



## Legislation Text

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**File #:** 22-678, **Version:** 1

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Adopt a Resolution Certifying the Supplemental Environmental Impact Report for the 2023-2031 Housing Element and General Plan Update, and Related General Plan, Zoning Map, and Zoning Code Amendments, and Make All Required Mitigation and Alternatives Findings, and Adopt a Mitigation Monitoring and Reporting Program, all in Compliance with the Requirements of CEQA; and

Adopt a Resolution Adopting the 2023-2031 Housing Element, Amending the Land Use Element of the 2035 General Plan, and Adopting the Environmental Justice Element of the 2035 General Plan; and

Introduce an Ordinance Amending the Zoning Map and Adopting Miscellaneous Related Amendments to the Zoning Code

### **COUNCIL PRIORITY**

- Housing and Homelessness

### **SUMMARY**

State Law requires local agencies to update their Housing Elements every eight years and establishes a series of specific requirements as to the scope, content, and process by which a housing element is updated and adopted, including certification by the State Department of Housing and Community Development (HCD). All cities and counties in the San Francisco Bay Area are required to adopt updated Housing Elements by January 31, 2023 for the period covering 2023-2031.

Related General Plan and Zoning Amendments are also proposed, including a new General Plan Environmental Justice Element and amended Land Use Element. Implementing Zoning Code and Zoning Map Amendments are also proposed that would advance housing opportunities, reduce or eliminate constraints to housing, and align with recent changes in State Laws.

The Planning Commission reviewed this item on November 17, 2022 and recommended approval to the City Council on a 5-0 vote.

### **RECOMMENDATIONS**

Staff recommends that the City Council:

- Adopt a Resolution (Attachment A) adopting and certifying the Supplemental Environmental Impact Report (SEIR) for the 2023-2031 Housing Element and General Plan Update, and miscellaneous amendments to the Zoning Map and Zoning Code, and make all required mitigation and alternatives findings, and adopt a Mitigation Monitoring and Reporting Program (MMRP), all in compliance with the requirements of CEQA.; and
- Adopt a Resolution (Attachment B) adopting the 2023-2031 Housing Element Update and

related General Plan and Zoning Amendments and authorize the City Manager to make iterative changes to the 2021-2023 Housing Element in response to comments from the California Department of Housing and Community Development (HCD) to support state certification of the 2023-2031 Housing Element; and

- Introduce an Ordinance (Attachment C) Amending the Zoning Map and Adopting Miscellaneous Related Amendments to the Zoning Code.

## **BACKGROUND**

### **2023-2031 Housing Element Update**

The 2023-2031 Housing Element Update (Exhibit A to Attachment B) addresses a range of housing issues such as affordability, diversity of housing types, allowable density and project locations, housing for those with special needs, and fair housing. It establishes goals, policies, and programs that will guide the City's decision-making around the development of housing to address existing and projected needs with a mix of housing opportunities to serve a range of income levels, in compliance with State law.

### **2023-2031 Housing Element Update Components**

The Draft Housing Element is comprised of the following components:

Chapter 1: Introduction provides a brief overview of the purpose and background for the Housing Element and a brief summary of the document.

Chapter 2: Housing Needs Assessment analyzes demographic and socio-economic conditions, housing conditions, and other factors to evaluate current and future housing needs in San Leandro.

Chapter 3: Housing Constraints analyzes regulations and conditions that constitute constraints to housing production and preservation, including governmental regulations, infrastructure requirements and non-governmental market conditions such as costs for land, construction, and labor.

Chapter 4: Housing Resources documents San Leandro's ability to satisfy its share of the Regional Housing Needs Allocation (RHNA) and suitable land for residential development during the planning period.

Chapter 5: Affirmatively Affirming Fair Housing provides an assessment of fair housing.

Chapter 6: Housing Plan outlines the City's housing goals, policies, and implementation programs for 2023-2031 to address the housing needs of the community and comply with State law.

Appendix A: Community Engagement includes all engagement materials utilized to encourage public participation in the Housing Element update process.

Appendix B: Housing Sites Inventory identifies properties that are suitable to meet the RHNA.

Appendix C: Review of Past Accomplishments evaluates progress and the effectiveness of the programs included in the previous 5<sup>th</sup> Cycle Housing Element.

Appendix D: Development Analysis provides information to support the City's plan to satisfy the RHNA.

### State Housing Element Requirements

The proposed 2023-2031 Housing Element incorporates and addresses all pertinent housing law changes through analysis and implementation of new policies or programs for the next eight years. It identifies sites adequate to accommodate a variety of housing types for all income levels and needs of special population groups defined under State law (California Government Code §65583), analyzes governmental constraints to housing maintenance, improvement, and development, addresses conservation and improvement of the condition of existing affordable housing stock, and outlines policies that promote housing opportunities for all persons.

Having a Housing Element that is approved by the City Council and certified by HCD allows the City to be competitive for state-funded grants and loans that support local housing programs. Lack of a state-certified Housing Element could subject the City to penalties as a result of legal challenge, including reduction or loss of local control over land use decisions and building-related matters, fines, and access to state grants related to affordable housing, land use/planning, and transportation.

### Regional Housing Needs Allocation

State law requires every housing element to include an inventory of land suitable and available for residential development at appropriate densities to meet the jurisdiction's Regional Housing Needs Allocation (RHNA). The proposed 2023-2031 Housing Element demonstrates the City's ability to satisfy its 6<sup>th</sup> Cycle RHNA of 3,855 housing units, comprised of 862 very-low income units, 495 low-income units, 696 moderate-income units, and 1,802 above moderate-income units through a combination of pipeline projects, Accessory Dwelling Units (ADUs), and Opportunity Sites. The Sites Inventory (Appendix B) contains a list of Opportunity Sites. A list of alternate sites is included as Exhibit D to Attachment B that staff will utilize, as needed, in response to feedback from HCD.

Although the City has adequate sites to meet its RHNA, related General Plan and Zoning amendments are proposed to facilitate housing development and provide a buffer in the Sites Inventory. Proposed housing opportunity sites are located within the City's three Priority Development Areas (PDAs), which prioritize growth close to transit and services, including near the San Leandro and Bay Fair BART stations, in the Downtown, and along major commercial corridors such as E. 14th Street. The City has long-planned for housing development in these locations to make walking, bicycling, and public transit the most convenient means of travel for new residents in line with the City's Climate Action goals. The proposed amendments are based on detailed analysis of the City's development standards and feedback from stakeholders.

### Housing and Community Development (HCD) Review of Draft Housing Element

The Public Review Draft 2023-2031 Housing Element was made available for review and public comment from June 27 through July 27, 2022. On July 18, 2022, the City Council reviewed the Draft Housing Element and authorized staff to transmit it to the State Department of Housing and Community Development (HCD) for a mandatory 90-day review after the initial comment period closed and public input was received and incorporated.

On August 16, 2022, the City submitted the first Draft Housing Element to HCD for review. On October 24, 2022, HCD provided preliminary comments on the Draft Housing Element to the City and revisions were made to address those comments. The Revised Draft Housing Element was made publicly available from November 2 through November 9 for public review prior to sending the revised Draft to HCD on November 10, 2022. HCD's initial 90-day comment letter was issued on November 14, 2022. The proposed 2023-2031 Housing Element included as Exhibit A to Attachment B incorporates revisions made in response to HCD's comment letters and public comments received. A summary of the formal comments received from HCD and responses is provided as Attachment D.

Staff anticipates that further revisions to the Housing Element may be required in response to HCD's further feedback on the revised Housing Element. The proposed Resolution in Attachment B would authorize the City Manager to make iterative changes to the 2023-2031 Housing Element in response to comments from HCD to support state certification of the Housing Element.

### **Related General Plan Land Use Element and Zoning Amendments**

The Housing Element evaluates constraints to housing production, including governmental constraints. Stakeholder interviews and detailed analysis of current development regulations have revealed that specific development standards need to be modified to achieve the type of housing development anticipated in the 2035 General Plan, particularly in the Downtown (DA) and South Area (SA) Districts. The proposed increases in development standards (density, height, floor area ratio) will also assist the City with establishing a buffer to the Regional Housing Needs Allocation (RHNA) on sites already zoned for infill development.

As presented at the October 10, 2022 City Council Work Session, related amendments to the General Plan Land Use Element and Zoning Code and Zoning Map are proposed to implement the Housing Element, respond to HCD Feedback, and address recent changes in State Law.

### **Proposed General Plan Land Use Element Amendments**

The proposed amendments to the General Plan Land Use Element are included as Attachment E and include increasing the maximum Floor Area Ratio (FAR) in the Corridor Mixed Use General Plan land use designation from 1.5 to 2.5 and increasing allowable densities within the Downtown Mixed Use Designation from 100 du/acre to 125 du/acre. Table 3-2 *Correspondence between Land Use Diagram and Zoning Designations* is proposed to be modified to correct nomenclature and remove the RM-2500, RM-3000, CN, P, and PS zoning designations from the list of zoning designations that are conditionally compatible with the Corridor Mixed Use (MUC) General Plan Land Use Category.

### **Proposed Zoning Code Amendments**

The proposed amendments to the Zoning Code are summarized in Attachment F and amendments showing track changes/redline are included as Attachment G. The proposed amendments, include

but are not limited to:

- Increasing the maximum height limit in the DA-2 and SA districts to 65 feet and eliminating the maximum height in the DA-6 District
- Increasing the maximum FAR in areas within the Corridor Mixed Use General Plan land use designation to 2.5 in Section 2.08.320
- Increasing the maximum density in areas within the DA-2 and SA Districts to 85 units/acre, areas within the Downtown Mixed Use General Plan land use designation to 100 units per acre, and areas within the Transit-Oriented Mixed Use General Plan Land Use Designation to 125 units/acre in Section 2.08.332
- Adding new Chapter 3.38, Housing (H) Overlay District to allow multi-family and mixed-use housing as a permitted use in specified locations.
- Updating standards for Supportive and Transitional Housing (Section 4.04.316), Low Barrier Navigation Centers (Section 4.04.392), Employee Housing (Section 4.04.388), and Emergency Shelters (Section 4.04.384) to comply with State Law and remove barriers to housing for special needs populations
- Revising allowances and standards for Emergency Shelters and Residential Hotels in the Community Commercial (CC), Industrial General (IG), and Industrial Limited (IL) Districts as follows:
  - CC District - Permit Residential Hotels and Emergency Shelters by right up to 25 beds and allow such uses over 25 beds with a Conditional Use Permit
  - IG District - Permit Emergency Shelters by right up to 45 beds and allow such uses over 45 beds with a Conditional Use Permit
  - IL District - Increase beds allowed in Emergency Shelters by right from 25 to 45 beds and allow such uses over 45 beds with a Conditional Use Permit
- Revisions to parking requirements for group housing, supportive housing, transitional housing, and residential hotels in Section 4.08.108

Please refer to Attachment F and G for the full list of proposed Zoning Code amendments. Future recommended studies and Zoning Code amendments are discussed in Chapter 6, *Housing Plan*.

### Proposed Zoning Map Amendments

Proposed Zoning Map Amendments would apply the newly established H Overlay to the following select locations within the existing Commercial Community (CC) District, as shown in Attachment H, to advance implementation of the 2015-203 Housing Element. These two locations are within the Corridor Mixed Use (CMU) General Plan Land Use Designation, which “allows a mix of commercial and residential uses oriented in a linear development pattern along major transit-served arterials.”

- MacArthur Boulevard in northeastern San Leandro between Durant Avenue and Foothill Boulevard
- Washington Avenue in central San Leandro between Castro Street and San Leandro Boulevard

### **New General Plan Environmental Justice Element**

Senate Bill 1000 (SB 1000), “The Planning for Healthy Communities Act” of 2016 amended Section 65302 of the Government Code to require local jurisdictions to create an Environmental Justice Element or incorporate environmental justice policies when updating two or more elements of its General Plan. Environmental Justice is defined as “the fair treatment and meaningful involvement of people of all races, cultures and incomes, and national origins, with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies”. The proposed Environmental Justice (EJ) Element included as Exhibit B to Attachment B, identifies goals, policies, and actions to reduce unique or compounded health risks, particularly for neighborhoods that face social, economic, and environmental burdens. The proposed EJ Element builds on other EJ planning work done to date by the City, including the Climate Action Plan and Equity Work Plan. The draft document cross-references existing General Plan policies that advance EJ and proposes new policies to comply with SB 1000. The proposed EJ Element incorporates feedback from a seven-person Community Advisory Committee (CAC), community workshop participants, and feedback from the Planning Commission and City Council Work Sessions held on October 6 and 10, 2022.

### **Environmental Review**

The City adopted its 2035 General Plan and certified the associated environmental impact report (EIR) in 2016. On September 16, 2022, the City published a Draft Supplemental EIR (SEIR) (SCH# 2022010214) to analyze the project, which includes General Plan and Zoning Amendments. No specific development projects are proposed at this time.

The Draft SEIR found no new significant and unavoidable impacts associated with the project, but proposed three new mitigation measures proposed to comply with the Bay Area Air Quality Management District’s (BAAQMD’s) updated CEQA guidelines, and revised one mitigation measure to reduce construction noise/vibration to the extent feasible. The Draft SEIR analyzed two alternatives to the project: the CEQA-required “No Project” and a “Downtown Emphasis” alternative.

Public comments on the Draft SEIR were accepted for 45 days until October 31, 2022. During that time, the City received three comment letters from the California Department of Toxic Substances Control, East Bay Municipal Utility District and the Alameda County Transportation Commission. The Final SEIR includes detailed responses to these letters, and concludes that none of the comments received change the conclusions of the SEIR or require recirculation.

A proposed Resolution is included as Attachment A to certify the Supplemental Environmental Impact Report for the 2023-2031 Housing Element and Related General Plan and Zoning Amendments, make all required mitigation and alternatives findings, and adopt a Mitigation Monitoring and

Reporting Program.

### **Planning Commission Review and Actions**

The Planning Commission held a public hearing at a special meeting on November 17, 2022 where Commissioners asked clarifying questions and received one public comment supporting adoption of the 2023-2031 Housing Element and related amendments. The Commission adopted two Resolutions on a 5-0-2 vote (Chair Boldt and Commissioner Solis were absent):

- Resolution No. 2022-009: Recommending that the City Council certify a supplemental Environmental Impact Report (SEIR) for the 2023-2031 Housing Element Update and Related General Plan and Zoning Amendments and adopt a mitigation monitoring and reporting program; and
- Resolution No. 2022-010: Recommending that the City Council adopt the 2023-2031 Housing Element Update and related General Plan and Zoning Amendments and authorize the City Manager to make iterative changes to the 2021-2023 Housing Element in response to comments from the California Department of Housing and Community Development (HCD) to support state certification of the 2023-2031 Housing Element.

### **Summary of Public Outreach Efforts**

Extensive community outreach was a major component of the Housing Element update and the following steps were taken to ensure the Housing Element reflects the perspectives of San Leandro's diverse community:

- Virtual community workshop series to provide information about the Housing Element update and receive feedback from community members and stakeholders
- Project website
- Housing needs survey
- Stakeholder interviews
- Online tool named "Balancing Act" that focused on housing opportunity site selection
- Email listserve with a contact list of over 900 organizations and individuals
- Social media presence via the City's social media accounts including Facebook, Twitter, Instagram, and Nextdoor, with social media in English, Spanish, and Chinese

Stakeholder interviews were conducted with representatives of housing and social service providers, affordable housing developers, and representatives of labor unions.

Additionally, the City utilized local outreach non-profit En2Action to connect with residents outside of the online sphere, particularly low-income residents and community-based organizations. En2Action distributed flyers in English, Spanish, and Chinese advertising the workshops to the San Leandro Main Library, Manor Branch Library, San Leandro Adult School, San Leandro Boys and Girls Club, Children's Advocacy Center of California, and Davis Street Community Center. In addition, they distributed flyers at the San Leandro BART station, Bay Fair BART station, and the Davis Street Food Pantry.

## **Financial Impacts**

Having a certified Housing Element allows the City to be competitive for state-funded grants and loans. There are no direct financial impacts to the General Fund as a result of adopting the 2023-2031 Housing Element and related amendments; however, implementation of the Housing Element will require the commitment of resources, including but not limited to staff time, and costs for consultants, outreach, noticing, and translation, which will be identified through the normal budget process.

## **ATTACHMENTS**

**Attachment A:** Resolution certifying the Supplemental Environmental Impact Report for 2023-2031 Housing Element and General Plan Update, and Related General Plan, Zoning Map, and Zoning Code Amendments, and make all required mitigation and alternatives findings, and adopt a Mitigation Monitoring and Reporting Program, all in compliance with the requirements of CEQA

- Exhibit A - Draft Housing Element Supplemental EIR (SEIR)
- Exhibit B - Final Housing Element Supplemental EIR (SEIR)
- Exhibit C - Mitigation Monitoring and Reporting Program (MMRP)

**Attachment B:** Resolution adopting the 2023-2031 Housing Element Update and related General Plan and Zoning Amendments and authorize the City Manager to make iterative changes to the 2021-2023 Housing Element in response to comments from the California Department of Housing and Community Development (HCD) to support state certification of the 2023-2031 Housing Element

- Exhibit A - Proposed 2023-2031 Housing Element
- Exhibit B - Proposed General Plan Environmental Justice Element
- Exhibit C - Amendments to the General Plan Land Use Element and Table of Contents
- Exhibit D - List of Alternative Sites for Sites Inventory

**Attachment C:** Ordinance Amending the Zoning Map and Adopting Miscellaneous Related Amendments to the Zoning Code

- Exhibit A - Proposed Zoning Code Amendments
- Exhibit B - Proposed Zoning Map Amendments

**Attachment D** - HCD Comment Matrix (November 28, 2022)

**Attachment E** - Proposed Amendments to the General Plan Land Use Element and Table of Contents (track changes)

**Attachment F** - Summary of Proposed Zoning Code Amendments

**Attachment G** - Proposed Zoning Code Amendments (track changes)

**Attachment H** - Proposed Zoning Map Amendments

**Attachment I** - Proposed 2023-2031 Housing Element (track-changes)

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