

CITY OF OAKLAND



1 FRANK H. OGAWA PLAZA • 3RD FLOOR • OAKLAND, CALIFORNIA 94612

Office of the Mayor
Libby Schaaf
Mayor

(510) 238-3141
FAX: (510) 238-4731
TDD: (510) 238-3254

June 9, 2016

The Honorable Edmund G. Brown Jr.
Governor, State of California
State Capitol Building
Sacramento, CA 95814

RE: Support if amended of the “By Right” trailer bill language

Dear Governor Brown:

As the Mayor of Oakland, I want to express my support if amended for your budget proposal to streamline multifamily housing approvals referred to as ‘By Right’.

I strongly support the Assembly budget proposal to invest \$650 million of the state’s surplus into multiple affordable housing programs and the Senate’s “No Place Like Home” initiative which will provide much-needed help to Californians experiencing chronic homelessness and mental health issues. An amended version of the “by right” process, along with a strong financial commitment, is crucial to addressing the housing crisis in our state as well as spur the development of other housing.

However, I am concerned that as currently structured this proposal (1) could lead to more displacement pressures in transit-rich low-income areas, (2) lacks sufficient definitions of affordability required to offer valuable streamlining, and (3) could undercut existing local requirements. Therefore, I respectfully submit the following recommended changes and specific amendments:

1. Change the term of affordability from 30 years to 55 years for rental units and to 45 years for ownership units, to match the redevelopment affordability terms.
2. Specify that inclusionary requirements are *in addition* to any local requirements such as inclusionary zoning, density bonus, etc., and that affordable units required by local ordinances shall not be counted toward meeting the requirements of this Section.
3. Set a single affordability standard regardless of whether projects are inside or outside a Transit Priority Area, and set the standards at 20% lower income or 15% very low income (because the cost difference to create very low vs low income units is not 2:1).

- a. I am concerned that the current version could actually incentivize high cost housing in at-risk transit-rich neighborhoods by requiring such minimal amounts of affordable housing.
4. Project applicants should be required submit complete applications for building permits for structures (not just for demolition, grading, etc.) within 12 months of the project's approval or lose the by right approval. Such time frames would be consistent with standard land use approvals.
5. Another change concerns the review process that would need to occur under the proposed bill. It is important that a specific time be provided to ascertain that there is complete information upon which to determine general plan and zoning consistency and compliance with local standard requirements. I suggest that an initial 30 day period be incorporated, in addition to the 30 days already provided, for a total project review period of 60 days.

These changes are reasonable improvements which maintain the spirit of your trailer bill while strengthening the outcomes and reducing unintended consequences.

As Mayor I recognize that increasing housing supply for all economic segments is a key component of addressing the state's housing crisis, but increasing supply alone won't reach Californians most in need. Even by streamlining housing approvals, the housing market won't change overnight. In order to address this crisis now, we must make smart, targeted investments and lean on California's demonstrated success in lifting people and families out of poverty by building affordable places to live.

Sincerely,



Libby Schaaf
Mayor
City of Oakland

CC: The Honorable Anthony Rendon, Speaker, California State Assembly
The Honorable Kevin de Leon, President pro Tempore, California State Senate
The Honorable Phil Ting, Vice Chair, Joint Budget Conference Committee
The Honorable Mark Leno, Chair, Joint Budget Conference Committee
The Honorable Rob Bonta, Assembly Member
The Honorable Tony Thurmond, Assembly Member
The Honorable Loni Hancock, Senator
Graciela Castillo-Krings, Office of Governor Edmund G. Brown, Jr.
Ben Metcalf, Director, California Department of Housing and Community Development