



Oakland Housing Element Discussion Group Meeting #2: Production, Preservation, and Protections

March 10, 2022 1:30 PM – 3:00 PM

Held via Zoom

Participating Organizations:

- East Bay Housing Organization
- East Bay Permanent Real Estate Cooperative
- Greenbelt Alliance
- Housing Action Coalition
- A Diamond in the Ruff
- California YIMBY
- East Bay for Everyone
- Sustainable Economies Law Center
- Community Housing Development Corporation
- Jobs and Housing Coalition
- East Bay Asian Local Development Corporation
- United Seniors of Oakland and Alameda County
- City of Refuge/United Church of Christ
- Bay Area Housing Advocacy Coalition

Meeting facilitated by Alison Moore and Rajeev Bhatia of Dyett & Bhatia

DEVELOPMENT PATTERNS AND ECONOMIC PRESSURES

- High development costs—particularly labor, land, and construction costs—were noted as significant barriers. One participant noted that some local labor practices, which are in the City’s control, limit competition and drive up costs.
- Participants remarked that new housing does not cause displacement, since displacement is already happening. Displacement pressure emanate from the greater economic landscape, and the availability of new housing becomes a self-reinforcing cycle. They pointed to the Broadway Valdez area as an example of this.
- Participants discussed the opportunities of developing on large and small lots. High density development is more feasible on large lots like in the Broadway Valdez area, or on larger brownfield sites and industrial land. However, these sites tend to be in or near lower-income neighborhoods. The City should encourage development patterns with smaller lot sizing or lot consolidation to take development pressures off low-income neighborhoods. The City should make lot mergers easier and ease building code impacts (especially in neighborhoods like Rockridge and Temescal).



- One participant remarked the due to large economic pressures, the City’s existing tools (including tenant protections) cannot match affordability needs – which can only be met by generally increasing housing supply. They also advocated for increased supply in higher-income neighborhoods to reduce the pressure on lower-income neighborhoods.
- One participant noted the affordability crisis is not just supply and demand issue, as the presence of vacant units—especially market rate units—demonstrates. They also remarked that the baseline market is friendly to luxury apartments that are treated as investments, and advocated a vacant unit tax and not just a vacant land tax.

STAFF CAPACITY

- The lack of staff capacity is a major cost driver for all housing developments, including affordable and market rate projects.
- Participants noted there is a lack of clarity at the staff level on permit streamlining processes as well as how affordable housing is prioritized. Navigating State streamlining law is a long process, and participants appreciated the City’s standard procedures and hoped the City will continue to refine and expedite the process. Participants noted that moving towards ministerial approval would help increase staff capacity.
- Participants explained that all housing projects (including market rate and affordable) are challenged by costs and permit timing, and get stuck at every level of the process. One participant noted they had trouble working with the City to increase density on their affordable supportive housing project.

FUNDING FOR AFFORDABLE HOUSING

- Some participants noted that local funding and budget priorities do not reflect Oakland’s commitment to housing, even though the city bears a disproportionate impact of the housing crisis in the Bay Area. One participant noted that while the City is a good partner in securing State funding, there is a lack of political appetite to spend local money on affordable housing,
- One participant suggested fees be assessed entirely upfront. One participant also suggested deferring building permit fees for affordable projects to permit issuance.
- One affordable housing developer noted that their units skew towards the lower end of the income spectrum, but it is difficult to operate without subsidies and a constrained housing voucher supply (which is slow-moving on the federal level).

UNMET HOUSING NEEDS

- Oakland has diverse housing needs, including large family and very- and extremely-low-income housing. Larger units tend to be more expensive and move slowly, as large families will often prefer to “double up” in smaller and cheaper units instead. Participants also noted an unmet need for very- and extremely-low-income housing (below 50 percent area



median income) compared to low-income housing (60 percent to 80 percent area median income).

- The City needs to encourage more moderate-income or “missing middle” housing. One participant encouraged the City to focus on policy tools that do not require additional funding, which should be focused on deeply affordable housing. There is a particular need for missing middle housing for elderly and disabled residents, who are unable to downsize due to a lack of supply. Condo conversions further impact the available supply. Additional supply of this housing type could lead to decreased displacement pressures.
- Participants generally agreed that the City should encourage more two- to four-unit development (i.e., missing middle), and were in support of the City Council’s directive to revisit single-family zoning.
- There is a need for supportive services and transitional housing, which is currently overlooked. Workforce development and other training should be included to ensure people can stay in affordable housing.
- Residential development on church developments runs into major zoning issues – the City should increase flexibility for this type of development.
- The City has a history of segregating affordable housing projects, and misses opportunities to provide lower-income housing in high resource neighborhoods (e.g., Oak Knoll). Going forward the City needs to be proactive about not missing these opportunities.
- One participant noted that an earlier draft Downton Oakland Specific Plan had affordable housing goals that did not match the reality of Oakland’s Black population’s housing needs. The City should be realistic when setting goals and policies.

ZONING AND REGULATORY STRATEGIES

- The City gives too many concessions to market rate projects, and the cumulative effect is decreased regulatory incentives and tools to encourage affordable housing.
- The City should increase densities without totally changing a neighborhood’s character.
- Participants supported City Council’s directive to revisit single-family zoning and allow two- to four-unit developments.
- Several participants advocated for an “affordable housing overlay”, which will help the City be competitive for TCAC, LIHTC, and other funding sources. The City should also develop right sized zoning in high resource areas to also remain competitive. Matching TCAC scoring helps developers hit deeper affordability levels while reducing the strain on the City. One participant also proposed a small lot overlay on transit corridors for workforce housing.
- Overlay for small lots so they can be zoning compliant and/or be able to develop additional housing was mentioned.
- One participant remarked that the City should be more flexible in its definitions of a household, including co-living situations. The current definition can obscure the actual



economic status of a unit's residents (e.g., a unit with multiple lower-income families is considered one higher-income "household").

CREATING AFFORDABILITY STRATEGIES

- The City should encourage the conversion of hotels and motels to long term affordable housing.
- The City needs to move forward with its public lands policy, and include a process for developers to acquire vacant parcels (which was done previously). One participant also suggested increased flexibility in a public lands NOFA, including higher cap and reduced need for City Council votes. This will remove administrative burden and can help expedite a restock of the public lands portfolio.
- The City should encourage affordability by design for different levels of affordability.
- Larger market rate and non-profit developers can move through the market easier than smaller ones can due to their increased resources. Participants want to see a way for smaller affordable developers to move through the landscape without adding costs. One participant noted this will be especially important for single-family owners who want to upgrade to two to four unit projects, but will get caught up in the permitting process. The City needs to streamline the process now for when these projects come online.

MAINTAINING AFFORDABILITY STRATEGIES

- One participant noted that restricted affordable housing and non-restricted affordable housing (or "naturally-occurring affordable housing") call for different programs.
- There is a trend of conversion from non-restricted affordable housing to market rate (e.g., condo conversions in northwest and central east Oakland). Rent controlled units are also not permanently affordable and can be demolished. Participants expressed interest in strategies like social housing, TOPA/COPA, community land trusts, and housing co-operatives to reduce conversions and maintain permanent affordability.
- One participant urged the City to advocate for the repeal of Costa-Hawkins vacancy decontrol provisions and keep owners from taking advantage of artificial scarcity to drive up housing costs.

ANTI-DISPLACEMENT AND TENANT PROTECTIONS

- One participant indicated the desire to slow gentrification and displacement. They want the City to help to drive housing costs down so the working poor can afford permanent housing without being forced into dense projects. Reduced housing costs will help decrease displacement pressures and increase housing choice.
- City has good laws compared to other cities (e.g., rent control, just cause, tenant protections, etc.), but effectiveness depends on legal counsel. The City should provide



- funding to legal assistance and provide a legal right to council (see Measure F in San Francisco).
- The City should better incorporate SB330 protections against demolitions, especially because of the State legislation's sunset provision. Participants noted there is generally a lack of developer awareness about replacement provisions and indicated a need for education in the development community. Participants also suggested the City adopt a stronger demolition ordinance and add replacement provisions to the permit approval checklist. Participants also encouraged Planning and Building to coordinate with Oakland HCD about replacement units and right to return on development projects.