

Oakland mayor proposes affordable housing plan

Christopher Heredia, Chronicle Staff Writer

Tuesday, February 19, 2008



Mayor Ron Dellums is proposing that developers who build projects with 20 or more units in Oakland either include affordable units in their projects or pay into a fund for affordable housing.

Dellums' inclusionary zoning proposal, which the City Council will discuss today at a special workshop, has earned praise from affordable housing advocates concerned about Oakland residents being priced out of the market but drawn fire from developers and City Council President Ignacio De La Fuente, who say it will kill development in Oakland and hurt city coffers.

Under Dellums' proposal, which must be approved by the council, developers would be required, during the first two years after the policy is adopted, to set aside 5 percent of units in any development with 20 units or more for families of four earning \$100,000 or less a year. In the third year, the percentage would jump to 15 percent affordable units on site and 20 percent if developers choose to build the affordable units off site.

Dan Lindheim, the city's interim development director, said the plan is neither radical nor unprecedented, and it factors in time to allow the housing market to improve.

"What the mayor is saying is he wants people in Oakland to continue living in Oakland and we need to provide at least workforce units for our critical workforce," Lindheim said. "The tragedy is that almost no working person in Oakland can afford (to buy) housing in Oakland unless they have multiple family incomes."

Lindheim said if developers and landowners know in advance that the city has an affordable housing requirement, land prices will go down so that projects will pencil out for developers.

Kathy Kuhner, a developer from West Oakland, vehemently objects to the mayor's plan, saying it will hurt developers who already charge much less for housing in Oakland than other parts of the Bay Area.

"While most leaders are in agreement that we're in a recession and are offering stimulus programs, the mayor's office is offering an anti-stimulus program," said Kuhner, owner of Dogtown Development Co. "If you add to the price of building a home, it could be a long time before you see another development go up in Oakland. That means a lot of unemployed people in construction and other related fields."

Kuhner said she would rather see the city expand its first-time homebuyer's assistance program, something she believes developers would be willing to chip in for.

Amie Fishman, executive director of East Bay Housing Organizations, applauded the mayor's proposal, calling it long overdue. In 2006, the council deadlocked on inclusionary zoning, forcing then-Mayor Jerry

Brown to break the tie vote.

Brown voted with a majority of the council who favored referring the matter to a commission on housing, which after months of debate recommended that affordable housing be required in some cases. The compromise was not enough to appease some housing advocates.

De La Fuente, the City Council president, said Dellums' proposal - which also links the number of apartments that can be converted to condominiums to the number of affordable units built each year - "makes no sense."

"There has to be building to generate funds for affordable housing," De La Fuente said. "The mayor's plan is unrealistic, unattainable, and will totally stop development.

"We have a responsibility to protect the people who invest in the city as well as prospective homeowners and tenants," De La Fuente said, adding that he would support a proposal that ensured that development will continue in Oakland.

Most cities in the Bay Area have inclusionary zoning policies, and Fishman dismissed critics' claims that having such a policy in Oakland will slow an already suffering housing market.

"It creates certainty in the market so developers know what to expect," Fishman said. "What's worse is to have uncertainty. Cities all over the Bay Area have inclusionary zoning. Oakland will adjust."

Housing on the agenda

The Oakland City Council will discuss at 3 p.m. today Mayor Ron Dellums' proposal to require housing developers to include affordable units in most future projects. The meeting will be at Oakland City Hall, 1 Frank Ogawa Plaza.

E-mail Christopher Heredia at cheredia@sfgate.com.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/02/19/BA4PV3OGF.DTL>

This article appeared on page **B - 1** of the San Francisco Chronicle

San Francisco Chronicle Sections

© 2008 Hearst Communications Inc. | [Privacy Policy](#) | [Feedback](#) | [RSS Feeds](#) | [FAQ](#) | [Site Index](#) | [Contact](#)