



## CITY OF SAN LEANDRO AFFORDABLE HOUSING TRUST FUND REPORT FY 2025

In December 2004, the City of San Leandro (“City”) amended the Zoning Code by adopting Article 30, the Inclusionary Housing Ordinance (“Ordinance”). The purpose of the Ordinance is to encourage the development and availability of housing affordable to a broad range of households with varying income levels within the city, to increase the supply of affordable ownership and rental housing in San Leandro, and to require that residential developers construct affordable housing units within their project.

The City’s Ordinance requires construction of units, or in limited cases, payment of an in-lieu fee for both ownership and rental residential developments. In 2009, the California Court of Appeals decision in the case of *Palmer/Sixth Street Properties LP v. City of Los Angeles*, 175 Cal.App.4<sup>th</sup> 1396 (2009) prohibited cities from being able to enforce these ordinances in the case of rental housing developments. In 2017, AB 1505 restored the ability of cities to enforce inclusionary housing policies with an effective date of January 1, 2018. As described in the City’s 2023-2031 Housing Element, the City will consider amendments to the Ordinance over the eight-year cycle and plans to conduct an economic feasibility study to guide any proposed changes.

San Leandro’s Ordinance allows ownership developments with two to six total units to pay an in-lieu fee to the City’s Affordable Housing Trust Fund (“AHTF”). The AHTF is an account established to collect and expend such in-lieu fees to further affordable housing as described in the Ordinance. The AHTF also includes revenue from condominium conversion fees and repayment of AHTF loans. The City uses deposited funds to increase and improve the supply of housing affordable to moderate-, low-, and very low-income households in San Leandro. Monies may also be used to cover reasonable administrative or related expenses associated with the administration of the Ordinance. The Ordinance requires the Community Development Director to provide an Annual Report to the City Council on the revenue collected and the activities undertaken with the AHTF.

In Fiscal Year (FY) 2025, which covered the period from July 1, 2024 to June 30, 2025, the following revenue was collected:

<b><u>Revenue Accounts</u></b>	
167-3322 Housing In-Lieu Fees	\$0.00
167-3501 Interest Income – General	\$11,736.11
167-3510 Unrealized Gain/Loss on Investment	\$12,945.60
<b>Total</b>	<b>\$24,681.71</b>

Two market-rate projects in San Leandro’s pipeline were completed during the reporting period, creating affordable Below Market Rate (BMR) units. The multifamily Centro Callan project in downtown San Leandro sets aside ten BMR rental units. The Poppy Lane single-family housing development north of Halcyon Drive created three BMR homeownership opportunities.



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In FY 2023, the City awarded the Housing Consortium of the East Bay (HCEB) with a \$65,000 predevelopment grant to support the pre-development, acquisition, and development of the former Nimitz Motel into the Lewelling Interim Housing and Drop In Center (“Lewelling Project”). The City expended an additional \$309,500 for acquisition costs and purchased the site in Autumn 2023. These local commitments leverage numerous State and Federal resources such as Project Homekey, AB 102 Budget Act of 2023, U.S. Department of Housing and Urban Development Community Project Funding, and American Rescue Plan Act (ARPA) funding. HCEB completed construction on the Lewelling Project during the reporting period. The project's interim housing opened in March 2025 and the drop-in center opened in June 2025.

According to unaudited financial reports generated in November 2025, the FY 2025 AHTF fund balance as of June 30, 2025, was \$336,165.61. This consists of the FY 2024 balance (\$311,483.90) plus the revenue collected and expenditures in FY 2025. The FY 2024 AHTF report showed an ending balance of \$620,983.90. This number was adjusted after the report’s publication to reflect corrections identified through the FY 2024 audit that resulted in a revised ending balance of \$311,483.90.

The following table reflects the updated information for FY 2024 as well as the revenues, expenditures, and ending balance for FY 2025. Any updates made to the FY 2025 data as part of the annual audit will be noted in next year’s report.

	<b>Undesignated Fund Balance (July 1)</b>	<b>Debits Per FY</b>	<b>Credits Per FY</b>	<b>Ending Balance (June 30)</b>
FY 2024	\$614,871.74	\$439,500.00	\$136,112.16	\$311,483.90
FY 2025	\$311,483.90	\$0.00	\$24,681.71	\$336,165.61