

1. INTRODUCTION

A. STATE LAW REQUIREMENTS

The contents of this document reflect a combination of local issues, priorities, and state law requirements. California law (Government Code Section 65583) requires, in part, that each city and county adopt a housing element that contains:

- (a) an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs; this includes identifying a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit or other discretionary permit (known as “SB2”);
- (b) a statement of the community’s goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing;
- (c) an inventory of developable sites capable of accommodating development of housing for a range of income types to meet the City’s share of the regional housing need; and
- (d) a program which sets forth a schedule of actions through 2014 to implement the policies and achieve the goals and objectives of the housing element.

B. REGIONAL HOUSING NEEDS ALLOCATION

An important part of the Housing Element is the determination of the City’s new housing construction need. Under California law (California Government Code Section 65584), new housing construction need is determined, at a minimum, through a regional housing needs allocation (RHNA) process. In the RHNA process, the California Department of Housing and Community Development (HCD) determines the amount of housing needed for all income groups in each region, based on existing housing need and expected population growth. In April 2007, HCD determined that, at a minimum, the nine-county Bay Area plan for 214,500 units between 2007 to 2014 to satisfy regional demand.

Each City’s share of regional housing demand is based on a plan prepared by the Association of Bay Area Governments (ABAG), the *Regional Housing Needs Allocation* that was adopted in May, 2008. Oakland (along with all other cities and counties in the state) must plan to accommodate its share of the housing need of persons at all income levels. Under the ABAG plan, Oakland must accommodate 14,629 new housing units between January 2007 and June 2014 to meet its “fair share” of the state’s housing need. Of these housing units, 1,900 should be affordable to households earning no more than 50 percent of median income, 2,098 to households earning between 50 percent and 80 percent of median income, 3,142 to households earning between 80 percent and 120 percent of median income, and 7,489 to households earning more than 120 percent of median income.

The City’s responsibility under state law in accommodating its regional housing allocation is to identify adequate sites that will be made available through appropriate zoning and development standards and with services and facilities, including sewage collection and treatment, domestic water supply, and septic tanks and wells to encourage the development of a variety of types of housing for

all income levels, including multifamily rental housing, factory-built housing, mobile homes, housing for agricultural employees, emergency shelters, and transitional housing..

Actual Housing Production to Date Compared to Housing Needs

The planning and production of housing has increased significantly in Oakland since 1998. As a result, the City has not only demonstrated its capability to adequately meet Oakland's housing allocation set forth under ABAG's RHNA, but also to surpass the formulated requirement. At the same time, Oakland has also been successful addressing the specific needs for affordable housing development. As of mid-2008, the following statistics were accurate:

- a total of 1,128 units, including 420 publicly-subsidized (affordable) units, were constructed, with building permits "finaled", or were under construction, with building permits issued
- between January 2007 and August 2008, 4,442 market-rate units had Planning division approvals, and 563 affordable units were funded, but neither group had yet to start construction
- 7,022 market rate units and 48 affordable units are in a stage of pre-development, either with a formal Zoning pre-application on file with the Planning division, or, in the case of the affordable housing units, with preliminary funding commitments or site acquisition assistance from the City.

Based on these three stages of housing unit development alone, Oakland has already committed to develop a majority of the sites needed to satisfy the RHNA requirement.

Chapter 4 provides a full analysis of these projects as well as an inventory of "opportunity sites" capable of accommodating at least 11,000 additional housing units, using conservative assumptions about density (based on current building trends and economic constraints) that are well below the current allowable densities permitted by the City's General Plan and Zoning Ordinance.

C. OAKLAND'S POLICY CONTEXT

While the Oakland Housing Element addresses the State requirements described above, it also incorporates a number of important local strategies that have been adopted by the City in recent years. Among these are:

Updated General Plan Land Use and Transportation Element

In March 1998, the City adopted a new *Land Use and Transportation Element* for its General Plan. The updated element establishes land use classifications and density designations to promote higher density development in key areas while protecting existing single-family neighborhoods. The growth of new residential development is focused primarily in several key areas:

- Major Transportation Corridors
- Downtown Oakland
- Transit-oriented Districts (especially around BART stations)
- The Waterfront Area

Sustainable Oakland

The City of Oakland is committed to becoming a model sustainable city. – a community in which all people have the opportunity to live safe, healthy and fulfilling lives. Protecting a clean and ecologically healthy environment; growing a strong economy; maintaining quality housing affordable and accessible to Oakland residents; and fostering a safe, equitable and vibrant community are all critical components of this vision.

The Sustainable Oakland program, launched by the Oakland City Council as the Sustainable Community Development Initiative in 1998, works to advance Oakland’s sustainable development through innovative programs and practices addressing social equity, improved environmental quality, and sustainable economic development. Program activities include: fostering inter-agency cooperation to address key sustainability problems and opportunities and improve performance; tracking and reporting on sustainability performance; promoting Oakland’s sustainability story; advising on opportunities to improve sustainability performance; performing community outreach; fostering communication between the Citywide stakeholders; and seeking innovative ways to finance sustainability improvements.

In recognition of the leadership and actions of the Oakland community, Oakland ranked 9th among the largest 50 U.S. cities in 2008 in overall sustainability performance⁶. The City of Oakland has adopted a range of significant policies and implemented a number of programs and projects that help to reduce climate pollution, green the city and move us toward our goal of becoming a model sustainable city. Individual choices, resourceful collaborations, and the tremendous dedication and efforts of community members all contribute to help conserve energy, curb global climate change, reduce our dependence on oil and polluting vehicles, create green jobs, grow green businesses, reduce waste, enhance our built environment, restore creeks, and green the natural environment in which we live.

Affordable Housing Strategy

Affordable housing is a major policy priority for the City of Oakland. The City has had an active housing development program for nearly 25 years, and has assisted in the development of thousands of units of newly constructed and substantially rehabilitated housing for very low, low and moderate income families, seniors and people with special needs. The City has also devoted substantial resources to preserving the existing housing stock, including homes owned by low income families, and to expanding opportunities for low income renters to become homeowners.

Consolidated Plan 2005

The City’s affordable housing strategy is outlined in the Consolidated Plan for Housing and Community Development prepared in May 2005. The Consolidated Plan – which is required as part

⁶ See Sustainlane, <http://www.sustainlane.com/us-city-rankings/>

of the City's federally-funded housing and community development programs – sets forth the City's needs, market conditions, strategies, and actions for addressing the housing needs of very low and low income households. The plan is designed to achieve the following goals:

- Addition and maintenance of the supply of affordable supportive housing for low-income and special needs populations, including homeless
- Creation of suitable living environments through neighborhood revitalization and improvements in public facilities and services
- Expansion of economic opportunities for lower income households

Key components of this strategy are outlined below.

- Expansion (Rental Housing Production) and preservation of the supply of affordable rental housing
- Expansion of the supply of affordable ownership housing (Ownership Housing Production)
- Expansion of ownership opportunities for first-time homebuyers (Homebuyer Assistance)
- Improvement of existing housing stock (Housing Rehabilitation)
- Provision of rental assistance for extremely low and very low income families (Rental Assistance)
- Implementation of a "Housing First" homeless strategy via Oakland's Permanent Access to Housing Plan (PATH Plan)
- Removal of impediments, promotion of fair housing and expansion of housing choices (Fair Housing)

Blue Ribbon Commission on Housing (Findings submitted to City Council September 2007)

A Blue Ribbon Commission was devised by the City Council in 2006 to develop recommendations for a comprehensive housing strategy to ensure that housing (both rental and homeownership) is affordable to all income levels within the City. Six recommendations were made; however, note that none have been implemented. Further discussion will continue during the Housing Element planning period. The six recommendations include the following:

- 1) Adopt an inclusionary housing ordinance for new ownership housing with more than 20 units with a phase in of inclusionary percentages from 5 to 20% over a three year period and depending if it is on-site or off-site inclusionary units;
- 2) Increase the Redevelopment Agency's contribution to the Low and Moderate Income Housing Fund from 25 to 35% within 2 years and up to 50% within 5 years;
- 3) Adjust affordability targeting requirements to households at or below 60% area median income (AMI) with a preference for 30% AMI;

- 4) Sponsor and support a ballot measure to issue a general obligation bond in the amount of \$200 million to assist with the development of rental and ownership housing;
- 5) Encourage support for a policy that requires that real estate transfer taxes generated from new housing construction be used to support affordable housing;
- 6) Two alternatives for a condominium conversion policy were proposed since there was no consensus one single policy proposal.

Mayor's Housing Policy Proposals (City Council Public Hearing February 2008)

In February 2008, Mayor Dellums proposed a comprehensive housing policy based on findings from the 2006-07 Blue Ribbon Commission; however, note that it has not yet been implemented. Further discussion will continue during the Housing Element planning period. The Mayor's Housing Policy Proposal contains the following elements:

- Modify the Condominium Conversion Ordinance
- Simplify the Provisions of the Rent Adjustment Program
- Return Foreclosed Properties to the Housing Supply
- Expand Existing Homebuyer and Homeowner Rehabilitation Programs
- Expand Funding Resources for Affordable Housing and Homelessness

D. PUBLIC PARTICIPATION AND POLICY DEVELOPMENT

Public Participation as an Ongoing Process

State law (California Government Code section 65583[c] [7]) 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 Housing Element. The identification of housing issues, needs, and strategies has been part of the City's planning processes and ongoing public dialogue on housing issues. Through this ongoing public input, the City has identified issues, concerns, and recommendations for housing policies and programs that are reflected in the updated Housing Element. The Housing Element is in large part a synthesis of these efforts, bringing into one document the analyses, priorities and policies that have developed over time with extensive public involvement.

Some of the planning and strategy documents that were used by the City in preparing this Housing Element are:

- 2008 Mayor Dellums' Housing Policy Proposal Public Hearing,
- 2007 Blue Ribbon Commission on Housing,

- 2007 Permanent Access to Housing (PATH) Plan for Oakland,
- 2006 Mayor Dellums' Community Task Force Report on Housing,
- 2005 Consolidated Plan for Housing and Community Development,
- Redevelopment Area planning.

All of these were developed with extensive public participation, public review and comment.

Over the years, the City has used a number of means and venues to encourage public participation in its planning and policy-making processes. Methods of notifying the public depend on the nature of an event and whether public participation is part of an ongoing process. Among the techniques the City uses to notify the public and encourage participation are printed notices in local newspapers, public service announcements on radio and television, web site listings, direct notification of community organizations and service providers, written notice to residents and property owners, notices posted in public locations, and utility bill inserts.

Public information and documents are provided in a variety of convenient formats, printed and electronic (many of which are posted on the City's Housing and Community Development web site: <http://www.oaklandnet.com/government/hcd/default.html>). Depending on the nature of the public outreach and the target audience, information will be posted in multiple languages and media (for persons with sensory disabilities), and the City will provide translators. The City uses community liaisons to encourage participation by individuals who might not otherwise participate in civic affairs due to language or cultural barriers. For those with sensory disabilities, the City provides sign language interpreters, real-time captioning, agendas in alternative formats such as large print, and other media that allow full participation by persons with disabilities.

To ensure that all segments of the population can participate in public meetings, the City selects locations that are accessible to persons with disabilities and attempts to hold public forums in locations that are accessible to those without private vehicles. Following is further detail on past and current opportunities for public input into housing policy development:

- **Public workshops and hearings on housing policy development and adoptions of plans.**
 - When Mayor Dellums was elected to office in 2006 he immediately set up, what was widely publicized and covered extensively in the local press, task forces on various issues impacting the City of Oakland. A call was made for volunteers to participate in the Mayor's Task force on Housing (among others). There were more than 50 official volunteer participants who convened during a three month period. Citizen participation in this task force included staff from tenant protection organizations, realtors, public interest lawyers, private businesspeople, employees of non-profit City service providers, for-profit real estate developers, affordable housing developers, academics, and non-affiliated Oakland residents. Although self-selecting to participate on this task force, the members seemed to represent diverse economic segments of the City.
 - The Blue Ribbon Commission (BRC) on Housing and resulting report was a product of extensive deliberations by members of the public. There were approximately 20 public meetings during the course of approximately nine months. The BRC participants were appointed by then Mayor Brown (3 members), Mayor-elect

Dellums (4), Councilmembers (1 per Councilmember-7 Council Districts), City Administrator (1), and City Attorney (1). The BRC included members of neighborhood organizations, non-profit service providers, for-profit real estate developers, affordable housing developers, former public officials, private businesspeople, lawyers, and academics. In addition to the voluntary commission membership, meetings were open to the public where a range from 15 to 50 members of the public attended the meetings in addition to the commission members. There was a public comment period at the beginning of every meeting. The outreach for these meetings followed Brown Act public noticing requirements. Meetings were located at various public community centers (senior centers and libraries) and rotated geographically so that at least one meeting took place in all City Council Districts. Participation in these meetings represented a diverse cross section of Oakland residents.

- The BRC process informed the Mayor's Housing Policy Proposal proposed in February 2008. This proposal was vetted during a lengthy public hearing and continued the public debate on critical housing issues such as inclusionary zoning and condominium conversion among other topics. There were over 60 speakers, representing a wide distribution of Oakland residents.
- **Annual Applications, Action Plans, and Performance Reporting for the City's Consolidated Plan for Housing and Community Development.** Federal funding sources used by the City require public participation in the development of funding applications and programs, annual performance evaluations open to public comment, and annual action plan updates that set priorities for the coming year with participation by the public. These events require extensive public notification, and the funding sources strongly encourage community outreach and participation.
- **Oakland Redevelopment Agency's Public Participation in Planning.** The City of Oakland has ten redevelopment areas that include downtown, the industrial neighborhoods, and some mixed residential/commercial corridors. Of those redevelopment areas, two are the largest in the state of California. Three redevelopment areas have regularly scheduled meetings of their Project Area Committees (PAC) that among other things discuss housing development-related topics on a regular basis. The low-to-moderate income housing fund currently receives 25% of the Redevelopment Agency's tax-increment (5% more than required by State law). The PAC members are elected representatives and must either live, own property, or own a business within the Redevelopment Areas. PAC meetings are open to the public and adhere to Brown Act public meeting requirements. The meeting agenda and meeting packets are posted with the City Clerk's office, emailed and mailed via USPS to interested citizens (with combined email and mailing lists of about 1,000 citizens), and the meeting calendars are maintained on each Redevelopment Area's respective websites. Most all meetings are well-attended by various segments of Oakland's citizens.
- **CDBG District Meetings.** The City has established Community Development District Councils comprised of residents, property owners, and business owners in each of the City's seven Community Development Block Grant project areas to discuss housing and community development issues, future needs, and recommendations for future projects and services to be funded through CDBG. Meeting are open to the public, who are encouraged to attend through updates on the City's web site, notices in community newsletters, notices at community centers and other public locations, and periodic mailings to residents and property owners.

Efforts to Achieve Public Participation in the Housing Element Update

To achieve public participation in the update of the Housing Element, the City undertook the following actions:

Methods of Distribution. The draft Housing Element was published in February 2009 and was made available in both hard copy at the City Planning Department public counter and on the City's web site. Notices that the draft was available were emailed to interested parties and the for-profit and non-profit housing development community, including all members of the Redevelopment Agency's Project Area Committees.

Public Meetings. The City conducted a community meeting on the draft Housing Element April 14, 2009. The purpose of this meeting was to brief community members and stakeholders about the public review draft of the *2007-2014 Housing Element*, to answer questions about the various housing policies and programs, and to solicit feedback about any other housing concerns. There were a total of 25 people who attended the meeting. In its efforts to solicit the general public to participate in the *2007-2014 Housing Element* update process, the City sent email notices to nearly two hundred citizens who expressed interest in the Housing Element, City Council staff, and representatives of both non-profit and for profit housing developers. In addition, non-profit advocacy groups, the faith community, and individual tenants of buildings which are subsidized for affordability were also contacted. City staff also contacted members of the Project Area Committees (PACs) and made individual presentations about the Housing Element at regular monthly meetings of the West Oakland, Central City East and Broadway/MacArthur PACs.

Public Hearings. Following the administrative review of the Housing Element by the California Department of Housing and Community Development, the City will: 1) hold public hearings before the City Planning Commission, starting on June 3, 2009; 2) hold a public meeting before the Community & Economic Development Committee of the City Council; and 3) hold public hearings before the City Council, where it is expected to be adopted. These public hearings are intended to be held in Summer and Fall of 2009. Public noticing of these meetings follows the Planning Code: in the case of the Planning Commission, a display ad was taken out on page E4 of the *Oakland Tribune* May 15, 2009 issue. Further, staff sent a copy of this public notice to all the members of the Redevelopment Agency Project Area Committees, and sent the notice to the email distribution list used to announce the April 14, 2009 community workshop (see paragraph above).

Requests for Public Comment. City staff produced a Public Comment form seeking written comments on the Housing Element. This form was circulated at the community meeting. In addition, a summary handout of the Housing Element contents and public review process was produced. The handout detailed how citizens could submit their written comments to City staff.

The City received letters from the following organizations and individuals:

- East Bay Housing Organizations
- Alameda County Child Care Planning Council
- Home Builders Association of Northern California
- residents Jacquee Castain and Glen Jarvis

E. ORGANIZATION OF THE HOUSING ELEMENT

The Oakland *Housing Element*, a part of the General Plan, is a comprehensive statement of the City's housing needs and strategies. The City has adopted other housing policies and plans that focus on specific topics (such as fair housing, homelessness, and the use of federal funds for low-income housing). The Housing Element addresses a broader range of issues than these other planning documents, including economic, social, planning, and regulatory issues.

The *Housing Element* provides the guiding principles and over-arching policies that define the City's housing strategy although much of the implementation for the Element is defined through the following other planning documents:

- General Plan Land Use and Transportation Element,
- Oakland Planning Code
- Consolidated Plan,
- Permanent Access to Housing (PATH) Plan,
- Fair Housing Plan (Analysis of Impediments to Fair Housing), and
- Redevelopment Project Area Plans.

The Housing Element incorporates strategies and implementing actions from these other plans and has been reviewed for consistency with these plans.

This Housing Element is divided into the following chapters:

Executive Summary. The executive summary provides an overview and road map of the City's findings and conclusions on housing issues and needs; land, funding, and other resources to meet those needs; and goals, policies, actions, and quantified objectives.

1. Introduction provides an overview of State requirements, a description of the public participation process, and a summary of the organization of the Housing Element.

2. Evaluation of 2004 Programs summarizes the City's achievements in implementing programs under the previous Housing Element, which was adopted in 2004. Lessons learned from an evaluation of achievements have been considered in the development of new goals, policies, and implementing actions in this Housing Element.

3. Existing Conditions/Opportunities describes current conditions and trends related to population, housing, and employment. Topics covered in this chapter include population and household characteristics, income and poverty, housing cost and condition, publicly assisted housing and housing programs, the status of subsidized rental housing that could convert to market-rate rental housing, and employment characteristics. Appendix A describes the methodology used for the housing condition survey. Appendix B contains a list of privately-owned subsidized rental housing to support the analysis of subsidized housing at risk of being converted to market-rate housing.

4. Land Inventory describes the availability and characteristics of land on which to develop housing to meet the City’s future needs. Among the issues covered in this chapter are the number, types, and affordability of housing units constructed since the beginning of the period covered by the Housing Element; the City’s ability to accommodate its remaining share of the region’s housing needs under the Association of Bay Area Governments (ABAG) *Regional Housing Needs Allocation* (RHNA); and potential constraints that could affect development potential on housing opportunity sites. Appendix C contains a detailed inventory of sites discussed in this chapter.

5. Housing Program Resources summarizes programs and funding resources available in the City of Oakland to assist in the development, rehabilitation, and conservation of housing affordable to low- and moderate-income households. Appendix D contains a directory with details on City housing programs.

6. Analysis of Constraints to Housing describes potential governmental and non-governmental factors that could affect the availability and cost of housing, particularly for low- and moderate-income households and population groups with special needs. Appendix E provides additional detail on specific requirements and provisions of the City’s zoning regulations, development standards, and approval processes.

7. Goals, Policies, and Programs contains the City’s housing goals, policies, and implementation actions—the heart of the City’s strategy for addressing its housing needs. The goals adopted in this Element address the provision of adequate sites for the development of housing (especially for low- and moderate-income households), constraints to the availability and affordability of housing, conservation and improvement of older housing and neighborhoods, preservation of affordable rental housing, equal housing opportunity, sustainable development, and public access to information through technology. Also included in this chapter is an implementation schedule that specifies responsible agencies, timeframes, potential funding sources, and objectives for each implementing action.

8. Quantified Objectives contains a summary of the City’s quantified objectives for housing development, rehabilitation, and conservation (preservation of affordable rental housing).

F. GENERAL PLAN CONSISTENCY

State law requires the *Housing Element* to contain a statement of “the means by which consistency will be achieved with other General Plan elements and community goals” (California Government Code, Section 65583[c] [7] [B]). There are two aspects of this analysis: 1) an identification of other General Plan goals, policies, and programs that could affect implementation of the Housing Element or that could be affected by the implementation of the Housing Element, and 2) an identification of actions to ensure consistency between the Housing Element and affected parts of other General Plan elements (See Appendix F).

1. Other General Plan goals, policies and programs

The City revised the *Land Use and Transportation Element* of the Oakland General Plan in 1998. This element outlines the vision for Oakland, establishing an agenda to encourage sustainable economic development, ensure and build on the transportation network, increase residential and commercial development in downtown, reclaim the waterfront for open space and mixed uses, and

protect existing neighborhoods while concentrating new development in key areas. The Policy Framework and Strategy Diagram contained in that document shows areas that will be maintained and enhanced and those that are targeted for growth and change. In particular, higher density development is encouraged in the Downtown, along major corridors, at the waterfront, and near BART stations.

Fifteen broad classifications are depicted on the Land Use Diagram, grouped into five major categories, to graphically depict the type and intensity of allowable future development in various parts of the City. These classifications are the key to understanding the diagram and the City's land use pattern. They are intended to take into account the existing and historical patterns of development in Oakland. The Land Use Diagram graphically represents the intentions of the Policy Framework and Strategy Diagram reflecting areas of growth, enhancement, and conservation; it provides a basis for evaluating future development and future demand for services. The two diagrams satisfy State requirements that the General Plan designate the general distribution, location and extent of land uses and establish standards for population density and building intensity.

The General Plan element with the closest relationship to the Housing Element is the *Land Use and Transportation Element*, which contains both the policies that direct the location, density, and types of residential uses throughout the City, and the circulation system to support that development. The *Noise, Open Space and Recreation*, and *Historic Preservation* Elements of the General Plan also contain goals, policies and programs relevant to building and rehabilitating housing in the City, but these identified actions do not effect implementation of the Housing Element (see Appendix F, "Housing Policies in the General Plan").

2. Ensuring Consistency between Housing Element and General Plan

The vision and specific policies contained in the *Land Use and Transportation Element* 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 Housing Element and the City's ability to accommodate its regional housing allocation from ABAG. Most of the housing to be provided in Oakland will result from the development or redevelopment of under-used and infill parcels. Anticipated development on these sites are expected to be in compliance with policy standards for noise, safety, open space, recreation, and conservation contained in the other General Plan elements.

The policies in the other General Plan elements will advance the ability of the City to achieve the objectives contained in the 2007-2014 Housing Element and implement specific housing policies and programs. Likewise, the Housing Element policies will advance the implementation of policies and programs in the other General Plan elements. The City has therefore determined that the updated Housing Element is consistent with the General Plan.

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