

san leandro community development update

February 2012

Chris Zapata arrived at City Hall Monday, January 30 for his first day as City Manager of San Leandro. Mr. Zapata brings with him more than 25 years of local government experience and a Bachelor's degree from Northern Arizona University.



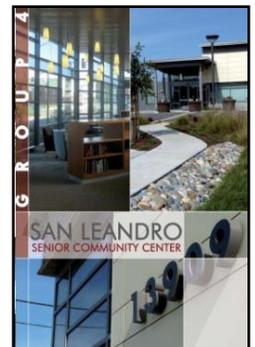
"I am truly looking forward to working with the City staff, the City Council and the community of San Leandro," said Zapata. "I am living in San Leandro, and I am already seeing what a well maintained, diverse and thriving community this is. There are challenges ahead of us, particularly with the loss of redevelopment, but I have every confidence that together we can all make the future of San Leandro successful and exciting for our residents, businesses and visitors." (Citywide)

Redevelopment and Business Development

When the calendar turned to February 1, 2012, the San Leandro Redevelopment Agency ceased to exist for the first time in 53 years. State legislation and a subsequent legal decision caused the dissolution of 417 redevelopment agencies in California as a means of providing budgetary relief for the State. Over the past five decades redevelopment has been San Leandro's primary tool for economic development and affordable housing services. The loss of the Redevelopment Agency will result in a funding reduction of several million dollars annually, greatly compromising the City's ability to provide capital and infrastructure improvements, support for the business community, and the development of workforce housing.

Notable successes of the Agency over the years include:

- Downtown lighting and pedestrian improvements
- Development of the City's very successful Automall
- The transition of the blighted Islander Motel into Casa Verde, a thriving affordable housing development
- The successful repositioning of the Bayfair Center
- Retention of Costco in San Leandro
- The award-winning Broadmoor Plaza senior housing project
- Streetscape improvements along East 14th, Doolittle Drive, and MacArthur Boulevard
- The Downtown Farmers' Market
- Development of Creekside Plaza, a class A office complex of 230,00 square feet
- Development of Estabrook Place senior affordable housing
- Construction of LEED Certified Senior Community Center
- Construction of the nearly-completed Downtown Parking Garage (funding had been secured and the project will be completed)



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Although redevelopment funds for capital improvements will no longer be available, the City Council has begun exploring options for funding business development and housing services on a reduced scale. A work session is scheduled for February 14, and the public is encouraged to attend and provide input (Citywide).

- The City & OSIssoft are sponsoring an **Introducing Lit San Leandro Workshop** for real estate professionals on February 7 to inform them about the business opportunities it provides. The following broadband experts will provide information and strategies to bring next generation businesses to San Leandro:
 - Dr. J. Patrick Kennedy, President of San Leandro Dark Fiber; CEO of OSIssoft
 - Mike Pretto, Division Manager Silicon Valley Power
 - Jeremy Neuner, CEO and co-founder of NextSpace, a revolutionary workplace for the new economy
 - Sean Patrick Tario, founder and CEO of Open Spectrum, Inc., a global information technology infrastructure brokerage, consulting and recruiting firm.
 - Sean Ivery, Principal at Cushman and Wakefield's data center practice



Limited space is still available; please contact Rezsín Gonzales at (510)577-3311 email at rgonzales@sanleandro.org if you would like to attend (Citywide).

- **Lit San Leandro** has continued to receive positive press coverage including a February 16 article in the Daily Review, two stories on KQED, one of which included an interview with Dr. Patrick Kennedy, and Governor Jerry Brown re-tweeting Mayor Cassidy's tweet regarding the project. Listen to the interviews at the following links (Citywide):
 - o [KQED Story 1](#)
 - o [KQED Story 2](#)

- Struggling clothing retailer **Esprit** Holdings announced it may close all its North American stores including the San Leandro location located at Marina Square. The Hong Kong-listed chain's U.S. and Canadian subsidiaries are in the process of closing and terminating leases, but Esprit has held off on Chapter 11 bankruptcy proceedings, a spokesman told Reuters on Wednesday. The company's European operations, which comprise 79 percent of its revenues, remain strong.



Marina Square continues to be a highly desired 100% leased shopping center with a waiting list of tenants (District 3).

- San Leandro's **Energy Recovery Inc. (ERI)** has been awarded four new patents from the United States Patent and Trademark Office in 2011, the most approved in any one year in the Company's history. All of the patents were related to ERI's game changing Pressure Exchanger technology (District 6).



Business Tip: Pre-Application Consultation

Major projects that will require approvals from various City departments may qualify for pre-application assistance. Staff can arrange an informal meeting with representatives from City departments and the applicant team to review the process and any potential concerns before plans are finalized and submitted. This review time at the beginning of a project can save valuable time and money. To set up a consultation, call Tom Liao, Planning Manager at (510) 577-6003 or email at tliao@sanleandro.org.



Planning, Zoning and Building Updates

- On January 19, the Planning Commission approved forwarding recommendations to the City Council for **amendments to the Zoning Code** related to Large Family Day Care, Accessory Structures, Paving in Residential Front Yards in Residential Districts, and Fences in the Residential Single-Family View Preservation Overlay District as part of continuing updates of the

Zoning Code. These amendments streamline and clarify the existing Code related to residential districts. The proposed amendments include requiring Administrative Review (instead of a Conditional Use Permit) for minor changes in the location parameters for establishing residential large family day cares, clarifying existing rules for accessory structures, limiting impervious paving within front yards, and allowing the Zoning Enforcement Official to determine whether view preservation issues are germane to proposed fence projects within the Bay-O-Vista neighborhood. The City Council will review these Zoning Code amendments on February 21, 2012 (District 2).

- The City of San Leandro has partnered with BART to study the potential for new development in and around Bayfair Center and the BART station in the last five years. Through broad public participation in the 2007 Bay Fair BART Transit Oriented Development & Access Plan, personal safety and security emerged as the biggest concern for both the Bayfair community and BART patrons. The proposed improvements, called the **Bay Fair BART Safety and Security Improvement Project**, are now being installed through City and Metropolitan Transportation Commission funding to BART, with construction slated to be completed in March. These improvements include security cameras, lighting, landscaping, design treatments and site management procedures to increase pedestrian activities and visual presence and to reduce hiding places (District 2).
- Current Planning Calendar (as of January 31, 2012 and subject to change):

Event	Date/Address/Project Description/Approval Type (District #)
Board of Zoning Adjustments	February 2, 2012 <ul style="list-style-type: none"> • 15100 Hesperian Blvd/Foot Spa/ CUP (D2) March 1, 2012 <ul style="list-style-type: none"> • 1940 Fairway Dr/e-Cullett Glass processing/CUP (D3)
Planning Commission	February 16, 2012 – No items scheduled to date March 15, 2012 <ul style="list-style-type: none"> • E. 14th St & Juana Ave/Village Marketplace/PD (D1)
City Council	February 21, 2012 <ul style="list-style-type: none"> • Zoning Code amendments/miscellaneous residential clean-up (City) • Zoning Code amendments re: assembly, commercial recreation uses, entertainment activities & cultural institutions (City) April 16, 2012 <ul style="list-style-type: none"> • E. 14th St & Juana Ave/Village Marketplace/PD (D1)
Administrative Review (AR)	<ul style="list-style-type: none"> • 14800 Washington Ave/T-Mobile wireless telecomm in ROW/AR (D3) • 130 Greenhouse Market/McDonalds 2nd drive-thru/PD mod (D4) • Bayfair Center Carnival/TUP (D2)

Notes: CUP (conditional use permit); PD (Planned Development); SPR (site plan review); TUP (temporary use permit); GPCF (General Plan conformity finding)

Housing and CDBG

- The **U.S. Department of Housing and Urban Development (HUD)** has released final Community Development Block Grant Program (CDBG) and Home Investment Partnership Program (HOME) grant allocations nationwide. The City of San Leandro's annual CDBG entitlement grant was reduced by 15% and the HOME grant, which is allocated through the Alameda County HOME Consortium to member cities, fell by 51% from \$289,894 to \$141,409. Factors affecting the CDBG and HOME funding declines include ongoing federal budget cuts and application of updated Census data (including 2010 Census) that reflected a decline in key social

and housing variables (such as poverty and substandard/overcrowded housing) for these formula grants. Staff will be presenting the draft HUD FY2012-13 Annual Action Plan regarding allocation of CDBG and HOME funds in March 2012 and opening the plan up for a 30 day public comment period (Citywide).

- On January 17, the City Council approved a City loan for \$100,000 to the nonprofit housing developer Eden Housing, Inc., for acquisition and rehabilitation of the **Surf Apartments**, located at 15320 Tropic Court, and the transfer of the Surf Apartments from Citizens Housing Corporation to Eden Housing. The \$100,000 consists of \$35,000 from CDBG and \$65,000 from the City's Affordable Housing Trust Fund. This project had been reviewed by the Council in November and December of 2011 as part of the FY11-12 HUD Annual Action Plan amendment process to add this project (District 4).

Economic Trends

- According to reports by Cornish and Carey Commercial for the fourth quarter of 2011, San Leandro continues to have a lower vacancy rate for industrial space than the rest of the region. The most current report shows a slight decrease in industrial vacancy over the previous quarter, and significant reductions in the vacancy rate of warehouse and Research and Development space. A summary of the report is shown below. (Citywide)

Vacancy Rates, Q 4 2011				
	San Leandro		I-880 Corridor	
	Inventory (SF)	Vacancy	Inventory (SF)	Vacancy
Industrial	10,814,356	4.38%	58,238,470	6.39%
Warehouse	11,242,602	9.81%	69,537,893	8.81%
R&D	<u>571,807</u>	7.69%	<u>28,319,147</u>	21.41%
Total, All Types	22,628,765	7.29%	156,095,510	12.20%

Source: Cornish and Carey Commercial