



## Legislation Text

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Motion for Council Review and Authorization to Submit the 2023-2031 Public Review Draft Housing Element to the State Department of Housing and Community Development

### **COUNCIL PRIORITY**

- Housing and Homelessness

### **SUMMARY**

The General Plan Housing Element is the City's roadmap for addressing the existing and projected housing needs of the community over the next eight years. After conducting community input from September 2021 to February 2022, the Public Review Draft 2023-2031 Housing Element is available for review and public comments are due on July 27, 2022.

### **RECOMMENDATIONS**

Staff seeks Council authorization to submit the Draft Housing Element to the State Department of Housing and Community Development (HCD) for a mandatory 90-day review after the comment period closes and public input is received. HCD will review the Draft Housing Element and identify any deficiencies that must be corrected prior to adoption by Council. Public hearings to adopt the 2023-2031 Housing Element are anticipated in November/December.

### **BACKGROUND**

#### *State Requirements*

The Housing Element is the only General Plan element required to be updated every 8 years as mandated by California Government Code section 65581. The Housing Element is a comprehensive strategy for providing safe, decent, and affordable housing for all residents. 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. The Housing Element Update process focuses on establishing and updating housing and land use strategies to reflect the changing needs, resources, and conditions in the community.

Many new State housing laws relevant to this Housing Element update cycle have been enacted since the City's last Housing Element update was adopted and certified in 2015. The Housing Element Update incorporates and addresses pertinent housing law changes through analysis and new policies and programs. The Housing Element helps the City determine how to address existing and future housing needs and plan for future growth. While housing policies cannot commit the City to construct new housing units, the Housing Element identifies ways in which San Leandro will provide for the housing needs of current and future residents, including establishing priorities for housing programs.

## Organization

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. The Housing Element includes the following appendices:
  - **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.

## Regional Housing Needs Allocation

State law requires that every housing element include an inventory of land suitable and available for residential development to meet the jurisdiction's share of the regional housing need called the RHNA. Chapter 4, *Housing Resources*, documents the methodology and results of the Housing Sites Inventory analysis conducted to demonstrate the City's ability to satisfy its share of the regional housing need. The Association of Bay Area Governments (ABAG) is responsible for developing a methodology for allocating the regional determination to each city and county in its region. The 6th Cycle RHNA is based on population projections, income distribution, and access to jobs and is broken down into affordability categories based on Area Median Income (AMI).

## San Leandro's 2023-2031 Housing Target (RHNA)

Income Category	Units	% of Total
<b>Extremely Low Income (15-30% AMI)</b>	<b>431</b>	<b>11.2%</b>
<b>Very Low-Income (30-50% AMI)</b>	<b>431</b>	<b>11.2%</b>
<b>Low Income (50-80% AMI)</b>	<b>495</b>	<b>12.8%</b>

<b>Moderate Income (80-120% AMI)</b>	696	18.1%
<b>Above Moderate Income (&gt;120% AMI)</b>	1,802	46.7%
<b>Total</b>	<b>3,855</b>	<b>100.0%</b>

The Draft Housing Element demonstrates the RHNA can be met through a combination of pipeline projects (Planned, Approved, and Pending), Accessory Dwelling Units (ADUs), and a list of housing opportunity locations, called the Sites Inventory. The Sites Inventory contains Opportunity Sites that could have the potential for new residential development within the Housing Element planning period (2023 to 2031). To facilitate housing development and meet the RHNA, the City proposes to increase the allowable densities in the Downtown Mixed Use District and Transit Oriented Mixed Use General Plan land use designations. The City proposes to increase the allowable FAR in the Corridor Mixed Use land use designation.

Housing opportunity sites are located within the City's three Priority Development Areas (PDAs) near transit. Moving forward, San Leandro will continue to grow differently than it has in the past with a majority of new housing expected in transit-oriented development (TOD) areas, including around the City's two BART stations, in and around the Downtown area, and along major commercial corridors such as East 14th Street. The City made great strides in planning for new development that will make walking, bicycling, and public transit the most convenient means of travel for most new residents in line with the City's Climate Action goals.

The following table shows how the Housing Element demonstrates meeting the RHNA, including a combined buffer of 142% above the RHNA target.

<b>With Rezoning</b>	<b>Lower</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>
<b>RHNA Allocation</b>	<b>1,357</b>	<b>696</b>	<b>1,802</b>	<b>3,855</b>
Pipeline Units	570	30	1,935	2,535
ADUs	153	77	26	256
Opportunity Sites	815	792	1,057	2,664
<b>Total Units</b>	<b>1,538</b>	<b>899</b>	<b>3,018</b>	<b>9,310</b>
Total Unit Surplus	181	203	1,216	5,455
<b>Total % Buffer</b>	<b>13%</b>	<b>29%</b>	<b>67%</b>	<b>142%</b>

The goals, policies, and programs listed throughout the Housing Element are also intended to help reduce barriers to and create opportunities for housing production, including affordable housing, as discussed below.

### *Housing Plan*

Chapter 6, *Housing Plan*, contains proposed goals, policies, programs, and actions to advance the City's housing priorities. Many existing activities are proposed to be continued into the next eight-year period. New proposed goals, policies, and programs in the 6<sup>th</sup> Cycle Housing Element will support the City's diverse community and housing needs by addressing the following issues:

- Housing and support for residents experiencing homelessness
- Affordable housing production and preservation
- New housing development, especially near transit
- Homeownership education and opportunities
- Development of accessory dwelling units (ADUs) and diverse housing types
- Workforce and moderate-income housing
- Fair housing and tenant protections
- Mobile home park affordability and protections
- Housing that accommodates special needs residents
- Community development, planning, and infrastructure
- Racial/ethnic and economic equity, integration, and opportunities
- Encourage all-electric construction in new housing

**Homelessness:** The Housing Plan includes new programs to support residents experiencing homelessness that consider both the need for shelter and supportive services, including:

- Exploring the feasibility of providing a safe parking location for unhoused residents living in their vehicles.
- Partnerships to facilitate the development of tiny homes.
- Annually assessing the capacity to accommodate individuals experiencing homelessness, the number of shelter beds available, and the percentage of those in emergency shelters that move to permanent housing.
- Contracting with Building Futures for a three-year pilot Mobile Street Outreach Program that will provide homeless services.
- Exploring the possibility of a Mobile Crisis Team.
- Amending the Zoning Code to reduce constraints to the development of emergency shelters and low barrier navigation centers and allowing emergency shelters by right in at least one additional zoning district that would allow emergency shelters to be close to services and amenities.

**New Housing:** Several proposed programs support housing development, particularly in areas near the San Leandro and Bay Fair BART stations, and support development of housing that can maximize the City's existing resources and serve the needs of residents, including:

- Proposed Zoning Code and General Plan amendments to allow increased densities and height maximums in the PDAs.
- Maintaining an inventory of housing opportunity sites and creating a web-based housing development toolkit.
- Promoting the highest allowable densities on properties and providing technical assistance.
- Streamlining the development process and evaluating parking standards, development fees, and other requirements to reduce potential constraints to housing development.

- Reviewing the Zoning Code to encourage a greater mix of dwelling types and sizes in lower-density areas and updating the Zoning Code, as necessary, to accommodate alternative housing types such as housing co-operatives, tiny homes, and collective home ownership models.
- Meeting with labor groups and organizations to discuss ways in which the City can support an adequate supply of labor to build new housing.
- Annually monitoring remaining housing capacity to ensure compliance with the City's obligation to affirmatively further fair housing and promote racial/ethnic and economic integration between neighborhoods as much as possible.
- Supporting workforce and moderate-income housing by annually monitoring sites that could be appropriate for moderate-income households, and exploring financing tools that encourage the production of housing appropriate for moderate-income households.

**ADUs:** Various programs specifically target the development of ADUs, including the creation of pre-approved ADU plans and identification of cost saving tools for developers, providing increased education and outreach about ADUs to residents, and monitoring ADU development.

**Affordable Housing:** The Housing Plan prioritizes the preservation and development of housing affordable to City residents, including:

- Evaluating and updating the Inclusionary Housing Ordinance
- Identifying City-owned land for the development of affordable housing
- Leveraging the City's Affordable Housing Trust Fund (AHTF), and Low/Mod Housing Asset Fund to leverage public affordable housing funds
- Conducting a Comprehensive Impact Fee Study and exploring a standardized fee reduction and/or impact fee waiver program for affordable housing projects, and analyzing ADU development impact fees with the goal of reducing, loaning, granting, or waiving those costs in exchange for providing rents affordable to low- or moderate-income households for a set period of time
- Providing developers the ability to acquire and refurbish foreclosed properties and resell them as deed-restricted affordable housing for low- and moderate-income households
- Supporting a local non-profit organization that offers CalHOME funding for loans to lower-income homeowners of housing in need of rehabilitation
- Seeking funding to assist local property owners/managers operating rental housing in need of rehabilitation
- Working with owners of existing affordable housing with expiring affordability covenants that are scheduled for conversion and working with private and non-profit entities to solicit interest in acquiring and managing such housing
- Developing an outreach strategy in multiple languages for long-standing property owners to assess needs and connect them with resources, such as housing unit rehabilitation and financing programs

**Mobile Home Parks:** To preserve the affordability and viability of mobile home parks, the Housing Plan includes re-evaluating the Mobile Home Rent Stabilization Ordinance and enacting identified updates to enhance its effectiveness and objectives and exploring feasibility of a right of first refusal mechanism for mobile homeowners to buy a park upon notice of sale of mobile home park by owner.

**Special Needs:** To support the needs of all residents, including those with disabilities and needing services, the Housing Plan includes:

- Reviewing the City's existing reasonable accommodation policy and grievance procedure and updating them as needed
- Exploring development of an ordinance that promotes and encourages the use of Universal Design Principles in new construction and/or rehabilitation of housing
- Exploring incentives for developers to include three- and four-bedroom apartments in affordable, multi-family, and/or mixed-use projects to expand rental opportunities for large households
- Amending the Municipal Code to reduce constraints to the development of supportive housing in zones where multi-family and mixed use is permitted

**Fair Housing:** The Housing Plan includes programs to focus community development, housing stabilization, and infrastructure programs in areas determined to be in need in Chapter 5, *Affirmatively Furthering Fair Housing*. Programs and initiatives include infrastructure and transportation planning, public health, education, economic, and safety programs. The Housing Plan also includes prioritizing resources supporting lower-income small business owners to assist with permitting and other costs associated with public improvements.

**Displacement:** The Housing Plan contains several actions focused on preventing displacement of residents, including:

- Augmenting existing tenant protection and assistance services and legal assistance
- Exploring the development of a rental assistance program and exploring opportunities to provide rental assistance for emancipated youth
- Updating the Condominium Conversion Ordinance to address conversion of duplexes and triplexes not covered by the Tenant Relocation Ordinance

**Homeownership Opportunities:** To provide greater home ownership opportunities, the Housing Plan includes pursuing public funding to reinstate the First-Time Homebuyer Loan Program and other public down payment assistance programs. Additionally, the City will annually seek and publish third party review of City or regional housing loan data to identify areas of need regarding fair access to lending.

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

Community outreach is a major component of the Housing Element update and the following steps were taken to ensure the Housing Element reflects the perspective of our 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 called 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

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, and Bayfair BART station, and Davis Street Food Pantry.

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

### **Financial Impacts**

There are no financial impacts as a result of receiving this update and authorizing routing the draft Housing Element to HCD for review.

### **ATTACHMENT**

***Attachment A: Public Review Draft 2023-2031 Housing Element***

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