



City of San Leandro

Meeting Date: June 19, 2017

Staff Report

File Number: 17-333 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.I.

TO: City Council

FROM: Chris Zapata
City Manager

BY: Cynthia Battenberg
Community Development Director

FINANCE REVIEW: Not Applicable

TITLE: Staff Report for a Resolution to Approve the City of San Leandro 2016
Housing Element Annual Progress Report

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council review and approve the 2016 Annual Progress Report related to the status and progress in implementing the City's Housing Element. The Annual Progress Report is accompanied by a resolution to meet State reporting requirements pursuant to Govt. Code §65400, which will then be forwarded to the California Department of Housing and Community Development and Governor's Office of Planning and Research.

BACKGROUND

The Housing Element is one of the seven required elements of the San Leandro General Plan. The City's current Housing Element Update covers 2015-2023. The State Department of Housing and Community Development certified City's 2015-2023 Housing Element Update in February 2015.

Pursuant to Government Code §65400, cities and counties must submit an Annual Progress Report every year to the State. Because some regional and State programs have made submittal of the report a funding eligibility requirement, cities and counties are further incentivized to annually complete and submit their Annual Progress Reports. The City's recent One Bay Area Grant (OBAG) funding application to help with the reconstruction of Washington Avenue from West Juana Avenue to Castro Street requires the submittal of the 2016 Annual Report by June 30, 2017.

Analysis

The purpose of the Annual Progress Report is to track and monitor the status of and progress in addressing the City's housing needs and goals. The primary Housing Element goals and objectives include:

1. New housing opportunities
2. Affordable housing development
3. Administration of housing programs
4. Home ownership
5. Affordable housing conservation
6. Green and sustainable neighborhoods
7. Special needs populations
8. Elimination of housing constraints
9. Fair housing

The State also uses the Annual Progress Report to monitor progress by cities and counties on achieving their Regional Housing Needs Allocation (RHNA) goals. State law requires that each city and county ensure that its “fair share” of regional housing accommodate community needs at all income levels. The Association of Bay Area Governments (ABAG) allocated to San Leandro its RHNA assignment of 2,287 total housing units for the 2015-2023 period.

The actual production of units in the “very low” and “low” income category is the result of Marea Alta Phase 1, BRIDGE Housing’s 115-unit multi-family rental housing development (includes two manager’s units) that was recently completed.

| <u>UNIT INCOME LEVELS</u> | <u>2015-23 RHNA ALLOCATION</u> | <u>HOUSING UNITS</u> |
|---------------------------|--------------------------------|----------------------|
| Very Low-Income | 504 | 82 |
| Low-Income | 270 | 31 |
| Moderate-Income | 352 | 0 |
| Above Moderate-Income | 1,161 | 5 |
| TOTALS | 2,287 | 118 |

The unit income levels are as follows:

- *Very Low-Income* are households earning less than 50% of Area Median Income
- *Low-Income* are households earning between 50% and 80% of Area Median Income
- *Moderate-Income* are households earning between 80% and 120% Area Median Income
- *Above Moderate-Income* are households earning more than 120% of Area Median Income

In 2016, the City only issued building permits for three new market rate residential projects (2 single family homes and 1 duplex). However, the City Planning and Building Services Divisions are continuing to receive a large volume of new residential development applications and anticipate seeing more residential building permits issued in 2017 such as Marea Alta Phase 2 (85 units of affordable senior rental housing) and the 60 unit Galvan Apartments proposal at Washington and Thornton. Some of the City’s key accomplishments in 2016 include:

GOAL 53: AFFORDABLE HOUSING DEVELOPMENT

- BRIDGE Housing Corporation’s Marea Alta Phase 1, a 115-unit affordable housing development, is nearing completion and occupancy in 2017. Marea Alta Phase 2 (which will have 85 units of affordable senior rental housing) received approval for

State/federal low income housing tax credits in 2017 and BRIDGE submitted building permit plans for Phase 2 in late 2016

GOAL 55: HOME OWNERSHIP

- The City conducted two free first-time homebuyers' seminars in 2016, one in June and one in December.

GOAL 56: AFFORDABLE HOUSING CONSERVATION

- Nine lower income homeowners were approved for Minor Home Repair grants, including two mobile home owners, under the City's Owner-Occupied Housing Rehabilitation Program.
- The City adopted amendments to the City's Rent Review Ordinance to more effectively and efficiently administer the Rent Review Program.
- The City Council Rules Committee began the process of developing a tenant relocation assistance program for City Council consideration in 2017.

GOAL 60: FAIR HOUSING

- ECHO Housing provided information, counseling, and/or investigation into 20 fair housing complaints or allegations of housing discrimination: 7 for disability, 8 for race/national origin, 3 for familial status and 2 for religion. ECHO also continued to affirmatively further fair housing on behalf of the City through workshops, trainings, public service announcements and fair housing audits.

The submission of the City's 2016 Annual Progress Reports by June 30, 2017 is a requirement for the City's current application for \$1,048,000 from the Metropolitan Transportation Commission One Bay Area Grant (OBAG) funding to help with the reconstruction of Washington Avenue from West Juana Avenue to Castro Street. The Federal One Bay Area Grant (OBAG) funding is intended to support Alameda County Transportation Commission's (Alameda CTC) Sustainable Communities Strategy by linking transportation dollars to land-use decisions and targeting transportation investments to support Priority Development Areas (PDAs).

Previous Actions

The City Council adopted the 2015 Housing Element in January 2015, and the State HCD certified the 2015 Housing Element Update in February 2015.

Attachments to Resolution

- ***Annual Progress Report 2016***

PREPARED BY: Tom Liao, Deputy Community Development Director



City of San Leandro

Meeting Date: June 19, 2017

Resolution - Council

File Number: 17-334 **Agenda Section:** CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: Cynthia Battenberg
Community Development Director

FINANCE REVIEW: Not Applicable

TITLE: RESOLUTION to Approve the 2016 San Leandro Housing Element Annual Progress Report and Authorizing the City Manager to Forward the Report to the California Department of Housing and Community Development and Governor's Office of Planning and Research (Approves the Report Required by California Government Code §65400 Related to the Status of and Progress in Implementing the Current San Leandro General Plan Housing Element Update)

WHEREAS, the City Council of the City of San Leandro authorized the update of the City's Housing Element as part of the General Plan; and

WHEREAS, in January 2015, the City Council adopted an updated 2015-2023 Housing Element, which is internally consistent with the General Plan, and in February 2015, the State of California's Housing and Community Development Department approved the updated 2015 Housing Element; and

WHEREAS, the City of San Leandro completed its 2016 Housing Element Annual Progress Report in accordance with the California Department of Housing and Community Development guidelines and State housing laws; and

WHEREAS, the acceptance of this Annual Progress Report on Housing Element implementation fulfills the requirements of State law and acknowledges San Leandro's efforts regarding implementation of the State-certified Housing Element and all of its goals, policies and implementation recommendations.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

The City Council does hereby approve the attached Housing Element Update Annual Progress Reports for Calendar Year 2016, consisting of Tables A, A2, A3, B and C, as required by State law; and

The City Council authorizes the City Manager, or his designee, to forward the Housing Element Update Annual Progress Report to the California Department of Housing and Community Development and Governor's Office of Planning and Research.

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction SAN LEANDRO

Reporting Period 01/01/2016 - 12/31/2016

Pursuant to GC 65400 local governments must provide by April 1 of each year the annual report for the previous calendar year to the legislative body, the Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD). By checking the “Final” button and clicking the “Submit” button, you have submitted the housing portion of your annual report to HCD only. Once finalized, the report will no longer be available for editing.

The report must be printed and submitted along with your general plan report directly to OPR at the address listed below:

Governor’s Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction SAN LEANDRO
 Reporting Period 01/01/2016 - 12/31/2016

Table A

Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

| Housing Development Information | | | | | | | Housing with Financial Assistance and/or Deed Restrictions | | Housing without Financial Assistance or Deed Restrictions | | |
|---|------------------|-------------------------------|------------------------------------|----------------|---------------------|------------------------------|--|-------------------------|---|-----------------------------|---|
| 1 | 2 | 3 | 4 | | | | 5 | 5a | 6 | 7 | 8 |
| Project Identifier (may be APN No., project name or address) | Unit Category | Tenure R=Renter O=Owner | Affordability by Household Incomes | | | | Total Units per Project | Est. # Infill Units* | Assistance Programs for Each Development | Deed Restricted Units | Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions. |
| | | | Very Low- Income | Low- Income | Moderate- Income | Above Moderate- Income | | | See Instructions | See Instructions | |
| | | | | | | | | | | | |
| (9) Total of Moderate and Above Moderate from Table A3 | | | | 0 | | 3 | | | | | |
| (10) Total by Income Table A/A3 | | | 0 | 0 | 0 | 3 | | | | | |
| (11) Total Extremely Low-Income Units* | | | 0 | | | | | | | | |

* Note: These fields are voluntary

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

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Jurisdiction SAN LEANDRO

Reporting Period 01/01/2016 - 12/31/2016

Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

| Activity Type | Affordability by Household Incomes | | | | (4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1 |
|-----------------------------------|------------------------------------|-----------------|------------|-------------|--|
| | Extremely Low-Income* | Very Low-Income | Low-Income | TOTAL UNITS | |
| (1) Rehabilitation Activity | 0 | 0 | 0 | 0 | |
| (2) Preservation of Units At-Risk | 0 | 0 | 0 | 0 | |
| (3) Acquisition of Units | 0 | 0 | 0 | 0 | |
| (5) Total Units by Income | 0 | 0 | 0 | 0 | |

* Note: This field is voluntary

ANNUAL ELEMENT PROGRESS REPORT
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Jurisdiction SAN LEANDRO
 Reporting Period 01/01/2016 - 12/31/2016

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units
(not including those units reported on Table A)

| | 1. Single Family | 2. 2 - 4 Units | 3. 5+ Units | 4. Second Unit | 5. Mobile Homes | 6. Total | 7. Number of infill units* |
|---|---------------------|-------------------|----------------|-------------------|--------------------|-------------|----------------------------------|
| No. of Units Permitted for Moderate | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| No. of Units Permitted for Above Moderate | 2 | 1 | 0 | 0 | 0 | 3 | 0 |

* Note: This field is voluntary

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

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Jurisdiction SAN LEANDRO

Reporting Period 01/01/2016 - 12/31/2016

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

| Enter Calendar Year starting with the first year of the RHNA allocation period. See Example. | | | | | | | | | | | | Total Units to Date (all years) | Total Remaining RHNA by Income Level |
|--|-----------------|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------------------|--------------------------------------|
| Income Level | | RHNA Allocation by Income Level | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | | |
| Very Low | Deed Restricted | 504 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 82 | 422 |
| | Non-Restricted | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Low | Deed Restricted | 270 | 31 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31 | 239 |
| | Non-Restricted | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Moderate | | 352 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 352 |
| Above Moderate | | 1161 | 5 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | - | 8 | 1153 |
| Total RHNA by COG. Enter allocation number: | | 2287 | | | | | | | | | | | |
| Total Units ▶ ▶ ▶ | | | 118 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 121 | |
| Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶ | | | | | | | | | | | | | 2166 |

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

ANNUAL ELEMENT PROGRESS REPORT
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Jurisdiction SAN LEANDRO

Reporting Period 01/01/2016 - 12/31/2016

Table C

Program Implementation Status

| Program Description (By Housing Element Program Names) | Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element. | | |
|---|--|----------------------|---|
| Name of Program | Objective | Timeframe in H.E. | Status of Program Implementation |
| Goal 53: Affordable Housing Development | Goal 53: Affordable Housing Development Increase the supply of ownership and rental housing in San Leandro affordable to extremely low, very low, low, and moderate income households. 1. Facilltate the development of 200 units of very low income housing in the Cornerstone Apartments (BRIDGE Housing) development by 2017. 2. Facilitate the development of at least 304 additional units affordable to very low income households, 270 new units affordable to low-income households, and 352 new units affordable to moderate-income household between January 1, 2014 and October 31, 2022 to satisfy the City's ABAG Regional Housing Needs Allocation. | Ongoing | 1. The nonprofit BRIDGE Housing Corporation's Cornerstone project Phase 1, a 115-unlt affordable housing development, now renamed Marea Alta Phase 1, is nearing completion and occupancy in 2017. Marea Alta Phase 1 will have 12 extremely low-income (ELI) units and 2 manager's units. Marea Alta Phase 2 (which will have 85 units of affordable senior rental housing) received approval for State/federal low income housing tax credits in 2017 and BRIDGE submitted building permit plans for Phase 2 in late 2016. 2. & 3. City staff continue to work or meet with nonprofit and for profit developments to develop new housing in the City, particularly on Downtown TOD opportunity sites, for all income levels. |

| | | | |
|---|--|---------|--|
| | 3. Of the 304 very low-income units, strive to achieve occupancy of at least half(152 units) by extremely low-income households. This would include a combination of units that are explicitly reserved for extremely low-income households and units that serve all households with incomes less than 50 percent of AMI. | | |
| Action 53.01-B: Bayfair BART | Work with BART to further develop and refine transit-oriented development plans for the area around the Bay Fair Station, including the BART parking lots and adjoining underutilized private and public properties. | Ongoing | City received a MTC planning grant in 2014 and hired a planning consultant in 2015 to develop the Bay Fair TOD Specific Plan. The planning process began in 2015. The Draft Plan and EIR are expected to be publicly released in Summer 2017 and Final Plan/EIR is anticipated for completion in late 2017/early 2018. |
| Action 53.06-A: The Cornerstone Apartments | Facilitate the completion of the 200-unit Cornerstone Apartments on the 2.2 acre site at West Juana Avenue and San Leandro Boulevard currently used for BART parking. | Ongoing | See description above for Marea Alta Phase 1 and 2 (formerly Cornerstone Apartments)under Goal 53: Affordable Housing Development. |
| Goal 55: Home Ownership | Provide opportunities for low- and moderate-income San Leandro households to become homeowners and help them to retain their homes in the event of financial crisis. 1. As funding allows, restore the first-time homebuyers' assistance program within five years of Housing Element adoption, and provide assistance to an average of 10 homeowners a year once it is re-established. 2. Facilitate at least two first-time homebuyers' seminars annually between 2015 and 2023. | 2016 | 1.The City continues to explore opportunities to re-establish the City's homebuyers downpayment assistance loan program, but available funding resources continue to be hard to find. 2.The City conducted 2 free first time homebuyers' seminars in 2016: June 4 and December 10. |
| Action 55.02-B: Mortgage Credit Certificate Program | Continue to support the Mortgage Credit Certificata (MCC) Program administered by the Alameda County Housing and Community Development Department. | 2016 | Ongoing program run by Alameda County HCD. In CY 2016, no homebuyers received MCC assistance to purchase a home in San Leandro. There was 1 MCC re-issuance for a refinance in CY 2016. |
| | | | |

| | | | |
|---|--|-------------|---|
| <p>Goal 56: Affordable Housing Conservation</p> | <p>Encourage the preservation and rehabilitation of the existing affordable housing stock.</p> <ol style="list-style-type: none"> 1. Provide rehabilitation assistance to an average of 15 lower-income homeowners a year between 2015 and 2023 through the Minor Home Repair (Grant) Program. 2. Provide rehabilitation assistance to an average of 20 mobile home owners by January 31, 2023. 3. Rehabilitate at least 100 units of rental housing through the apartment rehabilitation program by January 31, 2023. At least 30% of these units should be affordable to very low income households. 4. Conservation of 100 percent of the income-restricted units that currently exist in the City, including the four units "at risk" of expiring between 2015 and 2023. 5. Assist at least 15 extremely low-income households through the programs listed in Objectives 1 and 2 above. | <p>2016</p> | <ol style="list-style-type: none"> 1. In CY 2016, 7 lower-income households were approved for Minor Home Repair grants. 2. In CY 2016, 2 lower-income households were approved for Mobile Home Repair grants. 3. None. 4. None. 5. In CY 2016, 7 extremely low-income households were awarded grants through the programs listed in 1 and 2. |
| <p>Action 56.01-A: Home Repair Grants</p> | <p>Continue local financial support for the following programs which assist low- and very low income homeowners in home maintenance and repair:</p> <ul style="list-style-type: none"> - Minor Home Repair Program, for minor repairs to correct conditions that threaten the health and safety of occupants - Mobile Home Repair, for minor repairs to correct conditions that threaten the health and safety of occupants <ul style="list-style-type: none"> - Accessibility grants, to make homes accessible to disabled or elderly people - Exterior Clean-up, to help very low income owner occupants with yard clean-up and debris removal - Exterior Paint, to improve the | <p>2016</p> | <p>In CY 2016, 7 lower income homeowners were approved for Minor Home Repair grants and 2 lower income mobile home owners were approved for Mobile Home Repair grants.</p> |

| | | | |
|--|--|---------|---|
| | <p>appearance of homes for very low income owners</p> <p>- Seismic strengthening, to help low-income owners make improvements to reduce possible earthquake damage</p> | | |
| Action 56.07-A: Rent Review Board | Maintain a Rent Review Board (RRB) to mediate disputes related to significant rent increases in local apartment complexes. | Ongoing | In CY 2016, the City adopted amendments to the City's Rent Review Ordinance to more effectively and efficiently administer the Rent Review Program. |
| Policy 56.07 Landlord-Tenant Relations | Provide assistance to landlords and tenants in resolving conflicts and understanding their respective rights and obligations. Maintain measures that discourage the displacement of San Leandro renters as a result of sudden or steep rent increases. | Ongoing | The City Council directed the Council Rules Committee to work with staff to explore a tenant relocation assistance ordinance for anticipated review/adoption in 2017. |
| Action 56.08-A: Mobile Home Grant Program | Continue local financial support for the Mobile Home Grant Program, which provides grants to very low income mobile home owners for mobile home rehabilitation. | 2016 | In CY 2016, 2 lower income mobile home owners were approved for Mobile Home Repair grants. |
| Action 58.07-A: Section 8 Program | Continue to support local property owner participation in the Section 8 Certificate and Voucher Program, which provides assistance to very low income tenants through rent subsidies paid directly to landlords. Promote partnerships with the Alameda County Housing Authority and the Rental Housing Organization to expand the availability of vouchers for San Leandro residents, and provide additional incentives for San Leandro landlords to participate in the program. | Ongoing | The Housing Authority of the County of Alameda (HACA) operates the Section 8 program for San Leandro. As of December 2016, HACA provided 1,412 Section 8 Vouchers and 17 Shelter Plus Care certificates. |
| Action 58.08-A: Assistance to Homeless Service Providers | Continue to provide financial support to Building Futures with Women and Children's San Leandro Shelter and domestic violence shelter, the Davis Street Family Resource Center, and similar organizations assisting the homeless and persons at risk of | Ongoing | In FY16-17, the City allocated General Fund monies to assist with the operation of Building Futures' San Leandro Shelter and allocated CDBG public service dollars to Davis Street Family Resource Center Basic Needs Program, SOS Meals on Wheels, Spectrum senior food nutrition program, and CALICO child abuse intervention services. |

| | | | |
|--|--|----------------|---|
| | <p>becoming homeless. Appropriate organizations to fund include those that provide emergency shelter, case management, hot meals and groceries, motel vouchers, medical care, adult literacy and other services which assist those who are homeless or at risk of becoming homeless.</p> | | |
| <p>Action 60.01-A: Contract Fair Housing Services Provider</p> | <p>Continue to contract with a fair housing services provider such as Eden Council for Hope and Opportunity (ECHO) Housing for fair housing assistance and the investigation of discrimination complaints, and for tenant-landlord counseling and mediation services.</p> | <p>Ongoing</p> | <p>The City annually contracts with ECHO Housing to provide fair housing services. For CY 2016, ECHO Housing provided information, counseling, and/or investigation into 20 fair housing complaints of housing discrimination: 7 for disability, 8 for national origin/race, 2 for religion, and 3 for familial status.</p> |
| <p>Action 60.06-A: Fair Housing Training Sessions</p> | <p>Work with ECHO Housing to conduct fair housing training sessions for landlords and property owners, tenants and homebuyers, realtors, and the public at large. In addition, support ECHO's targeted audits to gauge the level of discrimination in the rental housing market.</p> | <p>Ongoing</p> | <p>This entails the City's efforts to affirmatively promote fair housing practices. For CY 2016, ECHO Housing's fair housing counselors conducted the following:</p> <ul style="list-style-type: none"> - 11 fair housing presentations (including 7 property management trainings) - 1 homebuyer workshop - 1 workshop for East Bay Housing Organizations - 46 public service and station announcements - 4 community outreach interviews(2 radio stations and 2 Northern California coalition meetings) - 9 fair housing audits |

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction SAN LEANDRO

Reporting Period 01/01/2016 - 12/31/2016

General Comments: