



New Home, New Hope

Oakland City Council set to discuss housing issue

By Kelly Rayburn, Staff Writer

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Oakland - When the Berkeley-based organization, Affordable Housing Associates, put out word last fall that the Madison@14th Apartments in downtown Oakland would open in April, Susan Friedland knew demand would be high. She expected as many as 1,500 applications for the 79-unit affordable housing complex.

That estimate was low. Very low.

"We received over 3,000 applications," Friedland said. "It was really a testament to the strong need for affordable housing for Oakland families."

It is that "strong need" the City Council is charged with addressing when it meets at 3 p.m. today to weigh a host of housing proposals, including those submitted Feb. 8 by Mayor Ron Dellums. It's no easy issue. With phrases such as "area median income" and "inclusionary zoning" and "caps on market-rate condo conversions" thrown around so much, the debate can seem dizzying.

What's underneath the jargon, however, is a serious and contentious discussion — with nothing less than the future of Oakland's demographic makeup and neighborhood development at stake.

On one side, affordable housing activists say Oakland could lose its economic and cultural diversity if the city doesn't move fast enough to solve a housing crisis.

On the other, some developers and their allies say that policies that burden developers could grind residential development to a halt in a market that is already suffering — and that, they say, is not good for anyone. A coalition of housing providers and businesses is expected to protest the housing proposals today at a rally on the steps of City Hall.

To some, the need for action is clear.

Deborah Carney, 49, counts herself among the lucky ones. The one-time longshoreman, now disabled with multiple sclerosis and unable to work, was able to find a below-market apartment at Lion Creek Crossing, a complex near the Oakland Coliseum, for herself and her daughter, Aaliyah, 13.

Carney qualifies for a Section 8 housing voucher, and rent comes to \$114 a month for her two-bedroom place.

"It's been excellent living here," she said. "It's a nice community to stay in and the living arrangements are really nice."

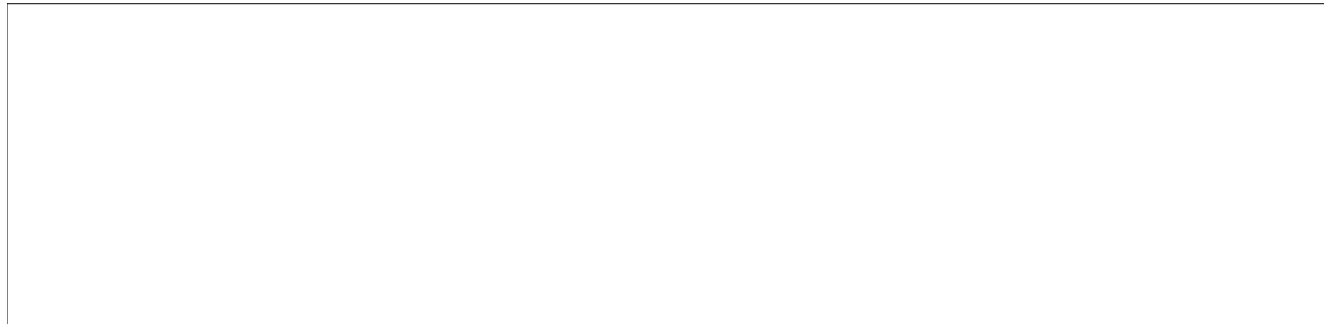
Her message for the city: Build more housing in Oakland for people like her — or risk losing them for good.

"Who's going to give you your McDonald's coffee when you want to stop at night?" she asked. "They're not going to be able to give it to you, because you've pushed them to Stockton, to Livermore, to Tracy and all of those kind of places."

What is affordable?

Dellums, who kept people waiting for months on the housing issue before his proposals were made public, is hoping to break logjams on council on two controversial housing issues — a concept called

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inclusionary zoning and creation of a new policy on apartment-to-condo conversions.

But the mayor is also hoping to expand the debate.

"Most of the conversation that's been going on about inclusionary zoning and condo conversions, about affordable housing, hasn't been about housing that's actually affordable for most people in Oakland," said Dan Lindheim, the Community and Economic Development Agency Director and a close adviser to Dellums.

Lindheim said "there's a certain absurdity to this debate," noting that an "affordable" home targeting someone making the median area income level, nearly \$100,000 per family, is actually unaffordable to 60 percent to 70 percent of people in Oakland.

To that end, Dellums proposed a wide range of ideas, including some that have not been visited by council recently, such as proposed changes in the city's rent-control policy.

The council may stay focused on a more narrow debate.

"I think (Dellums' proposals) are very comprehensive," said Councilmember Jane Brunner (North Oakland). "I'm concerned that if we go into each little piece, we will take another year or two to solve the issue."

Council President Ignacio De La Fuente (Glenview-Fruitvale), who has found himself on the opposite side of Brunner on inclusionary zoning and condo conversions, indicated that settling those issues would be difficult enough.

"We've been talking about this for a long, long time," he said. "There is a consistent debate about

how much you can do, how much you can extract from developers."

Today's council meeting follows months of talk about doing something on affordable housing. Officials appointed a Blue Ribbon Commission to study the issue, but, so far, the council has not acted on the commission's recommendations, which were submitted in September.

"This is not an easy issue," De La Fuente said, "This is not a simple issue. This is not a one-sided issue."

The proposals

Here's a look at some of the proposals before the council:

-Inclusionary zoning. The concept is to force developers to reserve a certain percentage of new residential development for below-market housing.

Inclusionary zoning polices vary from city to city as to what percentage is reserved for below-market and what income levels are targeted.

Brunner and Councilmember Nancy Nadel (Downtown-West Oakland) have been trying for years to get some form of inclusionary zoning on the books in Oakland. So far they've come up short.

The Blue Ribbon Commission unanimously recommended the adoption of an inclusionary zoning policy, but some affordable-housing advocates called it too weak.

Others don't want to see such a policy at all.

Dellums' proposal, that developers include at least 15 percent of below-market housing in their projects, is roughly in line with the

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commission's recommendation.

A key difference is that Dellums, like Brunner, is asking the council to cover rental units, not just for-sale units.

In the mayor's proposal, for-sale homes would target families making up to the median income level for the area (nearly \$100,000), while rental units would target those making up to 60 percent that much.

The policy would be phased in — and for the first two years, only 5 percent of new development would have to be affordable. The proposal nonetheless drew fire last week from some developers and construction workers who said they've been hard-hit by the housing crisis and that a policy like the one Dellums is proposing would only make matters worse.

-Condo conversion. Condo conversion may be the only piece of the affordable-housing debate as controversial as inclusionary zoning.

The Blue Ribbon Commission could not come to an agreement on this issue and made no formal recommendation. Proponents say expanding the number of rental apartments converted to for-sale condos is a good way to provide homeownership opportunities for nurses, teachers, firefighters and other middle-class workers.

On the other side, people worry about the rental stock being depleted if too many apartments become condos. Dellums aimed to strike a balance, suggesting the number of condo conversions be tied to the number of affordable units built under an inclusionary zoning policy.

But Greg McConnell, who served on the Blue Ribbon Commission and is president of the Jobs and

Housing Coalition, said market-rate condo conversions would slow dramatically if the Dellums proposal is accepted.

"It's not a formula at all to increase homeownership and work force housing," he said. "We'll oppose it."

McConnell supported a plan to allow as many as 800 condo conversions every year when he served on the Blue Ribbon Commission. A separate faction supported allowing just 125 per year.

-Redevelopment spending. Talk of changing the percentage of redevelopment money spent on low- and moderate-income housing has not garnered near the attention other affordable-housing proposals have. But a change in redevelopment allocation could have just as big an impact — if not bigger. Redevelopment money is derived from property taxes in areas that are determined to be economically depressed.

Currently, at least 25 percent of all redevelopment dollars must be spent on affordable housing. The council is weighing considerations to spend 35 percent on either affordable-housing or home-buyer incentives.

The proposals also recommend the redevelopment funds go toward housing for families on the bottom end of the economic ladder, rather than the higher end of the middle class.

-Housing bond. The council is also considering whether additional new funding sources for housing can be identified.

The Blue Ribbon Commission recommended officials put a \$200 million housing bond before voters, but it's not clear whether Oakland has the capacity for such a measure. Both Brunner and

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Dellums have asked city staff to study whether a bond is feasible.

-Rent increases. Dellums is asking the council to simplify the city's rent-control policies and to eliminate loopholes where renters can see massive increases when landlords pass on the costs of capital improvements.

This request from the mayor threw a new wrinkle into the debate and it doesn't seem likely the council will take action immediately. But for someone like Andre Wright, 43, of San Jose, keeping rents reasonable is crucial.

Wright moved from Oakland to Hawaii in 2005, hoping to find steady work. Just six months later, he was looking to come back to the Bay Area.

Wright, who is active in the advocacy group Just Cause Oakland, said when he moved back to California, the easiest housing option was to move in with his sister, for about \$400 a month, in San Jose.

He's looking for a place in Oakland, but, for now, the \$800 to \$1,000 he expects he would have to pay for his own place is too steep.

"It's just too expensive," he said. "You have to save up that first and last months' rent, clean up those little credit mistakes I had in the past. ... I'm still looking to get back up there."

Others are just hoping to stay: Of the 3,000-plus applicants for the 79 apartments at Madison and 14th, 2,000 of them came from within Oakland. Friedland said the city's need for housing would only be addressed with a comprehensive solution.

"It's a combination, of having an inclusionary

policy, making sure that condo conversions don't result in displacement of low-income families ... making sure there's adequate city funding for affordable housing," she said.

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