



CITY OF OAKLAND

**Inter Office Memorandum**

**TO:** Steven Falk, Interim City Administrator

**CC:** William Gilchrist, Director, Planning and Building

**FROM:** Emily Weinstein, Interim Director  
Housing and Community Development Department

**DATE:** May 9, 2023

**RE:** **Inflationary Adjustments to the Jobs Housing Impact Fee 2023-24**

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City Administrator Approval

Date May 9, 2023

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**EXECUTIVE SUMMARY**

Ordinance No. 12442 C.M.S, adopted on July 30, 2002, established the Jobs Housing Impact Fee and is codified in Section 15.68 of the Oakland Municipal Code (OMC). In accordance with Section 15.68, the Housing and Community Development Department (HCDD) has calculated the increase to the Jobs Housing Impact Fee for fiscal year (FY) 2023-24. Under the OMC, the City Administrator may adopt adjustments to the fee commencing July 1, 2023. In order for the fee increase to go into effect, the City Administrator's authorization is required. No Council action is needed and the changes will go into effect upon your approval. We request that be executed and returned by June 30, 2023.

**ANALYSIS**

The Jobs Housing Impact Fee must be adjusted with inflation each year. The inflation increase should be effective on July 1, 2023 as stated in the code section 15.68.050. This new fee should be charged on applicable projects that have applied for their building permits on July 1, 2023 or later.

**Methodology**

The OMC stipulates that the Marshall and Swift (M&S) index should be used as the basis for the fee increase. These increases are summarized in the table below.

**Table 1: M&S Index Analysis**

| <b>Year</b>       | <b>M&amp;S Construction Cost Index (Jan.) for Wood Framed Buildings in Western District</b> | <b>Inflation Increase for Year</b> | <b>Jobs Housing Impact Fee per Square Foot</b> |
|-------------------|---|------------------------------------|--|
| 2023              | 4493.2  | $4493.2/4037.9 = 1.113$            | \$8.05   |
| 2022              | 4037.9  | $4037.9/3509.8 = 1.151$            | \$7.24   |
| 2021              | 3509.8  | $3509.8/3332.9 = 1.053$            | \$6.29   |
| 2020 <sup>1</sup> | 3332.9  | $3332.9/3287.1 = 1.014$            | \$5.98   |
| 2019              | 3287.1  |                                    | \$5.89   |

1. The FY 2020/21 Master Fee Schedule incorrectly listed the Jobs Housing Impact Fee as \$5.90 per square foot, rather than the correct amount of \$5.98 per square foot. The inflation increase for FY 2022/23 was applied to the corrected FY 20/21 baseline amount of \$5.98.

The Jobs Housing Impact Fee was not updated in the Master Fee Schedule in FY 2021/23 or FY2022/23 due to administrative oversight, despite having calculations completed and signed off in FY2022/23.


### **RACE & EQUITY IMPACT**

Since the fee was initially enacted in 2002, with a set formula for increases, no analysis was performed with the proposed fee changes. Therefore, the Race & Equity Impact is unknown at this time. However, the fees are

### **CONCLUSION**

Thank you for your consideration of HCDD's analysis of the FY 2023/24 Jobs Housing Impact Fee. Please let us know if you require any explanation or further information.

Sincerely,

  
Emily Weinstein (May 9, 2023 12:51 PDT)

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Emily Weinstein, Interim Director  
Housing and Community Development Department