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October 17, 2016

Ken Kirkey, Planning Director  
Metropolitan Transportation Commission  
375 Beale St #800  
San Francisco, CA 94105

**Subject: Plan Bay Area 2040 – City of Oakland Supplemental Comments**

Dear Mr. Kirkey,

Thank you for the opportunity to comment on Plan Bay Area. This letter provides Oakland-specific comments that supplement the letter from the Mayors of Oakland, San Francisco and San Jose that was sent last week.

**CONCERNS ABOUT PROJECTIONS**

Oakland will strive to produce as many housing units as possible, at all levels of affordability, but will require additional resources to achieve the projections in the Draft Preferred Scenario. Oakland’s average housing production in the past ten years has been approximately 500 units per year, with a peak of around 1,000 years in the last economic boom nearly a decade ago. This is despite zoning and General Plan policies that support and encourage growth, and a pipeline of approximately 10,000 approved residential units. The Draft Preferred Scenario calls for Oakland to produce 3,120 housing units annually over the next 25 years.

Also, as a region, we need to encourage placement of jobs along the regional core transit network to achieve a more transit-oriented distribution of jobs that will help achieve the greenhouse gas reduction goals of SB 375. Given this and recent trends, the job growth numbers projected for Oakland are too low. Oakland has seen a significant influx of new jobs over the last five years, as the rise of rents in San Francisco make that market more and more unattainable. And as Oakland’s economy prospers, an even higher number of companies are making Oakland their first choice in job location. According to the State Employment Development Department, Oakland had 170,200 jobs in 2010, and by 2015 that number had jumped to 198,054 – an increase of approximately 28,000 jobs in a five-year period. More significantly, between 2014 and 2015, Oakland gained approximately 11,000 new jobs. In contrast, the Draft Preferred Scenario projects an increase of approximately only 2,400 jobs per

year between 2015 and 2040. Oakland concurs with regional planners that growth may decelerate in future years; however, it's likely that job growth will continue to be strong in Oakland, particularly with focused transportation investments. Oakland believes the City may be able to achieve between 300,000 and 320,000 jobs by 2040.

Oakland was not able to do a detailed analysis of the Draft Preferred Scenario projections at the PDA level, because staff only received the data a few days before the comment period deadline. Oakland's PDA-level allocations should reflect local plans and policies, per the guidance Oakland staff provided to staff from the Association of Bay Area Governments during conversations in spring and summer 2016.

### SPECIFIC POLICY IDEAS

To achieve the Plan Bay Area goals of housing production and mitigate displacement risks, the region should pursue and advocate for policy changes that could include but not be limited to:

State legislation to increase housing production at all levels of affordability:

- Consideration of state land use reform that builds on SB 375 and strengthens the Regional Housing Need Allocation (RHNA) process, modeled on the Growth Management Act in Washington State, whereby counties and local jurisdictions are required to adopt local plans that accommodate projected household growth across the income spectrum in a way consistent with the goals of SB 375, with meaningful state sanctions for non-compliance including withholding state tax revenues for a variety of uses.
- Consideration of an improved version of Governor Brown's "by-right" legislation, with changes that either focus it specifically at the state's largest metro areas or make it a regional "opt-in" framework that gives ABAG/MTC the ability to opt-in on behalf of the region, with key provisions that ensure prevailing wage for construction labor (for projects of minimum size) and anti-displacement provisions; include significant funding for both affordable housing and transportation that accompany opting in; and require minimum architectural design standards consistent with local regulations.

Regional strategies to support housing and job growth:

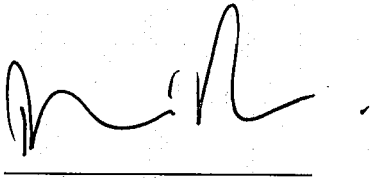
- Enact a regional jobs-housing linkage fee (i.e. assessed on new commercial construction for affordable housing), whereby cities would be exempt if they already have a fee or adopt their own fees equal to or greater than the regional fee.
- Regional funding/financing pool for infrastructure costs of major housing opportunity sites that would expedite housing construction for those major sites of "regional significance" that could produce thousands of units each, but are held up by huge up-front infrastructure lifts.
- Regional housing trust fund, particularly for land acquisition.

- Revise MTC's TOD Policy to include employment, in addition to housing.
- Focus resources in areas where the region wants to see employment growth (along the regional core transit network).
- Funding sources, which in the past been exclusively dedicated to transportation projects, should also support housing production.
- Anti-displacement policies and policies that further access to future housing opportunities especially in transit-rich/areas of opportunity should be a mandatory requirement for allocations of the region's transportation grant funds.

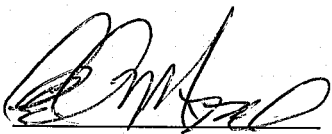
We look forward to refinement of the Draft Preferred Scenario prior to endorsement this fall and commencement of the Environmental Impact Report, along with continued development and refinement of the implementation strategies over the coming year, such that we can all be proud to recommend adoption of Plan Bay Area in 2017.

If you have questions, please contact Christina Ferracane, Planner III at (510) 238-3903 or [cferracane@oaklandnet.com](mailto:cferracane@oaklandnet.com).

Sincerely,



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