

DRAFT ADDENDUM TO HOUSING ELEMENT

Following a conference call between Jess Negrete (California Department of Housing and Community Development), Tom Liao, and Barry Miller on October 28, 2014, the following changes are proposed to the Working Draft 2015-2023 San Leandro Housing Element:

<p>1</p>	<p>HCD Comment: How much is in the Affordable Housing Trust Fund?</p> <p><i>City Response: On P. 2-16 (tracked change version), in the progress report on the implementation of Goal 53 programs, edit Action 53.03-C, the third column is edited as follows:</i></p> <p>ADVANCE. The City continues to maintain an Affordable Housing Fund using these two sources. The Fund’s revenue balance as of June 30, 2014 was approximately \$65,000.</p>
<p>2</p>	<p>HCD Comment: While it is fine to identify Improvement to Land Ratio as a metric for identifying underutilized sites, the text should also note that the site inventory considered other factors such as whether or not there was an active business on the site.</p> <p><i>City Response: On P. 4-7 (tracked change version). A new paragraph has been added (see yellow highlighted text below), explaining that other metrics were also used, and noting that many of the largest sites in the TOD area around the San Leandro BART station are vacant.</i></p> <p>As in the last two Housing Elements, the site inventory focuses on areas where detailed planning studies have been completed or are pending, including the San Leandro BART Station area, the Bayfair BART Station area, and the East 14th Street (South Area) corridor. An emphasis was placed on sites where the assessed value of land, as reported by the Alameda County Assessor’s Office, is at least four times higher than the assessed value of improvements on the property. The land to improvement value is an important indicator of underutilization and is a helpful tool for identifying sites more likely to redeveloped.</p> <p>Other indicators also were considered, including the extent and type of existing structures on the property, the presence of active businesses, and the proximity of each site to a BART station. Although a few of the Housing Opportunity Sites contain active businesses, these businesses are generally lower-value structures such as used car dealerships (with portable sales offices), non-conforming uses, or other uses that not reflective of long-range plans. In the San Leandro BART Station Area, most of the housing capacity is associated with vacant land zoned for residential uses with minimum density requirements of 60 units per acre.</p>
<p>3</p>	<p>HCD Comment: The text on P 5-17 should indicate if the requirement that second units may not exceed 10 percent of the lot area is a constraint.</p> <p><i>City Response: The new text on the first paragraph on P 5-18 has been edited as follows:</i></p> <p>The increase in allowable unit size removed a constraint identified in the previous Housing Element and should result in increased second unit applications in the coming years. The requirement that second units may not exceed 10 percent of the lot area is not a constraint because the minimum lot size in the City’s single family zoning districts is 5,000 square feet, with many neighborhoods comprised of 6,000 to 7,000 square foot lots. Smaller lots exist, but they are typically located in multi-family or mixed use districts where second units are less common. The requirement allows for second units in the 500 to 750 square foot range in most single family neighborhoods.</p>

4	<p>HCD Comment: P 5-21, confirm that transitional and supportive housing are allowed in all zones and are subject to the same standards as other uses of the same type in the same zone. Text implies that they are not defined and may be treated as group homes, which are not allowed in all zones.</p> <p><i>City Response: Page 5-21 (tracked change version) top paragraph is edited as follows</i></p> <p>The San Leandro Zoning Code does not include explicit reference to transitional housing or housing with supportive services. However, such uses would be allowed under the definition of group housing and residential congregate care and could also be defined such that social services were considered a permitted “accessory use” within a multi-family residential project. San Leandro also allows small group homes in all residential zones, providing a housing resource for persons with special needs. It also has allowed “safe houses” for homeless women and children within single family residential areas.</p> <p>A 2011 amendment to the Zoning Code (2-518(B)) stipulated that residential congregate care must be considered “a residential use of property” permitted “in all residential districts and all other zoning districts in which residential uses are permitted.” The explicit purpose of this amendment was to remove any “special requirements” which applied to housing with on-site supportive services. Residential congregate care is defined as “non-medical residential living accommodations” where the duration of stay is determined “by the individual residents’ participation in group or individual activities such as counseling, recovery planning, medical, or therapeutic assistance.” Transitional and supportive housing would be covered by this definition, and is thus permitted in all residential zones without additional requirements. Action 58.08-C of this Housing Element calls for a zoning amendment to explicitly add definitions of traditional and supportive housing to the zoning code, and clarify that they are subject to the same requirements as other residential uses of the same type in the same zone.</p>
5	<p>HCD Comment: Table 5-4 is entitled “Major Fees” which suggests that other fees are required, but are not listed. Please clarify.</p> <p><i>City Response: The title of the table is edited as follows:</i></p> <p>Table 5-4: Major Applicable Fees Associated with New Housing....</p>
6	<p>HCD Comment: Clarify that there is sufficient (existing and/or planned) water and sewer capacity to meet the RHNA during the planning period.</p> <p><i>City Response: The “Conclusions” section on P 5-45 (tracked change version) is edited as follows:</i></p> <p>Conclusions: Infrastructure capacity does not pose a constraint to housing development in San Leandro, although California’s chronic water supply shortage remains a matter of great concern. EBMUD has sufficient existing and planned capacity to meet water and sewer demands through 2023, and its projections are consistent with the forecasts in this Housing Element. The City will provide EBMUD with a copy of this Housing Element upon its adoption. In most cases, the utility lines themselves have been designed to accommodate expected future levels of population and employment growth....</p>

7	<p>HCD Comment: When referencing “affordable housing” in Chapter 6, clarify that this refers to housing affordable to moderate, low, very low, extremely low—and not simply housing that costs 30% or less of household income.</p>
	<p><i>City Response: Make the following edits:</i></p> <p><i>On Page 6-1, add a footnote to the second bullet (“Affordable Housing Development” indicating:</i></p> <p><u>“Unless otherwise indicated, references to “affordable housing” in this chapter refer to housing that requires no more than 30 percent of a household’s income for extremely low, very low, low, or moderate income households. Occupancy of such housing is typically limited to persons with incomes below thresholds set by the US Department of Housing and Urban Development and the California Department of Housing and Community Development, although some smaller and/or older units may be considered “affordable by design” as their market rents or sales prices place them within the affordability ranges of lower and moderate income households.”</u></p> <p><i>On Page 6-4, edit Goal 53 as follows:</i></p> <p><u>Goal 53: Increase the supply of affordable-ownership and rental housing in San Leandro affordable to extremely low, very low, low, and moderate income households.</u></p> <p><i>On Page 6-7, edit Policy 53.03 as follows:</i></p> <p><i>Policy 53.03:</i> Actively pursue and leverage private, non-profit, and public funds to facilitate the development of affordable-housing <u>affordable to lower and moderate income households</u> in San Leandro.</p> <p><i>On Page 6-8, edit Policy 53.04 as follows:</i></p> <p><i>Policy 53.04:</i> To the extent permitted by law, require the inclusion of affordable <u>housing affordable to moderate, low, and/or very low income households</u> in new housing developments or the payment of an in-lieu fee which creates a funding source for affordable housing.</p> <p><i>On Page 6-35, edit Policy 58.05 as follows:</i></p> <p><i>Policy 58.05:</i> In accordance with the needs analysis conducted as part of this Housing Element, encourage the production of affordable-multi-family housing <u>that is affordable to very low, low, and moderate income</u> for large families.</p>
8	<p>HCD Comment: Clarify that the intent of Action 54.01-B is to maintain a balance, and not to discourage affordable housing.</p> <p><i>City Response: Add new sentence to the end of the narrative under Action 54.01-B as follows:</i></p> <p>This action would result in a new heading added to the City’s Housing Element annual progress report which assesses the balance between market rate and affordable housing as one factor in setting priorities and allocating the housing program budget for the coming years. <u>The intent is not to discourage affordable housing production, but rather to encourage housing at all price points and better monitor City progress in meeting housing needs for all income levels, resulting in a well-balanced mix of market-rate units and units with affordability restrictions.</u></p>

9	<p>HCD Comment: Clarify if Action 58.07-C applies to programs which affect residents of existing housing as well as opportunities for new housing.</p> <p><i>City Response: The first paragraph of narrative under Action 58.07-C (P 6-39) is edited as follows:</i></p> <p>The City regularly invests a portion of its annual housing program dollars in services and facilities for extremely low income households. These funds support a combination of new construction and financial assistance programs for existing residents. The amount varies from year to year based on available resources, programs, and need. Several programs, including the City’s mobile home repair and minor home repair grant programs are designed to specifically benefit extremely low income households.</p>
10	<p>HCD Comment: On Action 58.08-C, note that the definitions must comply with SB 745 for transitional and supportive housing.</p> <p>Subsequent HCD Comment: The City should re-evaluate its definition of “family” (Sec 1-304 of the zoning code) to ensure that it does not conflict with state requirements.</p> <p><i>City Response: The last paragraph of narrative under Action 58.08-C (P. 6-40) is edited as follows:</i></p> <p>In addition, the zoning code should include definitions of “supportive housing,” and “transitional housing” in addition to using the more generic term “group housing.” This change should be made in both the Definitions section of the Code, and in the lists of permitted and conditionally permitted uses for the appropriate zones. The definitions should be consistent with those established by SB 745, which took effect on January 1, 2014. When these definitions are added, the City will also re-evaluate the Zoning Code definition of “family” and will modify it as needed to ensure consistency with state requirements.</p>
11	<p>HCD Comment: On Action 59.02-A, indicate what action will be taken if the analysis suggests different parking standards.</p> <p><i>City Response: The first sentence of Action 59.02-A is edited as follows:</i></p> <p>Consider, amending and if appropriate amend, the parking standards in the San Leandro Zoning Ordinance to incorporate the following changes:</p>
12	<p>HCD Comment: Action 59.04-B calls for a reduced fee policy, but text elsewhere implies City reduces fees on a case by case basis already (which would indicate there already is a fee reduction policy). Clarify that the intent is to formalize when projects are eligible for fee reductions so it is more objective.</p> <p><i>City Response: The narrative text under Action 59.04-B (P 6-48 in redlined version) is edited as follows:</i></p> <p>Fee reductions or waivers s are currently granted based on the characteristics of each project. This action would formalize fee waiver policies and procedures, creating more certainty and consistency. Due to acute shortages of school capacity and parkland, these fees should not be waived (except for uses such as senior housing, where student generation is minimal). However, reductions or waivers of use permit fees, rezoning fees, preliminary and tentative map filing fees, and similar administrative fees may be considered....</p>

13	<p>HCD Comment: In Action 59.06-A, clarify that multi-family guidelines have already been developed for the South Area and Downtown/TOD but have not been developed yet for Bayfair and the RM zones in general.</p> <p><i>City Response: Action 59.06-A is edited as follows (yellow text is added):</i></p> <p>Continue to use the adopted multi-family design guidelines for the Downtown TOD and East 14th Street South areas. Develop additional guidelines that apply more broadly to multi-family projects on infill lots.</p>		
14	<p>HCD Comment: In Chapter 7, under Action 53.01-B, clarify that the Bayfair Plan will be finished in 2017 and new zoning may not be in place until 2018.</p> <p><i>City Response: In Chapter 7 matrix, page 7-3, edit “comments” column for 53.01-B as follows:</i></p> <p>City received MTC grant and has issued is developing RFP. Completion is expected in 2016-2017. New zoning will be in place by 2018.</p> <p><i>In addition, the following sentence will be added to the end of the Action 53.01-B narrative on Page 6-5 (tracked change version)</i></p> <p>At minimum, the new Plan should lead to the rezoning of the 11-acre Bayfair BART Station parking lot from its current designation (Public/ Semi-Public) to a zoning district which encourages and promotes high-density mixed use development. The designation should establish a minimum density of 40 units per acre to maximize the potential use of this site for multi-family housing development. The new zoning should be in place by 2018, within one-year after the Plan is adopted.</p>		
15	<p>HCD Comment: In Chapter 7, under 53.01-C, clarify that this will happen around one year after the General Plan is adopted, so if Plan is adopted in 2016 it will happen in 2017.</p> <p><i>City Response: In Chapter 7 matrix, page 7-4, edit “comments” column for 53.01-C as follows:</i></p> <p>Action already anticipated by General Plan Land Use Element and Map. To be completed by 2017, within one year after General Plan Update.</p> <p><i>In addition, the following sentence should be added to the Action 53.01-C narrative on Page 6-6 (tracked change version):</i></p> <p>Although multi-family housing is already a conditionally permitted use under the existing Community Commercial (CC) zoning, the mixed use zoning would allow multi-family housing and mixed use development by right, establish minimum (in addition to maximum) densities, potentially improve the pedestrian scale and street environment, and expedite the reuse of vacant and under-developed properties on these two corridors. The rezoning should take place by 2017, within one year of General Plan adoption.</p>		
16	<p>HCD Comment: In Chapter 7, under 53.01-D (Shoreline Area), clarify when the rezoning will be done (relative to completion of the Plan)</p> <p><i>City Response: In Chapter 7 matrix, page 7-4, edit “timing” and “comments” column for 53.01-D as follows:</i></p> <table border="1" data-bbox="391 1738 1276 1835"> <tr> <td data-bbox="391 1738 607 1835">Spring 2015 2016</td> <td data-bbox="607 1738 1276 1835">Plan and EIR likely to be considered in early 2015, rezoning by 2016</td> </tr> </table>	Spring 2015 2016	Plan and EIR likely to be considered in early 2015, rezoning by 2016
Spring 2015 2016	Plan and EIR likely to be considered in early 2015, rezoning by 2016		

17	<p>HCD Comment: In Chapter 7 matrix under Action 53.03-A. Where the text says “Continue to pursue”, note that some of the funding sources require a specific annual process (like HOME and CDBG) and others are pursued as the opportunity comes up.</p>		
	<p><i>City Response: Chapter 7 matrix (P. 7-3), Action 53.03-A “timing” and “comments” column are edited as follows:</i></p> <table border="1" data-bbox="391 380 1276 506"> <tr> <td data-bbox="391 380 618 506">Ongoing / Annual</td> <td data-bbox="618 380 1276 506">Regular function of Housing Division. Some funds are allocated or pursued on an annual basis (e.g., CDBG, HOME) and others pursued as opportunities arise.</td> </tr> </table>	Ongoing / Annual	Regular function of Housing Division. Some funds are allocated or pursued on an annual basis (e.g., CDBG, HOME) and others pursued as opportunities arise.
Ongoing / Annual	Regular function of Housing Division. Some funds are allocated or pursued on an annual basis (e.g., CDBG, HOME) and others pursued as opportunities arise.		
18	<p>HCD Comment: In Chapter 7 matrix, under Action 53.03-B: Clarify what is meant by “ongoing”---is this really “annual” or “as needed”?</p>		
	<p><i>City Response: Chapter 7 matrix (P. 7-3), Action 53.03-B “timing” and “comments” column are edited as follows:</i></p> <table border="1" data-bbox="391 766 1276 926"> <tr> <td data-bbox="391 766 618 926">Ongoing</td> <td data-bbox="618 766 1276 926">Regular function of Housing Division. The City provides continuous technical support to non-profit and for-profit developers and regularly seeks developer input in its housing and land use policies.</td> </tr> </table>	Ongoing	Regular function of Housing Division. The City provides continuous technical support to non-profit and for-profit developers and regularly seeks developer input in its housing and land use policies.
Ongoing	Regular function of Housing Division. The City provides continuous technical support to non-profit and for-profit developers and regularly seeks developer input in its housing and land use policies.		
19	<p>HCD Comment: In Chapter 7 matrix, under Action 53.04-A: Will the nexus study be finished in 2016? Or started in 2016? Note when the outcome will be achieved, e.g., if the nexus study says to establish a fee, the fee will be in place in 2018</p>		
	<p><i>City Response: Page 6-8 states that the nexus study will be completed in 2 years (after Housing Element adoption), which would be January 2017. The “timing” and “comments” columns in the matrix on P. 7-3 (under Action 53.04-A) have been clarified as follows:</i></p> <table border="1" data-bbox="391 1297 1276 1457"> <tr> <td data-bbox="391 1297 618 1457">2015-2016 Jan 2017</td> <td data-bbox="618 1297 1276 1457">May be done in collaboration with one or more other jurisdictions. Study to be completed by early 2017. Action to be taken within one year after study, as appropriate.</td> </tr> </table>	2015-2016 Jan 2017	May be done in collaboration with one or more other jurisdictions. Study to be completed by early 2017. Action to be taken within one year after study, as appropriate.
2015-2016 Jan 2017	May be done in collaboration with one or more other jurisdictions. Study to be completed by early 2017. Action to be taken within one year after study, as appropriate.		
20	<p>HCD Comment: 53.04-B: Are we revising the inclusionary ordinance in 2017 only? Or every couple of years?</p>		
	<p><i>City Response:</i></p> <table border="1" data-bbox="391 1732 1276 1858"> <tr> <td data-bbox="391 1732 618 1858">Ongoing / Annual</td> <td data-bbox="618 1732 1276 1858">Regular function of Housing Division. Some funds are allocated or pursued on an annual basis (e.g., CDBG, HOME) and others pursued as opportunities arise.</td> </tr> </table>	Ongoing / Annual	Regular function of Housing Division. Some funds are allocated or pursued on an annual basis (e.g., CDBG, HOME) and others pursued as opportunities arise.
Ongoing / Annual	Regular function of Housing Division. Some funds are allocated or pursued on an annual basis (e.g., CDBG, HOME) and others pursued as opportunities arise.		

21	<p>HCD Comment: In the Chapter 7 matrix, under Action 53.05-B, clarify that the City owns some of the Town Hall site and the private sector owns some.</p> <p><i>City Response: On Page 6-10, the narrative under Action 53.05-B already states that: “The Town Hall Square site includes about a dozen parcels, including several owned by the City and others owned by private parties. Some of the buildings on the block are still occupied and others are vacant. The City will continue working to acquire the remaining properties from willing sellers.”</i></p> <p><i>In response to HCD’s query, the “comments” column under Action 53.05-B in the Chapter 7 matrix (P. 7-4) has been edited as follows:</i></p> <p style="padding-left: 40px;">Primarily includes redevelopment of Town Hall Square and CVS East 14th at Davis Street site. Includes a combination of City-owned and private parcels; City will work with private owners to facilitate lot consolidation.</p>
22	<p>HCD Comment: Adjust wording of Action 54.06-A to include a proactive step if the “study” shows it is viable (Review, and take action as appropriate, etc.)</p> <p><i>City Response: Action 54.06-A on Page 6-16 is edited (tracked change version) as follows:</i></p> <p style="padding-left: 40px;">Review the feasibility of using “boomerang” funds (locally designated funding for affordable housing from property tax revenues resulting from the elimination of the Redevelopment Agency) for affordable housing development and programs in San Leandro. A report on this issue should be provided to the City Council within two years of Housing Element adoption and an action to dedicate such funds to housing programs/projects should be taken if deemed appropriate.</p> <p><i>In addition, edit the “comments” column in the Chapter 7 matrix for Action 54.06-A (P 7-4) as follows:</i></p> <p style="padding-left: 40px;">Task involves preparation of a report on the use of boomerang funds for local housing programs, and action to dedicate such funds for this purpose, if deemed appropriate.</p>
23	<p>HCD Comment: Modify the Action 56.01-B text to note that if the City is successful in tracking down funding sources, it will use the money to reinstate the program. (e.g., make the statement more proactive)</p> <p><i>City Response: On P. 6-22 (tracked change version), Action 56.01-B is edited as follows:</i></p> <p style="padding-left: 40px;">Explore potential new funding sources to restore the Owner-Occupied Housing Rehabilitation Loan Program, which was discontinued upon the elimination of the Redevelopment Agency. When funds were available, the program provided loans and technical assistance to very low and low-income homeowners for major repairs such as kitchens, baths, and roofs. If new funding sources are identified, they should be pursued and used for this purpose.</p>
24	<p>HCD Comment: Action 56.07-C: Monitoring Displacement—provide more detail. How often will City monitor? Every three years?</p> <p><i>City Response: On P. 6-26, add the following two sentences to the end of the narrative:</i></p> <p style="padding-left: 40px;">The annual Housing Progress Report should reference any findings relating to displacement based on the data collected. In addition, the City will meet with a local housing advocacy group (such as Congregations Organized for Renewal) at least once every two years to discuss the issue of displacement and possible strategies for protecting renters.</p>

25	<p>HCD Comment: Under Action 58.05-A: Consider, <u>and if appropriate amend</u>, the fee schedule, etc.</p> <p><i>City Response: Edit Action 58.05-A as follows:</i></p> <p>Consider, <u>and if appropriate amend</u>, amendments to the City’s fee schedule and zoning regulations to that would create incentives to include three and four bedroom apartments in new affordable multi-family and/or mixed use projects.</p>
26	<p>HCD Comment: Under Action 58.08-C, align the narrative with earlier comments to verify that City allows transitional and supportive in all zones (or indicate that a zoning amendment is needed to clarify)</p> <p><i>City Response: On P. 6-40 (tracked change version), edit the last paragraph of the narrative as follows:</i></p> <p>In addition, the zoning code should include definitions of “supportive housing,” and “transitional housing” in addition to using the more generic terms “group housing” <u>and residential congregate care</u>. This change should be made in both the Definitions section of the Code, and in the lists of permitted and conditionally permitted uses for the appropriate zones. <u>The Code changes should clarify that, consistent with State law, these uses are allowed in all districts where housing is a permitted use.</u></p> <p><i>In addition, edit the “Comments” column in the matrix on P. 7-8 under Action 58.08-C as follows:</i></p> <p>Add definitions of Supportive and Transitional Housing in 2015, <u>and clarify that these uses are permitted in all zones where housing is permitted.</u> Rest is ongoing</p>
27	<p>HCD Comment: Clarify that the park impact fee is only charged to developers who do not provide parkland/open space on-site.</p> <p><i>City Response: In Table 5-4 on Page 5-33 (tracked change version), the first row/ second column cell (Park Development Fee Amount) is edited as follows:</i></p> <p>Parkland Acquisition Fee: \$12,986 per single family unit; \$11,351 per multi-family unit; \$5,676 per “special” unit. Park Improvement Fee: \$2,316 per single family unit, \$2,025 per multi-family unit, \$1,012 per “special unit.” Note: The fee is lower if the site is in a subdivision where on site park or open space has been dedicated. <u>Rather than paying the fee, developers also have the option of providing sufficient acreage of on-site public parkland to maintain the existing Citywide ratio of 4.86 acres of parkland per 1,000 residents. Credit for private open space is also provided, resulting in lower fees.</u></p>

28	<p>HCD Comment: Confirm that the definition of “family” in the Zoning Code (Sec 1-304) does not interfere with state mandated allowances for residential care facilities, transitional and supportive housing, and small group homes</p> <p><i>City Response: A new paragraph has been added following the second paragraph on Page 5-21 in the tracked change version (this is the section of the “Constraints” chapter that addresses standards for special housing types):</i></p> <p><u>Prior to 2011, the City did not have a definition of “family” in its Zoning Code. As part of zoning amendments adopted that year, the term “family” was added to Section 1-304 (Definitions) and was defined as “a person or group of persons living together and maintaining a common household.” Consistent with state and federal law, the definition does not require members of the household to be related. The zoning amendments also included a change to the definition of “single housekeeping unit” to delete all references to whether the occupants were related or unrelated.</u></p>					
29	<p><i>The following change is also proposed, to correct an inadvertent omission from Chapter 7. This change does not relate to an HCD Comment, but corrects a “typo” in which a row in the Implementation Matrix was left off. On Page 7-9 (tracked change version), the following row is inserted after Row 59.01-E:</i></p> <table border="1" data-bbox="321 884 1338 1068"> <tr> <td data-bbox="321 884 566 1068">Action 59.01-F: Additional Density in Established Neighborhoods</td> <td data-bbox="566 884 820 1068">Community Devt. (Planning), Planning Commission, City Council</td> <td data-bbox="820 884 992 1068">General Fund (Staff time)</td> <td data-bbox="992 884 1133 1068">2017- 2018</td> <td data-bbox="1133 884 1338 1068">Would occur after General Plan is adopted</td> </tr> </table>	Action 59.01-F: Additional Density in Established Neighborhoods	Community Devt. (Planning), Planning Commission, City Council	General Fund (Staff time)	2017- 2018	Would occur after General Plan is adopted
Action 59.01-F: Additional Density in Established Neighborhoods	Community Devt. (Planning), Planning Commission, City Council	General Fund (Staff time)	2017- 2018	Would occur after General Plan is adopted		