

# Fix California's Housing Crisis, Activists Say. But Which One?

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**As a controversy over vacancy in the Bay Area and Los Angeles reveals, advocates disagree about what kind of housing should be built, and where.**

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The week before Thanksgiving, housing Twitter exploded. The focus of the debate: the significance of vacancy rates.

In a tweet promoting the March for Housing Now rally in Oakland, comedian Kamau Bell wrote, “We’ve been led to believe that there’s a housing crisis in Oakland. But there are 4 VACANT units for every homeless person. This isn’t a housing crisis. It’s a crisis of greed.” One of the organizations hosting that rally, the Alliance of Californians for Community Empowerment (ACCE), also contributed to a report released that week called “Who’s Buying Los Angeles?” The report highlighted extremely high vacancy rates in newly constructed luxury apartments in Los Angeles.

In reponse, California’s YIMBY cohort—that’s “Yes, In My Backyard,” or housing activists focused on easing regulations on housing construction—shot back that vacancy rates are actually quite low in Oakland and across California, and that the key problem facing the state is a shortage of homes. They also highlighted methodological issues with the Los Angeles report, causing its authors to remove it from the internet pending new data.

Such spats are a semi-regular occurrence on Twitter when the topic of housing-hungry California cities comes up. Of course, off social media, the “sides” of an issue as large and complex as housing are much more amorphous, requiring a great deal of teasing out. But the fact that this particular debate erupted from the promotion of a real-life event offered a unique opportunity for at least one camp to make their case in more than 240 characters, in the actual places that are so often being argued over online.

“There’s been a lot of pushback that we’ve received about saying there’s not a housing crisis, there’s a greed crisis,” Carol Fife, Oakland director of ACCE, told the crowd in her opening speech at the March For Housing Now on the Saturday before Thanksgiving. “We’re going to explain that a little more today.”

And explain it they did, albeit not in a way that would satisfy all of their critics. The debate about vacancy is really a debate about what kind of new housing cities are building, and what neighborhoods those homes are getting built in. It’s a dispute that illuminates the rifts in the broader housing movement in places like Oakland and Los Angeles, where an extreme affordability crisis has also spawned a complex ecosystem of activism.

The differences in perspective are not only between tenant activists, who fight to keep existing residents stably housed, and YIMBYs, who demand more housing of all kinds. It’s also between those focused on the local and the regional, the short and the long term. It’s the difference between low-income residents who’ve never been adequately served by the housing market and the young professionals who have only recently become frustrated by their inability to find homes they can afford. The movement’s success could depend on its ability to transcend these divides and build a broader coalition.

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“We’ve got to break down the silos so that when we organize we can strike with one blow,” Fife said. “YIMBYs, they’re a part of our family, too, because this is a big umbrella.”

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The starting point of the March for Housing Now was strategically selected: Oakland’s Mosswood Park sits halfway between the two rapidly gentrifying neighborhoods, Uptown and Temescal. An encampment of tents lines the east side of the park, serving as a reminder of the city’s 47 percent surge in homelessness since 2017.

The rally drew a mix of members of local labor, faith, environmental, and tenant organizations, all gathering to share stories from the front lines of the Bay Area’s housing and homelessness crisis, as well as their plans to fix it. Many had come to learn more about Moms For Housing, a group of homeless mothers who, the same week as all of the Twitter drama, began to occupy a vacant, speculator-owned house in West Oakland.

This remarkably literal, personal example of a vacant home finding a more beneficial use contrasts with the ways vacant housing is usually discussed, be it as a rhetorical cudgel wielded by activists or an abstract economic term coolly explained by policy wonks. What the policy types see is a problem that is marginal in the overall housing picture in expensive cities, albeit

one that is difficult to measure. Vacancy rates are a snapshot in time, and can describe a number of very distinct phenomena: There's a big difference between a tax-delinquent, long-abandoned home in Toledo and a downtown Austin apartment that's briefly languishing between tenants. Generally speaking, expensive coastal cities have lower vacancy rates, and struggling Rust Belt ones have higher rates, since strong demand causes empty homes and apartments to quickly find new occupants.

In the 2019 national housing inventory report from real estate analytics company CoStar, the New York City metro topped the list with the lowest vacancy rate for market rate rental housing; Los Angeles ranked 7th, and Orange County, San Francisco (which includes Oakland), San Diego, and Sacramento all ranked in the top 20 out of 80 metros measured, with rates below 5 percent.

Luxury high-rise apartment buildings under construction in downtown Los Angeles in October. (Frederic J. Brown / AFP via Getty Images)

The contested report, "Who's Buying Los Angeles?" identified apartment vacancies as a more urgent issue, finding an average vacancy rate of 70 percent in 10 new apartment buildings in downtown Los Angeles. The authors noted that, despite these high vacancy rates, the apartments are not lowering their prices: "This is what speculation looks like in practice: empty luxury towers while thousands live in desperate poverty on the streets below."

What the report failed to account for was the dynamic nature of vacancy rates. The authors used CoStar data from spring 2019, a time when downtown L.A. vacancies were at the highest level the firm had ever recorded: 3,500 new units had opened in the neighborhood over the previous 6 to 9 months, according to CoStar analyst Stephen Basham. But these rates have quickly stabilized. CoStar's most recent data shows these 10 buildings with an average vacancy rate of only 30 percent. (Terra Graziani of the Los Angeles Center for Community Law and Action, a co-author of the report, said that it's being updated with new data and analysis and will be re-released this month.)

"The larger picture," Basham said, "is that for the most part this cycle, downtown L.A. has been one of the most heavily built parts of the country, and the demand has generally been there to keep up with that building."

Even if these new apartments in Oakland are not vacant, they may as well be to the homeless and housing insecure people who live next door.

While there is little economic incentive to leave a rental apartment empty for long—since every month it sits vacant it loses money—there could be for condos and other for-sale properties. These units might be held as second homes, rented as Airbnbs, or retained as investment properties until the price is sufficiently high. But such properties likely represent a small proportion of a city's total housing units. A 2014 [report](#) from the Bay Area think tank SPUR found that "non-primary residences" represented just 2.4 percent of San Francisco's housing stock, and about one half a percent in Los Angeles and Oakland.

In a select few prime locations around the world, non-primary residences are more common: In Miami, 7.7 percent of homes fall into this category, and in Manhattan the rate is 4.4 percent (compared to 1.8 percent for New York City overall), according to the SPUR report. “Who’s Buying Los Angeles?” found an “effective vacancy rate” of 74 percent in 25 of L.A.’s most exclusive condo buildings, where the unit is not the primary residence of the owner. However, these statistics do not account for units sub-leased to occupants other than the primary owner.

Cities have tools to discourage these kinds of uses, like the vacancy taxes recently implemented in Oakland and Vancouver, as well as “flipping” taxes and real estate transfer taxes. These policies tend to have broad support from housing advocates of all stripes, including Shane Philips, a housing researcher at UCLA’s Lewis Center for Regional Policy Studies, who was critical of “Who’s Buying Los Angeles?” on Twitter. “I just don’t want the conversation to be, ‘If we enact vacancy taxes, suddenly housing will be affordable,’” he said, pointing to Oakland as a case in point.

New apartment buildings in Oakland overlook protesters at the March for Housing Now rally. (Ben Schneider/CityLab)

When vacant homes were brought up at the march, it was clear they were emblematic of a larger critique. Vacant units are an affront, the most vivid symbol of a housing market that doesn’t work for most people. The fact that there are four vacant units for every homeless person in Oakland—a claim borne out by the latest American Community Survey and HUD point-in-time homeless count data—is indicative of a fundamentally skewed distribution of power and resources. One speaker, a representative from ACCE’s anti-displacement committee who gave his name only as Nick, decried new “housing meant for the rich, and to attract new wealthy residents, all while Oakland politicians tell the poor people, the working-class people, the people of color of Oakland to wait our turn, despite there being four vacant units for every houseless person in Oakland right now.”

Even if the new apartments in Oakland are not vacant—as in Los Angeles, there remains tremendous pent-up demand even for expensive apartments—they may as well be to the homeless and housing insecure people who live next door. In the urban core of Oakland and downtown Los Angeles, construction is rampant—Oakland has 9,300 homes under construction while downtown Los Angeles has seen 35,000 units built since 1999.

If you’re just looking at all those cranes, it hardly looks like there’s a housing shortage. And if no one you know can afford these apartments, then for all intents and purposes, there is an oversupply. Since newcomers will inevitably be richer—and probably whiter—than existing residents, the new housing being built in these neighborhoods can look like “a new phase of redlining” or “neocolonialism.”

These were some of the phrases overheard as marchers proceeded up MacArthur Boulevard, stopping in front of three gracious, graffiti-covered early 20th century houses pasted with bright yellow construction notices. The owner of the houses plans to “remove or relocate” these houses to make room for a 57-unit condo building, according to documents from the Oakland Planning

Department. Cat Brooks, a local activist and former mayoral candidate, addressed the crowd. “That’s three houses being removed for an apartment complex that I bet none of us will be able to afford. Shame on Oakland.”

Brooks is right: Few current neighborhood residents will be able to afford these condos, which will likely cost more than half a million dollars each to build, let alone buy. But then, it’s not like they could afford one of the three existing houses, either. Not when a nearby 1,700-square-foot house is on sale for \$775,000.

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The housing crisis is so extreme in the Bay Area that brand-new glassy condos and dilapidated old houses both sell—or rent—for luxury prices. The same process that is physically transforming some Oakland neighborhoods is happening more invisibly in others. “I’m walking around my old neighborhood in Central Berkeley, Poet’s Corner, and it’s never not bizarre how despite all the houses looking the same as they did 40 years ago, the entire Black neighborhood is gone,” the housing activist Darrell Owens recently tweeted. Berkeley’s black population declined 30 percent between 2000 and 2018, while Oakland’s black population declined by 25 percent, or 33,000 residents, between 2000 and 2010, a period that saw virtually no new development in the city.

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MacArthur Commons, a 24-story behemoth looming over low-rise North Oakland, sits at the opposite end of this spectrum of noticeable neighborhood change. The partially completed development on a former BART parking lot, where studios rent for \$2,535 dollars per month and two bedrooms rent for \$4,425, marked the last stop of the march. Brooks emphasized that only 45 of its 402 units (or 11 percent) will be offered at below-market rates. And those affordable units could be out of reach for many, as applicants earning up to 80 percent of the area median income—about \$90,000 for a family of four—are eligible. (The developers will also pay \$1.3 million in upgrades for Mosswood Park.)

“They didn’t build these for you. They didn’t build these for us. They didn’t build these for Oaklanders,” Brooks said, as a handful of newly moved-in residents looked down from their balconies. Several speakers noted that MacArthur Commons is the opposite of a true commons—instead, it’s an example of public land being given away to private interests.

But to many others, MacArthur Commons represents something else: As high-density housing near high-frequency mass transit, the complex embodies “an approach that is long overdue,” *San Francisco Chronicle* urban design critic John King wrote. In its form, if not in its demographic makeup, such transit-oriented development points to the direction California and the rest of the country need to go to combat climate change and reduce reliance on cars—an irony that was difficult to overlook as speakers highlighted the intersectionality between the parking-lot-replacing development and the evils of big oil.

Skyline-shaping projects like MacArthur Commons are a major reason Oakland is slated to produce more homes than its larger, red-tape-covered neighbor across the Bay in 2020. A prominent Bay Area economist recently predicted that landlords of new apartments in Oakland might be forced to offer lower rents than they had planned, thanks to all of the new supply coming online. Last year, crane-filled downtown Los Angeles was the only L.A. submarket of the 36 tracked by CoStar to see a decrease in median rents, Basham said. Of course, the one percent markdown comes nowhere near the level the working poor, or even the middle class, could afford.

This is the crisis within the housing crisis. The new housing that Oakland and downtown L.A. are beneficently contributing to their regions is likely helping to stabilize rents and prevent the regional housing crunch from getting even worse. But in the immediate term, that new housing provides few tangible benefits to the longtime residents of these historically poor, marginalized neighborhoods; indeed, their glossy presence only seems to exacerbate the glaring divides between the haves and have-nots.

These underprivileged neighborhoods are essentially doing their hyper-privileged regions a really big favor: taking on the burden of building new housing while virtually every other neighborhood, especially the wealthy, suburban ones, remain totally free of construction. While MacArthur Commons serves as a symbol of this unfairness, the grossest injustice is out of sight, in places like Piedmont and Orinda—super-rich, conscientiously segregated towns bordering Oakland whose invisible gates have foisted change and disruption on the communities that, throughout American history, have always been forced to bear it.

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And as they bear it, many Oaklanders have justifiably trained their focus inward, on their neighborhood, their home, their next month's rent. In a crisis as deep as this one, the mood of the day is crisis management: finding shelter and dignity and stability by any means necessary. For someone in desperate need of housing, a single vacant home can make a world of difference.

"It doesn't end with one house," said Dominique Walker, one of the Moms For Housing, with her baby in her arms. "We want to take Oakland back from all speculators. We're not going to stop organizing until we all have shelter."