

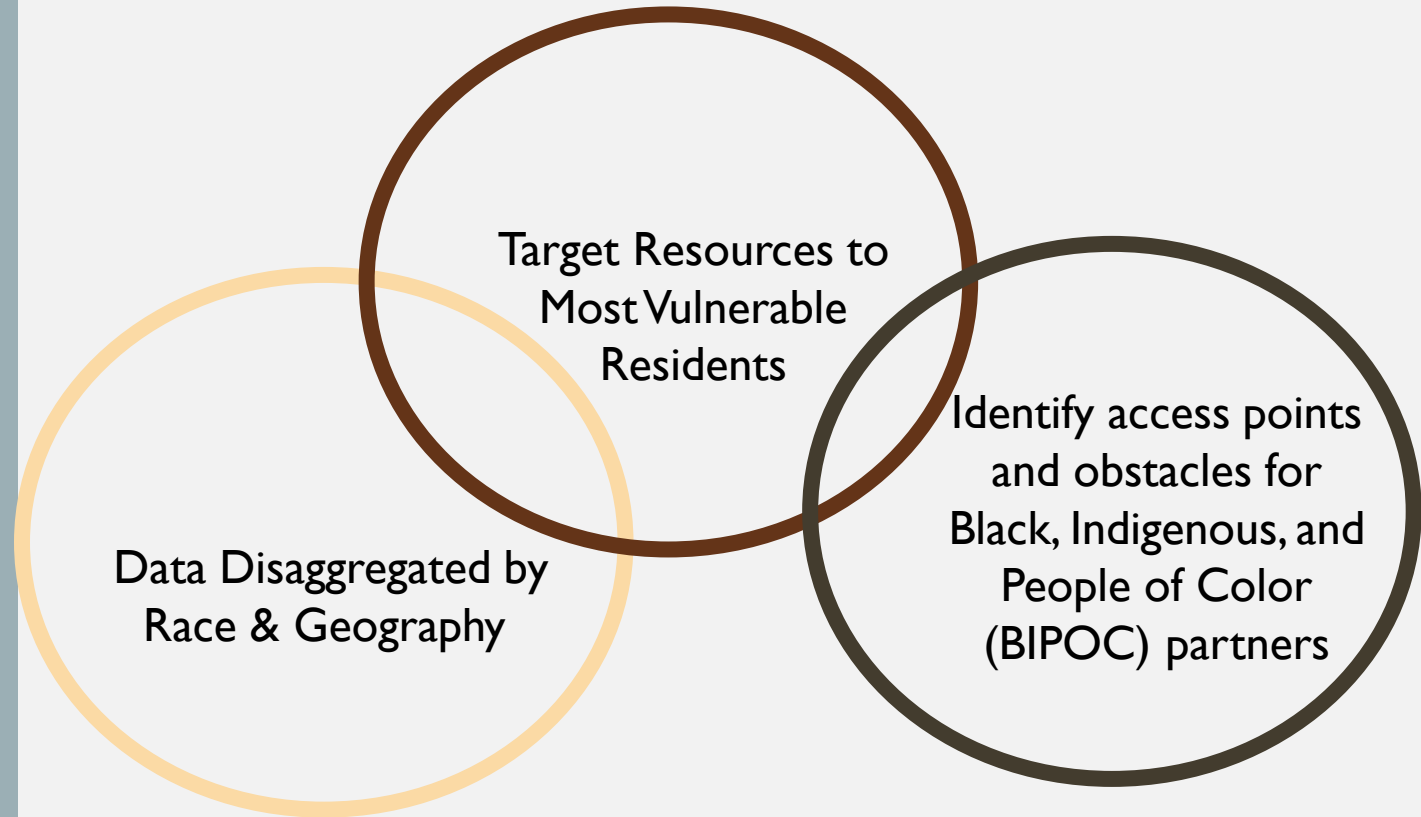
HOUSING STRATEGIC ACTION PLAN 2021-2023



CITY OF OAKLAND

Housing and Community Development Department
May 2021

EQUITY LENS



NEEDS ANALYSIS STANFORD INNOVATION LAB

HCD partnered with the Changing Cities Research Lab at Stanford University and the Federal Reserve Bank of San Francisco to study neighborhood shifts and displacement impacts.

Their research uses credit score data as a proxy for financial stability and socio-economic status (SES).

Initial Findings:

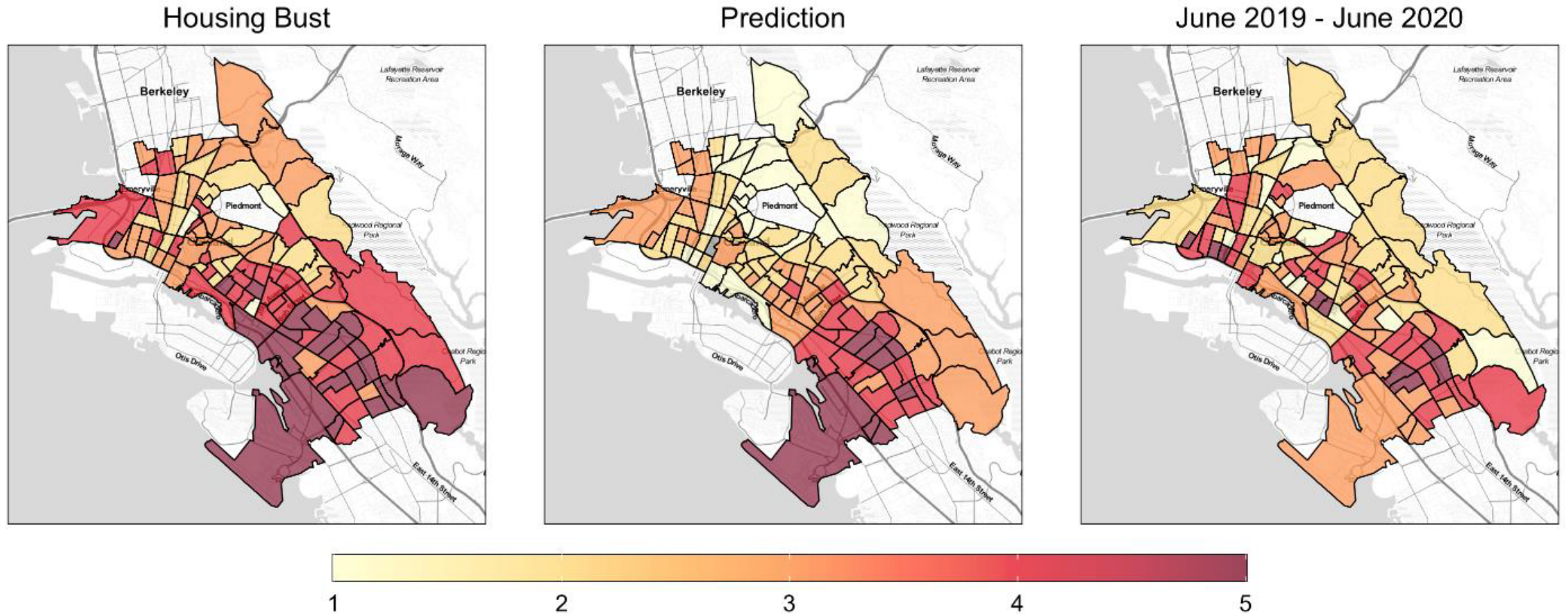
- Over the last 20 years, the Black population declined by over one-third and the share of high socio-economic status (SES) residents increased dramatically.
- East Oaklanders experienced greater financial insecurity in the post recession period
- Lower-SES residents from historically Black neighborhoods tend to move to neighborhoods with lower housing values and health scores. Over time, less lower-SES movers stayed within Oakland or moved into Oakland as affordable options declined.
- Moderate-SES residents may be most vulnerable to displacement, as they moved at increasingly higher rates and increasingly experienced financial insecurity over time.

NEEDS ANALYSIS STANFORD INNOVATION LAB

Maps of Financial Instability Index:

2020 COVID-19 effects on residential instability are already distinct from the Great Recession.

Although indicators predicted the most financial instability in deep East Oakland, results were scattered across Oakland.



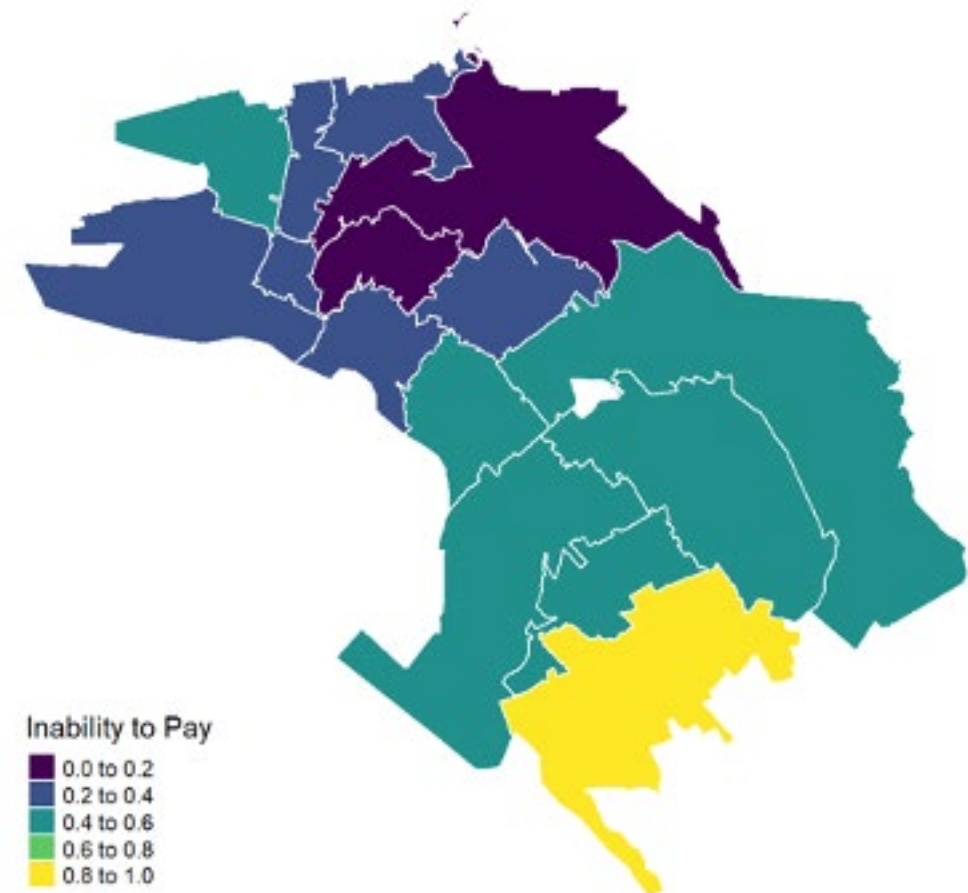
Source: Federal Reserve Bank of New York Consumer Credit Panel/Equifax Data, 2009 ACS, 2018 ACS, HMDA loan data, and USPS HUD Vacancy Data

SES Ranges by Equifax Risk Scores: Low = missing or <580, Moderate = 580-649, Middle = 650-749, High = 750+.

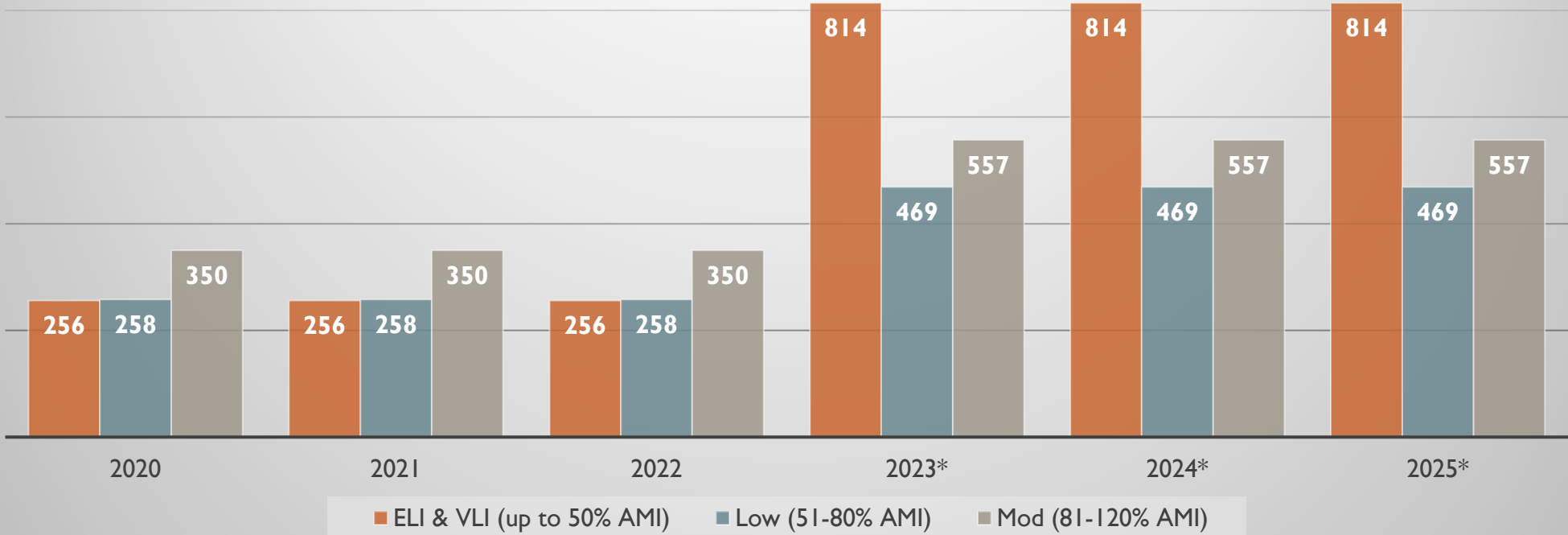
Housing Period Ranges: Boom = 2002-2006, Bust = 2007-2009, Recovery = 2010-2014, Post-Recovery = 2015-2017.

Renter Inability to Pay by Zip Code, July-September 2020

RENTER & LANDLORD
PULSE SURVEY
(UPENN ANALYSIS)



City of Oakland Regional Housing Needs Allocation (RHNA) Targets by Area Median Income (AMI)

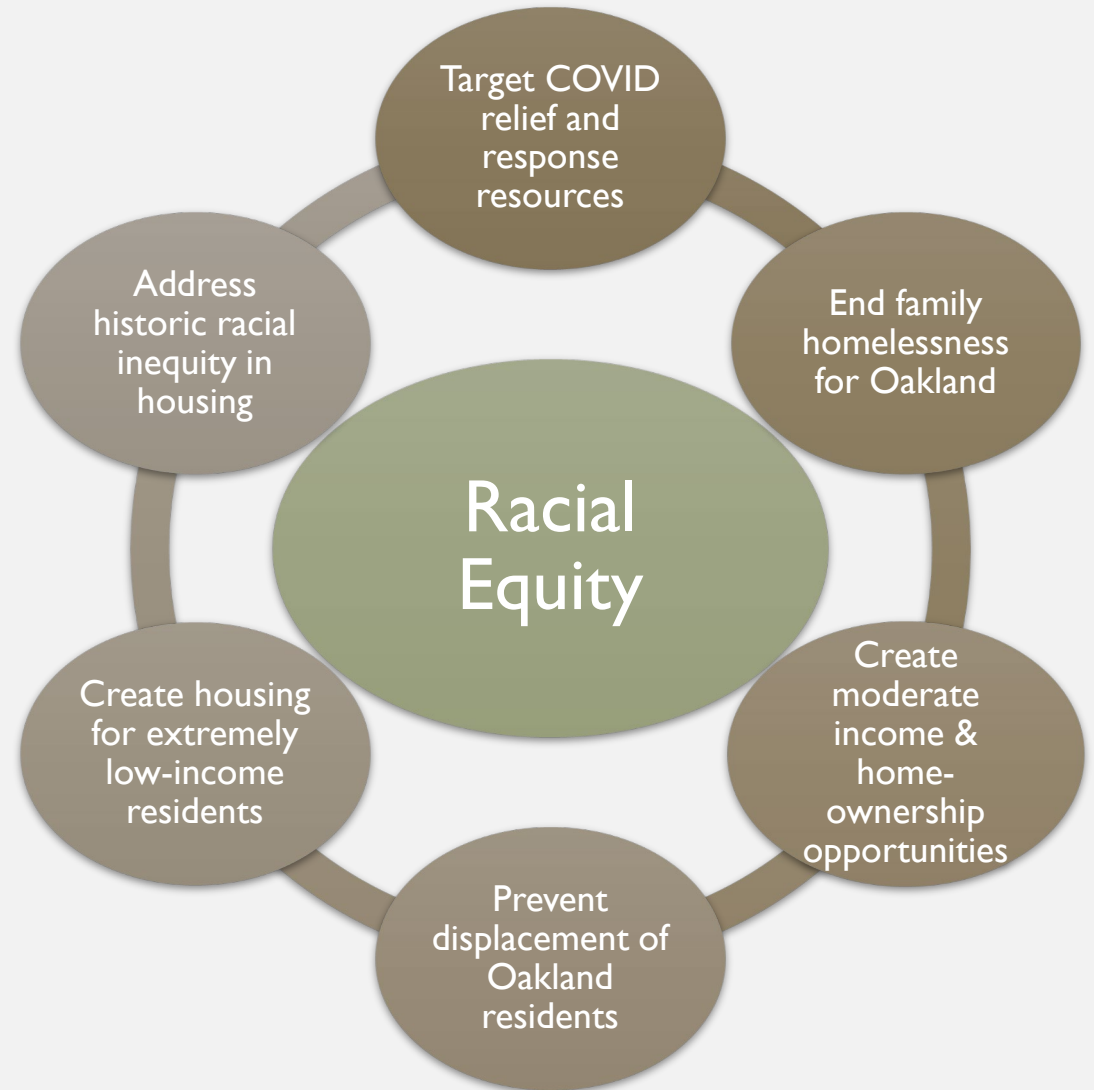


ELI: Extremely Low Income (up to 30% AMI)
 VLI: Very Low Income (31-50% AMI)
 Low: Low Income (51-80% AMI)
 Mod: Moderate Income (81-120% AMI)

**Draft 2023-2031 RHNA methodology and allocations are scheduled to be finalized and adopted in December 2021.*

NEEDS ANALYSIS

The City of Oakland's housing interventions must:



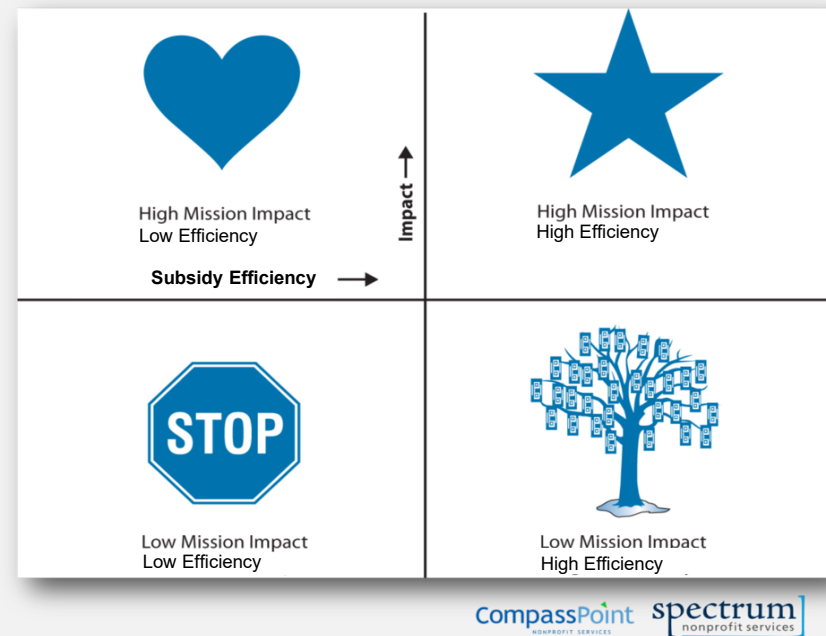
THREE P APPROACH

Protection

Preservation

Production

THREE P APPROACH



Defining Impact:

- **Protection:** alignment with HCD's mission of creating housing stability and security for low to moderate income tenants and homeowners
- **Production and Preservation:** alignment with HCD's mission of creating new affordable units, deepening affordability, and targeting the City's subsidy by leveraging other sources.
 - Impact level is based on # of restricted affordable units created, # of extremely low income (ELI) units created, and efficiency of subsidy spent per unit.

PROTECTION

Strategies	Needs Being Met	Impact
Align, consolidate and invest in citywide anti-displacement and homelessness prevention activities	Anti-Displacement COVID Response ELI Households Racial Equity	High
Conduct robust community engagement to ensure residents and property owners are aware of their rights and obligations under Oakland's tenant/property owner laws. Launch bi-annual Resident Mini Pulse Survey.	Racial Equity Anti-Displacement	High
Actively enforce Oakland's rent laws and regulations using tools such as public education, mediation and dispute resolution, hearings, and responding to violations. Evaluate implementation of a rent registry.	Racial Equity Anti-Displacement	High
Evaluate and strengthen Oakland's neighborhood preference policy to mitigate and address displacement impacts on Oaklanders, especially its African American residents.	Racial Equity Anti-Displacement	Medium

PRESERVATION

Strategies	Needs Being Met	Impact
Develop a public-private preservation financial product to increase # and pace of acquisitions for ELI and homeless	Racial Equity ELI - Mod Households Anti-Displacement	High
Award remaining KK bond funds for resident-led and community land trust supported preservation projects.	Racial Equity ELI Households Anti-Displacement	High
Target and preserve owner-occupied housing in areas experiencing high levels of gentrification.	Racial Equity Anti-Displacement ELI-Mod Households	High
Identify place-keeping preservation strategies and partners in areas most significantly impacted by COVID and reflecting high levels of housing vulnerability.	Racial Equity ELI Households Anti-Displacement	Medium
Evaluate and support acquisition vehicle for single-family homes and/or investor-owned properties.	Anti-Displacement Homelessness	Medium
Design and implement a program to acquire tax-defaulted properties from Alameda County to convert to or build affordable housing.	Anti-Displacement	Medium
Evaluate resident-led model for ownership solutions.	Racial Equity Anti-Displacement ELI-Mod Households	Medium
Ensure preserved units have access to high speed, broadband access.	Racial Equity	Low
Evaluate JPA/other models for moderate/middle income households.	Anti-Displacement	Low

PRODUCTION

Strategies	Needs Being Met	Impact
Identify new capital sources to produce new affordable housing	ELI Households Homelessness Racial Equity	High
Evaluate creation of debt and equity funds for small sites.	ELI Households Homelessness Racial Equity Anti-Displacement	High
Assess impact of on-site versus off-site inclusionary affordable unit creation.	ELI Households Homelessness Racial Equity	High
Pursue strategic acquisition of hotel/motel/dorm facilities to house unsheltered residents.	Homelessness COVID Response Racial Equity	High
Develop a project-based rental or operating subsidy program for extremely low income residents.	ELI Households Homelessness	High
Dispose of publicly-owned sites for immediate and innovative housing, including modular/manufactured solutions.	ELI-Mod Households Homelessness	High
Support the Planning and Building Department’s review and assessment of City’s affordable housing impact fees to evaluate fees’ impact. Explore alternative approaches e.g. inclusionary zoning, IFDs	Racial Equity	High
Pursue strategies to create and ensure long term affordable housing units at a variety of income levels, including 80%-120% of AMI. Access CalHFA bond recycling facility for mixed-income projects	Racial Equity Low Mod Households Middle Income Households	Medium

PRODUCTION

Strategies	Needs Being Met	Impact
Evaluate JPA/other models for moderate/middle income households.	Anti-Displacement	Low
Identify and align private capital sources for predevelopment lending to support affordable housing projects (target BIPOC and small nonprofit developers).	Homelessness COVID Response Racial Equity ELI-Mod Households	Medium
Develop policy and program to support adding regulatory agreements to affordable housing projects without city investments that will provide affordable rents	Low-Mod Households	Medium
Evaluate potential vacant commercial buildings for conversion to affordable rental housing.	ELI-Mod Households	Medium
Evaluate and increase capacity of existing first-time homebuyer, ownership/asset and wealth building initiatives.	Racial equity Low to Mod Households	Medium
Design and launch accessory dwelling unit (ADU) program for low-income homeowners in Oakland, expanding upon existing City ADU efforts.	Racial Equity Low to Mod Households	Low
Develop citywide funded emerging developer pilot to support new and existing Black-led affordable housing organizations.	Racial Equity	Low
Evaluate strategies to increase accessible units and adoption of universal design in new construction projects.	ELI-Mod Households Homelessness	Low

PRODUCTION: FUNDING

Allocated and Projected HCD Sources by Fiscal Year							
Source	Actual Allocations			Projected Allocations			
	FY 2017 - FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Affordable Housing Impact Fee	\$4,894,717	\$5,000,000	\$4,137,063	\$2,933,944	\$2,933,944	\$2,993,000	\$3,053,000
Jobs Housing Impact Fee	\$2,463,804	\$0	\$5,273,519	\$2,660,710	\$2,660,710	\$2,714,000	\$2,768,000
Boomerang	\$92,225	\$0	\$8,963,429	\$0	\$2,587,596	\$2,243,086	\$2,288,000
HOME	\$440,253	\$0	\$8,127,746	\$2,642,594	\$2,642,594	\$2,695,000	\$2,749,000
Low-Mod Income Housing Asset Fund	\$1,939,482	\$2,353,500	\$3,074,957	\$1,357,637	\$1,357,637	\$1,385,000	\$1,413,000
Excess Redevelopment Bond	\$13,000,000	\$0	\$0	\$8,200,000	\$0	\$0	\$0
Measure KK	\$55,000,000	\$45,000,000	\$0	\$0	\$0	\$0	\$0
CDBG-CV	\$0	\$0	\$0	\$4,700,000	\$0	\$0	\$0
Local Housing Trust Fund	\$0	\$0	\$0	\$5,000,000	\$0	\$0	\$0
Total Sources	\$77,830,481	\$52,353,500	\$29,576,714	\$27,494,885	\$12,182,481	\$12,030,086	\$12,271,000

Notes: FY 2021 & 2022 are from HCD's 2/3/21 Biennial Budget Proposal. Sources are escalated by 2% annually starting in FY 2023.

PRODUCTION: FUNDING

Affordable Unit Production: Baseline Recurring Sources					Projected Production				
Project Type	Actual Production (a)				Projected Production				Total
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
New Construction Units	113	294	198	157	92	39	38	37	968
Acquisition-Conversion Units	0	56	7	13	64	28	26	26	220
Preservation Units	0	0	146	23	31	13	13	13	238
Missing Middle Units	<u>0</u>	<u>0</u>	<u>0</u>	<u>19</u>	<u>92</u>	<u>39</u>	<u>38</u>	<u>37</u>	<u>225</u>
Total Units	113	350	351	212	278	120	115	114	1,652
RHNA Production Target (b)	865	865	865	865	865	865	1,840	1,840	8,869
17k/17k Production Target	595	595	595	595	595	595	595	595	4,760
Adjusted 17k/17k Target	113	350	351	212	934	934	934	934	4,760
Unit Production Deficit					-655	-814	-819	-820	-3,108
Projected Sources (Baseline)					27,494,885	12,182,481	12,030,086	12,271,000	63,978,453
Additional Subsidy Needed to Meet Adjusted 17k/17k Target					95,031,000	118,026,000	118,742,000	118,904,000	450,703,000

(a) The City includes affordable units from Density Bonus projects in its production counts, but they have not been included here.

(b) Draft 2023-2031 RHNA methodology and allocations are scheduled to be finalized and adopted in December 2021.



PUNCHLINE

- City will shift its two-year focus to invest (50%) of its available resources in acquisition and conversion and preservation opportunities and 50% into new construction, as funding allows.
- Need new capital and operating dollars