

**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

September 11, 2014

Item 1: Roll Call

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

Absent: Chair Denise Abero (District 3).

Staff: Tom Liao, Secretary to the Planning Commission and Deputy Community Development Director; Kit Faubion, Assistant City Attorney; Larry Ornellas, Facilities Coordinator; Barbara Templeton, Recording Secretary.

Item 7A: Public Hearings

Review of 2015-2023 Housing Element Update Working Draft

Referring to his PowerPoint presentation, **Barry Miller** covered progress to date on the Housing Element for the 2015-2023 cycle. The Working Draft, prepared in compliance with a state mandate for every city to have a Housing Element as part of every city's General Plan, is built on the San Leandro Housing Element that was certified in 2010, and after providing some background on the process and context, Mr. Miller focused his comments on the goals, policies and actions [in Chapter 6] that differed from the existing Housing Element.

In addition to working on the Housing Element, the City is also in the early stages of a two-year process of updating the overall San Leandro General Plan, of which it is a part. Over the coming months, the General Plan Update will address land use, transportation, open-space conservation, seismic safety, historic resources and other issues.

It is in the Housing Element that the City articulates policies for the conservation of existing housing and production of additional housing, with emphasis on affordable housing and housing for people with special needs. Much of the material in the Housing Element is state-prescribed, whereas other elements of any city's General Plan is more locally driven. Whereas the General Plan overall looks 20 years into the future, the Housing Element focuses on the next eight years.

The Housing Element needs to show the state that San Leandro is capable of accommodating 2,287 housing units across various income levels over that period, not by actually constructing them but by having the land and programs available to facilitate construction by private and nonprofit sectors. The so-called Regional Housing Needs Assessment (RHNA), assigned by the Association of Bay Area Governments (ABAG), is up from 1,630 units from the current Housing Element. It is split into four income categories:

- Very low income 504

- Low income 270
- Moderate income 352
- Above moderate income 1,161

So far, San Leandro has commitments for 278 units, including 200 at the BRIDGE housing project near BART, 66 on Washington Avenue and 12 on Aurora Drive in West San Leandro.

The Working Draft incorporates updated data, public input, feedback generated during Planning Commission, Board of Zoning Adjustments and City Council work sessions as well as meetings with neighborhood groups, the Human Services Commission, the Rent Review Board, and a stakeholder roundtable. Mr. Miller noted that about 75 people attended the community meeting on July 30, 2014, with a good, meaningful discussion about some of the issues and challenges. In addition to revising existing programs, approximately one dozen programs have been added to the updated Housing Element in response to input and project analysis, Mr. Miller said.

Summarizing the contents of the Housing Element, he said that an evaluation of the current Housing Element, which follows the introduction, goes through it policy by policy and action by action, chronicling how the City fared in carrying out its programs. It fell short of its commitment, which Mr. Miller attributed to the poor economy, financial challenges with the loss of redevelopment and declining state and federal funds.

Among highlights from Chapter 3, which is devoted to needs assessment, Mr. Miller highlighted:

- The growing household size in San Leandro, which increased from 2.57 in 2000 to 2.83 in 2014
- A more diverse and multi-lingual population, with 48% of residents speaking a language other than English at home
- Fewer seniors in the population, but the number of residents in the 55-64 average age increased, so the over-65 group will grow and fuel a need for more senior housing
- Roughly 16% of San Leandro households live below the poverty line, with incomes under \$25,000 annually, and about 10% of the population indicating one or more disabilities on their census forms
- Housing costs are escalating, with housing prices rising 40% over the last two years and rents increasing 40% over the last six years
- Job growth is expected to continue putting pressure on the housing market, with the recent arrival of the Kaiser medical facility, plans for OSIssoft and other employers coming to the City

Mr. Miller explained that Chapter 4 covers all of sites that have been identified as offering potential opportunities for housing construction, which have a combined capacity for 2,347 housing units, which exceeds the 2015-2023 RHNA requirement but is lower than in the current Housing Element because some of the sites previously identified are now committed to commercial uses – including the San Leandro Downtown Technology Campus near BART, the Village Marketplace at East 14th Street at Juana Avenue, and the AutoZone site at 14850 East 14th Street. Most of the potential housing in the site inventory properties would be high-density units around the downtown BART station and, to a lesser extent, the Bay Fair Station; most of the medium-density opportunities are located on East 14th Street, particularly between downtown and Bayfair, and on Washington Avenue and MacArthur Boulevard.

Chapter 5 is devoted to analysis of constraints. Among the potential obstacles to new housing construction over the next eight years, Mr. Miller cited:

- Zoning issues such as large minimum lot sizes and parking requirements; also while zoning regulations restrict density, particularly in some mixed-use areas, residents have mixed opinions about increasing greater density in neighborhoods and along corridors
- High land and construction costs
- Infrastructure and impact fees that have increased substantially over the last 15 years; in addition, although they are beyond the City's jurisdiction, water connection and system capacity fees are up to about \$26,000 per housing unit

Mr. Miller explained that Chapter 6 of the Working Draft contains nine goals. Due to the sequencing in the General Plan, the specific goals related to the Housing Element number from Goal 53 through 60. Goal by goal, Mr. Miller highlighted only what has changed.

Goal 53: Affordable Housing Development - The Land Supply Policy (53.01) incorporates a new Action (53.01-B) to undertake a Transit-Oriented Development (TOD) study for the area around the Bayfair BART station, which will be funded by a \$440,000 Priority Development Area (PDA) Planning Grant from the Metropolitan Transportation Commission (MTC). Mr. Miller said this study is expected to identify at least 500 new housing sites. Similarly, new Action 53.02-D will complete a planning study for the Marina area, which contemplates up to 350 new housing units. The sites listed in Chapter 4 do not include any that are likely to be identified in connection with either Bayfair area or the Shoreline development.

Supporting Inclusionary Housing Policy (53.04), the Working Draft contains an additional Action program (53.04-B) to prepare a nexus study to justify potential impact fees for affordable housing. As Mr. Miller explained, the loss of redevelopment funding and legal decisions that limit the City's ability to enforce inclusionary housing requirements on rental properties drive the need for this study.

Also new to Goal 53 is Action 53.05-B, relating to:

- 1) Land that becomes available once CVS opens as anchor tenant in the Village Marketplace and vacates its store at Callan Avenue and East 14th Street; with an adjacent City-owned parking lot and some offices, this property was identified in the Downtown TOD Strategy as accommodating as many as 135 housing units and ancillary commercial uses
- 2) The Town Hall Square area, the parcels in the block bounded by Davis, Hays and East 14th Streets; which has the potential for up to 148 housing units, with ancillary ground-floor commercial uses

In terms of encouraging new rental housing, Action 53.06-A would facilitate completing the Cornerstone Apartments (formerly the San Leandro Crossings project), with 115 units for very low income families, 85 units for very low income seniors, and ancillary facilities including a child-care center and replacement BART parking. Action 53.06-B focuses on market-rate developments, including developing ways to stimulate investment.

Goal 54: Administration of Housing Programs – A new Action item (54.06-A) calls for reviewing the feasibility of using “boomerang funds” for affordable housing production. This would be locally designated funding that may be available from property tax revenues previously funneled to redevelopment. Also, via new Policy 54.08, the City would continue to work collaboratively with Alameda County and the City of Oakland on quality of housing and other issues of mutual concern along the San Leandro-Oakland border and in the unincorporated areas southeast of the San Leandro City limits.

Goal 55: Home Ownership – Action 55.02-A has been added to reintroduce the City's First-Time Homebuyer Loan Program, which was shelved in 2012 due to the loss of Redevelopment Agency

funding. Another Action item from the Housing Element currently in effect, which related to a Neighborhood Stabilization Program to help deal with home foreclosure issues, was eliminated from the Working Draft because the program has been completed.

Goal 56: Affordable Housing Conservation – Action 56.01-B would explore potential funding sources to revive the City’s Owner-Occupied Housing Rehabilitation Loan Program, created to help low-income homeowners for restoration and conservation projects. Action 56.01-C would evaluate the feasibility of creating a Rental Housing Inspection Program to safeguard the rental housing stock and protect tenants from unsafe, unhealthy or unsanitary living conditions by performing periodic inspections. Mr. Miller pointed out that such programs are in effect in Hayward, Concord and other nearby communities. In terms of apartment rehabilitation, Action 56.02-B contains specific language to emphasize the use of low-income housing tax credits, which have been successful in San Leandro in helping convert market-rate housing to affordable housing and build new affordable-housing units. For example, the application of such tax credits helped rehabilitate 840 market-rate units and convert them to affordable housing. Action 56.06-A, a Protection Strategy for At-Risk Units, has been updated to seek ways to protect four subsidized below market-rate (BMR) units whose subsidies are set to expire during the 2015-2023 Housing Element.

Added at the request of the Rent Review Board, Action 56.07-B would allow third-party utility charges to count in its determination of rent increases, and Action 56.07-C would monitor both the incidence and threat of displacement in the City, evaluate how rising rents and housing prices are affecting residents, and explore what the City might do to address the displacement issue. The 2010 Housing Element action that called for overhauling a mobile home park has been revised [through deletion].

Goal 57: Healthy Homes and Sustainable Neighborhoods – Mr. Miller noted that this goal has been restated to include public health, healthy homes and healthy neighborhoods. He said several policies and actions have been added to explore what the City can do to promote residents’ health, including a new Healthy Homes Initiative (Action 57.04-B) and a policy to incorporate public health into neighborhood design and planning decisions (Policy 57.05). This goal also has been updated to reflect green building standards and relevant building code revisions.

Goal 58: Special Needs Populations – Mr. Miller noted that the large amount of detail included in this section in the 2010 Housing Element has been pared down because most of the actions related to compliance with state law and have been carried out. Examples include Action 58.06-A, Reasonable Accommodates for Disabled Residents, and Action 58.08-C, Regulation of Emergency Shelter. Action 58.08-B, Homeless Prevention and Re-Housing, has been added to support continued funding of the Mid-County Housing Resources Center (HRC) since federal funding has run out, and Action 58.09-C has been added to create a Homeless Task Force and develop a local Homeless Prevention Plan.

Goal 59: Elimination of Housing Constraints – The current Housing Element’s action that called for amending the City’s second-unit standards has been deleted because those standards have been modified.

The action to amend zoning regulations affecting the North Area (Action 59.01-C) has been edited to postpone zoning changes to allow time for a broader community dialogue. In addition, instead of an action to allow single-room occupancy (SRO) units in more zoning districts in the 2010 Housing Element, Action 59.01-D would explore development of regulations for micro units, which are apartments ranging from 250 to 400 square feet. Mr. Miller said these micro units could serve the same function as single-room occupancy units but could also fill market-rate housing needs. In response to a question from Acting Chair Hernandez, Mr. Miller said he drew on other cities’ ordinances for the micro unit definition. Acting Chair Hernandez observed that

East Bay communities such as Berkeley and Emeryville might need more spacious micro units than San Francisco.

Action 59.02-F would facilitate construction of additional dwelling units in single-family neighborhoods via zoning amendments that would lower lot size requirements for corner lots and/or by establishing an exception process to allow a second primary home on large lots.

While continuing use of multi-family design guidelines in the Downtown TOD and the South Area of East 14th Street, Action 59.06-A would develop additional guidelines that apply more broadly to multi-family projects on infill lots. Mr. Miller said this addition would address community concerns about how multi-family development fits within the context of lower-density neighborhoods.

In terms of next steps, Mr. Miller said staff is seeking a recommendation to move the Working Draft along to the City Council for consideration at its meeting on October 6, 2014, after which the document would go to the State Department of Housing and Community Development for review. The City will then undertake an Initial Study to ensure compliance with the California Environmental Quality Act (CEQA), and, as appropriate, feed any additional revisions and updates to HCD during its review period. HCD will return the Working Draft, with its comments, to the City in December 2014. After the HCD feedback has been incorporated, the Final Draft Housing Element document will come back to the Planning Commission and on to the City Council for adoption by January 31, 2015.

In the meantime, Mr. Miller emphasized that Housing Element issues can continue to be addressed by direct communication with staff, at any stakeholder or neighborhood meetings, at Planning Commission and City Council meetings, and at General Plan Community Meetings scheduled for October 23 and 28, 2015. The website (www.sanleandro2035.org) also has a link in “Virtual City Hall” to provide comments and feedback.

Commissioner Rennie, having noticed that a significant portion of the potential multi-family housing sites are along East 14th Street, asked whether mechanisms are in place to address the different types of housing stock to develop there, including market-rate units, to ensure meeting the City’s economic development goals and avoid conflict with Policy 3.03, which calls for locating affordable housing “in a variety of neighborhoods rather than concentrated in one particular part of the City.”

Mr. Miller said that East 14th Street actually has only about 15 percent of the City-wide housing capacity identified in the Working Draft, with probably 50 percent focused around the downtown BART station, and to a lesser extent, the Bayfair BART station. The expectation is that a lot of the BART-area housing will be above-moderate, serving commuters and people seeking higher-density living lifestyles. He also pointed out that regardless of where the units are located, it’s a bigger question of how the City builds above moderate income housing when 90 percent of the capacity is in high-density, multi-family units. Part of the General Plan update involves working with the City’s Economic Development staff and looking at the market for different land uses and strategies to stimulate market-rate housing at higher densities.

Secretary Liao added that when reviewing projects, staff is mindful of the General Plan policy to avoid segregating housing in one particular area, and in fact, San Leandro’s current stock of affordable housing units, located in approximately 16 or 17 complexes, is spread out throughout the City. Projects that require discretionary review not only come before either the Planning Commission or the Board of Zoning Adjustments, he noted, but also trigger staff review of pertinent General Plan policies to ensure balance and avoid over-saturation of one particular type of housing. In addition, Secretary Liao said, limited funding for subsidies constrains the ability to

develop affordable housing, and even when Redevelopment Agency support was available, the City was able to subsidize a project every couple of years.

Commissioner Fitzsimons enumerated several questions relative to Chapter 6:

- *Policy 53.11 – Attracting Investment: Recognize the potential for the private sector, including foreign investors, to assist in underwriting local affordable-housing development and accelerating market-rate housing production in the City.* He asked the meaning of this policy, considering the absence of what he called an “action statement” or even general prescriptive language that would be more consistent with other policies.

Mr. Miller said this policy is intended to encourage and maintain a dialog with potential investors, and the question is whether a specific action program is needed to implement that. At this point, he explained, no action to do that has been developed; this simply raises the issue at the policy level, but the wording can be revised so that it reads stylistically similar to other policies in the Working Draft.

- *Policy 55.04 – Rent-to-Buy: Encourage property managers and absentee owners of single-family homes to offer “rent with the option to buy” programs for local families.* Similar to his first question, Commissioner Fitzsimons asked the meaning of “encourage” in that context, with no indication of any form that encouragement might take. He wondered whether staff would need more to be able to ultimately draft any ordinance or regulation to implement this policy.

Mr. Miller stated that the need for additional language would depend on the particular policy; in this case, he said the City can support the outcome expressed in the policy – to create more rent-to-buy opportunities in San Leandro – without a specific mandate for property owners/landlords. He also pointed out that it’s the nature of General Plans to use words such as “encourage,” “require” and “support,” which imply different levels of commitment.

- *Policy 56.03 – Tenant Retention in Rehabilitated Projects.* Noting that this policy would give former tenants of rehabilitated properties preference to move back into a rehabilitated unit, and rehabilitation is often undertaken to convert market-rate properties into affordable units, Commissioner Fitzsimons asked what would happen in the case of former tenants whose incomes don’t qualify them for occupancy.

Mr. Miller noted that a tenant who no longer qualifies would be unable to move back into a rehabilitated unit, so the policy needs some qualifying language added.

- *Policy 56.06 – “At-Risk” Rental Units.* Commissioner Fitzsimons questioned wording in the last sentences of Action 56-06-A – Protection Strategy for At-Risk Units and 56.06-B – Monitoring “At-Risk” Units. Action 56.06-A says, “In the event that protection of the units is infeasible, ensure that impacted tenants are provided with resources for relocation if needed,” and Commissioner Fitzsimons said that to him, “ensure” implies “guarantee.” Likewise, Action 56.06-B uses the word “assist” in the context of renters who are displaced by property foreclosures, and Commissioner Fitzsimons said when he hears “assist,” he hears “provide cash.”

It’s not necessarily financial assistance, **Mr. Miller** clarified. It could also be technical help, advice, etc. Although it relates to loss of subsidies rather than foreclosures, **Secretary Liao** added that in recent years, staff has engaged owners of some of the affordable units lost due to expiration of their subsidies to discuss potential alternatives, including the possibility of identifying federal funds or other resources available, to avoid displacing tenants.

Action 56.09-A – Condominium Conversion Ordinance Update. Commissioner Fitzsimons inquired about the rationale for one of the changes this action would consider, namely “removing the exemption for two- and three-unit rental buildings.”

Mr. Miller responded that this Action carried over from the 2010 Housing Element, and perhaps even the 2002 Housing Element. Although he noted that its inclusion stemmed from discussions about what could be done to strengthen the condo conversion ordinance, he said he doesn’t know about the context. He said if this proposed change is no longer appropriate, it can be deleted.

- *Action 57.02-A – Build-It Green’s Green Point Rated Checklist and US Green Building Council LEED Requirements.* Regarding new residential construction projects larger than 500 square feet, asked whether that includes home expansion or only new homes. Mr. Miller said it would apply to additions exceeding 500 square feet and new construction alike.
- *Goal 58 – Quantified Objective 1:* Commissioner Fitzsimons questioned calling out the Cornerstone Apartments by name in this objective, which calls for producing 86 units of lower-income senior housing there by January 31, 2023.

Mr. Miller said it was specifically mentioned because it’s not just an aspirational target, but an entitled project, and the City wants to demonstrate to the state that San Leandro has that commitment.

Commissioner Leichner suggested that the City would benefit by mentioning some of the major new funding sources in the pipeline for affordable housing in Chapter 6, at least, to begin positioning itself in terms of HCD knowing that San Leandro is interested in these funds. He spoke specifically about:

- Proposition 41, the California Veterans Housing and Homeless Prevention Bond Act (Assembly Bill 639)
- A recurring annual fund from the Cap and Trade legislation that facilitates not only affordable housing but also transit-oriented design
- Another transit-oriented design infill infrastructure grant program that’s in the works at HCD

Policy 56.06: “At-Risk” Rental Units calls for developing programs or strategies to preserve affordable housing with affordability restrictions that will expire during the next 10 years....” Commissioner Leichner also recommended a longer look forward in terms of at-risk units. Noting that the Housing Element covers eight years, he said it might be difficult to achieve, but maybe at-risk BMR units for the next few years would help in terms of formulating action plans.

Commissioner Leung, referring to *Policy 53.11 – Attracting Investment, and Action 53.05-A – Marketing of Housing Development Opportunities*, asked about including marketing strategies to compete more effectively with other Bay Area communities. When **Mr. Miller** responded that while the strategies themselves aren’t in this document, developing them over the next two years would be part of the action program, Commissioner Leung said that may be too late. He said San Leandro is already losing ground, even to much smaller communities such as San Bruno and Millbrae. Mr. Miller said he didn’t mean to suggest that it would be two years before any action is taken toward developing these strategies, because even now the [City’s] economic development program is very active and one of the primary functions in the Community Development Department is to seek such investment. In this section of the Housing Element, he explained, they’re acknowledging there may be more opportunities. Secretary Liao added that over the last

12 to 15 months, the City's been getting more calls and having more meetings with interested developers about opportunity sites, especially in the downtown TOD area.

In reference to *Action 56.06-A – Protection Strategy for At-Risk Units*, **Commissioner Collier** said she's familiar with the Golden Gate Apartments, where the BMR term is set to expire in 2015. She asked whether rehabilitation loan qualifications require bringing units up to code, because only one of the units is up to code. **Mr. Miller** said the units would have to be brought up to current applicable codes to obtain a loan to rehabilitate the units as affordable housing. He noted, too, that one benefit of the City regulating a project is the opportunity it provides to address tenant concerns with the landlord, particularly if they're related to health and/or safety.

Action 53.05-B – Downtown Housing Sites discusses two locations, one of which is the Town Hall Square area. **Acting Chair Hernandez**, describing it as a "legacy asset/problem/opportunity site" with issues that may never be resolved, questioned whether it should be included. Part of that land is occupied by a very profitable Chevron gas station and Union Bank, which he said has a favorable lease.

Mr. Miller said the Downtown TOD Strategy in 2007 paid considerable attention to that area, but in the Working Draft the number of housing units has been discounted by half, reflecting what was indicated as Town Hall Square potential at that time. He said the numbers were cut down from the original 148 to 74 for the reasons Acting Chair Hernandez cited, and also because the zoning designation there allows commercial uses as well as residential. He also noted that a clarifying footnote will be added to Action 53.06.

In the interest of getting a macro view of parking issues in the context of the Housing Element, **Commissioner Hernandez** asked whether the changes it envisions would relax parking standards. He mentioned *Policy 59.02 – Parking Standards*, which would encourage shared parking in mixed-use developments under certain circumstances, and *Action 59.02-A*, which calls for a number of parking requirement amendments. **Mr. Miller** said shared parking is currently allowed in certain parts of San Leandro, but incentives could be provided in some other places as well. Noting that San Leandro's current standard requires 1.5 parking spaces for a studio unit in most parts of the City, he also said that might be more than necessary, and as *Action 59.02-A* suggests, a single space per unit would be acceptable instead. Commissioner Hernandez asked whether the Working Draft addresses the call for excess parking at the Downtown Tech Campus. **Mr. Miller** said no because parking would receive considerable attention in the Transportation Element of the General Plan, but not in the Housing Element. The question for the Housing Element, he emphasized, is, "To what extent do parking standards constrain the development of housing?"

Acting Chair Hernandez opened the public hearing.

Mike McGuire, Cherrywood Avenue, said that "affordable" tends to be a euphemism for "subsidized," while "market rate" tends to be a euphemism for "nobody I know can afford it." Thus, the private market isn't necessarily producing housing the way the state guidelines would like, he said. A North End resident who is active in the Best Manor Homeowners Association (HOA) but not speaking on its behalf, **Mr. McGuire** stated that prior to a meeting on the Housing Element update, he feared a "mountain" of traffic stopped on East 14th Street due to carryover of some parts from the 2010 Housing Element, such as relaxing density restrictions. Although he prefers mass transit to driving, he warned that we're seriously underestimating how much extra traffic transit-oriented development will create. TOD projects tend to cluster in what are already the most traffic-clogged parts of town, he said, emphasizing that if anyone living in a TOD area drives, unless the roads are widened and the buses and trains run more frequently, it will increase traffic and crowd the streets more.

Wayne Gregori, Darius Way, noting that we've come to a point where we depend on private parties to develop the housing San Leandro needs, talked about how to help attract developers. His daughter had a great summer job at a tech company near Doolittle Drive, but getting there from Bay-O-Vista via public transit was very difficult. He said the City especially needs transit that knits east and west; even bike lanes. Bus Rapid Transit (BRT) may ultimately reach Hayward and Castro Valley, Mr. Gregori said, but creating a cross-town link could demonstrate to developers that we have a solution to the problem of getting commuters to BART very quickly. If buses are too expensive, Mr. Gregori suggested cross-town bike lanes. He said he didn't think he'd use it very often, but he's come to rely on his Segway Personal Transporter, a small, self-balancing electric vehicle. In terms of marketing to prospective businesses, he said that much to his surprise, another cross-town destination, The Gate – the new tech center on the second floor of Westgate Center on Davis Street – is fully leased, and property manager David Holley told him recent arrivals are credit tenants, very large companies. San Leandro's Innovation Officer, Deborah Acosta, indicated that they're looking for another building to create additional incubator space.

Wafaa Aborashed, Tudor Road, said the City should help residents upgrade and enlarge outside buildings on their properties to improve living conditions for family members who live with them, so they have a healthy place to stay with sanitation facilities. She suggested that the Housing Element should include provisions that would encourage such improvements.

John Sullivan [rental property owner], said earthquake retrofitting to protect and preserve existing housing stock is an important topic to cover in the Working Draft, including exploring the potential to find funding to help property owners offset the high cost of the work. He said San Francisco officials are currently debating a measure that would help attract funding while increasing its stock of affordable housing.

Motion to close public hearing

Rennie/Fitzsimons: 6 Aye, 0 No, 1 Absent

In response to **Commissioner Rennie**, Secretary Liao said he does not believe that San Leandro has a soft story ordinance. Commissioner Rennie explained that soft-story buildings are usually multi-story structures, with the first story typically a carport supported by columns at the corners but inadequate shear to help prevent the second floor from collapsing when an earthquake shakes the building. **Acting Chair Hernandez** said that in San Francisco, many carports are being retrofitted and being converted into small units, with the shear walls supporting the edges, like bookends.

Commissioner Fitzsimons asked whether motions are needed to make minor edits to the Working Draft. Mr. Miller suggested that a motion that includes authorization to change the document to reflect the feedback from the Commission and public input. If Commissioners concur with what's been said, the edits can be made before the document goes to the City Council on October 6, 2014, he added.

Assistant City Attorney Faubion suggested that substantive changes be articulated specifically, although clarifications need not be.

Regarding *Policy 53.11 – Foreign Investment*, **Commissioner Fitzsimons** suggested adding language stronger than “recognizing” the potential for the private sector's help in underwriting affordable housing development and accelerating market rate housing production. In *Action 56.02-A – Apartment Rehabilitation Program*, Commissioner Fitzsimons pointed out that conversion only changes the type of housing but doesn't increase the housing stock, and that type

of language occurs in several places in Chapter 6. Over the past five years, he said we've built affordable housing and converted market-rate housing, but added no new market-rate housing. Monitoring the conversion process and creating a metric to evaluate the numbers by category would be helpful, because the combination results in a larger percentage of affordable housing and depletion of the market-rate housing supply. **Commissioner Fitzsimons** also expressed gratitude for the attention that the Working Draft pays to family housing because it's intrinsic to building a unique and cohesive community.

Commissioner Collier wanted to ensure that the final document is spell-checked and grammar-checked before it goes to HCD or anywhere else.

Referring to *Policy 56.10 – Efficient Use of Housing Stock*, **Acting Chair Hernandez** asked whether this section should talk about the Airbnb model for shared senior housing as well as the ECHO Housing program. He suggested that the younger people the City wants to attract might want to rent a room for a short-term stay as they transition to longer-term housing. He said he understood that Innovation Officer Acosta has communicated with Airbnb executives. Mr. Miller said it's an issue that warrants more discussion. Some argue that the short-term stay arrangements deplete the market of housing stock, he explained, with some people using second units as vacation rentals instead of as affordable housing for longer-term tenants. On the other hand, having the flexibility of being able to rent out a room and generate additional income that enables some people to stay in their homes would be a plus. He said that San Francisco, for example, is struggling with how to regulate short-term stays and Airbnbs, but in the context of our Housing Element, something along these lines might help achieve our housing goals.

Acting Chair Hernandez also inquired about *Action 57.03-B*, part of a policy that recognizes the link between climate change strategies and housing costs. He asked whether the Working Draft should expand upon participation in Plan Bay Area that might leverage funding for development through either domestic or foreign investors. **Secretary Liao** said San Leandro has been pretty involved in the process, and will be again when the Plan Bay Area update effort gets under way in about 18 months.

In a further question about the link between climate change and housing, **Acting Chair Hernandez** asked whether a mandate calls for a greater emphasis not only on green housing but zero net energy as well. **Mr. Miller** said to his knowledge it isn't a mandate yet, but he'd research it because that's the direction in which most cities are moving.

Commissioner Rennie said that to preserve, conserve and protect the existing supply of affordable housing, it would be worthwhile for Goal 56 to include a policy related to a soft-story program, at least to the extent of taking inventory to get a scope of the soft-story situation in San Leandro, so that we can decide what to do about it.

Commissioner Rennie moved to recommend forwarding the Working Draft to the City Council for HCD's review, including comments with the following additions/material changes [based on additional summary and input from Assistant City Faubion and Commissioners Hernandez and Fitzsimons]:

- Add a policy to Goal 56 relating to soft-story structures and other seismic retrofit and an action item to explore developing a soft-story program that could inventory, evaluate standards for retrofit and a program to address the issue.
- Rent-to-buy; clarification/enhancement of "encourage"
- Tenant retention; clarification of effect of change in status/meeting qualifications after housing rehabilitation

- Actions 56.06-A and 56.06-B – clarify of “ensure” and “assist” in terms of the City’s responsibility
- Mention of potential new funding sources, e.g., Prop 41, Cap and Trade, TOD infill infrastructure.
- Competing with and losing ground to other cities for new projects - this might be expanded to address how to engage and establish relationships with potential investors and developers to come to San Leandro; Mr. Miller said the language could be strengthened and more focused
- Feasibility of assembling parcels for Town Hall Square - Mr. Miller said adding a footnote would acknowledge having assumed only a portion of the site’s development potential
- Shared housing and its relation to short-stay, Airbnb-type units

Commissioner Rennie said that the issue of concentration of affordable housing on East 14th Street will be addressed in the General Plan’s Land Use Element. He also said he doesn’t think the public comments drive any material changes for the Working Draft except for the soft-story issue. He concurred with the comment about east-west linkage, but felt it would be better addressed in the Circulation Element.

Mr. Miller said the issue about how conversion affects the balance between market-rate and affordable housing is a factor in the dynamics of the housing market that warrants treating somewhere in the Housing Element narrative.

Commissioner Fitzsimons said he’d like to see something along those lines, particularly in terms of considering or exploring the ramifications of converting market-rate to affordable units, be included as a policy statement.

Motion to recommend forwarding the Working Draft of the Housing Element to the City Council with modifications in areas summarized above

Rennie/Collier: 6 Aye, 0 No, 1 Absent