

THE REAL DEAL

SAN FRANCISCO REAL ESTATE NEWS

California law could fastrack Oakland apartment development

SB 35 requires the city to either approve or deny the project in 90 days

San Francisco

Nov. 03, 2022 02:45 PM

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10550 International Blvd (Zillow, Getty)

Santa Clarita-based developer AMG & Associates has proposed to develop a 210-unit apartment building in the southernmost part of Oakland. The project would cost about \$80 million, according to plans submitted to the city.

The multifamily would be located at 10550 Industrial Boulevard, a seven-minute drive to Oakland International Airport. All of the 210 units would be affordable and the developer



Alexis Gevorgian (Tom Butt)

is invoking SB 35 (https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB35) to speed up approval. The state law allows affordable housing projects to streamline approval timelines if cities are not in compliance with a two-year Regional Housing Needs Allocation, or RHNA review.

Under RHNA, cities are required to submit their housing construction progress to the California Department of Housing and Community Development every two years. If a city fails to meet its RHNA goals at one of these progress checks, the streamlined approval will be in effect for the next two-year cycle. Oakland did not meet compliance in April and SB 35 is in effect until the next cycle.

The fast-track approval doesn't guarantee the project will be developed, but it shortens the timeline for localities to make a decision on a project in 60 days if the project contains 150 units or less and 90 days for projects with more units.

While Oakland has the shortest average timeline to get residential projects approved for development in the Bay Area, it still takes nearly a year at 311 days for approval.

Recently, there has been renewed interest on legislative tools for developers to get their projects approved. Many Bay Area cities are working to submit their housing element plans to the state for approval by a Jan. 31 deadline. If they don't, developers have the option of invoking the builder's remedy provision in California law, which allows their projects automatic approval. Projects must have at least 20 percent of affordable units to qualify for builder's remedy.

Oakland plans to present a second draft of its housing element to the public in November and theoretically could get the plan to the city by December. Some local developers are speculating if the builder's remedy strategy is an effective or a viable option for approval.

"We are not interested overall," Danny Haber, CEO of Oakland-based housing developer oWow, said. "Our idea is to follow the public process, get the community, city and all stakeholders on board before proceeding ahead. We've learned in the past, the hard way, that while this route can be expedited, it cannot be avoided. So we will continue to follow the process of getting everybody's feedback and city buy-in on the project."