



DATE: February 24, 2022
TO: City Council and Members of the Public
FROM: Council President Nikki Fortunato Bas, District 2
SUBJECT: 12th Street Remainder Sixth DDA Amendment

Dear City Council Colleagues and Members of the Public,

I respectfully submit this additional information about the broader context surrounding the 12th Street Remainder/LakeHouse Commons Project. I believe that Council’s decision whether or not to amend the DDA for a 6th time should take into account policy changes since the agreement was first approved in 2016 and housing needs in the neighborhood and Oakland.

Public Lands Policies

- This project sparked intense debate about the use of public land in 2015 and 2016 and led to a Council resolution on public land. On December 11, 2018, **City Council adopted a [Public Lands Resolution](#) which takes steps to codify and affirm the City’s preferred policy to lease, rather than sell, city property** – and in cases where leasing a parcel is not feasible, requires staff to submit written justification to Council with an analysis and explanation of why sale is recommended over lease (Resolution No. 85324 C.M.S.). Further, our Public Lands Resolution specifies that use of City-owned parcels / property must prioritize addressing our housing and shelter inequities, with a focus on:
 - permanently affordable projects;
 - projects providing the deepest levels and highest percentages of affordability; as well as
 - 100 percent affordable projects in cases where a site is suitable for less than 300 housing units.

- In 2019, **California updated its Surplus Lands Act ([AB 1486](#)) to strengthen provisions promoting the use of public land for affordable housing projects.** Importantly, the updated bill, in clarifying the meaning of granting “priority” to affordable housing proposals, requires agencies to negotiate exclusively with the entity proposing the most units at the deepest affordability. Additionally, the updated bill establishes a presumption in Housing Element law that allows residential uses on all developable public land where feasible, for housing in which 100% of the units qualify as affordable housing to lower-income households; it also establishes new requirements for jurisdictions to include public land in their Housing Element land inventory, as well as report annually on the development of affordable housing on surplus land. These considerations are especially timely as Oakland currently undergoes the process of [updating our Housing](#)

[Element](#) in the General Plan, with staff seeking feedback from Council on housing sites and strategies to meet our RHNA goals.

Housing Requirements

The California Department of Housing and Community Development (HCD) identifies the total number of homes for which each region in California must plan in order to meet the housing needs of people at all income levels. This is called the Regional Housing Needs Allocation (RHNA).

| PROGRESS ON MEETING OAKLAND'S REGIONAL HOUSING NEEDS ALLOCATION (RHNA) | | | | | | | | | | |
|--|----------------|-------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---|------------------------------|
| Income Level | RHNA 2015-2023 | Permitted Units by Year | | | | | | Total Units | Total Units Remaining in RHNA by Income Level | % of RHNA met by total units |
| | | 2015 | 2016 | 2017 | 2018 | 2019* | 2020 | | | |
| Very low- | 2,059 | 98 | 26 | 247 | 204 | 120 | 193 | 888 | 1,171 | 43% |
| Low- | 2,075 | 30 | 13 | 66 | 85 | 307 | 40 | 541 | 1,534 | 26% |
| Moderate- | 2,815 | 0 | 0 | 11 | 48 | 9 | 9 | 77 | 2,738 | 3% |
| Sub-total Affordable | 6,949 | 128 | 39 | 324 | 337 | 436 | 242 | 1,506 | 5,443 | 22% |
| Above Moderate | 7,816 | 643 | 2,082 | 4,019 | 4,280 | 1,727 | 865 | 13,616 | 0 | 174% |
| TOTAL | 14,765 | 771 | 2,121 | 4,343 | 4,617 | 2,163 | 1,107 | 15,122 | | |

* These numbers reflect a correction to last year's APR.

Source: <https://oakland.legistar.com/View.ashx?M=F&ID=9454543&GUID=789C3651-6DAF-4478-BC88-D724F2AECAF2>

During the 2015 - 2023 RHNA period, Oakland must accommodate 14,765 new housing units between January 2015 and June 2023. We are extremely behind on our RHNA goals for lower-income housing, yet have far surpassed our goals for above moderate income housing. According to [Oakland's 2020 Housing Element Annual Progress Report](#):

- We've met nearly **DOUBLE – 174%** – our RHNA allocation for above-moderate income housing.
- On the other hand, we have met less than **ONE-QUARTER — 22%** — of our goal for affordable units.
- In addition, we have already surpassed our total RHNA unit requirements (we've achieved 15,122 of the required 14,765 units).

THE FINAL RHNA ALLOCATION

The ABAG Executive Board adopted the final RHNA allocations on December 16, 2021. The final allocations reflect the ABAG Administrative Committee's decision to partially grant the appeal filed by the County of Contra Costa, which affected the final allocations for the County and the City of Pittsburg.

Table 4: Final RHNA Allocations

| Jurisdiction | VERY LOW INCOME (<50% of Area Median Income) | LOW INCOME (50-80% of Area Median Income) | MODERATE INCOME (80-120% of Area Median Income) | ABOVE MODERATE INCOME (>120% of Area Median Income) | TOTAL |
|-------------------------------|--|---|---|--|--------|
| ALAMEDA COUNTY | | | | | |
| Alameda | 1,421 | 818 | 868 | 2,246 | 5,353 |
| Albany | 308 | 178 | 175 | 453 | 1,114 |
| Berkeley | 2,446 | 1,408 | 1,416 | 3,664 | 8,934 |
| Dublin | 1,085 | 625 | 560 | 1,449 | 3,719 |
| Emeryville | 451 | 259 | 308 | 797 | 1,815 |
| Fremont | 3,640 | 2,096 | 1,996 | 5,165 | 12,897 |
| Hayward | 1,075 | 617 | 817 | 2,115 | 4,624 |
| Livermore | 1,317 | 758 | 696 | 1,799 | 4,570 |
| Newark | 464 | 268 | 318 | 824 | 1,874 |
| Oakland | 6,511 | 3,750 | 4,457 | 11,533 | 26,251 |
| Piedmont | 163 | 94 | 92 | 238 | 587 |
| Pleasanton | 1,750 | 1,008 | 894 | 2,313 | 5,965 |
| San Leandro | 862 | 495 | 696 | 1,802 | 3,855 |
| Unincorporated Alameda County | 1,251 | 721 | 763 | 1,976 | 4,711 |
| Union City | 862 | 496 | 382 | 988 | 2,728 |

Source: https://abag.ca.gov/sites/default/files/documents/2021-12/Final_RHNA_Allocation_Report_2023-2031-approved_0.pdf

The new RHNA goals for 2023 - 2031, above, are even more ambitious given the great need for affordable housing. For example, Oakland's Very Low Income allocation is 24% of the total, versus 14% for 2015-2023.

Clearly, Oakland needs to prioritize producing affordable housing, especially at very low income levels.

Neighborhood Demographics

- **Census data** - Below is census data for zipcode 94606. Source: [2019: ACS 5-Year Estimates](#).
 - **Race/Ethnicity** - The vast majority of residents in the surrounding neighborhood are people of color (73.8%).
 - 17.4% Black
 - 36.2% Asian
 - 20.2% Hispanic or Latino
 - **Educational Attainment** - 57.3% of residents have less than an associate's or bachelor's.

- **English Proficiency/Immigration Status -**
 - 47.1% are not US citizens.
 - 31.4% speak English less than “very well”
 - **Economic Characteristics -**
 - 21.8% in service occupations
 - 43.9% of households make less than \$50,000 (income in 2019 inflation adjusted dollars)
 - Median household income: \$56,129
 - 18.5% income in the past 12 months was below FPL
 - **Housing Characteristics -** Majority (79.6%) are renters, with nearly half (49%) rent-burdened.
 - 79.6% of occupied housing units are renters
 - 49% paid 1/3 or more of household income on rent.
- **Displacement data**
 - According to the [Oakland Residential Instability Dashboard](#) built by Stanford University’s Changing Cities Research Lab in partnership with the City of Oakland Housing and Community Development Department and the Federal Reserve Bank of San Francisco, **from 2000-2018, the E. 12th neighborhood census tract experienced the highest level (“Intense”) of gentrification**, defined by an aggregate increase in a set of socioeconomic indicators (i.e. median household income, median rent increase, median home values, and college-educated residents) greater than 75% of the subregion’s aggregate increase.

For questions regarding this memo, please contact Cinthya Munoz Ramos, Chief of Staff, Office of Council President Nikki Fortunato Bas, at cmunozramos@oaklandca.gov.

Respectfully Submitted,



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Council President, District 2