

CITY OF OAKLAND

# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** William Gilchrist  
Director, Planning and  
Building

**SUBJECT:** Amendments to Affordable Housing  
Combining Zone, Housing Sites  
Combining Zone, Broadway Valdez  
District Commercial Zones, and Lake  
Merritt Station Area District Zones

**DATE:** March 10, 2025

City Administrator Approval

  
Jestin Johnson (Mar 27, 2025 11:29 PDT)

Date: Mar 27, 2025

## **RECOMMENDATION**

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

- 1) **Amending Title 17 Of The Oakland Municipal Code (The Planning Code) To**
  - A. **Expand The Pedestrian-Oriented Activities Permitted In Chapter 17.101C (D-BV Broadway Valdez District Commercial Zones);**
  - B. **Clarify The Affordability Thresholds In Chapter 17.95 (S-13 Affordable Housing Combining Zone);**
  - C. **Revise The Required Minimum Densities, Including To Align With Base Zoning Districts, And To Clarify The Definition Of Development Project, In Chapter 17.96 (S-14 Housing Sites Combining Zone); And**
  - D. **Permit Artisan Production Commercial Activities And Institute The Central District Entertainment Venue Permit In Chapter 17.101G (D-LM Lake Merritt Station Area District Zones);**
- 2) **Amending The Planning Code to Incorporate Related Miscellaneous Changes To Chapters 17.95, 17.96, 17.101C, And 17.101G; And**
- 3) **Making Appropriate California Environmental Quality Act Findings.**

## **EXECUTIVE SUMMARY**

The proposed ordinance would include provisions to amend four chapters of the City of Oakland (City) Title 17 of the Oakland Municipal Code (The Planning Code):

- 17.101C D-BV Broadway Valdez District Commercial Zones
  - While the Broadway Valdez Specific Plan was intended to facilitate creation of a new shopping district in Oakland, the global retail market has shifted significantly over the last decade. The proposal updates the *Permitted and Conditionally*

*Permitted Activities* table to allow a broader array of uses, while maintaining the district as a pedestrian-oriented retail zone.

- 17.95 S-13 Affordable Housing Combining Zone
  - The proposal would only make clarifying amendments to the S-13 regulations.
- 17.96 S-14 Housing Sites Combining Zone
  - The proposal would adjust the S-14 regulations based on the results from the first year of implementation. The required minimum densities on S-14 sites would be reduced to allow greater flexibility in the type of housing projects that can be built on a site. The amendments would also align the S-14 density requirements with those of the base zoning districts. Additionally, the proposal would clarify what a Development Project means.
- 17.101G Lake Merritt Station Area District Zones
  - The proposal would permit Artisan Production Commercial Activities in all D-LM zones and expand the Central District Entertainment Venue Permit program to the D-LM-2, D-LM-3, and D-LM-4 zones. This would align the district with the surrounding D-DT zones.

On March 19, 2025, the Planning Commission recommended that the City Council adopt an ordinance making these changes as set forth in the title with the following revision:

- In Chapter 17.101G, Table 17.101G.01 strike all references to L24 in the Alcoholic Beverage Sales row and replace each with L17.

## **BACKGROUND / LEGISLATIVE HISTORY**

### **1. BROADWAY VALDEZ DISTRICT COMMERCIAL ZONES**

On June 10, 2014, the City Council adopted the Broadway Valdez District Specific Plan<sup>1</sup> ([Resolution No. 85065 C.M.S.](#)), and subsequently, on July 1, 2014, adopted amendments to the Planning Code ([Ordinance No. 13241 C.M.S.](#)), creating Chapter 17.101C D-BV Broadway Valdez District Commercial Zone Regulations.

### **2. PLANNING CODE AMENDMENTS - GENERAL PLAN UPDATE PHASE 1**

On January 31, 2023, the City Council adopted the 2023-2031 Housing Element<sup>2</sup> ([Resolution No. 89565 C.M.S.](#)), which included two action items in the Housing Action Plan that focused on streamlining approvals for 100 percent affordable housing projects and for identified sites in the Housing Element. These two action items are:

- 3.3.5 Implement an affordable housing overlay; and
- 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.

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<sup>1</sup> <https://cao-94612.s3.us-west-2.amazonaws.com/documents/oak048577.pdf>

<sup>2</sup> [https://cao-94612.s3.us-west-2.amazonaws.com/documents/Oakland-Adopted-Housing-Element-Ch-1-4-21023\\_2023-02-17-213804\\_ddow.pdf](https://cao-94612.s3.us-west-2.amazonaws.com/documents/Oakland-Adopted-Housing-Element-Ch-1-4-21023_2023-02-17-213804_ddow.pdf)

Subsequently, on October 3, 2023, the City Council adopted amendments to the Planning Code ([Ordinance No. 13763 C.M.S.](#)), implementing actions in Phase 1 of the General Plan Update, creating: 1) Chapter 17.95 (S-13 Affordable Housing Combining Zone Regulations); 2) Chapter 17.96 (S-14 Housing Sites Combining Zone Regulations); and 3) a new commercial activity type in Section 17.10.378 (Artisan Production Commercial Activities).

### 3. LAKE MERRITT STATION AREA DISTRICT ZONES

On November 18, 2014, the City Council adopted the Lake Merritt Station Area Plan<sup>3</sup> ([Resolution No. 85276 C.M.S.](#)), and subsequently, on December 9, 2014, adopted [Ordinance No. 13276 C.M.S.](#), amending the Planning Code to create Chapter 17.101G (D-LM Lake Merritt Station Area District Zone Regulations).

### 4. PLANNING COMMISSION RECOMMENDATION

The Planning Commission conducted a duly noticed public hearing of the proposal on March 19, 2025 to consider a recommendation that the City Council amend the following chapters of the Oakland Planning Code (Oakland Municipal Code Title 17): (1) Amend Chapter 17.101C (D-BV Broadway Valdez District Commercial Zones) to expand the permitted pedestrian-oriented activities within the District; (2) Amend Chapter 17.95 (S-13 Affordable Housing Combining Zone) to clarify Affordability Thresholds; (3) Amend Chapter 17.96 (S-14 Housing Sites Combining Zone) to revise required Minimum Densities, including to align with base zoning districts, and to clarify what constitutes a Development Project; (4) Amend Chapter 17.101G (D-LM Lake Merritt Station Area District Zones) to permit Artisan Production Commercial Activities and institute the Central District Entertainment Venue Permit; and (5) Make related miscellaneous changes to Planning Code Chapters 17.95, 17.96, 17.101C, and 17.101G.

The amendments were developed in coordination with the community and the Planning Commission received no public comments and questions.

The Planning Commission unanimously recommended that the Council adopt an ordinance:

- 1) Amending Title 17 of the Oakland Municipal Code (The Planning Code) to:
  - A. Expand the pedestrian-oriented activities permitted in Chapter 17.101C (D-BV Broadway Valdez District Commercial Zones);
  - B. Clarify the affordability thresholds in Chapter 17.95 (S-13 Affordable Housing Combining Zone);
  - C. Revise the required minimum densities, including to align with base Zoning Districts, and to clarify the definition of Development Project, in Chapter 17.96 (S-14 Housing Sites Combining Zone); and
  - D. Permit Artisan Production Commercial Activities and institute the Central District Entertainment Venue Permit in Chapter 17.101G (D-LM Lake Merritt Station Area District Zones);
- 2) Amending the Planning Code to incorporate related miscellaneous changes to Chapters 17.95, 17.96, 17.101C, And 17.101G; And
- 3) Making appropriate California Environmental Quality Act findings.

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<sup>3</sup> <https://cao-94612.s3.us-west-2.amazonaws.com/documents/oak048456.pdf>

With the following revision recommended by Planning Commission:

- In Chapter 17.101G, Table 17.101G.01 strike all references to L24 in the Alcoholic Beverage Sales row and replace each with L17.

## **ANALYSIS AND POLICY ALTERNATIVES**

The proposed amendments to the Oakland Planning Code will help to advance the following Citywide priorities:

- *Housing Security and Homelessness Solutions*: The proposal facilitates production of affordable housing.
- *Good Jobs and Vibrant Economy*: The proposal supports small businesses and enhances business districts.

The following sections in this report provide an overview of the proposed amendments to Chapters 17.95, 17.96, 17.101C, and 17.101G of the Planning Code.

### **1. BROADWAY VALDEZ DISTRICT COMMERCIAL ZONES**

The Broadway Valdez District Specific Plan (BVSP) was adopted by City Council in 2014 and covers the blocks adjacent to Broadway between Grand Avenue and the MacArthur Freeway, as well as the blocks adjacent to the entire length of Valdez Street. See **Figure 1**. Historically known as Oakland’s “Auto Row”, the District contained many vacant and underutilized sites prior to Plan adoption. The BVSP aimed to promote revitalization of the district by establishing a new vision and planning framework. A key element of the plan was to create a destination retail district that would allow Oakland residents to purchase comparison goods without needing to travel to neighboring cities.

#### **Figure 1. BVSP**

The BVSP established the following Land Use Goals:

- LU-1: A destination retail district that addresses the City’s deficiency in comparison goods shopping and significantly reduces sales tax leakage.
- LU-2: A “complete” mixed-use neighborhood that is economically and socially sustainable—providing an appealing mix of retail, dining and entertainment uses as well as quality jobs and diverse housing opportunities.
- LU-3: New uses and development that enhance the Plan Area’s social and economic vitality by building upon the area’s existing strengths and successes.
- LU-4: Enhanced economic potential of the Plan Area resulting from the revitalization and redevelopment of existing underutilized areas.
- LU-5: New housing that supports the concept of the Broadway Valdez District as an attractive place to live, work, shop and play.
- LU-6: A compact neighborhood that is well-served by and supportive of transit.
- LU-7: Two distinct but complementary subareas that are linked by Broadway and each with its own land use character that reflects the unique set of physical, economic, social, and cultural factors within and external to the subarea.

- LU-8: The establishment of the Valdez Triangle as a dynamic new retail destination that caters to the comparison shopping needs for Oakland and the broader East Bay.
- LU-9: The establishment of the North End as an attractive and economically vibrant, mixed-use area that complements and is integrated with the adjoining residential and health care-oriented neighborhoods.
- LU-10: A system of regulations tailored to support implementation of the land use concept for each subarea.
- LU-11: Creative reuse of historic buildings that maintains a link to the area's social, cultural and commercial heritage while accommodating contemporary uses that further City objectives to establish a vibrant and visually distinctive retail and mixed use district.

To implement the BVSP, the City added Chapter 17.101C D-BV Broadway Valdez District Commercial Zones Regulations to the Planning Code, which includes the following four commercial zones and one combining zone:

- D-BV-1 Retail Priority Sites Zone
- D-BV-2 Retail Zone
- D-BV-3 Mixed Use Boulevard Zone
- D-BV-4 Mixed Use Zone
- N North Large Development Site Combining Zone

Core sites identified as priorities for redevelopment were designated D-BV-1. The intent of this zone is to establish Retail Priority Sites to encourage a core of comparison goods retail with a combination of small-, medium-, and large-scale retail stores. Each Retail Priority Site and subarea has a specified minimum square footage of retail required prior to Residential or Transient Habitation Activities and Facilities being permitted.

The other zones establish a transition from the high-intensity core to the surrounding neighborhoods.

In the decade since the adoption of the BVSP, the District has seen the construction of several new multi-family residential buildings with ground-floor retail spaces. However, the global retail economy has changed significantly since 2014, shifting from brick-and-mortar to online shopping. Unfortunately, this has led to many vacant storefronts in the district, as well as the closure of many key retail outlets that opened after Plan adoption, such as the Target at Broadway and 27th Street.

Since spring 2024, staff in the Planning & Building and Economic & Workforce Development departments have received complaints from property owners regarding their ability to lease existing retail spaces. In late 2024, staff held a series of stakeholder meetings with major property owners, as well as commercial real estate brokers, to better understand shifts in demand for retail space in the Broadway Valdez District. The stakeholders provided specific examples of types of businesses and activity types struggling to open under the existing set of regulations, such as fitness centers, salons, and pet services.

Recognizing these changes in the global retail economy and in response to stakeholder concerns and feedback, staff propose amendments to the D-BV Broadway Valdez District Commercial Zones Regulations in the Planning Code that would allow a greater range of pedestrian-oriented Civic and Commercial activities. These changes would promote continued

growth and economic resilience of the District. Staff also reviewed the D-BV regulations in comparison with the newly adopted D-DT Downtown District Zones (Chapter 17.101K), and identified opportunities to more closely align the regulations within the neighboring districts.

The proposal would make substantive amendments to *Table 17.101C.01: Permitted and Conditionally Permitted Activities*. Additional minor amendments would be made to Chapter 17.101C to ensure consistency with Table 17.101C.01.

The following Activities, currently either prohibited, conditionally permitted, or newly created, are proposed to be permitted in all D-BV zones:

- Mechanical or Electronic Games
- Consumer Service
- Artisan Production
- Group Assembly
- Automobile and Other Light Vehicle Sales and Rental
- Animal Care

The following Activity, currently conditionally permitted in the D-BV-3 Zone but otherwise prohibited, is proposed to be prohibited in all D-BV zones:

- Automobile and Other Light Vehicle Gas Station and Servicing (unless accessory to an approved Automobile and Other Light Vehicle Sales and Rental Commercial Activity)

Certain Activities that are otherwise permitted currently require, in certain enumerated circumstances, a Conditional Use Permit when located on the ground floor of a building. Additional changes are proposed to allow for the following Activities to be more readily permitted:

- Medical Service Commercial;
- Consultative and Financial Service Commercial;
- Consumer Cleaning and Repair Service Commercial;
- Personal Instruction and Improvement Services Commercial;
- Business, Communication, and Media Services Commercial;
- Broadcasting and Recording Services Commercial (unless located on streets identified in L5);
- Permanent Residential Activities located on the ground floor of a Two-to-four Family Dwelling Facility.

Various minor changes to other activities are proposed as follows:

- Large format (greater than 5,000 square feet) General Food Sales and Consumer Service activities are proposed to be allowed in new construction on D-BV-1 retail priority sites.
- Large-Scale Combined Retail and Grocery Sales are proposed to be conditionally permitted in the N Combining Zone.

Key amendments to the Limitations on Table 17.101C.01 include:

- L5: This would function as the primary limitation controlling ground floor uses in the district, effectively merging two limitations (L5 and L8) into one (L5). The scope would be adjusted accordingly to apply to all street frontages identified as “primary shopping

streets” in Policy LU-8.3 of the BVSP. Certain ground floor activities located within the first 30 feet of any street-abutting property line that are generally desirable but do not directly contribute to a pedestrian-oriented retail environment, such as Broadcasting and Recording Services and Community Education, would continue to be subject to a Conditional Use Permit (CUP). This would help support the goal of maintaining the District as a retail center, while also allowing for other uses that might bring people to the neighborhood. As part of the CUP review, an application would need to demonstrate that it conforms to certain criteria including the Design Guidelines for the BVSP. The proposed changes would streamline the CUP requirements for ground-floor activities and provide greater flexibility in the types of Activities allowed to occupy vacant retail spaces.

- L12: This establishes which activities may be used to meet the “minimum square footage of retail” requirement in D-BV-1. The proposal adds eight additional Commercial Activities that qualify for the requirement and reduces square footage limitations for many of the existing activities.
- L23: This limitation regarding community gardens would be deleted because the limitation requirement has been incorporated directly into the definition of community gardens through recent Planning Code amendments.
- L24: This new provision extends the applicability of the Central District Entertainment Venue Permit system established in the new downtown D-DT Zones to cover relevant activities in the D-BV-1 and D-BV-2 zones, which are both located within the defined Central District.
- L25: This new limitation establishes similar ground floor transparency requirements for Medical Services Commercial Activities in the D-BV zones as are required in the new downtown D-DT zones. Additionally, it institutes the same requirements for Animal Care Commercial Activities.
- L26: This new limitation establishes the same public accessibility requirements for Artisan Production in the D-BV zones as required in the D-DT zones.

## **2. AFFORDABLE HOUSING AND HOUSING SITES COMBINING ZONES**

As part of implementing the 2023-2031 Housing Element, the City adopted two new combining zones as amendments to the Planning Code and created: 1) Chapter 17.95, S-13 Affordable Housing Combining Zone Regulations; and 2) Chapter 17.96, S-14 Housing Sites Combining Zone Regulations. Staff committed to City Council to review and update these new chapters to the Planning Code, as needed based on the results of their implementation over the first year. Accordingly, staff is proposing amendments to clarify and make small adjustments.

### ***S-13 Affordable Housing Combining Zone***

As originally adopted, the S-13 Affordable Housing Combining Zone (Chapter 17.95) provides for an optional local Affordable Housing incentive program that developers can utilize instead of the State Density Bonus and Incentive Procedure (Planning Code Chapter 17.107 and Government Code Chapter 4.3). Accordingly, the S-13 program cannot be combined with any other local incentive program. In addition, by-right residential approvals for 100 percent Affordable Housing projects apply in the S-13 Zone. An applicant with an eligible project is allowed bonus height and relaxation of other listed development standards for applicable zones and an elimination of any maximum residential density standards.

*17.95.020 Affordability Thresholds:* The proposed amendments to Section 17.95.020 would clarify that the criteria outlined for By Right Residential Approval is mutually exclusive, not a requirement that both apply. Specifically, projects are eligible for By Right Residential Approval if the following apply:

- Developments include 100 percent Affordable Housing units; OR
- On a parcel less than 15,000 square feet, developments provide at least 20 percent of the housing units as restricted to very low- or low-income households; AND at least 20 percent restricted to moderate-income households.

The proposed language amendments in this section do not make any substantive changes but merely add clarity to the intended meaning.

### ***S-14 Housing Sites Combining Zone***

As originally adopted, the S-14 Housing Sites Combining Zone (Chapter 17.96) applies to all sites in the Housing Sites Inventory, included in Tables C5a, C5b, and C-26 in Appendix C of the 2023-2031 Housing Element. Under the S-14 Combining Zone, projects proposed must be a “majority residential use.” Projects that are not a Majority Residential Use will only be permitted if they can demonstrate one of the following:

- Proposed development includes a total residential unit count that equals no less than 100 percent of the site’s “realistic capacity” as estimated in the Housing Inventory; or
- The proposal is a non-residential development that is coordinated with the development of a site under the same ownership that is within ¼ mile of the proposed development’s site and that when the square footage of both developments are considered together meets the definition of a Majority Residential Use; or
- The proposal is a use on government-owned property that is not a disposition under the Surplus Lands Act or that is otherwise exempt from the Surplus Lands Act; or
- The proposed development is an Emergency Shelter Residential Activity and/or Emergency Housing Facility.

Pursuant to State Law, S-14 allows by-right development for projects with at least 20 percent of the units affordable to lower incomes on Prior Housing Element sites.

For projects proposed on parcels included in Housing Element Tables C5a, C5b, C-26 that are not a prior Housing Element site, S-14 allows By-Right Residential Approval if the project proposes at least as many lower-income units and the project overall proposes at least as many total units as described as the Realistic Capacity for the parcel, and the project satisfies at least one of the following conditions:

- At least 20 percent of the total housing units are restricted to very low-income households; or
- At least 25 percent are restricted to any combination of very low- and low-income households; or
- At least 40 percent are restricted to any combination of very low-, low-, and moderate-income households.



The proposal would make the following amendments:

*17.96.010 Title, Purpose and Applicability:*

- The current language states that S-14 regulations would supersede those in the underlying zoning district. While this would remain true for most zoning standards, the proposed amendment would add an exception, stating that for any parcel where the maximum allowable density of the underlying zoning district is less than the Realistic Capacity designated for the site as shown in the Housing Sites Inventory, then the underlying zoning district shall control. This serves to resolve any potential for inconsistencies in the Planning Code.

*17.96.020 Definitions:*

- A definition of Development Project would be added solely for purposes of the S-14 Chapter to clarify what counts as a Development Project that triggers minimum density and majority residential requirements.
- The definition of Housing Sites Inventory would be amended to note that the Inventory may be amended from time to time.

*17.96.040 Required Majority Residential Use:*

- A sentence would be added to state that only newly proposed Floor Area, and not existing Floor Area that will remain on the project site, will be considered for purposes of determining Majority Residential Use.

*17.96.050 Minimum Densities:*

- The following adjustments to the minimum densities would be made:
  - A. The minimum density for projects would be reduced from 75 percent of Realistic Capacity to 70 percent. Language would also be added to state that subsections B and C serve as exceptions to this requirement.
  - B. Currently, subsection B has an exception that if a developer building a 100 percent affordable housing project cannot meet the 75 percent Realistic Capacity they can instead comply by building 100 percent of the "lower income units" listed for the site in the Housing Element. Under this proposal, 100 percent affordable housing projects could comply by building 50 percent of the Realistic Capacity instead of the now required 70 percent Realistic Capacity for a market rate project. The reason for this change is to assure that affordable housing projects can be built. The City did not want to potentially stop an affordable housing project from being built if a developer was not able to finance a project to meet the 100 percent "lower income units" or 75 percent Realistic Capacity.
  - C. Where a conflict exists between the minimum residential density standards set forth in S-14 and the underlying zoning district, the project shall include a residential unit count that equals no less than 90 percent of the maximum density permitted in the underlying zoning district. If the underlying zoning district does not permit Permanent Residential Activities, then the S-14 requirements do not apply.

*17.96.070 By Right Residential Approval for Sites not used in Prior Housing Elements:*

- A clarification is added to align with Section 17.96.050.C.

### **3. LAKE MERRITT STATION AREA DISTRICT ZONES**

The Lake Merritt Station Area Plan is a Specific Plan for the roughly one-half mile radius around the Lake Merritt BART Station in Downtown Oakland. The plan establishes the following business-related goals:

- Strengthen and expand businesses in Chinatown, through City zoning, permits, marketing, redevelopment, infrastructure improvements, and other City tools.
- Attract and promote a variety of new businesses, including small businesses and start-ups, larger businesses that provide professional-level jobs, and businesses that serve the local community
- Promote more businesses near the Lake Merritt BART Station to activate the streets, serve Chinatown, Laney College, and the Oakland Museum of California, and increase the number of jobs.

At the time of adoption of the D-LM regulations, Artisan Production was not a defined Commercial Activity. However, all adjacent Downtown District (D-DT) and Neighborhood Center Commercial (CN) zones now permit Artisan Production. Accordingly, the proposal would amend the D-LM regulations to permit Artisan Production in all D-LM zones. This amendment would allow new, community-oriented small businesses to open in the Lake Merritt Station Area, including in Chinatown.

Similarly, the Central District Entertainment Venue Permit was recently created, with the defined boundaries of the Central District encompassing all of the Lake Merritt Station Area west of the Lake Merritt Channel. Accordingly, the proposal would amend the D-LM regulations to allow for Central District Entertainment Venue Permits in the D-LM-2, D-LM-3, and D-LM-4 zones.

### **FISCAL IMPACT**

Implementation of these changes will be a component of the existing approval process administered by the Department of Planning and Building, which collects fees for such review and approvals as established in the Master Fee Schedule. Staff will inform the public of the new regulations as part of all applicable inquiries and apply the new regulations as part of all applicable planning and building permit applications. Staff will also develop any application materials including summaries and guides using internal resources and staff's time.

### **PUBLIC OUTREACH / INTEREST**

A public hearing was conducted by the Planning Commission on March 19, 2025. The meeting was noticed in the *Alameda Times-Star*.

### **1. BROADWAY VALDEZ DISTRICT COMMERCIAL ZONES**

The impetus for the proposed amendments came from staff in the Planning & Building and Economic & Workforce Development departments who had received complaints from property owners regarding their ability to lease existing retail spaces. In late 2024, staff held a series of stakeholder meetings with major property owners, as well as commercial real estate brokers, to

better understand shifts in demand for retail space in the Broadway Valdez District. The stakeholders provided specific examples of types of businesses and activity types struggling to open under the existing set of regulations.

## 2. S-13, S-14, AND D-LM ZONES

The proposed changes to Planning Code Chapters 17.95, 17.96, and 17.101G are updates prompted by internal staff review, and additional public outreach was not necessary.

### **COORDINATION**

In Winter 2024-2025, Planning staff, in consultation with the City Attorney's Office, drafted the proposed amendments. The City's Economic and Workforce Development Department engaged in early discussions to identify the issues to be addressed. This report and legislation have been reviewed by the Office of the City Attorney and by the Budget Office.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** The proposed amendments would expand the list of permitted Commercial Activities in the Broadway Valdez and Lake Merritt Station Area districts. The amendments are primarily intended to make it easier for new businesses to open in the districts. The proposed regulations reduce the number of activities subject to Conditional Use Permits, which will reduce application costs, expedite planning reviews, and increase certainty in the permit approval process.

The goal of proposed amendments to the S-13 and S-14 regulations is to facilitate production of Affordable Housing in Oakland. Development of residential projects under the revised regulations would support Oaklanders' ability to continue living in the city at affordable rents.

**Environmental:** The proposed amendments to the D-BV and D-LM regulations are intended to promote the continued growth and economic resilience of the Broadway Valdez and Lake Merritt Station Area districts, which are both transit-oriented neighborhoods with high population density and existing commercial corridors. Therefore, they are ideal districts to promote commercial activity attractive to both local residents and individuals arriving on public transit.

In addition, the proposed amendments to the S-13 and S-14 regulations would facilitate infill Affordable Housing. This would allow more people to live within transit-oriented neighborhoods in the Bay Area's urban core instead of relocating to greenfield developments on the outskirts of the region, from which they would need to drive long distances to access jobs and other destinations.

**Race & Equity:** According to the OakDOT geographic Equity Toolbox<sup>4</sup>, the three census tracts<sup>5</sup> covering the Broadway Valdez District range from Medium to Low Priority. According to

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<sup>4</sup> <https://experience.arcgis.com/experience/57b194ffec8c4a7f949ec17682b819a1/>

<sup>5</sup> Tracts 4013, 4035.01, 4037.01

the 2023 American Community Survey (ACS) 5-year data, the population is highly diverse with 24 percent of residents identifying as Asian, 23 percent as Black, and 9 percent as Hispanic.<sup>6</sup>

According to the Toolbox, the six census tracts<sup>7</sup> covering the Lake Merritt Station Area range from Highest to Lowest Priority. According to the ACS<sup>8</sup>, a plurality of the district's population is Asian (44 percent), with an additional 11 percent of residents identifying as Black.

The Toolbox's Methodology and Literature Review<sup>9</sup> states:

*One of the key findings from the City of Oakland Equity Indicators 2018 Report was that "race matters" and that "almost every indicator of well-being shows troubling disparities by race."<sup>10</sup> For example, one of the most staggering disparities in the report found that a Black Oakland youth was 112.63 times more likely to be arrested on felony charges than a white Oakland youth in 2017.<sup>11</sup> Oakland's history, like the United States, includes laws and policies that have had lasting negative impacts on people of color. Tracking race-based disparities in accessing opportunities and resources is essential to the goal of dismantling systemic racial oppression.*

Of additional note is that single-parent households are overrepresented in the Lake Merritt Station Area relative to citywide rates. 30 percent of households in the Lake Merritt Station Area are headed by a single parent, while the citywide rate is only 16 percent.<sup>12</sup>

The Toolbox's Methodology and Literature Review states:

*According to the American Community Survey, approximately 23.5% of Oakland households in 2018 were made up of single parent families with children under the age of 18. This is significantly higher than the national average of 15.8%. The Plan Bay Area 2040 Equity Analysis Report<sup>13</sup> found that a high number of single parent households in a neighborhood is strongly correlated with poverty and low intergenerational mobility.<sup>14</sup> Children of single parents may face various economic and social barriers to opportunity.*

The proposed amendments to the D-BV and D-LM regulations would expand and streamline the permitted Commercial activities in the Broadway Valdez and Lake Merritt Station Area districts.

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<sup>6</sup>[https://data.census.gov/table/ACSDT5Y2023.B03002?q=B03002:+Hispanic+or+Latino+Origin+by+Race&q=1400000US06001401300,06001403501,06001403701\\_160XX00US0653000](https://data.census.gov/table/ACSDT5Y2023.B03002?q=B03002:+Hispanic+or+Latino+Origin+by+Race&q=1400000US06001401300,06001403501,06001403701_160XX00US0653000)

<sup>7</sup> Tracts 4030, 4033.01, 4033.02, 4034.01, 4034.02, 4060

<sup>8</sup>[https://data.census.gov/table/ACSDT5Y2023.B03002?q=B03002:+Hispanic+or+Latino+Origin+by+Race&q=1400000US06001403000,06001403301,06001403302,06001403401,06001403402,06001406000\\_160XX00US0653000](https://data.census.gov/table/ACSDT5Y2023.B03002?q=B03002:+Hispanic+or+Latino+Origin+by+Race&q=1400000US06001403000,06001403301,06001403302,06001403401,06001403402,06001406000_160XX00US0653000)

<sup>9</sup> <https://cao-94612.s3.amazonaws.com/documents/Methodology-Literature-Review-FINAL-Update.pdf>

<sup>10</sup> Oakland Equity Indicators (2018), 8

<sup>11</sup> Oakland Equity Indicators (2018), 123

<sup>12</sup>[https://data.census.gov/table/ACSDT5Y2023.B11004?q=B11004:+Family+Type+by+Presence+and+Age+of+Related+Children+Under+18+Years&q=1400000US06001403000,06001403301,06001403302,06001403401,06001403402,06001406000\\_160XX00US0653000](https://data.census.gov/table/ACSDT5Y2023.B11004?q=B11004:+Family+Type+by+Presence+and+Age+of+Related+Children+Under+18+Years&q=1400000US06001403000,06001403301,06001403302,06001403401,06001403402,06001406000_160XX00US0653000)

<sup>13</sup> Family Type by Presence and Age of Related Children Under 18 Years (Census Reporter, 2018)

<sup>14</sup> Plan Bay Area 2040 Equity Analysis Report (Metropolitan Transportation Commission/Association of Bay Area Governments, 2019), 4-5

The amendments are primarily intended to make it easier for new businesses to open in the districts. The proposed regulations reduce the number of activities subject to Conditional Use Permits, which will reduce application costs and expedite the permit approval process. This will expand economic opportunities for residents of these districts.

The City conducted a Racial Equity Impact Analysis (REIA) for the 2023-2031 Housing Element<sup>15</sup>. This analysis found that in Oakland, 69 percent of Hispanic residents and 68 percent of Black residents are renters, while only 48 percent of White residents are renters. The analysis also finds that 47 percent of renters in Oakland are cost burdened, while only 32 percent of homeowners are cost burdened. Furthermore, 65 percent of White residents earn above the Area Median Income (AMI), while over two-thirds of Blacks and Hispanics earn less than the AMI. Clearly, Black and Hispanic residents of Oakland are significantly more vulnerable to displacement due to eviction and rising rents.

Action 3.3.5 of the 2023-2031 Housing Element states that the City will implement an affordable housing overlay. According to the REIA, this action would have a high equity impact. The proposed amendment would not alter the equity impact of the S-13 Zone.

Action 3.4.10 of the 2023-2031 Housing Element states that the City will implement a Housing Sites Overlay Zone to permit sites included in the Housing Sites Inventory to develop with affordable housing by right. According to the REIA, this action would have a moderate to high equity impact. The proposed amendments to the S-14 Zone aim to facilitate housing development on the sites in the Housing Sites Inventory. This is primarily accomplished through reductions in the minimum required densities on affected parcels. This includes a reduction in the required density for 100 percent affordable projects to 50 percent. This change was made in consultation with Oakland's Housing and Community Development Department to increase the City's access to grant and loan programs that fund Affordable Housing production. Therefore, the intention of the proposed amendments is to facilitate housing development on priority sites, including of Affordable Housing.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The proposed amendments to the Planning Code rely on the following California Environmental Quality Act (CEQA) findings: (1) a determination that no further environmental review is required following the certified Oakland 2045 General Plan Update - Phase 1 Environmental Impact Report pursuant to Public Resources Code section 21166 and CEQA Guidelines Section 15162 or 15163; (2) a determination that no further environmental review is required following the certified Broadway Valdez District Specific Plan Environmental Impact Report pursuant to Public Resources Code section 21166 and CEQA Guidelines Section 15162 or 15163; (3) a determination that no further environmental review is required following the certified Lake Merritt Station Area Plan Environmental Impact Report pursuant to Public Resources Code section 21166 and CEQA Guidelines Section 15162 or 15163; (4) this proposal is exempt pursuant to CEQA Guidelines section 15183 (projects consistent with General Plan and zoning); and (5) this proposal is exempt pursuant to CEQA Guidelines Sections 15061(b)(3) (general rule, no significant effect on the environment). Each of these findings provide a separate and

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<sup>15</sup> [https://cao-94612.s3.us-west-2.amazonaws.com/documents/Housing-Element-REIA-1.6.23\\_Final.pdf](https://cao-94612.s3.us-west-2.amazonaws.com/documents/Housing-Element-REIA-1.6.23_Final.pdf)

independent basis for CEQA clearance and when viewed collectively provide an overall basis for CEQA clearance.

### **ACTION REQUESTED OF THE CITY COUNCIL**

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

- 1) Amending Title 17 Of The Oakland Municipal Code (The Planning Code) To
  - A. Expand The Pedestrian-Oriented Activities Permitted In Chapter 17.101C (D-BV Broadway Valdez District Commercial Zones);
  - B. Clarify The Affordability Thresholds In Chapter 17.95 (S-13 Affordable Housing Combining Zone);
  - C. Revise The Required Minimum Densities, Including To Align With Base Zoning Districts, And To Clarify The Definition Of Development Project, In Chapter 17.96 (S-14 Housing Sites Combining Zone); And
  - D. Permit Artisan Production Commercial Activities And Institute The Central District Entertainment Venue Permit In Chapter 17.101G (D-LM Lake Merritt Station Area District Zones);
- 2) Making Related Miscellaneous Changes To Chapters 17.95, 17.96, 17.101C, And 17.101G; And
- 3) Making Appropriate California Environmental Quality Act Findings.

Jestin D, Johnson, City Administrator

Subject: Amendments to Affordable Housing Combining Zone, Housing Sites Combining Zone,  
and Broadway Valdez District Commercial Zones

Date: March 10, 2025

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For questions regarding this report, please contact TIMOTHY GREEN, PLANNER III, at (510)  
238-6436.

Respectfully submitted,

*William Gilchrist*

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WILLIAM GILCHRIST  
Director, Planning and Building

Reviewed by:

Ed Manasse, Deputy Director, Planning Bureau

Reviewed by:

Laura Kaminski, Strategic Planning Manager,  
Planning Bureau

Prepared by:

Timothy Green, Planner III,  
Strategic Planning