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CITY OF SACRAMENTO

CITY MANAGER'S OFFICE
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CITY PLANNING DEPARTMENT

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MARTY VAN DUYN
PLANNING DIRECTOR

January 5, 1981

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Draft Community Development Block Grant (CDBG) Housing Opportunities Plan

SUMMARY

This report regards the attached Draft CDBG Housing Opportunities Plan. The Plan is a requirement of the Department of HUD, and is to be incorporated into the City's Community-wide Housing Strategy (HUD-7064). The staff recommends that the Housing Opportunities Plan be approved.

BACKGROUND

In April, 1979, the City Council adopted the City's three-year (1979-82) Community Development Plan. The Community Development Plan included a community-wide Housing Strategy; however, the City's strategy focused primarily on the development of assisted housing. In order to fully comply with HUD-7064, HUD has requested that the City prepare and submit a Housing Opportunities Strategy (HOS). This document must include a description of (1) efforts to increase housing choices through the provision of assisted housing both within and outside areas of low-income and minority concentrations, and (2) actions to affirmatively further fair housing for minorities and women.

The City has compounded a strategy comprised primarily of elements already contained in numerous other documents authored by the City. These elements take the form of long-range plans and short-ranged implementation programs.

Briefly, the basic components of the strategy consist of goals, an assessment of needs, and long-term/short-term objectives (as adopted in the City's 1979-82 Housing Assistance Plan, 1979-82 Community Development Plan, and the Housing Element of the General Plan).

APPROVED
BY THE CITY COUNCIL

JAN 13 1981

OFFICE OF THE
CITY CLERK

January 5, 1981

The implementation programs are various on-going activities designed to optimize locational choices for low/moderate-income households, including minorities, elderly, handicapped, and female-headed households.

The Fair Housing Opportunities section of the HOS consists of the Fair Housing Program created by the joint City/County Fair Housing Task Force. The program has been approved by the County Board of Supervisors and is being considered by the City of Sacramento. The City/County have both set aside \$40,000 each in CDBG funds to implement the Fair Housing Program.

Copies of the City of Sacramento's CDBG Housing Opportunity Plan are available for City Council review in the City Clerk's office and City Council's office.

FINANCIAL DATA

No financial impact will be imposed on the City of Sacramento with the approval of this Plan.

RECOMMENDATION

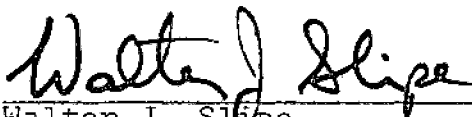
The staff recommends that the City Council approve the CDBG Housing Opportunities Plan by adopting the attached resolution.

Respectfully submitted,



Thomas V. Lee
Associate Planner

Recommendation Approved:



Walter J. Slupe
City Manager

TL:lo
attachment

January 13, 1981
Districts 1,2,4,5,6,7,8

RESOLUTION No. 81-020

Adopted by The Sacramento City Council on date of

RESOLUTION APPROVING THE CITY OF SACRAMENTO'S
COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING
OPPORTUNITIES PLAN, AND AUTHORIZING THE CITY
MANAGER TO FILE THE PLAN WITH THE DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the City of Sacramento is entitled to Housing and Community Development Block Grant funds pursuant to the provision of Title I of the Housing and Community Development Act of 1977; and

WHEREAS, the City of Sacramento is required to fulfill certain requirements pursuant to Title I of the Housing and Community Development Act of 1977; and

WHEREAS, the Budget/Finance and Planning/Community Development Committees, and City Council have conducted public hearings; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Sacramento:

1. That the Community Development Block Grant Housing Opportunities Plan is approved as presented to the City Council on January 13, 1981; and
2. That the subject Housing Opportunities Plan is hereby incorporated into the 1979-82 Community Development Plan - Community-wide Housing Strategy; and
3. That the City Manager of the City of Sacramento is hereby authorized to file the Plan with the Department of Housing and Urban Development.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

JAN 13 1981

OFFICE OF THE
CITY CLERK

CITY OF SACRAMENTO

HOUSING OPPORTUNITIES PLAN

COMMUNITY DEVELOPMENT BLOCK GRANT:

DRAFT

December, 1980

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INTRODUCTION

I. PURPOSE AND INTENT

The Housing Opportunities Strategy (HOS) of the City of Sacramento has two basic purposes:

1. To increase locational choice of housing opportunities for low/moderate income persons (including minority groups and female-headed households), through increasing efforts to achieve spatial decentralization of affordable housing; and
2. To affirmatively promote fair housing for groups which have previously experienced discrimination in the housing market.

In furtherance of these purposes, the City of Sacramento has compounded a strategy, comprised primarily of elements already contained in numerous other documents authored by the City. These elements take the form of long-range plans and short-ranged implementation programs aimed specifically at a discrete segment of the Sacramento housing network: new home construction or rehabilitation of existing structures, owner-occupied units or renter-occupied ones.

The intent of each of the HOS is essentially two-fold, each part being a refinement of the purposes of the document. Specifically, each discrete action within the HOS will accomplish one or both of the following:

1. Provision of assisted housing, both within and without areas of low-income and minority population concentrations, in order to optimize housing choices; and
2. Affirmative furtherance of fair housing for minorities, women, the handicapped, and other discernible groups of people currently experiencing housing discrimination.

It is further intended that this document shall comply with all aspects of HUD regulation 24 CFR 570.304(6)(2)(iii).

II. DERIVATION OF MATERIAL

The sources of the various elements of the HOS are previously-adopted plans, policies and programs of the City of Sacramento. All are currently in the process of implementation. Thus, the HOS is not a mere recitation of proposed activities but is, rather, a statement of on-going actions to which the City has previously committed substantial money, staff, and other resources, and from which documentable results have already been achieved.

The specific City documents incorporated by reference into the Housing Opportunities Strategy are:

- * 1979-1982 Community Development and Housing Plan for the City of Sacramento (Community Development Block Grant Program), February, 1979;
- * City of Sacramento Housing Assistance Plan --- 1979-1982, February, 1979;
- * 1980 Housing Element of the Sacramento General Plan, adopted by the City Council on June 10, 1980;
- * Sacramento City-County Fair Housing Program (prepared by the City/County Fair Housing Task Force), August 27, 1980.

In addition, the City has also participated as a member jurisdiction in the activities of the Sacramento Regional Area Planning Commission, which has also produced source material for this document.

- * Housing Opportunity Plan, January 29, 1979, revised July 27, 1979;
- * Regional Housing Opportunity Plan (review and comment draft), June, 1980;
- * 1980 Annual Housing Report --- Topic: Concentration of Minority and Black Households Within the Twenty-One Planning Areas of Sacramento County, no date.

BASIC COMPONENTS OF THE STRATEGY

I. GOALS

The goals of the City's Housing Opportunities Strategy are:

1. To achieve spatial decentralization of housing opportunities for low/moderate-income people and minorities;
2. To provide housing for all segments of the current and future population of the City of Sacramento, without regard to race, sex, color, creed, national origin, ancestry, marital status, religion, handicap, or sexual preference;
3. To provide and maintain safe and sanitary housing at an affordable price for all economic levels within each community in the City of Sacramento;
4. To ensure that a variety of housing alternatives are available throughout the City which provide for choice of location, price, structural type, life-style, and unit tenure (i.e., owner or renter occupancy); and
5. To facilitate provision of housing in optimum locations for groups (e.g., the elderly and handicapped) with special needs regarding access to services, medical facilities and public transportation.

II. ASSESSMENT OF NEEDS

The following are findings regarding housing needs for low/moderate-income families, minorities, elderly, handicapped, and female-headed households in the City of Sacramento.

1. There are approximately 22,750 lower-income households in the City in need of some form of housing assistance. Included in the number are some special need groups, as indicated below. Please note that a household may fall into more than one of these household types.

Minority	28%
Female-headed	43%
Elderly and/or handicapped	27%

2. The overwhelming majority (90%) of households in need are renters.
3. Households in need occupy a disproportionately large share of substandard dwelling units, including single-family structures.
4. Small families of four or fewer number represent the largest single category of total need (64%), and constitute 67% of the renter-housing need.
5. Elderly/handicapped households constitute the second largest category of total needs, and the largest proportion of need among owner-households (50%).
6. Lower-income households represent a significant share of the single-family unit rental market, particularly in lower-income fragile neighborhoods.
7. Approximately 15% of renter housing units and 4% of owner-occupied housing units, or 9% of the total housing stock, is substandard per the definition used in the 1960 federal census (this includes deteriorated and delapidated units, as well as those lacking some plumbing facilities).
8. Approximately 12% of renter housing units and 3% of owner-occupied housing units, or 7.5% of the overall housing stock, are suitable for rehabilitation.
9. The rate of increase in average price of both new and resale homes in the City of Sacramento by far outstrips the rate of increase in the median household income (See Appendix 1), effectively precluding un-assisted homeownership for low- and moderate-income households.
10. Owner-households in need are typically long-term residents and are primarily elderly, who become increasingly less able to afford housing as incomes decline and/or housing ownership maintenance costs increase.

11. Female-headed households in need of assistance generally have special requirements for supportive services associated with child-rearing (e.g., schools, child care, parks).
12. Minority households, in particular blacks and Hispanics, live in a few areas of relatively high racial/ethnic concentration (See Appendix 2).
13. Elderly and handicapped households have special locational needs (e.g., close proximity to public transportation, shopping, medical facilities, and recreational facilities).
14. It is particularly difficult for low/moderate income handicapped households to find housing of suitable physical design, or to afford the type and extent of modifications, necessary to accommodate their special needs.
15. There has been a recent substantial slowdown in multi-family rental units construction, and a general trend towards conversion of existing rental units to condominium ownership units, which indicates a potential under-supply of rental housing in the near future.
16. Many special housing needs (e.g., housing for single persons displaced by redevelopment projects, emergency shelters, and replacement housing for occupants for marginal downtown residential hotels) have been only partially met and require further development of alternatives.
17. According to the Sacramento Housing Element, there is past evidence of locally extensive racial/ethnic discrimination in private sector housing, a condition which tends to limit free locational choice.
18. Current federal and state housing finance and subsidy programs are not sufficient by themselves to satisfy low and moderate-income housing needs, as indicated by recent public testimony and the waiting lists of the Sacramento Housing and Redevelopment Agency.

III. LONG-TERM/SHORT-TERM OBJECTIVES

Translation of the five goals of the Housing Opportunities Strategy into specific activities requires the establishment of both long-term and short-term objectives. The short-term objectives, in particular, will create a useful yardstick against which to measure the City's progress.

For the sake of conformity with the extant Housing Assistance Plan and the Community Development and Housing Plan, the period for realization of short-term objectives will be 1979-1982. One-year goals within that period of time are one-third of each figure for that time span.

Table 1, which follows, presents the long-term and short-term objectives of the Housing Opportunities Strategy. It includes some projects which are already underway, or which have been completed in furtherance of existing or prior short-term housing objectives.

TABLE 1: STRATEGY OBJECTIVES

Long-Term Objectives

- Promote construction of new owner-occupied and renter-occupied assisted housing units.
- Assist in the rehabilitation of owner-occupied and renter-occupied dwelling units for low/moderate income households.
- Promote new construction and/or rehabilitation of low/moderate income housing in decentralized locations.
- Promote private construction of low/moderate-income housing units in newly-developing areas.
- Optimize locational choice for low/moderate-income housing for the elderly and handicapped.
- Promote construction of housing specifically for the physically-disabled and/or handicapped.
- Make more conventionally constructed housing available to handicapped households.

Short-Term Objectives
(1979-1982)

- *Assist/construct new units according to the most recently adopted HAP (See Appendix 7).
- *Assist in the rehabilitation of existing dwelling units according to the most recently adopted HAP (See Appendix 7).
- *Identify new growth areas and stable census tracts suitable for particular types of housing, together with existing redevelopment areas where the City retains control over development (See Figures 1 and 2).
- *Establish and apply site acquisition and development plan evaluation criteria to accomplish decentralization, both for scattered sites, and large projects (See Appendix 3).
- *Implement Housing Element goals for inclusion of low/moderate-income housing in new subdivisions.
- *Identify census tracts where the special needs of these groups are most likely to be met (See Figures 1 and 2).
- *Insure, through site plan review of proposed projects, that the special needs of this group are being met in new developments.
- *Require that 10% of all newly-constructed low/moderate-income housing be designed to accommodate physically-disabled or handicapped persons.
- *Implement program for handicapped retrofitting.

0
) Increase the ability of fixed-income and lower-income households to remain in their owner-occupied dwellings.

) Promote optimal locational choice for female-headed households, so as to maximize ability to locate near needed services.

) Promote decentralized locational choice for minority groups.

) Promote affirmative action for fair housing.

) Improve community services and public facilities in racially/ethnically integrated neighborhoods.

*Provide rehabilitation assistance.

*Provide weatherization and beautification assistance.

*Provide assistance through the development and/or assisted rental/purchase of scattered-site dwelling units.

*Promote new construction in non-impacted areas.

*Emphasize rental subsidy programs for minorities in non-impacted areas.

*Provide minorities with information and assistance in actually locating housing in non-impacted areas.

*Publicize the City-County Fair Housing Program (See Appendix 9).

*Make the public aware of anti-discrimination laws.

*Educate public on benefits of non-discrimination.

*Create local investigative procedure to process complaints.

*Encourage private developers to use HUD affirmative marketing and advertising practices.

*Enlist participation of real estate brokers, homebuilders and mortgage lenders in affirmative fair housing programs.

*Participate in a HUD-approved New Horizons Fair Housing Assistance Project.

*Capital Improvement Projects are being funded with CDBG money in some Target Areas (See Figure 3).

- 3) Raise level funds to implement site acquisition and construction projects.
- 4) Make undeveloped sites available for low/moderate-income housing developments at below-market prices.
- 5) Provide information on training programs conducted by other agencies for new homeowners regarding various aspects of home ownership, management and maintenance.
- 6) Optimize availability of state and federal housing assistance programs for both public and private activities.
- 7) Protect low/moderate-income renters from displacement in condominium conversion projects where there is inadequate replacement housing, or where they wish to purchase their units at affordable prices.
- 8) Monitor the dynamics of the housing market in order to anticipate future housing needs for lower-income households and special-need groups (e.g., elderly, handicapped, female-headed households).
- 9) Pursue mortgage assistance programs for prospective lower-income homebuyers.

*Utilize local tax increment funding technique.

*Seek ballot authorization to raise money for construction of subsidized units through public bonds.

*Explore feasibility of investing public employee retirement funds in the low/moderate-income housing market.

*Offer City-owned or tax-delinquent properties to qualified lower-income families.

*Acquire/improve sites for resale to qualified buyers.

*Provide information to households receiving housing assistance.

*Aggressively pursue possible funding sources.

*Make information readily available to the private sector and possible clients.

*Implement the City's Condominium Conversion regulations (See Appendix 8).

*Designate agency or department responsible for monitoring and data dissemination.

*Implement the City's Housing Element.

*Update the City's Housing Element in fiscal year 1986-7.

*Actively pursue use of Local Mortgage Revenue Bonds.

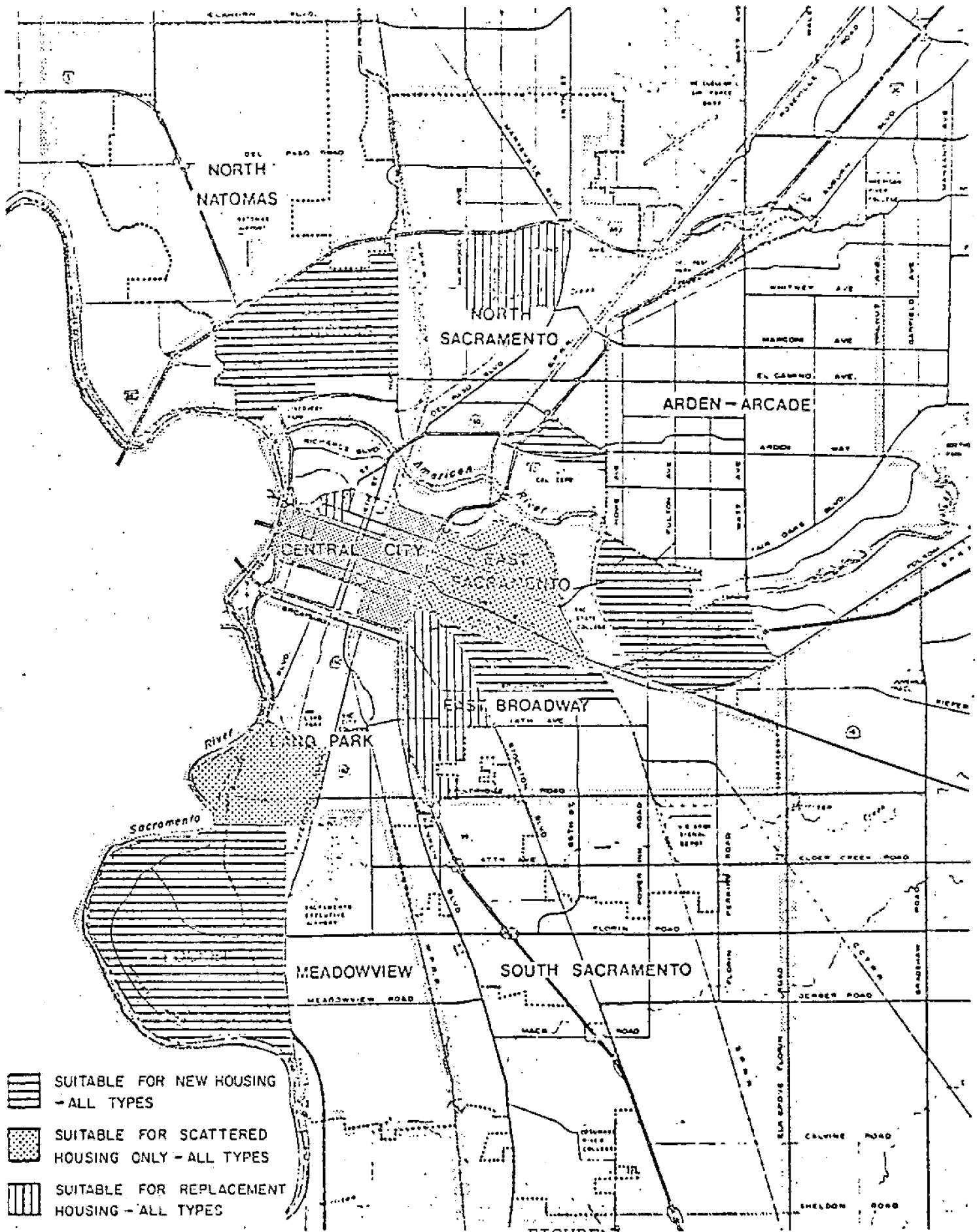
*Participate in state/federal mortgage subsidy programs.

- 20) Optimize provision of affordable housing throughout the community.
- 21) Optimize intra-regional activities regarding decentralized provision of lower-income housing, housing opportunities for minorities, and affirmative fair housing practices.

*Undertake the proposed Affordable Housing Study, and adopt/implement its recommendations.

*Continue close coordination with SRAPC, and participation in the Sacramento Housing and Redevelopment Agency and the City-County Fair Housing Task Force.

NOTE: The overall three-year objective of supplying 15% of the total assisted housing need through new construction and rehabilitation assistance will be feasible only if assistance funded for outside (i.e., non-City) sources is substantially increased. An aggressive approach to procuring outside funds is considered to be the most efficient means of increasing production of lower-income units.







-  SUITABLE FOR NEW HOUSING - ALL TYPES
-  SUITABLE FOR SCATTERED HOUSING ONLY - ALL TYPES
-  SUITABLE FOR REPLACEMENT HOUSING - ALL TYPES
-  SUITABLE FOR ELDERLY AND HANDICAPPED HOUSING

FIGURE 1

EXISTING HAP PRIORITY LOCATIONS
FOR NEW LOW INCOME HOUSING

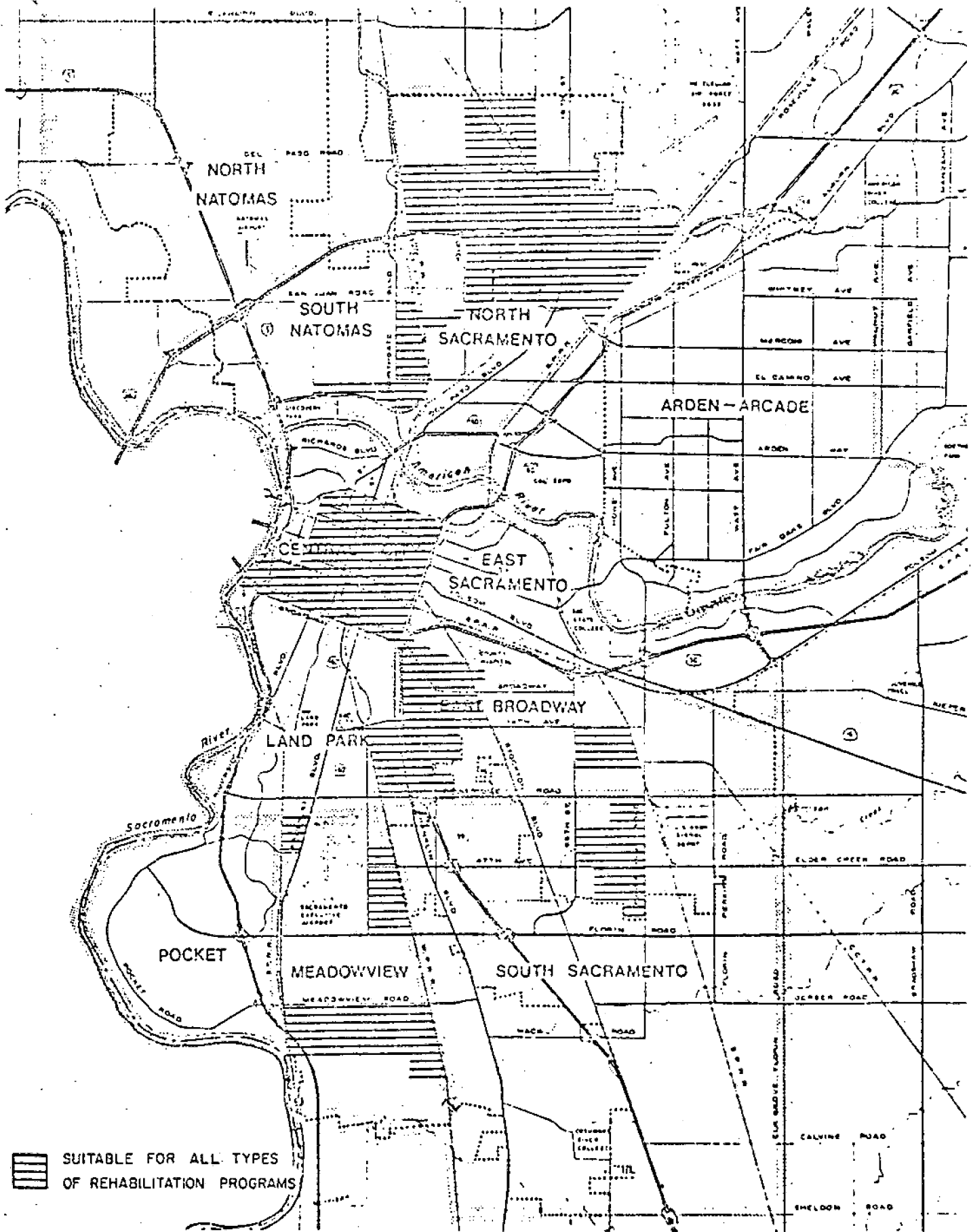


FIGURE 2
 EXISTING HAP PRIORITY LOCATIONS FOR
 REHABILITATED LOW INCOME HOUSING

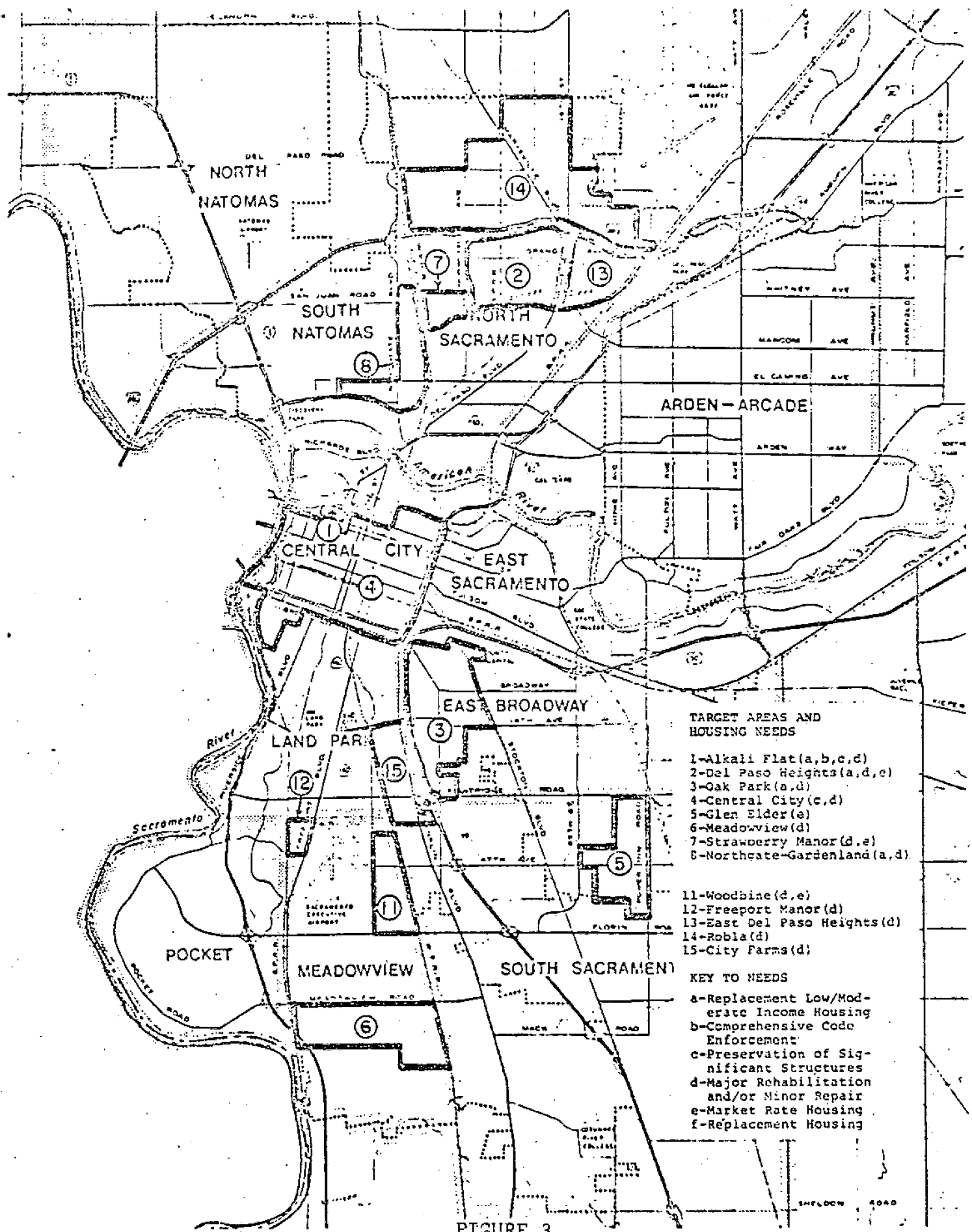


FIGURE 3
 (1979-1982)
 EXISTING COMMUNITY DEVELOPMENT TARGET AREAS
 AND THEIR SPECIFIC HOUSING NEEDS

IMPLEMENTATION PROGRAMS

I. LOCATIONAL CHOICE OF HOUSING OPPORTUNITIES

There are six basic categories of implementation programs which optimize locational choices for low/moderate-income households, including minorities, elderly, handicapped, and female-headed households. These are: site acquisition/construction of new units by public entities; rehabilitation or modification of existing units; mortgage assistance/subsidies; rental assistance; public facilities and services betterment; private sector activities.

Within these categories are measures which are financed by various local, State and/or federal sources. A summary of the State and federal programs which are available for housing assistance within the City of Sacramento are listed below.

A. Commonly-Used Federal Housing Subsidy Programs (HUD/FHA)

- Section 2 -Title 1: Mobile home purchases
- Section 8 -New Construction: Guarantees payments to the owner of a newly-constructed rental project whenever tenants residing in the project are eligible to receive Section 8 assistance.
- Section 8 -Substantial Rehabilitation: Like Section 8 for new construction except involving projects that are substantially rehabilitated.
- Section 8 -Existing Housing: Gives a subsidy to the owner of an existing rental housing whenever an eligible family rents a unit; thus, the location of the subsidy is determined by the location of the family.
- Section 8 -Set-asides: Provides additional assistance to existing FHA projects that are experiencing financial difficulties.
- Section 23 -Provides low-cost, privately-owned housing to eligible families who might otherwise live in conventional public housing, or who have been without housing assistance.

- Section 203(b) -Provides mortgage insurance to commercial lenders for small-family home purchases.
- Section 203(k) -Provides mortgage insurance to commercial lenders for small-family home rehabilitation.
- Section 207 -Provides mortgage insurance to private lenders for construction or rehabilitation of multi-unit housing (including mobile home parks) for moderate- and middle-income families.
- Section 213 -Provides mortgage insurance to non-profit corporations for construction or rehabilitation of cooperative housing projects of five or more dwelling units.
- Section 221(d)(2) -Provides mortgage insurance to homeowners for the purchase, construction, and/or rehabilitation of low-cost, one-to-four unit dwellings for those with low- and moderate-income, and for those displaced by government action.
- Section 221(d)(3) and (4) -Provides mortgage insurance at the FHA ceiling interest rate for the construction or rehabilitation of rental or cooperative multi-family housing for low/moderate-income families.
- Section 223(e) -Provides mortgage insurance for the rehabilitation or construction of projects in declining areas.
- Section 224 -Provides mortgage insurance to families for the purchase of individual condominium units (subsection c), and to sponsors for the construction or rehabilitation of housing units which they intend to sell as individual condominium units (subsection d).
- Section 235 -Provides mortgage insurance for purchase of single-family residences to low/moderate-income families whose adjusted gross income is less than 95% of the area median; also provides for mortgage interest subsidies.

- Section 237 -Provides mortgage insurance and home ownership counseling for low/moderate-income families with poor credit histories, who cannot qualify for insurance under normal standards.
- Section 245 -Provides for insurance on graduated payment mortgages (plans which allow mortgage payments to begin at a low level and gradually increase).
- Section 265 -Similar to Section 235, which it replaces.
- Section 312 -Provides for low-interest rehabilitation loans to owners of residential or commercial property within designated community development areas.

In addition to the preceeding special programs, the City also receives in excess of \$5 million per year in federal Community Development Block Grant funds. Expenditures for the period of July, 1979 through June, 1982 are summarized in Appendix 7. A substantial portion of these funds are expended for City-wide rehabilitation programs, which are summarized on Table 2.

B. State Programs

There are four major programs at the State level which supply a substantial amount of money within one or more of the previously stated six major categories of housing assistance. These are briefly summarized below, and are discussed with greater detail in Appendices 4-6.

Deferred-Payment Rehabilitation Loan Program (SB 966): Provides deferred-payment loan funds for rehabilitation of housing for low/moderate-income households within CDBG target areas (See Appendix 4).

Home Ownership/Home Improvement Program: Provides home ownership and home improvement loans at below-market interest rates to low/moderate-income people for the purchase or rehabilitation of single-family residences; administered by CHFA. (See Appendix 5).

Hughes-Roberti Program: Provides three programs for assistance to moderate-, lower- and lowest-income families including a rental housing construction program, an ownership assistance program, and a rehabilitation program; administered by HCD (See Appendix 6).

Marks-Foran Program: Permits local housing authorities to sell bonds to finance construction or rehabilitation of low/moderate-income housing, using Section 8 funds.

Measure D-Public Housing Authorization: In November, 1978, the City placed a ballot measure before the electorate, pursuant to Article 34, for authorization to construct 1,500 new subsidized housing units throughout the City. This measure was approved.

Tax-Delinquent and Surplus Property: The City has an on-going program of obtaining tax-delinquent properties and using them, along with surplus City property, as sites for low/moderate-income housing. These properties are scattered throughout the City and thus directly serve the decentralization goals of the HOS. The sites are either used for publically-financed construction, or are sold to qualified lower-income households as sites for assisted/subsidized housing.

City Housing Element: On June 10, 1980, the City Council adopted a comprehensive Housing Element of the General Plan, in accordance with guidelines promulgated by the State Office of Planning and Research. This plan and its corresponding implementation programs emphasize provisions of low/moderate-income housing with maximized locational choice. It particularly addresses the special locational needs of minorities, elderly, handicapped, and female-headed households.

Table 2
PROPERTY REHABILITATION PROGRAMS

For Information Call:
Property Rehab. Dept.
444-9210

CITY OF SACRAMENTO
SACRAMENTO HOUSING & REDEVELOPMENT AGENCY

PROGRAM	ASSISTANCE	MAXIMUM INCOME LIMITS		ELIGIBLE AREA	ADDITIONAL INFORMATION				
		Family Size	Max. Annual Income						
PAINT & BEAUTIFICATION	Provides funds for the purchase of materials & supplies for exterior painting & minor repair. Owner-occupied property. Owners encouraged to provide own labor.	1	\$ 12,000	All City C.D. Target Areas	Eligible applicant may receive up to a maximum of \$1,000.00. House ineligible if major health, safety, and/or code items are present.				
		2	13,700						
		3	15,400						
		4	17,100						
		5	18,300						
		6	19,250						
		7	20,350						
		8+	21,400						
HOUSING OPPORTUNITY PROGRAM FOR EMERGENCY REPAIRS - HOPE	Provides funds for emergency repairs for single-family, owner-occupied properties.	1	\$ 12,000	Anywhere in the City of Sacramento	Eligible applicant may receive up to a maximum of \$1,500.00. Not restricted to target areas.				
		2	13,700						
		3	15,400						
		4	17,100						
		5	18,200						
		6	19,250						
		7	20,350						
		8+	21,400						
RETROFITTING GRANT PROGRAM FOR THE DISABLED	Modifications to single family properties owned and occupied by a disabled person or families with a disabled member to make the property more convenient.	1	\$ 18,000	Anywhere in the City of Sacramento	Eligible applicant may receive up to a maximum of \$2,500.00. Not restricted to target areas.				
		2	22,920						
		3	23,100						
		4	25,680						
		5	27,300						
		6	28,860						
		7	30,540						
		8+	32,100						
SNAP LOAN PROGRAM	Repairs to single-family, multi-family, & commercial properties; variable interest rates depending on income. Rate varies from 1 - 7%. Loan may be deferred in special cases.	1	\$ 18,000	All City C.D. Target Areas	Maximum loan amount on single-family dwelling is \$25,000.00.				
		2	22,920						
		3	23,100						
		4	25,680						
		5	27,300						
		6	28,860						
		7	30,540						
		8+	32,100						
FEDERAL SECTION 312 LOAN PROGRAM	Repairs including health, safety & building code items to single-family, multi-family, & commercial properties. Interest rate is currently 3%.	Priority is given to property owners within the following limits:		All City C.D. Target Areas	Priority given to low/moderate income homeowners. Multi-family loans have Rental Rehab Agreement requirement. Maximum loan amounts: Single-family \$ 27,000 1 - 4 units 27,000 Ea Commercial 100,000 Multi-family 27,000 Ea				
		1	\$14,250						
		2	18,145						
		3	18,288						
		4	20,330						
		5	21,612						
		6	22,847						
		7	24,177						
		8+	25,412						
		CEFA HOME IMPROVEMENT LOAN	Repairs including health, safety & building code items to single family 1 - 4 unit properties. Interest rate is currently 10%.			1-2	\$17,100	8 City C.D. Target Areas	Maximum loan amount is \$15,000.00. Maximum term is 15 years.
						3-5	20,500		
6-8	22,200								
SB 966 LOAN PROGRAM	Provides a maximum of \$10,000 per unit in State Housing & Community Development Department loan funds for the rehabilitation of properties containing one to four units. CODE ITEMS ONLY. Interest rate is 3% and payments are deferred in 5 year increments to a maximum of 20 years.	1	\$14,400	8 City C.D. Target Areas	If loan applicant is elderly, the loan may be deferred until the property is sold.				
		2	16,400						
		3	18,500						
		4	20,500						
		5	21,800						
		6	23,100						
		7	24,350						
		8+	25,650						
COMMUNITY DEVELOPMENT GRANT PROGRAM	Grant up to \$5,000, for repairs including health, safety & building code items to owner occupied structures.	1	\$ 6,850	Oak Park & Del Paso Heights Target Areas	Eligible applicant may receive up to a maximum of \$5,000. If property is sold within a 3 year period after receiving grant, grant must be repaid.				
		2	7,850						
		3	8,800						
		4	9,800						
		5	10,600						
		6	11,350						
		7	12,150						
		8+	12,950						

(July, 1980)

C. Local Programs

There are nine programs, activities, or acts which have been or are currently being undertaken by the City to further assist housing goals in the City, with an emphasis on locational choice. These programs are summarized below.

Scattered Residential Site Acquisition Program: The purpose of the program is to promote construction of new low-income owner and renter housing in non-low/moderate-income areas, in order to increase housing opportunities for low/moderate-income persons, and to help achieve spatial deconcentration of such housing.

This housing is being developed both on scattered sites and in small complexes. The City's involvement includes acquisition of sites, provision of site improvements, and resale at a discount (or retention for construction of housing under federal, State or local housing programs). New construction provides a variety of housing types and sizes in direct proportion to the housing assistance needs documented in the City's Housing Assistance Plan. Approximately 10 percent of all new constructed housing are being designed to accommodate physically-disabled and handicapped persons.

The Sacramento Housing and Redevelopment Agency has approved funding for 437 new housing units at \$17 million, from a variety of sources including \$50,000 in CDBG funds during 1979/80. CDBG funds were increased to \$250,000 for the 1980/81 fiscal year.

Tax Increment Funding: The City has instituted a program of fund acquisition utilizing the tax increment methodology. Begun in fiscal year 1978/79, it is expected to net \$4 million within a four-year period. Funds are being used in conjunction with CDBG money and other funds to construct new assisted housing (e.g., Alkali Flat Senior Housing, a 40 unit elderly/handicapped project).

Affordable Housing Study: The City is in the process of preparing a detailed economic analysis on the nature of affordable housing in Sacramento. The study will include methodologies for making housing affordable to all segments of the community, particularly low/moderate-income households. One such method which will be evaluated is an inclusionary housing program, either voluntary or mandatory, together with realistic implementation measures. The City's intent is to adopt and implement the consultant's program recommendations, based on the study's findings. See Appendix 10 for the work program tasks of this activity.

Condominium Conversion Regulations: On September 16, 1980, the City adopted a program and implementation ordinance to assure that further conversions of apartment structures from rental units to condominium units do not exacerbate the draw-down of low/moderate-income rental units in the absence of replacement housing where the rental vacancy rate is 5% or less. It also provides purchase opportunities for low/moderate-income people at the time of conversion. For further detail, see Appendix 8.

Handicapped-Housing Inclusionary Factor: The City has an adopted policy that all new housing developments shall include at least 10% of its units which are designed to meet the needs of physically-disabled or handicapped individuals. This policy is being implemented on an on-going basis by the Current Planning Division of the City Planning Department.

Local Mortgage Revenue Bond Program: The City of Sacramento has expressed an intent to establish a Local Mortgage Revenue Bond program, to provide below-market-rate loans to low/moderate-income persons for home ownership. Because the total bond sale, maximum sales price, and income limits have not been established, and because the future of mortgage revenue bonding is under consideration at the federal level, the 1980/81 HAP does not include specific goals for use of these bonds. The City will continue to make every effort to insure its ability to use Mortgage Revenue Bonds in the future by opposing federal restrictions on these bonds, and by proceeding with the steps necessary to obtain the bond issues.

II. FAIR HOUSING OPPORTUNITIES

In April, 1980, the City and County of Sacramento jointly created an interim Fair Housing Task Force, for the purpose of determining the nature and extent of housing discrimination in the Sacramento Area.

The results of that group's investigation, in the form of testimony presented at various public forums, are included in Appendix 9. Also included are the resultant City-County Fair Housing Program, and applicable fair housing regulations.

The City has allocated \$40,000 in its 1980/81 CDBG Budget for joint program implementation with the County.

GLOSSARY

Abbreviations

CDBG	-Community Development Block Grant (program)
CHFA	-California Housing and Finance Agency
FEPC	-Fair Employment Practices Commission
FHA	-Federal Housing Administration
HAP	-Housing Assistance Plan
HCD	-Housing and Community Development
HRC	-Human Rights Commission
HUD	-Housing and Urban Development
SHRA	-Sacramento Housing and Redevelopment Agency
SMSA	-Standard Metropolitan Statistical Area
SRAPC	-Sacramento Regional Area Planning Commission

Households

Aged or Elderly -	One or two person households headed by a person 65 years of age or over.
Disabled or Handicapped -	Head of household that uses a wheelchair or canadian walker; uses a cane, crutch or brace; has cerebral palsy, or is mentally retarded.
Household -	One or more individuals living as a single housekeeping unit.
Minority -	Members of a group which includes blacks, Spanish-Americans, orientals, American Indians or others.
Overcrowded -	A household with 2.25 or more persons per bedroom.
Overpaying -	A relationship of income and assets to a individual or household's housing or rental costs. Generally, any excess in cost over 25-30 percent of gross income per month is considered to be overpaying.
Owner -	A buyer and occupant (household) of a residence.
Renter -	A renter (household) of a residence.
Single Parent -	A household headed by a sole member that has children residing in the residence.

Housing

- (at) Cost -A money amount for a purchased house (or its rental equivalent) which reflects land development, construction/labor costs and financing costs but does not include profit.
- (at) Market Rate -A money amount that adds profit into the price of a sale or rental unit.
- Standard -Housing which is not substandard.
- Substandard -Housing by 1960 census definition which is deteriorating, dilapidated or lacking some or all plumbing.

Income

- Low -Lower and lowest income
- Lower -50-80% of median income
- Lowest -0-50% of median income
- Median -Income established by HUD for the Sacramento SMSA as the median
- Moderate -80-120% of median income
- Middle and Upper -Above 120% of median income

Land

- Vacant-Constrained-Land having unusual or highly limiting factors that make development (residential) difficult.
- Vacant-Non-constrained-Land free of unusual or highly limiting development factors.

Miscellaneous

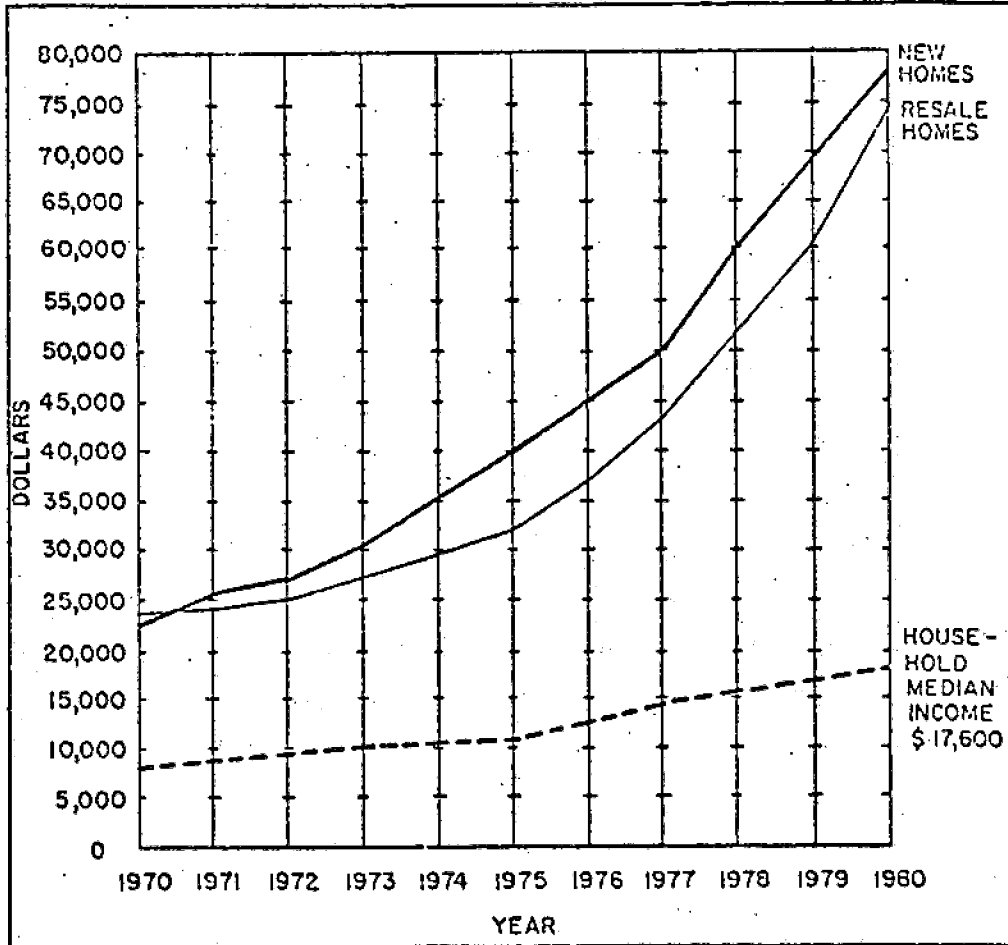
- Average -An amount determined by dividing the sum of two or more quantities by the number of quantities.
- Conventional Public Housing - Housing for low income persons, administered by the local housing authority, and funded in large part through tax exempt bonds and by HUD.

- Density Bonus -An increase in the density of a project to a maximum allowed by physical constraints above that normally permitted by the general plan and zoning or subdivision ordinances.
- Fair Share -An allocation to a jurisdiction which is considered equitable in distribution among all the jurisdictions.
- In Need of Assistance-A term used and defined in Sacramento's HAP for quantifying program objectives for needy low income households.
- Median -An amount designating the middle number in a series.
- Unmet Needs -That amount or point at which the supply cannot meet the needs or demands of an individual, household or entity.
- Write-Down Options -Used to indicate a discount in price by reducing certain charges, fees or requirements.

APPENDIX 1

THE NEW AND RESALE HOUSING MARKET IN SACRAMENTO

RELATIONSHIP OF INCREASING HOUSING COSTS TO INCOME

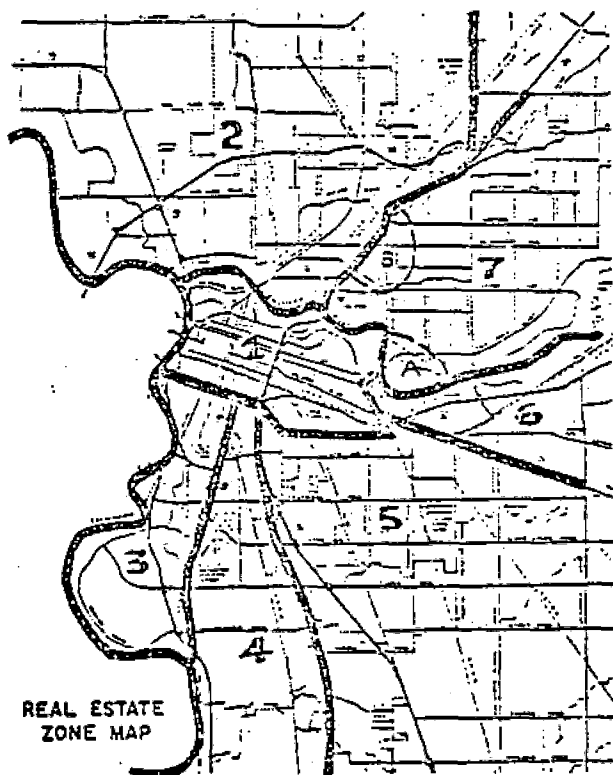


(April 1980, Average Price of Resale Home = \$74,500,
 Median Price of Resale Home = \$59,350)

AVERAGE HOME PRICE BY REAL ESTATE ZONE
FOR CITY AND IMMEDIATE VICINITY, 1977 & 1979

	Zones ¹			
	1	2	3	4
July - December 1977	\$41,104	\$29,688	\$58,421	\$31,376
Percentage Change	33.7%	22.6%	23.9%	33.3%
January - July 1979	\$54,971	\$36,406	\$72,357	\$41,818

	Zones ²			
	5	6	7A	7B
July - December 1977	\$41,450	\$52,350	\$73,550+	\$41,420
Percentage Change	30.0%	33.3%	30.0%	30.0%
July 1979	\$53,892	\$69,775	\$95,750+	\$53,850



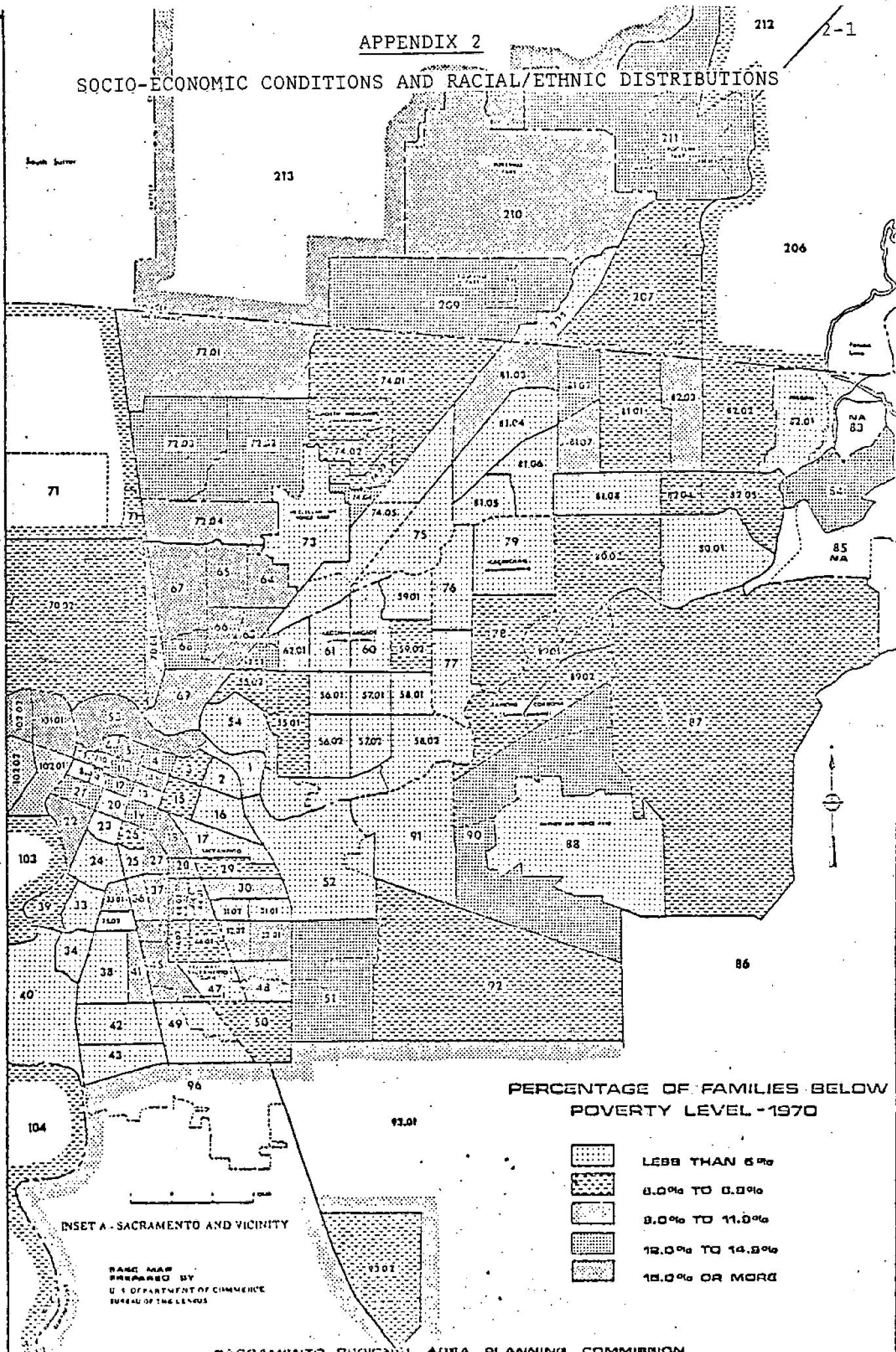
1. Source: Sacramento Board of Realtors, Multiple Listing Service.
2. Source: Planning Department estimates, newspaper listings.

NEW HOUSING AVAILABLE IN CITY'S GROWTH AREAS






	<u>No. Bedrooms</u>	<u>Size Range - Sq. Ft.</u>	<u>Price Range</u>
<u>SOUTH NATOMAS</u>			
Single Family - Detached Units	2	903 - 1,313	\$45,950 - 65,990
	3	1,025 - 1,673	\$51,950 - 77,990
	4	1,353 - 1,914	\$61,950 - 80,990
	5	2,089	\$79,950
Half-plex Units	2	1,100 - 1,288	\$49,000 - 52,000
	3	1,289 - 1,345	\$50,000 - 53,005
Four-plex Units	2	989 - 1,035	\$50,000
	3	1,161	\$52,000
<u>NORTH SACRAMENTO</u>			
Single Family - Detached Units	3	1,087 - 1,322	\$43,300 - 48,800
	4	1,308 - 1,898	\$47,950 - 59,450
<u>SOUTH SACRAMENTO</u>			
Single Family - Detached Units	2	839	\$44,950
	3	1,027 - 2,189	\$50,000 - 85,750
	4	1,300 - 2,189	\$54,000 - 85,750
	5	2,124	\$80,950
Townhouse Units	2	1,116	\$46,950
	3	1,343 - 1,344	\$48,950 - 49,950
<u>MEADOWVIEW</u>			
Single Family - Detached Units	2	1,000	\$46,950
	3	1,000 - 1,200	\$54,000 - 64,000
	4	1,400 - 1,460	\$60,000 - 64,000
Half-plex Units	2	900	\$44,000
	3	1,050	\$48,000
<u>POCKET</u>			
Single Family - Detached Units	3	1,300 - 1,700	\$71,950 - 82,000
	4	1,541 - 2,500	\$74,950 - 105,000
Townhouse Units	2	1,350	\$80,000
	3	1,530 - 1,650	\$85,000 - 92,000

Source: Sacramento Planning Department Survey - July, 1979

SOCIO-ECONOMIC CONDITIONS AND RACIAL/ETHNIC DISTRIBUTIONS

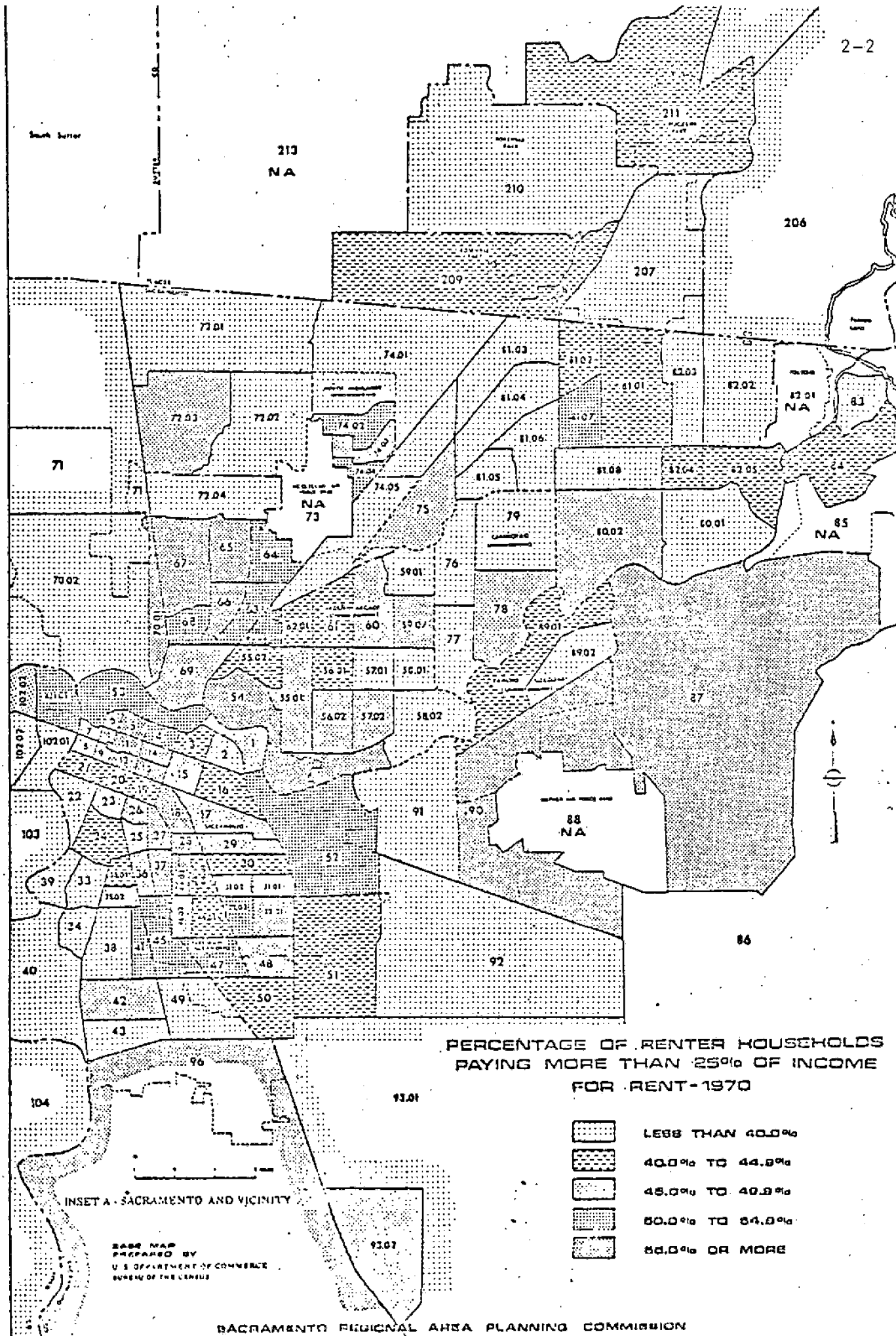


PERCENTAGE OF FAMILIES BELOW POVERTY LEVEL - 1970






-  LESS THAN 6%
-  6.0% TO 8.9%
-  9.0% TO 11.0%
-  12.0% TO 14.9%
-  15.0% OR MORE

INSET A - SACRAMENTO AND VICINITY

BASE MAP PREPARED BY U.S. DEPARTMENT OF COMMERCE BUREAU OF THE CENSUS

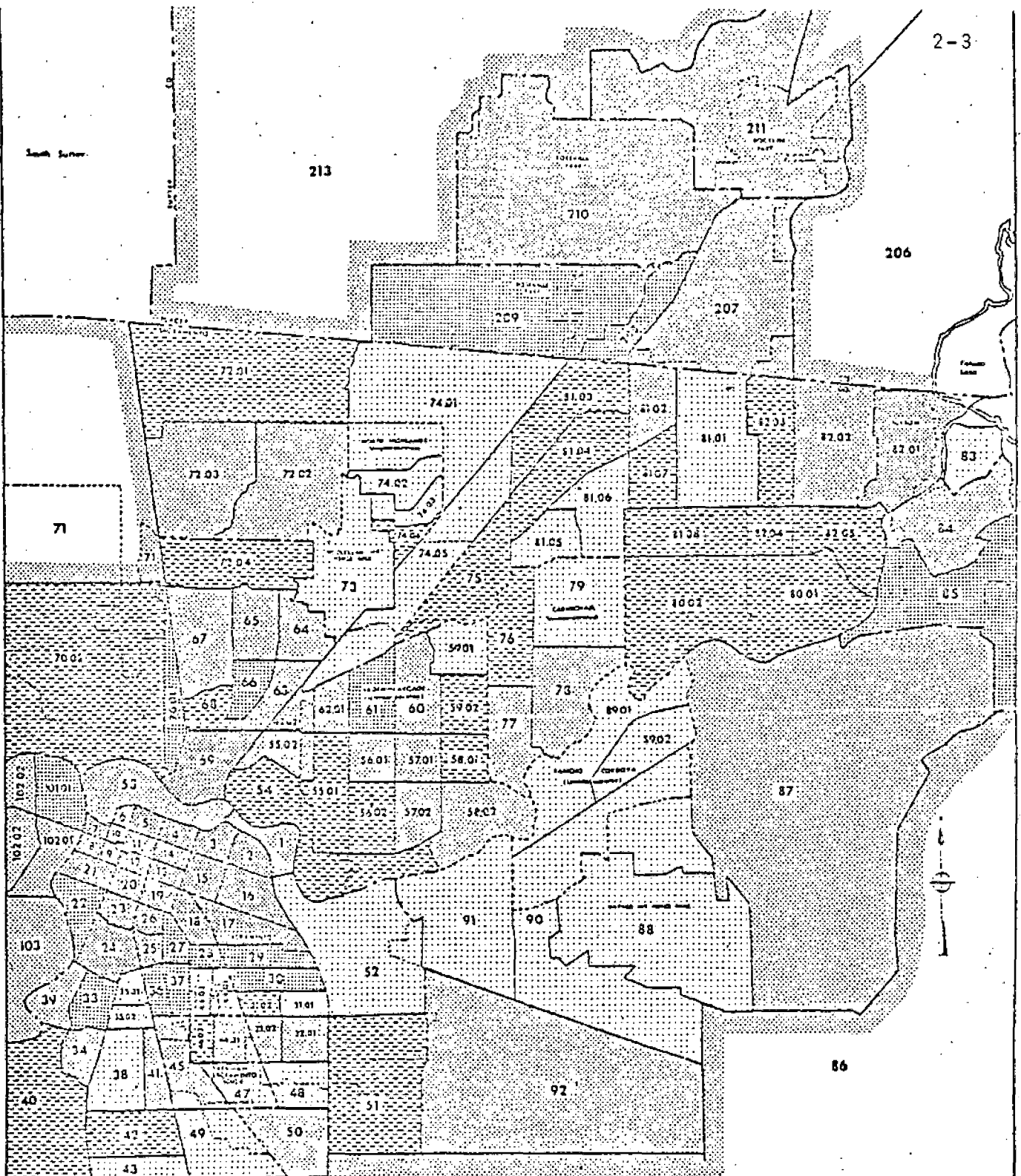


PERCENTAGE OF RENTER HOUSEHOLDS
PAYING MORE THAN 25% OF INCOME
FOR RENT-1970






-  LESS THAN 40.0%
-  40.0% TO 44.9%
-  45.0% TO 49.9%
-  50.0% TO 54.9%
-  55.0% OR MORE

INSET A - SACRAMENTO AND VICINITY

BASE MAP
PREPARED BY
U. S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

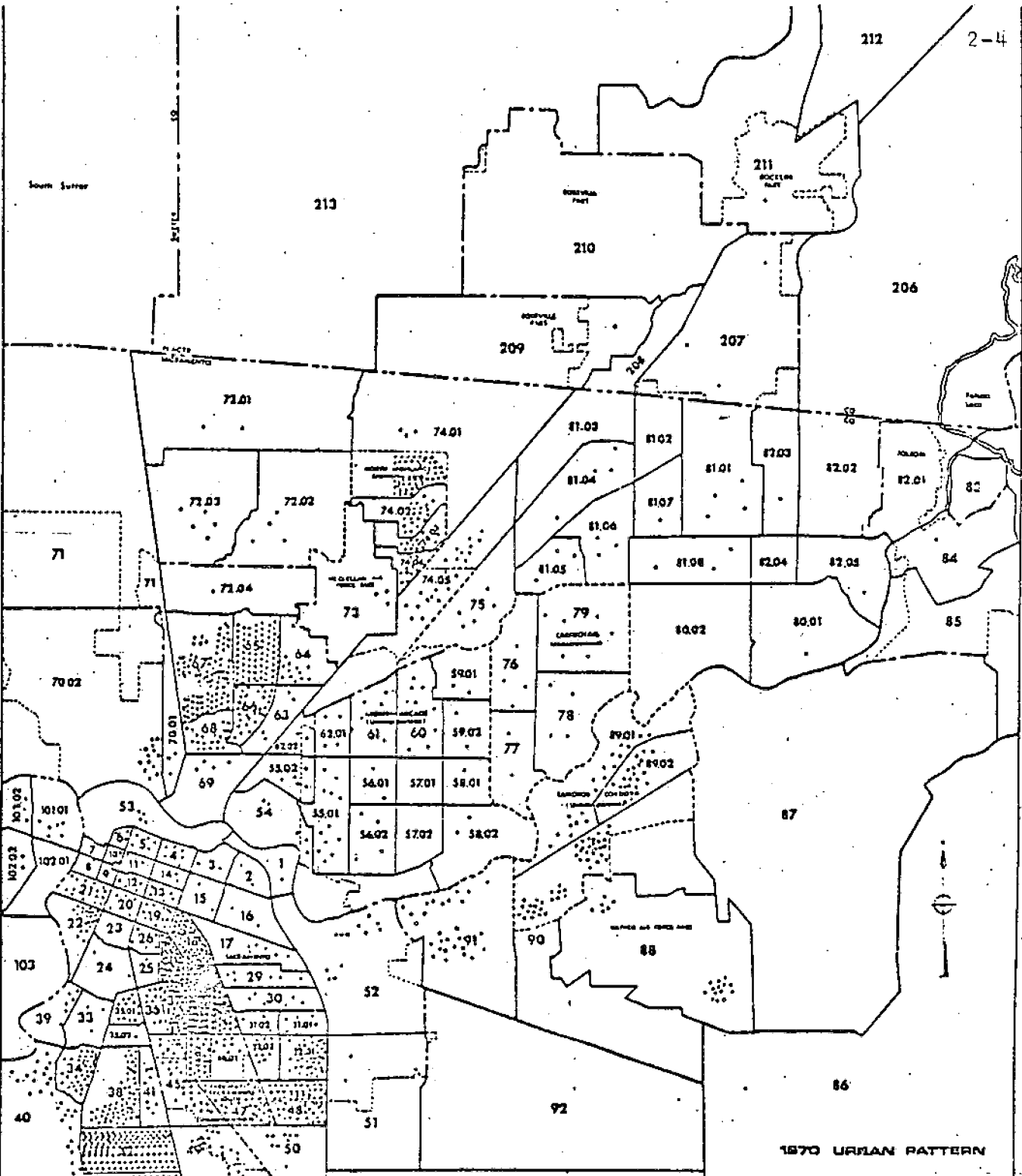


PERCENTAGE OF POPULATION OVER 65 YEARS OLD-1970

-  LESS THAN 3.0%
-  3.0% TO 4.9%
-  5.0% TO 9.9%
-  10.0% TO 14.9%
-  15.0% OR MORE

INSET A - SACRAMENTO AND VICINITY

BASE MAP PREPARED BY
U.S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

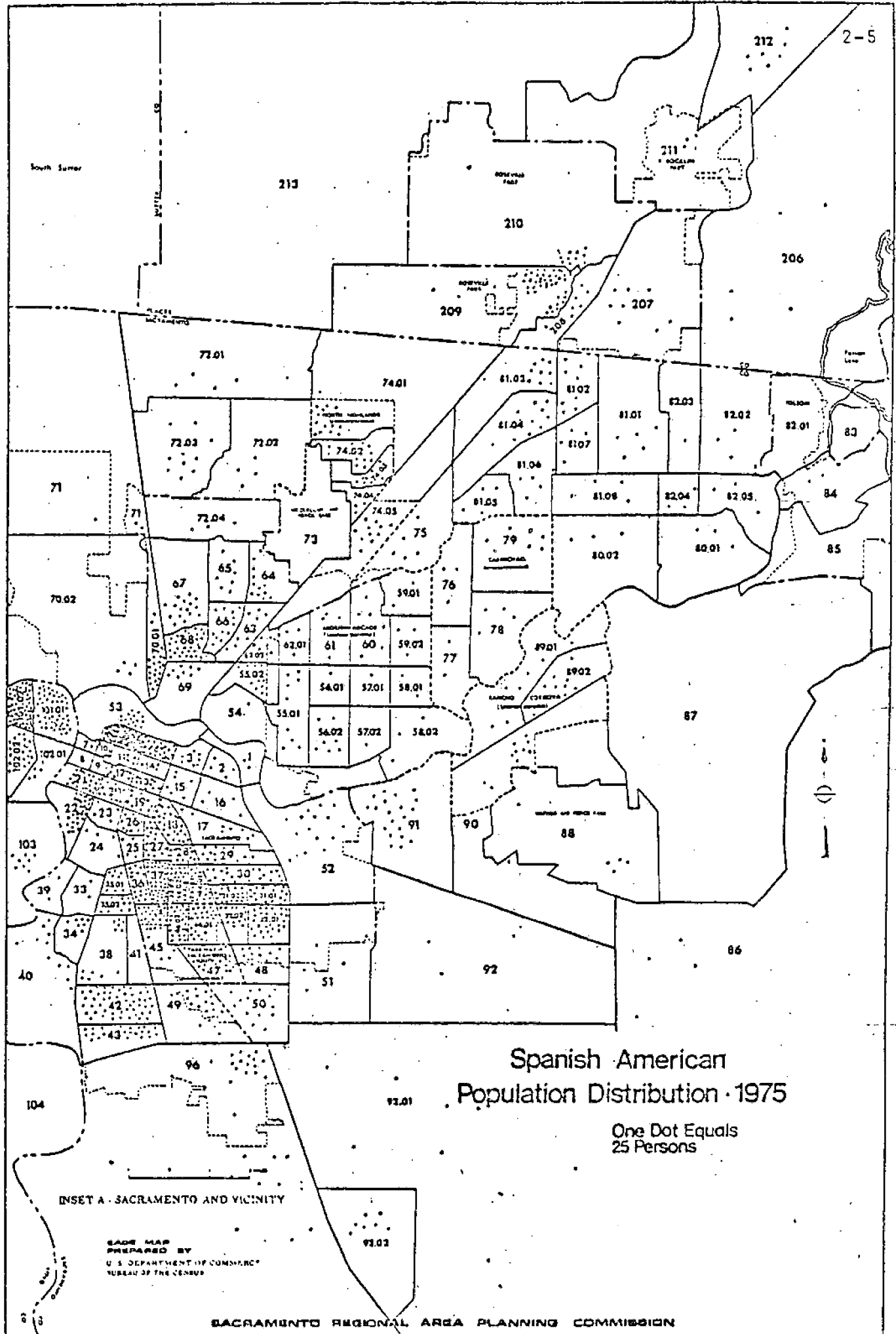


Black Population Distribution 1975

One Dot Equals 25 Persons

INSET A - SACRAMENTO AND VICINITY

BASE MAP PREPARED BY
U. S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS



Spanish American
Population Distribution - 1975

One Dot Equals
25 Persons

INSET A - SACRAMENTO AND VICINITY

MAP PREPARED BY
U. S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

APPENDIX 3

LOCATIONAL CRITERIA FOR PROPOSED LOWER-INCOME HOUSING

Purpose

The purpose of this section (Title IV) is to identify general locations proposed for housing for lower-income households. Designations are by census tract in most cases, based on selection criteria described below. Locations were selected with the objectives of:

1. Furthering community revitalization, including neighborhood restoration and rehabilitation;
2. Promoting greater choices of housing opportunities for lower-income persons and avoiding undue concentrations of assisted housing in areas containing a high proportion of low-income persons; and
3. Assuring the availability of public facilities and services adequate to serve proposed housing projects.

Explanation of Selection of General Locations-New Construction

In designating census tracts for new construction, major consideration was given to avoiding neighborhoods where a large influx of new lower-income housing might precipitate or contribute to impaction of lower-income and minority neighborhoods. Census tracts with relatively high concentrations of lower-income and minority households were, for the most part, excluded. The locations of existing subsidized housing units were also considered. Consistent with the objective of spatial deconcentration of lower-income and minority households, major emphasis has been placed on newly developed areas. With exception of existing redevelopment areas, the areas designated are not impacted with lower-income households; minority populations; and substandard housing. Maps depicting salient demographic characteristics are attached. General designations were further expanded in two instances:

1. Selected central city census tracts were designated as priority locations for elderly and handicapped housing. These areas were selected because of their central location with respect to transportation, medical, and shopping facilities.
2. Existing redevelopment areas-Alkali Flat, Oak Park and Del Paso Heights were included for projects involving construction of replacement housing. While these areas do contain large concentrations of low-income and minority groups, their designation is justified on the grounds that the City, through the redevelopment process, maintains sufficient control in these areas, to minimize adverse impacts that may result from new construction.

-Rehabilitation

Consistent with the emphasis on rehabilitation expressed in Section III of the HAP, a permissive approach to designating areas for rehabilitation assistance has been employed. Rehabilitation of existing substandard housing is considered to be an asset in all cases. In addition to providing decent housing, rehabilitation also contributes towards the upgrading of neighborhoods and is therefore consistent with City community development objectives.

Existing community development target areas have been designated for all rehabilitation programs including SNAP, Section 8, Section 312, and programs available through CHFA. These areas contain the highest proportion of substandard units which can economically be rehabilitated for occupancy by lower-income groups. To exclude these areas from consideration would be counter-productive to overall community development objectives, among them the improvement of physical conditions in disadvantaged neighborhoods. Rehabilitation, together with other CDBG activities, will improve neighborhood conditions and create a better living environment for existing lower-income residents.

Criteria for Evaluation of New Construction Sites Not Located in Areas Designated in the HAP

In considering proposals for provision of assisted housing, HUD gives priority consideration to projects located in the areas designated by the City. In addition, the City is given the opportunity to review and comment upon all proposals. Projects proposed in areas not indicated in the HAP may be approved provided the City submits written comments to the effect that the project is acceptable. Conversely, a project may be disapproved on the basis of locational factors even though proposed in a HAP designated area. The designation or non-designation of a particular area in the HAP therefore is only one of many factors in the decision to undertake a given project.

In depicting areas for lower-income housing assistance it is recognized that designation by census tract, as required by Federal regulations, is a very broad-brush approach. Many variables which could spell the difference between suitable and unsuitable sites are not reflected at this level. Anyone familiar with the city recognizes that there are great variations of housing and neighborhood quality within census tracts, and that stable neighborhoods in a broad variety of price ranges exist in close proximity.

New construction projects proposed for areas not designated in the HAP will be reviewed by the City in accordance with the following criteria:

- The concentration of low-income and minority households is below the City average as indicated by data from the 1975 Special Census.
- Full public street improvements, public services and utilities of average or better quality are present in the immediate area.
- The site is favorably located with respect to services suited to the needs of residents. For example, elderly and handicapped housing must be accessible to medical facilities and public transportation. Schools and employment are important for family housing. The appropriate facilities must be of average quality or better.
- Structures and properties adjacent or in close proximity to the site must be well maintained and in good condition.
- Development of the site as proposed must improve the visual character of the immediate surroundings as, for example, through higher standards of construction and site improvements.
- There must be no unique or special problems associated with the site which would not be mitigated to acceptable levels by construction; for example, high crime rates or problems with noise or traffic.
- Development must assist in the accomplishment of HAP goals.
- The project must be consistent with the City housing element and adopted community plans.

The above criteria are intended to serve as a guide to developers in locating projects involving lower-income housing assistance.

Criteria for Evaluation and Selection of Lower-Income Housing Projects

Under Section 213 of the Housing and Community Development Act of 1977 the City shall review all assisted housing proposals for consistency with the HAP. Proposed lower-income housing projects must meet the following criteria to receive a favorable recommendation:

1. The site should not be located in close proximity to an existing subsidized development.
2. The site should be easily accessible to supportive facilities and services; for example, schools, recreation, medical care, shopping and employment.

3. A minimum of 15% of the proposed units are to be designed to accommodate physically disabled persons.
4. The project must be consistent with the adopted housing element, as well as applicable community plans and zoning.
5. Adequate public utilities (gas, electricity, water, sewer, etc.) are available to service the proposed project.
6. The site must have easy access to public transportation.
7. There must be an absence of significant adverse physical or environmental conditions (man-made or natural).

APPENDIX

DEFERRED-PAYMENT REHABILITATION LOAN PROGRAM

The Housing Rehabilitation Loan Fund program was established by the passage of SB 966 (Marks) (Chapter 884, Statutes of 1978). The program provides deferred payment loan funds to local government to assist with the rehabilitation of housing for low and moderate income households. The program is administered by the California Department of Housing and Community Development (HCD) through the assistance of local governments. The program will complement local rehabilitation in cities and counties with certain eligible programs.

How Program Works: The Department of Housing and Community Development (HCD) will lend deferred loan funds to certain local government agencies and those agencies will in turn lend the funds out to eligible property owners in the form of deferred loans with 3% interest on the original principal. The loans will be repaid to local government, and in turn to the State. Additionally, the program provides that some local code enforcement agencies might borrow funds from the State when the agencies are having repairs done to properties where owners have not repaired after a final notice. Liens would be placed against such properties, and when local agencies are repaid, they would repay the State.

Eligible Local Agencies and Programs: Local agencies eligible to apply for State funds are cities, counties, or cities and counties, and includes any government agency or local public entity to which such eligible local agency may, after a public hearing, delegate responsibility for the program.

Eligible Programs: Only local agencies with one or more of the following programs are eligible for loan funds from HUD:

- a. A rehabilitation loan program conducted in CHFA Concentrated Rehabilitation Areas designated pursuant to Section 51302 of the Health and Safety Code. The local agency shall have available and commit to the extent possible, CHFA rehabilitation and refinancing funds, CDBG BMIR loans, HUD 312 loans, Title I loans, and other funding to be used in combination with funds from the Fund in designated areas.
- b. A residential rehabilitation financing program conducted pursuant to the Marks/Foran Residential Rehabilitation Program, commencing with Section 37910 of the Health and Safety Code. The local agency shall have available and commit to the extent possible, Marks/Foran rehabilitation and refinancing funds, CDBG BMIR loans, HUD 312 loans, Title I loans, and other funds to be used in combination with funds from the Fund in the designated areas.

- c. A city-wide or county-wide systematic enforcement program pursuant to which the CHFA has allocated funds for rehabilitation of housing pursuant to Section 51311 of the Health and Safety Code.
- d. A code enforcement agency repairing substandard structures following the owner's failure to commence work following a final notice or order from the enforcement agency.

Eligible Property Owners/Borrowers: Detailed eligibility criteria for property owners are included in the program regulations which are available to agencies planning to submit proposals. Generally, low/moderate-income owner-occupants of one-to-four unit properties and non-owner-occupants of rental properties, subject to certain requirements, are eligible for loans.

Available Funding and Loan Limits:

- a. Amounts of Loans to Local Agencies -
Since the total funds available are limited to about \$350,000, it is expected that loan commitments to local agencies will not exceed \$35,000 to \$75,000.
- b. Amounts of Loans to Property Owner/Borrowers -
The maximum loans would be \$10,000 per unit, or \$20,000 per unit when there are room additions to alleviate overcrowding. The maximum loan for a rental property would be \$100,000.

Terms and Conditions of Loans to Local Agencies: Details on the terms and conditions are set forth in the regulations which can be obtained by local agencies making proposals. In general, the terms and conditions are:

- a. Local Agencies in Categories A through C (Eligible Programs above) -
 - 3% interest per annum on loan amount disbursed to local agencies.
 - Loans repayable to State upon repayment by property owners.
 - Local agencies must require agreements from owners of rental properties on renting to low-income and limiting rent increases.
- b. Local Code Enforcement Agencies Category D (Eligible Programs above) -
 - Loans to local agencies bear no interest except when the agency collects interest from the property owner.
 - Loans repaid to State upon collection by local agency.
 - Liens placed against properties until repayment to owners.

Terms and Conditions of Loans to Property Owners: Details on terms and conditions are in the program regulations.

a. Owner-Occupied 1 - 4 Units

1. Elderly Owners

- Loan is necessary to cover cost of meeting rehabilitation standards over the amount of the improvement loan the local agency is able to provide without exceeding the owner's ability to afford the monthly payments required.
- 3% interest per annum on original principal loan amount.
- Loans repaid upon sale or transfer.
- Lien on property.

2. Non-Elderly Owners

- Loan is necessary to cover cost of meeting rehabilitation standards over the amount of the improvement loan the local agency is able to provide without exceeding the owner's ability to afford the monthly payments required.
- 3% interest per annum on original loan amount.
- Loans repaid at the end of 5 years, or upon sale or transfer, whichever occurs first.
- Loans may be extended for an additional 5-year period if owner is unable to refinance loan at the end of 5 years.

b. Owners of Rental Properties

- 3% interest per annum on original principal loan amount.
- Loans repaid at the end of 5 years, or upon sale or transfer, whichever occurs first. Loans may be extended if low-income tenants continue to benefit.
- Loans must be necessary to (1) avoid increases in monthly debt service which would result in rent increases causing permanent displacement of persons of low income, or (2) avoid increases in monthly debt service that would make it economically infeasible to accept subsidies available to provide affordable rents to low-income tenants.
- Owners must agree to rent to certain amount of low-income tenants during the term of the loan.

Priorities in Use of Funds: The relative merit of all applications from local agencies will be judged by the following criteria:

- a. The local agency's agreement to combine loans from the Fund with other rehabilitation and refinancing funds and resources to ensure maximum leverage of loans from the Fund.

- b. The local agency's agreement to commit, to the maximum extent possible, CHFA, Marks/Foran, HUD 312, CDBG, Title I or other funds for refinancing and rehabilitation.
- c. The local agency's agreement to continue existing rehabilitation and refinancing programs.
- d. The local agency's ability to proceed to lend out the loan funds upon receipt of funds.
- e. The estimated number of units and low and moderate households to be assisted by the loan, considering the amount of the loan.
- f. Conformance with and furtherance of the local Housing Element and Housing Assistance Plan.
- g. Evidence of need for loan funds from the Fund.

Other criteria may be adopted by the Loan Committee as deemed appropriate.

Approval/Disapproval of Local Agency Applications: A Loan Committee composed of three Department officials and two public representatives will approve or disapprove all applications from local agencies for funds.

Local Agency Requests for Funds: The Department shall initially, and periodically thereafter, advertise the availability of funds and accept applications from local agencies.

HOME OWNERSHIP/HOME IMPROVEMENT PROGRAM

The Home Ownership and Home Improvement Loan Program (HOHI) assists low and moderate income people to purchase or rehabilitate their home by providing loans at below market interest rates. The program is operated by the California Housing Finance Agency (CHFA) through the assistance of private lenders and local governments. HOHI complements local rehabilitation efforts and programs in a growing number of cities and counties throughout California.

Financing Priorities: This program is designed to accomplish four goals:

- to assist in revitalizing deteriorating neighborhoods
- to assist low and moderate income families in obtaining financing for home ownership
- to make available refinancing and home acquisition in areas traditionally short of conventional mortgage money
- to stimulate the production of new lower-cost housing for modest income households

How HOHI Works: Tax dollars are not used to finance the HOHI program. The California Housing Finance Agency sells tax-exempt bonds and uses the money from these bond sales to purchase loans made by participating private lenders such as savings and loans and mortgage bankers. These lenders, in turn, are able to make below market interest rate loans available to low and moderate income people because CHFA has contracted to buy these loans from them.

Types of Designations: The HOHI program is available only in areas designated by the CHFA Board of Directors following an application from local government. Two types of designations are available: Tandem designation and Mortgage Assistance designation.

Tandem designations provide the most comprehensive financing package. They are intended primarily for localities which are eligible for Community Development Block Grants (CDBG). These localities must have operational housing rehabilitation programs in concentrated areas which are called Concentrated Rehabilitation Areas (CRA's). The balance of the jurisdiction outside the CRA's is usually designated to receive mortgage assistance.

Mortgage Assistance designations are for rural or non-entitlement communities which typically do not have housing rehabilitation programs. Here the focus of financing is on home ownership of new or existing single-family homes by persons of moderate income or below.

Localities selected for tandem designation are evaluated on the adequacy of their local housing rehabilitation program including the components of:

- Code enforcement
- Needed capital improvements
- Loan marketing and department staffing
- Utilization of subsidies for lower income residents
- Experience and prior performance of the local staff

Upon designation, CHFA and local government enter into agreement in which the locality agrees to implement its housing program and CHFA agrees to originate eligible loans through private lenders in the locality.

HOHI Loans: Four types of loans are available in localities participating in CHFA's HOHI program:

- Mortgage loans to rehabilitate and refinance
- Mortgage loans to purchase and rehabilitate
- Add-on loans for rehabilitation only
- Mortgage loans to purchase a new or existing residence

Rehabilitate and Refinance: Owners of homes with or without an outstanding mortgage can refinance if at least twenty percent of the proceeds of the new loan are spent on repairs and improvements. The value of the property after rehabilitation must be within CHFA's established purchase price limits. Rehabilitation and refinance loans for 2-4 family units are available only in Concentrated Rehabilitation Areas. Rehabilitation and refinance loans for single family structures are available in any designated area.

Purchase and Rehabilitate: At the time of purchase, a person can receive additional loan proceeds (based upon an appraisal that will reflect an after improved/rehabed value) up to the purchase price limits to do rehabilitation. A lender can arrange a loan that will pay off the seller and set aside proceeds to pay the contractor. The contractor may do the rehabilitation work before or after the owner moved into the residence. This kind of loan is available in the same way as the one described above.

Rehabilitation Only: The California Housing Finance Agency has a contract with private banks to originate FHA-insured Title I home improvement loans. Local governments take responsibility for loan application forms, specifications, bids, contracts, obtaining borrower signatures on loan documents, and disbursing loan proceeds. The bank handles loan approvals, loan processing, preparation of loan documents, issuance of checks, and loan servicing.

The local government may elect to include this type of loan or not. For a full description of the requirements on local government, should it elect to offer this type of loan, please consult Title I, Home Improvement Loan Origination Procedures, which is included later in this application package.

CHFA will purchase loans originated by the bank at approximately 3-4% below market rates. This rate includes fees for loan origination and servicing and the FHA insurance premium. Local governments who would like to "leverage" CHFA Title I home improvement loans can write down interest rates.

Loan amounts and terms comply with FHA Title I regulations:

<u>Type of Structure</u>	<u>Maximum Loan Amount</u>	<u>Maximum Loan Term</u>
Single Family	\$15,000	15 years
2 - 4 units	\$ 5,000 per unit	12 years

These types of loans are available in the same way as the previous two.

Purchase Only: In any designated area, eligible borrowers may finance the purchase of newly-constructed housing on in-fill lots or in CHFA-approved subdivisions or condominium projects provided it is within the sales price limits.

Interest Rates: CHFA interest rates are usually 2 to 3 percent below the market interest rate. Interest rates vary with CHFA bond sales and therefore change from time to time. Information on current interest rates can be obtained from lenders.

Down Payment: The amount of the down payment depends on the type of loan. On FHA-insured and VA-guaranteed loans, the minimum down payments are determined by those federal agencies. Conventional loans with private mortgage insurance usually require 10 percent down for single family, owner-occupied dwellings. Down payments can be as low as 5 percent in cases where the borrower meets the applicable credit standards of the lender and the private mortgage insurer.

Borrower Eligibility: Except as noted below*, to qualify for a loan under the HOHI program borrowers must:

- Be of moderate income or below
- Be financing a new or existing single family residence which the borrower will occupy
- Pay no more than the maximum purchase price established for the area
- Have no other CHFA loans

* Special provisions are available to investors/developers, also referred to as "Qualified Rehabilitators."

HUGHES-ROBERTI PROGRAM

Introduction: AB 333 (Hughes) (Chapter 1043, Statutes of 1979) and SB 229 (Roberti) (Chapter 1042, Statutes of 1979) appropriated \$100 million for three programs - Rental Housing Construction (\$82 million), Homeownership Assistance (\$7.5 million), and Rehabilitation (\$10 million). These programs, although for use by any qualified jurisdiction in California, have potential application within Sacramento.

The Sacramento Building Industry of Superior California has been working for several months with the Department of Housing and Community Development to obtain local funding. The City of Sacramento should also work with BIASC in their efforts.

What follows is a brief description of the programs:

Rental Housing Construction Program: Under this program HCD may provide funds, through local agencies or the California Housing Finance Agency (CHFA), for the development of new rental units by private, non-profit, or public agency sponsors. It is the goal of this program to leverage the maximum amount of private capital and to utilize other state and federal financing programs in providing affordable rental units.

The program provides that not less than 30 percent of the units in each rental development assisted under the program are to be made available to households of very low and low income (households of very low income are defined as those with incomes of 50% of the area median or below; households of low income are defined as those with incomes of 80% of the area median or below). The remaining 70 percent of the units in each development may be made available to moderate income or market rate households.

The program provides that, of the total units in the program which receive assistance (as opposed to "market rate" units which receive no state assistance), not less than two-thirds are to be made available to very low income households. The program further provides that not less than 20 percent, nor more than 30 percent of the total number of units assisted by the program will be available to the elderly and not less than 20 percent of the units assisted under the rental program are to be in rural areas.

The program provides that not less than 40 percent of the monies appropriated to the rental program are to be used in conjunction with housing financed by the CHFA unless HCD determines that units can be built earlier through local agencies.

The legislation requires HCD to adopt regulations which give priority to rental developments which 1) are of the lowest possible cost; 2) incorporate innovative design and construction techniques as well as higher densities; 3) complement a local program to increase housing supply for low and moderate income households; 4) receive private or public contributions of funds, services, land, or CDBG funds; and 5) utilize funds in the most efficient manner to produce the maximum number of units.

Homeownership Assistance Program: This program allows HCD to undertake a demonstration homeownership program (with an appropriation of \$7.5 million) under which HCD may provide up to 49 percent of the purchase price of a dwelling unit to an eligible household provided that the Department's assistance is not used to reduce downpayment costs below 3 percent. The balance of financing for purchase would come from private or other public lending institutions. Under this program, HCD may assist 1) renters, who otherwise would be displaced by condominium or cooperative conversions, purchase their units; 2) mobilehome park residents purchase their spaces if the park is to be converted to a condominium or a cooperative; 3) households purchase mobilehomes placed on permanent foundations; and 4) cooperatives or non-profit corporations develop or purchase mobilehome parks.

The program provides that households may only receive assistance once under this program and prohibit granting of assistance to households who have owned real property in the last three years. The maximum eligible income for recipients of assistance under this program are those with incomes no greater than the area median. However, in the case of a non-profit corporation or cooperative corporation, assistance may also go to those of moderate income. The program requires that not less than 50 percent of the funds appropriated to this program be used to assist households with incomes of 80 percent of the median or below.

The program establishes a revolving Homeownership Assistance Fund from which HCD is to make available financial assistance. Upon sale of a dwelling unit or share in a stock cooperative purchased with assistance under the program, the state is to share in any profit realized from sale in an amount equivalent to the state's initial investment in the property with adjustments for improvements made by households receiving financial assistance. For example, if HCD provides \$10,000 of the purchase price of a \$50,000 condominium and the condominium is subsequently sold for \$75,000, without improvements, the recipient of financial assistance would be required to repay to the State \$15,000 upon sale. The funds received from such repayments would be deposited into the Homeownership Assistance Fund and could be used to help additional households.

Rehabilitation Program: HCD currently administers a Deferred Payment Rehabilitation Loan Program under which the department provides funds to local agencies which such agencies utilize to make deferred payment rehabilitation loans to homeowners of low and moderate income and to rental housing developments occupied by those of low and moderate income.

The legislation appropriated \$10 million to the Deferred Payment Loan Program and expanded the present program in four major ways. It allows 1) use of funds for room additions; 2) loans to be made in areas in which a local agency or nonprofit corporation is or will be using federal funds for rehabilitation; 3) HCD to make funding available to nonprofit corporations which are undertaking rehabilitation programs; 4) HCD to make funds available to housing authorities and redevelopment agencies as well as cities and counties.

The legislation also establishes a Demonstration Elderly Housing Rehabilitation Program under which HCD could make deferred payment loans for rehabilitation, or acquisition and rehabilitation, of rental developments to be occupied by the elderly poor. The maximum term of such loans would be 25 years with a 3 percent per annum interest rate. At the end of 25 years, the sponsor would refinance the development.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT AND HOUSING PLAN SUMMARY

THREE YEAR PROJECT SUMMARY

1. NAME OF APPLICANT City of Sacramento		2. PERIOD OF APPLICABILITY From: July 1, 1979 To: June 30, 1982					3. <input type="checkbox"/> Original (Every three years) <input type="checkbox"/> Revision, dated <input checked="" type="checkbox"/> Amendment, dated 8-21-79; 10-30-79						
2. APPLICATION/GRANT NUMBER B-79-MC-06-0003													
5. PROJECT SUMMARY (IMPORTANT: See instructions before completing this section.)		6. TIMING AND ESTIMATED FUNDING (in thousands of \$) PROGRAM BENEFIT OF ESTIMATED CDBG FUNDS											
		PROJECT NUMBER	STATE REFERENCE	LOW/MOD	PERSONAL INCOME	REGIO- NAL DED.	YEAR I		YEAR II		YEAR III		ESTI- LIATED OTHER FUNDS
							LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT	
(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
<u>CITYWIDE</u>													
. Housing Opportunity Program for the Elderly (HOPE)		2	1-2,15	X			170	-	275	-	255	-	-
. Retrofitting Grant Program		3	1-2	X			90	-	100	-	100	-	-
. Economic Develop. Revolving Fund		4	1-2,10	X			-	-	200	-	200	-	-
. Res. Site Acquisition Program		5	1-2,16	X			50	-	50	-	50	-	-
<u>COMMUNITY DEV. TARGET AREA PLANNING</u>													
. Federal Sec. 312 Loan Administration		6	1-2,15	X			150	-	150	-	150	-	900
. Sacramento Neighborhood Assistance Program (SNAP)		7	1-2,15	X			750	-	800	-	800	-	-
. Paint/Beautification		8	1-2,15	X			170	-	190	-	190	-	-
. Relocation Assistance		9	1-2,15	X			50	-	55	-	55	-	-
. Home Insulation Grant Program		10	1-2,15	X			25	-	25	-	25	-	-
. Code Enforcement		11	1-2.	X			20	-	40	-	45	-	-
E. SUBTOTALS							\$ 1475	\$ -	\$ 1885	\$ -	\$ 1870	\$ -	
F. TOTAL COSTS TO BE PAID WITH COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS													
G. ESTIMATED EXPENDITURES BENEFITTING LOW AND MODERATE INCOME PERSONS (Sum of Columns g, i, and k)													
H. LINE G AS A PERCENT OF LINE F													

See Figure 3, Page for map depicting the CDBG Target Areas

APPENDIX 7
COMMUNITY DEVELOPMENT BLOCK GRANT 1979-1982 PROJECT SUMMARY 7-1

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT AND HOUSING PLAN SUMMARY

THREE YEAR PROJECT SUMMARY

1. NAME OF APPLICANT City of Sacramento	2. PERIOD OF APPLICABILITY From July 1, 1979 To: June 30, 1982	3. <input type="checkbox"/> Original (Every three years) <input type="checkbox"/> Renewal, dated _____ <input checked="" type="checkbox"/> Amendment, dated <u>8-21-79; 10-30-79</u>
4. APPLICATION GRANT NUMBER B-79-MC-06-0003		

5. PROJECT SUMMARY <i>(IMPORTANT: See instructions before completing this section.)</i>	PROJECT NUMBER	STRATEGY REFERENCE	LOW/MOD	MEDIUM	HIGH	TIMING AND ESTIMATED FUNDING (in thousands of \$)						
						PROGRAM BENEFIT OF ESTIMATED CDBG FUNDS						ESTIMATED OTHER FUNDS
						YEAR I		YEAR II		YEAR III		
						LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)			
NEIGHBORHOOD STRATEGY AREAS												
ALKALI FLAT												
Land Acquisition-Residential Development, E Street Area	12b	5-6,17	X			200	-	-	-	-	-	
Land Acquisition-Residential Development, D Street Area	12c	5-6,17	X			-	-	-	-	260	-	
7th and D Street Connector	12d	5-6	X			-	-	-	-	97.3	2.7	
Residential Acquisition/Rehab Program	12e	5-6,17	X			100	-	100	-	100	-	
12th St. Improvement District	12f	5-6		X		100	-	100	-	100	-	
DEL PASO HEIGHTS												
Street Lighting A/D	13b	5,7-8	X			13.3	2.7	83.2	16.8	0	-	58
6. SUBTOTALS						\$ 413.3	\$ 2.7	\$ 283.2	\$ 16.8	\$ 557.3	\$ 2.7	
7. TOTAL COSTS TO BE PAID WITH COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS											\$	
8. ESTIMATED EXPENDITURES BENEFITTING LOW AND MODERATE INCOME PERSONS (Sum of Columns 6, and 8)											\$	
9. LINE 8 AS A PERCENT OF LINE 7											%	

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT AND HOUSING PLAN SUMMARY

THREE YEAR PROJECT SUMMARY

1. NAME OF APPLICANT City of Sacramento 2. APPLICATION/GRANT NUMBER H-79-MC-06-0003	3. PERIOD OF APPLICABILITY From July 1, 1979 To: June 30, 1982	<input type="checkbox"/> Original (Every three years) <input type="checkbox"/> Revision, dated _____ <input checked="" type="checkbox"/> Amendment, dated <u>8-21-79; 10-30-79</u>
--	--	--

4. PROJECT SUMMARY <i>(IMPORTANT: See instructions before completing this section.)</i>	PROJECT NUMBER	STRATEGY	LOW/MOD	CDD	CDD	TIMING AND ESTIMATED FUNDING (In thousands of \$)						ESTIMATED OTHER FUNDS
						PROGRAM BENEFIT OF ESTIMATED CDDG FUNDS						
						YEAR I		YEAR II		YEAR III		
						LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
DEL PASO HEIGHTS (cond)												
. Del Paso Heights A/D #4A	13c	5,7-8	X			399	81	-	-	-	-	240
. Del Paso Heights A/D #4B	13d	5,7-8	X			41.6	8.4	374.4	75.6	-	-	250
. Del Paso Heights A/D #5	13e	5,7-8	X			-	-	41.6	8.4	499.2	100.8	325
. Del Paso Heights A/D #6	13f	5,7-8	X			-	-	-	-	41.6	8.4	-
OAK PARK												
. Land Acquisition-Res. Development (34th/35th Street Area)	14b	5,8-10	X			300	-	-	-	-	-	-
. Land Acquisition-Comm. Development (Amended 8-21-79)	14c	5,8-10	X			-	-	103	17	108	17	-
. Replacement Housing Program	14d	5,8-10 16,17	X			100	-	-	-	-	-	-
. Oak Grove Street Lighting A/D	14e	5,8-10 16,17	X			-	-	34.5	5.5	-	-	20
. Oak Park Complex (Phase II)	14f	5,8-10	X			-	-	215.5	34.5	-	-	-
5. SUBTOTALS						\$ 1010.6	\$ 89.4	\$ 769.0	\$ 141	\$ 648.8	\$ 126.2	
7. TOTAL COSTS TO BE PAID WITH COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS												\$
8. ESTIMATED EXPENDITURES BENEFITTING LOW AND MODERATE INCOME PERSONS (Sum of Columns g, i, and k)												\$
9. LINE 8 AS A PERCENT OF LINE 7												%

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT AND HOUSING PLAN SUMMARY

THREE YEAR PROJECT SUMMARY

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4. APPLICATION/GRANT NUMBER B-79-MC-06-0003		

5. PROJECT SUMMARY (IMPORTANT: See instructions before completing this section.)	PROJECT NUMBER	STRATEGY	REFERENCE	LOW/MOD	CITY	DISTRICT	TIMING AND ESTIMATED FUNDING (in thousands of \$)						ESTIMATED OTHER FUNDS	
							PROGRAM BENEFIT OF ESTIMATED CDBG FUNDS							
							YEAR I		YEAR II		YEAR III			
							LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)				
. Warwick/Mascot Avenue A/D	14g	5,8-10	X				258.6	41.4	-	-	-	-	150	
. Oak Park Street Lighting A/D	14h	5,8-10	X				-	-	84.5	13.5	-	-	49	
. South Oak Park Street Lighting A/D	14i	5,8-10	X				-	-	-	-	34	5	19	
CENTRAL CITY	15	5,10-11												
. Washington Area Str. Lighting A/D	15a	5,10-11	X				20	5	316.7	78.3	-	-	210	
. Capitol Park Area Street Lights (Plans/Specs)	15b	5,10-1	X				16	4	-	-	-	-	-	
. Preservation Program	15c	5,10-1		X			-	60.9	-	61.2	-	61.2	-	
NEIGHBORHOOD IMPROVEMENT AREAS														
GLLN ELDER	16	11,12												
. Sim Park Improvement	16a	12	X				-	-	31	14	-	-	-	
. Brook Park Improvement	16b	12	X				7	3	-	-	-	-	-	
MEADOWVIEW	17	11-13												
. Susan B. Anthony School Park	17a	12-13	X				49.5	46.5	-	-	-	-	-	
6. SUBTOTALS							\$ 351.1	\$ 160.8	\$ 432.2	\$ 167.0	\$ 34	\$ 66.2		
7. TOTAL COSTS TO BE PAID WITH COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS													\$	
8. ESTIMATED EXPENDITURES BENEFITTING LOW AND MODERATE INCOME PERSONS (Sum of Columns 7, and 8)													\$	
9. LINE 8 AS A PERCENT OF LINE 7													%	

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT AND HOUSING PLAN SUMMARY

THREE YEAR PROJECT SUMMARY

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3. APPLICATION OR GRANT NUMBER B-79-MC-06-0003					

5. PROJECT SUMMARY (IMPORTANT: See instructions before completing this section.)	PROJECT NUMBER	STRATEGY	LOW/MOD	LOCAL	URBAN	TIMING AND ESTIMATED FUNDING (In thousands of \$)						ESTIMATED OTHER FUNDS	
						PROGRAM BENEFIT OF ESTIMATED CDBG FUNDS							
						YEAR I		YEAR II		YEAR III			
						LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)						
STRAWBERRY MANOR	18	12											
. Street Improvements (Plans/Specs)	18a	12	X			-	-	-	-	26.7	8.3	-	
NORTHGATE/GARDENLAND	19	12-13	X										
BONNIEHEAD-BRIGHTON	20	11-13	X										
RICHARDS BOULEVARD	21	11-13	X										
WOODSBINE	22	11-14	X										
. Del Rio Junction A/D	22a	12-14	X			434.5	75.5	-	-	-	-	255	
. Woodbine A/D #1	22b	12-14	X			51	9	426	74	-	-	275	
. Woodbine A/D #2 (Plans/Specs)	22c	12-14	X			-	-	51	9	-	-	-	
. Woodbine A/D #3 (Plans/Specs)	22d	12-14	X			-	-	-	-	51	9	-	
FREEPORT MANOR	23	11-13	X										
. Argonaut School Park Improvements	23a	12-14	X			-	-	-	-	52	23	-	
EAST DEL PASO HEIGHTS	24	11-13	X										
. East Del Paso Hghts. Drainage Study	24a	12-14	X			17	8	-	-	-	-	-	
6. SUBTOTALS						\$ 502.5	\$ 92.5	\$ 477	\$ 83	\$ 129.7	\$ 40.3		
7. TOTAL COSTS TO BE PAID WITH COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS													
8. ESTIMATED EXPENDITURES BENEFITTING LOW AND MODERATE INCOME PERSONS (Sum of Columns 6, 7, and 8)													
9. LINES 8 AS A PERCENT OF LINE 7													

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT AND HOUSING PLAN SUMMARY

THREE YEAR PROJECT SUMMARY

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3. APPLICATION/GRANT NUMBER B-79-MC-06-0003		

6. PROJECT SUMMARY <i>(IMPORTANT: See instructions before completing this section.)</i>	PROJECT NUMBER	STRATEGY	REFERENCE	LOW/MOD	CITY	URBAN	TIMING AND ESTIMATED FUNDING (in thousands of \$)						ESTIMATED OTHER FUNDS	
							PROGRAM BENEFIT OF ESTIMATED CDCG FUNDS							
							YEAR I		YEAR II		YEAR III			
							LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT	LOW/MOD BENEFIT	OTHER BENEFIT		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)				
. East Del Paso Heights A/D #1	24b	12-14	X				-	-	34	16	413	187	325	
. East Del Paso Heights A/D #2 (Plans/Specs)	24c	12-14	X				-	-	-	-	34	16	-	
ROBLA	25	11-13	X											
CITY FARMS	26	11-13	X											
. Heckes & Trainor Street Lighting A/D	26a	12-14	X				-	-	41	12	-	-	-	
. Community Dev. Planning Staff	1							220		220		221		
. Alkali Flat PAC	12a							66		70		75		
. Del Paso Heights PAC	13a							79.5		80		80		
. Oak Park PAC	14a							97.8		103		108		
. Touche Ross Indirect Cost Plan	27							46		-		-		
. CDEG Audit	28							5		10		10		
. Contingency	29							309.7		259.8		475.8		
Total Entitlement \$4,782,000										75	297.8	-	203.0	
8. SUBTOTALS							\$ -	\$ -	\$ 75	\$ 297.8	\$ -	\$ 203.0		
7. TOTAL COSTS TO BE PAID WITH COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS													\$12,410,300	
8. ESTIMATED EXPENDITURES BENEFITTING LOW AND MODERATE INCOME PERSONS (Sum of Columns 7, 8, and 9)													\$11,185,700	
9. LINE 8 AS A PERCENT OF LINE 7													90.1%	

APPENDIX 8

CONDOMINIUM CONSTRUCTION AND CONVERSION GOALS AND PROGRAMS

By their unique character and requirements, condominiums and condominium conversion projects differ specifically from other subdivisions and apartment projects. The unique status of such projects tends to magnify the effects associated with higher urban densities to the point where they may lead to conditions of mismanagement, neglect, and blight that impact upon the public health, safety, welfare and economic prosperity of the City of Sacramento. Condominium conversion projects in particular may conflict with the policies of the City of Sacramento to provide a reasonable balance of rental and ownership housing within the City and within the City's neighborhoods, to provide a variety of individual choice of tenure, type, price and location of housing, and to insure an adequate supply of rental housing for low and moderate income persons and families. It is also recognized, however, that such projects may benefit the City by providing a source of low and moderate income ownership housing. It is the expressed intent of the City to insure that the problems are avoided while the benefits are maximized in both the short and long term by establishing requirements and procedures specifically designed for the control and approval of residential condominium new construction and the conversion of existing multiple family rental housing and non-residential buildings to residential condominiums.

Condominium conversion projects, however, are specifically addressed in Section 66427.2 of the Subdivision Map Act, Government Code Section 66410 et seq. This Section provides that certain provisions of the Map Act relating to General Plan and Specific Plan consistency and the requirement of making certain findings upon approving a tentative subdivision map do not apply to condominium conversion projects, where no new units are to be constructed or added, unless the applicable General or Specific Plans contain definite objectives and policies specifically directed to the conversion of existing buildings into condominium projects.

In order to establish requirements and procedures specifically designed for the control and approval of residential condominium new construction and condominium conversions and to utilize the Subdivision Map Act as part of the procedure, the goals and policies set forth below relating to condominiums are hereby adopted.

Goals: 1. To insure a reasonable balance of rental and ownership housing while facilitating inhabitant ownership of residential units by all economic segments of the community, especially in reviewing applications for residential condominium conversions and condominium new construction.

2. To mitigate the impact of dislocation and eviction for residents of rental units as a result of units being converted to condominiums.

3. To insure that new condominium units being constructed and residential rental units being converted to condominiums meet adequate physical construction standards.

4. To insure that as rental units are converted to condominium ownership, ownership housing opportunities are provided to the low and moderate income tenants of the converted rental units.

Policies:

1. Prohibit the conversion of existing multiple family dwellings into condominium projects where the average annual vacancy rate in the affected community plan areas is less than or equal to 5% unless the applicant has proposed measures which would effectively mitigate the displacement of tenants and any adverse effects upon the rental housing stock in the affected areas which would be caused by the proposed conversion.

2. Require condominium conversion applicants to provide adequate relocation plans for tenants in multiple family residential buildings proposed for conversion to condominiums.

3. Require all condominium conversion projects to make ownership opportunities available to eligible tenants of low or moderate income.

4. Require condominium new construction and existing structures proposed for conversion to residential condominiums to meet all applicable development and building standards contained in the Comprehensive Zoning Ordinance and the City Building Code.

5. Conducting one hearing per year or per other period designated by the City Council at which to consider all then pending applications for condominium conversion projects to facilitate implementation of the goals and policies of the City of Sacramento with respect to condominium conversion projects as stated herein.

6. Requiring tentative map applications for condominium conversion projects to be heard concurrently with the application for all other entitlements necessary for the conversion project to facilitate the implementation of the goals and policies of the City of Sacramento with respect to condominium conversion projects as stated herein.

SACRAMENTO CITY-COUNTY FAIR HOUSING TASK FORCE
FAIR HOUSING PROGRAM

I. BACKGROUND

In April of 1980, the City Council and the County Board of Supervisors jointly appointed a five member interim Task Force to address the question of a fair housing program for Sacramento including the need for a program, its form, charge, function, etc. The Task Force was to complete its work by August 31, 1980.

To solicit public input on the subject, the Task Force held three public Forums. The first, held on June 26, 1980, was to solicit general comment on housing discrimination in Sacramento. Basically that Forum revealed general agreement that housing discrimination does occur in Sacramento, that it takes many forms and that ideas vary on how serious a problem it is and what the solutions might be. Based on these findings, the Task Force presented four alternative options for a fair housing program for Sacramento at its second Forum on July 31, 1980.

That Forum revealed wide divergence of opinion on what should constitute a fair housing program in Sacramento. Alternatives ranged from a program limited to education and information at one end of the spectrum to aggressive, prosecution-oriented programs at the other. Based on information and testimony received, the Task Force developed a program to minimize housing discrimination in Sacramento based on discrimination against persons in protected classes. In addition, we are recommending activities to determine whether public action would be appropriate with respect to classes of persons, such as families with children, who are not presently protected by law. (A minority report regarding this subject is attached.)

The third Forum held August 21, 1980, presented the proposed program to the public. No new information was submitted. The Task Force held its final meeting on August 27, 1980. Minor clarifications were made to the proposed program. The final program is herein forwarded to the City Council and Board of Supervisors for action.

II. FAIR HOUSING COUNCIL PROPOSAL

A. FAIR HOUSING COUNCIL OBJECTIVES

1. To minimize housing discrimination in Sacramento based on the following categories of protected classes: race, sex, national origin, marital status, religion, and handicaps. This will include:
 - a. Education--as to the benefits on non-discrimination
 - b. Rights--advise the individual of his/her legal rights and responsibilities
 - c. Investigation--of complaints concerning housing discrimination

- d. Mitigation--if possible, of discrimination complaints and circumstances leading to discrimination
 - e. Research--collect and evaluate relevant information
 - f. Referral--of all complaints to appropriate agency
2. To determine the need for public or private action with respect to the following types of discrimination: age, families with children, spoken language, and sexual preference. This will include:
 - a. Investigation
 - b. Research
 - c. Report with recommendation

B. FAIR HOUSING COUNCIL - GENERAL STRUCTURE

The Task Force recommends a Fair Housing Program for Sacramento which includes an independent Fair Housing Council (FHC) with the following characteristics:

1. The FHC would incorporate as a non-profit corporation.
2. The FHC would have an eleven-member Board of Directors.
3. Board members are to be selected from the groups* identified by the federal Department of Housing and Urban Development in their New Horizons Fair Housing Assistance Project guidelines and others as appropriate.
4. The Board of Directors, following an open recruitment period, should be appointed five each by the Board of Supervisors and City Council, and one selected by the other then. Terms should be for two years except that six (three each appointed by the Board of Supervisors and City Council) of the original appointments should be for three years.
5. Ongoing Board vacancies will be filled by the Board of Supervisors or City Council maintaining the original balance (i.e., City or County appointee). Nominations will be accepted openly and will be screened by the existing Board of Directors prior to submission to the Board of Supervisors or City Council for approval.
6. Board members will not receive compensation but may receive reimbursement for expenses including child care.
7. The FHC will have a staff responsible to its Board of Directors

*NOTE: See list next page

Regional and County Government (one representative mandatory)
Banking or Lending Community (one representative mandatory)
Real Estate Sales Industry (one representative mandatory)
Fair Housing/Civil Rights Industry (one representative mandatory)
Clergy
Educational Institutions
Corporate Employees
Tenants Organizations
Homeowners Associations
Legal Profession
Planning Organizations
Local AFL-CIO Council
Handicapped Organizations
Insurance Organizations
Home Builders Associations
Consumer Groups
Human Relations Organizations
Senior Citizens Organizations
Institute of Real Estate Managers
Chamber of Commerce
Citizen Action Councils
League of Women Voters
Press and Communications Media
Sexual Preference (recommended by Task Force)

C. FAIR HOUSING COUNCIL FUNCTIONS

The Board of Directors would specifically:

1. Set policy direction of the program for implementation by staff.
2. Solicit membership and financial support from the community.
3. Receive public testimony from individuals and/or advocacy groups regarding fair housing.
4. Provide liaison with the general community, City and County governments, other fair housing organizations, etc.
5. Review and approve an annual work program and operating budget.
6. Advise City and County governments on fair housing relative to legislation, requirements, etc.
7. Other activities necessary and appropriate to fulfill the responsibilities of the Council.

D. STAFF FUNCTIONS

The staff would be hired, retained by and serve the Fair Housing Council. Staff functions would include:

- o Information
- o Education
- o Outreach
- o Research
- o Coordination of Existing Resources
- o Pursuit of Individual Cases (including supervising the "checking"*)
- o Case Referral and Follow-ups (to State and judicial enforcement authorities and/or housing assistance providers)
- o Solicitation of Outside Membership and Financial Support

As an interim measure, minimum technical assistance from the City Manager's Office and County Executive's Office would be available to the Fair Housing Council until the initial staff is retained by the Council.

E. ENFORCEMENT

In practice, only local ordinances can be enforced by cities, counties or FHCs. The State Department of Fair Employment and Housing (DFE&H) is the only agency with authority to enforce state fair housing laws. The State DFE&H has assured the Task Force that referrals will be expedited. Therefore, complaints will first be checked* by the FHC, if valid the case would be referred to DFE&H for enforcement. None of this precludes direct access to the courts by the complainant.

* "Checking" is the recognized process whereby unrelated, objective persons attempt to verify the validity of a discrimination complaint.

III. SUGGESTED ACTIONS

During the course of the public discussions on the issue, several important points have been identified which should also be addressed by the FHC during their initial year of operation.

Legislation for Unprotected Classes:

It has been identified that there are several important classes of potential discrimination victims who are not protected under existing law. The FHC should investigate additional local legislation to protect these "unprotected classes" such as, age, families with children, spoken language, and sexual preference, and report its findings and recommendations within one year.

Housing Supply:

Testimony suggested strongly the premise that discrimination is inextricably bound to and inversely correlated with housing supply. The FHC should investigate and advocate for methods to ease the supply problem as it relates to fair housing, particularly as it impacts those with the least economic means.

FHC Membership:

Following the appointment of the Board of Directors, FHC membership would be available by subscription for individuals and community organizations (i.e., building industry, legal profession, housing advocacy groups, etc.) This would be an attempt to involve the community at large in the efforts and activities of the Fair Housing Council.

IV. FINANCIAL DATA

The City and County have both earmarked \$40,000 in 1980-81 Community Development Block Grant funds, (a total of \$80,000) to implement a fair housing program. Implementation would begin upon approval of the subject program by the City Council and Board of Supervisors.

The estimated first year cost for the recommended program described above is \$80,000. Approximately \$62,000 or 77 percent of the total would be for personnel costs with the remaining \$18,000 for program activity costs.

Personnel:	\$62,000	Program Coordinator, Housing Counselor, Secretary
Activity:	\$18,000	Rent, Telephone, Postage, Supplies, Equipment, Insurance, Travel, Training, Legal Assistance, Advertising, Translational Assis- tance
	<hr/>	
	\$80,000	

There are several methods to increase the effectiveness of the program without added costs to the City and County. All these methods could be coupled with the available Community Development Block Grant funds to support a more active fair housing program.

- A. Phased Program Development - the recommended program could be phased in over a period of time while working toward an optimum goal and expanding the program as additional funding is secured.
- B. Use of Volunteer Work Force - the use of volunteers from local universities, law schools, law firms, and community at large could provide valuable and essential assistance at little or no cost.
- C. Private Subscription - there is a potential for private financial support from community organizations as a program proves successful. This could include the building industry, legal profession, housing advocacy groups, individuals, community service groups, area business firms, etc.
- D. Use of Resources of Other Organizations - the recommended program may include coordination of efforts utilizing the resources of other organizations already effectively undertaking identified functions of the program. The purpose would be to avoid a duplication of efforts and costs.
- E. Other Funding Sources - there are currently, and apparently will continue to be, other available federal and State sources for fair housing activities (such as the New Horizons Fair Housing Assistance Program). Applications for financial assistance could be made to supplement the subject program to either add new activities or support existing levels of activity.

ATTACHMENT 1

SACRAMENTO CITY-COUNTY FAIR HOUSING TASK FORCE
PUBLIC FORUM #2 - JULY 31, 1980

- Summary of Testimony -

The second public forum which the Task Force held was conducted in the County Administration Center, 700 H Street, Sacramento, California, Board of Supervisors Chambers, on Thursday, July 31, 1980 at 7:00 PM. The purpose of the forum was to receive testimony from the public on four alternative options for a fair housing program for Sacramento. Approximately 30+ attendees were in audience throughout the evening. Task Force members were Kay Knepprath (Chairperson), JoAnn Eshelman, Robert Washington, Ron Favor, and Stan Hazelroth. Staff members in attendance were Tom Lee of the City, and Carl Durling of the County. The forum was completely recorded, with the recording available at 700 H Street, Suite 7650, Sacramento, California. In brief, testimony consisted of the following:

Chairperson Knepprath introduced Task Force members, staff, and briefly stated the purpose of the forums.

Carl Durling (County staff) presented the four alternative options for a fair housing program. He indicated that the four options did not necessarily coincide with the proposed structure of the Fair Housing Council. Someone raised the question regarding jurisdiction of local ordinance versus the State law.

Ezio Giannini - Handicapped (Wheelchair)

He testified that landlords discriminate against handicapped persons and cited various reasons, such as insurance against potential injury, high utility cost. He also indicated that when his landlord found out he was in the Sec. 8 Rent Subsidy Program, his portion of rent increased while the other tenants' rent did not increase. He suggested an agency with enforcement power.

Shannon Davis - Gay Activist

There is discrimination against gays/lesbians. He recommends that the City/County Ordinance include sexual preference. He recommended option number four because it provided immediate remedy, that it be part of the City/County government, and that existing groups interested in fair housing be used.

Barbara Powell and Elisa Frasio - Sacramento Tenants Association

They indicated that written comments would be forthcoming. They suggested option number four because of local enforcement powers. They stated that Channel 40 conducted a survey and that 42 percent of Sacramento's apartments discriminated against children. They mentioned that some of those who discriminate use the unprotected classes (e.g., children) to discriminate against a protected class (e.g., race).

David Shelton - Sacramento Area Black Caucus

He indicated written comments will be forthcoming. The Caucus recognizes that housing discrimination exists in Sacramento, and that it is no different than any other city of its size. He stated that option number four should provide assistance. He also stated that education was not the sole answer to the problem; an ordinance with effective enforcement must be included.

Jean Schuster - Resources for Independent Living

Education is very important but not enough--we must have enforcement. Housing must be accessible for the handicapped. The attitude that handicapped cannot take care of themselves is a form of discrimination.

Marie Rhodes - Stanford Settlement, Inc.

Recommended option number four. The fair housing organization should be non-profit, and not part of the City/County government.

Mary Olbrich - South Sacramento Target Area Committee Member

There is a need for a central place for people to take their discrimination complaints. Those who cannot read, write, or communicate in the English language have a special problem.

Lanny Toby - Representing Self (but a member of the lending institution community)

Stated there is no discrimination in the lending community. Need a strong education/information program. The lending community is prompted primarily by monetary concerns. There is no need for additional laws.

Debbie Farris - Equal Housing Committee, Sacramento Board of Realtors

Individuals should be responsible for themselves. Tenants have more rights than owners. The fair housing program should be a strong education program. Self-enforcement should be the key in the real estate industry.

Earl Sullaway - Department of Fair Employment and Housing (DFEH)

Although at present only 5 percent of complaints before the DFEH are related to housing, the DFEH has its entire resources available for fair housing investigation. Housing complaints take immediate precedence over employment complaints. He recommended at a minimum options two or three. DFEH would assist by providing training.

Marjorie Nicklen - Realtor

Education is very important because lower income people are not knowledgeable about fair housing laws. One agency should handle complaints-- one call service should be available.

Louise Zorn - Apartment Owners Association (Owner and Manager)

There is no need for additional bureaucracy. Expressed concern that people are not aware of the ownership/management difficulties in renting. Many people take advantage of the system by not paying rent.

Larry Mast - Landlord

All a landlord really wants is someone who will pay the rent on time and who will take care of the property. Small landlords (owners who only rent a small number of homes or apartments) will be hurt the most by new laws. Yet, they represent the greatest portion of the rental market.

Betty Gwaizdon - Sacramento Apartment Association

There are plenty of small rental units in Sacramento County. They are a business. Of the 1,600 members, 78 percent own less than 50 units. The rental market must have stability to survive. The status quo should be maintained; no new bureaucracy.

Tom Bannon - Sacramento Board of Realtors (SBOR)

Is not sure we should address the "non-protected" classes issue. The SBOR opposed the Roberti Bill (State legislature) on age discrimination.

Paul Stewart - Building Industries Association

There is no discrimination in new construction. Supports option number one. A critical factor in housing is land costs which is in turn affected by governmental controls.

TO: Honorable Members of the City Council
Honorable Members of the Board of Supervisors

FR: Ronald S. Javor
Robert Washington
Task Force Members

RE: Minority Comments to "A Proposed Fair Housing Program"

We are members of the interim Task Force charged with addressing the need for and nature of a program addressing fair housing problems in the City and County of Sacramento. We, with the other task force members have reviewed voluminous amounts of information and heard extensive public testimony at the first two public hearings on this matter.

In preparing the final program and report for the City Council and Board of Supervisors, it became apparent that we differed with our colleagues with respect to two portions of the proposed program. They are differences of degree rather than fundamental substance, deceptively simple but critically important.

We agree with the majority of the Task Force that there is significant illegal discrimination in the city and county, sufficient to require the formation of a Fair Housing Council. We also agree with the majority that there are other forms of discrimination which may be socially or ethically improper, and which will require further study and proposals by the new Fair Housing Council.

We part ways with the majority, though, on the issue of discrimination against families with children. We heard parents complain of their inability to find decent, safe, and affordable rental units because of discrimination against their children. We heard social workers and advocates complain of the inability to place families with children in decent and affordable housing. We even heard the real estate industry acknowledge a shortage of units in areas where parents want to live, although the industry contended that this was an "educational" problem because of inappropriate aspirations rather than a discrimination or supply problem.

It was also suggested during testimony that discrimination against families with children serves another invidious purpose: a landlord may use the excuse of the presence of children as a reason to refuse renting when, in fact, the real reason is based on otherwise illegal discrimination. Thus, not only does the continuation of such discrimination impact on many families but, in addition, it may completely or partially frustrate the fair housing program being proposed by our Task Force.

Based on this testimony, we urge, as a minority, that the City and County take steps immediately, as part of the final fair housing program, to eliminate the shortage of decent, safe, and affordable housing for families with children.

1. We urge, contrary to the majority of the Task Force, that you immediately consider and enact ordinances to ban discrimination against families with children except in those residential developments, such as retirement communities, where the presence of children would be inappropriate.

ATTACHMENT 2

Page 2

Minority Comments

2. We urge, in addition, that the City and County consider the shortage of decent and affordable multi-bedroom units--both a cause and symptom of the fair housing problem--when taking actions which might affect the supply of such rental housing.
3. Finally, if the discrimination ban does not resolve this shortage of decent and affordable family housing, we urge additional public action to ensure that such rental units are preserved and developed in the City and County.

Our differences with the majority of the Task Force are minor but, because of our interpretation of the scope and effect of the problem, important enough to cause us to submit this minority report. The effects of this type of discrimination not only effect and inconvenience parents but, in addition, often condemn children--our future citizens--to unhealthy and unsafe living conditions. In this year after the Year of the Child, we speak for them as well as their parents in urging this alternate to the balance of the fair housing program you charged us to develop.

The poet Stephen Vincent Benet aptly noted in Litany for Dictatorships:

Our fathers and ourselves sowed dragon's teeth,
Our children know and suffer the armed men.

It is time, we believe, to not only stop sowing dragon's teeth but, instead to remove their remains and plant, instead, fruits and flowers. Only then will our children stop suffering and enjoy enriching childhood

A SUMMARY OF STATE AND FEDERAL
FAIR HOUSING LAWS

The overlapping effect of state and federal laws prohibits landlords from discriminating against homeseekers by reason of race, religion, national origin, ancestry, color, sex, or physical handicap, and effective January 1, 1976, marital status. The ban covers all practices in rentals and sales, including application and screen procedures, rate and price differences, deposit differences, and eviction standards.

Violation of fair housing laws can carry severe penalties. Individuals and companies in violation of these laws can be sued for substantial money damages and attorney's fees and enjoined from the rental or sale of their property.

FEDERAL LAW

CIVIL RIGHTS ACT OF 1968, Fair Housing Section (42 USC, Sections 3601-3619)

The Civil Rights Act of 1968 prohibits discrimination based on race, color, religion, national origin, ancestry, or sex in the sale or rental of residential property involving all buildings with five or more units; buildings with two or more units if the owner does not live in the building; one-family houses sold or rented by a real estate broker, agent or salesperson.

The Act prohibits discrimination by mortgage lending institutions and by real estate boards in their membership policies and multiple listing services participation. It also makes "blockbusting" illegal. It requires that lenders give equal consideration to the wife's income in judging a couple's qualification for a mortgage loan.

This federal law provides recourse through (1) administrative action by the Department of Housing and Urban Development (HUD); (2) civil lawsuits by victims of discrimination for injunctions, compensatory damages, reasonable attorney's fees, costs, and punitive damages up to \$1,000; and (3) court action by the Attorney General against any person engaged in a "pattern or practice of resistance to the full enjoyment of any of the rights granted by this title..."

A number of "pattern or practice" suits have been filed by the Justice Department throughout the country against developers, brokers, management companies, and others.

Many of these lawsuits result in consent decrees requiring the owner to cease discriminatory practices, to take affirmative action to achieve integration of the property, and to file regular and detailed reports with the Justice Department and local fair housing organizations regarding vacancies and sales or rentals.

1866 CIVIL RIGHTS ACT (42 USC, Sections 1981-1983)

The Civil Rights Act of 1866 is used frequently in state and federal courts by victims of illegal discrimination. The Act provides that "All citizens of the United States shall have the same right, in every State...as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold and convey real and personal property."

This law prohibits racial discrimination in the sale or rental of all property. Under the Act, the homeseeker may acquire compensatory and punitive damages, court costs, and injunctions. Payment of reasonable attorney's fees of the homeseeker can also be required.

STATE LAW

UNRUH CIVIL RIGHTS ACT (Civil Code, Sections 51 and 52)

The Unruh Act bans discrimination in "all business establishments of every kind whatsoever." "Business establishments" include any kind of housing accommodations for sale or rent.

The law does not prohibit use of reasonable standards in the selection of tenants or buyers. Economic factors, family size, age, and many other criteria may be used without violating the law. The law does prohibit any distinction in rental or sales practices based on the homeseeker's race, religion, national origin, color, ancestry, or sex.

Anyone who denies housing to a homeseeker for reasons that violate the law, or who aids or abets such discrimination, is liable for \$250 for each member of the homeseeker's household, plus compensatory and punitive money damages. Damages may also include payment of reasonable attorney's fees of the homeseeker. Cases in Los Angeles County have resulted in judgments up to \$10,000.

RUMFORD FAIR HOUSING ACT (Health & Safety Code, Sections 35700-44)

The Rumford Act provides an administrative remedy for the homeseeker. The complainant under this act may file a complaint with the State Fair Employment Practices Commission (FEPC). Filing a complaint under the Rumford Act waives the complainant's rights to sue under the Unruh Act.

The Rumford Act applies to all publicly assisted housing accommodations - such as those insured by FHA or Cal-Vet - as well as to most multiple dwelling units, even though not publicly assisted. The Act bans even an oral inquiry about the race, color, religion, national origin, or ancestry of the homeseeker. Since January 1, 1976 this has been amended to include sex and marital status.

At any time after a complaint has been filed, the FEPC may obtain an injunction to prevent rental or sale of the property in question until completion of the FEPC investigation and proceedings.

Under the Act, an investigation of the facts is made by the FEPC. If preliminary investigation shows no violation of the law, the complaint is dismissed. If the investigation shows that a violation probably does exist, the FEPC "shall immediately endeavor to eliminate the alleged unlawful practice by conference, conciliation and persuasion."

Failure of the informal conciliation process results in a formal accusation being filed with the FEPC. The landlord or manager must then defend his actions before an administrative hearing of the Commission.

If the Commission finds that there was illegal discrimination, the discriminator is ordered to cease and desist from the discriminatory practices and to either:

- 1) sell or rent the housing accommodation to the complainant;
- 2) make a like accommodation available to the complainant; or
- 3) pay the complainant up to \$100 if remedy (1) or (2) is not possible.

CALIFORNIA CIVIL CODE, Section 54.1

Section 54.1 of the Civil Code forbids discrimination on the basis of blindness or physical handicap in the rental and sale of housing. Such discrimination is a misdemeanor punishable by up to six months incarceration in a county jail, or a fine of up to \$500, or both.

REGULATIONS OF REAL ESTATE COMMISSIONER

Article 10. Discrimination and Panic Selling

2780. Discriminatory Conduct as the Basis for Disciplinary Action.

Prohibited discriminatory conduct by a real estate licensee based upon race, color, sex, religion, ancestry or national origin includes, but is not limited to, the following:

- (a) Refusing to negotiate for the sale, rental or financing of the purchase of real property or otherwise making unavailable or denying real property to any person because of such person's race, color, sex, religion, ancestry or national origin.
- (b) Refusing or failing to show, rent sell or finance the purchase of real property to any person or refusing or failing to provide or volunteer information to any person about real property, or channeling or steering any person away from real property, because of that person's race, color, sex, religion, ancestry or national origin or because of the racial, religious, or ethnic composition of any occupants of the area in which the real property is located.
- (c) Discriminating because of race, color, sex, religion, ancestry or national origin against any person in the sale or purchase or negotiation or solicitation of the sale or purchase or the collection of payment or the performance of services in connection with contracts for the sale of real property or in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.
- (d) Discriminating because of race, color, sex, religion, ancestry or national origin against any person in the terms, conditions or privileges of sale, rental or financing of the purchase of real property.
- (e) Discriminating because of race, color, sex, religion, ancestry or national origin against any person in providing services or facilities in connection with the sale, rental or financing of the purchase of real property, including but not limited to: processing applications differently, referring prospects to other licensees because of the prospects' race, color, sex, religion, ancestry or national origin, using with discriminatory intent or effect, codes or other means identifying minority prospects, or assigning real estate licensees on the basis of a prospective client's race, color, sex, religion, ancestry or national origin.
- (f) Representing to any person because of his or her race, color, sex, religion, ancestry or national origin that real property is not available for inspection, sale or rental when such real property is in fact available.
- (g) Processing an application more slowly or otherwise acting to delay, hinder, or avoid the sale, rental or financing of the purchase of real property on account of the race, color, sex, religion, ancestry or national origin of a potential owner or occupant.
- (h) Making any effort to encourage discrimination against persons because of their race, color, sex, religion, ancestry or national origin in the showing, sale, lease or financing of the purchase of real property.

REGULATIONS OF REAL ESTATE COMMISSIONER

- (i) Refusing or failing to cooperate with or refusing or failing to assist another real estate licensee in negotiating the sale, rental or financing of the purchase of real property because of the race, color, sex, religion, ancestry or national origin of any prospective purchaser or tenant.
- (j) Making any effort to obstruct, retard or discourage the purchase, lease or financing of the purchase of real property by persons whose race, color, sex, religion, ancestry or national origin differs from that of the majority of persons presently residing in a structural improvement to real property or in an area in which the real property is located.
- (k) Performing any acts, making any notation, asking any questions or making or circulating any written or oral statement which when taken in context, expresses or implies a limitation, preference or discrimination based upon race, color, sex, religion, ancestry or national origin; provided, however, that nothing herein shall limit the administering of forms or the making of a notation required by a federal, state or local agency for data collection or civil rights enforcement purposes.
- (l) Making any effort to coerce, intimidate, threaten or interfere with any person in the exercise or enjoyment of, or on account of such person's having exercised or enjoyed, or on account of such person's having aided or encouraged any other person the exercise or enjoyment of any right granted or protected by a federal or state fair housing law, including but not limited to: assisting in any effort to coerce any person because of his or her race, color, sex, religion, ancestry or national origin to move from, or to not move into, a particular area; punishing or penalizing real estate licensees for their refusal to discriminate in the sale or rental of housing because of the race, color, sex, religion, ancestry or national origin of a prospective purchaser or lessee; or evicting or taking other retaliatory action against any person for having filed a fair housing complaint or for having undertaken other lawful efforts to promote fair housing.
- (m) Soliciting of sales, rentals or listings of real estate from any person but not from another person within the same area because of differences in the race, color, sex, religion, ancestry or national origin of such persons.
- (n) Discriminating because of race, color, sex, religion, ancestry or national origin in informing persons of the existence of waiting lists or other procedures with respect to the future availability of real property for purchase or lease.
- (o) Making any effort to discourage or prevent the rental, sale or financing of the purchase of real property because of the presence or absence of occupants of a particular race, color, sex, religion, ancestry or national origin, or on the basis of the future presence or absence of a particular race, color, sex, religion, ancestry or national origin, whether actual, alleged or implied.

REGULATIONS OF REAL ESTATE COMMISSIONER

- (p) Making any effort to discourage or prevent any person from renting, purchasing or financing the purchase of real property through any representations of actual or alleged community opposition based upon race, color, sex, religion, ancestry or national origin.
- (q) Providing information or advise to any person concerning the desirability of particular real property or a particular residential area(s) which is different from information or advice given to any other person with respect to the same property or area because of differences in the race, color, sex, religion, ancestry or national origin of such persons.
- (r) Refusing to accept a rental or sales listing or application for financing of the purchase of real property because of the owner's race, color, sex, religion, ancestry or national origin or because of the race, color, sex, religion, ancestry or national origin of any of the occupants in the area in which the real property is located.
- (s) Entering into an agreement, or carrying out any instructions of another, explicit or understood, not to show, lease, sell or finance the purchase of real property because of race, color, sex, religion, ancestry or national origin.
- (t) Making, printing or publishing, or causing to be made, printed or published, any notice, statement or advertisement concerning the sale, rental or financing of the purchase of real property that indicated any preference, limitation or discrimination because of race, color, sex, religion, ancestry or national origin, or any intention to make such preference, limitation or discrimination.
- (u) Using any words, phrases, sentences, descriptions or visual aids in any notice, statement or advertisement describing real property or the area in which real property is located which indicates any preference, limitation or discrimination because of race, color, sex, religion, ancestry or national origin.
- (v) Selectively using, placing or designing any notice, statement or advertisement having to do with the sale, rental or financing of the purchase of real property in such a manner as to cause or increase discrimination by restricting or enhancing the exposure or appeal to persons of a particular race, color, sex, ancestry or national origin.
This subdivision does not limit in any way the use of an affirmative marketing program designed to attract persons of a particular race, color, sex, religion, ancestry or national origin who would not otherwise be attracted to the real property or to the area.
- (w) Quoting or charging a price, rent or cleaning or security deposit for a particular real property to any person which is different from the price, rent or security deposit quoted or charged to any other person because of differences in the race, color, sex, religion, ancestry or national origin of such persons.

REGULATIONS OF REAL ESTATE COMMISSIONER

- (x) Discriminating against any person because of race, color, sex, religion, ancestry or national origin in performing any acts in connection with the making of any determination of financial ability or in the processing of any application for the financing or refinancing of real property.

Nothing herein shall limit the administering of forms or the making of a notation required by a federal, state or local agency for data collection or civil rights enforcement purposes. In any evaluation or determination as to whether, and under what terms and conditions, a particular lender or lenders would be likely to grant a loan, licensees shall proceed as though state-licensed savings and loan associations are in compliance with Subchapter 23 (Fair Lending) and Subchapter 24 (Guidelines relating to Fair Lending) of Chapter 2, Title 10, California Administrative Code.

- (y) Advising a person of the price or value of real property on the basis of factors related to the race, color, sex, religion, ancestry or national origin of residents of an area or of residents or potential residents of the area in which the property is located.
- (z) Discriminating in the treatment of, or services provided to, occupants of any real property in the course of providing management services for the real property because of the race, color, sex, religion, ancestry or national origin of said occupants.
- (aa) Discriminating against the owners or occupants of real property because of the race, color, sex, religion, ancestry or national origin of their guests, visitors or invitees.
- (bb) Making any effort to instruct or encourage, expressly or impliedly, by either words or acts, licensees or their employees or other agents to engage in any discriminatory act in violation of a federal or state fair housing law.
- (cc) Establishing or implementing rules that have the effect of limiting the opportunity for any person because of his or her race, color, sex, religion ancestry or national origin to secure real property through a multiple listing or other real estate service.
- (dd) Assisting or aiding in any way, any person in the sale, rental or financing of the purchase of real property where there are reasonable grounds to believe that such person intends to discriminate because of race, color, sex, religion, ancestry or national origin.

HISTORY: 1. New section filed 4-14-77; effective 5-14-77 (Register 77, No. 16).

2781. Panic Selling as the Basis for Disciplinary Action. Prohibited discriminatory conduct includes, but is not limited to, soliciting sales or rental listings, making written or oral statements creating fear or alarm, transmitting written or oral warnings or threats, or acting in any other manner so as to induce or attempt to induce the sale or lease of real property through any representation, express or implied, regarding the present or prospective entry of one or more persons of another race, color, sex, religion, ancestry or national origin into an area or neighborhood.

HISTORY: 1. New section filed 4-14-77; effective 5-14-77 (Register 77, No. 16)

REGULATIONS OF REAL ESTATE COMMISSIONER

2782. Duty to Supervise. A broker licensee shall take reasonable steps to become aware of and to be familiar with and to familiarize his or her salespersons with the requirements of federal and state laws and regulations relating to the prohibition of discrimination in the sale, rental or financing of the purchase of real property. Such laws and regulations include but are not limited to the current provisions and any amendments thereto of:

- (a) Sections 35700 through 35745 of the California Health and Safety Code (Rumford Act).
- (b) Sections 51 and 52 of the California Civil Code (Unruh Civil Rights Act).
- (c) Title VIII and IX of the United States Civil Rights Act of 1968 (Fair Housing).
- (d) Subchapters 23 and 24 of Chapter 2, Title 10, California Administrative Code.

HISTORY: 1. New section filed 4-14-77; effective 5-14-77 (Register 77, No. 16)

(Article 11 repealed effective May 14, 1977.)

AFFORDABLE HOUSING STUDY --- WORK PROGRAM TASKS

Note: Tasks are not necessarily listed in deductive or progressive order.

1. Actively work with builders, developers, realtors, and tenant representatives to discuss and identify problems and mutually acceptable program alternatives for making housing affordable to needy renters and low and moderate income households in the Sacramento area.
2. Analyze the level of production and the type and tenure of housing being produced in the Sacramento area and identify the market and cost components of what is currently being produced.
3. Determine if the present City supply of lower cost housing stock is sufficient to meet current and short-term future needs as set forth in the Housing Element.
4. Develop a workable definition of affordability. This is an important policy consideration for the City since it appears that the Sacramento market demand is less than in major urban areas such as Orange County and the Bay area. Hence, there may be a smaller profit margin for the developer. The City is faced with the problem of deciding if affordability standards should be based on a percentage of income and if costs of utilities should be included in determining housing cost and rental levels. It may be that an inclusionary program for both renter and owner units can achieve the affordability levels common to Federal and State programs. Also consider the appropriateness of using standards for ownership which are based on $2\frac{1}{2}$ times the gross annual income factor and standards for rental units which are based on 25% of gross monthly income.
5. Compare market rate housing cost to that cost which provides adequate and affordable housing for low income households (earning below 80% of the median income) and moderate income households (earning between 80% and 120% of median income) who have unmet needs. Include realistic assumptions about cost components such as interest rates and land.
6. Explore the effectiveness of reducing the size of dwelling units as a method of achieving more affordable housing.
7. Analyze the impact of a requirement of a variety of housing types in large-scale projects on the economic feasibility and profitability of the projects.
8. Analyze the extent, if any, that the use of density bonuses and other "incentives" can induce the private sector to reduce the cost of housing development. Give dollar values to the various incentives the City might offer and apply these incentives in various combinations to see if they can effectively result in achieving more affordable housing.
9. Identify and discuss the types of single family detached, duplex-halfplex, condominium-co-operative, mobilehome, and manufactured housing products that are not commonly being built in the Sacramento market at present. Determine whether adoption of City policies to

require certain of these product types would result in affordable housing locally or whether such as fee forgiveness or accelerated processing of projects would be needed to attract the new product types.

10. Establish the profit margin for different sized developments and for different product types by analyzing the products of developers who work in Sacramento and other areas of the State using the same basic product.
11. Analyze the need for, the feasibility of, and the effectiveness of an inclusionary-type housing program for Sacramento. Utilizing this analysis, recommend a detailed inclusionary-type program which includes, but need not be limited to, the following considerations:
 - a. Legal basis for the program and its implementation
 - b. Implementation procedure, addressing both government and private sector involvement
 - c. Price and rent levels of inclusionary units, including method for setting the level
 - d. Types of units where inclusionary program would be applicable
 - e. Qualifications, priorities, and financing for potential households
 - f. Resale and re rental controls and restrictions on use
 - g. Administrative structure, including an estimated staff and budget.
12. Provide an analysis of who is doing the building--whether it is large or small scale development and whether it is scattered site or large planned unit development. Identify the cost savings, if any, that result from large scale development versus small scale development of similar product types. From this, determine the threshold point in terms of project size, if any, where an inclusionary-type housing program may be financially feasible.
13. Determine whether a mandatory or voluntary inclusionary program would be most appropriate.
14. Establish and justify the percentage of units in new housing developments or in condominium conversion projects that should be set aside for qualified low and moderate income households should a voluntary or mandatory inclusionary housing program be implemented in Sacramento. Consider the application of percentages of all types of housing where entitlements are being sought through City government.
15. Determine whether a non-profit corporation, the Sacramento Housing and Redevelopment Agency, or another department, agency, or entity is the most appropriate body to administer an inclusionary housing program.
16. Determine if the inclusionary housing program used in Palo Alto can be adapted to Sacramento.