



OAKLAND TRANSPORTATION AND CAPITAL IMPROVEMENTS IMPACT FEE FIVE-YEAR REVIEW & UPDATE

Prepared for
CITY OF OAKLAND

This Report Prepared by
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I. INTRODUCTION AND FINDINGS

The purpose of this report is to support the findings that the Mitigation Fee Act (Act) requires a local agency to make every five years for each development impact fee that the agency imposes on development projects.¹ This report provides the information and analysis required to make these findings for the City’s transportation impact fee and capital improvements impact fee.

Section 66001(d)(1) of the Act requires that:

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the local agency shall make all of the following findings² with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted.

The City first started collecting the 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 following the first collection of fees. The findings made below for each fee are based on the fee being charged on June 30, 2021 (referred to as the “current” fee schedule in this report), and the ending fund balance in each fee account as of that date. These findings are based in part on the analysis presented in Chapters II, III, and IV of this report that update the analysis in the original 2016 Nexus Study.³

In this report “nexus” is synonymous with the “reasonable relationship” term used in the findings presented below.

TRANSPORTATION IMPACT FEE

Finding: Purpose of Fee

The local agency shall identify the purpose to which the fee is to be put.

The purpose of the transportation impact fee is to fund improvements and expansion to citywide transportation infrastructure to address and manage the impacts of additional travel demand from new development. Strategies may include not only managing vehicle impacts, but also shifting demand to transit, biking, and walking.

¹ *California Government Code*, sections 66000 through 66025, specifically section 66001(d).

² The findings (purpose of the fee, reasonable relationship, alternative funding sources, and alternative funding sources timing) are presented later in this section for each fee.

³ Urban Economics & Hausrath Economics Group, *Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis*, March 10, 2016

Finding: Reasonable Relationship

The local agency shall demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

There is a reasonable relationship between the fee and the purpose for which it is charged because (1) the fee is based on maintaining the City's existing level of investment for citywide transportation infrastructure, (2) the fee is restricted to funding only those capital projects that improve or expand this infrastructure to accommodate travel demand from new development, and (3) the fee may not be used for rehabilitation, maintenance, or operating costs of that infrastructure.⁴

A reasonable relationship also exists between the fee and the purpose for which it is charged because the City is applying no more than the maximum legal impact fee amount to development projects. Chapter III provides an updated analysis of the maximum legal transportation impact fee based on 2020 data. As shown in Table 7 in that chapter, the maximum fee is greater than the current adopted fee across all land uses.

Table 7 includes the newly identified land use category "self- or mini-storage". Mini-storage uses were formerly included in the warehouse category and charged the fee for that category. With this update mini-storage is being identified separately in the fee schedule to recognize the substantially lower level of demand for transportation infrastructure per unit of development compared to other land use categories. The adopted warehouse fee that had been charged to mini-storage projects to date remains lower than the new maximum legal fee the mini-storage category.

Finding: Alternative Funding Sources

The local agency shall identify all sources and amounts of additional (non-impact fee) funding needed to complete projects to be funded by the transportation impact fee account balance as of the prior fiscal year (June 30, 2021).

The transportation impact fee account (Fund 2420) had a balance of \$6,899,652 on June 30, 2021. Of this total, \$3,350,000 is committed to the following projects which are fully funded through the City's current two-year (FY 2020-21 through FY 2022-23) capital improvement program (CIP) and do not require additional (non-impact fee) funding:

- ◆ \$1,000,000 for Garfield Elementary pedestrian improvements / safe routes to schools
- ◆ \$2,100,000 for 24th Street, Harrison Street, Bay Place and 27th Street Public Improvements Project

⁴ Fee revenues may also be used for costs to comply with the Act such as costs for fee collection and accounting, plus costs for administration and management of capital improvement projects funded by fee revenues.

- ◆ \$250,000 for trash capture devices within the public right of way. OakDOT will be identifying alternative funding for this project before expenditures are made for this project. If impact fee funding is sought, that funding will come from the capital improvements impact fee fund.

The City of Oakland Department of Transportation (OakDOT) will recommend to Council commitment of the remaining \$3,549,652 fund balance, plus the \$250,000 amount associated with the trash capture devices to be transferred to the capital improvements impact fee fund (\$3,799,652 total). A percentage of the fund balance, to be determined by OakDOT, will remain uncommitted to cover refunds and shortfalls in estimated fee revenue. OakDOT will make recommendations to commit funds to projects through amendments to the current CIP or as part of the next two-year CIP and in accordance with the ordinance authorizing collection of the fee (Oakland Municipal Code Chapter 15.74, Ordinance No. 12442 C.M.S.). If needed, additional (non-impact fee) funding for projects may come from a range of state and federal sources as well as the voter-approved local and regional revenue sources such as:

- 2021 Measure KK Infrastructure Bond Reallocation from OPW to OakDOT (Resolution 88651 C.M.S., 2021)
- 2019 Infrastructure Bond, Approved CIP Projects (Resolution 87981 C.M.S., 2019)
- 2017 Infrastructure Bond, Approved CIP Projects (Resolution 86773 C.M.S., 2017)
- 2016 Infrastructure Bond, Measure KK (Resolution 86335 C.M.S., 2016)
- 2014 Measure BB, Alameda County Transportation Commission Sales Tax (half-cent)
- 2000 Measure B, Alameda County Transportation Commission Sales Tax (half-cent)

Finding: Alternative Funding Timing

The local agency shall designate the approximate dates on which additional funding identified in the prior finding is anticipated to complete projects.

The Garfield Elementary and 24th Street projects mentioned in the prior finding do not require additional funding. OakDOT will identify the source and timing of additional (non-impact fee) funding, if needed, when recommending to Council the commitment of uncommitted fund balance to future transportation capital projects.

CAPITAL IMPROVEMENTS IMPACT FEE

Finding: Purpose of Fee

The local agency shall identify the purpose to which the fee is to be put.

The purpose of the capital improvements impact fee is to fund improvements and expansion to citywide capital facilities that support increased demand from new development for the following public services:

- ◆ Fire protection and emergency medical services
- ◆ Police protection
- ◆ Libraries
- ◆ Parks and recreation (including open space)
- ◆ Storm drain infrastructure

Finding: Reasonable Relationship

The local agency shall demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

There is a reasonable relationship between the fee and the purpose for which it is charged because (1) the fee is based on maintaining the City’s existing level of investment for citywide capital facilities, (2) the fee is restricted to funding only those capital projects that improve or expand these facilities to accommodate service demand from new development, and (3) the fee may not be used for rehabilitation, maintenance, or operating costs of those facilities except in the case of storm drain.⁵

A reasonable relationship also exists between the fee and the purpose for which it is charged because the City is applying no more than the maximum legal impact fee amount to development projects. Chapter IV provides an updated analysis of the maximum legal capital improvements impact fee based on 2020 data. As shown in Table 12 in that chapter, the maximum fee is greater than the current adopted fee across all land uses except for the newly identified land use category “self- or mini-storage”.

Table 12 includes the newly identified land use category “self- or mini-storage”. Mini-storage uses were formerly included in the warehouse category and charged the fee for that category. With this update mini-storage is being identified separately in the fee schedule to recognize the substantially lower level of demand for capital improvements per unit of development compared to other land use categories. Mini-storage development projects approved since adoption of the fee in 2015 have received fee waivers that reduced the warehouse fee to a level that is below the new maximum legal amount shown in Table 12 for the mini-storage category.

⁵ Fee revenues may be used for rehabilitation and maintenance of storm drain facilities because the existing level of investment is based on depreciated costs (see the 2016 Nexus Study, pages 32-33, for more detail). Fee revenues may also be used for costs to comply with the Act such as costs for fee collection and accounting, plus costs for administration and management of capital improvement projects funded by fee revenues.

Finding: Alternative Funding Sources

The local agency shall identify all sources and amounts of additional (non-impact fee) funding needed to complete projects to be funded by the capital improvements impact fee account balance as of the prior fiscal year (June 30, 2021).

The capital improvements impact fee account (Fund 2421) had a balance of \$4,058,128 on June 30, 2021. The account balance is fully committed to the projects shown in **Table 1** along with identified funding sources. The first two projects listed in the table have a portion of the total funding requirement to be determined. The remaining projects were identified by the City Council and Oakland Public Works (OPW) staff must determine the project scope to estimate project cost. Once a cost estimate is available OPW will be able to estimate the need for, source of, and timing of additional funding. The City's annual impact fee reports will track the progress of these projects.

Finding: Alternative Funding Timing

The local agency shall designate the approximate dates on which additional funding identified in the prior finding is anticipated to complete projects.

OPW will continue to seek grants and other funding for the projects shown in Table 1 that require additional funding to complete. Staff anticipate that funding will be identified within the current two-year budget cycle (FY 2021-22 – FY 2022-23).

Table 1: Capital Improvement Projects

Project	Total Cost	Identified Funding				Remaining Funding To Be Determined
		CIIF Fund Balance	Measure KK	State Prop. 68 Grants	Other /a/	
CIIF Balance 6/30/21		3,811,992				
Projects With Committed Fund Balance /b/						
Redwood Heights Park Expansion /c/	NA	100,000	-	-	-	NA
Junior Science Center Improvements /c/	NA	40,000	-	-	-	NA
West Oakland Youth Center Improvements /c/	NA	50,000	-	-	-	NA
District 3 Community Center Capital Improvements /c/	NA	96,000	-	-	-	NA
Koreatown Northgate (KONO) Signage/ Archway /c/	NA	125,000	-	-	-	NA
Arroyo Viejo Park Improvements /c/	NA	25,000	-	-	-	NA
Malonga Center Feasibility Study /c/	NA	<u>500,000</u>	-	-	-	NA
Subtotal	NA	\$936,000	\$ -	\$ -	\$ -	NA
Uncommitted CIIF Balance 6/30/21		\$2,875,992				
Potential Commitment of Remaining Fund Balance /d/						
Lincoln Recreation Center Expansion	\$15,000,000	\$1,000,000	\$4,041,200	\$ 8,500,000	\$ -	\$1,458,800
Mosswood Recreation Center Expansion	22,117,443	1,375,992	4,000,000	2,201,000	8,417,542	\$6,122,909
Main Library Teen Zone Conceptual Design /c/	NA	<u>500,000</u>	-	-	-	NA
Subtotal	NA	<u>\$2,875,992</u>	\$8,041,200	\$10,701,000	\$8,417,542	NA
Remaining CIIF Balance 6/30/21		\$ -				
/a/ Other funding for Mosswood Recreation Center includes: \$3,474,500 gift (Kaiser), \$2,600,000 general fund, \$2,068,042 insurance settlement, and \$275,000 miscellaneous grants. /b/ The fund balance commitments shown here were made by the City Council after June 30, 2021. /c/ Cost and remaining funding to be determined pending definition of project scope. /d/ These fund balance commitments have not been approved by the City Council. Sources: Oakland Public Works.						

II. EXISTING AND FUTURE DEVELOPMENT

This chapter describes existing 2020 land use, 2040 development projections, and growth from 2020 to 2040 used to update the transportation and capital improvements impact fees in Chapters III and IV, and to develop the alternative fee schedules in Chapter V.

All land use estimates update the detailed analysis conducted for the 2016 Nexus Study⁶ using the latest publicly available information. Final 2020 census data at the level of detail required for this analysis was not available at the time of this report. Final 2050 projections by the Association of Bay Area Governments/Metropolitan Transportation Commission (ABAG/MTC) as part of the region's *Plan Bay Area* update also were not available at the time of this report.

Table 2 shows these land use estimates for 2020, 2040, and growth from 2020 to 2040 growth for the city.

RESIDENTIAL LAND USES

Residential land use estimates for 2020 are based on California Department of Finance (DOF) estimates for January 1, 2020, for housing units by land use (single and multi-family) and total household population. DOF total household population is allocated to residential land uses based on density factors (persons per housing unit) derived using the U.S. Census Bureau as reported in the American Community Survey for 2019.

Residential projections for housing units in 2040 by type and total household population are based on the most recent final approved *Plan Bay Area* projection prepared by ABAG/MTC in 2018. These projections estimate an increase in household density (persons per household) of about 14.5 percent over 2019 Census estimates. Total 2040 household population is allocated by land use (single and multi-family) by increasing 2020 densities by housing type by this same percentage.

NONRESIDENTIAL LAND USES

Employment estimates for 2020 by nonresidential land use type are based on the 2016 Nexus Study increased by 3.86 percent. This growth rate is based on average annual growth in wage and salary employment estimated by the U.S. Census Bureau for 2015 to 2018, the latest year available, extrapolated to 2020. Employment is re-allocated from warehouse to industrial uses to reflect land use type definitions established by the City ordinance implementing the impact fee program after publication of the 2016 Nexus Study.

⁶ Hausrath Economics Group; *Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis*, March 10, 2016, Appendix A

Table 2: 2020 and 2040 Land Use

Land Use	Density /a/	Residents or Employment /b/			Housing Units or 1,000 Building Sq. Ft.		
		2020	2040	Growth	2020	2040	Growth
Residential							
Single Family /c/	2.80	228,100	270,443	42,343	81,470	84,250	2,780
Multi-Family	2.07	<u>200,077</u>	<u>368,537</u>	<u>168,460</u>	<u>96,737</u>	<u>155,515</u>	<u>58,778</u>
Total		428,177	638,980	210,803	178,207	239,765	61,558
Nonresidential							
Retail/Commercial	386	34,700	38,400	3,700	13,400	14,800	1,400
Hotel/Motel	900	3,000	3,900	900	2,700	3,500	800
Office	325	85,200	114,000	28,800	27,700	37,100	9,400
Institutional	625	50,700	58,400	7,700	31,700	36,500	4,800
Industrial	1,235	39,700	42,900	3,200	49,000	53,000	4,000
Warehouse	1,800	<u>700</u>	<u>1,300</u>	<u>600</u>	<u>1,300</u>	<u>2,300</u>	<u>1,000</u>
Subtotal		214,100	258,900	44,900	125,800	147,200	21,400
On-Site Construction	NA	1,300	1,500	200	NA	NA	NA
Local Government /d/	670	<u>11,900</u>	<u>12,400</u>	<u>500</u>	<u>8,000</u>	<u>8,300</u>	<u>300</u>
Total Nonresidential		227,200	272,800	45,600	133,800	155,500	21,700

/a/ Residents per housing unit or building square feet per worker. Residential densities shown are for 2020 based on Census Bureau estimates by housing unit type. Nonresidential densities are based on 2016 Nexus Study. Residential densities increase approximately 14.5 percent by 2040 based on ABAG/MTC projections. Nonresidential densities are held constant from 2020 to 2040, though these may be increasing as well (fewer square feet per employee) in office uses.

/b/ Household population only. Excludes population living in group quarters.

/c/ Includes townhomes (single family attached units).

/d/ Includes City of Oakland, Oakland Unified School District, and Port of Oakland.

Source: State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State – January 1, 2011-2021*, Sacramento, California, May 2021; U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates, Tables DP04 and B25033; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2015 and 2018; Association of Bay Area Governments / Metropolitan Transportation Commission, *Plan Bay Area Projections 2040*, November 2018; Hausrath Economics Group; *Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis*, March 10, 2016, Appendix A.

Building space in 2020 is calculated based on employment using the same density factors (square feet per worker) developed for the 2016 Nexus Study. These factors reflect industry standards adjusted based on primary research of existing nonresidential land uses in Oakland. The industrial factor is increased from 500 (in the 2016 Study) to 1,235 square feet per employee to reflect the change in the definition of the industrial land use types mentioned above.

Total employment for 2040 is based on the same *Plan Bay Area* projections used for residential land uses. Growth in total employment (2020-2040) is allocated to nonresidential land use types based on current and anticipated future development patterns in Oakland including consideration

of projects in the City’s pipeline of approved and proposed development. Building space by land use in 2040 is calculated using the same density factors used for the 2020 estimates explained above.

III. TRANSPORTATION INFRASTRUCTURE

This chapter presents an update to the 2016 Nexus Analysis of the transportation impact fee using 2020 data. The purpose of the transportation impact fee is to fund improvements and expansion to the City’s citywide transportation infrastructure to address and manage the impacts of additional travel demand from new development. Strategies may include not only managing vehicle impacts, but also shifting demand to transit, biking, and walking.

TRANSPORTATION DEMAND

The nexus methodology estimates and compares existing and future travel demand within the city. The nexus analysis uses trip generation rates by land use to reflect variations in travel demand among land uses. This approach provides a reasonable relationship between the type of development that would pay the fee, the amount of the fee, and the cost of transportation infrastructure needed to accommodate that development.

In the nexus analysis person-trips, not vehicle trips, is used as an indicator of demand for transportation infrastructure. This approach is consistent with a focus on the city’s multimodal transportation system that provides mobility across vehicle, transit, bicycle, and pedestrian modes of travel.

Each trip has two trip ends. Each trip end is weighted equally when attributing the source of transportation demand to land use types. The exception to this equal weighting approach is in the retail/commercial land use category. Retail/commercial development is dependent on spending from residential and other nonresidential development (like office and industrial development). Consequently, trip rates are adjusted to allocate a share of retail/commercial trip ends to the land use that generates the retail spending. Based on an analysis of retail spending in Oakland, 60 percent of total retail/commercial trips is allocated to residential development and 19 percent to other nonresidential development. The remainder (21 percent) is associated with retail/commercial trips from or to locations outside Oakland. Refer to the 2016 Nexus Analysis for more explanation.⁷

Table 3 calculates total existing and future demand for transportation improvements based on equivalent housing units (EHU). EHU factors are based on person trip rates by land use type (per housing unit or per 1,000 building square feet), adjusted for the reallocation of retail trips as explained above. One EHU is equated to the demand from one single family housing (SFH) unit. EHU factors for all other land uses are calculated relative to one SFH unit. EHUs provide a method to aggregate demand across all residential and nonresidential development by converting transportation system demand to demand per housing unit for residential uses and per 1,000 building square feet for nonresidential uses. Refer to the 2016 Nexus Analysis for more explanation.⁸ EHU factors are held constant with those used in the 2016 Nexus Study because

⁷ Ibid., pp. 12-13.

⁸ Ibid., pp. 10-12.

they are based on existing trip rates and land use patterns and those factors have not changed enough to cause a significantly change in the EHU factors used in that study.

Table 3: Transportation Demand

Land Use	EHU Factor /a/	Housing Units or 1,000 Building Sq. Ft.			Transportation Demand (Equivalent Housing Units)		
		2020	2040	Growth	2020	2040	Growth
Residential							
Single Family /b/	1.00	81,470	84,250	2,780	81,470	84,250	2,780
Multi-Family	0.70	96,737	155,515	58,778	67,716	108,861	41,145
Nonresidential							
Retail/Commercial	0.71	13,400	14,800	1,400	9,514	10,508	994
Hotel/Motel	0.62	2,700	3,500	800	1,674	2,170	496
Office	0.82	27,700	37,100	9,400	22,714	30,422	7,708
Institutional	1.18	31,700	36,500	4,800	37,406	43,070	5,664
Industrial	0.53	49,000	53,000	4,000	25,970	28,090	2,120
Warehouse	0.31	1,300	2,300	1,000	403	713	310
Total Demand (EHU)					246,867	308,084	61,217

/a/ Equivalent Housing Units (EHU) expressed per housing unit for residential and per 1,000 square feet for nonresidential.

/b/ Includes townhomes (single family attached units).

Source: Urban Economics & Hausrath Economics Group, *Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis*, March 10, 2016, Table 7, p. 15; Table 2.

INVENTORY OF CITYWIDE TRANSPORTATION INFRASTRUCTURE

The size and replacement cost of the City's existing inventory of transportation infrastructure is estimated to calculate the existing level of investment for purposes of the maximum legal impact fee (see next section). This section updates unit costs by type of infrastructure, the inventory of transportation infrastructure that serves travel demand citywide, and the existing value of that infrastructure (unit costs multiplied by inventory amounts).

To ensure a nexus between new development citywide and transportation infrastructure, the analysis is limited to infrastructure that connects residential neighborhoods, retail and employment centers, and other major destinations such as regional transit facilities. Streets and related infrastructure that serves a particular neighborhood and do not provide connectivity between activity centers are excluded. This approach enables fee revenues to be used for improvement and expansion throughout the city as long as the capital project is part of this specified citywide transportation infrastructure.

To support a multimodal transportation system, this inventory includes all major elements associated with vehicle, bicycle, and pedestrian improvements as well as transit-supportive

infrastructure such as bus pads, bus bulbs, and signal interconnects. Maps depicting the City's citywide transportation infrastructure are shown in **Figures 1 through 6**.

Average unit costs are derived from capital projects completed by the City. For certain categories of infrastructure this five-year update adjusts unit costs used in the 2016 Nexus Study to 2020 based on the Engineering News Record Building Cost Index for San Francisco. For other categories this five-year update identifies new unit costs in 2020 dollars. **Table 4** provides a list of the unit costs used in this five-year update.

Table 4: 2020 Transportation Infrastructure Unit Costs

Infrastructure Type	Construction	Project Design & Management /a/	Contingency /b/	Total Unit Cost	Cost Inflation 2015-2020 /c/	Total Unit Cost (Replacement Value) (2020\$)
<i>Formula</i>	a	b	c	$d = a / (1 - b) * (1 + c)$	e	$f = d * (1 + e)$
Roadways /d/	\$ 25	35%	20%	\$40.50	18%	\$47.79 per square foot
Sidewalks /e/	15	35%	20%	24.30	18%	28.67 per square foot
Curb and gutter	50	35%	20%	81.00	18%	95.58 per linear foot
Medians	15	35%	20%	24.30	18%	28.67 per square foot
Signals /f/	350,000	35%	20%	567,000	18%	669,060 per intersection
Curb Ramps	7,000	35%	20%	11,340	NA	11,340 each
Streetlights	10,000	35%	20%	16,200	NA	16,200 each
Street Trees	2,000	35%	20%	3,240	NA	3,240 each
Bikeways	0.54	35%	20%	0.87	NA	0.87 per square foot
Bike Parking /g/	400	35%	20%	648	NA	648 per bike rack

/a/ Percent of total cost before contingency.

/b/ Increment added to construction and project design and management costs.

/c/ Increase in Engineering-News Record Building Cost Index for San Francisco from 2015 to 2020 applied to unit costs estimated in the 2016 Nexus Study. "NA" indicates that construction costs are shown in in 2020 dollars.

/d/ Includes subgrade grading, 18" aggregate base, 6" asphalt concrete, plus 10% surcharge for curb ramps and driveway aprons. Assumes average street pavement section for an average Traffic Index (residential, collector, arterial), and average R-value of subgrade quality. Does not include street furniture, street lighting, traffic signals, landscaping, street trees, and storm water facilities.

/e/ Includes 4" concrete over 4" base plus demolition and root barriers.

/f/ Include rapid rectangular flashing beacons (RRFB), plus HAWK, LPI, and pedestrian countdown, as well as intelligent transportation system elements and readiness (e.g. signal interconnect system).

/g/ One rack can accommodate two bicycles. Construction cost based on \$150 purchase price plus \$250 for installation.

Source: City of Oakland; Engineering-News Record; Urban Economics & Hausrath Economics Group, *Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis*, March 10, 2016, Table 9, p. 13.



Existing or Proposed Bicycle Boulevard

Arterial

Collector

Oakland City Boundary

Berkeley

Emeryville

Lake Merritt

Oakland Inner Harbor

Alameda



Source: Prepared by Fehr & Peers for Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis, March 10, 2016, p. 16.

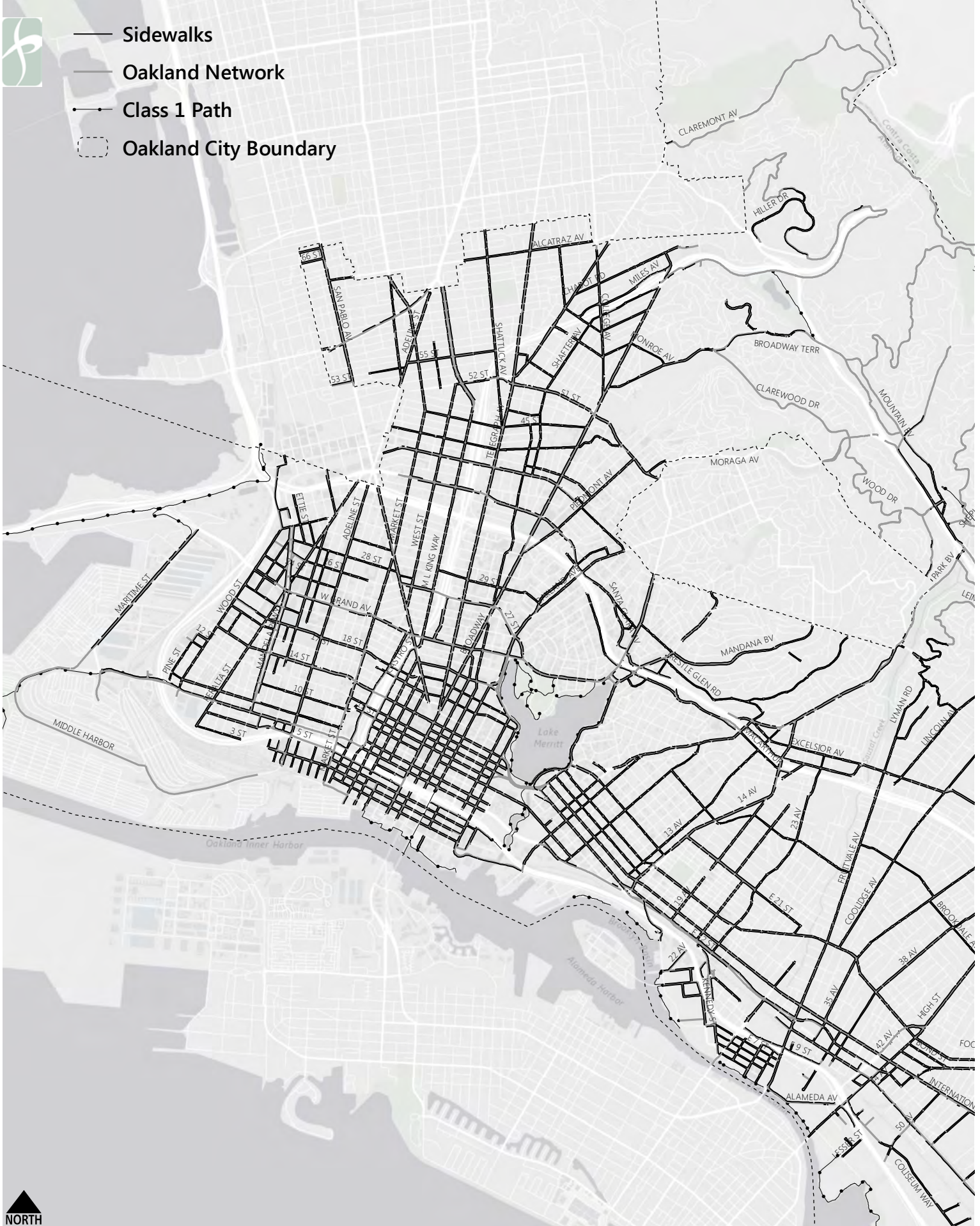
Figure 1

Roadways and Bicycle Boulevards (West)

W:\Oakland\N Drive\Projects\2014\OK14-0037\00_Oakland_Impact_Fee_Nexus_Study\GIS\SplitFigure\Network\BB_BW_102.mxd



- Sidewalks
- Oakland Network
- Class 1 Path
- Oakland City Boundary



W:\Oakland\N Drive\Projects\2014\OK14-0037.00_Oakland_Impact_Fee_Nexus_Study\GIS\Figure2\Sidewalks_BW_102.mxd



Source: Prepared by Fehr & Peers for *Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis*, March 10, 2016, p. 18.

Figure 3

Sidewalks and Paths (West)



-  Medians
-  Oakland Network
-  Oakland City Boundary



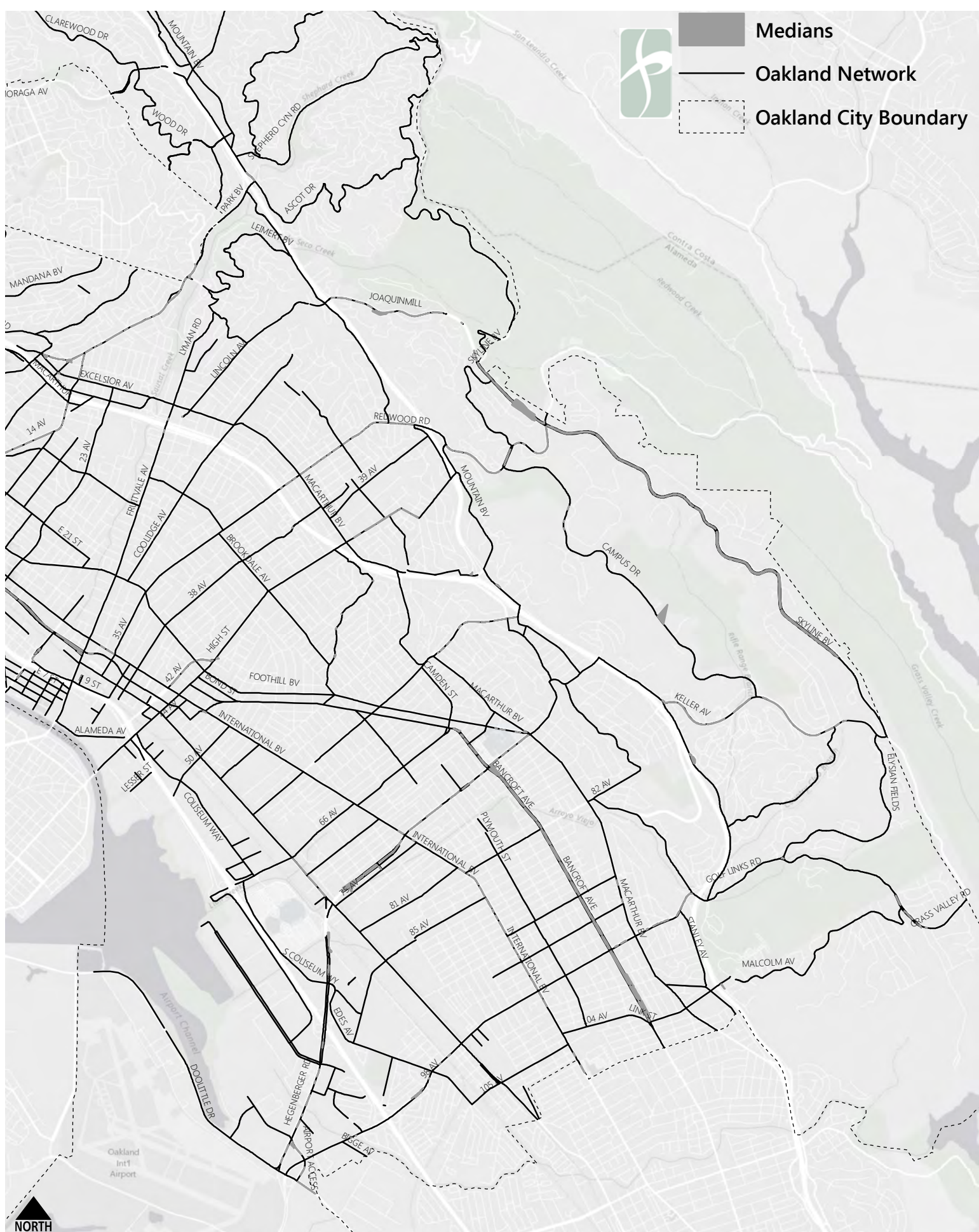
Source: Prepared by Fehr & Peers for *Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis*, March 10, 2016, p. 20.

Figure 5

Medians (West)

W:\Oakland N Drive\Projects\2014\OK14-0037.00_Oakland_Impact_Fee_Nexus_Study\GIS\Figures3\MedianSeparatedBW_102.mxd

W:\Oakland N Drive\Projects\2014\OK14-0037\00_Oakland_Impact_Fee_Nexus_Study\GIS\Figures3\MediansSeparatedBW_202.mxd



Source: Prepared by Fehr & Peers for Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis, March 10, 2016, p. 21.

Figure 6
Medians (East)

City staff updated the inventory of citywide transportation infrastructure used in the 2016 Nexus Analysis based on 2020 data and this updated inventory is shown in **Table 5**. The inventory includes all significant citywide transportation infrastructure shown in Figures 1 through 6. The entire roadway curb-to-curb is included (vehicle travel lanes, bicycle lanes, and on street parking). To incorporate multimodal infrastructure, the inventory also includes adjacent sidewalks, medians, intersection signalization equipment, streetlights, and street trees. Consistent with Figures 1 through 6, local streets and related infrastructure used primarily for access to one specific neighborhood or development site are excluded.

Table 5: 2020 Transportation Infrastructure Inventory & Value

Infrastructure Type	Inventory	Avg. Width (ft.)	Quantity	Unit Cost	Level of Investment
Roadways	1,122 lane miles	10	59,241,600 sq. ft.	\$ 47.79	\$2,831,160,000
Sidewalks	183 miles	10	9,662,400 sq. ft.	28.67	277,020,000
Curb and Gutter	462 miles	NA	2,439,000 linear ft.	95.58	233,120,000
Curb Ramps	NA	NA	17,800 lump sum	11,340	201,850,000
Medians	100 miles	8	4,224,000 sq. ft.	28.67	121,100,000
Signals	NA	NA	679 intersections	669,060	454,290,000
Streetlights	NA	NA	38,000 lump sum	16,200	615,600,000
Street Trees	NA	NA	42,666 lump sum	3,240	138,240,000
Bikeways	164 miles	8	6,927,360 sq. ft.	0.87	6,030,000
Bike Parking /a/	1,919 spaces	NA	960 racks	648	620,000
Total					\$4,879,030,000

Note: Inventory limited to major arterial and collector streets that provide connectivity between neighborhoods and activity centers within the city, and that provide connectivity to neighboring cities and regional transportation facilities. Inventory includes transit-supportive infrastructure such as bus pads, bus bulbs, and signal interconnects. Local streets used primarily for access to one specific neighborhood or development site are not included, including local streets that primarily provide access to activities on lands owned by the Port of Oakland.

/a/ Assume two bike spaces per bicycle rack.

Source: City of Oakland; Table 4.

MAXIMUM LEGAL IMPACT FEE

More travel from new development will increase demands on citywide transportation infrastructure. Consequently, the nexus between new development and the need for citywide transportation infrastructure is based on maintaining the City's existing level of investment as the City grows. The nexus analysis identifies the existing level of investment in this infrastructure per unit of development. This existing level of investment represents the facility standard that defines the maximum legal fee that the City can charge new development to improve and expand transportation infrastructure needed to accommodate growth.

Table 6 converts the existing level of investment for each transportation infrastructure type to a cost per equivalent housing unit (EHU) and calculates a total cost per EHU. The total cost per EHU of \$19,764 represents the maximum legal amount that new development could be required to contribute to maintain the City’s existing level of investment per unit of demand (facility standard).

Table 6: 2020 Transportation Infrastructure Level of Investment per Equivalent Housing Unit (EHU)

Infrastructure Type	Inventory	Equivalent Housing Units (EHU)	Level of Investment (infrastructure per EHU)	Unit Cost	Level of Investment (\$ per EHU)
Roadways	59,241,600 sq. ft.	246,867	240	\$ 47.79	\$11,468
Sidewalks	9,662,400 sq. ft.	246,867	39	28.67	1,122
Curb and Gutter	2,439,000 linear ft.	246,867	10	95.58	944
Curb Ramps	17,800 lump sum	246,867	0.072	11,340	818
Medians	4,224,000 sq. ft.	246,867	17	28.67	491
Signals	679 intersections	246,867	0.003	669,060	1,840
Streetlights	38,000 lump sum	246,867	0.154	16,200	2,494
Street Trees	42,666 lump sum	246,867	0.173	3,240	560
Bikeways	6,927,360 sq. ft.	246,867	28	0.87	24
Bike Parking	960 racks	246,867	0.004	648	3
Total					\$19,764

Source: Tables 3, 4, and 5.

The total cost per EHU from Table 6 is used to establish the schedule of maximum legal impact fees in **Table 7**. The equivalent fee per square foot of residential floor area is calculated based on the average net unit size for each residential land use.

Table 7 includes a new land use category, “self- or mini-storage” that had been charged as part of the warehouse category. Creating a separate land use category for mini-storage recognizes that this land use has a substantially lower transportation system demand than other warehouse land uses.

Table 7 also compares the maximum fee with the City’s current fee schedule, showing that the City is charging substantially less than the maximum in all land use categories. For mini-storage projects, the City has been charging the fee for the warehouse category. The current warehouse fee remains lower than the new maximum legal fee for the mini-storage category.

Table 7: Transportation Maximum Legal Impact Fee

Land Use	Maximum Legal Impact Fee					Current Impact Fee (per Housing Unit or Bldg. Sq. Ft.) /c/
	Cost per EHU	EHU Factor /a/	Fee (per Housing Unit)	Average Unit Size (Bldg. Sq. Ft. per Housing Unit) /b/	Fee (per Bldg. Sq. Ft.)	
Residential						
Single Family /d/	\$19,764	1.00	\$19,764	1,834	\$10.78	\$1,053
Multi-Family	19,764	0.70	13,835	916	15.10	790
Nonresidential						
Retail/Commercial	\$19,764	0.71			\$14.03	\$0.79
Hotel/Motel	19,764	0.62			12.25	0.68
Office	19,764	0.82			16.21	2.11
Institutional	19,764	1.18			23.32	3.16
Industrial	19,764	0.53			10.47	0.58
Warehouse	19,764	0.31			6.13	0.37
Self- or Mini-Storage /e/	19,764	0.03			0.51	0.37

Note: "EHU" is equivalent housing unit.

/a/ Equivalent Housing Units (EHU) expressed per housing unit for residential and per 1,000 square feet for nonresidential.

/b/ For single family, metropolitan area census average of detached and attached units weighted by Oakland 2019 unit count. For multi-family, metropolitan area census average of unit size for buildings with 2-4 unit, buildings with greater than 4 units, and mobile homes, weighted by Oakland 2019 unit count. Multi-family square feet applies to net floor area only excluding unoccupied accessory areas such as corridors, stairways, toilet rooms, and mechanical rooms. Single-family square feet applies to total finished interior floor area and excludes unfinished basements and attics.

/c/ FY 2021-22 impact fee schedule. Fees do not vary by zone.

/d/ Includes townhomes (single family attached units).

/e/ New land use category not in existing fee schedule. EHU factor based on 1.51 trips per 1,000 square feet multiplied by a 92 percent primary trip factor. The result, 1.39, is divided by 9.52 trips per single family housing unit to set the EHU factor relative to that land use, or 0.15. Finally, this amount is multiplied by 0.17 to reallocate trips to other land uses that generate the spending and therefore cause the need for mini-storage, similar to the retail/commercial land use category. The 0.17 factor is based on the reduction in trips associated with retail/commercial land uses calculated in the 2016 Nexus Study (compare final with preliminary EHUs for that land use in Table 7 on page 13 of that study. Also see text discussion in *Transportation Demand* section).

Source: U.S. Census Bureau, American Housing Survey; City of Oakland Impact Fee Schedule; Tables 3 and 6.

IV. CAPITAL IMPROVEMENTS

The capital improvements impact fee includes public facilities that support the following public services:

- Fire protection and emergency medical services
- Police protection
- Libraries
- Parks and recreation (including open space)
- Storm drain infrastructure

CAPITAL IMPROVEMENTS DEMAND

The public services supported by capital improvements serve both residential and nonresidential development. Population and employment together represent the “service population” for capital improvements. Service population is a reasonable indicator of facility demand for capital improvements because it is reasonably related to public service demand, and public service demand is reasonably related to capital improvement needs. Thus, there is a reasonable relationship between service population growth and the need for additional capital improvements. See the 2016 Nexus Study for more explanation of the service population used in the nexus analysis.

Table 8 calculates total existing and future demand for capital improvements based on equivalent housing units (EHU). EHU factors are based on the resident or worker density by land use type (residents per housing unit and workers per 1,000 building square feet). EHU factors for workers are multiplied by a factor of 0.32 to equate the demand for capital facilities from one worker to the demand from one resident (see the 2016 Nexus Study for more explanation). One EHU is equated to the demand from one single family housing (SFH) unit. EHU factors for all other land uses are calculated relative to one SFH unit. EHUs provide a method to aggregate demand across all residential and nonresidential development by converting service population to demand per housing unit for residential uses and per 1,000 building square feet for nonresidential uses.

EHU factors are held constant with those used in the 2016 nexus study except:

- ◆ The multi-family factor is adjusted for the change in estimated persons per housing unit.
- ◆ The industrial factor is adjusted for the change in estimated square feet per employee discussed in Chapter I.

Table 8: Capital Improvements Demand

Land Use	EHU Factor /a/	Housing Units or 1,000 Building Sq. Ft.			Capital Improvement Demand (Equivalent Housing Units)		
		2020	2040	Growth	2020	2040	Growth
Residential							
Single Family /b/	1.00	81,470	84,250	2,780	81,470	84,250	2,780
Multi-Family	0.74	96,737	155,515	58,778	71,585	115,081	43,496
Nonresidential							
Retail/Commercial	0.30	13,400	14,800	1,400	4,020	4,440	420
Hotel/Motel	0.13	2,700	3,500	800	351	455	104
Office	0.35	27,700	37,100	9,400	9,695	12,985	3,290
Institutional	0.18	31,700	36,500	4,800	5,706	6,570	864
Industrial	0.09	49,000	53,000	4,000	4,410	4,770	360
Warehouse	0.06	1,300	2,300	1,000	78	138	60
Total Demand (EHU)					177,315	228,689	51,374

/a/ Equivalent Housing Units (EHU) expressed per housing unit for residential and per 1,000 square feet for nonresidential.

/b/ Includes townhomes (single family attached units).

Source: Urban Economics & Hausrath Economics Group, *Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis*, March 10, 2016, Table 17, p. 37; Table 2.

INVENTORY OF CITYWIDE CAPITAL IMPROVEMENTS

The size and cost of the City's existing capital improvements is estimated to calculate the existing level of investment for purposes of the maximum legal impact fee (see next section). This section updates unit costs by type of capital improvement, the inventory of capital improvements that serves demand for municipal services citywide, and the existing value of those improvements (unit costs multiplied by inventory amounts).

Average unit costs are derived from recent capital projects completed by the City and shown in the 2016 Nexus Study. The average unit costs for civic buildings and park improvements are recalculated based on the addition of several projects completed since 2015, with all costs inflated to 2020 dollars. Land value for capital improvements and parks is updated based on current land sales data. All other costs reflect the assumptions in the 2016 Nexus Study updated for inflation to 2020. Inflation indices include the Engineering News Record Building Cost Index for San Francisco and the Consumer Price Index the San Francisco-Oakland-Hayward metropolitan area. **Table 9** provides a list of the unit costs used in this five-year update.

Except for storm drain facilities, unit values are based on replacement costs, that is, the current cost of a similar new asset having the nearest equivalent utility as the asset being valued.

Table 9: Capital Improvements Unit Costs
 (replacement value except storm drain)

Facility Type & Sample Projects	Project Year	Units /a/	Project Year Cost /b/	2020 Dollars				
				Inflation Index /c/	Cost	Unit Cost	Over-head /d/	Total Unit Cost
Essential Service Buildings								
Fire Station #8	2003	9,000	\$ 3,208,232	ENR-BCI	\$ 6,142,449	\$ 682		
Fire Station #18	2011	<u>9,817</u>	6,851,512	ENR-BCI	<u>9,069,198</u>	<u>924</u>		
Total / Average		18,817			\$15,211,648	\$ 808	35%	\$1,244
Civic Buildings								
81st Avenue Library	2011	22,000	\$ 8,996,711	ENR-BCI	\$11,908,752	\$541		
East Oakland Sports Ctr.	2013	25,978	20,300,881	ENR-BCI	25,656,641	988		
Golden Gate Rec. Center	2016	14,605	5,468,326	ENR-BCI	6,446,144	441		
Rainbow Rec. Center	2019	<u>13,725</u>	8,181,280	ENR-BCI	<u>8,613,594</u>	<u>628</u>		
Total / Average		76,308			\$52,625,131	\$690	35%	\$1,061
Utility Buildings								
2016 Nexus Study /e/	2015		\$124			\$153	35%	\$235
Park Improvements (except civic buildings)								
Lincoln Square	2012	15,800	\$839,258	ENR-BCI	\$1,099,176	\$70		
25th St. Mini Park	2012	10,000	489,487	ENR-BCI	641,081	64		
Morcom Rose Garden	2012	130,680	1,237,881	ENR-BCI	1,621,252	12		
Peralta Hacienda Historic Park - De Anza Trail	2013	36,000	821,338	ENR-BCI	1,038,023	29		
Cesar Chavez Park	2013	61,000	1,809,025	ENR-BCI	2,286,280	37		
Linden Park	2015	27,300	321,162	ENR-BCI	395,826	14		
Durant Park	2015	14,000	740,000	ENR-BCI	912,035	65		
Golden Gate Park	2016	48,472	1,534,568	ENR-BCI	1,808,972	37		
Rainbow Rec. Center	2019	133,488	3,365,408	ENR-BCI	3,543,242	27		
Snow Park	2020	<u>220,000</u>	3,173,905	ENR-BCI	<u>3,173,905</u>	<u>14</u>		
Total / Average		696,740			\$16,519,791	\$24	35%	\$36
Land								
Public Facilities/Parks /f/	NA	NA	NA	HEG	NA	\$ 38	3%	\$ 39
Open Space /g/	2009	64.4	\$2,925,000	SF-CPI	\$3,911,523	60,738	3%	62,616
Vehicles								
Fire Vehicles	2015	111	\$40,050,000	SF-CPI	\$46,479,759	\$418,737	NA	\$418,737
Police Vehicles	2015	607	34,020,000	SF-CPI	39,481,683	65,044	NA	65,044
Library Collection	2015	1,588,900	60,420,000	SF-CPI	70,120,026	44	NA	44
Storm Drain (depreciated value)								
Collection System	2015	2,108,859	\$286,029,136	ENR-BCI	\$352,525,251	\$ 167	NA	\$ 167
Trash Capture System	2015	58	7,750,000	SF-CPI	8,994,211	155,073	NA	155,073

Table 9: Capital Improvements Unit Costs (continued)

- /a/ Building space for buildings, land area in square feet for park improvements, acres for open space, number of vehicles for fire and police vehicles, number of items for library collection, linear feet for storm drainage collection system, and number of devices and vehicles for trash capture system.
- /b/ Contracted construction costs for buildings and park improvements, purchase price for land, vehicles, and library collection, and depreciated value for storm drain facilities.
- /c/ "ENR-BCI" is the December value for the Engineering News Record Building Cost Index for San Francisco. "SF-CPI" is the annual average for the San Francisco-Oakland-Hayward consumer price index. "HEG" reflects primary research conducted by Hausrath Economics Group.
- /d/ Percent of total project cost including overhead which, for buildings and park improvements represents design and project management costs, and for land represents due diligence and closing costs.
- /e/ No sample projects available in Oakland. "Project Cost" shown as unit cost estimate based on projects from other California local public agencies.
- /f/ Unit cost based on current listings of vacant single family lots for sale in East Oakland west of Interstate 580.
- /g/ Based on cost of Dunsmuir Heights open space acquisition.

Source: City of Oakland; U.S. Bureau of Labor Statistics; Engineering News Record; Hausrath Economics Group; Urban Economics & Hausrath Economics Group, *Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis*, March 10, 2016, Table 13 and 14, pp. 31 and 34.

The City's storm drains have substantial existing rehabilitation needs due to the age and condition, and as a result are under-capacity. Furthermore, storm drain capacity is unlikely to be affected by new development because (1) the extent of the city's impervious surface area that is the direct cause of storm runoff is unlikely to increase, and (2) City storm water regulations require that new development mitigate any increase in runoff on site, avoiding any impact on the storm drain system. For these reasons the City needs new development to participate in funding the rehabilitation of the existing system rather than its expansion.

The nexus between the fee and the storm drain facilities uses a "buy in" approach, common with utility impact fees, where new development is buying into the depreciated value of current storm drain facilities. This approach contrasts with the "incremental" approach used for all other capital facilities where new development is funding the next increment of improvement or expansion based on current replacement costs (the cost to build new facilities).

The value of storm drain improvements is based on depreciated replacement cost. Depreciated replacement cost adjusts replacement cost for physical deterioration, functional obsolescence, and economic obsolescence.⁹ Using depreciated replacement cost lowers the value of existing storm drain improvements and hence the amount of the maximum legal fee. In return, using depreciated replacement cost for the nexus analysis allows fee revenues to be used for rehabilitation as well as improvements to the existing system.

⁹ Physical deterioration is the loss in value resulting from the reduction in the capacity of an asset to continue to provide the goods or services for which it was designed due to wear and tear, etc. Functional obsolescence is the loss in value resulting from inefficiencies in the subject asset compared to a more efficient or less costly asset. Economic obsolescence is the loss in value caused by factors which are external to the asset itself.

Table 10 shows the value in 2020 dollars of the City’s existing capital improvements. The inventory of capital improvements is based on the 2016 Nexus Study with changes shown in the table for additions and demolitions from 2016 through 2020. d

MAXIMUM LEGAL IMPACT FEE

More service population from new development will increase demands on citywide capital improvements. Consequently, the nexus between new development and the need for capital improvements is based on maintaining the City’s existing level of investment as the city grows. The nexus analysis identifies the existing level of investment in capital improvements per unit of development. This existing level of investment represents the facility standard that defines the maximum legal fee that the City can charge new development to improve and expand capital improvements needed to accommodate growth.

Table 11 converts the existing level of investment for each transportation infrastructure type to a cost per equivalent housing unit (EHU) and calculates a total cost per EHU. The total cost per EHU of \$22,429 represents the maximum legal amount that new development could be required to contribute to maintain the City’s existing level of investment per unit of demand (also known as the existing facility standard).

The total cost per EHU from Table 11 is used to establish the schedule of maximum legal impact fees in **Table 12**. The equivalent fee per square foot of residential floor area is calculated based on the average net unit size for each residential land use.

Table 12 includes a new land use category, “self- or mini-storage” that had been charged as part of the warehouse category. Creating a separate land use category for mini-storage recognizes that this land use has a substantially lower capital improvements demand than other warehouse land uses.

Table 12 also compares the maximum fee with the City’s current fee schedule, showing that the City is charging substantially less than the maximum in all land use categories except the newly added mini-storage category. The City has granted mini-storage projects approved since adoption of the fee program in 2016 fee waivers and charged fees lower than the maximum legal fee shown in the table for mini-storage. The City should revise the current adopted fee schedule to reflect the lower maximum legal fee for mini-storage.

Table 10: 2020 Capital Improvements Inventory & Level of Investment

Capital Improvement Type	Inventory /a/	Unit Cost /b/	Level of Investment /b/
Fire			
Essential Service Buildings	132,405 bldg. sq. ft.	\$ 1,244	\$164,710,000
Civic Buildings	18,159 bldg. sq. ft.	1,061	19,270,000
Utility Buildings	9,092 bldg. sq. ft.	235	2,140,000
Developed Land	767,466 land sq. ft.	39	29,930,000
Vehicles	111 vehicles	418,737	46,480,000
Subtotal			\$262,530,000
Police			
Essential Service Buildings	237,122 bldg. sq. ft.	\$ 1,244	\$294,980,000
Civic Buildings	7,001 bldg. sq. ft.	1,061	7,430,000
Developed Land	180,000 land sq. ft.	39	7,020,000
Vehicles	607 vehicles	65,044	39,480,000
Subtotal			\$348,910,000
Library			
Civic Buildings	209,046 bldg. sq. ft.	\$1,061	\$221,800,000
Developed Land	242,810 land sq. ft.	39	9,470,000
Collection	1,588,900 items	44	69,910,000
Subtotal			\$301,180,000
Parks & Open Space			
Civic Buildings - 2016	489,933 bldg. sq. ft.		
Demolitions, 2016-2020			
Golden Gate Rec. Center	(3,180) bldg. sq. ft.		
Rainbow Rec. Center	(9,368) bldg. sq. ft.		
Additions, 2016-2020			
Golden Gate Rec. Center	14,605 bldg. sq. ft.		
Rainbow Rec. Center	13,725 bldg. sq. ft.		
Civic Buildings - Subtotal	505,715	\$ 1,061	\$536,560,000
Developed Land (civic bldgs.)	2,155,634 land sq. ft.	39	84,070,000
Park Improvements - 2016	26,355,130 land sq. ft.		
Snow Park			
Demolitions, 2016-2020	(179,761) land sq. ft.		
Additions, 2016-2020	220,000 land sq. ft.		
Parkland - Subtotal	26,395,369 land sq. ft.	36	950,230,000
Developed Land (park Imps.)	26,395,369 land sq. ft.	39	1,029,420,000
Open Space	1,643.4 acres	62,616	102,900,000
Subtotal			\$2,703,180,000
Storm Drain			
Collection System	2,108,859 linear ft.	\$ 167	\$352,180,000
Trash Capture System	58 devices & vehicles	155,073	8,990,000
Subtotal			\$361,170,000
Total			\$3,976,970,000

**Table 10: 2020 Capital Improvements Inventory & Level of Investment
(continued)**

/a/ Shows 2015 inventory from 2016 Nexus Study and changes from 2016 through 2020. 2015 inventory for vehicles, library collection, and storm drain system not updated to 2020. Storm drain capture system inventory corrected from 2016 Nexus Study (was shown as 60 in that study).

/b/ All unit costs and values based on current (2020) replacement costs except storm drain improvements are based on depreciated costs.

Source: City of Oakland (Dept. of Public Works); Urban Economics & Hausrath Economics Group, *Oakland Transportation and Capital Improvements Impact Fee Nexus Analysis*, March 10, 2016, Table 13, p. 31; Table 9.

Table 11: 2020 Capital Improvements Level of Investment per EHU

	Facility Inventory	Equivalent Housing Units (EHU)	Level of Investment (improvements per EHU)	Unit Cost	Level of Investment (\$ per EHU)
Essential Service Buildings	369,527 bldg. sq. ft.	177,315	2,104	\$ 1,244	\$ 2,593
Civic Buildings	739,921 bldg. sq. ft.	177,315	4,212	1,061	4,427
Utility Buildings	9,092 bldg. sq. ft.	177,315	52	235	12
Park Improvements	26,395,369 land sq. ft.	177,315	150,258	36	5,359
Developed Land /a/	29,741,279 land sq. ft.	177,315	169,305	39	6,542
Open Space	1,643 acres	177,315	9.36	62,616	580
Fire Vehicles	111 vehicles	177,315	0.63	418,737	262
Police Vehicles	607 vehicles	177,315	3.46	65,044	223
Library Collection	1,588,900 items	177,315	9,045	44	394
Storm Drain Collection	2,108,859 linear ft.	177,315	12,005	167	1,986
Storm Drain Trash Capture	58 devices & vehicles	177,315	0.33	155,073	51
Total					\$22,429

/a/ Includes improved parkland.

Sources: Tables 8, 9, and 10.

Table 12: Capital Improvements Maximum Legal Impact Fee

Land Use	Maximum Legal Impact Fee					Current Impact Fee (per Housing Unit or Bldg. Sq. Ft.) /c/
	Cost per EHU	EHU Factor /a/	Fee (per Housing Unit)	Average Unit Size (Bldg. Sq. Ft. per Housing Unit) /b/	Fee (per Bldg. Sq. Ft.)	
Residential						
Single Family /d/	\$22,429	1.00	\$22,429	1,834	\$12.23	\$4,212
Multi-Family	22,429	0.74	16,597	916	18.12	1,316
Nonresidential						
Retail/Commercial	\$22,429	0.30			\$6.73	\$0.53
Hotel/Motel	22,429	0.13			2.92	0.63
Office	22,429	0.35			7.85	2.11
Institutional	22,429	0.18			4.04	3.16
Industrial	22,429	0.09			2.02	1.05
Warehouse	22,429	0.06			1.35	1.05
Self- or Mini-Storage /e/	22,429	0.01			0.22	1.05 /f/

Note: "EHU" is equivalent housing unit.

/a/ Equivalent Housing Units (EHU) expressed per housing unit for residential and per 1,000 square feet for nonresidential.

/b/ For single family, metropolitan area census average of detached and attached units weighted by Oakland 2019 unit count. For multi-family, metropolitan area census average of unit size for buildings with 2-4 unit, buildings with greater than 4 units, and mobile homes, weighted by Oakland 2019 unit count. Multi-family square feet applies to net floor area only excluding unoccupied accessory areas such as corridors, stairways, toilet rooms, and mechanical rooms. Single-family square feet applies to total finished interior floor area and excludes unfinished basements and attics.

/c/ FY 2021-22 impact fee schedule. Residential fees vary by zone and highest fee in zone 1 shown here.

/d/ Includes townhomes (single family attached units).

/e/ New land use category not in existing fee schedule. EHU factor based on 20,000 building square feet per worker, or 0.05 workers per 1,000 square feet, multiplied by the 0.32 worker weighting factor (see text for explanation), and then divided by 2.80 persons per single family unit to equate the EHU factor to one single family unit.

/f/ The maximum legal fee for the new mini-storage category is less than the current adopted warehouse fee that would apply to these projects without a fee waiver. The City should adopt a new fee for the mini-storage category that is no higher than the maximum legal fee shown here.

Source: U.S. Census Bureau, American Housing Survey; City of Oakland Impact Fee Schedule; Tables 8 and 11.

V. ALTERNATIVE FEE SCHEDULES

The purpose of this chapter is to provide several alternative fee schedules and related revenue estimates. The schedules include the current impact fee schedule, the maximum legal fee schedule, and several additional alternatives designed to generate a specified level of revenue over a 20-year planning horizon. Revenue requirements are identified to fund alternative lists of capital projects eligible for funding with either the transportation or capital improvements impact fee. All fee schedules and revenue estimates are shown in 2020 dollars and assume that fees will be increased to offset inflation in capital project costs.

TRANSPORTATION IMPACT FEE

Alternative transportation impact fee (TIF) schedules were developed to fund transportation improvement project lists that reflect (1) citywide needs, including Capital Improvement Program (CIP) projects and cumulative mitigation measures from adopted specific plans and major projects eligible for TIF funds, and (2) transportation improvement projects for the Downtown Oakland Specific Plan (DOSP) and Howard Terminal Waterfront District project currently being developed. The current adopted fee is set to fund only cumulative mitigation measures from adopted specific plans and major projects eligible for transportation impact fee funds. The alternative fee schedules presented in this section provide decision makers with information for increasing the current TIF to generate sufficient revenue over the 20-year planning horizon to fund capital project lists under the following scenarios:

1. Citywide TIF adequate to fund citywide CIP transportation projects based on three alternative lists defined by project prioritization
2. Citywide TIF adequate to fund transportation projects called for in:
 - a. The DOSP
 - b. The DOSP and in the Howard Terminal project
3. An “overlay” TIF applied in the DOSP area only that would be in addition to the citywide TIF and adequate to fund transportation projects called for in:
 - a. The DOSP
 - b. The DOSP and in the Howard Terminal project

The next section presents scenario 1, above, the CIP transportation projects analysis. The section following the next one presents scenarios 2 and 3, the DOSP and Howard Terminal analysis.

Citywide CIP Transportation Project Lists

Table 13 provides alternative fee schedules for the TIF to fund currently unfunded CIP transportation projects plus cumulative mitigation measures from adopted specific plans and major projects eligible for TIF funds. All fee schedules assume funding by a citywide fee that

does not vary by zone (current transportation impact fees by land use do not vary by zone). Revenue is based on growth estimates for a 20-year planning horizon (see Chapter II).

Table 13:: Alternative Transportation Impact Fee Schedules – Citywide

	Current Citywide Fee /a/	Maximum Legal Citywide Fee	Citywide Fee Necessary to Fund:			
			All CIP Projects	CIP Projects with Score >= 50	CIP Projects with Score >= 75	Cumulative Mitigation Measures Only
Total 20-Yr. Revenue (mil.) /b/	\$89	\$1,210	\$381	\$350	\$184	\$89
Number of Projects	NA	NA	88	70	25	91
Residential (citywide fee per housing unit)						
Single Family /c/	\$1,053	\$19,764	\$6,224	\$5,717	\$3,006	\$1,454
Multi-Family	790	13,835	4,357	4,002	2,104	1,018
Nonresidential (citywide fee per square foot)						
Retail/Commercial	\$0.75	\$14.03	\$5.24	\$5.10	\$2.73	\$0.73
Hotel/Motel	0.68	12.25	3.86	3.54	1.86	0.90
Office	2.11	16.21	5.10	4.69	2.46	1.19
Institutional	3.16	23.32	7.34	6.75	3.55	1.72
Industrial	0.58	10.47	3.30	3.03	1.59	0.77
Warehouse	0.37	6.13	1.93	1.77	0.93	0.45
Self- or Mini-Storage /d/	0.37	0.50	0.50	0.50	0.50	0.45

/a/ FY 2020-21 impact fee schedule. Fees do not vary by zone.

/b/ 2020 dollars. Project costs for CIP scenarios based on net costs after deducting funding in current two-year (FY 2021-22 and FY 2022-23) capital improvement plan.

/c/ The City's fee schedule has a separate fee for townhomes (attached single family housing) that is at the same level as the fee on detached single family housing.

/d/ See Chapter III for an explanation of the new mini-storage land use. The mini-storage fee does not factor into the total 20-year revenue calculations shown in the first line of the table because estimates of future development are not available and likely to be relatively low. The mini-storage fee for each scenario is set equal to the maximum legal fee or the warehouse fee, whichever is lower. The City may adopt any fee up to the maximum legal amount for mini-storage under these scenarios without affecting total revenue because of relatively little development and the low maximum legal fee.

Sources: City of Oakland Development Impact Fee Schedule, FY 2020-21; City of Oakland capital improvement project lists; Tables 2, 3, and 7.

In addition to estimated revenue from the current and maximum legal fee schedules (see Chapter III), Table 13 includes four alternative fee schedules based on funding needed for a specified list of projects. Three of the four fee schedules are based on unfunded projects from the City's CIP using the prioritization process approved by the City Council. That process assigns a score from 1 to 100 to each project with 100 indicating a project with highest priority. The project score is

based on the following nine factors listed in order of their relative weight in the scoring (the number of points out of 100 assigned to each factor with points for all factors adding to 100):

- ◆ Equity (16 points): investment in underserved communities
- ◆ Health & Safety (16 points): improves safety & encourage healthy living
- ◆ Existing Conditions (13 points): renovate or replace broken or outdated city properties
- ◆ Economy (13 points): community investment and economic prosperity
- ◆ Environment (11 points): sustainability
- ◆ Required Work (10 points): regulatory mandate
- ◆ Improvement (8 points): level and quality of service
- ◆ Collaboration (8 points); multiple asset category benefits / collaborative opportunities
- ◆ Shovel Ready (5 points): project readiness.

The equity factor is also considered by identifying projects that address disparities within the health and safety, economy, environment, improvement, and collaboration factors.

Three CIP project list alternatives shown in Table 13 where put together based on project eligibility for TIF funding and their CIP scores for consideration: “All CIP Projects” (all projects, regardless of score), “CIP Projects w/ Score ≥ 50 ”, and “CIP Projects w/ Score ≥ 75 .” Funding need is based on total project cost net of any secured funding plus any additional funding programmed through the current CIP.

The fourth fee schedule in Table 13 shown in the last column, “Cumulative Mitigation Measures” reflects the list of mitigation measures associated with adopted specific plans and major projects. This list was originally developed for the 2016 Nexus Study (Appendix B, Table B-5). The Oakland Department of Transportation is currently reviewing this list against updated environmental standards related to vehicle miles traveled and will revise this list accordingly.

The City Council may adopt any of the three CIP project fee schedules, with or without the added fee associated with cumulative mitigation measures, because the total combined fee would be less than the maximum legal fee shown in the table.

There is some overlap between the DOSP and Howard Terminal projects discussed in the next section on the one hand, and the CIP projects on the other hand. Depending on the CIP project list (all projects, projects with scores greater than 50, projects with scores greater than 75), the fee schedules shown in Table 13 would fund between 30 and 40 percent of the projects developed as part of the DOSP and Howard Terminal project.

DOSP & Howard Terminal Project Lists

Table 14 provides additional alternative fee schedules for the transportation impact fee. These alternative schedules are focused on draft project lists developed as part of the Downtown Oakland Specific Plan (DOSP) and the Howard Terminal Waterfront District project planning efforts currently in process. Four alternative fee schedules are shown in addition to the current and maximum legal fee schedules:

- ◆ Citywide fee sufficient to fund all DOSP transportation improvement projects
- ◆ Citywide fee sufficient to fund all DOSP and Howard Terminal off-site transportation improvement projects
- ◆ Fee charged in the DOSP area only and sufficient to fund all DOSP transportation improvement projects
- ◆ Fee charged in the DOSP area only and sufficient to fund all DOSP and Howard Terminal off-site transportation improvement projects

As with the alternative fee schedules shown in Table 13, the two citywide fee alternatives shown in Table 14 are based on the 20-year growth estimates presented in Chapter II. The two DOSP fee alternatives shown are based on DOSP buildout estimates. The DOSP buildout estimates include about 60 percent of the 20-year citywide housing estimates and more than double the retail and office estimates shown in Table 3 in Chapter II. The combined DOSP buildout estimate across all land uses generates fewer equivalent housing units (EHUs) than the total 20-year citywide EHU estimate. This difference results in the need for a higher fee if charged only in the DOSP area compared to a citywide fee to fund the same list of capital projects (fewer EHUs requires a higher fee to generate the same amount of revenue).

As shown in Table 14, the first three scenarios (the two citywide fee scenarios and the DOSP area fee that only funds DOSP transportation improvements), all result in fees that are less than the maximum legal fee for each land use category. The fourth scenario (the DOSP area fee that funds both DOSP and Howard Terminal projects), results in fees that are greater than the maximum legal fee for all land use scenarios (except mini-storage, see footnote in table). Thus, this last scenario is not feasible without reducing the cost of the capital project list. Finally, depending on the scenario selected from Table 13, adding an additional fee to incorporate one of the scenarios from Table 14 would result in the total fee exceeding the maximum legal fee, depending on the scenarios selected from each table.

Table 14: Alternative Transportation Impact Fee Schedules - Downtown Oakland Specific Plan and Howard Terminal Waterfront District

	Current Citywide Fee /a/	Maximum Legal Citywide Fee	Citywide Fee Necessary to Fund:		DOSP Fee Necessary to Fund:	
			DOSP Projects	DOSP & Howard Terminal Projects	DOSP Projects	DOSP & Howard Terminal Projects
Total 20-Yr. Revenue (mil.) /b/	\$89	\$1,210	\$649	\$992	\$649	\$992
Number of Projects	NA	NA	128	148	128	148
Residential (citywide fee per housing unit)						
Single Family /c/	\$1,053	\$19,764	\$10,602	\$16,205	\$13,675	\$20,902
Multi-Family	790	13,835	7,421	11,343	9,572	14,631
Total						
Nonresidential (citywide fee per square foot)						
Retail/Commercial	\$0.79	\$14.03	\$7.53	\$11.51	\$9.71	\$14.84
Hotel/Motel	0.68	12.25	6.57	10.05	8.48	12.96
Office	2.11	16.21	8.69	13.29	11.21	17.14
Institutional	3.16	23.32	12.51	19.12	16.14	24.66
Industrial	0.58	10.47	5.62	8.59	7.25	11.08
Warehouse	0.37	6.13	3.29	5.02	4.24	6.48
Self- or Mini-Storage /e/	0.37	0.50	0.50	0.50	0.50	0.50

/a/ FY 2021-22 impact fee schedule. Fees do not vary by zone.

/b/ 2020 dollars. Project costs for DOSP and Howard Terminal scenarios based on net costs after deducting funding in current two-year (FY 2021-22 and FY 2022-23) capital improvement plan.

/c/ The City's fee schedule has a separate fee for townhomes (attached single family housing) that is at the same level as the fee on detached single family housing.

/d/ See Chapter III for an explanation of the new mini-storage land use. The mini-storage fee does not factor into the total 20-year revenue calculations shown in the first line of the table because estimates of future development are not available and likely to be relatively low. The mini-storage fee for each scenario is set equal to the maximum legal fee or the warehouse fee, whichever is lower. The City may adopt any fee up to the maximum legal amount for mini-storage under these scenarios without affecting total revenue because of relatively little development and the low maximum legal fee.

/e/ See Chapter III for an explanation of the new mini-storage land use. The mini-storage fee does not factor into the total 20-year revenue calculations shown in the first line of the table because estimates of future development are not available and likely to be relatively low. The mini-storage fee for each scenario is set equal to the maximum legal fee or the warehouse fee, whichever is lower. The City may adopt any fee up to the maximum legal amount for mini-storage under this scenarios without affecting total revenue because of relatively little development and the low maximum legal fee.

Sources: City of Oakland, *Downtown Oakland Specific Plan Draft Environmental Impact Report*; August 2019, Table III-4, p. 75; City of Oakland capital improvement project lists; Tables 3 and 13.

CAPITAL IMPROVEMENTS IMPACT FEE

One alternative fee schedule was developed for the capital improvements impact fee. The fee schedule is based on a citywide list of capital improvements shown in **Table 15**. The fee necessary to fund this list is substantially greater than the current fee but less than the maximum legal fee, as shown in **Table 16**.

Table 15: Capital Improvement Projects

Project Name	Description	Cost
PAB, Academy, Training Lab, Outreach Facility	Acquire land and construct new OPD facility	\$473,477,000
Fire Station 29	Construct expanded new fire station 29 at new location	21,000,000
Lincoln Recreation Center Expansion	Demolish existing recreation center and expand vertically to accommodate use/programs.	15,000,000
Mosswood Center Phase 2 & 3	New gymnasium and outdoor pool	23,266,629
New Hoover Library	Feasibility study for new Hoover Branch Library	10,000,000
Piedmont Branch Library	OPL would like to lease site from OUSD CDC	11,401,560
Storm Drainage Capital Plan	Rehabilitate City's storm drain facilities	120,000,000
Arroyo Viejo Recreation Center Expansion/Master Plan	Program, design and construct expanded recreation center, other site improvements	14,500,000
Brookdale Recreation Center Expansion/Master Plan	Program, design and construct expanded recreation center, other site improvements	10,000,000
Fire Station 4	Program, design and construct expanded fire station at new location	13,600,000
Columbia Gardens Recreation Center Replacement	Program, design and construct expanded recreation center, other site improvements	3,375,000
Community Center @ Clinton Square Park	Program, design and construct expanded community center, other site improvements	13,050,000
Jungle Hill	Program, design and construct new park at unimproved hillside park	2,066,250
Wade Johnson Park	Create new cultural/art venue	3,105,000
New Lakeview Branch Library	Feasibility study for new branch library.	11,056,500
Raimondi Soccer Field #2	Phase 2 to create artificial turf soccer field on unimproved park land; add sidewalk/access	8,721,000
Fire Station 25	Program, design and construct expanded fire station	15,000,000
Estuary Park	Demolish existing park, program, design and construct new amenities	14,000,000
New Main Library	Feasibility study for new Main Library	TBD /a/
Asian Branch Library	Expand library. Current funding to begin feasibility study.	TBD /a/
	Total	\$782,618,939

/a/ Total cost excludes projects with no cost estimates.

Source: City of Oakland capital project lists.

Table 16: Alternative Citywide Capital Improvements Impacts Fee Schedules

	Current Citywide Fee /a/	Maximum Legal Citywide Fee	Citywide Fee Necessary to Fund All CIP Projects /b/
<i>Total 20-Yr. Revenue (mil.) /c/</i>	\$131	\$1,152	\$783
Residential (citywide fee per housing unit)			
Single Family /d/	\$4,212	\$22,429	\$15,234
Multi-Family	1,316	16,597	11,273
Nonresidential (citywide fee per square foot)			
Retail/Commercial	\$0.53	\$6.73	\$4.57
Hotel/Motel	0.63	2.92	1.98
Office	2.11	7.85	5.33
Institutional	3.16	4.04	2.74
Industrial	1.05	2.02	1.37
Warehouse	1.05	1.35	0.91
Self- or Mini-Storage /e/	1.05	0.22	0.22

/a/ FY 2021-22 impact fee schedule. Residential fees vary by zone and highest fee in zone 1 shown here.

/b/ /b/ Assumes impact fee funds entire project net of funding from the current two-year (FY 2021-22 and FY 2022-23) capital improvement plan, and no other funding applied such as from general obligation bonds or grants.

/c/ 2020 dollars.

/d/ The City's fee schedule has a separate fee for townhomes (attached single family housing) currently set at \$3,000 per unit. Continuing to charge townhomes less than detached single family housing would require a small increase in the fee schedules shown here to generate the revenue indicated.

/e/ See Chapter III for an explanation of the new mini-storage land use. The mini-storage fee does not factor into the total 20-year revenue calculations shown in the first line of the table because estimates of future development are not available and likely to be relatively low. The mini-storage fee for the CIP scenario is set equal to the maximum legal fee or the warehouse fee, whichever is lower. The City may adopt any fee up to the maximum legal amount for mini-storage under this scenarios without affecting total revenue because of relatively little development and the low maximum legal fee.

Sources: Tables 2, 8, 12, and 15.