HOUSING & HOMELESSNESS

Rare opportunity to apply for Section 8 housing waitlist in Oakland

For the first time in 14 years, the Oakland Housing Authority will accept applications for the affordable housing voucher waitlist.

by **Natalie Orenstein**
Jan. 3, 2025, 3:00 p.m.

The Oakland Housing Authority will hold a lottery for 5,000 new spots on the voucher waitlist. Credit: Florence Middleton

The **Oakland Housing Authority** is opening its waitlist for Section 8 housing vouchers, which can be used by low-income households to pay part of their rent.

Applications will open Jan. 7 through Jan. 26 for 5,000 new spots on the list. It's a rare opportunity for Oakland residents seeking affordable housing: the waitlist last opened in 2011.

Recipients of Housing Choice Vouchers — still commonly referred to by their former name, Section 8 — are responsible for paying 30-40% of their monthly income toward rent and utilities. The voucher covers the rest.

Even though the waitlist is reopening, the Oakland Housing Authority has not recently received any new vouchers from the federal government, which distributes them to local authorities. Instead, the agency is planning to reissue a number of existing vouchers from recipients who've moved on to other housing situations, said spokesperson Kelsey Frost.

- **Apply online** for the Section 8 waitlist
- Read **our guide** to applying for affordable housing

Interested individuals and households can apply **online** or in person at Oakland Housing Authority locations where staff can assist. These centers are located at 1327 65th Ave., 1540 Webster St., and 935 Union St. (See dates and times **online**.)

The agency "encourages every family seeking affordable housing in Oakland to apply to the waiting list lottery," Frost said. "We have staff to assist with the process, including in-person application kiosks at several locations, multilingual translation, and assistance for persons who may need additional support with the process."

When applications close, the housing authority will run a random lottery to select the 5,000 households who will be placed on the waitlist. Depending on their spot on the list, selected households could end up receiving a Section 8 voucher in a matter of weeks — or they could wait on the list for years before getting called on.

In order to be eligible, an applicant must make under 50% of the median income for the area. That means a family of four must make under $77,850. A household of two must make under $62,300. (See **all current limits**.)

Section 8 is not a public housing program, meaning voucher-holders must find their own private apartments or houses to rent, as well as landlords who will accept them as tenants. But the government determines how much the overall rent is, setting the cost at what it considers to be a fair market value.

It is illegal in Oakland for landlords to discriminate against prospective Section 8 tenants — they must give everyone a shot at applying for an open unit. But ultimately it's up to the property owner to decide whom to rent to.

When the Oakland Housing Authority received several hundred emergency vouchers early in the COVID-19 pandemic, the agency teamed up with then-Mayor Libby Schaaf to **encourage landlords to participate** in the program. There is a benefit to property owners, who can expect regular and timely rent payments. That campaign was successful, Frost said. The housing authority also offers incentives, like paying for some capital improvements at participating buildings and covering security deposits.

Subsidized housing is costly and slow to build, and Oakland doesn't have nearly enough, so the Section 8 program is meant to give low-income renters flexibility and a better chance to find an affordable home.

There are also some vouchers tied to specific affordable housing projects.

Because the vouchers come from the federal government, the program can receive more or less investment depending on the given administration. Some people in the affordable housing industry are concerned that President-Elect Donald Trump could scale down the program.

"Under a worst-case scenario, in which the Section 8 program is severely down-sized, some existing buildings that rely on Section 8 to maintain operations will need to seek other sources, raise rents, or face financial uncertainty," Emily Weinstein, director of Oakland's Housing and Community Development Department, **previously told** The Oaklandside.

Frost said the housing authority will work with the new administration and landlords to guarantee "the highest and best use of precious federal dollars to ensure housing opportunities reach as many families in Oakland as possible."

Correction: This article previously incorrectly said voucher recipients pay 30-40% of the total rent cost. Voucher holders actually pay 30-40% of their household income toward the total rent cost.

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Job boom returns to Bay Area and California as hiring surges in May

South Bay powers Bay Area jobs upswing

By George Avalos | Bay Area News Group | PUBLISHED: June 21, 2024 at 9:55 a.m. UPDATED: June 21, 2024 at 4:17 p.m.

Led by a hiring surge in the South Bay, the Bay Area powered to big job gains in May, banishing — at least for now — the ominous specter of a weak labor market and job losses that haunted the region earlier this year.

The nine-county region added 7,000 jobs in May, the most in a month since December 2023 when the area produced a gain of 11,200 positions, the state's labor agency reported Friday.

The Bay Area's upswing in hiring during May occurred despite massive job cuts in the region's tech industry, primarily in the San Francisco metro area.

The South Bay muscled up to produce a gain of 3,300 jobs, nearly half of all the hiring in the Bay

Area during May, according to the state Employment Development Department.

The East Bay added 2,100 jobs.

The San Francisco-San Mateo region added 1,000 positions, the EDD reported.

California added 43,700 jobs in May and also reached a record-high number of nonfarm payroll jobs that topped 18 million.

Both the California and the Bay Area numbers were adjusted for seasonal volatility.

"The California and Bay Area labor market firmed in May following a string of disappointing job reports, rekindling expectations for a soft landing for the Bay Area economy following two years now of higher interest rates and rapid inflation," said Scott Anderson, chief U.S. Economist for BMO Capital Markets.

The statewide unemployment rate was 5.2% in May, an improvement from 5.3% in April.

The improvement marked the first time in nearly two years that the statewide jobless rate decreased. In August 2022, the statewide unemployment rate reached a record-low level of 3.8%. Until the improvement in May, it had worsened steadily.

"The labor market performance was good enough to calm some nerves in Sacramento and raise the odds that the Bay Area expansion will continue to muddle through in the months ahead," Anderson said.

Here is how some key industries fared in the Bay Area during May, according to seasonally adjusted numbers that Beacon Economics derived from the EDD official report:

— Tech companies slashed employment by a net 2,100 jobs. They cut 2,200 jobs in the San Francisco-San Mateo region and another 400 in the South Bay. The tech industry, however, added 600 jobs in the East Bay.

— Hotels and restaurants added 1,300 jobs in the Bay Area. Hotels and restaurants gained 800 jobs in San Francisco-San Mateo and 400 in the South Bay.

— Financial services firms added 1,700 jobs in the Bay Area, driven primarily by an increase of 1,000 in the San Francisco metro area and 600 in the East Bay. This sector includes banks and other financial firms, insurance companies and real estate firms.

— Health care firms increased employment by 1,200 positions in the Bay Area in May. The South Bay added 1,000 health care jobs last month, the Beacon estimate showed.

"In the Bay Area, the volatile tech and information sectors are still negative, with growth concentrated in hospitality, health care and government," said Jeffrey Michael, executive director of the Stockton-based Center for Business and Policy Research at the University of the Pacific.

It's become clear that the Bay Area's post-coronavirus recovery has begun to lag behind California as a whole.

The state's total of 18.03 million payroll jobs in May was 1.2% higher than the jobs it had in February 2020, the final month before government-mandated business lockdowns went into effect to combat the spread of the coronavirus.

Yet the Bay Area and its three major urban centers all remain below their pre-COVID job heights.

Here is what this news organization's analysis of the EDD report shows regarding the Bay Area's post-coronavirus employment recovery. The numbers compare the May 2024 numbers with February 2020 levels:

— The Bay Area is 1.3% below the February 2020 level, or a jobs deficit of 53,300.

— The South Bay is 0.2% beneath the pre-COVID figure, or a shortfall of 1,800 positions.

— The East Bay is 0.3% below, or a gap of 3,200 jobs.

— The San Francisco-San Mateo region is 3.7% under the pre-coronavirus total, which is a jaw-dropping deficit of 44,300 jobs.

Over the most recent 12 months that ended in May, the East Bay's job totals have risen 0.9%, while the South Bay and the Bay Area are up 0.5%.

In sharp contrast, San Francisco-San Mateo's job totals are down 0.5% during the one-year period.

The San Francisco-San Mateo metro area, Michael said, is "the only one of California's 29 metro areas that has lost jobs over the past 12 months."

Over the first five months of 2024, the San Francisco metro area lost 6,400 jobs. Until the gains in May, the San Francisco region had lost jobs every month this year.

The Bay Area's hefty hiring in May of a net total of 7,000 workers provided a hopeful counterpoint to the dreary trends for the region during the first four months of the year.

From January through April, the Bay Area had lost 600 jobs. But May's upswing means the Bay Area has gained 6,400 jobs over 2024's first five months.

During that same five-month period, the East Bay gained 3,600 jobs.

The South Bay, however, is the primary driver of the Bay Area job market so far in 2024. During the first five months of the year, the South Bay added 7,500 jobs and lost jobs in only one month, February,

The various trends suggest the South Bay retains its top-notch status as a jobs engine, despite the tech sector's well-known boom-and-bust cycles, according to Russell Hancock, president of Joint

Is Oakland the hottest market in the United States?

Uche Nchekwube
Published Nov 30, 2023

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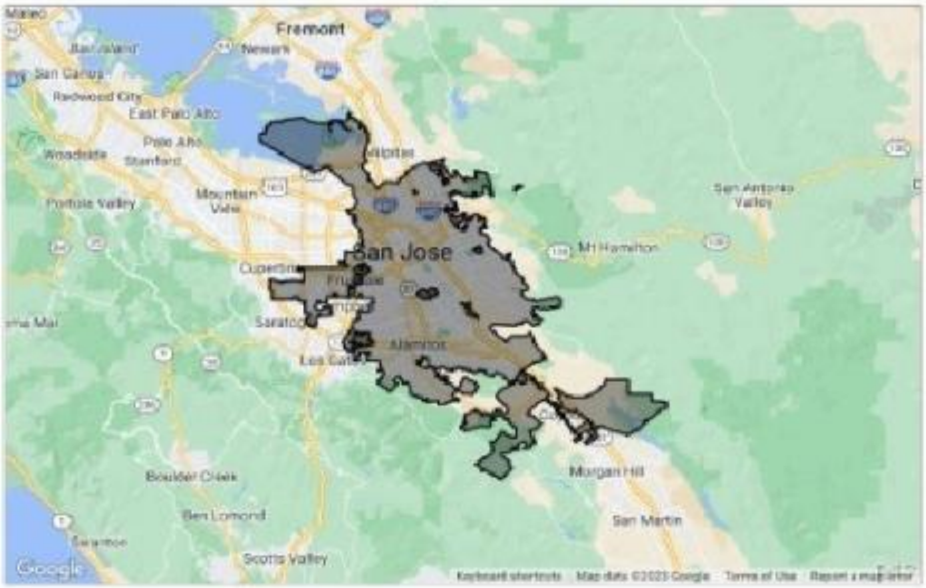
Just last month, it was reported that Oakland rents dropped faster than anywhere else in the nation. However, I was sent this article recently that made the hottest claim. In synopsis, in the article the author Cynthia Bowman explains, "The median sales price of a home in Oakland is $925K, up 8.8% year over year. Especially notable is that the median number of days an Oakland home is on the market is just 19 with 72% of the homes selling for above asking price." I can honestly say I think the rest of the article was fantastic as far as explaining several of the reasons Oakland California is a great town to invest in residential real estate. Let's review these data assertions from a regional perspective.

Most of these data points are great indicators of market strength.

The first problem with this article is that we don't get told when. When was the median price $925k, median days 19 etc? Last week? Not last month, this month to date? What point in time is the year over year comparison? When I look at last month's data, which I shared a few weeks ago - San Jose looks to have appreciated more year over year at 10.12%.

San Jose, California



Market Snapshot: Sales Price

Median Sales Price	Change Over Last Month	Change Over Last 3 Months	Change Over Last 12 Months	Change Over Last 24 Months
$1.36M Updated: 10/31/2023	↓ 0.73%	↓ 1.09%	↑ 10.12%	↑ 9.68%

About this data: The Metrics displayed here reflect median sales price for ***All Residential Properties*** *using* ***MLS listing*** *data.*

While Oakland outperformed San Jose Month over Month and Quarter over Quarter, that wasn't the assertion made in the article. I will also acknowledge that the article's data may correlate with some different point of time this year, or some other valid data set besides the data I am showing.

Oakland, California

Market Snapshot: Sales Price

Median Sales Price	Change Over Last Month	Change Over Last 3 Months	Change Over Last 12 Months	Change Over Last 24 Months
$950K Updated: 10/31/2023	↑ 5.56%	↑ 10.47%	↑ 6.86%	↑ 2.7%

*About this data: The Metrics displayed here reflect median sales price for **All Residential Properties** using **MLS listing** data.*

A main problem I have with the assertion is that the Median sales price of a home is in my opinion a clumsy way to judge price appreciation for an area. Rather than averaging the prices of all the sales, just picking the one in the middle allows for a lot of value to be overlooked. There can be a lot of space between sales prices, and average prices can suggest very different trends. The median can go up while the average goes down, and the average factors in every price. What if the top of the market goes up dramatically or the bottom dramatically goes down while the middle stays the same? The median would not move to reflect the change, the average would.

As an indicator, median days on market suffers from similar blindness including to the changes of data on the extremes. We might better be served to compare average days on the market, or median days at similar price points or narrow price ranges across different cities or regions.

Days on Market Month to date (11/1/23-11/27/23)

	Oakland	San Jose	San Francisco	Berkeley
Median	16	12	29	14
Average	32	19	39	17

It would look like San Jose wins again from my data. Watch out for Berkeley though. Seriously.

72% of homes selling over asking price certainly implies a hot market with more buyers than sellers bidding up the prices. It suggests that prices are rising as well. A suggestion, or an implication is not a fact, underpricing is commonly held as best practice across hot local markets where I work like Oakland, among residential real estate agents. The fact of this practice is the only thing solidly confirmed although multiple buyers bidding is fairly certain and a fact in my experience as far as the hot markets in question are concerned as well.

Over asking Month to date

	Oakland	San Jose	San Francisco	Berkeley
% of homes	69.54	56.74	50.18	90
% over (avg)	110	103	101	119

Besides wondering "when" was the metric like this, we might also ask if this trend is holding, improving or deteriorating. Also, how much over asking are these homes selling for? What does that trend look like over time? The snapshot we have from the article is pretty good but will not necessarily reveal how hot a market has been, or will be moving forward when used across markets that could turn on a dime if that's a pun.

In conclusion, I would not say that I refuted the article. Even if I would challenge individual data assertions, as I would do so other assertions would emerge. The graph above is county level data, and shows more homes sell over asking in Alameda county where Oakland is. The article was correct to point out that Oakland is a hot market - but did not prove it is the hottest market in the country. I recently noted that rents in Oakland have dropped **faster than anywhere else** in the country: how can it simultaneously be the hottest market for buyers or sellers and the softest for tenants? If The Town can manage its struggles with crime, tenants, emergency services, and professional sports franchises effectively it will be the hottest because each of these issues represents opportunities for growth, or if you prefer, "heat!"

It is that future movement that reveals the strength of a market, we can only hope that some of the data points we analyzed serve as effective leading indicators, and in my experience they will not always predict tomorrow the way we wish.

ELLIS PARTNERS

A FLIGHT TO QUALITY

There's a divide coming to the Oakland office market: Call it the have-amenities and the have-nots

BY HANNAH KANIK
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The first "truly postpandemic" high-rise office. ¶ That's how James Ellis, of San Francisco-based developer Ellis Partners, described the office project for which he recently gained entitlements in downtown Oakland. The property, located at 1919 Webster St., will one day be home to a 17-story, 380,000-square-foot building decked out with the features that today's tenants are now looking for – like double-height terraces, indoor-outdoor space and a giant roof deck.

Ellis Partners' proposed office tower at 1919 Webster will incorporate indoor-outdoor living concepts.

While Ellis, who purchased the site for $23.4 million in 2021 with long-term capital partner Intercontinental Real Estate Corp., is waiting for tenant demand to come back to Oakland before beginning construction, he's confident that the building Ellis Partners designed with Gensler Architects will be fit for the needs of a post-Covid workforce.

"We learned that ... amenities are critical. We've been able to design those amenities in – including a huge roof deck that covers the entire top of the building," Ellis said. "This is a truly unique building, and it's going to be heavily differentiated from any other office building in downtown Oakland."

1919 Webster is just one example of what the future of office buildings could look like in Oakland, as the small number of tenants still on the market seek more unique, high-end features to attract their employees into the office. Observers say as more tenants slowly reenter the market, this trend will likely continue – and there will be a division between buildings that can offer those features and those that cannot.

Demand for office space in what was once the tightest market in the country plummeted during the pandemic, and has been slow to recover with a more hesitant return to office than expected and high crime activity. Industry leaders say the office market feels "frozen."

"There's just really no activity in the market in Oakland right now ...It's as slow as I've ever seen it," said Ben Jones, a principal at real estate firm Lee and Associates. "It's almost a perfect storm of things happening that are a challenge for the office market."

The vacancy rate in Oakland's central business district remains

CONTINUED ON PAGE 26

CONTINUED FROM PAGE 24

high, reaching 28.7% in the third quarter, per data from Cushman & Wakefield. Several major office projects have stalled, sold or moved to consider expensive conversions.

What's more, a differentiator that long fueled Oakland's office market and spurred development – space that was cheaper than San Francisco – is no longer as potent, with San Francisco office rents having fallen precipitously. Oakland lured a few major tenants from over the Bay Bridge in the last few years, including PG&E, which relocated its headquarters to 300 Lakeside, and Blue Shield at 601 City Center. But that flow has slowed to a trickle.

Meanwhile, office investors who bought into Oakland's downtown during the boom years leading up to 2020 are often tied down by weighty commercial mortgages that can limit how much of a discount they're able to offer prospective tenants.

There are other factors in the equation as well.

"The value proposition of San Francisco versus Oakland is improving now, because we're seeing rents coming down as well in San Francisco," Ellis said. "I think that San Francisco is feeling a little safer than Oakland right now, and that certainly doesn't help when companies are making decisions."

Still, industry leaders have faith that Oakland's office market will rebound – though it will likely come later, perhaps after less attractive buildings get sent back to their lenders.

"I think there's absolutely going to be a comeback," said Amber Merrigan, senior vice president at Colliers. "It's going to take time, it's going to take patience. But I think the city's … got incredible bones and culture and all of those things."

Hard times for Class B?

Industry leaders across the board are anticipating a bifurcation of Oakland's existing office buildings – particularly between Class A and Class B space. Amenity-rich Class A buildings are faring better than Class B, as tenants simultaneously downsize their office footprint and seek higher-quality space to attract their workforce back to the office.

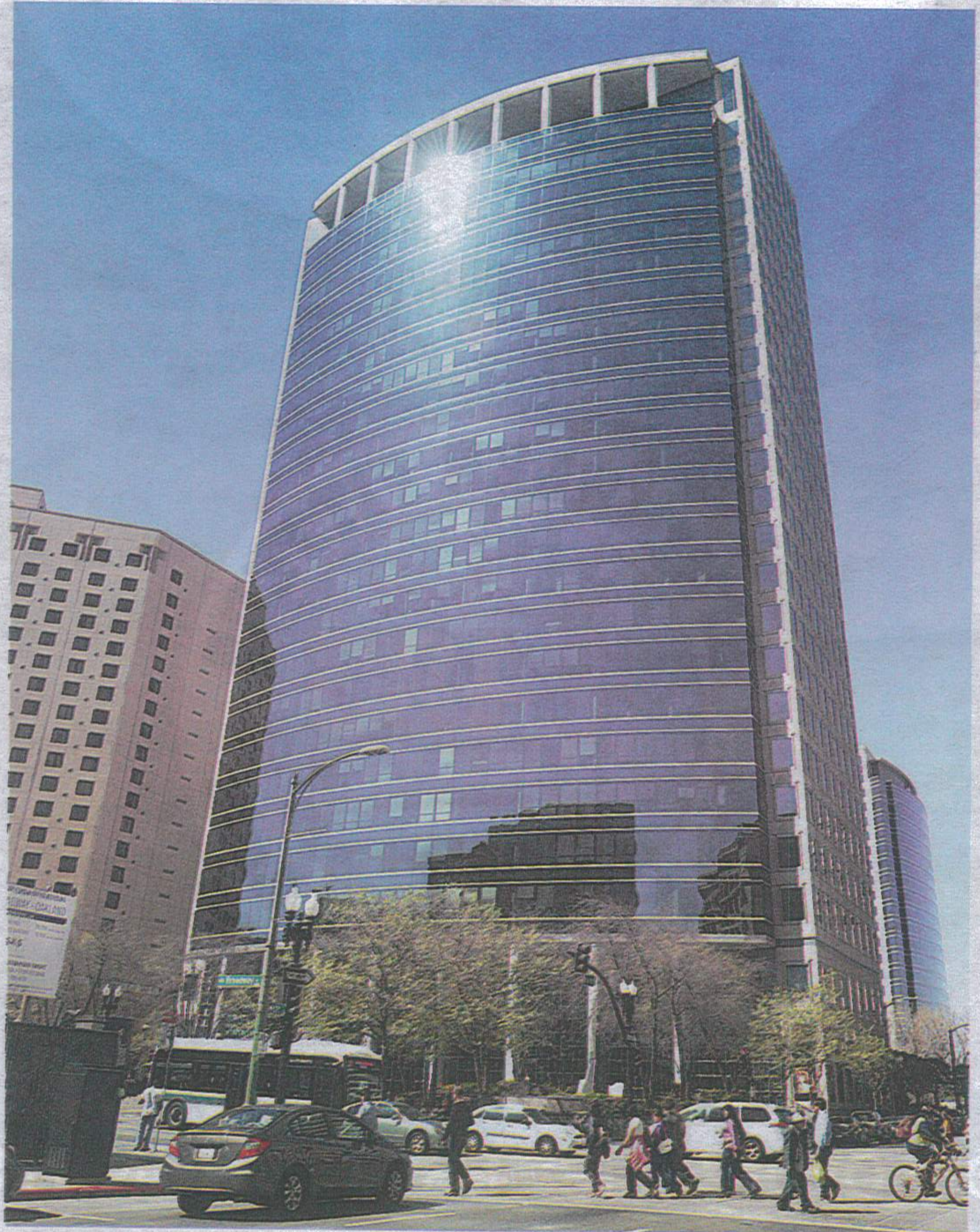
1111 Broadway, a recently renovated Class A office building in downtown Oakland, has occupancy rates in the high 80s or low 90s, said Chris Peatross, founder and CEO of Swift Real Estate Partners, which owns the property. Ellis Partners' Class A space at 1100 Broadway is close to 100% occupancy, thanks to two large tenants: the University of California's Office of the President and Credit Karma.

"Class B office buildings are going to have a really hard time… unless they can really offer a value proposition," Merrigan said.

Landlords that can offer low rents while investing capital into the improvements that attract tenants could survive the challenging market conditions, while those that can't will likely "bleed out" and be sent back to their lenders, Merrigan said.

One Class B property, 1625 Clay St., was able to do just that. The landlord, Sausalito-based Lincoln Village Offices, opted to renovate the building's lobby and offer highly discounted rent to its tenants. The building lifted its occupancy from 45% to 90% in the span of four months, Merrigan said.

However, not all buildings will have the ability to lower their rents and remain in good standing with their lenders.



SPENCER A BROWN | SFBT

Class A space like 1111 Broadway continues to enjoy high occupancy.

Data from JLL shared with the Business Times showed approximately 70% of Oakland's office buildings were purchased or refinanced since 2015 – and while not all of those properties are in trouble, they are more likely to be at risk.

"Those that bought in the last five to seven years, they really need to hit those high rent numbers, to see those returns, given the price that they bought the building at," Merrigan said.

San Francisco investor Tidewater Capital returned the 10-story office tower at 1440 Broadway it purchased in 2018 to its lender, BrightSpire Capital, earlier this year. Another property in Oakland's core business district, 360 22nd St., was sent back to its lender CIT Group this year. Both lenders opted to lease the building in lieu of trying to sell it, at least for now.

"I would have thought foreclosures would have already started, but … if the lender takes the building back, they're just taking on their … lendee's problem," Jones said. "So I do suspect there will be, in 2024 and 2025, more foreclosures."

With supply so high and demand so low, some office projects are getting scrapped entirely.

Signature Development dropped its plans for an 11-story office tower in Uptown Oakland earlier this month, selling the project site to a nonprofit, the East Bay Times reported. The project, which was located at 2406 Webster St. near Lake Merritt, would have totaled roughly 157,000 square feet and 10,000 square feet of downstairs retail.

Oakland-based Monarq was among the first developers to consider converting its high-rise office building at 1624 Franklin St. into a hotel. The 700,000 square-foot, 14-story, Class B building is roughly 65% occupied and developers are still in the preliminary phase to see if the project will pencil.

A new type of office

The sublease market also swelled to 1.13 million square feet in the third quarter of 2023, the highest since the start of the pandemic, as hybrid work models made it difficult for employers to determine the right amount of space for their company, according to research from Cushman & Wakefield.

As tenants downsized their space, they became less price sensitive on a per square foot basis. Brokers told me their tenants are looking for top-quality, magnetizing buildings with a resort-level slew of amenities and significant building security. Features ranging from gyms and restaurants to concierge services and speakeasies are starting to make some buildings stand out among the staggering supply in the market.

While Oakland has yet to see a wave of high-end renovations, San Francisco has seen office towers like One Sansome and the Cove at 525 Market St. adding unique features to attract tenants.

Sustainability and access to the outdoors has been another feature attractive to employers, Ellis said. Their design for 1919 Webster St. includes 600-square-foot balconies on every other floor, all-electric power, fresh air systems, potable tank systems and solar panels.

"When there's as much vacancy as there is, tenants have a lot of choices. And there's usually going to be a flight to quality in these types of markets, and I think we're seeing that," Peatross said.

OAKLAND'S GENERATION NEXT

Three new high-rise buildings are scheduled to land early next year

BY HANNAH KANIK
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A rendering of 1510 Webster St. as it would be seen from Webster Street. Developer oWOW intends to use mass timber on the project, which would make it the west coast's tallest wooden building.

OWOW DESIGN LLC

Oakland's apartment market is set to grow by 1,000 new units in the next few months.

The city swelled with thousands of new residential units over the past seven years, with more than 15 buildings springing up across downtown and Uptown. Now that the supply has increased, landlords are having to out bid each other with rent promotions and incentives to land tenants.

Three more large projects were due to hit the market by the end of 2023. The only hitch? The developers behind them are now estimating deliveries in early 2024. They join another seven apartment developments that are in the pipeline across the greater Oakland area, another 734 units expected to deliver in 2024.

"We see robust activity in the Oakland/East Bay apartment market and anticipate rent growth there once the influx of new supply is absorbed, employment continues to grow and net-migration recovers," said Kate Zeller, a senior research analyst with JLL.

The 200-foot apartment tower at 1510 Webster, developed by Oakland-based oWow, will be wrapping up construction by the end of the year and is on track to get a temporary certificate of occupancy in January.

Andy Ball, president of oWow, said landing a TCO in 12 months is "amazingly fast." The floor plans for the units evolved during construction to be more in line with a "post-pandemic" design, adding more counter space in kitchens and increasing the size of bedrooms.

The builder also reoriented the units to have bedrooms at opposite ends of the unit for more privacy. Ball said the building's wood floors, opposed to concrete, gave them the flexibility to redesign the project.

A massive 39-story tower at 1900 Broadway from San Ramon-based developer Behring Cos. started construction in the fall of 2021. The project includes 452 units and 50,000 square-feet of commercial space and 6,700 square-feet of ground floor residential space.

Colin Behring, CEO of Behring, said he anticipates delivering the units for rent in late January. The project faced delays partly from the pandemic, as well as changes to the building's design and budget. In 2021 Behring was aiming for a delivery date of the summer of 2023. Behring did not comment on the latest delay in the project.

1900 Broadway will also be the first of Behring's StakSite brand, a work-play-live model offering co-working spaces with memberships that offer tenants access to a fleet of Teslas, business-class printing, and virtual office service.

The building also will offer tenants a 24-hour concierge, sky-deck terraces and community spaces like a lounge with poker and card-deck room, a deck with fire pits and a 250-square-foot "cocktail pool" and a penthouse lounge with a cocktail bar and warming kitchen.

The 16-story apartment tower at 24th and Waverly pushed back its delivery to the summer of 2024. Developer Holland Residential did not provide more details on the delay.

The project will bring 330 units near downtown Oakland, and 13,200 square feet of ground-floor commercial space, a 7,359-square-foot public plaza and 215 parking spaces. It will also dedicate 5% of its units to individuals making between 30% and 50% of area median income, earning it a density bonus.

Holland has been one of the most active developers in downtown Oakland in recent years, delivering 277 27th St., 1717 Webster and 226 13th St., among others, totaling nearly 1,500 units.

This year alone, four apartment projects wrapped construction across Oakland totaling 538 units. Caspian in Brooklyn Basin, the largest of the bunch, brought 371 units. Another 167 units came from East Peralta-based Arthaus Six, Arthaus Magnolia in West Oakland, and Momentum Apartments in downtown.