

# Oakland's Housing Equity Roadmap

Presentation to Oakland Planning Commission 3.4.15



# Goals of the Oakland Housing Equity Roadmap



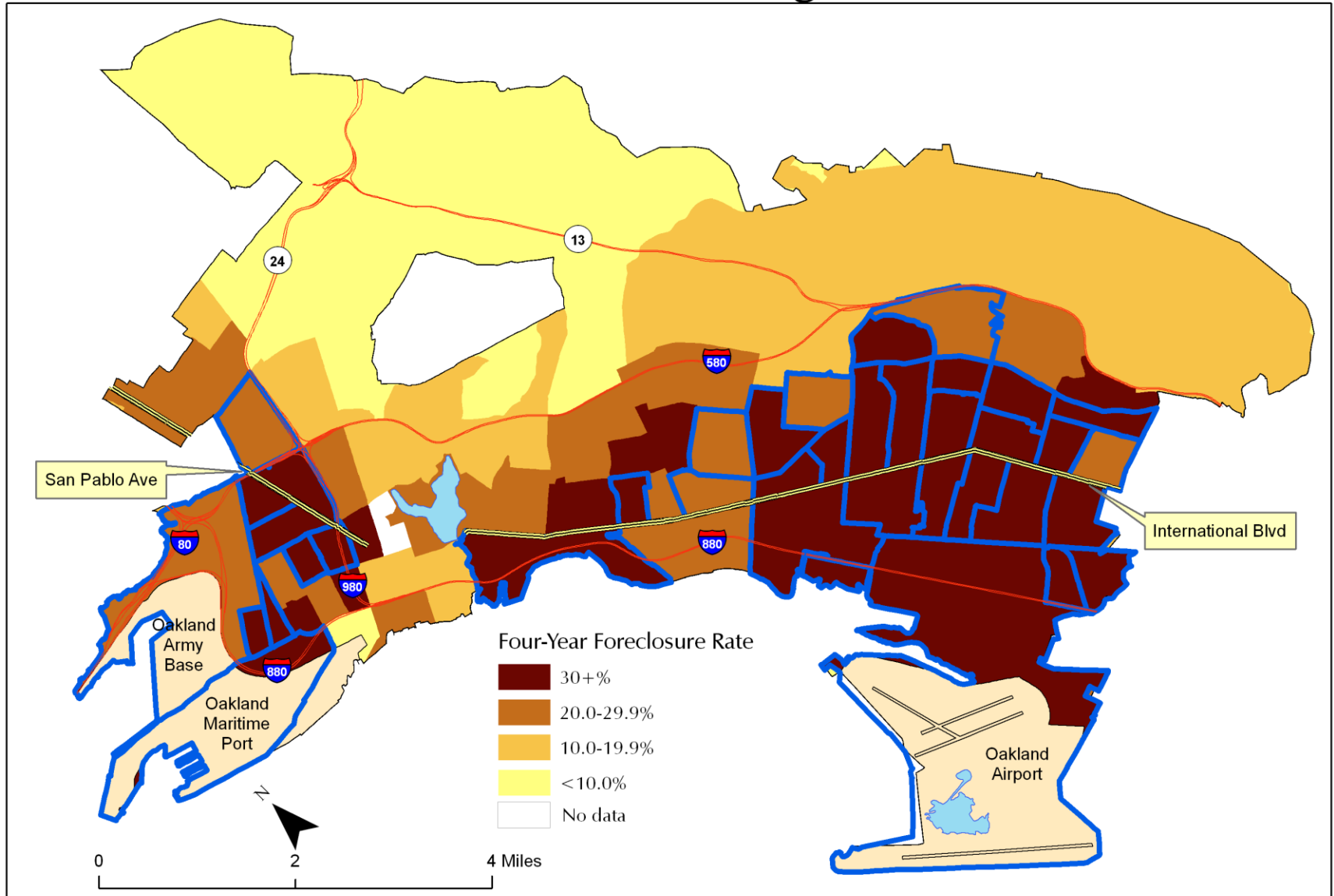
1. Provide comprehensive policy framework:
  - Provide strategies to address immediate displacement & affordable housing priorities.
  - Provide strategies to plan for Oakland's future given current & future market trends.
2. Identify potential solutions to big problems
3. Set clear housing policy priorities for City to focus limited City time and resources.
4. Learn from efforts of other jurisdictions.
5. Create process for local stakeholder engagement.

# Process



- Housing data & demographic analysis: Urban Strategies Council, funded by National Fair Housing Alliance & Wells Fargo
- Best practice research: Policy Link, funded by NFHA, Wells Fargo & SF Foundation
- Assess resident priority needs
- Local stakeholders knowledge & expertise: tenant & housing advocates, real estate industry associations, City department staff
- Feedback loop with local stakeholders & regional & national housing policy experts

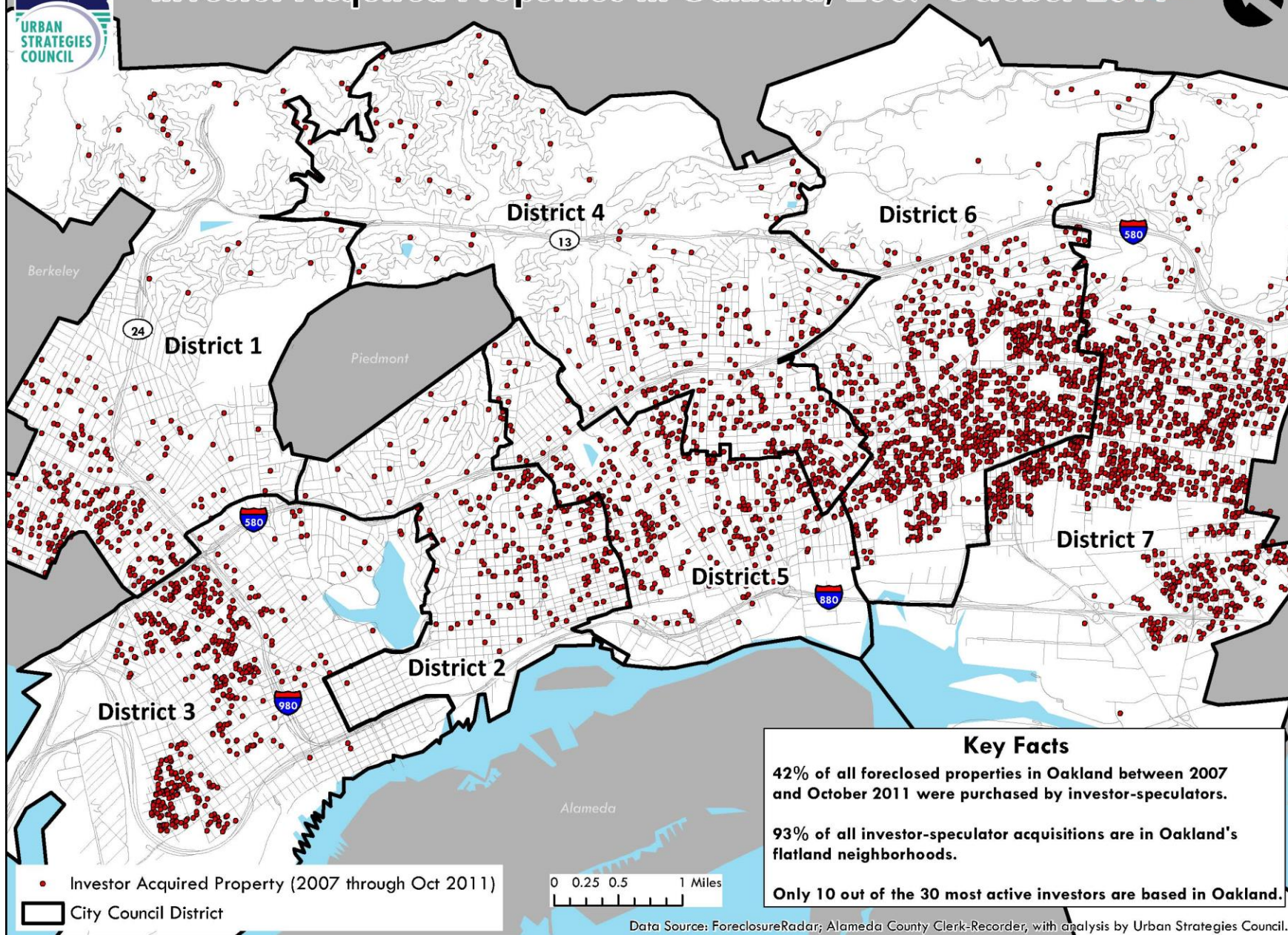
# Oakland Foreclosure Rate and NSP Target Areas



Source: CAPE, with data from HUD and from First American Title via Urban Strategies Council, 2006-2009.



# Investor Acquired Properties in Oakland, 2007-October 2011



# Key Demographic Shifts & Market Trends



- Decline of 16.7% in children population (3.9% decline for County) US Census 2000 & 2010
- Decline of 24% African Americans and increase of 13% Latino, 7.8% White, and 7.8% Asians US Census 2000 & 2010
- Decline of 25% homeownership rate in East Oakland neighborhoods USC Analysis 2014
- Projected 143,000 new East Bay jobs by 2020—high & lower wage jobs Beacon Economics 2014-15

# Income Inequality



- Oakland—7<sup>th</sup> city in nation with highest rate of income inequality Brookings Institution 2014

## Household Median Income (in 2012 Dollars)

|  | 2000     | 2008 to 2012 | Margin of Error (\$) |
|--|----------|--------------|----------------------|
| <b>African American or Black</b>         | \$42,975 | \$35,050     | +/-2,173             |
| <b>Asian</b>                             | \$46,323 | \$45,238     | +/-3,583             |
| <b>Hispanic or Latino</b>                | \$53,441 | \$44,455     | +/-2,090             |
| <b>White Alone (Not Hispanic/Latino)</b> | \$79,102 | \$81,959     | +/-2,175             |

Sources: 2000 Census & 2008-2012 American Community Survey estimates

# Affordability Status



- Median rental list price: \$2,200 Zillow
- Median home sales price: \$438,900 Zillow
- Median renter income: \$34,195 US Census 2010
- USC analysis of 15 neighborhoods

**Table 1. Percentage of Oakland's Low Income Households Experiencing Housing Cost Burdens**

| Year | Housing Cost Burden         | Extremely Low Income Households | Very Low Income Households | Low Income Households |
|------|-----------------------------|---------------------------------|----------------------------|-----------------------|
| 1990 | Spending over 30% of Income | 76%                             | 63%                        | 40%                   |
| 2000 | Spending over 30% of Income | 74%                             | 60%                        | 31%                   |
| 2010 | Spending over 30% of Income | 79%                             | 76%                        | 52%                   |
| 1990 | Spending over 50% of Income | 58%                             | 25%                        | 7%                    |
| 2000 | Spending over 50% of Income | 57%                             | 21%                        | 8%                    |
| 2010 | Spending over 50% of Income | 65%                             | 39%                        | 18%                   |



# Production Constraints & Gaps



- Imbalance of need versus supply
- Loss of state redevelopment & insufficient funds
- Development costs & approvals process
- Gap production: moderate income & homeless/at risk of homeless housing

| Affordability Categories   | 2007-2014 RHNA Goals | 2007-2013 Building Permits Issued | 2015-2023 RHNA Goals |
|----------------------------|----------------------|-----------------------------------|----------------------|
| Very Low (up to 50% AMI)   | 1,900 units          | 1,257 units (66% met)             | 1,030 units          |
| Low (51-80% AMI)           | 2,098 units          | 385 units (18% met)               | 2,075 units          |
| Moderate (81-120% AMI)     | 3,142 units          | 22 units (0.7% met)               | 2,815 units          |
| Above Moderate (>120% AMI) | 7,489 units          | 2,033 units (27% met)             | 7,816 units          |
| Total                      | 14,629 units         | 3,697 units (25% met)             | 14,765 units         |

# Proposed Anti-Displacement Strategies



**Goal: Preserve  
43,000 housing units  
& help 2,000 families  
annually**

- 1. Foreclosure—Systems Change via Distressed Mortgage Notes**
- 2. Condo Conversion Policy**
- 3. Seismic Retrofit & Housing Recovery Plan**
- 4. Tenant Relocation & Protections**
- 5. Convert Market Rate into Long-term Affordable Housing**
- 6. Regional Home Preservation Fund**

# Proposed New Affordable Housing Production Strategies



| Goal: 6,000<br>new affordable<br>units/7 years | <ol style="list-style-type: none"><li>1. Regional Housing Bond</li><li>2. Inclusionary Growth Policies</li><li>3. Vacant Lots Initiative</li><li>4. Public Lands Policy</li><li>5. Second Unit Policy</li></ol> |
|--|---|
|  |   |

# Proposed Housing Habitability Strategies



**Goal:  
Improve  
5,000 units/7  
years**

- 1. Proactive Rental Inspection Policy**
- 2. Small Scale Rental Housing Fund & Anti-Displacement Terms**



# Next Steps



- Rent Board feedback
- Finalize Roadmap
- Council CED meeting: proposed for April 14
- Future Council meeting to adopt policy framework
- Specific policy development by City staff and local stakeholders
- Return to Council with specific policy proposals
- Proposed Roadmap II to address housing segregation & building opportunities

*The future depends on what we do in the present.*

Mahatma Gandhi



“The Bay Area is one of the lowest producers of housing in the nation.”

Jed Kolko, Trulia Chief Economist