

CITY OF OAKLAND



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REBECCA KAPLAN (510) 238-7008
Vice Mayor FAX: (510) 238-6910
District At Large TDD: (510) 839-6451

Date: July 7, 2022
To: Members of City Council and Members of the Public
From: Vice Mayor Kaplan
Re: **Resolution Directing The City Administrator Or Their Designee To Process And Return To Council With A Planning Code Amendment To Eliminate Parking Requirements For Affordable Housing Projects Of Ten (10) Units Or Less; And Making Appropriate California Environmental Quality Act (CEQA) Findings**

Dear Colleagues on the City Council and Members of the Public:

While housing affordability is both a regional and statewide issue, it impacts Oakland in particular because of the relatively high proportions of people needing below-market housing and the high cost of housing in the Bay Area. According to our Regional Housing Need Allocation (RHNA) - which calculates the City's housing need over eight years - Oakland has met only 52% of its RHNA goals for very low-income housing, 32% for low-income housing, and 3% for moderate-income housing. To reduce cost barriers for affordable housing projects, particularly for smaller projects with less technical expertise and capital, this resolution would eliminate city parking requirements for all affordable housing projects with ten units or less.

According to American Community Survey estimates, a staggering 51 percent of Oakland renters are housing burdened, and 27 percent are severely housing burdened¹. In addition, the Oakland Housing and Community Development Department's 2021-2023 Strategic Action Plan found over 80 percent of extremely low-income households pay more than 30 percent of their income towards rent, with 46 percent paying over 50 percent of their income towards rent. Together, these numbers tell the concerning tale that Oakland severely lacks deeply affordable housing².

City policy must, therefore, fervently promote the development of affordable housing, and reduce cost barriers when developing affordable housing projects, particularly for smaller projects with less technical expertise and capital. One strategy the City can pursue, which has proven to significantly reduce the cost per unit of housing is eliminating parking requirements for these smaller projects.

The Turner Center for Housing Innovation at Berkeley concluded in a recent analysis that the presence of structured parking added nearly \$36,000 per unit after an examination of 678

¹ "[Oakland 2045: Environmental Justice and Racial Equity Baseline](#)." City of Oakland Planning and Building Department.

² "[City of Oakland Housing & Community Development Department 2021-2023 Strategic Action Plan](#)."

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new-construction 9% Low-Income Housing Tax Credit-funded developments built in California between 2008 and 2019³. Another study conducted by the Victoria Transport Policy Institute showed that each parking space added per unit of housing in urban areas increased the development cost per unit by 12.5 percent⁴. Affordable housing projects, with their lower rent revenue streams, are already challenging to finance; therefore, parking requirements can make or break the financial viability of these projects.

Given that parking requirements both significantly increase the cost of building affordable housing and do not necessarily meet the needs of individuals who live there, this resolution would eliminate parking requirements for affordable housing projects with 10 units or less.

Respectfully submitted,



Vice Mayor Rebecca Kaplan

³ [*"The Costs of Affordable Housing Production: Insights from California's 9% Low-Income Housing Tax Credit Program."*](#) Turner Center for Housing Innovation at UC Berkeley. March 2020.

⁴ Litman, Todd. [*"Parking Requirement Impacts on Housing Affordability."*](#) Victoria Transport Policy Institute. 9 May 2022.

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