

Mixed-Income Housing for Working Families in the Lake Merritt BART Station Plan

In 1965, using eminent domain, the City and BART forced the removal of 75 families, an orphanage for girls, and the Chinese True Sunshine Episcopal Church to develop the Lake Merritt BART station and BART's headquarters.

In 2011, the City and BART once again have development plans for Chinatown. This time, we demand that the current residents and businesses of Chinatown community share in the benefit of development at the BART station and in the surrounding neighborhood.

Today, Chinatown is a vibrant community with one of the region's most successful retail districts that both meets the needs of the local mixed income community and serves as a regional destination for the East Bay Asian community. The community generated \$57 million in retail sales in 2008, representing the city's fifth largest neighborhood retail district, and sales have grown 84% since 1994, compared to 1.7% for the city as a whole.

In the Lake Merritt planning process, neighborhood residents and Laney Students have articulated a vision of the area as an economically and ethnically diverse family neighborhood, with housing that is built for all income levels in Oakland. Our housing goals include the following:

- Requirements for new mixed-income housing development with at least 30% of units in the planning area affordable to families below 60% AMI (\$55,000 for a family of four), including extremely low and very low-income community members (consistent with current ratio in the neighborhood). This requirement will support housing for a healthy, diverse mix of incomes, ranging from the lowest income to Oakland's actual median income to higher income residents.
- The development of family housing larger than 2 bedroom units
- Protections against direct displacement from demolition of existing housing and businesses
- A strengthening of tenant rights protections for community members against involuntary displacement through gentrification and rising housing costs
- The Chinatown neighborhood should benefit from publicly-owned parcels, including the development of affordable housing, active park space, and community centers.

These goals can be met through a combination of strategies and policies, including neighborhood specific inclusionary requirements and incentives to build affordable units for private developers, City investment, Oakland Housing Authority resources, and working with Oakland's nonprofit development community.

Oakland Benefits from Mixed-Income Housing for Working Families Near Transit

The Station Area Plan is estimating that 20% of the citywide housing need over the next 25 years will be built in the Lake Merritt Station Area, resulting in a need for 4,350-10,500 new units.¹ Housing should reflect the range of affordability levels for workers in the neighborhood.

- It is essential that no less than 1,305 to 3,150 of new units be made affordable to current residents, students, and workers. Currently, 54% of workers are in working in the service employment and retail sectors, and typically cannot afford market rate housing.² The emerging plan anticipates that most job creation will be in the area of office and retail jobs. Housing needs to be made affordable for the workers, whether they are waiting on tables, cleaning offices, or selling merchandise for less than \$12 per hour.
- Households in the neighborhood have a median income of \$27,786, with 87% earning less than \$75,000, many who would qualify for affordable housing. To attract additional Oakland residents to the neighborhood, housing must be affordable for the almost one-half of Oakland residents who

likely would qualify for affordable housing based on their income.³ Significant percentages (between 42% and 51%) of renters in the three census tracts comprising the planning area already experience rent overburden, even without the anticipated rise in property costs that will accompany new investment to the area.⁴

- Waiting lists & wait time for assisted housing are currently unbearable. In general, wait times for affordable housing units range between one and four years, while wait times for Section 8 vouchers range between three and seven years. The combined waitlists for public housing, Section 8 vouchers, and HOPE VI sites consists of 17,496 households seeking housing assistance.⁵
- When low income workers have affordable housing, they are not overburdened with paying rent and will have increased disposable income to spend in the neighborhood. The Consumer Expenditure Survey already shows that lower income households spend a larger portion of their income on retail expenditures.
- Affordable housing currently represents 30% of the existing housing in the neighborhood, and the 30/70 ratio of affordable housing/market rate housing has shown success in sustaining a vibrant retail district. Future housing in the planning area should reflect this ratio, enabling workers the opportunity to live close to their jobs if the current thriving retail/business district is to be maintained.

Affordable Housing Near Transit Helps Oakland Achieve Sustainability

Oakland has adopted a goal of a 36% reduction in greenhouse gas emissions from 2005 levels by 2020 and 85% reduction by 2050. MTC and ABAG have adopted a goal to “House 100% of the region’s projected 25-year growth by income level (very-low, low, moderate, above-moderate) **without displacing current low-income residents.**” A critical strategy for the City to achieve its greenhouse gas reduction and housing goals is to maximize the number of affordable housing units in transit-oriented development, which is imperative for promoting public transit use and decreasing vehicle miles travelled.

- Low-income households are more likely to engage in practices that promote sustainability – they are less likely to own a car, more likely to carpool, more likely to walk, and generally make shorter trips than households of medium to high income levels.⁶
- The California Department of Housing and Community Development found that low-income residents own fewer cars and drive fewer miles so that they make 40 percent fewer trips per household than other higher-income households.⁷
- Development that is targeted exclusively at high-income households and/or are transit-adjacent, rather than transit-oriented, can have opposite the intended effect of sustainability - resulting in increased car ownership and traffic.⁸ In this situation, core transit users, such as renters and low-income households, can be displaced by higher income, car-owning residents who are less likely to use public transit, defeating the goal of reducing greenhouse gas emissions and improving air quality.⁹
- Having housing near workers’ jobs results in fewer traffic jams and less pollution. With the push to expand Chinatown’s mixed-use, mixed-income model to other parts of the planning area, it is critical that there is housing affordable for all workers in the neighborhood.

Heights and Density Pose Problems and Impact Public Infrastructure

The proposals for building heights in the emerging plan pose conflicts with the existing neighborhood. Heights can cast shadows and create wind tunnels. Increasing density in an already dense neighborhood brings greater impacts on infrastructure, traffic, and park space. Community members are willing to accept some additional height and density, if community benefits that bring the necessary infrastructure and amenities are provided to improve livability for the neighborhood.

Chinatown is a Vibrant Neighborhood That Must Be Protected

The current population of the planning area is overwhelmingly Asian American, representing almost 70% of residents, with 84% of them being Chinese. These residents and the unique character of the neighborhood are at risk, if protections are not put in place to prevent displacement from gentrification impacts. The current mixed-income, mixed-use model of the neighborhood has worked, and we need to maintain it for the future.

- According to the Center for Community Innovation, more than 80% of the planning area's residents are renters, who are highly susceptible to displacement if affordable housing is not preserved and developed. Almost all rentals that are not subsidized or exempt from the city's rent control ordinance are within ¼ mile of the BART station, the area most likely to see greatest price appreciation as a result of development on the BART blocks.¹⁰
- The development of affordable housing is critical for mitigating against displacement. There is already a mismatch between the low incomes of neighborhood residents and the average cost of existing housing, so a significant need for more affordable housing exists even before planning for future growth.

The Lake Merritt BART Station Area Plan Must be Strengthened

Given the history of displacement in Chinatown, there is tremendous importance on *how* development happens in this neighborhood. To achieve the housing goals expressed by community members, a menu of required policies is needed to protect renters, generate affordable and family housing, and blunt displacement impacts:

- Include both 1) a requirement for mixed income housing with at least 30% of units in the planning area affordable to families below 60% AMI,(including extremely low and very low-income residents) , and 2) incentives and rewards such as increased density, increased height, decreased setbacks, reduced parking requirements, unbundled parking, etc. in exchange for meeting the requirement.
- Set height limits by right at 45 feet, allowing increased height in exchange for community benefits.
- Affordable housing must be built in the first phase of the Plan, before higher priced development increases land values. This fits with the comments in the Plan that the rental market will be the first to come back as the economy revives. Including affordable housing early on will help to address current need and set the stage for a diverse mixed-income community.
- Establish impact fees explicitly tied to community benefits to create a “Community Stabilization Fund” that will address the destabilizing impacts on businesses and residents by assisting with affordable housing, community amenities, and community asset building.
- Encourage developers to take advantage of non-City resources, such as the tax-exempt bond and tax credit financing used by Forest City for their Uptown project. The MTC just helped to start a revolving loan fund for acquisition of sites near transit to be developed as affordable housing and community services.
- Use the tax-increment generated by the new development, either through the current redevelopment or a successor strategy.
- Require 1:1 replacement to match affordability and size of household for those directly displaced by development in this plan.
- Provide renter protections and promote tenant rights, such as discouraging discrimination based on source of income, including rental assistance and Section 8.
- Develop design standards for institutional buildings in the planning area (county, school district, Peralta, BART) and require community feedback.

¹ City of Oakland, “Draft Emerging Plan, Analysis Report” prepared by Dyett & Bhatia, September 2011.

² City of Oakland, “Existing Conditions Report, Chapter 6,” Lake Merritt Station Area Plan.

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- ³ City of Oakland, “Cnnsolidated Plan for Housing and Community Development, July 1, 2010 – June 30, 2015.” Community & Economic Development Agency, May 15, 2010.
- ⁴ Center for Community Innovation, “Transit-Oriented Development & Residential Affordability: Lake Merritt/Chinatown, Oakland,” July 2011.
- ⁵ City of Oakland, “Housing Element 2007-2014,” adopted December 21, 2010.
- ⁶ Murakami, E., and J. Young. Daily Travel by Persons with Low Income. Presented at the National Personal Transportation Survey Symposium, October 1999,
<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.169.1065&rep=rep1&type=pdf>
- ⁷ Myths and Facts about Affordable & High Density Housing: A Report by the California Planning Roundtable and the California Department of Housing & Community Development
http://www.cproundtable.org/media/uploads/pub_files/mythsnfacts__.pdf
- ⁸ Jeremy Nelson and Daniele Petrone of Nelson/Wygaard, “The Green Connection: More Affordable Housing = Less Traffic,” EBHO 2011 Guidebook.
- ⁹ Dukakis Center for Urban and Regional Policy, “Maintaining Diversity in America’s Transit-Rich Neighborhoods: Tools for Equitable Neighborhood Change,” October 2010.
- ¹⁰ Center for Community Innovation, “Transit-Oriented Development & Residential Affordability: Lake Merritt/Chinatown, Oakland,” July 2011.