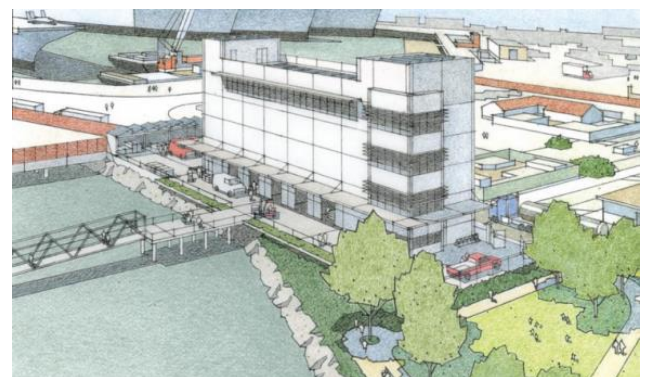


January 28, 2019 draft

# City of Alameda General Plan and Housing Element Annual Report 2018



**This Annual Report is prepared for the review and consideration by:**

**The Alameda City Council:**

Mayor Marilyn Ezzy Ashcraft  
Vice Mayor John Knox White  
Council Member Malia Vella  
Council Member James Oddie, and  
Council Member Tony Daysog

**The Alameda Planning Board:**

President Sandy Sullivan  
Vice President Ronald Curtis  
Board member Allan Teague  
Board member David Mitchell  
Board member Ashe Saba  
Board member Rona Rothenberg, and  
Board member Jeffery Cavanagh

**The residents and businesses of the City of Alameda, California.**

This Annual Report was prepared by the City of Alameda Planning, Building and Transportation Department

# Introduction

Pursuant to Government Code § 65300 et seq., every city and county in California is required to adopt and maintain an up-to-date General Plan, which establishes the local development and conservation policies necessary to guide physical development and protect the general health, safety and welfare of the community.

The Government Code also requires that the City Council annually review the adequacy of the General Plan and progress made to implement the city's regional housing need allocations (the "RHNA") by April 1 of each year.

This annual report on the status of the General Plan provides an opportunity for the Planning Board and City Council to consider the adequacy of the Alameda General Plan and priority amendments or implementing zoning code amendments needed to ensure an integrated, internally consistent, and up-to-date General Plan and Municipal Code. The City of Alameda General Plan is available at:

<https://alamedaca.gov/community-development/planning/general-plan>.

This annual report is organized as follows:

- Status of General Plan and Implementing Zoning Code
- Priority General Plan Work Program: 2019 and 2020
- Progress toward meeting the City of Alameda's Regional Housing Need
- Annual Housing Program Evaluation

*Government Code section 65300.5 requires that the General Plan provide an "integrated, internally consistent and compatible statement of policies for the adopting agency."*

## DID YOU KNOW?

The City of Alameda General Plan has 9 chapters or "elements":

Land Use  
City Design  
Transportation  
Open Space and Conservation  
Parks and Recreation  
Housing  
Safety and Noise  
Alameda Point  
Northern Waterfront

## Status of the General Plan and Implementing Zoning Code



*After 17 years of community organizing, planning, fundraising, and some good legal work, the Alameda community celebrated the grand opening of the new 21 acre Jean Sweeney Open Space Park in 2018.*

The Alameda General Plan and Housing Element are in compliance with State Government Code requirements.

The current General Plan was adopted in 1991. Since 1991, the Alameda community, Planning Board, and City Council have been updating the General Plan and Zoning Code to address new community needs and expectations, the challenges created by the closing of NAS Alameda in 1996, the loss of traditional maritime and industrial uses along the northern waterfront of Alameda, the loss of “auto row” on Park Street, the local and statewide housing shortage, and new State of California mandates and regulations.



**General Plan Amendments:** The major general plan amendments adopted since 1991 include adoption of the following:

- **NAS Alameda:** The Alameda Landing/Bayport General Plan Amendment was adopted in 1999; and the Alameda Point General Plan Element was adopted in 2003 and



*In 1996, the Alameda community identified the need for additional ferry services to serve the redevelopment of Alameda Point. In 2018, the San Francisco Water Emergency Transportation Agency and the City of Alameda opened the regional operations center for the Central Bay at Alameda Point. In 2019, the partnership will begin construction of the new Seaplane Lagoon Passenger Terminal.*

updated in 2014;

- **Northern Waterfront:** The Northern Waterfront Element was adopted in 2007;
- **Park Street and Webster Street:** A comprehensive Park Street and Webster Street commercial retail policies update occurred in 2010;

### DID YOU KNOW?

Between 1990 and 2017, the City of Alameda population grew by about 3.5%. During the same period, Piedmont grew by 7%, Oakland grew by 14%, San Francisco grew by 22%, and San Leandro grew by 32%. The Bay Area grew by about 20%.

(Source: US Census and American Community Survey)

Between 1993 and 2016, the average daily number of vehicles passing through in the Webster and Posey Tubes grew by less than 1%, but the average daily number of vehicles on I-880 between the Webster-Posey Tubes and the Park Street Bridge grew by 34%. (Source: Caltrans)

- **Housing Element:** Comprehensive Housing Element updates were adopted in 2005; 2012, and 2014;
- **Transportation Element Amendments:** A comprehensive Transportation Element update occurred in 2008; and
- **Safety and Noise Element:** A comprehensive Safety and Noise Element update occurred in 2017.

**Zoning Amendments:** The major Zoning Code amendments to implement General Plan policies and meet State mandates since 1991 include adoption of the following:

- **NAS Alameda:** Alameda Point Comprehensive Zoning Amendment in 2014;

*In 2018, construction began on the first phase of Alameda Point Site A consistent with the General Plan and zoning amendments approved in 2014. West Atlantic Avenue includes facilities for buses, bicycles, pedestrians and cars and provides direct connections from the rest of Alameda to the Seaplane Lagoon Ferry Terminal. Twenty five percent of the homes at Alameda Point will be deed restricted to ensure affordability for moderate, low, and very low income households.*



### DID YOU KNOW?

*Plan Bay Area, the region's sustainability strategy, projects that the Bay Area population will increase by 25% between 2016 and 2040, an increase of almost 2 million people.*

*Alameda will continue to receive regional housing need allocations every 8 years. It should be expected that the Alameda General Plan and Zoning Code will need to support construction of about 250 units per year or about 5,000 units over the next 20 years, which would increase the city's population by about 14% by 2040.*

*NAS Alameda and the Northern Waterfront are identified in Plan Bay Area as Priority Development Areas (PDAs).*

- **Northern Waterfront:** Northern Waterfront Master Plans for major mixed use sites including Bayport Neighborhood (2000), Alameda Landing (2006), Grand Marina (2009), Del Monte (2014), Alameda Marina (2018), and Encinal Terminals (2018);
- **Park Street and Webster Street:** North Park Street comprehensive zoning amendment in 2010, the comprehensive update to the Park Street and Webster Street parking ordinance requirements in 2011, and the commercial permit streamlining amendments in 2014;
- **Housing Amendments:**
  - Inclusionary Affordable Housing Ordinance in 2003;
  - Affordable Housing Density Bonus Ordinance in 2010;
  - Multifamily Combining District Ordinance in 2012;
  - Reasonable Accommodations Ordinance in 2014;
  - Rent Stabilization Ordinance in 2016;
  - Residential Design Review streamlining amendments in 2016; and
  - Universal Design Ordinance, Accessory Dwelling Unit Ordinance, and Shared Living Ordinance in 2017

### DID YOU KNOW?

*Prior to the 2017 accessory unit zoning amendments, Alameda added about 1 accessory unit or “granny flat” every 4 years.*

*In 2018, the City issued building permits for 20 accessory dwelling units, and zoning clearance for an additional 18.*



# Priority General Plan Work Program 2019-2020

*Government Code section 65400 (a) requires that the planning agency (Planning, Building, and Transportation Department) annually make recommendations to the legislative body (the City Council) regarding “reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for the orderly growth and development, preservation and conservation of open-space and natural resources . . . . .”.*

Based upon a review of the status of the General Plan, recent City Council referrals, the progress made in 2018 meeting housing goals, and current community priorities and concerns, the Planning Department recommends that the City Council establish the following General Plan and Zoning Code amendment priorities for 2019 and 2020:

**Comprehensive Land Use Element, Open Space, Conservation, and Parks Element, and Climate Change Amendments:** Neither the Land Use Element nor the Open Space and Park Element have been comprehensively updated since 1991. Due to their age, these elements should be updated and amended to address:

Elderly and Homeless Housing and Services: With the worsening statewide and local housing crises and the increasing need for housing for the elderly and services and facilities for the homeless, the General Plan should be amended to establish better citywide policies and appropriate locations for senior housing and homeless services and shelters.

Open Space Update: The Open Space and Parks Element needs to be updated to recognize recently constructed parks at Jean Sweeney Open Space and Estuary Park and the new planned parks at Alameda Point and along the Northern Waterfront. A comprehensive update should address recent community debates regarding site specific development proposals and adjacent neighborhood requests for more open space zoning and parks.

Climate Change Update. In accordance with Council direction, Public Works staff and the community are currently working on a citywide Climate Action Plan update. It is important to ensure that the General Plan includes the necessary framework of policies to support implementation of Climate Action Plan implementation strategies. The necessary policies may be added as a new Climate Change Element or they may be included in the existing elements where appropriate (e.g. Land Use Element, Housing Element, Transportation Element, and/or Open Space and Conservation Element.)

Housing Opportunity Sites: In 2022, the City will be required by State law to update the Housing Element for the next housing cycle (2023-2030). This work should begin by late 2020 or early 2021. The Land Use Element and Open Space update will provide an excellent policy foundation for the Housing Element review of housing opportunity sites.

**Related Zoning Amendment: Citywide Homeless Facilities and Senior Housing facilities:** Concurrent with the Land Use and Open Space Element update, the community should be



reviewing and amending the citywide residential and commercial district regulations to address appropriate locations and requirements for senior restricted or assisted housing, co-living/cooperative living facilities, temporary warming centers for the homeless, and permanent shelters and facilities for the homeless.

**Related Zoning Amendment: Citywide Objective Standards for Residential Development:** In response to changes to State Housing laws in 2017, the Alameda should review and update the existing objective standards for residential development.

**Related Zoning Amendments: Climate Change.** To implement the Climate Action Plan strategies, zoning amendments will likely be necessary to address greenhouse gas emissions from existing housing, new development, and transportation. In addition, amendments may be necessary to ensure compliance with rising sea levels and FEMA requirements.

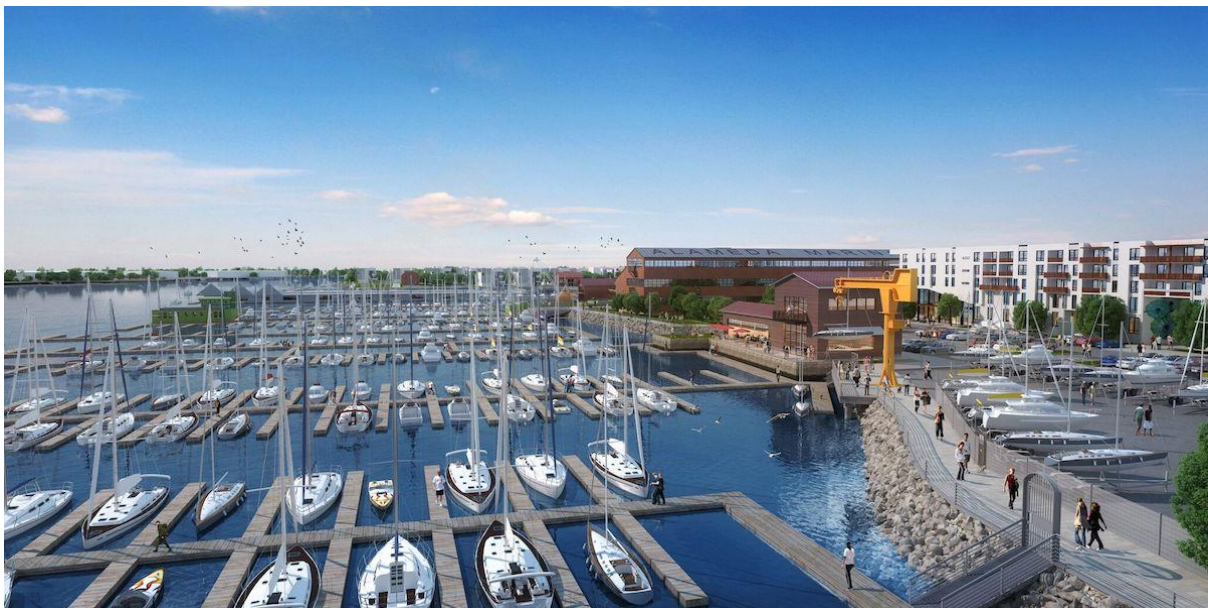
**General Plan Policy Numbering and Format Consistency:** The current General Plan elements do not have a consistent policy numbering system. Each of the elements or “chapters” should have a consistent numbering system to allow for effective cross referencing and policy references and ensure an “internally consistent” General Plan. The most recent Safety and Noise Element update utilizes an effective policy numbering system that can be used for all of the elements.

#### **Secondary Priorities:**

Staff would recommend that the following to amendments requested by the City Council in 2017 be scheduled for work after completion of the above described priorities.

---

*In 2018, the City of Alameda approved a major new mixed use project at the Alameda Marina site on Clement Avenue that will result in the reinvestment in public waterfront facilities and parks and maritime facilities and allow for the development of 776 residential units.*



Related Zoning Amendment: Citywide Short Term Rental Ordinance: In 2017, the City Council directed staff to develop a Short Term Rental ordinance. The work requires development of a recommended ordinance, permitting program, enforcement program and taxing structure for short term rentals in Alameda.

Tree Ordinance Review: In 2017, the City Council directed staff to review and develop amendments to the existing tree protection ordinances. The Historical Advisory Board reviewed staff's initial recommended amendments in 2018 and requested additional information. Due to other City Council and Planning Board work priorities, no further work has been done to date on this effort.

## Progress toward Meeting the Regional Housing Need: Housing Element Annual Report 2018

*Government Code Section 65400 requires the City to annually consider the prior year's progress meeting the City of Alameda's regional housing need allocations (RHNA).*



*In 2018, the Alameda Housing Authority opened 20 new townhome units for very low and low income households on Eagle Avenue, near Park Street. The project is the result of a partnership between the Alameda Housing Authority, the City of Alameda, and the Alameda Unified School District, which provided the land.*

In 2018, Alameda made significant progress toward meeting the City's Regional Housing Needs Allocation (RHNA), but more work is still needed to achieve local and state housing objectives.



**Building Permits Issued:** In 2018, the City issued Building Permits for 181 residential units.

Project	No. of units	Affordable Units		
		VL	Low	Mod.
<b>Carmel/N. Housing</b>	150	0	0	0
<b>Mulberry (2100 Clement)</b>	11	1	2	0
<b>Accessory Units</b>	20	0	0	0
<b>Total</b>	181	1	2	0

*In 2018, City Ventures received the final 11 building permits for their 52 unit Mulberry Street neighborhood.*



### Number of Units Approved

In 2018, the City approved land use entitlement applications and zoning amendments for 1,573 new housing units, including 90 assisted living units for formerly homeless individuals.

Project	Entitlement	No. of units	Very Low	Low	Moderate
<b>Alameda Marina</b>	Master Plan	760	33	26	45
<b>Encinal Terminals</b>	Master Plan	589	25	20	34
<b>Rose field Village</b>	Design Review	78*	30	28	0
<b>McKay Wellness Center</b>	Zoning Amendment	90	90	0	0
<b>ADU's and single units</b>	Zoning Clearance	40	0	0	0
<b>Total</b>		1,573	178	74	79
			*40 new units new, 38 existing units replaced by new units.		

### Applications Received

In 2018, the City received new land use entitlement applications for 40 units, which included 39 Accessory Dwelling Units and one single family home that converted to a duplex. The City also received the Design Review application to build the 78 unit Rosefield project in 2018. In 2019, the City anticipates applications for approximately 300 units at the Alameda Landing Waterfront and approximately 70 affordable units for Habitat for Humanity at North Housing.

**Applications Denied:** In 2018, the City did not deny any land use or development applications for new residential units.

**Four Year Progress Report:** Alameda's RHNA for housing construction during the current eight year cycle (2015 to 2023) is 1,723 housing units. Of the 1,723 units, the City's RHNA includes the need for 222 extremely low income units, 222 very low income units, 248 low income units, 283 moderate income units, and 748 above moderate income units.

In the first four years of the eight year cycle, Alameda issued building permits for 620 housing units. During the next and final four years of the 8-year cycle, Alameda hopes to be able to issue building permits for 1,113 units from the following projects, which would result in a total of 1,733 building permits for the 8 year period:

- Del Monte: 350 multifamily units, including 24 deed restricted moderate units;
- Alameda Point Site A: 62 for-sale townhome units on Block 6; 60 for-sale townhome units on Block 7; 62 deed restricted affordable very low and low income multifamily rental units at Block 8; 200 multifamily rental units at Block 9, and 200 multifamily units at Block 11;
- 1435 Webster Street: 9 multifamily units, including two affordable units;
- Rosefield Village: 80 deed restricted very low and low income units;
- Alameda Marina Phase 1: 200 multifamily units, including approximately 30 affordable units; and
- McKay Avenue Wellness Center: 90 assisted living units for extremely low income households.

If these building permits are issued, Alameda will have met its RHNA goal for 1,723 units over the 8 year period. However, high land and construction costs makes it financially infeasible to require that 50% of the units in each project be deed restricted for affordable housing. (See the Inclusionary Housing Program analysis in next section for more information.) Therefore, Alameda will not meet the RHNA goals for deed restricted affordable housing.



## Housing Program Analysis

*Alameda Point's first waterfront, mixed use homes and ground floor retail services will begin construction in 2019. The first residents will move in when the adjacent Seaplane Lagoon Ferry Terminal with regular service to San Francisco opens in 2020.*



### I. Inclusionary Housing Program

Housing Element Program 2.1 establishes the need to continue to implement the City of Alameda inclusionary housing program. Although not required by State law, the City of Alameda adopted an Inclusionary Housing Ordinance in 2003, which requires that 15% of all units in projects of 10 or more units must be deed-restricted for very low- (4%), low- (4%) and moderate-(7%) income households. Projects with between five and nine units can pay an in-lieu fee instead of providing affordable units. Projects with less than five units are exempt from the Ordinance.

On September 19, 2017, the City Council held a public workshop to consider a 2016 City Council referral directing staff and the Planning Board to consider revisions of Alameda's Inclusionary Housing requirements to "increase the overall percentage of required affordable units as defined by the current Housing Element of Alameda's General Plan and State housing laws within residential developments". At the 2017 hearing, the City Council decided not to amend the City's Inclusionary Housing Ordinance.

The staff review of the program finds that:

State Housing Law. Increasing the inclusionary requirement is not needed to remain in compliance with Housing Element Law. In fact, the State of California considers inclusionary housing ordinances to be a *constraint* on the production of housing in California. For that reason, the State mandates that the City annually evaluate its inclusionary housing ordinance to determine if it is constraining housing development.

Avoiding Automatic Density Bonuses. The City's current 15% inclusionary requirement is comprised of requirements for 4% very low-, 4% low- and 7% moderate-income units, which ensures that each project does not automatically qualify for an affordable housing density bonus. When a project triggers a density bonus, the result is that the number of units in the project increases and the actual percentage of affordable units in the project goes down, not up.

Deed-Restricted Unit impacts on the financial feasibility of housing projects. In 2018, housing construction costs continued to be a major financial burden for housing production in Alameda and the Bay Area. In Alameda, recently approved residential projects, including major planned residential projects such as the Site A and Del Monte projects, are struggling to absorb rapidly increasing construction costs. Given California's land and construction costs, the 15% deed-restricted units in each residential project must be financially subsidized by the 85% of the units that are not deed-restricted. (This financial relationship between market-rate housing and deed-restricted affordable housing is the foundation of the State Density Bonus legislation, which grants market-rate bonus units in return for deed-restricted affordable units.) The deed-restricted unit subsidies must be covered by either the cost to the buyer or renter of the 85% market-rate units, the developer's return on investment, or the price received by the seller of the land. If the subsidies grow to the point where the costs cannot be passed onto the buyer or renter, cannot be absorbed by the developer, or cannot be taken out of the land price, the housing project will become financially infeasible. If the projects become infeasible, then the inclusionary requirement becomes a constraint on housing construction.

If increasing the inclusionary requirement results in residential projects becoming financially infeasible, then the decision to increase the inclusionary requirement will not increase the construction of affordable housing; it will decrease the production of affordable housing. If increasing the inclusionary requirement can be absorbed by increasing the cost of the market-rate units, then the change to the inclusionary ordinance will decrease the ability of each project to provide lower cost, market-rate "middle income" units, because the market-rate units may need to be designed as larger, more expensive units to help off-set the financial subsidies required to cover the additional deed-restricted units.

Inclusionary Housing Requirements in Other Cities. A brief survey of other cities reveals three general findings:

Alameda's requirement for 15% inclusionary units that includes very low-, low-, and moderate-income housing exceeds the requirements of most neighboring cities and the few neighboring cities that require more than 15% either do not require low- and very low-income units or allow developers to pay in-lieu fees instead of providing the units.

Alameda's inclusionary requirement applies equally to ownership and rental projects. Most other cities surveyed have different requirements based on whether or not the housing being built is ownership or rental. Staff believes these differences were the result of changes those cities made to address the court case *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396 (Palmer), which prevented cities from imposing deed restrictions on rental units.

Because Alameda historically, since 1972 and the passage of Measure A, has had very few rental projects, staff never revised the Inclusionary Ordinance to address rental housing. In 2017, the State Legislature passed AB 1505, which effectively overrode the limitations imposed by the Palmer case.

Alameda is the most restrictive city regarding the option to pay in-lieu fees. In Alameda, only projects with nine or fewer units may pay in-lieu fees. Most other cities allow residential projects to pay fees in lieu of building the units. Oakland only collects fees. It also appears that in cities where in-lieu fees are allowed: 1) many developers choose to pay the fee rather than build the units, and 2) those cities tend to receive less density bonus applications, because paying a fee does not qualify a project for a density bonus.

Recommendations Regarding Inclusionary Housing Ordinance: The Inclusionary Housing Ordinance is producing much needed deed-restricted housing. Although deed-restricted housing requirements do pose additional financial obligations on housing projects in Alameda, staff believes that the 15-year record of housing projects being constructed with the 15% requirement proves that the requirement is not posing a constraint on housing development. It is true that the Del Monte project has not moved forward to building permits despite being approved by the City in 2014. However, this project is unique because it includes significant historic preservation costs and major on-site infrastructure costs.

At the beginning of 2019, construction and land costs remain extremely high in Alameda. Any further regulations that increase project costs could negatively impact financial feasibility and further exacerbate the housing crisis. Any changes in local programs and policies that increase development costs for housing at this time could be counter-productive and result in a constraint on affordable housing development as opposed to an increase in affordable housing.

State law imposes requirements on any City that wishes to amend an existing Inclusionary Housing Ordinance. Pursuant to AB 1505 any ordinance amended or adopted after September 2017 is subject to a higher level of review by the State of California to ensure that the ordinance is not imposing an undue financial constraint on housing production.

In conclusion, the Inclusionary Housing Ordinance is producing much needed deed-restricted affordable housing in all housing projects with 10 or more units. Staff does not recommend any changes to the Inclusionary Housing Ordinance at this time.

## **II. Density Bonus Program**

In 1979, the State legislature enacted the Density Bonus Law (Government Code Sections 65915-65918) to address the shortage of affordable housing in California. The statute imposes a mandatory density bonus program that requires cities to permit the construction of additional residential units and, if requested by applicants, provide reduced parking standards, regulatory incentives/concessions and waivers to developers who construct a certain percentage of affordable housing that meets the statutory criteria. Specifically, a developer who includes specified amounts of low-, very low-, or in some cases, moderate-income housing, is entitled to:

- A density bonus to help cover the costs of the affordable units. State law specifies exactly what percentage of additional units (up to a 35 percent increase) must be provided.
- Reduced parking requirements.

- Up to three regulatory incentives and/or concessions from city development standards or regulations that result in “identifiable and actual cost reductions” to provide affordable housing.
- An unlimited number of waivers from city development standards, such as in Alameda's case, the Alameda Municipal Code (AMC) Section 30-53 Multiple Dwelling Units Prohibited, that would “physically preclude” the project from developing at the density allowed under the Density Bonus Law.

In 2010, in compliance with State law, the City adopted AMC Section 30-17, Density Bonus Ordinance. Since its adoption in 2010, every major housing development in Alameda has taken advantage of the Density Bonus Ordinance to increase the number of deed-restricted units in the project, increase the number of market rate units in the project, and waive any zoning standards that physically preclude the project from realizing the total number of units provided by the zoning district and the State Density Bonus Law.

The provisions of the City's Density Bonus Ordinance are largely dictated by State law; therefore, the City is not able to fundamentally change any of the basic requirements. Therefore, staff does not recommend any changes to the Ordinance at this time.

### **III. Accessory Dwelling Unit (ADU) Program**

Housing Element Program 4.1 establishes the need to support secondary units for small households and seniors. Sometimes referred to as “accessory dwelling units”, “in-law units” or “granny flats”, which are small one-bedroom or studio units built on properties that are already occupied by a single-family home in an existing neighborhood. These units provide an excellent way for a community to add small, affordable units that are attractive to young residents, seniors, and/or residents with a disability.

On July 5, 2017, the City Council adopted a series of amendments to the Accessory Dwelling Unit Ordinance to bring the City's ordinance into conformance with state law. Under the former ordinance, the City approved only two ADUs in the last eight years.

In 2018, Alameda received and approved 38 ADU applications and issued 20 building permits for ADUs. The ADUs are predominantly located in existing basements or garages in the backyard. Due to construction costs, most homeowners are seeking to maximize the use of existing space on their property. The ADU applications are evenly divided, with a near 50-50 split, between backyard cottages and units within the walls of existing homes. The ADUs are quite small. The average size of the ADUs is between 500 and 600 square feet. The ADUs are evenly distributed across Alameda. There is not a concentration of ADUs in any particular neighborhood.

Staff believes the ADU ordinance is working as intended by the City Council and does not recommend any changes at this time.

### **IV. Universal Design Program**

Housing Element Program 4.2 establishes the need for a Universal Design Ordinance to better serve the City's senior population, residents that wish to “age in place”, and the 16% of Alameda families that report living with a family member with a disability. On October 17, 2017, the City Council approved a citywide Universal Design Ordinance that is designed to ensure that 100% of Alameda's new homes are “visit-able” by any visitor with mobility issues or a physical disability and that 30% of the new homes in all large-scale developments (over 10 units) are designed to be “live-able” by a person with mobility issues or a physical disability.

To date, all projects have complied with the ordinance. Staff has not received any complaints from the development community regarding the new regulations.

#### **V. Assisted Living and Homeless Shelters**

Housing Element Policy HE-4 states: “Encourage and support new residential opportunities for senior citizens, including senior housing projects, multifamily housing projects with accessible and small housing units, assisted living projects, and in-law units.” The AMC does not currently include a definition of “assisted living” or adequate guidance on where in the City senior assisted living or senior restricted housing may be permitted. In 2016, the City Council denied an Assisted Living facility application in the Harbor Bay Business Park partially based on the fact that the site zoning did not specifically address whether assisted living is a permitted use on the property.

Staff recommends that the Planning Board and City Council hold public hearings in 2019/2020, to address this deficiency in the AMC.

In 2018, homelessness became a bigger concern in Alameda and as a result, deficiencies in the City's regulatory documents became apparent. The AMC definition of “emergency shelter” is in need of updating. Furthermore, the AMC only permits emergency shelters on fewer than five properties in the entire City. The City of Alameda has a single emergency shelter on leased property on Clement Street, which is one of the five properties described above. The current shelter is in need of major improvements, and the shelter is in danger of losing its lease at the current site.

Given the increasing need for homeless services and facilities, staff recommends that the Planning Board and City Council hold public hearings in 2019/2020 to address updating the Zoning Code to reflect current best practices for serving homeless individuals and families.

#### **VI. Design Review Program**

The Housing Element includes programs and policies (Program 1.3 and 3.1) that emphasize the need to expedite the development review process for projects that include affordable housing and special needs housing. Prioritizing and expediting the design review process for projects with affordable housing and special needs housing should continue.

In 2017, the State Legislature made a number of changes to state legislation to limit the use of “subjective” design review standards by local agencies in the review of housing development proposals. As a result, it is important that the City of Alameda review its design review standards to clearly articulate “objective design standards” for residential design in Alameda.

Staff recommends that the Planning Board and City Council hold public hearings in 2019/2020 to identify and adopt new objective design review standards for Alameda that will streamline the review process for residential projects and ensure compliance with State law.

#### **VII. Funding for Affordable Housing**

Funding for affordable, low cost housing is the single biggest challenge facing Alameda, the region, and the State of California. With high land costs, high construction costs, and the elimination of Redevelopment in California in 2012, federal, state and local financial subsidies for affordable housing are extremely limited and highly competitive. Recent action by the State Legislature, specifically Senate Bill 2 and Senate Bill 3, will increase funding at the State level to support construction of affordable housing on the local level. However, recent actions by



Congress to change the Federal Tax Code have made affordable housing tax credits less valuable, which has made financing of affordable housing on the local level more difficult.

Locally, in 2018, the City of Alameda collected \$\_\_\_\_\_ in affordable housing impact fees from non-residential development, which can be used to help fund affordable housing.

In 2019, staff recommends that the Planning Board and City Council continue to discuss potential local strategies to create new funding sources for affordable housing in Alameda.

#### **VIII. Conclusions and Priorities for 2019/2020**

Although the City is making progress to address its housing needs, the City's regulatory framework governing housing development can continue to be improved to facilitate high quality, diverse housing for the Alameda community. The implementation priorities for the next year should be:

- Continue to expedite the review of projects that include affordable and special needs housing.
- Complete Zoning amendments to support homeless shelters and other homeless services and housing initiatives and assisted living projects.
- Complete Zoning amendments to approve new "objective design standards" for new housing to expedite and streamline the residential design review process.
- Continue to explore new funding sources for affordable housing.