



East Bay Housing Organizations

May 14, 2021

Councilmembers Carroll Fife, Noel Gallo, Dan Kalb, Loren Taylor
Re: HCD Strategic Action Plan

Dear Councilmembers:

Thank you for reviewing EBHO's comments on the HCD Action Plan. The plan is thoughtful and thorough, and we would like to share a few specific comments. We are glad to see that the plan includes all "three Ps": protection, preservation and production as we strongly believe that *all* of these strategies are still crucial to recover from the pandemic and to allow Oaklanders to thrive.

We appreciate the emphasis on racial equity and impacts for extremely- and very-low income households as metrics for assessing impact. It is critical to focus on Black/African-American communities who are vastly overrepresented in Alameda County's unhoused population, as well as indigenous, Latinx and AAPI populations disproportionately impacted by overcrowding, habitability and affordability problems. We urge coordination with and reference to the forthcoming County-wide Home Together 2023 plan, which uses a racial equity lens in its needs assessment.

Protection Strategies: We agree with the need to evaluate, strengthen and monitor the neighborhood preference policy to ensure fair access to housing and create opportunities for existing Oakland residents impacted by housing instability. For example, one of our members noted that the state's growing emphasis on funding affordable housing in "high resource" areas could lead neighborhood preference to favor relatively higher-income residents already living in neighborhoods where affordable housing has not been common in the past. We encourage HCD to consider this potential impact when analyzing the policy.

Production Strategies: While all of these strategies are meaningful, we are glad to see an emphasis on higher-impact activities that will generate revenue and help house ELI/VLI populations, such as: pursuing acquisition, developing an operating subsidy, and assessing the impact fee. (We would, however, urge that an evaluation of the commercial linkage fee be conducted as well as the evaluation of the housing impact fee).

ADUs and Short-term rentals: Since our Executive Director was deeply involved in the selection process for an ADU program administrator, we are glad to see that this may launch soon, with an emphasis on lower-income and BIPOC homeowners. However, in addition to the equity considerations that the city is already using for ADUs, we also urge that steps are in place to avoid use or conversion of ADUs to short-term rentals. We notice that short-term rental regulation or revenue does not appear in this action plan, and we urge HCD and City Council to revisit this issue before the travel and short-term renter boom returns to Oakland.



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Public land: We support efforts to enable innovative and fast construction, and interim uses on underutilized land. As you know, EBHO has been working to push the City towards a citywide public land policy that aligns and even surpasses the Surplus Land Act, which prioritizes public land for permanent affordable housing. That being said, we would like to know more about the strategy to “dispose of *all* publicly owned sites for *immediate* and innovative housing.” [emphasis is ours]. We agree with using vacant or underutilized land as quickly and effectively as possible to improve the living conditions of those who are unhoused. At the same time, we urge that the city talk with stakeholders, nonprofit developers, and housing providers to get a sense of how many of these sites can be absorbed and quickly developed for any type of housing use. Given that the city had a lackluster response to some sites issued for RFP lately, we have some concern that disposing of *all* sites at the same time or too quickly may outstrip the available resources to develop affordable housing or other interim uses on those sites, leaving them vacant anyway. We also urge the City Council to again take up the 2018 resolution regarding public land and work with HCD and Economic Development to create citywide standards.

Resources: We appreciate the growing momentum and opportunity for preservation-based strategies including acquisition/rehab, community land trusts, and cooperatives, since these can be a critical way to preserve and build assets for lower-income and Black and brown communities. A 50/50 proposed allocation for preservation/production makes sense to us if preservation is defined broadly (including acquisition of motels/hotels and preservation of existing deed-restricted housing) and includes a strong emphasis on deep affordability. While establishing a framework is important, we urge the Council to build in flexibility so that this allocation can be evaluated and, if necessary, shifted to respond to the project pipeline.

Most importantly, we urge the City to seek new funding streams so the three Ps are not forced into competition with each other. We note that the city has a Permanent Affordability Fund to support CLT and co-op projects that has yielded promising results; we would also like to see an ongoing set-aside or emphasis on below-market-rate production, which also creates long-term affordability for ELI/VLI households. We agree that a new public issuance will be needed to help close the huge financing gap in the production and preservation pipeline and again, we urge exploration of the commercial linkage fee or other revenue proposals.

Overall, we appreciate the reach of this plan and the department’s commitment to move forward. We remain ready to work with the City to help realize these strategies.

Sincerely,

Gloria Bruce, Executive Director