

MEMORANDUM

DATE April 20, 2025
TO Zoe Meredith, Kevin Scudero, David Storer
City of Antioch
FROM Greg Goodfellow
SUBJECT Inclusionary Housing Ordinance: Staffing Insights and Recommendations

Zoe, Kevin and David,

This Inclusionary Housing Ordinance (IHO) Staffing Insights and Recommendations Memo is consistent with Task 2.3, Staffing Plan, of the Antioch Inclusionary Housing Ordinance Project. This document includes the following sections:

1. Value of an IHO Staffing Plan
2. Local Insights into IHO Implementation
3. Antioch IHO Staffing Recommendations

The contents of this document are informed by feedback from Contra Costa jurisdictions performed as part of this project; published studies of IHO implementation; and insights from PlaceWorks' previous IHO development projects.

1. VALUE OF AN IHO STAFFING PLAN

The City of Antioch has invested significant resources toward developing an IHO for consideration by City leaders. City staff have completed the following efforts to create a potential ordinance that reflects local goals, responds to the local market, and integrates stakeholder input:

- » Diverse in-person and online community outreach.
- » Planning Commission and City Council study sessions.
- » Coordination with local developers.
- » Financial feasibility and fee analyses.

This work is an initial expenditure of resources only. If an IHO is adopted, implementing the program will require ongoing management by city staff or, potentially, by city staff with the support of a third-party consultant. As described by the Lincoln Land Institute, "many [IH] programs...fail to adequately plan and budget [for implementation]. Understaffing can jeopardize long-term affordability, either because units are not adequately monitored or because there is not sufficient staff to enforce

restrictions when problems arise.”¹ Another study of IHO implementation in California identified multiple cases “where understaffed local governments have literally lost track of affordable units after requiring developers to produce them.”²

However, the structure of Housing Element Program 2.1.10, which is limited to IHO study and consideration, is an opportunity for Antioch to assess required resources and achieve IHO objectives. It allows the city time to understand the work required to build a well-organized implementation plan and consider various approaches to IHO staffing.

The amount of staff time required to implement an IHO varies depending on the components of the regulation and the intensity of local development. However, all IHOs require commitment to the following three basic categories of work:

- i. **Program start-up.** This includes training staff and creating a procedural, legal and informational infrastructure to streamline applications and decrease legal loopholes.
- ii. **Program compliance.** This includes reviewing each applicable project for compliance with all aspects of the IHO, whether via affordable unit construction, fee payment or consistency with alternative options.
- iii. **Program tracking.** This includes monitoring and enforcing IHO affordability restrictions across all future unit sales/rents.

As summarized by a leading California land use and housing attorney, “Getting the units planned and built, and then protecting the investment...is about two-thirds of the battle...programs also require a commitment of time and resources to monitor and implement the program over the life of the affordable unit.”³

Two decisions made by the city will affect the quantity and nature of staff resources:

- i. **In-lieu fees.** The option to pay in-lieu fees requires the creation of a local Housing Trust Fund (HTF). HTFs are typically adopted as part of a jurisdiction’s Municipal Code, and specify 1) funding sources, 2) allowable use of funds and 3) administration of funds. Administering an HTF requires various financial skillsets and staff resources not typically associated with plan review.

¹ Grounded Solutions Network, Lincoln Land Institute of Land Policy, <https://inclusionaryhousing.org/making-it-work/admin/>.

² Jacobus, Rick, 2007, Delivering on the Promise of Inclusionary Housing. PolicyLink, Lifting What Works.

³ Marchall, Polly V and Kautz, Barabara E., May 1, 2006, Ensuring Continued Affordability in Homeownership Programs, Institute for Local Government.

- ii. **Outsourcing.** Jurisdictions commonly outsource IHO program tracking and transactions to a third party consultant, effectively reducing staff burden.

The City of Antioch is positioned to develop a successful IHO staffing and start-up plan. The information and recommendations in this memorandum are intended to inform decision makers about potential approaches to such a plan.

2. LOCAL INSIGHTS INTO IHO IMPLEMENTATION

As part of the Antioch IHO project, PlaceWorks developed an online survey for staff of Contra Costa County jurisdictions who oversee administration of their jurisdiction's IHO. The survey was designed to inform Antioch's approach to IHO staffing and management, including:

- » Number of staff and hours dedicated to IHO administration.
- » Department(s) that contribute to IHO staffing.
- » Primary challenges of IHO administration.
- » Insights, recommendations, and/or direction for a jurisdiction considering IHO adoption.

All responders were asked to participate in a follow-up interview. Staff from Contra Costa County and four cities in Contra Costa County participated in the staffing outreach process.

Insights: Nature and Quantity of IHO Staffing

A series of survey questions was designed to assess staff time dedicated to IHO administration, participating departments, and the nature of work. The results of the following questions indicate that although IHO applications ebb and flow, approximately 2-3 staff from the planning and/or housing departments spend up to 10 hours a week on IHO implementation.

Question 1. *On average, how many staff members are working on IHO administration in your jurisdiction, at any given time?*

This was a multiple choice question. The answers indicate that in most local jurisdictions, up to three staff members participate in IHO administration at any given time:

- Seventy-five percent of responders answered 1-3 staff members.
- Twenty-five percent selected 4-6 staff members.

Question 2: *Which if the following best describes IHO-related work in your jurisdiction?*

This was a multiple choice question. Responses indicate that, overall, workload associated with IHO administration is difficult to predict. As a result, it requires an adaptive approach to staffing:

- Fifty percent of responders selected "It fluctuates significantly, preventing long-term staff planning."

- One of these responders explained further that “The number of [IHO] applications fluctuates from year to year so the average weekly number of staff hours is difficult to estimate.”
- Twenty-five percent answered, “It fluctuates, but with an ongoing baseline of work that can be shared among staff.”
- Twenty-five percent answered, “It is consistent and stable, requiring dedicated staff.”

The unpredictable nature of IHO work was reiterated in Question 8: *What are the primary challenges to staffing and administering your jurisdiction's IHO?* In response to this open-ended question, one responder wrote “the fluctuating nature of the program.”

Question 3. *What department(s) contribute to IHO administration in your jurisdiction?*

This was a multiple choice question. Responders were able to select multiple answers. The following city departments were selected most frequently, indicating that current planning and housing staff generally administer IHOs, with support from legal counsel:

- 1) Current Planning/Building Department (75%)
- 2) Housing/Housing Authority (75%)
- 3) Advanced Planning/Building Department (25%)
- 4) City Attorney’s office (25%)

Question 4. *Please estimate the average total staff hours dedicated to IHO administration each week, in your jurisdiction.*

This was an open-ended question to which responders submitted a range of estimates. At the lower end, one jurisdiction answered 3 hours total, and another answered 4 hours total. At the high end, three jurisdictions answered “5-10 hours” per week, while another stated that “It could be 10 percent or more of staff's time.”

Ongoing IHO workload is based on the size of a jurisdiction’s portfolio of affordable units. Antioch should plan for an initial investment of staff resources to set up the IHO (see Section 2), followed by a period of less activity before the first IHO applications are submitted. It will be difficult to assess the required staff time with accuracy until trends in IHO applications emerge.

According to one interviewee, “Certain aspects [of IHO implementation] are specialized, such as certification and underwriting, but in general it is more of a time intensive process. I would recommend at least one management level position to oversee a program with this type of complexity. Having a background in lending/finance or real estate would be beneficial.”

Insights: IHO Implementation

This section includes insights into the three components of IHO staffing introduced in Section 1:

1. Program start-up

2. Program compliance
3. Program tracking

1. Program start-up

Developing a foundation for IHO implementation will reduce future staff time. Program start-up includes training staff, developing non-technical materials, potentially adopting an HTF, and creating legally vetted financial and development agreement templates.

According to one local representative, “The [Antioch inclusionary] program would be most time intensive at start up...preparing standard template agreements, guidelines, compliance documents, applications, and procedures are also heavy with legal costs.” Another city responder described “developing template agreements” as a key component of training staff members who will later administer the ordinance.

The following are the major components of preparing for IHO implementation:

- **Guidelines and educational materials.** City staff will need to prepare comprehensive but non-technical IHO Guidelines and/or FAQ documents. These should explain ordinance components, eligibility, and application. According to one interviewee, “there needs to be a good reference document besides the ordinance itself...that highlights when it applies, when it doesn’t, breaks down the ordinance...stuff the developer needs to look for, and what staff needs to look for when reviewing the plans.” Another responder highlighted “...educating developers about the new regulations” as one of the primary challenges to staffing and administering an IHO (survey Question 8).
- **Conditions of approval.** Many jurisdictions use the issuance of building permits and/or occupancy permits to enforce inclusionary obligations. As such, Antioch may need to prepare specific conditions of approval for use during the planning application process, to ensure that projects comply with the inclusionary ordinances.
- **Development agreement template/contents.** This contract between the local agency and developer should detail how the inclusionary obligations will be met, which units will meet the requirements, and how construction and marketing of those units will be phased. Development agreements may be standalone documents or affordable housing plans attached to the master development agreement. In nearly all jurisdictions, inclusionary-related development agreements are recorded against the project property title.
- **Documents to enforce affordability.** Documents that guarantee the ongoing affordability of IHO units must be recorded in ways that are recognizable by lenders and title companies. These include deed restrictions, resale restrictions, option to purchase agreements, and buyer disclosures.
- **Staff training.** Antioch should assume that 1-2 staff members will participate in the program start-up process, both to prepare the necessary materials and engage in de facto training. The same staff should lead the initial implementation process. According to one survey responder,

“Staff learning the program, guidelines, and policies” was one of the primary challenges to implementing that jurisdiction’s IHO.

- **HTF adoption.** If the Antioch IHO includes the option to pay in-lieu fees, that City will need to adopt a Housing Trust Fund consistent with CA Health & Safety Code § 53545.9. This requires a separate public process, as HTFs are typically included in the Municipal Code. HTF ordinances include a purpose statement, allowable sources of funds allocated to the HTF, allowable programs and projects to which HTF funds may be allocated, and language for HTF administration. HTF ordinances are also typically paired with an HTF Guidelines or Management document.

2. Program Compliance

Program compliance refers to the process of reviewing development applications for consistency with IHO requirements and standards. As noted, the IHO regulations will shape the application review process. The following are the primary components of IHO compliance Antioch should consider in its staffing plan:

- **Plan review.** This includes reviewing and approving relevant housing plans to ensure consistency IHO affordability requirements and affordable unit standards. Staff will review plan elements such as unit types, location, amenities, external and internal construction standards, income targeting and similar details. As described by one interviewee, “Once it [IHO] is adopted, you are checking every single plan that comes through the city to make sure the BMR units are on the plans and appropriately designed so they don’t look and feel different.”
- **Construction oversight.** This includes overseeing construction of new affordable housing units to ensure they comply with IHO standards. IHO studies reveal that the absence of legally defensible documentation and lack of construction oversight can result in projects without the required number of affordable units or without units sold at the required affordability level(s).
- **Developer communication.** IHOs are complex and will require coordination with potential developers and those who have submitted applications. Developers who understand their options for meeting affordable housing obligations are more likely to comply with IHO regulation. Staff should also assume developers with projects that do not fit neatly into IHO parameters or categories will require additional assistance and communication.
- **Documentation.** As has been stressed, development agreements, deed restrictions and other documents guaranteeing affordability must be recorded properly and in ways that are recognizable by lenders and title companies. According to one Contra Costa jurisdiction, while templates will streamline the process, staff should expect that “Preparation of the deed restriction agreement along with other legal document templates could vary from project to project.”
- **Alternative IHO options.** Typically, planning staff will be less familiar with reviewing projects for compliance with fee payments, off-site construction, land dedication or other alternative

options. Staff who develop Antioch’s IHO guidelines should include specifics related to alternative compliance in these documents. According to one survey respondent, one of the primary challenges to administering the local IHO is developing an “Understanding of how to calculate the in-lieu fees and when to apply the alternative means of compliance.”

Overall, reviewing projects for compliance with IHO standards requires time and attention, but is likely to be the most familiar part of the IHO implementation process. This is consistent with responses to the following question in the staff survey:

Question 5. *Please rank the following components of IHO administration by the quantity of staff resources they demand, with "1" being the most demanding and "5" being the least.*

Seventy-five percent of responders described “Initial project review/determination of compliance” as either “4” or “5”, indicating that this process requires the least amount of staff resources.

However, 50% of responders described “Administration of alternative compliance” as “1”, and the other 50% described it as “3.” This indicates that alternative compliance options will require additional staff time.

3. Program Tracking

Effective IHO implementation includes tracking compliance with affordability restrictions across the life of each unit developed under the IHO. This includes monitoring initial sales/rents to eligible households and tracking future transactions. There is consensus among local jurisdictions that this requires consistent in-house or third-party staffing. As explained by one interviewee, “Staff is needed to track, coordinate, and confirm the execution of the marketing, household selection, sales, or rental of units in a timely manner... Calculation of the maximum sales prices can be challenging without experienced staff.”

As stated by another local staff member, “Ongoing monitoring and property tracking takes a lot of time and staffing over the period of affordability because deed restrictions can be 55 years and that is a long-term staff commitment.” It should be noted that at the April 16, 2025, Planning Commission study session, staff recommended to the Planning Commission that units should remain affordable in perpetuity.

The following are primary components of the tracking process:

- **Initial sales.** This could include marketing inclusionary housing opportunities to eligible residents, educating potential buyers about ownership and program requirements, screening and selecting buyers who meet eligibility standards, ensuring that buyers have access to appropriate financing. Some jurisdictions manage the initial sales of affordable units through a lottery, a process that one responding jurisdiction contracts out. That responder listed “buyer eligibility verification” as an area of expertise that should be understood by local staff if they decide to manage IHO tracking in-house.

- **Future sales transactions:** This includes monitoring all IHO units to ensure ongoing affordability, the eligibility of owners, and proper payment of taxes and insurance. A staff member of a local city that contracts out resales and rents of affordable units explained: “the ongoing monitoring of the units is also time consuming and requires knowledge in this field, as well as the resale of homeownership units.”
- **Future rentals.** This includes monitoring the setting of future rents, marketing of units, designing the application process, selecting tenants, monitoring for compliance.

3. ANTIOCH IHO STAFFING RECOMMENDATIONS

Developing an accurate IHO staffing plan will require an adopted ordinance and a period of application activity. Regardless, Antioch can draw insights from local staff.

The staff survey closed with the following open-ended question:

Question 9. *What other insights would you offer to a medium-sized jurisdiction that is preparing staff for IHO implementation?*

Answers included:

- » “Training, developing template agreements, resale restriction process, buyer eligibility verification, and overall monitoring are areas that should be understood.”
- » “The city should ask itself how they would like to manage this program. Would they rather collect in lieu fees to fund affordable housing projects, or would they want to require the construction of affordable housing over multiple development projects? The result of the second [scenario] is that there would be more projects with fewer units that require monitoring by the city. [In] the first scenario...there would potentially be more units in the single project...and the city will need to pull together experienced staff to execute these financial transactions.”
- » “I would suggest contracting out the administration of this program.”
- » “[Identify] Dedicated staff to implement the IHO.”

Based on these and the other local insights, PlaceWorks recommends the following actions toward IHO staffing and implementation in Antioch:

1. **Timed implementation.** Antioch should build a 3-to-5 month planning period into IHO adoption. This period between adoption and effective date will allow staff to plan for the specifics of the IHO and guide program start-up, including:
 - Developing IHO Guidelines and educational materials.
 - Creating legal/financial document templates with legal review.
 - Potentially adopting an HTF.
 - Outlining a staffing structure.

- Training IHO staff.
 - Developing conditions of approval.
2. **IHO point person.** Antioch should appoint a single staff member to lead IHO start-up, identify and allocate workload, and coordinate between participating departments. The city should assume the point-person will dedicate up to 5 hours/week to IHO programming during the planning period. Additional staff time dedicated to the IHO planning period will include:
 - Managerial: 2 hours/weekly
 - Legal: 2 hours/weekly
 - Additional planning staff: 3 hours/weekly
 3. **In-house working group.** Antioch should consider appointing a temporary IHO working group to guide start-up and staff planning. The group should include staff from all participating departments, including the City Attorney. As described by a local interviewee: “It would be good [for Antioch] to have all the people that will be involved in one room, to decide who will have signing authorization, how each person relate to each in the process, go over priorities, where authority lies, go over FAQ, etc.”
 4. **HTF research and development.** Existing recommendations for the Antioch IHO indicate that the ordinance will include an in-lieu fee option. Typically, these fees are “banked” in a local HTF. As noted, HTFs receive ongoing revenue from the IHO and other sources, and the funds are designated to support a variety of housing efforts. Affordable housing developers and land trusts may apply for funding for housing projects through the HTF. Following IHO adoption, staff should begin identifying the Antioch’s priorities for a local HTF, researching existing examples and establishing HTF guidelines.
 5. **Assessment of staff resources.** Antioch should review existing staff responsibilities, expertise, workload, and availability. The city should then identify all potential staff members who will contribute to IHO implementation and require IHO training. The city should assume that following start-up, no more than 10 total hours of staff time will be required to implement the ordinance, followed by a more accurate assessment of workload based on IHO application trends.
 6. **Explore third-party assistance.** Depending on the results of the staffing resources and expertise assessment, the City should perform a cost/benefit analysis of contracting out any or all of the following components of IHO management:
 - Coordination with developers and their agents.
 - Onboarding of developers.
 - Program marketing and responding to inquiries.
 - Initial eligibility screening.
 - Application processing.
 - Documentation preparation.

- Preparing payoff demands and calculating sales prices.
- Ongoing monitoring and enforcement of existing portfolio.

As stressed throughout this document, IHO staffing is difficult to predict with accuracy and will fluctuate with development activity. The information and recommendations in this memorandum are intended only to prepare Antioch staff for the implementation process and develop a successful infrastructure prior to the IHO effective date.