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City of Oakland
Blue Ribbon Commission on Housing
Summary Notes of Meeting on June 26, 2007

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The City of Oakland Inclusionary Housing Blue Ribbon Commission (BRC) scheduled a series of workshops in a retreat format for in-depth discussion of potential policy recommendations. These recommendations will be forwarded to the Oakland City Council with the intent of assisting the Council in establishing components of an Affordable Housing program that *may* have Inclusionary Zoning (IZ) and Condominium Conversion (CC). (It is important to note that these meetings are to allow in-depth discussion of the topics and potential implementation. It is not given that the recommendations from the BRC will result in an actual policy. The possibility remains for a recommendation to not have a policy).

Each workshop was a noticed meeting with a posted agenda and an opportunity for public comment. The discussions were facilitated by Surlene Grant, Principal, Envirocom Communications Strategies.

The following presents a summary of the discussion and agreements made at the workshop on June 26, 2007 at Joaquin Miller Park, Oakland, CA.

The meeting agenda allowed for discussion of several pre-determined topics: Inclusionary Housing; Condo Conversion; and Funding Sources. The meeting started with procedural matters including roll call and an opportunity for public comment.

In the previous meetings the Commissioner had discussed IZ exhaustively. Therefore, for this meeting, they decided to begin with a discussion about Condo Conversion. Based on input from the meeting on June 21, the group identified the top priority components for CC and the discussion started from these points.

- CAPS – number of units allowed to convert.
- Conversion Fees – housing trust funds, others
- Tenant Benefits
 - Discounts
 - Relocation (Forced / Involuntary)
 - Consumer Education / Credit Worthiness / Homeownership
 - Tenant Protection Process
- No net loss of rentals

The facilitator provided a recap of the previous meeting and an overview of the “Principles of Engagement.” The group began with a discussion of Tenant Benefits.

TENANT BENEFITS

A tenant must receive notification of his/her rights. A tenant has the right to:

1. Remain in the unit
 2. Relocate
 3. Buy
 4. Be referred to a housing rights organization in the City
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- 1) REMAIN – self explanatory
 - 2) RELOCATE – The tenant is entitled to 6 months payment within 180 days. The start of the 180 days begins with the marketing of the property and /or the final report.
Moving expenses will be included. Moving expenses will be the actual cost of moving, not to exceed \$1,000. Also, moving expenses of up to \$1,000 should be paid to a tenant who is evicted for owner occupancy.
 - 3) BUY – The tenant has an opportunity to buy within 180 days – 180 days is the option period. If the tenant buys, s/he gets a 10% discount on the price.
 - 4) REFERRED TO HOUSING RIGHTS ORGANIZATION – important to note that the referral is to a housing “rights” organization, not another kind of housing assistance provider.

COMPENSATION FOR RELOCATION

The Commissioners had a lengthy discussion regarding the 6 months payment for relocation as agreed to above. The discussion was around how much that should be. Staff provided information regarding Stat requirements for different types of projects, such as redevelopment. Several scenarios were lifted forward, with the group on the whole settling on the last option (highlighted in bold below).

- A) The amount of rent currently being paid.
- B) The amount of the Market Rate rent that will be paid at the new place. With the assurance that it is a comparable place ...size for size or bedroom for bedroom.
- C) A or B, whatever is greatest
- D) As in the existing ordinance – 6 months/ 2.5% of sales price (look at the ordinance for specifics). (6 support)**

CONVERSION FEES

There are two kinds of fees associated with creation of condo unit(s): 1) Conversion and 2) Processing.

The purpose of Conversion fees is to protect rental housing; to provide balance in the conversion through the use of steep fees in combination with other factors; and to increase homeownership rate among tenants in certain area of the city.

In order for a property owner to convert, s/he must pay a fee per unit that will go to a housing trust fund.

A few of the Commissioners offered up different fee scenarios or proposals for the group to discuss and consider.

- A) The conversion fee would be the cost of the city subsidy for replacing the unit. (This basically provides a way to put back a unit lost from the rental stock)
- B) (Linked to A above) At an affordable level of 100% - 120% of AMI set the sale price or at percentage. Use the percentage on a graded level. This approach would take into consideration building type and area income. The more affluent, higher income neighborhood would pay a fee.
- C) The conversion fee would be as stated from workbook Tab 20 and the slide presentation with a slight modification to how the funds are allocated. Fees would be \$3,000 / room in the impact area and \$2,000 / room outside of the impact area. 75% allocation of the fund to be determined by the City Council but they would have to be for housing production – ownership or rental.
- D) Affordable housing at 100-120% AMI. Opt out with 10% of sales price and 15% of units. Affordable to 100%-120% AMI. This plan would make it affordable for low income. For higher income, it will encourage some mix of units. If tenant buy unit, then there would be no fees. (5 support)
- E) Draft of Tab 20. \$3,000/room – impact zone; \$2,000 / room – outside zone; 75% of funds to housing or sales up to 120% AMI fees are waived. (6 support)
- F) Other suggestions: set the fee as a percentage of sales price.... Have a review.... Create an index.

BUILDING IMPROVEMENTS with CC

(Joaquin's suggestion...*need to fill in*)

All Condo Conversion construction repairs will go to Code Inspection (city dept.) If it happens within 5 years (??) then the property owner would pay the tenant for relocation during that period. **Note: Joaquin to provide clarification.** (3 support, 5 no).

NOTE: On June 7, there was also discussion regarding building improvements and tenants rights.

CAPS

A cap is the number of units to be converted annually within the City. The facilitator introduced the discussion of this point as determining what is the “magic number.”

Commissioners did not identify any other considerations for “caps” except for the number.

Suggestions:

- Tab 20 referral – set s the cap at 800 (6 supported)
- Start with a Trial Basis of 100 (4 supported)

NO NET LOSS

For every unit converted, there is one that is made available for rent. This could be accomplished a couple of different ways: someone / an entity could build new units, or someone / an entity could purchase condo conversion credits.

There was discussion as to whether there could be an effective CC policy if there was a condition of “no net loss.” There was a recommendation to remove the concept of “no net loss’. (Six commissioners said remove it, 4 wanted to keep it in consideration).

PROCESS NOTE:

In the previous meetings, “agreement” was defined as getting “2/3” of the group to support a position, then deciding to move the item forward. For many of the ideas shared during throughout the day, there was not agreement. As a consequence, there were no strong recommendations to move something forward.

Unfortunately, as the day unfolded, the group hit a roadblock. With less than an hour remaining in the meeting, there was not time to delve into the issues deeper. A number of Commissioners left the meeting, thus affecting the quorum. The workshop ended, and public comment was heard by those remaining.

The next meeting is set for July 9 at 4 p.m. (Subsequently the place has been confirmed for the Oakland Senior Center on Grand Avenue.)