



## **EAST BAY HOUSING ORGANIZATIONS (EBHO) FRAMING PAPER ON GENTRIFICATION, DISPLACEMENT AND PUBLIC BENEFITS IN OAKLAND MAY 2014**

While a lot of attention is being paid to gentrification and displacement in San Francisco, these issues have become far more important in Oakland as well.

As the housing market rebounds, and with a regional focus on more intensive transit-oriented development, Oakland is actively seeking to develop 7,500 new units of housing. While we welcome new investment to Oakland, we must ensure that this investment benefits the existing residents of the city. Neighborhood revitalization that forces lower income people out of their neighborhood and their city is not sustainable community development.

Our efforts around this are two-fold. First, we support measures to ensure an expansion of affordable housing, particularly in the Priority Development Areas. Second, we support anti-displacement measures such as tightening the rent stabilization ordinance and strengthening the condo conversion ordinance in order to prevent displacement of lower income residents and preserve existing affordable housing resources.

Oakland already has a tremendous unmet need for affordable housing - something that's painfully obvious from the numbers of lower income households paying more than 30% of their limited income for rent, and often paying more than 50% of their income. Every day we hear stories of tenants pushed out by higher rents. And it is becoming increasingly difficult for lower income households to find affordable, quality rental housing, as they are being priced out by an influx of more affluent residents.

Oakland also has tremendous future needs - job growth in Oakland and the Bay Area will draw new residents to Oakland. Oakland is in the midst of updating its Housing Element, and for the 2015-2023 period, it must accommodate the development of new housing totaling nearly 15,000 units, including over 4,100 units for very low and low income households.

With the demise of redevelopment, Oakland no longer can finance affordable housing to the degree it could in the past. Developers of market-rate housing need to do their fair share and contribute to the development of affordable housing. Most new development will take place in Priority Development Areas (PDAs) and along transit corridors where new development is particularly attractive because of (a) public investment in transportation and infrastructure, and (b) rezoning to encourage higher densities. As a result, land values in these areas could rise significantly. We need a Community Benefits policy that ensures that the community gets some share of the new value that it is creating, by requiring the inclusion of affordable housing units or the payment of a housing impact fee to the City for the financing of new affordable housing. If such policies are implemented early, developers could absorb the cost of such contributions - most likely they would do so by not paying as much for land. In this way, instead of the benefits flowing primarily to owners of land, some of the value that is created by public action can be captured in the form of public benefits.

## **EBHO RECOMMENDATIONS FOR POLICIES ON EXPANSION OF AFFORDABLE HOUSING, PREVENTION OF DISPLACEMENT, AND PRESERVATION OF EXISTING HOUSING**

EBHO advocates the establishment of citywide policies to ensure inclusion of affordable housing in PDAs and other major development areas, and to prevent displacement of lower income residents. We also seek inclusion of these policies in individual Specific Plans. **We recommend the following language:**

### **DEVELOPMENT OF HOUSING FOR A RANGE OF INCOMES AND NEEDS:**

The City is committed to equitable development in Specific Plan Areas, Priority Development Areas (PDAs) and large development projects that provides housing for a range of economic levels to ensure the development of thriving, vibrant, complete communities

The City intends, as part of a citywide community benefits policy, to require developers in Specific Plan Areas, PDAs and large development projects to make contributions to assist in the development of affordable housing, through options that may include impact fees, land dedication, and inclusionary zoning. Among other actions, the City will conduct a nexus study and an economic feasibility study to evaluate new programs to achieve this objective, including inclusionary zoning and impact fees for new housing development. The study will be completed no later than July 1, 2015.

The City will also consider programs for acquisition and land banking of opportunity sites in these areas to ensure that development of affordable housing takes place within the Plan Area, and doesn't simply generate fee revenue that builds affordable housing elsewhere.

### **PRESERVATION OF AFFORDABLE HOUSING AND ANTI-DISPLACEMENT POLICIES**

The City will take measures to ensure that higher density and mixed-use development close to transit avoids displacement of existing lower income communities and preserves existing affordable housing resources.

The City will strengthen existing policies and adopt new policies to prevent displacement of existing residents and preserve existing housing affordable to lower income residents, including both publicly-assisted and non-assisted housing that currently has affordable rents. This may include, among other policies, the following:

- Strengthen the Rent Stabilization Ordinance.
- Strengthen and harmonize relocation benefits under the City's Ellis Act Ordinance, Code Enforcement Relocation Ordinance, and SRO Preservation Ordinance.
- Strengthen the City's Condominium Conversion Ordinance by extending protections to 2-4 unit buildings throughout the entire City, eliminating provisions that allow condominium conversion credits to be generated by existing housing rather than newly developed housing, and establishing mandatory tenant protections as part of the requirement for Tenant Assistance Plans.
- Require one-for-one replacement, with units of comparable size and affordability, of all housing units demolished or converted to non-residential use by either public or private action. These replacement units should not be counted toward meeting the City's RHNA requirement, given that they maintain but do not increase the affordable housing stock.
- Develop and implement programs for the acquisition and rehabilitation of existing rental housing and its preservation as permanently affordable housing for lower income individuals and families.