

December 15, 2015

Mayor and City Council members
City of Alameda
2263 Santa Clara Avenue
Alameda, CA 94501
VIA EMAIL

Subject: Proposed changes to Second Unit Ordinance (Agenda dated 12-15-15, Item 6-A)

Dear Mayor Spencer and Council members:

I don't believe that the second unit ordinance should be modified as proposed without further study. Issues that need to be studied include but are not limited to impacts on traffic congestion, parking, water runoff, public services, infrastructure such as water supply, sewage, etc. as well as how these additional units will affect the quality of life and the rental housing situation in Alameda. Also, the public needs to be informed about the issue and be given the opportunity to comment. This would involve better notification of affected parties such as by direct mailing to owners of SFH in R-1 zones and through newspapers and social media.

Some specific recommendations are:

- A. Require by means of deed restriction that one of the two units be Owner occupied. The main objective of this requirement is to try and preserve the characteristics of single-family neighborhoods in Alameda. One such characteristic is a lower turnover rate than the average rental unit. This would double from one possible turnover per R-1 lot to 2 turnovers per lot. Long-term residents tend to establish stronger ties to the neighborhood, their neighbors, etc.

Another characteristic is the sense of people being "invested" in the community and their neighborhood - this doesn't take the form of financial investment only, but there is more at stake for homeowners than tenants who can leave with 30 days notice. People are likely to care more about their property, their tenants' behavior, etc., when it affects them directly. It is simple human nature that most people care more about what happens where THEY live so requiring the homeowner to reside in one or the other dwelling unit will help preserve our neighborhoods.

Same with parking, noise, trash, etc. An owner renting to someone who will share their street, outdoor space, walls/floors, etc. will be more likely to seek out renters with whom they can live in peace and harmony. They will also know what's going on in and around the unit, which they won't know if they live elsewhere.

- B. Consider an initial reduction in minimum lot size to 6500 square feet, not 4,000 square feet as currently proposed. The initial reduction in minimum lot size will provide a chance to evaluate the effectiveness of the lot size reduction on the various potential impacts, some of which are mentioned above and give staff and residents a chance to see how the process is working for tenants, housing providers and neighbors.
- C. Require a use permit or other discretionary planning permit for second units on lots less than 7500 ft.². Permit approval criteria and potential conditions of approval could help address parking, impervious surface impacts, water and other issues mentioned above.
- D. Require second units on lots less than 7500 ft.² to be located within an existing main building. This will promote affordability since construction costs would be less than additions or detached second units. Limiting second units to existing buildings would also reduce the probability of landscape removal and conversion of pervious to impervious surfaces. To be effective, this provision would require that the lot proposed for a second unit to not have an increase in building footprint for a specified period (at least five years) before and after completion of the second unit.

- E. Require second units to qualify as “affordable” and be subject to the usual monitoring. The draft ordinance has no affordability requirement for second units. Since the stated purpose of revising Alameda’s ordinance is to respond to the current issues of rental costs and availability, this is a critical requirement. Affordability would be defined as in the Housing Element. Piedmont and other Bay Area communities require affordability for second units. Without this provision, speculators will be encouraged to buy houses, construct market-rate second units and then flip the houses to investment-minded buyers.
- F. Require dedicated off-street parking for second units that is not “tandem”. The only time a tandem space is used, even within the same household, is when there is no parking whatsoever left on the street. Tandem parking is not actually providing a functional off-street parking. A small 2-bedroom apartment is likely to come with at least 2 cars, and a one bedroom apartment with one or two. Adding 2 cars in just a small number of second units on a given block would be a very big impact on most streets in Alameda except the few blocks with a combination of large lots AND no illegal or grandfathered units already present.
- G. Not allow any garage conversions to second units. If lot size and all other restrictions are satisfied, accessory buildings that are not garages could possibly become second units; eliminating any garages for conversion into second units has further negative impacts on parking congestion.

Most people in Alameda choose to live here because of the quality of life compared to neighboring cities. Although change is inevitable, something as serious as the proposed revisions to the second unit ordinance should be undertaken judiciously and with an understanding of both the negative impacts and whether the intended goal(s) will be accomplished.

Thank you,

Mary Jacak
1330 Caroline St.



December 13, 2015

(By electronic transmission)
Mayor and City Councilmembers
City of Alameda
2263 Santa Clara Avenue
Alameda, CA 94501

Subject: Proposed changes to Second Unit Ordinance (Item 6-A on City Council's 12-15-15 agenda)

Dear Mayor Spencer and Councilmembers:

The Alameda Architectural Preservation Society (AAPS) believes that the proposed changes to the City's Second Unit Ordinance are being rushed through without adequate analysis of their impacts. In addition, the changes are drafted so that it is unlikely that they will achieve their objectives, including providing additional affordable housing and, as stated in the staff report, "help(ing) address the current housing crisis facing small and middle income households and seniors in Alameda". **We therefore request that consideration of these changes be deferred until adequate analysis is performed and the proposed ordinance amended as discussed below.**

No substantial increase in second units would probably occur under this ordinance for at least a year. If the ordinance is not carefully drafted, speculators developing second units could severely alter the livability of Alameda over time, while making the new units market-rate rather than affordable.

The proposed changes include the following:

1. Reducing the minimum lot size for second units from the currently required 7,500 sq. ft. to 4,000 sq. ft.; and
2. Allowing second units to occupy as much as 400 sq. ft. of required rear yards or 40% of the required rear yard area (whichever is greater) by permitting them to be located within detached Accessory Buildings, which are currently limited to garages, gardening sheds and other non-habitable space.

AAPS opposes the minimum lot size reduction as presented because it will, in effect, convert the City's One-Family (R-1) Zoning District to a **duplex** zone, (since second units will be allowed **by-right** if they meet the Ordinance's second unit criteria) generating the potential adverse effects discussed in Section A below.

Based on preliminary estimates developed by city staff and AAPS, there appear to be about 3900 lots in the R-1 Zone that are 4000 sq. ft. or larger. **This is a ten-fold increase over the approximately 400 lots that are over 7500 sq. ft. and eligible for second units under current rules.** All of these ca. 3900 lots

would therefore be eligible for by-right second units. The 3900 number increases to about 8400 lots if the approximately 4500 lots in Harbor Bay are included. However, staff advises that Harbor Bay lots are not eligible for second units because of Harbor Bay's CC&Rs. **Note:** the foregoing numbers are preliminary and may be modified after further review by staff and AAPS.

We also oppose allowing habitable space, including second units, within Accessory Buildings, since this will encourage conversion of required rear yards to Accessory Building sites, with the attendant removal of trees and other landscaping, potentially adversely affecting the setting for historic buildings and neighborhoods. These impacts will also result from the need to provide additional off-street parking for second units. Staff advises that allowing habitable space within accessory buildings merely reinstates rules that changed in 2004. However, second units were not a development option prior to 2004, so there was much less incentive at that time to construct accessory buildings within required rear yards.

Note that allowing Accessory Buildings to contain habitable space will apply to **all zones**, not just R-1, therefore encouraging rear yard construction of Accessory Buildings in all zones.

We acknowledge staff's comment that under the current 7,500 sq. ft. minimum lot size, less than one second unit project is being produced per year since the current Second Unit Ordinance was adopted in 2009. We also note that since the November 22, 2015 Planning Board meeting, staff is now suggesting a goal of 10–15 second units per year. We also understand the argument that second units can be a relatively low-cost way to provide additional housing units and considered especially suitable for seniors, small households and people with disabilities.

However, before adopting the proposed changes, there needs to be analysis of how the additional 10–15 units will address the City's housing needs relative to other new units to be provided under Housing Element mandates, including units that have been entitled or proposed. There also needs to be assessment of the cumulative impacts of the anticipated number of the second units combined with other new housing.

A. Issues to be addressed.

Before the proposal proceeds further, the following issues need to be resolved:

- 1. Affordability of second units:** Despite numerous statements in the staff report and draft ordinance that a purpose of the ordinance is to address Alameda's "housing crisis" by providing additional affordable units, there is nothing in the proposed ordinance that would ensure that the additional second units would actually be affordable. Affordability of the new units is simply assumed.
- 2. Relationship to the 2015 Housing Element:** The 2015 Housing Element provided higher density rezoning of eleven parcels (capacity 2,245 dwelling units) to allow construction of 1,720 new dwelling units, many of which were to be affordable. **AAPS requests an accounting of the results, parcel by parcel, of the number of dwelling units completed, under construction, approved and submitted, with the number of affordable dwelling units for each rezoned parcel.**
- 3. Impact of Alameda Point Developments:** The 2015 Housing Element did not include Alameda Point developments, which we understood would be included in the 2023 Housing Element. However, major developments are in the works which will add many dwelling units to Alameda's housing stock. The impact of these additional dwelling units should be evaluated in the context of the Housing Element targets and whether the provision of 10-15 additional second units per year is truly necessary.

4. **Impervious surfaces and vegetation removal:** Building coverage and other impervious surfaces (driveways, walkways, etc.) are allowed up to 60% of lot size. The increased water runoff over time from surface conversions resulting from second units and the related impact on City storm sewers needs to be calculated. The calculation becomes more critical the smaller the lot.

There also needs to be evaluation of the tree and other landscape removal caused by increasing building footprints, additional parking spaces and other impervious surfaces, especially within required rear yards.

5. **Transportation impacts:** There needs to be analysis of the impact of tandem vs. non-tandem off-street parking for second units relative to on-street parking, fire department access, and other transportation parameters.
6. **Construction costs:** AAPS believes that the economics of detached building construction is one reason that an average of only one second unit per year has been constructed under the existing ordinance. A detached building requires a full foundation, a slab, underground utilities, a full kitchen and a bathroom. It also requires architectural detailing which matches the primary dwelling. These costs distributed over a very small unit would result in a high per square foot cost. To determine the investment potential of detached units, Planning should work with local contractors to estimate these costs.

On the other hand, ground floor and other units worked into the envelope of the primary residence offer attractive advantages. The existing envelope automatically provides the required architectural detailing and exterior walls. Plumbing and electrical service access is simpler and less expensive. If such a unit is developed when foundations and slabs are updated, as is frequently needed with older houses, the incremental construction cost is modest.

7. **Potential for second unit projects exceeding staff-recommended goal of 10–15 units per year.** Since the ordinance, as proposed, will result in a ca. 10-fold increase in second unit development sites, there will probably be much greater interest from developers (including house flippers) in buying one-family houses to add second units.
8. **Potential increase in home prices due to development potential as market-rate second units.** This scenario could arise from the increased developer interest discussed above, assisted by real estate agents who promote a single-family dwelling's second unit development potential and its increased value-added sales price expectations.
9. **CEQA Status.** The proposal would normally require an Initial Study under the California Environmental Quality Act (CEQA) due to, among other things, potential traffic impacts, conversion of pervious to impervious surfaces and the other impacts listed above. We question staff's interpretation that the proposal is statutorily exempt from CEQA pursuant to Section 15282(i) of the CEQA Guidelines, since the City already has a second unit ordinance that meets State mandates. We also question the Section 15305 Categorical Exemption (minor amendments to land-use limitations) because of the potentially significant environmental impacts that could result from approximately 3900 additional units citywide over time. **We request the City Attorney to confirm these CEQA exemptions.**

- 10. Confirm second unit non-eligibility of Harbor Bay and other neighborhoods with CC&Rs that do not allow second units.** We request that the City Attorney confirm that such CC&Rs trump City ordinances and State second unit mandates, since, if second units are actually eligible in such neighborhoods, the total number of R-1 lots eligible for second units could increase by several thousand along with the cumulative impacts of second units.
- 11. Cumulative impacts of second units on transportation, infrastructure, etc. combined with impacts of other new units mandated by the Housing Element.** How would the additional second units, combined with other new units, impact public services and related costs, e.g. more fire/medical calls, increased use of public facilities, more congestion/parking demands, and increased burden on public utilities (water, sewer, storm drains, etc.)?

B. Recommended Ordinance Changes.

Although somewhat subject to the resolution of the above issues, the following ordinance amendments would probably be sufficient to address the potential adverse effects of the proposed ordinance:

- 1. Require second units to qualify as “affordable housing” and subject to the usual monitoring.** The draft ordinance has no affordability requirement for second units. This makes no sense since a stated purpose of the ordinance is to promote affordable housing. Affordability would be defined as set forth in the Housing Element. Piedmont and other Bay Area communities require affordability for second units. Without this provision, speculators will be encouraged to buy R-1 houses, construct market-rate second units and then flip the houses to investment-minded buyers.
- 2. Require a Use Permit or other discretionary planning permit for second units on lots less than 7500 sq. ft.** The permit approval criteria and potential conditions of approval could help address parking, impervious surface, infrastructure and other impacts discussed Section A above.
- 3. Require second units on lots less than 7500 sq. ft. to be located within an existing main building.** This will promote affordability, since construction costs would be less than in the case of additions or detached second units. Limiting second units to existing buildings would also reduce the probability of landscape removal and conversion of pervious to impervious surfaces.

To be effective, this provision would require that the lot proposed for a second unit to not have had an increase in building footprints for a specified period (at least five years) before and after completion of the second unit.

Alameda is noted for its high quality of life, especially within its historic R-1 neighborhoods. Spacious yards and mature landscaping are an important feature of these neighborhoods as well as many neighborhoods outside of R-1. But these neighborhoods are fragile and can be easily compromised by the overdevelopment that could result from these proposed changes.

The proposal raises major issues that need to be thoroughly discussed and investigated by the entire community. The manner in which this change in zoning was presented to the Planning Board as part of a package of other zoning changes and with minimal analysis erroneously implied that its impact would be minor and that the changes requested did not need extensive consideration.

Thank you for the opportunity to comment. Please contact me at (510) 523-0411 or cbuckleyAICP@att.net if you would like to discuss these comments.

Sincerely,

Christopher Buckley, President
Alameda Architectural Preservation Society

cc: Allen Tai, Andrew Thomas and Debbie Potter, Community Development Department (by electronic transmission)
Janet Kern and Farimah Brown, City Attorney's Office (by electronic transmission)
AAPS Board and Preservation Action Committee (by electronic transmission)