

Case File Number GP14001

May 7, 2014

<b>Location:</b>	Citywide
<b>Proposal:</b>	General Plan Amendment: <i>2015-2023 Housing Element</i>
<b>Applicant:</b>	City Planning Commission
<b>Case File Number:</b>	GP14001
<b>Planning Permits Required:</b>	General Plan Amendment
<b>General Plan:</b>	All General Plan Categories
<b>Zoning:</b>	All Zoning Categories
<b>Environmental Determination:</b>	CEQA analysis underway
<b>Service Delivery District:</b>	All
<b>City Council District:</b>	All
<b>Status:</b>	An informational item on the preparation of the <i>2015-2023 Housing Element</i> was brought to the February 19, 2014, Planning Commission meeting.
<b>Action to be Taken:</b>	Provide feedback on the draft <i>2015-2023 Housing Element</i>
<b>Finality of Decision:</b>	Direct staff to return with Final Draft 2015-2023 Housing Element
<b>For Further Information:</b>	Contact case planner <b>Alicia Parker</b> at <b>(510) 238-3362</b> , <b>aparker@oaklandnet.com</b>

## SUMMARY

The Housing Element is the one of seven mandated elements of the Oakland General Plan; State law requires every jurisdiction to update its Housing Element every eight years. This report provides staff recommendations for the Planning Commission to consider for the Public Review Draft *2015-2023 Housing Element (Housing Element)*.

The *2015-2023 Housing Element* is an eight year blueprint for housing in Oakland, presenting data, policies, and programs for housing at all income levels, including low-income and moderate income populations, as well as those with special needs such as seniors and individuals with disabilities. The *2015-2023 Housing Element* shows how the City will plan for housing its share of the projected population growth of Oakland, and of the larger Bay Area, as defined in the Regional Housing Needs Allocation (RHNA), produced by the Association of Bay Area Governments (ABAG). Oakland's share of the projected housing need in the Bay Area is 14,765 new or renovated housing units, to be accommodated in the years 2014-2022.

The draft *2015-2023 Housing Element* was prepared between December 2013 and April 2014 with the participation of the City's Bureau of Planning and the Department of Housing and Community Development. City staff has engaged the public in an extensive amount of outreach throughout this process. Public meetings were held before various City advisory boards, including the Commission on Aging (March 5, 2014) and the Mayor's Commission on Persons with Disabilities (April 14, 2014). In addition, public hearings were held before the City Planning Commission (February 19, 2014) and the Community and Economic Development Committee (March 25, 2014) to discuss the top housing issues in Oakland, and the strengths and weaknesses of the City's existing housing policies. Staff has also participated in the Housing Assistance Center's efforts to produce the City's draft *Housing Equity Roadmap* — further analysis of the City's affordable housing needs and an overview of nationally recognized policy efforts to address those needs. City staff has also engaged the public using the internet, and through the City's "Engage Oakland" website, has hosted housing related discussion topics. Additionally, City staff has incorporated input from housing related discussions from the five specific and area planning processes (Central Estuary Area Plan, Lake Merritt Station Area (Specific) Plan,

Broadway Valdez Specific Plan, West Oakland Specific Plan and the Coliseum Area Specific Plan). Notes from these various community meetings and public hearings, public comments received to date, and responses to public comments are included in this staff report on page 9.

The Draft 2015-2023 *Housing Element* is included as **Attachment A**.

## **BACKGROUND**

The Housing Element is one of the required elements of Oakland's General Plan. The 2015-2023 *Housing Element* is an eight-year blueprint for housing in Oakland, at all economic levels, including low income households and households with special needs.

State law requires local governments to adequately plan to meet their existing and projected housing needs. Under state law, Housing Elements must be updated every four to eight years. (The previous Housing Element was adopted in 2010 for the 2007-2014 planning cycle.) The contents are established by state law and must include measurable objectives. The Housing Element update is subject to certification by the State of California.

Once the 2015-2023 *Housing Element* is found to be in compliance by the State Housing and Community Development Department and the City submits its annual report on time, the City and other entities operating within the City are eligible to apply for critical regional and state funds (e.g. BEGIN Program, Infill Infrastructure Grants, Housing Related Parks Program, Local Housing Trust Fund, CDLAC Single Family Home Program, I-Bank and ISRF Programs, the HELP Program, and MTC One Bay Area Grant Program). The Housing Element provides a forum to define community goals for housing including the type of housing to be built and the priorities for spending housing dollars. It also provides an opportunity to incorporate ongoing housing policy discussions.

The foundation for the draft 2015-2023 *Housing Element* is an inventory of sites suitable for residential development in Oakland, and a determination of whether the housing potential on land suitable for residential development is adequate to accommodate Oakland's Regional Housing Needs Allocation (RHNA). This is a state-mandated requirement that all California cities provide for their fair share of the regional housing need for all income levels. The State of California has determined the need for 187,990 new housing units in the 9-county Bay Area for the years 2015-2023, and RHNA "assignments" for each city are determined by ABAG. The draft 2015-2023 *Housing Element* also identifies constraints which make it difficult to produce housing in Oakland.

Oakland is required, under the RHNA, to plan for 14,765 new housing units between the years 2015 and 2023 in its update of the Housing Element. Of this total, 2,059 should be affordable to very low-income households, 2,075 to low-income households, 2,815 to moderate-income households, and 7,816 to above moderate-income households. The City is required to provide the land capacity for these units (through zoning and development regulations), but is not required to build the units or otherwise guarantee their construction. Market conditions and limited availability of subsidies prevent many cities from actually achieving their RHNA targets.

Cities implement their housing elements through regulatory tools such as zoning housing programs; daily decisions by staff, the Planning Commission and City Council about housing development, and housing programs. Oakland operates a number of housing programs targeted to lower income homeowners and renters, and works with various non-profit community organizations and service providers to facilitate the development and preservation of housing options for all Oakland residents.

**RECENT CHANGES TO STATE LAW**

Senate Bill (SB) 375, the Sustainable Communities and Climate Protection Act, which was adopted in 2008, strengthened coordination between regional housing allocation and transportation planning. Under SB 375, the Metropolitan Transportation Commission (MTC) is required to incorporate a Sustainable Communities Strategy (SCS) into the Regional Transportation Plan (RTP). The SCS is intended to achieve greenhouse gas (GHG) emission reductions. To that end, regional housing allocation planning should be designed to achieve GHG emission reduction goals by developing efficient land-use strategies such as infill, mixed-use, and/or downtown revitalization strategies, promoting and incentivizing a variety of housing types affordable to the workforce and households with lower incomes, and addressing climate change by reducing vehicle miles traveled. Additionally, SB 375 amended the RHNA schedule and strengthened rezoning requirements. Non-attainment Metropolitan Planning Organizations (MPOs) (of which the Bay Area’s Metropolitan Transportation Commission is one) must adopt an RTP every four years. RHNA and housing element schedules must be coordinated with every other RTP, requiring housing elements be updated every 8 years, no later than 18 months after RTP adoption.

In an effort to meet overlapping objectives of SB 375 and Housing Element law, ABAG adopted “Plan Bay Area” with the following objectives:

- Increase supply, diversity and affordability of housing
- Promote infill development and more efficient land use patterns
- Promote intraregional relationship between jobs and housing
- Protect environmental resources
- Promote socioeconomic equity

The Plan Bay Area’s strategy is to meet the region’s housing need in Priority Development Areas (PDAs). PDAs are transit- and service-rich neighborhoods that offer a wide variety of housing options and amenities such as grocery stores, community centers, and restaurants. Oakland has identified 6 areas of the City that fit this criteria, or have plans to improve its infill development capacity in these areas. The One Bay Area Grant program (OBAG) operated by MTC will focus transit investment to jurisdictions that embrace infill housing and development planning. OBAG funding will take into account local jurisdictions’ past housing production and housing production during the 2015-2023 RHNA planning period, for both market rate and affordable housing units constructed. The OBAG program also emphasizes the importance of planning for housing by requiring that a jurisdiction has a Housing Element certified by the California Department of Housing and Community Development (HCD) to be eligible for funding. In 2013, Oakland received \$20 million in transit investment for five projects located in PDAs. The City’s Housing Element policy goals are designed to align with Plan Bay Area’s objectives.

**STATE MANDATED CONTENTS OF THE HOUSING ELEMENT**

California law (Government Code §§ 65580 et seq.) requires, in part, that each city and county adopt a housing element that contains:

**Housing Needs Assessment**

- *Existing Conditions* (see draft 2015-2023 Housing Element, Chapter 3). A statement of population and housing characteristics, identification of special housing needs among certain population groups (seniors, large families, homeless and persons with disabilities), evaluation of

housing conditions, and other projections and trends which support the goals, policies and programs of the City.

- *Projected Needs* (see draft *2015-2023 Housing Element*, Chapter 4). Oakland's share (14,765 units) of the Regional Housing Needs Allocation (RHNA) as established by ABAG. The RHNA for Oakland establishes the number of new units needed, by income category, to accommodate expected population growth between the years 2014-2022. From the state's perspective, this figure provides a benchmark for evaluating the adequacy of local zoning and regulatory actions, ensuring each local government is providing sufficient appropriately zoned land, and opportunities for housing development to address population growth and job generation.

### Sites Inventory and Analysis

More than a quarter of Oakland's RHNA is met by developments which are already built, or which have been approved through the Planning Commission, but which don't yet have building permits (see Table 4-2 of the draft *2015-2023 Housing Element*, **Attachment B** to this report). This figure includes 229-231 affordable units. There are an additional three thousand units which are in some stages of pre-development, where the applicants are discussing their proposals for new housing with the City.

Based on housing units completed, approved and planned, the City has identified more than half of the units required to meet its Regional Housing Needs Allocation. To make up the difference in number of units to meet the RHNA, and because many of these sites were developed or are proposed as market rate projects, the City has also identified "opportunity sites" which are suitable for development of multifamily projects that could accommodate very low, low and moderate income housing as well as market-rate units.

These opportunity sites are currently zoned for development of housing at thirty units to the acre ("Mullin Density"<sup>1</sup>). If developed at that density, these sites, where new market rate or affordable housing could be built, have the potential to house an additional 16,000 units. Opportunity sites are zoned for higher density housing and are either vacant or underdeveloped. The majority are located in and around downtown or along major corridors and are easily accessible to transit, jobs, shopping and services. (See draft *2015-2023 Housing Element*, Table C-6 and Figure C-5, which is **Attachment C** to this report).

### Analysis of Constraints on Housing

There are two categories of constraints to building housing in Oakland (see draft *2015-2023 Housing Element*, Chapter 6):

- *Governmental constraints*: includes land-use controls, development standards, infrastructure requirements, development fees and development approval processes.
- *Non-Governmental constraints*: includes land costs, environmental hazards, land availability, construction costs, financing for real estate development, and neighborhood sentiment.

### Housing Programs

The draft *2015-2023 Housing Element* identifies the various City programs which fund housing rehabilitation, assistance to first-time homebuyers, support housing development, and provide

---

<sup>1</sup> As per AB 2348 (Mullin), Chapter 724, Statutes of 2004, this California law recognized that 30 dwelling units per acre in metropolitan jurisdictions is sufficient to accommodate housing for very low- and low-income populations. This is typically referred to as the "Mullin Densities."

miscellaneous services to low-and moderate-income households (see draft *2015-2023 Housing Element*, Chapter 5).

### Statement of the City's Housing Goals, Policies and Actions

Chapter 7 of the draft *2015-2023 Housing Element* details the City's goals, policies and actions, including an implementation program table which identifies the agency responsible for each action, a timeline and funding sources (see Table 7-1 "Implementation Program" which is **Attachment D** to this report). The goals in this *Housing Element* update are to:

- Provide adequate sites suitable for housing for all income groups;
- Promote the development of adequate housing for low- and moderate-income households;
- Remove constraints to the availability and affordability of housing for all income groups;
- Conserve and improve older housing and neighborhoods;
- Preserve affordable rental housing;
- Promote equal housing opportunity; and
- Promote sustainable development and sustainable communities.

These goals, and the policies and actions which implement them, have changed from the *2007-2014 Housing Element* specifically to incorporate new planning initiatives and economic constraints given the dissolution of redevelopment agencies in California and the resulting loss of funding to many of the City's housing programs. The changes are briefly summarized below:

- Context for the City's Goals and Policies
  - Replaced the initiative to update of the City's Zoning Code to implement the City's General Plan (from the *2007-2014 Housing Element*) with an intention to update the City's General Plan Land Use and Transportation Element (LUTE). The Planning Bureau intends to undertake a General Plan LUTE update to refresh its vision and policy guidance reflecting changing demographics and market forces.
  - Replaced the emphasis on focusing housing near the City's downtown and major transportation corridors (from the *2007-2014 Housing Element*) to focusing housing in the City's Priority Development Areas (PDAs) to better coordinate transportation and infrastructure investment with areas suitable for dense housing.
  - Included the implementation of the Specific Plans as way of meeting the City's housing needs
- Policy 1.1 Priority Development Areas – updated this policy to reflect the change of emphasis to the City's PDAs to coordinate planning for housing investment with areas primed to receive transportation and infrastructure grant funding.
  - Action 1.1.1 – updated this policy to reflect emphasis of suitable sites as being those sites located in Priority Development Areas
  - Action 1.1.5 – added a policy about investigating the feasibility of a Housing Incentive Zoning as a method for incentivizing affordable housing and other community benefits in development projects.
  - Action 1.1.6 – added the International Boulevard Community Revitalization without Displacement Initiative which would result in the International Boulevard Transit Oriented Development Plan.
- Policy 1.3 Appropriate Locations and Densities for Housing – updated this policy and the supporting actions to include the Specific Plans which have addressed planning for a combined 17,000 new residential units across all Specific Plans.

- Policy 2.2 Affordable Homeownership Opportunities – updated the actions supporting this policy to reflect the impact of the dissolution of the redevelopment agencies and to discuss current programs to address the foreclosure crisis.
  - Action 2.2.1 reworded this policy to indicate that the First Time Homebuyer Program will be operated as funding is available.
  - Action 2.2.2 replaced the former Neighborhood Stabilization Program with an intention to consider developing a program (and related funding) to address vacant or abandoned housing due to foreclosures.
  - Action 2.2.3 added information about Restoring Ownership Opportunities Together (ROOT), which is a foreclosure mitigation pilot loan program that assists eligible homeowners at-risk of foreclosure to preserve ownership by re-structuring mortgage loans to more affordable monthly payments.
  - Action 2.2.4 added information about the Community Buying Program which seeks to assist Oakland residents (either homeowners who have lost their homes to foreclosure, tenants residing in foreclosed properties, or individuals who have been unable to compete with all cash investors on the open market) to purchase properties from the Scattered-site Single Family Acquisition and Rehabilitation Program (Action 2.2.2 above) or other similar foreclosed housing.
  - Action 2.2.5 added information about the Home Preservation Loan Fund that will provide up to \$50,000 in forgivable loan funds for distressed homeowners.
  
- Policy 2.3 Density Bonus Program – updated the information on the City’s Density Bonus Program to reflect recent changes to the Oakland Planning Code essentially bringing Oakland’s Density Bonus Ordinance into conformance with State Law.
  
- Policy 2.7 Expand Local Funding Sources – included information about exploring an impact fee for affordable housing.
  
- Policy 2.9 PATH Strategies for the Homeless – updated this policy to reflect current approaches to ending homelessness through the City’ Permanent Access To Housing (PATH) Strategy and through coordination efforts.
  
- Policy 3.1 Expedite and Simplify Permit Processes – updated references to permitting emergency shelters to reflect the current proposed Planning Code Amendments, that, if adopted, would permit emergency homeless shelters in limited areas by-right (Action 3.1.2).
  
- Policy 4.1 Housing Rehabilitation Loan Programs – updated this policy and associated actions to remove programs that are no longer used (primarily former Redevelopment Agency programs such as the Central City East Homeownership Program and the Neighborhood Stabilization Program), and added programs such as the Foreclosed and Defaulted Residential Property Registration, Inspection and Maintenance Program (Action 4.2.4) and the Investor-owned Property Registration, Inspection and Maintenance Program (Action 4.2.6).
  
- Policy 4.3 Housing Preservation and Rehabilitation – added the Scattered-site Single Family Acquisition and Rehabilitation Program which is a plan to consider developing a program to address vacant and abandoned housing due to foreclosures and tax liens (Action 4.3.5).

- Policy 6.1 Fair Housing Actions – updated this policy to include information about the City’s Housing Assistance Center which provides housing information and services for Oakland residents and small rental property owners and managers (Action 6.1.4).
- Policy 6.2 Reasonable Accommodations – updated this policy to reflect the current proposed draft Reasonable Accommodations Ordinance that, if adopted, would ensure flexibility in the application of the City’s zoning regulations to individuals with disabilities.
- Policy 7.1 Sustainable Residential Development Programs – updated this policy and related actions to closely tie the action items to the actions included in the City’s adopted Energy and Climate Action Plan (ECAP).

**Public Outreach**

State law (California Government Code Section 65583(c)(8)) requires the City to make “a diligent effort...to achieve public participation of all economic segments of the community in the development of the housing element....”

Public participation in Oakland has been an ongoing process since the adoption of the previous 2007-2014 Housing Element. In particular, the identification of housing issues, needs, and strategies has been part of the following City planning processes and ongoing public dialogue on housing issues:

- The City’s Strategic Planning Division initiated five Specific and Area Plans including the Central Estuary Area Plan, Lake Merritt Station Area (Specific) Plan, Broadway Valdez Specific Plan, West Oakland Specific Plan and the Coliseum Area Specific Plan. These plans have been geographically dispersed throughout the City, have included extensive community outreach processes and have resulted in long lists of community desires, including housing needs.
- The City’s Strategic Initiatives Division of the Department of Housing and Community Development and Planning and Building Department are working on policy recommendations for Council action, to support the alternative disposition goals of home preservation, new homeownership opportunities, and quality affordable rental housing. For this effort, staff will be convening meetings with different stakeholder groups to develop policy recommendations.

The ongoing identification of housing issues through these separate processes has been incorporated into the needs assessment and development of goals and policies for this *Housing Element* update. A catalogue of the housing related issues identified from the Specific Plan processes is included as **Attachment E**.

The City is also in the process of conducting outreach specific to the *Housing Element* update process. A combination of internet and social media, surveys, and public meetings have been, and will continue to be, employed to better understand the Oakland community housing needs and issues. Each of these methods is described below.

*I. Internet and Social Media*

The City is using a variety of internet and social media tools to engage the community in the housing element conversation. “Engage Oakland” is a community online forum where a series of housing related questions have been posed, on which Oakland residents, business owners, developers, activists and others have provided ideas and feedback. This input will continue to be taken into account by City staff when refining proposals about housing policy.

The *2015-2023 Housing Element* has an up-to-date webpage where useful links, announcements and reports can be viewed. The project also has a dedicated email account for receiving feedback. Further, the City sends emails via its “GovDelivery” distribution system. This system allows interested parties to sign-up to receive email updates about the Housing Element update.

The Housing Element website address is:

<http://www2.oaklandnet.com/Government/o/PBN/OurOrganization/PlanningZoning/OAK045364>

*II. Housing Conditions Survey*

City staff has secured a consultant to conduct a new housing conditions survey as required by Housing Element law. The consultant will conduct a windshield survey, prepare housing condition findings, and summarize the results in a report, which the City will include in the *2015-2023 Housing Element*. This windshield survey will evaluate the condition of a random sample of 1,700 residential units throughout the City and include a description of the findings. The results are designed to will inform policies about housing programs.

*III. Public Meetings*

Staff has presented informational reports and solicited feedback as part of the outreach process at the Mayor’s Commission on Persons with Disabilities, Commission on Aging, Planning Commission, and Community and Economic Development Committee of the City Council. In addition, staff has incorporated comments on housing development from the five specific and area planning processes over the last several years. The community has been invited to attend these meetings and participate in the discussion and voice their opinion. Many of these meetings occurred during the data and needs collection phase, as well as at the present time, during the presentation of the draft *Housing Element Update*. Comments received at all phases will be reviewed and incorporated into the final *2015-2023 Housing Element*.

**KEY ISSUES**

As discussed previously in this report, public participation on housing issues has been an ongoing process in Oakland. In addition to considering comments received as part of Specific Planning processes, staff presented information on the preparation of the *2015-2023 Housing Element* to various advisory boards and public bodies, in addition to hosting electronic discussions on housing topics through the “Engage Oakland” website. Specifically, staff asked that the public, advisory board members, Planning Commissioners and Council Members address the following questions:

1. What are the top housing issues in Oakland?
2. In terms of existing housing policies and programs, what are the strengths?
3. In terms of existing housing policies and programs, what are the weaknesses?

The following section summarizes the comments received to date and staff responses to the comments.

*City Planning Commission*

On February 19, 2014, staff presented an informational report to the City Planning Commission. The Planning Commission had general feedback summarized as follows:

*Comment:* Commissioners felt that important housing-related issues in Oakland included housing cost, school quality, neighborhood walkability, and access to public transit (including coordinating with AC Transit). A suggestion was made to locate new housing near transit oriented development areas, and to balance land uses by planning for housing while respecting the importance of commercial and industrial land. Additionally, a suggestion was made to offer leniency in the application of the City’s parking standards for housing when ample public transportation options exist.

*Response:* The City’s new proposed context for the goals, policies and actions contained in Chapter 7 of the draft *2015-2023 Housing Element* includes new housing in the City’s Priority Development Areas, or existing neighborhoods near transit that the City Council has designated as appropriate locations for future growth. As summarized in Chapter 6 of the draft *2015-2023 Housing Element*, the City currently requires half a parking space in the two Transit-Oriented zones at the Fruitvale and West Oakland BART Stations. Some zones in the downtown and other commercial areas have no parking requirements. While some consider the residential parking and commercial parking standards of the City a constraint to new housing, the City routinely offers parking waivers, permits mechanical and stacked parking where feasible, encourages shared parking in mixed-use buildings and allows for “unbundling” — separating the cost of a new residential unit from the cost of a parking space. Additionally, the City’s Standard Conditions of Approval require transportation demand management measures be taken when new projects over 50 units are proposed that include things such as subsidized transit passes.

*Comment:* Commissioners felt it was important to increase the percentage of owner-occupied housing and to concentrate on measures to maintain existing housing.

*Response:* Policy 2.2 in Chapter 7 of the draft *2015-2023 Housing Element* contains the City’s policies on affordable ownership opportunities and maintaining the existing housing stock. This policy has been revised given the dissolution of redevelopment, however, it is noted that the City’s First Time Homebuyer Program will be operated as funds are available and that a number of initiatives have been proposed to address neighborhood condition including foreclosure prevention and addressing abandoned properties. These programs include the Community Buying Program and Restoring Ownership Opportunities Together program (ROOT).

*Comment:* Since there has been a decrease in household size, are we still going to keep as a policy units for Larger Families? Staff should work with Oakland Housing Authority (OHA) on finding out what their market research has found out regarding the need for affordable large-size units (3+ bedrooms). It was also noted that the OHA is shifting assets to non-profit development and property management.

*Response:* Although there has been an overall decrease in household size, as documented in Chapter 3 of the draft *2015-2023 Housing Element*, Oakland continues to experience overcrowding rates which are especially severe for large families, regardless of income. This is due to an acute shortage of housing units with four or more bedrooms, especially rental units. Thus, Policy 2.6, which encourages the development of affordable rental and ownership housing units that can accommodate large families, will be retained.

*Comment:* There should be a policy around manufactured housing in residential districts.

*Response:* Policy 1.5 in the draft *2015-2023 Housing Element* provides for the inclusion of manufactured housing in appropriate locations, consistent with state mandates to plan for a variety of housing types and income levels.

*Comment:* Improve the current “mini-lots” policy to facilitate homeownership.

*Response:* Mini-lot development is allowed in all residential zones and commercial zones that permit residential uses. The City’s current standards are designed to encourage the comprehensive planning of tracts of land; provide flexibility in the application of certain regulations in a manner consistent with the general purposes of the zoning regulations; and to promote a harmonious variety of uses, the economy of shared services and facilities, compatibility with surrounding areas, and the creation of attractive, healthful, efficient, and stable environments for living, shopping, or working.

*Comment:* What is the City’s strategy for resiliency (climate change and location, design of affordable housing)?

*Response:* Chapter 7 of the draft *2015-2023 Housing Element* contains the City’s climate change policy as it relates to housing issues. The chapter specifically addresses smart growth principles and encourages development that reduces carbon emissions. Also, new State law requires the City to address flood management and flood hazards and annually review flood maps. A flood hazard and land management discussion is included in Chapter 9 of the draft *2015-2023 Housing Element* Housing Element.

*Comment:* The City needs a comprehensive citywide community benefits policy. This comprehensive strategy should be realistic and consider different market realities in different areas of the City, rather than becoming an inflexible, blanket policy that may stifle certain districts, rather than improve them.

*Response:* The new proposed Policy 1.1.5 Housing Incentive Zoning states that the City will explore the feasibility of developing Housing Incentive Zoning as a way of incentivizing development to include community benefits, while considering the costs of those benefits (to developers) as well as the value of the benefit (to the community); and the economic feasibility of requiring community benefits in exchange for additional height or density, among other important considerations.

*Comment:* Commissioners were curious about the barriers to building market-rate housing in the City. They were specifically interested in whether there were issues with planning/permitting; public safety (police and perceptions of crime); or the Oakland Unified School District. Commissioners felt that input from the developer and investment community was critical to understanding such barriers.

*Response:* With the publication of the Draft *2015-2023 Housing Element*, City staff will solicit feedback from the investment and development community to understand any barriers to housing and this feedback will be incorporated into the Final Draft *2015-2023 Housing Element*.

*Comment:* Commissioners also had the following information/text change requests:

- Include an update on housing production accomplishments from the last Regional Housing Needs Allocation (RHNA) period.
- Ideas for replacing Redevelopment Funding?
- Change references from “landscaping” to “planting”

*Response:* Chapter 2 of the final draft of the *2015-2023 Housing Element* will include an evaluation of how the City performed in meeting the actions of the *2007-2014 Housing Element*. As a place-holder, the contents of Chapter 2 included in this draft are the 2013 Annual Report to California Housing and Community Development Department on the *2007-2014 Housing Element*. Additionally, Chapter 5 of the draft *2015-2023 Housing Element* contains ideas for replacing former redevelopment funding. The references from landscaping to planting have been made.

*Mayor’s Commission on Aging*

On March 5, 2014, staff presented an informational report on the preparation of the draft *2015-2023 Housing Element* to the Mayor’s Commission on Aging. The following bullets summarize the advisory board member comments:

*Comment:* The advisory board members were interested in various statistics about seniors and housing including the following:

- Do you have statistics on homeless seniors (or an age distribution of the homeless)?

- *Response:* The City relies on Alameda County data for the homeless estimate. The County does not estimate the number of homeless seniors, rather the age breakdown is generally people under 17, 18-24, and over 25 years of age.
- Is it possible to revise the age of a “senior” to someone who is 55 (rather than the current 65)?
  - *Response:* California Civil Code (section 51.3) defines senior citizen as a person 62 years or older. For state-funded or regulated affordable housing developments, the definition of a senior citizen is 55 years or older (except for projects utilizing federal funds whose programs have differing definitions for senior projects that for many housing funding programs is 62 years or older).
- Do you have data on seniors living alone?
  - *Response:* Chapter 3 of the Housing Element contains data on seniors living alone. It is noted that “nearly 45 percent of senior-headed households consist of a single elderly person living alone.”
- Do you have data on seniors with language isolation?
  - *Response:* The City does not collect data on seniors with language isolation as part of the Housing Element.
- What rents are considered “affordable”?
  - *Response:* It is generally accepted that spending 30% of household income on rent is considered affordable. Income and rents are discussed in Chapter 3 of the draft *2015-2023 Housing Element*.

*City Council Community and Economic Development (CED) Committee Meeting*

On March 25, 2014, staff presented an informational report on the preparation of the Housing Element to the CED Committee. Their comments are summarized as follows:

*Comment:* Need detailed plans and policies for how to address affordable housing in PDAs. This could include Public Benefits Zoning and Housing Impact Fees (including a nexus study).

*Response:* The new proposed Policy 1.1.5 Housing Incentive Zoning is designed as a way to investigate the feasibility of incentivizing development to extract public benefits. The policy indicates that the City will explore the feasibility of developing Housing Incentive Zoning, while considering the costs of benefits (to developers) as well as the value of the benefit (to the community); and the economic feasibility of requiring community benefits in exchange for additional height or density, among other important considerations. Policy 2.7.2 calls for the City to explore implementing a housing impact fee and notes the importance of funding a nexus study to determine the feasibility of the fee, and an appropriate fee structure. The City will be issuing a Request for Proposals (RFP) during the *Housing Element* planning period for an impact fee study that will consider transportation, infrastructure, and affordable housing.

*Comment:* Address the risks of displacement within the PDAs (look at policies to address displacement such as updating the Condominium Conversion Ordinance). The City must also coordinate housing development along AC Transit transfer hubs and high traffic routes. When focusing new housing in

PDAs we must consider bus transit routes as key access modes (not just BART; that is for more affluent communities).

*Response:* Action 1.1.6 International Boulevard Community Revitalization Without Displacement Initiative documents staff’s work with community members and large foundations to pilot a revitalization and anti-displacement planning initiative to improve transportation connections, housing economic development, and health and public safety along the corridor. Additionally, Policy 5.6 presents the City’s limitations on conversion of rental housing to condominiums. The extent of the condominium conversion impact area may be extended in some of the areas currently undergoing Specific Planning processes as a method to avoid displacement.

*Comment:* In Appendix C, the Site Inventory, identify affordable housing sites located within Priority Development Areas (PDAs) and work with non-profit developers to do preliminary Tax Credit Allocation Committee (TCAC)/Low Income Housing Tax Credit (LIHTC) scoring to see if any of these sites are appropriate for affordable housing development and would be competitive for funding.

*Response:* The “opportunity sites” in Appendix C have been mapped according to PDA. City staff has emailed active Community Housing Development Organizations in the City to partner with them to evaluate this list of opportunity sites in light of TCAC/LIHTC funding potential.

*Comment:* How well did we do with production in the past?

*Response:* Chapter 2 of the final draft of the *2015-2023 Housing Element* will include an evaluation of how the City performed in meeting the actions of the *2007-2014 Housing Element*. As a place-holder, the contents of Chapter 2 included in this draft is the 2013 Annual Report to California Housing and Community Development Department on the *2007-2014 Housing Element*. The table below provides a comparison of the actual building permits issued in each income category, compared to the Regional Housing Needs Allocation (RHNA).

Comparison of Housing Needs and Housing Production, 2007-2014

<b>State Identified Affordability Categories</b>	<b>2007-2014 RHNA</b>	<b>Building Permits Issued 2007-December, 2013</b>
Very Low (up to 50% AMI)	1,900	1,257
Low (51-80% AMI)	2,098	385
Moderate (81-120% AMI)	3,142	22
Above Moderate (> 120% AMI)	7,489	2,033
<b>Total</b>	<b>14,629</b>	<b>3,697</b>

*Comment:* Consider the ABAG/Plan Bay Area Grant criteria when developing new housing policies and locations for housing.

*Response:* ABAG’s four-year \$320 million One Bay Area Grant (OBAG) Program requires a City to have a Complete Streets Policy (which Oakland adopted in February of 2013 in Resolution 84204) and also requires a jurisdiction to have a housing element adopted and certified by the State Department of Housing and Community Development (completion of the *2015-2023 Housing Element* is in progress; final adoption is scheduled for January 2015 and will be on-time). OBAG funding is targeted toward

achieving local land-use and housing policies by supporting the Sustainable Communities Strategy by promoting transportation investment in PDAs. OBAG is currently funding a variety of projects in the City's PDAs including local streets and road preservation, bicycle and pedestrian improvements and safe routes to school. Since the majority of opportunity sites are in PDAs, the City is well positioned to leverage housing investment with areas primed to receive transportation and infrastructure OBAG funding (upon the submittal of successful grant proposals).

*Comment:* Suggestion to circulate the *2015-2023 Housing Element* announcement through City Council members' email lists and newsletters.

*Response:* Staff sent out an announcement to all City Council members with a newsletter write up for distribution in e-newsletters.

*Mayor's Commission on Persons with Disabilities*

On April 14, 2014, staff made a presentation on the *Housing Element* to the Mayor's Commission on Persons with Disabilities. Advisory board member comments are summarized as follows:

*Comment:* Homeownership policies should be encouraged and the existing housing stock should be preserved. New housing should be located near grocery stores and transit. Similarly, housing for people with developmental disabilities should be located near easily accessible public transit routes. Public safety response to emergency calls should be equal across all neighborhoods.

*Response:* Policies 2.2 and 4.1 cover homeownership and preservation of the existing housing stock, respectively. Housing opportunity sites are located near PDAs. These areas are well served by public transportation and a mix of commercial, civic and residential uses.

*Engage Oakland*

Comments received on the "Engage Oakland" website varied from specific comments about considering a holistic approach to community development to specific concerns about property management issues. A summary of the comments follows.

*Comment:* Newly developed affordable housing must be built with a holistic lens, considering how this housing integrates with public transit, fresh food availability, and proximity to community based resources. Additionally, developers should solicit feedback from community based organizations serving the areas to be developed to better understand the needs of the community. In regard to individuals with disabilities, it is critical to ensure that affordable housing is developed in coordination with community service providers and in proximity to public transportation.

*Response:* The housing opportunity sites identified in the *2015-2023 Housing Element* are mostly in PDAs. These areas are well served by public transportation and have a mix of commercial, civic and residential uses.

*Comment:* In Copenhagen, renters in apartment buildings have first refusal on buying the building and turning it into a Housing Cooperative (not to be confused with co-housing), which ensures that a constant stream of affordable housing enters the market, while raising the quality of living for the inhabitants. This program should be adopted in Oakland.

*Response:* Policy 5.6 in the draft *2015-2023 Housing Element* discusses condominium conversions. Such an idea would need to be discussed within the larger condominium conversion context.

*Comment:* We need to create more affordable housing--without destroying the look and feel of existing neighborhoods, and without adding high-rise luxury condos. This can be accomplished by promoting secondary/in-law units through improved permitting, eliminate limits on the number of "units" per parcel (instead, create standards for minimum unit size, parking availability, and building height), and standardizing height to five stories (similar to Paris) for an ideal balance of livable, walkable and economically vibrant neighborhoods.

*Response:* Policy 1.4 covers the City's policy on secondary units. The City uses both density (i.e., units per parcel) and development standards (setbacks, height) to regulate development. The City has varying height limitations throughout the City based on surrounding context and State mandates to plan for a growing population.

Additional comments received beyond the scope of the draft *2015-2023 Housing Element*:

- Set schedules (5 to 7 days) for appropriate response time of landlords to tenant inquiry or request.
- All residential properties should be furnished with access to appropriate green waste disposal with garbage pick-up and there should be more reasonable dumping/bulky pick up policies.
- Require buildings housing 10 or more living units to have on-site maintenance (and provide on-site property managers with compensation i.e., reduced/free rent).
- Ensure all tenants of public housing have access and are trained to use internet at home for \$10/month or less.
- There should be fewer hurdles to evicting problem tenants.

## **GENERAL PLAN ANALYSIS**

Chapter 9 of the draft *2015-2023 Housing Element* details how the Housing Element is consistent with established City policies in the Oakland General Plan. Unlike many cities, Oakland's *Land Use and Transportation Element* (LUTE) already permits high density housing and mixed use developments on the main streets and commercial corridors—which is why this *Housing Element* shows the City can accommodate the 2015-2023 RHNA without any rezoning or General Plan Amendments. This is because the vision and specific policies contained in the *LUTE* seek to encourage and facilitate the types of infill, re-use, mixed-use, and central city/corridor-oriented residential development that are the focus of the *2015-2023 Housing Element* and the City's ability to accommodate its regional housing allocation from ABAG.

## **ENVIRONMENTAL DETERMINATION**

Consideration of the draft Housing Element update is not a project under CEQA. The CEQA analysis for the *2015-2023 Housing Element* is underway. A completed CEQA document will be publicly available prior to the City's adoption of the final *2015-2023 Housing Element*.

## **HOUSING ELEMENT ADOPTION PROCESS**

Following State law, the City of Oakland proposes to adopt the *2015-2023 Housing Element* as a part of the City's General Plan. The draft *2015-2023 Housing Element* would be adopted by the City Council

subsequent to the review and recommendation of the City Planning Commission. The City anticipates bringing the proposed *2015-2023 Housing Element* to the Planning Commission in September of 2014. Pending the recommendation by the Planning Commission, a public hearing at the City Council for adoption of the *2015-2023 Housing Element* would be scheduled for November 2014, to meet the State deadline of having an adopted *2015-2023 Housing Element* by January 2015.

**RECOMMENDATION**

Staff recommends that the Planning Commission review and provide comments on the *2015-2023 Housing Element* and direct staff to return with a final *2015-2023 Housing Element* for adoption in the fall of 2014.

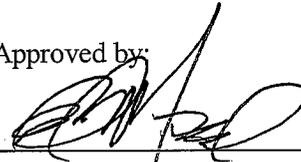
Prepared by:



---

Alicia Parker  
Planner II

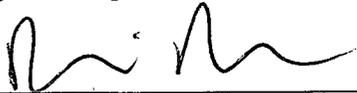
Approved by:



---

ED MANASSE  
Strategic Planning Manager

Approved for forwarding to the  
City Planning Commission:



---

DARIN RANELLETTI  
Deputy Director, Bureau of Planning

Attachments:

- A. Draft *2015-2023 Housing Element*
- B. Table 4-2 "Actual Housing Production, 2007 to mid-2008 and Balance of Sites to be Provided"
- C. Map of Housing Opportunity Sites (Figure C-6)
- D. Implementation Program
- E. Summary of Specific Plan Housing Related Comments