

<b>Location:</b>	Citywide
<b>Assessor's Parcel Number(s):</b>	N/A
<b>Proposal:</b>	Amend Oakland Municipal Code (O.M.C.) Title 17 (the Planning Code) to (1) amend Chapter 17.96 S-14 Housing Sites Combining Zone to update the definition of Development Project and to include a conditional use procedure for non-housing developments and; (2) update "Work/Live" and "Live/Work" Development Standards to provide consistency with the California Building Standards Code (C.B.C.) and Oakland Building Regulations.
<b>Applicant:</b>	City of Oakland, Bureau of Planning
<b>Contact Person/ Phone Number:</b>	N/A
<b>Owner:</b>	N/A
<b>Case File Number:</b>	ZA25013
<b>Planning Permits Required:</b>	Planning Code Amendments
<b>General Plan:</b>	Citywide
<b>Zoning:</b>	S-14, HBX, D-CE, CIX, IG, IO and D-DT
<b>Proposed Environmental Determination:</b>	The proposed amendments to the Planning Code rely on the following California Environmental Quality Act (CEQA) findings: (1) a determination that no further environmental review is required following the certified Oakland 2045 General Plan Update - Phase 1 Environmental Impact Report and Downtown Oakland Specific Plan Environmental Impact Report pursuant to Public Resources Code section 21166 and CEQA Guidelines Section 15162 or 15163; (2) this proposal is exempt pursuant to CEQA Guidelines section 15183 (projects consistent with General Plan and zoning); and (3) this proposal is exempt pursuant to CEQA Guidelines Sections 15061(b)(3) (general rule, no significant effect on the environment). Each of these findings provide a separate and independent basis for CEQA clearance and when viewed collectively provide an overall basis for CEQA clearance.
<b>Historic Status:</b>	N/A
<b>City Council District:</b>	Citywide
<b>Finality of Decision:</b>	Planning Commission will receive public comment, discuss, and make recommendations to the City Council. Final decision by City Council.
<b>For Further Information:</b>	Contact Case Planner Michelle Matranga at (510) 238-3550 or by email at <a href="mailto:mmatranga@oaklandca.gov">mmatranga@oaklandca.gov</a>

**SUMMARY**

The Housing Sites Inventory, adopted into the Planning Code as the S-14 Housing Sites Combining Zone, is a crucial part of the Oakland General Plan Housing Element, which identifies the City's "fair share" capacity to meet regional housing production quotas for all income categories as required by CA Government Code Section 65583.2(c). The S-14 Zone provides a by-right review process for projects proposed on Housing Element Sites so long as the project meets specified affordable requirements. The S-14 Zone has helped to provide streamlined development review, but staff continue to hear a growing concern that it may also be serving as a constraint on the activation of vacant or minimally developed parcels in the City.

The proposed ordinance includes provisions to amend Chapter 17.96 S-14 Housing Sites Combining Zone Regulations of the City of Oakland (City) Planning Code (Title 17 of the Oakland Municipal Code) to include a pathway to allow for non-residential development on Housing Element Inventory Sites if the proposal meets certain Conditional Use Procedure (CUP) findings, including a no net loss or surplus sites determination. This procedure has been discussed with and accepted by State Department of Housing and Community Development (HCD).

Additionally, staff propose amending applicable "Work/Live" and "Live/Work" development standards across seven chapters of the Planning Code to provide consistency with the California Building Code (C.B.C.) Standards and Oakland Building Regulations.

**BACKGROUND**

To address an ongoing housing crisis and meet state law, Oakland's 6<sup>th</sup> Cycle Housing Element (2023–2031) directs the City to close the gap between affordable and market-rate housing production by expanding affordable housing opportunities. Among many other strategies, this is accomplished through Action 3.4.10, which calls for the City to implement a Housing Sites Overlay Zone to permit sites included in the Housing Element Sites Inventory to develop with mixed-income and affordable housing by right.

The sites inventory is a crucial part of the Oakland Housing Element, which identifies the City's "fair share" capacity to meet regional housing production quotas for all income categories as assigned by the State Department of Housing and Community Development (HCD) and the Association of Bay Area Governments (ABAG) through the Regional Housing Needs Allocation (RHNA).

On October 3, 2023, Oakland adopted the S-14 Overlay Zone to implement Action 3.4.10. The S-14 Zone provides a by-right review process for projects proposed on Housing Element Sites from prior Housing Element cycles so long as twenty percent (20%) of the units will be affordable to lower income households. An additional by-right approval process is available for sixth cycle sites that are not included in prior housing elements where the project meets specified affordable housing and minimum density requirements. This provision goes above and beyond state requirements for prior cycle by right review.

The S-14 Housing Sites Combining Zone has helped to provide streamlined development review, but staff continue to hear a growing concern that it may also be serving as a constraint on the activation of vacant or minimally developed parcels in the City and related economic impacts. Staff have proposed updating the majority residential use and minimum density requirements as we have continued to see some applications on S-14 sites that do not meet these requirements. For example, there have been cases in which businesses on S-14 Housing Element sites have been prevented from expanding their existing square footage, including development on existing parking lots, due to regulatory thresholds that would require the inclusion of housing units. These constraints have impacted nonprofits and other community-serving enterprises that directly benefit Oaklanders.

Due to these cases, city staff propose to add a provision to the S-14 Zone to allow non-residential development to proceed upon the issuance of a Conditional Use Permit (CUP). The CUP would need to make certain findings, including a no net loss or surplus sites determination.

On November 20, 2025, City staff met with representatives from the State Department of Housing and Community Development (State HCD) to discuss the proposed zoning amendments and to obtain guidance on maintaining consistency with the Action 3.4.10 program commitment. State HCD confirmed in a written email that the proposed modifications to the S-14 overlay are consistent with Action 3.4.10. Specifically, State HCD indicated that allowing non-residential projects on S-14 sites through a Conditional Use Permit (CUP) process—supported by findings that include a no net loss or surplus sites determination—would comply with Action 3.4.10 of the Housing Element.

## **PROJECT DESCRIPTION**

The following Planning Code chapters are proposed to be amended:

1. Chapter 17.96 S-14 Housing Sites Combining Zone Regulations to Amend Applicable Development Provisions:

- Update the definition for “Development Project” to include additions to existing buildings “where the square footage of the building is increased by fifty percent (50%) or more than thirty thousand (30,000) square feet, whichever is less,” applicable to businesses established after January 1, 2026. This would revise the current definition for Development Project that includes a major physical alteration to an existing building for purposes other than the purpose for which it was originally built or designed.
- Section 17.96.040 currently requires all development on S-14 Housing Sites to either constitute a majority residential use or meet one of the four exemptions listed. A proposed amendment would include an additional exemption from the majority residential use requirement via the Conditional Use Procedure (CUP) process. A CUP for non-housing development would be granted only if the proposal conforms to all applicable general use permit criteria provided under Section 17.134.050 and conforms to both of the following findings:
  - The proposed development will provide substantial economic or community benefit to the surrounding neighborhood; and
  - The remaining sites identified in the City of Oakland Housing Element are adequate to accommodate the City’s remaining share its regional housing need for the 2023-2031 Housing Element cycle. This finding shall be consistent with the No Net Loss finding provided in California Government Code Section 65863. The finding shall include a quantification of the City’s progress toward housing production during the 2023-2031 Housing Element cycle, the remaining unmet need for the City’s share of the regional housing need at each income level, and the remaining realistic capacity of sites identified in the Housing Element to accommodate that need by income level.

In order for a proposed project to receive a CUP pursuant to Section 17.96.040, the number of dwelling units shown as the realistic capacity for the proposed development site would need to be accommodated on other identified housing inventory sites.

- These proposed amendments do not alter or limit the by-right opportunities for mixed-income and affordable housing proposed within the S-14 Housing Sites Combining Zone.

**2. “Work/Live” and “Live/Work” Development Standards Amendments to Provide Consistency with Building Code Regulations:**

- In order to be consistent with recent amendments to the Oakland Building Code (in response to California Building Standards Code updates), a set of amendments are proposed to Chapter 17.65 HBX Housing and Business Mic Commercial Zone Regulations, Chapter 17.73 CIX, IG and IO Industrial Zones Regulations, Chapter 17.101E D-CE Central Estuary District Zones Regulations, and Chapter 17.101K D-DT Downtown District Zones Regulations to update specific regulations for “Work/Live” and “Live/Work” Development Standards. The proposed set of amendments would update the maximum non-residential unit area from existing ratios to not allow more than fifty (50) percent for non-residential square footage in “Work/Live” and “Live/Work” units throughout the Planning Code.

**PROPERTY DESCRIPTION**

This section is not applicable since this is not a development project.

**GENERAL PLAN ANALYSIS**

The proposed Planning Code amendments to the S-14 Housing Sites Combining Zone Regulations support the General Plan Land Use and Transportation Element (LUTE) Objectives D6: “Eliminate blight caused by underutilized properties;” N1: “Provide for healthy, vital, and accessible commercial areas that help meet local consumer needs in the neighborhoods;” I/C3: “Ensure that Oakland is adequately served by a wide variety of commercial uses, appropriately sited to provide for competitive retail merchandising and diversified office uses, as well as personal and professional services;” while maintaining Objective N6: “Encourage a mix of housing costs, unit sizes, types, and ownership structures.”

By amending the Planning Code to provide a Conditional Use Process for non-residential development in the S-14 Housing Sites Combining Zone, the proposed Planning Code amendments would allow for commercial development on sites that are currently vacant and would otherwise not be developed in the foreseeable future. Allowing this development will support existing communities by revitalizing unused or underused buildings or space, providing commercial services and amenities, and expanding potential for local jobs. Furthermore, these amendments would facilitate the opening of new neighborhood-serving businesses in existing commercial districts. This would improve residents’ access to services, reduce travel distances, and help support the expansion of vital community resources.

Providing remedy to constraints on the activation of vacant or minimally developed parcels, advanced the following LUTE policies:

- Policy I/C1.4 - Invest in Economically Distressed Areas of Oakland.
- Policy I/C3.4 - Strengthen and preserve the vitality of existing neighborhood mixed use and community commercial areas.
- Policy T2.3 - Promote neighborhood-serving commercial development within one-quarter to one-half mile of established transit routes and nodes.
- Policy D6.1 - Develop Vacant Lots and Policy D6.2 Reuse Vacant or Underutilized Buildings.

**Race and Equity General Plan Compliance:**

In September 2023, the City of Oakland adopted an Environmental Justice Element (EJ Element) as part of Phase 1 of the General Plan Update, which constitutes the baseline against which the Race and Equity Impact Assessment for this project is determined. The EJ Element “serves as the foundation for achieving equity and environmental justice when planning for future growth and development in Oakland.” The EJ Element identifies communities that are disproportionately impacted by environmental justice issues and proposes goals, policies, and objectives to reduce the unique or compounded health risks in these communities. It also contains a comprehensive table of actions to achieve those goals and objectives, many of which have already been implemented.

The proposed Planning Code amendments would allow for non-residential development that provides economic development and/or social benefits to the surrounding community. This will expand access to services for Oakland residents. The proposed amendments would help implement various goals of the Environmental Justice Element, including the following goals to advance racial equity by improving access to services in underserved neighborhoods:

- EJ-5.1 New Healthy Food Grocers
- EJ-7.1 Complete Neighborhoods

## **ZONING ANALYSIS**

The ordinance proposes revisions to the following Oakland Planning Code Chapters:

- Chapter 17.96 S-14 Housing Sites Combining Zone Regulations
- Chapter 17.65 HBX Housing and Business Mic Commercial Zone Regulations
- Chapter 17.73 CIX, IG and IO Industrial Zones Regulations
- Chapter 17.101E D-CE Central Estuary District Zones Regulations
- Chapter 17.101K D-DT Downtown District Zones Regulations

Amendments to Chapter 17.96 S-14 Housing Sites Combining Zone Regulations of the City of Oakland (City) Planning Code (Title 17 of the Oakland Municipal Code) would include a Conditional Use Procedure (CUP) that allowing for non-residential development on Housing Element Inventory Sites, if the proposal meets certain findings, including a no net loss or surplus sites determination. Additional amendments are proposed to “Work/Live” and “Live/Work” development standards across seven chapters of the Planning Code to provide consistency with the California Building Code (C.B.C.) and Oakland Building Regulations.

## **ENVIRONMENTAL DETERMINATION**

The proposed amendments to the Planning Code rely on the following California Environmental Quality Act (CEQA) findings: (1) a determination that no further environmental review is required following the certified Oakland 2045 General Plan Update - Phase 1 Environmental Impact Report and Downtown Oakland Specific Plan Environmental Impact Report pursuant to Public Resources Code section 21166 and CEQA Guidelines Section 15162 or 15163; (2) this proposal is exempt pursuant to CEQA Guidelines section 15183 (projects consistent with General Plan and zoning); and (3) this proposal is exempt pursuant to CEQA Guidelines Sections 15061(b)(3) (general rule, no significant effect on the environment). Each of these findings provide a separate and independent basis for CEQA clearance and when viewed collectively provide an overall basis for CEQA clearance.

## **KEY ISSUES AND IMPACTS**

**Economic:** By amending the Planning Code to provide a Conditional Use Process for non-residential development in the S-14 Housing Sites Combining Zone, the proposed Planning Code amendments would allow for commercial development on sites that are currently vacant and would otherwise not be developed in the foreseeable future. Allowing this development will support existing communities by revitalizing unused or underused buildings or space, providing commercial services/amenities, and expanded potential for local jobs.

**Environmental:** The proposed Planning Code amendments to Chapter 17.96 S-14 Housing Sites Combining Zone Regulations would facilitate the opening of new neighborhood-serving businesses in existing commercial districts. This would improve residents' access to services, which would reduce travel distances.

The remaining changes being proposed provide cleanup and administrative amendments; these amendments assist in providing clarity and no impacts are anticipated.

## **RECOMMENDATIONS:**

Staff Requests That The Planning Commission:

Recommend That The City Council Conduct A Public Hearing And, Upon Conclusion, Adopt An Ordinance:

1. Amending Title 17 Of The Oakland Municipal Code (The Planning Code) To:
  - A. Amend Chapter 17.96 S-14 Housing Sites Combining Zone To Update The Definition of Development Project And To Include A Conditional Use Permit Procedure For Non-Housing Developments; And
  - B. Update "Work/Live" And "Live/Work" Residential To Non-Residential Unit Area, As Referenced Throughout Title 17, To Correspond With Revisions To The California Building Code and Oakland Building Regulations; And
2. Making Appropriate California Environmental Quality Act Findings.

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**ATTACHMENTS:**

- A. Proposed Amendments to S-14 Zone Regulations
- B. Proposed Amendments to Work/Live and Live/Work Units