

**SAN LEANDRO PLANNING COMMISSION
REGULAR MEETING**
City Council Chambers, First Floor
835 East 14th Street
San Leandro, California 94577

7:00 p.m. Regular Meeting

December 18, 2014

Item 1: Roll Call

Present: Planning Commissioners Esther Collier (District 6); Tom Fitzsimons (District 5); Kevin Leichner (District 1); Kai Leung (District 4); Vice Chair Ed Hernandez (District 2).

Absent: Chair Denise Abero (District 3); Scott Rennie (At Large).

Staff: Tom Liao, Secretary to the Planning Commission and Deputy Community Development Director; Elmer Penaranda, Senior Planner; Anjana Mepani, Planner II; Jennifer Chin, Administrative Assistant II and Interim Recording Secretary; Kit Faubion, Assistant City Attorney; Barry Miller, General Plan Consultant; Larry Ornellas, Facilities Coordinator.

Public Hearing Item 7B:

<p>7.B. Review of the 2015-2023 Housing Element Update Adoption Draft. The Planning Commission will open the public hearing to invite public comments on the Draft Housing Element Update and make recommendations to the City Council. The Planning Commission will also consider a draft Negative Declaration prepared for the Housing Element Update.</p>
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<p>Action: Recommend Approval of the following to the City Council</p>
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| <ul style="list-style-type: none">• 2015-2023 Housing Element Update Initial Study/Negative Declaration Adoption Draft• 2015-2023 Housing Element Update Adoption Draft |
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Barry Miller, General Plan Consultant, delivered a PowerPoint presentation of the Staff Report on the Housing Element Update. The presentation highlighted the changes to the Housing Element that have been made since September, when the Planning Commission last reviewed the document. Miller noted that there were two resolutions under consideration this evening—one to recommend Council adoption of the Initial Study/Negative Declaration, and a second to recommend Council adoption of the Housing Element. The deadline to submit the adopted Element to the State is January 31, 2015.

Commissioner Fitzsimons asked why the City Council removed the proposed action to study the feasibility of a rental housing inspection program. Secretary Liao responded that their concern centered on the feasibility of implementation and who would bear the burden of costs for staffing. Some property owners voiced similar concerns at the City Council meeting.

Commissioner Fitzsimons asked if the document needed to go through another round of state review if changes were made by the Commission. Mr. Miller answered that it would first be up to the City Council to approve changes, and that changes could be submitted as an addendum as long as they are consistent with the State Government Code. Additional edits to the document would need to be highlighted when it is submitted to the State.

Commissioner Collier inquired where in the Housing Element mobile home parks are addressed. Mr. Miller responded that the Housing Element addresses mobile home parks in two ways: first, in noting that mobile home parks are permitted on single family lots on foundations, and second, in noting the importance of mobile homes to the affordable housing stock. Mission Bay is specifically mentioned as an important resource for seniors and an affordable housing resource that should be preserved. There are specific policies in the document to preserve mobile home parks and maintain their quality and affordability.

Commissioner Collier asked how the Planning Commission can ensure the future affordability of mobile homes. Mr. Miller answered that there is language in the document that is specific to the long-term affordability of Mission Bay but not to the other mobile home parks. He noted that future actions to maintain affordable rents at other mobile home parks would be consistent with the Housing Element but was not specifically being called for at this time.

Commissioner Hernandez asked if the City has completed a detailed evaluation to get a better sense of the number of homes that are truly needed in the next several years. He asked if the CEQA evaluation was based on buildout of all the opportunity sites, or only those we realistically thought would be developed in the next 8 years. Mr. Miller said the CEQA evaluation assumed all opportunity sites would be developed, noting that the environmental effects of this quantity of development had already been assumed by the General Plan EIR [Environmental Impact Report] and the Downtown TOD Strategy EIR. Commissioner Hernandez disagreed with the CEQA document's conclusion that there had been "significant achievements" in housing production. Mr. Miller commented that significant achievements do not necessarily refer to the number of units produced. For example, the Lakeside Village conversion of 800 units to affordable housing would be considered a significant achievement. Other housing programs and actions would be significant achievements; for instance, the approval of the BRIDGE project [Cornerstone Apartments]. Commissioner Hernandez asked what the actual target was for housing production. Mr. Miller replied that the [Regional Housing Needs Allocation] RHNA (2,287 units) was intended as a target.

Commissioner Hernandez asked if the City should do more than what is required to really reinvest in the City's development. Mr. Miller responded that the Housing Element expresses a genuine commitment to produce housing, and goes beyond the previous Housing Element in some regards. As the City gets into the Land Use and Transportation elements, the Planning

Commission can look at business development issues and different ways of marketing the City and stimulating development. Much of this is beyond the scope of the Housing Element. Secretary Liao commented that the State requires cities to complete an annual report on their Housing Element that provides one way of evaluating how the city is doing. He noted that the market is improving. The State does not necessarily “grade” cities and recognizes there are factors beyond each city’s control that determine whether housing gets built.

Commissioner Hernandez commented about the different projects that have been approved and whether it is realistic to think they will all be built in the future. Mr. Miller noted that the prior RHNA was not achieved because ABAG and the State did not foresee the downturn in the real estate market and economy. At this point, we don’t know if we can build 2,287 units in the next eight years or not, but we are at least planning to reach that target. Tom Liao noted that the City had exceeded its RHNA in the 1999-2006 period.

Commissioner Hernandez asked what the Staff levels were from 1999-2006. He asked if the City planned to increase staff levels in the future to reflect the higher development expectations. Secretary Liao responded that this may be a question for City Council as a part of the annual 2-year budget process.

Commissioner Hernandez commented that page 9 of the Initial Study [under the California Environmental Quality Act or CEQA) defines high density as 30 units per acre or more. He asked if the City should include another category of 60 units or more, since 30 units is considered somewhat low now. Commissioner Hernandez also questioned the likelihood that these sites would actually be developed with very high densities. Mr. Miller stated that the 30 unit/acre threshold is set by the State and the City is following the required standards for Housing Element reporting. Mr. Miller noted that we would come back to the issue of the market for higher densities at future study sessions.

Commissioner Hernandez commented that about 85% of the sites are slated for transit-oriented development (TOD) and noted that most of the projects are a part of the East 14th corridor, with a few sites in the industrial area on the west side. Mr. Miller replied that most of the sites on the west side are underdeveloped or vacant lots in the Mulford Gardens area and are not intended for higher densities. Commissioner Hernandez asked if there is a history of that area being anti-development. Mr. Miller indicated that there were very few opportunities for multi-family in that part of the city, and that most future development would consists of small 1-4 unit projects.

Commission Hernandez asked if the probability of developing on these sites is low due to constraints, should the City’s goal be more towards 4,000 units instead of about 2,300? Miller replied that the Housing Element lists the City’s best opportunities, but there are other opportunity sites that exist. The City is capable of accommodating more than 2,300 units, and we have tried to identify the most realistic sites but not necessarily all of the sites. Commissioner Hernandez stated that not many opportunity sites were in the industrial area, even though the Next Generation Study inferred that some housing would be developed there. Mr. Miller indicated that the issue of housing in industrial areas would be discussed during the Land Use Element.

An opportunity for public comment was provided:

- **Barbara Kyle (Assumption Homeowners Association)** commented that the State law for Housing Elements requires more specificity than any other element in the General Plan. She noted that she would like to see this level of detail given to other elements of the Plan, in order to maintain a balanced perspective. In particular, she expressed concern that many of the city's best commercial sites were slated for housing, which could mean that housing goals were being achieved at the expense of economic development goals. She noted that part of being a transit friendly, walkable city was to attract mixed uses and not just housing. Ms. Kyle asked that if uses such as restaurants, retail, and entertainment would be precluded from locating on housing sites. She asked if it was permissible to approve other uses on the housing sites after the Element has been submitted to the state.

Secretary Liao replied that the list does not indicate that the sites must be used for housing exclusively. For example, The Village was a former housing opportunity site, but given the economy, the developer who purchased the site from the former redevelopment agency felt that the best use would be commercial. The Planning Commission also reviewed the Downtown San Leandro Tech Campus, which was originally envisioned as mixed-income residential. These were originally listed as housing sites, but due to the recession, the developers opted for other uses.

Mr. Miller noted that most of the housing opportunity sites are zoned commercial and will not be rezoned to residential. The expectation is that they will be mixed use sites with residential above ground floor commercial. The City wants ground floor commercial on these sites to enhance ground floor street life and create vibrancy, jobs and economic opportunity. The reality has been that the City has been losing its best housing sites to projects that are one hundred percent commercial development.

Commissioner Hernandez commented that there is a 6-acre site on Marina auto row that is currently zoned for commercial use. He asked if the City would consider that area as a site for housing. Mr. Miller replied that this could be discussed during the Land Use Element. There may be a particular General Plan category or zoning category which may indicate density ranges for housing that are not high enough. Commissioner Hernandez questioned if changes are made to the Land Use Map, would those changes then be made to the Housing Element numbers? Mr. Miller replied that theoretically that should be done so that the whole document is internally consistent.

Commissioner Hernandez inquired how the city could implement its healthy homes goals if it did not have a rental housing inspection program. He asked about Appendix B in the Housing Element, and wondered if that was the inspection form. Mr. Miller stated that Appendix B was the physical condition survey, which was done for a few different neighborhoods to see what percentage of the housing stock was in good condition, fair condition and poor condition. It did not cover the interior of the spaces or the compliance with health codes. Mr. Miller noted that the elimination of the rental housing inspection action from the Housing Element does not mean that it will never be considered in the future. Other means of implementation would include working with the county health department and collaborating with county and state level organizations.

Some of these concerns are beyond the City’s capacity in terms of Staff and City-run programs. Mr. Miller noted that the Planning Commission’s concern about the rental housing inspection program can be noted in the Staff Report to City Council.

Commissioner Hernandez commented on the shared housing/Airbnb program and whether that was sufficient for the State Housing and Community Development Department (HCD). Mr. Miller replied that HCD did not have specific comments on this program, but that the City Council expressed some caution due to the potential for removal of rental housing units from the market.

Commissioner Fitzsimons commented that the Housing Element provides a “bottom level” (baseline) analysis that is required by the State to identify available housing sites. The City can always do more. The more critical issue will be how the City uses its Land Use Element to identify possibilities for housing where they don’t exist today.

Motion to close public hearing
Leichner/Fitzsimons: 5 Aye, 0 No

Commission Collier commented that she would still like to see a rental inspection program. She has heard several complaints about apartments in poor condition. The City’s rental business license fee can be a source of funding for the rental inspection fee. There are neighboring cities that also have rental business license fees as well as “per unit” fees to fund rent review board and inspection procedures. There are ways to fund a rental inspection program without impacting the general fund. An organized process can be monitored through bi-annual or tri-annual inspection and everyone can be treated equally.

Motion to:
Approve to City Council
2015-2023 Housing Element Update Initial Study/Negative Declaration Adoption Draft
Fitzsimons/Collier: 5 Aye, 0 No

Commission Leichner suggested an amendment to the motion to reinsert the rental housing inspection program back into the Housing Element.

Commissioner Fitzsimons commented that the City Council was clear in its vote to remove the inspection program. Thus, he would not be in favor in amending his motion to add it back in. If the Planning Commission’s concerns are noted in the staff report, it should be sufficient.

Commissioner Collier concurred.

Mr. Miller commented that the Commission's interest in having a rental inspection program will be noted in the Staff Report to the Council.

Secretary Liao responded that minutes are a part of the City Council's agenda packet and will highlight the comments during tonight's meeting.

Motion to:

Approve to City Council
2015-2023 Housing Element Update Adoption Draft

Fitzsimons/Collier: 5 Aye, 0 No

Item 11: Adjourn

Motion to adjourn
Fitzsimons/Hernandez: 7 Aye, 0 No

The meeting adjourned at 8:40 p.m.

Respectfully Submitted,

Tom Liao, Secretary

Jennifer Chin, Interim Recording Secretary