



DATE: March 21, 2016

TO: Union City Mayor Carol Dutra-Vernaci, Vice Mayor Emily Duncan and Councilmembers Lorrin Ellis, Pat Gacoscos and Jim Navarro

FROM: BIA|Bay Area East Bay Governmental Affairs Executive  
Director Lisa Vorderbrueggen

RE: March 22, 2016 meeting, Agenda Item VI.b., Alternative Affordable Housing Compliance Proposal

Dear Mayor Dutra-Vernaci & Councilmembers:

As a representative of more than 400 companies that develop, design and produce housing the Bay Area, BIA|Bay Area is pleased to support Union City's innovative approach toward the provision of much-needed affordable housing.

We would like to take this opportunity, however, to request consideration of two refinements to the staff's proposed alternative affordable housing compliance policy.

With respect to the profit-sharing option, we would ask that the city base the minimum per unit fee upon the type of residential unit rather than set a flat single rate. A fee floor of \$160,000 per unit may make sense for a single-family home with a sales price in excess of \$1.5 million. But for smaller townhome or condo projects with lower sales prices, the percentage fee represents a higher financial burden that may jeopardize the development's financial viability. Setting the floor based on unit type is a more equitable option that will better fulfill the city's desire to make the payment of an in-lieu fee more attractive without jeopardizing the production of multi-family units.

Second, we understand there are residential development projects currently in the pipeline in Union City that have been financed based on the current regulatory environment and advice from city staff. We would ask that the city identify and grandfather residential development projects that fall into a specified transition period.

Thank you for your consideration. Please feel free to contact me at any time with questions or comments at 925-348-1956 or [lvorderbrueggen@biabayarea.org](mailto:lvorderbrueggen@biabayarea.org).

Sincerely yours,

A handwritten signature in black ink that reads 'Lisa A. Vorderbrueggen'.

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