



East Bay Housing Organizations

April 15, 2025

Kevin Riley, Chair

Seth Webber, Vice-Chair

Jennifer Perez, Commissioner

Robert Martin, Commissioner

Christian Hills, Commissioner

Cortney L. Jones, Commissioner

Re: EBHO Comments on Item 6-1, Inclusionary Housing Ordinance

Dear Antioch Planning Commissioners,

On behalf of East Bay Housing Organizations (EBHO), we write to express our support for the development of a strong Inclusionary Housing Ordinance in Antioch.

EBHO is a nonprofit, membership-based organization working to produce, preserve, and protect affordable housing opportunities for low-income communities across Contra Costa and Alameda Counties. Our 400+ members comprise nonprofit affordable housing developers, service providers offering support to the unhoused, legal service organizations, advocacy organizations, architecture firms, and individual members, most of whom are residents of affordable housing. While many of our members live, work, or provide affordable homes right here in Antioch, we've worked with jurisdictions across the East Bay helping to help guide the development and implementation of Inclusionary Housing Ordinances.

We are grateful to the City of Antioch for the opportunity to provide feedback as the ordinance is developed, on your process of developing this ordinance so far, and hope to be able to work together as partners and collaborators in passing and implementing an effective and equity-based ordinance. We are also appreciative of the City's Planning Staff and the team at PlaceWorks for their work so far on this project. It is evident that a tremendous amount of time and effort have already been spent to provide the City with foundational research and evidence from which to make decisions about the best form of an IHO to introduce in our community. We believe an IHO is a critical tool to support Antioch in meeting its current housing needs. As the region's housing affordability crisis continues, as the number of community members experiencing homelessness remain staggering, and as increasing numbers of low-income residents from across the Bay Area find themselves moving to Eastern Contra Costa County cities such as Antioch, we note that the market on its own has never provided sufficient affordable housing for low-income community members. Instead, policy tools and incentives such as IHOs have been necessary tools for ensuring that housing is built to meet the needs of *all* community members, not just those who can afford to pay market rents.

Based on our collective experience and expertise as housing developers, service providers, and residents of affordable housing who have worked with IHOs across the East Bay, we respectfully offering the following comments on some of the key questions before you at this time.



Inclusionary Requirement and Affordability Levels

We strongly support staff's recommendation to set a minimum inclusionary requirement of 15% if not somewhat higher. We urge that the inclusionary requirement address specific *levels* of affordability and prioritize the deepest levels of affordability (i.e. units affordable to Extremely-Low and Very-Low Income community members).

A 15% inclusionary rate is a standard baseline to ensure that projects at all sizes yield *some* affordable housing. Jurisdictions that set their inclusionary requirement lower than this often see very little affordable housing developed as a result of the IHO because projects have to include much greater numbers of total units before being required to build even a single affordable home. Since the majority of multifamily housing developments in Antioch have fewer than 20 units,¹ a 15% inclusionary requirement would see most projects required to include one to three affordable units. This rate is modest, affordable, and impactful—but any rate lower than this would mean that only a very small segment of Antioch's housing stock would be required to build any affordable housing at all.

Further, a minimum requirement of 15% is necessary to maintain compliance with the Metropolitan Transportation Commission's (MTC) Transit-Oriented Community Policy. Compliance with the TOC policy ensures that Antioch can better access critical sources of funding for climate, transportation, and housing, including MTC discretionary funds. Additionally, compliance helps the City be open for consideration for future One Bay Area Grant (OBAG) funding investments, given that the City has received nearly \$5 million in the past and requested \$850,000 for OBAG Round 4 projects. With the effort and time spent developing an IHO, it is most sensible for the City to ensure the IHO also helps us reach compliance with MTC's TOC Policy. It does not make sense for Antioch to go to the effort of developing and implementing an IHO without reaping the financial and policy benefits of achieving compliance with MTC's TOC policy.

An inclusionary requirement of at least 15% is an important place to start, yet equally important is determining what level of affordability affordable units will be required to meet. EBHO emphasizes that the most impactful IHO goes beyond the minimum requirement that affordable units be affordable to those making less than 120% of Area Median Income (considered moderate-income). **Antioch's IHO should state explicitly that the majority of the inclusionary units should be affordable to Low-Income (less than 80% of AMI) and Very-Low Income (less than 50% of AMI) community members.** Based on a high Area Median Income in Contra Costa County, rents affordable to "Moderate Income" residents are still often higher than current market rate rents. Therefore, under current conditions, only an IHO that specifically requires the production of units affordable to Low and Very Low-Income residents will yield below market rate housing units. Moreover, the staff report and feasibility study also demonstrated that the IHO often yields the best returns for developers when VLI units are prioritized because they yield the highest density bonuses. Finally, we note that, in addition to a minimum inclusionary requirement of 15%, prioritizing deeper levels of affordability is another requirement of the MTC TOC policy and is a critical component of an equity-centered IHO.

Alternative Compliance: Prioritizing In-Lieu Fees

We strongly emphasize the value and importance of In-Lieu Fees as an alternative compliance option for the IHO. As the staff report acknowledges, both Market Rate developers and Affordable Housing developers

¹ Contra Costa County Consortium. *2020-2025 Consolidated Plan*, 459.

<https://www.contracosta.ca.gov/DocumentCenter/View/67132/2020---2025-Consolidated-Plan--Final>



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understand that additional layers of expertise are necessary to develop, manage, and maintain affordable housing units. While IHOs are highly impactful tools for ensuring that more affordable housing is built and that it is spread throughout the community's housing stock, we have often seen instances in which the affordable units developed by market rate developers to meet inclusionary requirements are not offered at deep levels of affordability and/or are not adequately connected to the other social support systems and resources residents of affordable housing often require.

When a market rate developer recognizes that it may not be feasible to build affordable units on-site and opts to pay the in-lieu fee, revenue is deposited into a City's Housing Trust Fund (HTF), which supports affordable housing developers to build units at deeper levels of affordability. These affordable housing developers are also in better positions to provide supportive services, resources, and specialized management. An HTF would be a major benefit to the City of Antioch and would draw more affordable housing developers to the area since local funds are often prerequisites for many state and federal funding sources, and every dollar of local subsidy can generate more additional investment from state, federal and private sources that can bridge financing gaps. Cities without In-Lieu Fees, an HTF, or other local sources of funding for affordable housing stand to lose out on millions of dollars of investment from outside of the city. For all these reasons, we do not feel that the IHO should necessarily *prioritize* on-site construction, but should offer In-Lieu Fees as an equally important and effective alternative measure of compliance.

Incentives for Developers

EBHO recognizes the balancing act of requiring increased levels of affordability without discouraging or disincentivizing development and investment in our community. We note that existing state density bonus law provides huge incentive for developers to invest in communities with existing IHOs, and that the feasibility study illustrates clearly exactly how much some developers stand to gain from compliance with the IHO.

We encourage Antioch to carefully consider that any incentive or benefit granted to developers should be demonstrably matched to a benefit returned to the community in the form of affordable housing. In other words, we should consider not only additional benefits and incentives, but how those might be tied to graduated inclusionary rates or deeper affordability requirements.

Some possible benefits the City can consider offering to developers as part of the IHO include reduced parking requirements for certain developments, streamlined or ministerial approval for projects meeting certain affordability requirements, or even the waiving of some fees in exchange for heightened levels of affordability.

Affordability in Perpetuity

EBHO strongly supports staff's recommendation that the IHO require affordable units to remain affordable in perpetuity. We support the mechanisms to maintaining affordability in the long term, including legally recorded deed restrictions for rental and for-sale units, and resale price controls. These measures avert waves of uncertainty and instability for residents and communities, which arise every year in settings where affordability has only been guaranteed for a limited time and then expires.

Housing Need

As we consider this IHO, we must consider the shifting needs of our community. The Bay Area's regional affordable housing crisis has displaced huge numbers of lower-income residents from the region's inner-core to



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Antioch.² Meanwhile, we are still recovering from becoming the region's "unofficial foreclosure capital" during the housing market crash of the late 2000s.³ With growing numbers of renters and plentiful opportunities for development, Antioch will continue to become an increasingly attractive City for housing developers. But we cannot trust that this interest in our community will not become overwhelmingly predatory. Indeed, history has shown us that the market, *on its own*, does not develop the type of deeply affordable housing we all need: during Antioch's last Housing Element Cycle, three Above Moderate-Income homes were built for every one home serving Low or Very-Low Income community members.

Now, Antioch sits at a perfect opportunity to get out ahead of the curve and ensure that development coming to our city is required to meet the needs of all community members. In this way, we refuse to let our housing market be dictated by the whim of investment developers, instead, with a strong and equity-centered ordinance, developers, residents, advocates, and the City move forward as partners. We hope also to serve as partners in the development of this ordinance and offer the expertise and lived experience as resources to the City at any time in this process.

Sincerely,

Joey Flegel-Mishlove
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Megan Nguyen
Policy Manager

² East County Regional Group et al. *Antioch Change: A Community Housing Assessment of Needs, Gaps, and Equity in Antioch, California*, 6. <https://www.first5coco.org/wp-content/uploads/2022/06/Antioch-CHANGE-Report-DIGITAL-FINAL-Eng-6.17.22.pdf>

³ Ibid.