensure that an equal or greater number of affordable units are feasible on the site.

Term of Affordability

Alameda's current ordinance requires BMR units to remain affordable for 59 years. After 59 years the BMR units may convert to market rate housing. Recent trends point to jurisdictions extending requirements to 99 years or the life of the project. Extending the term of affordability can increase the life of the public good at little to no cost to current development. In the case of rental housing, developers generally prioritize income in the near term more highly than 20 or 50 years in the future. In the case of ownership housing, developers generally focus on the income from the initial sale. Extending the term of affordability would not meaningfully impact the financial feasibility of new construction for rental or ownership projects but can expand the number of households that those projects serve over the longer term. Staff recommends extending the term of affordability to 99 years, consistent with best practice.

Conclusion

The following table summarizes the recommendations for modification to the Inclusionary Housing Ordinance.

Table 4 - Summary of Staff Recommendations

Compliance Option	Rental	Ownership
On-Site Inclusionary Units	15% Low Income or options presented in Table 2	5% Low Income and 10% Moderate Income or options presented in Table 3
In-Lieu Fee	$25 per net square foot.	$50 per net square foot.
Clustered Option	Establish standard procedures. Require approval by the City Manager with input from HHS and AHA. Consider competitiveness for leveraged dollars. Require equivalency (land plus cash or equivalent, as necessary, to match in-lieu fee amount).	
Period of Affordability	99 years.	

ALTERNATIVES

This report provides several alternatives for the City Council's consideration.

FINANCIAL IMPACT

There is no financial impact to the City from conducting a workshop. Amendments to the housing in-lieu fee program could generate revenues that would be used to facilitate affordable housing development in coordination with non-profit and public agency developers. Updating the Inclusionary Housing Ordinance to satisfy state and regional preferences would qualify the City for future grant funding as part of the ABAG/MTC TOC program, among other state and regional funding sources.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

The City Council included a program in its 2023 Strategic Plan, Program HH8a: Update.Inclusionary. Housing.Ordinance?consistent with the 2023-2031 Housing Element, which identified shortcomings in the current ordinance and policies. Key issues in 2022 were:

- No in-lieu fee option as recommended by State law
- Moderate income rental units effectively function as market rate units
- Differing prices and costs of development are not accounted for in requirements for ownership versus rental housing types.

ENVIRONMENTAL REVIEW

In accordance with CEQA, this action is categorically exempt from further environmental review pursuant to CEQA Guidelines section 15262 (Feasibility and Planning Studies).

CLIMATE IMPACT

Conducting a workshop and adopting affordable housing requirements does not have any direct climate impacts or benefits. Adopting revised affordable housing requirements could lead to a more economically diverse population and could thereby reduce commute times and associated greenhouse gas emissions or could have the opposite effect.

RECOMMENDATION

Conduct a workshop to consider possible updates to the Inclusionary Housing Ordinance.

Respectfully submitted,

Allen Tai, Director of Planning, Building and Transportation

By,

Steven Buckley, Planning Services Manager

Financial Impact section reviewed,

Ross McCarthy, Finance Director

Exhibits:

1. Alameda Municipal Code Section 30-16
2. Inclusionary Housing Policy Review and Recommendations