

835 East 14th Street San Leandro, CA 94577 July 19, 2022

Honorable Members of the San Leandro City Council and staff:

East Bay for Everyone has reviewed the draft Housing Element in hopes of ensuring housing for those who need it in San Leandro. The draft clearly faces the housing crisis and its many causes, and takes significant steps toward welcoming new neighbors in a city that has increased its housing stock by just 1% over the past 10 years. However, the draft does not take meaningful enough action in some respects:

- 1. Crediting two-thirds of the RHNA allocation using "pipeline" projects (some not actually approved) without accounting for their uncertainty of completion, and for the remaining third, not sufficiently accounting for market and non-market barriers.
- 2. Planning to add the vast majority of new housing in low-resource areas and significantly increasing density to attract housing in ways mostly targeted to the same tracts, without taking the opportunity to *affirmatively* further fair housing;
- 3. Parking minimums are a major barrier to new housing, but the draft makes no commitment to reduce off-street parking minimums, only to research and potentially change them in a few years' time, even though the draft and other city documents identify existing minimums as extremely high and a major barrier to new housing.

We go into more detail below.

1. Pipeline projects and opportunity sites

We appreciate that in the draft, San Leandro has tried to accommodate a significant buffer over its RHNA allocation. We also appreciate that rather than spot rezoning, it changes the development standards for some widely applicable mixed-use zones to increase development opportunities. However, the parcels listed in the site inventory have many issues illustrating the barriers between listing and occupancy. To address these barriers, more sites should be included as targets.

First, table 4.2 shows 2,535 housing units - 66% of the allocation of 3,855 - currently approved or planned. However, many projects have not moved forward after approval. Indeed, to keep projects from dying, the city is now advancing a policy change so that entitlements will automatically renew

every two years. Sites 1, 8, 10, and 11, comprising 880 units, were approved in 2018 or 2019, suggesting they are stalled. This is not the city's fault, but the city is obliged to consider this risk in realistic production projections. Then, sites 9 and 12-17, comprising another 652 units, have not even been approved yet. Both of these site bundles should be adjusted to reflect the risk of projects not being completed, or by a factor based on historical experience.

	Units counted in HE draft	Example completion rate discount	Realistic capacity
Approved 2020 or later (1, 8, 10-11)	996	80%	797
Approved pre-2020 (2-7)	879	70%	615
Pending/in Planning review (9, 12-17)	652	60%	391
Total	2,527*		1,803

^{*}Adding all units in the table produced a discrepancy of 8 units with the stated total. A few sites in table had "total units" less than the sum of units by income

Second, table 4.8 lists a further 19 sites with 2,664 projected units during the coming 8-year cycle. At a minimum, these should be marked down for the risk of non-completion. Although a 70% factor was applied that reasonably and conservatively accounted for the possibility of actual density being less than zoned density, as it was only calculated from completed projects, it did not account for the likelihood of the projects' being proposed and completed at all. **This realistic development capacity estimate should also be marked down further, by a further 30% factor.**

	Zoned capacity of sites		Additional likelihood of project development discount (we propose)
Discount		70%	70%
Units	3,806	2,664	1,865

Our other concerns about specific opportunity sites in 4.8 include:

• **Site 4:** 375 units on Bay Fair BART station parking lot. These projects require intensive BART attention and planning, and in BART's timeline for parking lot development, ¹ Bay Fair station is only slotted for the 2025-2030 period *if* additional funding is made available. While city staff have told us verbally they believe it is possible, we also know from working

¹ search for "BART TOD Workplan," should be the top result.

with other cities that BART is behind its own schedule. We are skeptical this lot will turn into housing before 2031. Also, half the parking lot is outside San Leandro city limits; while the acreage and capacity correctly reflects only the San Leandro portion, BART may decide not to build to maximum density on both sides, or to build only on the San Lorenzo side first.²

- Incomplete AB 1397 rezoning: Several sites, including the BART lot, were included in the most recent two housing element site lists: 1-4 and 6-9 at a minimum. Also, site 10, 14875 Bancroft, appears to have been split, and its larger predecessor, APN 077E-1593-015-00, was in the 2015 housing element site list. Per the Housing Element Inventory Sites Guidebook, all of these sites must be rezoned to allow by-right development with 30 units/acre if they have 20% units affordable to lower incomes. For most of these sites, that requirement may be redundant with current SA, DA, or B-TOD zoning. However, site 3 is only partially SA zoned (see below), and sites 8 and 9 are zoned CC, which requires a conditional use permit for mixed-use or multifamily residential development (city code 2.08.200(B)(34) and (35)). These must all be committed to be rezoned appropriately to be included; the element does not yet make this commitment.
- **Site 18**, 523 San Leandro Blvd, tapers to a narrow point and may sustain less buildable area than its acreage suggests.
- Two sites, 3 and 19, or respectively 14583 E 14th St and 1565 Alvarado St, are both zoned differently within the same parcel. For the site on Alvarado, they are both dense DA zones, DA-4 and DA-6, but rezoning the entirety to DA-6 would ease development as it may be legally complex to develop a site that falls in multiple zones. For the one on 14th St., a full half of the parcel appears to be zoned RD, residential duplex, yet its capacity appears to be calculated with SA-1 density only.

2. A little, but not enough, affirmative furthering of fair housing

San Leandro is not a rich suburb the way other suburbs in the East Bay are - and it is certainly not a very white suburb. Overall it is 20% white non-Hispanic/Latinx. No census tracts are majority white, and only four out of around 20 are predominantly white. No area is rated high-resource on the TCAC, only low- or medium-resource. Overall, the city is fairly integrated with relatively low levels of racial isolation. However, the disparities between the medium-resource area of the northeast and the rest of the city, whether measured by race, income, pollution, or visible signs like trees, are obvious in the graphs shown in the draft, and keenly felt in city life. So as part of local action to affirmatively further fair housing, San Leandro should work to enable a significantly higher share of housing in this higher-resource area.

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² These estimates are all from the BART TOD workplan and site/timeline observations of other BART properties.

Unfortunately, this is not visible in the draft, which explicitly states that "Almost all of the housing opportunity sites are in low resource areas... due to the availability of vacant and underutilized sites in these areas, and the potential for mixed-use, transit-oriented development. Moderate-resource areas are generally characterized by established low- and medium-density residential neighborhoods with fewer opportunities for redevelopment." This is true as far as it goes. However, where existing uses are a barrier, zoning and development standards can be leveraged to overcome that barrier - as the city is currently doing more in the other mixed-use zones, DA, SA, and B-TOD. There is no reason the same cannot be done as an AFFH tool.

(The increase to FAR in the General Plan designation CMU may effectively increase buildable density in the MacArthur corridor which is medium-resource, but that is a small arterial near the Oakland border, and is also in or near a fire hazard zone.)

It is true that a large portion of the medium-resource areas is single-family homes. But it is not just or natural for single-family zones to retain their density indefinitely while the remainder of the city adds new housing.

Right now San Leandro has dense zoning for corridors and then single-family-home zoning, with very little in between. A medium-density zone in between would be an easy way to add housing. MacArthur, Bancroft, and the north part of E. 14th St.³ are served by transit, and have multifamily zoning on paper, but that zoning extends only half a block - one parcel - in from each of those roads. (Bancroft has a commercial and multifamily strip, but with a patchwork of zoning and existing apartment buildings whose redevelopment could risk displacement - and a large part of it is single-family even directly on the arterial, on which a protected bike lane is planned.) In addition to upzoning the corridors, all parcels within two blocks of the roads themselves should be identically zoned to foster more diverse neighborhoods and better use of transit.

Also, the draft plans to pursue missing middle housing to open up housing opportunity in low-density residential areas, but does not commit to produce missing middle housing in any quantity or with any particular policies. As currently specified, that project could yield a lot or nothing. With more aggressive middle housing programs, there could be significant voluntary redevelopment of higher-resource areas of San Leandro (similar to how ADUs in San Francisco have primarily been added in their higher-resource areas).

To affirmatively further fair housing in a more meaningful volume, the city should commit to upzone E. 14th, Bancroft, and MacArthur corridors comparably to the Downtown, South, and Bay Fair areas, and to expand those three corridors by at least two blocks on both sides. Bancroft should not have single-family zoning on any of its northern portions, and the zoning up and down should be more flexible, comparable to the DA, SA, or even NA designations.

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³ Not technically in a higher-resource area, but having its own zoning designation (NA), with similarly low density to CC (MacArthur) as well as its own Specific Plan, and adjoining some higher-resource neighborhoods.

As part of the planned missing middle work, the city should commit to allow by-right fourplexes on feasible terms and up to 10-plexes with affordability (using SB10 authority) in medium-resource areas, as well as other parts of the city, with displacement protections throughout.

3. Off-street parking minimums

San Leandro's off-street parking minimums for single-family and multifamily housing are high: at least 1.5 per unit in almost all cases, and more often 2+, as shown in Table 3.6 of the draft document. The only exception is the Bay Fair BART TOD, where the minimum is 0 or 0.5, maximum 1.0, since the 2021 rezoning.

In structured parking attached to multifamily housing, off-street parking in California averages a cost of \$36,000 per space, so every space required has a major impact on project feasibility. There is also strong new evidence that the provision of off-street parking makes households more likely to purchase cars when they otherwise would not, increasing congestion and thwarting climate goals. Off-street parking also increases the price of a home, since one pays for the parking bundled with the home. Lowering parking minimums will make housing more affordable.

Many families would jump at the opportunity to live in San Leandro if the only sacrifice were giving up a car, or sticking to one rather than two. San Leandro is rated more walkable than most of Alameda County, and a large portion of it is near heavy rail or moderately frequent bus service. Without parking minimums, developers can gauge for themselves the likely demand for parking and trade it off with cost and space. While less parking may mean some people routinely park on the street, this can be mitigated with residential parking permits, better pricing for parking, and removing spaces altogether, reflecting the underlying truth that parking is a poor use of public space compared to active uses. (Street parking will always be overused as long as it is given away for nearly nothing, so these measures are needed regardless of how much new low-parking housing is built.)

San Leandro is aware how much its parking minimums have obstructed housing. In its Multifamily Development Standards work, staff did a <u>site test</u> that tried to adapt standard multifamily projects to existing San Leandro zones, and found that in the majority of zones, test projects usually violated current parking minimums. In 2021, the <u>adopted Climate Action Plan</u> established as a strategic action to "eliminate parking minimums and establish parking maximums where appropriate." And later that year, <u>the Planning Commission voted unanimously</u> to eliminate parking minimums throughout the DA and SA zones and to impose maximums. The City Council did not take up this proposal, with staff saying it would be reviewed later.

Working out the boundaries of parking changes, adding transit demand management (TDM) requirements to encourage transit use in tandem with these changes, etc. is complicated so it makes sense the city would need more time for studies and public feedback. But it is no longer a question of *whether*, but *how*, to slash parking standards. The city should commit, now, to major reductions as part and parcel of the housing element.

San Leandro should further opportunities for housing by committing, in its 2025 parking policy work, to not just *study* possible reductions to off-street parking minimums, but *eliminate* them in most of the city, and to have no part of the city where more than 0.5 spaces per home is mandated, including no guest parking requirements, transit demand management (TDM), and appropriate space for people with disabilities.

Thank you for your consideration.

Signed, John Minot (co-executive), and The 2500 members of East Bay for Everyone