



CITY OF SAN LEANDRO

AFFORDABLE HOUSING TRUST FUND REPORT

FY 2022-2023

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 projects.

The City’s Ordinance required 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.4th 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 the option of paying an in-lieu fee to the City’s Affordable Housing Trust Fund (“AHTF Fund”). The AHTF Fund is an account established to collect and expend such in-lieu fees to further affordable housing as described in the Ordinance. The AHTF Fund also includes revenue from condominium conversion fees and repayment of AHTF Fund loans. Monies deposited target the increase and improvement of the supply of housing affordable to moderate-, low-, and very low-income households in the City. Monies may also be used to cover reasonable administrative or related expenses associated with the administration of the Ordinance. The Ordinance also 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 Fund.

In FY 2022-2023, the following revenue was collected:

<u>Revenue Accounts</u>	
167-3322 Housing In-Lieu Fees	\$418,468.00
167-3501 Interest Income – General	\$6,378.07
167-3510 Unrealized Gain/Loss on Investment	\$(3,965.59)
Total	\$420,880.48

The Centro Callan project in downtown San Leandro generated a significant portion of the Housing In-Lieu Fees collected in FY 2022-2023. Currently under construction, the project will create 196 apartments and retail storefronts when complete. Additionally, six Below Market Rate (“BMR”) homeownership units became available in the first quarter of 2023 at the Maple Lane Development located at 887 Manor Blvd. Four of the townhomes are affordable for moderate income households earning 120% of the Area Median Income (“AMI”) or less and two of the units are designated for low income households earning 80% AMI.



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In FY 2022-2023, 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 Homeless Shelter and Navigation Center (“Lewelling Project”). The purpose of this predevelopment grant was primarily to fund architecture, design, and due diligence costs associated with the project. The City committed an additional \$125,000 in FY 2022-2023 for site acquisition. These local commitments leverage numerous State and Federal resources such as Project Homekey, AB 102 Budget Act of 2023, and American Rescue Plan Act (ARPA) funding. Some of the AHTF Fund expenditures for the Lewelling Project may be reimbursed by the State Homekey program in future fiscal years.

As of June 30, 2023, the FY 2022-2023 AHTF Fund balance was \$614,871.74, consisting of the FY 2021-2022 balance (\$258,991.26) plus the FY 2022-2023 revenue collected and expenditures.

The following table reflects the revenues, expenditures, and ending balance from FY 2022-2023.

	Undesignated Fund Balance (July 1, 2022)	Debits Per FY	Credits Per FY	Ending Balance (June 30, 2023)
FY 22-23	\$258,991.26	\$65,000.00	\$420,880.48	\$614,871.74