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OAKLAND

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AGENDA REPORT

TO: FRED BLACKWELL
CITY ADMINISTRATOR

FROM: Rachel Flynn

SUBJECT: Draft 2015-2023 Housing Element

DATE: May 15, 2014

City Administrator
Approval

Date

5/22/14

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Staff recommends that the City Council receive:

An Informational Report On The Draft 2015-2023 Housing Element Of The Oakland General Plan

EXECUTIVE SUMMARY

Staff has prepared this informational report to inform the City Council about the availability of the Draft 2015-2023 Housing Element (See *Attachment A*). This report describes the framework for the preliminary comprehensive citywide housing policy. Staff is currently seeking public comment on this draft and will submit the draft to the California Department of Housing and Community Development for a preliminary review in early July 2014.

BACKGROUND/LEGISLATIVE HISTORY

The Housing Element is one of the required elements of Oakland's General Plan. The *2015-2023 Housing Element* is an eight-year blueprint for housing in Oakland, at all economic levels, including low income households and households with special needs.

State law requires local governments to adequately plan to meet their existing and projected housing needs. Under state law, Housing Elements must be updated every four to eight years. (The previous Housing Element was adopted in 2010 for the 2007-2014 planning cycle.) The contents are established by state law and must include measurable objectives. The Housing Element update is subject to certification by the State of California.

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Once the *2015-2023 Housing Element* is found to be in compliance by the State Housing and Community Development Department and the City submits its annual report on time, the City and other entities operating within the City are eligible to apply for critical regional and state funds (e.g. BEGIN Program, Infill Infrastructure Grants, Housing Related Parks Program, Local Housing Trust Fund, CDLAC Single Family Home Program, I-Bank and ISRF Programs, the HELP Program, and MTC One Bay Area Grant Program). The Housing Element provides a forum to define community goals for housing including the types of housing to be built and the priorities for spending housing dollars. It also provides an opportunity to incorporate ongoing housing policy discussions.

The foundation for the draft *2015-2023 Housing Element* is an inventory of sites suitable for residential development in Oakland, and a determination of whether the housing potential on land suitable for residential development is adequate to accommodate Oakland's Regional Housing Needs Allocation (RHNA). This is a state-mandated requirement that all California cities provide for their fair share of the regional housing need for all income levels. The State of California has determined the need for 187,990 new housing units in the 9-county Bay Area for the years 2015-2023, and RHNA "assignments" for each city are determined by ABAG. The draft *2015-2023 Housing Element* also identifies constraints which make it difficult to produce housing in Oakland.

Oakland is required, under the RHNA, to plan for 14,765 new housing units between the years 2015 and 2023 in its update of the Housing Element. Of this total, 2,059 should be affordable to very low-income households, 2,075 to low-income households, 2,815 to moderate-income households, and 7,816 to above moderate-income households. The City is required to provide the land capacity for these units (through zoning and development regulations), but is not required to build the units or otherwise guarantee their construction. Market conditions and limited availability of subsidies prevent many cities from actually achieving their RHNA targets.

Cities implement their housing elements through regulatory tools such as zoning housing programs and through daily decisions by staff, the Planning Commission and City Council about housing development, and housing programs. Oakland operates a number of housing programs targeted to lower income homeowners and renters, and works with various non-profit community organizations and service providers to facilitate the development and preservation of housing options for all Oakland residents.

RECENT CHANGES TO STATE LAW

Senate Bill (SB) 375, the Sustainable Communities and Climate Protection Act, which was adopted in 2008, strengthened coordination between regional housing allocation and transportation planning. Under SB 375, the Metropolitan Transportation Commission (MTC) is required to incorporate a Sustainable Communities Strategy (SCS) into the Regional Transportation Plan (RTP). The SCS is intended to achieve greenhouse gas (GHG) emission reductions. To that end, regional housing allocation planning should be designed to achieve GHG emission reduction goals by developing efficient land-use strategies such as infill, mixed-use, and/or downtown revitalization strategies, promoting and incentivizing a variety of housing types affordable to the workforce and households with lower incomes, and addressing climate change by reducing vehicle miles traveled. Additionally, SB 375 amended the RHNA schedule and strengthened rezoning requirements. Non-attainment Metropolitan Planning Organizations (MPOs) (of which the Bay Area's Metropolitan Transportation Commission is one) must adopt an RTP every four years. RHNA and housing element schedules must be coordinated with every other RTP, requiring housing elements be updated every 8 years, no later than 18 months after RTP adoption.

In an effort to meet overlapping objectives of SB 375 and Housing Element law, ABAG adopted "Plan Bay Area" with the following objectives:

- Increase supply, diversity and affordability of housing;
- Promote infill development and more efficient land use patterns;
- Promote intraregional relationship between jobs and housing;
- Protect environmental resources; and
- Promote socioeconomic equity.

The Plan Bay Area's strategy is to meet the region's housing need in Priority Development Areas (PDAs). PDAs are transit- and service-rich neighborhoods that offer a wide variety of housing options and amenities such as grocery stores, community centers, and restaurants. Oakland has identified six areas of the City that fit these criteria, or have plans to improve its infill development capacity in these areas. The One Bay Area Grant program (OBAG) operated by MTC will focus transit investment to jurisdictions that embrace infill housing and development planning. OBAG funding will take into account local jurisdictions' past housing production and housing production during the 2015-2023 RHNA planning period, for both market rate and affordable housing units constructed. The OBAG program also emphasizes the importance of planning for housing by requiring that a jurisdiction has a Housing Element certified by the California Department of Housing and Community Development (HCD) to be eligible for funding. In 2013, Oakland received \$20 million in transit investment for five projects located in PDAs. The City's Housing Element policy goals are designed to align with Plan Bay Area's objectives.

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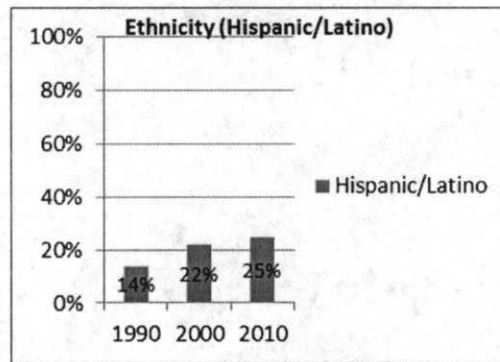
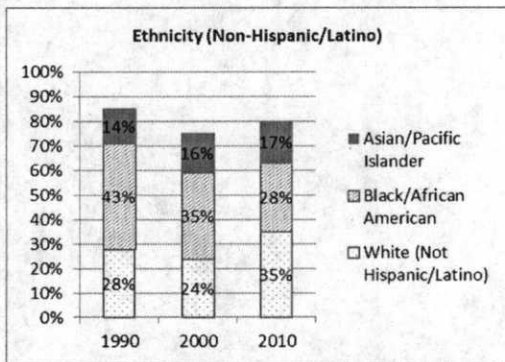
ANALYSIS

The last three decades have brought significant changes to Oakland. Before 1980, Oakland had experienced three decades of population decline due to changes in the local economy, migration to suburban communities, and other factors. Since 1990, Oakland has experienced growing interest as a place to live and work. In recent decades the San Francisco Bay Area has been the focal point of significant economic development and investment in the technology sector. In the early 2000s this resulted in significant constraints on housing in areas located near Silicon Valley (San Mateo County and San Francisco City and County). The bursting of the housing bubble and resulting foreclosure crisis and economic slowdown after 2008 resulted in a decline in housing demand and costs both in rental and ownership units in Oakland. A resurgence in the technology sector in recent years has resulted in another period of high housing demand that has spilled over to other regional cities including Oakland. One indicator of the regional nature of housing demand is the “Google Bus” phenomenon. Information technology companies provide free luxury coach bus shuttles from Bay Area cities to their corporate campuses in Silicon Valley. Those busses now have pick-up locations at four Oakland locations (including three BART stations). Murmurs of the regional impact of housing demand on the City of Oakland are starting to become visible in ways such as higher demand and increased costs of rental and ownership housing in the City.

Assessment of Existing Housing Market Conditions

Population Characteristics

Since at least the 1940s, Oakland has had a significantly higher percentage of African American, Asian and Hispanic residents than other cities of similar size. However, the most significant change in Oakland’s population since 2000 has been a decrease in the number and the proportion of residents who identified themselves as Black/African-American. Between 2000 and 2010, Oakland’s African American population declined by 22 percent. In comparison, during that same time, the White population increased by 44 percent, Asian/Pacific Islander population increased by 9 percent, and the Hispanic/Latino population increased by 13 percent.



The 2010 Census also showed that the number of households in Oakland has grown, but there has been a decline in the average household and family size. The average household size declined from 2.6 in 2000 to 2.49 in 2010. Similarly, the average family size also decreased, from 3.38 to 3.27. Of Oakland's family households with children (22,818), nearly one third (32 percent) are female-headed households. Female-headed households with children have slightly declined from 14,932 to 12,173 between 2000 and 2010. Among Female Headed Households, 55% live below the Poverty Level. Single-parent male-headed households increased from 3,298 in 2000 to 3,627 in 2010. Although household and family sizes are trending downward, they are still significant, which suggests that Oakland should plan for more housing to address the shortage of affordable housing for large families. According to the 2000 Census, there were 11,365 renter households with five or more persons, but only 2,341 rental units with four or more bedrooms (data for number of bedrooms in housing units is not available in 2010 U.S. Census data).

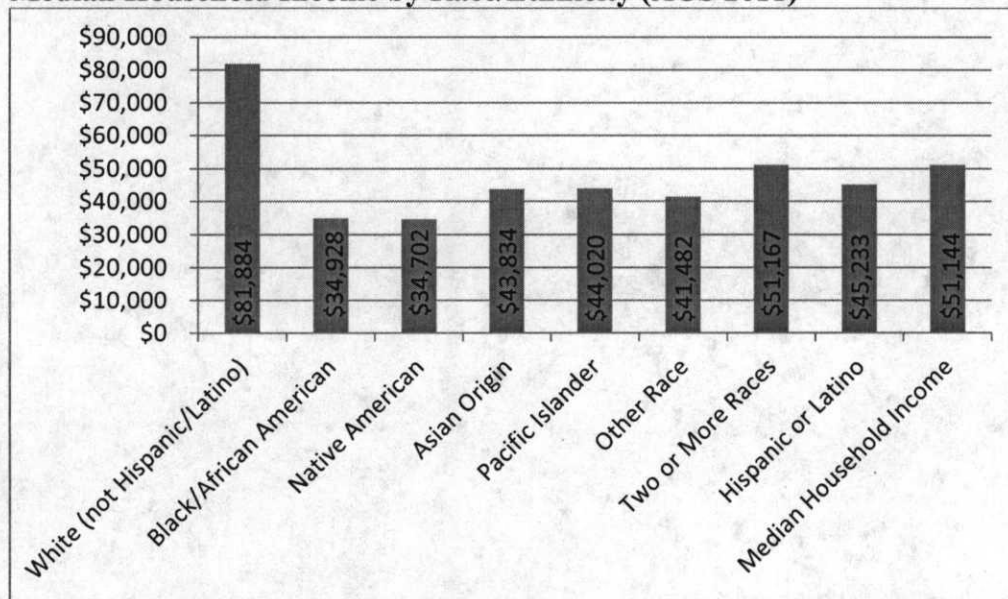
The senior citizen population increased from 41,788 to 43,449 between 2000 and 2010; a large percentage of seniors live alone and there are also a large percent of both owners and renters with incomes below 50% of the area median income. This trend suggests a continued and increasing need for affordable senior housing, especially rental housing for very low-income seniors, and a growing need for assisted care facilities so that seniors do not have to leave Oakland as they age. Even those seniors who do not need financial assistance may face limited choices for suitable housing if they choose to stay in Oakland. Approximately half of the homeowners in the City are over the age of 55, which may suggest an increasing need for financial assistance to lower-income seniors to make modifications for greater accessibility and mobility within and around the home, energy efficiency, and other home repairs and improvements that will allow seniors to live longer, independent lives in their present locations.

Oakland's homeless population has remained relatively constant since 2011, at 1,412 unsheltered homeless households. While the City of Oakland has a significant inventory of affordable housing, there are very long waiting lists for these units and most of them do not have supportive services or are not affordable to the current homeless population. Oakland's Permanent Access to Housing (PATH) Strategy contends that homelessness can be prevented or ended for these 1,412 households only by creating affordable and supportive housing units affordable to those with extremely low incomes. Further, resolving to end homelessness would require short-term subsidies for those who have obtained housing but are at risk of becoming homeless.

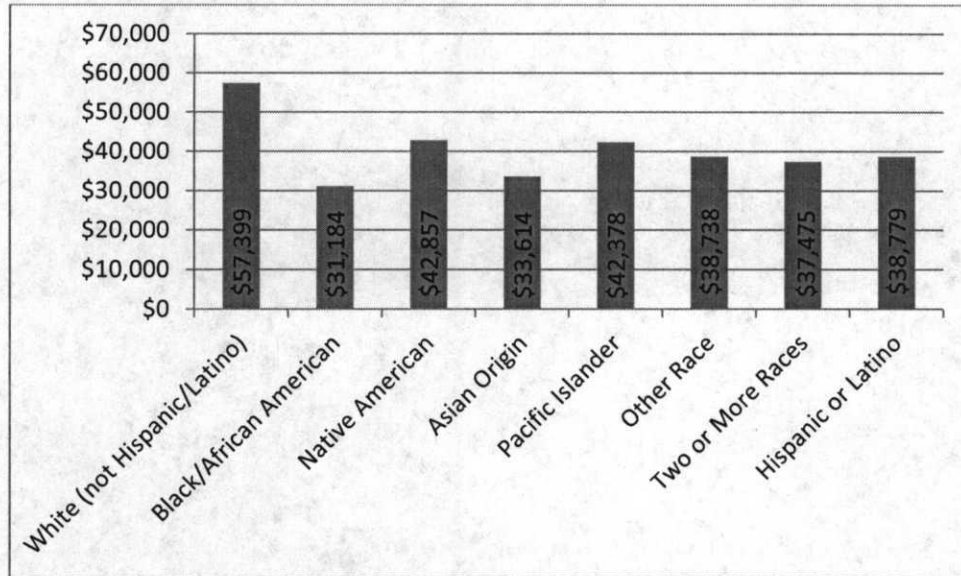
As of 2010, 59% of Oakland residents are renters, and 41% are homeowners. Over half of the City's households are very low- and low-income, virtually unchanged from the 1990 and 2000 Census. This is significantly above the countywide average of approximately 40 percent. If this income trend continues, the City is likely to experience a growing demand for assisted rental housing and first-time homebuyer assistance among low- and moderate-income family households, while non-family households may be better able to pay market costs for housing.

There are also significant disparities in income by race and ethnicity that have appeared in Oakland's demographics in 2011 compared to 2000. Households of White origin, who saw significant population gains between 2000 and 2010, had the highest median incomes in the City (in 2011 it was \$81,884 +/- \$2,961 compared to \$57,399 in 2000). Households of Asian or Hispanic or Latino origin saw modest population gains, however these households have significantly lower incomes (in 2011 it was \$43,834 +/- \$3,248 and \$45,233 +/- \$2,159 respectively compared to \$33,614 and 38,779 in 2000 respectively). Black/African American households, though their proportion of the population has declined, have among the lowest incomes in the City (in 2011 it was \$34,928 +/- \$1,488 compared to \$31,184 in 2000).

Median Household Income by Race/Ethnicity (ACS 2011)



Median Household Income by Race/Ethnicity (Census 2000)



Oakland's Housing Characteristics

Nearly half of Oakland's housing stock consists of single-family detached units (78,084 detached units) and more than 75% of all Oakland units were built prior to 1979. However, new construction is generally multi-family (townhomes, condos, apartments and lofts).

According to the City's annual rent survey, the estimated median rent in 2012 for a one-bedroom was \$1,095 and \$1,350 for a two-bedroom. The annual rental survey was not completed in 2013. Recent anecdotal evidence indicates that market rents have increased in Oakland according to an article in the San Francisco Chronicle¹ and based on data from RealFacts (a company that aggregates market rental data nationally). It is reported that the average rental rates for Oakland increased 10.3% from 2012 to 2013 to an average of \$2,124 (the type of unit was not noted in the article though it is assumed that it is an average of all types of units). RealFacts.com data is limited to a very specific market area that may not tell the story for what is happening in the entire City. Regardless, it is an indicator of an alarming trend of increased rental costs².

The median home sales price in 2013 shows that Oakland continues to rank among the lowest in ownership cost compared to other Bay Area cities. In recent years, this relative affordability has caused median home sales prices to grow at the highest rate among a sample of Bay Area cities. This illustrates that regional demand for housing is impacting the City's housing values. From

¹ Said, Carolyn, "Rents Soaring Across Region," *San Francisco Chronicle*, October 25, 2013.

² RealFacts data is based on 19 market rate buildings with 50 or more units located in the following zip codes: 94606, 94607, 94609, 94610, and 94612.

about 2008 to just recently, the financial crisis and resultant foreclosure crisis significantly impacted median home sales prices in all neighborhoods. As of 2013, the median sales prices by zip code ranged from \$153,000 to \$840,000.

Framework for a Citywide Housing Policy

A comprehensive citywide housing strategy is needed to ensure that the City protects housing resources in terms of availability and affordability for its existing and future residents, and ensures that intensification of existing neighborhoods is complimented by investment in public parks, infrastructure, and other important quality of life components. A comprehensive housing strategy is proposed to address the community's concerns regarding the following housing-related issues:

- I. Displacement of long-time residents;
- II. Foreclosure fall out;
- III. Community benefits;
- IV. Fostering market-rate housing as well as affordable housing; and
- V. Housing equity roadmap.

I. Displacement of Long-Time Residents

Preventing displacement of long-time residents is an important policy objective for the City of Oakland given the City's changing demographics (i.e., an influx of population with higher incomes) and the increasing cost of rental rates and home prices. As the City implements its recently completed Specific and Area Plans, there is the potential for displacement of low income and/or communities of color following reinvestment in their communities as an unintentional outcome. Displacement jeopardizes existing residents' ability to remain in the neighborhoods due to increased housing costs and insufficient access to employment opportunities. Further, the shift toward wealthier, more highly educated residents and higher-end businesses and increasing property values, sometimes at the expense of poorer residents, could also result from reinvestment in the neighborhoods (and surrounding areas) undergoing specific planning processes (i.e., West Oakland, Broadway Valdez, Coliseum, and Lake Merritt).

The City has a number of existing programs to address displacement, presented below.

Strategic Initiatives

This new unit within the City's Housing and Community Development Department identifies the City's priority housing and community development challenges and develops innovative solutions utilizing policy, program, and public/private partnership strategies. Examples of initiatives recently launched by Strategic Initiatives include:

- Housing Assistance Center, a one-stop center to address the housing problems of vulnerable residents;

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- Comprehensive foreclosure prevention strategies and programs;
- Proactive new policy and program addressing defaulted and foreclosed properties, as well as subsequently owned investor properties;
- Community buying program to transform abandoned properties into new affordable housing; and
- International Boulevard equitable development initiative prioritizing anti-displacement strategies of long-time residents and businesses in a new Transit-Oriented-Development Corridor.

Housing Programs

The City of Oakland's housing programs support and fund housing rehabilitation, provide assistance to first time home buyers, help fund housing development, and provide other miscellaneous housing services for low and moderate-income households through:

- Housing rehabilitation programs;
- First-time home buyer programs;
- Housing development programs to construct or rehabilitate affordable housing;
- Programs to provide assistance to Oakland residents, including homeless; and
- Funds that assist non-profit service providers to support Oakland residents in a variety of housing related activities.

Tenant Protections

The City's residential Rent Adjustment Program limits rent increases to once per year at an amount equal to the average annual percentage increase in the Consumer Price Index (CPI). This ensures stability in rental rates for existing tenants. Also, the City's Just Cause for Eviction Ordinance helps to ensure tenants are not subject to eviction motivated by a rental property owner's desire to increase rents.

Residential Lending Programs

The Residential Lending Division of the City's Department of Housing and Community Development provides technical and financial assistance for repairs to owner-occupied homes and grants for accessibility modifications to owner-occupied and rental properties in the 1-4 unit size category. Residential Lending Division loans (as well as limited grants) provide valuable financing and are used to make accessibility improvements to allow individuals with disabilities access, to enable the community's seniors to age in place, and to conduct lead paint remediation that allows young children to grow up without the threat of lead poisoning. These programs allow low to moderate income households a chance to remain in their homes, lessening instances of displacement of residents, while still improving the housing stock and supporting neighborhood reinvestment. The Residential Lending Division provided 288 loans/grants during FY2012-13 throughout the City.

First Time Homebuyer Assistance

Mortgage Assistance Programs provides deferred payment second mortgages to low and very low income homebuyers. The City develops new and rehabilitates existing ownership housing units for purchase at affordable prices to low income families through collaboration with nonprofits such as Habitat for Humanity, Oakland Community Land Trust, and East Bay Asian Local Development Corporation.

Other programs provided by the City and by organizations, such as the Unity Council, with whom the City has developed partnerships, include counseling and education for first-time homebuyers.

Affordable Housing Development

Staff implements the City's annual Notice of Funding Availability (NOFA) process to make competitive funding awards for affordable housing projects. The City-funded and former Redevelopment Agency-funded portfolio includes approximately 133 projects with roughly 6,150 units to ensure proper management and maintenance and compliance with rent and income limits. There are other assisted housing units in the City that are not City or Agency-funded (but that do not include properties owned or managed by the Oakland Housing Authority or related entities). Counting those units there are a total of approximately 10,875 units.

Except for a minor predevelopment loan program, funding awards are made on a competitive basis, with ranking criteria including development and management experience of the development sponsors, location near transit and service/retail amenities, income levels served, and environmental/sustainability measures incorporated.

Condominium Conversion

Preservation of the existing housing stock is achieved through various regulatory tools, including Condominium Conversion regulations and development standards. The city's Condominium Conversion Ordinance addresses the conversion of rental units to ownership condominiums. The Condominium Conversion "Area of Primary Impact" could be extended to strategic locations throughout the City experiencing intense development pressure (such as in the Specific Plan areas) which would require rental housing that is converted to condos to be replaced (in the area). This would help to ensure a balance between rental and ownership housing in these locations. Limitations on condominium conversions will help preserve existing rental housing and prevent displacement. Possible impacts of extending the Area of Primary Impact would be studied prior to adopting an extension.

II. Foreclosure Fall Out

In October 2012, the City launched its foreclosure prevention and mitigation initiative that included community outreach and referral, homeowner and tenant counseling services, homeowner and tenant legal services, a City escalation team, and the Restoring Ownership

Opportunities Together (ROOT) Loan Fund. While Oakland has seen a significant decrease in foreclosure activities over the last year, and the prevention and mitigation efforts undertaken by the City and community partners have resulted in favorable outcomes for many Oakland households threatened by foreclosure activities, Oakland neighborhoods continue to experience the negative impacts of the foreclosure crisis. These negative impacts include public health hazards, deteriorated housing conditions, neighborhood destabilization resulting from abandonment and negligent property maintenance, and difficulties with banking entities that have large defaulted and foreclosed portfolios that are not complying with the intent of the January 2013 California Homeowner Bill of Rights, the purpose of which was to ensure fair lending and borrowing practices.

City staff implements various programs targeting these issues that are detailed in the City's Annual Action Plan to HUD (funded by CDBG, NSP, and program income from blight abatement program enforcement), including:

- Door-to-Door Foreclosure Prevention Outreach;
- Foreclosed Properties Blight Abatement Program;
- Foreclosure Counseling and Prevention;
- City's Neighborhood Stabilization Program (NSP) program (including investments into the Oakland Community Land Trust and Pre- and Post-Purchase Homebuyer Counseling); and
- ROOT Loan Fund Program.

New efforts include broader strategies such as a program to purchase distressed mortgage notes and a Community Buying program to purchase properties for home preservation or new affordable housing opportunities.

III. Community Benefits

Throughout the Specific Plan community involvement processes, as well as the initial public review of the *2015-2023 Housing Element*, the City has received numerous comments regarding community benefits. Residents expressed a strong interest in improving the quality of life for existing and future residents as the City becomes more dense. Residents valued community benefits such as investment in affordable housing, public infrastructure (streets and sidewalks), public spaces (plazas, parks and community centers) and social programs (childcare and jobs programs) and felt that the City must establish a mechanism for making developers contribute to community benefits. The City has proposed exploring options around Housing Incentive Zoning and an affordable housing impact fee to address community benefits.

Housing Incentive Zoning

The City has proposed Action 1.1.5 in the *2015-2023 Housing Element* which introduces housing incentive zoning as a potential way to address the provision of community benefits in concert with new development. Housing Incentive Zoning could provide a package of incentives to developers who include affordable housing and other community benefits in their projects. Housing Incentive Zoning is one tool for achieving community-identified benefits, such as affordable housing. The City will explore the feasibility of developing Housing Incentive Zoning that would target those areas throughout the City that are primed for development, and could most likely provide affordable housing and other community benefits.

The areas to be mapped with Housing Incentive Zoning could include some or all of Oakland's Priority Development Areas (PDAs). These are neighborhoods within walking distance of frequent transit service, offering a wide variety of housing options, and featuring amenities such as grocery stores, community centers, and restaurants. Given the importance of Federal Low Income Housing Tax Credits (LIHTC) in financing affordable housing, identifying which sites are good candidates for such tax credits would assist with addressing the affordable housing targets. Sites most competitive to receive tax credits are those sites in close proximity to transit and services, such as grocery stores and medical services, which are present in many of the City's PDAs. The Association of Bay Area Government's *Plan Bay Area* helps fund mixed-income housing production and locally-led planning in PDAs, further leveraging investment in these areas.

It is important that the City develop a carefully crafted bonus and incentive program that results in clear benefits for the community while not discouraging development. The program would need to offer bonuses and incentives that make sense in the marketplace, so that developers actually make use of them and the desired benefits or amenities are attained. For this reason, the economic feasibility of development must be a determining factor in arriving at the trade-off between development bonuses and incentives, and the amount of community benefits to be provided by a developer. The feasibility analysis will be a key component of any Housing Incentive Zoning process and will need to identify an appropriate method for allowing additional heights or density in exchange for the provision of affordable housing and other community benefits.

Affordable Housing Impact Fee

The provision of affordable housing choices is a concern and goal for the City of Oakland and must be addressed comprehensively, on a citywide basis. Action 2.7.2 of the *2015-2023 Housing Element* calls for the City to consider implementing an affordable housing impact fee. Impact fees are a commonly used method of mitigating the impacts of new development. An Affordable Housing Impact Fee is typically a per unit or per square foot fee levied on market rate housing and/or commercial development that can be used to build affordable homes. The rationale for an affordable housing fee is based on the premise that every person who moves into a market-rate home, or operates a business in a commercial development, will generate a need for services

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typically provided by employees who are paid less than the median income, such as hair dressers, coffee baristas, gardeners, healthcare workers and preschool teachers. In order to fund “workforce” housing for these residents, subsidies are often required to make new affordable housing development viable. A Housing Impact Fee could be one source of those subsidies. The City of Oakland is planning to commission a nexus study to determine if an affordable housing impact fee is supportable, given current market conditions, and if so, what an appropriate fee structure would be given the housing demand and investment activity. Adoption of an affordable housing impact fee requires a nexus study, the purpose of which is to quantify the impacts of development. The Mitigation Fee Act specifies procedures for the adoption of impact fees, which include public notice and a public hearing, and adoption by ordinance or resolution by a majority of the legislative body (e.g., Oakland City Council). Impact fees are usually imposed either jurisdiction-wide or in other relatively large areas anticipating significant amounts of new development.

The affordable housing impact fee will be considered along with impact fees for transportation and capital improvements to mitigate impacts on City infrastructure and services while balancing the costs to support new development. The City will be issuing a Request for Proposals (RFP) during the Housing Element planning period for an impact fee study that will consider transportation, infrastructure, and affordable housing.

IV. Market Rate Housing Strategy

The City is committed to fostering the development of market rate housing in addition to affordable housing. To this end, the City is proposing the following initiatives: implementation of the recently completed Specific and Area Plans, expansion of the micro-living quarter regulations and modification of the secondary unit regulations, each of which is discussed below.

Specific and Area Plan Implementation

Over the past several years, the City has invested significant resources into developing Specific and Area Plans that will guide development in various neighborhoods over the next twenty years. The City’s Strategic Planning Division initiated four Specific Plans and one Area Plan during the *2007-2014 Housing Element* period, which identify housing policies specific to their study areas: Lake Merritt Station Area (Specific) Plan, Broadway Valdez Specific Plan, West Oakland Specific Plan, Coliseum Area Specific Plan, and Central Estuary Area Plan. Each Plan included extensive community outreach processes and has resulted in specific zoning proposals. These Specific and Area Plans will facilitate the construction of nearly 17,000 new housing units in the City of Oakland with the goal that at least 15% of the new units are affordable.

The approval of the Specific and Area Plans will provide these substantial housing gains in two respects: environmental clearance and community buy-in for future housing projects. An environmental impact report was prepared for each Plan, which significantly streamlines future environmental review for projects that are consistent with the development density established

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by the specific plan and zoning regulations. Each planning process involved extensive community participation which culminated with significant community buy-in to the policies and development framework outlined in the plans, thus minimizing possible community opposition to future housing development projects.

Expansion of Micro-Living Quarters

Micro-living quarters are defined in the Oakland Planning Code as “a multiple-tenant building with an average net-floor area of 175 square feet but a minimum size of 150 square feet. Bathroom facilities are included within each living quarter but cooking facilities are not allowed within each living quarter. A shared kitchen is required on each floor, the maximum number units are not prescribed but the size of the units and the FAR shall dictate the limits.” Currently, these facilities may only be located in the Micro Living Quarters Pilot Program Area in the area bound by the Broadway, 26th Street, Valdez Street, and 23rd Street rights-of-way and are permitted upon the granting of a Conditional Use Permit. As this housing type has gained in popularity, the City will consider expanding the pilot program to the entire downtown area.

Modification of Secondary Unit Regulations

Action 3.1.7 of the 2007-2014 Housing Element calls for the City to encourage the construction of new Secondary Units and the legalization of existing non-conforming Secondary Units to bring those units into compliance with current zoning and building standards. Action 1.4.1 of the 2007-2014 Housing Element calls for the City to explore parking solutions to enable broader application of the Secondary Unit regulations. In response, the specific planning process for the West Oakland Specific Plan has proposed revisions to the Secondary Unit regulations. The Secondary Units regulations (in West Oakland only) will be relaxed to: 1) eliminate the existing requirement for a separate non-tandem parking space; and 2) eliminate the current prohibition on Secondary Units in the rear setback. These zoning changes will allow Secondary Units in the side and rear setback, as long as the structure doesn't exceed existing size limits and can meet all the same standards that allow a garage or accessory structure in the same location. Depending on the success of these changes, a similar relaxation of parking and/or secondary unit standards could be applied citywide.

V. Housing Equity Road Map

The City's Department of Housing and Community Development's Strategic Initiatives Unit will produce the Housing Equity Roadmap that will complement the Housing Element. The Housing Equity Roadmap will provide an analysis of housing trends, priority problems, and proposed targeted policy or programmatic solutions. Additionally, the Roadmap will go into more depth on new housing policy initiatives based on Oakland-specific issues and an analysis of best practice policies from other jurisdictions facing similar housing affordability and displacement issues. Anticipated problems and opportunities to be addressed in the Roadmap include:

- Production of new affordable housing;

- Preservation of existing ownership and rental housing that is currently affordable to residents;
- Improving the habitability conditions of existing housing; and
- Transforming abandoned properties into new affordable housing.

PUBLIC OUTREACH/INTEREST

An announcement of the preparation of the Draft *2015-2023 Housing Element* was presented to the public to gain feedback about the housing issues in Oakland and the effectiveness of existing housing policies. The Draft *2015-2023 Housing Element* was also presented to the public, as outlined below.

- I. The preparation of the Draft *2015-2023 Housing Element* was presented at the following advisory board meetings and public hearings :
 - February 19, 2014, City Planning Commission
 - March 5, 2014, Mayor's Commission on Aging
 - March 25, 2014, CED Committee
 - April 14, 2014, Mayor's Commission on Persons with Disabilities
- II. The Draft *2015-2023 Housing Element* was presented to City Planning Commission on May 7, 2014.
- III. A request for public comment was circulated via email and postings in newspapers and on the internet.
- IV. A discussion thread has been posted on the City's social media site, "Engage Oakland" since March, 2014.
- V. The City has received several letters in response to the housing element update.

Public comments received during the course of public outreach thus far are summarized in ***Attachment B***.

COORDINATION

Preparation of the Draft *2015-2023 Housing Element* has been a multi-department effort between the following City departments: Planning and Building, Department of Housing and Community Development, Economic and Workforce Development, Department of Human Services, and

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Public Works. This report has been reviewed by the Office of the City Attorney and by the Budget Office.

COST SUMMARY/IMPLICATIONS

Adoption of the *2015-2023 Housing Element* update will have no direct fiscal impact to the City. However, having an updated Housing Element certified by the California Department of Housing and Community Development makes the City eligible for critical housing and transportation investments funded by various State and Regional entities.

SUSTAINABLE OPPORTUNITIES

Economic: The completed *2015-2023 Housing Element* update will include the identification of thousands of new units for affordable and market rate housing, subject to market conditions and the lending environment. The completed Housing Element will show housing developers where new housing could be built in the future.

Environmental: Many of the intended policies in the Housing Element (to comply with Senate Bill 375) will favor in-fill development and the identification of housing opportunity sites near major transit hubs and transportation corridors, thus improving environmental quality through reduced vehicle miles travelled.

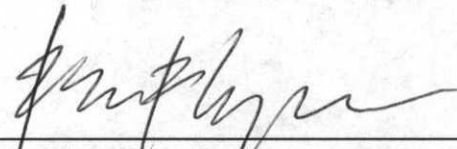
Social Equity: There are significant social equity issues which would be addressed through the completion of the Housing Element. Primarily, the Housing Element will establish the policy and programmatic direction for the City in the building of housing for Oakland residents of all income levels.

CEQA

Consideration of the draft Housing Element update is not a project under CEQA. The CEQA analysis for the *2015-2023 Housing Element* is underway. A completed CEQA document will be publicly available prior to the City's adoption of the final *2015-2023 Housing Element*.

For questions regarding this report, please contact Alicia Parker, Planner II, at (510) 238-3362.

Respectfully submitted,



RACHEL FLYNN
Director, Department of Planning and Building

Reviewed by:
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Attachments

- A. Draft *2015-2023 Housing Element*
- B. Public Comments Received To Date

Attachment A

To download the Housing Element visit the project webpage:

<http://www2.oaklandnet.com/oakca1/groups/ceda/documents/report/oak046882.pdf>

Attachment B

Response to Comments

City of Oakland Draft 2015-2023 Housing Element
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|----|---------------------|-------------------------------|--|--|---|
| 1 | BIA of the Bay Area | Email dated November 25, 2013 | Overview of the statutory provisions | The element must identify and analyze potential and actual governmental constraints to the maintenance, improvement, or development of housing for all income levels, including housing for persons with disabilities. The analysis should identify the specific standards and processes and evaluate their impact, including cumulatively, on the supply and affordability of housing. The analysis should determine whether local regulatory standards pose an actual constraint and must also demonstrate local efforts to remove constraints that hinder a jurisdiction from meeting its housing needs.... The analysis of potential governmental constraints should describe past or current efforts to remove governmental constraints. Where the analyses identifies that constraints exist, the element should include program responses to mitigate the effects of the constraint. Each analysis should use specific objective data, quantified where possible. A determination should be made for each potential constraint as to whether it poses as an actual constraint. The analysis should identify the specific standards and processes and evaluate their impact, including cumulatively, on the supply and affordability of housing. | Addressed in Chapter 6 of the Public Review Draft 2015-22 Housing Element, May 2014. Chapter 6 of the Public Review Draft 2015-22 Housing Element, May 2014 analyzes City policies and regulations that could potentially constrain the City's abilities to achieve its housing objectives. The chapter further presents a brief discussion of the City's policy and regulatory context. The chapter also discussed the City of Oakland's efforts to reduce the impact of local government regulations and fees on the cost and availability of housing. Some of which include increasing residential densities, creating new mixed-use housing opportunities along major transportation corridors and in the downtown, reducing open space requirements in high density residential zones in the Downtown and in the Transit Oriented Development Zone (S-15), streamlining the environmental review process for downtown projects, adopting a Density Bonus Ordinance, adopting a secondary unit ordinance and streamlining the process for approval, creating new fast-track and streamlined permit processes, and adopting Standard Conditions of Approval to, in part, streamline the CEQA review process. |
| 2 | BIA of the Bay Area | Email dated November 25, 2014 | Specific constraints as a condition of HCD certification | Did your jurisdiction commit to addressing specific constraints as a condition of HCD certification of the existing housing element? If so, what was the constraint and what has been done to address it? | The City of Oakland's 2007-2014 Housing Element did not have any specific constraints to the production of housing that it had to address as a condition of its certification by CA State HCD. |
| 3 | BIA of the Bay Area | Email dated November 25, 2015 | mandatory inclusionary zoning policy | Does your jurisdiction have a mandatory inclusionary zoning policy? If so, has an analysis been done that measures the economic impact? Does it contain meaningful and regularly available incentives, and is its implementation flexible so that there are alternatives to a "like for like must build requirement" such as payment of reasonable in lieu fees, land dedication, or acquisition and rehabilitation of existing units with provision affordability covenants? Are such alternatives available at the developer's option or with staff approval—but without need for Council or Board approval on a project-by-project basis? | Addressed in Chapter 2 of the Public Review Draft 2015-22 Housing Element, May 2014. In California, Inclusionary Zoning for rental housing was invalidated in 2009 by the California Court of Appeal for the Second Appellate District because it directly conflicted with a provision of the state's Costa-Hawkins Rental Housing Act of 1996 which specifically gave all landlords the right to set the "initial rental rate" for new housing units. In October 2013, California Governor Jerry Brown vetoed legislation that would reauthorize municipalities to adopt or continue implementing ordinances with inclusionary rental housing requirements for low income households. The legislation, AB 1229, would have overturned a 2009 appellate court ruling known as the Palmer Decision, which held that state rent control law prohibited cities and counties from using inclusionary zoning practices. Given this, the City of Oakland does not intend to pursue inclusionary zoning as was originally imagined or amended by proposed AB1229. |
| 4 | BIA of the Bay Area | Email dated November 25, 2016 | Density Bonus ordinance | Has your jurisdiction adopted a density bonus ordinance consistent with governing state law (Gov't Code Section 65915)? Does the density bonus ordinance count mandatory inclusionary zoning units toward the density bonus threshold as required by the recent court of appeal decision in <i>Latinos Unidos del Valle de Napa y Solano v. County of Napa</i> , 217 Cal. App. 4th 1160 (2013)? | In 2011, the Strategic Planning division began preparing an ordinance to amend the Planning Code, adopting a revised density bonus. Expected public hearings and attempted adoption in 2014. |

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| 5 | BIA of the Bay Area | Email dated November 25, 2017 | cumulative fee and exaction burden on new housing | What is the cumulative fee and exaction burden on new housing in your jurisdiction? This analysis should include not only development fees that are "formally" reflected in published fee schedules, but also include exactions imposed via housing allocation program/ "beauty contests," community benefits/amenities agreements, CFD annexation requirements, and the like. The analysis should also include fees imposed by other agencies, for example school fees, sewer and water fees, and fees imposed pursuant to an applicable regional Habitat Conservation Plan. The analysis should determine the % of the sales of price of new housing in the jurisdiction is represented by the cumulative fee/exaction burden, as well as the % of costs for rental housing units represented by the cumulative fee/exaction burden. | Chapter 6 of the draft 2015-2023 Housing Element documents the fees related to development. Those fees include planning permit fees and building permit fees. According to a study done by the California Department of Housing and Community Development, these were not considered to be a hinderance to development. Currently the City of Oakland does not charge an impact fee for residential development. |
| 6 | BIA of the Bay Area | Email dated November 25, 2018 | affordable housing impact fee | Does your jurisdiction have any recently adopted, proposed, or under consideration new or increased fee or exaction, such as an affordable housing impact fee? | The City of Oakland is planning to commission a nexus study to determine if an affordable housing impact fee is supportable, given current market conditions, and if so, what an appropriate fee structure would be given the housing demand and investment activity. Adoption of impact fees requires "nexus" study demonstrating the benefit of the facilities to new development and the proportional allocation of costs to be funded by the fees. Impact fees must be adopted by a majority of the legislative body of an entity with the power to impose land use regulatory measures (e.g., Oakland City Council). Impact fees are usually imposed either jurisdiction-wide or in other relatively large areas anticipating significant amounts of new development. |
| 7 | BIA of the Bay Area | Email dated November 25, 2019 | special tax for ongoing general governmental service | Has your jurisdiction required new housing projects, including multifamily/attached projects, to pay a fee or special tax for ongoing general governmental services? | No, the City of Oakland does not require new housing projects, including multifamily/attached projects, to pay a fee or special tax for ongoing general governmental service. |
| 8 | BIA of the Bay Area | Email dated November 25, 2020 | Priority Development Area (PDA) | Does your jurisdiction have a designated Priority Development Area (PDA)? Is it a "planned" or "potential" PDA? Have the number of residential units and densities shown in the PDA application been incorporated into the General Plan? Has the CEQA process been completed for the PDA so that no additional CEQA review is necessary for a proposed project consistent with the PDA? Have development restrictions and processes been streamlined in the area covered by the PDA? | In February 2010, the Oakland City Council adopted Resolution No. 82526 designating six established transit-oriented development centers in Oakland as PDAs. Oakland designated PDAs at the area surrounding the Eastmont Transit Center (73rd Avenue and MacArthur Blvd), and the areas around the following BART stations: 12th/19th Streets (downtown), MacArthur, West Oakland, Fruitvale, and Airport/Coliseum. These PDAs are located in zones that have adopted new commercial and residential zoning to align with the City's General Plan that is very generous with regard to densities and FARs. There has not been a CEQA process for the adopted PDAs. The City's development restrictions and approval processes are streamlined and are detailed in Chapter 6 of the Public Review Draft 2015-22 Housing Element, May 2014. |

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| 9 | BIA of the Bay Area | Email dated November 25, 2021 | adequate sites compliance of the existing housing element | What were the sites relied on for the adequate sites compliance of the existing housing element? What has been the entitlement/development activity for these sites during the prior planning period? Were any of the sites subject to "by right" development procedures? | Addressed in Chapter 4 of the Public Review Draft 2015-22 Housing Element, May 2014. Chapter 4 of the Housing Element Update 2015-22, May 2014 presents an inventory of sites suitable for residential development in Oakland within the planning period of the Housing Element. It demonstrates that the housing potential on land suitable for residential development is more than adequate to accommodate Oakland's housing allocation under ABAG's Regional Housing Need Allocation (RHNA). The City's approach to identifying suitable sites involved two distinct exercises. First, the City looked at sites where there was a specific housing development identified for that site, and therefore it was possible to identify a specific number of housing units and the income level to which those units were targeted. Within this tier, there were three groups – projects already constructed, projects under construction or with planning approvals in place, and projects in predevelopment where a specific number of units has been proposed but had not yet been approved. Second, the City identified additional sites sufficient to accommodate the need for very low, low and moderate income units, in addition to sites for above-moderate income units to meet its RHNA. As a result, there is a second tier ("opportunity sites") consisting of vacant and underutilized sites suitable for multifamily development that could accommodate affordable housing units. Appendix C presents the inventory of sites suitable for residential development in Oakland, as discussed and summarized in Chapter 4, Land Inventory. Background on assumptions and sources also are included. |
| 10 | BIA of the Bay Area | Email dated November 25, 2022 | Cap on Housing | Does your jurisdiction have any type of cap or limitation on the number or type of housing units that may be permitted or constructed jurisdiction wide or in specific areas of the jurisdiction—including a cap or limitation tied to a specified level of new job creation in the jurisdiction? | No, the City of Oakland does not have a cap or limitation on the number or type of housing units that may be permitted or constructed jurisdiction wide or in specific areas of the jurisdiction—including a cap or limitation tied to a specified level of new job creation in the jurisdiction |
| 11 | BIA of the Bay Area | Email dated November 25, 2023 | "by right" housing development | Has your jurisdiction provided for "by right" housing development in any areas? | No, the City of Oakland does not provide for "by right" housing development in any areas within our jurisdiction |
| 12 | BIA of the Bay Area | Email dated November 25, 2024 | impediments to infill and/or transit oriented development | Are there zoning or other development restrictions (such as voter approval requirements, density limits or building height restrictions) that have impeded infill and/or transit oriented development? | Discretionary land use control in Oakland is exercised by the Planning Commission and the City Council, and administered by the Planning and Building Department, Bureau of Planning. The City has not identified any specific constraints to the approval of housing resulting from the application of the General Plan policies or current zoning. |
| 13 | BIA of the Bay Area | Email dated November 25, 2025 | Compliance with Permit Streamlining Act | Has your jurisdiction consistently demonstrated compliance with both the letter and spirit of the Permit Streamlining Act? | Addressed in Chapter 6 of the Public Review Draft 2015-22 Housing Element, May 2014. Since the start of 2007, the Design Review procedures in the Oakland Planning Code have become more effective, streamlined, and consistent throughout the City. There is now one unified residential design review program, in three parts: Regular Design Review, Small Project Design Review, and Design Review Exemption. As part of its streamlining efforts, applications for design review are now processed concurrently with other planning permits. Design review is triggered when an applicant is adding floor area or a secondary unit. Because of the new procedures and the efficiencies which they bring to the application process, the City staff considers the design review procedures as removing constraints to housing production. |

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| 14 | BIA of the Bay Area | Email dated November 25,2026 | historic preservation policy | What are your jurisdiction's historic preservation policies and review procedures and have they had a significant impact on the permit and entitlement processes for new development projects? | The City of Oakland has a program for officially designating select Landmarks and Preservation Districts. The California Environmental Quality Act (CEQA) requires review of impacts on major historic resources. Demolition of a CEQA-level historic resource requires the preparation of an environmental impact review document. The City's requirements are consistent with State law. Many housing development projects use Federal funds and require Section 106/NHPA review to avoid adverse effects on historic resources. The Landmarks Preservation Advisory Board or its staff reviews changes to any designated properties (about 160 individual landmarks and 1500 buildings in districts out of 100,000 properties Citywide). The Board also advises on projects involving other historic properties. Design review for any modifications to these structures is conducted concurrently with the regular project review but may need to take into account the Board's monthly meeting schedule. A project that respects the historic character of the resource, e.g. by following the Secretary of the Interior's Standards for Rehabilitation, will have a faster and smoother review process. Design review fees are waived for Designated Historic Properties. The City also has other programs can assist with preservation though they are not restricted to historic properties. For homes in the Community Development Districts, several City and County grant and loan programs assist with access improvements, lead abatement, and emergency repairs. In addition, the City is authorized to offer financial assistance for seismic strengthening of existing residential buildings |
| 15 | BIA of the Bay Area | Email dated November 25,2027 | credit for private open space | Has your jurisdiction adopted an ordinance pursuant to the Quimby Act that gives developers credit for private open space? | No, the City of Oakland has not adopted an ordinance pursuant to the Quimby Act that gives developers credit for private open space. |
| 16 | BIA of the Bay Area | Email dated November 25,2028 | Criteria for Parkland Dedication | In implementing the Quimby Act, does your jurisdiction provide for consistency between the calculation of the existing neighborhood and community park inventory, and the criteria and procedures for determining whether to accept land offered for parkland dedication or to give credit for private open space? For example, has your jurisdiction refused to accept an area in whole or in partial satisfaction of the parkland dedication ordinance on the basis that it is unsuitable for park and recreational uses even though the area is substantially similar to areas included in the overall parkland inventory used to calculate the parkland dedication requirement and fee | N/A |

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| 17 | BIA of the Bay Area | Email dated November 25, 2029 | Bay Area Air Quality Management District's CEQA Thresholds of Significance for Toxic Air Contaminants | In the project review process, has your jurisdiction required developers to use the Bay Area Air Quality Management District's CEQA Thresholds of Significance for Toxic Air Contaminants (TAC Receptor Thresholds)? Has your jurisdiction explored alternative procedures for addressing project siting and air quality concerns, such as in the general plan or zoning code? | The City of Oakland uses CEQA Thresholds of Significance tailored to Oakland; an excerpt from this document regarding TACs is included below: 4. For new sources of Toxic Air Contaminants (TACs), during either project construction or project operation expose sensitive receptors to substantial levels of TACs under project conditions resulting in (a) an increase in cancer risk level greater than 10 in one million, (b) a non-cancer risk (chronic or acute) hazard index greater than 1.0, or (c) an increase of annual average PM2.5 of greater than 0.3 micrograms per cubic meter; or, under cumulative conditions, resulting in (a) a cancer risk level greater than 100 in a million, (b) a non-cancer risk (chronic or acute) hazard index greater than 10.0, or (c) annual average PM2.5 of greater than 0.8 micrograms per cubic meter [NOTE: Pursuant to the BAAQMD CEQA Guidelines, when siting new TAC sources consider receptors located within 1,000 feet. For this threshold, sensitive receptors include residential uses, schools, parks, daycare centers, nursing homes, and medical centers. The cumulative analysis should consider the combined risk from all TAC sources.]; 5. Expose new sensitive receptors to substantial ambient levels of Toxic Air Contaminants (TACs) resulting in (a) a cancer risk level greater than 100 in a million, (b) a non-cancer risk (chronic or acute) hazard index greater than 10.0, or (c) annual average PM2.5 of greater than 0.8 micrograms per cubic meter [NOTE: Pursuant to the BAAQMD CEQA Guidelines, when siting new sensitive receptors consider TAC sources located within 1,000 feet including, but not limited to, stationary sources, freeways, major roadways (10,000 or greater vehicles per day), truck distribution centers, airports, seaports, ferry terminals, and rail lines. For this threshold, sensitive receptors include residential uses, schools, parks, daycare centers, nursing homes, and medical centers.] |
| 18 | BIA of the Bay Area | Email dated November 25, 2030 | Climate Adoption Plan | Has your jurisdiction adopted a Climate Adaptation Plan that is more stringent with respect to the per capita GHG reductions for the land use sector/transportation sector than the equivalent per capita targets established for the region by CARB pursuant to SB 375? ☐ | Addressed in Chapter 9 of the Public Review Draft 2015-22 Housing Element, May 2014. In an effort to reduce energy consumption and GHG emissions in Oakland, the Oakland Energy and Climate Action Plan (ECAP) was adopted by the City Council on December 4, 2012. Optimizing the use of energy and minimizing associated energy costs and GHG emissions are important components of Oakland's sustainable city vision. The ECAP establishes GHG reduction actions, as well as a framework for coordinating implementation and monitoring, and reporting on progress. The ECAP outlines a ten-year plan including more than 150 actions that will enable Oakland to achieve a 36% reduction in GHG emissions. The ECAP assists the City of Oakland in continuing its legacy of leadership on energy, climate and sustainability issues. Here is a link to the Plan, which discusses your question: http://www2.oaklandnet.com/oakca1/groups/pwa/documents/report/oak039056.pdf |

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| 19 | City Planning Commission | 19-Feb-14 | | Commissioners felt that important housing-related issues in Oakland included housing cost, school quality, neighborhood walkability, and access to public transit (including coordinating with AC Transit). A suggestion was made to locate new housing near transit oriented development areas, and to balance land uses by planning for housing while respecting the importance of commercial and industrial land. Additionally, a suggestion was made to offer leniency in the application of the City's parking standards for housing when ample public transportation options exist. | The City's new proposed context for the goals, policies and actions contained in Chapter 7 of the draft 2015-2023 Housing Element includes new housing in the City's Priority Development Areas, or existing neighborhoods near transit that the City Council has designated as appropriate locations for future growth. As summarized in Chapter 6 of the draft 2015-2023 Housing Element, the City currently requires half a parking space in the two Transit-Oriented zones at the Fruitvale and West Oakland BART Stations. Some zones in the downtown and other commercial areas have no parking requirements. While some consider the residential parking and commercial parking standards of the City a constraint to new housing, the City routinely offers parking waivers, permits mechanical and stacked parking where feasible, encourages shared parking in mixed-use buildings and allows for "unbundling" — separating the cost of a new residential unit from the cost of a parking space. Additionally, the City's Standard Conditions of Approval require transportation demand management measures be taken when new projects over 50 units are proposed that include things such as subsidized transit passes. |
| 20 | City Planning Commission | 19-Feb-14 | | Commissioners felt it was important to increase the percentage of owner-occupied housing and to concentrate on measures to maintain existing housing. | Policy 2.2 in Chapter 7 of the draft 2015-2023 Housing Element contains the City's policies on affordable ownership opportunities and maintaining the existing housing stock. This policy has been revised given the dissolution of redevelopment, however, it is noted that the City's First Time Homebuyer Program will be operated as funds are available and that a number of initiatives have been proposed to address neighborhood condition including foreclosure prevention and addressing abandoned properties. These programs include the Community Buying Program and Restoring Ownership Opportunities Together program (ROOT). |
| 21 | City Planning Commission | 19-Feb-14 | | Since there has been a decrease in household size, are we still going to keep as a policy units for Larger Families? Staff should work with Oakland Housing Authority (OHA) on finding out what their market research has found out regarding the need for affordable large-size units (3+ bedrooms). It was also noted that the OHA is shifting assets to non-profit development and property management. | Although there has been an overall decrease in household size, as documented in Chapter 3 of the draft 2015-2023 Housing Element, Oakland continues to experience overcrowding rates which are especially severe for large families, regardless of income. This is due to an acute shortage of housing units with four or more bedrooms, especially rental units. Thus, Policy 2.6, which encourages the development of affordable rental and ownership housing units that can accommodate large families, will be retained |
| 22 | City Planning Commission | 19-Feb-14 | | There should be a policy around manufactured housing in residential districts. | Policy 1.5 in the draft 2015-2023 Housing Element provides for the inclusion of manufactured housing in appropriate locations, consistent with state mandates to plan for a variety of housing types and income levels. |
| 23 | City Planning Commission | 19-Feb-14 | | Improve the current "mini-lots" policy to facilitate homeownership. | Mini-lot development is allowed in all residential zones and commercial zones that permit residential uses. The City's current standards are designed to encourage the comprehensive planning of tracts of land; provide flexibility in the application of certain regulations in a manner consistent with the general purposes of the zoning regulations; and to promote a harmonious variety of uses, the economy of shared services and facilities, compatibility with surrounding areas, and the creation of attractive, healthful, efficient, and stable environments for living, shopping, or working |
| 24 | City Planning Commission | 19-Feb-14 | | What is the City's strategy for resiliency (climate change and location, design of affordable housing)? | Chapter 7 of the draft 2015-2023 Housing Element contains the City's climate change policy as it relates to housing issues. The chapter specifically addresses smart growth principles and encourages development that reduces carbon emissions. Also, new State law requires the City to address flood management and flood hazards and annually review flood maps. A flood hazard and land management discussion is included in Chapter 9 of the draft 2015-2023 Housing Element Housing Element. |

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| 25 | City Planning Commission | 19-Feb-14 | | The City needs a comprehensive citywide community benefits policy. This comprehensive strategy should be realistic and consider different market realities in different areas of the City, rather than becoming an inflexible, blanket policy that may stifle certain districts, rather than improve them. | The new proposed Policy 1.1.5 Housing Incentive Zoning states that the City will explore the feasibility of developing Housing Incentive Zoning as a way of incentivizing development to include community benefits, while considering the costs of those benefits (to developers) as well as the value of the benefit (to the community); and the economic feasibility of requiring community benefits in exchange for additional height or density, among other important considerations. |
| 26 | City Planning Commission | 19-Feb-14 | | Commissioners were curious about the barriers to building market-rate housing in the City. They were specifically interested in whether there were issues with planning/permitting; public safety (police and perceptions of crime); or the Oakland Unified School District. Commissioners felt that input from the developer and investment community was critical to understanding such barriers. | With the publication of the Draft 2015-2023 Housing Element, City staff will solicit feedback from the investment and development community to understand any barriers to housing and this feedback will be incorporated into the Final Draft 2015-2023 Housing Element. |
| 27 | City Planning Commission | 19-Feb-14 | | Commissioners also had the following information/text change requests: <ul style="list-style-type: none"> • Include an update on housing production accomplishments from the last Regional Housing Needs Allocation (RHNA) period. • Ideas for replacing Redevelopment Funding? • Change references from "landscaping" to "planting" | Chapter 2 of the final draft of the 2015-2023 Housing Element will include an evaluation of how the City performed in meeting the actions of the 2007-2014 Housing Element. As a place-holder, the contents of Chapter 2 included in this draft are the 2013 Annual Report to California Housing and Community Development Department on the 2007-2014 Housing Element. Additionally, Chapter 5 of the draft 2015-2023 Housing Element contains ideas for replacing former redevelopment funding. The references from landscaping to planting have been made. |
| 28 | Mayor's Commission on Aging | 5-Mar-14 | | The advisory board members were interested in various statistics about seniors and housing including the following: <ul style="list-style-type: none"> • Do you have statistics on homeless seniors (or an age distribution of the homeless)? | The City relies on Alameda County data for the homeless estimate. The County does not estimate the number of homeless seniors, rather the age breakdown is generally people under 17, 18-24, and over 25 years of age. |
| 29 | Mayor's Commission on Aging | 5-Mar-14 | | <ul style="list-style-type: none"> • Is it possible to revise the age of a "senior" to someone who is 55 (rather than the current 65)? | California Civil Code (section 51.3) defines senior citizen as a person 62 years or older. For state-funded or regulated affordable housing developments, the definition of a senior citizen is 55 years or older (except for projects utilizing federal funds whose programs have differing definitions for senior projects that for many housing funding programs is 62 years or older) |
| 30 | Mayor's Commission on Aging | 5-Mar-14 | | <ul style="list-style-type: none"> • Do you have data on seniors living alone? | Chapter 3 of the Housing Element contains data on seniors living alone. It is noted that "nearly 45 percent of senior-headed households consist of a single elderly person living alone." |
| 31 | Mayor's Commission on Aging | 5-Mar-14 | | <ul style="list-style-type: none"> • Do you have data on seniors with language isolation? | The City does not collect data on seniors with language isolation as part of the Housing Element. |
| 32 | Mayor's Commission on Aging | 5-Mar-14 | | <ul style="list-style-type: none"> • What rents are considered "affordable"? | It is generally accepted that spending 30% of household income on rent is considered affordable. Income and rents are discussed in Chapter 3 of the draft 2015-2023 Housing Element. |

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| 33 | City Council Community and Economic Development (CED) Committee Meeting | 25-Mar-14 | | Need detailed plans and policies for how to address affordable housing in PDAs. This could include Public Benefits Zoning and Housing Impact Fees (including a nexus study). | The new proposed Policy 1.1.5 Housing Incentive Zoning is designed as a way to investigate the feasibility of incentivizing development to extract public benefits. The policy indicates that the City will explore the feasibility of developing Housing Incentive Zoning, while considering the costs of benefits (to developers) as well as the value of the benefit (to the community); and the economic feasibility of requiring community benefits in exchange for additional height or density, among other important considerations. Policy 2.7.2 calls for the City to explore implementing a housing impact fee and notes the importance of funding a nexus study to determine the feasibility of the fee, and an appropriate fee structure. The City will be issuing a Request for Proposals (RFP) during the Housing Element planning period for an impact fee study that will consider transportation, infrastructure, and affordable housing. |
| 34 | CED Committee Meeting | 25-Mar-14 | | Address the risks of displacement within the PDAs (look at policies to address displacement such as updating the Condominium Conversion Ordinance). The City must also coordinate housing development along AC Transit transfer hubs and high traffic routes. When focusing new housing in PDAs we must consider bus transit routes as key access modes (not just BART; that is for more affluent communities). | Action 1.1.6 International Boulevard Community Revitalization Without Displacement Initiative documents staff's work with community members and large foundations to pilot a revitalization and anti-displacement planning initiative to improve transportation connections, housing economic development, and health and public safety along the corridor. Additionally, Policy 5.6 presents the City's limitations on conversion of rental housing to condominiums. The extent of the condominium conversion impact area may be extended in some of the areas currently undergoing Specific Planning processes as a method to avoid displacement. |
| 35 | CED Committee Meeting | 25-Mar-14 | | In Appendix C, the Site Inventory, identify affordable housing sites located within Priority Development Areas (PDAs) and work with non-profit developers to do preliminary Tax Credit Allocation Committee (TCAC)/Low Income Housing Tax Credit (LIHTC) scoring to see if any of these sites are appropriate for affordable housing development and would be competitive for funding. | The "opportunity sites" in Appendix C have been mapped according to PDA. City staff has emailed active Community Housing Development Organizations in the City to partner with them to evaluate this list of opportunity sites in light of TCAC/LIHTC funding potential. |
| 36 | CED Committee Meeting | 25-Mar-14 | | How well did we do with production in the past? | Chapter 2 of the final draft of the 2015-2023 Housing Element will include an evaluation of how the City performed in meeting the actions of the 2007-2014 Housing Element. |
| 37 | CED Committee Meeting | 25-Mar-14 | | Consider the ABAG/Plan Bay Area Grant criteria when developing new housing policies and locations for housing | ABAG's four-year \$320 million One Bay Area Grant (OBAG) Program requires a City to have a Complete Streets Policy (which Oakland adopted in February of 2013 in Resolution 84204) and also requires a jurisdiction to have a housing element adopted and certified by the State Department of Housing and Community Development (completion of the 2015-2023 Housing Element is in progress; final adoption is scheduled for January 2015 and will be on-time). OBAG funding is targeted toward achieving local land-use and housing policies by supporting the Sustainable Communities Strategy by promoting transportation investment in PDAs. OBAG is currently funding a variety of projects in the City's PDAs including local streets and road preservation, bicycle and pedestrian improvements and safe routes to school. Since the majority of opportunity sites are in PDAs, the City is well positioned to leverage housing investment with areas primed to receive transportation and infrastructure OBAG funding (upon the submittal of successful grant proposals). |
| 38 | CED Committee Meeting | 25-Mar-14 | | Suggestion to circulate the 2015-2023 Housing Element announcement through City Council members' email lists and newsletters. | Staff sent out an announcement to all City Council members with a newsletter write up for distribution in e-newsletters |

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| 39 | Mayor's Commission on Persons with Disabilities | 14-Apr-14 | | Homeownership policies should be encouraged and the existing housing stock should be preserved. New housing should be located near grocery stores and transit. Similarly, housing for people with developmental disabilities should be located near easily accessible public transit routes. Public safety response to emergency calls should be equal across all neighborhoods. | Policies 2.2 and 4.1 cover homeownership and preservation of the existing housing stock, respectively. Housing opportunity sites are located near PDAs. These areas are well served by public transportation and a mix of commercial, civic and residential uses. |
| 40 | Engage Oakland | Comments received through May 7, 2014 | | Newly developed affordable housing must be built with a holistic lens, considering how this housing integrates with public transit, fresh food availability, and proximity to community based resources. Additionally, developers should solicit feedback from community based organizations serving the areas to be developed to better understand the needs of the community. In regard to individuals with disabilities, it is critical to ensure that affordable housing is developed in coordination with community service providers and in proximity to public transportation. | The housing opportunity sites identified in the 2015-2023 Housing Element are mostly in PDAs. These areas are well served by public transportation and have a mix of commercial, civic and residential uses. |
| 41 | Engage Oakland | Comments received through May 7, 2014 | | In Copenhagen, renters in apartment buildings have first refusal on buying the building and turning it into a Housing Cooperative (not to be confused with co-housing), which ensures that a constant stream of affordable housing enters the market, while raising the quality of living for the inhabitants. This program should be adopted in Oakland | Policy 5.6 in the draft 2015-2023 Housing Element discusses condominium conversions. Such an idea would need to be discussed within the larger condominium conversion context. |
| 42 | Engage Oakland | Comments received through May 7, 2014 | | We need to create more affordable housing--without destroying the look and feel of existing neighborhoods, and without adding high-rise luxury condos. This can be accomplished by promoting secondary/in-law units through improved permitting, eliminate limits on the number of "units" per parcel (instead, create standards for minimum unit size, parking availability, and building height), and standardizing height to five stories (similar to Paris) for an ideal balance of livable, walkable and economically vibrant neighborhoods. | Policy 1.4 covers the City's policy on secondary units. The City uses both density (i.e., units per parcel) and development standards (setbacks, height) to regulate development. The City has varying height limitations throughout the City based on surrounding context and State mandates to plan for a growing population. |

City of Oakland Draft 2015-2023 Housing Element
Response to Comments

Attachment B
May 19, 2014

| No | Commenter | Source | Topic | Comment | Response |
|----|---|---------------------------------------|-----------------------|--|---|
| 43 | Engage Oakland | Comments received through May 7, 2014 | | <p>Additional comments received beyond the scope of the draft 2015-2023 Housing Element:</p> <ul style="list-style-type: none"> • Set schedules (5 to 7 days) for appropriate response time of landlords to tenant inquiry or request. • All residential properties should be furnished with access to appropriate green waste disposal with garbage pick-up and there should be more reasonable dumping/bulky pick up policies. • Require buildings housing 10 or more living units to have on-site maintenance (and provide on-site property managers with compensation i.e., reduced/free rent). • Ensure all tenants of public housing have access and are trained to use internet at home for \$10/month or less. • There should be fewer hurdles to evicting problem tenants. | N/A |
| 44 | NCLT/OCLT (Northern CA Land Trust/Oakland Community Land Trust) | Comments dated 4/28/14 | Community Land Trusts | Increase the profile of community land trusts (CLTs) as affordable housing providers and long-term stewards, and desirable community investments. | Policy 2.4.1 covers the City's policy on CLTs. The City commits to continuing support, to the extent feasible, of the existing CLTs in the City. The City will also support the expansion of CLTs in the City if land values make it financially feasible for the CLT and worthwhile for the homeowners. City staff will, to the extent feasible, attend any regional events related to CLTs. |
| 45 | NCLT/OCLT | Comments dated 4/28/14 | Community Land Trusts | <p>Adapt first-time homebuyer programs to account for community land trust (CLT) homebuyer's particular needs, so as to avoid putting the homebuyer at a disadvantage due to the resale restrictions incorporated into the land lease intended to maintain the unit's affordability.</p> <p>1) Meet with representatives of local CLTs to discuss how City programs affect CLT homebuyers, and propose solutions that would ensure CLT homes remain affordable under the various programs and avoid developing negative equity.</p> <p>2) When developing new homeownership programs invite CLT staff to comment on the potential impact of CLT homeownership.</p> | <p>The City's First-Time Homebuyer program is designed to assist low and moderate income homebuyers by bridging the gap between market rate housing prices and what is affordable to the homebuyer. Resale price restricted properties such as the CLTs should be priced to be affordable to its target market in order to ensure sustainability. The layering of recapture mechanism used by the first-time homebuyer program and a price restriction makes it challenging for both the buyer and the City to recover their costs. This has been demonstrated by a sampling of transactions in the first-time homebuyer portfolio. City Staff is currently working on a proposal to resolve this issue for loans in the portfolio so that the buyer can recover its costs. Given the first time homebuyer program's limited resources, it would be difficult to justify focusing its resources on a subset of eligible low and moderate income first-time homebuyer. Additionally, some of the program's funding sources have specific recapture requirements that can not be modified.</p> <p>In the future, City Staff recommend NCLT/OCLT proceed with developing projects using developer-side subsidies by applying for the annual competitive NOFA for affordable housing development funds in order to make a development feasible without buyer-side subsidies. City Staff welcome pre-NOFA project consultation with interested developers.</p> |

| No | Commenter | Source | Topic | Comment | Response |
|----|-----------|------------------------|-----------------------|---|---|
| 46 | NCLT/OCLT | Comments dated 4/28/14 | Community Land Trusts | <p>Increase the portfolios of community land trusts (CLTs) in Oakland in order to provide more permanent affordable housing for City residents, as well as improve the economies of scale for Oakland based CLTs.</p> <p>1) Convert existing mortgage assistance program (MAP) down payment assistance loans recorded against CLT units to shared appreciation mortgage (SAM) loans, made explicitly assumable by qualified purchasers, in order to prevent negative equity for homeowners of limited appreciation CLT units.</p> <p>2) Develop a new program in conjunction with CLT staff to allow the conversion of the City's down payment assistance loans, including MAP and SAM, into permanently affordable homes in the CLT model, providing an option to purchase to CLTs and leveraging loan forgiveness to preserve affordable homeownership opportunities for Oakland residents.</p> <p>3) Identify Oakland-based CLTs as approved recipients of land donation under the updated Density Bonus Ordinance.</p> <p>4) Provide an opportunity to identified CLTs to purchase and steward affordable housing developments with expiring affordability covenants in order to expand Oakland's existing stock of permanently affordable housing.</p> <p>5) Provide for CLT specific programs when considering the adoption of an Inclusionary Zoning Ordinance.</p> <p>6) Subsidize CLT projects by donating land and buildings from the municipality's own inventory to a CLT or by selling the properties to the CLT at a discounted rate.</p> | <p>1) See agenda report for June 6, 2014 City Council Community Economic Development (CED) committee meeting--item on proposed modification to MAP program loans. Staff proposes converting existing MAP loans recorded against selected ownership projects with affordability restrictions and that are currently facing negative equity.</p> <p>2) As noted above, it is more appropriate for the CLTs to apply for funds under the City's NOFA. This will enable the project to design a project specific mechanism for maintaining affordability.</p> <p>3) Historically, very few developers have used the Density Bonus Program in Oakland due to existing permissive densities. In any future housing developments where the developer uses the City of Oakland's density bonus program, City staff will consider, through a competitive process, outside organizations as the recipient of the land donation in exchange for ongoing monitoring of the density bonus units.</p> <p>4) In the Housing Element 2015-23, Chapter 3 Needs Assessment, Section J Analysis of Assisted, At-risk Housing Projects, there is a table of all regulated units in the City of Oakland whose affordability agreements will expire in the next 10 years (Federal, State and local regulatory agreements). There are very few units whose affordability will expire in this period of time and none are homeownership projects. Please refer to Table 3-54 for more detail. Please also refer to another incomplete listing of regulated ownership units as requires by State code per AB 987 for Redevelopment-funded units and their regulatory agreement expiration dates. (http://www2.oaklandnet.com/oakca1/groups/ceda/documents/report/dowd008179.pdf)</p> <p>5) At the moment, the City of Oakland does not have an Inclusionary Zoning Ordinance.</p> <p>6) City Staff do not have the authority to gift public funds which includes land donations. City Staff will consider proposals, in the context of a competitive bid process, for the disposition of sites currently in their site acquisition program--see Appendix C, Table C-4.</p> |