



**SPUR**

San Francisco | San Jose | Oakland

November 9th, 2018

Oakland City Council  
1 Frank Ogawa Plaza  
Oakland, CA 94612

Dear Councilmembers,

Thank you for the opportunity to comment on the proposed Public Lands Strategy (PLS). We believe that the City should have a comprehensive policy guiding the use of public lands and that the adoption of this policy should not be delayed further. Public land is an incredibly important asset for the City and the people of Oakland. We are pleased that such a robust discussion regarding the role and use of public lands is underway. We also note that there are many ways the policy proposals under discussion (the City Staff Strategy Proposal, the Citywide Anti-Displacement Network Policy Proposal and Councilmember Guillen and Councilmember Kaplan's policy proposal) are in alignment. We support all the points of agreement among these three proposals.

Public land has a financial value and a symbolic value. It is critical that the city's public land policy addresses the needs of Oaklanders, both the most vulnerable residents and the city as a whole. Like many other groups, we believe that public land should contribute to the public good – by supporting long term housing affordability, mixed income communities, economic development opportunities for all Oaklanders and the fiscal health of the city as a whole. A great public lands policy will balance all these complex concerns, doing so in a way that involves and is transparent to the public.

We have reviewed the different proposals currently on the table and would like to offer our comments and suggestions, below.

**1. The Public Lands Strategy should comply with the Surplus Lands Act.**

As you know, under the requirements of the state Surplus Land Act, a public agency seeking to sell or lease a piece of its land must prioritize affordable housing as a use on the site. The agency must send housing developers notification of the opportunity to develop low and moderate-income housing. They must also enter into good faith negotiations with interested parties, giving top priority to those that propose a project where at least 25 percent of the housing will be affordable to low-income households earning up to 80 percent of the Area Median Income. (In Alameda County, this translates to \$80,000 for a family of four.) If there is no proposal for projects including 25 percent affordable housing, or if the good faith negotiations don't result in a final deal, then at

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least 15 percent of the units in the final project must be affordable to low-income households.

SPUR believes that all land covered by the Public Lands Strategy should comply with the Surplus Lands Act, regardless of whether or not the land was formerly owned by the Redevelopment Agency. By having all land sales follow the same land disposition process informed by the same review criteria, the City will be in a better position to both support the public policy goals identified in the Public Lands Strategy and to have the process itself be clear and straightforward.

We understand the interest in maximizing the number of affordable housing units on public land by developing some public parcels as market rate housing or commercial use and then using the proceeds to subsidize affordable housing on other public parcels. However, we believe that a better way to achieve the goal of maximizing affordable housing production in a financially feasible manner is to create criteria for evaluating proposals that takes both of these goals into account, awarding more points for projects that are both financially feasible and that maximize the total number of affordable housing units than those that do not. We describe this in further detail, below.

## **2. The City should develop a clear, transparent process and clear, transparent criteria for evaluating development proposals.**

We are pleased that all of the public lands policy proposals have called for a clear, transparent process for developing RFPs and evaluating development proposals. SPUR believes that significant effort should go into engaging the public in developing criteria for evaluating development proposals, and that these criteria be used to articulate and balance the different policy goals the city is trying to achieve through its Public Land Strategy. At minimum, the criteria should mirror the Surplus Lands Act. However, we believe that the criteria should also include some of the policy tradeoffs the city is currently grappling with, including the following:

- Does the proposal maximize the number of affordable housing units, including those at the deepest level of affordability?
- Is the proposal feasible? Does the proposal rely on existing available public and private resources to be financially feasible? Are there proposals that achieve the same policy goals while relying on less public resources than others through cross subsidization or other means? Does the proposal rely on innovative techniques to increase project feasibility, such as new building techniques so timing to market is shorter; different types of units (i.e., Group Housing, Family Housing, or Co-Living)?
- Does the proposal support the economic development goals of the city, including creating jobs for women and minority owned-businesses?

- Does the proposal help to support the creation of mixed-income, mixed-use neighborhoods?
- Does the proposal support the fiscal health of the City, enabling the City to provide all the public goods that residents rely on?

City Council should adopt the criteria for evaluating proposals, including weighting the criteria to focus on items that are of utmost importance. A publicly appointed body comprised of community and citywide stakeholders should review development proposals and evaluate them based on their ability to meet the criteria. One example of this would be the RFP process that BART recently went through to choose a developer for the Lake Merritt BART site, where community members, affordable housing advocates, those with region-wide TOD experience and city department representatives reviewed proposals based on established criteria. The results of the publicly appointed body's evaluation should be made public and inform any disposition or long-term lease decision made by City Council.

3. **The Public Lands Strategy should maximize the total number of affordable units that can be built on public land, not just the percentage of units that are affordable.** As we mentioned earlier, we believe the Surplus Land Act should apply to all surplus lands. While the affordability requirements outlined in the Surplus Land Act are expressed as a percentage, we believe the City should also take into account the total number of affordable housing units, not just the percentage. For example, if Proposal A is for 100 units, 30 of which are affordable (30%), and Proposal B is for 200 units, 50 of which are affordable (25%) – we believe that Proposal B should score higher than Proposal A, because Proposal B will provide more affordable housing units, even though they are a smaller percentage of the total.

The region is experiencing a massive housing shortage. Between 2010 and 2015, the Bay Area added 550,000 jobs but only 60,000 housing units. We believe that adding more market rate homes to the housing supply can help to address the city's housing shortage while also helping to subsidize affordable housing. Market-rate housing could also afford to pay on-going lease payments to the city for the public land, which could be used to support city services.

We believe that creating more affordable housing as well as more market rate housing helps address the overall housing deficit and supports long term housing affordability for all residents. And creating mixed income communities that include both market rate and affordable housing have many positive social benefits as well.

4. **The Public Lands Strategy should support the creation of mixed-use neighborhoods.**

In addition to supporting mixed income neighborhoods, the Public Lands Strategy should also support mixed-use neighborhoods as well. Encouraging active ground floor uses, such as retail, helps create lively walkable communities. Ground floor commercial space on public land can be leased at below market rates to support neighborhood serving retail and the businesses of community members, including minority and women owned businesses. These spaces can also be used as cultural and/or arts centers.

**5. The City should coordinate with other public entities that own land within Oakland so that all public lands in the city support the goals of the Public Lands Strategy.**

While Oakland's public land policy excludes land owned by other public agencies, the city's planning process should ultimately take the holdings of all public agencies into account. In our report *A Downtown For Everyone*, we called for the city to craft a unified strategy for the disposition and development of public land across all public agencies, including BART, AC Transit, the Oakland Unified School District, the Peralta Community College District, Alameda County and others. A coordinated strategy could present additional opportunities to achieve both the city's long-term goals and the goals of those agencies. The completion of the city's Asset Management Plan for City-Owned Real Estate is an important first step that can help support the creation of a unified strategy.

Thank you for your consideration of our position. Should you have any questions, please do not hesitate to contact us.

Sincerely,

Sarah Karlinsky  
Senior Policy Advisor

Robert Ogilvie  
Oakland Director

Cc: Mayor Libby Schaaf  
Mark Sawicki, Director of Economic and Workforce Development  
SPUR Oakland Board of Directors