

1. INTRODUCTION

The purpose of the Housing Element is to ensure that a decent, safe affordable supply of housing is provided for current and future San Leandro residents. The Element strives to conserve the city's existing housing stock while providing opportunities for new housing for a variety of income groups.

The Housing Element is part of the San Leandro General Plan. It is the only element of the General Plan that is subject to review and certification by the State of California. Each city and county in the State is required to submit their Housing Element to the Department of Housing and Community Development (HCD). HCD evaluates the document based on specific criteria to determine whether it meets the requirements that have been set by the State Legislature and the California Government Code. State certification assists the City in qualifying for affordable housing funds. It also helps ensure the legal adequacy of the General Plan and demonstrates that the City is doing its fair share to address regional housing needs.

The Housing Element is also distinguished from the rest of the General Plan in that the Government Code establishes a schedule for its update. The previous San Leandro Housing Element covered a period from 2007-2014. This element covers a period that begins on January 1, 2014 and ends on January 31, 2023. Some of the action programs listed in the Element are already underway and will be continued. Others are new and will require a commitment of staff time and resources.

The data and analysis requirements for the Housing Element are much more substantial than those for the other elements of the General Plan. Thus, this document has been designed as a freestanding report. A companion document, the Housing Element Summary, appears within the body of the General Plan (Chapter 9). The Summary includes a condensed version of the data and analysis and repeats the full set of goals, policies, and action programs. The Housing Element is fully consistent with the other elements of the General Plan.

housing and the general plan vision

In 2002, the City of San Leandro adopted a new General Plan designed to guide growth and development. The underlying strategy was to conserve San Leandro's neighborhoods and industrial areas while focusing new development around the Downtown BART station, in and around the Downtown area, and along major commercial corridors such as East 14th Street and Washington Avenue. The 2002 General Plan provided the basis for subsequent plans for Downtown and the East 14th Street South Area. These plans were followed by zoning changes to incentivize the desired forms of development.

Both the 2003 and the 2010 Housing Elements helped implement the General Plan by calling for high density multi-family and mixed use development in the locations shown on the General Plan Land Use

Map. The two Elements both called for specific strategies to stimulate housing construction on vacant land and underutilized commercial sites close to public transit and City services.

In 2014, the City initiated a General Plan update. The new Plan will have a horizon year of 2035 and will provide the long-range policies needed to guide San Leandro forward for the next 20 years. Adoption of the updated Plan is anticipated in 2016. This Housing Element was prepared early in the General Plan process, before revisions to the Land Use Map were completed. However, the basic philosophy that underpins the 2002 General Plan is not expected to change. A more rapid rate of growth is envisioned by the new Plan, recognizing city and regional projections and regional initiatives to focus growth near public transit and create more walkable neighborhoods throughout the Bay Area. Additional housing opportunities may be created as a result of future General Plan changes.

The previously adopted General Plan places great emphasis on the preservation and improvement of the city's established residential neighborhoods. It recognizes the benefits of a diverse, well maintained housing stock and promotes the conservation and maintenance of the more than 32,000 housing units in San Leandro. The Plan also defined the City's role in regional efforts to coordinate land use and transportation planning, improve environmental quality, and grow in a more sustainable way. The 2035 General Plan is expected to carry these principles forward.

Housing is a fundamental part of the City's long-range plans. The Bay Area continues to be one of the most expensive housing markets in the United States. Thousands of San Leandro residents face economic hardship because of high housing costs or have trouble finding suitable housing in the city. Looking forward, housing demand is expected to continue to outpace supply. The updated General Plan will continue to encourage higher density development around San Leandro's BART stations and along East 14th Street. New infill housing, along with the services to sustain that housing, are important parts of the City's vision.

San Leandro needs new housing to survive as a healthy city. It needs housing for its workforce, which is expected to grow by the thousands during the next decade as older industrial and commercial sites are redeveloped. It needs housing for its seniors and others with limited mobility or fixed incomes. It needs housing for its teachers, its police and fire personnel, its nurses and child care workers, and the retail and service workers who are the lifeblood of the local economy. It needs housing for families, some of whom are living in small apartments or overcrowded quarters. It needs housing for those at risk of homelessness and those who are already homeless.

While the city witnessed a large volume of residential construction in the 1990s and early 2000s, the market has been sluggish for several years. After two years of rapid price inflation in 2013 and 2014, new market rate housing is less affordable than it was when the last Housing Element was adopted in 2010. Construction of some housing types—rental apartments, for instance—has been lagging for decades. The Housing Element provides a strategy for producing a more balanced housing stock—and for supplementing “market rate” housing with housing that is affordable to a larger segment of the city's

population. This includes opportunities for first-time homebuyers, new rental housing, and housing that is especially designed for people with special needs, such as the elderly and disabled.

The Housing Element also supports state and regional sustainable development goals. In 2007-2008, San Leandro received over \$20 million in State grants to facilitate housing development in the Downtown BART station area. Subsequent plans and investments in infrastructure have helped lead to several major development proposals, including a corporate tech campus and a 200-unit affordable housing development expected to break ground by the end of 2014. In this regard, the Housing Element provides an essential link to other public policy goals related to greenhouse gas emissions, climate change, and reducing dependency on private automobiles.

the regional housing needs allocation (RHNA) process

State law has established a process for assigning the responsibility for affordable housing production in California to individual cities and counties. This process is known as the Regional Housing Needs Allocation (RHNA), or the “fair share” allocation process. The fundamental premise is that each community in the region has an obligation to accommodate a share of the region’s need for housing, including housing for low- and moderate-income residents.

The fair share process for the 2015-2023 Element began several years ago, when the State Department of Housing and Community Development determined that the nine-county Bay Area needed to produce 187,990 new housing units to satisfy regional demand.¹ The Association of Bay Area Governments (ABAG) developed a formula to allocate these units to the Bay Area’s nine counties and 101 cities. The formula is based on a weighted average which considers projected household growth, job growth, land supply, infrastructure and environmental constraints, real estate market conditions, and the availability of public transit (especially rail stations).

In addition to identifying the total number of units to be assigned to each community, the formula indicates how many of these units need to be affordable to very low, low, moderate, and above moderate income households. This distribution attempts to more evenly balance lower income housing within the region. Communities with relatively small existing percentages of low and very low income residents are assigned higher percentages of housing for such residents in their RHNA allocations. In San Leandro’s case, the income allocations are weighted more heavily toward above moderate income housing since the City’s median income is lower than the regional average.

The Draft RHNA numbers were published in July 2012. Eight jurisdictions appealed their allocations (San Leandro did not), and a process was initiated to hear and resolve each appeal. This process was completed in July 2013 when the ABAG Executive Board finalized the fair share numbers. At that point, local governments throughout the region were instructed to update their Housing Elements and demonstrate the steps they would take to accommodate their assignments.

¹ *The RHNA period is 2014-2022 but the “planning period” is 2015-2023. Thus, cities are expected to meet their 2014-2022 needs during a time period that includes 2014 and extends until January 31, 2023.*

San Leandro’s assignment for the 2014-2022 period is 2,287 units. This is 50 percent higher than the 1,630 units that had been assigned to the city for the 2007-2014 period and almost three times higher than the 870 units that had been assigned to the city for the 1999-2006 period. The higher assignment was driven by a number of factors, including higher employment projections for the city and the RHNA emphasis on promoting “city-centered” growth around BART stations.

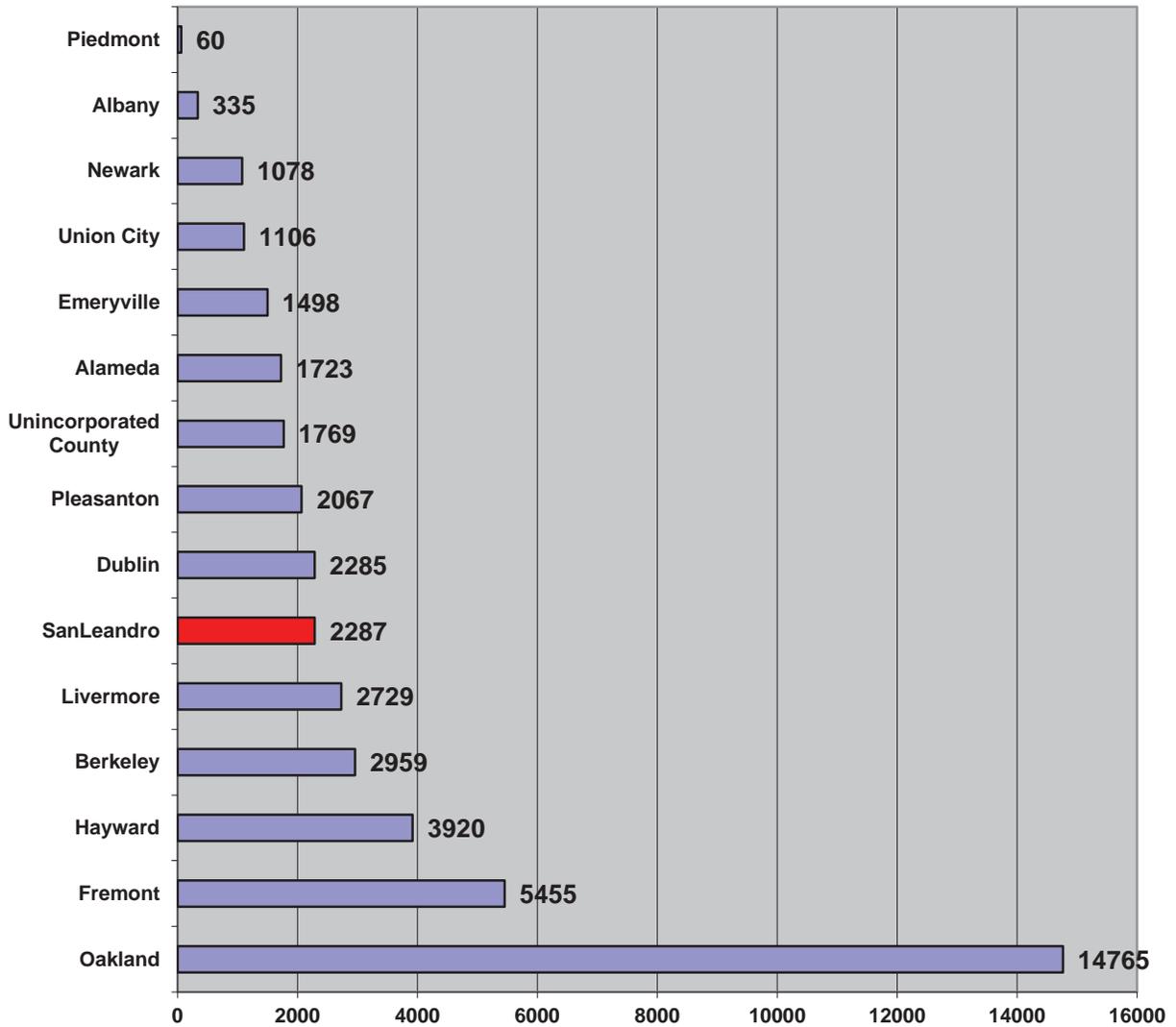
The City’s 2014-2022 assignment includes 504 units for very low income households, 270 units for low-income households, 352 units for moderate-income households, and 1,161 units for above moderate income households.² Although State law does not require the City to physically develop these units, it does require that adequate sites be provided for their construction and that programs be implemented to facilitate their development.

Regionwide, 25% of the RHNA is for very low income units, 15% is for low income units, 18% is for moderate income units, and 42% is for above moderate income units. In San Leandro, 22% of the allocation is for very low income units, 12% is for low income units, 15% is for moderate income units, and 51% is for above moderate income units. The allocation suggests a multi-layered housing plan which aims not only to create more affordable units but also to substantially increase market rate housing production in the city.

Chart 1-1 (see below) shows the RHNA allocation for the 14 cities in Alameda County. San Leandro is currently the fifth largest city in the County, and its RHNA allocation is the sixth largest among the County’s 14 cities. The City currently represents 5.5% of the County’s population and its RHNA is 5.2% of the County total.

² *These income categories are further defined in Chapter 3*

Chart 1-1: 2014-2022 RHNA Allocations for Alameda County and its Cities



Source: ABAG, 2013

community participation

Although the 2010 Housing Element was only four years old when this Update was initiated and its policies were largely viewed as still current, the City implemented a community engagement strategy to guide the revision of housing policies and programs. Consistent with State law, the strategy was designed to encourage participation by all economic segments of the community, particularly lower income populations and persons with special needs.

In March 2014, the City retained a consulting firm to initiate work on the update. The Housing Element was a discrete task within a two-year scope of work that encompassed the entire General Plan. Given its time-sensitive nature, updating the Housing Element was given first priority and became the “lead in” task for the rest of the General Plan. An initial study session was held with the Planning Commission in March. Subsequent study sessions on the Housing Element were held in May and July. The City also convened study sessions on the Housing Element with the Board of Zoning Adjustments (June 5, 2014), the Rent Review Board (July 29, 2014), and the Human Services Commission (September 10, 2014).

The City convened a housing stakeholders “roundtable” discussion on July 1, 2014 in which 16 individuals, including realtors, developers, neighborhood groups, and housing advocates attended. The discussion focused on ways to stimulate housing production in the city, and ways to better meet the needs of groups such as seniors and the homeless. In addition, one on one meetings were held with several housing advocacy groups, service providers, and developers to gain insight into key issues and changing market conditions. Among the organizations contacted were Congregations Organized for Renewal (COR), and the San Leandro Unified School District. Consulting these groups and others ensured that proposed housing programs were responsive to current conditions.

On July 30, 2014, the City convened a community meeting on housing at the San Leandro Senior Center. The meeting was publicized with lead stories in the *South County Post* and *San Leandro Times* newspapers and was advertised via flyers, post-cards, emails, and neighborhood blogs and list-servs. Approximately 80 people attended. Spanish translation and American Sign Language (ASL) translation were provided for, and utilized by, meeting attendees. The discussion was dynamic and informative. Each participant received a “Comment Card” on housing issues to provide feedback after the meeting.

Following the community meeting, staff and the consultant attended a number of neighborhood meetings to discuss the Housing Element and related housing and land use issues. These meetings provided an opportunity to discuss local concerns about density, potential Zoning Code changes, and housing policies, while providing additional information on housing needs, opportunities, and the Housing Element requirements.

The City also created a website for the General Plan Update (sanleandro2035.org), with housing issues highlighted during the period of the Housing Element update. The website included frequently asked questions (FAQs) about the Housing Element in English, Spanish, and Chinese; links to downloadable documents; announcements of meetings; and copies of presentations and staff reports. The website also included a link to “Virtual City Hall”, an interactive application that enables residents to express their views and opinions on policy questions. Several questions on the Housing Element were posed, and the public’s feedback was considered as new housing programs were developed.

In September 2014, an “Administrative Review” (AR) Draft Housing Element was released for public comment. The City used the “streamlining” provisions established by the California Department of Housing and Community Development (HCD), which enabled the City to use the adopted (2010) Housing Element as the foundation for the new document (see text box below on streamlining). The City “track changed” the 2010 Housing Element to produce a new draft which reflected current housing needs, opportunities, and constraints. The housing programs in the 2010 document were updated and expanded to reflect current conditions and the higher Regional Housing Needs Allocation.

On September 11, 2014, the San Leandro Planning Commission conducted a public hearing on the AR Draft Element. A number of changes were incorporated based on Commissioner feedback and public comment. The revised draft was posted to the project website and presented to the City Council.

The City Council conducted a public hearing on October 6, and subsequently recommended submittal of the document to HCD for preliminary review, as required by State law. HCD provided comments in early November. In response, an “Addendum” was prepared by staff and submitted to HCD on November 19. On November 21, HCD indicated that the document would be found in compliance if it was adopted with the Addendum. Opportunities for public comment continued between October and December, including two General Plan workshops and additional meetings with community organizations.

An “Adoption Draft” Housing Element was released in December 2014, with the Addendum incorporated. This was the subject of public hearings before the Planning Commission and City Council in December and January 2015, culminating in adoption before the statutory deadline of January 31, 2015.

organization of the element

Following this introduction, the Housing Element contains the following chapters:

- A review of the prior (2010) Housing Element, including an analysis of the City’s progress toward achieving its adopted goals and objectives, and an appraisal of its housing policies.
- A Needs Assessment, which analyzes socio-economic conditions, housing conditions, population projections, and market trends to determine the City’s current and future housing needs.

- An Adequate Sites Analysis, which identifies potential sites where new housing may be constructed.
- A Constraints Analysis, which addresses governmental constraints to housing development such as zoning and fees, and non-governmental constraints, such as the high cost of land.
- Goals, Policies, and Actions, designed to address the city’s housing needs, reduce housing constraints, and create a positive environment for affordable housing production and conservation. This section includes quantified objectives that may be used to measure the city’s progress.
- A Five-Year Implementation Plan, which summarizes local housing programs and establishes a timeline and responsible party for carrying out Housing Element actions.

Streamlining the Update

To expedite review and processing, the State Department of Housing and Community Development (HCD) established “streamlining” provisions for the 2015-2023 Housing Element Update. These provisions recognize that much of the information in the Housing Element has not changed since the last Element was adopted (in San Leandro’s case, just four years ago).

Cities eligible for streamlined review must have a certified Housing Element and meet specific criteria related to State housing law. These include adoption of reasonable accommodation procedures for disabled persons, definitions of transitional and supportive housing which comply with State law, compliance with SB 2, adoption of density bonus provisions that comply with State law, and completion of any rezoning needed to meet regional housing needs. San Leandro met all criteria at the time this Element was drafted.

Streamlining required that the City submit a “clean” copy of the Housing Element and a “tracked change” copy indicating the changes (additions, deletions) to the existing Element. A streamlining “template” also was completed to indicate where changes to the 2010 document were made. The City also provided a “completeness checklist” to facilitate HCD review.