

**FROM:** William Gilchrist Director, Planning & Building Department

**AGENDA REPORT** 

- SUBJECT: Oakland 2045 General Plan Update: 2023-2031 Housing Element Adoption
- DATE: December 27, 2022

**City Administrator Approval** Date: Jan 12, 2023

#### RECOMMENDATION

Staff Recommends That The City Council Conduct A Public Hearing And Upon Conclusion Adopt A Resolution, As Recommended By The Planning Commission

(1) Adopting The 2023-2031 Housing Element As A General Plan Amendment To The Oakland General Plan; And

(2) Determining That The Adoption Of The 2023-2031 Housing Element Is Exempt From The California Environmental Quality Act (CEQA) Pursuant To Each As An Independent Basis (A) CEQA Guidelines Sections 15061(b)(3), (B) CEQA Guidelines Section 15283 and California Government Code Section 65584(g), (C) CEQA Guidelines Section 15262 And California Public Resources Code Sections 21102 and 21150, And (D) CEQA Guidelines Section 15308.

#### **EXECUTIVE SUMMARY**

After more than a year of extensive and broad community outreach, the City of Oakland (City) General Plan Update (GPU) project team is pleased to present the 2023-2031 Housing Element for adoption by the City Council (Council). This Public Hearing Draft 2023-2031 Housing Element provides a comprehensive analysis of the City's existing housing needs and presents goals, policies, and actions to address Oakland's demand for more affordable homes and to promote inclusive, vibrant communities. The proposed actions can directly be attributed to the community input process, analysis of housing needs, and place-based strategies. By expanding housing options in more affluent neighborhoods and reinvesting in less affluent neighborhoods, the 2023-2031 Housing Element will affirmatively further fair housing for all Oaklanders.

The Housing Element is one of the required elements of the General Plan; and serves as an eight-year blueprint and framework to meet the housing needs of all people within the community at all economic levels, including low-income households and households with

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special needs. The City's current 2015-2023 Housing Element was adopted on December 9, 2014, and the deadline for Bay Area jurisdictions to adopt the 2023-2031 Housing Element is January 31, 2023. The Council's consideration of this important update comes on the heels of the City recently receiving the State of California's Prohousing Designation in recognition of its commitment to policies and practices that remove barriers to housing production.

The 2023-2031 Housing Element presents goals, policies, and actions to affirmatively further fair housing for all Oaklanders by addressing Oakland's need for more affordable homes, promoting integrated and vibrant communities, expanding housing options in more affluent neighborhoods, and reinvesting in less affluent neighborhoods. The 2023-2031 Housing Element takes significant action to address urgent community needs, including protecting Oakland residents from displacement, improving Oakland's existing housing stock, expanding affordable housing opportunities, expanding resources for the unhoused, and promoting neighborhood stability and health.

The 2023-2031 Housing Element update was a multi-department effort with the Planning and Building Department (PBD) collaborating closely with key City partners – Oakland Housing & Community Development (Oakland HCD), Office of the City Administrator (Homelessness Division, Sustainability and Resilience Division), Human Services Department (HSD), Office of the City Attorney, Department of Race and Equity, Economic & Workforce Development, and Department of Finance.

# 2023-2031 Housing Element Update Process

The City began the 2023-2031 Housing Element Update process as part of a comprehensive update to the Oakland General Plan. The Oakland 2045 General Plan Update process is being undertaken in two phases: Phase 1 includes updates to the Housing Element, Safety Element, creation of the City's first Environmental Justice (EJ) Element, and draft zoning code amendments to implement many of the actions proposed in the Housing Element. Phase II of the GPU process will then consider updates for many of the City's remaining General Plan elements, including the Land Use and Transportation (LUTE) Element; Open Space, Conservation and Recreation (OSCAR) Element; Noise Element; creation of a new Infrastructure and Capital Facilities Element. Phase II will also undertake a comprehensive zoning update process that will include additional upzonings, changes to commercial and industrial zones, open space and public facilities.

The GPU team published for community review the first draft 2023-2031 Housing Element on May 12, 2022; and sent it to the State HCD for their initial 90-day review on June 30, 2022. The City received a findings letter from State HCD on September 28, 2022, indicating that the draft element addressed many statutory requirements but needed additional analysis and revisions. Staff revised the Housing Element in response to State HCD's requested changes, and ongoing community feedback, and to fulfill requirements for compliance with State law. The revised Public Hearing Draft 2023-2031 Housing Element was published on November 29, 2022, and was made available on the City's webpage at <a href="https://oaklandca.gov/housingelement">https://oaklandca.gov/housingelement</a>.

The revised Public Hearing Draft was also shared with State HCD on November 29, 2022, and formally submitted to State HCD on December 7, 2022, pursuant to AB 215. All comment letters received on the revised draft was also shared with State HCD as they were received.

Staff have had several informal meetings with State HCD to discuss staff revisions to the Public Hearing Draft 2023-2031 Housing Element and to determine whether any further edits were required to meet statutory requirements. State HCD informally signed off on most revisions and requested additional revisions in response to community feedback received on the revised draft. **Attachment A** provides feedback to date from State HCD on the revised Public Hearing Draft Housing Element and revisions made by staff. The revised Public Hearing Draft 2023-2031 Housing Element incorporating additional revisions from State HCD was published on the City's webpage on January 13, 2023 and shared with State HCD for their review.

Adoption of the 2023-2031 Housing Element will mark an important milestone in the City's comprehensive GPU process, but in many ways it marks the beginning of the engagement process. After the Housing Element adoption, the GPU team will shift focus to presenting an update to the City's Safety Element, a proposal for the City's first Environmental Justice Element (Spring – Summer 2023), and draft zoning code amendments to implement many of the actions proposed in the 2023-2031 Housing Element (Summer 2023). Phase II of the GPU is slated to begin soon after completion of Phase I.

The State deadline for Bay Area jurisdictions to adopt a 6th Cycle Housing Element is January 31, 2023. Because any revisions to the 2023-2031 Housing Element must be reviewed by State HCD and must be posted online for seven days before State HCD will provide comment, the clearest path to receive a timely certification from State HCD is to not introduce further amendments to the draft Housing Element for incorporation prior to January 31. Instead, staff recommends that if further amendments are sought, that City Council direct the City Administrator to return to the Planning Commission and City Council with analysis of those recommended amendments. The draft resolution includes language that the City Council directs the City Administrator or his or her designee to return to Planning Commission within 60 days of Housing Element certification. In addition, shortly after Housing Element adoption, there will be opportunities for further public comment and Council input on implementation actions including the proposed Planning Code amendments that are targeted toward implementing zoning code proposals included in the Housing Element.

#### **BACKGROUND / LEGISLATIVE HISTORY**

The City of Oakland's General Plan is a policy document that establishes a citywide vision and consistent direction for City policy and future development; reflects community priorities and values; and includes supporting goals, policies, and implementation measures to achieve the community's vision. The Housing Element is one of the required elements of Oakland's General Plan and serves as an eight-year blueprint and framework to meet the housing needs of all people within the community at all economic levels, including low-income households and households with special needs. State law declares that the availability of housing is a matter of vital statewide importance. The Housing Element is therefore more specific and directive than other General Plan Elements, with detailed State guidance, reviews, and deadlines. The 2023-2031 Housing Element must be found in compliance with State law by receiving a letter of compliance from the State HCD. The State HCD must then certify the Housing Element after it has been adopted by the Council. The Public Hearing Draft 2023-2031 Housing Element was shared with the State on December 7, 2022 for their subsequent 60-day review.

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Every eight years, the State HCD projects the housing need for the State, referred to as the Regional Housing Needs Allocation (RHNA). Between 2023 and 2031, Oakland is required under the RHNA to plan for 26,251 new housing units to meet its fair share of the State's housing need as shown in **Table 1**. Of this total, 6,511 should be affordable to very low-income households, 3,750 to low-income households, 4,457 to moderate-income households, and 11,533 to above-moderate-income households.

<b>Table 1: Oakland Regional Housin</b>	g Needs	Assessment,	2023-2031

Income Level <sup>1</sup>	Income Range	Needed Units	Percent of Needed Units
Very-Low-Income (0-50% AMI) <sup>2</sup>	<\$46,287	6,511	24.8%
Low-Income (51-80% AMI)	\$27,773-\$74,059	3,750	14.3%
Moderate-Income (81-120% AMI)	\$74,059-111,089	4,457	17.0%
Above-Moderate-Income (>120% AMI)	>\$111,090	11,533	43.9%
Total		26,251	100.0%

1. Income levels were determined by county median household income based on 2014-2018 American Community Survey data (Table B19013). The median income in Alameda County during this period was \$92,574.

2. The RHNA does not specifically break down the need for extremely-low-income households. As provided by State law, the housing needs of extremely low income households, or those making less than 30 percent of area median income (AMI), is estimated as 50 percent of the very-low-income housing need.

Source: ABAG, Final RHNA Plan, December 2021

The 2023-2031 Housing Element must identify adequate sites for housing and demonstrate the availability and realistic capacity for development on those sites. The City also must determine whether the housing potential on land suitable for residential development is adequate to accommodate the City's RHNA over the next eight years and whether the distribution of these sites will ameliorate or further entrench existing patterns of segregation. In addition, the City must establish policies and programs to be carried out during the 2023-2031 planning period to fulfill the identified housing needs, including a rezoning plan and plans to affirmatively further fair housing.

#### Timeline

The statutory deadline to adopt the 2023-2031 Housing Element is **January 31, 2023**. Staff have revised the Housing Element in response to State HCD's requested changes, ongoing community feedback, and to fulfill requirements for compliance with State law. The revised Public Hearing Draft 2023-2031 Housing Element was submitted to State HCD on December 7, 2022, for their 60-day review and confirmation that the Housing Element adequately addresses every statutory requirement.

The 2023-2031 Housing Element must be found in compliance with State law for the City to maintain its Prohousing Designation and remain competitive for state affordable housing grants and maintain local land use control. Adding any new actions or revisions that make it harder or more expensive to build housing in Oakland would likely jeopardize the City's ability to submit a compliant Housing Element by the State deadline.

#### **Penalties for Noncompliance**

Jurisdictions that do not have a compliant housing element are subject to a range of penalties such as the following:

- Loss of Housing and Transportation Funding: Almost all state affordable housing grant programs and many transportation funding programs require housing element compliance. If the City fails to adopt and maintain a compliant housing element, it stands to lose, at minimum, tens of millions of dollars in state housing and transportation grants annually. Such housing grants and programs subject to this penalty include the following: Permanent Local Housing Allocation (PLHA), Affordable Housing and Sustainable Communities (AHSC), CalHome Program, Prohousing Incentive Pilot Program, and Local Housing Trust Fund (LHTF). Transportation grants subject to this penalty include the Infill Infrastructure Grant (IIG), One Bay Area Grant and Active Transportation Grants. The City has and will continue to use all of these funding sources the loss of which would substantively stall the City's affordable housing pipeline. Furthermore, as part of the 2023-2024 budget, Governor Newsom has proposed that funding for homelessness programs will be conditioned on Housing Element compliance.
- Loss of Land Use Control and the "Builder's Remedy" pursuant to the Housing Accountability Act (HAA) (Govt Code Section 65589.5): If a jurisdiction has not adopted a housing element in substantial compliance with State law, developers may propose eligible housing development projects that do not comply with either a jurisdiction's existing zoning or general plan. Such projects could: feature unlimited height, conflict with industrial zones, or disregard the restrictions on construction in the Very High Fire Severity Zone (VHFSZ). Several Southern California jurisdictions that had not adopted compliant housing elements for an extended period of time have received several Builder's Remedy applications that are reported to be inconsistent with the locality's general plan and zoning requirements.
- Litigation or Enforcement Action: The jurisdiction can face litigation or enforcement action from housing rights' organization, developers, and State HCD. If a court finds the housing element not to substantially comply with State law requirements, the court can then direct the city to bring its housing element into compliance.
- Financial Penalties: If a jurisdiction's housing element continues to be found out of compliance, state courts can fine jurisdictions starting between \$10,000 and \$100,000 and potentially escalating to as much \$600,000 per month, until the City Council adopts a compliant Housing Element.

#### **City's Process**

The 2023-2031 Housing Element development process centered the needs and priorities of Oakland's community members through key partnerships and input. In partnership with the GPU's community consultant, Deeply Rooted Collaborative, the 2023-2031 Housing Element was informed through critical feedback provided by an Equity Working Group (EWG), which was convened through a transparent process<sup>1</sup>. Additionally, the City hired the consultant,

<sup>&</sup>lt;sup>1</sup> Convened by Deeply Rooted Collaborative, the EWG is made up of 20 diverse residents from diverse backgrounds and neighborhoods across Oakland, including the following: (a) Hard to reach communities -

Environmental/Justice Solutions as part the Technical Consultant Team, Dyett and Bhatia, to conduct a Racial Equity Impact Analysis (REIA) of the Housing Element to gauge potential equity impacts of each housing action plan item.

The GPU team published for community review the first draft 2023-2031 Housing Element on May 12, 2022, and sent it to the State HCD for their initial 90-day review on June 30, 2022. Staff collected public comment on this Housing Element draft during a 142-day public comment period. The City received a findings letter from State HCD on September 28, 2022, indicating that the draft Housing Element addressed many statutory requirements but needed additional analysis and revisions. Staff revised the Housing Element in response to State HCD's requested changes, ongoing community feedback, and to fulfill requirements for compliance with State law. The Public Hearing Draft 2023-2031 Housing Element was published on November 29, 2022, and is available on the City's webpage at <a href="https://oaklandca.gov/housingelement">https://oaklandca.gov/housingelement</a>

The Public Hearing Draft 2023-2031 Housing Element was also shared with State HCD on November 29, 2022. Pursuant to AB 215, the Housing Element Public Hearing Draft was available for a seven-day public review period between November 30, 2022, to December 6, 2022, and staff received seven comment letters. The Public Hearing Draft was formally submitted to State HCD on December 7, 2022, along with the seven comment letters, for their subsequent 60-day review. After the seven-day public review period, the Public Hearing Draft was available for public input until December 29, 2022. Between December 7, 2022, to December 29, 2022, staff received 54 comment letters. Staff received 5 additional comment letters after December 29, 2022. The comment letters have also been sent to State HCD as received. See **Attachment B-1** for comment letters received on the Public Hearing Draft 2023-2031 Housing Element and **Attachment B-2** for staff responses.

While State Law does not require a racial equity impact analysis (REIA) of the Housing Element, the City has developed a REIA to identify whether Black/African American, Indigenous, and other Oaklanders of color would be: (1) disproportionately affected by any negative outcomes of programs and policies, or (2) have less access to benefits provided through policies and programs proposed in the 2023-2031 Housing Element. The REIA also identifies high priority actions in the Housing Action Plan with the most potential to positively impact racial equity in housing outcomes and provides priority equity recommendations to ensure equitable implementation. The Housing Element REIA is available on the City's webpage at <a href="https://oaklandca.gov/housingelement">https://oaklandca.gov/housingelement</a>.

Reports presented to the Planning Commission on <u>February 2, 2022</u>, and to the Community and Economic Development (CED) Committee on <u>February 22, 2022</u>, provided detailed information on the Housing Element requirements and sought feedback on the sites inventory process. Staff also sought feedback on the 2023-2031 Draft Housing Element from the CED Committee on

People from communities that the City traditionally has trouble engaging with including unhoused, formerly incarcerated, low-income, Asian American, Black, Latinx, multiracial, people with disabilities, undocumented, and people experiencing environmental injustices; (b) In target geographic areas of West Oakland, East Oakland, Chinatown, and Fruitvale; (c) Age diversity - People at different stages of their lives to ensure varied knowledge and experiences; (d) Diversity of gender and sexual orientation - To ensure women's and LGBTQ+ perspectives are included in this process; and (e) People who own small businesses in Oakland. More information on the recruitment process is available at https://www.oaklandca.gov/news/2022/general-plan-equity-working-group-members-selected

Edward D. Reiskin, City Administrator Subject: Oakland 2045 General Plan Update: 2023-2031 Housing Element Adoption Date: January 13, 2023 Page 7 <u>May 24, 2022</u>, and from the Planning Commission on <u>May 18, 2022</u>, and <u>June 1, 2022</u>. Staff also presented at the <u>October 18, 2022</u>, <u>Council Meeting</u> and at the <u>October 19, 2022 Planning</u> <u>Commission Meeting</u>, presenting information on community engagement and State HCD findings and seeking feedback on the draft Housing Element.

# ANALYSIS AND POLICY ALTERNATIVES

The 2023-2031 Housing Element advances the following Citywide priorities<sup>2</sup>:

**Housing, Economic, and Cultural Security:** The 2023-2031 Housing Element Update identifies sites and areas throughout the City that demonstrate the capability of being developed with affordable housing and strategies and measurable outcomes to "Protect, Preserve, and Produce" affordable homes. These actions will therefore reduce displacement, housing cost burden, and entries to homelessness.

**Responsive, Trustworthy Government**: Consistent with the REIA, the 2023-2031 Housing Element Update will promote meaningful civil 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 is most prevalent.

The analysis in this report addresses: (1) key elements of the Public Hearing Draft 2023-2031 Housing Element; (2) the Housing Sites Inventory and the City's capacity to accommodate the Regional Housing Needs Allocation (RHNA); (3) the City's housing policy framework targeted at overcoming patterns of segregation, fostering inclusive communities, and closing the gap between market-rate & affordable housing; (4) staff responses to the findings from the State HCD letter dated September 28, 2022, and revisions made in response to the State HCD findings letter; (5) a synthesis of public comments received on the draft housing element; (6) key findings from the REIA of the Housing Action Plan; and (7) community feedback received on the Public Hearing Draft 2023-2031 Housing Element between November 29, 2022, to December 29, 2022.

# 1. PUBLIC HEARING DRAFT 2023-2031 HOUSING ELEMENT ORGANIZATION

The Public Hearing Draft of the 2023-2031 Housing Element presented for adoption by Council is structured to meet the requirements set forth in State law and addresses feedback from State HCD. The revised Public Hearing Draft 2023-2031 Housing Element incorporating additional revisions from State HCD was published on the City's webpage on January 13, 2023 and shared with State HCD for their review. See **Attachment A** for feedback to date from State HCD on the revised Public Hearing Draft Housing Element and revisions made by staff.

Building on that first draft iteration, this Public Hearing Draft includes several new components: an executive summary; a substantially updated Chapter 4: Housing Action Plan; Appendix J: Proposed Rezoning Changes; Appendix K: City of Oakland Response to the Findings Letter from State HCD (dated 9/28/22) and Appendix L: Response to Public Comments. In addition, there are several technical appendices that provide extensive detail on a range of topics, including many of the checklist items mandated by State law. This includes an evaluation of the

<sup>&</sup>lt;sup>2</sup> FY 2021-23 Budget Priorities: <u>https://stories.opengov.com/oaklandca/published/OV2Mbvvxu</u>

City's 2015-2023 Housing Element, an assessment of housing needs, resources and constraints, assessment of fair housing, and the comprehensive housing sites inventory. A summary of the findings from each technical appendix is provided in the main body of the Housing Element.

The Public Hearing Draft 2023-2031 Housing Element is available on the City's webpage at <u>https://oaklandca.gov/housingelement</u>.

The Public Hearing Draft 2023-2031 Housing Element includes the following components:

- **Chapter 1: Introduction.** Provides an overview of State requirements, a summary of the organization of the Housing Element, and an explanation of the Housing Element's relationship to the General Plan
- **Chapter 2: Public Participation.** Provides a description of the public participation process and a summary of community outreach activities.
- Chapter 3: Summary of the Housing Sites Inventory. Summarizes the City's ability to accommodate the RHNA on available land, and the selection of sites considering Affirmatively Further Fair Housing (AFFH) requirements.
- **Chapter 4: Housing Action Plan.** Institutes the goals, policies, and actions of the 2023-2031 Housing Element and provides quantified objectives.
- Appendix A: Evaluation of the 2015-2023 Oakland Housing Element. Summarizes the City's achievements in implementing goals, policies, and actions under the previous Housing Element.
- Appendix B: Housing Needs Assessment. Presents community demographic information, including both population and household data, to identify Oakland's housing needs.
- **Appendix C: Sites Inventory.** Outlines the selection and capacity methodology used to identify sites to accommodate the RHNA.
- **Appendix D: Assessment of Fair Housing.** Identifies fair housing issues and solutions to meet Oakland's AFFH mandate.
- **Appendix E: Housing Resources and Opportunities.** Assesses the City's financial and administrative resources available for future housing development.
- **Appendix F: Housing Constraints.** Analyzes governmental and non-governmental constraints to the development of housing.
- **Appendix G: Opportunities for Energy Conservation.** Presents opportunities to develop housing in a sustainable manner.
- Appendix H: Glossary. Defines key terms used in the Draft Housing Element.
- **Appendix I: Public Outreach Materials.** Includes meeting materials, outreach and survey summaries.
- Appendix J Proposed Rezoning and Height Changes. Illustrates proposed rezoning and height changes to increase housing production capacity and unlock additional opportunities for affordable and "missing middle" housing in high-resource neighborhoods and affirmatively further fair housing by opening up exclusionary neighborhoods. The proposed changes are also available as an <u>interactive map</u>.
- Appendix K Findings Letter from California Housing and Community Development (State HCD) dated 9/28/22 and Responses. Appendix K-1 includes the

findings letter from State HCD, and Appendix L-2 provides a summary of the changes in response to the State HCD letter and where they were made in the revised draft.

- Appendix L Public Comments and Response to Public Comments. Provides an overview of public comments and staff responses to illustrate how the revised draft reflect public input received during the public comment period. Appendix L-1 includes all the comment letters received on the 2023-2031 Housing Element; Appendix L-2 includes responses to comments received.
- Appendix M –Recommended Sites for Future Housing (Upzoning/General Plan Update Opportunity Sites). The City of Oakland has received several housing-site recommendations from the public. Some of the sites are already in the inventory (shown in yellow); others have been analyzed for Phase I upzone potential or other applicable zoning changes to facilitate housing development. For sites not included in the inventory, the City will consider land use changes as part of the upcoming Phase 2 of the General Plan Update.

# 2. HOUSING SITES INVENTORY

The Housing Element must include an inventory of land, known as the "Housing Sites Inventory" (Inventory), which contains suitable and available land for residential development to meet the City's RHNA. The site identification requirement in the context of affirmatively furthering fair housing involves not only an analysis of site capacity to accommodate the RHNA, but also whether the identified sites serve the purpose of replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

The Inventory was developed consistent with the City's mandate to affirmatively further fair housing (AFFH), pursuant to State law. Given the City's inability to meet the 5th cycle RHNA for lower- and moderate-income households (see Appendix A of the 2023-2031 Housing Element), an emphasis was placed on locating housing sites appropriate for these income groups – particularly in higher resource areas. However, increasing access to existing high resource neighborhoods represents just one strategy to increase access to opportunity for lower-income households – the City is also committed to investing in "lower resource" neighborhoods to increase opportunity for the existing residents of those neighborhoods – described further in Appendix D and the Housing Element's Housing Action Plan (Chapter 4).

A summary of capacity by housing units to meet the Oakland RHNA is provided in **Table 2**.

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	Residential Units				
	12	1 1		Above- Moderate-	
	Very-Low-Income <sup>1,2</sup>		Moderate-Income	Income	Total
Total Credits	2,013	2,247	776	9,933	
Pipeline Projects	1,241	1,555	182	9,931	12,909
Projected ADUs	692	692	594	0	1,978
Adequate Sites Alternative	80	0	0	2	82
Potential Development Projects <sup>3</sup>	440	1,494	194	5,374	7,502
Vacant	203	787	23	1,156	2,168
Non-Vacant	238	707	171	4,218	5,334
Available 5th Cycle RHNA		746	3,578	380	4,704
Vacant		23	596	3	622
Non-Vacant		723	2,982	377	4,082
New Opportunity Sites		5,106	895	2,035	8,036
Vacant		142	218	0	360
Non-Vacant		4,964	677	2,035	7,676
Total Capacity		12,046	5,443	17,722	35,211
6th Cycle RHNA		10,261	4,457	11,533	26,251
RHNA + 15% Buffer		11,801	5,126	13,263	30,189
Surplus Over RHNA		1,785	986	6,189	8,960
		117.4%	122.1%	153.7%	134.1%

Table 2: Summary of Residential Capacity to Accommodate the 2023-2031 Oakland RHNA

1. Low- and very-low-income capacity on opportunity sites is consolidated per default density assumptions as described in Government Code Section 65583.2(c)(3).

2. Extremely-low-income housing need is assumed to be 50% of the total very-low-income housing need, or about 3,256 units.

3. Potential development project totals are reduced by 10% to account for likelihood of pre-application or early-phase planning permits that may not move forward.

Source: ABAG, Final RHNA Plan, December 2021; City of Oakland, 2022

Chapter 3 of the Housing Element provides a summary of the sites inventory and *Appendix C* includes the detailed site inventory. The complete 2023-2031 Housing Sites Inventory is provided in <u>Table C25 of Appendix C</u>. An <u>interactive map</u> and an excel spreadsheet of the Sites Inventory are also publicly available on the Housing Element website at <u>https://oaklandca.gov/housingelement</u>.

Based on the City's current General Plan and zoning regulations, there is sufficient capacity to accommodate its RHNA allocation with an additional buffer. Rezoning will also occur in select areas to accommodate additional density such as parcels around BART stations, along transit corridors, and in existing residential neighborhoods to allow for "missing middle" housing<sup>3</sup>. This rezoning proposal will unlock new sites that can accommodate affordable housing within high resource neighborhoods. Sites included in the inventory reflect those that are most likely to develop during the planning period and meet the RHNA; sites that are newly made available by

<sup>&</sup>lt;sup>3</sup> "**Missing middle**" **housing** describes a range of multi-unit housing types that are compatible in scale with single-family neighborhoods. Missing middle housing is intended to meet the demand for walkable neighborhoods and respond to changing demographics. The term "missing middle" is meant to describe housing types that were common in the pre-WWII United States such as duplexes, rowhomes, and courtyard apartments but are now less common and, therefore, "missing".

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one of the rezoning efforts identified in the Housing Action Plan are not considered as part of this inventory since they do not reflect zoning conditions at the beginning of the Housing Element update process.

# 3. FRAMEWORK FOR A CITYWIDE HOUSING POLICY

The 2023-2031 Housing Element identifies a foundational framework of five overarching goals in Chapter 4: Housing Action Plan to comprehensively address the housing crisis and needs of Oaklanders. The Housing Action Plan reflects feedback from members of the community and the goals, policies, and actions reflect both local priorities and State obligations.

The five goals are:

Goal 1: Protect Oakland Residents from Displacement and Prevent Homelessness Goal 2: Preserve and Improve Existing Housing Stock Goal 3: Close the Gap Between Affordable and Market-Rate Housing Production by Expanding Affordable Housing Opportunities Goal 4: Address Homelessness and Expand Resources for the Unhoused Goal 5: Promote Neighborhood Stability and Health

These Housing Element goals will be met through the continuation of many of Oakland's existing housing programs, as well as by many new actions targeted at overcoming patterns of segregation, fostering inclusive communities free from barriers that restrict access to opportunity and housing, and closing the gap between market-rate and affordable housing by prioritizing preservation and development of housing for those of the greatest need, including Black and Brown households. To achieve each of these goals, adoption of the 2023-2031 Housing Element in and of itself will not be sufficient. The City will need to take additional steps to implement change, adopt code amendments, and identify and allocate funding. However, the 2023-2031 Housing Element's Housing Action Plan serves as a roadmap available to members of the public as well as to the state with the expectation that they will be fulfilled over the Housing Element's eight-year cycle. Failure to implement identified programs could lead to the State HCD taking action to push the City toward implementation.

The following section of this report focuses on the City's housing policy framework for meeting its locally determined housing needs. Highlighted below are the new actions; to see a list of all of the actions, please see the Executive Summary in the 2023-2031 Housing Element.

#### **Goal 1: Protect Oakland Residents from Displacement and Prevent Homelessness**

This goal seeks investment in programs that protect Oakland renters and homeowners from displacement pressures and prevent homelessness. This is particularly critical given that Black, Indigenous, and People of Color (BIPOC) communities across Oakland are disproportionately impacted by both displacement pressures and homelessness.

Actions within this goal mitigate displacement risks and affirmatively further fair housing by enforcing tenant relocation, just cause, and rent stabilization protections. In addition, actions such as implementing a rental housing registry and monitoring neighborhood displacement risk factors will inform design and better targeting of the City's anti-displacement programs and

resources. Furthermore, enforcement of tenant protections and anti-displacement programs will ensure that as more investments are made in lower resource areas, existing residents will be able to remain in place and benefit from improved access to infrastructure, amenities, and services.

New Housing Element programs under Goal 1 include:

- Action 1.1.2: Enforce Just Cause for Eviction measures
- Action 1.1.4: Implement tenant relocation measures
- Action 1.1.5: Implement a right to counsel in Rent Adjustment Program proceedings
- Action 1.1.7: Expand the City's ability to enforce rent control to maintain affordability
- Action 1.1.8: Monitor neighborhood displacement risk factors
- Action 1.1.9: Implement a rental housing registry
- Action 1.1.11: Enforce the tenant right to return and protections from coercive buyouts
- Action 1.1.12: Provide a local preference in affordable housing projects
- Action 1.1.13: Negotiate for appropriate community benefits during development agreement approvals for major entitlements and use of City land

# **Goal 2: Preserve and Improve Existing Housing Stock**

Goal 2 concentrates on retaining existing built affordable housing and extending affordability requirements for current and future tenants. Actions advance this goal and affirmatively further fair housing by implementing resale controls, and enforcing, monitoring, and preserving affordable housing covenants with an emphasis on "at-risk" units. In addition, actions under this goal will limit condominium conversions, reduce short-term home purchases and sales, provide repairs to vulnerable homeowners, enforce demolition and conversion restrictions for residential hotels, and extend local replacement unit provisions to address displacement pressures.

Preservation and physical rehabilitation of existing affordable housing, particularly in lower income neighborhoods, is a critical anti-displacement strategy that allows current residents to remain in place despite displacement pressures. BIPOC and lower income communities across Oakland are disproportionately impacted by substandard housing quality and maintenance issues. Actions in this goal alleviate the resulting increased housing cost pressures and affirmatively further fair housing by securing investments in rehabilitation programs to repair major building systems in danger of failure, address code violations, abate lead-based paint hazards, and improve indoor air quality for lower income homeowners. The health and equity co-benefits of improving substandard housing conditions citywide also advance the City's Environmental Justice goals.

The new Housing Element programs for Goal 2 include:

- Action 2.1.3: Conduct proactive rental inspections
- Action 2.1.5: Implement universal design strategies
- Action 2.1.6: Increase funding for improved indoor air quality
- Action 2.2.6: Reduce short-term home purchases/sales (I.e., "house flipping") to ensure affordability and prevent displacement
- Action 2.2.7: Provide additional subsidy for residential hotels

Action 2.2.8: Investigate a Tenant/Community Opportunity to Purchase Act

# Goal 3: Close the Gap Between Affordable and Market-Rate Housing Production by Expanding Affordable Housing Opportunities

During the previous RHNA cycle, the City permitted more above-moderate-income housing than required by the RHNA, and only permitted one affordable housing unit for every eight above-moderate income units. This gap was primarily due to a lack of City funding to support the construction of affordable housing. As a result, key priorities for the City include closing the gap between market-rate and affordable housing production; expanding availability of affordable housing by prioritizing the preservation of existing housing; and developing high-quality and abundant affordable housing for those of the greatest need, including BIPOC communities across Oakland.

Policies and actions under Goal 3 affirmatively further fair housing by encouraging the production of affordable housing and guiding development of a more diverse range of housing choices in high-resource neighborhoods for households of all types, incomes, and special needs; investing in and protecting tenants in disinvested communities; expanding affordable housing options that are accessible to extremely-low-income households; and promoting changes to permitting procedures and zoning code to make it easier and faster to build affordable housing.

Goal 3 actions also include continuation of existing programs such as expansion of density bonus incentives, acquiring additional Section 8 vouchers, one-stop and online permitting services, and the Oakland Community Buying Program, as well as providing housing for persons with HIV/AIDs, providing accessible units in new housing developments and implementing ADU standards.

Goal 3 includes forty-six new Housing Element actions; some examples of these are listed below. A complete list of new actions is included in the Executive Summary as well as Chapter 4: Housing Action Plan.

- Action 3.1.1: Develop a project-based rental or operating subsidy program for extremelylow-income residents.
- Action 3.2.1: Develop zoning standards to encourage missing middle and multi-unit housing types in currently single-family-dominated neighborhoods, including flats, duplexes, triplexes, fourplexes, townhomes/rowhouses, and ADUs.
- Action 3.2.5: Reduce constraints to the development of ADUs
- Action 3.2.6: Monitor affordability of permitted ADUs
- Action 3.2.7: Proactive Short-Term Rental Enforcement
- Action 3.3.4: Development of permanent housing affordable to extremely-low-income (ELI) households on public land.
- Action 3.3.5: Implement an affordable housing overlay.
- Action 3.3.8: Right-sized development fees on market-rate developments
- Action 3.3.9: Adjusting or waiving City fees and payment timing for affordable housing developments.

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- Action 3.4.1: Revise development standards, including allowable building heights, densities, open space and setback requirements
- Action 3.4.2: Study the Relationship Between Zoning and Racial Segregation as Part of the Phase 2 General Plan Update
- Action 3.4.3: Revise Conditional Use Permit (CUP) requirements
- Action 3.4.4: Revise citywide parking standards
- Action 3.4.5: Revise open space requirements
- Action 3.4.10: Implement a Housing Sites Overlay Zone to permit sites included in the Housing Sites Inventory to develop with affordable housing-by-right
- Action 3.5.1: Support community land trusts and other shared equity models
- Action 3.5.2: Support housing cooperatives, co-living, and cohousing models
- Action 3.6.3: Expand by-right approvals and implement entitlement reform for affordable housing
- Action 3.7.1: Incentivize the development of senior housing and provide financial assistance to developers of housing for seniors and persons with special needs.
- Action 3.7.5: Encourage a range of unit sizes for affordable housing that matches local household needs and family sizes
- Action 3.7.6: Expand areas where rooming units and efficiency units are permitted by right
- Action 3.8.2: Encourage the conversion of vacant ground floor commercial space to residential uses in appropriate locations
- Action 3.8.3: Tax vacant residential rental units

# Goal 4: Address Homelessness and Expand Resources for the Unhoused

The City faces an unprecedented humanitarian crisis of residents who are experiencing homelessness. The City recognizes the United Nations' mandate that the right to adequate housing is more than having a roof over one's head; it is the right to live in safety and dignity in a decent home. In response, Goal 4 of the Housing Action Plan focuses on implementing strategies that center permanent housing as the solution to homelessness and enabling coordination across the spectrum of care for Oakland's unhoused communities.

Oakland's BIPOC residents, particularly the City's Black residents, and extremely-low-income households are at greatest risk of experiencing homelessness. Addressing homelessness and investing in high-quality services for the unhoused is a racial equity issue and central to the City's approach to affirmatively furthering fair housing. Actions under this goal are targeted at homelessness prevention, building economic opportunities for the unhoused, expanding transitional / shelter and quality services, and development of permanent supportive and deeply affordable housing with resources for long-term support.

The new Housing Element programs for Goal 4 include:

- Action 4.1.1: Expand, improve, and maintain crisis response beds
- Action 4.1.2: Expand, improve, and maintain crisis response beds, especially for unsheltered communities of color
- Action 4.1.3: Expand health and hygiene facilities and services and improve access to bathrooms and showers

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- Action 4.1.4: Provide needed support and income to people who have been homeless so they can avoid returning to homelessness
- Action 4.2.1: Enhance operations of the City's 2020 Encampment Management Policy
- Action 4.2.2: Lead strategic homelessness response operations and homeless services from the Homelessness Division, Office of the City Administrator
- Action 4.2.3: Strengthen interdepartmental Encampment Management Team
- Action 4.2.4: Increase the oversight of homelessness strategies, investments, outcomes, and encampment operations with Commission on Homelessness
- Action 4.2.5: Expand co-governance and partnerships with unsheltered residents in the design and delivery of homelessness services
- Action 4.3.1: Finance the construction and maintenance of permanent supportive and deeply affordable housing for homeless households to expand the supply of deeply affordable and supportive housing for Oakland's most vulnerable residents
- Action 4.3.2: Streamline approval for modular developments to provide quality shelter quickly to address the scale of the crisis
- Action 4.3.3: Remove regulatory constraints to the development of transitional housing and supportive housing
- Action 4.3.4: Ensure that the authority provided by the City's Shelter Crisis Ordinance and Declaration of a Local Emergency regarding Homelessness remains in place until public health and safety concerns no longer persist
- Action 4.3.5: Provide development standards for low barrier navigation centers

# **Goal 5: Promote Neighborhood Stability and Health**

Oakland has historically experienced patterns of significant housing inequities between the hills and the flatlands, between west and east, and across race and income. Rising housing costs and displacement pressures continue to disproportionately burden the city's Black population and other people of color, even as historically Black neighborhoods continue to see disinvestment and relatively high rates of poverty. Low-income communities and communities of color are more likely to live in neighborhoods overburdened by pollution, disinvestment, and other social and environmental injustices. In addition, Oakland has one of the lowest rates of homeownership among major Bay Area cities.

The City's current housing programs address and mitigate racial inequities in homeownership rates by offering first-time homebuyer programs, access to low-cost financing for home purchase, working with Section 8 Voucher holders as part of first-time homebuyer programs, promoting development of affordable housing near transit and amenities through its Notice of Funding Availability (NOFA) process, operating loan programs to help property owners afford the cost of seismic safety programs and providing fair housing services and outreach. However, the City still needs to expand its efforts to eliminate racial disparities, protecting residential areas from harmful pollution impacts, and discriminatory housing practices. Goal 5 of the Housing Action Plan aims to do this by expanding opportunities for homeownership, particularly for low-income communities and communities of color, and seeks to sustain a healthy environment by working to "reduce the unique or compounded health risks in disadvantaged communities" and ensure that communities that are at most risk are prepared for the heightened impacts of climate change.

The following new Housing Element actions are included as part of Goal 5:

- Action 5.2.1: Protect against smoke and wildfire.
- Action 5.2.3: Study options to provide financing for the remediation of environmentally contaminated sites, with priority for affordable projects.
- Action 5.2.4: Secure funding from the State's Affordable Housing and Sustainable Communities (AHSC) Program.
- Action 5.2.7: Consider the adoption of a disaster reconstruction overlay zone
- Action 5.2.8: Encourage new affordable housing in higher resource neighborhoods
- Action 5.2.9: Prioritize improvements to meet the needs of low-resourced and disproportionately burdened communities.
- Action 5.2.10: Promote the development of mixed-income housing to reduce incomebased concentration
- Action 5.3.3: Provide targeted outreach and support to disproportionately burdened groups and areas.

# 4. STAFF RESPONSE TO THE STATE HCD LETTER AND CORRESPONDING REVISIONS

On September 28, 2022, the State HCD concluded their 90-day review period and provided comments to the City on the draft 2023-2031 Housing Element. As stated earlier, staff presented this information at the <u>October 18, 2022, City Council Meeting</u> and the <u>October 19, 2022 Planning Commission Meeting</u>.

**Table 3** provides staff responses to the State HCD findings and corresponding revisions.

HCD Finding Staff Response and Revisions		
A. Housing Needs, Resources, and Constraints		
A1: Affirmatively Furthering Fair A1: Affirmatively Furthering Fair Housing (AFFH):		
Housing (AFFH):	1. The revised draft incorporates public comments from	
1. Incorporate public comments into	Deeply Rooted and East Bay Housing Organizations	
the assessment of fair housing.	(EBHO) to include additional information on historic	
2. Analyze Racially Concentrated	context of discriminatory housing actions, the legacy of	
Areas of Affluence (RCAAs) and	exclusionary zoning as a significant housing constraints	
evaluate pattern and trends at a	and barrier to affirmatively furthering fair housing, and the	
local level.	negative impacts of California's Costa Hawkins Law,	
3. Analyze Oakland relative to the	1990's tech boom and Mayor Brown's 10k market rate	
rest of the region regarding	housing plan to make Oakland attractive for SF tech	
disproportionate housing needs,	workers. This context is incorporated in the Introduction,	
including displacement risks.	Appendix D: Assessment of Fair Housing, and Appendix	
4. Analyze the lack of units in	F: Housing Constraints. The Housing Element also	
several higher opportunity areas	includes a new Appendix L, which details how substantive	
including but not limited to	comments from each comment letter was specifically	
Rockridge (labeled North	addressed	
Oakland / Adams Point) and the	2. Appendix D includes a local and regional analysis of	
area surrounding the Rockridge	RCAAs in Section D.3. Table D-11 provides an analysis of	
Bay Area Rapid Transit (BART)	how the Sites Inventory improves integration of lower and	
station. The complete analysis	moderate-income households. Table D-9 identifies	
should fully assess how the site	additional actions to address issues of segregation and,	

#### Table 3: Staff Reponses to the State HCD Findings

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<ul> <li>inventory is expected to improve and/or exacerbate fair housing conditions. Based on the outcomes of this analysis, the element should add or modify programs.</li> <li>5. Programs must be added as appropriate to sufficiently respond to contributing factors to fair housing issues. In addition, all actions related to AFFH must contain specific commitment, timing, geographic targeting and metrics or numerical targets.</li> </ul>	<ul> <li>disproportionate housing needs, and access to opportunity.</li> <li>Appendix D, Section D-5, Disproportionate Housing Needs and Displacement Risks, includes additional regional assessment on Cost Burden, Overcrowding, and Displacement Risk.</li> <li>Appendix D, tables D-10 through D-11, address how the sites inventory furthers lower and moderate-income housing in higher resource communities. Additional sites in Rockridge have been added to the Sites Inventory, adding an additional 973 units of housing in this area. Chapter 3: Section 3.3 includes analysis of affirmative efforts to locate affordable housing in high-resource areas like Rockridge. A new action, 5.2.9 (in tandem with 5.2.8) has been added to the Housing Action Plan to prioritize improvements that target geographies and needs of low-resourced and disproportionately burdened communities, including through actions related to parks and facilities, access to transit, and other place-based strategies. Action 3.4.1 has also been revised to further enhance strategies to improve fair housing conditions in high-resource neighborhoods. Other actions that support fair housing and integration include Action 3.3.5, which creates an Affordable Housing Overlay; Action 3.3.7, which would study targeted implementation of an inclusionary requirement in higher-resource neighborhoods; Action 3.4.1, which revises development standards and increases height/densities in resource-rich areas such as Rockridge; among others.</li> <li>Actions have been revised to ensure that they contain specific commitment, timing, geographic targeting and metrics or numerical targets.</li> </ul>
<ul> <li>A2: Analysis and Documentation of Household Characteristics and Special Housing Needs <ol> <li>Extremely Low-Income Households (ELI): The Element should also evaluate tenure, overpayment, resources and strategies available and the gap and magnitude of housing needs to better formulate policies and program for ELI households.</li> <li>Housing Conditions: The Element must estimate the number of units in need of rehabilitation and replacement.</li> <li>Persons Experiencing Homelessness: The element should evaluate resources and strategies, gaps in addressing needs and formulate appropriate strategies to address the unmet need.</li> </ol> </li> </ul>	<ul> <li>A2: Analysis and Documentation of Household Characteristics and Special Housing Needs</li> <li>Appendix B: Housing Needs Assessment - Section B.6 includes a detailed evaluation of housing tenure through analysis of several factors, including race, income level, housing type. overpayment for ELI households. Overpayment, or cost-burden, is also examined in section B.6 with analysis detailing overpayment by income and tenure. The revised appendix includes an additional discussion of resources and programs coordinated by the City to support ELI and clarifies specific policies and actions provided in the Housing Action Plan intended to provide permanent affordable housing to ELI households.</li> <li>The revised draft includes additional information from Oakland's Code Enforcement estimating the number of units in need of rehabilitation and replacement in Appendix B - Section B.6.</li> <li>In addition to the discussion of Oakland's five-year plan to address homelessness in section B.5 of Appendix B, additional text was added to section clarify additional programs the City is participating in to support persons experiencing homelessness and also describes specific polices and actions intended to help provide permanent</li> </ul>

incentives and actions along with

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Page 18 **HCD** Finding Staff Response and Revisions housing for extremely low-income households through state and federal funding. A3: Sites Inventory A3: Sites Inventory 1. Parcel Listing: The element must Table C-26 of Appendix C has been updated to reflect the 1. include a parcel listing or sites requested information and is organized using the State inventory intended to HCD's Sites Inventory template. accommodate the regional 2. Appendix C: Sites Inventory includes additional housing need allocation (RHNA) information clarifying the future availability of pipeline 2. Pipeline and Potential projects, defines affordability mechanisms for projects with Development Projects: While the lower and moderate-income units, and expands upon the element may utilize pipeline and City's permitting and approval process as it relates to the potential development projects determination of availability, and provides references to toward the RHNA, it must also specific actions in the Housing Action plan relating to demonstrate their affordability development and monitoring approvals of pipeline projects. and availability in the planning period. The element must 3. Sites inventory tables C-3, 4a and 4b, and 5 provide more include programs with actions information about realistic development capacity, including that commit to facilitating in commercial areas. An additional exhibit of completed development and monitoring projects, maximum capacity, and realistic capacity approvals of the projects. information has also been added to support density 3. Realistic Capacity: The element assumptions, Finally, Table C-12b, Projects Converting Existing Non-Residential Uses to Residential Uses. 2018lists realistic residential capacity assumptions by various zoning 2021, shows examples of where completed and approved districts and should provide projects have changed from nonresidential-to-residential supporting information for these uses. assumptions based on recent 4. The sites inventory provides a parcel-by-parcel development history, including assessment and justification for nonvacant opportunity affordability. In addition, this sites in Table C-16. A majority of these parcels have property owner interest or are City-owned surplus sites. calculation should also account for the likelihood of 100 percent The supplemented pipeline tables (C-4 and C-6) also non-residential development. provide evidence that projects have developed on nonvacant uses. Finally, Table C-12b, shows examples of The element should also project where completed and approved projects have consider the development activity of 100 percent nonchanged from nonresidential to residential zones. residential uses. 5. The revised draft includes an updated Table C16-b to 4. Nonvacant Sites: The element identify the specific sites owned by the city. In addition, must include an analysis Actions 3.3.1 and 3.3.4 in the Housing Action plan have demonstrating the potential for been updated to clarify the schedule of actions and additional development on timeline for the completion of zoning and environmental nonvacant sites. The element review for these sites. should also account for the 6. The revised draft includes updated language related to alternative adequate site compliance and an additional extent existing uses impede table, Table C-9b summarizing Adequate Alternative additional residential development including market Requirements to ensure compliance to relevant demand and existing leases or requirements. contracts. 7. Zoning for a Variety of Housing Types: a. Action 4.3.6 has been added to the Housing Action 5. City-Owned Sites: The element should identify which sites Plan to expand opportunities for the permitting of specifically are owned by the City Emergency Shelters. and include a program with b. Appendix F: Housing Constraints reflects other numerical objectives that constraints related to supportive housing, including ensures compliance with the residential care facilities and emergency shelters. Surplus Land Act, provides Action 4.3.3 has been revised to indicate that the City

will amend the Planning Code to remove regulatory

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<ul> <li>a schedule to facilitate development of City- owned sites.</li> <li>6. Alternative Adequate Sites: The analysis must confirm compliance with all relevant requirements pursuant to Government Code 65583.1.</li> <li>7. Zoning for a Variety of Housing Types: <ul> <li>a. Emergency Shelters: The element should clarify shelters are permitted without discretionary action and include analysis on access to transportation, reuse opportunities, other conditions inappropriate for human habitability.</li> <li>b. Permanent Supportive Housing: The element must demonstrate compliance with this Government Code section 65651 and include programs if necessary.</li> <li>c. Employee Housing: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.) or add or modify programs.</li> </ul> </li> <li>d. Small Units: Pursuant to public comments received, the City should consider a variety of naturally affordable housing types as part of its strategy.</li> <li>e. Single Room Occupancies (SRO): The element should also describe how it will encourage SRO development.</li> </ul>	<ul> <li>c. The Housing Action Plan includes a new Action 3.7.7 to comply with the Employee Housing Act) (p.63). Additional language has also been added to Appendix F further clarifying the element's compliance with the Employee Housing act.</li> <li>d. The Housing Action Plan highlights recent efforts the City has made to encourage a variety of naturally affordable housing types. Policy 3.5 and Action 3.5.2 were updated to elaborating on the City's participation in Acquisition to Affordable Housing Programs (ACAH), and the City's participation in Acquisition to Affordable Housing programs. Finally, Action 3.7.6 has been updated to further support the development of a variety of naturally affordable housing types.</li> <li>e. The revised Housing Action Plan includes several actions intended to strengthen and support SRO developments. Action 2.2.3, and Action 3.3.5 will allow SRO's and Rooming houses by right in areas subject to the prospective affordable housing overlay</li> </ul>
<ul> <li>A4: Analysis of Potential and Actual Government Constraints</li> <li>1. Land Use Controls: Analyze land use controls independently and cumulatively with other land use controls.</li> <li>2. Processing and Permit Procedures: The element should evaluate design review criteria for impacts on cost, timing, and approval certainty.</li> </ul>	<ul> <li>A4: Analysis of Potential and Actual Government Constraints</li> <li>1. The revised draft of Appendix F includes analysis of independent and cumulative impacts of land use controls. In addition, Action 3.4.8 has been revised to address constraints identified in Appendix F.</li> <li>2. Appendix F includes language on the impacts on design review on cost and timing. In addition, Action 3.4.3 and Action 3.4.8 will allow a streamlined design review process, intended to reduce costs, shorten timelines, and increase approval certainty.</li> </ul>

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<ol> <li>Housing for Persons with Disabilities: The element should analyze approval criteria as constraints on approval certainty and objectivity for housing for persons with disabilities and include programs as appropriate.</li> </ol>	<ol> <li>Appendix F expands discussion of residential care facilities constraints including in commercial areas. In addition, Action 3.7.3 has been revised to address potential constraints.</li> </ol>
	B. Housing Programs
<ul> <li>B1: Housing Program Timelines</li> <li>Programs must include specific commitment to clear outcomes and deliverables, and discrete timelines resulting in beneficial impacts within the planning period.</li> </ul>	<ol> <li>B1: Housing Program Timelines</li> <li>The Housing Action Plan has been revised to clarify discrete timing for actions, demonstrate clear outcomes and objectives.</li> <li>Action 2.2.5 has been revised with the addition of plans for the maintenance of a displaced tenant database to identify and support displaced tenants.</li> </ol>
2. Revise Action 2.2.5 to develop procedures that find and support displaced tenants after demolitions, as well as ensuring that projects pursuing SB-330 protections have sufficient replacement units for tenants at risk of displacement.	
<b>B2: Adequacy of Sites and Zoning</b> Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.	<b>B2: Adequacy of Sites and Zoning</b> Goal 3 of the Housing Action Plan includes several actions to encourage a variety of housing types. See Action 3.2.1, Action 4.4.1, Action 3.5.1, Action 3.6.2.
B3: Remove Governmental and Nongovernmental Constraints to Maintenance, Improvement, and Development of Housing Based on the results of a complete analysis of potential governmental and nongovernmental constraints, the City may need to revise or add programs and address and remove or mitigate any identified constraints.	B3: Remove Governmental and Nongovernmental Constraints to Maintenance, Improvement, and Development of Housing The revised Housing Action Plan includes a number of programs intended to alleviate governmental and nongovernmental constraints to maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. Programs under Goal 3: Close the Gap Between Affordable and Market-Rate Housing Production by Expanding Affordable Housing Opportunities) include revised language intended to eliminate constraints. See Action 3.2.5, Action 3.4.1, Action 3.4.10 and Action 4.3.3.
<b>B4: AFFH</b> Based on a complete assessment of fair housing, the element must add or modify programs to AFFH. Programs to AFFH should go beyond status quo actions, include specific commitment, timing, geographic targeting and metrics or numerical targets and should generally address housing mobility, encourage new housing choices in higher resource	<b>B4: AFFH</b> Programs and actions that further AFFH in the revised Housing Action Plan have been significantly modified to include specific commitment, timing, geographic targeting and metrics.

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areas, improve place-based strategies toward community revitalization and protect existing residents from displacement.	
<b>B5: Assisted Housing</b> <b>Developments</b> Action 2.2.2 should be revised with specific commitment to comply with noticing requirements, coordinate with qualified entities, assist with funding or support funding applicants and provide education and support to tenants.	<b>B5: Assisted Housing Developments</b> Action 2.2.2 has been revised with specific commitment to comply with noticing requirements, coordinate with qualified entities, assist with funding applicants and provide education and support to tenants.
<b>B6: Incentivize and Promote</b> <b>Creation of Accessory Dwelling</b> <b>Units</b> Action 3.2.4 should commit to should monitor permitted ADUs and affordability every other year and take appropriate action such as adjusting assumptions or rezoning within a specified time (e.g., 6 months) if assumptions are not realized.	<b>B6: Incentivize and Promote Creation of Accessory</b> <b>Dwelling Units</b> A new Action 3.2.6 has been added to monitor permitted ADUs and affordability and also includes provisions for rezoning within a specified timeframe if assumptions are not realized.
	C. Quantified Objectives
<ul> <li>C: Consider Quantified Objectives for Conserving Units Beyond At- Risk Preservation</li> <li>1. The City could consider quantified objectives for conservation (beyond at-risk preservation).</li> </ul>	<ul> <li>C: Consider Quantified Objectives for Conserving Units Beyond At-Risk Preservation</li> <li>1. Table 4-1 in the Housing Action Plan includes quantified objectives for rehabilitation and conservation.</li> </ul>
	D. Public Participation
<ul> <li><b>D. Public Participation</b></li> <li>1. Address lack of sites in North Oakland, specifically around Rockridge BART and higher resource areas.</li> <li>2. Revise Action 3.7.5 to studying second egress requirements. The City should also look at reducing lot size minimums, parking minimums etc.</li> </ul>	<ul> <li>D. Public Participation</li> <li>1. The revised draft includes additional sites from the North Oakland Area in the site inventory in response to these comments and public input. Additionally, revisions have been made to Action 3.4.1 to increase allowable heights and densities in areas near Rockridge BART. Also, see Appendix J for the City's proposed rezoning changes to increase housing production capacity and unlock additional opportunities for affordable and "missing middle" housing in high-resource neighborhoods and affirmatively further fair housing and open up exclusionary neighborhoods such as Rockridge.</li> <li>2. Action 3.5.5 has been added to study second egress requirements. Also see Appendix J for missing middle proposal the includes reduction of lot size minimums and reduction of parking minimums.</li> </ul>

As stated earlier, Staff have had several informal meetings with State HCD to discuss the revised Public Hearing Draft Housing Element. **Attachment A** provides feedback from State HCD on the revised Public Hearing Draft Housing Element and staff revisions. The revised Public Hearing Draft 2023-2031 Housing Element presented to the Council incorporates the revisions requested by State HCD.

# 5. SUMMARY OF PUBLIC COMMENTS ON THE FIRST DRAFT 2023-2031 HOUSING ELEMENT

The first draft of the Housing Element was made available for public review on May 12, 2022. Based on community feedback and to ensure that the community had sufficient time to review and provide feedback, the public review period for the first public review draft of the Housing Element was extended to September 30, 2022, to coincide with the 90-day State HCD review period. The Draft Housing Element was posted on the GPU website for public review at <u>https://oaklandca.gov/housingelement</u>.

During this comment period, planning staff presented at several neighborhood and community groups, and public meetings<sup>4</sup>. Between June 2022 and October 2022, the EWG group met eight times to provide feedback and housing policy recommendations on the 2023-2031 Draft Housing Element. See section on Public Outreach/Interest for information on community engagement focused on the Housing Element.

The EWG members and Deeply Rooted Partners also shared a list of their housing policy recommendations and met with the Directors from the Planning and Building Department (PBD), Human Services Department (HSD), Oakland Housing and Community Development (Oakland HCD) and the Office of the City Administrator (CAO) and the CAO Homelessness Division to review policy recommendations.

In addition, staff also sought feedback from councilmembers on the Sites Inventory, key policies, and shared the public review drafts of the 2023-2031 Housing Element for their review and comment. In addition, staff also sought feedback from the Planning Commission and City Councils at study sessions held on February 2, 2022, February 22, 2022, May 18, 2022, May 24, 2022, June 1, 2022, October 18, 2022, and October 19, 2022.

A total of 54 comments, comment letters, and emails, were received during the initial and extended public comment period for the first draft Housing Element. **Table 4** provides a high-level summary of public comments received by topic area and staff response. Appendix L-1 includes the comments letters and Appendix L-2 provides an overview of public comments and detailed staff responses, to illustrate how the revised draft reflect public input received during the public comment period.

All recommendations needed to be reconciled with legal authority, funding and resource constraints, conflicting objectives, alignment with specific State housing goals, actions requiring further Council direction, and/or better implementation through other planning or City policy outside of the specific scope of the Housing Element.

<sup>&</sup>lt;sup>4</sup> See agenda reports from <u>May 24, 2022</u> CED meeting, <u>May 18, 2022</u>, and <u>June 1, 2022</u> Planning Commission Meetings and <u>October 18, 2022</u>, <u>City Council Meeting</u> and <u>October 19, 2022 Planning</u> <u>Commission Meeting</u>.

#### Theme/Topic Area – Public Comment **Staff Response to Comment** Received General General 1. Consider adding special needs groups for 1. See updates to Policy 3.7. prioritization of housing for formerly 2. The revised 2023-2031 Housing Element incarcerated individuals; single parents (not includes an Executive Summary. 3. See Appendix L-2 for detailed staff responses to limited to single mothers); young adults; low-income, non-English speakers; youth public comments. aging out of foster care; and teachers 2. Include an executive summary in the updated Housing Element 3. Include City Staff responses to each unique public comment in the updated Housing Element Affirmatively Furthering Fair Housing Affirmatively Furthering Fair Housing 1. Provide more analysis of the history and 1. The revised 2023-2031 Housing Element underlying factors that gave rise to and incorporates this feedback. Additional continue to perpetuate current racial and information on historic context of discriminatory economic segregation and disparities. Link housing actions and the legacy of exclusionary the goals, strategies and actions to the zoning as a significant housing constraints and prioritized fair housing factors. Analyze barrier to affirmatively furthering fair housing. This context is incorporated in the Introduction exclusionary zoning patterns as a key factor in racial segregation (1-1 through1-4); Appendix D (section D.2, pp. 2. Integrate community input into the Housing D-14 and 15, and new section D.5D.6 [Housing Element about the negative impacts of Sites Inventory Analysis]); Appendix F (F-10 intergenerational economic and housing through F-11). discrimination, California's Costa-Hawkins 2. The revised 2023-2031 Housing Element law, ethnic enclaves created in part by incorporates this feedback. racially restrictive housing covenants, 3. See Action 5.2.8: Encourage new affordable market force displacement from the lack of housing in higher resource areas, which seeks sufficient tenant protections and more on to increase access to exclusive neighborhoods the Oakland community coupled with NEW Action 5.2.9: Prioritize 3. Concentration of affordable housing in investments and improvements to meet the lower opportunity areas must be coupled needs of low-resourced and disproportionately with investment in place-based community burdened communities. development strategies, i.e., enhanced infrastructure, services, schools, jobs, and other community needs that serve the existing population in at-risk neighborhoods **Appendix C: Sites Inventory Appendix C: Sites Inventory** 1. Provide discussion and analysis of how the 1. The revised 2023-2031 Housing Element inventory does or does not change patterns incorporates this feedback. The revised 2023of segregation 2031 Housing Element includes additional sites 2. The City should take more steps to as part of Appendix M: Recommended Sites for increase housing capacity in high resource Future Housing (Upzoning/General Plan Update neighborhoods, especially for low-income **Opportunity Sites).** units 2. Actions under Goals 3 and 5 will increase 3. Identify additional sites in high resource housing production capacity, unlock additional neighborhoods for the revised Sites opportunities for affordable and missing middle housing, and affirmatively further fair housing by Inventory

# Table 4: Summary of Public Comments for First Draft Housing Element by Topic Area and Staff Response

Edward D. Reiskin, City Administrator Subject: Oakland 2045 General Plan Update: 2023-2031 Housing Element Adoption Date: January 13, 2023

Theme/Topic Area – Public Comment	Staff Response to Comment
Received	
	<ul> <li>opening up high-resource and exclusionary neighborhoods, reducing exposure to air pollution, toxic and other environmental hazards in environmental justice communities, and prioritize improvements to meet the needs of low-resourced and disproportionately burdened communities. These actions will allow zoning for diverse housing types, elimination of Conditional Use Permits (CUPS) for density, implementation of Objective Design Standards, increased heights and densities along corridors such as MacArthur, International, Foothill, College, Claremont, Dimond, increased heights and densities in transit proximate areas such as Rockridge BART, and resource-rich areas such as Rockridge, Trestle Glen, and Crocker Highlands. See Appendix J for the City's proposed rezoning changes.</li> <li>The revised 2023-2031 Housing Element includes additional sites in high-resource areas</li> </ul>
	for the revised sites inventory.
Chapter 4: Housing Action Plan 1. Staff received comments in support of	Chapter 4: Housing Action Plan 1. Comments noted.
<ul> <li>several Housing Action Plan programs, including the following:</li> <li>Action 1.1.3: Strengthen Ellis Act Protections</li> <li>Action 1.1.5: Provide eviction defense and implement a right to counseling Action 1.1.7: Monitor neighborhood displacement risk factors</li> <li>Action 2.1.6: Increase funding for improved indoor air quality</li> <li>Action 2.2.2: Enforce, monitor, and preserve affordable housing covenants with an emphasis on "at-risk" units</li> <li>Action 2.2.6: Reduce housing speculation</li> <li>Action 2.2.8: Investigate a Tenant/Community Opportunity to Purchase Act</li> <li>Action 3.3.3: City of Oakland Rental Assistance Program</li> <li>Action 3.3.5: Implement an Affordable Housing Overlay</li> <li>Action 3.3.9: Adjusting or waiving City fees and payment for timing and affordable housing developments</li> </ul>	<ol> <li>Actions in Chapter 4: Housing Action Plan includes discrete implementation timelines and milestones within the eight-year Housing Element planning period</li> <li>A complete list of new actions is included in the Executive Summary as well as Chapter 4: Housing Action Plan. New actions are The Executive Summary provides a complete listing of all the actions and new actions are shown in blue.</li> <li>See updates to Action 3.2.1 and Appendix J for the City's proposed rezoning changes.</li> <li>See updated Actions 3.3.1, and 3.3.4 in the revised 2023-2031 Housing Element.</li> <li>See updated language included in Action 3.3.5: Implement an Affordable Housing Overlay.</li> <li>Measure U, passed by voters in November 2022, will issue bonds to raise \$850 million, including \$350 million dedicated to funding affordable housing. See updates to Actions 3.3.8, 3.3.10, 3.3.16, 3.3.18.</li> <li>See updates to Actions 3.5.1 and 3.5.2.</li> <li>Please see the following actions, which address this issue: - NEW Action 3.3.5: Implement an Affordable Housing Overlay - Action 3.3.15 Continue and expand density bonus incentives - NEW Action 3.4.3: Revise Conditional Use</li> </ol>

Edward D. Reiskin, City Administrator Subject: Oakland 2045 General Plan Update: 2023-2031 Housing Element Adoption Date: January 13, 2023

	Date: January 13, 2023 Page 25			
	eme/Topic Area – Public Comment	Staff Response to Comment		
Re	ceived			
	Action 3.3.10: Consider a citywide enhanced infrastructure financing district Action 3.3.12: Continue the Acquisition and Conversion to Affordable Housing	Permit (CUP) requirements - NEW Action 3.4.8: Implement Objective Design Standards - NEW Action 3.4.10 Implement a Housing Sites Overlay Zone to permit sites included in the Housing Sites Inventory to develop with		
	Program Action 3.3.16: Consider revising the Real Estate Transfer Tax	affordable housing by right - NEW Action 3.6.1: Streamline the City permitting process, especially for low-income and nonprofit builders		
	Action 3.3.18: Implement affordable housing investments contained in Measure U Action 5.2.1: Protect against smoke	- Action 3.6.4: Continue SB 35 streamlining and encourage projects to use it.		
	and wildfire Action 5.2.3: Study options to provide			
	financing for the remediation of environmentally contaminated sites,			
2.	with priority for affordable projects Housing Action Plan programs and policies should be updated with discrete timelines			
	and include clear commitments or outcomes, especially those actions that affirmatively further fair housing			
3.	Include a list of new Housing Action Plan programs and policies in the revised Housing Element			
4.	Develop zoning standards to encourage missing middle housing (duplexes, triplexes, fourplexes, townhomes, rowhouses, ADUs, etc.) with incentives such as ministerial approvals. Focus upzoning along transit corridors, commercial corridors and resource-rich areas. Provide more information about locations where upzoning will take place			
5.	(Action 3.2.1) Prioritize City-owned land for affordable housing, particularly extremely-low-income units (Actions 3.3.1, 3.3.4)			
6.	Implement an Affordable Housing Overlay (AHO) to provide by-right approvals for 100% affordable housing projects citywide, where zoning permits. Do not exempt historic districts from the AHO (Action			
7.	3.3.5) Generate new or dedicate existing revenue for affordable housing development, maintenance, and preservation. Address this through actions such as increasing impact fees, revising the Real Estate			
	Transfer Tax, authorizing Measure U, and			

Subject: Oakland 2045 General Plan Update: 2023-2031 Housing Element Adoption Date: January 13, 2023

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Theme/Topic Area – Public Comment Received		Staff Response to Comment
	adopting enhanced infrastructure financing districts (Actions 3.3.8, 3.3.10, 3.3.16, 3.3.18)	
8.	Revise citywide parking standards to remove constraints to housing development (Action 3.4.3)	
9.	Support formation and operation of community land trusts, limited equity cooperatives, co-living, co-housing and other innovative housing models (Actions 3.5.1, 3.5.2)	
10.	Streamline development approvals and permitting process, particularly for affordable and multifamily projects (Actions 3.6.1, 3.6.2, 3.6.3, 3.6.4)	

# 6. HOUSING ACTION PLAN RACIAL EQUITY IMPACT ANALYSIS

Oakland's Municipal Code requires the City to intentionally integrate the principles of fairness and justice into "all the City does in order to achieve equitable opportunities for all people and communities."<sup>5</sup> The City's Department of Race and Equity (Oakland DRE), established to help the City achieve this goal, has advised that racial inequities cannot be eradicated unless directly addressed.<sup>6</sup> To directly address Oakland's racial disparities during the General Plan Update, the City has adopted a racial equity framework, which calls for the development of a REIA alongside all emerging or revised plans and policies to support development of equitable policies that are *concrete*, *data-driven*, *outcome-oriented*, and *problem-solving*. The Housing Element REIA is available on the City's webpage at https://oaklandca.gov/housingelement.

While State Law does not require a REIA of the Housing Element, the City has developed a REIA to identify whether Black/African American, Indigenous, and other Oaklanders of color would be (1) disproportionately affected by any negative effects of programs and policies, or (2) have less access to benefits provided through policies and programs proposed in the Housing Element. With respect to both existing housing policy and actions proposed in the draft Housing Element, the REIA sheds light on the root causes of racially inequitable housing outcomes in communities within Oakland that experience the greatest housing burdens (see **Figure 1**). The racially disparate housing impacts caused by the housing crisis have "multifaceted" roots. They are the intersecting legacy of many strands of injustice woven through our political, legal, political, economic, and social structures. While much of the housing pressure Oakland experiences is due to broader regional patterns that play out

<sup>&</sup>lt;sup>5</sup> Oakland Municipal Code Section 2.29.170.1.

<sup>&</sup>lt;sup>6</sup> Oakland Department of Race and Equity, *Racial Equity Analysis Worksheet* ("Not everything that is faced can be changed, but nothing can be changed until it is faced." James Baldwin).

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in the city, City policies can mitigate housing disparities within Oakland. The factors that contribute to increasing disparate housing burdens point to the structural changes needed to create racially equitable housing security in Oakland.

Figure 1: Root Causes of F	Racially Disparate He	ousina Outcomes

Fraying social safety net	<ul> <li>Significant mismatch between the amount of state and federal government subsidies and the number of households with a demonstrable need for support.</li> <li>Insufficient resources for rental, down payment, and mortgage assistance.</li> <li>Insufficient resources accessible to residents with limited English proficiency.</li> </ul>	
Growing economic inequality	<ul> <li>Lack of living wage jobs and extremely low federal minimum wage.</li> <li>Low-income property owners are less able to afford needed upkeep.</li> <li>Racial wealth gap widened by lack of homeownership.</li> <li>Inequitable access to quality education and childcare.</li> </ul>	
Exclusionary zoning and redlining	<ul> <li>Racially concentrated areas of affluence and poverty mean that many BIPOC Oaklanders struggle to access opportunities afforded to residents of majority-White single-family neighborhoods.</li> </ul>	
Declining rates of BIPOC homeownership	<ul> <li>Redlining prevented many BIPOC residents from obtaining home loans.</li> <li>More BIPOC homes lost by the foreclosure crisis due to predatory lending.</li> <li>A greater percentage of BIPOC residents are renters, who tend to be precariously housed.</li> </ul>	
Insufficient housing units to meet demand	<ul> <li>Housing crisis means all housing is needed, but decent, affordable housing options are severely lacking in neighborhoods across the city.</li> </ul>	
Structural Racism	<ul> <li>Racism in other social spheres, such as in policing, over- incarceration, and education funding creates disproportionate housing burdens for BIPOC Oaklanders.</li> <li>Housing discrimination further limits housing options for BIPOC and special needs Oaklanders.</li> <li>Monolingual &amp; LEP residents face greater difficulties in exercising their rights.</li> </ul>	

In addition, the REIA evaluates each action in the Housing Action Plan for its potential to help reverse longstanding housing disparities and provides additional recommendations for maximizing racial equity impacts. In determining an action's potential for equity impact, previous City performance and levels of funding are taken into account. Finally, the REIA provides a framework for evaluating the impact of implementation over time with key equity indicators to monitor outcomes and promote transparency and accountability for meeting equity goals.

See **Table 5** for Housing Action Plan actions with the most potential to positively impact racial equity in housing outcomes. **Attachment C** provides the potential equity impacts of each housing action plan item.

### Table 5: Housing Actions with High Equity Potential and Priority Recommendations

#### GOAL 1: PROTECT OAKLAND RESIDENTS FROM DISPLACEMENT AND PREVENT HOMELESSNESS

#### Select Actions with High Equity Potential

1.1.2 Enforce Just Cause for Eviction measures

1.1.7 Expand our ability to enforce rent control to maintain affordability

1.1.8 Monitor neighborhood displacement

1.1.9 Implement a Rental Housing Registry —As proactive rental inspections increase the City's ability to monitor housing quality issues, this action increases the City's ability to keep track of fair housing, habitability, displacement, and other tenant protections.

1.1.14 Protect Oakland residents from displacement and becoming homeless (Emergency Eviction Moratorium Ordinance)

#### **GOAL 2: PRESERVE AND IMPROVE EXISTING HOUSING STOCK.**

#### Select Actions with High Equity Potential

2.1.1 Support home rehabilitation programs - Lists ten programs operated by the City or its partners that can assist very low- and low-income homeowners to address code violations, repair major building systems in danger of failure, abate lead-based paint hazards or pay for emergency repairs.

2.1.2 Promote healthy homes and lead-safe housing

2.1.3 Conduct proactive rental inspections

2.1.6 Increase funding for improved indoor air quality

2.2.2 Enforce, monitor, and preserve affordable housing covenants with an emphasis on "at-risk" units

2.2.3 Enforce residential demolition and conversion restrictions for residential hotels

2.2.6 Reduce short-term home purchases/sales (i.e., "house flipping") to ensure affordability and prevent displacement

2.2.7 Provide additional subsidy for residential hotels

2.2.8 Investigate a Tenant/Community Opportunity to Purchase Act

# GOAL 3: CLOSE THE GAP BETWEEN AFFORDABLE AND MARKET-RATE HOUSING PRODUCTION BY EXPANDING AFFORDABLE HOUSING OPPORTUNITIES

#### Select Actions with High Equity Potential

3.1.1 Develop a project-based rental or operating subsidy program for extremely-low-income residents.

3.2.1 Develop zoning standards to encourage missing middle and multi-unit housing types in currently single-family-dominated neighborhoods, including flats, duplexes, triplexes, fourplexes, townhomes/rowhouses, and ADUs.

3.3.3 City of Oakland Emergency Rental Assistance Program

3.3.4 Development of permanent housing affordable to extremely low-income households on public land.

3.3.17 Support low-income, grassroots, and BIPOC affordable housing developers.

3.5.1 Support community land trusts and other shared equity models. Community land trusts and other shared equity models convert market rate housing into permanently affordable units and treat housing as a community asset rather than a speculative investment.

#### GOAL 4: ADDRESS HOMELESSNESS AND EXPAND RESOURCES FOR THE UNHOUSED.

#### Select Actions with High Equity Potential

4.1.4 Provide needed support and income to people who have been homeless so they can avoid returning to homelessness.

4.2.5 Expand co-governance and partnerships with unsheltered residents in the design and delivery of homelessness services.

4.3.1 Finance the construction and maintenance of permanent supportive and deeply affordable housing for homeless households to expand the supply of deeply affordable and supportive housing for Oakland's most vulnerable residents.

4.3.3 Remove regulatory constraints to the development of transitional housing and supportive housing.

#### GOAL 5: PROMOTE NEIGHBORHOOD STABILITY AND HEALTH.

#### Select Actions with High Equity Potential

5.1.1 Provide first time homebuyer programs

5.1.2 Expand access to low-cost financing for home purchase

5.1.3 Provide paths to ownership for Section 8 voucher holders

5.2.2 Study options to provide financing for the remediation of environmentally contaminated sites with priority for affordable projects

5.2.8 Encourage new affordable housing in higher resource neighborhoods

5.2.9 Prioritize investment improvements to meet the needs of low-resourced and disproportionately burdened communities

5.2.10 Promote development of mixed-use housing mixed income housing to reduce income-based concentration

5.3.3 Provide targeted outreach and support to disproportionately burdened groups and areas

#### 7. SUMMARY OF PUBLIC FEEDBACK RECEIVED ON THE PUBLIC HEARING DRAFT HOUSING ELEMENT

The Public Hearing Draft 2023-2031 Housing Element was available for public review and comment between November 29, 2022 – December 29, 2022. A total of 54 comment letters and emails were received during the public comment period. **Attachment B-1** includes the comment letters and **Attachment B-2** provides detailed staff responses. These documents are also available on the City's Housing Element website at https://oaklandca.gov/housingelement.

#### FISCAL IMPACT

The City's adoption of the 2023-2031 Housing Element update on January 31, 2023 will establish the City's eligibility for new housing and transportation grants as well as ensure its continued access to housing and transportation grants that have already been awarded to the City. However, missing the January 31, 2023 adoption date for State certification will expose the City to lose access to apply for critical housing and transportation resources funded by various State and Regional entities as well as possible suspension of previously awarded grants. In addition, the City can be fined by the courts if the housing element is out of compliance past the January 31, 2023 adoption deadline. Fines can range between \$10,000 and \$100,000 per day and can potentially escalate to as much as \$600,000 per month, until the Council adopts a compliant Housing Element.

# PUBLIC OUTREACH / INTEREST

The City's GPU team began the 2023-2031 Housing Element Update in winter 2021 as part of the overall 2045 Oakland GPU process. The community engagement process includes a deliberate effort to reach Oakland's most impacted residents. It involves close coordination between the City – Planning Staff, Community Consultant team (Deeply Rooted in Oakland Partnership) and Technical Consultant team (Dyett and Bhatia). City Staff along with the consultant team, have conducted a wide range of community engagement focused on the Housing Element, including outreach to communities that have disproportionately been impacted by historic and continued patterns of housing discrimination.

Chapter 2 of the Public Hearing Draft 2023-2031 Housing Element provides a description of the public participation process and a summary of community outreach activities. Information on all community engagement events, including engagement summaries; workshop and townhall presentations, recordings, and meeting summaries; and discussion group summaries, are being provided via the <u>General Plan Update website</u>, e-newsletters, and social media updates. Additional information on the Deeply Rooted in Oakland Partnership can be found here: <u>https://www.deeplyrooted510.org/communityoutreach</u>.

#### **Community Outreach and Engagement Focused on the Housing Element**

Since November 2021, the GPU team has engaged with the community on the 2023-2031 Housing Element through pop-ups, cultural events, townhalls, focused discussions, neighborhood workshops/meetings, online engagement, presentations to community groups and Neighborhood Councils, study sessions, and public hearings etc. to engage and to solicit input and guidance.

Planning staff and the consultant team have held study sessions with the Landmarks Preservation Advisory Board (LPAB), Planning Commission, Commission on Homelessness, the Community and Economic Development (CED) committee of the City Council, the City Council, four Housing Element Community Workshops, three Housing Element discussion sessions, pop-up and cultural hub events, and two Deeply Rooted Housing & Environmental Justice Community Education Workshops. In addition, the Technical Advisory Committee provided recommendations for housing strategies/actions for housing production, preservation, and protections at the March 2022 meeting. The EWG has also met eight times between June 2022 and October 2022 to provide feedback on the Draft Housing Element.

Finally Planning staff has presented at over 40 neighborhood and community group meetings throughout the city, and are also presenting at various other meetings, as requested. These community groups include the Monarch Senior Homes – Satellite Affordable Housing Associates (SAHA) development, East Bay Housing Organizations (EBHO) Oakland Committee, and <u>Allen Temple Public Ministry's Virtual Townhall</u>. Most recently, Staff presented to the <u>Rockridge Community Planning Council (RCPC)</u> on August 18, 2022, and to the Piedmont Avenue Neighborhood Improvement League (PANIL) on September 21, 2022. Staff reports presented at the October 18, 2022, Council Meeting and the also provided a detailed overview of housing element focused community engagement and key feedback received.

Videos featuring (1) a <u>summary of the Public Hearing Draft 2023-2031 Housing Element, brief</u> <u>interviews with Oakland leaders and community members and feedback opportunities</u> and (2) "<u>Voices on Housing</u>" interview series spotlighting community views on housing were also released on December 7, 2022. Informational flyers were also created by the community

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consultant, Deeply Rooted in Partnership providing information on the Housing Element and feedback opportunities (See **Attachment D**). The City also has a dedicated Housing Element website with access to announcements, and project reports and a dedicated General Plan Update email and an e-mail distribution system to send updates to interested parties.

This meeting was noticed in the Oakland Tribune and, as well as in emails sent to subscribers to the General Plan Update email listserv.

### **COORDINATION**

The 2023-2031 Housing Element update was a multi-department effort, with the Planning and Building Department (PBD) collaborating closely with key City partners – Oakland Housing & Community Development (Oakland HCD), Office of the City Administrator (Homelessness Division, Sustainability and Resilience Division), Human Services Department (HSD), Office of the City Attorney, Department of Race and Equity, Economic & Workforce Development, and Department of Finance.

Planning and Building Department will continue to collaborate closely with these key partners on implementation of the Housing Element actions.

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

#### SUSTAINABLE OPPORTUNITIES

*Economic*: A completed 2023-2031 General Plan Housing Element will include the identification of sites suitable for affordable and market-rate housing, subject to market conditions and the lending environment. The completed Housing Element will identify sites that demonstrate the capability of being developed with affordable housing. Finally, a State-certified Housing Element will ensure that the City is eligible to apply for grants that fund affordable housing development.

**Environmental**: The lack of sufficient housing options in Oakland worsens air pollution, as community members priced out of the local housing market are forced to drive long distances to their jobs. The City of Oakland 2030 Equitable Climate Action Plan (ECAP) recognizes that households living near employment-dense areas and transit corridors have lower carbon footprints than those living in less dense areas further from transit (<u>www.oaklandca.gov/projects/2030ecap</u>). Affordable housing located near transit is particularly impactful, as low-income households are more likely not to own cars if they have access to quality transportation options. To that end, the ECAP Action TLU-1 calls for the General Plan, upon its next update, to align with the City's greenhouse gas (GHG) reduction, adaptation, resilience, and equity goals.

**Race & Equity**: The 2023-2031 Housing Element Update applied a racial equity lens throughout the process through inclusive and meaningful engagement with the community, with additional resources dedicated to engaging communities historically underrepresented and excluded from traditional planning processes and most negatively impacted by City policies. The City has developed a REIA that evaluates each action in the Housing Element's Housing Action Plan for its potential to help reverse longstanding housing disparities and provides additional recommendations for maximizing racial equity impacts. See Section on Housing Action Plan Racial Equity Impact Analysis for detailed information on the Housing Element REIA.

# CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The adoption of the 2023-2031 Housing Element is exempt from the California Environmental Quality Act (CEQA) for the following reasons, each as a separate and independent basis: (1) it can be seen with certainty that there is no possibility that adoption of the 2023-2031 Housing Element may have a significant effect on the environment (the "common sense" exemption, CEQA Guidelines Section 15061(b)(3)), because the 2023-2031 Housing Element involves policies, programs, and actions to meet the City's regional housing needs allocation that either would not cause a significant effect on the environment or incorporates ongoing, existing actions being taken by the City; (2) the 2023-2031 Housing Element is a planning document that serves to implement the City of Oakland's regional housing needs allocation by identifying sites available for construction of housing under existing zoning (CEQA Guidelines Section 15283 and California Government Code Section 65584(g); (3) the 2023-2031 Housing Element is a planning study containing actions that will require independent review, environmental determination, and adoption by the Oakland City Council prior to their implementation (CEQA Guidelines Section 15262 and California Public Resources Code Sections 21102 and 21150); and (4) the 2023-2031 Housing Element seeks to assure the protection of the environment by reducing greenhouse gas emissions per capita in the City through infill development, which is consistent with research, local and regional planning on the most impactful measures local governments can take in response to climate change (CEQA Guidelines Section 15308).

In addition, the Sites Inventory included in the 2023-2031 Housing Element to demonstrate the City's ability to accommodate Oakland's RHNA is consistent with the development standards provided in previous planning documents, for each of which an EIR was prepared and certified, including: (a) 1998 Land Use and Transportation Element EIR (Resolution No. 74129 C.M.S.); (b) 1998 and 2006 Estuary Policy Plan EIRs (Resolution Nos. 75037 C.M.S. and 79982 C.M.S.) and 2013 Central Estuary Area Plan Supplemental EIR (Resolution No. 84442 C.M.S.); (c) 2014 West Oakland Specific Plan (Resolution No. 85108 C.M.S.); (d) 2014 Broadway Valdez District Specific Plan (Resolution No. 85065 C.M.S.); (e) 2014 Lake Merritt Station Area Plan (Resolution No. 85276 C.M.S.); and (f) 2015 Coliseum Area Specific Plan (Resolution No. 85491 C.M.S.).

According to data from the Alameda County Transportation Commission (ACTC), the City of Oakland, along with the Cities of Berkeley and Emeryville, has the lowest per capita rate of vehicle miles traveled (VMT) in the county (13.2, 11.4, and 10.3 respectively in 2020, compared to a county average of 19.4 and nine-county regional average of 19.8), meaning that individuals who live in Oakland on average drive substantially less than individuals living in other cities in the county and region, and therefore have a significantly reduced carbon footprint. Research findings from the study led by Chris Jones at the University of California, Berkeley (coolclimate.berkeley.edu), also note that the single most impactful method available to the City of Oakland to reduce greenhouse gas emissions from local policies is through urban infill development, findings which have been affirmed in other studies, including as summarized in an October 2020 report prepared by Smart Grown America and Transportation for America entitled, "Driving Down Emissions: Transportation, Land Use, and Climate Change.

In addition, the City of Oakland 2030 Equitable Climate Action Plan (ECAP) sets the City's roadmap to reducing Oakland's local climate emissions a minimum of fifty-six percent (56%)

from 2005 levels by 2030. To that end, the ECAP Action TLU-1 calls for the General Plan, upon its next update, to align with the City's greenhouse gas (GHG) reduction, adaptation, resilience, and equity goals.

The <u>Plan Bay Area 2050</u> – the Bay Area region's long-range strategic plan for transportation, housing, the economy, and the environment also identifies substantial portions of Oakland as areas in which the region must focus housing development ("Priority Development Areas"), and acknowledges that building housing within cities with low per capita rates of vehicle miles traveled is critical to reducing the region's transportation related greenhouse gas emissions, and includes housing strategies to allow for a greater mix of housing densities within without Priority Development Areas, select Transit-Rich Areas, and select High-Resource Areas (Action H3), and to construct additional housing to ensure homes for all (Action H4).

Finally, the 2022 California Air Resources Board (CARB) <u>Scoping Plan for Achieving Carbon</u> <u>Neutrality</u>, Appendix D (Local Actions) and Appendix E (Sustainable and Equitable Communities) explains that reducing VMT, including by encouraging future housing production and multi-use development in infill locations and other areas in ways that make future trip origins and destinations closer together and create more viable environments for transit, walking, and biking, is necessary and must be accelerated for the State of California to achieve long-term carbon neutrality goals.

# **RECOMMENDATION FROM PLANNING COMMISSION**

On January 11, 2023, the Planning Commission held a duly noticed public hearing to consider the 2023-2031 Housing Element. The Planning Commission did not recommend any text changes to the document. The Planning Commission unanimously recommended that the City Council:

- Adopt the 2023-2031 Housing Element as a General Plan Amendment to the Oakland General Plan as currently drafted with revisions limited to any comments received from the State HCD;
- Determine that the adoption of the Housing Element is exempt from the California Environmental Quality Act (CEQA) pursuant to the environmental determination included in the Planning Commission staff report; and
- 3. Direct the City Administrator to return to Planning Commission after Housing Element Adoption with an analysis of any additional recommended Housing Element text changes proposed by the City Council.

#### ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Conduct A Public Hearing And Upon Conclusion Adopt A Resolution, As Recommended By The Planning Commission:

(1) Adopting The 2023-2031 Housing Element As A General Plan Amendment To The Oakland General Plan; And

(2) Determining That The Adoption Of The 2023-2031 Housing Element Is Exempt From The California Environmental Quality Act (CEQA) Pursuant To Each As An Independent Basis: (A) CEQA Guidelines Sections 15061(b)(3), (B) CEQA Guidelines Section 15283 and California Government Code Section 65584(g), (C) CEQA Guidelines Section 15262 And California Public Resources Code Sections 21102 and 21150, And (D) CEQA Guidelines Section 15308.

(3) Directing the City Administrator to return to Planning Commission after Housing Element Adoption with an analysis of any additional recommended Housing Element text changes proposed by the City Council.

For questions regarding this report, please contact Lakshmi Rajagopalan, Planner IV, at 510-238-6751.

Respectfully submitted,

A. Liklinist

WILLIAM A. GILCHRIST Director, Planning & Building Department

Reviewed by: Edward Manasse, Deputy Director/City Planner Bureau of Planning

Laura Kaminski, Strategic Planning Manager Strategic Planning Division

Prepared by: Lakshmi Rajagopalan, Planner IV Strategic Planning Division

Audrey Lieberworth, Planner III Strategic Planning Division Attachments (4):

- A. State HCD feedback on the Public Hearing Draft Housing Element and Staff Response
- B-1. Comment letters received between November 29,2022 to December 29, 2022
- B-2. Staff responses to public comments received between November 29, 2022, to December 29, 2022
- C. Potential equity impacts of each housing action plan item.
- D. Informational flyer on 2023-2031 Housing Element Deeply Rooted in Partnership