

DOWNTOWN OAKLAND SPECIFIC PLAN

Proposed Planning Code, Zoning Map and General Plan Amendments

Zoning Update Committee, May 2023



PRESENTATION AGENDA

1. DOSP Zoning Process
2. Recap of DOSP, Zoning & ZIP
3. Updates
4. Additional ZIP Information
5. Summary of Feedback
6. Proposed Initial Changes



Spring 2020-Summer 2022

RECAP: DOSP GOALS & ZONING STRATEGIES

DOSP Objective	Zoning Approach
Economic Opportunity	<ul style="list-style-type: none"> Flexibility in ground floor uses Employment priority combining zone Preservation of industrial land & industrial transition in western Jack London Zoning Incentive Program below market-rate commercial space benefit
Housing & Homelessness	<ul style="list-style-type: none"> Increased residential density with community benefits, including affordable housing Allowing high-density residential in Victory Court (South Jack London Area) Permitting high-density efficiency units
Mobility, Safety & Connectivity	<ul style="list-style-type: none"> Green Loop pedestrian/bicycle/landscaping infrastructure improvements Freeway zones to improve pedestrian experience Infrastructure improvements (primarily implemented by DOT)
Culture Keeping	<ul style="list-style-type: none"> BAMBD Arts & Culture combining zone Arts & Garage District zoning to protect artists & small-scale manufacturers Relaxed rules to permit entertainment and performance venues Permitting artisan production commercial activities by right
Community Health & Sustainability	<ul style="list-style-type: none"> Sea Level Rise overlay zone Green Loop to encourage walking, biking, and use of green/recreational space Standards to protect Lake Merritt Channel for nature and recreation
Land Use & Urban Form	<ul style="list-style-type: none"> Revised design standards for towers, storefronts, Green Loop and other key frontages Trading of development rights (TDR) program to preserve historic buildings

RECAP: DRAFT ZONING AMENDMENTS

Updated Land Use Activity Regulations

- **Zoning Map:** Revisions help achieve DOSP and Estuary Plan goals; allow more fine-grained/place-specific approaches; unify above & below I-880
- **Activities Table:** Amends activities that are allowed by right, including relaxing ground floor restrictions and allowing a new “Artisan Production” commercial use by right throughout the downtown

New Special Districts

- Sea Level Rise Overlay
- BAMBD Arts & Culture Overlay
- Employment Priority Sites
- Green Loop & Lake Merritt Channel
- Freeway zones to activate underpasses

Development Standards, Height and Intensity Regulations & Zoning Incentive Program (ZIP)

- Revises building design standards, coordinated with upcoming objective design standards
- Increases development intensity to support housing, job/business growth, meet environmental goals, increase tax revenues to support public services citywide
- New increased height areas and floor area ratio (FAR), if participating in the Zoning Incentive Program (ZIP)
- ZIP to provide community benefits in return for increased development intensity
- Transfer of development rights (TDR) program for historic preservation

RECAP: ZONING INCENTIVE PROGRAM

Allow increased density to meet DOSP goals

- Achieve density in a walkable, transit-rich neighborhood
- Meet State and local goals for housing, including affordable units
- Grow Oakland's economy and tax base to improve public services and fund community benefits citywide
- Achieve additional community benefits by capturing additional value development projects achieve through increased density

Why not allow increased density and/or require benefits *without* an incentive program?

- Community members do not want increased allowed intensity without community benefits in return
- Needed benefits such as below-market rate commercial space and public restrooms are not currently provided by any program or funding source
- Requiring community benefits that exceed impact fees studied through a nexus study or that would otherwise be seen as excessive subjects the City to legal challenge
- Providing increased development capacity through a voluntary program allows us to ask for additional community benefits

RECAP: ZONING INCENTIVE PROGRAM

In exchange for providing benefits, developers can earn either additional residential units or commercial square footage/floor area (up to the mapped ZIP maximum)

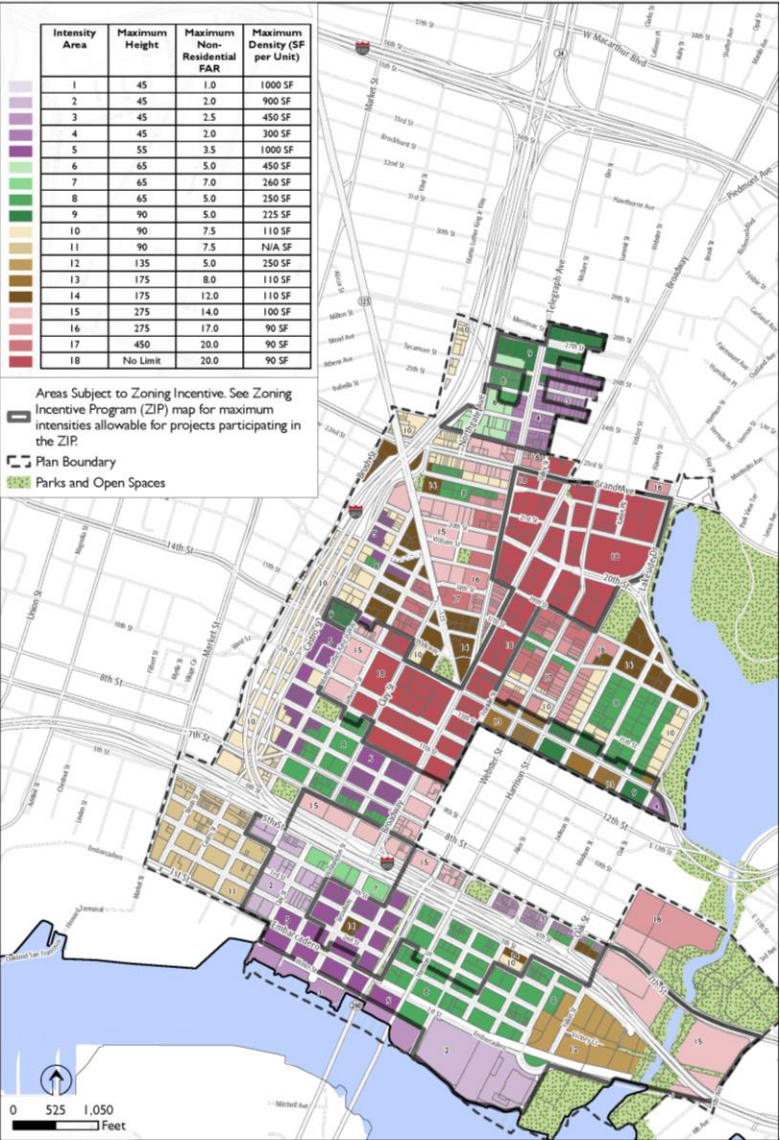
On-Site Benefits:

- Affordable housing (amount dependent on affordability level)
- Below market-rate (50%) ground floor commercial space
- Streetscape, open space and other culturally-relevant neighborhood improvements
- Public restrooms in building lobby

Optional In-Lieu Fee:

- In-lieu payments are at higher cost (10%) than on-site development
- City may use in-lieu fees for any benefit listed above
- In-lieu fees may also be used for job training and employment programs

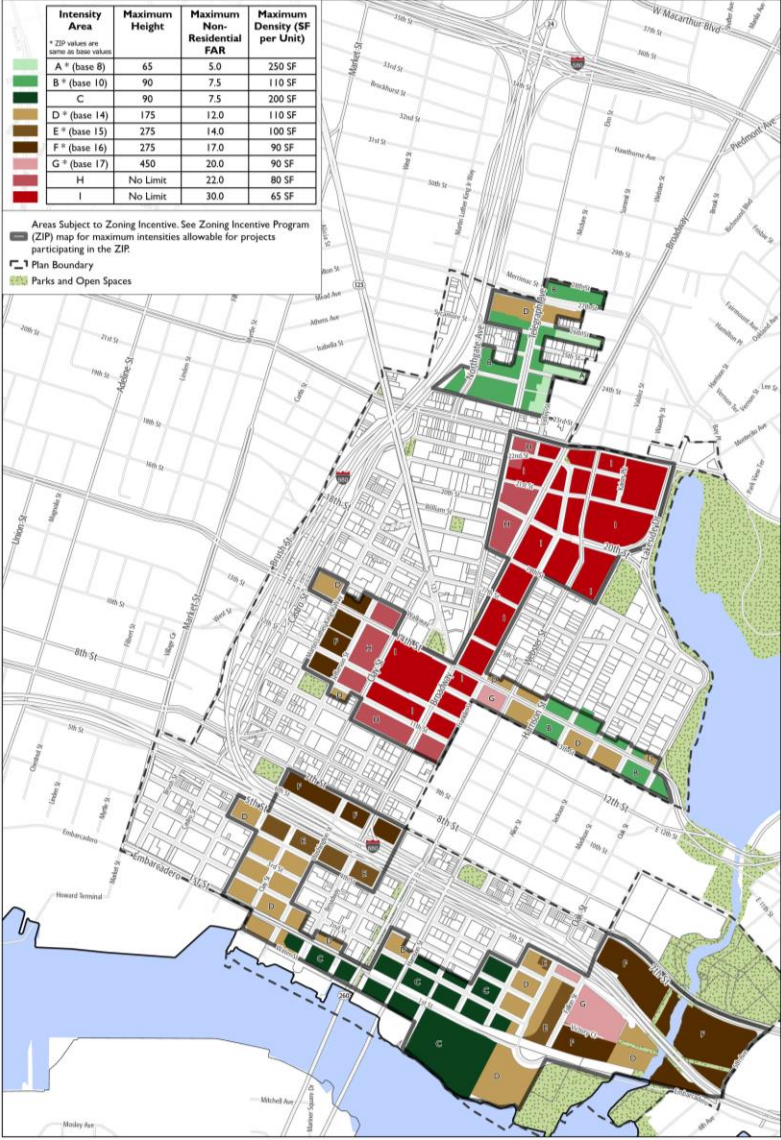
RECAP: ZONING INCENTIVE PROGRAM



DOSP Base Maximum Height & Intensity (Base Map)

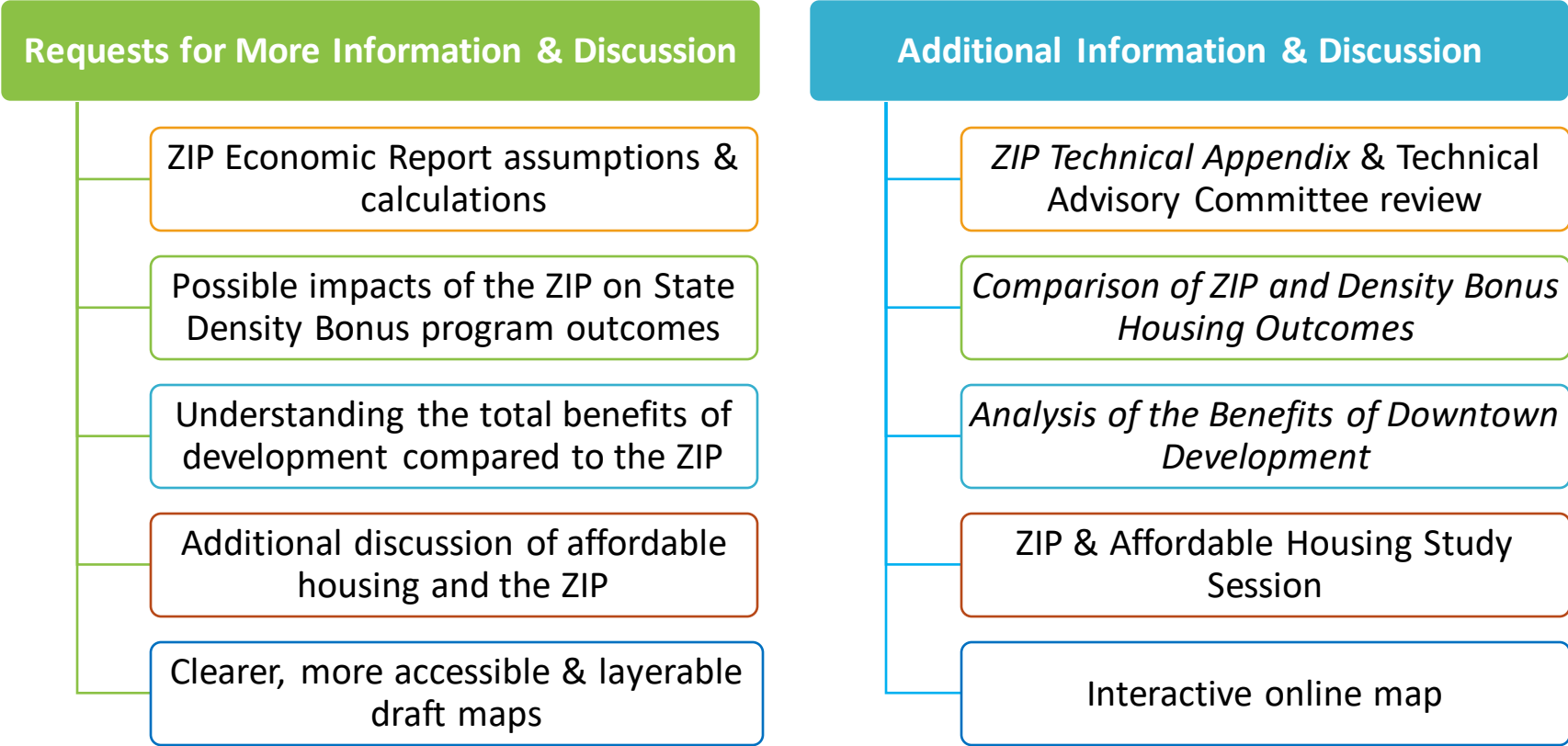


DOSP ZIP Maximum Height & Intensity (ZIP Map)



UPDATES

Draft Zoning Amendments were presented to the public and ZUC during Fall 2022; stakeholders requested additional information and meetings about the ZIP:



Additional Materials & Analysis Developed by HEG: **ZIP ECONOMIC REPORT TECHNICAL APPENDIX**

Presents the assumptions, methodology and calculations summarized in the original ZIP Economic Report. Staff convened a Technical Advisory Committee (TAC) of urban economics and affordable housing development experts to review the Economic Report, Technical Appendix and ZIP.

Key TAC Findings: The ZIP is a thoughtful and compelling model, with conceptually sound assumptions, methodology and analysis.

- Though sound, the ZIP and its analysis are so complex and nuanced as to be confusing and perhaps overly specific.



Additional Materials and Analysis Developed by HEG: **COMPARISON OF ZIP AND DENSITY BONUS HOUSING OUTCOMES**

Helps decisionmakers understand the likelihood of a developer to utilize the ZIP, the State Density Bonus or both, as well as potential housing impacts under these scenarios.

Key Finding: The State Density Bonus requires more on-site affordable housing, but because the ZIP generates more total housing units due to its higher density potential, it can generate substantially more revenue for affordable housing

- With the ZIP, the Affordable Housing Trust Fund benefits from more market-rate units
- Funds can be leveraged for production and retention of more units and deeper subsidies than on-site units



Additional Materials & Analysis Developed by HEG:

ANALYSIS OF THE BENEFITS OF DOWNTOWN DEVELOPMENT

Compares the value of the various sources of revenues that development projects produce and helps decisionmakers understand the tradeoffs of increasing ZIP benefit requirements.

Key Finding: New high-density development downtown generates significant net long-term tax revenue benefits to support services, infrastructure and maintenance *citywide*.

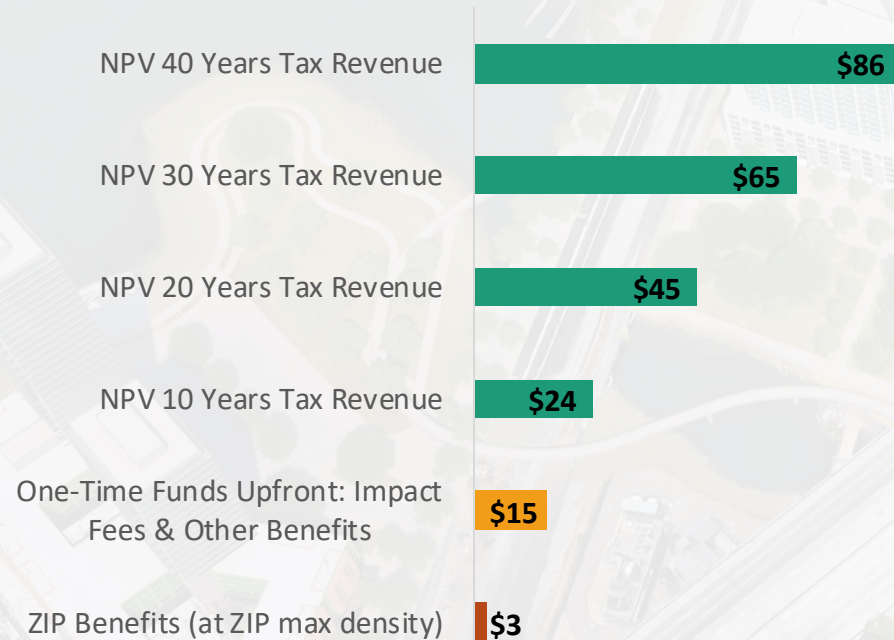
- Tax revenue from new development downtown is many times larger than tax revenue from existing uses on development opportunity sites.
- The higher the density of new development, the more annual tax revenue generated, per square foot of land.
- Prioritizing fees and benefits upfront can put at risk the substantial tax base and benefits new development projects would support over the life of the development.

Additional Materials & Analysis Developed by HEG:

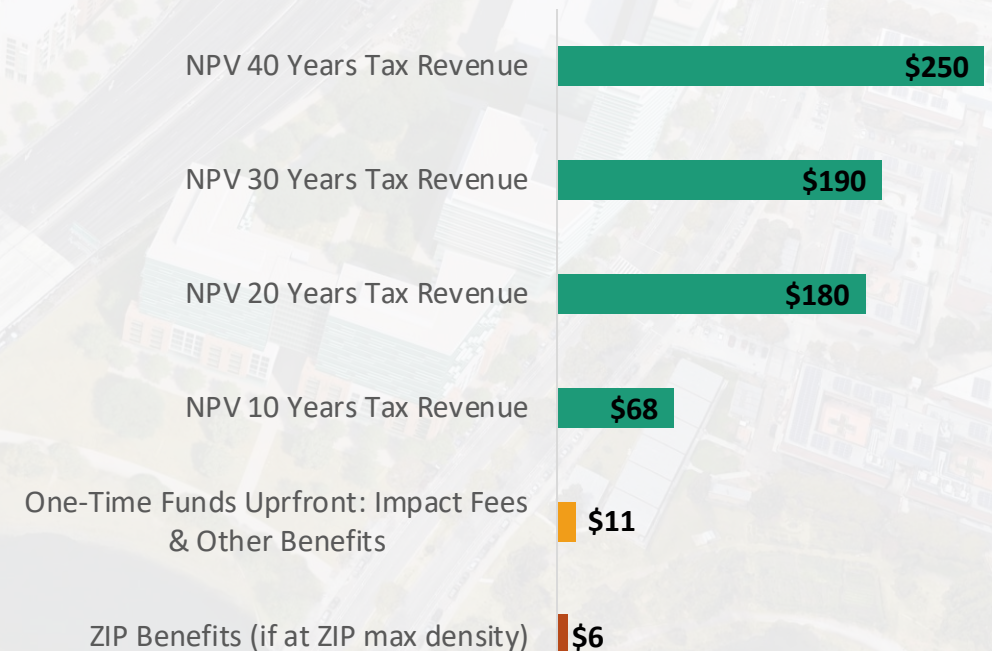
ANALYSIS OF THE BENEFITS OF DOWNTOWN DEVELOPMENT

One-time, Upfront Funds Compared to Value of Annual Tax Revenue Stream for Selected Time Periods: Prototypical High-Rise Residential and Office Development (2020/2022 dollars)

High Rise Residential (millions)



High Rise Office (millions)



SUMMARY OF KEY FEEDBACK SINCE THE PRIOR ZUC HEARING

Downtown needs more affordable housing than the ZIP will provide

The ZIP and its economic analysis are rational, but complicated and confusing

We don't understand how the ZIP interacts with the Density Bonus & Impact Fees

Downzone historic areas & the Fire Alarm Building

Affordable housing should be required from all residential projects

Housing fees are more valuable for building deeply affordable housing than on-site units

Make the TDR program easier to use, in more places

On-site housing is important to ensure downtown stays affordable

PROPOSED INITIAL CHANGES

- **Fire Alarm Building and Lakeside/Gold Coast Height Reductions**
- **Targeted Height Reductions to Protect Historic Character**
 - Produce Market
 - Areas with a concentration of Victorian homes
 - Area adjacent to the historic church at 17th and Franklin
- **Transfer of Development Rights (TDR) Program Adjustments**
 - Expand receiving sites to all DOSP zones
 - Allow standalone Designated Historic Properties to be sending sites
 - Replace the requirement for a Conditional Use Permit to trade development rights with requirement for Design Review approval for construction at the receiving site
- **Simplifying the Zoning Incentive Program**
 - Revise ZIP benefits/in-lieu fee table for clarity
 - Require housing benefits be provided via fee
 - Remove streetscape improvements as a benefit
 - Allow only 50% of the ZIP maximum height and density to be provided through the TDR program

DOWNTOWN OAKLAND SPECIFIC PLAN

May 2023

Community members can send additional comments and questions to:

plandowntownoakland@oaklandca.gov

Relevant Links

- [DOSP Zoning Amendments web page](#)
- [Summary Memo of DOSP Rezoning Proposals](#)
- [Draft Zoning Amendments](#) (ZIP begins on page 23)
- [Draft Zoning Amendments FAQ](#)
- [ZIP Economic Analysis](#)
- [ZIP Economic Analysis Technical Appendix](#)
- [Comparative Analysis of Housing Outcomes](#)