

June 18, 2025

Location:	Citywide
Proposal:	Present an informational report to the Planning Commission describing (1) the progress the City made in 2024 to implement and update Oakland's current General Plan, implement the policies adopted in the City's 2023-2031 Housing Element, and meet the City's share of the Regional Housing Needs Allocation (RHNA); and (2) an analysis of the 2024 Accessory Dwelling Unit (ADU) Affordability Survey.
Applicant:	City of Oakland, Bureau of Planning
Contact Person/ Phone Number:	Timothy Green: (510) 238-6436
Owner:	N/A
Case File Number:	N/A
Planning Permits Required:	N/A
General Plan:	Citywide
Zoning:	Citywide
Proposed Environmental Determination:	Not a project under the California Environmental Quality Act.
Historic Status:	N/A
City Council District:	All Council districts.
Finality of Decision:	Request for Planning Commission and public comment.
For Further Information:	Timothy Green: (510) 238-6436; email: TGreen@oaklandca.gov .

CITY OF OAKLAND PLANNING COMMISSION

SUMMARY

Pursuant to Section 65400 and 65700 of the California Government Code, the City of Oakland (City) has prepared Annual Progress Reports (APRs) for calendar year 2024 on implementation of the overall General Plan and on the housing-related programs and policies contained in the 2023-2031 Oakland General Plan Housing Element. This is the second year of reporting on the 2023-2031 Housing Element, which was adopted by the City Council via [Resolution No. 89565 C.M.S.](#) on January 31, 2023. The California Department of Housing and Community Development (State HCD) found Oakland's Housing Element to be in [full compliance](#) with the State Housing Element Law (Article 10.6 of the Gov. Code) on February 17, 2023.

This informational report highlights accomplishments reached in 2024 toward implementing and updating the Oakland General Plan; implementing City programs and policies adopted in the 2023-2031 Oakland General Plan Housing Element; and meeting the City's housing production and preservation goals. While both affordable and market-rate housing saw stable levels of entitlement activity, most housing units that secured building permits and began construction were deed-restricted affordable housing, and most new housing units completed in 2024 were market-rate. This large volume of new market-rate housing completing construction represents the tail end of the pipeline from the late 2010s market-rate housing boom in Oakland, which has added over 12,000 new market-rate units to Oakland's housing stock over the past five years and likely played a key role in stabilizing market rents since the pandemic. The significant jump in affordable housing receiving building permits and entering construction in 2024 is largely due to investments from Oakland's Measure U affordable housing bond. Other major housing trends have largely held stable—multifamily construction continues to represent the overwhelming majority of new housing units, but Accessory Dwelling Units (ADUs) remain on their current trajectory of over 200 permitted ADUs per year.

The complete 2024 Oakland General Plan and Housing Element APRs can be found on the City's webpage: <https://www.oaklandca.gov/documents/housing-element-annual-progress-reports>.

(Note: The 2024 Housing Element APR contains very large tables that are not suitable for printing and are best viewed electronically. The pertinent content of these tables is stated in this report and attachments.)

BACKGROUND

California Government Code Sections 65400 and 65700 require that the City prepare and submit annual reports—known as the General Plan APR and Housing Element APR—to the California Office of Land Use and Climate Innovation (State LCI)¹ and to the California Department of Housing and Community Development (State HCD) by April 1st of each year, using forms and definitions adopted by State HCD. The General Plan APR must describe progress toward implementing and updating the General Plan each year. The Housing Element APR must describe progress made by the City to implement policies adopted in the Housing Element and to meet the City's share of the Regional Housing Needs Allocation (RHNA).

Oakland's 2024 General Plan APR, submitted to the State LCI on April 1, 2025, reflects progress toward implementing Oakland's current General Plan. During the 2024 reporting year, the Planning and Building Department launched Phase 2 of the 2045 Oakland General Plan Update, which includes: (1) updating the Land Use and Transportation; Noise; and Open Space, Conservation, and Recreation elements; and (2) creating a new Infrastructure and Capital Facilities Element.

¹ Formerly the Office of Planning and Research

Oakland’s 2024 Housing Element APR, submitted to the State LCI and State HCD on April 1, 2025, reflects the second year of reporting on progress to meet the production targets and policies within the 2023-2031 Oakland Housing Element. Notably, the Housing Element APR quantifies the number of net new housing units in submitted applications, approved, permitted, or completed—by household affordability level—during the reporting year (January 1, 2024, to December 31, 2024).

In accordance with Action 5.2.11 of the adopted 2023-2031 Housing Element, staff is bringing this informational report for discussion before the Planning Commission.

PROJECT DESCRIPTION

The analysis in this report addresses the (1) 2024 General Plan Annual Progress Report; and (2) 2024 Housing Element Annual Progress Report.

I. 2024 GENERAL PLAN ANNUAL PROGRESS REPORT

The 2024 General Plan APR addresses the following topics: (1) Date of the Last Update to the General Plan; (2) Measures Associated with Implementation of the General Plan; (3) Compliance with OPR’s General Plan Guidelines; (4) Updating Goals, Policies, Objectives, Standards, or Other Plan Proposals; and (5) Implementation of the General Plan.

Date of the Last Update to the General Plan

California Government Code section 65302 mandates that all General Plans address specific topics. **Table 1** summarizes the eight (8) required General Plan Elements and two (2) optional topics with the date that they were last updated.

Table 1: General Plan Elements

General Plan Element	Required Content	Last Updated
<i>Phase I of the General Plan Update included updates of the Housing and Safety Elements of the General Plan and creation of the City’s first Environmental Justice Element</i>		
Housing (Required)	The Housing Element implements the declaration of State law that the availability of housing is a matter of vital statewide importance. It is more specific and directive than other elements, with detailed guidance and reviews. The State HCD must review and certify the Housing Element, while jurisdictions submit annual progress reports. In Oakland (and most major cities), the Housing Element must be revised and submitted to State HCD for review on an eight-year cycle.	January 31, 2023
Safety (Required)	The Safety Element is intended to reduce potential short and long-term risks of death, injuries, property damage, and economic dislocation resulting from fires, floods, droughts, earthquakes, landslides, climate change; as well as local hazards.	September 26, 2023
Environmental Justice (Required)	Senate Bill 1000, passed in 2016, requires that cities and towns with disadvantaged communities adopt environmental justice policies or an Environmental Justice Element.	September 26, 2023

	<p>These must include objectives and policies to reduce health risks in disadvantaged communities, promote civic engagement in the public decision-making process, and prioritize programs that address the needs of disadvantaged communities.</p> <p>Under SB 1000, Oakland is required to adopt an Environmental Justice Element, either standalone or interwoven with other Elements, concurrent with updates to the Housing and Safety Elements.</p>	
<p><i>Phase II of the General Plan Update is currently underway and includes updates to the City's Land Use and Transportation Element (LUTE); Open Space, Conservation, and Recreation Element (OSCAR); Noise Element; and development of a new Infrastructure and Facilities Element.</i></p>		
Land Use (Required)	<p>The Land Use Element establishes the community's vision for growth via equitable and accessible distribution of different land uses, including residential, commercial, industrial, agricultural, and open space.</p> <p>In Oakland, the Land Use Element for areas outside of the Oakland waterfront is currently contained in the Land Use and Transportation Element (LUTE), adopted in 1998.</p> <p>The Estuary Policy Plan (EPP) establishes the Land Use Element for lands between Interstate 880 and the Oakland waterfront. The EPP was adopted as part of the General Plan in 1999.</p>	<p>LUTE - 1998</p> <p>EPP - 1999</p> <p>LUTE and EPP will be updated during Phase 2 of the General Plan Update.</p>
Circulation (Required)	<p>The Circulation Element addresses the community's infrastructure needs for the circulation of people, goods, energy, water, sewage, storm drainage, and communications. By statute, the Circulation Element must correlate directly with the Land Use Element.</p> <p>In Oakland, the Circulation Element for areas outside of the Oakland waterfront is currently contained in the Land Use and Transportation Element (LUTE), adopted in 1998 (Oakland refers to "Circulation" as "Transportation").</p> <p>The 1999 EPP establishes the current Circulation Element for areas between Interstate 880 and the Oakland waterfront.</p> <p>The 2017 Pedestrian Plan is an adopted part of the City's Circulation Elements, and sets goals, outlines related policies and programs, and establishes a prioritization strategy to implement recommendations that will improve the pedestrian environment.</p>	<p>LUTE - 1998</p> <p>EPP - 1999</p> <p>LUTE and EPP will be updated during Phase 2 of the General Plan Update.</p> <p>The Pedestrian Plan was updated in 2017.</p> <p>The Bike Plan was comprehensively updated in 2019.</p>

	The 2019 Bike Plan is also an adopted part of the City's Circulation Elements and outlines major improvements to Oakland's bicycle network and introduces brand new cycling programming.	
Open Space (Required)	<p>The Open Space Element identifies the community's valuable undeveloped areas and creates a long-term plan to preserve them.</p> <p>In Oakland, the Open Space Element is currently contained in the City's Open Space, Conservation and Recreation (OSCAR) Element, adopted in 1996.</p>	<p>1996</p> <p>The OSCAR Element will be updated during Phase 2 of the General Plan Update.</p>
Conservation (Required)	<p>The Conservation Element establishes the community's goals and policies for the retention, enhancement, and development of natural resources. It is to be coordinated with the Land Use and Open Space Elements.</p> <p>In Oakland, the current Conservation Element is contained in the City's OSCAR Element, adopted in 1996.</p>	<p>1996</p> <p>The OSCAR Element will be updated during Phase 2 of the General Plan Update.</p>
Noise (Required)	<p>The Noise Element describes the community's local noise environment and analyzes current and projected noise levels. It outlines policies and implementation measures to address existing and foreseeable noise problems.</p> <p>In Oakland, the current Noise Element was adopted as part of the General Plan in 2005.</p>	<p>2005</p> <p>Noise Element will be updated during Phase 2 of the General Plan Update.</p>
<i>In 2024, the following optional Elements of Oakland's General Plan did not have a timeline for updates:</i>		
Historic Preservation (Optional)	The Historic Preservation Element provides policies and actions to encourage the preservation of older buildings, districts, and other physical features of historic value.	1994
Scenic Highways (Optional)	The Scenic Highways Element establishes policies to preserve and enhance designated roadways traversing the City. It was previously a required element under State law, but that requirement was rescinded in 1984.	1974

Measures Associated with Implementation of the General Plan

In 2024, the City continued working on major long-range planning initiatives to implement the Oakland General Plan. While not exhaustive, the list below offers a highlight of major implementation milestones, organized by General Plan Element.

- Land Use and Transportation Element (LUTE):
 - [Downtown Oakland Specific Plan](#) (adopted July 2024)
 - [Equitable Climate Action Plan](#) (adopted July 2020)
 - [Coliseum Area Specific Plan](#) (adopted April 2015)
 - [Broadway Valdez District Specific Plan](#) (adopted June 2014)
 - [West Oakland Specific Plan](#) (adopted June 2014)
 - [Lake Merritt Station Area Plan](#) (adopted December 2014)
 - [Central Estuary Area Plan](#) (adopted April 2013)
- Safety Element:
 - [Vegetation Management Plan](#) (adopted May 2024)
 - [Local Hazard Mitigation Plan](#) (adopted June 2021)
- Open Space, Conservation, and Recreation (OSCAR) Element:
 - [Urban Forest Master Plan](#) (adopted December 2024)

General Plan Compliance with OPR's General Plan Guidelines

As stated previously, a comprehensive update of the City's General Plan is currently underway. Phase 1 of the General Plan Update (GPU) was completed in fall 2023; and included updates to the Housing Element and Safety Element, the creation of a new Environmental Justice Element, an Industrial Lands Study, an Environmental Impact Report (EIR), and updates to the zoning code and map. In conjunction with Phase 1 of Oakland's GPU, the City created a [Map Atlas](#) to facilitate community input on planning issues, priorities and vision for the future and developed the [Environmental Justice and Racial Equity Baseline](#) to identify and delineate disparities by race and geography. With this GPU, the City is advancing its commitment to creating a "fair and just" city and undo past harms and inequities through the creation of more robust and equitable General Plan goals, policies, and actions. This means working to identify and understand the barriers to achieving greater equity and strengths of communities and working with communities to develop solutions for long-term and systemic changes that eliminate the root causes of inequity.

In October 2024, the City launched Phase 2 of the GPU. This phase of work will involve updates to the Land Use and Transportation Element (LUTE); the Open Space, Recreation, and Conservation Element (OSCAR); the Noise Element; and development of a new Infrastructure and Capital Facilities Element. GPU Phase 2 kicked off in Fall 2024 with a month-long city-wide survey that gathered insights on planning priorities, neighborhood needs, and visions for Oakland's future that will inform the development of GPU Phase 2 elements and goals. Insights from the survey were analyzed in the [Phase 2 Citywide Survey Report](#). Insights from this survey and community engagement and public input gathered during 2023 from GPU Phase 1 will inform the development of GPU Phase 2 alternatives and the GPU Phase 2 elements.

The City's GPU process includes a robust and multi-pronged strategy for community engagement, including workshops, discussion groups, pop-up outreach, cultural events, youth engagement, online engagement methods, decision-maker meetings, and more. The GPU process places particular emphasis on engaging communities historically underrepresented and excluded from traditional planning processes and often most negatively impacted by City policies. In 2024, the City worked to assess the success of community engagement activities in GPU Phase 1 and to stand up a robust process for community co-creation and engagement for GPU Phase 2.

Goals, Policies, Objectives, Standards, or Other Plan Proposals

In July 2024, the City adopted the Downtown Oakland Specific Plan (DOSP), which sets forth an action plan and policies that will guide future development and growth of Oakland's Downtown, in keeping with actions and policies established by the ongoing General Plan Update process. The DOSP was accompanied by an Environmental Impact Report (EIR) and an update to the City's Planning Code and Zoning Map.

The Vegetation Management Plan and the Urban Forest Master Plan were also formally adopted in May and December of 2024, respectively, achieving a benchmark established by the Safety Element and setting the stage for the forthcoming Open Space, Conservation, and Recreation Element.

Implementation of the General Plan

The following plans and projects were approved or ongoing in 2024, and amended or proposed amending the General Plan and/or General Plan land use maps:

- [Brooklyn Basin \(288 9th Avenue\)](#)—Ongoing Construction in 2024
- [Brooklyn Basin Parcel N \(80 Fallon Street\)](#) - Application Submitted in 2024
- [Downtown Oakland Specific Plan \(DOSP\)](#)— Approved in 2024
- [Former California College of the Arts Campus \(5212 Broadway\)](#)— Approved in 2024
- [Lake Merritt BART TOD \(51 9th Street\)](#) - Ongoing Construction in 2024
- [Oak Knoll Mixed Use Community \(8750 Mountain Blvd.\)](#) - Ongoing Construction in 2024

II. 2024 HOUSING ELEMENT ANNUAL PROGRESS REPORT

The 2024 Housing Element Annual Progress Report (APR) addresses topics including: (1) Overall Housing Production; (2) Affordability of New Housing Units; (3) Progress Towards Meeting Regional Housing Needs Allocations (RHNA) & Reporting Shortfall Housing Needed; (4) Preservation of Residential Units; (5) Applications for Lot Splits & Units Constructed; (6) Housing-Related Activities and Policy; and (7) Key Issues and Expectations for 2025.

1. Overall Housing Production

The Housing Element APR provides a comprehensive accounting on new housing production, by affordability level and type of unit, at key milestones of the development process. In other words, the Housing Element APR provides an accounting of new housing units **proposed** (in application submittals to the Planning Bureau), **entitled** (received all the required land use approvals), **permitted** (issued a building permit), and **completed** (passed its final building inspection) during 2024.

Table 2 provides the number of new housing units by phase of development and unit type. Analysis of each phase of development is in the subsequent sections. The specific unit type refers to the density and physical form of each development project. State HCD stipulates the following “Unit Type” definitions:

- **Single Family-Detached Unit (SFD)** – A one-unit structure with open space on all four sides. The unit often possesses an attached garage.
- **Single Family-Attached Unit (SFA)** – A one-unit structure attached to another unit by a common wall, commonly referred to as a townhouse, half-plex, or row house. The shared wall or walls extend from the foundation to the roof with adjoining units to form a property line. Each unit has individual heating and plumbing systems.
- **2-, 3-, and 4-Plex Units per Structure (2-4)** – A structure containing two, three, or four units and not classified as single-unit attached structure.
- **5 or More Units per Structure (5+)** – A structure containing five or more housing units, also known as “Multifamily Housing Projects.”
- **Accessory Dwelling Unit (ADU)** – A unit that is attached, detached, or located within the living area of an existing dwelling or residential dwelling unit which provides complete independent living facilities for one or more persons. This category also includes *Junior ADUs*.²
- **Mobilehome Unit/Manufactured Home (MH)**³ – A one-unit structure that was originally constructed to be towed on its own chassis.

Table 2: Number of New Housing Units by Phase of Development and Unit Type, 2024

Unit Category	Proposed	Entitled	Permitted	Completed
SFD	47	46	29	25
SFA	2	-	1	169
2 to 4	31	23	18	15
5+	2,261	2,315	767	1,787
ADU	303	263	213	253
MH	21	19	-	-
Totals	2,665	2,666	1,028	2,249

² ADUs include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel on which the single- or multi-family dwelling is situated pursuant to Government Code section 65852.2. For purposes of the APR, an ADU also includes the following: an efficiency unit, as defined in Section 17958.1 of the Health and Safety Code or a manufactured home, as defined in Section 18007 of the Health and Safety Code.

³ This category includes Vehicular Residential Facilities as defined in the Oakland Planning Code chapter 17.10.700.

a. New Housing Units Proposed in Application Submittals

Table A of the Housing Element APR⁴ provides a list of application submittals for new housing development that were submitted in 2024 and considered active on December 31, 2024.

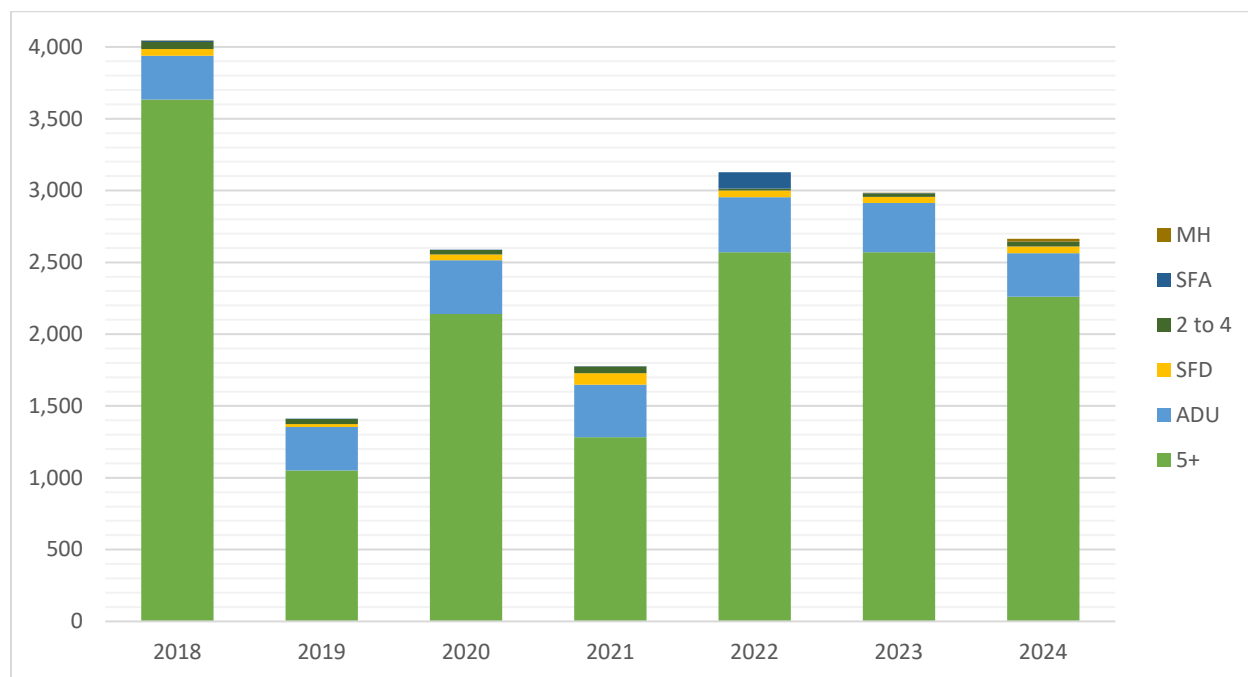
A total of **385** applications for new housing development were submitted in 2024. As shown in **Table 2** above, these applications propose a total of **2,665** new units distributed across housing types accordingly: **2,261** multifamily units; **303** ADUs; **47** single-family detached units; **31** units in duplexes, triplexes, or fourplexes; **21** mobilehomes; and **two** single-family attached units. The number of applications received per year has remained relatively consistent since 2018, when State law first began to require municipalities to report on application submittals.

As shown in **Figure 1** below, the application submittals for 2,665 new units in 2024 reflect a slightly above-average year since 2018. However, this is a 11% decline from 2023 and a 34% decline from the peak year of 2018. Despite this trend, applications for single family-detached units increased by 9% relative to 2023.

While 2022 demonstrated a rebound from the impacts of the COVID-19 pandemic, 2023 and 2024 reflect the realities of an increasingly constrained financial environment. Housing developers are contending with rapidly escalating construction costs; high interest rates; and market rents that have leveled off in escalation primarily due to the over 12,000 units of new market-rate housing that has been completed in Oakland over the past five years. Roughly half of proposed new units are for deed-restricted affordable housing, reflecting Oakland's ability to contribute local funding to these developments largely through Measure U. In 100% affordable projects, the ability of these projects to enter construction is highly dependent on the ability to further secure competitive funding at the State level. Most of the remaining proposed units are in multifamily projects, which will likely take several years to complete and remain dependent on market conditions for when they will begin construction.

⁴ https://cao-94612.s3.us-west-2.amazonaws.com/documents/Oakland2024_Online.xlsx

Figure 1: Total Number of Units from Application Submittals for New Housing Development, 2018-2024



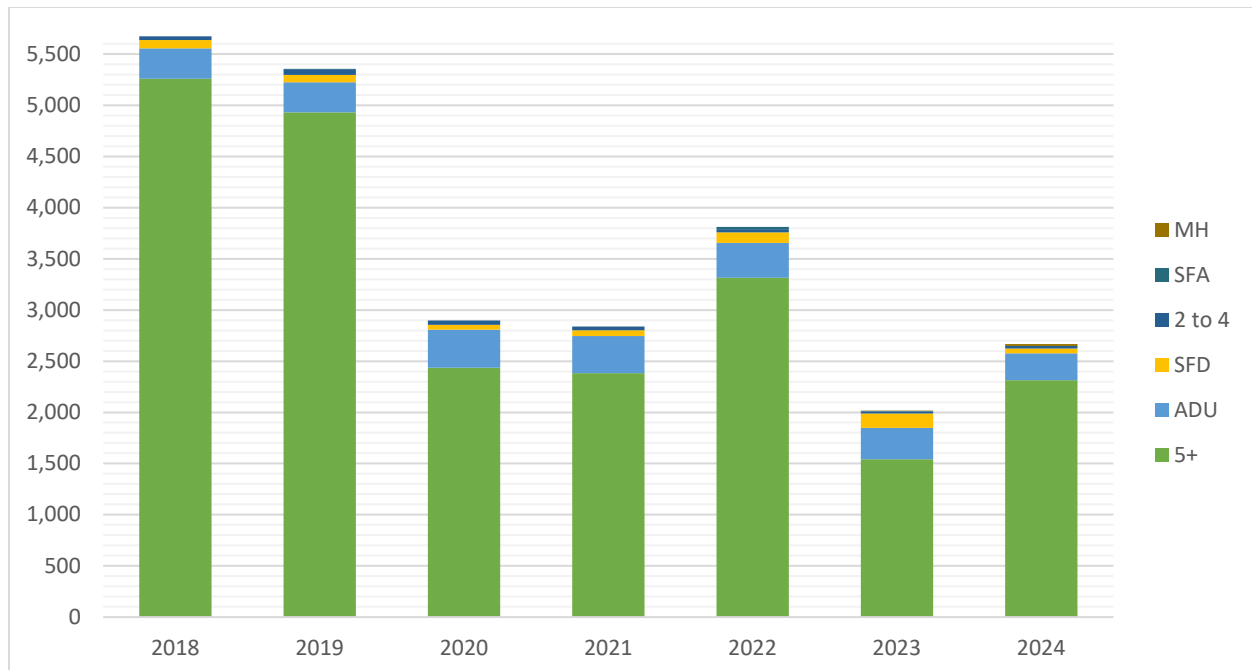
b. New Housing Units Entitled or Approved by Zoning

“Entitlements” are planning and zoning approvals to develop a property. A project that has been entitled means the housing development has received all the required land use approvals necessary for the issuance of a building permit. Entitlement typically involves a formal planning review process which focuses on whether the new residential facility will meet specific criteria, including:

- Development standards established by Zoning;
- Conformity to the Oakland General Plan and any applicable Specific Plans; and
- Design review criteria adopted by the Planning Commission or City Council.

As shown in **Table 2**, the City entitled a total of **2,666** new housing units in 2024. As shown in **Figure 2**, more units were entitled in 2024 than in 2023 but remained below average relative to the period from 2018 to 2024. This represents a 32% increase from 2023 but a 53% decline from the peak year of 2018. In 2024, the increase was largely driven by multifamily housing units, with a 50% increase from 2023.

Figure 2: Total Number of New Housing Units Entitled, 2018-2024

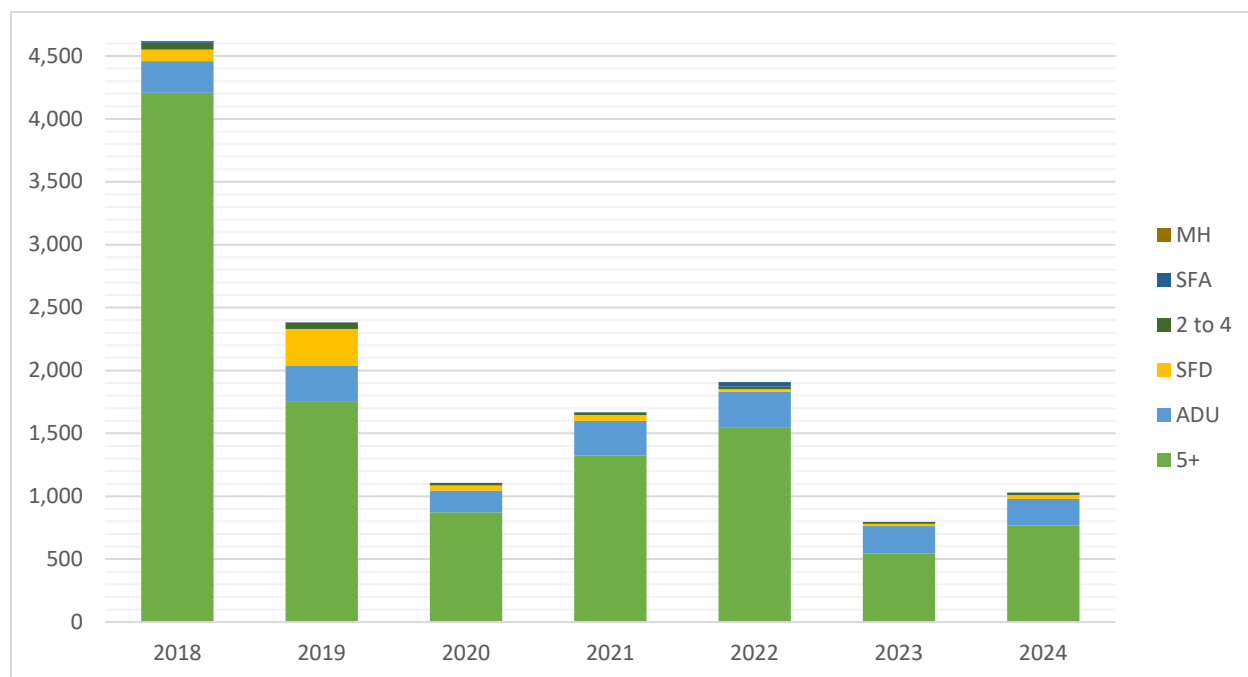


c. New Housing Units Issued a Building Permit (Permitted)

Building permits ensure that any new construction complies with all health, safety, and building code standards. The issuance of a building permit signals that construction on a project may begin - at this point, the unit is considered “permitted”. While projects that have received entitlements have all the necessary land use approvals to apply for a building permit, external factors - such as financing, the real estate market, and complying with applicable pre-construction conditions of approval - will impact the timing for when an application for a building permit is submitted. Only building permits for the construction of new housing units may be counted towards meeting the RHNA.

As shown in **Table 2**, the City permitted a total of **1,028** new housing units in 2024. As shown in **Figure 3**, more units were permitted in 2024 than in 2023 but remained below average relative to the period between 2018 and 2024. This represents a 30% increase from 2023, but a 78% decline from the peak year of 2018. More than any other metric, the low number of units permitted in 2024 demonstrates the constrained financial environment under which housing developers are currently operating. In contrast to planning entitlements, housing developers typically only apply for building permits once they are ready to break ground on a project. This means that building permit issuance is the best indicator for the current state of housing development. In that regard, this is the stage at which housing developers are most sensitive to rapidly escalating construction costs, high interest rates, and depressed market rents. Accordingly, the increase in permitting relative to 2023 is largely driven by the large portion of affordable housing that was permitted, as described in the section starting on page 13.

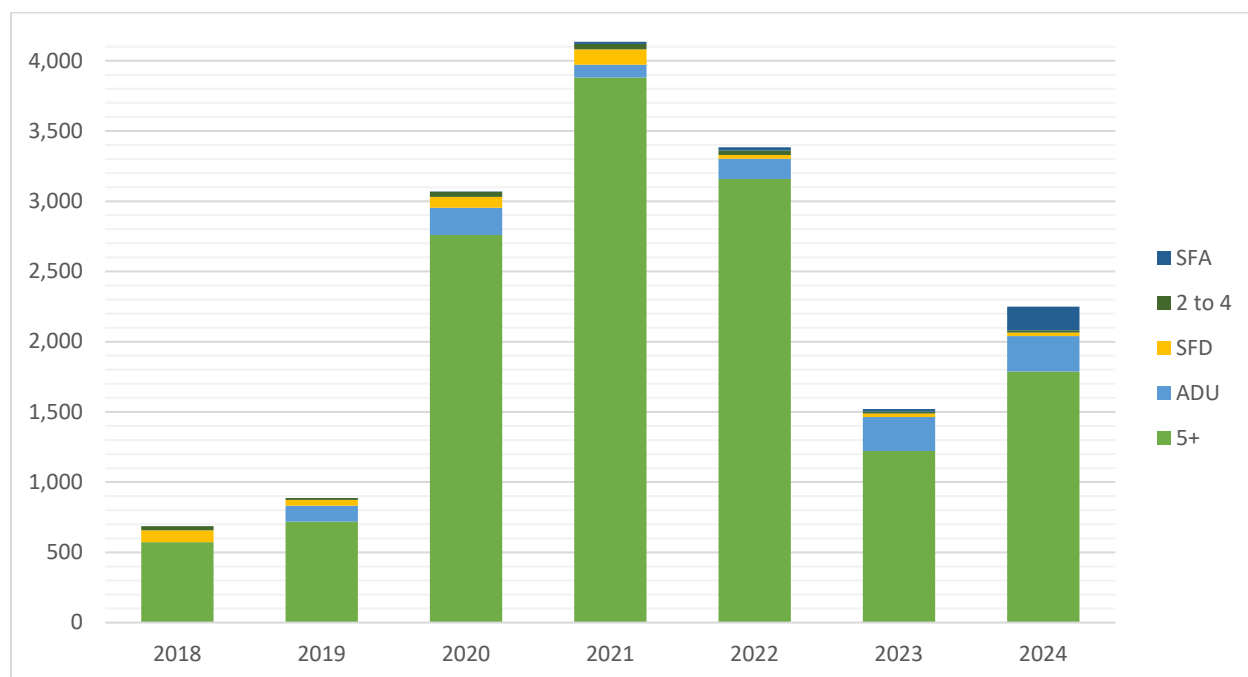
Figure 3: Total Number of New Housing Units Permitted, 2018-2024



d. New Housing Units Completed

A completed unit is one where the project has passed its final building inspection and is now ready for occupancy. Inspections are required to ensure that the construction is proceeding according to all current code standards, the approved plans, as well as any conditions-of-approval. As shown in **Table 2**, the City completed final inspection of a total of **2,249** new housing units in 2024. As shown in **Figure 4**, more units were completed in 2024 than in 2023 but remained below average relative to the years since 2018. This represents a 48% increase from 2023, but a 46% decline from the peak year of 2021. Notably, more ADUs were completed than in any other year in the period between 2018 and 2024, representing a 5% increase from the previous record in 2023. This demonstrates the resilience of ADU production in challenging financial environments.

Figure 4: Total Number of New Housing Units Completed, 2018-2024



2. Affordability of New Housing Units

This Housing Element APR provides a summary of housing production by household affordability level. The income levels used in the Housing Element APR are defined by State HCD based on Area Median Income (AMI).⁵ The AMI is the midpoint of an area's income distribution. This means half of households in an area earn more than the median and half earn less than the median. Each income level is defined below:

- A Very Low-Income (VLI) household earns between zero and 50 percent of AMI.
- A Low-Income (LI) household earns between 51 and 80 percent of AMI.
- A Moderate-Income (MI) household earns between 81 and 120 percent of AMI.
- An Above-Moderate household earns more than 120 percent of AMI. Housing units affordable to this income level are known as “Market-Rate” units.

An Extremely Low-Income (ELI) household earns equal to or less than 30 percent of AMI. The Housing Element APR counts ELI units as a subset of new housing units affordable to Very Low-Income (VLI) households. This is because the APR defines VLI as households earning between

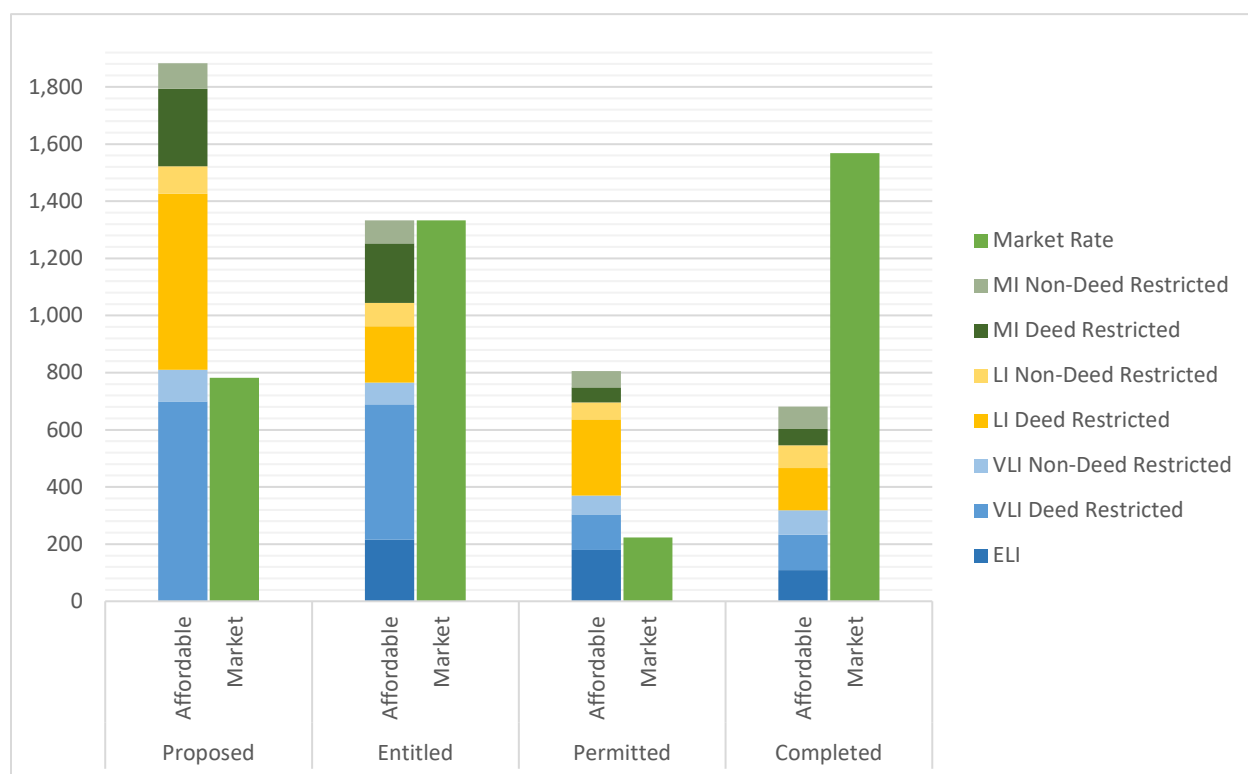
⁵ For more information about Area Median Income: <https://www.oaklandca.gov/resources/rent-and-income-limits-for-affordable-housing>.

zero (0) and 50 percent of AMI. Thus, the number of new VLI units provided in this report also includes ELI units.

For new housing units reported as affordable, the Housing Element APR also provides information on the financial assistance program or deed-restriction mechanism used to subsidize the unit.

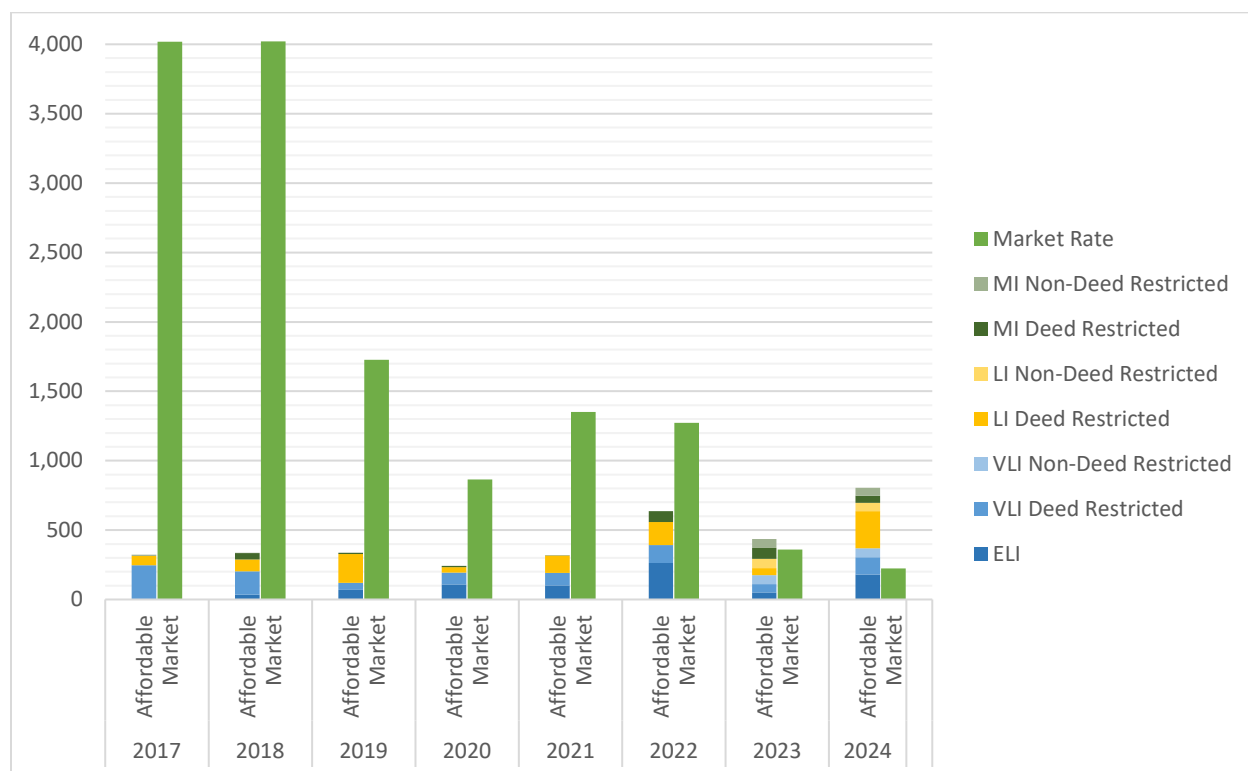
As shown in **Figure 5** and **Figure 6**, the City made important progress in 2024 toward expanding the supply of affordable housing in Oakland. Notably, more or equal numbers of affordable units were proposed, entitled, and permitted compared to market-rate units. Of the 1,028 new units permitted in 2024, 61% were deed restricted affordable units, 18% non-deed restricted affordable ADUs, and 22% market rate units. This demonstrates how subsidized affordable housing is critical to addressing the housing crisis in a financially challenging environment. The robust production of affordable housing seems poised to continue as 50% of the 2,666 new units entitled in 2024 are affordable.

Figure 5: Number of New Housing Units by Phase of Development and Affordability, 2024⁶



⁶ Figure 5 has been updated from previous reports on the 2024 APR to correct an error in the number of Completed LI Deed Restricted and MI Deed Restricted Units.

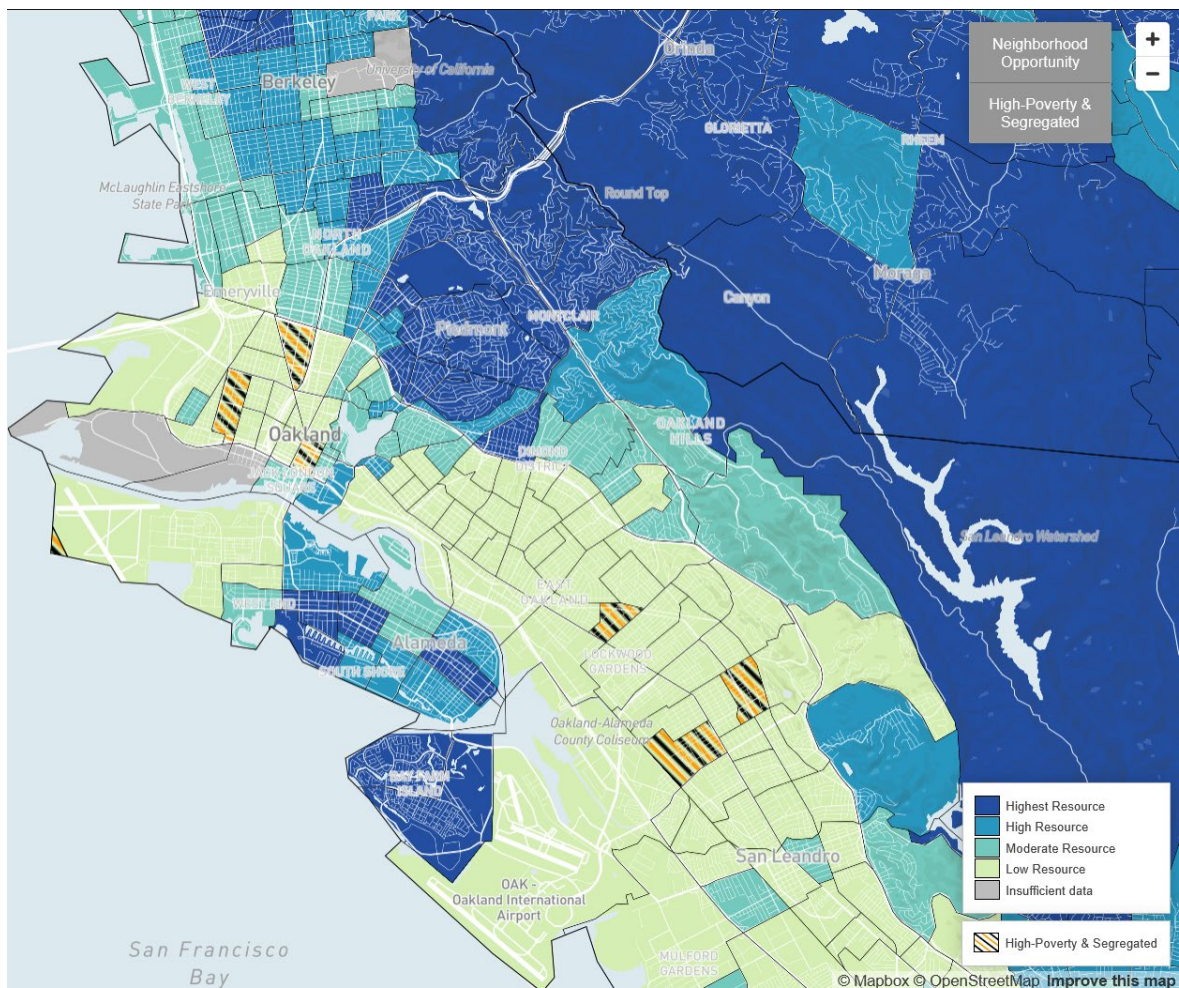
Figure 6: New Housing Units Permitted by Affordability, 2017-2024



The high proportion of affordable housing is due in part to the **City's Measure U affordable housing bond investments that enabled more affordable housing units to secure permits and begin construction in 2024 than at any other point in the past eight years**. The high proportion of affordable housing last year is also due to the low number of market-rate housing projects that secured permits in 2024. Significant construction cost inflation over the past few years, stable rents, and high interest rates may all be contributing factors to the low number of market-rate projects entering construction. As such, the number of deed-restricted affordable housing units permitted in 2024 increased by 159% relative to 2023, while market-rate units decreased by 38%.

The State and the California Fair Housing Task Force use a series of opportunity maps developed by the Tax Credit Allocation Committee (TCAC) and the California Department of Housing and Community Development (HCD) to define areas of low to high opportunity using a set methodology.⁷ As shown in **Figure 7**, most of Oakland's zoned residential capacity at all income levels is in the low resource areas, largely because over 60 percent of land—including much of Downtown—is considered lower resource per TCAC's Opportunity Scores. The high and highest resource neighborhoods carry a relatively small portion of zoned residential capacity—influenced by environmental constraints present in the Oakland Hills. Notably, about 70 percent of Oakland's highest resource areas are within a Very High Fire Hazard Severity Zone (VHFHSZ), as are about 26 percent of the city's high resource areas.

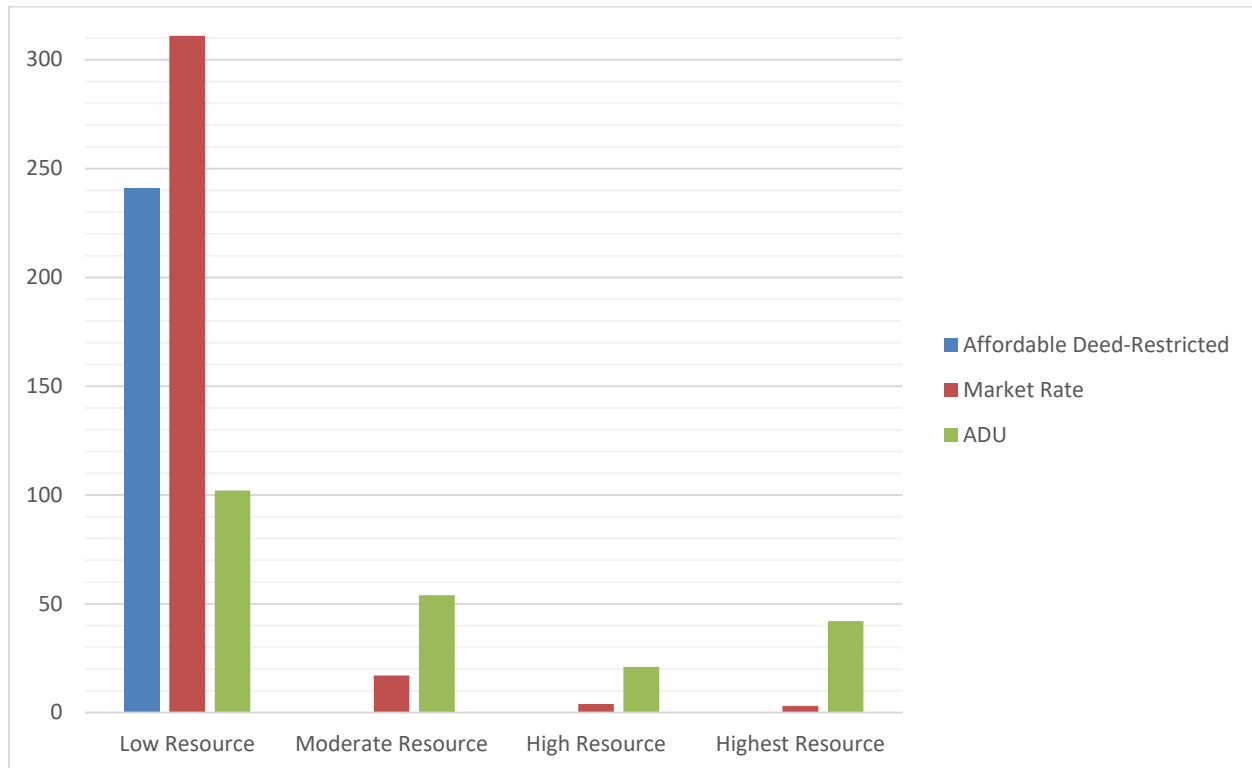
Figure 7: Oakland TCAC Opportunity Areas, 2024



⁷ <https://www.treasurer.ca.gov/ctcac/opportunity.asp>

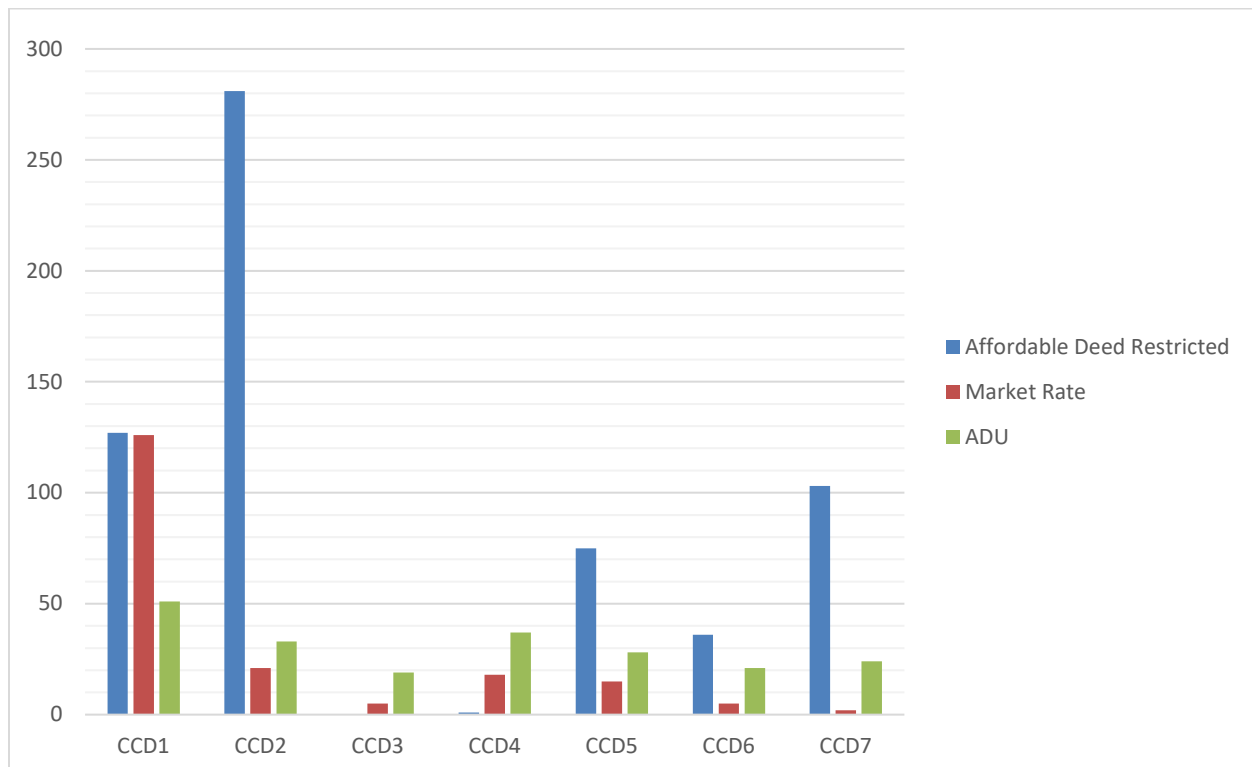
As shown in **Figure 8**, 78% of units permitted in 2024 are in Low Resource areas, including 84% of all Affordable Deed Restricted units (526 units), 82% of all Market Rate units (157 units), and 57% of all Accessory Dwelling Units (ADU) (121 units). Of the remaining units permitted in 2024, 4% (42 units) are in Moderate Resource Areas, 14% (142 units) are in High Resource areas, and 4% (40 units) are in Highest Resource areas.

Figure 8: Units Permitted by TCAC Opportunity Area, 2024



As shown in **Figure 9**, 66% of all permitted units in 2024 (639 units) were in City Council Districts (CCD) 1 or 2. 66% of all market rate units permitted in 2024 (126 units) were located in CCD1 (North Oakland). 45% of all deed restricted affordable units permitted in 2024 (281 units) were located in CCD2 (San Antonio, Lake Merritt, Chinatown, and Jack London Square) and 20% (127 units) were located in CCD1. The remaining deed restricted affordable units were distributed across CCD7 (Deep East Oakland), CCD5 (Fruitvale), CCD6 (East Oakland), and CCD4 (Laurel, Dimond, Allendale, Glenview, Montclair, Redwood Heights, and North Hills). No deed restricted affordable units were permitted in CCD3 (West Oakland, Jack London Square, Downtown Oakland, and Adams Point). ADUs were dispersed fairly evenly across council districts, ranging from 9% of all permits for ADUs in CCD3 to 24% in CCD1.

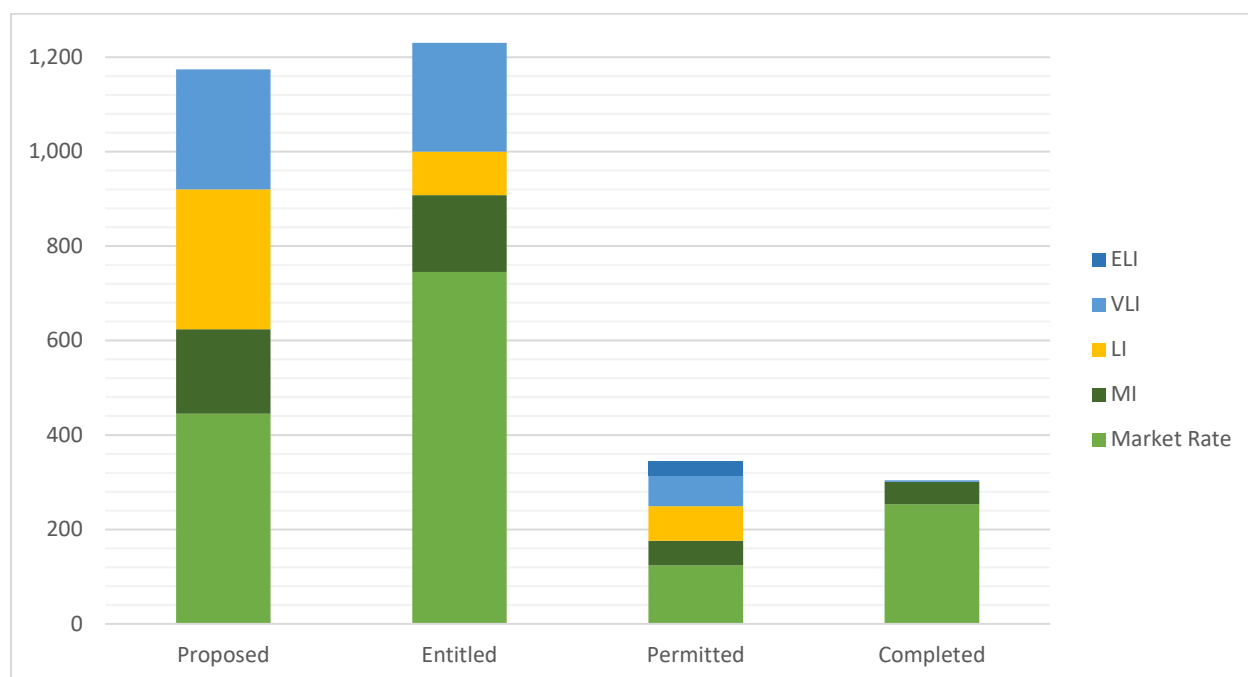
Figure 9: Units Permitted by City Council District, 2024



As shown in **Figure 10**, a significant number of units at all development stages are in Density Bonus projects. Furthermore, these projects are important contributors to the development of affordable housing. Of all affordable units, Density Bonus projects accounted for 39% of proposed units, 49% of entitled units, 27% of permitted units, and 7% of completed units. This demonstrates how incentivizing inclusionary housing through allowance of higher densities and other relaxation of development standards can spur affordable housing production by housing developers. The Density Bonus program can both unlock larger projects for 100% affordable housing proposals and encourage market-rate housing projects to include affordable units on-site in exchange for incentives and waivers.

Many affordable units permitted in 2024 received funding commitments from the \$350 million set aside for affordable housing in the City's 2023 Measure U bond. City-funded affordable housing projects that began construction in 2024 included 3050 International, Longfellow Corner, East 12th Street, Lake Merritt BART Senior Housing, Dignity Village, and many other projects. These projects, with the exception of Dignity Village, received funds from the first tranche of Measure U bonds and additional Measure U funds have been invested in projects that have not yet broken ground.

Figure 10: Number of New Housing Units in Density Bonus Projects by Phase of Development and Affordability, 2024



e. Senate Bill 423 Streamlining

California Senate Bill (SB) 423⁸ was signed into State law to streamline the construction of affordable housing. SB 423 applies to any city or county that has not made sufficient progress toward meeting their RHNA goals for above-moderate income units or units affordable to LI and VLI households (i.e., households earning below 80 percent of the AMI).

Three affordable housing projects submitted under SB 423 were entitled in 2024 (see **Table 3**). These projects included a total of **112** new housing units deed-restricted to VLI households, **73** new LI housing units, **76** new MI housing units, and **three** market-rate units set aside for property managers.

Table 3: Entitled SB 423 Projects by Affordability Level, 2024

Address	Record ID	Very Low-Income	Low-Income	Moderate-Income	Market Rate	Total Units
2511 Church Street	PLN24078	47	-	65	1	113
4655 Steele Street	PLN24099	-	44	11	1	56
125 East 12 th Street	PLN24145	65	29	-	1	95
	Total Units	112	73	76	3	264

f. Moderate-Income Deed Restricted Housing

The City's Housing Element and RHNA requires Oakland to permit 4,457 moderate-income units in the current 2023-2031 cycle. **In the 5th cycle, only 78 moderate-income units were permitted, which constituted 2.7% of the RHNA allocation (2,815 units).** This was highlighted not only by the State but also by the community and advocates, who stressed the need for policies that encourage and allow for moderate-income housing, especially for the essential workforce. Of additional note, moderate-income housing is not subsidized by the City but is permanently deed restricted.

In current market conditions, moderate-income rents are at par with market rate rents. However, markets ebb and flow and only a few years ago, market rate rents were much higher than moderate-income deed restricted rents. This will likely be the case again in the future. Having deed restricted moderate-income units in place ensures that there is affordable housing available over many decades for those that fall within this income category.

In the first two years of the 6th Cycle, 328 moderate-income units were permitted (206 deed restricted units and 122 non-deed restricted ADUs). This accounts for only 7% of the RHNA allocation, which is significantly behind Oakland's overall RHNA production (11%). As shown in **Table 4**, in 2024, eight projects containing moderate-income deed restricted units were entitled, two projects were permitted, and three projects were completed.

⁸ SB 423 (2023) amended Government Code Section 65913.4, which was first added by SB 35 (2017)

Table 4: Moderate-Income Projects, 2024

Address	Record ID	Very Low-Income	Low-Income	Moderate-Income	Market Rate	Total Units
<i>Entitled</i>						
2511 Church St.	PLN24078	47		65	1	113
5200 Broadway	PLN20141-PUDF01			45	403	448
1510 Webster St.	PLN20107-R02	13		43		56
220 Alice St.	PLN22117			30	130	160
4655 Steele St.	PLN24099		44	11	1	56
707 Washington St.	PLN22169			11	27	38
4127 MLK Way	PLN23046			2	9	11
4035 Park Blvd.*	PLN23019			1	7	8
Total Entitled		60	44	208	578	890
<i>Permitted</i>						
820 W. MacArthur Blvd.	B2302677			51	115	166
4035 Park Blvd.*	RBC2401256-63			1	7	8
Total Permitted				52	122	174
<i>Completed</i>						
685 9 th St.	B2200276			35	82	117
233 Broadway	B2200316			13	117	130
1888 MLK Way	B1901911			9	79	88
Total Completed				57	278	516

*4035 Park Blvd. was entitled and permitted in the same year and therefore is listed twice.

The following project summaries highlight some of the major developments listed in **Table 4**:

- **2511 Church Street:** Edward Shands Workforce Housing is a mixed-use project that will replace Oakland Unified School District's Edward Shands Adult Education Center, which has been vacant since 2010. As a 100% Affordable project, it qualified for ministerial entitlement pursuant to SB 423 and for a Density Bonus. This project provided a mixture of both very low income and moderate units, with 42% of the units as very low-income and 58% of the units as moderate-income with one manager's unit that counts as market rate.
- **5200 Broadway:** This mixed-use project will redevelop the California College of the Arts campus, which has been vacant since 2022. The project was entitled as a Planned Unit Development (PUD).
- **1510 Webster Street:** This project is also a 100% affordable development that provided a mixture of very low-income and moderate units, with 23% of the units as very low income and 77% of the units as moderate income.
- **4655 Steele Street:** This is another 100% affordable project that provided a mix of income categories with 79% of the units as low-income and 20% of the units as moderate-income and one manager's unit that counts as market rate.
- **820 West MacArthur Boulevard:** This residential project replaces a former Big O Tires, which has been vacant since 2006. The entitlement was revised in 2023 to increase the unit count from 92 to 166. 42% of the project's total base housing units are moderate-income, which entitles it to a 42.5% Density Bonus. Additionally, the project received planning entitlement pursuant to SB 330.

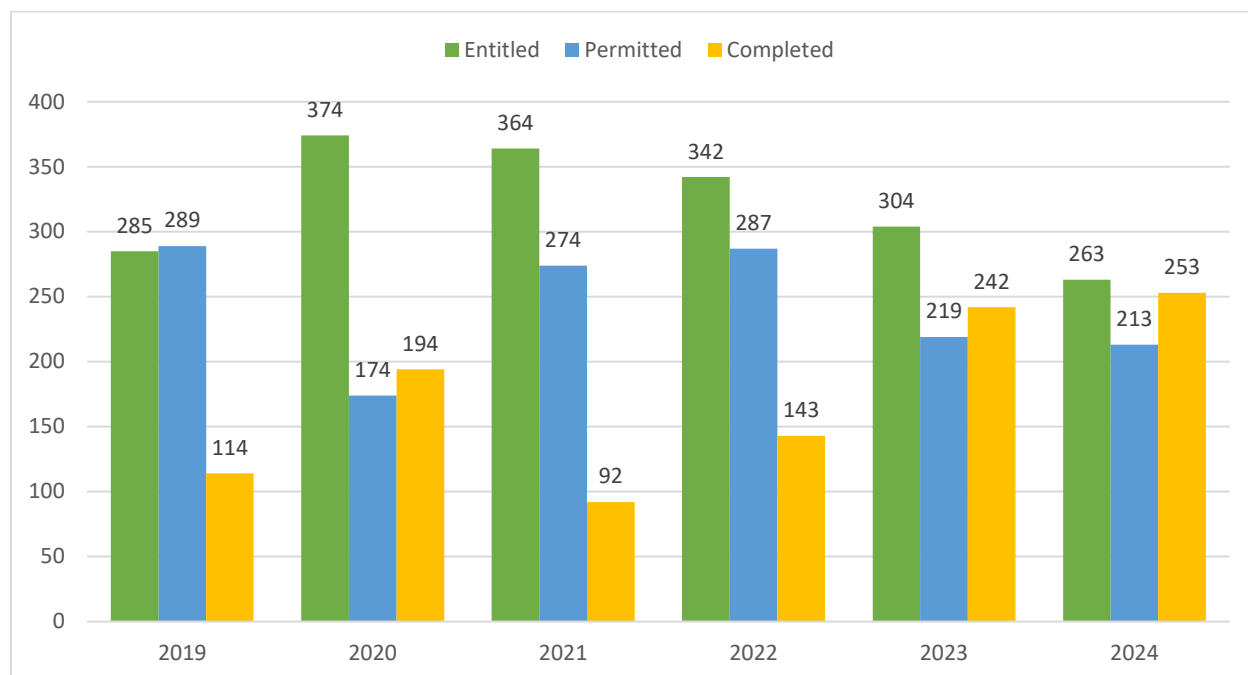
- **685 9th Street:** ArtHaus Ninth is a residential condominium project entitled in 2021 that replaced a long-vacant warehouse. 44% of the project's total base housing units are moderate-income, which entitles it to a 50% Density Bonus.

g. Accessory Dwelling Units

ADUs can be used to help address a range of local housing issues. According to the ADU Existing Conditions and Barriers Report⁹, ADUs provide cost-effective, “affordable-by-design” housing in predominately single-family neighborhoods, many of which have immediate access to transit and amenities. They can also stabilize existing single-family neighborhoods by creating rental income for homeowners to help subsidize the cost of home ownership. In addition, they can allow families to support each other across generations while maintaining independent households and opportunities to age in place.

As shown in **Figure 11**, the City entitled **263** ADUs, permitted **213**, and completed **253** ADUs in 2024. The number of units entitled and permitted in 2024 were below average relative to the last five years. ADU entitlements in 2024 represent a 13% decline from 2023 and a 30% decline from the peak year of 2020. Permitted ADUs in 2024 represent a 3% decline from 2023 and a 26% decline from the peak year of 2019. However, more ADUs were completed in 2024 than in any of the last six years. This represents a 5% increase from 2023, which was the previous peak. Amid a financially constrained environment, the number of ADUs completed in 2024 demonstrates that they are “affordable-by-design”¹⁰, not just for renters, but also for the homeowners developing them. Although significant cost and financing barriers continue to exist for homeowners seeking to build ADUs, compared to multifamily projects they are relatively simple to finance, not needing complex financing schemes. Additionally, ADUs are often built for family or for other reasons that are less affected by economic cycles than multifamily housing. This ensures stable demand for ADU production.

Figure 11: Production of Accessory Dwelling Units, 2019-2024



⁹ “Oakland ADU Initiative Existing Conditions And Barriers Report” <https://cao-94612.s3.amazonaws.com/documents/Oakland-ADU-Research-Report-Jan-2020-Rev-June-2020.pdf>

¹⁰ Affordable-by-Design means that housing units have below-average rents without requiring the subsidies of conventional, deed-restricted affordable housing. Instead, rents are influenced by smaller than average unit size and reduced land costs.

Over the course of the 5th RHNA Cycle (2015-2023), the City reported ADUs as market-rate units to the State through the Housing Element APR. This was done because ADUs are not deed-restricted. However, recent studies on the affordability of ADUs support the idea that ADUs are an important source of housing that is “affordable-by-design”. Based on an ADU affordability study¹¹ conducted by the Association of Bay Area Government (ABAG), State HCD has determined that ABAG region jurisdictions may use this data for the APRs for calendar years 2023 and 2024 to establish the naturally occurring (non-deed restricted) affordability levels for ADUs. This study estimates that of all ADUs, 30% each qualify as VLI, LI, and moderate-income units. Meanwhile, the study estimates that the remaining 10% of units qualify as above-moderate-income units. For Oakland’s 2024 APR, this distribution was applied across all reported ADUs. As income categories must be reported for each individual project, each unit was assigned a non-deed restricted affordability level. These assignments were made such that the overall distribution of proposed, entitled, permitted, and completed units each approximately represent the 30-30-30-10 distribution determined by the ABAG study, as shown in **Table 5**. Given this methodology, the reported income category of ADUs should only be considered in the aggregate. The reported affordability of an individual ADU does not necessarily reflect the actual rent charged for that unit.

Table 5: ADU Affordability by Phase of Development, 2024

	Proposed	Entitled	Permitted	Completed
Very Low-Income	92	74	64	76
Low-Income	94	80	55	76
Moderate Income	90	79	56	75
Above Median Income	27	30	38	26
Totals	303	263	213	253

3. Progress Towards Meeting Regional Housing Needs Allocation & Reporting Shortfall Housing Need

Every jurisdiction in California is required to zone for enough land for private development to meet that city’s RHNA. The RHNA is determined through a state-mandated process carried out by regional planning entities—in the case of Oakland’s RHNA the corresponding entity is the Association of Bay Area Governments (ABAG). The City’s progress toward meeting the RHNA is presented in Table B of the Housing Element APR and **Table 6** in this report.

Table 6: Regional Housing Needs Allocation Progress, 2023-2030

Income Level	RHNA	2022*	2023	2024	2025	2026	2027	2028	2029	2030	Total Units	RHNA Due
Very Low	6,511	288	174	370							832	5,679
Low	3,750	137	113	326							576	3,174
Moderate	4,457	78	141	109							328	4,129
Market	11,533	588	355	223							1,166	10,367
Total	26,251	1,091	783	1,028							2,902	23,349

* The unit counts under 2022 reflect units permitted between June 30, 2022 and January 30, 2023, which were credited towards the 6th Cycle RHNA.

Through 2024, Oakland has permitted 11% of the required units for the 6th Cycle. To accomplish its RHNA goals, Oakland would need to annually permit an average of 3,892 units over the next

¹¹ "Using ADUs to Satisfy RHNA" ABAG Technical Memo: <https://abag.ca.gov/tools-resources/digital-library/adus-projections-memo-finalpdf>.

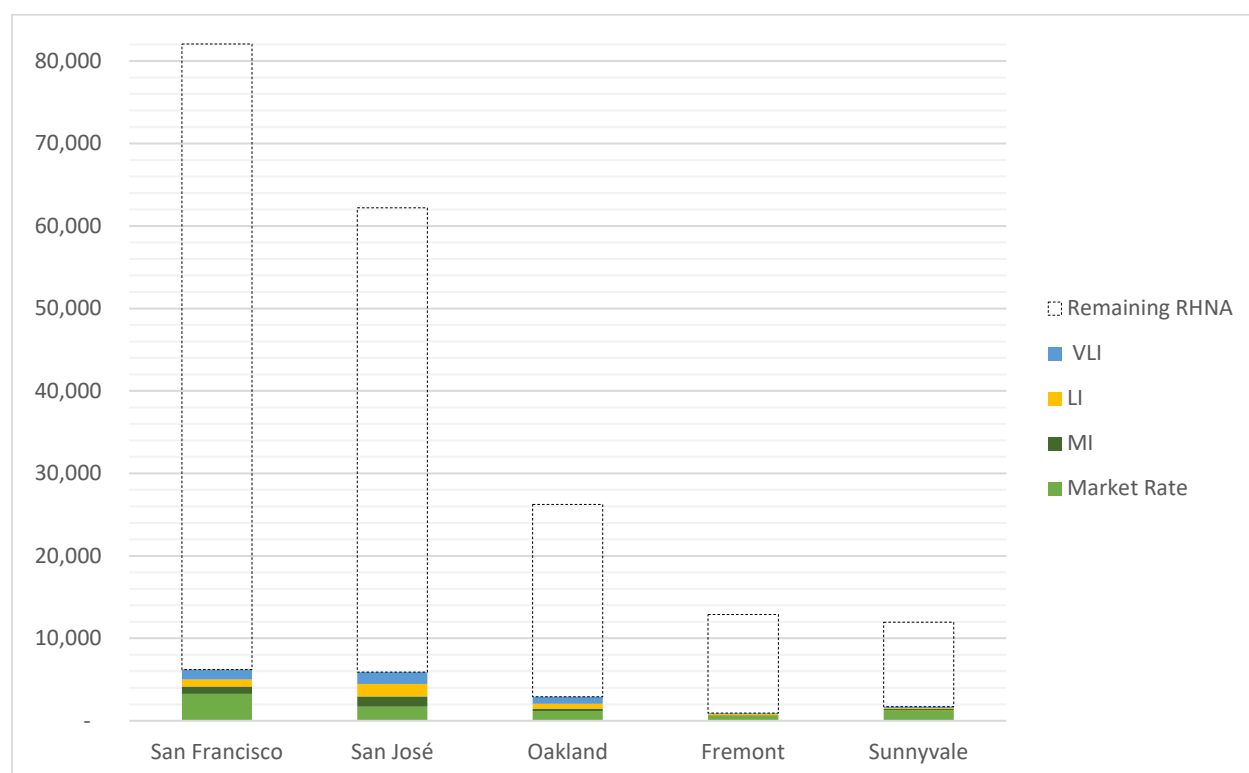
six years. The limited production of market-rate units is largely driven by negative market conditions, including high interest rates, rapidly escalating construction costs, and stable rents. **However, with a 31% increase in permitted units compared to 2023, the City's efforts to facilitate housing production appear to be helping.** These changes include major amendments made to the Planning Code in October 2023, as well as the passage of Measure U in November 2022, which allocates new funding towards affordable housing developments.

Oakland is among the five Bay Area cities with the largest 6th Cycle¹² RHNA. As shown in **Figure 12**, the allocations for Oakland and its peer cities are San Francisco (82,069), San José (62,200), Oakland (26,251), Fremont (12,897), and Sunnyvale (11,966). Through 2024, Oakland has permitted 2,902 of its required units. This is roughly average compared to its peer cities, which permitted 6,218 units in San Francisco; 5,886 units in San José; 931 units in Fremont; and 1,720 units in Sunnyvale.

While over the first two years of the 6th Cycle, Oakland has only permitted 11% of its required RHNA—significantly lagging the 12.5% annual average needed to meet RHNA—it is outperforming its peer cities. Only Sunnyvale has permitted a larger portion of its RHNA at 14%. San José has only permitted 9% of its RHNA; San Francisco, 8%; and Fremont, 7%.

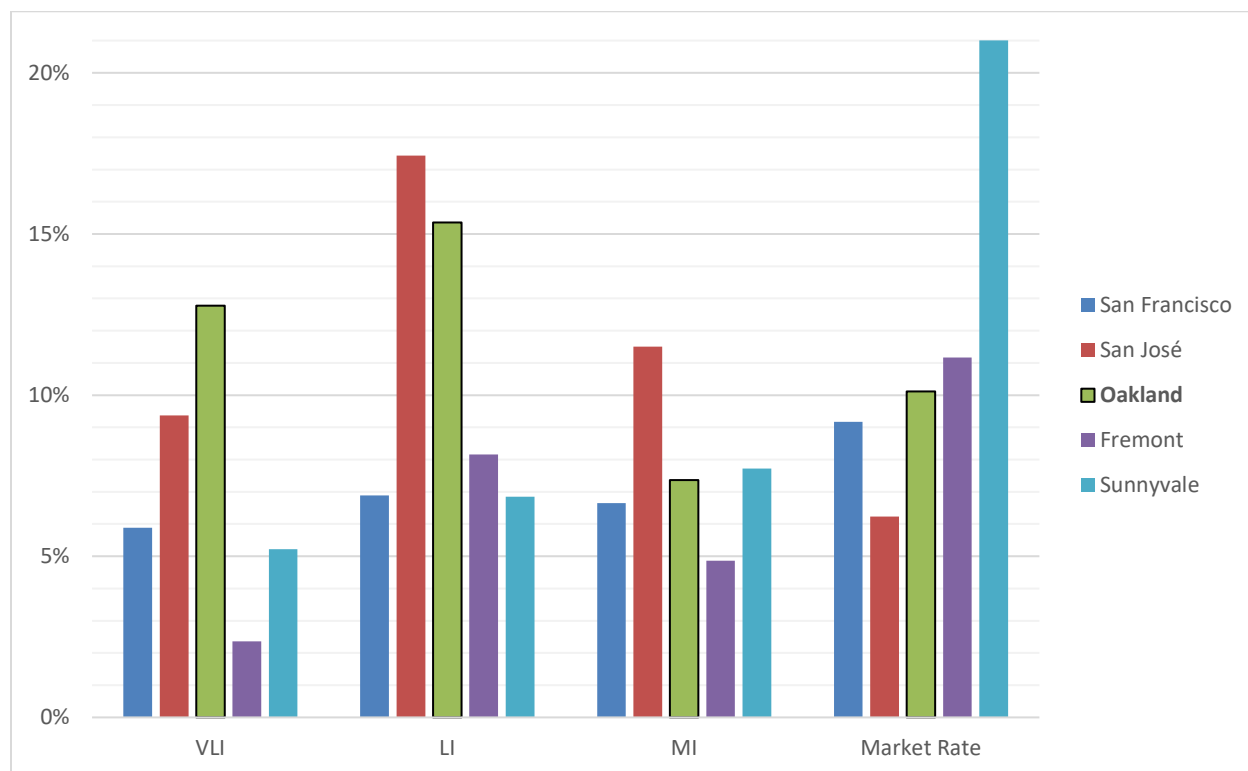
Notably, at 13%, Oakland has permitted a larger share of its Very Low-Income (VLI) RHNA than any of its peer cities, as shown in **Figure 13**. Additionally, Oakland has permitted an above-average proportion of Low-Income (LI) units (15%), with only San José exceeding that at a rate of 17%. Meanwhile, Oakland has permitted a below-average proportion of Moderate-Income (MI) units (7%) and market rate units (10%).

Figure 12: 6th Cycle Regional Housing Needs Allocation Progress in Major Bay Area Cities



¹² For jurisdictions in ABAG, State HCD's 6th Housing Element Cycle runs from 2023 to 2031.

Figure 13: 6th Cycle Regional Housing Needs Allocation Progress by Affordability in Major Bay Area Cities



4. Preservation and Production of Affordable Residential Units

The City typically issues funding for the construction, acquisition, and preservation of affordable housing via competitive “Notice of Funding Availability” (NOFA) processes. 2024 saw major continued City investments towards these affordable housing priorities.

The City's Acquisition and Conversion to Affordable Housing (ACAH) Program is an anti-displacement program that preserves existing housing that is affordable to low-income Oaklanders. The City provides financing to affordable housing partners to acquire unsubsidized affordable housing, perform necessary upgrades and improvements to the physical condition of the property. In return, the homes are deed restricted as affordable to low- and moderate- income households for at least 55 years.

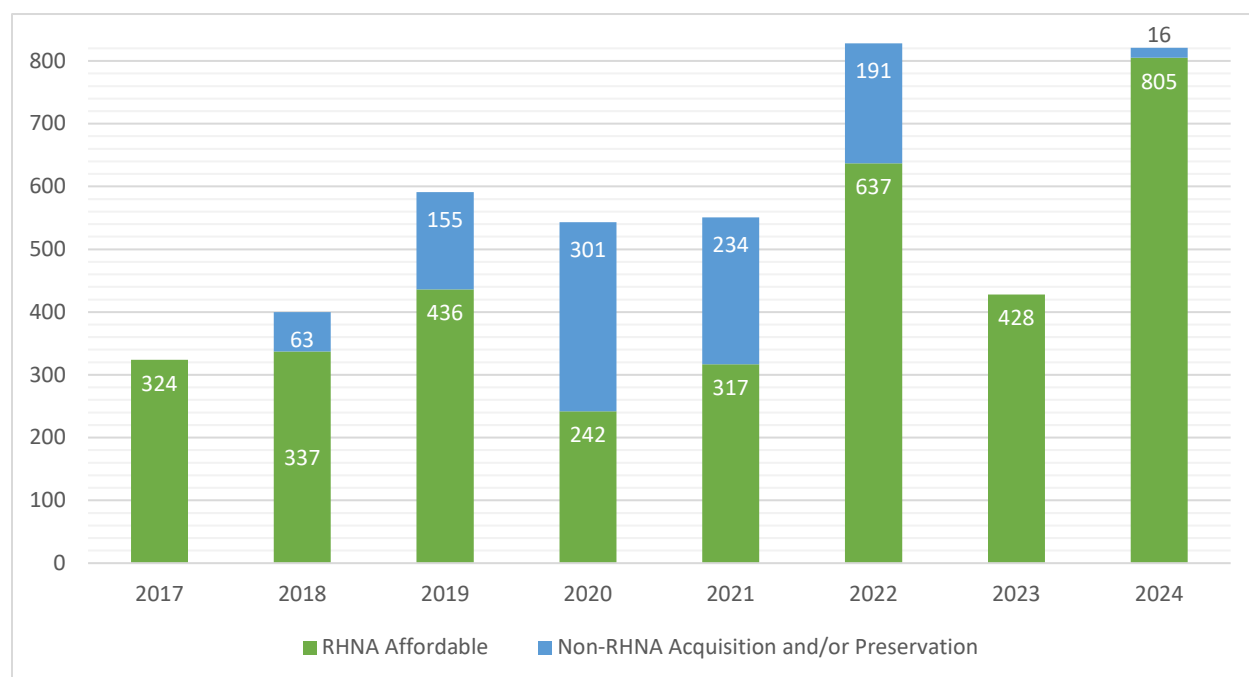
In 2024, the City's ACAH program closed on 41 affordable housing units and issued a notice to proceed for another 14 units. Two of these projects were sponsored by community land trusts. Several additional projects continue to be in predevelopment, including some land trust sponsored projects. In 2024, the City also entered into a partnership with the Housing Accelerator Fund to streamline program administration and pursue time-limited acquisition opportunities. As part of the partnership with the Housing Accelerator Fund, Oakland HCD is working to update the ACAH program guidelines, underwriting criteria and loan limits to respond to changing market conditions. The updated program is expected to be released later in 2025.

In 2024, the City issued its inaugural Rapid Response Homeless Housing (R2H2) NOFA. Building off the success of past Homekey projects in Oakland, R2H2 is an over-the-counter funding program that focuses on fast-to-deliver housing solutions for unhoused Oaklanders. This NOFA contained \$10.4 million in capital funding and \$19.7 million in operating funds. In 2024, the City funded the first project in this new program and identified several candidates for the State's Homekey+ program, which opened in early 2025.

In 2024, the Council authorized \$80.5 million in Measure U funding for affordable housing projects through the City's New Construction Notice of Funding Availability (New Construction NOFA). Based on funding priorities outlined in Oakland HCD's Strategic Action Plan¹³ and project scoring, this investment resulted in five (5) funding awards to multifamily affordable housing rental developments with a total of 583 units, including 176 units of Permanent Supportive Housing (PSH) serving unhoused individuals and their families. These PSH units will all be affordable to Extremely Low-Income households, thereby advancing the City's progress on the Very Low Income RHNA. The 2024 New Construction NOFA and associated documents are available at the following website: <https://www.oaklandca.gov/resources/2024-25-new-construction-of-multifamily-rental-affordable-housing-notice-of-funding-availability-nofa>.

In addition to the local investment of over \$100 million in new housing production in 2024, the City vigorously pursued State and Federal funding opportunities to support more affordable units. In 2024, the City applied for and subsequently won \$7 million from the federal Pathways to Reducing Obstacles to Housing (PRO Housing) grant. These funds will support affordable housing permit streamlining and a new revolving predevelopment loan program for affordable housing. These new resources will ultimately help affordable housing projects expedite their timelines to begin construction and deliver affordable homes for Oaklanders. The City also took recent action to streamline the entitlement process for affordable housing. With the adoption of the S-13 Affordable Housing Combining Zone in 2023, affordable housing in Oakland is eligible for by-right approval, two extra stories, unlimited density within the building envelope, and exemption from parking requirements. This overlay applies to all zones in which housing can be built, with limited exemptions for historic landmarks and the S-9 Fire Safety Protection Combining Zone.

Figure 14: Affordable Housing Production and Preservation Progress, 2017-2024



¹³ <https://cao-94612.s3.us-west-2.amazonaws.com/documents/HCD-2023-2027-Strategic-Action-Plan.pdf>

5. Applications for Lot Splits & Units Constructed

In 2019, Governor Gavin Newsom signed into law Senate Bill (SB) 9. The new law requires jurisdictions to ministerially approve either or both of the following, as specified:

- A housing development of no more than two units (duplex) in a single-family zone. (Gov. Code Section 65852.21)
- The subdivision of a parcel zoned for residential use, into two approximately equal parcels (lot split), as specified. (Gov. Code Section 66511.7)

Government Code section 65852.21(i) requires units constructed pursuant to Government Code section 65852.21 to be included in the APR. Government Code section 66411.7(l) requires lot splits approved pursuant to Government Code section 66411.7 to be included in the Housing Element APR.

SB 9 only applies to single-family zones outside of environmental hazard and historic areas. Action 3.2.1 in the Housing Element committed the City to significantly reducing single-family zoning. Through updates to the zoning code as part of the Missing Middle Housing Type Planning Code amendments adopted on October 3, 2023¹⁴ — in particular to the City's Detached Residential (RD) and the Mixed Housing Type Residential (RM) Zones where four-plexes are now permitted on lots that are 4,000 square feet or larger and two units on lots of any size — the City has largely eliminated single-family zoning, thus making progress towards its goal of furthering equitable opportunities for all people and communities. Through this measure, the City has significantly reduced the extent of exclusionary zoning, and thus the applicability of SB 9 in the City.

Zero housing projects submitted under SB 9 were entitled in 2024.

6. Housing-Related Activities & Policy

Oakland's 2023-2031 Housing Element includes a Housing Action Plan (HAP) that identifies 123 action items that address the following goals:

1. Protect Oakland residents from displacement and prevent homelessness.
2. Preserve and improve existing housing stock.
3. Close the gap between affordable and market-rate housing production by expanding affordable housing opportunities.
4. Address homelessness and expand resources for the unhoused.
5. Promote neighborhood stability and health.

Progress toward implementing all policies and programs included in the HAP can be found in Table D of the 2024 Housing Element APR¹⁵. Highlights include:

1.1.11 Enforce the tenant right to return and protections from coercive buyouts.

2.2.5 Extend local replacement unit provisions.

On December 3, 2024, the City Council adopted Ordinance 13822 C.M.S. adding Replacement Housing Unit Regulations to the Planning Code. These regulations codify Oakland's implementation of the Housing Crisis Act of 2019, enacted pursuant to SB330 and AB1218.

3.2.6 Monitor Affordability of Permitted ADUs.

¹⁴ "Oakland 2045 General Plan Update: Certification Of The Final Environmental Impact Report For Phase 1 Of The City Of Oakland 2045 General Plan Update And Adoption Of The Safety And, Environmental Justice Elements And The Planning Code Text And Map Amendments," Ordinance No. 13763 C.M.S.:

<https://oakland.legistar.com/View.ashx?M=F&ID=12374879&GUID=EFB8E718-2B87-44A5-BE18-796FBD0C3BB9>

¹⁵ https://cao-94612.s3.us-west-2.amazonaws.com/documents/Oakland2024_Online.xlsx

The City developed a survey tool to gather information from ADU/JADU property owners on household size and rents charged for ADUs that were issued building permits between 2018-2023. The survey was distributed to ADU property owners in the first quarter of 2024. The survey ADU results are in **Attachment A**.

3.3.7 Study the targeted implementation of an inclusionary housing requirement.

On December 10, 2024, the Community and Economic Development Committee conducted a study session to: (1) receive an informational presentation and report on the Development Feasibility Analysis And Housing Strategy Study conducted as part of the Impact Fees Update Phase 2 Process, and (2) provide feedback to staff on draft Impact Fee Program And Housing Policy Recommendations.

3.3.12 Continue the Acquisition and Conversion to Affordable Housing (ACAH) Program

In 2024, Oakland HCD entered into a partnership with the Housing Accelerator Fund to streamline program administration and better pursue time-limited acquisition opportunities. In 2024, the ACAH program closed on 41 affordable housing units and issued a notice to proceed for another 14 units. Two of these projects were land trust sponsored.

3.4.8 Implement Objective Design Standards.

On October 2, 2024, the Planning Commission adopted Objective Design Standards (ODS) for four- to eight-story residential and mixed-use multifamily buildings. The City expects to adopt similar ODS for One-Family, Two- to Four-Family, and one- to three-story multifamily buildings in 2025.

5.2.11 Provide accountability measures for housing programs, including annual monitoring.

In April 2024, the Planning Commission designated their Zoning Update Committee to serve as the subcommittee to monitor the progress of the Housing Element.

7. Key Issues and Expectations for 2025

Affordable Housing

The Oakland Housing & Community Development Department (Oakland HCD) has several key funding initiatives underway in 2025 and continues to engage with local, regional, and state partners around new funding opportunities for affordable housing.

One major focus for the City in 2025 will be the continued investment of Measure U funding in affordable housing. Building off the \$80.5 million of Measure U funding committed in via the 2024-2025 New Construction NOFA, the City anticipates making further Measure U investments this year in the Rapid Response Homeless Housing (R2H2) program and the Acquisition and Conversion to Affordable Housing (ACAH) program. These investments will protect the affordability of existing homes and produce new affordable homes for hundreds of Oaklanders.

Despite these considerable investments, the primary limitation on affordable housing construction in Oakland remains the availability of funding. With over 1,000 units of new deed-restricted affordable housing proposed in 2024, Oakland continues to experience a robust pipeline of potential affordable housing projects. This leads to a strong oversubscription for available affordable housing funds—the 2024-2025 New Construction NOFA received \$420 million in applications for only \$80.5 million in available funds. Competition for recent state-level grant programs is similarly intense.

There are several factors that may make 2025 a particularly challenging year to fund affordable housing projects. The failure to adopt a regional affordable housing bond in 2024 and the poor outlook for the State budget suggests limited availability for regional and state level funding options. For both affordable and market-rate developments, higher material costs due to increased tariffs is a significant influence on project feasibility. Affordable housing projects in

Oakland also frequently struggle to receive affordable housing tax credits due to issues with the scoring framework that the State uses to prioritize tax credit awards.

The City will pursue several strategies in 2025 to mitigate these funding challenges. The City will actively participate in the process to allocate Measure W funding available at the county level to ensure that these funds are used effectively towards reducing homelessness. As discussions begin about a possible Alameda County affordable housing bond in 2026, the City will also collaborate with the County and other stakeholders around the most effective way to leverage this possible resource. The City will partner with suitable projects to apply to the State's Homekey+ program, which will create homeless housing for Oaklanders with mental and/or behavioral health challenges. The City will also collaborate with the Bay Area Housing Finance Agency (BAHFA) to explore new lending products to make affordable housing finance more efficient. Another area of collaboration with BAHFA will be the implementation of the [Doorway Regional Housing Portal](#), a one-stop destination for Oaklanders seeking affordable housing. Although some older affordable housing projects will continue to fill vacancies through their existing processes, new affordable housing for the general public will all be listed on the Doorway portal to simplify the affordable housing search process.

An ongoing challenge for affordable housing in 2025 is the high cost of construction. Although construction cost inflation in 2024 was less severe than in the early 2020's, the cost of building affordable housing in the San Francisco Bay Area continues to be higher than almost anywhere else in the country. The cost of materials and especially labor are major contributors to these elevated costs. Oakland specific labor requirements for City-funded affordable housing—such as minimum contract participation requirements for local businesses, apprenticeship requirements, and local hire provisions—may cause City-funded projects to be more expensive than similar projects in nearby cities. As a result of high per unit costs, affordable housing in Oakland often needs to assemble a large number of different local and state funding sources. This fragmented set of funding sources causes projects to spend longer in pre-development and may contribute to higher costs. High costs also make Oakland affordable housing projects less competitive for state funding, as some funding programs, in particular affordable housing tax credits, place a heavy weight on project cost when deciding which developments to prioritize for state funding.

Market-rate Housing

Based on the number of permits issued in 2024, 2025 will likely see fewer new market-rate housing units completing construction. 2024 saw the tail end of the mid-2010's "housing boom" complete construction, which over the past five years led to over 12,000 new market-rate housing units completing construction in Oakland. Many of these projects were planned and financed before pandemic-era economic dislocations occurred. As a result, some of these projects were not able to support the rent levels projected before those projects began construction. This has in turn led to several newly built market-rate housing projects being sold at below their previous valuations. This has led to some acquisition opportunities for the City's affordable housing and homelessness programs—such as the 1888 MLK project—but cheap acquisition opportunities may have also diverted some real estate investment away from additional new construction.

Market rents in Oakland declined in the immediate aftermath of the pandemic and have remained largely stable since, but the decline in new market-rate housing completions may cause rents to once again rise over the next few years. The large number of proposed market-rate units seeking zoning approvals may be due in part to investor expectations of increased market rent levels. However, high construction costs and national economic uncertainty may limit the number of new market-rate building permit applications in 2025.

In 2025, the City will continue to seek opportunities to streamline the approval process for housing at all incomes. Following on 2024's adoption of objective design standards for four- to eight-story multifamily housing projects, the City plans to adopt objective design standards in 2025 for One-Family, Two- to Four-Family, and one to three story multifamily buildings. These

objective standards will help improve the predictability and timeframe for planning approvals. The City will also explore additional opportunities to streamline development approvals and work with other agencies to redeploy vacant land for development opportunities.

RACE AND EQUITY ANALYSIS

Based on several recently-published reports, housing justice—the process and outcome of establishing housing as a human right—is now the number one priority for Oaklanders of all races, particularly for those who are at the lower ends of the income brackets and/or are experiencing homelessness.^{16,17,18} While housing affordability is both a regional, if not statewide issue, it severely impacts Oakland given the relatively high proportions of people needing below-market housing and the high cost of housing in the Bay Area.¹⁹ According to the American Community Survey estimates for 2023²⁰, a staggering 49% of Oakland renters are housing burdened²¹ and 27% are severely housing burdened²². As shown in **Figure 15**, rent burden also follows familiar patterns of racial inequity. Black households have the lowest median household income, and approximately 58% of Black renter households are rent burdened with about 33% severely rent burdened — the highest rate of any racial/ethnic group in Oakland. Only White households had a rent burden below 40%. Therefore, there are significant racial equity opportunities associated with the City’s continued implementation of the policies contained in the Housing Element, and from the City’s production of housing for residents at all income levels.

As part of the 2023-2031 Housing Element Update, the City prepared a Racial Equity Impact Analysis (REIA). This document identifies “whether Black/African American, Indigenous, and other Oaklanders of color are (1) disproportionately affected by the negative effects of programs and policies or (2) have less access to benefits provided through policies and programs.” The REIA evaluated each action in the Housing Action Plan (HAP) “for its potential to help reverse longstanding housing disparities and provides additional recommendations for maximizing racial equity impacts”, identified those “actions with the most potential to positively impact racial equity in housing outcomes,” and provided “high priority recommendations to strengthen actions or ensure equitable implementation to improve outcomes for [Black, Indigenous, and People of Color] Oaklanders.” The REIA found the HAP would have a moderate to high impact on improving racial equity and included recommendations on how to implement the actions with the highest impact. In 2024, implementation of the HAP incorporated those recommendations. Of the 25 actions highlighted in section **II.6 Housing-Related Activities & Policy**, 31% were found to have a high impact on racial equity, while another 56% have a moderate impact.

Implementing and updating Oakland’s current General Plan promotes meaningful civic engagement in the public decision-making process and identify objectives, policies, improvements, and programs that address the most pressing needs in the community, particularly where social and racial inequities are most prevalent.

¹⁶ “Centering Racial Equity in Homeless System Design.” (2021) Oakland-Berkeley-Alameda County Continuum of Care. <https://everyonehome.org/wp-content/uploads/2021/02/2021-Centering-Racial-Equity-in-Homeless-System-Design-Full-Report-FINAL.pdf>.

¹⁷ “Housing Vulnerability in Oakland, CA.” (2020) The Housing Initiative at Penn.

https://www.housinginitiative.org/uploads/1/3/2/9/132946414/hip_oakland_market_study_9-29-20_small.pdf.

¹⁸ “A Primer on Power, Housing Justice, and Health Equity: How Building Community Power Can Help Address Housing Inequities and Improve Health.” (2020) Human Impact Partners.

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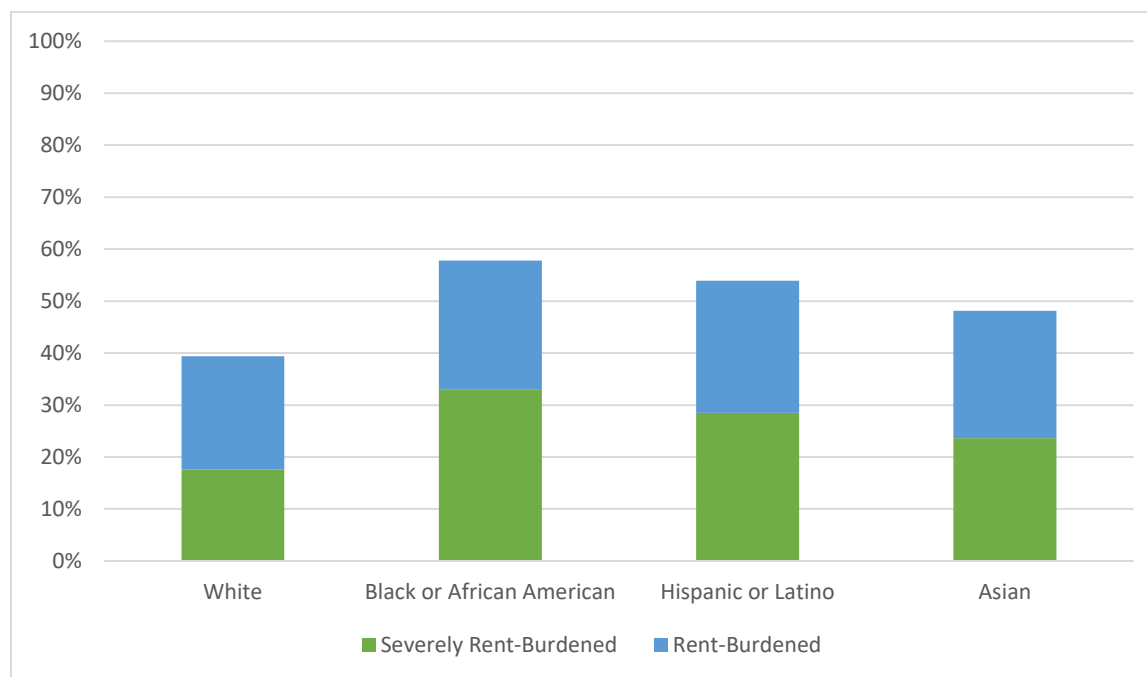
¹⁹ “Oakland 2045: Environmental Justice and Racial Equity Baseline.” City of Oakland Planning and Building Department. https://cao-94612.s3.amazonaws.com/documents/Equity-Baseline_revised4.15.22.pdf.

²⁰ U.S. Census Bureau. “Gross Rent as a Percentage of Household Income in the Past 12 Months.” *American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B25070*, 2023, <https://data.census.gov/table/ACSDT1Y202.B25070>

²¹ Pay more than 30% of income on housing costs.

²² Pay more than 50% of income on housing costs.

Figure 15: Rent-Burden by Race/Ethnicity in Oakland, 2021²³



²³ U.S. Census Bureau. "Gross Rent as a Percentage of Household Income in the Past 12 Months." *American Community Survey, ACS 5-Year Estimates Detailed Tables, Table B25070*, 2021
<https://data.census.gov/table/ACSDT5YSPT2021.B25070>

ENVIRONMENTAL DETERMINATION

Consideration of the 2024 General Plan and Housing Element APR does not constitute a project under the California Environmental Quality Act (CEQA).

RECOMMENDATION:

Staff Recommend That The Planning Commission Receive An Informational Report Describing (1) The Progress The City Made In 2024 To Implement And Update Oakland's Current General Plan, Implement The Policies Adopted In The City's 2023-2031 Housing Element, And Meet The City's Share Of The Regional Housing Needs Allocation (RHNA); And (2) An Analysis Of The 2024 Accessory Dwelling Unit (ADU) Affordability Survey.

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ATTACHMENT:

A. 2024 Accessory Dwelling Unit Affordability Survey