



City of San Leandro

Meeting Date: October 6, 2014

Staff Report

File Number: 14-337 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.D.

TO: City Council

FROM: Chris Zapata
City Manager

BY: Cynthia Battenberg
Community Development Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report for Resolution Approving the City of San Leandro Annual Affordable Housing Trust Fund Report for FY 2013-2014

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council review and approve the City of San Leandro's annual Affordable Housing Trust Fund Report for FY 2013-14 in accordance with the City of San Leandro's Inclusionary Housing Ordinance (Article 30 of the Zoning Code, Section 6-3028).

BACKGROUND

Under the City's Zoning Code Section 6-3028 and California Government Code Section 66006(b), the Community Development Director shall provide an annual report to the City Council on the status of activities undertaken with the City's Affordable Housing Trust Fund (Fund). The report evaluates the efficiency of the Ordinance in mitigating the City's shortage of affordable housing and recommends any changes to the Ordinance necessary to carry out its purposes, including any adjustments to the number of units required.

Additionally, the City Council must review the annual report and make it available to the public after public notice. The report includes a statement of income, expenses, disbursements and other uses of the Fund. The report also states the number and type of inclusionary units constructed or assisted during the year of the report and the amount of such assistance if applicable.

The Fund's balance as of June 30, 2014 was \$67,856.76. In FY 2013-2014, the Fund received revenue of \$34,788.36, which came from a \$34,363 loan principal and interest repayment made by the non-profit Eden Housing on behalf of Estabrook Place, an affordable 51-unit senior rental housing development. There were no expenditures in this fiscal year.

No changes are recommended to San Leandro's Inclusionary Housing Ordinance at this time. Evaluation of the ordinance is being considered as part of the Housing Element Update.

Current Agency Policies

The Housing Element for 2007-14 of the City's General Plan and Article 30 of the Zoning Code (Inclusionary Housing Ordinance).

Previous Actions

- In December 2004, the City Council adopted Article 30 of the Zoning Code, the Inclusionary Housing Ordinance.
- On January 17, 2006, the City Council amended the City's Inclusionary Housing Ordinance (Article 30, Sections 6-3002, 6-3004, 6-3006 and 6-3014 of the Zoning Code) to expand the application of the Ordinance to include condominium conversions.

Applicable General Plan Policies

The Housing Element contains several policies applicable to the Affordable Housing Trust Fund and Inclusionary Housing Ordinance:

Goal 3: New Housing Opportunities - Provide housing opportunities and improve economic access to housing for all segments of the community.

Goal 53: Affordable Housing Development

Policy 53.03: Funding - Actively pursue and leverage private, non-profit, and public funds to facilitate the development of affordable housing in San Leandro. Provide administrative and technical assistance to affordable housing developers and support the applications of these developers for loans, grants, tax credits, and other financing sources that facilitate affordable housing production in the City.

Action 53.03-C: Affordable Housing Trust Fund

Maintain a local affordable housing trust fund that is capitalized with in-lieu fees from the inclusionary zoning program and condo conversion fees. The fund should be used to leverage affordable housing development in San Leandro.

Policy 53.04 - Inclusionary Housing - Require the inclusion of affordable housing in new housing developments-both inside and outside of redevelopment project areas. Modify ordinances as needed to make these requirements clearer and more effective.

Policy 53.06 New Rental Housing - Strongly encourage the development of additional rental housing in the City, including both market rate units and affordable units. It should be recognized that many market rate rentals meet the affordability criteria for low- and moderate-income households. Expanded production could increase the supply of workforce housing and address the deficit in housing production for households earning between 60 and 120 percent of the area median income.

Summary of Public Outreach Efforts

A 15-day public notice about the FY 2013-14 Affordable Housing Trust Fund Report was available at City Hall, the Housing Services Division of the Community Development Department, the Main Library, and via the City's website. Public review and public comments were accepted by the Housing Specialist during this 15-day period, from September 19th through October 6th, 2014.

Fiscal Impacts

The City received \$34,363 in revenue from Eden Housing to repay a portion of the principal and interest for the development loan (partially funded from the Fund) that the City approved for Estabrook Place in July 2007. The City also received \$425 in loan interest income.

Budget Authority

The collection and uses of Affordable Housing Trust Fund monies are authorized under the Inclusionary Housing Ordinance and California Government Code Sections 66001 and 66006(a).

ATTACHMENT

Attachment to Resolution

Annual Affordable Housing Trust Fund Report for FY 2013-2014

PREPARED BY: Steve Hernandez, Housing Specialist II, Community Development Department



City of San Leandro

Meeting Date: October 6, 2014

Resolution - Council

File Number: 14-338

Agenda Section: CONSENT CALENDAR

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TO: City Council

FROM: Chris Zapata
City Manager

BY: Cynthia Battenberg
Community Development Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: RESOLUTION Approving the City of San Leandro Annual Affordable Housing Trust Fund Report for FY 2013-2014 (provides an annual report pursuant the City's Zoning Code Section 6-3028 and California Government Code Section 66006(b))

The City Council of the City of San Leandro does RESOLVE as follows:

That the Annual Affordable Housing Trust Fund Report for FY 2013-2014 is hereby approved.

CITY OF SAN LEANDRO
FY 2013-2014
ANNUAL AFFORDABLE HOUSING TRUST FUND REPORT

In December 2004, the City of San Leandro amended the Zoning Code by adopting Article 30, the Inclusionary Zoning Ordinance (“Ordinance”). The purpose of the Ordinance is to encourage the development and availability of housing affordable to a broad range of households with varying income levels within the City, to increase the supply of affordable ownership and rental housing in San Leandro, and to require that residential developers construct affordable housing units within their projects.

For ownership residential developments with two to six total units, the requirements of the Ordinance may be satisfied alternatively by having developers pay an in-lieu fee to the City’s Affordable Housing Trust Fund (“Fund”). The Fund is an account established to collect and expend such in-lieu fees for the purpose of furthering affordable housing as described in the Ordinance. The Fund also includes revenue from condominium conversion fees and repayment of Fund loans.

Monies deposited in the Fund target the increase and improvement of the supply of housing affordable to moderate-, low-, and very low-income households in the City. Monies may also be used to cover reasonable administrative or related expenses associated with the administration of this Ordinance.

For FY 2013-2014, the Fund’s revenue balance as of June 30, 2014 was \$67,856.76. In FY 2013-2014, the Fund received revenue of \$34,788.36, which included \$425 in accrued interest and a total of \$34,363.36 loan principal repayment made by the non-profit Eden Housing on behalf of Estabrook Place, an affordable 51-unit senior rental housing development. There were no expenditures in this fiscal year.

City staff is further assessing the effectiveness of the Inclusionary Zoning Ordinance, including the Fund, as staff is currently in the process of updating the City’s Housing Element and General Plan. Staff will then bring forward recommended amendments to the Ordinance for review by the Planning Commission and City Council once they have been further refined.

Below is a table reflecting the revenue, expenditures, and ending balance from the last six years:

	BEGINNING BALANCE AS OF JULY 1	REVENUE FROM CURRENT FISCAL YEAR	EXPENDITURES	ENDING BALANCE AS OF JUNE 30
FY 08-09	\$ 47,505.40	\$ 13,659.00	\$ -	\$ 61,164.40
FY 09-10	\$ 61,164.40	\$ 4,844.00	\$ 41.00	\$ 65,967.40
FY 10-11	\$ 65,967.40	\$ 519.00	\$ -	\$ 66,486.40
FY 11-12	\$ 66,486.40	\$ 437.00	\$ -	\$ 66,923.40
FY 12-13	\$ 66,923.40	\$ 31,145.00	\$ 65,000.00	\$ 33,068.40
<i>FY 13-14</i>	<i>\$ 33,068.40</i>	<i>\$ 34,788.36</i>	<i>\$ -</i>	<i>\$ 67,856.76</i>