

✓ IN FAVOR – Inclusionary Housing Ordinance Changes – May 19, 2026 – 7-A 2026-5999

Dear Mayor Ashcraft, Vice Mayor Pryor, Councilors Boller, Daysog and Jensen

Thank you to staff, the Planning board, and this council for approaching a genuinely hard problem around the Inclusionary Housing Ordinance with both rigor and adaptability. Good policy sets general principles while remaining directional enough to produce the outcomes we actually want based in reality. Tonight's proposal, already approved by the Planning Board, gets closer to that balance by reflecting on real market conditions.

The math needs to work

I want to highlight the urgency. Alameda was the first city in the Bay Area to adopt its 2031 Housing Element. We must also deliver on it. We're slipping, last year we permitted just 65 units (the majority just ADUs), reaching only 12% of our 5,353-unit RHNA target. That gap should alarm all of us.

We live in a capitalist economy and must confront a basic reality: housing gets built when projects are financially viable. Developers have to make the math work. Reading through letters submitted to the planning board in November, the numbers were sobering: construction costs up 30% since they started this project (6.2% this year alone), and the constraints of the current income mix requirements leading to some rentals sitting vacant in the Launch. Alameda needs to be the place where the math pencils out, or we simply won't get it built. [Yesterday's New York Times had an in-depth editorial about the meteoric rise of housing costs.](#) **The conclusion: the best way to drop the cost of housing for everyone is to build more.**

The shift away from moderate-income rental requirements reflects alignment with both state law and regional standards. AB 1505 requires alternative compliance pathways for rental projects. MTC's Transit-Oriented Communities program [requires rental inclusionary units to serve households at 80% AMI or below.](#) This matters because TOC alignment makes Alameda competitive for regional transportation funding. It also reflects a market reality the [Times editorial board put plainly](#): when affordability requirements make projects unprofitable, they don't get built. Moderate-income units sitting vacant at the Launch are proving that point locally, giving pause to the developers.

Examine the whole pipeline

Other cities are acting on this. [San Jose launched a targeted fee reduction program in late 2024 after seeing zero market-rate housing construction starts that entire year. The result: over 1,400 units moved from entitlement to construction within months.](#) A unit that never gets built produces zero affordable housing. In addition to doing the in-lieu fee study, Alameda should commit to moving other levers in our control: reviewing our own timelines and fee structures. I hope you as a council, and planning and building department are measuring permitting timelines and setting goal timelines for plan review and keeping accountable to those goals. Front-loading costs at permit issuance rather than at certificate of occupancy burdens developers during the highest-risk phase of a project, before a single unit is occupied. These are within our control. And it's worth saying who *actually* pays these fees: they get passed through to future residents in rent and mortgage payments. Lower development costs mean more affordable housing in practice, not just on paper.

Unlock real projects that help Alamedans

That's why it's genuinely encouraging that tonight's proposal appears to also unlock a concrete project: the Foundry, 260 units at Alameda Marina. I'm a resident of central Alameda and a parent of two girls at Love Elementary, so I've watched this project closely. [The developers at Alameda Marina built a \\$35 million seawall,](#) remediated the soil from previous industrial uses, opened our waterfront for public access, and delivered stellar bike infrastructure on Clement. More importantly, the project added neighbors my daughters count as schoolmates and friends, who enrich the fabric of our school and Alameda. I raise that because conversations about AMI thresholds and in-lieu fee structures and permitting timelines can feel clinical, like management of numbers on a balance sheet. But a house built today is a concrete improvement in someone's life, *now*, to live the Alameda Dream. Not in a hypothetical stronger market. **And that makes Alameda better today.**

Thushan Amarasiriwardena

Central Alameda

Alameda Free Library Board President, Love Elementary School Site Council Secretary

OPINION
THE EDITORIAL BOARD

AMERICA NEEDS TO BUILD MORE HOUSING

By The Editorial Board

The editorial board is a group of opinion journalists whose views are informed by expertise, research, debate and certain longstanding values. It is separate from the newsroom.

May 18, 2026



In the second half of the 20th century, it was easy for many young Americans to imagine buying a home early in their adult lives. Then something changed: The nation kept gaining population but stopped building enough homes to keep up.

The mismatch between supply and demand has caused home prices to soar in the 21st century, damaging both our economy and our social fabric. High prices prevent families from buying homes, feeling fully invested in their communities and building wealth. They increase generational inequality and breed cynicism among people in their 20s and 30s. They [can prevent](#) couples from having as many children as they want.

The toll is heightened by the fact that many of the cities with the most dynamic economies are the ones where housing is least accessible, including Boston, Los Angeles, New York and San Francisco. Some young renters who would like to remain in these areas leave for cheaper housing elsewhere. People from other regions sometimes cannot move in to accept new jobs, preventing them from taking a step on a path of upward mobility.

Basic economic principles point to the solution: More supply of an item tends to lead to lower prices. Cities like Austin, Texas, have remained more affordable largely because they have built so many more homes.

Over the past decade, Austin has broken ground on 140 homes for every 1,000 households, compared with only 22 in San Francisco, 23 in New York and 27 in Boston. Austin's construction boom is one reason that, even as the local population has grown, home prices have fallen 13 percent in the past several years, and rents have fallen, too. The new developments include a 66-story downtown skyscraper [known as 6G](#), which is the city's second-tallest building, and [Easton Park](#), a suburban-style community where two-bedroom homes can sell for less than \$325,000.

To be clear, Austin's real estate market remains expensive. The area's ratio of median home price to median income is 4.6, much higher than the ratio in most of the United States from the 1950s through the 1990s. Austin, too, would benefit from more construction.

The situation in expensive coastal areas, however, is far worse. They have enacted onerous zoning and building rules that [limit home construction](#). They have allowed the "not in my backyard" instinct to prevail. Many of these areas vote Democratic and identify as politically progressive, yet their housing policies have increased inequality. By maximizing home prices, these parts of blue America have benefited existing homeowners, who tend to be older and richer, at the expense of everyone else.

Nationwide, the relationship between home prices and home construction is even stronger than many Americans realize.

To bring down housing costs, cities and towns need to make two principal changes.

First, they should loosen zoning laws to allow more multifamily homes. In many places, it is legal to build only single-family houses, not apartment buildings, town homes or duplexes. These policies are particularly damaging in older cities that lack large parcels of undeveloped land. Metropolitan areas that developed more recently like Austin; Orlando, Fla.; Phoenix; and Raleigh, N.C., can expand into previously empty lots or former farmland. Older cities like Boston, New York and San Francisco rarely can. In these cities, the efficient use of space is even more important.

Some places are moving in this direction. In 2019, Oregon became the first state to pass a law effectively ending single-family zoning. Several other states, including Maine and Washington, have since passed similar laws.

Still, zoning remains a major obstacle in many places, including much of the Northeast. Among other changes, states should prioritize zoning reform that would allow apartment buildings to be built near transit lines. This change could make an important difference in not only cities but also nearby suburbs. States should also reduce the minimum lot sizes for single-family homes, which would allow developers to build two or three homes in a plot that might otherwise hold a single mansion.

Second, cities and towns should make it easier to build where it is already legal. Changing a city's zoning laws is often not enough to entice developers to build. They still have to [clear bureaucratic hurdles](#) before they can break ground.

Obtaining permits can be so labyrinthine that builders hire consultants whose sole job, for months or years, is to navigate the process. All told, permitting can [raise the cost](#) of development more than 30 percent and extend construction time by two years, according to a recent study of Los Angeles County. The process can include so many public hearings that NIMBY forces are able to persuade local officials to veto new construction before it starts.

Mandates are another problem. Some cities require that new buildings come with too many parking spots to make them feasible. Another example of a well-meaning mandate that can raise housing costs involves affordable housing, strange as that may sound. When officials insist that a development include too many affordable units, it can become unprofitable and never get built. In Denver a new affordable-unit requirement enacted in 2022 led to a sharp reduction in the number of permit applications for apartment buildings.

“Higher building costs and restrictive zoning have made it all but impossible in many places for builders to put up homes at price points that most Americans can afford,” Mark Zandi, the chief economist at Moody's Analytics, said. “The key to solving the housing crisis is resolving the reasons why builders have been stymied from putting up more homes.”

Austin highlights the alternative approach. Its leaders understood

Austin highlights the alternative approach. Its leaders understood that expanding the housing stock in any way, even with luxury apartment buildings, would ease pressure for renters or buyers at lower income levels. Higher-income residents move into the new construction, creating less demand for older buildings and reducing the prices to live there. Instead of constraints, Austin offered perks. If an apartment building included affordable units or its design was environmentally friendly, the city relaxed restrictions on building height and size.

Americans are rightly frustrated about the high cost of housing. Fortunately, the country has decades of evidence about how to bring down those costs: We need to build more homes.

May 17, 2026

Honorable Mayor and Members of the City Council
City of Alameda
2263 Santa Clara Avenue
Alameda, CA 94501

Re: Public Hearing, May 19, 2026 — Ordinance Amending AMC Section 30-16, Inclusionary Housing Requirements (File 2026-5999)

Dear Mayor and Councilmembers,

I am writing as an Alameda resident in support of the proposed amendment to the Inclusionary Housing Ordinance scheduled for introduction on May 19. The amendment reflects careful work by staff, the consultant team, and the Planning Board, and it positions Alameda to keep producing housing at a moment when the regional pipeline has slowed considerably.

By way of background, I have spent more than a decade working in real estate development. My career has spanned affordable housing investment and development, public-sector economic development, and market-rate multifamily development across California and New York. I have sat on both sides of the table and seen firsthand what it takes to advance housing production, especially affordable housing.

I was born and raised in California to parents who arrived as refugees from the Vietnam War. Growing up here, I understood firsthand how stable, affordable housing shapes the trajectory of a household across generations. That experience is what drew me into this work professionally, and it is also what brings me to write this evening as a resident.

Why this proposal matters

Housing production across the Bay Area has slowed for reasons that go well beyond any single local ordinance. Interest rates, construction costs, and general market volatility are all weighing on feasibility. Inclusionary requirements alone will not unlock the pipeline, but how those requirements are calibrated to current market conditions has a material impact on whether projects pencil. A well-calibrated requirement with predictable compliance options could make the difference between a project that breaks ground and one that sits entitled on a shelf. This amendment improves both.

The amendment as proposed represents a meaningful step forward and has my full support. As Council looks ahead, I want to flag two areas that deserve continued attention and action.

Recommendation 1: Prioritize the in-lieu fee nexus study and move toward adoption quickly

The in-lieu fee schedule was carved out of this amendment pending a nexus study, and this is an area that requires considerable and prompt attention. As anyone in real estate knows, time kills

deals. Having the in-lieu fee option available sooner gives developers an additional tool when they need it most and maximizes the window in which the city can put that resource to work. I encourage Council to direct staff to complete that work and move toward adoption and implementation of a fee schedule as quickly as possible. The city should have every available compliance tool in place and ready to use.

Additionally, when the fee schedule comes back for adoption, I would encourage Council to build an automatic escalator directly into the ordinance. Fee adjustments currently require separate Council action, which means fees can drift below the cost of producing affordable housing in the years between updates. Berkeley adjusts its in-lieu fee biennially using a construction cost index and several other Bay Area cities have similar mechanisms. Building this into the ordinance at adoption would keep fees calibrated over time without requiring periodic discretionary action.

Recommendation 2: A TCO-conditioned off-site contribution pathway in the fee study

As the nexus study moves forward, I would encourage staff and the consultant to evaluate one additional compliance pathway that connects the in-lieu fee mechanism with the Clustered Development framework in Section 30-16.6.

Under this pathway, a market-rate developer could satisfy the inclusionary obligation by contributing directly to an off-site affordable housing project that meets the Clustered Development criteria. The market-rate project's Certificate of Occupancy would be conditioned on the affordable project pulling building permits and closing on construction financing. If no qualifying off-site project has been identified by the time TCO is requested, the developer would pay the equivalent fee into the City's affordable housing fund.

The strength of this structure is that it ties market-rate momentum directly to a real affordable project moving into construction. Fee revenue can sit in a fund for years before being deployed. A direct contribution paired with a TCO condition delivers affordable units on the ground inside the same construction window as the market-rate project. Critically, the funds flow directly from the market-rate developer to the affordable project with no city intermediary, which simplifies the transaction and accelerates deployment.

While this type of arrangement may already occur on a case-by-case basis through Affordable Housing Agreements, explicitly codifying it as a defined compliance option provides clarity and predictability for developers and the City alike. An off-site project does not need to be identified at the time of AHA execution. The developer would have flexibility to identify a qualifying project during the construction period, with a project confirmed as TCO approaches. The mechanics around timing windows, contribution sizing, and release conditions are appropriately left to staff and the consultant to develop.

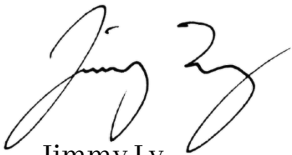
Closing

The proposed amendment reflects exactly the kind of evidence-based, feasibility-aware approach that Alameda needs at this point in the market cycle. I encourage Council to introduce the ordinance on May 19 and to adopt it on June 2. I also encourage Council to direct staff to complete

the fee study within the Planning Board's recommended timeline, incorporate the off-site contribution concept into that work, and include a built-in escalator when the fee schedule comes back for adoption.

Thank you for the time and care that has gone into this update. I am happy to serve as a resource to staff in a private capacity on any of these issues.

Respectfully,

A handwritten signature in black ink, appearing to read "Jimmy Ly". The signature is fluid and cursive, with the first name "Jimmy" and the last name "Ly" clearly distinguishable.

Jimmy Ly
Alameda, CA 94501
jimmyly07@gmail.com
(626) 233-2956