

From: [Ramon Rovirosa](#)
To: [Hector Rojas](#)
Subject: Concern About Proposed Affordable Housing Fees
Date: Thursday, May 7, 2026 9:43:27 AM

This Message Is From an External Sender

This message came from outside your organization.

Dear Mayor, City Councilmembers, and City Staff,

I am a Vallejo resident living in Glen Cove, and I am writing to share my concern about the proposed affordable housing requirements and in-lieu fees for new residential development.

At a high level, I believe Vallejo should be doing everything it can to attract more housing development, not create additional costs that may discourage builders from investing here.

One of Vallejo's biggest advantages is that it remains one of the more relatively affordable places to live in the Bay Area. In March 2026, Redfin reported Vallejo's median home sale price at about \$513,500, compared with about \$785,000 in Contra Costa County, about \$1.49 million in San Jose, and about \$1.69 million in San Francisco. Zillow's March 2026 home-value data tells a similar story: Vallejo's average home value was about \$520,970, compared with about \$789,908 in Contra Costa County, about \$1.46 million in San Jose, and about \$1.36 million in San Francisco.

That relative affordability is an asset. Vallejo has the opportunity to attract families, workers, first-time homebuyers, and investment that might be priced out of San Francisco, San Jose, and much of Contra Costa County. But to take advantage of that opportunity, we need policies that make Vallejo easier and more attractive to build in — not policies that add uncertainty, fees, or financial barriers to new housing projects.

The new Costco/Fairview at Northgate project is a good example of the type of development Vallejo should want more of. It is bringing a relocated and expanded Costco, additional retail, open space, and new housing to a long-vacant site. The City's project page describes it as including new residential, open space, and commercial development, and recent reporting noted that the Planning Commission approved increasing the housing component from 178 homes to 245 homes. That is exactly the kind of mixed-use investment Vallejo needs: new homes, new retail activity, new tax revenue, and productive use of vacant land.

My concern is that a project like Costco/Fairview may have been much harder to make financially feasible if it had faced additional affordable housing mandates or in-lieu fees from the beginning. We should be asking whether similar projects in the future would still choose Vallejo if the City adds more costs, more uncertainty, and more requirements. Vallejo cannot afford to scare away the very projects that bring housing, jobs, retail activity, and long-term revenue to the City.

Vallejo is already struggling to get enough housing built. According to recent reporting on Vallejo's Housing Element progress, the City had only credited 193 homes toward its obligation to create 2,900 affordable homes, or about 6.65% of the eight-year goal. The same report noted that 26 housing development applications were submitted in 2025, proposing 625 homes, which suggests there is interest in building here — but we should be careful not to

make those projects harder to finance or complete.

I was especially concerned to read that the City's own inclusionary housing analysis reportedly found that many Vallejo projects are "not financially feasible" under current market conditions, and that adding mandatory on-site affordability requirements could further reduce feasibility and potentially discourage new housing production. That is exactly the risk I am worried about: a well-intentioned policy that results in fewer projects, fewer homes, and less overall investment in Vallejo.

Vallejo also already has a substantial amount of subsidized and income-restricted housing infrastructure compared with many nearby communities. The Vallejo Housing Authority administers the Housing Choice Voucher / Section 8 program, and its own public housing authority plan listed 2,267 Housing Choice Vouchers. By comparison, public housing data directories list Benicia at 376 vouchers, Fairfield at 894 vouchers, and Vacaville at 1,239 vouchers. The City's own website also lists multiple affordable or subsidized rental properties in Vallejo, including Ascension Arms, Bay View Vista, Casa de Vallejo, Marina Tower, Redwood Shores, Seabreeze Apartments, and Sereno Village Apartments.

I support affordable housing and believe Vallejo should remain an inclusive city. But given Vallejo's existing affordable housing and voucher infrastructure, I think the City should carefully compare our current affordable housing burden and voucher presence with nearby cities like Benicia, Fairfield, Vacaville, and American Canyon before adding new burdens to future development. Vallejo should not be the city that both carries a large share of the region's subsidized housing responsibility and makes new market-rate or mixed-income housing harder to build.

In my view, the best path forward is to make Vallejo a place where builders want to build. More overall housing supply can help ease pressure on rents and home prices, while also bringing new residents, jobs, customers for local businesses, and long-term revenue to support City services. The fact that 57% of Vallejo renters are rent-burdened shows how serious the housing affordability problem is, but it also shows why we need more total housing production, not policies that might slow it down.

I respectfully urge the City to be cautious about adopting additional fees or mandates that could make housing projects less feasible. Before moving forward, I would like to see the City clearly analyze whether the proposed fees and requirements will reduce the number of projects that can realistically be built in Vallejo. I would also encourage the City to focus on streamlining approvals, reducing uncertainty, encouraging infill development, and making it easier to build well-designed housing across income levels.

Vallejo has a real opportunity to grow in a positive way, but we need policies that entice development rather than push it away.

Thank you for your time and for considering the perspective of a Glen Cove resident.

Sincerely,
Ramon
Glen Cove resident, Vallejo

From: [herbert starks](#)
To: [Hector Rojas](#)
Subject: Concerns related to MUNICIPAL CODE RELATING TO AFFORDABLE HOUSING REQUIREMENTS
Date: Thursday, May 7, 2026 6:25:14 AM

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Please share as appropriate:

Regarding:

Concerns related to; MUNICIPAL CODE RELATING TO AFFORDABLE HOUSING REQUIREMENTS

As a long time Vallejo resident my concerns are as follows:

Vallejo does not currently have development momentum to impose stronger requirements without discouraging investment.

Housing alone does not create vibrancy therefore improving public safety, partnering with schools, cleaning up business and retail corridors would help improve developer interest before imposing regulation.

Short and intentional. Thank you for your time.

Sincerely,
Herb Starks

From: [Kent Mecham](#)
To: [Hector Rojas](#)
Subject: Crime
Date: Thursday, May 7, 2026 10:56:10 AM

This Message Is From an External Sender

This message came from outside your organization.

There is enough crime in Vallejo, we don't need more low housing that draws in crime., A big no on my vote
Sent from my iPhone

From: [Jocelyn Sevilla](#)
To: [Hector Rojas](#)
Subject: Housing concerns
Date: Saturday, May 9, 2026 1:53:44 AM
Attachments: [IMG_0611.jpeg](#)

This Message Is From an External Sender

This message came from outside your organization.

Dear Mayor and City Council Members,

I am writing to express my concern regarding the potential implementation of mandatory low-income unit requirements for new developments in Vallejo. While the goal of providing affordable housing is noble, the current economic climate in our city requires a more nuanced approach to ensure Vallejo can truly thrive.

Mandatory inclusionary requirements often serve as a deterrent to the very private investment we need. In a market like Vallejo's, where construction costs often outpace potential returns, adding a mandatory "below-market" requirement can make a project financially unfeasible. When a project doesn't "pencil out," it doesn't get built. This leaves the city with zero new units—market-rate or otherwise.

Furthermore, investors have a wide range of choices in Northern California. If Vallejo's regulatory environment is perceived as more burdensome than neighboring jurisdictions, we will see a flight of capital to cities with more predictable and flexible development rules.

I urge the Council to consider incentive-based programs—such as density bonuses, fee waivers, or expedited permitting—rather than strict mandates. This allows the market to drive growth while giving developers a reason to invest in our community. Let's focus on policies that encourage a high volume of all housing types, which will ultimately create the tax base and foot traffic necessary for Vallejo to flourish.

P.S the email listen on the email blast is incorrect it was missing the first name please see attached image, thank you.

Sincerely,

Jocelyn Sevilla

RECEIVED
5/18/26

May 12, 2026

To: Mr. Hector Rojas
Long-Range Planning Manager
City of Vallejo Planning Division
555 Santa Clara Street
Vallejo, CA 94590-5922

Fm: John DeBord



RE: Comments on Vallejo's Draft Inclusionary Housing Ordinance

First and foremost, proof as to whether the Inclusionary Housing Ordinance is viable will be the construction, or lack of construction, of inclusionary housing. Hence, I believe that the Ordinance should include requirements to report, annually, on the number of units constructed under terms of the Ordinance. If nothing is constructed, then the Ordinance is obviously too restrictive – i.e., housing cannot be profitably built or operated (e.g., as a non-profit) under terms of the Ordinance.

I sum, without a reporting requirement, the public, who will supposedly be served, won't know how successful, or unsuccessful, the Ordinance is. More specifically, I believe the public needs to be made aware of any in-lieu fees paid by developers who want to construct housing exclusive of contiguous affordable units. And subsequently, what housing the City provides with in-lieu funds received.

To my way of thinking, the allowance to permit construction of affordable units *not* contiguous to a residential project, figuratively equates to (a term I hesitate to use) "redlining" – i.e., the developer does not want lower income individuals sprinkled in amongst those better off. Hence, he/she remits in-lieu of fees. Then again, the object of the Ordinance is to increase the availability of affordable housing (inclusive or exclusive), which it (hopefully) accomplishes. Relegating affordable housing to a non-contiguous area does not necessarily lift all boats equally, which I believe is in everyone's best interest.

What concerns me most is management within a development, particularly that of either owned or rented affordable housing. I have seen public housing projects fail for lack of maintenance or adequate management of the properties. The most successful

developments, owned or rented, seem to be those where the residents and management work cooperatively to ensure that all units are properly maintained and that any problems related to drugs, alcohol, prostitution, break-ins, etc. be quickly addressed. It accomplishes little if affordable units end up in environments where rules are not adequately enforced. This is one reason I don't favor off-site construction of affordable housing units. Pride of ownership generally rubs off on those less privileged.

I question why the Ordinance takes effect 180 days after its final passage? Why not much sooner? A nervous developer may want to get under the wire before the Ordinance takes effect. Thereafter, developers may be more hesitant to enter into any developments given terms of the Ordinance. If the objective is to increase the supply of affordable units, why not try to reach that goal as soon as possible?

As a whole, I applaud the terms of the Ordinance. However, given today's cost of land, materials, labor, increase in demand for water and power, I question if any housing built today can be considered "affordable" even with a median income. Once the Ordinance takes effect, I look forward to knowing the number of units built under its terms.

Respectfully yours,


John DeBord

From: [Kristin Pollot](#)
To: [Dawn Abrahamson](#)
Cc: [Gillian Haen](#); [Nalungo Conley](#); [Veronica Nebb](#); [Alicia Jones](#); [Hector Rojas](#)
Subject: RE: Public Comment: Affordable Housing Requirements Chapter 16.xxx
Date: Tuesday, May 12, 2026 10:53:35 AM
Attachments: [image007.png](#)
[image008.png](#)
[image009.png](#)
[image011.png](#)
[image012.png](#)
[image013.png](#)
[image014.png](#)
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[image016.png](#)
[image017.png](#)

Thanks Dawn – This looks like it is actually a comment on the proposed draft Inclusionary Housing Ordinance, so I'm including Hector as he is managing the project.

Thanks,

Kristin Pollot, AICP
Planning and Development Services Director
City of Vallejo | Planning and Development Services Department
555 Santa Clara Street Vallejo, CA 94590
Direct: (707) 648-4382 | Kristin.Pollot@cityofvallejo.net



***City Hall and the Central Permit Center are open from 9 a.m. to 3 p.m. Mondays through Thursdays.

From: Dawn Abrahamson <Dawn.Abrahamson@cityofvallejo.net>
Sent: Tuesday, May 12, 2026 10:50 AM
To: Dawn Abrahamson <Dawn.Abrahamson@cityofvallejo.net>
Cc: Gillian Haen <Gillian.Haen@cityofvallejo.net>; Nalungo Conley <Nalungo.Conley@cityofvallejo.net>; Veronica Nebb <Veronica.Nebb@cityofvallejo.net>; Kristin Pollot <Kristin.Pollot@cityofvallejo.net>; Alicia Jones <Alicia.Jones@cityofvallejo.net>
Subject: FW: Public Comment: Affordable Housing Requirements Chapter 16.xxx

Good Morning Mayor & Councilmembers (bcc'd),

Forwarding the email below to each of you.

Dawn G. Abrahamson, MMC
City Clerk
City of Vallejo | City Clerk's Office
Office: (707) 648-4528 | dawn.abrahamson@cityofvallejo.net
Cell: (707) 334-2931



IIMC President 2025-2026

International Institute of Municipal Clerks <https://www.iimc.com/>

From: David Shipley [REDACTED]
Sent: Tuesday, May 12, 2026 10:47 AM
To: Dawn Abrahamson <Dawn.Abrahamson@cityofvallejo.net>
Subject: Public Comment: Affordable Housing Requirements Chapter 16.xxx

This Message Is From an External Sender

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Public Comment:

Proposed city ordinance related to Affordable Housing Requirements CHAPTER 16.XXX

In my opinion, this proposal will not only fail to generate new affordable housing, it will act as a brake on any future housing proposals at any income level.

I interpret the proposal as an attempt to achieve city housing goals by:

- A. Increasing production of affordable units (by adding to the burden of developers and adding costs directly to the, I guess, non-affordable units)
- B. Generating funds for development of affordable units (by paying unspecified "in lieu fees" before permitting starts, with no guarantee that permits will be timely or even approved)
- C. Providing "alternatives", (ADU style offsite construction or rentals)
- D. Restricting resales, keeping resale price lower than current dollar maintenance costs. (Putting deed restriction language on the developer and some odd post construction monitoring for ongoing eligibility and marketing plan to target audience?)
- E. Allowing a maximum size of 1400sf
- F. Requiring owner/renter occupancy
- G. Requiring developer to pay city costs for administration

Rebuttal:

1. Outside developers, need to buy, build, sell and get out. They can't be burdened with ongoing administration. That is a fail
2. Outside developers do not remain in Vallejo is also a fail. We should encourage development by individual single property owners. They build over a longer period, using local design, labor and materials, which builds business and wealth IN Vallejo, not exporting dollars made from our resources
3. Ongoing developer costs for city administration is a non-starter for any developer
4. Transparency of any fee structure is required for city costs and "in lieu" fees (which go to some unspecified development of affordable units)
5. The idea that the developer must pay for deed language is odd, but ongoing monitoring of eligibility and low income marketing is not a developer function, nor is paying for our housing department
6. In any development, affordable units are paid for by buyers / renters in the other units. There is no calculation of that burden on other residents or if there is a maximum burden
7. How will this proposal increase the number of lower income housing units when proposals at Blue Rock Springs, Mare Island, North Mare Island, etc sit fallow and public lands available are minimal?
8. How will this proposal increase the number of housed lower income applicants when it bifurcates responsibilities and adds complexity to the housing function of the city?

Reality Check: Section 8 vouchers are the only effective way to put lower income families in any development, even high end units, doing exactly the thing this proposal purports to do. Vouchers cost the city/state/federal government an amount equivalent to Social

Security, yes, I have a tenant paying more than I receive in Social Security. The only way to increase the availability of vouchers is with reducing overhead, simplifying the system

Reality Check: Take the old Post Office site, give it to a developer for free to build 40 units and it does not pencil out at today's cost (I checked with a developer I know. It would require viable retail tenants on ground level, something untenable today). Additional burden isn't going to get housing built

I have been told by other developers: Lennar, on Treasure Island, is building what is the lowest cost per foot development in the state at slightly more than \$350/sf. That is the best case possible.

My experience with rentals: The rule of thumb for rentals is \$1000/month/\$100,000 in current value. Not purchase price, maintenance is always in current dollars. HOA's provide a simple gauge of exterior maintenance set asides where I pay as much as \$1000/month in this area. With each tenant change or say ten years, an internal refresh is needed. Two years ago that cost me \$40,000 for flooring/paint in one unit and it is inflating annually. I don't expect that to change, which, when added to the current cheapest possible build price from Lennar, puts a rent floor to be in a viable business at over \$3500/month. Any lower is not "affordable", it is a business failing and that means maintenance deferred.

I understand you have state mandates. Given that, this proposal is unclear, meaning developers will pass us by. It does nothing to address the reality that housing authorities place Section 8 voucher recipients from other areas into our housing spaces. It does nothing to encourage local development of housing and supportive business. It adds burdens that effectively wall off small developments generated by Vallejo residents for Vallejo residents. This is supposed to provide housing rather than reduce competition. When we see cities involved in reducing competition it is usually a symbiotic relationship, say utility fees, utility providers and not so neutral regulators. It appears here that the city benefits by passing on housing department costs, but it is worth a review because every outside developer given access to Vallejo land resources is exporting wealth away from our city.

Thanks for your time,
Dave Shipley

From: [Dawn Abrahamson](#)
To: [Dawn Abrahamson](#)
Cc: [Gillian Haen](#); [Kristin Pollot](#); [Nalungo Conley](#); [Veronica Nebb](#); [Hector Rojas](#)
Subject: FW: Addendum to Public Comment: Affordable Housing Requirement Chapter 16.xxx
Date: Tuesday, May 12, 2026 4:30:46 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image005.png](#)
[image006.png](#)

Mayor & Councilmembers (bcc'd),

Forwarding the email below as an addendum to Mr. Shipley's email forwarded to you earlier this morning.

Dawn G. Abrahamson, MMC
City Clerk
City of Vallejo | City Clerk's Office
Office: (707) 648-4528 | dawn.abrahamson@cityofvallejo.net
Cell: (707) 334-2931



IIMC President 2025-2026
International Institute of Municipal Clerks <https://www.iimc.com/>

From: David Shipley [REDACTED]
Sent: Tuesday, May 12, 2026 4:16 PM
To: Dawn Abrahamson <Dawn.Abrahamson@cityofvallejo.net>
Subject: Addendum to Public Comment: Affordable Housing Requirement Chapter 16.xxx

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Addendum to my public comment on Affordable Housing Requirement Chapter 16.xxx

I noticed that, like Section 8 vouchers, there is an attempt to push the by tenant variability of utility costs on to the seller / landlord. While this is perhaps the main culprit in the day to day pain of housing costs, it simply isn't possible to assign this to anyone but the user of utilities. PG&E alone has had 10% increases annually for at least the last 5 years. When twinned with variable usage, it is untenable as a business responsibility.

That said, there is more opportunity for public policy to impact the collection of utility costs impacting housing and affordability than in focusing on the housing itself. Many

of these costs have gone from single need pricing to segmented markets, whether its power, water, insurance or entertainment, all with the assistance of policy regulators and with benefit to the city budget. Even city run utilities are guilty. The water and sewerage/stormwater bill was segmented in the early 2000's here in Vallejo, doubling the ability to push out costs. Weaning the city budget from utility fees and taxes is a necessary step in promoting conservation of provided utility usage and creating programs that target reducing usage. These programs are needed in order to lower the cost of housing/living for Vallejo residents.

Thanks again for your consideration,
Dave Shipley

May 26, 2026

City of Vallejo Planning Division
Attn: Hector Rojas, Long-Range Planning Manager
555 Santa Clara Street
Vallejo, CA 94590
hector.rojas@cityofvallejo.net

Dear Hector Rojas,

The undersigned organizations are writing to urge the City of Vallejo to strengthen the draft inclusionary ordinance by:

- Applying the ordinance to residential developments containing 10 or more units;
- Requiring that at least 20% of units in covered developments be affordable, including 15% affordable to low-income households and 5% affordable to very-low-income households;
- Establishing a meaningful in-lieu fee formula tied to the actual affordability gap and real cost of producing affordable housing;
- Prioritizing on-site affordable housing production as the preferred compliance pathway;
- Requiring that all in-lieu fees be deposited into a dedicated affordable housing fund used exclusively for affordable housing production, acquisition, rehabilitation, preservation, and tenant-stabilizing housing strategies;
- Establishing clear implementation, monitoring, enforcement, and annual reporting mechanisms

Lower-Income Residents of Vallejo are Facing a Housing Crisis

The City of Vallejo needs strong new policies to address the crisis of unaffordable housing that leads to cost burden, overcrowding, and displacement pressures faced by all residents, and especially residents of color; this set of policies must include a strong and meaningful inclusionary ordinance. The City of Vallejo has acknowledged that residents of color are overpaying for housing at higher rates than white residents.¹ The City faces one of the highest rates of overcrowding in Solano County, with 7% of residents overcrowded as compared to 5.3% of Solano County residents; residents of color in Vallejo face particularly severe overcrowding.² In the words of the City's Housing Element, "Overcrowding in households typically results from either a lack of affordable housing (which forces more than one household

¹ In its own summary of housing issues facing its residents, the City found that 42.2% of all households are overpaying, and that "[p]roportionally, White Non-Hispanic/Latinx and Asian residents overpaying for housing are fairly comparable at approximately 35.0 percent of each population, while Hispanic and Latinx residents experience a higher rate of overpayment (42.0 percent), and Other and Multiple Race residents (45.0 percent). Black and African American residents exhibit the highest rate of overpayment, at 54.0 percent." *City of Vallejo 2023-2031 Housing Element [Housing Element] Appendix 3 at 95*.

² 8% of Asian residents, 5.3% of Black residents, 15.6% of Hispanic residents, and 17.6% of "Other Race or Multiple Race" residents (self-identified) overcrowded, as compared with 2.2% of "White, Non-Hispanic" and 4.1% of "White" (which may include Hispanic) (self-identified). Housing Element Appendix 2 at 2-22.

to live together) and/or a lack of available housing units of adequate size. Overcrowding increases health and safety concerns and stresses the condition of the housing stock and infrastructure.”³

These issues are particularly acute for lower-income households. The Housing Element notes that “In many circumstances, overpayment is closely tied to income and lower-income households are most at risk of displacement due to overpayment... Many lower-income households do not have access to affordable large units to accommodate larger families, thus resulting in overcrowding and subject to overpayment leading to potential displacement.”⁴ Some displaced individuals and families add to Vallejo’s growing unhoused population, the largest in Solano County. Unhoused individuals are more likely to become ill and suffer violence and even death. Vallejo will not be able to meaningfully address homelessness—nor the social and environmental impacts of homelessness—unless it increases stock of deed-restricted affordable housing. In addition to creating more stability, inclusionary ordinances promote the integration of affordable units in higher-cost, higher-opportunity neighborhoods. The need for increased housing stability and affordability is urgent, and requires a multi-pronged approach; increasing the stock of housing units affordable to lower-income households is an essential piece of this multi-pronged approach, and will be most realistically achieved through a strong inclusionary ordinance with a meaningful in-lieu fee that directly funds affordable housing.

The City Must Expand the Coverage of its Ordinance, and the Rates of Affordable Development

While we are pleased to see the City moving towards adopting an inclusionary ordinance, the draft falls short of what Vallejo residents need. We urge you to strengthen it before passage so that it more effectively meets the needs of the residents of Vallejo. In particular, we recommend the following:

- Apply the policy to developments with 10 units or more units, which is standard practice.⁵ Limiting application to developments with 20 units or more would mean that a substantial amount of new development would include no affordable homes. Reducing the threshold to 10 units or more would increase the number of affordable units in Vallejo overall, ensure that more developments included affordable units, and expand the range of developments in which lower-income residents can afford to live.
- Increase the percentage of affordable units to the more standard 20%. An inclusionary rate of 5% is significantly lower than the regional standard, and would lead to no more than 2 affordable units per 30. Matching or exceeding the standard would ensure that a

³ *Id.*

⁴ Housing Element Appendix 2 at 2-58

⁵ For an Inclusionary policy to be consistent with the Transit Oriented Community policy, for example, it may exempt developments with fewer than 11 units.
https://mtc.ca.gov/sites/default/files/documents/2026-04/MTC_TOC_PolicyAdministrativeGuidanceApril2026.pdf?cb=99e5fc83. See the Association of Bay Area Governments’ Inclusionary Zoning Factsheet for more examples and information:
<https://abag.ca.gov/sites/default/files/documents/2025-09/InclusionaryZoning-09-25-2025.pdf>.

meaningful number of affordable units are developed, show Vallejo to be a leader in equitable housing goals, meet the needs of current residents, and ensure that the City's growth enables everybody to live here.

- We appreciate the unusual inclusion in the draft ordinance of a set-aside for units affordable to very low-income residents, however, as written, the policy is likely to result in vanishingly few such units. We urge you to expand that set-aside from 1% to 5%. This, again, would ensure a meaningful number of units be made available to the very low-income residents of Vallejo, who are facing the greatest risks of instability and displacement.
- The City should explore whether a portion of the very-low-income requirement can be structured to serve extremely-low-income households when paired with project-based vouchers, operating subsidies, supportive housing funding, or other resources that make deeper affordability financially feasible.

Prior to the drafting and adoption process for the Housing Element, the Association of Bay Area Governments determined the number of units at each affordability level that Vallejo would need to develop in order to meet the needs of its residents between 2023 and 2031. Since 2023, the City has received applications to develop 45% of its projected need for market rate housing; it has received applications to develop 5.5% of its projected need for housing affordable to moderate-income households, 17.5% of its projected need for housing affordable to low-income households, and 4% of its projected need for housing affordable to very-low-income households. An ordinance that encourages or requires faster development of housing affordable to lower-income households is necessary to meet the actual, determined needs of the City's residents. Vallejo needs to become a leader in ensuring all of its residents are able to live in homes they afford; the least the City can do is meet the standards set by its peers.

The City Must Solidify An In-Lieu Fee Formula

We additionally urge the City to determine a formula for an in-lieu fee to incorporate into the ordinance now, rather than later, and to require that funds from the fees be set aside to go directly to developing affordable housing. It is our goal to ensure that in-lieu fees are not misused by developers to avoid building affordable housing. Our priority is for developers to build affordable units on site in the same projects and at the same time their market rate housing is built. A properly set in-lieu fees can be a meaningful way to incentivize mixed-income housing, without becoming impractical for developers who may have real constraints on developing affordable units; when developers do have real constraints, in-lieu fees can help to raise money to develop affordable housing later.

The most common way to determine the fee is to calculate the costs based on the gap between the affordable-housing and market-rate costs of building. Another way to calculate the fees would be to determine the gap between the cost to build an affordable unit and the construction loan available to an affordable housing developer. Both formulas require a financial "affordability gap" analysis that takes into consideration the difference between operating costs and incomes

for a variety of housing types (e.g. rental apartment, single family home), and the sales prices or rents affordable by various types of households.⁶ The analysis would then allow for a determination of the affordability gap that can be translated into in-lieu fee amounts. Whatever formula is used, we recommend that the in lieu fee be set at 100% of the real cost differential. Because costs are constantly changing, usually increasing, it is best to write a formula into the ordinance rather than stating an amount itself, so that the fees reflect real time construction costs and inflation.

In determining an appropriate in-lieu fee, the City should ensure that the ordinance maintains a strong affordability *and* feasibility standard using incorporating production-oriented tools that improve feasibility of on-site affordable development, including density bonus alignment, parking reductions, expedited review, fee deferrals, and other incentives for projects that provide deeper affordability or exceed minimum requirements. These tools should not be used to weaken the affordability obligation, but rather to ensure that the ordinance produces real affordable units and does not become vulnerable to claims that it discourages housing development.

Finally, the City should establish a dedicated affordable housing fund into which all in-lieu fee revenues are deposited and restricted exclusively for affordable housing purposes, including affordable housing production, acquisition, rehabilitation, preservation, supportive housing development, the conversion of naturally affordable housing or underutilized nonresidential properties into long-term deed-restricted affordable housing and anti-displacement strategies.

The City Must Strengthen the Implementation and Enforcement Procedures Included in its Draft Ordinance

Finally, we urge the City to make an essential addition to the draft ordinance: the ordinance must incorporate a mechanism for implementation and enforcement, including details about what department will be in charge of implementing and enforcing the policy. Assigning ownership over the operation of the ordinance will ensure that it actually gets implemented; without this clarity, its impact may be delayed by years.

The City should also include periodic review and reporting provisions regarding implementation outcomes. Reporting should include the number of affordable units approved and constructed by affordability level, the amount of in-lieu fees collected and expended, the status of affordable housing projects funded through the ordinance, and progress toward meeting the City's identified lower-income housing needs. The ordinance should clearly identify the department or staff responsible for implementation, monitoring, compliance review, affordability covenant enforcement, and public reporting to ensure long-term accountability and effectiveness.

The City should also maintain a publicly accessible dashboard tracking implementation of the ordinance, including units approved, units built, affordability levels, in-lieu fees collected and expended, funded projects, and the pipeline of deeply affordable housing.

⁶ <https://www.huduser.gov/periodicals/cityscope/vol11num2/ch2.pdf> (summarizes in-lieu fee calculations taken from two studies: Keyser Marston Associates (2005) and Bay Area Economics (2007))

For all of the above reasons, we urge the City to strengthen its Draft Inclusionary Ordinance before adopting it by: expanding coverage to include all developments with 10 or more units; expand the percentage of units set aside to be affordable to lower-income households to 15% of units affordable for low-income, and 5% affordable to very low-income; establish a meaningful in-lieu fee formula now, rather than waiting.

We thank you for your time and consideration,

Skylar Spear
Staff Attorney
Public Advocates

Cristál Gallegos
Project Director
Vallejo Housing Justice Coalition

Paul Theiss
Sierra Club Solano County

Eli Smith
Vallejo Homeless Union

Melissa Morris
Staff Attorney
Public Interest Law Project

David Lindsay
Common Ground

Ary Smith
Senior Attorney
Legal Services of Northern California

Melvin Cowan
Founder & Principal
Enough Housing



Sent via email: hector.rojas@cityofvallejo.net

DATE: May 27, 2026

TO: Hector Rojas, Long Range Planning Director, City of Vallejo

FROM: Lisa Vorderbrueggen, Executive Director, East Bay Gov't Affairs, BIA|Bay Area

RE: Comments on May 7, 2026, Public Review Draft of the **Vallejo Inclusionary Housing Ordinance**

Dear Mr. Rojas:

The Building Industry Association of the Bay Area (BIA|Bay Area) represents 400 member companies engaged in the entitlement, development, design and construction of new homes across the nine-county region, including Solano County. We appreciate the opportunity to comment on the city's May 7, 2026, public review draft of the proposed inclusionary housing ordinance and the accompanying feasibility analysis prepared by Economic & Planning Systems, Inc. (EPS), dated March 13, 2026.

After reviewing both documents and relevant studies of inclusionary policies, BIA|Bay Area respectfully urges the city to decline to adopt the proposed inclusionary ordinance. Under current Vallejo market conditions, the ordinance will discourage new housing production, raise costs on projects that do move forward and deliver few – if any – affordable units, while worsening the city's overall housing shortage.

Our concerns and the supporting evidence are summarized below.

1. The city's own feasibility analysis shows the market cannot support the proposed requirements.

The EPS feasibility report is the most important document in this rulemaking, and its conclusions are stark. Of five residential prototypes tested against industry-standard return thresholds, only one –

single-family detached homes — is feasible under current Vallejo conditions, and only marginally so (15.13 percent profit margin against a 15 percent threshold).

- **Small-lot single-family:** 5.73 percent profit margin (15 percent required)
- **Multifamily condominium:** -36.50 percent profit margin — deeply infeasible
- **Baseline-density apartments (30 du/ac):** 4.97 percent yield-on-cost (5.5 percent required)
- **Higher-density apartments (65 du/ac):** 4.70 percent yield-on-cost (5.5 percent required)

EPS itself concludes that “*under current market conditions, it may be challenging to implement any of the inclusionary options as mandatory requirements.*” Vallejo’s multifamily rents sit 34 percent below the Bay Area median and 5 percent below the rest of Solano County, while construction costs have outpaced rents for two decades. The city’s share of countywide multifamily production has collapsed despite Vallejo being Solano County’s most populous jurisdiction.

Layering an inclusionary requirement on a market in which most product types are already infeasible does not produce affordable units. It produces no units.

2. Peer-reviewed evidence shows inclusionary zoning reduces supply and raises prices.

The economic case against an inclusionary ordinance in a weak market is established in the empirical literature, including by California researchers studying California cities. A 2019/2021 Mercatus Center synthesis of six studies showed that four found IZ raised prices and three concluded it reduced new production; none found that IZ increased supply.

- **Means & Stringham (2015):** IZ in California reduced housing supply by 7 percent and raised prices 20 percent between 1990 and 2000.
- **Bento et al. (2009):** IZ caused prices to rise 2–3 percent faster in adopting California jurisdictions and reduced single-family starts.
- **Hamilton (2021):** Mandatory IZ raised house prices 0.81–1.1 percent per year per square foot in the Baltimore–Washington region.
- **Schuetz, Meltzer & Been (2011):** In strong markets, IZ reduced supply and raised prices during periods of rising prices.

Nationally, researchers say IZ has delivered an estimated 129,000–150,000 units over the policy’s entire history — a trivial figure relative to demand, consistent with the program functioning more like a lottery than a meaningful affordable housing strategy.

3. The 2024 Turner Center / UCLA Lewis Center analysis is decisive.

The most directly applicable analysis of inclusionary tradeoffs is the April 2024 report *Modeling Inclusionary Zoning’s Impact on Housing Production in Los Angeles* by Shane Phillips, applying the Turner Housing Policy Simulator to L.A.’s Transit Oriented Communities (TOC) program.

Why it matters for Vallejo. The TOC program is widely regarded as a *best-case* inclusionary program: it is (1) voluntary, (2) provides large bonuses (up to 80 percent density, 55 percent FAR, parking elimination) and (3) operates in one of the strongest housing markets in the country. If problematic tradeoffs appear there, they will be far worse in Vallejo, where the proposed ordinance is mandatory, applies in a market the city's own consultant has documented as infeasible and offers no offsetting incentive beyond the materially less generous State Density Bonus Law.

Finding 1 — The exchange rate is brutal even in the best case. At the most efficient level (16 percent IZ), 4.3 market-rate units are forgone for every below-market-rate (BMR) unit produced. At 11 percent IZ: 4.5 lost; 25 percent IZ: 5.1; 40 percent IZ: 8.9. At *no* IZ level does the policy approach a one-for-one trade.

Finding 2 — Higher requirements eventually produce less of everything. BMR production peaks at ~25 percent IZ (49,500 units over 10 years in the L.A. simulation), then *declines* as the requirement rises. At 40 percent IZ, total housing falls to 96,200 units and BMR production drops to 38,500. Raising the requirement cannot solve a feasibility problem; it deepens it.

Finding 3 — A tiny rent increase wipes out the entire benefit. Phillips quantified the rent discount BMR tenants receive and compared it to the rent pressure that reduced supply imposes on L.A.'s ~740,000 market-rate renter households. Just 0.3–0.9 percent in additional annual rent growth fully negates every BMR unit the policy produces:

- **5 percent IZ:** 0.3 percent faster rent growth negates the \$551M annual BMR value.
- **11 percent IZ:** 0.6 percent negates \$1.08B.
- **16 percent IZ:** 0.8 percent negates \$1.41B.
- **25 percent IZ:** 0.9 percent negates \$1.67B.

Real-world IZ effects in the published literature (Hamilton: 0.81–1.1 percent per year; Schuetz et al.: 0.014 percent per year per year of policy age) place actual outcomes squarely within or above this break-even range. By the cited estimates, the policy more than negates its own affordable-housing benefit once costs to market renters are counted.

Finding 4 — Public subsidy is dramatically more cost-effective. The per-unit private subsidy embedded in an extremely-low-income BMR unit is ~\$24,000 in year one, versus \$13,800 per household for a Housing Choice Voucher in L.A. IZ is roughly 1.7x more expensive per household assisted than the principal federal rental assistance program — before counting supply-side and rent-growth costs. Vouchers and LIHTC are also progressively funded, while IZ functions as a regressive hidden tax on new renters and homebuyers.

Finding 5 — Development bonuses have hard limits. Cities cannot simply pile on larger bonuses. Above 7–8 stories, construction must shift from wood to concrete or steel — ~30 percent more expensive than Type III and 43 percent more than Type V. And value capture is sharply diminishing: a 100 percent density bonus may support 10 percent IZ, but a 300 percent bonus

supports only 18 percent, and a 1,000 percent bonus only 22 percent. The Vallejo draft offers no ordinance-specific bonus at all.

Finding 6 — The report’s explicit recommendation.

“...policymakers should generally reserve the use of land use reforms for increasing overall housing production to improve affordability and choice in the wider housing market. They should use other tools, including increased public subsidies, to produce BMR homes and assist lower-income households. Public subsidies will be more cost-effective in this context.”

That is precisely the path BIA|Bay Area is urging Vallejo to take.

4. The proposed ordinance compounds these risks with structural defects.

Several features of the May 7 draft make it materially worse than the inclusionary programs studied in the literature — including the L.A. TOC program.

- a. Mandatory, with no offsetting incentives.** The draft imposes mandatory set-asides on rental and ownership projects of 20+ units (§ 16.XXX.03) with no ordinance-level density bonus, height bonus, parking reduction, fee waiver or concession. While the State Density Bonus Law remains available, its incentives are materially smaller than the layered TOC bonuses Phillips modeled. As Phillips writes: *“mandatory IZ policies without development bonuses are a worst-case approach.”*
- b. No phasing, no market trigger, no sunset.** EPS expressly recommended phasing, alternatives to compliance and market-based triggers (e.g., aggregate units entitled). The draft contains none. It would take effect 180 days after passage regardless of market conditions and continue to apply even if production further collapses.
- c. The 20-unit threshold captures exactly what doesn’t pencil.** EPS shows that multifamily condominiums, baseline-density apartments and higher-density apartments — the product types most likely to occur in 20+ unit projects — are all infeasible today before any inclusionary burden. Applying the ordinance to these projects will ensure they are not built.
- d. 55-year covenants and replacement requirements add unmodeled cost.** § 16.XXX.06(E) imposes a 55-year affordability covenant; § 16.XXX.03(C) requires one-for-one replacement of existing deed-restricted units. Monitoring, compliance, restricted resale values and lender complications for ownership BMRs are not reflected in EPS’s subsidy-gap calculations. The actual feasibility hit will be larger than the report indicates.
- e. In-lieu fees set by later resolution create regulatory uncertainty.** § 16.XXX.04 defers the in-lieu fee to a future council resolution. Developers underwriting land today cannot price an obligation that has not been set. EPS’s economically equivalent in-lieu fees range from ~\$8 to \$50 per

square foot of market-rate space; at the high end, a 100-unit condominium project would carry a ~\$5.95 million in-lieu obligation on top of construction costs that already exceed sale value.

5. The likely outcome is fewer homes — and fewer affordable homes.

Taken together, the EPS findings and the empirical literature point to a clear, predictable outcome if the city adopts this ordinance as drafted:

- **Fewer projects will pencil and fewer will be built.** In the Turner L.A. simulation, moving from 0 percent to just 1 percent IZ reduced market-rate production by 71,400 units over 10 years. In a weaker market like Vallejo, the proportional effect will be at least as severe.
- **Vallejo will fall further behind its RHNA obligations.** The 6th Cycle Housing Element requires planning for 2,900 units, including 1,554 at Moderate Income or below. An ordinance that suppresses overall production undermines progress toward both market-rate and lower-income categories.
- **Few — if any — affordable units will actually be produced on-site.** With most prototypes infeasible at market rate, BMR units will not materialize. Developers who do proceed will rationally pay the in-lieu fee, shifting the strategy from unit production to fee collection at fee levels that themselves further suppress production.
- **Rents and prices in the existing housing stock will face upward pressure.** The cost of reduced supply is borne by all renters and buyers — disproportionately by lower-income households who do not receive a BMR unit. Phillips' 0.3–0.9 percent break-even threshold is well within the empirical range of actual IZ effects.

This is the central irony of inclusionary zoning: a policy adopted to help lower-income households can, in a weak or constrained market, make their situation worse.

6. Recommendations: Decline to adopt the ordinance and pursue strategies that expand supply.

For the reasons set forth above, BIA|Bay Area respectfully urges the Vallejo City Council to decline to adopt the proposed inclusionary ordinance.

The city's own consultant has documented that the Vallejo market cannot support the ordinance. The empirical literature consistently shows that, in markets like Vallejo, the policy will reduce supply, raise prices and produce few units. The 2024 Turner analysis — the most rigorous parcel-level modeling of inclusionary tradeoffs to date — concludes that public subsidies, not land use mandates, are the appropriate tool for producing below-market housing.

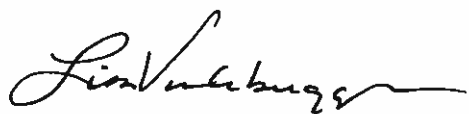
Instead, we encourage the city to direct its limited staff and policy bandwidth toward measures that the evidence shows will actually expand housing access:

- **Reduce the cost and time of building.** Streamline entitlements, lower impact fees (EPS's appendix shows \$48,000–\$70,000 per unit), reduce parking requirements and expand by-right multifamily zoning.
- **Allow low-cost housing typologies.** Small multifamily, courtyard apartments and missing-middle housing in more residential zones. Phillips notes such reforms “would lower per-unit land and construction costs and expand the number of parcels where redevelopment is feasible.”
- **Use targeted public subsidies.** LIHTC, HCD programs and Housing Choice Vouchers — which Turner cites as roughly 40 percent less expensive per household than IZ — to produce and preserve deed-restricted affordable housing.
- **Partner with nonprofit affordable developers** on city-owned or city-assembled sites, where public subsidy can be deployed efficiently and at the depths of affordability the ordinance contemplates.

If, notwithstanding the evidence, the council elects to proceed with some form of inclusionary policy, we urge — at minimum — every safeguard EPS identified and Turner validates: a voluntary, incentive-based structure with meaningful local density, FAR and parking incentives layered on top of the State Density Bonus and modeled on the L.A. TOC framework; market-based triggers tied to verified improvement in feasibility; phasing over multiple years; in-lieu fees set materially below the economically equivalent subsidy gap; geographic and product-type differentiation; and a sunset and mandatory re-study provision. None are present in the current draft.

BIA|Bay Area and our member companies stand ready to work constructively with city staff, the Planning Commission and the City Council to develop a housing strategy that delivers measurable results for Vallejo residents. We thank you for your consideration of these comments and would welcome the opportunity to meet to discuss them further.

Sincerely,



Lisa Vorderbrueggen

Executive Director, East Bay Gov't Affairs

BIA|Bay Area

lvorderbrueggen@biabayarea.org

925-348-1956 (mobile)

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Fair Housing Advocates of Northern California

851 Irwin Street, Suite 218, San Rafael, CA 94901 ▼ (415) 457-5025 ▼ TDD: (800) 735-2922
www.fairhousingnorcal.org ▼ fhanc@fairhousingnorcal.org

SENT VIA EMAIL ONLY: hector.rojas@cityofvallejo.net

May 27, 2026

Hector Rojas
Long-Range Planning Manager
City of Vallejo
555 Santa Clara Street
Vallejo CA 94590

RE: Vallejo's Draft Inclusionary Housing Ordinance

Dear Mr. Rojas:

We are writing regarding Vallejo's Draft Inclusionary Housing Ordinance.

Fair Housing Advocates of Northern California (FHANC) is a private nonprofit organization dedicated to assisting individuals experiencing housing discrimination and educating the community, including tenants, housing providers, and government employees, as to their rights and responsibilities under federal and state fair housing laws. The mission of FHANC is to ensure equal housing opportunity and to educate the community on the value of diversity in housing.

FHANC provides free comprehensive fair housing counseling services to individuals alleging housing discrimination in Sonoma County (except the incorporated city of Petaluma), Marin County, Solano County, and Napa County. FHANC also provides other services, such as prepurchase and foreclosure prevention services and trainings to housing providers in other neighboring counties.

In addition to counseling and education services, FHANC recruits, trains, and employs fair housing testers in order to investigate claims of housing discrimination and to assist in conducting systemic investigations.

We appreciate the City taking steps to enact an inclusionary housing ordinance to create more affordable housing in the City. Such a policy is key to meeting the City's duty to affirmatively further fair housing, as enacting an inclusionary policy constitutes a meaningful action that can contribute to replacing segregated living patterns with integrated and balanced living patterns.¹ Inclusionary policies are likely to benefit members of protected classes.

However, we would urge the City to enact a stronger inclusionary ordinance, following the lead of other Bay Area cities, by requiring at least 15-20% of units in residential projects to be affordable.² In California, the affordable unit requirements in inclusionary policies are typically between 10-20%, with

¹ See https://www.hcd.ca.gov/community-development/afhh/docs/AFFH_Document_Final_4-27-2021.pdf

² See https://www.urbandisplacement.org/wp-content/uploads/2021/08/urbandisplacementproject_inclusionaryhousingbrief_feb2016_revised.pdf

15% being a common standard.³ As Vallejo's ordinance falls significantly below this requirement, we would strongly urge the City to consider increasing the required percentage of affordable units. A strong inclusionary policy is essential step to furthering fair housing.

Thank you for your consideration and the opportunity to comment on the proposed ordinance.

Sincerely,

Caroline Peattie

Caroline Peattie
Executive Director Emerita
peattie@fairhousingnorcal.org



Julia Howard-Gibbon
Co-Executive Director & Legal Director
julia@fairhousingnorcal.org

Savannah Wheeler

Savannah Wheeler
Senior Housing and Policy
Attorney
savannah@fairhousingnorcal.org

³ See https://welp.org/wp-content/uploads/2018/12/inclusionary-factsheet_v2.pdf;
<https://siliconvalleyathome.org/resources/inclusionary-housing/>