



# Oakland General Plan Update: "Missing Middle" Zoning Changes Focus Group

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March 7, 2023 1:30 PM – 3:00 PM

Held via Zoom

## Participating Organizations:

- Public Advocates
- Housing Consortium of the East Bay (HCEB)
- Greenbelt Alliance
- Center for Independent Living (CIL)
- Richmond Neighborhood Housing Services
- West Oakland Environmental Indicators Project (WOEIP)
- City of Oakland Housing & Community Development (HCD) Department
- Oakland Heritage Alliance
- East Bay Housing Organizations (EBHO)
- The Unity Council
- City of Oakland Department of Housing & Community Development (HCD)
- East Bay for Everyone
- San Francisco Bay Area Planning and Urban Research Association (SPUR)
- Upper Broadway Advocates
- PYATOK architecture + urban design
- A Diamond in the Ruff Inc.
- Habitat for Humanity East Bay/Silicon Valley (EBSV)

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



## **“MISSING MIDDLE” TERMINOLOGY AND INTENDED USE**

- Several participants noted that use of the phrase “missing middle” housing can be misleading, as many thought the term referred to housing affordable to “middle-incomes,” instead of “middle sized” developments, such as duplexes, triplexes, and other types of housing falling between single family and multifamily buildings. A clearer definition would benefit understanding.
- Participant added that smaller property owners are unlikely to take up the mantle of providing affordable housing (particularly, deed-restricted housing) or even moderate-income housing. Therefore, upzoning and height increases should be tied to property owner incentives. Participant cited a program in Portland that involved surveying property owners for the feasibility of adding units to their existing properties.

## **MISSING MIDDLE AND AFFORDABILITY**

- Participant commented that the proposed zoning changes encourage smaller units that will require more expensive prices per unit to be economically viable. The participant suggested that it is therefore unlikely that the zoning changes will help contribute units that are at affordable price points.
  - Staff responded that the “missing middle” phrase doesn’t refer to specific income limits, but the hope is that creating duplexes/fourplexes will help create cheaper housing than market rate high-rises. This will be the “missing middle” housing. However, the participant was still concerned that this housing won’t serve middle income.
- Participant commented that moderate-income housing without deed restriction offered more flexibility to some moderate income renters that fall just outside the associated area median income range.
- Participant questioned if the City had done a study to identify where in the market rents for the proposed missing middle housing will fall.
  - Staff responded that this will be partially examined by an upcoming economic feasibility analysis.
- Participant commented that middle income renters are not a target market for developers, and that missing middle housing would likely not be affordable for those incomes.
  - Staff responded that developers would be providing housing for moderate income renters because they can take advantage of additional incentives, such as the City’s or State density bonus.
- Participant commented that an average Oakland teacher makes just south of \$69,000--less than 70 percent Area Median Income (AMI). Permanent supportive housing usually requires significant on site services to support. The participant noted one of the comparative advantages of fees vs inclusionary requirements is that projects financed



with fees are typically 30-60 percent AMI and also include some more deeply affordable units.

- SPUR participant commented that adding “missing middle housing” will improve affordability, but that building this housing will require the City to think about additional ways to help move this type of housing forward. These could include preapproved plans, promotion of the Keys to Equity Program, or other additional “wraparound” financing components necessary to move middle housing forward.

Due to the financial barriers to homeownership as well as the challenges navigating processes required to take advantage of the proposed zoning changes, participants also expressed concern that zoning changes will be taken advantage of by private developers, rather than community members.

### **REVIEW AND STREAMLINING**

- Participants noted that removing conditional use permitting for certain densities and making development by-right is heading in the right direction. Getting rid of parking is also helpful, but parking minimums near major transit stops<sup>1</sup> could be expanded to any transit *corridor*.
- Participants were unsure how proposed changes differ from the requirements of Senate Bill (SB) 9.
  - Staff responded that SB 9 only applies in areas where zoning only permits single family housing. The proposed zoning changes would allow up to 4 units by-right, and also allow for smaller lot sizes.
- Participant questioned if eight different zoning designations were necessary for missing middle housing and proposed simplification, suggesting that minor differences in unit/per square footage for designations could be consolidated.
- Participants reiterated the importance of ministerial approval, and that anything that moves this process away from ministerial approval will undermine housing affordability goals.
- Participants commented that it would be a good idea to bring the City’s Planning and Building Department into the conversation to work towards making the building process more navigable to homeowners.
  - Staff responded that Oakland has some preapproved ADU plans, but because houses are more complex, preapproved building plans for houses are not currently available.

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<sup>1</sup> The California Public Resources Code PRC § 21064.3 defines a major transit stop as a site containing an existing rail transit station or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.



## **SUGGESTED MODIFICATIONS TO PROPOSED CHANGES**

- Participants urged that there needs to be a provision to protect trees on smaller lots where new housing may be built.
  - Staff clarified that the City does have such a provision.
- Participants questioned if the proposed zoning changes accompanied additional accessibility requirements. Participants also mentioned that the State’s Building Code requires that at least one unit in any project containing four or more units to be accessible. Given this requirement, participants expressed concern that four-unit infill buildings would fit within a single-family lot.
  - Staff responded that they would be open to adding regulations to improve accessibility.
- Participant was concerned that citywide density increases might lead to intrusion into historic areas with taller buildings or buildings that break setback lines. Participant encouraged a finer grained analysis of the impacts of these proposals on existing neighborhoods, and supported using existing building envelope, which maintains existing neighborhood character and is not as expensive as building from the ground up.
- Participants, including members of the Oakland Heritage Alliance, supported limiting new development to the existing building envelope and increasing allowances from 2-units to 4-units, which would allow buildings to access additional incentives. Participant discouraged a blanket approach, and proposed observing the effects over time and phasing in slowly instead.

## **MISSING MIDDLE CONSTRUCTION BARRIERS**

- Participant commented that the proposed zoning changes do not demonstrate recognition of existing building code requirements, and that the building code makes it very difficult to add density to long lots/parcels. This will impede the efficacy of the proposed zoning changes.
- It will be critical on small lots to allow for zero lot line building, which is allowed by the building code, but only recently allowed by the City’s Planning Code. Participant with architecture background mentioned that this could result in complications with neighbors because zero-lot line building requires some access to neighboring properties. Therefore, it was suggested that some provision be made to ensure access to neighboring lots, should zero lot line building become more widespread.
- Participant noted that parking is necessary for many people to get to their jobs, and urged caution against reduced parking minimums.
- Participant noted that much of Oakland’s existing residential character includes missing middle buildings from the 50s and 60s; however, these were largely built by small local developers, which do not have a strong market presence currently. This industry is at a disadvantage because they aren’t as well-positioned as larger developers to take advantage of tax credits and other regulatory incentives.



- Participant questioned if City's Condominium Conversion Ordinance applies to an existing single-family property that adds condo units.

## **DEMOLITION CONCERNS**

- Participants questioned the relationship between zoning changes, demolition, and design review. Staff clarified that any demolition of a residential facility, historic or not, will require regular design review.
  - Staff added that the City of Oakland is developing objective design standards which could apply to missing middle housing types and streamline review.
- One participant expressed concern about existing regulations on demolition of existing rental housing and tenant displacement/displacement of renter occupied housing.
  - Staff responded that the intention of the zoning changes are not intended to spur demolition of existing housing, but rather encourage conversions of existing housing to add density (duplexes, fourplexes, etc.).

## **OTHER COMMENTS**

- In response to some of the zoning changes to promote food access in areas underserved by food retail, participant questioned if there is a way to ensure that food retail options are healthy. Participant also noted that it can be expensive for grocers to operate when the building footprint is small, and that it is unlikely that people will be incentivized to provide basic groceries and not just candy or liquor. Additionally, eliminating conditional use permits for food and retail businesses is one strategy to promote neighborhood quality, and this shouldn't be limited to just food desert neighborhoods.
  - Staff responded that there are already provisions that require certain amounts of fresh permits, otherwise a retail is classified as a convenience store.
- Participant commented that it would be helpful if legend of zoning map could include the name of the zoning category.

## **KEY TAKEAWAYS**

- Participant commented that simplification, by-right approval, and assistance for the average homeowner who will have difficulty navigating this process moving forward is a crucial piece of encouraging missing middle housing types.
- Participant highlighted the need for by-right approval for small multiplex lot development to generate greater housing density. People are occupying single family homes in ways that indicate demand for denser and smaller home sized properties. Participant also echoed the need for technical assistance for homeowners that would engage in these construction types, and also supported decreased parking minimums. Additionally, the participant hopes that these projects are developed in conjunction with increased transit access and development in these areas.



- Participant noted that in the last Housing Element cycle, the City developed about 27 percent of our affordable goals (which is dependent on available funding), 173 percent of market rate goals, but only 3 percent of our moderate goals. The City needs to develop lots of moderate income goals, and infill ADUs will not meet this need singularly. Incentives are needed for existing property owners, particularly those with well-located properties on commercial corridors, to up-develop their properties.