

City of Oakland
Blue Ribbon Commission on Housing
Summary Notes of Meeting on June 7, 2007

-DRAFT-

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 with the intent of assisting the City Council with establishing components of an Affordable Housing program that *may* include 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 a given that the recommendations from the BRC will result in an actual policy. The possibility remains that the recommendation could be not to 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 decisions made at the workshop on June 7, 2007.

The meeting started with procedural matters such as roll call and approval of minutes, then the discussion regarding Condominium Conversion began.

In setting up the preliminary structure of how the group would work together, Ms. Grant, reviewed ground rules, or principals of engagement. She asked each commissioner to state their expectations for the session(s). Then, there was a discussion regarding agreement and what constitutes agreement.

Principals of Engagement

Listen for understanding

-Ask clarifying questions

-Speak one at a time

Speak without blame/judgments

-Use "I" statements

Be an active participant

-Stay focused

Welcome all ideas

-Allow other voices

-Limit lectures

Be respectful of differences

-Disagree=OK; Attacks≠Not

Work to find Common Ground

Remain open to process

ALL COMMENTS AND ACTIONS WILL BE WITH THE INTENT OF MOVING TO THE GOAL OF POLICY RECOMMENDATIONS

Expectations for the meeting (check mark denotes stated by other commissioners)

- Answer underlying policy questions re con. co. √√
- Reach consensus cc and move on. √
- Move forward with housing opportunities—ownership/rental √
- Identify trade offs of cc/set basis for policy
- Open-minded RE: information shared today; flexible
- No expectation (“limiting”)
 - Alternate funding sources
 - Keep in mind the purpose of task; reach conclusion re: CC
- “Hopes and Desires”→CC, financing, I2
- Stay on agenda/ topic
- “Hopeful”

Ms. Grant gave an over view of what kinds of agreements there are and conditions of agreement. Ms. Grant also walked the group through Community at Work “Gradient of Agreement®” and how they are applied.

Kinds of Agreement

- Partial Support
- Full Support
- Majority
- Unanimous: 1 or 2
- Minority
- Conditional
- Long Term
- Reversible

Gradients of Agreement

- Endorse: “Yes, I like it”
- Endorse with minor contention “basically I like it”
- Agree with reservation “I can live with it”
- Abstain, indifferent “I have no opinion”
- Stand Aside, “I don’t like it, but I don’t want hold up the group”
- Disagree but will go with majority, “Note my disagreement in writing, but I’ll support decision.”
- Disagree with request to be absolved
- No/vet, “I don’t like it”

What is needed to Move Concept Forward (*check at end, mean another commissioner stated agreement with same*)

- (Pro) Consensus vs. Majority
- Not easy to reach consensus
- Recommendations of policy could have maj./min. position
- Consensus model
- Discuss issues to see if consensus—vote
- Consensus around “some things,” some ideas
- Agree on the concepts, the work is in the details
- Look at everything together for compromise whole package
- Set aside time for final vote. At end, consider with the whole, as a package. ✓
- Get consensus today on what we can; Come back later for other issues✓
- Reserve comments on non-agreements for council✓
- Good to have votes by timeline, but there are other options
- Uncertainty regarding deadlines and schedule

The group discussed “agreement” in regard to this session and the decisions they anticipated making. It was so noted that at 10:25 on June 7 the group said that they would move a matter forward using a consensus model. The consensus model is that agreement of 2/3 of the people who are her with room for a “minority” report. Minority reports are acceptable but we don’t want a bunch of minority reports.

DISCUSSION REGARDING THE CONDO CONVERSION POLICY

For the first group exercise, Ms. Grant asked each commissioner to write on blue/green or yellow Post-It note paper two components of a condo conversion policy they would like to see, and why that component is desired. This would be used later in the discussion. (Note: As it turned out, there was not time to use this information, it is included at the end of this summary and may be used in future meetings.)

The dialogue began with discussion about CC to ensure common understanding of the topic and then there was an in-depth discussion regarding the need for a condo conversion policy.

Condo Conversion... What is it?

- Convert an apt. bldg to condos.
- People rent apts./ own condo
- Difference of rental and ownership and process of how you make that change
- People may “rent” a condo
- Proposed change of ownership of property
- Focus on getting people to “own a piece of the rock”.
- Original policy shows geography of where ownership is a problem. →Maybe expand or change geography to other areas.

The question was asked “Does Oakland need a CC policy?”

All commissioners replied “Yes” for the question.

1. Do we want to change the rate of ownership thru CC?
 - # of units for owners and # of units for Oaklanders
 - Do we want to offer homeownership through CC “yes, if...”
2. Do we agree that the current policy restricts conversion? YES! (all commissioners)
3. How do we want to “manage” the conversion?

Comments offered in response to question 1 above regarding ownership:

- Support for increasing homeownership in Oakland
- Let free market take its course (to be affordable requires changes to market factor)
- Affordable ownership for average workforce
- Create homeownership opportunity
- No change CC if it results in a change of renter rate (displacement)
- Policy should increase ownership for Oakland residents and workforce
- Affordable based on AMI and no net loss of renters/ need more rentals
- Focus on getting people to own a piece of the rock
- Original policy show geography of where ownership is a problem, therefore we may need to expand or change geography in other areas.

Comments offered regarding question 3 above regarding management

- Can be done with a cap
- Strong tenant protection to prevent displacement – choice to move, buy, stay

Intent of original existing CC policy

- Protect rental housing, especially in certain areas
- Prevent condo conversions, except for 4 or less units (exemption)
- Limits homeownership

Elements of Policy – The components listed below were pulled from a comparison chart created by the city as the typical kinds of elements in local CC policies. In addition, bottom five were added during the course of the discussion by commissioners as additional elements to consider.

- Eligibility
- Caps
- Permit/Selection Process
- Tenant Notice
- Tenant Rights
- Purchase options/rights
- Relocation assistance
- Inclusionary
- Fees
- More...

- ❖ Rate (tenancy, renters vs. owners)O
- ❖ Geography
- ❖ Application (who it applies to)
 - Design for Oak residents?
 - Design for low income?
- ❖ Tenant relocations/replacement units
- ❖ Tenant rights with improvement, unit specific improvements

In determining how to proceed, the referred to the list of components and felt that one component everyone had some level of agreement with was tenant protection. So the group proceeded with Tenant Protections as a starting point.

Agreements

- Need for Tenant protections
- Policy should Benefit / target towards people who live or/and work in Oakland

Components of CC policy

Tenant Protections

- Lifetime leases for disabled, elderly (62 years and above)
 - What is a disability?
 - Impairment of life ability? (Staff was asked to check on various legal definitions of disabled and disabilities)
 - Consider this point more in relation to the CAP
- Displacement / Moving expenses to a tenant who is evicted for owner occupancy. “Just cause” doesn’t apply after 1980— therefore, “just cause” needs to be addressed
- No involuntary tenant improvements or passing through of cost.
 - Health and safety upgrades must be allowed should state or local codes mandate
- *Relocation expense = to 1 year (another proposal on table to limit to 6 month) ***
- Penalties/denial of map for those who don’t uphold tenant rights
- Program would have a referral to a (CBO) home counseling program (referencing policy at Tab 20 p. 6)
- Existing 1 year tenant gets 5% discount→ *some discussion regarding percentage ***
- Existing tenant can get 50% relocation or purchase assistance
- If new rent with CC is higher, the 6 months of rent
- Proposal of tenant resolution to the Planning Commission
 - The reconciliation should be completed between the sub divider and the tenant

It was shared that there should be a separate relocation and purchase discount. Reference was made to TAB 21 of the commissioners’ packet regarding changes that had been made or suggested to the ordinance.

*Relocation***

A discussion took place regarding relocation.

Recommendations

- 1) 6 months
 - a. Relocation expenses
 - b. Option to move
- 2) 12 months
 - a. with means based on income level
 - b. market rate
 - c. means test
 - i. limit resources

One commissioner offered that tenants should be provided with 2 months relocation. After more discussion, a recommendation was made that 6 month relocation expenses should be provided, with an “opt” to move. Then there was a proposal for 12 months relocation. This was discussed and a suggestion was made that the relocation would be “means based” with income being the determinant. Others offered market rate as a determinant, others “limit resources.”

Minimums were put forth of 5% or 10%, someone offered a compromise of 7-1/2% and 1 year of rent relocation. Another was a “means test” of 10% based on income, with it dropping to 5% if a tenant is over the limit. Another suggestion was to use rent level of the unit: the higher rent gets less of a discount.

No consensus or conclusion developed and the group acknowledged that we would have to come back to this point and discuss.

Evaluation Criteria

In discussing policy components, the following were offered as criteria that may be considered. The last bullet provided by a commissioner.

- Time Needed
- Cost/Benefit
- Feasibility
- Social Acceptance
- Political Acceptance
- Purpose/Usefulness
- ❖ Impedes/Promotes

At one point, during the early discussion, Ms. Grant ask for feed back from the Commissioners of *why they live, work, and play in Oakland?* The intent was so that the facilitator could get a feel for what is of value to them regarding their experience with Oakland.

- Born here, family here, like her backyard
- Didn't like alameda—social stratification like diversity, not the suburbs
- Born here, diversity in Oakland, Bay Area culture
- Live⇌Work, 25 years. “Love it; real, exciting, honest
- Born here, no place compares
- Home, ditto to others, weather
- Oakland like Washington DC, wants to be part of “great future”
- Oakland is in a state of becoming, wants to be apart of it
- City/Business interest developing
- Born here; family here; homeowner; business; here; rich in values and climate (weather)
- Invest capital, emotional and financial in projects to be proud of and make a difference
- Family; greatest city in America; friendly; cutting edge. Beautiful; weather is great.

** Agreement not reached. Matter to be discussed at continued meeting.

Due to time constraints the discussion had to end so that the Commission could receive public comment. It was hoped that this discussion could be continued at the next scheduled meeting on June 14, however, open meeting regulations required that only the posted topics could be discussed. Therefore, the discussion of CC would be taken up at a future meeting and date to be determined.

Meeting was adjourned.

The following summarizes that information submitted by commissioners on the Post-It Note exercise.

<i>Yellow – what is the attribute, component, requirement that you feel must be included in a CC policy.</i>	Blue – why is this important to you.
Increase minority home ownership and chances for economic growth and future financial security.	I don't see a permanent minority underclass and I don't want to surrender to the notion that minority tenants have no hope to enjoy wealth building that has advanced every other group in the country.
100 unit annual cap or 75% of non-subsidized rental construction which ever is less	A) To limit loss of affordable rental housing B) Ensure there is no net loss of rentals
Tenant Protection A) Lifetime leases for disabled tenants B) 2 year leases for families with children	To minimize and mitigate the effects of displacements

C) 1 year rent for relocation	
1. Cap of not less than _____ 2. Small building outside impact area exempt from _____ closing costs	A) Compares with City encouraging home ownership B) Not exempting small buildings would be economic hardship for building owners
If we change 'condo conversions' at all then having some mechanism to promote home ownership for people who live and/or work in Oakland.	Why I think its important to give tenants long notice and relocation assistance, but in a way that allows the conversion to happen IF we decide we want to allow conversions.
If we change condo conversions at all then I want to see fair and reasonable tenant protection	This is important to me because I want Oaklanders to be able to stay in Oakland
*Conversion Fee One-to-one conversion ratio (1 new unit for 1 converted unit)	Add funds to affordable housing fund No net loss of rental units
Tenant Protection for old and disabled	Protect those with the least clout and opportunity and resources
Modify cap to provide for more home ownership opportunity at a affordable level	We need more entry level home ownership and we cant create it thru I2. Too expensive.
Rental stock in Oakland will not be reduced	Rental housing is the main form of affordable housing in Oakland
Any conversion would be made affordable to low income families	Important because our lack is to determine how to create more affordable housing
Protect sitting tenants. Avoid involuntary evictions	People shouldn't be forced to move from their homes against their will
Help interested tenants buy their units	Homeownership in the U.S. does confer advantages for people and society
Geographic limitations	To ensure that all areas of the city have a relatively equal owner/renter balance
Annual cap on total conversions	To ensure that the rental housing market is kept stable and not "shocked" by too many conversions at once
Opportunities for workforce homeownership	If we have no place for work force housing we lose young professionals and cant grow the city
Opportunity for first time home buyers	Homeownership is an important component of social mobility
Tenant Protection	Tenants often have the least resources to keep from being exploited
Add fund to affordable housing fund	No net loss of rental units