

J. Population, Employment, and Housing

This section addresses existing conditions, trends, and impacts of the project related to population, business activity, employment, and housing. The impact analysis focuses on displacement of housing, people, businesses, and jobs, and on the inducement of population growth, including consideration of jobs/housing issues.

Introduction

The following setting identifies existing conditions and trends for the project site, and then focuses on surrounding areas of Oakland. The citywide and regional context for population, employment, and housing is presented, along with identification of the relationship between jobs and housing. Project employment is then quantified and described along with the project's contributions to citywide growth, providing the context for considering and understanding potential physical environmental impacts analyzed in this and other sections of the EIR.

The impact assessment of the project focuses on displacement of housing, people, businesses, and jobs, and on the inducement of population growth. The discussion also addresses potential effects of the project on housing demand and the relationship between jobs and housing.

Setting

Project Site

The project site includes the existing Kaiser Permanente Oakland Medical Center (OMC) campus and adjacent acquisition properties at and near the intersection of Broadway and MacArthur/West MacArthur Boulevard in Oakland (see **Figure III-2** in Project Description section). Kaiser Permanente owns most of the land in the project site: the existing Kaiser Oakland hospital and medical services buildings on the block of MacArthur between Broadway and Howe, the Howe and Piedmont medical services buildings and adjacent parking garage, mental health services office at 3900 Broadway, the MacArthur Broadway Center (M/B Center), a parking garage at 3451 Piedmont, and the Mosswood medical services building. These properties, in addition to an office lease at 3770 Piedmont and the MRI site lease, comprise the existing Kaiser Oakland Medical Center campus. The project site also includes acquisition properties, some of which Kaiser has recently acquired. Recent acquisitions include land and buildings used for auto sales and service on the west side of Broadway north of West MacArthur Blvd. and residential and commercial properties on the M/B Center block. Kaiser is in the process of acquiring or plans to acquire the other acquisition properties on the project site, including an office property at West MacArthur and Shafter, additional small residential and commercial properties on the M/B Center block, and auto service and commercial properties on the block west of Broadway.

There is a large amount of existing employment at the project site, almost all of which is associated with the Kaiser Oakland Medical Center campus. In addition, there is some

employment associated with commercial business activities on the site. There also are a small number of housing units and residents on properties that make up the project site. **Table IV.J-1** presents the estimates of existing employment, housing, and population on the project site.

**TABLE IV.J-1
EXISTING EMPLOYMENT, HOUSING, AND POPULATION
ON THE KAISER OAKLAND MEDICAL CENTER PROJECT SITE, 2004/2005**

	Employment	Housing Units	House- holds	Population
Kaiser Oakland Medical Center^a				
Providers ^b	642			16%
Registered Nurses (RNs)	900			22%
Other Staff	2,530			62%
Subtotal	4,072			100%
Commercial Uses				
Kaiser-owned M/B Center	54			
Acquisition properties	146			
Subtotal	200			
Residential Uses				
Acquisition properties ^c		33	33	41
Total Project Area	4,272	33	33	41

NOTE: The employment, housing, and population shown reflect setting conditions as of late 2004 and early 2005, at the time the EIR employment and population setting analyses were undertaken. There will have been some changes in the occupancy of the acquisition properties by the end of 2005, as properties are purchased by Kaiser and existing tenants move to other locations. These changes are discussed in the text.

a Medical Center employment measured in terms of total headcount.

b Providers are physicians and non-physician providers such as nurse practitioners, psychologists, social workers, marriage and family counselors, and other providers.

c Households and population based on 2000 Census data.

SOURCE: Kaiser Permanente; 2000 Census; Hausrath Economics Group.

Kaiser Permanente Oakland Medical Center

Health Care Services and Employment

The Kaiser Permanente Oakland Medical Center (OMC) provides comprehensive health care services to Kaiser Permanente members in the East Bay Service Area.¹ The OMC provides *primary care* services to Oakland Residence Area members, residing in the cities of Oakland, Berkeley, Kensington, Albany, Emeryville, Piedmont, and Alameda. The OMC also provides *specialized* services to Oakland Residence Area members as well as to Richmond Residence Area members residing in the cities of Richmond, El Cerrito, San Pablo, and El Sobrante. (Other

¹ Kaiser Oakland Medical Center (OMC) is part of the East Bay Service Area, which has health care facilities in Richmond and Alameda as well as Oakland. The OMC is jointly licensed with the Richmond Medical Center. The OMC, in addition to its function of providing primary care services to Oakland Area members, also provides specialized surgical, women and infants, pediatrics, and other services to both Oakland Area and Richmond Area members.

medical services are provided to Richmond Area members at the Richmond Medical Center which also is part of Kaiser’s East Bay Service Area.)

Inpatient and outpatient services, as well as administrative functions are located at the OMC campus. The existing hospital is licensed for 346 beds, although fewer beds are currently in use.² There are currently 370 medical provider offices—including physicians, nurse practitioners, psychologists, social workers, marriage and family counselors, and other providers. Kaiser OMC employment totals 4,072 people, measured in terms of total headcount, *i.e.*, the total number of people working, counting each part-time and full-time worker equally). The employment is located throughout the OMC campus, with the largest number of jobs (about 65 percent) located in the existing hospital (tower and low-rise portion) and adjacent medical services building, as summarized in **Table IV.J-2**. Overall, the Kaiser OMC accounts for about two percent of total employment in the City of Oakland.

**TABLE IV.J-2
 KAISER OAKLAND MEDICAL CENTER EMPLOYMENT
 BY LOCATION, 2004/2005**

Building/Site Number ^a	Name/Location	Employment (Total Headcount)
1	3900 Broadway Mental Health	103
2	Hospital Tower, Hospital Low-rise, and Low-rise MSB	2,628
3	Fabiola MSB	393
	Howe MSB (incl. campus security offices in garage)	203
	Piedmont MSB	176
	3770 Piedmont Lease	40
4	M/B Center – Kaiser Uses	369
5	Mosswood MSB – 3505 Broadway	155
8	MRI Trailer	5
Total Kaiser Oakland campus		4,072

^a See the map in **Figure III-2** in Chapter III, Project Description.

SOURCE: Kaiser Permanente, 2005.

Types of Employment and Places of Residence of Employees

Kaiser OMC jobs provide employment for people with a range of skills and training. Kaiser employs medical providers (physicians and non-physician providers as described above) (about 16 percent of the total), registered nurses (22 percent of the total), and many other medical, technical, administrative, and maintenance staff (62 percent of the total). (See **Table IV.J-1**.)

Nearly one-third (31.5 percent) of Kaiser OMC employees live in Oakland, and another 20 percent reside in adjacent cities of the Inner East Bay (including Berkeley, Albany, Piedmont,

² Kaiser reports that the hospital is licensed for 346 beds (2005), and that there are 304 usable beds currently (2005) after accounting for space limitations and sex, age, and infectious status variables. On average, about 218 beds are in use on a daily basis (based on average daily Census for January-September 2005, and calculated by dividing total hospital bed days by total number of days). (Kaiser 2005)

Emeryville, Alameda, and San Leandro). Overall, just over one-half of all Kaiser OMC employees (51 percent) live in the immediately surrounding Inner East Bay area, including Oakland and nearby cities. Another large share of employees (35 percent) resides in the rest of Alameda County and Contra Costa County, with about two-thirds of those people living in cities on the west side of the East Bay hills and one-third on the east side of the hills. In total, the large majority of Kaiser OMC employees reside in the East Bay (86 percent), including both Alameda and Contra Costa counties. The rest of the employees reside in San Francisco (about five percent), Solano County (four percent), the rest of the nine-county Bay Area (about three percent), and outside the Bay Area (about two percent). **Table IV.J-3** summarizes the place-of-residence data for Kaiser OMC employees. The residential distribution of Kaiser OMC employees is similar to the overall pattern for Oakland employment, as described later, near the end of this setting section.

**TABLE IV.J-3
PLACES OF RESIDENCE FOR KAISER PERMANENTE
OAKLAND MEDICAL CENTER EMPLOYEES, 2004/2005**

Place of Residence	Employees (headcount)	Percent Distribution
Oakland	1,282	31.5%
Other Inner East Bay cities ^a	811	19.9%
Subtotal: Inner East Bay	2,093	51.4%
Rest of Alameda County: west of hills	389	9.6%
Contra Costa County: west of hills	537	13.2%
Rest of Alameda County: east of hills	51	1.2%
Contra Costa County: east of hills	427	10.5%
Total East Bay/Alameda & Contra Costa Cos.	3,497	85.9%
San Francisco County	212	5.2%
Solano County	162	4.0%
San Mateo County	49	1.2%
Marin County	39	1.0%
Santa Clara County	24	0.6%
Sonoma/Napa Counties	19	0.4%
Total Bay Area	4,002	98.3%
Bay Area Adjacent Counties ^b	48	1.2%
Beyond ^c	22	0.5%
TOTAL	4,072	100.0%

^a Includes Berkeley, Albany, Piedmont, Emeryville, Alameda, and San Leandro.

^b Includes San Joaquin, Yolo, Sacramento, Stanislaus, Santa Cruz, and Merced counties.

^c Includes locations in the rest of California and outside California.

SOURCE: Kaiser Permanente, 2005; Hausrath Economics Group.

The distribution of Kaiser Oakland employees among places of residence is fairly uniform by staff category. The data indicate a few variations from the average pattern. Providers show higher

than average percentages living in the Inner East Bay, in San Francisco, and over the hills in Contra Costa County. Registered nurses show higher than average percentages residing in Alameda and Contra Costa counties outside of the Inner East Bay, and in the rest of the Bay outside of San Francisco. The data also show that RNs are more likely to live outside the nine-county Bay Area, probably reflecting the shortage of trained nurses within the Bay Area.

Commercial Business Activity and Employment

There are other existing business activities on the project site besides the Kaiser OMC uses. As of late 2004/early 2005, there were 12 businesses employing about 200 people, located in Kaiser-owned space and the acquisition properties (see **Table IV.J-4**). This includes approximately 54 people employed in ground floor commercial uses in the Kaiser-owned M/B Center, and about 146 people employed in other business activities located along Broadway and West MacArthur Blvd., on the acquisition properties. Most of these people are employed in retail store, office, personal service, and auto sales and service businesses.

Commercial businesses located on the project site are aware of the proposed Kaiser project, and transition is already underway as Kaiser proceeds to purchase the acquisition properties. It is anticipated that three project area businesses with approximately 56 employees will move from the project site by the end of 2005 (the Honda Dealer, Midas Muffler, and Mohler Barber College). Once those moves occur, there will be nine businesses with approximately 144 employees remaining on the project site.

Existing Housing and Population

There are 33 housing units on acquisition properties in the project site (see **Table IV.J-4**). They are located on the M/B Center block, between the M/B Center and I-580. These units have been occupied by a residential population of 41 people (based on the 2000 Census). One property already acquired by Kaiser is a 30-unit apartment building fronting on Piedmont Avenue, that housed 36 residents. About five more people live in the three smaller residential properties yet to be acquired (located mid-block off of Broadway).

Kaiser has proceeded with the process required to remove the 30-unit apartment building from the rental market, and it is anticipated that all tenants will have moved from the building by the end of 2005. Once those moves have occurred, there will be three housing units remaining on the project site.

Surrounding Area

The Kaiser Permanente OMC Project site is in the North/Central part of Oakland. The surrounding Oakland area is defined by the Berkeley border on the north; Highway 13, the City of Piedmont, and Lakeshore Avenue on the east; Lake Merritt and Grand Avenue on the south; and Peralta Street and the Emeryville border on the west (see map in **Figure IV.J-1**).

**TABLE IV.J-4
COMMERCIAL AND RESIDENTIAL USES ON THE PROJECT SITE**

Building/ Site Number^a	Location/Business	Comm'l Space and Business Activity/Use	Employ- ment	Housing Units	House- holds	Popula- tion
4	M/B Center Commercial	29,894 sq. ft.	54			
	Just for Kids/Outlet Store	Retail store				
	Oriental Nails	Nail salon				
	Contractor's License	Office				
	The Food Mill	Retail store				
	Broadway Commercial	11,500 sq. ft.	11			
	Red Arrow Cleaners	Dry cleaning				
	Mohler Barber College	Education/training				
	Rest of Strip Mall	Vacant				
	Apartment Building	Residential	–	30	30	36
	Mid-block housing	Residential	–	3	3	5
7	Broadway Commercial	41,701 sq. ft.	80			
	Midas Muffler	Auto service				
	Broadway Pet Hospital	Pet boarding				
	Firestone	Auto service				
	Applied Research	Office				
	Honda Dealer	Auto sales/service				
9	California State Automobile Association (AAA)	19,112 sq. ft. Office	55			
	Total Commercial	102,207 sq. ft.	200			
	Total Residential			33	33	41

NOTE: This table lists commercial and residential uses located in Kaiser-owned space and acquisition properties. The employment, housing, and population shown reflect setting conditions as late 2004 and early 2005, at the time the EIR employment and population setting analyses were undertaken. There will have been some changes in the occupancy of the acquisition properties by the end of 2005, as properties are purchased by Kaiser and existing tenants move to other locations. These changes are discussed in the text.

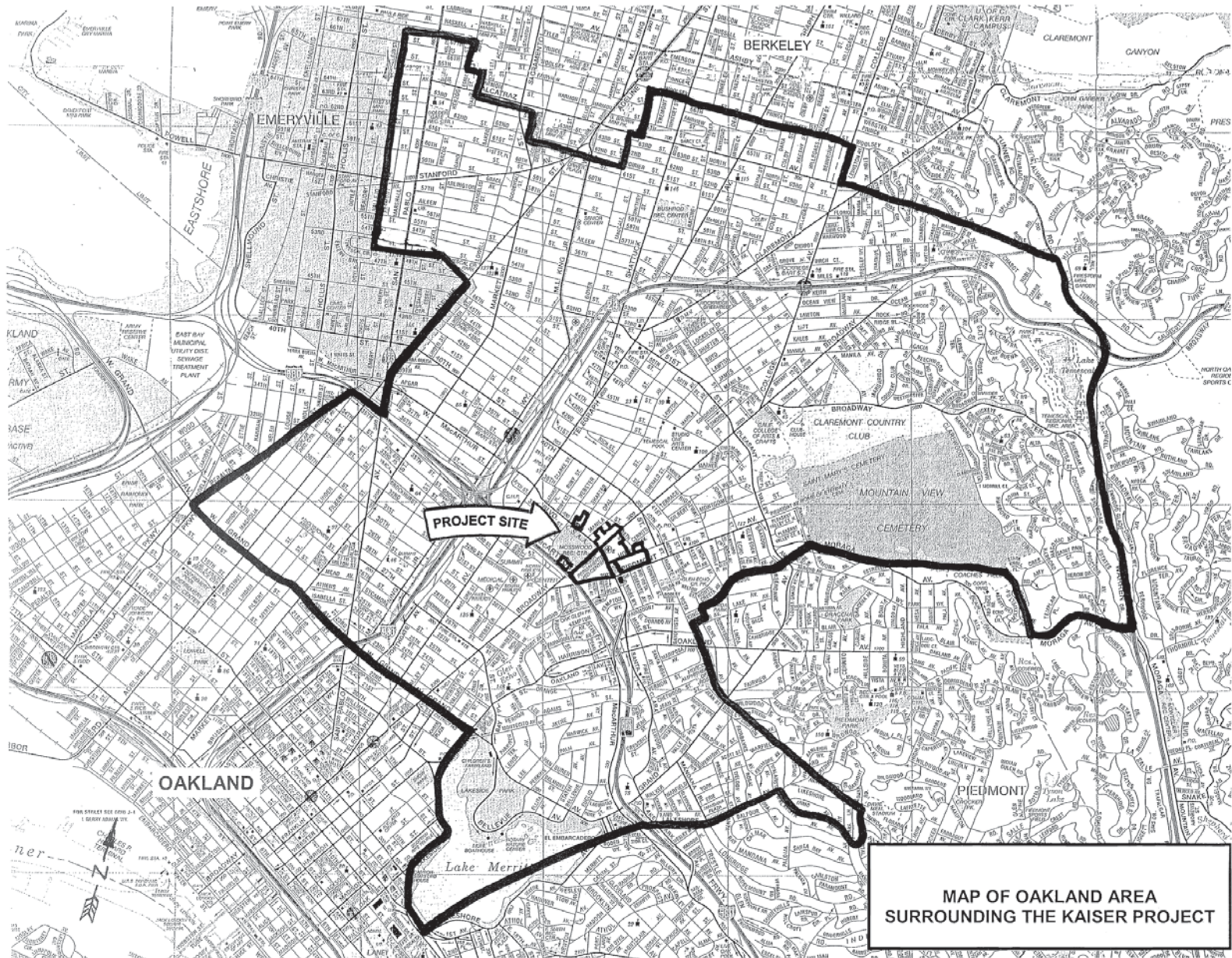
^a See the map in Figure III-2 in Chapter III, Project Description.

SOURCE: Kaiser Permanente; 2000 Census; Hausrath Economics Group.

Employment, households, and population in the surrounding area are summarized in **Table IV.J-5** and described below. The table identifies existing conditions and future trends for the surrounding area and the City of Oakland overall. Background on the estimates and more detailed data for the surrounding area are provided in **Appendix F**.

Business Activity and Employment

Current business activity and employment in the surrounding area focuses on three hospital medical centers and related medical offices and facilities, several active neighborhood commercial districts, and Oakland's Broadway Auto Row. Overall, the surrounding area includes 41,280 jobs, representing 20 percent of total employment in the City of Oakland.



SOURCE: Hausrath Economics Group

Kaiser Permanente OMC Master Plan Project . 204438

Figure IV.J-1
 Map of Oakland Area
 Surrounding the Kaiser Project

**TABLE IV.J-5
TRENDS IN THE SURROUNDING AREA AND THE CITY OF OAKLAND: 2000, 2005, AND 2025
(without the Kaiser Permanente OMC Project)**

	2000	2005	2025	2005-2025	
				Change	Percent
Surrounding Area					
Employment	39,660	41,280	46,190	4,910	12%
Households	42,560	43,320	47,690	4,370	10%
Population	87,040	89,840	97,110	7,270	8%
City of Oakland					
Employment	190,170	203,960	249,350	45,390	22%
Households	150,790	155,390	175,890	20,500	13%
Population	399,480	413,520	451,580	38,060	9%

NOTE: The numbers presented above for 2025 do not include the project and assume that existing conditions on the Kaiser project site remain as-is (2004/2005) in the future.

SOURCE: Oakland Cumulative Growth Scenario as updated for *Kaiser Project EIR*, April 2005.

There are a number of medical facilities located in this central East Bay location. The Summit campus of Alta Bates/Summit Medical Center (Summit) is located near the Kaiser OMC campus, across Broadway on the other side of I-580. Children’s Hospital and Research Center (Children’s) is located to the north, on the other side of Highway 24. Together with the Kaiser OMC, these three medical centers currently account for 24 percent of the employment in this part of Oakland (9,910 jobs of 41,280 total jobs for the surrounding area), and about five percent of total employment in the City of Oakland (9,910 of 203,960 total jobs citywide).

Furthermore, the Berkeley campus of the Alta Bates/Summit Medical Center (Alta Bates) is located immediately to the north beyond the city limits. Medical offices and testing facilities supporting the Alta Bates campus are located along Telegraph Avenue in Oakland within the surrounding area, and there is an outpatient surgery center on Telegraph Avenue just opposite the MacArthur BART station. If other medical employment in the surrounding area was added to the totals for the three major hospital medical centers, the total for all medical and health-related employment would represent more than 25 percent of total employment in the surrounding area and more than five percent of citywide employment.

There are several active neighborhood commercial districts in the surrounding area: Piedmont Avenue adjacent to the Kaiser OMC to the east, College Avenue/Rockridge (to the north), Upper Grand Avenue (from I-580 north to the City of Piedmont), Grand Avenue/Adams Point near Lake Merritt, Northgate Commercial District on Telegraph near 25th/26th Sts., the Temescal District on Telegraph near 51st St., and the Golden Gate District along San Pablo Ave. The surrounding area also includes Mosswood Park to the west, Oakland’s Broadway Auto Row along Broadway to the south, and a community shopping center to the north at Broadway and 51st/Pleasant Valley Rd.

Trends indicate employment growth in the surrounding North/Central Oakland area in the future. Growth of commercial activity is anticipated in the neighborhood commercial districts and shopping areas, supported by the growth of housing and population nearby and in other parts of Oakland. Like Kaiser Permanente, the Summit and Children's medical centers are also planning for hospital replacement projects to meet state seismic standards and those projects could also include possible facility expansions nearby to support the growth of outpatient medical services and research programs.³ Employment in the surrounding area is projected to increase to approximately 46,200 jobs by 2025 without the Kaiser Project, reflecting growth of employment of about 12 percent over the next 20 years.

Housing and Population

The surrounding North Oakland and northern Downtown Oakland (above Grand Avenue) residential neighborhoods are characterized by a mix of single family and apartment housing types. There are about 43,300 households residing in the surrounding neighborhoods with a population of approximately 89,800 residents. This population accounts for 22 percent of total population in the City of Oakland.

New housing is being developed in the surrounding area, much of it in the vicinity of the Kaiser Medical Center. The largest amounts of new housing in surrounding areas are anticipated in the Valdez/Summit/South Auto Row area just north of the downtown office district between Grand Avenue and I-580 from Harrison St. to Highway 24. The Growth Scenario includes over 2,600 additional households in this area by 2025. New housing also is being planned for the area around the MacArthur BART station, with between 700 to 900 new units under consideration for development in the MacArthur BART Transit Village and other projects around the station area, on both sides of Highway 24. Other new housing includes additional loft housing development in the western parts of the area near Emeryville, as well as additional housing in the northern parts of West Oakland that are between I-580 and West Grand Avenue, to the west of I-980. In total, households are forecast to increase by 10 percent with the addition of 4,370 households and 7,270 additional residents in the surrounding area by 2025.

City of Oakland and the Region

Oakland is the third largest city in the Bay Area region and the largest city in the East Bay. Housing, population, and employment growth are occurring in Oakland and projected to continue in the future, bolstering Oakland's role as a centrally-located place of residence and place of employment within the large Bay Area region.

³ Neither the Alta Bates/Summit Medical Center or Oakland Children's Hospital & Research Center had submitted plans for hospital replacement and possible expansion to the City of Oakland at the time of the analysis for this EIR. Estimates of current employment and potential growth of employment for each medical center were developed for use in the cumulative analysis for this EIR, based on reasonable assumptions and data and information available at the time of the analysis. In both cases, hospital replacement and expansion are assumed to occur on the current campuses and, potentially, on nearby property in the surrounding area. More background on the assumptions is provided in **Appendix F**.

Employment

Employment in Oakland was estimated at 190,170 in 2000, representing about five percent of all employment in the region (see **Table IV.J-6**). Business activity and employment grew substantially in Oakland in the late 1990s, reflecting strong economic trends throughout the region and an enhanced market position for Oakland, particularly within the region's office market. While regional trends favored growth in the suburbs in prior decades, recent trends "back to the center" are now recognizing the value of Oakland's central location, its good transportation/transit accessibility, and its relative affordability as a business location. These factors are anticipated to become increasingly important in the future, enabling Oakland to retain and enhance its competitive position as a business center for the region.

Since 2000, employment in Oakland has remained relatively stable with job growth occurring locally in some sectors despite the downturn in the region's economy. During this period, employment declined substantially in other parts of the region, particularly in the South Bay and in San Francisco, due primarily to declines in the region's high technology industries. The diversity of Oakland's economy has lessened the effects of the region's economic downturn and helped maintain relatively high occupancy rates for the city's office, commercial, and industrial space markets.

As the region's economy rebounds from its recent slowdown, economic growth is forecast for the future. Projections for Oakland show growth of about 59,000 jobs from 2000 to 2025 without the Kaiser Project (see **Table IV.J-6**). That growth represents about a 31 percent increase in employment in Oakland, and a rate of growth relatively similar to those forecast for the Inner East Bay and the region overall. Downtown Oakland is anticipated to remain strong and to grow as a major office business center. Growth is anticipated in the transportation-related sectors centered on the city's growing airport and seaport, and in medical and health services, in retail, restaurant, and entertainment activities, and in professional and personal services. Activities in existing and new neighborhood commercial districts are anticipated to grow, supported by the growth of housing and population in the city.

Population and Housing

Existing Conditions and Trends

The 2000 Census identified 399,480 people living in Oakland, about six percent of the total population of the Bay Area (see **Table IV.J-6**). The number of people occupying housing in the city (household population) totaled 392,310 in 2000, with an additional 7,170 people living in group quarters such as dormitories, group homes, nursing homes, shelters, correction facilities, etc. There were 150,790 households in Oakland in 2000 and an average household size of 2.6 persons per household.

**TABLE IV.J-6
EMPLOYMENT, HOUSEHOLDS, AND POPULATION FOR OAKLAND, THE EAST BAY, AND BAY AREA REGION: 1990, 2000, AND 2025
(without Kaiser Permanente OMC Project)**

	1990	2000	2025	1990 – 2000		2000 – 2025		
				Change	Annual Rate	Change	Percent	Annual Rate
Employment								
Oakland ^a	173,270	190,170	249,350	16,900	0.94%	59,180	31%	1.09%
Inner East Bay ^c	353,640	373,900	484,630	20,260	0.56%	110,730	30%	1.04%
Total East Bay ^d	953,580	1,109,010	1,517,130	155,430	1.52%	408,120	36%	1.26%
Total Bay Area ^d	3,201,010	3,749,890	4,938,440	548,880	1.60%	1,188,550	32%	1.11%
Households								
Oakland ^b	144,520	150,790	175,890	6,270	0.43%	25,100	17%	0.62%
Inner East Bay ^c	260,350	271,400	307,220	11,050	0.42%	35,820	13%	0.50%
Total East Bay ^d	779,810	867,500	1,062,440	87,690	1.07%	194,940	22%	0.81%
Total Bay Area ^d	2,245,870	2,466,020	2,985,240	220,150	0.94%	519,220	21%	0.77%
Total Population								
Oakland ^b	372,240	399,480	451,580	27,240	0.71%	52,100	13%	0.49%
Inner East Bay ^c	649,840	688,220	771,880	38,380	0.58%	83,660	12%	0.46%
Total East Bay ^d	2,080,430	2,392,560	2,926,140	312,130	1.41%	533,580	22%	0.81%
Total Bay Area ^d	6,020,150	6,783,760	8,225,780	763,610	1.20%	1,442,020	21%	0.77%

^a Oakland Cumulative Growth Scenario as updated for *Kaiser Permanente OMC Project EIR*, April 2005, without the project and assuming existing conditions on the project site (2004/05) in the future.

^b U.S. Census data for 1990 and 2000. For 2025, Oakland Cumulative Scenario as updated for *Kaiser Permanente OMC Project EIR*, April 2005, without the project and assuming existing conditions on the project site (2004/05) in the future.

^c Inner East Bay includes Oakland and nearby cities of Albany, Berkeley, Emeryville, Piedmont, Alameda, and San Leandro. Data and projections for nearby cities from ABAG, *Projections 2002*.

^d Total East Bay includes all of Alameda and Contra Costa counties, and total Bay Area includes all nine Bay Area counties. Totals are from ABAG, *Projections 2002* except data and projections for Oakland per notes a and b above substitute for the ABAG figures for Oakland.

SOURCES: U.S. Census; ABAG *Projections 2002*; Oakland Cumulative Growth Scenario, April 2005.

The 2000 census also identified 157,510 housing units in Oakland (see **Table IV.J-7**). Of the occupied housing units (150,790), 59 percent were renter-occupied and 41 percent owner-occupied. From 1990 to 2000, Oakland’s housing stock increased by 2,771 units. However, the number of households in the city grew by 6,269 during the 1990s, reflecting increased occupancy of the existing housing stock, as the overall housing vacancy rate declined from 6.6 percent in 1990 to 4.3 percent in 2000 (see **Table IV.J-7**). The city’s population increased by 27,240 residents during that period as a result of housing production, occupancy of vacant units, and an increase in the population in existing households.

**TABLE IV.J-7
 CHANGES IN HOUSING STOCK IN OAKLAND, 1990-2000**

	1990		2000		Change
Total Housing Units	154,737		157,508		2,771
Occupied Housing Units	144,521	93.4%	150,790	95.7%	6,269
Vacant Housing Units	10,216	6.6%	6,718	4.3%	(3,498)
Owner-occupied Housing	60,153	41.6%	62,489	41.4%	2,336
Renter-occupied Housing	84,368	58.4%	88,301	58.6%	3,933

SOURCE: U.S. Census, 1990 and 2000.

New Housing Development in Oakland

Since 2000, the city’s housing supply has increased substantially with about 5,000 new units anticipated to be developed in Oakland by the end of 2005 (see **Table IV.J-8**). This represents a substantial change from prior decades during which very little new housing was developed in Oakland. In the 1970s and 1980s, housing development bypassed Oakland and other inner city areas in favor of the suburbs. In the 1990s, regional trends began to change. Household and population growth occurred in existing housing in Oakland; the vacancy rate declined and average persons per household increased. Most of the 2,771 units added in Oakland during the 1990s were built in the latter part of the decade as the region’s housing market began to rediscover Oakland. Strong regional housing demand, fewer remaining locations for development in the suburbs, renewed interest in center city living particularly in proximity to employment centers, and a relatively affordable land supply for such a central Bay Area location were all factors in favor of renewed housing development in Oakland. In addition, new housing development has been encouraged in Oakland by regional and local Smart Growth land use policies and by other local efforts such as the Mayor’s 10K Initiative to attract new housing development to downtown Oakland and bring 10,000 additional residents downtown.

**TABLE IV.J-8
 HOUSING GROWTH IN OAKLAND**

	Additional Housing Units	Annual Average
1990 – 2000 ^a	2,771	277
2000 – 2005 ^b	5,000	1,000
2006 – 2025 ^c	21,360	1,068

^a 2000 Census.
^b Housing units in projects anticipated to be completed by the end of 2005.
^c Housing in approved projects, in projects in pre-development and planning, and housing on housing opportunity sites and other sites considered likely to be developed by 2025.
 SOURCE: City of Oakland Housing Element; Oakland Cumulative Growth Scenario, April 2005.

As identified in Oakland’s Housing Element, new housing is being built in downtown Oakland and in many other parts of the city, including West Oakland, East Oakland, North Oakland, and along the Estuary waterfront. Most of the new housing is multi-family housing. New housing development is focused around the city’s BART stations, along transit corridors, in the downtown area, and in mixed-use neighborhoods. Lofts and other new housing are also being built in older industrial areas of the City. New housing in Oakland includes units covering a range of prices and rents, reflecting Oakland’s land use policies encouraging higher-density development and the investment of substantial public funding for affordable housing.

The market success of recent housing developments in Oakland and the continuing demand for housing have increased developer interest in building additional new housing in Oakland. About 7,000 to 8,000 new units could be built over the next five years, 2006 to 2010, in projects already approved, in projects in the pre-development and planning process, or on sites considered likely to be developed in this timeframe. Beyond 2010, projections anticipate additional housing development of from approximately 13,300 to 14,400 units through 2025. By 2025, the projections include development of the housing opportunity sites identified in Oakland’s Housing Element as well as new housing on other sites. In total, the development of about 26,400 new units by 2025 would increase Oakland’s housing supply by 17 percent over the housing stock identified in the 2000 Census.

Population and Household Projections

Population projections for Oakland indicate growth of approximately 25,000 households and 52,000 residents from 2000 to 2025 (see **Table IV.J-6**). This growth reflects the continuing development of new housing in Oakland (described above) and projected demographic trends. In both the city and the region, average household size is projected to decline over time, reflecting the aging of the population, particularly the increase in the proportion of the population over age 55. In Oakland, the development of higher-density housing in the downtown area and other locations also is anticipated to attract households with fewer people and smaller than average household sizes. Thus, population is projected to increase by 13 percent through 2025, while households and housing units are projected to grow by 17 percent.

Regional Market Context for Housing Prices and Rents

Recent Trends

Throughout the state and the region, housing production has not kept pace with the demand for housing associated with employment growth, in-migration, and household formation. Between 1990 and 2000, about 187,000 housing units were added in the nine Bay Area counties (an eight percent increase). During the same period, the number of employed residents increased by 456,000 (14 percent) and the number of jobs increased by 548,000 (17 percent). Housing prices and rents also increased, reflecting this imbalance.

More recently, housing production levels have increased at the same time that employment opportunities have fallen off. Nevertheless, historically low mortgage rates and other economic factors have contributed to maintaining for-sale housing demand, price levels, and price increases, in spite of the significant slowdown in economic activity in the region. Apartment rents, however, leveled off in 2001 and declined in most parts of the Bay Area until they began to stabilize in mid-2004, as a result of the slow economy and the ability of some renters to become homebuyers because of low interest rates. Rental unit vacancy rates also increased over this period, and have just recently stabilized and begun to decline in some parts of the region.

Housing Prices and Rents

Housing prices in the Bay Area are among the highest in the country. In 2004, prices for new and existing homes in the Bay Area averaged \$543,875. From 1993 through 2004, average house prices in the region more than doubled, increasing 110 percent. Average home prices in Oakland and Alameda County are below those in the higher-priced markets, with prices for new and existing homes averaging \$483,166 for Alameda County in 2004. However, increases in home prices in Alameda County were similar to regional trends, with prices increasing by 113 percent from 1993 through 2004. Housing price increases in parts of Oakland have actually exceeded regional trends in recent years, as relatively lower-priced housing in Oakland is “discovered” and becomes more desirable *vis-à-vis* higher-priced housing in surrounding areas. For example, over the four years from April 2000 to April 2004, market prices for existing single family homes increased by 77 percent in East Oakland, 69 percent in Oakland overall, and 66 percent in Alameda County overall, showing larger increases in prices for areas with relatively lower-priced housing. (Real Estate Research Council of Northern California, 2004.) In 2005, the median home price in Oakland is \$475,000 (City of Oakland CEDA web site, 2005).

Information for larger rental apartment complexes show average apartment rents for the Bay Area at \$1,290 per month as of mid-2005, and average rents for apartments in Alameda County at \$1,200 per month, just below the regional average (Real Estate Research Council of Northern California, 2005). In both cases, rents peaked in early 2001, and then declined thereafter through mid-2004, as rental vacancy rates also increased. This trend appears to have leveled off, and more recent data show relatively stable apartment rents and vacancies and the beginning of gradual increases in the occupancy of rental housing and increases in rental rates. These same trends have also occurred in Oakland. In 2005, the average apartment rent in Oakland is \$1,200 per month, and the apartment vacancy rate is 6.9 percent (City of Oakland CEDA web site, 2005).

Oakland's Housing Market Reflects Regional Context

Housing market conditions in Oakland reflect the broader regional housing market context. While housing prices and rents in Oakland have generally been below those in many other parts of the Bay Area, regional housing demand and higher prices and rents in other areas have been increasing demand for housing in Oakland and putting upward pressure on Oakland's housing prices and rents. Increasing interest in higher-density urban living and in housing in closer-in locations with access to employment centers also supports demand for housing in Oakland and contributes to the market for new housing now under development in Oakland.

Employed Residents and Jobs/Housing Relationship

Employed Residents and Where Oakland Residents Work

In 2000, 174,740 people living in Oakland were employed according to the U.S. Census, representing 56 percent of the working age population (the population 16 years of age and older) and 92 percent of the civilian labor force (those 16 years of age and older working or looking for work). In the future, the number of employed residents is anticipated to increase at a faster rate than the growth of population, due to the growth of higher-density new housing in Oakland with proportionally more adult residents in their working years and to regional demographic trends related to the overall aging of the population and higher labor force participation rates.

Census data indicate that in 2000, about 39 percent of the employed residents of Oakland held jobs in Oakland. Another 16 percent worked in nearby cities of the Inner East Bay, indicating that the majority (55 percent) of Oakland's employed residents work close to home, in Oakland and adjacent cities. Another 18 percent worked in San Francisco, and about 19 percent worked elsewhere in Alameda County outside the Inner East Bay and in Contra Costa County. The remaining eight (8) percent worked in other locations, most in other Bay Area counties. (ABAG, 2000 Census.)

Oakland Jobs and Where People Working in Oakland Live

About 36 percent of the jobs in Oakland in 2000 were held by people who also lived in the city. Another 15 percent of jobs were held by residents of nearby cities in the Inner East Bay, indicating that over half (51 percent) of Oakland's jobs are held by residents of Oakland and its adjacent cities. Residents of other parts of Alameda County and Contra Costa County held another 31 percent of Oakland's jobs, San Francisco residents held about five (5) percent, with the remaining 13 percent of jobs held by residents of other counties in the Bay Area, adjacent areas, and beyond.

Overall Relationship of Jobs and Housing

As described above, Oakland is both a place of residence and a place of employment. The total number of jobs in the city (190,170 in 2000) is relatively similar to the total number of employed residents (174,740 in 2000) (see **Table IV.J-9**). The overall relationship between jobs and employed residents in an area identifies the extent to which a community enjoys a balanced mix of land uses thereby offering job opportunities to local residents and housing opportunities for workers employed in local jobs. The resultant mix of who lives in Oakland and who works in

Oakland and the extent to which these are the same individuals results from a complex set of interactions and decision factors that determine where people choose to live and work, how much they spend for housing, and their travel patterns. Jobs/housing balance evolves over time and reflects the role and location of particular areas within the larger regional context. Regional planning efforts in the Bay Area seek to “balance” the number of jobs and the number of employed residents, or to improve existing imbalances, for purposes of achieving goals related to improved housing availability and affordability, commute distances, congestion, and air quality.

Data and projections for Oakland indicate that Oakland has a good balance of jobs and housing as it continues to have a relatively similar number of jobs and employed residents. In the future, similar amounts of growth for employed residents and jobs are anticipated to maintain this “balance” over time, as shown in **Table IV.J-9**. The relationship of jobs to employed residents in Oakland is similar to that for the nine-county Bay Area overall. Data for the Inner East Bay, including Oakland and its nearby cities, show that this larger surrounding area has a somewhat higher ratio of jobs to employed residents than Oakland alone. Overall, data for the East Bay in total (all of Alameda and Contra Costa counties including the Inner East Bay) show more employed residents than jobs, indicating the important role of the East Bay as a place of residence for people employed in the East Bay and other parts of the region.

Project Medical Center Activity and Employment, and Contributions to Citywide Growth

This section quantifies and describes the growth and other changes in medical center activity and employment associated with the project. Growth and change are considered from the perspectives of the project site and of the project’s contributions to citywide growth of employment and population. Employment and population changes in and of themselves, are not normally considered to be significant environmental effects under CEQA. However, these changes and effects can be indicators of other impacts, and they can have influence on the significance of those impacts. Thus, the description of employment and population changes that follows is included to provide context for considering and understanding potential physical environmental impacts associated with changes in employment and population that are analyzed later in this section and in other sections of this EIR (*e.g.*, traffic, public services, and air quality). In addition, the description also identifies beneficial aspects of the project in terms of employment opportunities and support for increased business activity in nearby areas.

Business Activity and Employment

The project would improve and expand the medical services provided at Kaiser Oakland Medical Center. It would support additional employment for medical services personnel. The project would replace all but a small amount of commercial business activity on the project site, with medical center uses.

**TABLE IV.J-9
 TRENDS IN JOBS AND EMPLOYED RESIDENTS: 1990-2025
 (without Kaiser Permanente OMC Project)**

	1990	2000	2025	1990-2000		2000-2025	
				Change	Annual Rate	Change	Annual Rate
Total Jobs							
Oakland ^a	173,270	190,170	249,350	16,900	0.94%	59,180	1.09%
Inner East Bay ^c	353,640	373,900	484,630	20,260	0.56%	110,730	1.04%
Total East Bay ^d	953,580	1,109,010	1,517,130	155,430	1.52%	408,120	1.26%
Total Bay Area ^d	3,201,010	3,749,890	4,938,440	548,880	1.60%	1,188,550	1.11%
Employed Residents							
Oakland ^b	162,490	174,740	233,960	12,250	0.73%	59,220	1.17%
Inner East Bay ^c	312,070	320,020	416,060	7,950	0.25%	96,040	1.06%
Total East Bay ^d	1,053,430	1,187,470	1,640,530	134,040	1.20%	453,060	1.30%
Total Bay Area ^d	3,147,610	3,611,370	4,651,460	463,760	1.38%	1,040,090	1.02%
Ratio Jobs-to-Employed Residents							
Oakland	1.07:1	1.09:1	1.07:1				
Inner East Bay	1.13:1	1.17:1	1.16:1				
Total East Bay	0.91:1	0.93:1	0.92:1				
Total Bay Area	1.02:1	1.04:1	1.06:1				
Employed Residents as Percent of Population							
Oakland	44%	44%	52%				
Inner East Bay	48%	46%	54%				
Total East Bay	51%	50%	56%				
Total Bay Area	52%	53%	57%				

^a Oakland Cumulative Growth Scenario as updated for *Kaiser Permanente OMC Project EIR*, April 2005, without the project and assuming existing conditions (2004/05) on the project site in the future.
^b U.S. Census data for 1990 and 2000. For 2025, Oakland Cumulative Growth Scenario as updated for *Kaiser Permanente OMC Project EIR*, April 2005, without the project and assuming existing conditions (2004/05) on the project site in the future.
^c Inner East Bay includes Oakland and nearby cities of Albany, Berkeley, Emeryville, Piedmont, Alameda, and San Leandro. Data and projections for nearby cities from ABAG, *Projections 2002*.
^d Total East Bay includes all of Alameda and Contra Costa counties, and total Bay Area includes all nine Bay Area counties. Totals are from ABAG, *Projections 2002* except data and projections for Oakland per notes a and b above substitute for the ABAG figures for Oakland.

SOURCES: U.S. Census; ABAG *Projections 2002*; Oakland Cumulative Growth Scenario, April 2005.

Kaiser Permanente Oakland Medical Center

To meet the needs of its service population and to provide both required and desired facility upgrades, the proposed Kaiser project would modernize and expand the amount of space in use for hospital and other medical center uses at the project site. The increase in building space for the Medical Center would exceed the increases in patient visits and Medical Center employment, primarily as a result of increased space demands of technology and other current standards for modern medical center operations and design.

A new hospital on the M/B Center site would replace the existing hospital. While there would be no increase in the number of licensed hospital beds, the project would increase the number of usable hospital beds (currently limited by facility constraints) and improve Kaiser's ability to provide inpatient hospital services. With the project, there would be an increase in outpatient services offered at the Medical Center, including a new Cancer Center at West Broadway MSB and a new medical services building at the site of the existing hospital. Medical provider offices would increase by 40 from 370 to 410. The project also would include additional space for Kaiser Permanente administrative offices. Overall, building space in medical center use would increase by 644,640 square feet, or 57 percent, from approximately 1.136 million square feet currently to 1.78 million square feet at project buildout, as summarized in **Table IV.J-10**.

TABLE IV.J-10
SUMMARY OF MEDICAL CENTER ACTIVITY, BUILDING SPACE, AND EMPLOYMENT FOR
KAISER PERMANENTE OAKLAND MEDICAL CENTER CAMPUS

	Building Space (sq. ft.)	Licensed Hospital Beds (beds)	Medical Offices (No.)	Employment (total headcount)	Patients (patient visits per year) ^a	Visitors (visitors per year) ^b
Existing (2004/05)	1,135,852 ^c	346	370	4,072	1,181,565	778,691
End of Phase 1 (2008)	1,065,824	346	393	4,346	1,213,534	831,993
End of Phase 2 (2012)	1,730,026	346	410	5,206	1,248,827	859,379
End of Phase 3 (2020)	1,780,455	346	410	5,861	1,399,208	1,015,881
Change Existing to Buildout	644,603	0	40	1,789	217,643	237,190
	57%	0	11%	44%	18%	30%

^a Patient visits per year include the total of outpatient doctor office visits, clinical ancillary visits (e.g., lab, imaging, rehab therapy, same day surgery), inpatient average daily census, and emergency department visits.

^b Visitors per year include visitors for/with outpatients (family members or friends accompanying member to outpatient MD or clinical ancillary visit) and visitors to hospitalized patients.

^c Does not include space in the M/B Center occupied by non-Kaiser commercial uses (29,894 sq. ft.). In total, existing Kaiser OMC space includes 1,165,746 sq. ft. if the ground-floor commercial space in the M/B Center also is included.

SOURCE: Kaiser Permanente, 2005.

Kaiser's projections, summarized in **Table IV.J-10**, show that, with the project, patient visits per year (for both outpatient services and hospitalization) would increase at the Oakland Medical Center by about 18 percent, and the number of visitors also would increase, including both those accompanying outpatients and those visiting hospitalized patients. The anticipated growth of

medical services reflects the health care needs of a growing service area population, increases in Kaiser membership, and the aging of the region’s population over time.

Overall, about 1,800 more people would be employed at the expanded Medical Center; headcount employment would increase by 44 percent to approximately 5,860 jobs. The largest increase in employment would be in the “other staff” category, including hospital support staff, administrative and management staff, medical technicians, and others. There also would be increases in employment of registered nurses, and of doctors and other medical service providers. Employment growth by staff category is summarized in **Table IV.J-11**.

**TABLE IV.J-11
 KAISER OAKLAND MEDICAL CENTER
 EMPLOYMENT ESTIMATES BY STAFF CATEGORY**

Staff Category ^a	Existing Conditions (2004/05)	Buildout (2020)	Change	
			Number	Percent
Providers ^b	642	753	111	17%
Registered Nurses	900	1,297	397	44%
Other Staff	2,530	3,811	1,281	51%
Total	4,072	5,861	1,789	44%

^a Medical Center employment measured in terms of total headcount employment, consistent with citywide employment data.
^b Providers include physicians, nurse practitioners, psychologists, social workers, marriage and family counselors, and other providers.

SOURCE: Kaiser Permanente, 2005.

Commercial Business Activity

The project would replace all but a small amount of commercial business activity at the project site, with medical center uses. The 12 existing commercial businesses with employment of approximately 200 people would have to seek new locations, possibly nearby or elsewhere in Oakland. One of the existing businesses in the M/B Center is anticipated to be able to relocate to new space to be built in Phase 1 of the project. The project would include 7,700 square feet of new ground-floor space on Broadway for commercial businesses; 1,700 square feet in Phase 1 and 6,000 square feet in Phase 3. It is estimated that the businesses in the new space would employ 22 people, as summarized in **Table IV.J-12**.

Net Changes in Project Site Employment

After accounting for both the growth of employment in Kaiser medical center uses and the change in employment in non-Kaiser commercial uses on the project site, total employment at buildout would be approximately 5,880, representing a net increase of 1,610 jobs (about 38 percent) over the employment estimated for the project site in 2004/05. **Table IV.J-12** shows the net changes in space and employment on the project site for both Kaiser medical center uses and ground-floor commercial uses (non-Kaiser).

**TABLE IV.J-12
SUMMARY OF EMPLOYMENT ESTIMATES
AND CHANGES IN EMPLOYMENT FOR KAISER OMC PROJECT SITE**

	Kaiser Medical Uses ^a		Commercial Uses ^b		Total Employment for Project Site
	Space	Employment	Space	Employment	
Existing (2004/2005)	1,135,852	4,072	102,207	200	4,272
End of Phase 1 (2008)	1,065,824	4,346	1,700	5	4,351
End of Phase 2 (2012)	1,730,026	5,206	1,700	5	5,211
End of Phase 3 (2020)	1,780,455	5,861	7,700	22	5,883
Change, Existing to Buildout	644,603	1,789	(94,507)	(178)	1,611

^a Kaiser Permanente, 2005. Employment is total headcount employment.

^b Space estimates from Kaiser Permanente. Employment estimates developed by Hausrath Economics Group considering types of commercial uses and comparable employment densities.

SOURCE: Kaiser Permanente; Hausrath Economics Group.

Population and Housing

The project would replace the existing housing units on the project site with medical center uses. No additional housing development is proposed. The 33 households and 41 people who have occupied the existing housing units would have to find other housing, potentially in nearby neighborhoods or in other parts of Oakland.

Contributions to Citywide Growth

Table IV.J-13 presents the cumulative growth projections for Oakland with the Kaiser project. These are the projections used for the citywide cumulative analyses in this EIR. (Background on the Cumulative Growth Scenario and more detailed tables are provided in **Appendix F**.)

Kaiser's Oakland Medical Center project is included in the citywide employment projections. The employment growth associated with the project represents about four percent of citywide job growth of about 47,000 jobs from 2005 to 2025. By 2025, Kaiser OMC employment would still represent about two percent of total employment in Oakland, relatively similar to existing conditions.

In addition, the expansion of Kaiser's medical center activity bringing more patients, visitors, and employees to the project site and surrounding areas of Oakland would provide increased market support for retail and commercial business activities, particularly in nearby locations and neighborhood commercial districts, such as along Piedmont Avenue and on Broadway. The additional demand would support additional spending for eating and drinking, grocery store and specialty food purchases, drug store and other convenience items, retail shopping goods, local services such as banking, hair care, and dry cleaning, and auto-related services. The citywide growth scenario incorporates the additional market support. The project also would contribute to the revitalization of the Broadway and MacArthur/West MacArthur corridors in the vicinity of the

**TABLE IV.J-13
 EMPLOYMENT, HOUSEHOLDS, AND POPULATION FOR OAKLAND AND THE
 SURROUNDING AREA, WITH THE KAISER PERMANENTE OMC PROJECT**

	2000	2005	2010	2025	2005-2025	
					Change	Percent
Surrounding Area						
Employment	39,660	41,280	42,400	47,920	6,640	16%
Households	42,560	43,320	44,690	47,660	4,340	10%
Population	87,040	89,840	92,420	97,070	7,230	8%
Employed Residents	45,560	46,860	50,540	58,940	12,080	26%
City of Oakland						
Employment	190,170	203,960	219,730	251,080	47,120	23%
Households	150,790	155,390	163,020	175,860	20,470	13%
Population	399,480	413,520	429,000	451,540	38,020	9%
Employed Residents	174,740	181,250	199,100	233,930	52,680	29%
Ratio Jobs-to-Employed Residents	1.09:1			1.07:1		

SOURCE: U.S. Census 2000; Oakland Cumulative Growth Scenario with Project, April 2005, with later modifications for revised Kaiser project description.

project site, through redevelopment of the site of the older M/B Center (functionally obsolete), as well as through other new development and intensification of activity on the project site.

From a citywide perspective, the removal of housing to make way for the project would not make a material difference in households or population. The loss of 33 units would be small in the context of the strong production of new housing occurring in Oakland and expected to continue at an average rate of over 1,000 units per year (see **Table IV.J-8** and associated text in the housing setting section). About 20 percent of new housing is anticipated to occur in areas surrounding the project site.

Impacts and Mitigation Measures

Significance Criteria

Although a project’s social and economic effects, *per se*, are not considered to be significant environmental effects under CEQA, those aspects of a project might affect other conditions in an area that are evaluated for physical environmental impacts under CEQA. Thus, this section also addresses the potential effects of the project on housing demand, jobs/housing balance, and implications for housing availability and affordability. Such effects can have indirect implications for employee residence and commute patterns and related transportation and air quality impacts.

A project would have a significant effect on the environment if it would:

- Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere, in excess of that contained in the City’s Housing Element.

- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere, in excess of that contained in the City's Housing Element.
- Displace substantial numbers of businesses and jobs, necessitating the construction of replacement facilities elsewhere, in excess of that contemplated in the City's General Plan.
- Induce substantial population growth in a manner not contemplated in the General Plan, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads and other infrastructure) such that additional infrastructure is required but the impacts of such were not previously considered or analyzed.
- Have effects on the demand for housing and the relationship between jobs and housing that could have indirect implications for residence and commute patterns and related physical environmental impacts.

The project is evaluated relevant to the above criteria in the rest of this section..

Local Plans and Policies

Oakland General Plan policies and other applicable plans and policies that pertain to housing, jobs, and related effects, and that apply to the project, are identified and discussed in Section IV.A. Land Use, Plans, and Policies. General Plan and Housing Element policies also are addressed in this section, as relevant to the significance criteria identified above.

Project and Cumulative Impacts

Displacement of Substantial Housing, Population, Businesses, or Jobs

Impact J.1: The project would displace existing housing and residents, but not in substantial numbers necessitating the construction of replacement housing elsewhere, in excess of that anticipated in the City's Housing Element. (Less than Significant)

Development of the project would require the demolition of 33 housing units on the block with the existing M/B Center (site 4), to facilitate the construction of the new hospital. These units have been occupied by a residential population of 41 people.

Property Acquisition and Removal of Units From the Housing Market

Kaiser purchased the 30-unit apartment building at 3459 Piedmont Avenue in 2004, and has already completed the processes required to remove the building from the rental market under the Ellis Act (*Government Code* sections 7060-7060.7) and the City of Oakland's Ellis Act Ordinance (*Oakland Municipal Code* sections 8.22.400-8.22.480). All tenants were notified of the need to vacate the building prior to November 30, 2005. As of mid-December 2005, Kaiser reports that all of the tenants have moved from the building.

Under Oakland's Ellis Act Ordinance, an owner can withdraw property from the rental market by filing with the City's Rent Adjustment Program a series of documents called the "Withdrawal

Notices”, including notices of termination given to existing tenants. The withdrawal of the units is effective after 120 days or is extended to one year for tenants who are disabled or 62 years of age or older. Under the Ordinance, lower-income households are entitled to relocation assistance of two months rent in effect at the time of the notice of termination, to mitigate the adverse impact of displacement. The Ordinance also gives the tenants the right to re-rent the withdrawn units should the units be re-offered for rent within 10 years.

Kaiser is attempting to acquire the remaining residential properties on the existing M/B Center block (Site 4), as of December 2005. There are three residential units located mid-block off of Broadway (3522, 3518, and 3516 Broadway). At least one of the units is owner-occupied. In the case of owner-occupied housing, the resident(s) would receive the agreed-upon sales price for the housing, and Kaiser, as the new owner, would demolish the unit(s) to facilitate construction of the new hospital. To the extent that the other units are rentals, once purchased, Kaiser would follow the required procedures described above to remove the units from the rental market under the Ellis Act and City of Oakland Ellis Act Ordinance.

Relocation Implications for Residents

The 33 households with 41 people who have resided in the housing units to be demolished must find other housing, potentially in nearby neighborhoods or in other parts of Oakland. There could be economic implications for the individuals involved. Households required to relocate would incur expenses associated with moving. Lower-income tenants would be entitled to relocation assistance to cover those costs, as described above. For some, rents/prices could be higher at a new location, or the housing might be less desirable for similar rents/prices. Others, however, might find it beneficial to relocate, if they find preferable or improved housing that better meets their needs, in terms of location, unit size/quality, and/or rent/price.

Replacement Housing As Part of Citywide Housing Production

From the perspective of the City’s housing stock, the loss of 33 housing units as a result of the project could be offset by the production of new housing elsewhere in Oakland as is occurring and expected to continue to occur in the future, consistent with the City’s Housing Element. As described earlier in the setting, 5,000 new housing units are being added in Oakland, from the 2000 Census through 2005. Another 7,000 to 8,000 new units are anticipated to be built over the next five years, 2006 to 2010, in projects already approved, in projects in the pre-development and planning process, and on sites considered likely to be developed in that timeframe. Of this new construction, about 950 units have been added in areas surrounding the Kaiser project since 2000, and another 1,430 additional units are anticipated to be built there over the next five years. Beyond 2010, the City’s Cumulative Growth Scenario anticipates additional housing development of 13,000 to 14,000 units in Oakland through 2025.

The levels of housing development underway and anticipated in Oakland are consistent with Oakland’s Housing Element and the City’s General Plan land use designations and policies. The construction of replacement housing for the 33 units to be removed as a result of the project, would not be in excess of that anticipated in the City’s Housing Element and related General Plan

policies. Further, the displacement of 33 housing units and 41 residents would not represent “substantial” numbers in the context of a total of approximately 162,500 housing units in Oakland at the end of 2005 (about 91,000 of which are renter-occupied), and the construction of more than 21,000 additional housing units over the next 20 years (see earlier Tables IV.J-7 and IV.J-8 and associated text).

Mitigation: None Required.

Impact J.2: The project would displace existing businesses and jobs, but not in substantial numbers necessitating construction of replacement facilities elsewhere, in excess of that anticipated in the City’s General Plan. (Less than Significant)

Development of the project would require that existing commercial businesses located on the project site find new locations for their business operations. The buildings in which they are now located would be acquired and demolished to facilitate new construction for the medical center or converted to medical center use (in the case of the AAA building).

Relocation Implications for Businesses

The EIR analysis identifies 12 commercial businesses employing about 200 people, located in about 102,200 square feet of space in the Kaiser-owned M/B Center and the acquisition properties (see earlier Tables IV.J-4 and IV.J-12). The existing commercial uses on the project site include auto sales and service businesses, offices, retail stores, personal service businesses (dry cleaners, nail salon), a barber college, and a pet boarding facility. As proposed, Phase 1 of the project would include 1,700 square feet of ground-floor space in the new medical services building on Broadway (on Site 7 on the west side of Broadway) that is proposed to be occupied by one of the tenants currently located in the M/B Center. The other 11 commercial businesses would have to seek new locations outside the project site. The businesses on the project site are aware of the proposed Kaiser project, and transition is already underway as Kaiser proceeds to purchase the acquisition properties.

Businesses that own their properties are addressing relocation in the process of selling their properties to Kaiser. The objective for owners would be to try and obtain a sales price for existing property that would cover the costs of a replacement property and improvements as well as the costs of moving and becoming re-established at a new location. The most difficulty for owner-occupants is likely to be in finding another commercial property of comparable size and location that is available for purchase. It is likely to be easier for these businesses to locate comparable rental space than to find smaller, for-sale buildings in comparable locations. There could be adverse economic implications of relocation for some businesses and business owners, and there could be financial benefits in other cases, depending largely on sales prices for existing properties and ability to find comparable new business locations.

Businesses that currently rent/lease commercial space in the project site are aware of the Kaiser project, and those that are tenants in Kaiser-owned properties (businesses located in the M/B Center and the strip mall on the Broadway side of the M/B Center block) are occupying their space on a month-to-month basis, aware of the need to relocate in the near future. The relocation issues facing these businesses are likely to focus on locating comparable space at comparable rents, and covering the costs of relocation which can include expenses associated with searching for a new location, moving costs, and costs associated with getting re-established at a new location. Such costs can be particularly difficult for small businesses.

There is the possibility that Kaiser would not be able to acquire all of the properties on the project site through the real estate negotiation process. In that event, consideration could be given to property acquisition through the use of the powers of eminent domain, as allowable under state and federal law. The law provides the ability for a government to take or condemn private property needed for a public use provided that just compensation be paid for the property taken. Under the statutes, quasi public entities, defined to include non-profit hospitals, can condemn for public use⁴. If eminent domain were used, the process would have to comply with applicable relocation laws and requirements designed to assist displaced residents and businesses. Relocation assistance to businesses could include help in finding a replacement location with a minimum of delay and loss of earnings, as well as monetary relocation payments for moving expenses, re-establishment expenses, personal property losses, and other costs as pursuant to the California Relocation Assistance Act (*Government Code* Section 7260 *et seq.*), state relocation regulations, and other applicable rules and regulations.

Replacement Facilities Elsewhere in Oakland

From the broader perspective of the supply of space for commercial business activity in Oakland, the loss of commercial space as a result of the project could be offset by increased occupancy of existing commercial space in other commercial areas and corridors in Oakland. The most comparable locations are in surrounding areas of North Oakland and in nearby parts of downtown, including locations along Broadway (outside the project site), West MacArthur Blvd., Telegraph Avenue, parts of Grand Avenue, and parts of San Pablo Avenue. Several of these commercial areas/corridors include auto-related uses and space for such uses as well as space appropriate for the types of smaller-scale retail, office, and personal service businesses on the project site. There also are sites in these areas/corridors for additional, new commercial development in the future. The loss of commercial space as a result of the project could also increase market support for additional new commercial development in these areas. There also could be relocation options for displaced businesses in other parts of Oakland, such as along commercial corridors in East Oakland and West Oakland.

⁴ To use eminent domain, a non-profit hospital, like Kaiser, would have to request that the local legislative body (here, the Oakland City Council) approve the process by passing a resolution of necessity with a two-thirds vote. Hospitals also are required to obtain the consent of the State Director of Public Health Services. If the hospital obtains the necessary resolution and consent, it can proceed with condemnation process, following the requirements and procedures set forth under State law.

Oakland's General Plan Land Use and Transportation Element designates commercial areas and corridors in surrounding areas (Broadway, Telegraph, MacArthur, San Pablo) for community commercial and neighborhood center uses and business activities, and in nearby parts of downtown Oakland (Grand, Telegraph, Broadway) for central business district (CBD) uses. The Element points out that there is significant potential for reuse and intensification along the Broadway, Telegraph, MacArthur, and San Pablo corridors of North Oakland, and that there are locations along those corridors that are in need of commercial revitalization. Portions of Broadway, Telegraph, MacArthur, and San Pablo are within the boundaries of the Broadway/MacArthur/San Pablo Redevelopment Plan Project Area. Among the goals of this Plan are to revitalize the commercial corridors along Telegraph Ave., MacArthur Blvd., and San Pablo Ave., to attract new businesses and to increase job opportunities in the commercial areas. Similarly, the Land Use Element and Redevelopment Plans for the commercial parts of West Oakland (West Oakland Redevelopment Project Area) and East Oakland (Center City East and Coliseum Redevelopment Project Areas), designate commercial corridors and include policies to retain existing businesses and encourage commercial growth and revitalization throughout these areas.

Thus, the displacement of existing businesses and jobs from the project site would not necessitate construction of replacement facilities in excess of that anticipated in the City's General Plan. Further, the displacement of approximately 11 businesses and about 200 jobs would not represent "substantial" numbers in the context of approximately 41,300 jobs in surrounding areas and a total of approximately 204,000 jobs citywide in 2005. In addition, the project would include 7,700 square feet of new, ground-floor commercial space, 1,700 square feet in Phase 1 as relocation space for a business currently located on the project site, and 6,000 square feet in Phase 3 for other businesses in the future.

Mitigation: None Required.

Inducement of Substantial Population Growth

Impact J.3: The project would not induce substantial population growth in a manner not anticipated by the General Plan, either directly by proposing new housing or businesses, or indirectly through infrastructure improvements. (Less than Significant)

Project Growth

The project would modernize and expand the medical facilities and services offered at the Kaiser Permanente Oakland Medical Center. Kaiser OMC employment would increase from 4,072 currently to 5,861 at buildout of the project, accommodating employment of 1,789 more people at the medical center in the future. The increase in Kaiser OMC employment would contribute to employment growth expected in Oakland over the next 20 years. The amount of employment growth anticipated for the Kaiser OMC would account for about four percent of total employment growth projected for Oakland between 2005 and 2025.

For comparison, Kaiser OMC employment would represent about two percent of total employment in Oakland, both currently (2005) and as projected for 2025 under the Oakland cumulative growth scenario, as shown in **Table IV.J-14**. Similarly, Kaiser OMC employment at buildout would represent about two percent of ABAG’s projections for Oakland in 2025. The project would not directly result in substantial business/employment growth over and above that which is anticipated for Oakland in the future.

**TABLE IV.J-14
 PROJECT EMPLOYMENT COMPARED TO EXISTING AND PROJECTED
 FUTURE EMPLOYMENT IN OAKLAND**

	Employment	Employment Growth
Kaiser OMC, 2005	4,072	
Kaiser OMC with Project	5,861	+1,789
City of Oakland, 2005	203,960	
Kaiser OMC as Percent of City	2%	
City of Oakland, 2025 ^a	251,080	+47,120
Kaiser OMC as Percent of City	2.3%	3.8%
ABAG P2002 for Oakland, 2025 ^b	243,500	
Kaiser OMC as Percent of City	2.4%	

^a Oakland Cumulative Growth Scenario with Project, as analyzed in this EIR.

^b Association of Bay Area Governments, *Projections 2002*.

SOURCE: Oakland Cumulative Growth Scenario, April 2005; Hausrath Economics Group.

Employment and business activity at Kaiser’s OMC and the growth supported by the project have been anticipated in Oakland’s General Plan. In fact, medical services is called out as part of the Bioscience Industry Sector – one of the primary industry sectors targeted as part of Oakland’s Economic Development Strategy (City of Oakland CEDA web site, 2006). The 2003 Strategy focuses the City’s economic development activities on 10 industry sectors/clusters, with the description of the Bioscience Sector including specific mention of the Kaiser Foundation Hospital and Kaiser’s Oakland Medical Center. One of the reasons industries are targeted is because of their historical strength in Oakland, and the Kaiser OMC has been at the project site since 1942. The City’s economic development policy supports growth of the targeted industries, which are anticipated to generate economic benefits for the city and to support growth in other economic sectors.

Infrastructure-induced Growth

The project is an example of urban infill and intensification of activity and development at a central location well-served by existing transportation systems (including transit), and other infrastructure and utilities. Unlike a medical center at an alternative location on vacant land in an outlying part of the region, the proposed project would not require construction of new roads,

sewer and water lines, and other infrastructure that might stimulate population growth in previously undeveloped areas.

Potential Indirect Impacts from Project Effects on Housing Demand and the Relationship Between Jobs and Housing

Similar trends also are anticipated for the rest of the East Bay in the future. While job growth is projected to exceed the growth of employed residents in nearby cities of the Inner East Bay (increasing the ratio of jobs-to-employed residents over time), those effects would be offset by the growth of housing and employed residents in the rest of the East Bay which is projected to exceed employment growth in those areas (reducing the ratio of jobs-to-employed residents). When combined, growth of employed residents in all of the East Bay outside of Oakland is projected to exceed the anticipated job growth and to maintain and potentially improve the balance of jobs and housing over time, similar to the trends for Oakland.

**TABLE IV.J-15
 SUMMARY OF TRENDS IN OVERALL RELATIONSHIP
 OF JOBS AND EMPLOYED RESIDENTS, 1990, 2000, AND 2025**

	Ratios of Jobs-to-Employed Residents		
	1990	2000	2025
Oakland	1.07:1	1.09:1	1.07:1
Rest of Inner East Bay ^a	1.21:1	1.26:1	1.29:1
Rest of East Bay ^b	0.81:1	0.85:1	0.84:1
Rest of Bay Area ^c	1.07:1	1.09:1	1.14:1
Total East Bay	0.91:1	0.93:1	0.92:1
Total Bay Area	1.02:1	1.04:1	1.06:1

NOTE: Ratios above are calculated from the data and projections in Tables IV.J-9 and IV.J-13 presented earlier in this section. The ratios for Oakland include the Kaiser Permanente OMC project.

- ^a Rest of Inner East Bay outside of Oakland, including nearby cities of Albany, Berkeley, Emeryville, Piedmont, Alameda, and San Leandro.
- ^b Rest of Alameda county outside of Oakland and other Inner East Bay cities plus all of Contra Costa County.
- ^c Rest of nine-county Bay Area beyond Alameda and Contra Costa counties.

SOURCE: Hausrath Economics Group

Potential Indirect Effects are Anticipated to Be Limited

Role of Employment in the Housing Market Unlikely To Change in Oakland and the East Bay. Cumulative employment growth in Oakland and the East Bay that is accompanied by corresponding growth of housing and employed residents would not increase overall competition for housing and put upward pressures on housing prices and rents. Thus, while employment growth in the Kaiser project and other projects would increase the demand for housing, housing market conditions in Oakland and the East Bay are not anticipated to change substantially as a result. That is because, housing construction is anticipated to increase the housing supply and

offset the effects of increased demand. In addition, demographic trends are projected to increase the employed population accommodated within the housing stock, thereby reducing the amount of housing otherwise needed.

There Could Be Some Implications of Increased Demand for Affordable Housing. While the overall balance of jobs and housing is anticipated to be maintained in Oakland and the East Bay in the future, there could be some effects of job growth on the availability of affordable housing because of the high costs of developing new housing. New housing added in Oakland and the East Bay will continue to include a mix of types of housing, offered at a range of rents and prices. However, high development costs make it difficult to produce housing to meet the demand of households with incomes typical of many service, clerical, and other occupations. While public subsidies to provide affordable new housing will continue to be available, particularly in Oakland, they may not be sufficient to meet the growing needs for affordable housing. Thus, cumulative employment growth that adds to the demand for affordable housing could increase competition in that segment of the housing market. The implications could be lower vacancies and greater competition for available affordable housing and for older housing in existing neighborhoods with prices/rents below average levels.

Employee Residence and Commute Patterns Unlikely To Be Affected. The limited effects of cumulative employment growth on housing demand and jobs/housing balance in Oakland and the East Bay and on housing availability as described above, are unlikely to trigger shifts in housing demand to other parts of the region. For the most part, the increases in housing supply and the growth of employed residents in Oakland and the East Bay are anticipated to be able to accommodate the additional demand associated with employment growth. Thus, employee residence and commute patterns are unlikely to be noticeably affected by employment growth in Oakland.

Small Role of the Project Within the Cumulative Context. Within the cumulative context, the housing demand effects of the project would represent a very small part of the bigger picture of cumulative employment and housing growth and other factors influencing housing market conditions. Comparisons summarized in **Table IV.J-16** show that the increases in Kaiser OMC employees likely to reside in Oakland, other parts of the East Bay, and elsewhere in the region would represent a small percentage of the growth of employed residents in each area.

In Oakland, the additional Kaiser OMC employees likely to reside in the city could represent about one percent of the anticipated growth of employed residents in the city. Similarly, additional Kaiser OMC employees likely to reside in nearby cities of the Inner East Bay could represent a little less than one percent of the growth of employed residents anticipated in those cities. Beyond the immediate Inner East Bay, the additional Kaiser OMC employees would represent even smaller shares (much less than one percent) of the anticipated growth of employed residents elsewhere in the East Bay and in the rest of the region. Thus, any effects of the project on overall housing demand and affordable housing demand would be small in the much larger context of employment and housing growth and other factors influencing housing market conditions.

**TABLE IV.J-16
INCREASE IN KAISER OMC EMPLOYMENT COMPARED TO
PROJECTED GROWTH OF EMPLOYED RESIDENTS,
BY PLACE OF RESIDENCE**

Place of Residence	Increase in Kaiser OMC Employees ^a	Growth of Employed Residents 2000-2025 ^b	Kaiser OMC Employees as Percent of Employed Resident Growth
Oakland	569	59,220	1%
Rest of Inner East Bay ^c	345	36,820	0.9%
Rest of East Bay ^d	636	357,020	0.2%
Rest of Bay Area ^e	206	587,030	0.04%
Outside Bay Area	33		
TOTAL	1,789		
Total East Bay	1,550	453,060	0.3%
Total Bay Area	1,756	1,040,090	0.17%

^a Increase in Kaiser Oakland Medical Center employment as summarized in **Table IV.J-11**, distributed to places of residence similarly to existing Kaiser employees. The calculations were done by staff category and then summed to get the distribution above. As the growth of employees by staff category differs from the distribution of current employees by staff category, the overall percentage distribution by place of residence for the employment growth above differs slightly from the overall distribution for current employees shown earlier in **Table IV.J-3**.

^b Projections shown are from **Table IV.J-9**. The growth covers 2000-2025, although the project would occur from 2005-2025 because up-to-date, consistent data are not available throughout the region for the latter period. The percentages in the next column and the overall conclusions would be the same in either case.

^c Rest of Inner East Bay outside of Oakland, including nearby cities of Albany, Berkeley, Emeryville, Piedmont, Alameda, and San Leandro.

^d Rest of Alameda County outside of Oakland and other Inner East Bay cities plus all of Contra Costa County.

^e Rest of nine-county Bay Area beyond Alameda and Contra Costa counties.

SOURCE: Hausrath Economics Group

References – Population, Employment, and Housing

Association of Bay Area Governments (ABAG), *Projections 2002*, December 2001.

Association of Bay Area Governments (ABAG), Selected Census 2000 data for the San Francisco Bay Area web site, <http://www.bayareacensus.ca.gov/place/Oakland.xls>, accessed April-May 2005.

City of Oakland, Community and Economic Development Agency (CEDA) web site, <http://www.business2oakland.com/main/residentialhousingmarketupdate.htm>, accessed December 2005.

City of Oakland, Community and Economic Development Agency (CEDA) web site, <http://www.business2oakland.com/main/business2taxincentiveprogram.htm>, accessed January 2006.

City of Oakland, *Envision Oakland: City of Oakland General Plan, Land Use and Transportation Element*, March 1998.

City of Oakland, *Housing Element*, June 2004.

City of Oakland/Oakland Redevelopment Agency, Redevelopment Plan for the Broadway/MacArthur Redevelopment Area, 1998.

City of Oakland and Hausrath Economics Group, Oakland Cumulative Growth Scenario as updated for *Kaiser Permanente Oakland Medical Center Replacement Master Plan and Project EIR*, April 2005.

Real Estate Research Council of Northern California, *Northern California Real Estate Report, Fourth Quarter 2004 and Second Quarter 2005*.

Kaiser Permanente, Kaiser Oakland Hospital – Licensed and Current 2005 Usable Capacity and Average Daily Census/Staffed Beds for 2004/2005, November 2005.

U.S. Census Bureau, homepage web site, <http://www.census.gov/>; American FactFinder web site, <http://factfinder.census.gov/home/saff/main.html?lang=en>; and <http://censtats.census.gov/data/CA/1600653000.pdf>; accessed July 2004-May 2005.