



CITY OF SAN LEANDRO
AFFORDABLE HOUSING TRUST FUND REPORT
FY 2023-2024

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”). 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. 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.

In FY 2023-2024, the following revenue was collected:

<u>Revenue Accounts</u>	
167-3322 Housing In-Lieu Fees	\$0.00
167-3501 Interest Income – General	\$6,112.16
167-3510 Unrealized Gain/Loss on Investment	\$0.00
Total	\$6,112.16

Two market rate projects in San Leandro’s pipeline are currently under construction and will create affordable Below Market Rate (BMR) units when complete. The multifamily Centro Callan project in downtown San Leandro will set aside ten BMR rental units. The Poppy Lane single-family housing development north of Halcyon Drive will create three BMR homeownership opportunities.



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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 Housing and Drop In Center (“Lewelling Project”). The funds for this predevelopment grant were disbursed in FY 2023-2024. 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. Some of the AHTF expenditures for the Lewelling Project may be reimbursed by the State Homekey program in future fiscal years.

As of June 30, 2024, the FY 2023-2024 AHTF fund balance was \$620,983.90, consisting of the FY 2022-2023 balance (\$614,871.74) plus the FY 2023-2024 revenue collected and expenditures.

The following table reflects the revenues, expenditures, and ending balance from FY 2023-2024.

	Undesignated Fund Balance (July 1, 2023)	Debits Per FY	Credits Per FY	Ending Balance (June 30, 2024)
FY 23-24	\$614,871.74	\$374,500.00	\$380,612.16	\$620,983.90