



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator


FROM: William A. Gilchrist
Director, Planning &
Building

Emily Weinstein
Interim Director, Housing &
Community Development

SUBJECT: General Plan & Housing Element
Annual Progress Reports for Calendar
Year 2022

DATE: May 26, 2023

City Administrator Approval


Jestin Johnson (Jun 15, 2023 15:45 EDT)

Date: Jun 15, 2023

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report On The City Of Oakland's General Plan and Housing Element Annual Progress Reports For Calendar Year 2022.

EXECUTIVE SUMMARY

Pursuant to Section 65400 and 65700 of the California Government Code, the City of Oakland (City) has prepared Annual Progress Reports (APRs) for calendar year 2022 on implementation of the overall General Plan and on the housing-related programs and policies contained in the 2015-2023 Oakland General Plan Housing Element. This is the eighth and final full year of reporting on the 2015-2023 Housing Element, which was adopted by the City Council via [Resolution No. 85315 C.M.S.](#) on December 9, 2014. The first year for reporting on the recently adopted 2023-2031 Housing Element ([Resolution No. 89565 C.M.S.](#)) will occur next year (2024).

This informational report highlights accomplishments reached in 2022 toward implementing and updating the City's General Plan, meeting housing-production-and-preservation goals, and implementing City programs and policies adopted in the 2015-2023 Oakland Housing Element.

The complete 2022 Oakland General Plan and Housing Element APRs can be found on the City's webpage:

<https://www.oaklandca.gov/documents/housing-element-annual-progress-reports>.

(Note: The 2022 Housing Element APR contains very large tables that are not suitable for printing and are best viewed electronically. The pertinent content of these tables is stated in this report and attachments.)

BACKGROUND / LEGISLATIVE HISTORY

California Government Code Section 65400 and 65700 require that the City prepare and submit annual reports – known as the General Plan APR and Housing Element APR – to the California Office of Planning and Research (State OPR) and to the California Department of Housing and Community Development (State HCD) by April 1 of each year, using forms and definitions adopted by State HCD. The General Plan annual report must describe progress toward implementing and updating the General Plan each year. The Housing Element annual report must describe progress made by the City to implement policies adopted in the Housing Element and to meet the City’s share of Regional Housing Needs Allocation (RHNA).

Oakland’s 2022 General Plan APR, submitted to the State OPR on March 30, 2023, reflects progress toward implementing Oakland’s current General Plan, which was last comprehensively updated in the 1990’s. During the 2022 reporting year, staff continued Phase 1 of the 2045 Oakland General Plan Update, which includes updating the 2023-2031 Housing Element, updating the Safety Element, and creating a new Environmental Justice Element.

Oakland’s 2022 Housing Element APR, submitted to the State OPR and the State HCD on March 29, 2023, reflects the eighth year of reporting on progress to meet the production targets and policies within the 2015-2023 Oakland Housing Element. Notably, the Housing Element APR quantifies the number of net new housing units deemed complete, approved, permitted, or completed—by household affordability level—during the reporting year (January 1, 2022 to December 31, 2022).

In accordance with Action 5.2.11 of the adopted 2023-2031 Housing Element, staff is bringing this informational report for discussion before the City Council’s Community & Economic Development (CED) Committee.

ANALYSIS AND POLICY ALTERNATIVES

As previously mentioned, the 2022 General Plan APR highlights accomplishments reached in 2022 in terms of implementing Oakland’s current General Plan and updating the 2045 General Plan. The 2022 Housing Element APR highlights accomplishments reached in 2022, both in terms of housing production and preservation, as well as progress in implementing City programs and policies adopted in the 2015-2023 Oakland Housing Element. As such, the 2022 APRs advance the following Citywide priorities¹:

Housing, Economic, and Cultural Security: The 2015-2023 Housing Element and newly adopted 2023-2031 Housing Element Update identify sites and areas in the City that demonstrate the capability of being developed with affordable housing and identifies strategies and measurable outcomes to “Protect, Preserve, and Produce” affordable homes.

¹ FY 2021-23 Budget Priorities: <https://stories.opengov.com/oaklandca/published/OV2Mbvvxu>.

Responsive, Trustworthy Government: The General Plan and Housing Element promotes meaningful civic engagement in public decision-making processes and identify objectives and policies that address the most pressing needs in the community, particularly where social and racial inequity are most prevalent. Preparation of the APRs promote transparency in government by sharing information with the public to monitor and ensure accountability in implementation of General Plan and Housing Element programs and policies.

The analysis in this report addresses the (1) 2022 General Plan APR and (2) 2022 Housing Element APR.

I. 2022 GENERAL PLAN ANNUAL PROGRESS REPORT

The 2022 General Plan APR addresses the following topics: (1) Date of the Last Update to the General Plan; (2) Measures Associated with Implementation of the General Plan; (3) Compliance with OPR’s General Plan Guidelines; (4) Updating Goals, Policies, Objectives, Standards, or Other Plan Proposals; and (5) Implementation of the General Plan.

Date of the Last Update to the General Plan

California Government Code section 65302 mandates that all General Plans address specific topics. **Figure 1** summarizes the eight (8) required General Plan Elements and two (2) optional topics with the date that they were last updated.

Figure 1. General Plan Elements

General Plan Element	Required Content	Last Updated
<i>Phase I of the General Plan Update includes the updates of the Housing and Safety Elements of the General Plan and creation of the City’s first Environmental Justice Element</i>		
Housing (Required)	The Housing Element implements the declaration of State law that the availability of housing is a matter of vital statewide importance. It is more specific and directive than other elements, with detailed guidance and reviews. The State HCD must review and certify the Housing Element, while jurisdictions submit annual progress reports. In Oakland (and most major cities), the Housing Element must be revised and submitted to State HCD for review on an eight-year cycle.	2023
Safety (Required)	The Safety Element is intended to reduce potential short and long-term risks of death, injuries, property damage, and economic dislocation resulting from fires, floods, droughts, earthquakes, landslides, climate change; as well as local hazards.	Adopted in 2004 and amended in 2012, 2016 and 2021 Safety Element Update will be adopted in Fall 2023
Environmental Justice (New Requirement)	Senate Bill 1000, passed in 2016, requires that cities and towns with disadvantaged communities adopt environmental justice policies or an	New Environmental Justice Element will be adopted in Fall 2023

	<p>Environmental Justice Element. These must include objectives and policies to reduce health risks in disadvantaged communities, promote civic engagement in the public decision-making process, and prioritize programs that address the needs of disadvantaged communities.</p> <p>Under SB 1000, Oakland is required to adopt an Environmental Justice Element, either standalone or interwoven with other Elements, concurrent with updates to the Housing and Safety Elements.</p>	
<p><i>Phase II of the General Plan Update includes the update of the City's Land Use and Transportation Element (LUTE); Open Space, Conservation, and Recreation Element (OSCAR); Noise Element; and the development of a new Infrastructure and Facilities Element.</i></p>		
<p>Land Use (Required)</p>	<p>The Land Use Element establishes the community's vision for growth via equitable and accessible distribution of different land uses, including residential, commercial, industrial, agricultural, and open space.</p> <p>In Oakland, the current Land Use Element for areas outside of the Oakland waterfront is contained in the Land Use and Transportation Element (LUTE), adopted in 1998.</p> <p>The Estuary Policy Plan (EPP) establishes the General Plan land use policies for lands between Interstate 880 and the Oakland waterfront. The EPP was adopted as part of the General Plan in 1999.</p>	<p>LUTE – 1998</p> <p>EPP – 1999</p> <p>LUTE will be updated during Phase 2 of the General Plan Update, which begins Fall 2023</p>
<p>Circulation (Required)</p>	<p>The Circulation Element addresses infrastructure needs for the circulation of people, goods, energy, water, sewage, storm drainage, and communications. By statute, the Circulation Element must correlate directly with the Land Use Element.</p> <p>In Oakland, the current Circulation Element for areas outside of the Oakland waterfront is contained in the Land Use and Transportation Element (LUTE), adopted in 1998 (Oakland refers to "Circulation" as "Transportation").</p> <p>The 1999 EPP establishes the current General Plan circulation policies for areas between Interstate 880 and the Oakland waterfront.</p> <p>The 2019 Bike Plan is part of the Circulation Element that is contained in the LUTE and outlines major improvements to Oakland's bicycle network and introduces brand new cycling programming.</p> <p>The 2017 Pedestrian Plan is part of the Circulation Element that is contained in the LUTE and sets</p>	<p>LUTE – 1998</p> <p>EPP – 1999</p> <p>LUTE and EPP will be combined and updated during Phase 2 of the General Plan Update, which begins Fall 2023</p> <p>The Bike Plan was comprehensively updated in 2019</p> <p>The Pedestrian Plan was updated in 2017</p>

	goals, outlines related policies and programs, and establishes a prioritization strategy to implement recommendations that will improve the pedestrian environment.	
Open Space (Required)	The Open Space Element identifies valuable undeveloped areas and creates a long-term plan to preserve them. In Oakland, the current Open Space Element is contained in the City’s Open Space, Conservation and Recreation Element (OSCAR), adopted in 1996.	1996 OSCAR will be updated during Phase 2 of the General Plan Update, which begins Fall 2023
Conservation (Required)	The Conservation Element establishes goals and policies for the retention, enhancement and development of natural resources. It is to be coordinated with the Land Use and Open Space Elements. In Oakland, the current Conservation Element is contained in the City’s OSCAR, adopted in 1996.	1996 OSCAR will be updated during Phase 2 of the General Plan Update, which begins Fall 2023
Noise (Required)	The Noise Element describes the local noise environment and analyzes current and projected noise levels. It outlines policies and implementation measures to address existing and foreseeable noise problems. In Oakland, the current Noise Element was adopted as part of the General Plan in 2005.	2005 Noise Element will be updated during Phase 2 of the General Plan Update, which begins Fall 2023
<i>In 2022, the following optional Elements of Oakland’s General Plan did not have a timeline for updates:</i>		
Historic Preservation (Optional)	Provides policies and actions to encourage the preservation of older buildings, districts, and other physical features of historic value.	1994
Scenic Highways (Optional)	Establishes policies to preserve and enhance attractive roadways traversing the City. It was previously a required element under State law, but that requirement was rescinded in 1984.	1974

Measures Associated with Implementation of the General Plan

In 2022, the City continued working on major long range planning initiatives to implement the Oakland General Plan. While not exhaustive, the list below offers a highlight of major implementation milestones, organized by General Plan Element. While many of these efforts implement multiple General Plan Elements, they have been placed under a single heading.

- Land Use and Transportation Element (LUTE):
 - [Downtown Oakland Specific Plan](#) (ongoing in 2022)
 - [Equitable Climate Action Plan](#) (adopted July 2020)
 - [Coliseum Area Specific Plan](#) (adopted April 2015)
 - [Broadway Valdez District Specific Plan](#) (adopted June 2014)
 - [West Oakland Specific Plan](#) (adopted June 2014)
 - [Lake Merritt Station Area Plan](#) (adopted December 2014)
 - [Central Estuary Area Plan](#) (adopted April 2013)

- Safety Element:
 - [Vegetation Management Plan](#) (ongoing in 2022)
- Open Space, Conservation, and Recreation (OSCAR) Element:
 - [Urban Forest Master Plan](#) (ongoing in 2022)

Compliance with OPR's General Plan Guidelines

Oakland's General Plan complies with OPR's General Plan Guidelines, including environmental justice considerations, collaborative planning with military lands and facilities, and consultation with Native American tribes.

In 2022, the City continued the 2045 General Plan Update (GPU), which is being undertaken in two phases. Phase 1 includes updates to the Housing Element and Safety Element, the creation of a new Environmental Justice Element, an Industrial Lands Study, an Environmental Impact Report (EIR), and updates to the zoning code text and map. The GPU community engagement strategy places emphasis on engaging communities historically underrepresented and excluded from traditional planning processes in a combination of workshops, discussion groups, pop-up outreach, cultural events, youth engagement, online engagement methods, and more. In particular, the City engaged with Native American tribes in identifying ways to mitigate potential impacts to tribal cultural places.

In addition, the GPU is supported by a Racial Equity Impact Analysis (REIA) that analyzes the goals, policies, and actions proposed in each Element to ensure they prioritize historically marginalized communities and maximize equitable outcomes.

In conjunction with the GPU, the City created a [Map Atlas](#) to facilitate community input on planning issues, priorities and vision for the future by providing baseline spatial data on existing conditions and mappable, resources, trends, and critical concerns that will frame choices for the long-term physical development of Oakland. In addition, the [Environmental Justice and Racial Equity Baseline](#) was developed as another tool to identify and delineate disparities by race and geography, which may be present in the social, economic and environmental factors that can be influenced directly or indirectly by the General Plan.

Updating Goals, Policies, Objectives, Standards, or Other Plan Proposals

The last comprehensive update to Oakland's General Plan occurred in the 1990's. In 2022, the City continued working on Phase 1 of the 2045 GPU, which includes updates to the Housing Element and Safety Element, the creation of a new Environmental Justice Element, an Industrial Lands Study, an Environmental Impact Report (EIR), and updates to the zoning code and map. On January 31, 2023, the City Council adopted the Housing Element update, which includes updates to the goals, policies, objectives and standards for that element.

The GPU Phase 2 will include updates to the Land Use and Transportation Element; Open Space, Conservation, and Recreation Element; and Noise Element. It will also include the creation of a new Infrastructure and Facilities Element.

Implementation of the General Plan

The following plans and projects were approved or ongoing in 2022, and amended or proposed amending the General Plan and/or General Plan land use maps:

1. **Brooklyn Basin – Approved, Ongoing Construction in 2022**
288 9th Ave, Oakland, CA 94606
The Brooklyn Basin project site is an approximately 64 acre mixed-use development on waterfront property.
2. **Downtown Oakland Specific Plan – Ongoing in 2022**
The City is preparing a specific plan and associated zoning and General Plan amendments for downtown Oakland to ensure continued growth and revitalization to benefit both downtown residents and the larger community. The plan will provide sound policy guidance on development, linking land use, transportation, economic development, housing, public spaces, cultural arts, and social equity.
3. **Former California College of the Arts Campus – Ongoing in 2022**
5212 Broadway, Oakland, CA 94618
Conversion of the former arts college campus into an historic, mixed-use development.
4. **2023-2031 Housing Element Update – Ongoing in 2022**
The 2023-2031 Housing Element Update was prepared in 2022 and adopted by City Council (Resolution No. 89565 C.M.S.) on January 31, 2023. Code amendments to implement the Housing Element are planned for adoption in Summer-Fall 2023.
5. **Safety Element Update – Ongoing in 2022**
Updates to the Safety Element are planned for adoption in Summer-Fall 2023.
6. **Environmental Justice Element – Ongoing in 2022**
Adoption of the new Environmental Justice Element is planned for adoption in Summer-Fall 2023.
7. **2045 General Plan Update Phase 1 Code Amendments – Ongoing in 2022**
Code amendments to implement the Safety Element, Environmental Justice Element, Industrial Lands Policy, and Housing Element are planned for adoption in Summer-Fall 2023.

II. 2022 HOUSING ELEMENT ANNUAL PROGRESS REPORT

The 2022 Housing Element APR addresses topics including: (1) Overall Housing Production; (2) Affordability of New Housing Units; (3) Affordability of Units by Unit Category; (4) Progress Towards Meeting Regional Housing Needs Allocations (RHNA) & Reporting Shortfall Housing Needed; (5) Preservation of Residential Units; (6) Sites Identified or Rezoned to Accommodate Shortfall Housing Need; (7) Locally Owned Lands; (8) Applications for Lot Splits & Units Constructed; (9) Housing-Related Activities and Policy; (10) Local Early Action Planning (LEAP) Reporting; and (11) Key Issues and Expectations for 2023.

Overall Housing Production

The Housing Element APR provides a comprehensive accounting on new housing production, by affordability level and type of unit, at key milestones of the development process. In other words, the Housing Element APR provides an accounting of new housing units **proposed** (in application submittals to the Planning Bureau), **entitled** (received all the required land use approvals), **permitted** (issued a building permit), and **completed** (passed its final building inspection) during 2022.

a. **Figure 2** provides the number of new housing units by phase and development and unit type. The specific unit type refers to the density and physical form of each development project. State HCD stipulates the following “Unit Type” definitions:

- **Single Family-Detached Unit (SFD)** – A one-unit structure with open space on all four sides. The unit often possesses an attached garage.
- **Single Family-Attached Unit (SFA)** – A one-unit structure attached to another unit by a common wall, commonly referred to as a townhouse, half-plex, or row house. The shared wall or walls extend from the foundation to the roof with adjoining units to form a property line. Each unit has individual heating and plumbing systems.
- **2-, 3-, and 4-Plex Units per Structure (2-4)** – A structure containing two, three, or four units and not classified as single-unit attached structure.
- **5 or More Units per Structure (5+)** – A structure containing five or more housing units, also known as “Multifamily Housing Projects.”
- **Accessory Dwelling Unit (ADU)** – A unit that is attached, detached, or located within the living area of an existing dwelling or residential dwelling unit which provides complete independent living facilities for one or more persons. This category also includes *Junior ADUs*.²

These unit type categories are referenced repeatedly throughout this report.

Figure 2. Number of New Housing Units by Phase of Development and Unit Type, 2022

Unit Category	Proposed	Entitled	Permitted	Completed
2 to 4	13	30	19	31
5+	2,570	3,313	1,544	3,158
ADU*	383	342	287	143
SFA	114	23	38	24
SFD	48	104	21	29
Totals	3,128	3,812	1,909	3,385

* *Count of Accessory Dwelling Units (ADUs) also includes Junior ADUs.*

² ADUs include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel on which the single- or multi-family dwelling is situated pursuant to Government Code section 65852.2. For purposes of the APR, an ADU also includes the following: an efficiency unit, as defined in Section 17958.1 of the Health and Safety Code or a manufactured home, as defined in Section 18007 of the Health and Safety Code.

b. New Housing Units Proposed in Complete Application Submittals

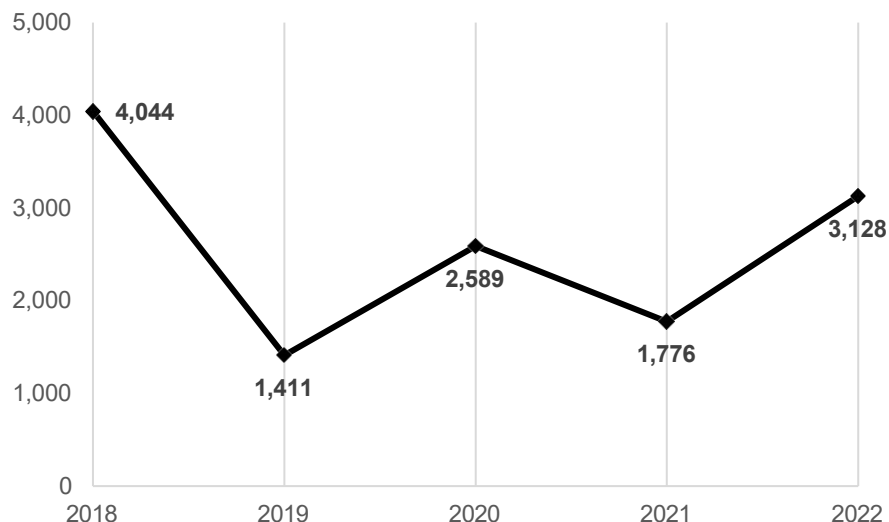
Table A of the Housing Element APR provides a list of application submittals for new housing development that were deemed complete by the Planning Bureau in 2022.³

A total of **410** applications for new housing development were submitted and determined complete during calendar year 2022. This number has remained relatively consistent since 2018, when State law first began to require municipalities to report on application submittals. A total of **3,128** new housing units were proposed among the application submittals deemed complete in 2022 (**Figure 3**). Of the proposed units, **2,570** are in multifamily-housing projects, **48** are single family-detached units, **114** are single family-attached units, **383** are ADUs, and **13** units are in duplexes, triplexes or fourplexes (**Figure 2**).

Between 2019-2021, the City saw a decline in the total number of proposed units in new housing development application submittals (**Figure 3**). This is likely due in part to impacts from the COVID-19 pandemic. However, since this dip began in 2019, the number of new housing units proposed among application submittals deemed complete has risen. The 3,128 proposed units in 2022 represents a 76 percent increase from 2021. Although, this is still 23 percent less than the height of proposed units in applications in 2018, which was 4,044 units.

³ In compliance with Section 65943 of the California Government Code – which requires a determination in writing as to the completeness of an application for a development project – these applications were deemed complete between January 1, 2022 and December 31, 2022. However, the action of determining that an application submittal is complete does not constitute either an approval or denial of an application. Rather, applicants are issued a “Notification of Completeness” letter, which includes a determination of completeness (i.e., complete or incomplete). If incomplete, staff must notify the applicant within 30 days of the City receiving the application and inform them how the application can be made complete.

Figure 3. Total Number of Units from Application Submittals for New Housing Development, 2018-2022



c. New Housing Units Entitled or Approved by Zoning

Entitlements are planning and zoning approvals to develop a property. A project that has been entitled means the housing development has received all the required land use approvals necessary for the issuance of a building permit. Entitlement typically involves a formal planning review process which focuses on whether the new residential facility will meet specific criteria, including:

- Development standards established by Zoning;
- Conformity to the Oakland General Plan and any applicable Specific Plans; or
- Design review criteria adopted by the Planning Commission or City Council.

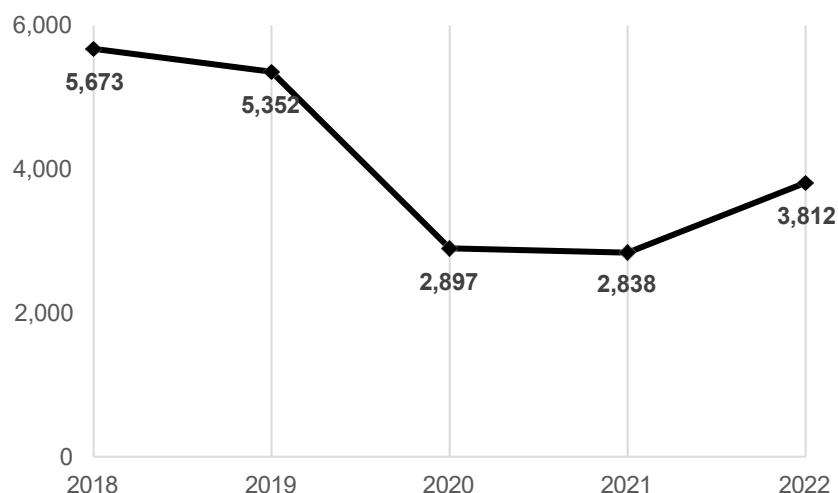
As shown in **Figure 4**, approximately **3,812** new housing units received an entitlement in 2022. Of the **3,812** entitled units, **3,313** are in multifamily-housing projects, **104** are single-family-detached units, **23** are single family-attached units, **342** are ADUs, and **30** units are in duplexes, triplexes or fourplexes (**Figure 2**).

Between 2019 and 2020, the City saw a 46 percent decrease in the total number of new housing units issued entitlements, with only 2,897 units entitled in 2020 (**Figure 4**). This is likely due to impacts from the COVID-19 pandemic. The number of new housing units receiving entitlements remained at a similar level in 2021 with 2,838 units entitled. However, in 2022, the number of units issued entitlements rose to 3,812 units, representing a 34 percent increase since 2021. Although, this is still 33 percent less than the height of new housing units issued entitlements in 2018, which was 5,673 units.

Projects that have received entitlements have all the necessary land use approvals to apply for a building permit. However, external factors – such as financing, the real estate market, and

complying with applicable pre-construction conditions of approval – will impact the timing for when an application for a building permit is submitted.

Figure 4. Total Number of New Housing Units Entitled, 2018-2022



d. New Housing Units Issued a Building Permit (Permitted)

Building permits ensure that any new construction complies with all health, safety, and building code standards. The issuance of a building permit signals that construction on a project may begin - at this time, the unit is considered “permitted.”

Only building permits for the construction of new housing units may be counted towards meeting the RHNA. In addition, the only housing preservation projects that may be counted toward meeting RHNA (at the time a building permit is issued) are those that convert **non-residential** uses to residential uses, such as conversions of motels to housing units. The City had one such project in 2022 that secured funds through the State’s Homekey program, which was created to protect Californians experiencing homelessness who are at high risk for serious illness and are impacted by COVID-19.

The City received Homekey funds for the acquisition and conversion of the following project, which received a building permit in 2022:

- **Piedmont Place** located at 55 MacArthur Blvd. The acquisition of an existing motel and conversion into a **46-unit** permanent supportive housing development 100 percent affordable to extremely low-income households (with exception of one (1) manager’s unit) for Homeless and Chronically Homeless individuals in Oakland. This project was issued a building permit in 2022. This means the City met the State HCD criteria to receive RHNA credit for the new affordable units provided by Piedmont Place.

As shown in **Figure 2**, the City permitted a total of **1,909** new housing units in 2022. Of these permitted units, **1,544** are in multifamily-housing projects, **21** are single family-detached units,

38 are single family-attached units, **287** are ADUs, and **19** units are in duplexes, triplexes or fourplexes.

e. New Housing Units Completed

A completed unit is one where the project has passed its final building inspection and is now ready for occupancy. Inspections are required to ensure that the construction is proceeding according to all current code standards, the approved plans, as well as any conditions-of-approval.

As shown in **Figure 2**, the City completed a total of **3,385** new housing units in 2022. Of these, completed units, **3,158** are in multifamily-housing projects, **29** are single family-detached units, **24** are single family-attached units, **143** are ADUs, and **31** units are in duplexes, triplexes or fourplexes.

Affordability of New Housing Units

Based on several recently-published reports, housing justice – the process and outcome of establishing housing as a human right – is now the number one priority for Oaklanders of all races, particularly for those who are at the lower ends of the income brackets and/or are experiencing homelessness.^{4,5,6} While housing affordability is both a regional, if not statewide issue, it severely impacts Oakland given the relatively high proportions of people needing below-market housing and the high cost of housing in the Bay Area.⁷ According to the American Community Survey estimates for 2019, a staggering 51 percent of Oakland renters are housing burdened⁸ and 27 percent are severely housing burdened.^{9,10} Rent burden also follows familiar patterns of racial inequity. Black households have the lowest median household income, and approximately 60 percent of Black renter households are rent burdened with about one-third severely rent burdened — the highest rate of any racial/ethnic group in Oakland.¹¹

⁴ "Centering Racial Equity in Homeless System Design." (2021) Oakland-Berkeley-Alameda County Continuum of Care.

<https://everyonehome.org/wp-content/uploads/2021/02/2021-Centering-Racial-Equity-in-Homeless-System-Design-Full-Report-FINAL.pdf>.

⁵ "Housing Vulnerability in Oakland, CA." (2020) The Housing Initiative at Penn.

https://www.housinginitiative.org/uploads/1/3/2/9/132946414/hip_oakland_market_study_9-29-20_small.pdf.

⁶ "A Primer on Power, Housing Justice, and Health Equity: How Building Community Power Can Help Address Housing Inequities and Improve Health." (2020) Human Impact Partners.

https://static1.squarespace.com/static/5ee2c6c3c085f746bd33f80e/t/5f6a265e4f5ea8325042f1cd/1600792164297/HIP.RTTC_Final_Housing_Justice_HE_Primer+%281%29.pdf.

⁷ "Oakland 2045: Environmental Justice and Racial Equity Baseline." City of Oakland Planning and Building Department. https://cao-94612.s3.amazonaws.com/documents/Equity-Baseline_revised4.15.22.pdf.

⁸ Pay more than 30 percent of income on housing costs.

⁹ Pay more than 50 percent of income on housing costs.

¹⁰ "Oakland 2045: Environmental Justice and Racial Equity Baseline." City of Oakland Planning and Building Department. https://cao-94612.s3.amazonaws.com/documents/Equity-Baseline_revised4.15.22.pdf.

¹¹ "City of Oakland Housing & Community Development Department 2021-2023 Strategic Action Plan." <https://cao-94612.s3.amazonaws.com/documents/HCD.final.21-21Strategic-Plan.pdf>.

This Housing Element APR provides a summary of housing production by household affordability level. The income levels used in the Housing Element APR are defined by State HCD based on Area Median Income (AMI).¹² The AMI is the midpoint of an area's income distribution. This means half of families in an area earn more than the median and half earn less than the median. Each income level is defined below:

- A Very Low-Income (VLI) household earns between zero and 50 percent of AMI.
- A Low-Income (LI) household earns between 51 and 80 percent of AMI.
- A Moderate-Income household earns between 81 and 120 percent of AMI.
- An Above-Moderate household earns more than 120 percent of AMI. Housing units affordable to this income level are known as “Market-Rate” units.

An Extremely Low-Income (ELI) household earns equal to or less than 30 percent of AMI. The Housing Element APR counts ELI units as a subset of new housing units affordable to Very Low-Income (VLI) households. This is because the APR defines VLI as households earning between zero (0) and 50 percent of AMI. Thus, the number of new VLI units provided in this report also includes ELI units. Please see **Figure 6** of this report for a more detailed accounting of ELI units.

Figure 5. Number of New Housing Units by Phase of Development and Affordability Level, 2022

	VLI	LI	Moderate-Income	Affordable Subtotal	Market Rate	TOTAL
Proposed	494	667	199	1,360	1,768	3,128
Entitled	473	1,178	207	1,858	1,954	3,812
Permitted	393	166	78	637	1,272	1,909
Completed	251	329	63	643	2,742	3,385

As shown in **Figure 5**, the City made important progress in **2022** toward enabling the construction of new affordable housing units. A total of **1,360** new affordable housing units were proposed in application submittals deemed complete in 2022. This total includes **494** units affordable to VLI households, **667** units affordable to LI households, and **199** units affordable to moderate-income households. The City entitled **1,858** new affordable housing units, including **473** units affordable to VLI households, **1,178** units affordable to LI households, and **207** units affordable to moderate-income households. In addition, the City issued building permits for **637** new affordable housing units. The 2022 total number of permitted units includes **393** new housing units affordable to VLI households, **166** units affordable to LI households, and **78** units affordable to moderate-income households. A total of **643** new affordable housing units were completed in 2022, meaning they passed a final building inspection and are now ready for people to move in. The total includes **251** new housing units affordable to VLI households, **329** units affordable to LI households, and **63** units affordable to moderate-income households. For new housing units reported as affordable, the Housing Element APR also provides information on the financial assistance program or deed-restriction mechanism used to subsidize the unit. This information can be found in the complete **2022 Oakland Housing**

¹² For more information about Area Median Income: <https://www.oaklandca.gov/resources/rent-and-income-limits-for-affordable-housing>.

Element APR, which can be downloaded from the City’s website:

<https://www.oaklandca.gov/documents/housing-element-annual-progress-reports>.

In addition, the Housing Element APR includes a summary of the housing units that were substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved during the reporting year. A summary of the City’s housing preservation accomplishments can be found on page 10 of this report.

a. Extremely Low-Income Units

According to the Oakland Housing and Community Development Department (Oakland HCD) 2021-2023 Strategic Action Plan, over 80 percent of ELI households pay more than 30 percent of their income towards rent, with 46 percent paying over 50 percent of their income towards rent.¹³ This statistic points towards a severe lack of deeply affordable housing. Thus, the production of ELI units is a key component of advancing racial equity in the City.

In 2022, the City entitled **175** units, permitted **262**, and completed **120** units affordable to ELI households (see **Figure 6**).

Figure 6. Number of New Housing Units Affordable to Extremely Low-Income Households*, by Phase of Development, 2022

	Extremely Low-Income Units
Entitled	175
Permitted	262
Completed	120

* The Housing Element APR does not require municipalities to report the number of new ELI units proposed in application submittals deemed complete.

b. Senate Bill 35 Streamlining

California Senate Bill (SB) 35 was signed into State law to streamline the construction of affordable housing. SB 35 applies to any city or county that has not made sufficient progress toward meeting their RHNA goal for above-moderate income units or units affordable to LI and VLI households (i.e., households earning below 80 percent of the AMI).

Eight (8) affordable housing projects submitted under SB 35 were entitled in 2022 (see **Figure 7**). These projects included a total of **113** new housing units deed-restricted to VLI households, **912** new LI housing units, **106** new Moderate-Income units, and **11** market-rate units set aside for property managers.

¹³ “City of Oakland Housing & Community Development Department 2021-2023 Strategic Action Plan.” <https://cao-94612.s3.amazonaws.com/documents/HCD.final.21-21Strategic-Plan.pdf>.

Figure 7. Entitled SB 35 Projects by Affordability Level, 2022

Address	Record ID	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total Units
6733 Foothill Blvd, Oakland 94605	PLN20158		423	106	4	533
10550 International Blvd, Oakland 94603	PLN21216		208		2	210
2956 International Blvd, Oakland 94601	PLN22119		99		1	100
2301 Telegraph Ave, Oakland 94612	PLN22147	43	14		1	58
3419 San Pablo Ave, Oakland 94608	PLN22165	30	29		1	60
7994 MacArthur Blvd, Oakland 94605	PLN22172	40				40
3135 San Pablo Ave, Oakland 94608	PLN22046		72		1	73
1003 East 15 th St, Oakland 94606	PLN22082		67		1	68
	Total Units	113	912	106	11	1,142

One (1) affordable housing project submitted under SB 35 was issued a building permit in 2022. This project is located at 4311 MacArthur Boulevard and includes a total of 191 affordable units, of which 40 are new housing units deed-restricted to VLI households and 151 are new LI housing units, and two (2) market-rate units set aside for property managers.

Affordability of Units by Unit Category

a. Multifamily Housing Projects

The largest number of new affordable units are being produced within housing projects that have five (5) or more units. This is due to several factors. The production of housing affordable to lower-income households requires significant subsidies and financial assistance. While financial assistance is key, density (or the number of units within a project) can also play a big role in determining whether it is feasible for an affordable housing project to be built on any given site. In Alameda County, the standard density to demonstrate a site's capacity to be

developed into affordable housing is at least 30 dwelling units per acre.¹⁴ In addition, State law on Density Bonuses may only be applied to mixed-income projects with five (5) or more units.¹⁵

For some of the above reasons, the Oakland HCD has targeted its Notice of Funding Availability (NOFA) releases to produce affordable units within multifamily housing projects, although the Acquisition and Conversion to Affordable Housing (ACAH) NOFA provides some opportunity to purchase smaller existing buildings for conversion to restricted affordable housing. To provide additional housing opportunities in Oakland, the City is currently creating a program to support the production of ADUs. The program will support lower income homeowners in legalizing existing and building new ADU units to provide additional housing opportunities in Oakland. The affordability of ADUs is discussed further in this report.

Figure 8. Production of Affordable Housing Units in Multifamily Housing Projects*, 2022

	VLI	LI	Moderate-Income	Affordable Subtotal	Market-Rate	Grand Total	Percent Affordable
Proposed	494	667	199	1,360	1,210	2,570	53 percent
Entitled	473	1,178	204	1,855	1,458	3,313	56 percent
Permitted	393	165	78	636	908	1,544	41 percent
Completed	251	329	63	643	2,515	3,158	20 percent

* "Multifamily Housing Projects" are structures with five (5) or more dwelling units.

As shown in **Figure 8** above, a total of **1,360** new affordable units were proposed in application submittals for multifamily housing projects. This represents **53 percent** of the units in this category as affordable. In addition, the City entitled **1,855** new affordable units in multifamily housing projects out of a total of **3,313**. This constitutes **56 percent** of the units in this category as affordable. There were **636** new affordable units in multifamily projects out of a total of **1,544** units that were issued a building permit. This constitutes **41 percent** of the units in this category as affordable. Lastly, there were **643** affordable units in multifamily projects out of a total of **3,158** units that were completed. This constitutes about **20 percent** of the units in this category as affordable. The percentage of completed affordable units in multifamily projects is less than the percentage at other stages of the development process. However, if multifamily affordable housing projects in the development pipeline continue to move forward in the process, the future number of affordable units completed will increase over the next several years.

Attachment A provides a breakdown of the distribution of new affordable housing units by project and phase of development.

¹⁴ "Analysis of Sites and Zoning." California Department of Housing and Community Development Department. <https://hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml>.

¹⁵ Government Code 65915 "Density Bonuses and Other Incentives." https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65915&lawCode=GOV.

b. Accessory Dwelling Units

ADUs can be used to help address a range of local housing issues. According to the ADU Existing Conditions and Barriers Report,¹⁶ ADUs provide cost-effective, “affordable-by-design” housing in predominately single-family neighborhoods, many of which have immediate access to transit and amenities. They can also stabilize existing single-family neighborhoods by creating rental income for homeowners to help subsidize the cost of home ownership. In addition, they can allow families to support each other across generations while maintaining independent households and opportunities to age in place.

The City has continually adopted new ADU regulations to remain in compliance with State law. In addition, City Council adopted new regulations in January 2022 to allow additional building envelope expansion for “small lots,” additional height limits to create two-story ADUs, provisions for reduced setbacks, amnesty and enforcement delay program for currently un-permitted ADUs, and a number of other proposals designed to make creation of ADUs more affordable and more accessible to different income groups. Notably, the City now offers “off-the-shelf” pre-approved ADU building plans to be used on properties with Single-Family, Two-Family or Multi-Family homes. These permit-ready plans are complete sets of construction drawings that conform to the latest codes. This resource is expected to reduce the cost of ADU production as well as streamline the entitlement and permitting process. For more information about this program, please visit: <https://www.oaklandca.gov/services/apply-for-adu-with-pre-approved-plans>.

The City’s new ADU Loan Program, administered by Oakland HCD, was established in Fall 2022 to assist lower-income applicants with legalizing their existing un-permitted units. This program has secured a \$3M State CalHome grant to create more ADUs that are safe to inhabit. The City will seek ongoing State funding for ADU development in the future. For more information about the City’s ADU Loan Program, please visit: <https://www.oaklandca.gov/resources/accessory-dwelling-unit-loan-program>.

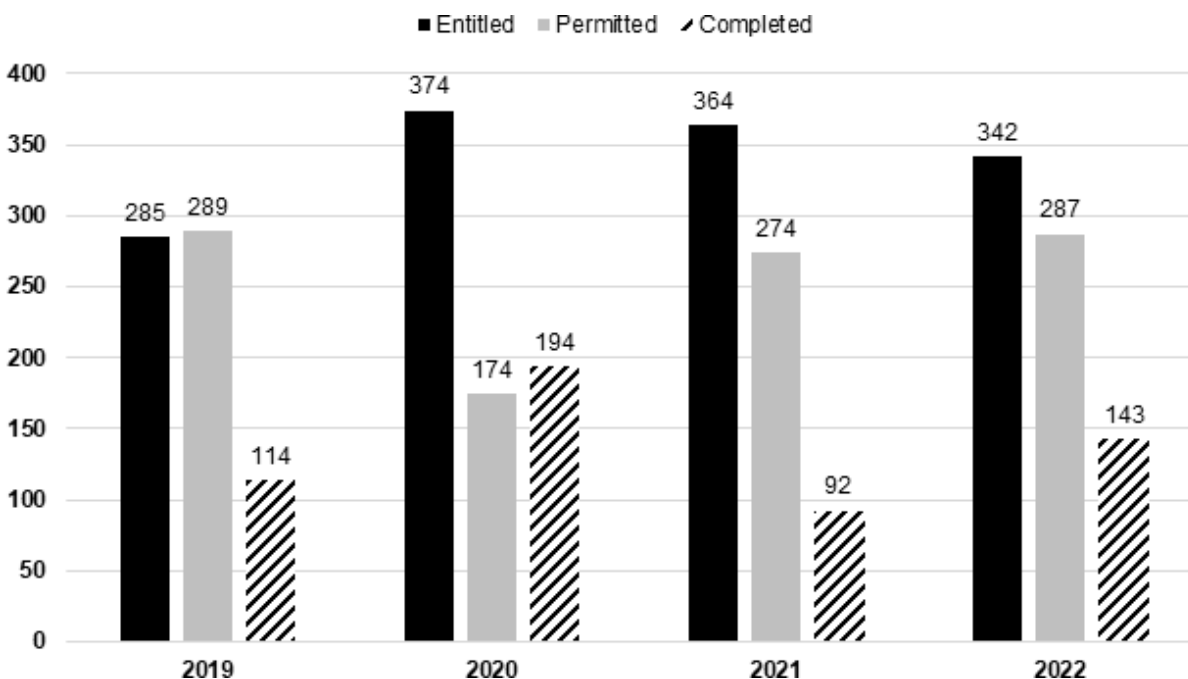
“Keys to Equity,” a privately funded program developed with City input, is helping homeowners build ADUs by providing project management services, financial assistance, and design and construction services. Although homeowners of all races and ethnicities may apply, the program specifically targets Black homeowners.

As shown in **Figure 2** above, the City entitled **342** ADUs, permitted **287**, and completed **143** ADUs in 2022. Further examining trends in the entitlement and permitting of ADUs over the last three years reveal interesting patterns. Surprisingly, the COVID-19 pandemic did not seem to slow down the entitlement of ADUs. As shown in **Figure 9** below, the number of ADUs entitled increased by 27 percent from 2019 to 2020. This increase is likely due to California AB 68, AB 881, AB 578, AB 670, AB 671, and SB 13 (collectively passed in 2019 and effective on January 1, 2020). This suite of new State laws introduced several important changes and limitations regarding how local governments can regulate ADUs in order to encourage statewide production of ADUs. However, the same positive trend is not replicated in the construction stages of production. The permitting (i.e. the issuance of a building permit) of ADUs declined by

¹⁶ “Oakland ADU Initiative Existing Conditions And Barriers Report” <https://cao-94612.s3.amazonaws.com/documents/Oakland-ADU-Research-Report-Jan-2020-Rev-June-2020.pdf>.

nearly 40 percent from 2019 to 2020. This is likely due to impacts from the COVID-19 pandemic. Fortunately, the number of ADUs permitted in 2022 has risen back to 2019 levels.

Figure 9. Production of Accessory Dwelling Units, 2019-2022



Since 2015, the City has been reporting ADUs as market-rate units to the State through the Housing Element APR. This is done because ADUs are not deed-restricted. However, recent studies on the affordability of ADUs support the idea that ADUs are an important source of housing that is “affordable-by-design.” For example, the ADU Existing Conditions and Barriers Report found that the average rent charged for an ADU in Oakland was \$1,112.¹⁷ Applying State HCD’s Housing Affordability Calculator,¹⁸ and assuming that this average rent is for a one-bedroom ADU, the average ADU in Oakland would qualify as a non-deed-restricted low-income unit.¹⁹

Progress Towards Meeting Regional Housing Needs Allocation & Reporting Shortfall Housing Need

Every jurisdiction in California is required to zone for enough land for private development to meet that city’s RHNA. The RHNA is determined through a state-mandated process carried out

¹⁷ “Oakland ADU Initiative Existing Conditions And Barriers Report” <https://cao-94612.s3.amazonaws.com/documents/Oakland-ADU-Research-Report-Jan-2020-Rev-June-2020.pdf>.

¹⁸ The Housing Affordability Calculator makes its affordability determinations based on the income levels provided in the Official State Income Limits published annually by HCD. <https://www.hcd.ca.gov/community-development/annual-progress-reports.shtml>.

¹⁹ “Using ADUs to Satisfy RHNA” ABAG Technical Memo: <https://abag.ca.gov/tools-resources/digital-library/adus-projections-memo-finalpdf>.

by regional planning entities – in the case of Oakland’s RHNA, the corresponding entity is the Association of Bay Area Governments (ABAG). Oakland’s RHNA for the 2015-2023 Planning Period required the City to plan for 14,765 housing units between January 2015 and January 2023, of which 2,059 should be affordable to VLI households, 2,075 to LI households, 2,815 to moderate-income households, and 7,816 to above moderate-income households.²⁰ The City’s progress toward meeting the RHNA is presented in Table B of the Housing Element APR and **Figure 10** below.

Figure 10. Oakland Regional Housing Needs Allocation (RHNA) Progress, 2015-2022

Number of Permitted Units by Affordability											
Income Level	RHNA*	2015	2016	2017	2018	2019	2020	2021	2022	Total Units	RHNA Due***
Very Low**	2,059	98	26	247	204	120	193	191	393	1,472	587
Low	2,075	30	13	66	85	307	40	125	166	832	1,243
Moderate	2,815	-	-	11	48	9	9	1	78	156	2,659
Market	7,816	643	2,082	4,019	4,280	1,727	865	1,350	1,272	16,238	-
Total	14,765	771	2,121	4,343	4,617	2,163	1,107	1,667	1,909	18,698	-

* These numbers refer to the 5th cycle RNHA which spans calendar years 2015-2023, which are the number of units that the State allocated for each income level.

** Units serving extremely low-income households are included in the very low-income permitted units totals and must be reported as very low-income units.

*** “RHNA Due” refers to the shortfall of units permitted for each income category. The City exceeded production of units under the market rate RHNA income category, which means there is no unit shortfall for that income level.

The main constraint to meeting RHNA allocations of affordable housing is the lack of funding resources to develop and operate these units.

From 2015 to 2017, Oakland experienced a staggering 461 percent increase in the total number of new units issued a building permit. The production totals remained at its highest rates in 2017 and 2018. Starting in 2019, however, the City has seen a decline in the number of new housing units issued a building permit. For example, the City issued building permits for a total of 2,163 new housing units in 2019. This represents a 53 percent decrease from the number of new units permitted in calendar year 2018. According to the Final Report of the Incentive Program Feasibility Study prepared for the Downtown Oakland Specific Plan, “new construction starts are waning due to mounting competition among recently-delivered residential projects and challenges associated with the financial feasibility of development.”²¹

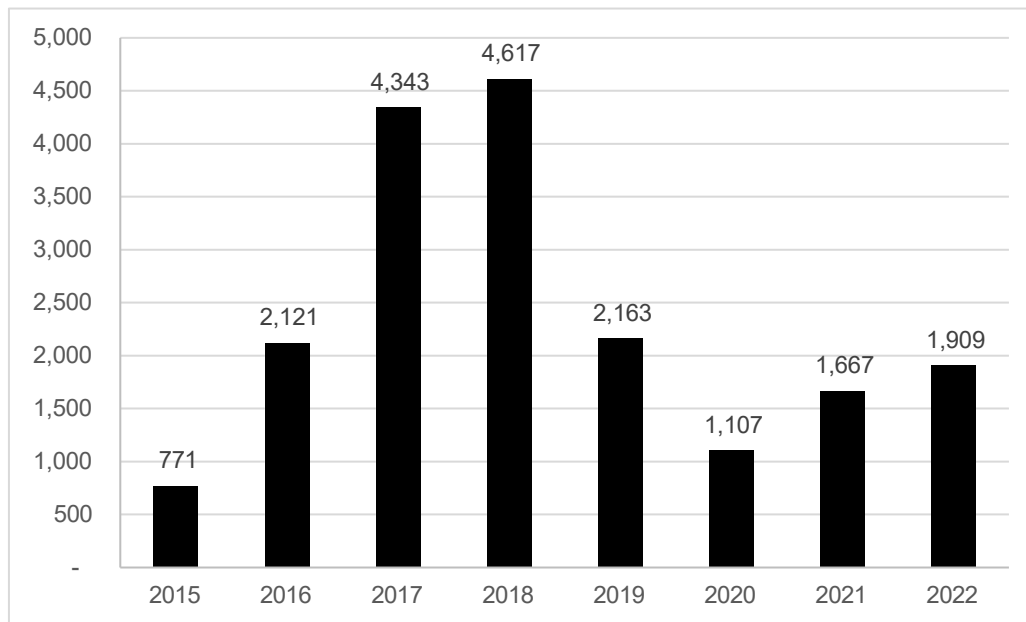
The COVID-19 pandemic also contributed to the decline in housing production as the number of new housing units issued a building permit dipped from 2,163 in 2019 to 1,107 in 2020 – representing a 49 percent decrease (see **Figure 11**). This decline was likely due to Shelter-in-Place Order prohibiting construction activity during the early part of 2020. However, since this dip in 2020, the number of permitted housing units has been steadily rising, with 1,909 permitted

²⁰ City of Oakland, 2015-2023 General Plan Housing Element (p. 223).

²¹ "Incentive Program Feasibility Study Final Report." July 10, 2020. https://cao-94612.s3.amazonaws.com/documents/191033_DOSP_CB_Final-Report-2020-07-10.pdf.

in 2022, representing a 15 percent increase since 2021, and coming closer to reaching pre-pandemic, 2019 levels (see **Figure 11**). Although, this is still 59 percent less than the height of production of 4,617 units that was seen in 2018.

Figure 11. Total Number of New Housing Units Permitted by Calendar Year, 2015-2022



Preservation and Production of Affordable Residential Units

The City typically issues funding for the construction, acquisition, and preservation of affordable housing via competitive NOFA processes, including a NOFA for Acquisition and Conversion to Affordable Housing (ACAH) for acquiring and placing long-term affordability restrictions on formerly market rate units.

Since 2017, the City has awarded \$45,839,372 to projects with 460 units as part of Site Acquisition and ACAH NOFAs, 265 units of which were awarded through ACAH NOFAs, which award funding for affordable housing providers to acquire un-regulated market-rate housing units and convert them to deed-restricted affordable housing (see **Figure 12**). The NOFAs have also provided funds to perform rehabilitation work to address deferred maintenance issues at the acquired properties.

Figure 12. Site Acquisition Program and ACAH Program Awards & Expenditures as of 8/1/22

Year/Program	Total Amount Awarded	Total Amount Spent	Balance Remaining to Spend	Total Affordable Units
2017 Site Acquisition (Fund 5331)	\$15,649,150	\$15,649,150	\$0	215
2019 ACAH NOFA (Funds 5331&5333)	\$23,840,222	\$21,415,617	\$2,424,605	187
2020 ACAH NOFA (Fund 5333)	\$6,350,000	\$1,355,250	\$4,994,750	58
Site Acquisition + ACAH Total	\$45,839,372	\$38,420,017	\$7,419,355	460

In December 2022, the City issued another ACAH NOFA funding application round, with an identified \$12 - \$22 million available to recipients, dependent on the results of the Homekey Round 3 applications described further below. As of the writing of this report, Oakland HCD staff is working to finalize funding awards from this NOFA round.

The NOFAs and associated documents are available at the following website:

<https://www.oaklandca.gov/resources/nofa-opportunities>.

In July 2020, the State of California issued a \$600 million NOFA under Homekey, a new grant program for local public entities to rapidly purchase and rehabilitate housing into interim or permanent housing for people experiencing homelessness who are at high risk of COVID-19. The City and its developer partners secured Homekey awards for three (3) projects in the 2020 Homekey NOFA, with two projects closing City and Homekey financing in 2020 and one project in 2021. First, the City directly acquired Clifton Hall, the 63-unit former California College of the Arts dormitory building in Rockridge, in December 2020. Clifton Hall provides 61 total homeless Single Room Occupancy units over three residential floors: one floor for a family shelter run by East Oakland Community Project, and two floors for permanent housing for seniors experiencing homelessness operated by Satellite Affordable Housing Associates, with priority for people exiting Alameda County Project Roomkey hotels. Second, in December 2020, the City secured Homekey funding and granted local funds towards the acquisition of the Inn at Temescal, a 22-room hotel, which provides 21 units of permanent supportive housing for homeless veterans. Third, the City secured Homekey funding towards the acquisition of the BACS Scattered Sites project, the acquisition of 15 scattered site properties with 80 rooms dedicated for unhoused residents. The City received funding from the State in 2020 and closed the financing with the borrower in early 2021.

In September 2021, the State of California issued a \$1.4 billion subsequent NOFA under Homekey. In the 2021 Homekey NOFA, the City and its developer partners secured Homekey awards for three (3) additional projects, with one project closing City and Homekey financing in 2022 and one closing in 2023. The remaining project has yet to close on its financing. First, the City closed on the acquisition for Piedmont Place in August 2022. Piedmont Place is the acquisition of an existing motel and conversion into a 46-unit permanent supportive housing development 100 percent affordable to extremely low-income households (with exception of one (1) manager’s unit) for Homeless and Chronically Homeless individuals in Oakland. Second, the City closed on the acquisition financing for the Inn by the Coliseum in January 2023. The

Inn by the Coliseum is a 37-unit hotel located in the Coliseum area of Oakland and will provide 36 permanent supportive housing units for Homeless and Chronically Homeless individuals as well. The City also received funding from the State for Kingdom Builders Transitional Housing, a 34-unit interim housing project for formerly incarcerated individuals. However, the borrower has yet to close on its financing. The financial closing is, therefore, pending.

Oakland HCD released a Homekey Notice of Funding Availability (NOFA) in October 2022. The City has selected sponsors to co-apply with to the State HCD Homekey NOFA which was released in Spring 2023. Project sponsors aim to submit applications in Spring 2023, with funding commitments expected to be issued by the State in Summer or Fall 2023.

Finally, in November 2021, the City issued a NOFA for New Construction of Rental Affordable Housing units, with \$37.5 million in funding to increase new construction affordable housing units in the City’s pipeline; the City received applications for over \$88 million in requested funds. Funding recommendations were presented to City Council in June 2022. The NOFAs and associated documents are available at the following website:

<https://www.oaklandca.gov/resources/2021-new-construction-of-multifamily-affordable-housing-nofa>.

Figure 13. Oakland Production and Preservation Progress

Category	Year								Total Units
	2015	2016	2017	2018	2019	2020	2021	2022	
RHNA Affordable	128	39	324	337	436	242	317	637	2,460
RHNA Market	643	2,082	4,019	4,280	1,727	865	1,350	1,272	16,238
Non-RHNA Acquisition and/or Preservation of Affordable *	0	0	0	63	155	301	234	191	944
TOTAL UNITS	771	2,121	4,343	4,680	2,318	1,408	1,901	2,100	19,824

* This is the total acquisition-preservation unit count, which includes units counted in Table F of the Housing Element APR.

Figure 13 shows the total number of affordable units that count toward the City’s 2015-2023 RHNA. In addition, **Figure 13** shows the affordable units acquired and/or preserved from NOFAs during this period of time that the State does not count towards meeting the City’s RHNA production goals but are critical and fundamental to the City’s efforts to acquire and preserve affordability, stabilize neighborhoods, and prevent displacement.

Sites Identified or Rezoned to Accommodate Shortfall Housing Need

Chapter four of the City's 2015-2023 General Plan Housing Element includes an inventory of sites identified by the City as suitable for residential development within the planning period. This inventory demonstrates that the City identified a sufficient number of sites suitable for residential development with the capacity to accommodate the City's housing allocation under RHNA.²²

The inventory of sites consists of two tiers. In the first tier, the City identified three distinct groups of sites where there was a specific housing development project already proposed for that site – projects already constructed, projects with planning approvals in place, and projects in predevelopment where a specific number of units has been proposed but had not yet been approved. These three groups have the capacity to accommodate more than half of the units required to meet the City's RHNA. To meet the remaining RHNA balance, and because many of these sites were developed or were proposed as market rate projects, the City's Housing Element also identified "opportunity sites." Opportunity sites are vacant and underutilized sites suitable for development of multifamily-housing projects with the capacity to accommodate very low-, low- and moderate-income housing as well as additional market-rate units. The City has identified enough opportunity sites to accommodate approximately 10,032 units. This group of opportunity sites demonstrates that Oakland has more than adequate land capacity to accommodate the land for very low-, low- and moderate-income units to meet its RHNA. However, the main constraint to creating these affordable units is the lack of funding resources to develop and operate them.

As **Attachment B** demonstrates, most of the housing production in Oakland since 2015 did not occur on sites identified in the 2015-2023 Housing Element as opportunity sites. However, projects that were developed on opportunity sites were developed at a higher density than originally allocated to the site. As a result, most of the opportunity sites identified in the 2015-2023 Housing Element remain available.

Therefore, because the housing potential on land identified as suitable for residential development is more than adequate to accommodate Oakland's remaining housing allocation under RHNA, the City was not required to complete Table C of the Housing Element APR. Please see **Attachment B** for a map showing the status of Oakland's 5th Cycle RHNA Opportunity Sites as of the end of December 2022.

Locally Owned Lands

In 2019, Governor Gavin Newsom signed into law Assembly Bill (AB) 1486. The law requires jurisdictions to include in the Housing Element APR a listing of sites owned by the locality that were included in the Housing Element sites inventory and were sold, leased, or otherwise disposed of during the reporting year. A list of Oakland sites meeting these criteria can be found on Table G of the Housing Element APR.

In addition, AB 1255 also requires cities and counties to create an inventory of surplus lands. This inventory can be found on Table H of the 2022 APR.

²² City of Oakland, 2015-2023 General Plan Housing Element (p. 223).

Applications for Lot Splits & Units Constructed

In 2019, Governor Gavin Newsom signed into law Senate Bill (SB) 9. The new law requires jurisdictions to ministerially approve either or both of the following, as specified:

- A housing development of no more than two units (duplex) in a single-family zone.
- The subdivision of a parcel zoned for residential use, into two approximately equal parcels (lot split), as specified.

Government Code section 65852.21(h) requires units constructed pursuant to Government Code section 65852.21 to be included in the APR. Government Code section 66411.7(l) requires lot splits approved pursuant to Government Code section 66411.7 to be included in the Housing Element APR.

In 2022, one application for a parcel map lot split was received pursuant to Government Code 66411.7 and one unit was constructed pursuant to Government Code 65852.21. More detailed information about the sites meeting these criteria can be found in Table I of the Housing Element APR.

Housing-Related Activities & Policy

The City made progress on its housing activities in 2022. Progress toward implementing all policies and programs included in the Housing Element can be found in Table D of the 2022 Housing Element APR. Highlights, in order of Action number, include:

a. *Policy 2.7. Expand Local Resources for Affordable Housing. Action 2.7.1 Jobs/Housing Impact Fee. Action 2.7.2 Consider Implementing Mandatory and/or Voluntary Options for Developer Contributions to Affordable Housing Development by Conducting a Nexus Study and Economic Feasibility Study for Affordable Housing*

After conducting an *Impact Fee Nexus Study and Economic Feasibility Analysis*²³, an Affordable Housing Impact Fee was adopted by the Oakland City Council in May 2016 (Ordinance No. 13365 C.M.S.) to mitigate the impact of new market-rate housing development on the need for additional housing affordable to residents with low and moderate incomes. As recommended in the Housing Element 2015-2023 and noted in the Mayor's Housing Cabinet Report, *Oakland at Home*, developers have the choice of including deed-restricted affordable units in new projects as an alternative to paying the impact fee.

Oakland Municipal Code (OMC) Chapter 15.68 (Ordinance No. 12442 C.M.S.) establishes a Jobs/Housing Impact Fee in the City to ensure that certain commercial development projects mitigate for the increased demand for affordable housing generated by such development projects within the City. Any new office or warehouse/distribution development project in a new or existing building over 25,000 square feet must pay the Jobs/Housing Impact Fee to the City or may elect to construct deed-restricted affordable housing as per OMC Section 15.68.080.

²³ The "Impact Fee Nexus Studies & Economic Feasibility Study" can be found on the City's website here: <https://www.oaklandca.gov/documents/impact-fee-nexus-studies-economic-feasibility-study>.

The Affordable Housing Trust Fund established under OMC Chapter 15.62 receives all Affordable Housing Impact Fees and Jobs/Housing Impact Fees collected by the City.

On December 27, 2022, the City completed the Impact Fee Annual Report for Fiscal Year Ending on June 30, 2022. See this link for the report:

<https://cao-94612.s3.amazonaws.com/documents/FY-2022-Impact-Fee-Report.pdf>

For Fiscal Year 2021-2022, \$10,103,602 has been paid and collected for the Affordable Housing Impact Fee (AHIF) and Jobs/Housing Impact Fee (JHIF); and \$29,468,700 has been assessed. Since 2015 for the AHIF and JHIF \$37,811,267 has been paid and collected and \$104,158,361 has been assessed and is anticipated to be collected later in the building permit process. Of the funds collected, \$30,108,713 had been committed to affordable housing development projects as of June 30, 2022. The remainder of funding will be awarded through upcoming Notices of Funding Availability (NOFA) for affordable housing, including a New Construction of Rental Affordable Housing NOFA released in January 2023, for which award recommendations will be made in Spring 2023, as well as an ACAH NOFA and Homekey Round 3 RFP, which were issued in late 2022, with funding commitments issued in Spring 2023.

It is important to note that:

1. The Impact Fee program is designed to generate revenue over time to mitigate impacts from new development.
2. Impact Fees are not required to be paid in full at the time of building permit application. Rather, they are paid later in the building permit process as follows:
 - a. At building permit issuance, 50 percent of Affordable Housing Impact Fees (AHIF), and 25 percent of JHIF are paid. Building permit issuance may occur up to one year after submission of a building permit application. Therefore, a large portion of these Impact Fees may be assessed in one fiscal year but may not be paid until the next fiscal year.
 - b. At project completion, the remaining 50 percent of AHIF and 50 percent of JHIF are paid, which for larger projects typically occurs 1 to 3 years after the building permit issuance (and 2 to 4 years after the building permit application). About 15 percent of all Impact Fees were assessed in one fiscal year and paid in the following fiscal year, the rest of the assessed Impact Fees from the first fiscal year are anticipated to be paid in the third or fourth fiscal year after permit issuance depending on when the buildings are completed.
 - c. For the JHIF, the remaining 25 percent of the Impact Fees are paid at 18 months after project completion; a very small amount was collected in this fiscal year from that phase of projects.

The assessed Impact Fees that are listed above will only be fully collected if all the projects that have applied for building permits during the past seven fiscal years are built to completion.

The past City Impact Fee Annual Reports and related documents covering Affordable Housing, Jobs/Housing, Transportation, and Capital Improvements can be found here:

<https://www.oaklandca.gov/documents/city-of-oakland-annual-impact-fee-reports>.

b. Action 2.1.1 New Construction and Substantial Rehabilitation Housing Development Program

From 2015-2022, the City has continued to issue NOFA funds pursuant to funding being available. In June-July 2022, the City awarded \$37.5 million in funds for its 2022 New Construction of Multifamily Affordable Housing NOFA to the following projects: 3050 International, Longfellow Corner, 34th & San Pablo, Agnes Memorial Senior Housing, 500 Lake Park Apartments, and 2700 International. In October 2022, the City also released a Request for Proposals for \$35.5 million in funding for permanent and/or interim affordable housing for homeless and formerly homeless individuals and households (<https://www.oaklandca.gov/topics/city-homekey>). In December 2022, the City released an Acquisition & Conversion to Affordable Housing NOFA with an approved allocation amount of \$12-22 million (<https://www.oaklandca.gov/resources/2022-acquisition-conversion-preservation-nofa>).

More information about City NOFAs is available here:
<https://www.oaklandca.gov/resources/nofa-opportunities>.

Attachment C provides a useful summary of 2019-2022 NOFA awards, which includes the NOFA release date, the capital funding awarded, and number of resulting affordable units built or proposed.

c. Action 3.1.5 Assign Priority to Affordable Housing

The City continued to implement this process during the planning period. Permit applications for affordable housing developments, as with other multifamily projects, are “deemed complete” within 30 days of submittal. The City processed its first SB35 affordable housing case in 2018, which waives discretionary review for proposals that meet certain criteria, and has continued to process cases under SB 35.

In 2019, the City amended the Planning Code to allow emergency shelter facilities in designated areas to be constructed without discretionary review to greatly speed up the process.

In 2022, the City prioritized the review of entitlements for affordable housing above most other types of applications. The City received several SB 35 applications in 2022, which waive discretionary reviews for proposals that meet certain criteria. The City currently expedites residential applications in accordance with SB 35.

d. Action 3.5.2 Access to Low-Cost Financing For Home Purchase

The City continued to operate First Time Homebuyer Programs as funding was available (either through State funding or through program-related income). In 2021, funds were exhausted and programs suspended. Therefore, in 2022, the City provided zero loans to assist first time homebuyers. In 2022, revolving program income funds were positioned in order to reopen programs in 2023.

e. Action 4.3.8 Mitigate Loss of Units Demolished by Public or Private Actions

Planning Code Section 17.102.230 requires a Conditional Use Permit and the provision of replacement units that are equivalent in affordability and type for the conversion of a dwelling unit - other than those considered Residential Hotel Units - to a nonresidential activity. In addition, Planning Code Chapter 17.153 regulates the demolition, conversion, and rehabilitation of Residential Hotel Units in order to minimize adverse impacts on the housing supply of naturally-occurring affordable housing options and on the displacement of very low- and extremely low-income, elderly, and disabled persons. These regulations were not changed in 2022.

In 2022, the Planning & Building Department updated the City's existing Density Bonus Ordinance to bring it into compliance with State law (California Government Code Sections 65915 through 65918). This includes a provision clarifying implementation of required replacement units in density bonus projects when existing rent-controlled or affordable units will be demolished.²⁴

In addition, in 2021, the Planning & Building Department updated its basic application form to include questions for all applicants (regardless of the type of project they are applying for) about whether there are any existing tenants and/or affordable units on-site, and whether any tenants will be displaced due to the project.

f. Action 6.1.1 Funding for Fair Housing Organizations

From 2015 - 2021, the City provided funding supporting the East Bay Community Law Center and its Fair Housing partner agencies: Centro Legal, Causa Justa:Just Cause, and ECHO Fair Housing to provide fair housing related legal services, fair housing counseling, tenant-landlord mediation, outreach, education, info & referral, intake, assessment, fair housing investigations of discrimination, fair housing testing, and fair housing audits benefitting low- and moderate-income households. This includes Community Development Block Grant (CDBG) funds.

In 2022, the City continued the second year of a pilot program under the Oakland Fair Chance Ordinance (<https://www.oaklandca.gov/resources/fair-chance-access-to-housing-ordinance>) that prohibits rental housing providers in Oakland from advertising that applicants with criminal history will not be considered, inquiring about criminal history in rental applications, or relying on criminal history in making rental determinations. Affordable housing providers such as public housing or HUD-assisted housing providers may screen only when required to under federal or State law.

Local Early Action Planning (LEAP) Reporting

In 2020, the Planning & Building Department received a Local Early Action Planning (LEAP) grant in the amount of \$750,000. These funds are designated for the General Plan Update of the Housing and Safety Elements, and the creation of a new Environmental Justice Element.

²⁴ Ordinance No. 13684 C.M.S. can be accessed at:

<https://oakland.legistar.com/LegislationDetail.aspx?ID=5159548&GUID=D9D89500-B11E-447D-B8C9-CFF11A50EBF8&Options=&Search=>.

Oakland's 2023-2031 Adopted Housing Element was certified by State HCD on February 17, 2023. The Safety and Environmental Justice Elements will be adopted in Fall 2023.

The Planning & Building Department issued a Request for Proposals (RFP) in April 2021 to hire a Technical Consultant and in June 2021 to hire a Community Consultant. The Council approved the consulting team and appropriation of funds, including LEAP grant funds on October 8, 2021. Other funding grant sources include SB2 grant funds (\$275,000), PDA grant funds (\$1,600,000), REAP grant funds (\$281,609) and General Plan surcharge funds (local funds; \$5,364,113).

Project kickoff for the Housing Element update happened on November 29, 2021. The Housing Element Update timeline is structured around meeting State requirements and deadlines along with community outreach and engagement throughout the process. The Housing Element was available for initial public review between May 12-June 13, 2022, before being sent to the State HCD on June 30, 2022. Based on community feedback and to ensure that the Oakland community had enough time to review and comment, the City kept the first public review draft of the Housing Element available for public comment through the 90-day State HCD review period (June 30 – September 28, 2022). The public hearing draft of the Housing Element was available for public review November 29 – December 29, 2022 and adopted by City Council on January 31, 2023. Due to deadlines associated with Housing Element Adoption, the Adopted Housing Element was available after Jan 31, 2023. The draft Environmental Justice and Safety Elements were released for public review on March 24, 2023. More information on the General Plan Update schedule can be found on the website at <https://www.oaklandca.gov/resources/oakland-2045-general-plan-schedule>.

Key Issues and Expectations for 2023

a. 2023-2031 Housing Element Implementation

The 2023-2031 Housing Element was adopted by City Council on January 31, 2023 (Resolution No. 89565 C.M.S.) and certified by State HCD on February 17, 2023. The Housing Element update is part of the first phase of the city's comprehensive General Plan Update process that also includes update of the Safety Element and creation of a new Environmental Justice Element. More information regarding the Housing Element update process can be found at the Housing Element Website at: <https://www.oaklandca.gov/topics/oakland-general-plan-2045-housing-element>.

In 2023, staff will work toward implementing actions in the 2023-2031 Housing Element Action Plan. During 2022, staff compiled draft zoning code text amendments, which are intended to implement actions in the 2023-2031 Housing Element's Housing Action Plan and are anticipated to alter how and where new housing is produced throughout the city. In 2023, staff will bring the draft zoning code amendments through public hearings for adoption by Fall 2023.

The proposed amendments include several changes to the Planning Code, such as to: 1) allow for a range of multi-unit or “missing middle”²⁵ housing types and add housing in areas well served by transit and have historically been exclusionary; 2) create ministerial approvals for affordable housing developments and incentivize affordable housing through creation of both an Affordable Housing Overlay (AHO) zone and Housing Sites Overlay zone; 3) reduce environmental burden due to pollution impacts on sensitive receptors, such as residential areas, schools, hospitals, etc.; 4) facilitate the increased production of housing, including special housing types; and 5) streamline and simplify the development approval process. See [3.15.23 Staff Report and Attachments](#) to the Zoning Update Committee for the proposed zoning text amendments.

b. Measure U Implementation

Of the total \$850 million approved by voters in November 2022 for the Measure U Affordable Housing Infrastructure Bond, \$350 million will go to affordable housing development and preservation over the next several years. During winter and spring 2023, the Oakland HCD conducted a robust community engagement process to determine the guiding principles, spending priorities, and equity framework to inform bond fund spending over the 2023-2027 period. The feedback gathered from community stakeholders will be incorporated into an updated strategic action plan to be presented to City Council for consideration in 2023.

Oakland HCD has hosted several stakeholder engagement sessions beginning in January 2023 including:

- Four roundtable sessions with over 20 affordable housing developers represented;
- Two sessions with housing preservation specialists and community land trusts;
- Sessions with regional Community Development Financial Institutions (CDFIs);
- Informational sessions with academic institutions such as UC Berkeley’s Terner Center, Stanford University’s Changing Cities Research Lab, NYU’s Furman Center, and the Housing Initiative at the University of Pennsylvania
- Coordination with government partners such as the Bay Area Housing Finance Authority, Oakland Housing Authority, Alameda County, and more.

Additionally, Oakland HCD facilitated community conversations in each City Council District throughout April and May 2023 to speak directly with Oakland residents about affordable housing goals and equity considerations. As of May 2023, HCD registered over 300 residents, community members, and affordable housing partners in these seven stakeholder meetings to help inform the development of the 2023-2027 bond spending/strategic action plan.

c. New Housing 2023-2027 Strategic Action Plan

In 2021, Oakland City Council received and approved the Oakland HCD 2021-2023 Strategic Action Plan which provided a departmental strategic framework and targeted actions to meet

²⁵ “Missing Middle” refers to a variety of small-scale multi-unit housing types that can range from duplexes to townhouses to smaller apartment buildings. These units are compatible in scale with single-family neighborhoods and are intended to meet the demand for walkable neighborhoods, respond to changing demographics, and provide housing at different price points (from a market-rate perspective, a unit in a fourplex would generally sell/rent for less than a single-family home). These multi-unit housing types were common in the pre-World War II United States such as duplexes, rowhomes, and courtyard apartments but are now less common and, therefore, “missing”.

Oakland's affordable housing challenges. The Strategic Action Plan described the City's Protection, Production, and Preservation priorities and identified the funding needed to pursue the City's affordable housing production goals, particularly during the Covid-19 pandemic.

With the passage of bond Measure U, the end of Oakland's eviction moratorium, and new start of a new Housing Element cycle, Oakland HCD developed an updated [2023-2027 Strategic Action Plan](#). This refreshed strategy builds upon the priorities identified in the 2021-2023 plan and highlights unit projections by program (new construction, preservation, etc.) based on a combination of available Measure U and local funds over the first half of the new RHNA cycle. It also describes Oakland HCD's services along the homelessness risk spectrum and opportunities for further funding, including the need for operating subsidies to assist with the development of Extremely Low-Income and Permanent Supportive Housing units.

FISCAL IMPACT

This item is for informational purposes only and does not have a direct fiscal impact or cost. The State HCD incentivizes and rewards local governments that have adopted compliant and effective Housing Elements. There are a number of housing and community development and infrastructure funding programs that include Housing Element compliance as a rating and ranking or threshold requirement. In addition, AB 879 and SB 35 created new consequences for failing to submit an APR to the State HCD and the OPR by April 1 of each year. These new consequences include court sanctions and requiring municipalities to use a streamlined and ministerial process for approving affordable multifamily housing developments that satisfy the jurisdiction's planning standards and requirements. Given this, it is important to prioritize staff time to submit this document annually.

PUBLIC OUTREACH / INTEREST

As noted earlier in this report, the 2022 APRs submitted to the State OPR and the State HCD on March 29, 2023, reflects the eighth year of reporting on progress to meet the production targets and policies within the 2015-2023 Housing Element. Government Code 65400 section (b) allows municipalities to consider the APR at a public meeting before the legislative body within 60 days of the April 1st deadline. In accordance with Action 5.2.11 of the adopted 2023-2031 Housing Element, the City conducted a public hearing before the City's Planning Commission on May 17th and an additional hearing on June 20th before the City Council to review and consider the APR.

COORDINATION

Staff from the Planning and Building Department, the Oakland Housing and Community Development Department, and the Economic & Workforce Development Department coordinated to complete the 2022 General Plan and Housing Element APRs. Additionally, staff from the Bureau of Planning and the Oakland Housing Community Development Department have worked closely to prepare this agenda report and attachments.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with these reports. However, State HCD incentivizes and rewards local governments that have adopted compliant and effective Housing Elements. There are several housing and community development and infrastructure funding programs that include Housing Element compliance as a rating and ranking or threshold requirement.

In addition, continued implementation and updating Oakland's General Plan promote meaningful civic engagement in the public decision-making process and identify objectives, policies, improvements, and programs that address the most pressing needs in the community, particularly where social, economic and racial inequities are most prevalent.

Environmental: There are no environmental opportunities associated with the Housing Element and General Plan APR as they track progress toward meeting the City's RHNA and General Plan goals. There are significant environmental opportunities associated with the City's continued implementation of policies contained in the General Plan and Housing Element of the General Plan, including locating affordable housing near transit.

Race & Equity: Based on several recently-published reports, housing justice – the process and outcome of establishing housing as a human right – is now the number one priority for Oaklanders of all races, particularly for those who are at the lower ends of the income brackets and/or are experiencing homelessness.^{26,27,28} While housing affordability is both a regional, if not statewide issue, it severely impacts Oakland given the relatively high proportions of people needing below-market housing and the high cost of housing in the Bay Area.²⁹ According to American Community Survey estimates for 2019, a staggering 51 percent of Oakland renters are housing burdened³⁰ and 27 percent are severely housing burdened.^{31,32} Further, an analysis of the National Equity Atlas found that Black and Latinx women renters are most likely to be rent burdened among all other race and gender groups.³³ Oakland is experiencing similar trends of

²⁶ "Centering Racial Equity in Homeless System Design." (2021) Oakland-Berkeley-Alameda County Continuum of Care.

<https://everyonehome.org/wp-content/uploads/2021/02/2021-Centering-Racial-Equity-in-Homeless-System-Design-Full-Report-FINAL.pdf>.

²⁷ "Housing Vulnerability in Oakland, CA." (2020) The Housing Initiative at Penn.

https://www.housinginitiative.org/uploads/1/3/2/9/132946414/hip_oakland_market_study_9-29-20_small.pdf.

²⁸ "A Primer on Power, Housing Justice, and Health Equity: How Building Community Power Can Help Address Housing Inequities and Improve Health." (2020) Human Impact Partners.

https://static1.squarespace.com/static/5ee2c6c3c085f746bd33f80e/t/5f6a265e4f5ea8325042f1cd/1600792164297/HIP.RTTC_Final_Housing_Justice_HE_Primer+%281%29.pdf.

²⁹ "Oakland 2045: Environmental Justice and Racial Equity Baseline." City of Oakland Planning and Building Department. https://cao-94612.s3.amazonaws.com/documents/Equity-Baseline_revised4.15.22.pdf.

³⁰ Pay more than 30 percent of income on housing costs.

³¹ Pay more than 50 percent of income on housing costs.

³² "Oakland 2045: Environmental Justice and Racial Equity Baseline." City of Oakland Planning and Building Department. https://cao-94612.s3.amazonaws.com/documents/Equity-Baseline_revised4.15.22.pdf.

³³ PolicyLink and the USC Equity Research Institute; National Equity Atlas, www.nationalequityatlas.org, 2020.

racial inequity. Black households have the lowest median household income, and approximately 60 percent of Black renter households are rent burdened with about one-third severely rent burdened — the highest rate of any racial/ethnic group in Oakland.³⁴ In addition, 52.7 percent of Latinx households who rent are considered rent burdened.³⁵ A significant percentage of Asian households (49.2 percent) are also rent burdened, while only one in three White households (34.9 percent) paid more than 30 percent of their annual income on rent.³⁶ Therefore, there are significant racial equity opportunities associated with the City’s continued implementation of the policies contained in the Housing Element, and from the City’s production of housing for residents at all income levels.

Implementing and updating Oakland’s current General Plan promotes meaningful civic engagement in the public decision-making process and identify objectives, policies, improvements, and programs that address the most pressing needs in the community, particularly where social and racial inequities are most prevalent.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Consideration of the 2022 General Plan and Housing Element APR does not constitute a project under the California Environmental Quality Act (CEQA).

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report On The City Of Oakland’s General Plan and Housing Element Annual Progress Reports For Calendar Year 2022.

For questions regarding this report, please contact Audrey Lieberworth, Planner III, at 510-238-6317, or Everett Cleveland Jr., Housing Development Coordinator at (510) 238-6543.

³⁴ “City of Oakland Housing & Community Development Department 2021-2023 Strategic Action Plan.” <https://cao-94612.s3.amazonaws.com/documents/HCD.final.21-21Strategic-Plan.pdf>.

³⁵ City of Oakland. Oakland Equity Indicators. <https://cao-94612.s3.amazonaws.com/documents/2018FullReport-12021edit.pdf>.

³⁶ City of Oakland. Oakland Equity Indicators. <https://cao-94612.s3.amazonaws.com/documents/2018FullReport-12021edit.pdf>.

Respectfully submitted,

William A. Gilchrist

WILLIAM A. GILCHRIST
Director, Department of Planning & Building



Larry Gallegos (Jun 15, 2023 09:31 PDT)

EMILY WEINSTEIN
Interim Director, Department of Housing &
Community Development

Reviewed by:

Laura Kaminski, Strategic Planning Manager,
Planning & Building Department

Edward Manasse, Deputy Director/City Planner,
Bureau of Planning, Planning & Building
Department

Christia Katz Mulvey, Housing Development
Manager, Housing & Community Development
Department

Prepared by:
Audrey Lieberworth, Planner III
Strategic Planning, Planning & Building
Department

Everett Cleveland Jr., Housing Development
Coordinator, Housing & Community
Development Department

Attachments (3):

- A. Attachment A: Distribution of New Deed Restricted Affordable Housing Units by Project and Phase of Development, 2022.
- B. Attachment B: Status of 2015-2023 Housing Element Opportunity Sites, as of December 2022.
- C. Attachment C: Oakland Affordable Housing Funds Issued/Available, 2019-2022.

Community and Economic Development Committee
June 27, 2023