3. NEEDS ASSESSMENT

introduction

The purpose of the Needs Assessment is to describe demographic, housing, and economic conditions in San Leandro so that the City's housing policies and actions reflect local needs. The Needs Assessment includes data on population, household characteristics, income and employment, special needs groups, housing stock characteristics, building condition, and housing values. As appropriate, it presents this data side by side with data from Alameda County and other communities to facilitate an understanding of the city's characteristics relative to the region. Consistent with State law, this chapter also includes a discussion of subsidized units at risk of converting to market-rate rents, a discussion of residential energy conservation, and an evaluation of the needs of homeless and extremely low income households.

The starting point for this Needs Assessment is the 2010 San Leandro Housing Element. Data from that Element has been updated to 2014, or to other benchmarks in time where more current data is available. The 2010 Element was adopted in April 2010, the same month the 2010 Census was taken. Thus, it relied on 2000 Census data and various estimates from the Census Bureau and other sources. The 2015-2023 Element relies on the 2010 Census, as well as more current estimates from the American Community Survey (see text box below), the California Department of Finance, the City of San Leandro, and other more current data sources.

The American Community Survey

The American Community Survey (ACS) was initiated in the 1990s to provide a means of estimating the characteristics of the population on a more regular basis than the decennial census. The ACS is designed to replace the Census "long form" with an annual survey, with results that can be extrapolated to the population at large. Since 2003, annual ACS reports have been produced for all counties and cities with 65,000 people or more.

The Census long form is currently administered to 1 in 6 American households every 10 years and includes detailed demographic, household, and employment questions. The ACS is distributed to a smaller sample size—totaling about 3 million households nationwide. Thus, the findings for smaller cities like San Leandro may be less reliable than the decennial census. Each ACS statistic is presented with an estimated margin of error. The margins range from 10 percent to as high as 50 percent of the figure listed. ACS data is typically presented as a five-year average.

When cited in this Housing Element, the data is for the 2007-2011 or 2008-2012 periods. ACS data for 2007-2011 was compiled by ABAG specifically for use in local Housing Elements.

demographics

Growth Rate

The State Department of Finance indicates that San Leandro's population as of January 1, 2014 was 87,691. This is an increase of about 8,200 residents (10.4%) since the 2000 Census and 2,700 residents (3.2%) since the 2010 Census.

As Table 3-1 indicates, San Leandro's population grew rapidly during the 1950s, leveled off during the 1960s and then declined during the 1970s. After a relatively stable period in the 1980s, new housing construction and rising household sizes resulted in a 16.4 percent increase during the 1990s. Since 2000, the growth rate has returned to levels comparable to the 1980s.

Growth in the Bay Area between 2000 and 2010 was affected by the global recession of 2007-2010. The region grew at its slowest decennial rate since the 1850s, with only a 3.2% increase between 2000 and 2010. San Leandro grew at a faster rate than the region and the County during the decade, primarily due to increases in average household size. Since 2010, growth in the County and the region have outpaced San Leandro, as the city has experienced very little new construction.

Information on projected population growth from 2014 to 2025 is included later in this chapter.

Table 3-1: Population Change in San Leandro and Alameda County, 1950-2014

	1950	1960	1970	1980	1990	2000	2010	2014*
City of San Leandro	27,542	65,962	68,698	63,952	68,223	79,452	84,950	87,691
% Change	--	*139.5%*	*4.1%*	*-7.0%*	*6.7%*	*16.4%*	*6.9%*	*3.2%*
Alameda County	740,315	908,209	1,071,446	1,105,379	1,279,812	1,462,700	1,510,271	1,573,254
% Change	--	*22.7%*	*18.0%*	*3.0%*	*15.5%*	*14.6%*	*3.3%*	*4.2%*
Bay Area	2,681,322	3,638,939	4,630,576	5,179.793	6,020,147	6,930,600	7,150,739	7,420,453
% Change	--	*35.7%*	*27.2%*	*11.9%*	*16.2%*	*15.1%*	*3.2%*	*3.8%*

Source: US Census, 1950-2010, California Department of Finance, 2014
(*) percent change is for 4-year period, not 10-year period.

Household Type

According to 2014 data from the California Department of Finance, 99 percent of San Leandro's residents live in individual households while less than one percent (650 residents) live in group quarters. The number of residents in group quarters has declined slightly since the 2000 Census but it is still substantially higher than it was in 1990. Between 1990 and 2000, the number of residents in group quarters tripled, largely as a result of new nursing home and congregate care facility construction.

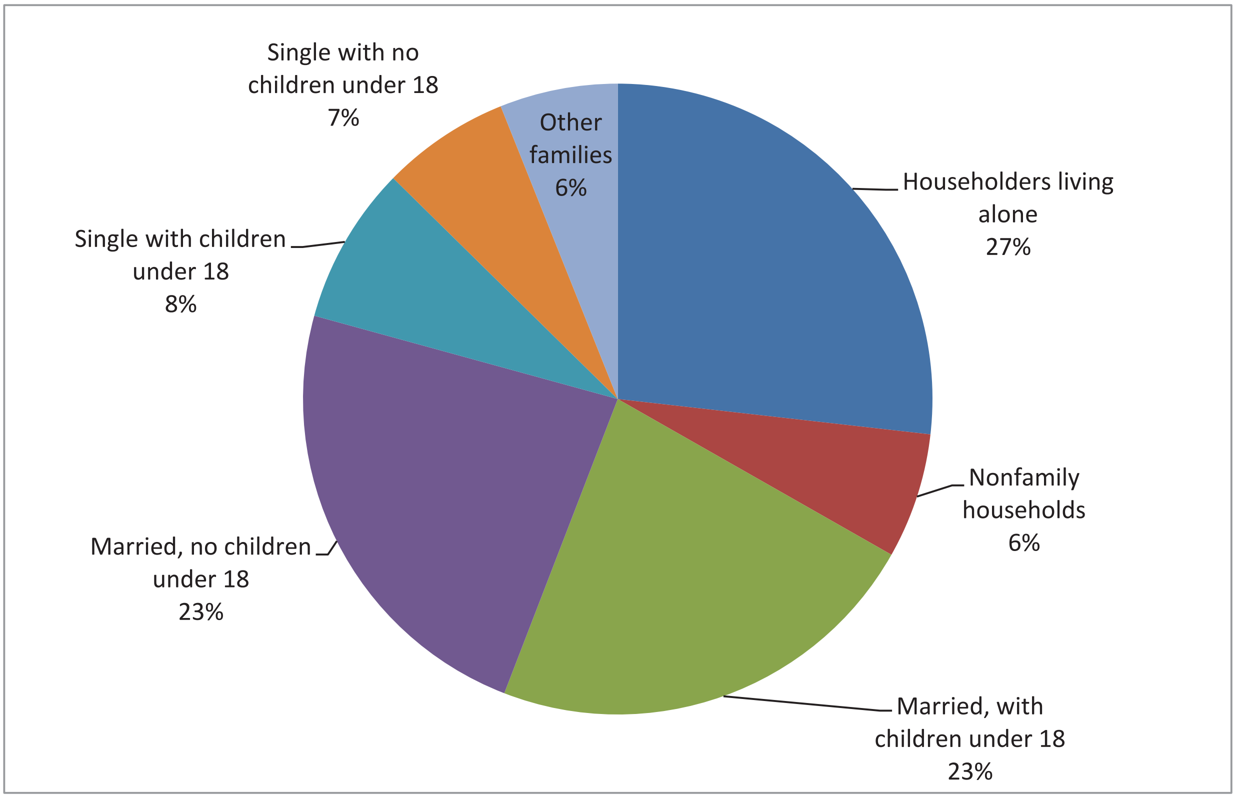
The 2010 Census counted 30,717 households in the city, with 84,300 persons. In 2014, the Department of Finance estimated the current number of households at 30,797, an increase of 0.2 percent. Household population in 2014 is estimated to be 87,041.

Based on the 2010 Census, about 67 percent (20,514) of San Leandro's households were families, defined by the Census as "a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption." The percentage of households that are families is slightly higher than in Alameda County as a whole and has increased since 2000. San Leandro's 10,203 "non-family" households included 8,228 persons living alone and 1,975 households with unrelated individuals sharing a home with no children present. The percentage of persons living alone decreased slightly between 2000 and 2010

Chart 3-1 provides additional detail on the types of households in San Leandro. In 1990, about 17 percent of the city's households consisted of married couples with children under 18 living at home. By 2000, the figure increased to 21 percent, and by 2010 it had increased to 23 percent. In 1990, San Leandro had nearly 10,000 "empty nester" households comprised of married couples with no children living at home. By 2010, this number had dropped to 7,700. A new generation of younger families began moving into the city during the 1990s. This trend continued through 2000-2010.

In 2000, about 6 percent of the city's households (1,828) consisted of single mothers with children under 18 and about 2 percent (577) consisted of single fathers with children under 18. By 2010, single mothers represented 6.6 percent of all households (2,031) and single fathers represented 2.4 percent (731). The 2010 Census also counted 3,608 households in the city consisting of other families with no children present.

Chart 3-1: San Leandro Household Type, 2010



Source: US Census, 2010

Household Size

In 2014, average household size in San Leandro is estimated to be 2.83.[1] This is a substantial increase from 2000, when the Census reported average household size in the city to be 2.57. It is also an increase from 2010, when the Census determined that average household size was 2.74. Increasing household size has been the primary variable driving population increases in the city over the last decade. This trend is not unique to San Leandro. Every city in Alameda County has seen increases in household size over the last four years, with the Countywide average increasing from 2.70 to 2.78.

Household size over the last 50 years is displayed in Table 3-2. The increase in household size since 2000 continues a trend that began in the 1980s. In 1990, average household size was 2.33. At that time, average household size in the County as a whole was 2.59. By 2010, the city's average was larger than the County's. The increase is at least partially a result of more multi-generational households, larger numbers of children, and adult children living at home longer due to the high cost of housing in the Bay Area.

[1] The 2.83 figure is based on California Department of Finance data for January 1, 2014.

Table 3-2: Household Size in San Leandro and Alameda County, 1960-2014

Year	San Leandro	Alameda County
1960	3.28	N/A
1970	2.81	2.84
1980	2.34	2.53
1990	2.33	2.59
2000	2.57	2.71
2010	2.74	2.70
2014	2.83	2.78

Source: US Census, 1960-2010, California Department of Finance, 2014

Age

Table 3-3 indicates age distribution in San Leandro in 1990, 2000, and 2010 and presents the rate of growth for each age cohort listed.

The median age in the city declined from 38.1 in 1990 to 37.7 in 2000 and then increased to 39.3 in 2010. The city historically has had a higher median age than the County as a whole, but the gap has narrowed. In 2010, Alameda County had a median age of 36.6. Chart 3-2 compares the age distribution in San Leandro with Alameda County as a whole.

The city experienced remarkable growth in its youth population during the 1990s, with a 36 percent increase between 1990 and 2000. The rate of growth slowed between 2000 and 2010, but was still significant. Between 2000 and 2010, the number of San Leandrans who are 19 or younger increased by 1,680, which was an 8.7 percent increase. Growth in the number of persons aged 15-19 was particularly rapid, with over 1,000 more residents in this age group in 2010 than in 2000. Persons 19 or younger now represent 24.7 percent of the city's population. This compares to 20.9 percent in 1990.

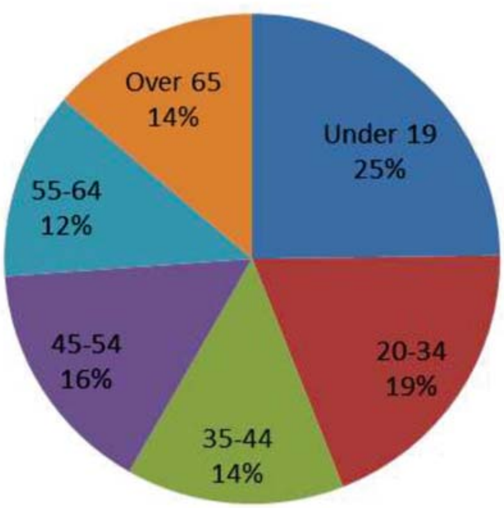
By contrast, the city has seen a decrease in the percentage of its residents over 65. This counters the trend elsewhere in Alameda County and in the state and nation. In 1990, seniors represented 19.1 percent of the city's residents. By 2000, this percentage declined to 16 percent and by 2010, seniors represented 13.7 of the city's residents. The number of San Leandro residents over 65 dropped by 1,005 between 2000 and 2010. The only increase among seniors was in the 85 or older age cohort, which grew by 26 percent over the decade. The generation that settled the city during the post-war era is now in their 80s and 90s and has a high rate of mortality. Younger families with children have been moving into the city in growing numbers since 1990, and continue to do so today. San Leandro is a very different city today than it was in 1990.

Table 3-3: Age Distribution of San Leandro Residents: 1990, 2000, and 2010

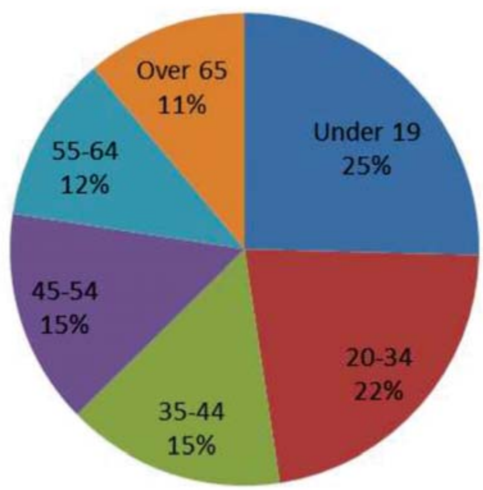
Age Group	1990	% of total	2000	% of total	'90-'00 change	2010	% of total	2000-2010 change
Under 5	3,948	5.8%	5,032	6.3%	27.4%	5,274	6.2%	4.8%
Age 5-9	3,908	5,7%	5,274	6.6%	34.9%	5,186	6.1%	-1.7%
Age 10-14	3,242	4..8%	4,661	5.9%	43.7%-	5,176	6.1%	11.0%
Age 15-19	3,163	4.6%	4,397	5.5%	39.0%	5,408	6.4%	23.0%
Age 20-24	4,223	6.2%	4,504	5.7%	6.6%	4,975	5.9%	10.5%
Age 25-34	12,374	18.1%	12,076	15.2%	-2.5%	11,387	13.4%	-5.7%
Age 35-44	10.312	15.1%	13,334	16.8%	29.3%	12,082	14.2%	-9.4%
Age 45-54	6,907	10.1%	10,857	13.7%	57.1%	13,259	15.6%	22.1%
Age 55-64	7,133	10.4%	6,629	8.4%	-7.6%	10,520	12.4%	58.7%
Age 65-74	7,848	11.5%	5,845	7.4%	-25.5%	5,538	6.5%	-5.3%
Age 75-84	4,023	5.9%	5,096	6.4%	26.6%	3,948	4.6%	-22.5%
Age 85+	1,142	1.7%	1,747	2.2%	52.9%	2,197	2.6%	25.8%
Total	68,223	100.0%	79,452	100.0%	16.5%	84950	100%	6.9%
Median Age	38.1		37.7			39.3		

Source: US Census, 1990, 2000 and 2010.

Chart 3-2: Age Distribution of Residents in San Leandro and Alameda County, 2010



San Leandro



Alameda County

Source: US Census 2010

Between 2000 and 2010, the fastest growing age cohort was the so-called baby boomer generation (persons born between 1946 and 1963). The number of persons aged 55-64 increased by 58 percent during 2000-2010, more than eight times the rate of growth for the general population. Likewise, the number of persons aged 45 to 54 increased by 21 percent. As of 2010, there are 9,700 more people in the 45-64 age cohort than there were in 1990 and 6,300 more than there were in 2000.

The changes in age distribution have important implications for housing needs. The baby boom generation, now representing 28 percent of the city's residents, is approaching retirement age. The "bulge" in the city's age distribution will advance to the 65 to 74 age cohort during the coming decade, creating an increasing need for active retirement housing and independent senior living facilities. As life expectancies increase, the city will continue to have a growing number of frail elderly residents who require skilled nursing and assisted living facilities. San Leandro will also experience a surge in demand for rental apartments and affordable housing as the city's teens and young adults mature. The number of residents in the 25-44 age cohort declined in the 2000s but it is likely to increase substantially during the next 10 years. As these residents form families, the city will also require housing that is suitable for young adults with children.

Ethnicity and Linguistic Isolation

Over the last 30 years, San Leandro has become one of the most diverse cities in Alameda County. The percentage of non-Hispanic Asian and African-American residents increased from 11.4 percent of the city's population in 1990 to 32.8 percent in 2000 and to 42.0 percent in 2010. The percentage of residents of Hispanic origin increased from 15.2 percent of the city's population in 1990 to 20 percent in 2000 and 27.4 percent in 2010.

According to the 2010 Census, about 46 percent of San Leandro's Asian residents are Chinese, 31 percent are Filipino, 11 percent are Vietnamese, and 2 percent each are Japanese, Indian, and Korean, with the remainder belonging to other Asian nationalities. The Census also reports that the primary nationality for San Leandro residents of Hispanic descent is Mexico, followed by El Salvador and Puerto Rico. As of 2010, 5.6 percent of the city's residents reported that they were multi-racial, while 1.6 percent reported that they were Native American or Pacific Islander. The 2012 American Community Survey estimates that 35 percent of San Leandro's residents are foreign-born.

In some respects, San Leandro's demographics are a mirror image of the Bay Area. No one ethnic group constitutes a majority. Non-hispanic white residents, historically a majority in San Leandro, constitute 27.1 percent of the city's population today. As the city's population has become more diverse, so have its businesses, social services, and cultural institutions. Cultural changes have affected housing conditions and housing needs.

In 1990, the Census reported that 25 percent of the city's residents spoke a language other than English at home, while 5 percent did not speak English well or at all. By 2000, 39 percent of the city's residents spoke a non-English language at home and 9 percent did not speak English well or at all. According to the 2012 American Community Survey, 48 percent of the city's residents now speak a language other than English at home. Roughly half of these residents speak English "less than very well." The ACS indicates that some 19,500 San Leandro residents over age 5—24.4 percent of the city's population—speak English "less than very well." Among those speaking a language other than English, roughly 15,900 spoke Spanish, 9,200 spoke Chinese (primarily Mandarin and Cantonese), 4,800 spoke Tagalog, and 2,600 spoke Vietnamese.[2]

Given the growing number of non-English households in the city, it is essential that information on housing programs is made available in multiple languages. Housing programs and other social services must be sensitive to cultural differences and the needs of the different ethnic groups living in the city.

Tenure

The 2010 Census indicated that 42.5 percent of San Leandro's households were renters and 57.5 percent were owners (see Table 3-4). The percentage of owners has declined since 2000, when it was 60.6 percent. However, the 2010 owner occupancy rate is close to the 1990 rate, which was 58.6 percent. The percentage of owners increased during the 1990s, when almost all housing units added were for-sale units. Conversely, the percentage of owners declined during the 2000s as fewer homes were bought and sold and a larger number of households chose to rent.

By 2010, some homeowners who might have otherwise sold their homes rented rent them out due to the depressed market. As of 2012, roughly one-third of the rental units in San Leandro (4,554 units) were single family homes.[3] Looked at another way, approximately 23 percent of the single family homes in San Leandro are now rental properties (compared to 18 percent in 2000). This phenomenon is not unique to San Leandro. Between 2000 and 2010, the home ownership rate dropped in 13 of the 14 cities in Alameda County. However, the drop in San Leandro was somewhat higher than in other cities, with only Union City reporting a greater decrease.

The 2010 Census indicated that renter households tended to be smaller, younger, and less affluent than owner households. Average household size was 2.58 for renters and 2.87 for owners. The Census also found that only 27 percent of the city's owner-occupied households were headed by someone under 45. By contrast, 53 percent of all renter-occupied households were headed by someone under 45. Moreover, 27.2 percent of San Leandro's owner-occupied households were headed by persons over 65—and 15.6 percent were headed by persons over 75. Although many of these households own their homes outright, the relatively high percentages suggest the need for programs providing home maintenance and upkeep assistance for seniors.

[2] These figures include those with limited English, and those who speak a language other than English at home, but who also speak English very well.
[3] American Community Survey, 2008-2012. *Table B25032, Tenure by Units in Structure*.

In 2010, 91 percent of San Leandro's owner-occupant households lived in single family homes, with most of the remainder living in mobile homes. By contrast, most renters lived in buildings of 5 units or larger. More than 90 percent of the multi-family housing units in the city are occupied by renters—the supply of owner-occupied condominiums, co-ops, and other owner-occupied multi-family units is quite small.

Table 3-5 indicates tenure by unit type as of 2000.

Table 3-4: Housing Tenure in San Leandro, 1980-2010

Year	RENTERS	% Renters	OWNERS	% Owners
1980	10,249	37.7%	16,955	62.3%
1990	12,084	41.5%	17,044	58.5%
2000	12,073	39.4%	18,569	60.6%
2010	13,050	42.5%	17,667	57.5%

Source: US Census, 1980-2010.

Table 3-5: Occupied Housing Units by Tenure and Unit Type, 2008-2012

Type of Unit	Owner-Occupied	Renter-Occupied	Total Housing Units	Percent of Total Occupied by Owners
Single Family	15,452	4,555	20,007	77.2%
Multi-Family, 2-4 unit	273	1392	1,665	16.4%
Multi-Family, 5+ units	560	7,032	7,592	7.4%
Mobile Homes	739	127	866	85.3%
Other	16	33	49	32.7%
TOTAL	**17,040**	**13,139**	**30,179**	**56.5%**

Source: American Community Survey,2008-2012

Conclusions

San Leandro experienced significant demographic change between 2000 and 2010, and these changes have continued to reshape the city since 2010. As the city's population has become more diverse, its housing needs have become more complex. The most compelling change is the increasing number of foreign-born households in the city—from 17 percent in 1990 to an estimated 35 percent in 2012. The trends suggest a growing need for housing services for non-English speaking households, as well as housing types which recognize the needs of specific immigrant groups (such as extended families).

Other notable demographic changes include an increase in household size and number of children, suggesting a need for more three- and four-bedroom units for larger families. Recent changes also suggest the need for zoning regulations which accommodate home additions, second units, and other improvements that support multi-generational or larger households.

Although the percentage (and even the absolute number) of seniors in San Leandro has declined since 1990, the need for senior housing continues to be high. The need for senior housing will grow significantly as the city's large number of baby boomers reach retirement. Demographic data also suggests a high need for affordable rental housing for young adults and families—this will be a fast-growing age cohort in the coming years, and the housing market is not keeping pace.

Given the limited number of large vacant sites in the city, the rising cost of land and construction, and the declining rate of home ownership, the data also point to the need for housing types other than traditional single family detached homes. If the city wishes to sustain a high rate of home ownership, it will need to focus more heavily on condominiums, lofts, stacked flats, townhomes, and other owner-occupied multi-family housing types.

income and housing affordability

Income

In 2000, the median household income in San Leandro was $51,081, which was $4,865 below the countywide median. The lower median was attributable in part to the city's relatively large senior population, many of whom were retired and living on fixed incomes. In 2000, over 57 percent of San Leandro's senior-headed households had annual incomes below $35,000.

By 2012, the median household income had increased to $61,857, which was $8,964 less the countywide median. Despite the 21 percent growth in household income, the city lagged the county in income growth. Much of the income growth during this period was offset by inflation; the consumer price index for the Bay Area increased by 26 percent between 2000 and 2010. Thus, when adjusted for inflation, there was actually a slight decrease in average income over the decade. Median *family* income in San Leandro in 2012 was $72,354, reflecting the higher income-earning potential of double income households relative to all households. Still, the city lagged the county, which had a median family income of $88,169.

Relative to adjacent communities, San Leandro's income is comparable to Hayward and San Lorenzo, higher than Oakland, and lower than Castro Valley and Alameda. San Leandro has historically had a reputation as a "blue collar" community with a large number of moderate-income working families. While the nature of the workforce has changed, the city continues to have a large number of middle-income households as well as substantial numbers of households at the upper and lower ends of the income spectrum.

Table 3-6 indicates that 17.3 percent of the city's households were earning less than $25,000 a year in 2012—38 percent of these households were seniors. The 2012 American Community Survey (ACS) reported that 8.5 percent of San Leandro's residents were below the U.S. poverty level. The incidence of poverty was higher among children (11.3 percent) and single mother households (21.6 percent). The margin of error for the ACS data is high, however, so the actual numbers may be several percentage points higher or lower.

Table 3-6: Number of San Leandro Households by Income Group, 1990, 2000, 2012

Category	1990		2000		2008-2012 (*)	
	Number of Households	Percentage of Households	Number of Households	Percentage of Households		Percentage of Households
Less than $9,999	2,836	9.7%	1,703	5.6%	1,231	4.1%
$10,000-$14,999	1,971	6.8%	1,363	4.5%	1,295	4.3%
$15,000-$24,999	4,690	16.1%	2,965	9.7%	2,701	8.9%
$25,000-$34,999	4,718	16.2%	3,531	11.5%	2,483	8.2%
$35,000-$49,999	6,152	21.1%	5,263	17.2%	4,562	15.1%
$50,000-$74,999	5,834	20.0%	7,200	23.5%	5,666	18.8%
$75,000-$99,000	1,842	6.3%	4,008	13.1%	4,180	13.9%
Over $100,000	1,056	3.6%	4,563	14.9%	8,061	26.7%
Total	29,099	100.0%	30,596	100.0%	30,179	100.0%

Source: US Census, 1990-2000, American Community Survey, 2006
(*) 2008-2012 American Community Survey

According to the ACS for 2008-2012, 3.0 percent of the city's households received public assistance and 26.8 percent received social security income. About 4.5 percent had received food stamp (SNAP) benefits in the last 12 months and 4.8 percent received Supplemental Security Income (SSI).

Based on ABAG data provided to the City in 2013, 43.8 percent of San Leandro's households are estimated to meet the US Department of Housing and Urban Development's (HUD) definition of "low," "very low," or "extremely low" income.[4] This includes 11,120 very low (and extremely low) income households and 7,505 low income households. The dollar amounts that define these categories are updated annually by the state of California. The amounts vary depending on the number of persons per household, since different sized households have different spending capacities.

[4] ABAG indicates the source as "CHAS" (Comprehensive Housing Affordability Strategy) data, which is derived from the 2006-2010 ACS for use in various HUD reports.

The following categories are used:

- *Extremely Low Income* households earn less than 30% of the areawide median
- *Very Low Income* households earn less than 50 % of the areawide median
- *Low-Income* households earn between 50% and 80% of the areawide median
- *Moderate-Income* households earn between 80% and 120% of the areawide median
- *Above Moderate Income* households earn more than 120% of the areawide median.

Table 3-7 shows the income ranges for Alameda County effective in 2014. A family of four earning less than $67,600 would be considered "low-income." A family of four earning less than $46,000 would be "very low income." Because the median income in San Leandro is lower than the county median, the percentage of lower-income households is higher than the regional percentage. Federal housing programs do not take this differential into effect, and apply the same income standards to all cities in the county.

Among the city's very low income households, 43 percent are homeowners and 57 percent are renters. Among low income households, 49 percent are owners and 51 percent are renters. The percentage of renters is much smaller at the higher end of the range, with 75 percent of above moderate income households in the city owning their homes and 25 percent renting.

Table 3-7: HUD Annual Income Limits for the Oakland-Fremont Metropolitan Area, 2014

Income Category	**NUMBER OF PERSONS PER FAMILY**							
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Extremely Low	$19,350	$22,100	$24,850	$27,600	$29,850	$32,050	$34,250	$36,450
Very Low	$32,200	$36,800	$41,400	$46,000	$49,700	$53,400	$57,050	$60,750
Low	$47,350	$54,100	$60,850	$67,600	$73,050	$78,450	$83,850	$89,250
Median	$64,400	$73,600	$82,800	$92,000	$99,400	$106,800	$114,100	$121,500
Moderate	$77,280	$88,320	$99,360	$110,400	$119,280	$128,160	$136,920	$145,800

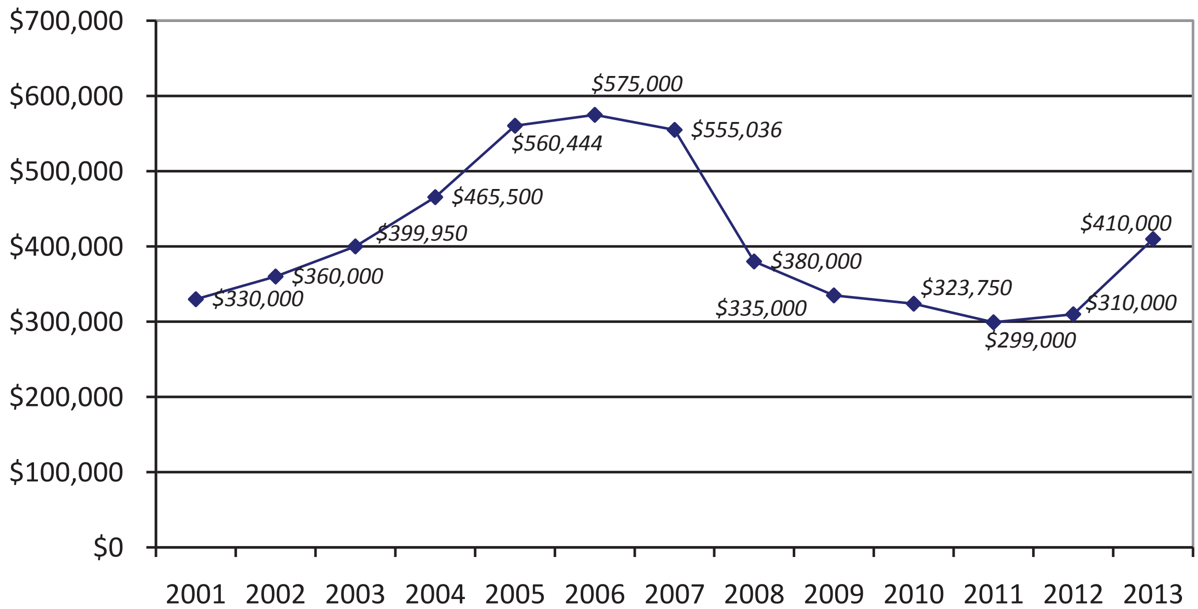
Source: Alameda County HCD, 2014

Local Housing Costs

Home prices and rents in San Leandro have fluctuated at dramatic rates in the last 15 years, as they have throughout the Bay Area as a whole. The city experienced a rapid run-up in home prices between 1998 and 2000, continued price inflation (although at a slower rate) through 2006, a steep and unprecedented decline between 2007 and 2011, and a rapid increase in 2012-2014.

Chart 3-3 displays median price data for a single family detached home in San Leandro from 2001 to 2013 based on data provided by the Bay East Association of Realtors. Between 2001 and the peak of the market five years later in 2006, the median price of a San Leandro home rose 74 percent. By April 2006, the median had reached $575,000.The increase in housing value was comparable to the county as a whole, where a 75 percent increase occurred between 2001 and April 2006.

Chart 3-3: Median Price for a Single Family Detached Home in San Leandro, 2001-2013



Source: Bay East Realtors, 2014

Prices began declining in late 2006. The decline continued through 2007 and into 2008. In 2008, the median sales price for a single family home in San Leandro was $380,000. Prices in the city fell 8 percent between June 2006 and June 2007 and by 24 percent between June 2007 and June 2008. The median sales price in June 2008 was the same as it was in October 2003. The decline was parallel to a countywide decline, where median price dropped from $613,000 in June 2006 to $450,000 in June 2008. Data from the California Association of Realtors shows the price slide continued into 2009 and 2010. By 2011, the median sales price bottomed out at $299,000, about the same as it had been in 2000 and almost half of what it had been just five years earlier.

Home prices began to increase in 2012. The pace of recovery accelerated in 2013, with the median sales price increasing from $310,000 to $410,000 (a 32 percent increase) in one year alone. In July 2014, the Zillow.com real estate website estimated the median sales price at $451,000.

As prices increased, the inventory of homes listed for sale decreased. In 2011, there were 2,324 homes for sale in San Leandro. In 2012, that number dropped to 866 and in 2013 it was 502. Sales of existing and new homes picked up as the market recovered, with 596 homes sold in 2010, 756 in 2011, and 892 in 2012. However, with diminished supply and rising prices, sales dropped slightly in 2013 to 663 homes.[5]

A search of homes for sale on Zillow.com showed 101 active listings in San Leandro in August 2014. A summary of the search results for San Leandro addresses is shown in Table 3-8.[6] The listings included 78 single family homes, 12 townhomes or condos, 8 duplex/triplex/fourplex type buildings, and 3 mobile homes. The single family homes ranged from a 3-bedroom, 1-bath (1,081 square foot) house being auctioned for $125,000 to a 5-bedroom, 2-bath (2,800 square foot) former farmhouse for $1,500,000. The condos and townhomes ranged from to a 2-bedroom, 2-bath unit for $219,000 to a 3-bedroom, 2.5-bath unit for $450,000.

The most affordable owner-occupied units in San Leandro are mobile homes. There were 3 available for sale in August 2014, ranging from about $36,000 to $127,500. Mobile homes are an important affordable housing resource in San Leandro, particularly for the city's seniors. With 366 spaces, Mission Bay Mobile Home Park is one of the largest manufactured home communities in the East Bay and provides affordable housing for persons 55 and over.

Table 3-8: Summary of For-Sale Housing Prices in San Leandro, June 2014

	Mobile Homes	Individual Condos/ Townhomes	Single Family Detached	2-6 Plex Buildings
Number of Listings	3	12	78	8
Lowest Price	$36,000	$219,000	$125,000	$472,900 (2 unit)
Highest Price	$127,500	$450,000	$1,500,000	$825,000 (5 unit)
Median Price	$37,500	$295,000	$464,000	$662,500

Source: Zillow.com, 2014

5 BayEast Realtors Association, 2014
6 This is based on all properties with San Leandro addresses, and thus includes several properties in unincorporated Ashland and Hillcrest Knolls (Alameda County) to the southeast of the City limits.

Home prices in new for-sale developments are generally higher than resales. For example, prices for new three-bedroom townhomes in Cherry Glen (off of Washington Street) are approximately $500,000. Comparable units in older developments were over $100,000 less, although these units lack the amenities of the newer homes. Resale homes in newer developments like Cherrywood and Heron Bay tend to be more expensive than homes of comparable size in older neighborhoods like Washington Manor or Marina Faire. Homes with special amenities such as panoramic views, large yards, or distinctive early 20th Century architecture tend to command higher prices than those in the large post-war era subdivisions.

In 2014, San Leandro was significantly more affordable than the Bay Area as a whole. This became even more true in 2013 and 2014 when prices accelerated faster in nearby cities than they did in San Leandro. In 2014, the median sales price in Oakland surpassed San Leandro's, while the median in San Francisco rose to nearly three times San Leandro's. Median prices rose to $805,000 in Fremont, $875,000 in Berkeley, $880,000 in Pleasanton, $786,000 in Dublin, and $760,000 in Alameda. San Leandro and Hayward have become a pocket of relative affordability within the most expensive housing market in America.

Rents in San Leandro have fluctuated over the last decade, but the changes have been less volatile than the for-sale market. In 2012, the American Community Survey reported a median gross monthly rent of $1,214, an increase of 39 percent over 2000. This includes all rental units in the city, including those that have been occupied for many years without substantial rent increases (more than 500 units in the city were being rented at less than $500 a month in 2012).

According to Zillow.com, median advertised monthly apartment rents in San Leandro were in the $1,100-$1,200 range during 2010 and 2011. Median rents rose to $1,200-$1,350 during 2012 and then accelerated more quickly in 2013. In July 2014, Zillow reported the median listed apartment rent for a two-bedroom unit at $1,550, a 25 percent increase over July 2011.

Based on a survey of Craigslist listings in August 2014, the median list price for a one bedroom apartment in San Leandro is $1,400/month and the median list price for a two bedroom apartment is $1,795/month. The median for a three bedroom unit (including single family homes as well as apartments) was $2,295, while the four bedroom median was $2,625. There were 20 one-bedrooms listed, 27 two-bedrooms, 11 three-bedrooms, and 4 four-bedrooms. The median for all units was $1,775. A similar survey in the 2010 Housing Element (from August 2008) identified a median of $1,272. This represents a 39 percent increase in six years. Table 3-9 summarizes the findings.

Table 3-9: Profile of Rental Housing Listings in San Leandro, August 2014

Unit Type	Advertised Monthly Rents
Studio apartment	$770-$1,385
1-bedroom	$900-$1,775
2-bedroom	$1,400-$2,350
3-bedroom	$1,750-$2,600
4-bedroom	$2,250-$3,000

Source: Craigslist "Housing for Rent" ads for San Leandro, week of August 15, 2014

Housing Affordability and Overpayment

The US Department of Housing and Urban Development has defined "affordable" housing as housing which requires no more than 30 percent of a household's gross monthly income, including the cost of rent or mortgage payments, homeowner's fees, and utilities. For instance, the "affordable" rent for a two person household with an annual income of $40,000 would be $1,000 a month (including utilities). That household would be defined as "overpaying" for housing if their monthly rent exceeded $1,000.

Table 3-10 provides Census data on overpayment in San Leandro based on the American Community Survey for 2008-2012. The table indicates that 45.3 percent of all San Leandro households paid more than 30 percent of their income on housing in 2012, which is an 12 point increase over 1999. Renters are more heavily impacted than homeowners. Some 51.6 percent of the city's renters paid in excess of 30 percent of their incomes on housing. The percentage of "overpaying" renters was 40 percent in 1999. Among San Leandro homeowners, 40.7 percent were overpaying in 2012, compared to 28.1 percent in 1999. The incidence of overpayment in San Leandro is approximately the same as in Alameda County as a whole, where 51.8 percent of renters and 40.0 percent of owners were overpaying in 2012.

Based on 2006-2010 CHAS data provided to the City by ABAG, lower income households are more likely to overpay for housing than other households. In San Leandro, this is particularly true for lower-income renters. Among *very low income* renters, 79 percent spent more than 30 percent of their incomes on housing, including 55 percent who spent more than 50 percent of their incomes on housing. Among *low income* renters, 43 percent spent more than 30 percent of their incomes on housing, with only 6 percent spending more than 50 percent.

The incidence of overpayment is smaller among lower-income homeowners than it is among renters, but it is still substantial. In 2010, 64 percent of the city's very low income homeowners spent 30 percent or more of their incomes on housing, including 42 percent who spent more than 50 percent on housing. Among low income homeowners, 50 percent spent 30 percent or more of their incomes on housing, including 26 percent who spent more than 50 percent. Conversely, among above moderate income households, only 24 percent of owners and 14 percent of renters were paying more than 30 percent of their incomes on housing.

Despite the run-up in housing costs, there are still a substantial number of San Leandro homeowners with low housing costs. In 2010, 30.4 percent of the city's homeowners had paid off their mortgages in full. The median monthly housing cost for these households was $425, which primarily covered taxes and insurance. This number includes a substantial number of very low income senior householders. Although these households are not burdened by high monthly housing costs, they may still have a difficult time with home repair and maintenance expenses, as well as property taxes and utility bills. More than 500 San Leandro homeowners with no mortgage on their home still reported spending more than 30 percent of their incomes on housing.

Table 3-10: Overpayment for Housing in San Leandro, 1999-2012

Percentage of Income Spent on Housing Costs	Renters (1999)	Percent of Total (1999)	*Renters (2008-2012)*	*Estimated 2012 Percent of Total (ACS)*	Owners (1999)	Percent of Total (1999)	*Owners (2008-2012)*	*Estimated 2012 Percent of Total (ACS)*
Less than 25 percent	5,422	47.1%	4,315	35.2%	9,925	61.2%	8,097	47.7%
25-29 percent	1,492	13.1%	1,596	13.0%	1,720	10.6%	1,974	11.6%
30-34 percent	1,121	9,7%	1,240	10.1%	1,276	7.9%	1,449	8.6%
35 percent or more	3,478	30.2%	5,080	41.5%	3,273	20.2%	5,456	32.1%
SUBTOTAL	11,513	100.0%	12,231	100.0%	16,194	100.0%	16,976	100.0%
Not computed	485		608		179		64	0.4%
GRAND TOTAL	11,988		*12,839*		16,373		*17,040*	

Source: 2000 Census, American Community Survey (ACS) – 2008-2012

Measuring the "Affordability Gap" for Renters and Owners in San Leandro

Table 3-11 indicates the upper limit of affordable monthly housing payments for households of one to eight persons in Alameda County in 2014 using HUD's definitions. "Affordable" housing for a family of four earning $67,600 a year would be $1,690 a month. Assuming $100 to $150 a month for utilities, this would equate to a monthly rent payment of about $1,550. Comparing Table 3-9 and Table 3-11 indicates a significant gap between "affordable" rents and "market" rents for lower-income households in San Leandro. The following examples indicate the depth of this gap:

- A single mother in San Leandro with an income of $36,800 a year would need to spend 58 percent of her income to live in a typical two-bedroom apartment or 46 percent of her income to live in a typical one-bedroom apartment.

- A family of four (including two working parents and two school aged children) with a combined income of $60,000 a year would need to spend 46 percent of their income to rent a typical 3-bedroom, 2-bath house in San Leandro.

- A senior citizen on a fixed income of $16,000 a year would need to spend 60 percent of his income to live in a typical studio apartment.

Whereas income was increasing faster than rent between 2001 and 2010, the reverse has been true for the last four years. Until 2010, most market rate apartments in San Leandro would have been considered affordable to low income households (e.g., a household earning 80 percent of areawide median income), even without restrictions on rent. However, as of 2014, the median price two-bedroom unit would require a monthly income of about $75,000 to be considered "affordable." While this is still within the range of affordability for "moderate" income households, it is no longer within reach for "low" income households without a cost burden.

Rising rents have been especially challenging for those earning less than 50 percent of the area median income (very low and extremely low income households). A very low income household of two persons would be considered to be "overpaying" if they spent more than $920 a month on rent. Of the 65 units currently listed for rent on Craigslist, only two were less than $920. A very low income household of four persons would be considered to be overpaying if they spent more than $1,150 a month. There were only five advertised vacant units meeting this benchmark in August 2014, and all were one bedrooms or studios.

For prospective homeowners, San Leandro continues to be a more affordable option than most cities in the region and is still more affordable than it was in 2006, but rapid inflation is increasing the cost burden for first-time buyers. In today's market, most lower- income households could not afford the median-priced San Leandro home (roughly $450,000). Assuming a 10 percent downpayment, a 4.5 percent interest rate, and a 30-year term, the monthly payment on such a home would be $2,052. Once property taxes and homeowners insurance are added, the monthly payment increases to over $2,550. Such a payment would generally be considered "affordable" to a household with an annual income of $100,000 or more. This price point would make such housing affordable to some (but not all) moderate income households. Less expensive options for ownership, such as condominiums and cooperatives, may need to be emphasized for future first time buyers, particularly those in the $60,000-$100,000 income range.

Table 3-11: Maximum Affordable Monthly Housing Cost in Alameda County, 2014 (including utilities)

	Number of Persons in Household							
	1	2	3	4	5	6	7	8
Extremely Low	$484	$553	$621	$690	$746	$801	$856	$911
Very Low	$805	$920	$1,035	$1,150	$1,243	$1,335	$1,426	$1,519
Low	$1,184	$1,353	$1,521	$1,690	$1,826	$1,961	$2,096	$2,231
Moderate	$1,932	$2,208	$2,484	$2,760	$2,982	$3,204	$3,423	$3,645

Source: Alameda County HCD Income Limits: 2014. Barry J Miller, AICP 2014

Subprime Mortgage Crisis in San Leandro

The number of foreclosures in the United States tripled between the first quarter of 2007 and the second quarter of 2008. Several factors contributed to the problem, including declining home values in many markets, lax underwriting standards, and a growing number of sub-prime loans and adjustable rate mortgages made to higher risk borrowers. The long-term trend of rising home prices encouraged borrowers to assume such mortgages, believing they would gain equity in appreciating properties and refinance at more favorable rates later. Refinancing became more difficult once prices started to drop, and repayment became more difficult when the initial period of low interest rates ended.

In the Bay Area, the rise in foreclosures led to economic hardship for many households, especially in 2007-2011. It resulted in a slowdown in housing construction, a loss of equity for homeowners, and the displacement of a significant number of renters living in properties owned by third parties. The state and federal governments took steps to address the crisis as it unfolded, including mortgage assistance programs, reduced loan principals, and new rules for mortgage lenders. The federal government also funded two Neighborhood Stabilization Programs (NSP) in Alameda County which enabled a number of foreclosed homes in San Leandro to be purchased, rehabilitated, and sold to lower income households.

San Leandro weathered the sub-prime crisis better than many other parts of the East Bay. Sales volumes in the city during the highest-risk years (2005-2006) were comparatively low, in part because there were no large for-sale developments constructed in the city during these years.

In August 2008, the website foreclosureradar.com reported 719 distressed properties in San Leandro, including 117 homes being auctioned, 238 bank-owned homes, and 364 homes in “pre-foreclosure.” By contrast, the website realtytrac.com reported that in July 2014, one in every 1,667 homes in San Leandro was in foreclosure. This equates to approximately 20 homes citywide. In 2014, the foreclosure rate in

San Leandro was lower than Oakland, Hayward, Dublin, and Union City, but higher than Alameda, Berkeley, Fremont, and Pleasanton.

Conclusions

The housing market in San Leandro has seen both positive and negative changes in the last seven years. For lower income renters, the city has become significantly less affordable. Almost no inventory has been added and prices have been rising more rapidly than income. The inventory of rental units remains very tight, especially for large families.

For owners, the city continues to recover from the 2007-10 recession. Recent price increases have helped homeowners regain much of the equity lost during the recession. The number of foreclosures is down and fewer homes are "underwater." Conversely, prices are now rising faster than income, creating new challenges for first-time and lower income buyers.

employment

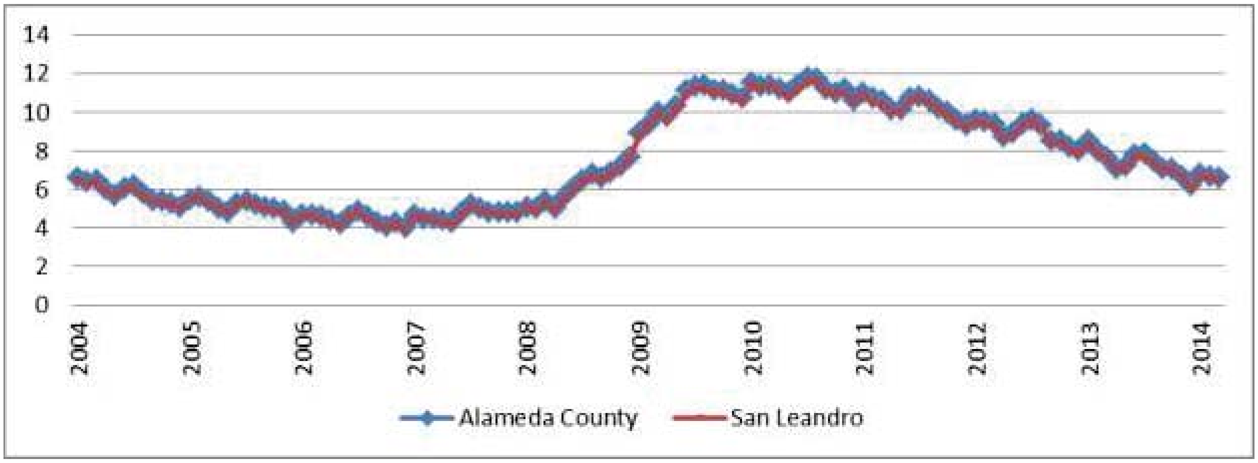
Employment in a community can affect the demand for housing and the type of housing that is needed. In 2012, there were about 40,900 employed residents in San Leandro. Approximately 21 percent of the city's residents are employed in health, education, and social services; 12 percent in professional services; 9 percent in arts, entertainment, food and hospitality services; and 12 percent in finance, insurance, real estate, information, and other services. Some 11 percent of the city's residents were employed in retail trade, while another 4 percent were employed in wholesale trade.

There were about 4,500 residents—or 11 percent of the city's labor force—employed in manufacturing. About 5 percent of the city's residents were employed in construction and 8 percent were employed in transportation, utilities, and warehousing. The remaining 5 percent of the city's residents were employed in public administration (including schools and City government). A relatively large number of residents are employed in low-wage professions such as retail sales (median local wage: $20,760), food services (median local wage: $21,070), and administrative support (median local wage: $27,005).[7]

When the last Housing Element was prepared in 2008-2009, the unemployment rate in the city was over 10 percent. This was a sharp increase from 2006, when it was below 5 percent. In August 2010, the unemployment rate peaked at 11.6 percent. As indicated in Chart 3-4, it has declined since that time and was 5.7 percent in April 2014.

[7] American Community Survey, 2008-2012

Chart 3-4: Unemployment in Alameda County and San Leandro, 2004-2014



Unemployment can translate to economic hardship for households and an increased risk of foreclosure, overcrowding, and homelessness. While the city's unemployment rate is below the state average and has improved since the last Housing Element, a significant number of households are still affected by job and income loss in any given year.

The narrative above focuses on the characteristics of San Leandro's labor force. Another aspect of employment relates to the jobs located within the city. According to the most recent projections from the Association of Bay Area Governments, there were 39,980 jobs in San Leandro in 2010, with an anticipated 43,410 jobs in 2015. The estimate for 2015 is still lower than the 44,370 jobs that were in San Leandro as of 2000. Based on ABAG data, the city lost over 4,000 jobs during the recession. Implementation of local economic development initiatives, including the installation of a fiber optic loop (Lit San Leandro) and the development of the new Kaiser Medical Center, have erased most of that loss and created thousands of new jobs in the last four years.

San Leandro continues to have a relatively large industrial base, with nearly 6,600 manufacturing jobs and 5,100 wholesale trade jobs according to the most recent published U.S. economic census. As noted above, many of the city's jobs are in relatively low wage sectors. For example, San Leandro has nearly 5,600 retail sales jobs and 2,200 accommodation and food service jobs. However, it also supports a growing number of jobs in higher wage sectors, such as professional, scientific and technical services (1,000 jobs), and health care (4,100 jobs).

The ratio between jobs and households in a city is an important indicator of housing needs. Ideally, the number of jobs and employed residents should be balanced, since this potentially can reduce commute costs and provide more money for housing and other expenses. There are other benefits—better air quality, less congestion, and greater productivity as fewer hours are spent on the highways. In 2010, there were about 40,200 employed residents and 40,000 jobs in San Leandro. This is considered an optimal balance by Bay Area standards. However, many of the jobs in the city are not filled by San Leandro residents. Many low wage jobs, in particular, are filled by workers who commute long distances from communities as far away as San Joaquin and Stanislaus Counties.

At the same time, local employees are competing for housing in San Leandro with persons working in higher priced housing markets such as San Jose and San Francisco. Market-rate housing on the Peninsula and in the South Bay is more expensive than it is in San Leandro, causing demand to spill into the East Bay and other more affordable areas.

The current ratio to jobs to households in San Leandro is 1.30 (e.g., there are 1.30 jobs for every household in the city). Looking forward, ABAG projects that San Leandro will add 7,710 jobs between 2015 and 2035 while adding 5,410 households. This represents a slightly faster rate of job growth than household growth, which will sustain continued high demand for housing. As long as job growth outpaces housing growth, vacancy rates in the city are likely to remain low and locally employed lower-income workers may face a challenge finding suitable housing near their workplaces.

Conclusions

San Leandro has a favorable jobs-housing balance. However, like many Bay Area communities, it has a housing stock that is unaffordable to many of those who work in the community—leading to long commutes for many local workers. While the city offers good entry-level and mid-level employment opportunities, these jobs still do not pay the wages necessary to afford the median priced home in the city. Creating a true balance between jobs and housing will require two courses of action—first, producing housing at a rate that keeps pace with projected job growth, and second, producing more rental housing and affordable ownership housing (including condominiums) so that those who work in the city can afford to live in the city.

special housing needs

Several types of households have been identified by the State of California as having special housing needs. Such households have a harder time than most finding suitable housing within the community. Special needs populations in the state include seniors, persons with disabilities, large low-income families, single mothers, farmworkers, extremely low income households, and the homeless. The 2010 Census and American Community Survey provide useful metrics to estimate special housing needs and other supportive service needs in the city.

Seniors

San Leandro has historically had a higher percentage of seniors than Alameda County as a whole. In 2000, the percentage of residents over 65 in the city was 60 percent higher than the countywide average. The gap narrowed by 2010 as the senior population in the county continued to increase while the city's senior population declined. In 2010, the percentage of residents over 65 in the city was only 24 percent higher than the county average. Nonetheless, San Leandro still has a higher percentage of seniors than any other city in the county except Piedmont. About one in seven San Leandro residents is over 65.

Table 3-12 highlights the income characteristics of San Leandro's seniors, along with those of Alameda County's seniors. The 2007-2011 American Community Survey (ACS) Census reported that 42 percent of San Leandro's seniors had incomes of $30,000 or less, compared to 36.8 percent countywide. Another 22 percent had incomes of $30,000-49,000, compared to 17.8 percent countywide. Only 12.4 percent of San Leandro's seniors had incomes of $100,000 or more, compared to 20 percent countywide.

Table 3-12: Income Characteristics of Seniors in San Leandro and Alameda County, 2007-2011

	Number of Householders (2007-2011)					
	Income under $30,000	$30,000 to $49,999	$50,000 to $74,999	$75,000 to $99,999	More than $100,000	Total
San Leandro	2,602	1,361	930	536	771	6,200
% of all seniors	*42.0%*	*22.0%*	*15.0%*	*8.6%*	*12.4%*	*100.0%*
Alameda County	35,220	17,060	15,332	9,048	19,147	95,807
% of all seniors	*36.8%*	*17.8%*	*16.0%*	*9.4%*	*20.0%*	*100.0%*

Source: American Community Survey, 2007-2011. ABAG, 2014

Based on ACS data, about 70 percent of San Leandro's senior renters spent more than 30 percent of their annual incomes on housing. Senior homeowners fared more favorably, with only 24 percent spending more than 30 percent of their annual incomes on their housing costs. One-third (33.4%) of San Leandro's senior homeowners still had a mortgage on their homes; two-thirds (66.6%) had paid their mortgages off completely.

Many of the city's senior households find it difficult to make monthly mortgage or rent payments on fixed or limited incomes. Others may find the day-to-day costs of home maintenance and improvements to be prohibitively expensive, or may be cost-burdened by property taxes and utility costs.

In 2000, nearly 3,400 of the city's 12,700 senior residents lived alone. By 2012, that number was about the same, but the total number of seniors in the city was smaller, meaning that single seniors are now a larger percentage of the total senior population. The ACS indicated that 50 percent of San Leandro's senior households consist of one person living alone. The statistics suggest a possible demand for shared housing programs in the city, creating a potential source of income for lower-income senior homeowners as well as a housing resource for lower- income senior renters.

In 2010, 2.6 percent of San Leandro's residents (2,197 people) were over 85, the highest percentage in Alameda County. There were nearly 4,000 residents between the ages of 75 and 84. The demand for affordable assisted living and congregate care facilities remains high. As the baby boom generation enters their retirement years (particularly during the period from 2015-2030), the demand for active senior housing in the city is likely to surge. Condominiums, in-law units, and amenity-rich multi-family apartments for those "downsizing" from single family homes will be in high-demand. There will continue to be a high demand for skilled nursing facilities as life expectancies increase and the population ages.

Single Parent Households

Single parent households, particularly single female-headed households, tend to have a higher need for affordable housing than the general population. Child care responsibilities may limit the number of hours that a single parent can work. For those single parents who work full-time, child care expenses may consume a large share of take home pay. Both of these factors limit the amount of disposable income available for housing.

In 2010, there were 2,031 single mothers with children under 18 in San Leandro, representing more than 6 percent of the city's households. Census data indicates that single mother households are more likely to live below the poverty line than other households with children. The ACS estimated that 21.6 percent of the city's single mothers with children under 18 were below the poverty line in 2008-2012. There were approximately 430 single mother families below the poverty line in 2012, which was the three times the poverty rate for all families in the city. The median income for single mothers was $42,879 , compared to $72,354 for all families. These families would benefit not only from affordable housing, but also from affordable child care and job training and career development programs.

Large Families

From 1970 to 2000, average household size in San Leandro was smaller than Alameda County as a whole. The 2010 Census showed the city had surpassed the countywide average, with 2.74 persons per household in the city and 2.70 in the county. This trend has continued; the Department of Finance estimates San Leandro's average household size is now 2.83, whereas the countywide average is 2.78.

The number of "large" families (five persons or more) in the city is on the rise. Large families are more likely to experience overcrowding and may have less disposable income available for housing due to the larger number of dependents and other household expenses. This is particularly true for lower-income renters. As noted earlier, most of the city's rental housing stock consists of one and two-bedroom apartments and is not well suited for large families.

In 1990, there were 2,216 households in San Leandro with five or more persons, representing about 7.6 percent of all households in the city. By 2000, there were 3,527 households with five or more persons, a

60 percent increase. By 2010, there were 4,412 households with five or more persons. Of these, 1,141 contained six persons and 1,021 contained seven persons or more.

Large households now represent 14.4 percent of all households in the city. The increase can be partially attributed to the growth of multi-generational households, particularly families from Asia and Latin America with grandparents, parents, and children in the same residence. It is also attributable to the larger number of children in general. Approximately 37 percent of the city's large households are renters. It is worth noting that large households do not necessarily have higher incomes than smaller households. For instance, ACS data provided by ABAG (2007-2011), indicates the median income for a 3-person household in San Leandro is $81,804, while it is $73,779 for a 5-person household.

Persons with Disabilities

Disabled persons may require housing with specific physical attributes, such as wheelchair ramps, elevators, and proximity to transit and social services. Many disabled households have limited income for housing, either because they are unable to work or because they have significant health and medical expenses. Table 3-13 presents census data on the disabled population in San Leandro, based on estimates from the 2007-2011 American Community Survey (ACS).

Table 3-13: Persons with Disabilities, 2007-2011

	2009-11	Percent of total
Total Persons age 5 or older	79,826	100.0%
Persons with any disability	8,376	10.5%
Persons aged 16-64	54,996	100.0%
Persons aged 16-64 with any disability	3,486	6.3%
Hearing	*591*	
Vision	*808*	
Cognitive	*1,258*	
Ambulatory	*1,808*	
Self-Care	*629*	
Independent Living	*1,062*	

Source: American Community Survey, 2007-2011, ABAG 2014

** Table includes civilian, non-institutionalized population only; disabilities and practical limitations include non-temporary physical and mental health conditions.*

*** Some persons reported more than one disability, so these figures should not be aggregated.*

Approximately 10.5 percent of the population older than age 5—or nearly 8,400 persons—is estimated to have one or more disabilities. This is a higher percentage than in any other city in Alameda County except Oakland (12.0%). Countywide, the percentage is 9.6 percent.

The ACS also estimates the number of working age adults (18-64) with various types of disabilities. This information is also shown in Table 3-13. The data indicates 808 persons with a vision disability, 591 with a hearing disability, and 1,808 with an ambulatory (mobility) disability. In addition, there are 629 working age persons with a self-care limitation and 1,062 with an independent living limitation.[8] These residents may require specialized housing, either with design features that accommodate their disability, supportive services to provide living assistance, or both.

In addition, many of the city's seniors have one or more disabilities, requiring skilled nursing, assisted living, or modified independent living accommodations. The cost of skilled nursing is beyond the means of many disabled elderly persons and can result in financial hardship for families who bear the cost of support.

In 2010, the California legislature adopted SB 812, requiring local housing elements to include an evaluation of the needs of persons with developmental disabilities. Developmental disabilities occur before an individual reaches 18 years of age and typically constitute a lifetime handicap. They include mental retardation, cerebral palsy, autism, and epilepsy, among others. The Regional Center of the East Bay (RCEB) provides services to developmentally disabled persons throughout Alameda and Contra Costa Counties and acts as a coordinating agency for multiple service providers in the region. They provide a resource to those needing counseling, day care, equipment and supplies, behavior intervention, independent living services, mobility training, nursing, residential care facilities, supportive living services, transportation, vocational training, and other services.

RCEB served 16,000 persons in the East Bay area during 2012. Approximately 55% of their clients were under age 21 and approximately 73% lived with a parent or guardian. According to the RCEB, there are 731 San Leandro residents who are considered eligible clients for RCEB services.[9] This total includes:

- 218 persons under age 14
- 142 persons age 15-22
- 293 persons age 23-54
- 61 persons age 55-64
- 17 persons who are 65 or older

Based on information provided by the regional center, it is likely that a majority of the persons served by RCEB live with a parent or guardian. Supportive housing and group living opportunities for persons with developmental disabilities can be an important resource for those individuals who can transition from the home of a parent or guardian to independent living.

[8] Some persons may have more than one disability, so these statistics are not additive.
[9] Correspondence from Ronke Sidopo at Regional Center of the East Bay on July 30, 2014.

San Leandro has a number of housing projects specifically developed to meet the needs of persons with disabilities, including those with developmental disabilities. Fuller Lodge (2141 Bancroft) is a 26-unit rental housing complex for the developmentally disabled. A second phase (Fuller Gardens) with 16 additional units was added in 2004 at 2390 East 14th Street. Luella Fuller Group Home (342 West Joaquin) is a 6-person group home for persons with developmental disabilities. The city is also home to a number of service providers meeting the needs of the disabled community, including the Deaf Counseling and Advocacy Referral Agency (DCARA). Support services, including housing services and independent living workshops, are also provided through the Center for Independent Living in Berkeley, and other advocacy groups for the disabled throughout the East Bay.

The City has also adopted a reasonable accommodation ordinance and works with residents wishing to install grab bars, wheelchair ramps, handicapped bathrooms, and other home modifications which meet the needs of persons with mobility limitations. Its zoning also supports the development of small group homes which meet the needs of residents with disabilities, including those with developmental disabilities.

Farmworkers

As an urbanized community with no agricultural land, the number of farmworkers in San Leandro is minimal. Although there are a few remnant plant nurseries and truck gardens in the city, there are no large-scale agricultural operations either within San Leandro or in the immediate vicinity. The 2010 Census reported that there was no farmworker housing in the city. The closest active agricultural areas are approximately 20 to 30 miles away, in areas where the cost of housing is less than it is in San Leandro.

Extremely Low Income Households

Extremely low income households earn less than 30 percent of the areawide median income. In San Leandro, a family of four earning less than $27,600 would be considered extremely low income. A one-person household working full-time at the California minimum wage of $9.00 an hour ($18,720/ year) also would be considered extremely low income. There is virtually no market-rate housing available to these households in the Central Bay Area. While many extremely low income households are seniors, a substantial number are working individuals and families in low wage service jobs. Most of these households are renters, often spending more than half of their incomes on housing. Some extremely low income households double up to cover their housing costs, or live in overcrowded units.

In 2010, there were 5,227 households in San Leandro with annual incomes under $25,000, representing about 17 percent of the city's households. Roughly 38 percent were headed by senior citizens, while 57 percent—or 2,968 households—were headed by someone aged 25 to 64. This represented 12.8 percent of the households in this age cohort. Many of these households are in the special needs categories described above, including single mothers and persons with disabilities. While some of these households live in affordable units and nearly half receive Section 8 housing assistance, others struggle to pay their rent, face hunger or medical problems, and are at risk of becoming homeless.

ABAG has used CHAS data from HUD to estimate the number of Extremely Low Income (ELI) households in each Bay Area city. Their findings indicate that there are 4,000 ELI households in San Leandro, including 1,605 homeowners and 2,395 renters. This represents 51 percent of the total number of households with incomes less than 50 percent of areawide median (e.g., "very low income" households). ABAG further estimates that 67 percent of the city's ELI renters were paying more than half of their incomes on rent.

The demand for housing for extremely low income households exceeds the supply. While the city has over 1,400 Below Market Rate (BMR) units, only a fraction of these units are specifically reserved for persons earning less than 30 percent of the areawide median income (AMI). The city has about 1,500 Section 8 housing voucher and certificate recipients available to ELI and other very low income households, leaving a gap of at least 1,000 units. For planning purposes, the City has assumed that one half (50 percent) of the 2015-2023 housing need identified for "very low income" households should be specifically targeted to ELI households.

Homeless Persons

The Extent of the Need. Homelessness is a social problem with multiple causes and complex solutions. A homeless person is one who lacks a permanent, regular, and adequate residence. Various factors contribute to a growing number of Bay Area residents who are homeless or are at risk of becoming homeless, including shortage of affordable housing, reductions in social service and mental health programs, growing rates of unemployment and poverty, and lack of affordable health care. Homelessness may affect people of all ages and has numerous underlying causes. Homeless persons typically require intensive crisis services to cope with these causes, which include unemployment, eviction, domestic violence, family break-up, mental health problems, medical problems, and substance use disorders.

The homeless include persons living on the street, in emergency shelters, in cars, in encampments, and in parks or public buildings. Those at risk of becoming homeless include persons staying with friends and families because they have no place to go, those on General Assistance or Temporary Assistance for Needy Families, those overly burdened with high rents, and those threatened with eviction or the loss of a housing subsidy.

The inherent nature of homelessness makes it difficult to estimate the number of homeless persons in San Leandro. Moreover, patterns of homelessness can be transitional, episodic or chronic. Even the definition of homelessness varies—HUD includes persons living on the streets or residing in shelters, transitional housing, hotels using service vouchers, vehicles, or other places not meant for human habitation or sleeping. The broader "community definition" of the homeless population includes families with children, unaccompanied youth, and those whose living situation is transient or precarious or for whom homelessness may be imminent.

Alameda County maintains and updates data on homelessness through its periodic Homeless Count Survey, a countywide homeless database system mandated by HUD (Homeless Management Information Systems), and through its Homeless and Special Needs Housing Plan (*EveryOne Home*). Other local data sources include the San Leandro Unified School District, the San Leandro Police Department, social service providers, and the Interfaith Homeless Network's *April Showers* program

The 2003 and 2010 Housing Elements both estimated the homeless population of San Leandro at about 200-300 persons. This was based on a number of metrics, including the city's pro-rated share of the "Mid-County" area's population as defined in the bi-annual Countywide Homeless Count.[10] The most recent data source is the 2013 Countywide Homeless Count, conducted the night of January 30, 2013.

The 2013 Homeless Count reflects a total of 4,264 individuals in Alameda County defined as homeless. The County also maintains a Homeless Management Information System (HMIS) which reflects case data for 5,844 homeless individuals as of January 2013. The 4,264 figure is considered by Alameda County to be the more reliable of the two and is used for HUD reporting. However, this statistic is not broken down by jurisdiction. The HMIS data is used by the County to develop a demographic profile of the homeless by jurisdiction, including a pro-rated estimate of the number of homeless persons in each city.

Alameda County HCD indicates that 2.37 percent of the County's homeless population listed San Leandro as their last city of residence. This is equivalent to 101 individuals. However, this does not necessarily equate to the number of homeless persons in the city. Individuals may become homeless in an adjacent city and migrate to San Leandro, or they may be temporarily sheltered at the time of the bi-annual survey. The HMIS locational data also excludes non-HUD funded agencies and domestic violence victims and does not completely account for children under 18. Anecdotally, local service providers indicate the number of homeless persons in the city has been relatively constant in the last four years and is still more than 200 persons. There are many more persons at risk of homelessness, or who may experience periodic episodes of homelessness during the year.

The HMIS data provided to the City by Alameda County HCD describes the characteristics of 148 homeless individuals in the city. Approximately 45 percent are aged 41-60 and 26 percent are 25-40. Just over one half were male. About 75 percent were individuals and 25 percent were families, including 12 children. Roughly 20 percent of the adult population had experienced domestic violence, 20 percent reported a drug or alcohol addiction, 21 percent reported chronic health problems, and 35 percent reported mental health problems. About 18 percent of the adults indicated they were employed and 12 percent were in school. The population also included 13 veterans, 5 persons with HIV/AIDS, and 61 persons receiving food stamps (SNAP).

About 42 percent of the homeless adults indicated they were experiencing their first episode of homelessness. One-quarter had been homeless two or three times before, and 30 percent indicated they were "chronically" homeless. Persons were also asked about their prior living situation. One-third had

[10] The Countywide Homeless Count has been done every two years since 2003. The Mid-County area includes San Leandro, Hayward, Alameda, and unincorporated Castro Valley, San Lorenzo, Ashland, and Cherryland.

come from an emergency shelter, 11 percent had been in transitional housing, 10 percent had been living with friends, 9 percent had been living with family, and 22 percent had been living someplace not intended for habitation.

The number of homeless persons in Alameda County has declined since 2003, with an approximately 16 percent reduction reported over the last decade. Much of the decline took place between 2007 and 2011, with the numbers staying approximately the same between 2011 and 2013. The number of homeless families with children is down, as is the number of chronically homeless individuals, and homeless veterans. On the other hand, the number of homeless persons with severe mental illness has doubled, with almost all of this population unsheltered. Moreover, despite programs in place to house nearly 2,000 people, just as many people are becoming homeless each year.

Anecdotally, some local homeless service providers indicate that a large number of San Leandro's homeless residents are males in their 50s and 60s, including many who lived in San Leandro before they became homeless. There are no emergency shelters for men in the city, meaning that these individuals must travel to Berkeley, Oakland, or beyond for shelter. The City has committed to creating a task force to address this issue, as well as broader issues relating to homeless services and needs in San Leandro. The reduction of funds due to the loss of the Redevelopment Agency and diminished federal funds (including the end of the federal Homelessness Prevention and Rapid Rehousing grant) is making it more challenging to meet the needs of the city's homeless population.

<u>*Homelessness Plans and Resources*</u>. In 2006, Alameda County adopted *EveryOne Home*, a countywide plan to end chronic homelessness and produce housing for the homeless over the next 15 years. The Plan identified a number of challenges facing the homeless in Alameda County, including very high housing costs; limited housing options for the chronically homeless and for people living with mental illness and HIV/AIDS; limited access to information by those who are homeless; complex eligibility requirements for housing and social service programs; disconnections between service providers; and discharge from foster care or correctional facilities without adequate support.

EveryOne Home outlines strategies to provide permanent supportive housing units for 15,000 homeless and at risk households in Alameda County by 2020. It also seeks to improve the "safety net" for those at risk of becoming homeless and establish political support for homelessness prevention programs. In November 2006, the San Leandro City Council endorsed the *EveryOne Home Plan* at the local level. Developing and implementing the City's own long-term homeless plan will require community support and local strategies to provide permanent supportive housing for the homeless and others with special needs. It will also require dedicated funds for the prevention of homelessness and specialized crisis intervention services, along with better integration of services such as mental health, HIV/AIDS care, acute medical services, and other homeless services, as well as individualized housing plans to assist youth exiting the foster care system and people discharged from institutions.

Presently, the homeless support system in San Leandro includes governmental and non-governmental organizations. The City supports social service organizations through grants (including federal

Community Development Block Grant funds), general fund allocations, public facility and infrastructure projects, and housing programs. Major organizations serving the homeless are the Interfaith Homeless Network, Building Futures with Women and Children and the Davis Street Family Resource Center.

The Interfaith Homelessness Network (IHN) is a faith-based consortium of 11 churches that strives to increase public awareness of homelessness while advocating for and providing services to homeless residents. IHN operates an *April Showers* program, which provides shower opportunities for the homeless while also serving meals, clothing, laundry vouchers, and other basic services. It is an all-volunteer organization operating from the San Leandro Boys and Girls Club. In 2011, IHN served 103 first-time guests and provided showers for an average of 77 men and 23 women each week. This is an increase from 58 per week in 2007-2008.

Building Futures for Women and Children (BFWC) assists women and children faced with homelessness, poverty, and domestic violence. It operates a 30-bed shelter (San Leandro Shelter) and 20-bed safe house for victims of domestic violence (Sister Me Home). The organization recently received City support to renovate the safe house and also receives annual assistance from the City for operations and services. During the 2012-13 fiscal year, BFWC served 902 persons at its Housing Resources Center (located at Davis Street Family Resource Center), assisted 174 women and children at Sister Me Home, handled 9,964 calls for help, and provided shelter to 412 women and children at facilities in San Leandro and Alameda.

The Davis Street Family Resource Center (DSFRC) helps low income persons in the mid-County area with a variety of needs, including housing, child care, health and wellness, and family services. DSFRC operates a multi-purpose facility on Teagarden Street, providing a variety of programs including mental health counseling, a free medical and dental clinic, employment assistance, a computer lab, and space for clothing and food programs. The Center also assists low income and homeless residents in finding housing and housing-related services.

San Leandro has no dedicated transitional housing projects.[11] However, the City was a partner in the 2002 development of the 51-unit Bessie Coleman Transitional Housing development on the former Alameda Naval Air Station, and Lorenzo Creek Apartments, a 28-unit transitional housing development near the Castro Valley BART Station that opened in 2005. Additional transitional housing developments exist in Hayward, Fremont, Newark, Berkeley, and Oakland.

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[11] Transitional housing is defined as housing designed to assist residents in making the transition from homelessness to permanent housing. Occupancy typically varies from six months to two years. Housing is typically provided with on-site social services such as job training, financial planning assistance, child care, and mental health counseling.

Conclusions

A growing number of San Leandro residents have housing needs that are not met by the private real estate market. The city has historically had a large senior population. Although this demographic has declined in number since 1990, it is expected to swell in the next decade as baby boomers enter retirement. San Leandro has an increasing number of single mothers, a sizeable population of persons with disabilities, and an increasing number of large families, many of whom are from other countries and may be unfamiliar with local housing resources. Like other communities in Alameda County, the city has a sizeable unmet need for permanent supportive housing and transitional housing to assist the growing number of homeless residents, those at risk of homelessness, and others with mental health, developmental and physical disabilities, and HIV/AIDS. With a long-term plan to prevent and end homelessness, sufficient resources, political leadership, and community involvement, San Leandro can ensure that homeless and very low income residents have safe, supportive, and permanent homes while improving the quality of their lives and neighborhoods.

housing stock characteristics

Number of Units and Unit Type

The 2010 Census counted 32,419 housing units in San Leandro. This was an increase of 1,085 units (3.5 percent) over 2000. Most of the housing unit construction took place during the first half of the decade. Between 2000 and 2010, the city's population increased at a much faster rate than the number of housing units. Although less than 1,100 units were added, the city gained more than 5,000 residents.

The California Department of Finance reported that the city had 32,503 housing units on January 1, 2014—an increase of 84 units (0.3 percent) since 2010. Population, meanwhile, is estimated to have increased by about 3 percent. This differential is greater than in the county as a whole, where the number of housing units has increased by 1.3 percent and population has increased by 4.1 percent since 2000.

Table 3-14 provides data on the composition of housing units in San Leandro in 1980, 1990, 2000, 2010, and 2014. In 2014, 60 percent of the city's housing consisted of single family detached homes. Another 6.1 percent consisted of single family attached homes. About 7.1 percent of the city's housing stock was contained in duplexes, triplexes, and fourplexes. Just under a quarter consisted of multi-family units in buildings of 5 units or more, and about 3 percent consisted of mobile homes.

The percentage of units that are multi-family declined between 1990 and 2007, as single family construction outpaced multi-family construction. Almost 94 percent of the units added during the 1990s were single family detached homes and 78 percent of the units added between 2000 and 2008 were single family detached homes. This trend has been reversed during the last seven years, as multi-family units represented more than half of all new housing starts. Chapter 2 of the Housing Element provides a profile of development during the 2007-2014 period.

Table 3-14: Composition of Occupied Housing Units in San Leandro, 1980-2014[12]

Unit Type	1980	1990	2000	2010	2014	Percent of 2014 Total
Single Family	18,942	19,572	20,591	21,407	21,438	66.0%
Detached	*N.A.*	*17,692*	*19,518*	*19,459*	*19,463*	*59.9%*
Attached (townhomes)	*N.A.*	*1,880*	*2,044*	*1,948*	*1,975*	*6.1%*
2-4 unit buildings	2,212	1,912	2,246	1,895	1,895	7.1%
Multi-Family (5+ units)	6,189	7,542	7,249	8,229	8,280	22.7%
Mobile Home	743	867	904	890	890	2.8%
Other	N.A.	296	N.A.	N.A.	N.A.	--
TOTAL	28,086	30,189	31,272	32,503		100.0%

Source: US Census, 1980-2000. California Department of Finance, 2014

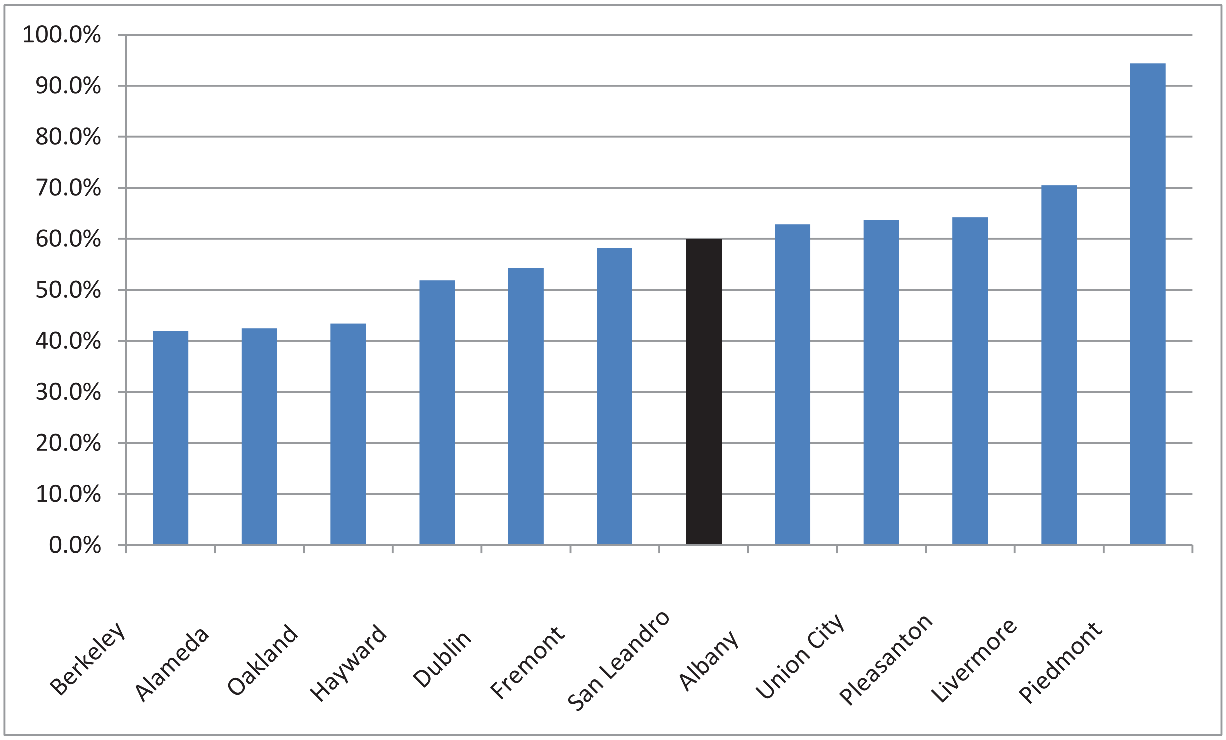
Most of the housing stock in San Leandro consists of two- and three-bedroom units. In 2010, two-bedroom units accounted for 33 percent of the city total and three-bedroom units accounted for 37 percent of the total. Units with four or more bedrooms made up 13 percent of the total, and almost all were owner-occupied. Only 23 percent of the city's rental housing stock, including single family rental homes, consists of units with three bedrooms or more. By contrast, 70 percent of the city's owner-occupied housing stock consists of units with three bedrooms or more.

The city was hard hit by the economic recession of 2007-2010 and saw very little private market construction during this time period. The two largest projects completed since 2007 are both affordable housing developments. Moreover, one of the largest conversions of market rate housing to affordable housing (60% or less of areawide median) in the region took place at the 840-unit Lakeside Apartments on Springlake Drive.

Chart 3-5 compares the housing unit composition of San Leandro to several other cities in Alameda County. The figure illustrates the percentage of total occupied units that are single family detached dwellings as of January 1, 2014. With 60 percent of its residences in this category, San Leandro has a higher percentage of single family homes than Oakland, Berkeley, Hayward, Fremont, and Alameda, and a lower percentage than Livermore, Pleasanton, and Union City.

[12] There are anomalies between the Census data for 1990 and 2000. The data suggest a net loss of about 300 multi-family units in the city during the decade, and a gain of 10 units in 2-4 plexes. At the same time, Department of Finance data show a net gain of 41 multi-family units, and a net gain of 23 units in 2-4 plexes during the 1990s.

Chart 3-5: Single Family Detached Homes as a Percentage of Total Housing Stock, 2014



Source: California Department of Finance, 2014

Vacancy Rates

The 2010 Census indicated that 1,702 housing units in San Leandro, or 5.7 percent of the total housing stock, were vacant as of April 2010. This was a substantial increase from 2000 when there were 692 vacant housing units, representing just 2.2 percent of the total housing stock. The higher percentage in 2010 reflects the impact of the recession and the large number of homes for sale or in foreclosure at that time. There were 258 vacant units for sale in 2010, compared to 111 in 2000.

More significantly, the high vacancy rate in 2010 was indicative of a higher than average number of empty rental units. Whereas there were 268 vacant rental units in 2000, there were 805 in 2010. This equates to a rental vacancy rate of 5.8 percent. Vacant units in 2010 also included 90 units for seasonal, recreational, or occasional use and 106 units that were sold but not yet occupied. San Leandro's vacancy rate was lower than the countywide average of 6.4 percent, and higher than the 3-5 percent range that is usually cited by real estate analysts as indicative of a healthy housing market.

The vacancy rate has fallen since 2010. Paragon Commercial Brokerage reported a 2.7 percent rate for rental apartments in the first quarter of 2014 in Alameda and Contra Costa Counties, which is the lowest rate since 2001.[13] Cushman and Wakefield's year-end report for 2013 indicated that the apartment vacancy rate in the San Leandro- Hayward submarket was 1.7 percent, the lowest rate in Alameda County.[14]

Overcrowding

Overcrowding occurs when a household's living area is too small to meet the needs of the household. The US Department of Housing and Urban Development defines "overcrowded" units as having more than one person per room (excluding bathrooms and kitchens). "Severely overcrowded" units are defined as having more than 1.5 persons per room.

The 2008-2012 American Community Survey indicates that as of 2010, 2,260 units met the census definition of overcrowding. This represents 7.5 percent of the city's occupied housing units. The rate is higher than the Alameda County rate (5.6 percent) and lower than the statewide rate of 8.2 percent.

Table 3-15 shows the current number of overcrowded and severely overcrowded units in the city. The incidence of overcrowding is higher among renters (11.4 percent) than among owners (4.5 percent). This is not surprising, given the smaller size of apartments and the absence of affordable homes for larger families. In 2000, about 2.4 percent of the city's housing stock met the definition of severe overcrowding; about 80 percent of these units were renter-occupied.

Table 3-15: Housing Overcrowding by Tenure, 2008-2012

Persons Per Room	Owner-Occupied Units	% of Total	Renter-Occupied Units	% of Total	Total Units	% of Total
0.50 or less	11,525	67.6%	6,382	48.3%	17,907	59.3%
0.51 to 1.00	4,749	27.9%	5,263	40.1%	10,012	33.2%
1.00 to 1.51*	616	3.6%	906	6.9%	1,522	5.0%
1.51 to 2.00*	90	0.5%	478	3.6%	568	1.9%
2.00 or More*	60	0.3%	110	0.8%	170	0.6%
TOTAL	17,040	100.0%	13,139	100.0%	30,179	100.0%
*** Overcrowded**	**766**	**4.5%**	**1,494**	**11.3%**	**2,260**	**7.5%**

Source: American Community Survey, 2008-2012

13 Paragon Commercial Brokerage,2014 Mid-Year Report
14 Cushman and Wakefield, Market Beat Year End Multi-Family Snapshot, 2013

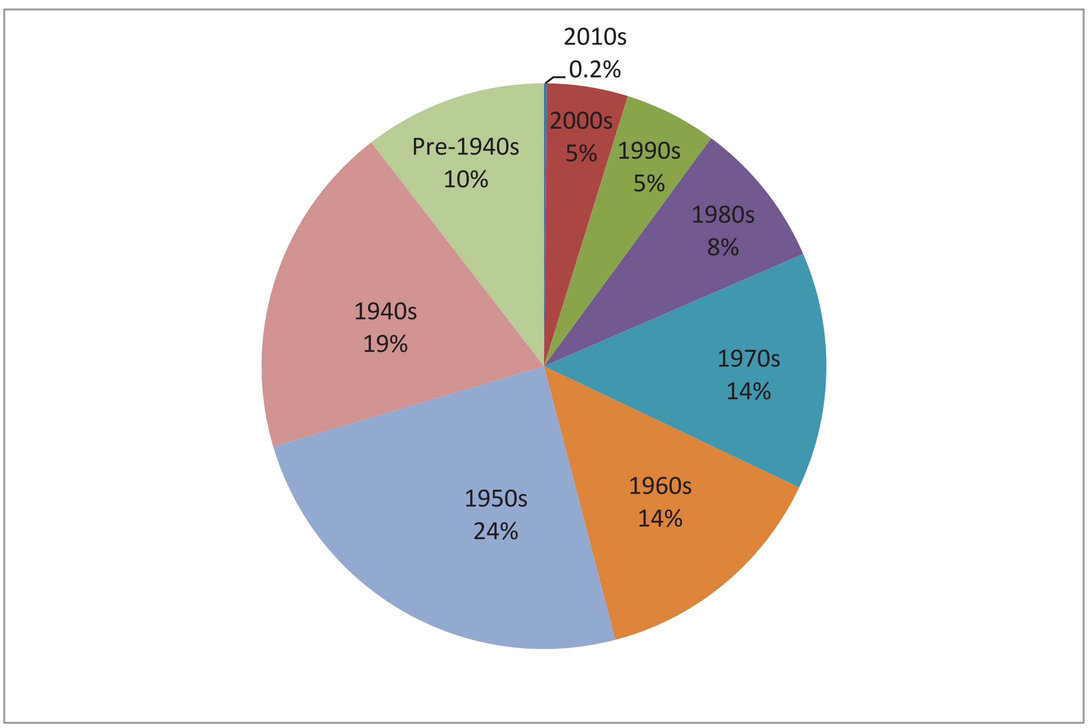
Age of Housing Stock

Chart 3-6 illustrates the distribution of housing stock by age in the city. About 40 percent of San Leandro's housing stock was built during the post-war construction boom between 1945 and 1960. Many of these units are now approaching 70 years old and face increasing needs for rehabilitation and repair. Most of the older housing stock is owner-occupied. In 2012, 67 percent of the owner-occupied housing pre-dated 1960, compared to 37 percent of the renter housing stock.

For many years, San Leandro had a large number of long-term residents who had resided in the city since the 1950s and early 1960s. The percentage of long-time residents dropped substantially between 1990 and 2010. In 1990, 24 percent of the city's homeowners had lived in their homes for at least 30 years and another 17 percent had lived in their homes for at least 20 years. By 2012, these figures had declined to 18 percent and 13 percent respectively. The 2008-2012 American Community Survey estimates that 69 percent of the city's homeowners moved into their current residence after 1990 and 43 percent moved in since 2000.

The length of residency was even shorter for renters. The ACS reported that 87 percent of all renters had moved into their homes since 2000, including 18 percent who had moved in since 2010 . According to ACS data, only about 13 percent of the city's renters are living in the same place today as they did in 1999.

Chart 3-6: Year of Construction of San Leandro's Housing Stock, 2014



Source: American Community Survey, 2008-2012

Housing Condition

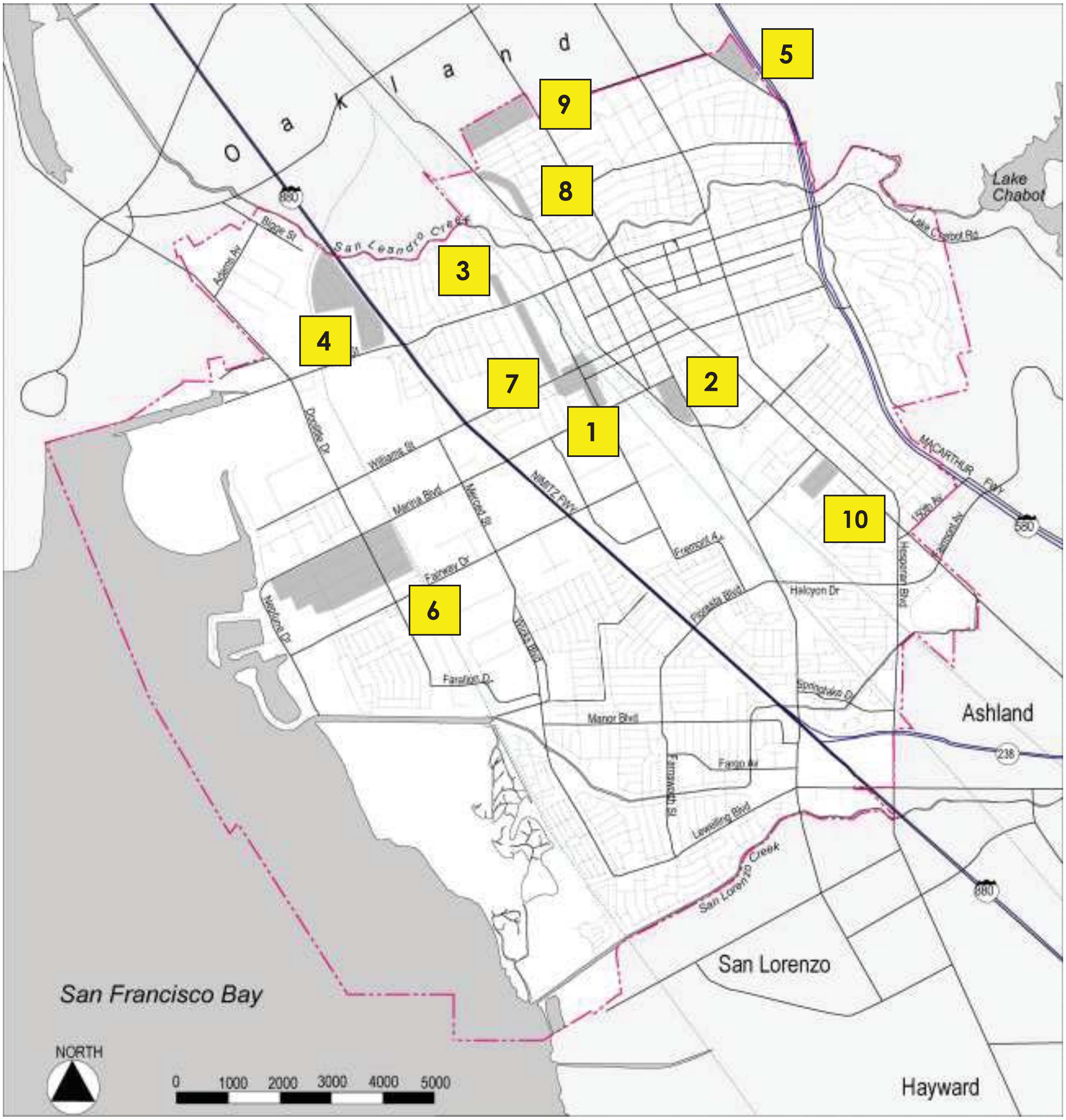
Despite its age, the vast majority of San Leandro's housing stock is in good condition. The 2008-2012 American Community Survey reported that 99.5 percent of the city's housing units had complete plumbing and 99.0 percent had complete kitchens

To further assess housing conditions, City staff conducted a windshield survey in several San Leandro neighborhoods in September 2014 as part of the Housing Element update. The areas surveyed match the areas surveyed in May 2002 as part of the 2003 Housing Element Update and in September 2008 as part of the 2010 Update. They include 10 locations where a majority of the housing stock was built before 1950, including areas where staff has identified recurring code enforcement issues. Figure 3-1 indicates the location of these areas. Table 3-16 summarizes the findings, and Appendix B provides an example of the survey form.

Over 1,200 properties (about 4 percent of the city's housing stock) were visually inspected, although a detailed survey form was not completed for each property. The exterior condition of each home was noted, including the condition of the roof, chimney, and gutters; porches, stairs, and garage; doors and windows; exterior surfaces; and foundation. The vast majority of the housing surveyed was found to be in good condition and was not in need of replacement or rehabilitation. About 4.4 percent of the units were found to be in "fair" condition and only two homes were found to be in poor condition.

The sampled homes are located in areas that were specifically identified as being more likely to contain housing in need of repair. Thus, the percentage of homes identified as being in fair or poor condition in the city as a whole is likely to be much smaller than the five percent in the surveyed areas. Conservatively, about 98 percent of San Leandro's housing stock could be described as being in good or excellent condition. Substandard units are geographically scattered and are not concentrated on a particular block or in a particular district of the city.

Typical structural defects included roofs in need of replacement (missing shingles, tarps, etc.), sagging porches and rotten porch railings, damaged siding, peeling paint, broken steps and missing roof gutters. There were no broken or boarded windows observed , and all but two of the homes were habitable. A number of the homes had outbuildings (such as garages or sheds) that were in poor condition or appeared to be tipping over. Relative to 2002 and 2008, the survey showed a slight overall improvement in building conditions. Whereas 5.5 percent of the structures in the 2002 survey were noted as "fair" and 0.6 percent were noted as poor, these percentages were 5.3 percent and 0.1 percent respectively in 2008 and 4.4 percent and 0.2 percent in 2014.



LEGEND

Areas Surveyed

Figure 3-1

Housing Conditions Survey Areas

San Leandro Housing Element Update, 2014

Table 3-16: Housing Conditions "Windshield Survey" Findings – 2014

Map ID	Areas Surveyed	Housing Condition (# of properties in each category)				Comments
		Good	Fair	Poor	Total	
1	Alvarado/Williams	100	8	0	108	Mixed residential/ industrial area with small Victorian cottages and automotive and light industrial businesses. Close to BART. Some reinvestment and new development has occurred since 2002, but several homes need repair. Conditions stable or slightly improving since 2008. .
2	Cherry Street	48	1	0	49	Mix of 1900s-1920s era cottages and newer duplexes. Several new homes since 2002 and housing generally in very good condition. Conditions improving.
3	Dabner's Addition	31	1	1	33	Eclectic mix of 1880-1910 homes and newer homes and flats. One home abandoned for at least 12 years, another in fair condition in 2002, 2008, and 2012.
4	Davis West	292	10	1	303	Post-war (late 1940s) tract homes. Conditions similar to 2002 and 2008.Some deferred maintenance (peeling paint, sagging porches, deteriorating roofs, cosmetic defects) observed..
5	Foothill/ MacArthur Triangle	64	3	0	67	Mix of pre-1920s cottages and post-1950 fourplexes and small multi-family. Conditions unchanged since 2008.
6	Mulford Gardens (partial)	282	11	0	293	Eclectic mix of older (1920s-30s) bungalows, 1940s-1960s ranches, and contemporary homes. Many accessory structures, some in fair condition. Decrease in number of homes rated "fair" since 2002, although defects are largely cosmetic; single family homes in better condition than multi-family units.
7	Orchard Avenue	96	5	0	101	Single family homes are in good condition, but several small multi-family buildings show signs of deferred maintenance. No change since 2002 or 2008.
8	San Leandro Blvd/ Park Street	21	0	0	21	No fair/poor structures observed. Conditions unchanged since 2008.
9	Suffolk/ Bristol	170	11	0	181	1930s/40s area duplexes. Conditions roughly the same in 2002, 2008, and 2012.
10	144^{th}/ 145^{th} Avenues	76	2	0	78	"Fair" structures are older (1910-1930) bungalows with deteriorating roofsSome improvement since 2008.
	TOTAL	1,180	52	2	1,234	

Source: Barry Miller, AICP 2014

In both the 2002, 2008, and 2014 surveys, most of the homes observed to be in “fair” condition were pre-1930s cottages and bungalows. Some were located near industrial and/ or commercial uses, and a few were in areas slated for redevelopment as part of the San Leandro BART Transit-Oriented Development Strategy. A number of small 1950s-era apartment buildings were also identified as “fair.” These buildings appeared to be structurally sound but were in need of rehabilitation, maintenance, and cosmetic improvements.

Healthy Homes

One of the issues raised by the public during the 2015-2023 Housing Element Update is the health and safety of the living environment in some San Leandro homes, particularly for lower income renters. Some residents may contend with poor indoor and outdoor air quality, proximity to industrial uses and high noise sources, potential exposure to lead, and household pest infestations. Residents may either lack awareness of the resources for assistance, or the language skills to request assistance. Tenants may also be fearful of eviction or loss of their residence in the event the problem is reported. A collaboration of regional and statewide agencies has been advocating for “healthy homes,” not only in San Leandro but throughout California. Policies and action programs in this Housing Element aim to raise awareness of this issue and focus additional resources to ensure that a healthy living environment is maintained for all San Leandro residents.

Conclusions

San Leandro’s housing stock is in good condition. However, one-half of the city’s housing stock is now more than 55 years old. This includes not only a large inventory of pre-war bungalows but also thousands of ranch-style homes built shortly after World War II. These homes require regular maintenance and repair, creating a potential cost burden for low- and moderate-income owners. Programs that assist lower-income and/or elderly homeowners with home maintenance have been an important part of San Leandro’s housing strategy for the past two decades and will continue to be essential in the future. Many of the city’s smaller rental apartment complexes and 2-4 plexes were also built in the late 1940s and 1950s and would also benefit from rehabilitation programs and more proactive inspection. It will be important to preserve the affordability of these units as they are renovated.

Another important conclusion with respect to the housing stock is the absence of any significant market-rate rental housing production in the city since before 1990. While there has been some *below market rate* apartment construction (targeted to seniors and very low income households), virtually all of the *market- rate* production has consisted of owner-occupied single family homes and townhomes. Rental vacancy rates in the city were fairly high in 2010 but have decreased with the economic recovery. There may be substantial pent up demand for market-rate apartments.

residential energy conservation

Section 65583(a)(7) requires the Housing Element to contain an “analysis of opportunities for energy conservation” with respect to residential development. These opportunities present themselves both through new construction and through the retrofitting of the existing building stock. Reducing home heating and cooling costs can lead to more disposable income for housing while also supporting environmental and sustainability goals. These goals have become more important in recent years due to rising fuel costs and concerns about greenhouse gas emissions and global warming.

San Leandro implements a number of weatherization and energy savings programs. Some apply universally to all households and others are specifically targeted to lower-income households. The former category includes the California Energy Commission’s Title 24 energy efficiency standards. These standards apply to wall and ceiling insulation, thermal mass, and window to floor area ratio, and are designed to reduce heat loss and energy consumption. A report indicating conformance with the energy standards is usually performed by an energy consultant following methods approved by the state. The Title 24 requirements apply to new homes, and also to remodeling projects where doors and windows are modified or new floor space is added.

Other energy conservation measures aimed toward all households (regardless of income) include incentive programs administered by Pacific Gas and Electric (PG&E). PG&E offers rebates for old appliances, free energy audits, and tax incentives for alternative energy use. It has an extensive public education and outreach program, highlighting energy saving tips. The utility also helps customers calculate their carbon footprints and reduce their energy consumption through behavioral changes and simple modifications around the house.

Most of the programs specifically targeted to lower-income households also are administered by PG&E. These include:

- **CARE** (California Alternate Rates for Energy) is PG&E’s discount program for lower-income households. Eligible households receive a 20 percent discount on their monthly gas and electric bill. Eligibility is based on income, using a sliding scale that considers the number of persons in the household. In 2014, a household of four earning $47,700 or less would qualify. The CARE program applies to single family homeowners, tenants who are metered or billed by landlords, and group living facilities.

- **FERA** (Family Electric Rate Assistance) offers a 131 to 200 percent reduction to the baseline electric rate for qualifying families. FERA serves those who may be ineligible for CARE due to their income. For example, the maximum qualifying income for a household of four under FERA is $59,625.

- **Medical Baseline Allowance** provides additional quantities of energy to persons with special medical needs at low baseline rates. The program allows households with life support equipment, and special heating or cooling needs, to receive energy that could otherwise be very expensive at low rates.

- **Energy Partners Program** is PG&E's free weatherization program. A PG&E-certified contractor and energy specialist visits the customer's home and assesses the residence for possible weatherization measures. A certified crew then installs these measures, which may include attic insulation, door replacement, caulking, furnace repair, and similar improvements, at no charge to the customer. The program also provides free replacement appliances such as refrigerators and air conditioners to qualifying customers.

- **REACH** (Relief for Energy Assistance for Community Help) is a one-time energy assistance program for low-income homeowners who cannot pay their utility bill because of a sudden financial hardship. For more than 30 years, the REACH program has provided emergency assistance through energy credits of up to $200 to low-income families, particularly the elderly, disabled, sick, working poor, and unemployed. Eligibility is determined by the Salvation Army through its 170 offices in Northern and Central California. Generally recipients can receive REACH assistance only once within an 18-month period, but exceptions may be made for seniors, the disabled, and the terminally ill.

- **Third Party Notification.** PG&E has a program in which a third party is notified in the event a customer is unable to pay their PG&E bill because of illness, financial hardship, language difficulties, or other issues. The third party can then intervene before service is interrupted, potentially saving the household reconnection charges.

PG&E also offers balanced payment plans for customers who experience higher heating or cooling costs during extreme weather conditions. The utility also works with community-based organizations and local governments to develop additional measures to assist lower-income households

In addition to the programs listed above, the California Department of Health and Human Services (HHS) administers the federal Low Income Home Energy Assistance Program (LIHEAP) to assist low-income homeowners with weatherization and energy bills. In FY 2014, LIHEAP was budgeted $153.5 million to cover customer heating and cooling bills statewide. According to the Campaign for Home Energy Assistance, more than 194,000 California households received financial assistance through LIHEAP in FY 2013. To qualify for financial assistance, families must have incomes less than 200 percent of the federal poverty level. LIHEAP's weatherization program provides free services such as insulation, weatherstripping, and minor home repairs.

San Leandro is also a participant in East Bay Energy Watch, a collaboration between PG&E and local governments, non-profits, and for-profit energy service providers in the East Bay. The program aims to increase awareness of energy efficiency and its benefits while delivering high quality energy retrofit services and technical assistance. It provides free energy assessments and solar energy assessments, with the intent of helping residents lower their home energy bills. The City also participates in Energy Upgrade California, which includes rebates for energy efficiency retrofits. San Leandro is also one of 140 California cities participating in the PACE (Property Assessed Clean Energy) program (also known as

CaliforniaFIRST). The program provides access to low-cost financing for homeowners seeking to perform energy upgrades or install renewable energy systems by placing the expense on their property tax bills, thereby allowing a longer payback period,

The City has also co-hosted educational events and seminars to make residents aware of rebates, tax credits and the benefits of a home energy upgrade. In 2011-2012, it hosted a do-it-yourself energy efficiency class, including a free test showing homeowners how their residences were performing and grants for making homes more energy efficient. It also participated in "Energize for the Prize," an educational campaign intended to raise awareness about conservation. San Leandro is home to the Zero Net Energy Center, a training center for electricians and those in the energy efficiency and conservation professions, and the first renovated commercial building in California to achieve zero net energy.

The City of San Leandro also supports energy conservation as a matter of public policy. A Climate Action Plan, incorporating strategies for energy efficiency and renewable energy use as a way to reduce greenhouse gases, was adopted in 2009. Policies in the City's General Plan encourage construction, landscaping, and site planning practices which minimize heating and cooling costs. Policies also encourage the weatherization of homes, the expanded use of solar energy, and the use of energy-efficient lighting and appliances. The City also supports public education and outreach on conservation, including the use of Energy Star appliances and energy-retrofit tax credits. These principles have been reinforced through the City's transit-oriented development plans, which are intended to reduce household transportation expenses by creating walkable, transit-served neighborhoods.

Conclusions

Heating and cooling costs can represent a substantial share of the housing budget for lower-income and/or special needs households. The City is working proactively to promote energy conservation and enforce Title 24 standards for new construction. The City will continue working with PG&E to reduce the energy cost burden for San Leandro households, primarily through PG&E's weatherization and financial assistance programs. As San Leandro strives to "go green," there will be a greater emphasis on energy conservation, the use of solar panels and other alternative energy sources, and the design and construction of housing units which leave a smaller "carbon footprint." All of these measures provide the collateral benefit of lower home utility costs.

subsidized units at risk of converting to market-rate rents

Thousands of public assisted apartments in California are eligible to change from income-restricted to market-rate during the coming years due to the termination of various government subsidy programs, the payoff of government-subsidized loans, and/ or the end of restrictions on rental rates. As rent subsidies and restrictions expire, lower-income tenants may face steep rent increases or even be displaced outright. The affected housing units are referred to as "at-risk" units. In 1989, Housing Element law was amended to require an assessment of at-risk units, along with programs to reduce adverse impacts on lower-income tenants.

The “at-risk” units include projects receiving state and/ or federal assistance, and units created through local inclusionary zoning, density bonus, or bond financing programs. The analysis of expiring subsidies must include a period extending 10 years from the Housing Element due date, which is January 31, 2015.

Inventory of Assisted Units

Table 3-17 lists all assisted housing units in San Leandro as of 2014. The table includes the name and address of the project, the type of governmental assistance received, the earliest possible date the project would convert from affordable use, and the number of units that would potentially be impacted.

There are 1,436 rent-restricted housing units in the city, located on 16 different properties. The total includes 1,036 units for families and small households, 352 units for seniors, and 48 units in properties exclusively for disabled persons.[15]

Of the 1,436 units, 14 are reserved for extremely low income households, 606 for very low income households, 793 for low-income households earning no more than 60 percent of the Area Median Income (AMI), 12 for low-income households earning no more than 80 percent of AMI, and 11 for moderate-income households.

The number of rent-restricted units in 2014 is 111 percent higher than it was when the last Housing Element was prepared in 2008-2010. This is largely due to the conversion of the 840-unit Lakeside Apartments from a market rate project to an affordable project using Low Income Housing Tax Credits. The complex includes 84 very low income units and 746 low income units (capped at 60 percent of areawide median income), along with 10 unrestricted units. Although the market restrictions on several other below market rate rental projects expired during 2007-2014, the conversion of Lakeside Apartments more than made up for the loss.

Some of the subsidized units in San Leandro were created through inclusionary zoning requirements, assistance from the former Redevelopment Agency, or bond financing programs. These units are typically located within privately-owned apartment buildings that include a combination of market-rate and affordable units. For instance, 15 percent of the units at the Gateway Apartments on Davis Street were set aside for low- and moderate-income renters, meeting a state requirement for below market rate units in redevelopment areas at the time. The elimination of the Redevelopment Agency does not change the affordability term on the below market rate units.

[15] Additional units for disabled persons exist within some of the affordable family and affordable senior projects.

Table 3-17: Status of Assisted Rental Housing Units in San Leandro, 2014

Project Name	Address	Composition	Origination	Earliest Termination Date	Units at Risk	Notes (reflects conditions as of August 2008)
January 31, 2015-January 31, 2025						
Golden Gate Apartments	15151-15170 Golden Gate Av	3 very low income 1 low-income 4 market-rate	Redevelopment Agency assistance	October 2015	4	Private owner received Agency loan from Rental Rehab Program
Total Units at Risk of Converting to Market Rates, 2015-2025					4	
After January 31, 2025						
Gateway Apartments	884 Davis St	14 very low income family 11 low-income family 10 moderate-income family 201 market-rate family	Redevelopment inclusionary requirement	November 2025	NA	Privately owned
Carlton Plaza	1000 E. 14th St	29 very low income elderly 114 market-rate elderly	Redevelopment inclusionary requirement	2028	NA	Privately owned
Cherry Blossom Center	11 Dutton Av	4 very low income 1 moderate-income	Redevelopment Agency Assistance (rehab)	July 2033	NA	Privately-owned.
Luella Fuller Group Home	342 W. Joaquin Av	6 very low income disabled	Redevelopment Agency assistance	2033	NA	Operated by non-profit. Conversion risk is very low. Was to expire in 2011, but original loan was converted to grant, extending affordability to 2033.
Fuller Lodge	2141 Bancroft Av	26 very low income disabled	Section 202 Redevelopment Agency assistance CDBG	May 2034	0	Operated by non-profit.
Mission Bell	112-120 Garcia Av	7 extremely low income 16 very low income 2 low income (60% AMI)	Redevelopment Agency Assistance (rehab); HOME (acquisition)	2061	NA	Purchased by Allied Housing in 2006 and affordability extended.

Table 3-17, continued

Project Name	**Address**	**Composition**	**Origination**	**Earliest Term. Date**	**# At Risk**	**Notes (reflects conditions as of August 2008)**
Projects with subsidies expiring after 2025, continued						
Las Palmas	15370 Tropic Ct	16 very low income family 34 low- (60% AMI) family 41 market-rate family	HOME (acquisition/ rehab) Tax Credits	2030 and 2066	NA	Mixed income project, formerly operated by Citizens Housing (non-profit). Acquired by Eden Housing in 2011.
Eden Lodge	400 Springlake Av	141 very low income elderly *(15 of these units are for disabled)*	HUD 202 Redevelopment Agency assistance	2058	NA	Operated by Eden Housing (non-profit). Low risk of conversion. Total includes two managers' units.
Surf Apartments	15320 Tropic Ct	11 very low income 11 low-income (60% AMI) 24 market-rate	Redevelopment Agency assistance; HOME program, tax credits	2058	NA	Was to expire but was purchased and rehabbed by Eden Housing in 2011. Low risk of conversion. .
Broadmoor Plaza	232 East 14th St	59 very low income elderly (including 3 wheelchair and 10 hearing impaired)	Redevelopment Agency assistance	2061	NA	Operated by non-profit. Low risk of conversion. Total excludes manager's unit.
Fuller Gardens	2390 East 14th Street	16 very low income disabled	HUD 811, Redevelopment Agency assistance	2059	NA	Operated by non-proft. Conversion risk is very low. Total excludes manager's unit.
Casa Verde	2398 East 14th St	7 extremely low income 58 very low income	Redevelopment Agency assistance	2061	NA	65 studios and 2 one-bedroom units operated by Mercy Housing (non-profit). Low risk of conversion. Total excludes manager's unit
Estabrook Place	2103 East 14th Street	50 very income elderly	Redevelopment Agency assistance, HOME funds	2065	NA	Completed in 2010 by Eden Housing, for seniors 62 and older. All one bedrooms. Total excludes manager's unit.
Lakeside Village	4170 Springlake Drive	84very low income 746 low income (60% AMI)	Low Income Housing Tax Credit	2066	NA	Converted from market rate to affordable with Low Income Housing Tax Credit. No City funding.
Fargo Senior Center	868 Fargo Av	73 low-income elderly	HUD 236/ Section 8/ Low Income Housing Tax Credit	2068	NA	Was set to expire in 2016, but was rehabbed by Christian Church Homes through a Low Income Housing Tax Credit that extended the affordability term to 2068. City funding was not required for the extension.

Source: Barry J Miller, 2014. City of San Leandro, 2014

There are several projects in San Leandro in which the units are subsidized through ongoing federal programs under the management of local non-profit development groups. These include Eden Lodge and Fargo Senior Center, both funded through HUD Section 236. Non-profit managed affordable housing developments also include Fuller Lodge and Luella Fuller Group Home, as well as the recently constructed Fuller Gardens, Broadmoor Plaza, Estabrook Place, and Casa Verde apartments. These eight developments include nearly 450 units. Also, the 25-unit Mission Bell Apartments was sold in 2006 to a non-profit developer who assumed HOME and Redevelopment Agency loans. Fourteen units were initially set aside as affordable, and the remaining 11 units were converted to affordable several years later. Because all of these projects are operated by non-profit corporations abiding by 55-year affordability terms, the risk of their conversion to market-rate rents is very low.

In the ten-year period starting January 31 2015, only four housing units are considered to be at risk. These include three very low income units and one low income unit at the Golden Gate Apartments located at 15151-15170 Golden Gate Avenue. The units are privately owned and the affordability restrictions will expire in October 2015.

The City is also anticipating the *addition* of 200 units affordable to very low income households in the early part of the upcoming planning period. BRIDGE Housing Corporation recently received tax credit financing to proceed with the Cornerstone project, to be developed on the BART parking lot site east of the San Leandro BART station. The project will include a child care center, replacement parking for BART, 115 units for families (Phase I) and 85 units for seniors (Phase II).

Cost of Replacement Housing

Section 65583(a)(8)(B) of the Government Code requires the analysis of at-risk housing to identify the "total cost of producing new rental housing that is comparable in size and rent levels to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments." This requirement applies to the four units which may expire at Golden Gate Apartments. The units include three one-bedroom apartments and one studio.

The cost of replacing these units through acquisition of a comparable property is estimated at $650,000. This is based on the listing price of a currently advertised rental apartment building in San Leandro which consists of four one-bedroom apartments.[16] If the units were to be built as new construction, the cost would likely be closer to $800,000, based on the cost per square foot of the proposed Cornerstone project.

The cumulative gap between the market-rate rents and the subsidized rents for the four units that could expire by 2025 is estimated to be approximately $1,400 per month. This assumes that the existing tenants have incomes of approximately $40,000 a year and are paying 30 percent of their incomes on rent (e.g., about $1,000 monthly rent). It is difficult to quantify the gap precisely, because some of the tenants may

[16] 144 Garcia Avenue, currently listed at $649,000. There is also a three-unit building listed at $499,000, and another 4-unit building in unincorporated San Leandro listed at $699,000.

receive Section 8 vouchers which further offset the rent collected by the building owner. Although direct subsidies to tenants and/ or landlords to close the gap are not proposed at this time, the analysis suggests it would be more cost-effective to preserve the units than to reconstruct them or acquire another building.

Opportunities for Preservation

The Government Code requires the City to identify local non-profit corporations which have the "legal and managerial capacity to acquire and manage" the at-risk units or the apartment complexes containing the at-risk units. The City is also required to identify the federal, state, and local financing and subsidy programs that may be considered to preserve these units.

A number of non-profit housing developers are active in Alameda County and could assist San Leandro in the preservation of at-risk units. Eden Housing has been the most active non-profit, and was instrumental in helping preserve the affordability of units at the Las Palmas and Surf Apartments, as well as the development of Estabrook Senior Housing. Other non-profits that are active in the East Bay market include Mercy Housing California (developers of Casa Verde), American Baptist Homes of the West (developers of Broadmoor Plaza), and Abode Services (formerly Allied Housing and develpers of Mission Bell Apartments). BRIDGE Housing, Satellite Affordable Housing Associates, EBALDC (East Bay Asian Local Development Corporation), Resources for Community Development, and MidPen Housing are also active in the East Bay.

There are also private developers in the city, including the owners of the at-risk projects themselves, who might be interested in participating in their preservation. Such developers may have access to state and federal tax credit funding. This formula worked successfully in the acquisition and preservation of Lakeside Apartments, and could be replicated at the Golden Gate Apartments.

Potential funding sources to assist in the preservation of at-risk units include federal CDBG and HOME funds, the local Affordable Housing Trust Fund, and the General Fund. The City can use these funds to provide gap financing to assist non-profits in acquiring an ownership share in the complexes with at-risk units. Although the City no longer has Redevelopment set-aside dollars available, it has committed to setting aside a portion of the revenues that would otherwise have gone to the Redevelopment Agency for affordable housing purposes. In addition, the California Department of Housing and Community Development has a Multi-family Housing Program which provides 55-year deferred payment loans at 3 percent interest for the acquisition and rehabilitation of at-risk units. These funds are typically used to leverage additional investment from the private sector.

The City also uses direct negotiations with at-risk project owners to extend the terms of affordability restrictions. There may be financial incentives the City can offer, or disincentives to raising rents to market levels. This is particularly true if the owner is seeking additional bond financing, rehabilitation assistance, or conducting other transactions which require City approval or participation.

In the event preservation of any of the at-risk units is infeasible, the City should work proactively to protect tenants and minimize displacement. Federal law requires 12 months notice to tenants by any owner who wishes to opt out of affordability restrictions at the end of the mandatory term. Federal law also requires five to nine months notice to tenants by owners who pre-pay their housing assistance loans, thereby relinquishing the affordability requirement. Some cities, such as San Francisco and Portland, have required owners who pre-pay to provide relocation assistance to displaced tenants.

Conclusions

Between 2006 and 2014, there was a net loss of 112 units of below market rate rental housing due to expiring subsidies. This was offset by the conversion of 840 market rate units to affordable units at Lakeside Apartments, as well as the addition of affordable units at several other rehabilitated apartment complexes (Surf, Mission Bell, and Las Palmas), and the addition of 117 new units at Casa Verde and Estabrook Place. There are only four units at risk of conversion in the next 10 years. The City will continue to work with the owners of these units to support their long-term affordability. Low-interest rehabilitation loans (with an affordability extension requirement) have proven to be an effective tool to preserve some of these units. This strategy will continue, and may be complemented by the allocation of funds from the City's annual housing budget for other long-term affordability incentive programs.

housing projections

ABAG Projections

Population and housing projections for San Leandro and other Bay Area cities are developed by the Association of Bay Area Governments. In 2013, ABAG published "Projections 2013" containing forecasts through 2040. These projections indicate an anticipated increase of over 1,200 households in San Leandro between 2010 and 2015, for a total of 31,970 households. Based on current market conditions and California Department of Finance estimates for January 1, 2014, this projection will not be reached. Although diminished vacancy rates may result in a larger number of households, there was very little construction in 2010-2015, and the actual number of households in 2015 will probably be closer to 31,000.

ABAG's projections show San Leandro gaining another 1,300 households between 2015 and 2020. Assuming a 5 percent vacancy rate, and a constant vacancy rate between 2015 and 2020, this translates to 1,365 new housing units. If realized, this would far exceed the city's growth rate in the 1990s and 2000s and would be comparable to the growth rate of the 1970s and 80s. Beyond 2020, ABAG projections show San Leandro adding another 1,240 households by 2025. Most of this gain would be associated with development in designated "Priority Development Areas," including the San Leandro BART station, the East 14th Street corridor, and potentially Bay Fair BART Station in the future. The projected growth rate for the 10 year period between 2015 and 2025 is 7.9 percent in San Leandro, compared to 9.2 percent in the County as a whole.

ABAG's forecasts indicate that San Leandro's population could reach 95,300 by 2025, with household size falling slightly to 2.74. The projected decline in household size is partially due to the type of housing that would be built in the city between now and 2025. Whereas the city saw mostly single family construction between 1990 and 2010, a majority of the units to be added between 2015 and 2025 are expected to be multi-family. These units would typically support a larger number of one and two person households.

ABAG does not prepare population forecasts by age cohort at the city level. However, at the regional level, forecasts indicate a decline in the percentage of children and young adults over the next 30 years and a significant increase in the senior (over 65) population. Regionally, the percentage of residents under 19 is expected to decrease from 26.8 percent in 2005 to 25.6 percent in 2015 and 22.5 percent in 2035. The percentage of residents over 65 is expected to increase from 11 percent in 2005 to 14.8 percent in 2015 and 24.9 percent in 2035. While the percentage of children is expected to decrease, the actual number will still be greater in 2035 than it is today. Housing needs will increase in all categories by 2035, but the most significant trend will be the increase in senior housing needs after 2015.

The City is currently updating its General Plan to respond to higher growth forecasts and changing community expectations and priorities. Significant growth is expected around the Downtown BART station, along East 14th Street, and in the Bayfair area. As noted in Chapter 4, new housing opportunities are also being considered near the Marina, and potentially on some of the City's less productive industrial lands. The higher projections developed by ABAG reflect the mandates of Senate Bill 375, which calls for a stronger regional emphasis on urban infill around transit stations as a way to reduce vehicle travel and related greenhouse gas emissions.

Regional Housing Needs Allocation

The state Government Code requires each community in the region to provide for its "fair share" of the region's housing needs. Fair share allocations are determined by ABAG based on population and employment projections and other factors. The "fair share" allocation for San Leandro for the period January 1, 2014 to October 31, 2022 is 2,287 units.[17] This is 5.2 percent of Alameda County's total assignment of 44,036 units and 1.2 percent of the regional total of 187,990 units. For comparison's sake, San Leandro presently has about 5.5 percent of the County's population and 1.2 percent of the region's population. The RHNA effectively maintains these proportions in the future.

The allocation for San Leandro has substantially increased relative to the last two RHNA cycles. It was 1,630 units in the 2007-2014 cycle and 870 units in the 1999-2006 cycle. The increase is largely due to

[17] The "planning period" is January 31, 2015 to January 31, 2023, which is slightly different from the "RHNA" period. The City must show how it will meet its RHNA during January 31, 2015 to January 31, 2023, but can receive "credit" for units produced in 2014.

changing state and regional philosophies about how the Bay Area will grow in the future. Earlier forecasts assumed continued rapid growth on the fringes of the region, while more recent forecasts emphasize growth near the core, especially along rapid transit lines. The largest growth increments are expected in San Francisco, Oakland, and San Jose.

ABAG has stratified San Leandro's 2,287 unit assignment as follows:

- *Above Moderate* Income (households earning more than 120 % of Area Median Income) 1,161 units
- *Moderate* Income (households earning between 80 and 120% of Area Median Income) 352 units
- *Low*-Income (households earning between 50 and 80% of Area Median Income) 270 units
- *Very Low* Income (households earning less than 50% of Area Median Income) 504 units

Although each of the above categories saw an increase relative to the 2007-2014 RHNA, the greatest increase both numerically and by percentage is in the "above moderate" category. The above moderate RHNA is 53 percent higher in 2015-2023 than it was in 2007-2014.

In San Leandro, *above moderate income* units are typically market-rate, for-sale units such as those recently built at Cherry Glen. *Moderate-income* units include single family homes produced under the City's inclusionary housing ordinance. In addition, most of the city's market-rental rate apartments and some of its market-rate condominiums meet the affordability guidelines for moderate-income households.

Low-income and *very low income* units often require some form of subsidy and are rented (or sold) at a lower rate than what the market would bear. In 2014, some of the city's market-rate rental apartments met the affordability guidelines for larger *low-income* households; however, these units were generally too small to accommodate these households comfortably.[18] Non-subsidized housing opportunities for smaller low income households include shared housing, in-law units, mobile homes, and studio apartments.

For *very low income* households, almost all of the units in the city would be considered unaffordable. These households include a large percentage of seniors, persons with disabilities, single parents, and others who cannot compete in the private housing market. Increasingly, very low income households also include working poor families and immigrant households in low wage service jobs. This income group experiences the greatest "affordability gap" in the Bay Area and is the focus of many of the City's affordable housing programs.

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[18] For example, a sample of two-bedroom San Leandro apartments on the Craigslist website in August 2014 found market rents averaging $1,795 a month. Some of the units would meet affordability guidelines for low income four-person households—but the unit might be too small to comfortably accommodate the household..

Conclusions

San Leandro's growth rate is projected to accelerate in the next decade as transit-oriented development becomes a reality. Housing types that have been under-produced in the city for the past 20 years—including rental apartments and condominiums—will make up a growing share of new construction. The increased density will create more opportunities for affordability, as well as a large number of market-rate units that may be affordable to low- and moderate-income renters. The need for very low income units will remain significant. However, the need for market rate units is also significant, as this segment of the market has been underperforming for more than a decade. The City will continue to use federal CDBG and HOME funds along with its Affordable Housing Trust Fund where opportunities arise. However, with the loss of the Redevelopment Agency, additional strategies and funding will be needed to close the affordability gap.