

Oakland Development Activities Meeting
May 29, 2019
Hosted by OPDC at 294 Semple Street
Project: 0 Boundary St.
Presenter: Thomas Liang, Kendall Pelling

Mr. Pelling and Mr. Liang gave a presentation outlining their project, proposing to build 6 townhouses on a plot of land bordered by Bounday St, Yarrow Way, and Isis Way. Two of the units would be facing Isis Way, and four would be facing Yarrow/Boundary. The houses would be put on the market around \$600,000 with the goal of creating opportunities for market-rate homeownership in Panther Hollow. The developers also presented on the variances they will be requesting at the zoning board, including minimum lot size, setbacks, and interior side yards. More details on the variances requested is located in their presentation.

Q: What demographic are you hoping to recruit for these homes?

A: People who work in Oakland, doctors, university staff. Most of these people don't live in Oakland but would like to.

Q: Why do you think the market is \$600,000? Where in Oakland are \$600,000 houses sold?

A: Brand new houses are expensive to build.

Q: Many more people in South O aren't doctors or professors, this is a situation where we are hurting their ability to stay in the neighborhood. This project is pushing the market up and will result in pushing people out.

A: There aren't a lot of \$600,000 houses in Oakland, but there are many that are market-rate. Developers have seen an opportunity to meet a community goal which is to increase homeownership. For people who work here, these homes could be a great option.

Q: Why are you saying you are in line with the density of the rest of the neighborhood when the zoning code only allows you four units?

A: Four units won't work financially. However, developers are open to putting a deed restriction on the house to make sure it's owner-occupied. This would restrict the sale of the units to people who would be owner occupants and would have to be verified by OPDC. When the houses are listed for sale, the buyer has to apply and prove that they intend to live in the house.

Q: Have you talked to Wanda about the Community Land Trust?

A: Yes, but it adds a level of complexity to homebuyer, and it doesn't give any advantages to homeowners. We don't want it to be complicated.

Q: Who will enforce the deed restriction?

A: The buyer won't be able to get title restriction unless OPDC signs off on the deed covenant. But developers are concerned about putting a long-term/permanent deed restrictions because it adds complexity.

Q: What about when they sell it? It seems like those homes will become student rentals.

A: They could be theoretically, but it would be tough. First, they would have to sell the house so that an owner-occupant deed restriction no longer applies. I don't think it is financially feasible to rent it out to students, especially considering the property taxes.

Q: There is no market for these homes. Why do you want to build \$500,000 properties just to make \$500,000? We don't want that in our community.

A: Should doctors who work in Oakland live in Oakland?

Q: What research has been done to show that doctors want to buy homes that expensive in Panther Hollow? All 20 homes that have been sold recently are not ownership, they are rentals. Do you think these people really want to raise a family in a neighborhood with all students?

A: They are high quality houses. In other towns, this has been true. The developer wants to take the risk that there are 6 homeowners who will want to live in this neighborhood.

Q: I don't believe it costs that much to build there. We have seen new houses built in Oakland for a much lower cost. You say this is helping a community goal of homeownership, but we have displaced so much of our population, 1600 of our black residents, almost 40% of the black population. People who get priced out can't stay. When I think about the goal of increasing homeownership, I don't think about inviting people in to buy at market-rate, I see increasing opportunities for people who are at-risk of being displaced today.

A: We are not trying to develop all of Oakland here, we are taking one plot and building 6 units.

Q: But don't you understand, this project will impact more than just these six units. You are setting back hundreds of units and making them less affordable.

A: What this does is establishes that there is a market for quality, market-rate homes in Panther Hollow.

Q: We can't assault the residents who live here now so that you can sell your homes and make a buck. We don't want \$600,000 homes.

A: The law does not restrict someone from selling their home for a certain price.

Q: Did you study if this development would negatively impact the residents who live here now?

A: The density study we performed says we won't be harming residents. Can Oakland have affordable homes and market-rate homeownership? This is only one property and six houses.

Q: What is getting knocked down to build this?

A: A retaining wall and an old blighted garage.

Q: People currently park on that lot. It needs to be developed.

A: Solution is to dig out the wall and develop it.

Q: So why not build cheaper houses?

A: It's a matter of dollars and cents.

Q: Isis Way in the back is 16 feet wide, it's an alley. You are only allowed 4 on the site, not six, and you're going to jam six units on there?

Q: Are the units facing Isis Way going to have garages as well?

A: Yes.

Q: What is the proposed timeline for completing the project if all goes well?

A: A year or a year and a half at the most.

Q: Is what (Mr. Giampolo) is saying true about only being allowed to build 4 units on the site?

A: Yes, it is partly the minimum lot size and partly the setbacks. We are requesting variances to build six units.

Q: I want to challenge your assertion that these units will never be rental. It would be very easy to turn these back into rental and take a little loss. You may believe they won't, but they may in the near future. How can you make this commitment to homeownership permanent?

A: Taxes alone would be more than \$1000 a month, mortgage would be \$4000, and there is no way these units become rental. Forever is a long-time, so we can't guarantee that the property will be permanently owner-occupied but that is the goal. The lot was too expensive, and with what I paid for the property, it is not financially possible to build and sell for less than \$500,000.

Q: What did you pay for the property?

A: Roughly \$400,000 dollars.

Q: Why should the community have pay because of your poor investment?

Q: How many bedrooms per unit?

A: 3 bedrooms.

Q: Remember, economic hardship is no reason for variances at the zoning board.

Q: Sometimes you have to deal with overcrowding, with all the developments, prices are rising, nothing is prohibitive of it becoming rental later on.

A: We are going to explore further to see if we can make sure they stay owner-occupied.