



CITY OF OAKLAND

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OAKLAND

2018 JUL 12 PM 5:37 **AGENDA REPORT**

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Mark Sawicki  
Director, EWD

**SUBJECT:** SUPPLEMENTAL - City Real Property  
Disposition and Development Strategy  
and Policy

**DATE:** July 12, 2018

City Administrator Approval

Date:

7/12/18

**RECOMMENDATION**

**Receive A Report On The Public Lands Policy Process And Analysis To Inform Council Direction To Prepare Legislation To Implement A City Public Lands Policy And/Or Strategy.**

**REASON FOR SUPPLEMENTAL**

In response to requests for the full backup data and analysis for staff's public lands strategy and policy recommendations, staff has posted the related documents and reports on the City's webpage: <https://www.oaklandca.gov/projects/public-lands-strategy-1>

Staff is additionally providing a table that better quantifies the range of the potential outcomes from the policy proposal submitted by Councilmembers Guillen and Kaplan. Staff had presented one static outcome based on a set of assumptions in order to illustrate a potential result of the policy. However, the actual policy proposed could result in a much wider range of outcomes, as shown in **Table 1**.

While the staff's proposed Public Lands Strategy (PLS) makes specific designations and recommendations for each parcel, the Councilmembers' proposal does not. As a result, staff has had to interpret the effect of their policy. Staff previously modeled the Councilmembers' proposal as a mix of 100% Below Market Rate (BMR) and inclusionary projects resulting in 70% BMR on average for the 20 sites. However, that is just one outcome of a possible range; this average could be as low as 50% BMR, or as high as 100% BMR.

Another equally possible outcome of the Councilmembers' proposal is a scenario in which 60% of housing units across the 20 sites are affordable, which is the same percentage of affordable units achieved by staff's PLS. Under this outcome, which allows for a more direct comparison to staff's PLS, the Councilmembers' proposal would result in a greater subsidy requirement, less funds for other City purposes, and not only fewer BMR units, but BMR units that are on average less deeply affordable.

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Table 1: Affordable Housing Production Outcomes/Costs for 20 Sites

	Guillen/ Kaplan (60% BMR)	Staff Strategy (60% BMR)	Guillen/ Kaplan (70% BMR)	CWN June Proposal (100% BMR)
# Sites Designated for 100% Affordable Housing*	6	14	8	18
# Sites Designated for 15% BMR (80% AMI)*	12	0	10	0
# Sites Designated for Market-Rate Res/Comm.	2	6	2	2
Total Sale Proceeds Generated	\$24M	\$51M	\$24M	\$6M
Net Proceeds to GPF/Redevelopment Funds	\$0	\$26M	\$0	\$3M
Gross AHTF Funds Generated (incl. fees)	\$34M	\$44M	\$34M	\$4M
Total Units Produced	1,077	1,238	1,077	1,080
Market Rate Units	430	492	322	0
Affordable Units	647	746	755	1,080
% Affordable	60%	60%	70%	100%
Commercial/Office Sqft	294,428	1,420,341	294,428	294,428
(Additional City Subsidy Needed)	(\$33M)	(\$32M)	(\$45M)	(\$115M)
<i>Estimated Years to Fund</i>	<i>3-4 years</i>	<i>3-4 years</i>	<i>4-6 years</i>	<i>10-14 years</i>
Total Net City Fund Impact (AHTF + Other)	(\$33M)	(\$6M)	(\$45M)	(\$112M)

\*Guillen/Kaplan proposal allows some affordable units to be 100% BMR and others 15% BMR, though does not specify which.

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

Receive A Report On The Public Lands Policy Process And Analysis To Inform Council Direction To Prepare Legislation To Implement A City Public Lands Policy And/Or Strategy.

For questions regarding this report, please contact Mark Sawicki, Director of Economic & Workforce Development, at 510.238.2992.

Respectfully submitted,



MARK SAWICKI  
Director, Economic & Workforce  
Development Department

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