

# Downtown Oakland Specific Plan (DOSP) Draft Zoning Amendments Meeting #3 Development Standards and Zoning Incentive Program

September 13th, 2022

## Summary/Notes

### Attendees

#### Staff

- Daniel Findley, Planning
- David Early, PlaceWorks, Zoning Consultant
- Ed Manasse, Planning & Building
- Joanna Winter, Planning
- Khalilha Haynes, Planning
- Laura Kaminski, Planning
- Linda Hausrath, Hausrath Economic Group, economic consultant
- Neil Gray, Planning
- Stephanie Skelton, Planning

#### Attendees/Registrants

*(Due to a glitch in Zoom, we lost record of the registrants. If you did not speak, but attended the meeting, we do apologize if we don't have your name down).*

- Adrianna Steichen
- Alan Dones
- Alicia Kidd (Business Owner of CoCo Wine Bar)
- Charles Spiegel

- Chris Buckley (Oakland Heritage Alliance)
- David Peters (WOCAN)
- Jeff Goodwin (Architect and Homeowner in Crocker Highlands)
- Jeffrey Levin (East Bay Housing Organizations)
- Joshua Simon
- Justin Zucker (Reuben, Junius & Rose)
- Karla Guerra (Unity Council)
- Liana Molina (Build Affordable Faster)
- Major Jones
- Michael Payotak
- Naomi Schiff (Oakland Heritage Alliance and Coalition of Advocates for Lake Merritt)
- Nicholas Nagel
- Seung-yen Hong (Bart)
- Tiffany Eng (Old Oakland Neighbors / Friends of Lincoln Square Park / Family Friendly Oakland)
- Tonya Lova
- Vivian Kahn
- Yi Zhong

### Presentation

Staff presented an overview of the Draft Zoning Amendments, including a brief overview of the Land Use Activities and Special Districts that had been presented at prior meetings. The remainder of the presentation focused on the Zoning Incentive Program to incentivize community benefits in return for developers achieving additional residential density and/or commercial square footage.

Staff also presented a minimal set of changes to the Development Standards; the City is currently developing Objective Design Standards that will be vetted with the community and is front-loading the development of the standards that will apply to downtown.

## Comments/Questions and Answers

### Zoning Incentive Program

#### *Option for Downzoning to Achieve More Benefits*

- Why does this community benefits program need to be voluntary? It's concerning that if developers don't opt in, they are not required to provide community benefit. Why can't ZIP be mandatory?
  - a. David Early: The current zoning is the base zoning. In order to get any additional density, must voluntarily participate in ZIP. Requiring that a developer provide benefits in order to get what they are currently able to get by right without providing them would effectively be a downzoning. Although the ZIP is called voluntary, the land developer can only do what the DOSP base zoning allows. The only way to get a higher density is to engage in this voluntary program. [See the [DOSP Zoning Amendments Frequently Asked Questions](#) for more information.]
- Would there be variations in the presented program that would produce more affordable housing and/or other benefits? For example, would changes in the base densities (especially reductions) and/or bonus densities generate more benefits?
  - a. HEG did not study other scenarios (such as a wholesale reduction of base density), but studied a wide variety of combinations of increases
- Base zoning is very high in Oakland, so not clear how much incentive there will be
  - a. HEG's results are based on the ZIP as proposed, given the existing base density.

#### *Zoning Incentive Program (ZIP) Economic Analysis*

- What is the mechanism for ensuring that the tax increment from new buildings will go into the housing fund and not be re-directed by a future city council? Will the Tax Increment be bondable? Is there an assurance?
  - a. The money goes into the housing trust fund; it goes directly into the housing trust fund and also the boomerang funds. The figures that have been calculated comes from the City's department information, they are published can give the location. It is a combination of federal, state, county, or special bond. The city keeps track of the calculations over time. Some of the money is being used up.
- Jeffrey Levin- West Jack London, 2<sup>nd</sup> and clay where we showed the base zoning and height density requiring 900 square per unit, that block is 60,000 feet. Under the base zoning we could build 66, under the zip 545 units, about 725 percent increase. It appears to me that in order to earn those 75 units we would have to provide several low-income units. Does the Housing Element Site Inventory assume that the higher densities from the ZIP will be used? I thought that most of the market-rate sites were already in the pipeline.

- a. David Early- Tracking your math it does sound correct. Linda's calculations would show the costs are so high and the values create are not as high. We are trying to capture 1/3 of the value created, those are the numbers we come out with, the concern would be that there would be no financial incentive for the developer. We need to come back to the notion that these are based on Linda's calculations that are shown.
  - b. Laura Kaminski- Clarify that the developer is paying the impact fees as well on the ZIP. If you do the density bonus program and provide the required amount that's required by the state, you do not have to pay impact fees. We are also getting additional money because additional density pays affordable housing impact fees. We are looking at adding density to the downtown because the downtown is the area where people don't have to drive. This program is trying to capture some of the value of that additional density.
- Tiffany Eng: Can we work through more examples like this at the affordable housing meeting so the community can understand what the community benefits are or how they will be achieved? I'm not understanding if Jeff's example is an outlier, or if it's how the city intends the program to operate. Seeing the numbers will help. We have seen more development in the past 5 years than in the history of Oakland. The fact that housing is not feasible now has more to do with Bay Area construction costs than with City fees. I agree with Alan Dones' idea of indexing the ZIP and affordable housing benefits to the market. There are a few ways to do this that we can talk about.
- Joshua Simon: The problem with the program is that the density increase does not account for the change of construction type when you increase cost. This means that the regulations would be more effective if they were based on BOTH density AND height. When you go from 6 stories to 8 stories, it's valuable. Above 8 stories, wood frame is not possible and the cost skyrockets.
- Consider making affordable live/works pace on the ground, first and second floors eligible under the ZIP
  - a. We consider work-live units to be commercial units, right now its ground floor only. Could consider work/live units under the ZIP.
- Were there other scenarios looked at, or just the one that staff developed and presented?
  - a. Linda Hausrath: There weren't other scenarios, but there were many different combinations, scenario meaning the whole area. We did look at different combinations of Base and Zip densities; we never dropped below the base, but there is a wide range. Generally, what does better is a combination of steps, per square foot, per unit basis. If you are looking at going from the base to a ZIP density, where you retain the same construction type, you do better on a per square foot or per unit bases. If you are going from a base of low-rise to mid-rise up to a Type 1 high-rise, the incremental per square foot value is lower. On the other hand, the buildings are bigger, because the additional development you are getting is larger. You can't look at

it at a per square foot basis, you must look at the whole amount of additional density. Rents are not all equal depending on the district and location.

*Concern that the ZIP doesn't require enough community benefit*

- Michael Payotak: The large number of additional market rate units creates such a small number of affordable units that this program seems hardly concerned about equity and justice.
  - a. The numbers reflect what can be supported by the dollars generated by the additional development increment. Linda's calculations suggest that a bigger requirement would be financially infeasible and disincentivize participation in the program.
- Michael Payotak: I think the value is not calculated based on the long-term wealth produced by market rate housing. \$22,000 per unit to affordable housing pays for 3% of an affordable unit development, yet that equals 4 months' rent of a 2-brm in a high-rise market tower.
- Michael Pyatok: Question about in-lieu fees, you pay 22,000 a unit towards affordable housing, it's such a miniscule number, it's about 3 percent of the cost to develop an affordable housing unit, but if you look at the difference in the rent; private developers are gaining a lot of money. That's 4 month's rent on a market rate unit, seems small. When you look at that amount that doesn't produce much housing. It doesn't seem fair.
  - a. Linda's calculations are not based on total wealth over time, but financial benefit at the time that the project is occurring. If you were to look at a 50-year plan of the project, it would be a different number. Currently these projects are not feasible; when you look at what it would take to get the market rate feasible, we are estimating at least a 20 percent rent increase, so it's going to take a while to get to a place where the high-rise building will pencil. We are basing it on the cost of taking an additional unit in the high rise.
- Joshua Simon: Did you say 5% affordable housing?
- Jeffrey Levin: The study assumes that only 1/3 of the value created by higher density would be captured for public benefits, and 2/3 would be retained by landowners and developers.
- Tonya Love: Will the in-lieu fee structure help Oakland accumulate enough money to purchase some of the benefits as suggested? What is an optimal sum for Oakland to receive to that, and to increase our Affordable Housing fund? We need to develop a sum that will benefit Oakland. as well as being attractive to developers. We want to make sure Oakland meets the RHNA goals.
- Nicolas Nagel: I know you may get to this, but how does this estimate plug into the housing element? It's my understanding that an accurate estimate of how many new homes will be built in the next cycle to have a compliant housing element. Is there a feasibility study that shows how many new homes would be built given building costs and proposed zoning?
- Dave Peters- What's the Net Present Value of a market rate unit?

- a. Linda Hausrath- There isn't one in all the pro formas that were run, there were rent assumptions as well as cost, and value of development; all those things summarize, but they vary per type of development. Specific to the type of project and its location.
- Alan Dones- One of the things that strikes me as missing is doing more to harmonize other sources of affordable housing with some of these policies and practices. They have different timeframes that don't make it practical. It seems like more can be done to harmonize those aspects. When you give someone an incentive there is a higher inclination for an outcome. Also, I suggest a tax increment. The yield based on the incentive is not politically practical. When the market comes back, is this still going to be practical and still solving a problem or creating more inequality?
  - a. Joanna Winter- Those are all things we can consider as we move forward, we do not want a static program, are open to ideas.

#### *Interaction with State Density Bonus*

- Naomi Schiff: Please justify all the required gymnastics required by ZIP when the State Density Bonus program achieves even better results.
- Naomi Schiff: Under the DOSP, developers will have the choice of using the ZIP or TDR. Which are they most likely to choose and under what scenarios?
- Linda Hausrath: In terms of affordable housing in high-rises, there are very few cases of that happening in Oakland. The one case that was done recently, it was the regulatory concessions that made the difference, it made a little difference to not pay the impact fee for the additional density. The building was cheaper to build. If you have a giant site where you can do a combination, that makes a difference. It depends on the size of the site. The city is more interested in density. Most of the affordable units are going into the mid-rise towers, because high-rise towers have the most rent.

#### *Additional Information Requested*

- Jeffrey Levin: Linda's report does not include the prototypes and pro-formas, only summaries of the results. Is there an Appendix to the study with the prototypes, pro-formas and other analysis, like what's been provided in other studies?
  - a. Linda Hausrath- The answer is there could be, however there is some hesitation, there were studies done internally, but it would need to be organized, because as the plan was developed a lot of things changed. Prototypes and assumptions changed 3 times. It would take some time to create a summary of appendix; we will work on it over the next couple of weeks. Regarding an appendix, the information is all there. It's more of a timing effort question.
  - b. Dave Early- We will work on that over the next week or 2 and see if we can get it out to people.
- Chris Buckley: We have been looking at Emeryville's program, it looks successful with promoting affordable housing. What does Linda think of that approach, is there approach a more successful approach? Would Emeryville's program be likely to produce more affordable housing than the ZIP?

- a. Linda Hausrath-HEG did not talk to them, their scope was not to research other cities. Not familiar with the program.
- b. City staff did initially talk with Emeryville; the program had not been in place for very long, so there were few projects that had taken advantage of it. Their program did not conduct an analysis of the value to be created/captured.
- Understanding how the affordable housing calcs work so we have a shared understanding would be helpful. (3 people made this similar comment)

#### *Parks and Streetscape Improvements*

- Naomi Schiff: Isn't flood control a benefit for the developer?
  - a. ZIP-eligible flood control improvements are those that go beyond the property line; development projects in sea level rise areas will all be required to have a sea level rise adaptation plan regardless of participation in the ZIP.
- Tiffany Eng: With max density, thousands of new units, there is no guarantee of a funding source for existing parks? How can we prioritize existing (failing) parks over new green loop and new park creation? Would investments go to parks and streetscape in the immediate area?
  - a. Joanna Winter- The thought is that the on-site improvements would be on site or immediately adjacent. We can talk about this more.
- Tiffany Eng: We recently received 100,000 from a downtown developer for a nearby park without them receiving any additional benefit (because a nicer park benefits them too). Is it capped at \$100,000?
  - a. Joanna Winter- There is no cap on the benefits to be dedicated. It could be any amount / number, depending on the project that the developer is proposing.
- David Peters: Is there a mechanism to have DTO landscape/parkscape benefits benefit low opportunity neighborhoods? We have parks in our neighborhoods getting failing grades in parks maintenance study?
  - a. Neil: As currently proposed, the infrastructure improvements would be chosen by the developer unless they decide to pay in lieu fees. The improvements would have to be consistent with policies in the Downtown Oakland Specific Plan.

#### *Below Market Rate Commercial Space*

- In reference to David's second slide: Tiffany Eng: all below market rate commercial space?
- Would the below market rate space be divided out as a city or nonprofit owned condominium (To allow for financing and long-term affordability control?)
- How would tenants know below market is avail? That's a program that we are working out the details with the economic development department; we are working out a mechanism there will be a process of notifying stakeholders.
- Liana Molina: Why would we subsidize market rate units? To increase their production? Maybe I'm misunderstanding.

- a. Dave Early: We are not subsidizing market rate units; we are allowing additional market rate units, in compensation for having provided these benefits, and the rest of these benefits is ground floor commercial space.

#### *Inflation and Flexibility*

- Naomi Schiff: How would these in-lieu fees be adjusted for inflation? Shouldn't this be stated in percentages or some such?
  - a. There will be an automatic adjustment for inflation, similar to the Impact Fees.
- Naomi Schiff: Do these values have to be CPI-adjusted each year?
  - a. Regarding changing the program over time, we will consider as we move forward, we appreciate input on ways to do that.

#### *Other Topics*

##### *Parking*

- Tonya Love: We are getting a few comments stating that there is not enough parking in downtown for those that live there. They feel like they are competing against those that don't live there. Is there a way in the plan to consider parking? Need to have some sort of plan that reserves parking for residents, but also reduces street sweeping, and reduces requirements for residential parking permits. Getting lots of complaints from downtown residents around parking.

##### *Transfer of Development Rights*

- Chris Buckley: In transfer of development rights for historic buildings, is there anything that then protects the historic building from demolition, other than that their development rights are lessened.
  - a. Neil Gray: A developer would need to make demolition findings to demo an existing historic building. The demo findings become more difficult to meet the higher the historic rating of the building. I think the demo findings and limited development opportunity would limit the incentive to demolish historic buildings.

##### *Vacant Commercial Spaces*

- Alicia Kidd (owner of CoCo Wine Bar in Atlas in BAMBD): New owner in black arts and district, why are there so many vacant spaces, what are we doing for these new commercial vacant spaces to offer below market rate rent to fill those offices? Is there an incentive? Is there a requirement that developers reach out to the Oakland Chamber of Commerce and Multicultural chamber of commerce organizations that below Market Rate commercial space are available? What is staff doing for the existing commercial spaces to fill them in terms of incentives?
  - a. Joanna Winter- DOSP zoning amendments propose relaxation of ground floor uses to allow more types of businesses to fill those spaces. In addition to that zoning change, we will develop a master lease program whereby a nonprofit (perhaps a land trust?) is a master lessor and curates subleases for eligible tenants, and we are working with

Economic Development and Cultural Affairs to determine the criteria for tenants, including advertising to and working with the chambers of commerce. There is also a Façade and Tenant Improvement program available for businesses that it is in the process of revamping who is a priority to meet the City's equity goals.

- b. Joanna Winter- It would be up to the developer, but they would need to be providing the same value regardless.
  - c. Ed Manasse- It is certainly a program that has been featured and discussed, but it will not be implemented through zoning.
- Tonya Love: Are staff talking to residents in downtown Oakland?
    - a. Staff are happy to continue working with CM Fife's office to make sure we reach them.

## Chat Log

18:02:34 From Joanna Winter (City of Oakland, she/her) to Waiting Room Participants:

We will open the meeting in just a minute. Thanks for joining!

18:07:23 From Alicia Kidd to Everyone:

My name is Alicia Kidd, I am new business owner located in 13th Webster at the new Atlas building. I am joining this meeting to learn about downtown zoning.

18:08:09 From Karla Guerra to Everyone:

My name is Karla Guerra, Policy & Advocacy Manager at The Unity Council, in Oakland, district 5. I am joining this meeting to learn about The Zoning Incentive Program (ZIP) & provide feedback. Thanks.

18:08:20 Reuben, Junius & Rose, interested in the ZIP

18:08:35 From Justin Zucker to Everyone:

live off Piedmont Ave.

18:09:01 From Major Jones to Everyone:

incentive program to address homelessness

18:09:09 From Jeffrey Levin, EBHO to Everyone:

Jeff Levin, Policy Director with East Bay Housing Organizations (EBHO), interested in ZIP and affordable housing

18:09:12 From David Peters, WOCAN to Everyone:

David Peters, Hoover/Foster, West Oakland Cultural Action Network/Cultural Strategist in Govt, mainly hear to listen and learn from folks that have been involved in the DOSP process

18:09:20 From Tiffany Eng to Everyone:

Tiffany Eng - Old Oakland Neighbors and Friends of Lincoln Square Park (Oakland Chinatown), ZIP

18:09:36 From Jeff Goodwin to Everyone:

Jeff Goodwin. Architect and Homeowner in Crocker Highlands +

18:09:38 From Naomi Schiff to Everyone:

Naomi Schiff, Oakland Heritage Alliance, ZIP and TDRs, historic + cultural preservation.

18:10:14 From Liana Molina to Everyone:

Liana Molina, I use she/her pronouns. i work with build affordable faster, a regional advocacy project of TODCO. interested in the ZIP

18:11:03 From Seung-yen Hong to Everyone:

Seung-Yen Hong, BART. she/her. I have comments on development standards (height limits) related to AB2923

18:12:05 From Naomi Schiff to Everyone:

IS THIS BEING RECORDED?

18:14:07 From Stephanie Skelton (City of Oakland) to Everyone:

<https://www.oaklandca.gov/documents/summary-of-changes-a-guide-to-rezoning-proposals-for-the-downtown-oakland-specific-plan>

18:14:42 From Vivian Kahn to Everyone:

I heard the first part of Joanna's presentation and then it stopped. Is the problem with my computer? Anyone else having this problem?

18:14:56 From Khalilha Haynes, City of Oakland to Everyone:

the meeting is not being recorded, but we could @naomi

18:15:03 From Khalilha Haynes, City of Oakland to Everyone:

the audio is OK for me @vivian

18:15:04 From David Early, PlaceWorks to Everyone:

Vivian, I can hear everything just fine.

18:15:07 From Naomi Schiff to Everyone:

Please record this, especially any discussion. That would be so helpful.

18:15:49 From Stephanie Skelton (City of Oakland) to Everyone:

Vivian if you have any other chat apps open maybe try closing them? such as teams if you have that open

18:16:01 From Jeffrey Levin, EBHO to Everyone:

does anyone hear object to being recorded?

18:16:47 From Jeff Goodwin to Everyone:

no issue on my part

18:16:48 From Tiffany Eng to Everyone:

Recording would be helpful if only because I may need to step away briefly.

18:17:08 From Vivian Kahn to Everyone:

Audio is back.

18:17:10 From liana Molina to Everyone:

no objection here, re: recording

18:17:11 From David Peters, WOCAN to Everyone:

I don't have an objection

18:17:16 From Alan Dones to Everyone:

In strong favor of recording

18:17:27 From Karla Guerra to Everyone:

no objection here, recording is fine

18:17:36 From Jeffrey Levin, EBHO to Everyone:

yes...it popped up

18:17:39 From Tiffany Eng to Everyone:

Yes, there is an announcement.

18:17:46 From David Peters, WOCAN to Everyone:

yes, we all get that message.

18:17:56 From Naomi Schiff to Everyone:

Thank you!

18:18:20 From David Peters, WOCAN to Everyone:

Thank you, Naomi!

18:18:47 From Stephanie Skelton (City of Oakland) to Everyone:

<https://www.oaklandca.gov/documents/summary-of-changes-a-guide-to-rezoning-proposals-for-the-downtown-oakland-specific-plan>

18:19:42 From Nicolas Nagle to Everyone:

For what it's worth, on my phone, the only options were to leave the meeting or approve the recording.

18:20:50 From Stephanie Skelton (City of Oakland) to Everyone:

Happy that it worked out Nicolas, we appreciate you being here!

18:27:50 From David Peters, WOCAN to Everyone:

What's the NPV of a market rate unit?

18:29:22 From Liana Molina to Everyone:

Why would we subsidize market rate units? To increase their production? Maybe I'm misunderstanding. (Re: slide 1)

18:30:14 From Tiffany Eng to Everyone:

all below market rate commercial space? (Did you just shorten bottom section)?

18:30:51 From Jeff Goodwin to Everyone:

can you explain cost/sf subsidized?

18:32:17 From Alicia Kidd to Everyone:

Is there a requirement that developers reach out to the Oakland Chamber of Commerce and Multicultural chamber of commerce organizations that below Market Rate commercial space are available?

18:34:10 From Justin Zucker to Everyone:

are the unit sizes 1:1 in terms of the unit benefit, i.e., 1 market rate 2-bedroom in R-C gets 96 bonus units, what unit mix can the 96 units be? Is there a floor area limit, height, etc?

18:34:33 From Nicolas Nagle to Everyone:

I know you may get to this, but how does this estimate plug into the housing element? It's my understanding that an accurate estimate of how many new homes will be built in the next cycle to have a compliant housing element. Is there a feasibility study that shows how many new homes would be built given building costs and proposed zoning?

18:34:59 From Michael Pyatok to Everyone:

the large number of additional market rate units creates such a small number of affordable units that this program seems hardly concerned about equity and justice.

18:36:01 From Naomi Schiff to Everyone:

But isn't flood control actually a benefit for the developer?

18:36:14 From Tiffany Eng to Everyone:

Would investments go to parks and streetscape in the immediate area?

18:37:39 From Naomi Schiff to Everyone:

How would these in-lieu fees be adjusted for inflation? Shouldn't this be stated in percentages or some such?

18:38:48 From Tiffany Eng to Everyone:

We recently received 100,000 from a downtown developer for a nearby park without them receiving any additional benefit (because a nicer park benefits them too). Is it capped at \$100,000?

18:38:52 From Laura Kaminski to Everyone:

There will be an automatic adjustment for inflation, similar to the Impact Fees

18:39:35 From Naomi Schiff to Everyone:

It looks like my hand is raised but it isn't!

18:41:00 From Laura Kaminski to Everyone:

Earthquake?

18:41:13 From David Early, PlaceWorks to Everyone:

Tiffany, there is no cap on the benefits to be dedicated. It could be any amount / number, depending on the project that the developer is proposing.

18:41:21 From Vivian Kahn, Dyett & Bhatia to Everyone:

We just had an earthquake in Sonoma County.

18:43:13 From David Early, PlaceWorks to Everyone:

Michael, the numbers reflect what can actually be supported by the dollars generated by the additional development increment. Linda's calculations suggest that a bigger requirement would be financially infeasible.

18:44:25 From Naomi Schiff to Everyone:

Do these values have to be CPI-adjusted each year

18:45:52 From Jeffrey Levin, EBHO to Everyone:

Is there an Appendix to the study with the prototypes, pro-formas and other analysis, similar to what's been provided in other studies?

18:46:48 From Naomi Schiff to Everyone:

Please justify all the required gymnastics required by ZIP when the State Density Bonus program achieves even better results.

18:46:58 From Michael Pyatok to Everyone:

I think the value is not calculated on the basis of the long-term wealth produced by market rate housing. \$22,000 per unit to affordable housing pays for 3% of an affordable unit development, yet that equals 4 months' rent of a 2-brm in a high-rise market tower. can discuss in the break-out group related to affordable housing

18:47:47 From Naomi Schiff to Everyone:

One of the Naomi Schiff's is James Vann!

18:49:15 From Joanna Winter (City of Oakland, she/her) to Everyone:

Naomis: If you click on "Participants" and right click on your own name (or Naomi Schiff's name, if you are signed in under Naomi's link), you should be able to "Rename" yourself

18:49:47 From Tiffany Eng to Everyone:

This is quite technical, what will be doing in breakouts? It may be more helpful for us all to share a conversation regarding questions in the chat box together.

18:50:05 From Joanna Winter (City of Oakland, she/her) to Everyone:

Tiffany - yes, I think we'll end up just having a Q&A together

18:52:27 From Seung-yen Hong, BART to Everyone:

Could you share the presentation sometime tomorrow morning?

18:52:48 From Naomi Schiff to Everyone:

800%!!!!

18:53:13 From Stephanie Skelton (City of Oakland) to Everyone:

Seung-yen Hong, here is the link with the presentation:

<https://www.oaklandca.gov/meeting/dosp-meeting-3>

18:53:37 From Seung-yen Hong, BART to Everyone:

Thanks!

18:54:26 From Stephanie Skelton (City of Oakland) to Everyone:

Here is the zoning amendments page too if anyone wants to take a look: which also has information about upcoming meetings: <https://www.oaklandca.gov/topics/downtown-oakland-specific-plan-zoning-amendments-downtown-plan>

18:55:00 From Joshua Simon to Everyone:

Did you say 5% affordable housing???

18:55:41 From Naomi Schiff to Everyone:

So, could you get 820% density???

18:55:41 From Justin Zucker to Everyone:

Here is a link to Linda's report: [https://cao-94612.s3.amazonaws.com/documents/Attachment-A\\_2022-08-19-161551\\_qzos.pdf](https://cao-94612.s3.amazonaws.com/documents/Attachment-A_2022-08-19-161551_qzos.pdf)

18:55:58 From David Peters, WOCAN to Everyone:

Is there a mechanism to have DTO landscape/parkscape benefits benefit low opportunity neighborhoods? We have parks in our neighborhoods getting failing grades in parks maintenance study

18:56:07 From Stephanie Skelton (City of Oakland) to Everyone:

Thank you, Justin.

18:57:45 From Naomi Schiff to Everyone:

Do you have documents showing the underlying assumptions for the Hausrath analysis? Can we see them?

18:58:11 From David Early, PlaceWorks to Everyone:

Naomi, as stated, all Linda's work is available in her written report.

18:58:23 From Neil Gray to Everyone:

David - As currently proposed, the infrastructure improvements would be chosen by the developer unless they decide to pay in lieu fees.

18:59:01 From Neil Gray to Everyone:

The improvements would have to be consistent with policies in the Downtown Oakland Specific Plan.

19:01:17 From Joshua Simon to Everyone:

What is the mechanism for ensuring that the tax increment from new buildings will go into the housing fund and not be re-directed by a future city council?

Will the Tax Increment be bondable?

19:02:56 From Joshua Simon to Everyone:

If there is local match funding, On-site housing works if the housing is 6 stories or less and if parking is available in the adjacent high rise.

19:03:00 From Naomi Schiff to Everyone:

In other words, "balkanized housing" -- Downtown housing for only the high income, with fee payment for fewer units in the low-cost extremity

19:03:06 From Joanna Winter (City of Oakland, she/her) to Everyone:

David - Following up on Neil, this is an interesting idea we could explore regarding how the in-lieu fees are used to meet the DOSP's goals. It is intended to address benefits in the DOSP area, but we do understand that the downtown has received far more investment than East or West Oakland, and the City's equity policies suggest that it's appropriate to reallocate funds where possible to underinvested neighborhoods, so it's for sure worth a conversation.

19:03:06 From Jeffrey Levin, EBHO to Everyone:

Linda's report does not include the prototypes and pro-formas, only summaries of the results

19:03:17 From Tiffany Eng to Everyone:

With max density, thousands of new units, there is no guarantee of a funding source for existing parks? How can we prioritize existing (failing) parks over new green loop and new park creation?

19:04:07 From Adrienne Steichen to Everyone:

if overlaid, how will the impact fees be applied for the base and affordable densities?

19:04:08 From Naomi Schiff to Everyone:

To Linda Hausrath: Under the DOSP, developers will, have the choice of using the ZIP or TDR. Which are they most likely to choose and under what scenarios?

19:04:37 From Tiffany Eng to Everyone:

(OK for me to focus on affordable housing first, will submit comments on parks later)

19:05:36 From Naomi Schiff to Everyone:

Joanne ... I signed in thru Naomi's email. Can you add me ... James Vann

19:05:57 From Jeffrey Levin, EBHO to Everyone:

That would be VERY helpful, similar to the work that was made available for the impact fee studies

19:06:03 From Joshua Simon to Everyone:

Is Ground floor affordable live/workspace on the first and second floors eligible under the ZIP?

19:06:44 From Karla Guerra to Everyone:

Why does this community benefits program need to be voluntary? It's concerning that if developers don't opt-in, they are not required to provide community benefit.

19:06:46 From Adrienne Steichen to Everyone:

clarification to my previous question: if DOSP and density law are overlaid, how are impact fees assessed for the base development and bonus densities...

19:07:11 From Naomi Schiff to Everyone:

Linda Hausrath: We understand that you looked at Emeryville's bonus program. What is your assessment of Emeryville's program, and would Emeryville's program be likely to produce more affordable housing than the ZIP?

19:08:32 From Joanna Winter (City of Oakland, she/her) to Everyone:

James, are you a different Naomi than the Naomi with their hand up?

19:09:08 From Joshua Simon to Everyone:

Would the below market rate space be divided out as a city or nonprofit owned condominium (To allow for financing and long-term affordability control?)

19:10:45 From Naomi Schiff to Everyone:

To Linda Hausrath: Your analysis is based on the ZIP program AS PRESENTED. Would there be variations in the presented program that would produce more affordable housing and/or other benefits? For example, would changes in the base densities (especially reductions) and/or bonus densities generate more benefits?

19:12:31 From Joshua Simon to Everyone:

The question was about the annual tax increment "Boomerang". Is Boomerang funding annual forever, or just a limited number of years?

19:12:31 From Jeffrey Levin, EBHO to Everyone:

The dedication of "boomerang funds" to affordable housing is based on a Council resolution and could be rescinded by the City Council - in the past they have redirected some of those funds from production to other (housing- and homeless-related) uses

19:12:43 From Michael Pyatok to Everyone:

why is there just a one-time payment for opting out including and affordable unit? the rent from market rate unit is about 4-5 times that of the affordable. what can't the in-lieu payment be, say, 10% of that difference in rent for the life of the market rate rental unit? this would reflect a capture of the full amount of gain that the market rate unit will accrue over time and would be much higher than the one-time payment of \$22,000 in the highest density zones.

19:12:58 From Jeffrey Levin, EBHO to Everyone:

The impact fees must go to the affordable housing fund because it's based on a nexus analysis

19:14:02 From Neil Gray to Everyone:

The State of CA does not allow an overall down zoning.

19:14:47 From Tiffany Eng to Everyone:

Can we please stay on affordable housing a bit longer? It seems important to understand how this program works and who is really benefiting.

19:14:52 From Naomi Schiff to Everyone:

Base zoning is very high in Oakland, so not clear how much incentive there will be?

19:14:57 From Jeffrey Levin, EBHO to Everyone:

The State allows downzoning if offset with upzoning somewhere else, or if it's done specifically to yield affordable housing

19:17:37 From Naomi Schiff to Everyone:

Please address how inflation/CPI increase would be accounted for. Why is everything stated in today-dollars?

19:20:58 From Jeffrey Levin, EBHO to Everyone:

The study assumes that only 1/3 of the value created by higher density would be captured for public benefits, and 2/3 would be retained by landowners and developers

19:24:16 From Tonya Love to Everyone:

Will the in-lieu fee structure help Oakland accumulate enough money to purchase some of the benefits as suggested? What is an optimal sum for Oakland to receive to that, and to increase our Affordable Housing fund?

19:24:39 From Tonya Love to Everyone:

We need to develop a sum that will benefit Oakland, as well as being attractive to developers.

19:26:34 From Joshua Simon to Everyone:

This moment shall pass, as the worldwide cost of construction materials goes up and down and if there are more contracting firms compete. To set policy based on today's costs create a gift for future property owners who will benefit when construction costs level off, as they in 2010. Consider a way to index the Zip.

19:26:44 From Joshua Simon to Everyone:

Yes, I am willing to stay

19:26:51 From Jeffrey Levin, EBHO to Everyone:

30

19:26:52 From Justin Zucker to Everyone:

15 minutes works, whatever is needed to cover the TDR

19:26:53 From Naomi Schiff to Everyone:

Yes, willing to stay 30

19:26:53 From Joshua Simon to Everyone:

30 minutes

19:26:56 From Yi Zhong to Everyone:

willing to say 30

19:26:56 From David Peters, WOCAN to Everyone:

30

19:26:59 From Tiffany Eng to Everyone:

15-30 more min, would at least like to hear more questions and answers

19:27:08 From James Vann to Everyone:

15

19:27:08 From Liana Molina to Everyone:

same ^

19:27:11 From Michael Pyatok to Everyone:

unfortunately, I have to leave in 5 minutes

19:27:25 From Naomi Schiff to Everyone:

I would be willing to stay 30 minutes or more to get all of questions to Linda answered.

19:27:31 From Karla Guerra - The Unity Council to Everyone:

How can we submit feedback to the City?

19:27:56 From Jeffrey Levin, EBHO to Everyone:

Submitting feedback isn't the same as getting questions answered publicly

19:28:05 From Naomi Schiff to Everyone:

Yes, there should be another meeting re: affordable housing.

19:28:58 From Michael Pyatok to Everyone:

yes- another meeting on affordable housing, have to leave! sorry!

19:29:09 From Jeffrey Levin, EBHO to Everyone:

all additional public meetings should take place BEFORE this goes back to the ZUC

19:30:17 From Naomi Schiff to Everyone:

In response to Naomi, another meeting INCLUDING the ZIP.

19:30:37 From Tiffany Eng to Everyone:

yes, another mtg, but maybe for tonight at least understanding how the affordable housing calcs work so we have a shared understanding would be helpful.

19:31:01 From Jeffrey Levin, EBHO to Everyone:

I have a specific question about those calcs, so I hope we will get to that

19:32:19 From Tonya Love to Everyone:

Need to have some sort of plan that reserves parking for residents, but also reduces street sweeping, and reduces requirements for residential parking permits. Getting lots of complaints from DTO residents around parking.

19:32:45 From Tonya Love to Everyone:

Well adjust street sweeping times. We need street sweeping, of course.

19:33:18 From Jeffrey Levin, EBHO to Everyone:

and the recording please

19:33:41 From Nicolas Nagle to Everyone:

+1 to Jeff's ask for calculations. Those would be very helpful.

19:34:03 From Nicolas Nagle to Everyone:

Thank you for your work putting this meeting and materials together.

19:36:51 From Stephanie Skelton (City of Oakland) to Everyone:

i will fix it thank you

19:37:03 From Naomi Schiff to Everyone:

No equity in this kind of program!

19:40:32 From Jeffrey Levin, EBHO to Everyone:

When will the (long overdue) Impact Fee Study be completed and available? And when will there be opportunity for public review and input?

19:41:25 From Jeffrey Levin, EBHO to Everyone:

Does the Housing Element Site Inventory assume that the higher densities from the ZIP will be used? I thought that most of the market-rate sites were already in the pipeline

19:41:36 From Tiffany Eng to Everyone:

Can we work through more examples like this at the affordable housing meeting so the community can understand what the community benefits are or how they will be achieved? I'm not understanding if Jeff's example is an outlier, or if it's how the city intends the program to operate.

19:42:28 From Jeffrey Levin, EBHO to Everyone:

Agreed, Tiffany. We need to see a few scenarios, just as the analysis used a mix of different levels of density increase, changes in construction technique, etc.

19:46:35 From Joshua Simon to Everyone:

Seeing the numbers will help. We have seen more development in the past 5 years than in the history of Oakland. The fact that housing is not feasible now has more to do with Bay Area construction costs than with City fees. I agree with Alan Dones' idea of indexing the ZIP and affordable housing benefits to the market. There are a few ways to do this that we can talk about.

19:46:38 From Jeffrey Levin, EBHO to Everyone:

In-lieu fees should be indexed to inflation in the same way as the existing impact fees are indexed - based on changes in construction cost

19:52:27 From Jeffrey Levin, EBHO to Everyone:

We raised this issue about construction types years ago when this program was first proposed

19:55:06 From Tiffany Eng to Everyone:

Thank you, I need to step off. More discussion (or rather, explanation) before these advances or we are expected to provide feedback would be helpful. Thank you for sharing and answering so many questions.

19:56:04 From Joshua Simon to Everyone:

Based on Linda's answer to the question, then problem with the program is that the density increase does not account for the change of construction type when you increase cost. This means that the regulations would be more effective if they were based on BOTH density AND height. When you go from 6 stories to 8 stories, it's valuable. Above 8 stories, wood frame is not possible and the cost skyrockets. It's the same with going from concrete to steel and the same with going above 22 or 23 stories. You might consider adjusting the height and density caps accordingly.

19:57:29 From Charles Spiegel to Everyone:

In transfer of development rights for historic buildings, is there anything that then protects the historic building from demolition, other than that their development rights are lessened? I think it would be a good restriction on transfers of development rights from historic buildings that the historic bldg. be preserved.

19:59:55 From Joshua Simon to Everyone:

You might want to look at the approach that EBALDC has taken at the Lake Merritt BART site and the 5th and Broadway sites where I believe that affordability will be over 30% affordable.

20:00:31 From Justin Zucker to Everyone:

Thank you for the presentation

20:00:35 From Joanna Winter (City of Oakland, she/her) to Everyone:

PlanDowntownOakland@oaklandca.gov, <https://www.oaklandca.gov/topics/downtown-oakland-specific-plan-zoning-amendments-downtown-plan>

20:00:38 From Stephanie Skelton (City of Oakland) to Everyone:

: <https://www.oaklandca.gov/documents/summary-of-changes-a-guide-to-rezoning-proposals-for-the-downtown-oakland-specific-plan>

20:00:43 From Neil Gray to Everyone:

A developer would need to make demolition findings to demo an existing historic building. The demo findings become more difficult to meet the higher the historic rating of the building. I think the demo findings and limited development opportunity would limit the incentive to demolish historic buildings.

20:01:08 From Naomi Schiff to Everyone:

Can you save the chat and post it?

20:01:33 From Naomi Schiff to Everyone:

And we look forward to downloading the recording, thanks!

20:01:48 From Joshua Simon to Everyone:

Thank you for your work today

20:01:51 From Naomi Schiff to Everyone:

Can Linda's studies of different ZIP scenarios be shared?