

MEMORANDUM

To: Blue Ribbon Commissioners and City Staff
From: Greg McConnell, Commissioner
Date: 3/7/2007
Re: **Blue Ribbon Commission Deliberations**

At the initial meeting of the Blue Ribbon Commission, Commissioners were invited to comment on the scope of issues that might be considered. From my perspective, the Blue Ribbon Commission has the opportunity to recommend housing policy proposals that will help transform the city and increase housing opportunities for all Oaklanders. We should look at as many alternatives as we can and develop a comprehensive approach that promotes safe and decent housing for Oaklanders at every income level.

Below I have prepared some initial thoughts on issues that we might consider:

WHAT IS OUR OVERALL GOAL

Former Mayor Brown indicated that he wanted to bring 10,000 residents to downtown. Mayor Dellums has indicated he wants a model city. He has said that 10,000 residents was just a start.

- What are we trying to accomplish?
- Are we trying to meet state housing law requirements?
- Do we want to develop a bigger vision than merely meeting the minimum requirements of state law? If so, how many housing units do we want to build for people at various income levels?
- Aside from new units, how much money does the city need for housing programs that can help renovate existing units and subsidize tenants who may need help?
- In Districts that now have a disproportionate share of very low and low income housing, how do we attract workforce and market rate housing production?

WHAT IS THE CURRENT STATUS

Unless we first assess where we stand, we cannot move forward. Here are some questions that I would like answered:

- What is Oakland's status with regard to compliance with California housing production mandates? How does that compare to neighboring cities?
- How many units have been built/approved in the past five years?
- How many housing units do we expect to build over the next 5 to 10 years?
- How many units of blighted and unusable or substandard housing do we currently have?

WHAT ARE OUR OPTIONS

There are many housing programs that may be utilized to increase housing opportunities for people at varying income levels. These should not be viewed as unrelated conflicting programs but should be molded into a comprehensive, complimentary program that promotes housing goals overall. We should also consider new programs that are not currently available in Oakland.

Here is a partial list, in no particular order of preference, of options to review and consider:

- Housing Trust Fund (What funding sources are currently available? How can they be increased?)
- Land Trust (Does Oakland have a Land Trust? What funding sources are currently available? How can they be increased?)
- State bond issue (\$2.5 billion just passed – how much will Oakland get?)
- New local bond issue (Should we propose a bond and if so how much should we propose and what might the voters support? Again, this depends, in part, on our housing production goals.)
- Reallocation of tax increment funds (What are current and projected levels of these funds and how are they used for very low and low income housing development?)
- Reallocation of transfer tax funds (What are current and projected levels of these funds?)
- Inclusionary Zoning (Is there a proper role for IZ in a comprehensive housing program? Not all IZ programs are alike. What, if anything, would work best in Oakland?)
- Condo Conversion reform (Dedication of fees for financial assistance for workforce buyers, buy downs, and low income non profit housing production, or assistance with renovation of blighted properties. How many units should we allow to be converted per year? Other questions?)
- Restoring blighted properties (How many vacant units exist? How much does it cost per unit to restore? Given the same dollars, how many units can be restored compared to building new units?)
- Price and/or interest buy-downs on for-sale units (Why limit to new units?)
- Rent buy-downs (at income levels above Section 8)
- Tax Incentives to encourage housing production at various levels
- Density bonuses (Do they work and how are recent discussions regarding Temescal and Lake Merritt on height limits going to impact them)
- Fee waivers
- Expedited and streamlined permitting

HOW DO VARIOUS OPTIONS INTERRELATE

We also need to study and review the interrelation of various programs. For example, at what level might Inclusionary Zoning interrupt the market such that workforce and market rate housing is not built. Would it be better to focus funding for very low income housing on renovation of existing stock rather than new housing? Which option would maximize the number of safe, decent and affordable housing units? Is there a point where creating too many low income properties relegates the city or districts within the city to a permanent underclass status? We should study these and other questions.

CONCLUSION

From my perspective, BRC will have done a good job if we can address how to rehabilitate blighted properties, increase housing money for development of very low and low income rental housing, create more housing and housing options for work force people, and maintain an environment that ensures that builders will continue to see Oakland as a good place to do business. If we are to have a model city we need to make sure that market rate housing continues to thrive. After all, nothing will be built if market rate housing is not profitable.