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Date	Ver.	Action By	Action	Result
11/7/2022	1	City Council	Approved	Pass

Adopt a Motion to Accept the City of San Leandro Housing Element Annual Progress Report for the 2021 Calendar Year

COUNCIL PRIORITY

- Housing and Homelessness
- Community Engagement and Outreach
- Community & Business Development

SUMMARY

Pursuant to Govt. Code §65400(a)(2)(B) the City of San Leandro is obligated to present the Annual Progress Report (APR) in a public meeting and allow the public to provide oral testimony and written comments.

RECOMMENDATION

Staff recommends that the City Council review, accept, and authorize the City Manager to submit the 2021 Annual Progress Report to the California Department of Housing and Community Development and the Governor’s Office of Planning and Research.

BACKGROUND

The Housing Element is one of the seven required elements of the San Leandro General Plan. The City’s current Housing Element covers 2015-2023 and was adopted in January 2015. The California Department of Housing and Community Development certified the City’s 2015-2023 Housing Element Update in February 2015.

Pursuant to Government Code §65400(a)(2), the City must submit an Annual Progress Report by April 1 of every year. Staff has already submitted the 2021 APR online to meet the April 1 statutory deadline and is presenting the APR to Council and the public tonight to comply with State law. Additionally, there are

funding programs offered by the California Department of Housing and Community Development among other State programs that incentivize submittal of the APR. The Greenhouse Gas Reduction Fund and some transportation funding programs now require submittal of the APR as a threshold for funding eligibility. As required by the State, all Housing Element APRs are posted on the City's website for public review.

Analysis

The purpose of the Housing Element APR is to track and monitor the City's progress in addressing the City's housing needs and goals under its current Housing Element for 2015-2023.

To that end, there were a number of amendments to California law that became effective in 2021 that affected the City's ability to meet its housing needs and goals. Effective January 1, 2018, the attached report is in compliance with AB 879 that amended Government Code §65400(a)(2) to augment the reporting requirements on how cities are achieving their Regional Housing Needs Allocation (RHNA) goals. The RHNA is an effort to quantify what each city and county should construct as part of its "fair share" of housing to accommodate demographic growth projections for all income levels. The following was included in the APR for 2021 that was submitted to the California Department of Housing and Community Development (CA HCD):

- 1) Status updates on the implementation of the following policy goals/objectives identified in the Housing Element;
 - a. New housing opportunities
 - b. Affordable housing development
 - c. Administration of housing programs
 - d. Home ownership
 - e. Affordable housing conservation
 - f. Green and sustainable neighborhoods
 - g. Special needs populations
 - h. Elimination of housing constraints
 - i. Fair housing
- 2) Progress during the calendar year in meeting San Leandro's Regional Housing Needs Allocation (RHNA) for housing units completed (including regulated affordable housing-itemizing by affordability level);
- 3) The number of housing development applications received in the calendar year;
- 4) The number of housing units included in all development applications in the calendar year; and
- 5) The total number of new housing units completed to date (i.e., summary of construction completions from 2015-2021).

The City's ability to achieve several of its Housing Element goals and objectives cannot be accomplished without enhanced or additional affordable housing funding sources locally, regionally, State-wide and federally. For example, the First Time Homebuyer (FTHB) Downpayment Assistance Loan Program and the Owner-Occupied Housing Rehabilitation Loan Programs were eliminated when the state ended redevelopment in 2012. The City refers income-eligible first-time homebuyers to other publicly funded homeownership loan or grant programs. Because the Housing Rehabilitation Loan Program requires a large annual allocation of funding (approx. \$300,000), the City focuses on administering an Owner-Occupied Housing Rehabilitation Grant Program (up to \$5,000 per eligible homeowner) with an annual budget of \$150,000 in federal Community Development Block Grant Program (CDBG) funding.

Another funding source for the City's affordable housing programs include the local Affordable Housing Trust Fund (AHTF) that consists mainly of repayments from past FTHB and Rehabilitation Loans in addition to in-lieu payments from ownership housing developments subject to the City's Inclusionary

Zoning Ordinance. Deposits of funds into the AHTF are dependent on a more active housing construction market and a need to amend the Inclusionary Zoning Ordinance to enhance the existing housing in lieu fee requirements for new ownership and rental housing, which currently does not exist.

Some of the City's key goals and accomplishments in 2021 include:

GOAL 53: AFFORDABLE HOUSING DEVELOPMENT

- Nonprofit developer Eden Housing completed construction of "Loro Landing" the new name for the Parrot Street Apartments that consist of 62 housing units. The City awarded a total of \$5 million in early 2018: \$1 million in City Housing Successor Agency revenues plus \$4 million from the City of San Leandro's allocation of the A-1 Alameda County Housing Bond approved by voters in 2016.
- Entitlements were approved for the Centro Callan mixed-use development. Located at 1188 East 14th Street, there will be 196 multi-family housing units, ground floor grocery and retail, as well as a small outdoor plaza with seating. There will be 10 housing units affordable to households with the Area Median Income (i.e. 100% AMI) and over \$400,000 deposited into the Affordable Housing Trust Fund.
- In 2021, the City initiated the Housing Element update for the 6th planning cycle and began drafting Zoning Code amendments to be adopted concurrently with the Housing Element that are expected to streamline the housing entitlement process and stimulate housing production.
- The City released a Request for Proposal (RFP) in early 2021 to seek competitive offers and select establish an experienced affordable housing developer to utilize the City's remaining allocation of Alameda County Measure A-1 bond funds approved in 2016.

GOAL 58: HOUSING FOR THOSE WITH SPECIAL NEEDS

- In 2020, the City was awarded \$1,163,178 in federal stimulus funds (CDBG-CV) that the City Council allocated for the Emergency Rental Assistance Program (ERAP), which served 126 renter households in need. In 2021, City staff fully expended \$130,000 from ERAP fund administrative cost savings to assist an additional 26 lower income renter households.
- The City annually allocates General Fund monies to assist with the operation of Building Futures' for Women and Children's San Leandro Shelter. The City also annually allocates CDBG public service dollars to the Davis Street Family Resource Center's Basic Needs Program, SOS/Meals on Wheels, and CALICO child abuse intervention services.

GOAL 60: FAIR HOUSING

- ECHO Housing provided information, counseling, and/or investigation into 26 Fair Housing complaints. Of those complaints, 19 cases were investigated, 16 had housing counseling sessions, 6 were reported to the Fair Employment and Housing Commission, Office of Fair Housing and Equal Opportunity, or other FH legal referrals.

Regional Housing Needs Assessment (RHNA) Progress Update

San Leandro's RHNA consists of a total of 2,287 housing units for the 2015 to 2023 period. This is an increase of 40% from the allocation for the period of 2007 to 2014 which was 1,630 housing units. During the 2007-2014 planning period there were 232 new housing units that had building permits issued. Overall, this was about 14% of the City's total RHNA goal of 1,630 for that period.

For 2015-2023, the City permitted 258 units, or 50% of total required RHNA for very low- and low-income regulated affordable housing units, as of December 31, 2021. In 2021, there were no new very low- and low-income housing units constructed. The City has approved 136 building permits to moderate- and above moderate-income households since 2015 (13% of total required RHNA units for these two income categories). Of the 136 permitted units, 53 were permitted in 2021 in the above moderate-income

household category. The breakdown of these accomplishments to date are detailed in Exhibit A-1, Table B, page 19.

There are significant implications for jurisdictions who do not meet their RHNA goals given the passage of SB 35's (Wiener) Streamline Approval Process adopted in the Fall 2017 California legislative session. This law requires a streamlined approval process, under specified conditions, for housing construction in cities that have not met incremental RHNA goals as determined by the Association of Bay Area Governments. Note that all proposed developments that are allowed permission to proceed under this new law are required to have 10% regulated affordable housing units included in the development.

According to the California Department of Housing and Community Development, the City is currently compliant with SB 35 streamlining thresholds for the Very Low- and Low-Income category, but the City is not in compliance with the thresholds for the Above Moderate-Income category.

The City made progress in 2021 to permit an above moderate-income housing pipeline. All new building permits issued in 2021 were above moderate-income and were either Accessory Dwelling Units (45 new units) or Duplexes (4 projects with 8 total housing units). See Exhibit A-1, Table A-2, pages 4-18 for details on this category of housing production.

Previous Actions

- Resolution No. 2015-007 Approving the 2015-2023 Housing Element Update of the San Leandro General Plan to Comply with the State-Mandated Deadline of January 31, 2015.

Environmental Review

- Resolution No. 2015-006 Adopting a Negative Declaration for the 2015-2023 Housing Element Update of the San Leandro General Plan in Compliance with the California Environmental Quality Act (CEQA).

ATTACHMENT

Attachment A: MOTION Accepting the City of San Leandro Housing Element Annual Progress Report for 2020 Calendar Year

- *Ex A1: CY 2021 Housing Element Annual Progress Report FINAL*

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