

Meeting Date: 9/3/2013

Report Type: Public Hearing

Report ID: 2013-00633

Title: 2013-2021 Housing Element Update (LR12-004) [Published 08/23/2013]

Location: Citywide

Issue: Approval of the Draft 2013-2021 Housing Element for review and comment by the State Department of Housing and Community Development.

Recommendation: Conduct a public hearing and upon conclusion, pass a Resolution authorizing staff to submit the Draft 2013-2021 Housing Element to the California Department of Housing and Community Development for review and comment.

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Department: Community Development Dept

Division: Long Range Planning

Dept ID: 21001222

Attachments:

- 01-Description/Analysis
 - 02-Background
 - 03-Responses to Letters from the Public
 - 04-Resolution Approving Draft Housing Element for State Review and Comment
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 - 11-Kay Kneprath Letter 08.13.13
 - 12-Hefner, Stark & Marois Letter 08.13.13
 - 13-Sacramento Housing Alliance Letter 08.14.13
 - 14-Tristan Godt Email 08.14.13
-

City Attorney Review

Approved as to Form
Jeffrey Heeren
8/27/2013 9:49:01 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
8/21/2013 9:40:47 AM

Approvals/Acknowledgements

Department Director or Designee: Max Fernandez - 8/22/2013 4:54:02 PM

Description/Analysis

Issue Detail: The Housing Element serves as the City's overall housing strategy and plan for the housing needs of all economic segments of the community through a comprehensive analysis of needs, constraints, and resources as well as policies and programs to address those issues. State law requires that every city and county in California update its Housing Element every eight years, subject to State approval.

There have been four workshops with the Planning and Design Commission to discuss housing element policies on November 15, 2012, March 14, 2013, May 23, 2013, and July 25, 2013. Policy direction from the Housing Element will guide future implementation of housing programs that include the following:

- An update of the Mixed Income Housing Ordinance;
- An update of the Housing Trust Fund Ordinance;
- A new Responsible Banking Ordinance; and
- A new Fee Deferral Program.

Staff is recommending that the City Council approve the Draft 2013-2021 Housing Element to City Council for review by the State Department of Housing and Community Development. Staff will return in January of 2014 to recommend adoption of the final 2013-2021 Housing Element.

The Background (Attachment 2) of the staff report summarizes the key changes to the Housing Element. The Background also lists the key policy and program changes as well as the reasoning behind the change. Additionally, staff has responded to letters from the public in Attachment 3. The revised draft Housing Element can be found as an exhibit to the City Council Resolution in Attachment 5.

Staff has completed three rounds of outreach with key stakeholder groups to discuss housing needs, housing market conditions and solicit input on policy ideas and potential changes. These meetings have included market rate and affordable housing developers, as well as affordable housing and homeless advocates and service providers. A community meeting was held on March 13, 2013, to solicit input from the community at large followed by outreach to community and neighborhood groups in March and April. A complete list of outreach can be found in Attachment 6.

Policy Considerations: The Housing Element sets forth the City's goals and policies to address current and future housing needs. State law requires that the Housing Element be updated regularly to ensure that the City has sufficient sites, policies, and programs to address that need.

Economic Impacts: The Housing Element's policies and programs are the City's strategy to maximize housing opportunities for individuals of all incomes. Additionally, these policies are designed to remove environmental and regulatory constraints to housing production. A broad range of housing opportunities will make the City more economically competitive.

Environmental Considerations: This is not a project as defined by the California Environmental Quality Act (CEQA) [CEQA Section 21065 and CEQA Guidelines Section 15378 (b)(4)]. Adoption of the Housing Element will be subject to CEQA approval, which will commence upon Council approval to submit the Draft Housing Element to HCD for review and comment.

Sustainability: The City of Sacramento is the job center of the region. Creating more housing opportunities for its diverse workforce will improve the City's jobs/housing balance and reduce the need for long commutes which are a source of air pollution.

Commission/Committee Action: On August 15, 2013, the City Planning and Design Commission reviewed and unanimously recommended approval of the Draft 2013-2021 Housing Element.

Rationale for Recommendation: Jurisdictions are required under Government Code Section 65580 et seq. to update their Housing Elements and submit them for review and certification by the State Department of Housing and Community Development (HCD) within 18 months after adoption of the Metropolitan Transportation Plan by their local Council of Governments, which is Sacramento Area Council of Governments (SACOG). Failure to adopt a certified Housing Element can leave the City vulnerable to legal challenge and will make the City ineligible for certain state grant funds, including Prop. 1C Infill and Transit Oriented Development (TOD) Program funds.

Financial Considerations: There are no financial impacts associated with the update on the Housing Element preparation. Funds have previously been committed for the Housing Element consultant contract and financial impacts associated with the adoption of the Housing Element and subsequent housing programs will be addressed in those Council reports.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

Background

Summary of Program Changes to the Housing Element

Current housing programs have been evaluated and revised, deleted, or new programs have been added. The number of housing element programs has been reduced from 93 to just over 40. Many programs were removed because they were completed through regulatory changes that included:

- Planning and Development Code Update (2013);
- Multi-family Lending Guidelines Update (2009)
- Reasonable Accommodation Ordinance (2009);
- Universal Design Ordinance (2010); and
- Rezoning 2,000 parcels for consistency with the General Plan (2009/2010).

The Planning and Development Code update addressed nine programs alone by addressing parking constraints; updating the density bonus ordinance; facilitating alternative housing types; clarifying live/work arrangements; streamlining the entitlement process; removing constraints to secondary dwelling units; and defining transitional and supportive housing as a dwelling to be treated the same in each zone.

Other programs were removed because they called for studies and reports that were unable to be completed because of reduced staff capacity. Some of these programs were merged and consolidated into single programs, such as updating citywide design guidelines, which have a definitive outcome as opposed to a report with recommendations.

Due the reduction on funding, a number of housing programs have been removed. These programs include technical assistance and capacity building for non-profits; annually providing affordable housing information to referral services; educating the community on fair housing, anti-“NIMBY,” and accessibility issues; and other programs specific to redevelopment areas.

Lastly, programs were modified or added in response to current issues. The key policy and program changes are addressed in the next section. For a complete review of all changes to existing housing element programs please refer to the draft 2013-2021 Housing Element (Attachment 5), specifically Chapter 4 Evaluation of Past Performance and Appendix A: Program Evaluation.

Key Policy and Program Changes

Staff is developing policies that respond to a variety of stakeholders with often competing interests, reduced financial resources, an unstable housing market, and

shifts in development patterns. The prime objective is to optimize the City's ability to create inclusive, well-planned affordable housing, and opportunities for future growth, while being mindful of constraints to development that will restrict housing supply or impede the City's economic recovery. If the housing supply is constrained, new market-rate housing becomes more expensive because of pent-up demand. With these policy recommendations, the City is walking a fine line between creating new opportunities for affordable housing while maintaining a healthy environment for growth and revitalization.

Fee Deferral Program for Affordable Housing

Policy:

H-2.2.3 Offsetting Development Costs for Affordable Housing. The City shall defer fees to Certificate of Occupancy (COO) to help offset development costs for affordable housing and will offer other financial incentives including, but not limited to, water development fee waivers and sewer credits.

Program:

40. The City shall support establish a fee deferral program for affordable housing to defer fees to certificate of occupancy, recognizing the complexities and time needed to complete an affordable housing development.

- ☐ Implements Which Policy(ies): H-2.2.3
- ☐ Responsible Department: Community Development
- ☐ Objective: Extend fee deferral period for affordable housing development.

Rationale:

The City's fee deferral program expired December 31, 2009. The cities of Elk Grove, Folsom, Roseville and Sacramento County have programs that defer local impact fees until construction is complete. This is helpful because the fees can then be paid for in the second phase of financing, when it easier to predict the fee amount.

Responsible Banking Ordinance

Policy:

H-1.3.7 Responsible Banking Practices. To help reduce predatory and subprime lending practices in Sacramento, the City shall require partner banks and lending institutions to invest in the community in a responsible manner.

Program:

41. The City shall establish a Responsible Banking Ordinance that would require banks that receive City deposits to report on mortgage lending practices, small business lending, and other investments in the community. The ordinance shall in

no way restrict the investment activities of the City Treasurer or the Administration, Investment and Fiscal Management Board.

- ☐ Implements Which Policy(ies): H-1.3.7
- ☐ Responsible Department: City Treasurer (Primary), Community Development, Economic Development, SHRA
- ☐ Objective: Promote responsible lending and investment in the City.

Rationale:

Analysis in the Community Profile of the Housing Element has shown a clear correlation between areas with higher rates of subprime mortgages and areas with higher concentrations of lower-income residents in Sacramento. At the same time, housing prices began a steep decline in mid-2006, adjustable rate mortgages reset to higher interest rates, and many homeowners found they were unable to afford the higher monthly payments. This led to a drastic increase in the number of defaults and foreclosures, which in turn led to lower property values, lower property tax revenue, additional neighborhood blight in low-income areas, and increased economic hardship for the City. Banks benefitting from the City's deposits shall demonstrate responsible lending and investments in the community. Responsible lending can help to prevent a future foreclosure crisis in the City. A summary of local responsible banking ordinances, prepared by the National Community Reinvestment Coalition, compares various responsible banking ordinances in Los Angeles, San Jose, New York, Cleveland, Philadelphia and other cities. The summary can be found in Attachment 7.

Housing Trust Fund Ordinance

Policy:

H-2.2.4 Funding for Affordable Housing. The City shall pursue and maximize the use of all appropriate state, federal, local and private funding for the development, preservation, and rehabilitation of housing affordable for extremely low-, very low-, low-, and moderate-income households, while maintaining economic competitiveness in the region.

Program:

21. The City shall streamline the Housing Trust Fund Ordinance to apply the fees equally throughout the City and modify aspects of the ordinance that have proven to be ineffective over the years.

- ☐ Implements Which Policy: H-2.2.2; H-2.2.4
- ☐ Responsible Department: Community Development, SHRA
- ☐ Objective: Amend the City Zoning Code to improve and clarify the implementation of the Housing Trust Fund and ensure economic competitiveness with surrounding jurisdictions.

Rationale:

The Housing Trust Fund Fee has been an effective tool for providing gap financing for affordable housing developments. Over \$26 million has been invested in 45 projects since 1994. However, the ordinance needs to be updated to use a single citywide fee schedule, versus having one for North Natomas and another for rest of the City. The ordinance also needs to be amended to apply only to new construction or additions. A business that is reusing an existing building should not have to pay additional impact fees. Currently, the ordinance does not give credit for developments that have housing and nonresidential uses in the same building. Lastly, the City is at an economic disadvantage by having housing trust fund fees, on average, 133% higher than surrounding jurisdictions. The City of Folsom recently increased their fees but they are still less than half of what the City of Sacramento charges, as shown in Attachment 6.

Mixed Income Housing Ordinance

Policies:

H-1.3.5 Housing Type Distribution. The City shall promote an equitable distribution of housing types for all income groups throughout the city and promote mixed income neighborhoods rather than creating concentrations of below-market-rate housing in certain areas.

H-2.2.4 Funding for Affordable Housing. The City shall pursue and maximize the use of all appropriate state, federal, local and private funding for the development, preservation, and rehabilitation of housing affordable for extremely low-, very low-, low-, and moderate-income households, while maintaining economic competitiveness in the region.

H-2.2.6 Update the Mixed Income Housing Ordinance. The City shall revise its Mixed-Income Housing Ordinance to promote affordable housing citywide and to require developers to contribute towards production of housing affordable to lower- and moderate-income households.

Program:

1. The City shall revise its Mixed-Income Housing Ordinance to promote affordable housing citywide and will require: 1) an affordable housing impact fee for all new housing units, and 2) large, single-family subdivisions to provide housing for a variety of incomes and family types.

☐ Implements Which Policy(ies): H-1.2.3, H-2.2.4, H-2.2.6

☐ Responsible Department: Community Development; SHRA

☐ Objective: Adapt the current Mixed Income Ordinance to create new affordable housing opportunities and mixed income communities while being flexible, market sensitive, and responsive to the challenges of infill development.

Rationale:

The Mixed Income Housing Ordinance needs to be updated for the following reasons:

1. The current ordinance is inflexible, which restricts creative approaches to providing affordable housing.
2. Development as the result of the current ordinance has generally not resulted in mixed-income communities. Most of the affordable units are concentrated in large multi-family developments adjacent to single family homes affordable to above moderate-income families.
3. For-sale inclusionary units created by the ordinance have been difficult to market due to a lack of qualified buyers and most have ended up in foreclosure.
4. The end of Redevelopment has created a need to augment local affordable housing funding. The current ordinance's obligations exceed what the City can locally subsidize.
5. Fee revenue can be used to support affordable projects in walkable areas with quality transit.
6. Infill development is difficult to do with a myriad of unforeseen costs and with smaller, irregular shaped lots. The new ordinance needs to be predictable and not create site design challenges.
7. The housing market has proven to be cyclical and unstable. The ordinance needs to be able to respond to both downturns and upturns in the market.
8. The Palmer Decision of 2009 calls into question the legality of requiring deed-restricted rental units.

Responses to Letters from the Public

- 1. Numerous letters have been received by Staff indicating support or opposition to a draft framework for updating the Mixed Income Housing Ordinance that was discussed at the July 25 Planning and Design Commission Workshop.**

Staff will take these comments into consideration when work begins on drafting the ordinance in early 2014. City and SHRA staff acknowledge we have discussed only a framework up to this point and significant outreach to all parties will continue as we craft the ordinance. At this point, we find the policy direction in the draft 2013-2021 Housing Element is appropriate.

- 2. On August 14, 2013, the Sacramento Housing Alliance (SHA) submitted a 10-page letter concerning the draft 2013-2021 Housing Element. The following is a summary of the letter's comments and staff's responses.**

There is no discussion about what the loss of redevelopment funding means to maintaining and producing affordable housing nor any strategies to address this problem.

The loss of redevelopment funding is addressed throughout the document, specifically pages ES-2, 3-44, 3-45, 4-3, 6-2, and 9-3.

Program 1 of the Housing Element directs the City to update the Mixed Income Housing Ordinance to have a citywide fee collected on new housing units. The fee will help, in part, to address the loss of redevelopment funding. Additionally, the City continues to have a policy to "pursue and maximize the state, federal, local and private funding" for affordable housing. Staff welcomes any suggested programs or policies the Housing Alliance has to mitigate the loss of redevelopment funding.

There is no information on the future of SHRA.

This issue has not been discussed before the City Council and the City Council has not provided policy direction on this matter.

There is no information on the Housing Choice Voucher crisis resulting from sequestration.

The Housing Choice Voucher Program is a federally funded program. The City has no control of the funding of the program. The additional homelessness that could result from cuts to the program is concerning. SHRA is trying to mitigate the loss of vouchers by not filling new vacancies for the last 6 months (30-50 vouchers are freed up monthly). At this point, no one has had to be removed from the program. However, if HUD makes additional cuts next year, people will lose their vouchers.

The Housing Element should provide a framework for communication with the public regarding the Mixed Income Housing Ordinance and the Housing Trust Fund Ordinance. There should be an evaluation of the Mixed Income Housing Ordinance and Housing Trust Fund Ordinance in the Housing Element.

Chapter 4 of the Housing Element details the extensive outreach conducted for the Housing Element Update. Additional outreach will be conducted for the Mixed Income Housing Ordinance, Housing Trust Fund Ordinance, and other implementation programs. However, the Housing Element does not detail outreach strategies for implementation programs. Additionally, Housing Elements generally do not provide detailed evaluation of individual programs. Staff will present justification for changes when the ordinances are updated.

In one of the meetings with the City, Planning Staff indicated they were considering changes to the City's Rental Housing Inspection Program.

On May 28, 2013 the City Council amended the Rental Housing Inspection Program to annually inspect 10% of previously inspected, self-certified rental properties. All new rental properties will continue to be inspected. No additional changes to the program have been proposed.

There is no information on SafeGround or other initiatives to address growing homeless population.

The following goal and policies in the current and future Housing Element apply to these initiatives:

GOAL H-3.2 Special Needs. Provide housing choices appropriate for “special needs” populations, including homeless, youth, female-headed households, seniors, and persons with disabilities, including developmental disabilities.

H-3.2.2 Community Based Non-profit Organizations. The City shall continue to work with community-based non-profit organizations that develop affordable housing and provide supportive services for special needs populations.

H-3.2.4 Public and Private Social Service Agencies. The City shall cooperate with public and private social service agencies to site facilities that address the human service needs of the City's special needs populations.

The Housing Element only references other General Plan elements rather than including policies to support sustainable communities and the objectives of City's Climate Action Plan.

Chapter 7 of the Housing Element details how the climate action plan is going to be integrated into the 2035 General Plan. The 2035 General Plan, through a variety of elements, will have implementation measures that will promote sustainable development for all type of land uses, including housing. Additionally, the chapter details how recent efforts, such as the new Planning and Development Code will facilitate sustainable development consistent with SB 375.

No significant efforts were made to reach out and engage low and moderate income residents, special needs populations, and neighborhoods, especially neighborhoods suffering from disinvestment.

Staff held a community workshop in March, which was advertised by the Housing Alliance. Staff made presentations to the SHRA Commission, Adult and Aging Commission, and the Disabilities Advisory Commission. Five meetings with the Planning and Design Commission have been held, advertised by email blasts to more than 1,700 stakeholders.

Staff also relies on representatives and advocates for low income and underrepresented individuals to get the word out. Staff has met Sacramento Housing Alliance staff twice and has also met with staff with Habitat for Humanity, Mercy Housing, Sacramento Mutual Housing and Sacramento Steps Forward.

The Sacramento Housing Alliance (SHA) proved their ability to get the word out when they organized over two dozen predominantly low income individuals to speak at the July 25th Planning and Design Commission meeting. Additionally, the project website has advertised the March Community Workshop as well as the Planning and Design Commission Workshops.

The Housing Element's listing of units at-risk of conversion is inadequate; more detail is required for special housing needs; the inventory and analysis of sites is inadequate; more analysis of government constraints is required; and housing programs need more detail.

In the past five years there have been changes at the State and Federal level that significantly reduced resources for affordable housing. Many of these issues are beyond what the City itself can address. Staff has proposed policies and programs that are within the City's resources and capacity. However, constructive suggestions on how to obtain additional resources for affordable housing are always welcome.

The letter from SHA asks for a significant amount of additional information. It would be good to have this information, but the City does not have the time or the resources to do this. The draft 2013-2021 Housing Element must be reviewed by the State and adopted by the City Council no later than February 2014. The information in the draft Housing Element is consistent with the requirements of State law.

The letter requests more specifics on the City's strategies for various policies and programs. The Housing Element is implemented over an eight-year period. Specific program strategies will be developed as the element is implemented. Too much specificity at the policy level would reduce flexibility for the City to operate in an era of limited resources.

Staff recommends waiting to make any necessary changes to the Housing Element until after the State Department of Housing and Community Development provides comments at the conclusion of its review process. Staff will then ensure necessary revisions are made to the final element prior to presenting it for adoption.

RESOLUTION NO.

Adopted by the Sacramento City Council

Date Adopted

A RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO SUBMIT THE DRAFT 2013-2021 HOUSING ELEMENT TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR REVIEW AND COMMENT (LR12-004)

BACKGROUND

- A The City Council has reviewed the Draft 2013-2021 Housing Element on September 3, 2013, and finds:
1. Pursuant to Government Code Section 65583 et seq., the City is required to submit the Housing Element, covering the planning period from October 31, 2013, through October 31, 2021, to the California Department of Housing and Community Development for formal review and comment;
 2. The City held study sessions before City Planning and Design Commission, City Disabilities Advisory Commission, County Adult and Aging Commission, and Sacramento Housing and Redevelopment Commission between November 2012 and July 2013;
 3. The proposed policies of the 2013-2021 Housing Element have been found to be consistent with those of the 2030 General Plan;
 4. On August 15, 2013, the City Planning and Design Commission reviewed and recommended approval of the Draft 2013-2021 Housing Element.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Draft 2013-2021 Housing Element is approved for the purpose of submitting it to the California Department of Housing and Community Development for review.

Section 2. The City Manager is authorized and directed to submit the Draft 2013-2021 Housing Element to the California Department of Housing and Community Development for review.

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Exhibit A – Draft City of Sacramento 2013-2021 Housing Element



City of Sacramento

2013-2021 Housing Element



Cover photo credits: Gelfand Partners Architects, Mintier Harnish, and Affordable Housing Design Advisor

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List of Acronyms

ACS	American Community Survey
CADA	Capitol Area Development Authority
CHAS	Comprehensive Housing Affordability Strategy
CPTED	Crime Prevention through Environmental Design
CSUS	California State University Sacramento
DHA	Department of Human Assistance
DOF	Department of Finance
DSD	Development Services Department
ELI	Extremely low-income
FHA	Federal Housing Administrator
FMRs	Fair Market Rents
GHG	Greenhouse Gas
GPAC	General Plan Advisory Committee
HAP	Housing Assistance Payment
HCD	Housing and Community Development
HELP	Housing Enabling Local Partnerships
HOI	Housing Opportunity Index
HUD	Housing and Urban Development
LI	Low-income
MF	Multifamily
MFI	Median Family Income
NEV	Neighborhood Electric Vehicles
RHNA	Regional Housing Needs Allocation
SACOG	Sacramento Area Council of Governments
SF	single-family
SHRA	Sacramento Housing and Redevelopment Agency
SRO	Single Room Occupancy
SSDI	Social Security Disability Insurance Program
SSI	Supplemental Security Income
VLI	Very low-income

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Executive Summary

The Sacramento General Plan reflects a sustainable vision for growth over the next 25 years. A major part of that vision will be to ensure that the City grows in a manner that meets the housing needs of all its residents.

This Housing Element goes beyond a simple quantitative approach to housing needs and focuses instead on the broader values and goals of the community. Covering a much shorter time period, the Housing Element nonetheless reflects the long term vision of City's General Plan. Key to this vision is a shift toward infill development and a focus on sustainable and complete neighborhoods. The General Plan directs growth to key "opportunity areas" in order to house people near jobs, transit, and other urban amenities. Emphasis is placed on the design and character of the city's neighborhoods, both existing and new, that contribute to a high quality of life for all Sacramento residents.

The 2013-2021 Housing Element is intended to not only meet the requirements of State law but, more importantly, serve as the City's strategic housing plan. The plan first evaluates the city's housing conditions and needs and provides an inventory of vacant residential land available to meet that need. At the heart of the Housing Element, however, are the goals, policies, and programs, which will guide City investments and land use decisions to address future growth and existing needs. Organized under six key themes, this new strategy demonstrates the City's commitment to meeting the housing needs of all its residents.

Sacramento's Housing Challenges

The City has a strong history of providing housing for people of all income levels. However, recent changes in the market have created unique challenges for the City. The need to grow and accommodate future residents is hampered by an unstable housing market, declining State and Federal support for affordable housing, and environmental constraints.

During the development boom of the early 2000s, many new homebuyers saw the real estate market as a vehicle for building assets and wealth. In an attempt to secure the "American Dream," many households used subprime or other risky mortgages in order to purchase a home in the hope that they could enjoy ever-increasing home equity. However, beginning in 2006, the housing market slowed dramatically and home prices weakened and began to fall. The economy also weakened and access to credit became more difficult to obtain in an atmosphere of rising mortgage defaults and foreclosures. A wave of foreclosures impacted not only individuals but also entire neighborhoods.

After several years of decline in housing prices and high foreclosure rates, Sacramento is now in the early stages of a housing recovery. Median home prices are rising again after a 51 percent decline from \$333,700 in 2007 to a low of \$149,250 in 2012. From May 2012 to May 2013, the median home sales price in Sacramento increased by nearly 45 percent. A key contributing factor to this increase is the limited supply of housing and competition from investor interests. According to several sources, the inventory of available homes in the city decreased by more than 60 percent from 2012 to 2013. In April 2013, 52 percent of homes that went on the market had a pending sale within two weeks; 29 percent had pending sales within one week. The region had only 1.2 months worth of housing inventory; six months is considered a healthy inventory. As the market recovers, housing is once again seen as a contributor to economic growth.

Beyond the housing market, the overall economy is improving. The unemployment rate in California dropped to 9 percent in 2013, from its peak of over 12 percent in 2010. As the economy improves, the rate at which people form households will increase, which will drive housing demand. Some of those new households are likely to be home buyers instead of renters, given the rising cost to rent and the relatively low cost to own; however, many of these new households, particularly lower-income households, will demand new rental housing. Coupled with the difficulty lower-income households face in entering the housing market, the City's stock of existing affordable housing is more and more strained. The City has historically been a leader in producing affordable housing, but much of that housing is aging and in need of repair. The City has a wealth of affordable housing assets, ranging from public housing to regulated rental projects, to unregulated single room occupancy (SRO) units. Each housing type provides a much needed housing opportunity, but as market forces shift, many of these housing projects are jeopardized. The City recognizes the importance of all of its existing housing, and has made a strong commitment to maintaining these valuable units even in the face of a challenging market.

Ensuring the City's commitments to maintaining its existing housing requires balancing housing funds and resources between preservation efforts and new development. As market forces rebound during this Housing Element planning period, the City must be positioned to best take advantage of all housing opportunities, infill and greenfield, market rate and affordable. An understanding of these dual and competing needs underscores the strategic framework of the City's Housing Element.

The City's Housing Strategy

As this new Housing Element planning period begins, the City is faced with the reality of new challenges and increasing need in an era of limited resources. With the elimination of redevelopment agencies in California, the City has lost its largest local source of funding for affordable housing. As a result, the City has had to discontinue several programs relying on this funding. As the City looks to preserve and build upon its past successes, the City is focusing on innovative approaches to housing and the targeted use of resources.

In consideration of historical production, new and existing needs, available resources, and constraints the City faces, the Housing Element approach and organization focuses on six themes that reflect key challenges for City housing policy and programs. These themes reflect community input on needs, assessment of priorities, and alignment with the General Plan goals. The themes and related priority programs are summarized below.

Sustainability, Balanced Communities and Complete Neighborhoods

Sustainability of housing, through "green" building and planning techniques, creates socially and economically responsible living, minimizing the impact of growth on the larger community. However, housing cannot be viewed solely as a collection of individual buildings; housing must be planned and developed as the building blocks of neighborhoods and the whole community. Through a proactive planning process, the City will encourage a variety of housing types, both in its existing neighborhoods and as new neighborhoods are created. As Sacramento's population grows and its housing needs evolve, the City will track and report on the changes in the demographic makeup of our communities and the resulting impact on housing.

Production of New Housing

As the City grows, more development will occur in existing developed areas, gradually shifting away from greenfield sites. The City has already started this shift toward an infill focus, by providing incentives for infill development, updating the Zoning Code to facilitate intensive infill development, and facilitating infrastructure improvements in infill areas. Nevertheless, development in greenfield areas, which historically supported a high proportion of the City's new housing production, will also need to include a wide variety of housing types and densities in order to address the needs of future residents.

Extremely Low-Income and Special Needs Housing

The City of Sacramento has demonstrated a strong commitment to serving the housing needs of extremely low-income (ELI) households and homeless residents through the SRO Strategy, Ten Year Plan to End Chronic Homelessness, and the "no net loss" policy in its public housing asset repositioning strategy. During the previous Housing Element planning period the City approved several new permanent supportive housing projects and single room occupancy unit developments to serve the needs of ELI households and residents facing homelessness. This Housing Element continues this strong commitment to these important programs.

Rehabilitation and Preservation of Existing Housing

Recognizing the importance of preserving and maintaining existing housing resources, the City will pursue opportunities for targeted rehabilitation investment. Targets for rehabilitation funding will include properties in distressed neighborhoods with substantial blight; properties in areas with limited new growth potential, but where economic diversity is low; and properties left vacant due to foreclosure. In addition to this targeted strategy, the City will continue to promote the preservation of existing affordable housing citywide.

Accessible Housing and Neighborhoods

The city is home to over 65,000 persons with disabilities. With the aging of our population, this number is expected to increase. Accessible housing and neighborhoods allow for better integration and population stability as people are able to "age in place." The City has demonstrated its commitment to providing housing for all through the adoption of a Universal Design Ordinance that encourages accessibility in new housing and the adoption of a Reasonable Accommodation Ordinance that established a process to allow special consideration in the planning and building process to address the housing needs of those persons with disabilities. The City will continue this commitment to improving accessibility by encouraging universal design in new housing and providing funding to residents to retrofit their homes for increased accessibility.

Modest Income Homeownership

The City will promote alternative housing types and modify existing regulations to assist the market in providing attainable housing for Sacramento's middle-income residents. Existing funding for homeownership assistance, which reaches lower-income residents will be targeted to overlap with other City goals, inclusionary housing, and moving foreclosed properties back to homeownership.

Meeting Our City's Housing Needs

The themes above provide a context for the goals, policies, and programs guiding City housing development over the next eight years (i.e., 2013-2021). These programs form an approach to providing housing that is varied and diverse for a population equally as diverse. Together, these programs present a comprehensive look at housing in the city, and how housing supports and enhances other citywide initiatives in the General Plan. Through the combination of programs presented in this Housing Element, the City anticipates production of over 12,500 new and substantially rehabilitated units, including over 1,800 lower income units. In addition to the anticipated quantitative production, the Housing Element embodies a civic philosophy for housing in Sacramento that is purposeful, inclusive, and reflective of the realities of living in Sacramento in the second decade of the 21st Century.

1 Introduction

1.0 Purpose

This chapter provides background for the Housing Element, including state law requirements, housing needs, other City housing strategies, policies and documents, and an overview of the public outreach program for the Housing Element update. In addition, this chapter provides a brief summary of the Element's contents, and identifies the Element's consistency with the rest of the City's General Plan.



Metro Square

1.1 State Law Requirements

The contents of the City of Sacramento's Housing Element reflect a combination of local issues, priorities, and state law requirements. California law (Government Code Section 65583) requires that every city and county adopt a Housing Element that contains:

- An assessment of housing needs and an inventory of resources and constraints relevant to meeting these needs;
- A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing;
- An inventory of developable sites capable of accommodating development of housing for a range of income types to meet the City's share of the regional housing need; and
- A program which sets forth an eight-year schedule of actions to implement the policies and achieve the goals and objectives of the Housing Element.

1.2 Regional Housing Needs Allocation

An important part of the Housing Element is the determination of the City's new housing construction need. Under California law (California Government Code Section 65584), new housing construction need is determined, at a minimum, through a regional housing allocation process.

Sacramento (along with all other cities and counties in the state) must plan to accommodate its share of the housing need of persons at all income levels. The fair share process began with a regional allocation from the State Department of Housing and Community Development (HCD). The Sacramento Area Council of Governments (SACOG) then determines what share of the regional allocation will be met by each of its member cities and counties, including the City of Sacramento. The City's share of regional housing need or the City's Regional Housing Need Allocation (RHNA) is based on SACOG's Regional Housing Needs Plan. Under this plan, Sacramento must accommodate 24,101 new housing units between 2013 and 2021. Of these housing units, 4,944 should be affordable to households earning no more than 50 percent of median income, 3,467 to households earning between 50 percent and 80 percent of median income, 4,482 to households earning between 80 percent and 120 percent of median income, and 11,208 to households

earning more than 120 percent of median income. In addition, of the 4,944 units needed for very low-income households, half, or 2,472, are presumed to be needed for extremely low-income households, those making 30 percent or less of median income.

The City's responsibility under state law in accommodating its regional housing allocation is to identify adequate sites that will be made available through appropriate zoning and development standards and with services and facilities to encourage the development of a variety of types of housing for all income levels. The City does not have to guarantee that its share of the regional allocation will be constructed, although the City must include a quantified housing construction objective in the Housing Element.

Housing Production to Date Compared to Housing Needs

The Housing Element includes two sets of housing targets or goals: the SACOG RHNA target and the housing production goal. The RHNA target for the previous Housing Element (17,649 units) relates to the number of housing units the City must demonstrate it was able to accommodate through adequate sites between 2006 and 2013. The housing production goal (15,021 units) relates to the City's own goal for housing construction for 2008 through 2013, considering historic construction activity levels, available land, and funding and program goals. The RHNA target and the production target cover different time periods due to differences in State law related to the RHNA and quantified objectives included in the Housing Element.



Fremont Building

Between 2002 and 2007, housing development in the city, particularly in new growth areas subject to the Mixed Income Housing Ordinance, resulted in the production and rehabilitation of units in excess of the RHNA and production goals contained in the 2002-2007 Housing Element. In the more recent planning period of 2006-2013, despite the weak housing market, the City has met 65 percent of its RHNA obligation. By the end of 2012, the City had met 76 percent of its housing production goal.

1.3 Public Participation

State law (California Government Code section 65583[c] [6]) requires the City to "make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element." Public participation in the City is an integral part of all planning processes. The Housing Element included specific outreach to a variety of stakeholder groups, including affordable housing advocates, developers, neighborhood activists, and advocates for special needs. The public at large was involved in the preparation of the Housing Element through a community workshop and five Planning & Design Commission meetings. Additionally, City staff presented the project to the Adult and Aging Commission, SHRA Commission, and Disabilities Advisory Commission. Public hearings with the Planning Commission and City Council were scheduled four times from September 2013 to January 2014 to provide community members additional opportunity to provide input. A summary of the public outreach efforts for the update of the Housing Element may be found in Chapter 4 and a summary of meeting notes in Appendix H-B.



Public Participation

Through this ongoing public input, the City has identified issues, concerns, and recommendations for housing policies and programs that are reflected in the updated Housing Element. The Housing Element is in large part a synthesis of these efforts.

1.4 Organization of the Housing Element

The City of Sacramento's Housing Element, a part of the General Plan, is a comprehensive statement of the City's housing needs and strategies. The Housing Element addresses a broader range of issues than these other planning documents, including sustainability, green building, energy conservation, balanced and complete neighborhoods, neighborhood accessibility, and regulatory issues. The Housing Element provides the guiding principles and over-arching policies that define the City's housing strategy. Many of the Element's implementation measures are coordinated with or defined through other planning documents, including:

- Sacramento City and County Ten-Year Plan to End Chronic Homelessness
- Consolidated Plan
- Public Housing Asset Repositioning Strategy
- Single-Room Occupancy Strategy
- Preservation Ordinance
- Housing Trust Fund Ordinance
- Mixed Income Housing Ordinance

The Housing Element incorporates strategies and implementing actions from these other plans and has been reviewed for consistency with these plans. While the Housing Element is not intended to supplant any of these independent documents, as a part of the General Plan, the Housing Element is seen as the broad, inclusive, and comprehensive housing document for the City. The Housing Element does not dive into the same level of detail as many of these other documents, but the strategic vision that prompted each should be reflected in the policies and programs of the Housing Element.

This Housing Element is divided into the following chapters:

Executive Summary provides an overview and road map of the City's housing issues, needs, and policies. The Executive Summary connects the visioning strategic goals of the City with the practical implementation measures of the Housing Element. As a stand alone document, the Executive Summary should allow the reader insight into citywide priorities for housing policy and provide general understanding of the process for bringing this vision to reality.

1. Introduction provides an overview of State requirements, a summary of the public participation process, and a summary of the organization of the Housing Element.

2. Evaluation of Past Programs summarizes the City's achievements in implementing programs under the previous Housing Element, which was adopted in 2008. Lessons learned from an evaluation of

achievements have been considered in the development of new goals, policies, and implementation programs in this Housing Element.

3. Community Profile describes current conditions and trends related to population, housing, and employment. Topics covered in this chapter include population and household characteristics, income and poverty, housing cost and condition, publicly assisted housing, and employment characteristics. This chapter also includes discussion about the preservation of subsidized rental units at risk of converting to market rate housing and what steps the City can take during the 2013-2021 period to maintain this inventory of affordable housing.

4. Public Participation describes the City's efforts to engage all segments of the community during the preparation of the updated Housing Element. The chapter includes a list organizations and agencies with which the City consulted, the methods of community outreach, and a summary of comments received and how these comments have been addressed.

5. Land Inventory describes the availability and characteristics of land that can accommodate housing development to meet the City's future needs. Among the issues covered in this chapter are the number, types, and affordability of housing units constructed since the beginning of the period covered by the Regional Housing Needs Allocation (RHNA); the City's ability to accommodate its remaining share of the region's housing needs; and possible constraints that could affect development potential on housing opportunity sites.

6. Housing Program Resources summarizes programs and funding resources available in the City of Sacramento to assist in the development, rehabilitation, and conservation of housing affordable to low- and moderate-income households.

7. Energy Efficiency summarizes the City's plans and programs for increasing energy efficiency of housing and reducing the City's greenhouse gas (GHG) emissions from existing housing and new housing development.

8. Analysis of Constraints to Housing describes potential governmental and nongovernmental factors that could affect the availability and cost of housing, particularly for low- and moderate-income households and population groups with special needs.

9. Goals, Policies, and Programs contains the City's housing goals, policies, and implementation programs – the heart of the City's strategy for addressing its housing needs. The goals adopted in this Element address:

- *Sustainability, Stability, and Integration:* Create and enhance sustainable housing, balanced communities and complete neighborhoods;
- *Production:* Produce new housing units to meet growth projections and regional fair share goals;
- *Extremely Low-Income and Special Needs:* Ensure housing for extremely low-income and special needs families;
- *Rehabilitation:* Rehabilitate and preserve our existing housing resources;
- *Accessibility:* Provide accessible housing and neighborhoods; and

- *Modest Income Homeownership*: Provide and sustain homeownership, especially for “modest” income families.

Also included in this chapter is an implementation schedule that specifies responsible agencies, timeframes, and objectives for each implementation program and a summary of the City’s quantified objectives for housing development, rehabilitation, and conservation (preservation of affordable rental housing).

1.5 General Plan Consistency

State law requires the Housing Element to contain a statement of “the means by which consistency will be achieved with other General Plan elements and community goals” (California Government Code, Section 65583[c] [6] [B]). There are two aspects of this analysis: 1) an identification of other General Plan goals, policies, and programs that could affect implementation of the Housing Element or that could be affected by the implementation of the Housing Element, and 2) an identification of actions to ensure consistency between the Housing Element and affected parts of other General Plan elements.

Elements of the General Plan most closely related to housing issues include the Land Use and Urban Design, Mobility, and Public Health and Safety. Several of the goals of these elements relate to Housing Element goals and will affect implementation of the Housing Element.

Relevant Land Use and Urban Design goals and policies include:

- **Sustainable growth and change.** Goals and policies address infill development, diversifying the City’s housing stock, and increased transit and alternative transportation use. Other goals and policies promote a balanced housing mix within neighborhoods as well as development of housing for seniors.
- **Integrated urban pattern.** Goals and policies support removal of accessibility barriers and development of a well-connected urban pattern.
- **Sustainability and renewal.** Goals and policies promote revitalization and rehabilitation of existing structures and neighborhoods, and sustainable building practices.
- **Clear design direction.** Goals and policies support development regulations that express intended outcomes (rather than prohibitions), and integration of public safety concerns into development designs.
- **Fair and equitable access.** Goals and policies support equitable distribution of housing and services throughout Sacramento.

Relevant Mobility goals and policies include:

- **Transportation choices.** Goals and policies support expanded transportation choices, including a variety of public transportation, pedestrian, and bicycle transportation. Other goals and policies include reductions in parking requirements.
- **Pedestrian network.** Goals and policies support a continuous pedestrian network, with design elements that encourage use by pedestrians.

- **Link transit and land use.** Goals and policies support integration of stations into neighborhoods, and transit designed to meet the needs of all residents, including seniors and those with disabilities.

Relevant Public Health and Safety Element goals include:

- **Public safety.** Goals and policies support crime prevention and reduction policies for high-crime areas. The development process, including fee collection and design review, will be operated so as to support fire safety.
- **Public health and human services.** Goals and policies include meeting the needs of homeless residents, senior citizens, and residents with disabilities. The City will promote development patterns that encourage walking, and offer educational programs to improve public health.
- **Code enforcement.** Goals and policies support code enforcement activities, including maintenance of deteriorating housing units, replacement or demolition of substandard buildings, and systematic inspections of all residential rental properties.

Other elements with goals and policies related to housing issues include the Utilities and Environmental Constraints Elements. Some relevant goals and policies from these elements include:

- **Utilities.** Goals and policies support prioritization of infill areas for utility infrastructure improvements. Green building and energy efficiency goals are also included in this chapter, and referenced in the Energy Conservation chapter of the Housing Element Background Report.
- **Environmental Constraints.** Goals and policies in this element include continued flood protection improvements, and evaluation of flood protection prior to development approvals.

The City's Housing Element team has been working with the General Plan team throughout the Housing Element update process to ensure consistency between the Housing Element and other elements of the General Plan.

2 Evaluation of Past Performance

2.0 Key Findings

Since 2008, the start of the previous Housing Element planning period, the City of Sacramento has achieved many key objectives of the previous Housing Element. Some of the main accomplishments are as follows:

- The City produced new affordable, infill, transit-oriented, single room occupancy, and permanent supportive housing units.
- The City rehabilitated single-family and multifamily units that were at risk, vacant, foreclosed, and located in downtown and redevelopment target areas. The City also rehabilitated developments including senior and single room occupancy units.
- The City and the Sacramento Housing and Redevelopment Agency (SHRA) also housed residents through the Housing Choice Voucher Program and provided several developments with fee waivers and deferrals, and sewer credits for the production of affordable housing.
- The City provided income-qualified residents with homebuyer assistance loans and Mortgage Credit Certificates to purchase foreclosed properties.
- The City rezoned over 2,000 parcels for consistency with the General Plan, increasing the City's capacity to provide housing for lower-income households and increasing flexibility for infill development.
- The City adopted a new Planning Development Code and several ordinances that allow residential uses by right in many commercial, mixed-use, and high density residential zones; include parking regulations, a design review process, and urban development standards that encourage infill development; incorporates universal design features into housing; provide a process for reasonable accommodation; and clarify that transitional and supportive housing is to be treated in the same manner as single-family and multi-family housing.
- The City worked with the Sacramento Area Flood Control Agency and other partners to increase flood protection in Natomas, North Sacramento, and South Sacramento.

2.1 Introduction

This chapter evaluates past performance and assesses the continued relevance of the 2008-2013 Housing Element policies and programs in addressing Sacramento's current and future housing needs. This evaluation provides valuable information on whether Housing Element programs have been successful in achieving stated objectives and addressing local needs. While many policies and programs from the 2008-2013 Housing Element continue to successfully provide housing opportunities, understanding the challenges of other programs allows consideration of new policies and programs in light of changing demographics, needs and objectives.

State law requires the review and evaluation of prior achievements as part of a Housing Element update. California Government Code Section 65588 requires that this evaluation assess:

- the appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal;
- the effectiveness of the Housing Element in attaining the community's housing goals and objectives; and
- the progress of the City in implementing the Housing Element.

Details on the City's achievements under the 2008-2013 Housing Element are presented below, including housing production, housing rehabilitation, and other accomplishments. Analysis and evaluation of the individual implementation programs in the 2008-2013 Housing Element is presented in Appendix H-A. A table listing the affordable housing units created from 2008-2012 can be found in Appendix H-G.

2.2 Housing Production

The City and the Sacramento Housing and Redevelopment Agency (SHRA) have facilitated the development of a variety of housing types, including affordable housing, throughout the city. Sacramento's key housing production accomplishments in the last five years include:

- Between 2008 and 2013, the City approved four permanent supportive housing projects (i.e., Boulevard Court, Palmer House, 7th & H, Kelsey Village), increasing the total number of newly developed permanent supportive housing units by 261 units. Many of these projects used the Mental Health Services Act (MHSA) Proposition 63 funds to provide long-term operating subsidies. Other projects received operating guarantees from SHRA in the form of a 15-year operating deficit reserve.
- The City adopted the Single Room Occupancy (SRO) Strategy in 2006, with a goal of no further loss of SRO units downtown, to build new and rehabilitate existing SRO units. Between 2008 and 2010 SHRA approved predevelopment loans for construction of the 7th and H project (150 units). SHRA received a \$2 million Housing Trust Fund Award from the State of California to assist the 7th and H project. The 7th and H project also received an allocation of nine percent low income housing tax credits.
- The City received \$135 million in Proposition 1C funding in 2008 and 2009 for transit-oriented development projects, including the Downtown Railyards, Township 9, Curtis Park Village, La Valentina Station, Broadway Lofts, and Capitol Lofts. The Downtown Railyards, La Valentina Station, Curtis Park Village, and Capitol Lofts include a substantial amount of affordable housing (69, 81, 91, and 86 affordable units respectively).
- Between 2008 and 2013 there were 1,285 homes built in residential infill target areas.
- The Mixed Income Housing Ordinance resulted in 56 new affordable units between 2008 and 2013.
- The City has taken several steps to facilitate infrastructure improvements to support new development. The City completed Mitigation Fee Act compliant comprehensive plans for providing and funding infrastructure improvements in the Panhandle, Greenbriar, Delta Shores, and River District areas. The 65th Street Finance Plan is underway and is expected to be completed in late 2013. In 2010 the City also

implemented the Shovel Ready Sites Program for the River District, Florin Corridor, 65th Street Area, and Northeast Light Rail Line. The program will address infrastructure needs for the sites, as well as tackle contamination and access issues.

2.3 Housing Preservation and Rehabilitation

The City and SHRA financed the rehabilitation of multifamily housing and preserved many affordable developments throughout the city during the previous Housing Element planning period. Sacramento's key rehabilitation achievements in the last five years include:

- Using \$17 million in Neighborhood Stabilization Program (NSP) grant funding from HUD, SHRA developed three unique programs: 1) the Vacant Properties Program, which provided financing incentives to encourage for-profit and non-profit builders to purchase, rehabilitate, and sell foreclosed single-family homes within identified target areas; 2) the Block Acquisition and Rehabilitation Program, which works with established developers to acquire, rehabilitate, and maintain properties as rental or for-sale housing, land banking for future redevelopment activities, and development of mixed used projects where foreclosures and vacant properties have intensified blight issues; and (3) the Property Recycling Program, which allows SHRA to engage in strategic investments and partnerships to remove the blight of foreclosed and vacant properties through redevelopment activities, the acquisition and rehabilitation of single-family homes, and the acquisition, rehabilitation, and occupancy of affordable rental housing. Through these programs, SHRA rehabilitated and sold 342 single-family and multifamily units, and retained or created an estimated 900 jobs. The City allocated all NSP funds by the end of 2012.
- In 2004 the City Council adopted a Housing Preservation Ordinance aimed at preserving Federally-subsidized projects at risk of conversion to market rate. SHRA has been the Lead Agency implementing the ordinance, and has provided low-cost financing to preserve several at-risk projects. In 2008 SHRA assisted in the acquisition and/or rehabilitation of four senior apartment complexes with 285 total units: Broadway Seniors Apartments, Casa De Angelo Apartments, Rio Linda Manor, and Forest Palms. Forest Palms received an allocation of nine percent low income housing tax credits. In 2009 the SHRA preserved Southcrest Apartments, a 32-unit complex, with project-based Section 8.
- From 2008 to 2011, SHRA assisted 376 low- and very low-income residents with grants for emergency repairs and/or accessibility modifications to their homes. During the same time frame, SHRA assisted 25 homeowners with rehabilitation loans. Most of the homes assisted were in Redevelopment Areas or other distressed areas of the city. However, in 2012 SHRA discontinued the Create a Loan Home Rehabilitation and CalHome Owner-Occupied Rehabilitation Loan programs due to the loss of redevelopment funds.
- As a result of ongoing reductions in capital and operating funding from HUD, the City adopted the Asset Repositioning Study in July 2007. This study set the stage for the implementation of a proactive strategy to "reposition" SHRA public housing units to reduce dependence on HUD and eliminate capital and operating deficits. One of the guiding principles of this strategy was a "no net loss" policy.
 - On March 10, 2009, the City Council approved the disposition and transfer of two properties known as Sutterview and Washington Plaza totaling 153 units of affordable senior housing to a related nonprofit for the purpose of obtaining the financing and tax credits necessary to complete major rehabilitations of both. HUD approval was subsequently

received on October 8, 2009, and the properties transferred July 8, 2010. Construction is anticipated to begin by January 2014.

- On March 9, 2010, the City Council approved the rehabilitation of the property located at 626 I Street, which received a \$10 million grant from HUD's American Recovery Reinvestment Act (ARRA). ARRA funding leveraged additional sources for the significant rehabilitation resulting in 108 affordable units and three floors of commercial space. The project was completed in 2012.
- On July 18, 2012, HUD approved the disposition of Sierra Vista Apartments, a 78-unit mid-rise property for seniors located in downtown Sacramento, from SHRA's public housing stock to a nonprofit affiliate of SHRA. Final transfer of the property is pending a commitment from HUD for 100 percent project-based housing vouchers to replace the public housing operating subsidy previously received under its annual contributions contract (ACC). The commitment for 100 percent project-based vouchers is anticipated to be received by August 2013. The project-based housing vouchers will allow the current residents to remain in place while paying only 30 percent of their annual income towards rent, ensuring extremely low-income units remain in place when the property is "repositioned" with the nonprofit affiliate. Repositioning in turn will allow the nonprofit to obtain low income housing tax credits and other conventional sources of financing needed to complete a major rehabilitation and upgrade of the property.
- In 2005 the City adopted the Downtown Housing Strategy for the Central City, which identified the JKL corridor as the primary focus area and called for a Notice of Funding Availability (NOFA) for \$25 million. Three sites were submitted as part of that process: 11th and J Streets, 16th and J Streets, and the 700 and 800 blocks of K Street. While the 700 Block was approved in 2011, the City and SHRA were unable to come to agreement with the developer of the 800 Block prior to the end of redevelopment. Additionally, in 2011 the City renovated the 32-unit Maydestone building (15th and J Street). In 2012 SHRA discontinued the Downtown Housing Strategy program due to the loss of redevelopment funds.
- As part of an initiative to safeguard existing affordable housing, SHRA approved \$5 million to fund the immediate repair needs of Riverview Plaza, a 120-unit senior affordable downtown high rise. SHRA assistance to Riverview Plaza restricted 33 units at 50 percent of the area median income for an additional 55 years. SHRA also worked with the owner of Pioneer Towers to assist with the rehabilitation of the 198-unit senior downtown high-rise to ensure long-term affordability.
- Since adoption of the SRO Ordinance in 2006, SHRA rehabilitated 32 SRO units at the YWCA and 104 SRO units at the Hotel Berry. YWCA also received a total of 11 Mental Health Services Act Vouchers and the Hotel Berry received 10 Mental Health Services Act Vouchers. Additionally, in 2012 SHRA loaned \$1.2 million to renovate the Ridgeway Hotel into 22 SRO units, which is currently under construction.
- In 2012, SHRA issued housing revenue bonds totaling \$8.73 million for rehabilitation of the Taylor Terrace (168 units) project, which is currently under construction.

2.4 Other Accomplishments

This section presents key accomplishments pertaining to housing for extremely low-, very low-, and low-income households and homeless persons; improvements to development processing; infill development; energy efficiency; and home ownership.

- On January 14, 2009, the County, the Regional Sanitation Board, and the Water Board amended the ordinances enacting the County Fee Waiver and Deferral Program. In addition to removing all sunset dates from the program, the revised ordinances extended the fee deferral period to 24 months, and the waiver compliance period to 36 months maximum. Through the Regional Sanitation Board fee waiver and deferral program, SHRA provided fee waivers and deferrals to 530 affordable units in the City and County between 2008 and 2012.
- The Economic Development Department issued 995.67 sewer credits from 2008 to 2012. Since 2010 these sewer credits have helped create 1,632 new jobs and 313 infill and low-income housing units.
- SHRA currently (2013) administers approximately 12,000 Housing Choice Vouchers. Housing Choice Vouchers cover the portion of fair market rent above the tenant's share which is set at approximately 30 percent of their income. The average annual household income for the Housing Choice Vouchers is \$13,821. The Housing Choice Voucher Program remains the most efficient way to provide housing for extremely low-income households.
- On March 15, 2011, the City adopted the Northeast Line Implementation Plan to promote reinvestment, redevelopment, and revitalization along the light rail corridor, including the Globe, Arden/Del Paso, and Royal Oaks Stations.
- In 2008 SHRA convened an internal team of policy, redevelopment, and homeownership staff to explore the most strategic uses of homebuyer programs. SHRA modified the homebuyer program guidelines and procedures to reflect the team's recommendation to target homebuyer assistance programs. From 2008 to June 2013, SHRA assisted 212 homebuyers in the City with homebuyer assistance loans: 81 of the homes assisted were foreclosed properties; 110 of the homes assisted were in Redevelopment Areas; an additional 92 of the homes assisted were in other distressed areas of the city. SHRA's homebuyer assistance programs are ongoing.
- In December 2008 SHRA was awarded an allocation of the 2008 Housing Act Volume Cap for a Mortgage Credit Certificate (MCC) program specific only to foreclosed properties. From 2009 to 2011, SHRA assisted 67 homebuyers in the City purchase foreclosed homes with the MCC Real Estate-Owned Program, an allocation of the 2008 Housing Act Volume Cap.
- The City adopted an ordinance in October 2008, which established a Development Fee Deferral Program as part of an economic incentive plan to alleviate impediments and create incentives to foster downtown housing. The Fee Deferral Program expired on December 31, 2009.
- Through the Rental Housing Inspection Program, the City performed nearly 20,000 initial inspections from 2008 to 2012, and 70 percent of identified rental properties are registered with the program.
- In Fall 2009 the City rezoned over 2,000 parcels for consistency with the 2030 General Plan, including 14 parcels included in the Housing Element vacant land inventory. Many of these sites were located

within one quarter mile of a light rail station. The rezoning resulted in a net increase in the city's capacity to provide housing to lower-income households and increased flexibility for infill development. Community Development staff has also developed a system of tracking all rezones and general plan amendments approved by City Council.

- In April 2013 the City adopted the new Planning and Development Code, which allows for live/work uses by right in many commercial, mixed-use, and high density residential zones. The new Code also encourages sustainable infill development by restructuring and improving processes in the development code (e.g., parking regulations, design review, urban development standards) to make sustainable infill development economically feasible. The new Code also includes new definitions for “transitional housing” and “supportive housing” that clarify that transitional and supportive housing is to be considered in the same manner as single-family and multifamily developments.
- On February 16, 2010, the City Council adopted the Universal Design Ordinance. The ordinance, which took effect on August 16, 2010, requires features to be offered to potential buyers that would make the home visitable.
- On August 25, 2009, the City Council adopted the Reasonable Accommodation Ordinance to streamline and formalize City procedures related to accessibility and adaptability accommodations for development. The Ordinance provides a process for persons with disabilities to request modifications or exceptions in the application of the City's land use and zoning standards, regulations, policies, and procedures.
- The Sacramento Area Flood Control Agency (SAFCA), with the support of the City of Sacramento and in cooperation with the U.S. Army Corps of Engineers (USACE), U.S. Bureau of Reclamation (USBR), and the Central Valley Flood Protection Board (CVFPB), is working toward progressively increasing the level of flood protection in the Sacramento area to 200-year flood protection from major rivers and streams. SAFCA is evaluating the levee systems protecting portions of northern and southern Sacramento to determine if the levees meet the criteria established by the Federal Emergency Management Agency for levee accreditation through the National Flood Insurance Program. These evaluations are expected to be completed in 2013. Major ongoing flood protection activities include improvements to Folsom Dam, improvements to the levee system, and completing the South Sacramento Streams project which addresses flood protection for the south part of the city.

3 Community Profile

3.0 Purpose

The purpose of this chapter is to identify characteristics of Sacramento's population and housing that are essential to an understanding of the city's housing needs. Sacramento's housing needs include both current unmet needs among residents who live in the city now and estimated future needs among residents expected to live in the city over the next generation. An understanding of who lives or will live in Sacramento, in relation to the types, cost, and condition of housing, is critical to an understanding of housing needs.

While evaluating housing needs, it is important to remember Sacramento's vision for the future. The City's vision, as expressed in the General Plan "Vision and Guiding Principles" statement, is to be "the most livable city in America" where every neighborhood will be a desirable place to live with a range of housing choices, diversity, and equitable treatment of all neighborhoods and groups. Sacramento will also strive to be a model of sustainable development.

Among the key principles from the City's General Plan vision that will guide Sacramento's housing strategies are:

- Provide a mix of housing to meet the needs of current and future residents, including an equitable distribution of affordable housing, throughout the city;
- Include a mix of housing types within neighborhoods to promote a diversity of household types and housing choices for residents of all ages and income levels in order to promote stable neighborhoods; and
- Work to end homelessness in Sacramento by providing affordable housing opportunities and services.

Starting from this vision, the City of Sacramento has developed a housing strategy for the provision of housing programs around six key themes, as follows:

- 1) Sustainability and Stability
- 2) Production
- 3) Extremely Low-Income and Special Needs Housing
- 4) Rehabilitation and Preservation
- 5) Accessibility
- 6) Housing Integration and Providing Housing Opportunities for All Income Groups

The six themes describe the housing needs and strategies that the City wishes to focus resources, efforts, and policies on under this Housing Element. Demographic and trend data in this chapter supports those

themes by detailing current and future housing needs and deficiencies. This chapter further provides detail on population and economic data which is linked to availability of and provision of housing.

This chapter is organized as follows:

- Population and Household Characteristics
- Income and Employment
- Housing Characteristics
- Housing Costs
- New Housing Needs, Special Housing Needs, and At-Risk Housing

Data in this Chapter is derived from a variety of sources, and compiled to show relationships, major trends, and to respond to known issues and concerns. The most prominent data source used is the US Census data, in varying forms, including the decennial census from 1990, 2000, and 2010, the 2006-2010 American Community Survey (ACS) (and the 2008-2010 ACS to a limited extent) and the Comprehensive Housing Affordability Strategy (CHAS) data, which are based on the 2005-2009 American Community Survey. The decennial census data are based on a survey of the entire U.S. population, with about one person in six answering a more detailed questionnaire. The ACS data are based on a much smaller survey size, with about 3 million people answering the survey each year. This smaller sample size results in a lower level of accuracy than the decennial census. Because of the variability of the data sources, not all information is consistently available during the same time period, and the margin of error for data also varies. The most recently available data by source was always used, and notations are provided within the text and charts to document the source data and source year.

The Sacramento Area Council of Governments (SACOG) compiled much of this data and provided it to the jurisdictions in the region for use in updating housing elements. SACOG and HCD developed the regional data review process so that data drawn from the pre-approved data sets would not need to be reviewed again by HCD when the housing element is submitted. A letter from HCD describing this process is included in Appendix F.

3.1 Population and Household Characteristics

Summary of Key Findings in this Section

- Sacramento's population increased by nearly 60,000 between 2000 and 2010, largely housed within new development in North Natomas.
- The fastest growing age group was persons between 60 and 64, followed closely by persons aged 55 to 59. However, the bulk of the population is under the age of 45, especially in the 25 to 34 age range.
- The number of persons 65 years of age or more has not increased as rapidly as other age groups, although the total number of older adults age 65 and older continues to increase.

- The city is continually diversifying. The Hispanic population has the fastest rate of population growth among all racial and ethnic groups.
- Population within the city of Sacramento is forecasted to increase by 36 percent by 2035. The Central City is expected to grow the most between 2008 and 2035.

Sacramento's population has grown steadily since 1990 at a rate approximately equal to that of the State as a whole. Sacramento's population growth is a sign of positive economic development, strategic City investments, and community health. Population growth has been supported largely by development in North Natomas, South Natomas, the South Area, and other large tracts of undeveloped land. Development in these greenfield areas tends to be geared towards more traditional suburban family housing, in line with the population trends during the nineties of increasing household size.¹

Future housing needs, and the City's strategy for housing production, will depend, in part, on the changing character of Sacramento's population. Household sizes have been increasing since the nineties as the population continues to diversify. The younger population under age 45, especially ages 25 to 34, still makes up the largest subset of the population.

However, long-term trends also suggest that the city will continue to experience an aging population. The population of seniors (over 65) has increased since 2000, although they represent a shrinking percentage of the city's population. Older adults (55-64) approaching or at retirement age are among the fastest growing age groups in the city. Aging of these groups is expected to result in additional housing demand associated with active seniors and "empty nesters" without children. To respond to the changing desires of seniors, the City is striving to provide alternative and accessible housing types located near cultural amenities, transit, and services.

These long-term changes will affect the types of housing and services that future residents demand. The average household size has increased slightly due to the increasing number of large unrelated households. However, the total number of large families has decreased. At the same time the number of childless households, seniors and older adults, and small families has also increased. These trends point to a greater need for homes and amenities in a variety of sizes. This shift in demographics aligns with the City's overall focus on compact, infill housing outlined in the 2030 General Plan.

Population Growth Rates

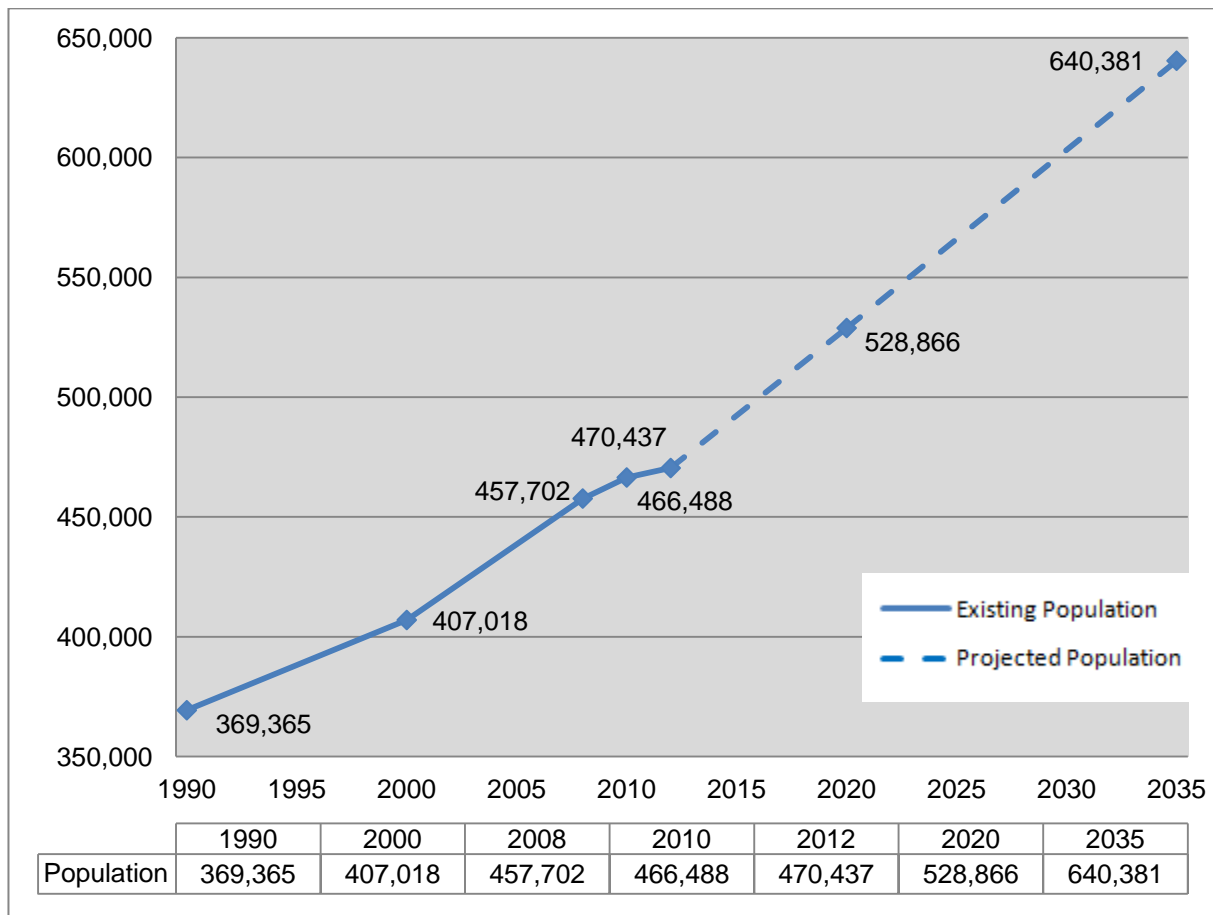
Sacramento's population was 466,488 on April 1, 2010. Table H 3-1 shows the city of Sacramento's growth rate relative to Sacramento County and the state. Sacramento's share of the state population has remained approximately one percent of the state total. The city of Sacramento's growth rate since 1990 has more or less equaled the overall growth in the state of California, with a slightly slower rate of growth from 1990-2000 and slightly faster rate of growth from 2000-2010. Additionally, the growth rate was slightly higher before the recession in 2008 (1.5 percent) and has since (2008-2012) decreased significantly (0.6 percent). Similar to historical trends in the region (1990-2010), the population within the city of Sacramento is forecasted by SACOG to increase by 1.3 percent annually from 2010 to 2020 and 1.3 percent annually from

¹ A household consists of any individual or group of people sharing a housing unit, whereas a family consists of a related group of people sharing a housing unit.

2020 to 2035 (see Figure H 3-1). The population is expected to increase from 470,437 in 2012 to 640,381 by 2035 – a 36 percent increase in total population.

Table H 3-1 Population Change 1990–2010			
<i>Year</i>	<i>City of Sacramento</i>	<i>County of Sacramento</i>	<i>California</i>
Population			
1990	369,365	1,041,218	29,760,021
2000	407,018	1,223,499	33,871,648
2010	466,488	1,418,788	37,253,956
Average Annual Percent Change			
1990-2000	1.0%	1.6%	1.3%
2000-2010	1.4%	1.5%	1.0%
1990-2010	1.2%	1.6%	1.1%

Source: SACOG Housing Element Data Profiles, November 2012; U.S. Census Bureau, 1990, 2000 and 2010.



Source: 1990, 2000, 2010 Census; 2012 DOF; 2008, 2020, 2035 Sacramento Area Council of Governments, May 2013; City of Sacramento, 2013.

Figure H 3-1: Existing Population and Population Projections for the City of Sacramento

Population by Community Plan Areas

Table H 3-2 presents 2000 and 2010 population by community plan area. The North Natomas community plan area had the highest population growth between 2000 and 2010, increasing by over 53,000 people. South Natomas and the South Area also experienced significant growth rates at almost 13 percent and 7 percent respectively. The number of people living in the Central City, Fruitridge/Broadway, Land Park, and the Pocket decreased slightly between 2000 and 2010. Land Park and Fruitridge Broadway experienced the most significant population decline at 6 and 5 percent respectively. At the same time, the number of housing units in these areas increased, indicating that average household size has decreased in these neighborhoods. These demographic changes in established neighborhoods may indicate aging populations with grown children, and increasing numbers of younger singles and couples. Contributing to this condition may be the comparatively small, older homes in these areas of the city. Families with greater space needs may be seeking housing farther from the city center in newer neighborhoods.

Table H 3-2 Population 2000-2010			
Community Plan Area	2000	2010	Percent Change (2000-2010)
Arden/Arcade	14,049	14,070	0.1%
Central City	32,655	32,367	-0.9%
East Sacramento	30,969	31,635	2.2%
Fruitridge/Broadway	63,675	60,716	-4.6%
Land Park	32,235	30,336	-5.9%
North Natomas	2,321	55,582	2,294.7%
North Sacramento	54,652	55,855	2.2%
Pocket	45,419	43,833	-3.5%
South Area	92,841	99,183	6.8%
South Natomas	38,692	43,645	12.8%
Total	412,016	469,232	13.9%

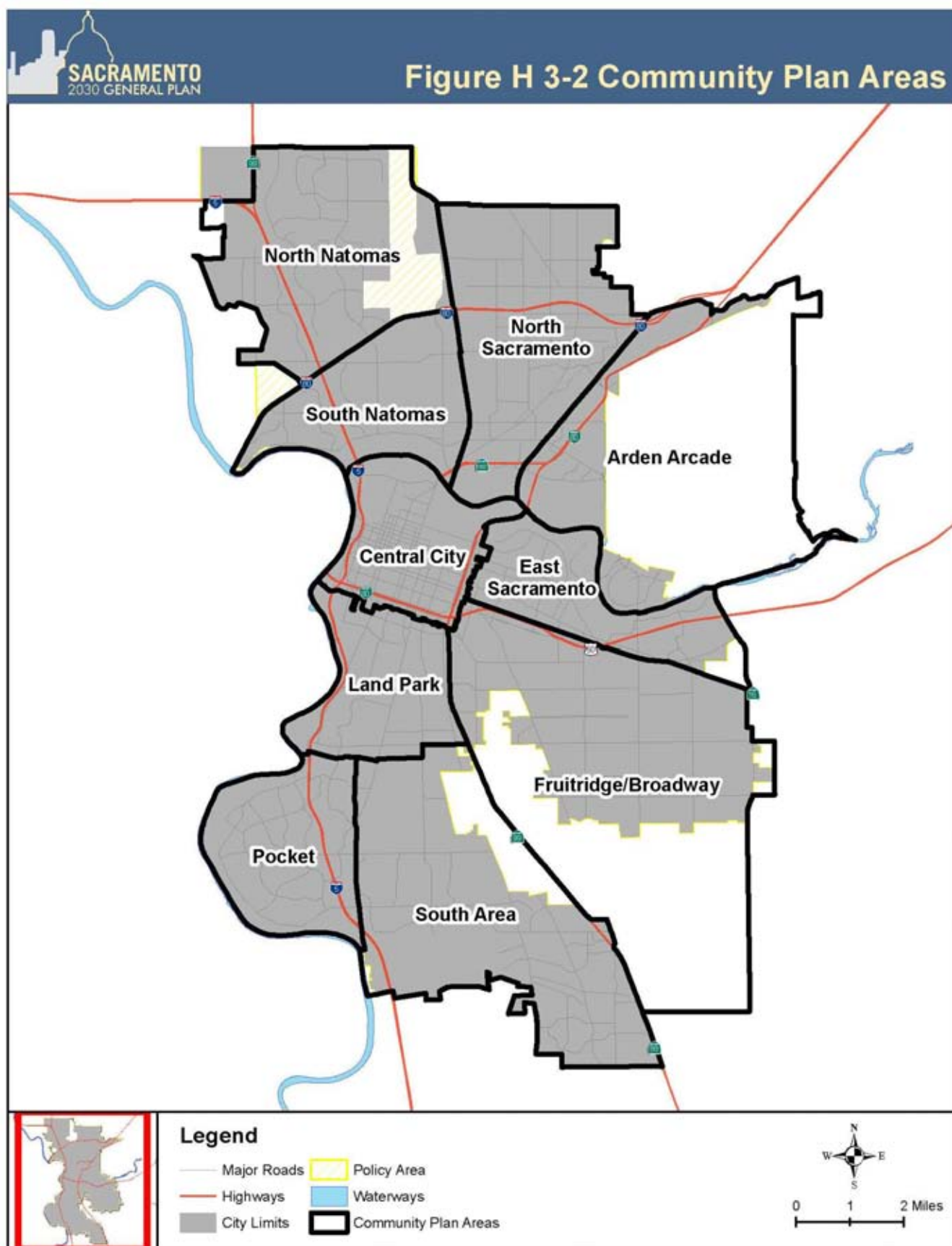
Note: Data for the community plan areas is based on 2000 and 2010 Census block groups. Block group boundaries changed between 2000 and 2010. Slight boundary differences occur in small areas in North Natomas, South Area/Land Park, and East Sacramento/Fruitridge; however, the boundaries are similar enough to generalize by community area. Source: 2000 and 2010 Census.

Table H 3-3 shows 2008 population data and 2020 and 2035 population projections by community plan area for the city of Sacramento.² Following earlier trends, North Natomas and the Central City are expected to grow the most between 2008 and 2020 at 27 and 48 percent respectively. The Fruitridge/Broadway and South Area are both expected to grow by about 14 percent. From 2020 to 2035, the Central City is expected to grow by another 53 percent and Arden Arcade is expected to grow by 50 percent. Land Park, which lost population from 2000 to 2010, and South Natomas are expected to have the smallest growth rates overall from 2008 to 2035.

² The Community Plan Area (CPA) population calculation includes all SACOG traffic analysis zones (TAZs) with 50 percent or more of the developed area within the CPA boundary and the city limits. The totals included in Table H 3-3 do not equal those in Figure H 3-1 because the TAZ areas differ from the city limits. Similarly, Table H 3-2 and H 3-3 are not directly comparable because the Census data is grouped into block group boundaries, while the SACOG data is grouped into TAZ boundaries.

Table H 3-3 Population Projections 2008-2035					
Community Plan Area	2008	2020 (Projected)	Percent Change 2008-2020	2035 (Projected)	Percent Change 2020-2035
Arden/Arcade	13,930	15,016	7.8%	22,496	49.8%
Central City	48,261	71,436	48.0%	109,312	53.0%
East Sacramento	37,030	38,641	4.4%	45,426	17.6%
Fruitridge/Broadway	55,428	62,578	12.9%	72,673	16.1%
Land Park	31,438	34,304	9.1%	37,905	10.5%
North Natomas	54,369	69,235	27.3%	89,025	28.6%
North Sacramento	46,579	51,805	11.2%	57,354	10.7%
Pocket	49,720	50,890	2.4%	52,940	4.0%
South Area	78,880	89,756	13.8%	105,908	18.0%
South Natomas	42,065	45,209	7.8%	47,342	4.7%
Total¹	457,702	528,866	15.6%	640,381	21.1%

Source: SACOG, May 2013; City of Sacramento, 2013; Mintier Harnish, 2013.



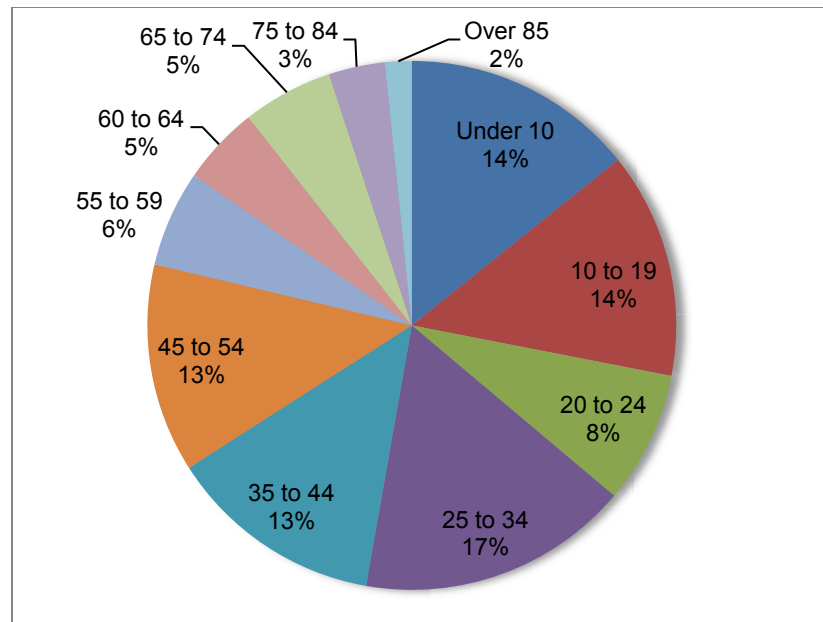
Age Distribution

The age of Sacramento's population reflects recent growth trends, with the bulk of the 2010 population (almost 66 percent) under the age of 45, and the median age of 33 years. However, since 2000, the fastest growing age group is persons aged 60 to 64, whose numbers increased by 67 percent in 10 years, followed closely by persons aged 55 to 59, whose numbers increased by 64 percent, as compared to an overall population increase of 15 percent during that same time period. In contrast, the number of adults aged 35 to 44 remained stagnant and those aged 75 to 84 actually declined in population by 7 percent between 2000 and 2010. If most residents who are now in their 40s and 50s remain in the city over the next 20 years, the senior population should continue to increase and eventually begin to increase as a proportion of the total population in Sacramento.

Table H 3-4 shows the population distribution by age groups and Figure H 3-3 shows age distribution for the city of Sacramento as estimated in 2010.

Table H 3-4 Age Distribution 2000 and 2010					
Age Interval (Years)	2000 Number	% of Total Pop.	2010 Number	% of Total Pop.	% Change 2000–2010
0-9	61,930	15.2%	66,416	14.2%	7%
10-19	61,328	15.1%	64,472	13.8%	5%
20-24	30,195	7.4%	37,671	8.1%	25%
25-34	63,321	15.6%	77,608	16.6%	23%
35-44	61,483	15.1%	61,485	13.2%	0%
45-54	52,118	12.8%	59,546	12.8%	14%
55-59	16,783	4.1%	27,444	5.9%	64%
60-64	13,417	3.3%	22,426	4.8%	67%
65-74	23,052	5.7%	25,780	5.5%	12%
75-84	17,312	4.3%	16,049	3.4%	-7%
85+	6,079	1.5%	7,591	1.6%	25%
Total	407,018	100.0%	466,488	100.0%	15%

Source: SACOG Housing Element Data Profiles, November 2012; 2000 and 2010 U.S. Census.



Source: SACOG Housing Element Data Profiles, November 2012; 2010 U.S. Census.

Figure H 3-3: Age Distribution in 2010

Although the total number of city residents age 65 and over is rising slightly, seniors represented a slightly smaller percentage of the city's population in 2010 than they did in 2000. The senior population in 2000 was 46,443, or 11.4 percent of the total population. In 2010 the senior population increased to 49,420, but declined proportionally to 10.6 percent of the total population.

Another significant age cohort in the city is adolescents and young adults ages 10 to 24. These residents represent the future of Sacramento, and have varied and unique housing needs. As these residents age, they will increase the demand for housing appropriate for single adults and childless couples. As with the increasing senior population, it is anticipated that alternative housing types, amenities, and urban housing options will be valued by these younger adults.

Race/Ethnicity

Sacramento is a racially and ethnically diverse city, with pluralities of White, Black or African-American, Asian, and Hispanic people. Sacramento's racial and ethnic diversity has been influenced by a number of historic factors. Some of these include:

- The presence of the State government and military facilities that provided job opportunities and upward mobility for minority populations;
- Sacramento's agricultural, railroad, and mining legacies, which attracted Hispanic and Asian populations from various countries; and
- The attractiveness of the Sacramento region to recent immigrants from throughout the world.

Compared to the county, the city is significantly more diverse racially and ethnically. In 2010, 55 percent of the city's population was non-white, compared to 42.5 percent non-white in the county as a whole or 36.5 percent of the county excluding the city. Similarly, the city has a notably higher proportion of Hispanic

individuals than the county (almost 27 percent compared to fewer than 22 percent). Table H 3-5 summarizes the population by race and ethnicity in 2000 and 2010 for the city and county.

Table H 3-5 2000 and 2010 City and County Comparison of Race and Ethnicity						
<i>Race/ Ethnicity</i>	<i>City 2000</i>	<i>% of City Total</i>	<i>City 2010</i>	<i>% of City Total</i>	<i>County 2010</i>	<i>% of County Total</i>
White	196,549	48.3%	210,006	45.0%	815,151	57.5%
Black or African-American	62,968	15.5%	68,335	14.6%	147,058	10.4%
American Indian, Alaskan Native	5,300	1.3%	5,291	1.1%	14,308	1.0%
Asian	67,635	16.6%	85,503	18.3%	203,211	14.3%
Native Hawaiian, Other Pacific Islander	3,861	0.9%	6,655	1.4%	13,858	1.0%
Other ¹	70,705	17.4%	90,698	19.4%	225,202	15.9%
Total	407,018	100%	466,488	100.0%	1,418,788	100.0%
Persons of Hispanic Decent ²	87,974	21.6%	125,276	26.9%	306,196	21.6%

Source: 2000 and 2010 U.S. Census.

¹ The "Other" category refers to persons of two or more races and any other category not already defined which a person identifies.

² Hispanic Decent: This number comes from the total population and is not a category of race. It is defined as anyone being of Spanish, Latino, or Hispanic decent.

The most notable changes in the racial and ethnic make-up of the city's population between 2000 and 2010 were the significant numerical and percentage increases in the Hispanic and Asian populations and percentage decreases in the White and Black/African-American populations. The rising number of Hispanic residents reflects both immigration and natural increase among families of Hispanic origin. The trend of increasing Hispanic population is similar to the state as a whole.

Although the White population of the city increased between 2000 and 2010, the percentage of the city's population that was White declined by over 3 percent. Populations of Asians, Native Hawaiians/Pacific Islanders, and persons of other races increased between 2000 and 2010.

Household Size

The average household size increased in the city of Sacramento during the 1990s. Sacramento's average household size in 1990 was 2.50, increasing slightly to 2.57 in 2000 and 2.62 in 2010. Household size can be related to overcrowding and overpayment, which will be discussed later in this section.

Average Household Size (2010)

All Households	2.62
Owners	2.68
Renters	2.56

As shown in Table H 3-6, the number of households in Sacramento increased from 144,661 in 1990 to 174,624 in 2010, a 21 percent change. The city's population is growing faster than the number of households, increasing by 26 percent during this same time.

Table H 3-6 Household Change 1990–2010		
<i>Year</i>	<i>Number of Households</i>	<i>Total Population</i>
1990	144,661	369,365
2000	154,581	407,018
2010	174,624	466,488
Percent Change Since 1990	21%	26%

Source: SACOG Housing Element Data Profiles, November 2012; 1990, 2000 and 2010 U.S. Census.

Conclusions

Based on the population and demographic data presented in this segment, an increase in housing needs for older adults, young adults, and small families is forecasted, pointing to the need for alternative housing types and designs. Average household size currently remains in the range of 2.6 to 2.7 people per household. However, with the fastest-growing segments of the population being adults aged 55 to 64, it can be expected that more households will need smaller housing options. The city's population is growing steadily at a rate of about 1 percent per year, with corresponding household growth projected to be concentrated in North Natomas, South Area, Fruitridge/Broadway, and the Central City.

3.2 Income and Employment

Summary of Key Findings of this Section

- Almost 50 percent of all households have lower incomes.
- The elderly and large families are more likely than others to have lower incomes.
- The city's income distribution resembles a "barbell" with large numbers of relatively poor and affluent residents and relatively fewer middle income residents.
- Trade, transportation, and utilities jobs; professional and business services jobs; and government jobs make up most of the region's employment base.
- The occupations projected to have the most job openings and the fastest growing occupations support "barbell" income distribution.
- There were 299,732 jobs within the Sacramento Policy Area in 2008. By 2020 the number of jobs is expected to increase by 8 percent to 324,027, and by 2035 the number of jobs is expected to increase by another 20 percent to 390,112. Sacramento will add over 90,000 jobs from 2008 to 2035. Over the entire projection period, the Central City and North Natomas areas are projected to experience

the greatest increase in employment, while Land Park is projected to experience the lowest increase in employment.

- Job growth and opportunities are mostly in lower wage employment sectors.

Income

The correlation between household income and housing needs is undeniable, especially for lower income-residents. Before the housing market boom, even as incomes in Sacramento steadily rose, housing costs on the open market grew at a much faster rate than incomes. During the housing boom, moderate-income households increasingly struggled to find adequate housing that they could afford. In the past few years, housing costs have consistently decreased making housing affordable to moderate-income households and even some low-income households.

However, very low- and extremely low-income households were still unable to afford housing even as home prices decreased, making them most affected by the gap between incomes and housing costs.

This section compares incomes based on the median income, as shown in the highlight box above. Collectively, extremely low-, very low-, and low-income are referred to as “lower income” in this section. According to the Census Bureau, Sacramento’s median household income in 2009 was \$50,267, compared to a median household income of \$56,439 countywide. The 2009 city median income represents a 36 percent increase since 1999. While the gap between the median city and county incomes grew from 1989 to 1999, in 2009 the gap decreased below what it was in 1989. Table H 3-7 compares citywide and countywide median income in 1989, 1999, and 2009.

Income Categories for the Housing Element are:

Extremely Low-Income	<30% of median
Very Low-Income:	31-50% of median
Low-Income	51-80% of median
Moderate-Income.....	81-120% of median
Above Moderate-Income.....	>120% of median

In 2009, 48% of Sacramento households had lower incomes

2009 Median Household Income (U.S. Census)

City of Sacramento.....	\$50,267
County of Sacramento.....	\$56,439

Table H 3-7 City and County Median Income 1989, 1999, and 2009			
Year	City	County	% difference
1989	\$28,183	\$32,297	15%
1999	\$37,049	\$43,816	18%
2009	\$50,267	\$56,439	12%

Source: SACOG Housing Element Data Profiles, November 2012; 1990 and 2000 US Census; 2006-2010 ACS.

Contributing to the inequality between city and county incomes are relative income levels within the city itself. In 2009 48 percent of the city’s households had incomes less than 80 percent of the countywide median, compared to 43 percent countywide. The countywide median income is typically used as a standard measure against which to compare incomes in different communities.

The percentage of lower-income groups overall has decreased since 2000. However, the percentage of lower-income households is still much more significant for large families and the elderly, as shown in Table

H 3-8. Fifty-seven percent of elderly households and 60 percent of large family households are lower-income. Although the elderly and large families represent just 36 percent of lower-income households, the prevalence of lower incomes among these residents signals a relatively greater need for affordable housing compared to other groups.

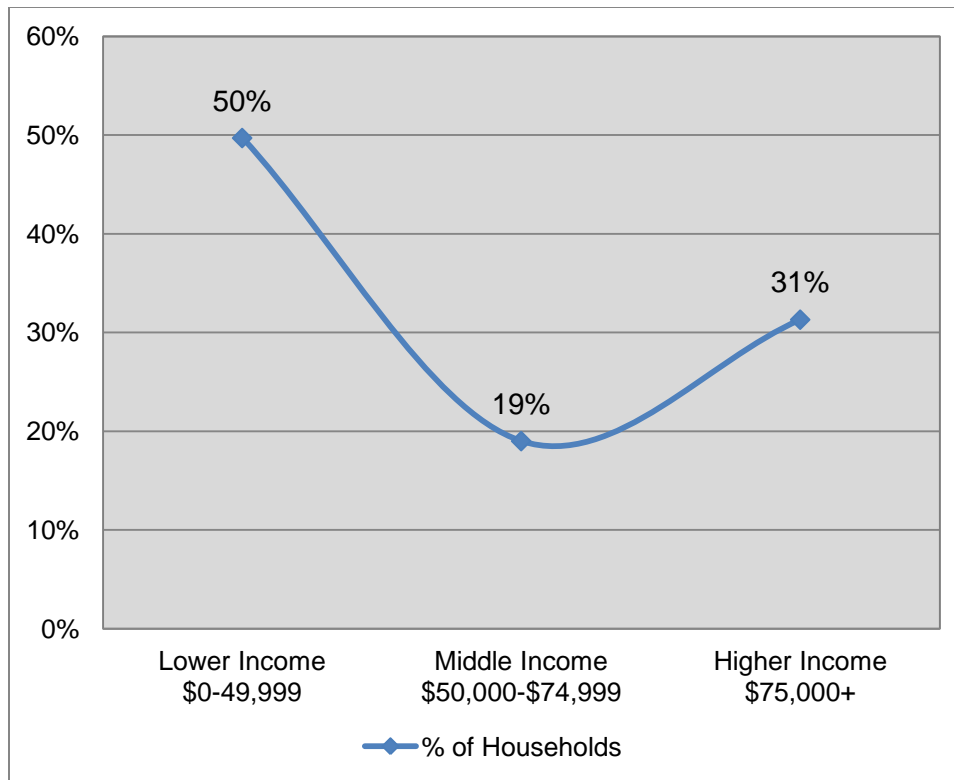
Table H 3-8 2009 Estimated Number of Households by Income Level						
<i>Income Level</i>	<i>Household Type</i>					
	<i>Senior</i>	<i>Small Families¹</i>	<i>Large Families</i>	<i>Other</i>	<i>Total</i>	<i>% of Total</i>
Extremely Low-Income	7,135	8,185	2,780	9,395	27,495	16%
Very Low-Income	6,080	8,690	3,140	5,370	23,280	13%
Low-Income	6,180	11,640	4,585	10,105	32,510	19%
% Lower Income	57%	41%	60%	47%	48%	48%
Moderate +	14,705	41,055	7,070	27,845	90,675	52%
Total Households	34,100	69,570	17,575	52,715	173,960	100%

Source: 2005-2009 CHAS.

¹ "Small Families" are 2 to 4 related persons and "Large Families" are 5 or more related persons.

In addition to the high percentage of lower-income elderly and large family households, 16 percent of all households are extremely low-income, meaning that they earn less than 30 percent of the countywide median income, or \$21,850 for a family of four. The challenges faced by households with extremely low incomes are disproportionately felt among seniors (26 percent) and large families (30 percent) in relation to their relative numbers in the overall household population. Although the total share of lower-income persons has decreased overall by about 2 percent, the share of senior and small family households with extremely low incomes has increased by 7 and 9 percent respectively from 1999 to 2009. Persons with disabilities are also more likely to have extremely low incomes than the population at large. Extremely low-income households typically receive some form of public assistance, earn very low wages, or live off of retirement incomes. Many are homeless, at risk of homelessness, or live in substandard housing.

In contrast to the large lower-income population in the city, about 31 percent of households had incomes of \$75,000 or more in 2009. Only 19 percent had incomes in the middle range (\$50,000–\$74,999). As a result, the income distribution in the city looks like a "barbell," with larger proportions of the population at the ends of the income range and a smaller proportion in the middle. Figure H 3-4 presents income levels for all households.



Source: SACOG Housing Element Data Profiles, November 2012; 2006-2010 ACS.

Figure H 3-4: 2009 Income Distribution

Employment Trends

Future housing needs depend, in part, on employment trends. Changes in the types and pay levels of jobs available in Sacramento and the surrounding region will have an impact on the type and cost of housing that future residents will desire and can afford. The Sacramento region is a hub for state government and related industries, health services, financial services, and local/regional serving retail. Sacramento also has an opportunity to capture a growing share of employment in emerging technology and energy industries. The region's current employment base, and the potential to attract new types of employers that offer better paying jobs, will affect future housing needs in Sacramento.

Major Employment Sectors

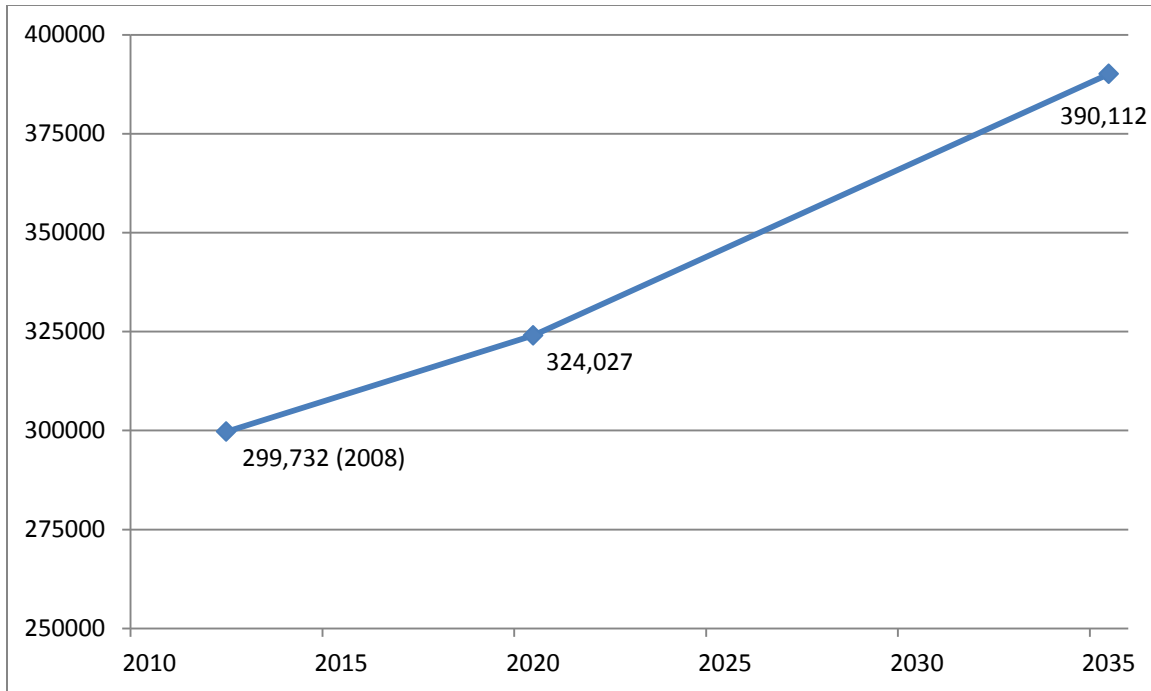
Government Jobs (27%)
Trade, Transportation, and Utilities (17%)
Professional and Business Services Sector Jobs (13%)

92,000 new jobs by 2018

The 2010 Census shows 357,159 persons age 16 and over employed in the city of Sacramento with a 7.4 percent unemployment rate, and over 1.6 million persons age 16 and over employed in the region with a 6.1 percent unemployment rate. The government jobs sector leads the region's employment base at 27 percent; followed by the trade, transportation, and utilities sector at 17 percent; and the professional and business services sector at 13 percent.

Figure H 3-5 presents 2008 existing employment data and 2020 and 2035 employment projections from SACOG for the Sacramento Policy Area. In 2008 there were 299,732 jobs in Sacramento. By 2020 the number of jobs is expected to increase by 8 percent to 324,027, and by 2035 the number of jobs is expected

to increase by another 20 percent to 390,112, for a total increase of 30 percent from 2008 to 2035. Sacramento will add over 90,000 jobs from 2008 to 2035.



Source: SACOG (February 2013), California Department of Finance, City of Sacramento, and Mintier Harnish.

Figure H 3-5: Employment Projections for the Sacramento Policy Area

Table H 3-9 shows 2008 existing employment data and 2020 and 2035 employment projections for the Sacramento Policy Area by community plan area. By 2020 the Central City is projected to experience the greatest increase in employment, adding 6,642 jobs from 2008 to 2020 (for a total of 121,450 jobs). The North Natomas area is also projected to experience significant employment growth, adding 6,489 jobs by 2020 (for a total of 28,018 jobs). In contrast, the Pocket area is projected to add only 51 jobs from 2008 to 2020 (for a total of 5,027 jobs).

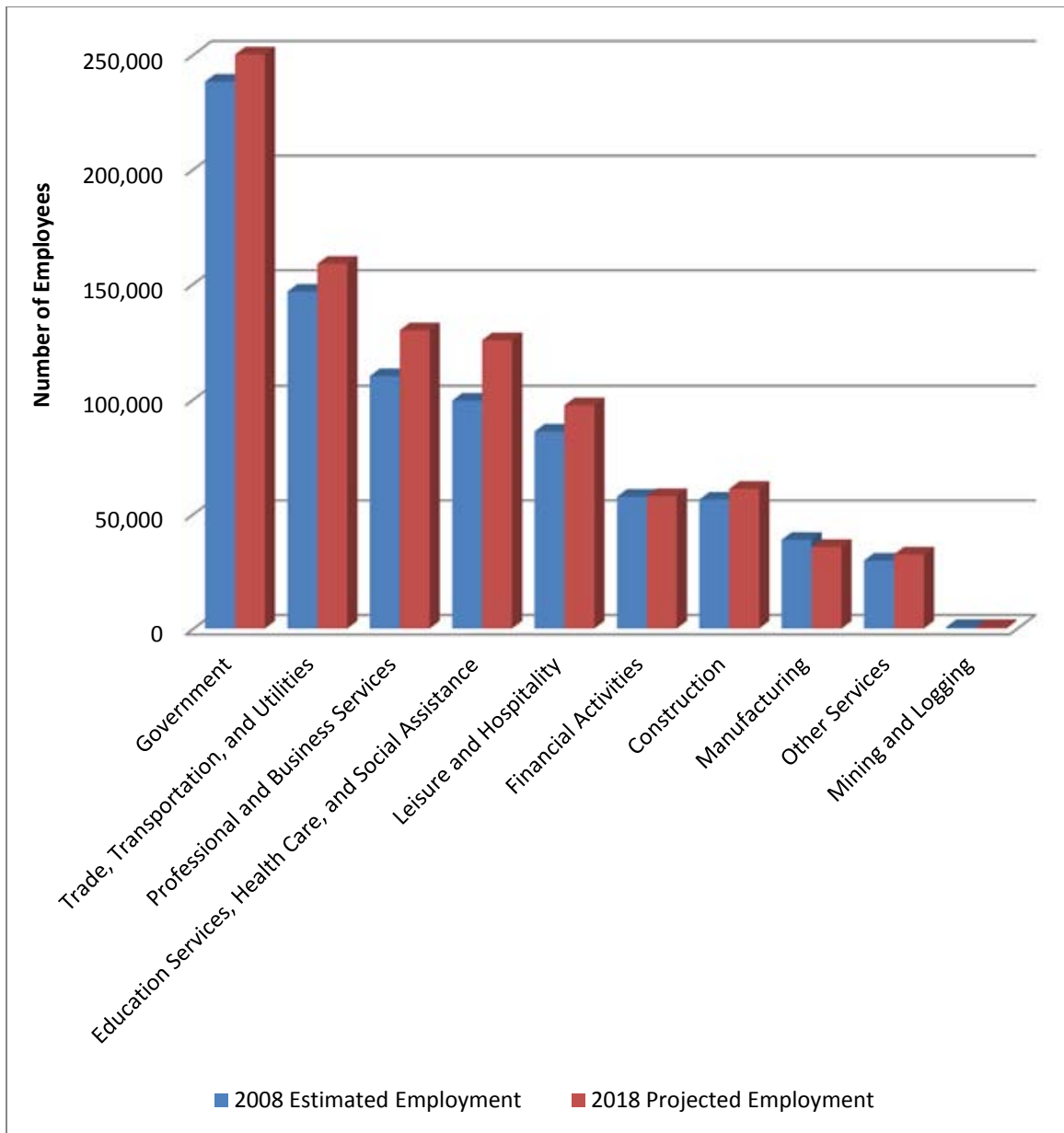
During the next projection period from 2020 to 2035, the Central City is projected to experience the greatest increase in employment again, adding 31,386 jobs (for a total of 152,836 jobs). North Natomas, Fruitridge/Broadway, and the South Area are also projected to experience significant employment growth by 2035. Land Park is projected to experience the lowest increase in employment, adding only 697 jobs between 2020 and 2035 (for a total of 13,694 jobs). Over the entire projection period from 2012 to 2035, the Central City and North Natomas areas are projected to experience the greatest increase in employment.

Table H 3-9 Employment Projections 2008-2035						
Community Plan Area	2008	2020 (Projected)	Net New Jobs 2008-2020	2035 (Projected)	Net New Jobs 2020-2035	Change 2008-2035
Arden/Arcade	24,876	25,628	752	27,478	1,850	2,602
Central City	114,808	121,450	6,642	152,836	31,386	38,028
East Sacramento	21,633	23,129	1,496	25,524	2,395	3,891
Fruitridge/Broadway	48,174	52,140	3,966	60,152	8,012	11,978
Land Park	12,863	12,997	134	13,694	697	831
North Natomas	21,529	28,018	6,489	40,169	12,151	18,640
North Sacramento	18,766	19,476	710	21,205	1,729	2,439
Pocket	4,976	5,027	51	5,815	788	839
South Area	19,639	21,728	2,089	26,868	5,140	7,229
South Natomas	12,468	14,434	1,966	16,371	1,937	3,903
Total	299,732	324,027	24,295	390,112	66,085	90,380

Source: City of Sacramento Planning Staff, SACOG.

According to the 2010 projections by the California Employment Development Department (EDD), over 92,000 jobs are forecast to be added to the Sacramento region between 2008 and 2018. As shown in Figure H 3-6 projected growth in employment sectors in the region are expected to be similar to existing (2010) employment in 2018. While the government; trade, transportation, and utilities; and financial activities sectors will decline to a slightly smaller share of employment; the professional and business services; education services, health care, and social assistance; and construction sectors will grow to a slightly larger share of employment. Most of the fastest-growing employment sectors in the region, including most of the occupations with the greatest number of projected job openings over the next several years, pay relatively low wages.³

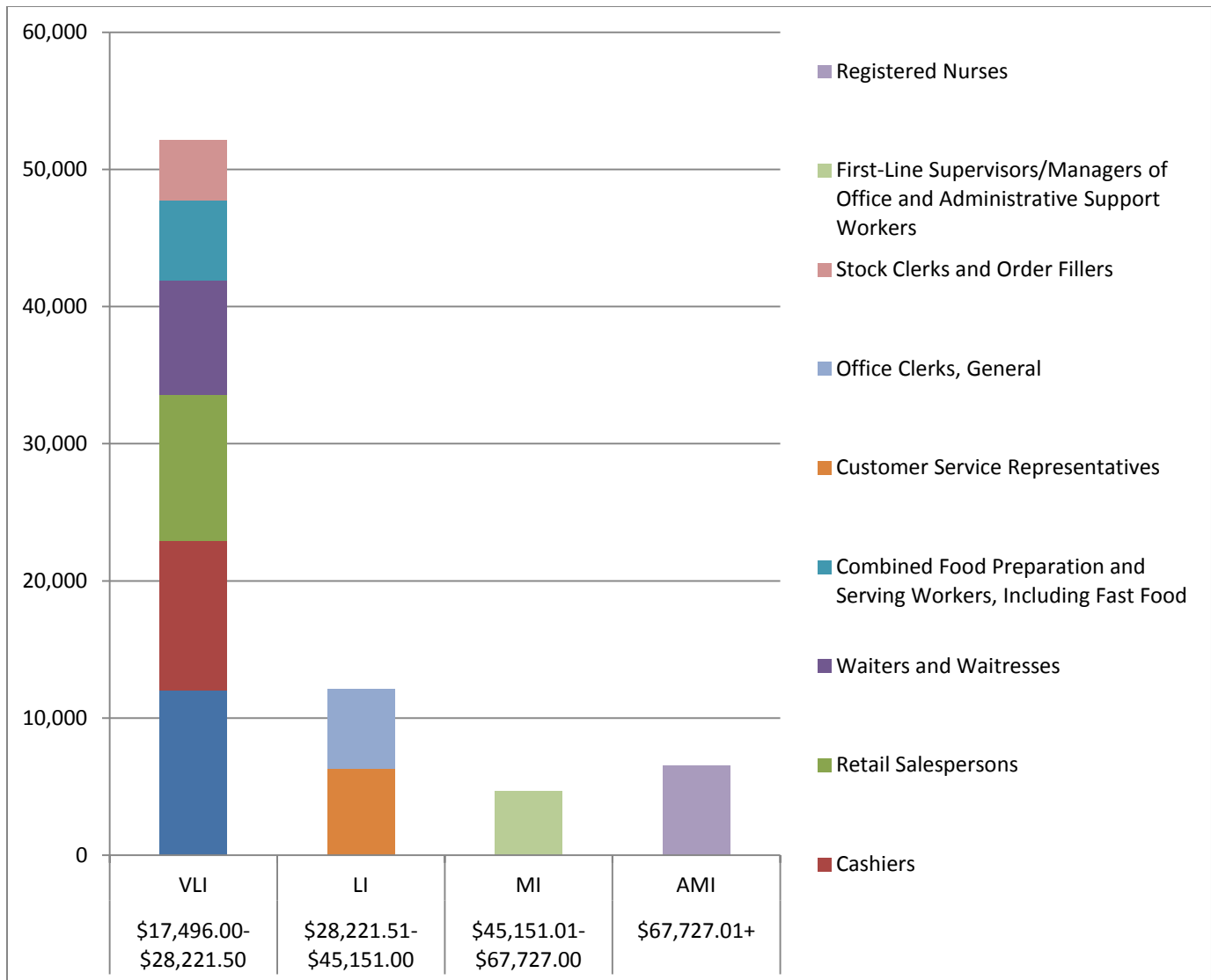
³ California Employment Development Department (EDD), 2008-2018 Fastest Growing Occupations, Sacramento-Arden Arcade-Roseville Metropolitan Statistical Area (El Dorado, Placer, Sacramento, and Yolo Counties), 2010.



Source: EDD, 2010.

Figure H 3-6: Estimated and Projected Employment Growth by Sector

Figure H 3-7 shows the 10 employment sectors that have the greatest projected number of job openings by 2018 categorized by income level based on average wages. When compared to the 2010 U.S. Census countywide median income (\$56,439), 69 percent of the 170,980 job openings in the top 10 occupations projected through 2018 pay wages equivalent to low-income or less. Only two job categories in the top 10 occupations, registered nurse and first-line supervisors/managers of office and administrative support workers, pay wages above the countywide median income, at \$101,562 and \$61,480 respectively (180 and 109 percent of median income). It should be noted that this analysis compares individual wages to the median household income, which includes many households that have two wage earners. A household with two people working in the occupations shown in Figure 3-7 may have a high enough combined income to qualify as a higher income bracket.



Note: VLI: Very low-income, LI: Low-income, MI: Moderate-income, AMI: Above moderate-income
Source: EDD, 2010.

Figure H 3-7: Projected Job Openings in the Top 10 Occupations by Income Category

Another measure of anticipated future job growth is fastest growing occupations, which includes those with a small number of total employees and a rapid growth rate, as shown in Table H 3-10. These occupations may provide clues about what industries or areas of the economy are positioned for faster growth in Sacramento. The projected growth in medical and dental assistants, for instance, may reflect an expanding health care industry. The projected growth in communications analysts may indicate an overflow from Bay Area technology firms as some functions are moved to lower cost markets such as Sacramento. Increases in self-enrichment teachers, which teach voluntary classes that students take for fun or personal enrichment, may reflect changing education priorities.

Table H 3-10 Fastest Growing Occupations 2008–2018 (Sacramento-Arden Arcade-Roseville Metropolitan Statistical Area)					
<i>Occupational Title</i>	<i>Annual Average Employment</i>		<i>Percent Change</i>	<i>Median Hourly Wage</i>	<i>Percent of MHI¹</i>
	<i>2008</i>	<i>2018</i>			
Medical Scientists (except Epidemiologists)	1,650	2,420	47	\$42.20	156
Personal and Home Care Aides	20,410	29,840	46	\$11.43	42
Network Systems and Data Communications Analysts	1,590	2,290	44	\$34.86	128
Home Health Aides	3,170	4,430	40	\$10.32	38
Dental Hygienists	1,780	2,450	38	\$45.23	167
Dental Assistants	2,690	3,690	37	\$18.43	68
Self-Enrichment Education Teachers	1,060	1,450	37	\$19.60	72
Medical Assistants	2,810	3,820	36	\$14.12	52
Fitness Trainers and Aerobics Instructors	2,260	3,020	34	\$20.28	75
Surgical Technologists	520	690	33	\$23.23	86

Source: EDD, 2010.

¹ 2010 U.S. Census countywide median income (\$56,439).

In contrast to job openings in existing fields, anticipated job growth in the Sacramento region over the next 10 years includes a number of jobs in the low- and very low-income categories. Addition of these jobs should add to the lower end of a modified “barbell” income distribution, providing fewer opportunities for upward mobility.

Conclusions

While Sacramento’s median income continues to rise, the challenges for those most in need increases as well, perpetuating the gap between middle- and lower-income households. The “barbell” distribution of incomes in Sacramento is likely to become more pronounced. While higher-paying government sector; trade, transportation, and utilities sector; and professional and business services sector jobs continue to lead the region’s employment base, the occupations projected to have the greatest number of openings and the fastest-growing occupations are expected to add to the low end of the income spectrum. Among lower-income households, needs are most acute for seniors and larger families. Seniors, in particular, are least likely to benefit from job growth and economic opportunities, and may have additional housing challenges not evident simply in income categories.

While the city has experienced an economic slowdown during the recent global recession, Sacramento is anticipated to experience strong long-term employment growth. Increases in employment and accompanying population growth will drive a need for additional housing production for all income levels, including lower-income households filling many of the lower paying jobs anticipated to be created through 2018.

3.3 Housing Characteristics

Summary of Key Findings of this Section

- Nearly 32,000 housing units were built between 2000 and 2010 (including about 20,000 single-family homes), the largest amount of homebuilding since the 1950s.
- About two-thirds of the city's housing is single-family homes, of which 26 percent are renter-occupied (compared to 21 percent countywide and statewide).
- Sacramento has a relatively low homeownership rate—49 percent compared to 58 percent countywide and 56 percent statewide. The homeownership rate has decreased slightly since 2000.
- The vacancy rate excluding seasonal and homes rented or sold but not occupied in 2010 was 3 percent for owner-occupied housing, 8 percent for rental housing, and 6 percent total, above the “normal” vacancy rates for a housing market in balance. However, when including seasonal and homes rented or sold but not occupied, the overall vacancy rate is higher at about 8.5 percent.
- The Sacramento Region has one of the highest foreclosure rates of any Metropolitan Statistical Areas in the United States. The North Sacramento, South, and Fruitridge/Broadway areas have the highest vacancy and foreclosure rates within the city.
- About 63 percent of the city's housing units are more than 30 years old, making them susceptible to repair or maintenance concerns.
- Between 1 percent and 18 percent of the city's housing (2,000 to 36,000 units) may need rehabilitation and another 2,000 to 3,000 units may need replacement.

Housing Type

Between 2000 and 2010, nearly 32,000 housing units were constructed in the city, largely in North Natomas. About 20,000 single-family homes and 11,000 multifamily units were added during this period, representing the highest rate of housing construction since the 1950s, according to the U.S. Census Bureau.⁴ The proportion of single-family homes (detached and attached) held constant between 2000 and 2010. While the proportion of multifamily units also held constant overall between 2000 to 2010, the percentage of multifamily developments of 5 or more units increased by 2 percent and the percentage of multifamily developments of 2-4 units decreased by 2 percent. Table H 3-11 compares the number of housing units by type in 1990, 2000, and 2010.

⁴ The city experienced greater population and housing unit gains in the 1960s, than in the 1950s, but this was largely due to the merger of the City of Sacramento and the City of North Sacramento in 1964.

Table H 3-11 Housing Type (1990–2010)¹						
<i>Type of Structure</i>	<i>1990</i>		<i>2000</i>		<i>2010</i>	
	<i>Housing Units</i>	<i>% of Total</i>	<i>Housing Units</i>	<i>% of Total</i>	<i>Housing Units</i>	<i>% of Total</i>
Single-family ²	98,105	64%	107,229	65%	127,660	65%
Multifamily 2-4 units	14,971	10%	15,859	10%	16,277	8%
Multifamily 5+ units	35,303	23%	37,156	23%	47,823	25%
Mobile homes/other	4,983	3%	3,670	2%	3,686	2%
Total	153,362	100%	163,914	100%	195,446	100%

Source: SACOG Housing Element Data Profiles, November 2012; DOF, 2010; 1990 and 2000 U.S. Census.

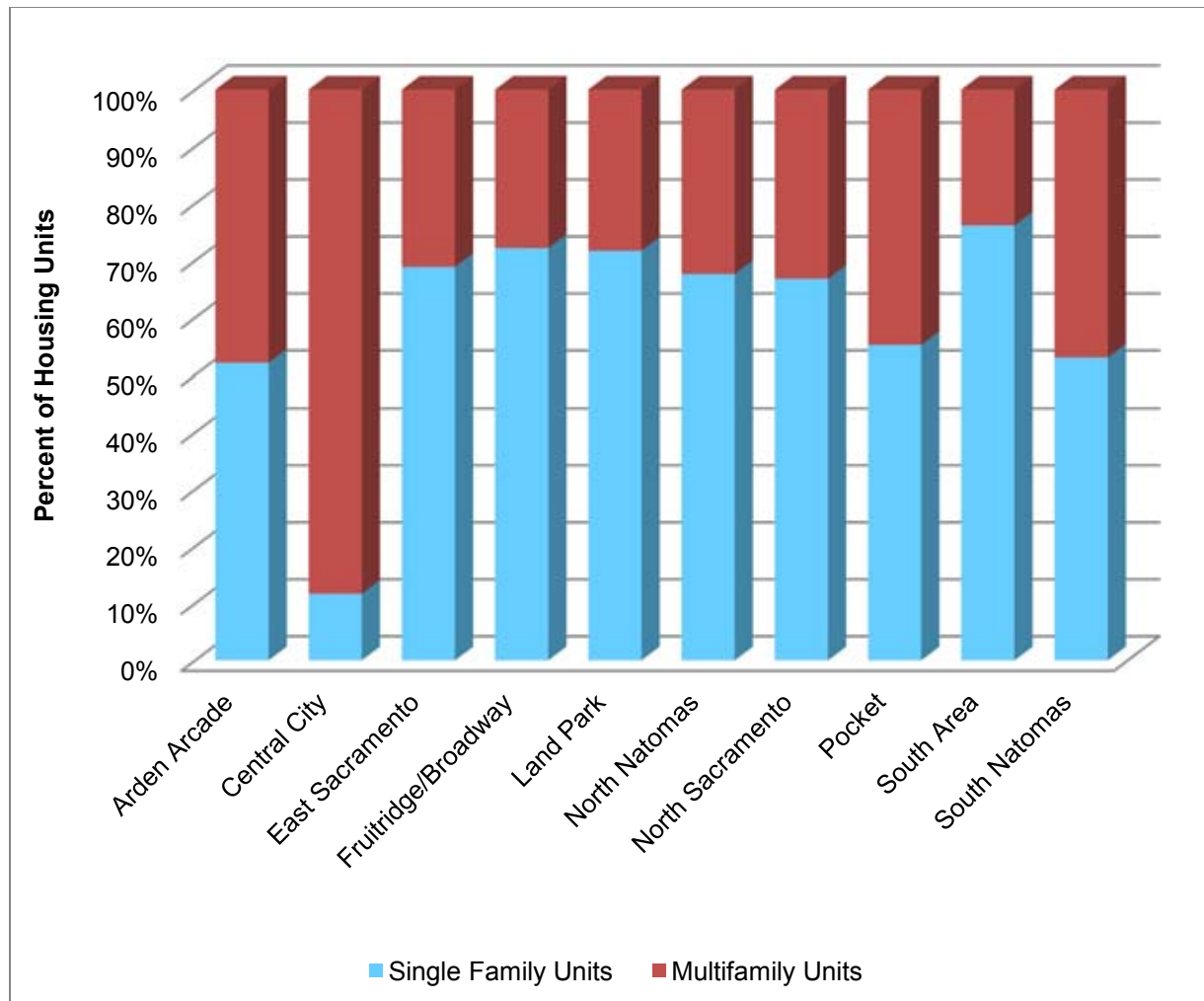
¹ 2000 Census April 1, 2000: Housing Unit total may differ in census due to different sampling methods and definitions of units.

² Single-family includes attached and detached units.

Housing type (e.g., single-family, multifamily) is not the same as tenure (owner versus rental occupancy). Citywide, nearly 26 percent of single-family homes are rentals, compared to about 21 percent countywide and statewide. Less than 4 percent of multifamily units are owner-occupied citywide, compared to over 5 percent countywide and 10 percent statewide.

Housing Type by Community Plan Area

The Central City, Arden Arcade, and South Natomas communities have the highest percentage of multifamily units in the city. These communities are characterized by a larger share of commercial and/or office development than other areas of the city and higher density residential neighborhoods. Figure H 3-8 shows the distribution of single-family and multifamily housing by community plan area. The 2012 estimates are based on City of Sacramento land use data, which are not the same as California Department of Finance estimates used in Table H 3-11.



Source: City of Sacramento, 2012.

Note: Does not include mobile homes. Mixed use and retirement community units were considered multifamily.

Figure H 3-8: Housing Type by Community Plan Area

Housing Tenure

Household Tenure (2010)

Homeowners	86,271	49 %
Renters	88,353	51 %
Total	174,624	100 %

Sacramento has a relatively low rate of homeownership, about 49 percent, compared to homeownership countywide and statewide (58 and 56 percent, respectively). The citywide homeownership rate has decreased slightly since 2000, when it was 50 percent. As noted above, the percent of renter-occupied single-family homes in the city (26 percent) is high relative to countywide and statewide rates, which partly explains the decrease in homeownership during a time period when the number of single-family homes increased by about 19 percent. This discrepancy is further understood in light of the financial markets that accompanied this building boom, which allowed for easy access to credit and encouraged investment in real estate, especially in emerging markets such as Sacramento. After the housing market crashed many of these same areas that experienced a building boom, such as North Natomas, saw many new homeowners foreclosing on their homes and becoming renters again.

Vacancy Rates

Vacancy figures used in this section come from three different sources which report different time periods and use different methods to measure vacancy; therefore, they are not directly comparable to one another. However, using all three data sets allows for a more detailed understanding of vacancy rates in the city.

Vacancy Rates (2010)

3 % of Homeowner Units
8 % of Rental Units
6 % Total Vacancy Rate

In 2010, the vacancy rate was 3 percent for owner-occupied housing and 8 percent for rental housing. This estimate excludes units rented or sold but not occupied, seasonal homes, and other vacant housing not available to occupy. The total vacancy rate was 6 percent.⁵ Real estate and housing professionals consider a balanced housing market to have a vacancy rate of about 5 percent overall, with a rate of 2 percent for owner-occupied housing and 6 to 7 percent for rental housing.⁶ Table H 3-12 shows vacancy rates between 1990 and 2010. The higher vacancy rate in 2010 is due to the high level of housing construction during the early 2000s and the subsequent foreclosures that followed.

Table H 3-12 Vacancy Rate Excluding Units Not Available to Occupy 1990–2010 ¹	
Year	Vacancy Rate
1990	4%
2000	4%
2010	6%

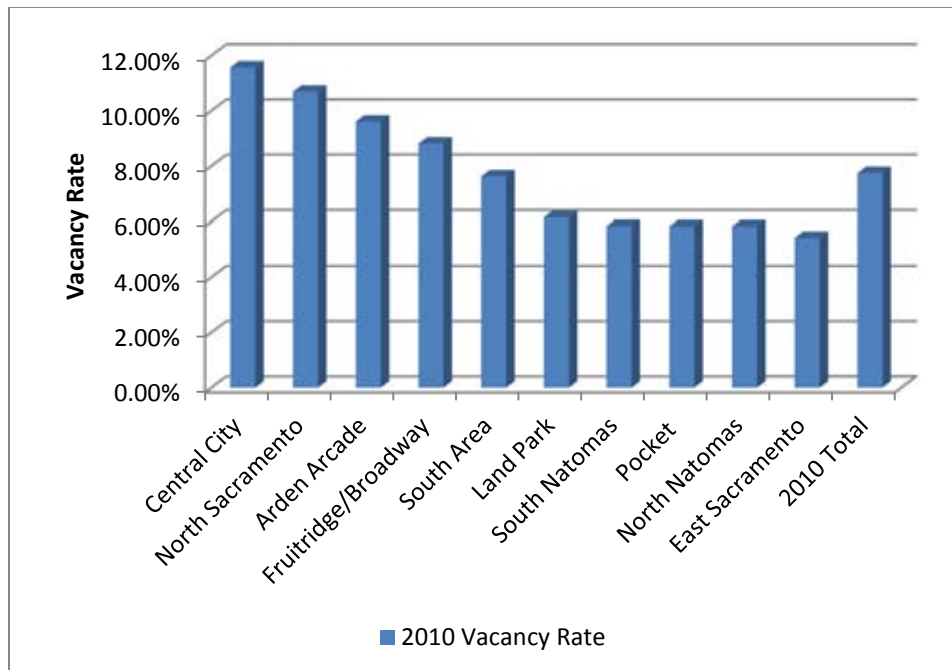
Note: ¹ Excludes units rented or sold but not occupied, seasonal homes, and other vacant housing not available to occupy.

Source: 1990, 2000, 2010 Census.

Although the city's vacancy rates in Table H 3-11 suggest a housing market in balance, there are significant differences in vacancy by community plan area and housing type. Figure H 3-9 shows average residential vacancy rates excluding units rented or sold but not occupied, seasonal homes, and other vacant housing not available to occupy by community plan area for 2010. These data indicate a vacancy rate of approximately 8 percent, slightly different from the 6 percent as estimated for the entire city. The Central City has the highest vacancy rate at almost 12 percent and East Sacramento has the lowest vacancy rate at 5.42 percent.

⁵ The City calculates vacancy rates using Census data, and excluding units rented or sold but not occupied, seasonal homes, and other vacant housing not available to occupy. These vacancy rates may not be directly comparable to the CPA data presented in Figure 3-10 or the overall vacancy data in Table 3-12.

⁶ Giang Hoang-Burdette, Nobody's Home: California Residential Vacancy Rates, May 9, 2012; Joan C. Fahrenthold, Associated Press, America's Sickest Housing Markets, 2012; Emmett Pierce, San Diego Union Tribune, Uptick in County Rental, Vacancy Rates, Tenants Together, June 6, 2008; William Poe, Area Landlords High on Healthy Rental Market, July 27, 2012; Housing New York City, 2008; Mary Ellen Podmolik, Chicago's a Renter's Market, but Vacancies, Delinquencies on Rise, Census Paints a Bleak Picture of Arizona Housing, Census Paints a Bleak Picture of Arizona Housing, 2011; Rolf Boone, The Olympian, Thurston Apartment Vacancy Rates Up a Bit, 2012; Bill Conerly, Housing Recovery Progressing Very Slowly, Businomics, 2011.



Source: City of Sacramento, 2010; 2010 Census.

Note: Because vacancy rates for the community plan areas were calculated based on the planning area and may include portions of block groups outside the city limits, the data may not be directly comparable to that presented in Table H 3-11.

Figure H 3-9: Residential Vacancy Rates by Community Plan Area

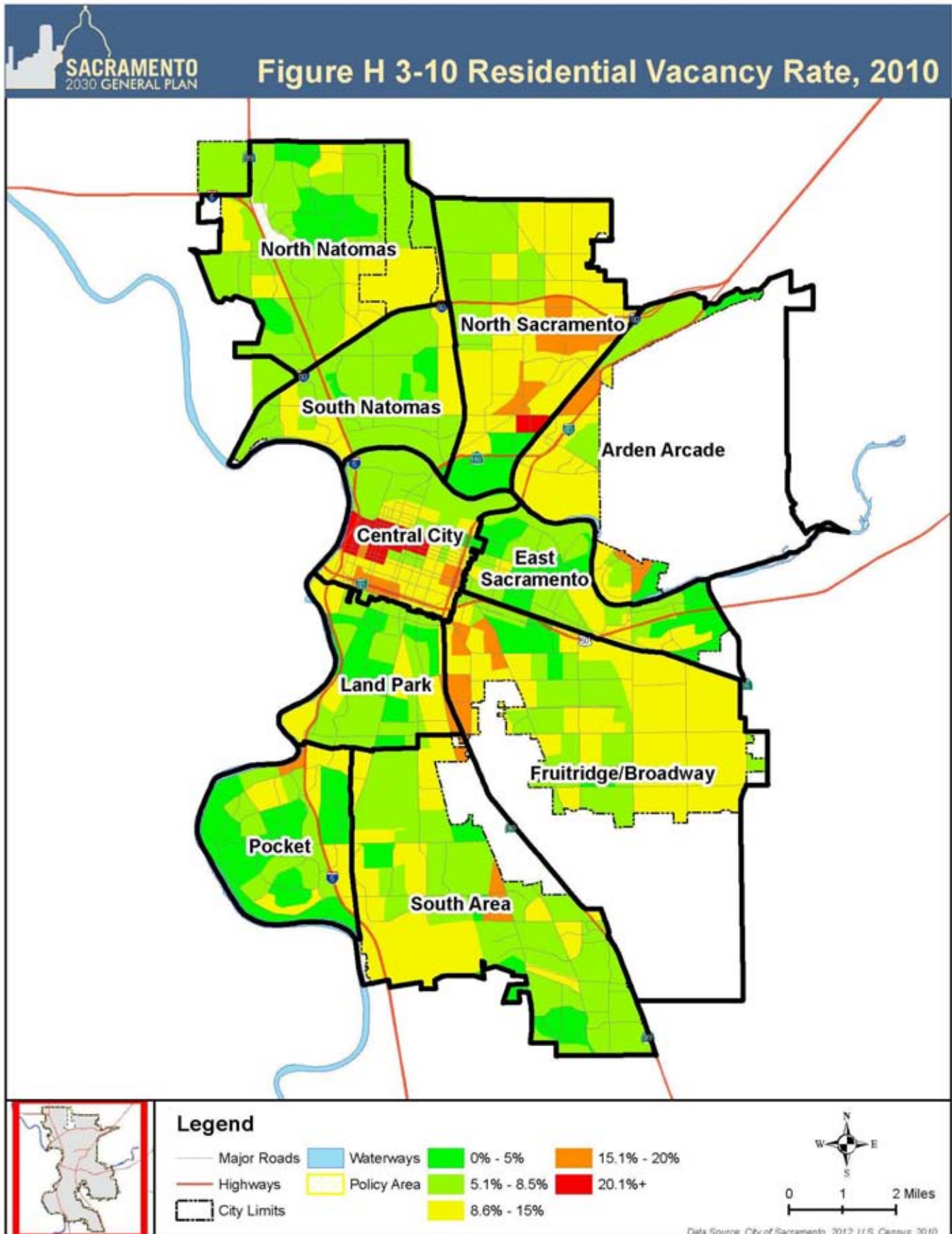
Vacancy rates in Sacramento are higher when seasonal homes and homes rented or sold but not occupied are included. As shown in Table H 3-13, the vacancy rate in Sacramento has increased since 2000 when the vacancy rate was closer to normal at 5.7 percent. However, by 2010 the vacancy rate had reached 8.5 percent when, according to the U.S. Census, a total of 16,287 of 190,911 housing units were identified as vacant within the city limits. Similarly, the Department of Finance 2012 estimates reported 16,317 vacant units within the city.

Table H 3-13 Overall Vacancy Rate in Sacramento 2000–2012			
Year	Total Housing Units	Vacant Housing Units	Vacancy Rate
2000	163,957	9,376	5.7%
2010	190,911	16,287	8.5%
2012	191,268	16,317	8.5%

Source: SACOG Housing Element Data Profiles, November 2012; 2000, 2010 U.S. Census; Department of Finance Table 2: E-5 City/ County Population and Housing Estimates, 2012.

Figure H 3-10 shows the overall vacancy rate by Census block group in the city of Sacramento. Most block groups in the city have vacancy rates above the optimal level of 5 percent. Less than 20 percent of block groups had a vacancy rate of 5 percent or less. The highest concentration of extremely high vacancy rates is in the Central City, where many block groups in the northern Downtown area are more than 20 percent vacant. There are also several block groups that are 15 to 20 percent vacant in North Sacramento along Interstate 80 and Business 80, and between the South Area and Fruitridge/Broadway Areas along Highway 99.

A third source of vacancy data is the non-profit organization Sacramento Self Help Housing. Sacramento Self Help Housing collects vacancy data for low-cost (generally class “B” and “C”) rental apartment complexes. The majority (but not all) of the units polled by Sacramento Self Help Housing are located within the city of Sacramento. During the third quarter of 2012, Sacramento Self Help Housing’s data indicate approximately a 4 percent vacancy rate for these lower cost apartments. This vacancy rate is substantially below 6 to 7 percent suggested for a balanced rental housing market.



Age and Condition of Housing

Age of Housing

The age of housing, by itself, does not necessarily equate with poor housing conditions. However, a neighborhood with a large stock of older housing (particularly older non-subsidized rental housing) occupied by a high percentage of lower-income households has a much greater potential for housing problems than an affluent neighborhood with older housing.

If not properly maintained, housing can exhibit obvious signs of “wear and tear” after 30 years (or even less, depending on the quality of materials and construction). Non-structural components such as paint, siding, doors, windows, roof shingles, electrical, plumbing, and ventilation can deteriorate or fail during the first 30 years. After 40 years or more, housing can exhibit structural problems (e.g., sagging roofs, foundation failure, walls out of plumb) if subject to inadequate maintenance and repairs.

Table H 3-14 shows when housing units were built in the city. Of the 191,000 housing units in the city counted by the ACS in 2010, about 63 percent were built before 1980, and about 50 percent were built before 1970. The median age of housing was built in 1972. Of all housing units built before 1970, 65 percent were owner occupied and 35 percent were renter occupied. In 2000 approximately 17 percent of pre-1970 housing units were occupied by households below the poverty level of income.⁷ Except for subsidized rental housing maintained to state or federal quality standards, these older housing units occupied by persons living in poverty may be most vulnerable to problems of housing condition.

Table H 3-14 Age of Housing Stock		
<i>Year Built</i>	<i>Number of Units</i>	<i>% of total</i>
2005 or later	8,939	4.7%
2000–2004	19,253	10.1%
1990–1999	13,224	6.9%
1980–1989	28,473	14.9%
1970–1979	30,611	16.0%
1960–1969	23,969	12.5%
1950–1959	26,638	13.9%
1940–1949	17,264	9.0%
1939 or earlier	22,629	11.8%
TOTAL	191,000	100%

Source: SACOG Housing Element Data Profiles, November 2012; 2006-2010 ACS (Selected Housing Characteristics).

Housing Condition

Potential Housing Rehabilitation Need. Since 2008, the City of Sacramento has been conducting comprehensive and proactive code enforcement activities of rental properties in targeted neighborhoods of the city as part of the Rental Housing Inspection Program (RHIP), which is discussed in more detail in Chapter 9. The program has resulted in a marked decrease in substandard rental housing throughout the city

⁷ Comparable statistics for 2010 are not available from the 2010 Census or 2006-2010 ACS.

as owners are subject to fines and re-inspection if code violations are found. Of the 17,166 properties inspected between 2008 and 2012, only 122 units (or 1 percent) were deemed substandard. Of the substandard rental properties 68 percent were single-family homes, 29 percent were duplexes, 2 percent were small multifamily projects (3 to 4 units), and 1 percent were larger multifamily projects (5 or more units). Based on data as well as discussions with City Code Enforcement staff, it is estimated that only about 1 percent of the city's rental housing stock (about 1,950 units) would be considered substandard and in need of substantial rehabilitation.

Another indicator of housing condition, particularly that of single-family homes, is the data from the City's Vacant Building Program. Many areas of Sacramento have been impacted by the wave of foreclosures that began in 2006. Foreclosures resulted in large numbers of vacant homes in neighborhoods such as Meadowview (South Area), Oak Park (Fruitridge/Broadway Area), and Del Paso Heights (North Sacramento area), among others. In order to address concerns about substandard housing conditions associated with bank-owned foreclosed properties, the City revised its Vacant Building Ordinance to decrease the wait time before a structure may be declared a nuisance, increased fees and penalties, and streamlined the vacant building enforcement process. Unlike the RHIP, the City's Vacant Building Program responds to resident complaints. The number of complaints began increasing in 2006 and peaked in 2008, but have generally declined since then as more investors have purchased these foreclosed homes, repaired them, and converted them into rental housing. As a result, what was a considerable problem for many neighborhoods in terms of housing condition, public safety, and blight has begun to ease suggesting that the condition of many of these homes is slowly improving. Table H 3-15 shows the number of vacant building complaints by year and by community plan area.

Table H 3-15 Residential Vacant Building Cases by Community Plan Area								
Community Plan Area	2006	2007	2008	2009	2010	2011	2012	Total
Arden Arcade	1	1	3	1	1	2	3	12
Central City	17	15	17	5	10	10	14	88
East Sacramento	5	6	1	2	5	1	5	25
Fruitridge/Broadway	91	128	169	131	123	95	105	842
Land Park	9	9	8	8	5	4	7	50
North Natomas	6	13	16	15	15	4	5	74
North Sacramento	61	134	170	100	76	47	79	667
Pocket	2	7	8	10	10	4	3	44
South Area	42	95	189	141	160	78	86	791
South Natomas	6	22	40	34	9	13	8	132
Citywide	240	430	621	447	414	258	315	2,725

Source: City of Sacramento, Code Enforcement Division, Vacant Building Program, 2013.

The 2005-2009 CHAS data indicates that about 36,000 housing units affordable to extremely low- and very low-income residents were built before 1980. This figure could be a proxy for housing rehabilitation need based on the age and presumed average condition of these units. By this measure approximately 21 percent of the city's housing units may need rehabilitation.

Based on these two sources, the City estimates that at least 2,000 but as many as 36,000 housing units in the city may need rehabilitation.

Potential Housing Replacement Need. The best proxy for housing conditions available through the US Census is self-reported deficiencies in plumbing and kitchen facilities. In the 2010 ACS, 1,043 total units in the city were estimated to lack plumbing facilities, and 1,972 units were estimated to lack kitchen facilities. According to this measure, a total of 3,015 housing units may need replacement.

In 2007, the Center for Housing Policy conducted a study of housing problems for working families in various metropolitan areas across the country, including the Sacramento Metropolitan Area.⁸ The Center concluded that approximately 2 percent of working families (those earning between minimum wage and 120 percent of median income) live in dilapidated housing that may need replacement.⁹ By applying this rate to the number of working families in the city in 2010, about 2,031 working families may live in dilapidated housing in the city. This number could be higher, however, because Sacramento has a relatively older housing stock with a higher proportion of working families than other jurisdictions in the Sacramento region.

Based on these two sources, the City estimates its housing replacement need at between 2,000 and 3,000 housing units.

Conclusions

Sacramento experienced a boom in housing construction during the 2000s, the highest level experienced since the 1950s. Nearly 32,000 housing units were constructed between 2000 and 2010, mostly single-family homes. Citywide, about two-thirds of housing units are single-family homes (detached and attached). Despite the high percentage of single-family homes, Sacramento lags in homeownership, in part due to the large percentage of lower income households in the city – about half of all households. Just under half of Sacramento households are homeowners, compared to 58 percent countywide and 56 percent statewide.

Vacancy rates excluding units rented or sold but not occupied, seasonal homes, and other vacant housing not available to occupy in 2010 were 3 percent for owner-occupied housing and 8 percent for rental housing, above the “normal” vacancy rates for a housing market in balance. Overall vacancy rates in Sacramento are higher when seasonal homes and homes rented or sold but not occupied are included, at about 8.5 percent total in 2010. However, lower-cost apartments have a vacancy rate of just 4 percent, increasing pressures on lower-income families to find affordable housing.

About 63 percent of the city’s housing stock was built before 1980, meaning that a large number of housing units are susceptible to a need for rehabilitation or replacement. Although the City has not conducted a comprehensive housing condition survey, information from several sources suggests that between 2,000 and 36,000 housing units may need rehabilitation and between 2,000 and 3,000 housing units may need replacement.

⁸ The U.S. Census Bureau defines Sacramento Metropolitan Area as the counties of Sacramento, Placer, El Dorado, and Yolo. No data was available specifically for the City of Sacramento in the Center for Housing Policy report.

⁹ The study defined dilapidated conditions as severe physical problems, including inadequate plumbing, heating, and/or electrical systems.

3.4 Housing Cost and Affordability

Summary of Key Findings of this Section

- The median home price decreased in the city from \$333,700 in 2007 to a low of \$149,250 in 2012.
- Area rents increased 6 percent per year on average between 2002 and 2007. Rent increases were higher in the early 2000s but leveled off after 2003, increasing only four percent between 2007 and 2010.
- In 2005 about 7 percent of homes were priced at a level affordable to a household earning the median income in the Sacramento area. This drastically increased to 83.2 percent by 2011 and seems to have held constant in 2012 (81.0 for the third quarter).
- Market rents in Sacramento are not affordable to extremely low-income households or most very low-income households.
- Many low-income households can afford market rents in older buildings, and some newly constructed apartment units have market rents affordable to even very low-income households.
- In 2009, the HUD CHAS data estimated that 38 percent of homeowners and over 51 percent of renters paid more than 30 percent of their incomes for housing.
- About 68 percent of lower-income households paid more than 30 percent of their incomes for housing in 2009.
- Overcrowding decreased from 11 percent of all households in 2000 to 5 percent in 2010.

There are several ways to measure housing affordability and affordability trends. These measures typically focus on supply, demand, income, and development cost factors such as vacancy rates, the relationship of median housing costs to median income, the percent of income devoted to housing costs, and the percent of households living in overcrowded conditions. Housing affordability is usually defined as a cost that does not exceed 30 percent of household income, including mortgage or rent, taxes, insurance, and utility costs. Households paying more than 30 percent of their incomes for housing are described as “overpaying” or “cost burdened.”

This section evaluates these various measures of housing cost and affordability and how these measures have changed over time.

Home Sales

As with California in general, prices for single-family homes in the Sacramento area experienced dramatic increases from 2002-2007, before declining over the past five years (2008-2012). Home prices decreased in Sacramento on average more than 13 percent annually between 2007 and 2012. In 2012, the median home price in the city of Sacramento was at a low of \$149,250. The median price in 2012 dropped below the pre-boom median price in 2002. Table H 3-16 compares city and county housing prices between 2007 and 2012.

Table H 3-16 Median Sales Price 2007-2012

Area	Median Price ¹						% Average Annual Change	Total % Change
	2007	2008	2009	2010	2011	2012		
Sacramento County	\$347,700	\$277,250	\$209,800	\$191,500	\$177,400	\$172,000	-8%	-51%
City of Sacramento	\$333,700	\$270,050	\$195,000	\$158,050	\$149,300	\$149,250	-13%	-55%

Source: Zillow.com, 2012.

¹ January-December, except for 2012 (January- October). Not adjusted for inflation.

Since 2007, the median sales price has fallen about 8 percent annually countywide and 13 percent citywide. The lowest home prices in both the city and the county occurred in 2012, with an overall drop of approximately 51 percent for the county and 55 percent for the city between 2007 and 2012. It is not yet clear how long the current trend of declining prices will continue, but housing prices tend to be cyclical. For example, housing prices dropped as steeply (or more so) during the early 1990s, yet rebounded beginning in the late 1990s and hit new highs in 2005 and 2006. In the long-term sales prices are likely to rise, and current (January 2013) data has already indicated that this may be the case, as the median sales price in the city has increased by about 5 percent to \$157,300.

The recent housing price decline resulted from a variety of larger economic factors, including a slowdown in the housing market, tightening credit, and rising foreclosure activities (discussed in more detail below). However, there are many signs that a housing recovery is underway. Foreclosure activities have showed some signs of slowing in recent years (2,766 in Sacramento County during the third quarter of 2012 compared to 4,351 in the third quarter of 2011¹⁰). Current (December 2012) market trends show that the number of homes for sale is at a low point.¹¹ Home listings in December 2012 were down 50 percent from the prior year, representing only one month of inventory. With a four- to six- month inventory considered normal, the current climate is a seller's market.

Rental Costs

In 2010, the median contract rent in the Sacramento Metropolitan Statistical Area (El Dorado, Placer, and Sacramento Counties) was \$896, compared to \$856 in the city. Rents rose very rapidly between 2001 and 2003, but have leveled off since then, with smaller-year to year increases. The average annual increase from 2001 to 2007 was approximately six percent. The median contract rent rose by four percent between 2007 and 2010.

Larger annual rent increases in the early 2000s suggested a strong demand for rental housing associated with economic growth. By contrast, growth in the number of new rental units was relatively modest prior to 2003, according to the California Department of Finance, further explaining the rise in rental rates. After 2005, economic growth slowed along with increases in rents. Growth in the number of new rental housing units was higher between 2003 and 2006 just as the housing market was cooling off and housing demand

¹⁰ Notices of Default for the county, October 17, 2012. Accessed on December 4, 2012.

<http://www.dqnews.com/Articles/2012/News/California/CA-Foreclosures/RRFor121017.aspx>.

¹¹ Hudson Sangree, Effort to Aid Buyers Fizzles. Sacramento Bee. January 18, 2013.

was weakening. The number of new rental housing units continued to increase by 2010 as the vacancy rate rose. In the short term, high vacancy rates and a depressed housing market are expected to continue to moderate rent increases. Once the local housing market rebounds, however, the long-term trend of higher rent increases may continue.

Table H 3-17 shows rental rates for the Sacramento area by unit size.

Table H 3-17 Rental Rates by Number of Bedrooms City of Sacramento	
<i>Unit Type</i>	<i>2012</i>
Studio	\$625
1 Bedroom	\$732
2 Bedroom	\$887
3 Bedroom	\$1,200
4 Bedroom	\$1,450
Median	\$988

Source: Zillow, 2012.

Older, smaller Class B and C apartment complexes typically have more affordable rents, but also have lower vacancy rates as a result.

Affordability

Affordable housing is defined, in most cases, as housing and related costs (e.g., utilities, insurance, property taxes for owner-occupied properties) that can be obtained for 30 percent or less of a household's gross income. Although in the past local housing costs have tended to increase faster than local incomes, both home prices and rents declined significantly during the recent recession. These downward trends followed earlier rapid price increases for rent (especially between 2001 and 2003) and home prices (which peaked in 2006). Home prices have been increasing in early 2013, indicating that home prices are on the rise again. In the short term, stable rents and home prices represent a positive trend for housing affordability, but in the long term, the historical trend of cost increases is likely to continue.

Ownership Affordability

A measure of ownership housing affordability is the Housing Opportunity Index, the percentage of homes that a household earning median income can afford in the area. The Sacramento Area Housing Opportunity Index (HOI) is one such affordability index and is prepared by Wells Fargo and the National Association of Home Builders. Housing affordability goes through cycles of increasing and decreasing affordability with changes in the local housing market and economy.

Before 1998 affordability in the Sacramento region was generally increasing. The general trend in the affordability of ownership housing from the late 1990s to 2000s was a decline in the proportion of homes that households earning median income could afford. The affordability index dropped from a high of 68.8 percent in 1998 to a low of 7.3 percent in 2005. However, Table H 3-18 shows that affordability has actually increased since 2005 with a decline in home prices. The housing affordability index began increasing again in 2006, and reached a historical high of 83.2 in 2011.

Table H 3-18 Sacramento Area Affordability Index for Select Years	
Year	Index Percentage (%) ¹
1991	26.9
1992	42.3
1993	62.5
1994	58.6
1995	61.1
1996	61.2
1997	65.5
1998	68.8
1999	56.7
2000	45.5
2001	44.0
2002	43.7
2003	25.4
2004	14.5
2005	7.3
2006	9.2
2007	27.2
2008	66.0
2009	72.3
2010	79.3
2011	83.2
2012	81.0

Source: National Association of Home Builders Housing Opportunity Index, 2012.

¹ Figures are the percentage of homes that a household earning median income can afford during the fourth quarter of each year (1st quarter 2002, 3rd quarter 2012).

Rental Affordability

There is no rental housing equivalent specifically for Sacramento to the Housing Opportunity Index. To estimate rental affordability, Fair Market Rents can be used as an approximate measure to determine affordability for lower and moderate-income households¹². Fair Market Rents (FMRs) include the shelter cost plus the cost of tenant-paid utilities (except telephones, cable or satellite television service, and internet service) as calculated by the US Department of Housing and Urban Development (HUD) for the Sacramento MSA. Table H 3-19 shows 2012 FMRs and how they compare to actual median market rents. Generally, the FMR is higher than the current (2011) median market rent.

¹² In general, FMRs are the maximum chargeable gross rent in an area for projects participating in the HUD Section 8 (Housing Choice Voucher) Program. FMRs are based on the cost of modest, non-luxury rental units in the local market area for various size units (1 bedroom, 2 bedroom, etc.). For more information, see <http://www.huduser.org/datasets/fmr.html>.

Table H 3-19 Fair Market Rents, Sacramento Metropolitan Area		
<i>Unit Size</i>	<i>HUD FMR (2012)</i>	<i>Median Market Rent ¹</i>
Efficiency	\$737	--
1 bedroom	\$837	\$732
2 bedroom	\$1,021	\$887
3 bedroom	\$1,473	\$1,200
4 bedroom	\$1,689	\$1,450

Source: HUD, The Final FY 2012 FMRs for All Bedroom Sizes, 2012.

¹ Median Market Rent for December 2012 from Zillow.com.

The 2012 FMRs for different apartment sizes were compared with state income standards. Depending on family size, some market rate rental units may be affordable to lower income households. At a FMR of \$1,021, a two-bedroom apartment is affordable to a household earning about \$40,825, which would be affordable to low-income (LI) households with two to four members, but not to very low-income (VLI) or extremely low-income (ELI) households. An efficiency apartment FMR of \$737 would require an annual income of \$29,475. This rent would be affordable to a VLI couple, or a LI individual. Fair Market Rents in Sacramento are not typically affordable to VLI households and are never affordable to ELI households. It is unlikely that the market will ever be able to provide units affordable to ELI households, given that the affordable rent often cannot cover the debt service on the unit, much less the cost of operations.

Another measure of rental affordability is the relationship between rents for newer apartment complexes and household incomes. An internet search of almost 20 newer apartment complexes found monthly rents ranging from \$666 to \$1,215 for one-bedroom units, \$750 to \$1,495 for two-bedroom units, and \$835 to \$1,575 for three-bedroom units.¹³ Some market rents on the smallest, least expensive newer units might be affordable to very low-income households earning close to 50 percent of the area median income, but not to extremely low-income households (30 percent or less of the area median income).

Affordability and Ability to Pay

The following section compares 2012 income levels and ability to pay for housing with actual housing costs. According to the U.S. Department of Housing and Urban Development (HUD), housing is classified as “affordable” if households do not pay more than 30 percent of income for payment of rent (including utilities) or monthly homeownership costs (including mortgage payments, taxes, and insurance). Since above moderate-income households do not generally have problems locating affordable units, affordable housing is usually defined as units that are reasonably priced for low- and moderate-income households. Table H 3-20 shows the definition of housing income limits as they are applied to housing units in Sacramento.

According to HUD, the median family income for a four-person household in the Sacramento PMSA was \$76,100 in 2012. Income limits for larger or smaller households were higher or lower, respectively, and are calculated using a formula developed by HUD.

¹³ Apartment complexes listed on www.zillow.com and www.forrent.com built since 2005, in the City of Sacramento, excluding luxury rental projects in downtown/midtown Sacramento, which have rents between 26 and 130 percent higher than the rental ranges cited in this section.

Table 3-20: HUD Income Limits based on Persons per Household, 2012					
Income Categories	Persons per Household				
	1	2	3	4	5
Extremely Low-Income	\$16,000	\$18,300	\$20,600	\$22,850	\$24,700
Very Low-Income	\$26,650	\$30,450	\$34,250	\$38,050	\$41,100
Low-Income	\$42,650	\$48,750	\$54,850	\$60,900	\$65,800
Median-Income	\$53,287	\$60,947	\$68,607	\$76,100	\$82,261
Moderate-Income	\$63,960	\$73,080	\$82,200	\$91,320	\$98,640

Source: California Department of Housing and Community Development, 2012
<http://www.huduser.org/portal/datasets>

Table 3-21 shows the 2012 HUD-defined household income limits for extremely low-, very low-, low-, and moderate-income households per Sacramento PMSA by the number of persons in the household. Additionally, the table shows maximum affordable monthly rents and maximum affordable purchase prices for homes. For example, a three-person household was classified as low-income (80 percent of median) with an annual income of up to \$54,850 in 2012. A household with this income could afford to pay a monthly gross rent (including utilities) of up to \$1,371 or could afford to purchase a house priced at or below \$225,051. This assumes a household with this income has money to afford a down payment.

Table 3-21: Ability to Pay for Housing based on HUD Income Limits, 2012

<i>Extremely Low-Income Households at 30% of 2012 Median Family Income</i>						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Number of Persons	1	2	3	4	5	6
Income Level	\$16,000	\$18,300	\$20,600	\$22,850	\$24,700	\$26,550
Max. Monthly Gross Rent ¹	\$400	\$458	\$515	\$571	\$618	\$664
Max. Purchase Price ²	\$65,649	\$75,086	\$84,523	\$93,754	\$101,345	\$108,936
<i>Very Low-Income Households at 50% of 2012 Median Family Income</i>						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Number of Persons	1	2	3	4	5	6
Income Level	\$26,650	\$30,450	\$34,250	\$38,050	\$41,100	\$44,150
Max. Monthly Gross Rent ¹	\$666	\$761	\$856	\$951	\$1,028	\$1,104
Max. Purchase Price ²	\$109,346	\$124,937	\$140,529	\$156,120	\$168,635	\$181,149
<i>Low-Income Households at 80% of 2012 Median Family Income</i>						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Number of Persons	1	2	3	4	5	6
Income Level	\$42,650	\$48,750	\$54,850	\$60,900	\$65,800	\$70,650
Max. Monthly Gross Rent ¹	\$1,066	\$1,219	\$1,371	\$1,523	\$1,645	\$1,766
Max. Purchase Price ²	\$174,994	\$200,023	\$225,051	\$249,875	\$269,980	\$289,879
<i>Median-Income Households at 100% of 2012 Median Family Income</i>						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Number of Persons	1	2	3	4	5	6
Income Level	\$53,287	\$60,947	\$68,607	\$76,100	\$82,261	\$88,423
Max. Monthly Gross Rent ¹	\$1,332	\$1,524	\$1,715	\$1,903	\$2,057	\$2,211
Max. Purchase Price ²	\$218,638	\$250,068	\$281,497	\$312,241	\$337,520	\$362,801
<i>Moderate-Income Households at 120% of 2012 Median Family Income</i>						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Number of Persons	1	2	3	4	5	6
Income Level	\$63,960	\$73,080	\$82,200	\$91,320	\$98,640	\$105,960
Max. Monthly Gross Rent ¹	\$1,599	\$1,827	\$2,055	\$2,283	\$2,466	\$2,649
Max. Purchase Price ²	\$262,430	\$299,850	\$337,269	\$374,689	\$404,723	\$434,758

Notes: Incomes based on the Sacramento PMSA (El Dorado, Placer, and Sacramento Counties); FY 2012 Median Family Income: \$76,100; HUD FY 2012 Section 8 Income Limits

¹ Assumes that 30% of income is available for either: monthly rent, including utilities; or mortgage payment, taxes, mortgage insurance, and homeowners insurance

² Assumes 95% loan @ 4.5% annual interest rate and 30-year term; assumes taxes, mortgage insurance, and homeowners' insurance account for 21% of total monthly payments

Source: U.S. Department of Housing and Urban Development (HUD); and Mintier Harnish, 2012.

Subprime Lending and Foreclosures

Background

The 2000s were a time of immense housing boom and bust in the United States. Low interest rates and large investments of foreign capital in the early 2000s made access to credit easy. This easy access to credit led to increased demand from buyers looking to purchase homes, which led to rapidly increasing home prices and a building boom. Eventually the housing market became saturated with a surplus of unsold homes, which caused housing prices to peak and begin to sharply decline in mid-2006.

During this period of expanding credit, lending standards began to deteriorate, particularly between 2004 and 2007 in the subprime mortgage market. Subprime loans are loans offered to individuals who do not qualify for a loan at the prime rate due to poor credit history, but historically they have also been offered to non-White households even though that household might qualify for a conventional loan. Subprime loans carry higher interest rates than conventional loans. Lenders began offering more subprime loans and increasingly risky loan options and borrowing incentives, such as adjustable rate and zero down payment mortgage loans to high-risk borrowers and in particular to African American and Hispanic households.¹⁴

One of the more risky loan options used frequently during this time period was adjustable rate mortgages. Because of easy access to credit and the belief that home prices would continue to appreciate, many subprime borrowers purchased adjustable rate mortgages, thinking they would be able to refinance their mortgages after a year or two of appreciation before the initial low-interest grace period ended and higher interest rates went into effect. However, when housing prices began a steep decline in mid-2006, refinancing became more difficult. As adjustable rate mortgages began to reset at higher interest rates, many homeowners found they were unable to afford the higher monthly payments and began to default on their mortgage loans, leading to a drastic increase in the number of defaults and foreclosures.

This increase in defaults and foreclosures on subprime mortgages starting in 2006 is known as the subprime mortgage crisis. Due to the complex repackaging of subprime mortgages into larger investments, the subprime mortgage crisis contributed significantly to a financial meltdown in 2008 and a global recession. In 2010 President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd Frank Act), which made substantial changes to the financial regulation system in the United States, including creating new loan origination standards for residential mortgage lenders. Furthermore, on January 1, 2013, the State of California enacted the Homeowner Bill of Rights, which is designed to protect homeowners and borrowers during the mortgage and foreclosure process.

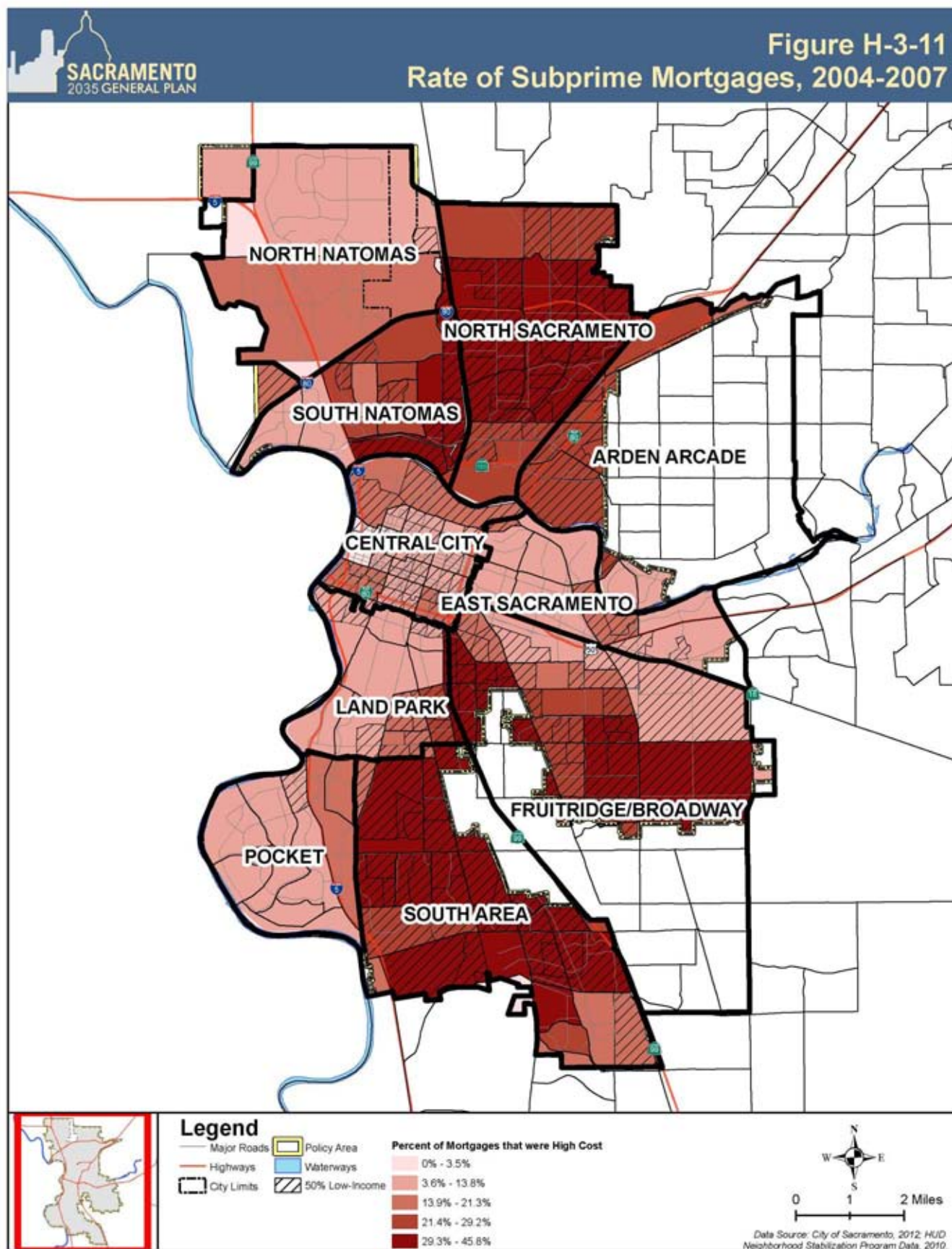
Subprime Lending Trends

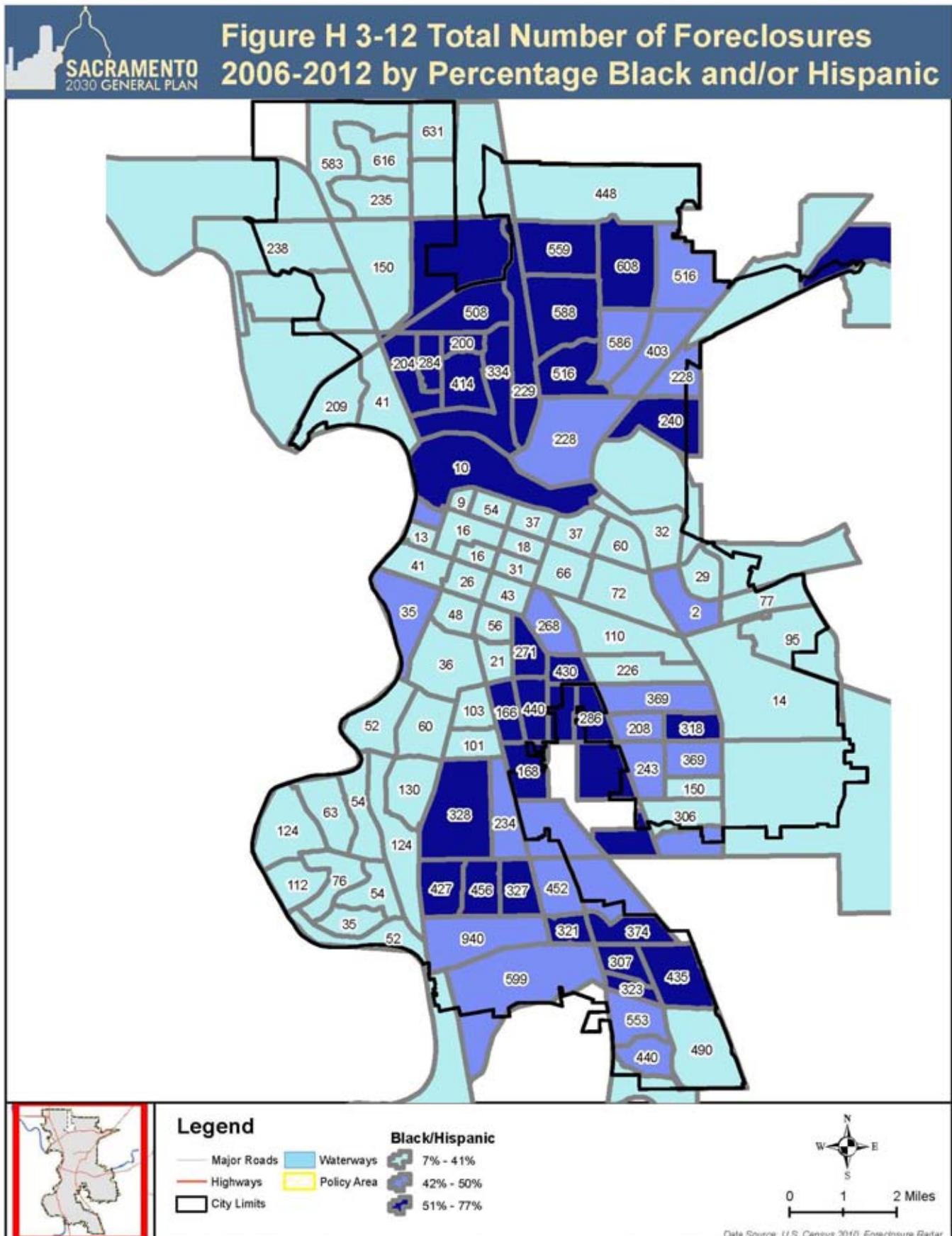
Figure H 3-11 shows the percentage of mortgages that were subprime (i.e., high-cost) between 2004 and 2007 according to HUD in 2010. As shown on the figure, North Sacramento, the South Area, and Fruitridge/Broadway had higher rates of subprime mortgages than other areas of Sacramento. In some Census Tracts within Fruitridge/Broadway, more than 40 percent of all conventional mortgage loans were subprime between 2004 and 2007.

¹⁴ Carolina Reid and Elizabeth Laderman, Federal Reserve Bank of San Francisco. *The Untold Costs of Subprime Lending: Examining the Links among Higher-Priced Lending, Foreclosures and Race in California*. November 18, 2009.

Figure H 3-11 also shows there was a correlation between areas with higher rates of subprime mortgages and areas with higher concentrations of lower-income residents in Sacramento. As shown on Figure H-3-11, almost all of the neighborhoods with the highest rates of subprime loans were neighborhoods where 50 percent or more of the households were considered low-income (i.e., earned less than 80 percent of the area median income).

Nationally and locally, there is a relationship between subprime lending and race and ethnicity. According to the Center for Responsible Lending, African Americans and Latinos were disproportionately affected by the foreclosure crisis. Borrowers of color were about 30 percent more likely to receive a subprime loan than White borrowers, even after accounting for income and credit. Figure H 3-12 shows the total number of foreclosures recorded from 2006 to 2012 and the percentage of the population that is Black and/or Hispanic by Census Tract. Generally, the Census Tracts with the greatest number of foreclosures also have the highest percentage of Black and/or Hispanic persons. When compared to Figure H 3-11, Figure H 3-12 shows there is a high correlation between the areas with the highest percentage of Black and/or Hispanic persons and the areas with the highest percentage of subprime mortgages. Most of the areas where more than 29 percent of all mortgage loans were subprime were also more than 51 percent Black and/or Hispanic. Similarly, most areas where less than 3 percent of all mortgage loans were subprime were also less than 41 percent Black and/or Hispanic.

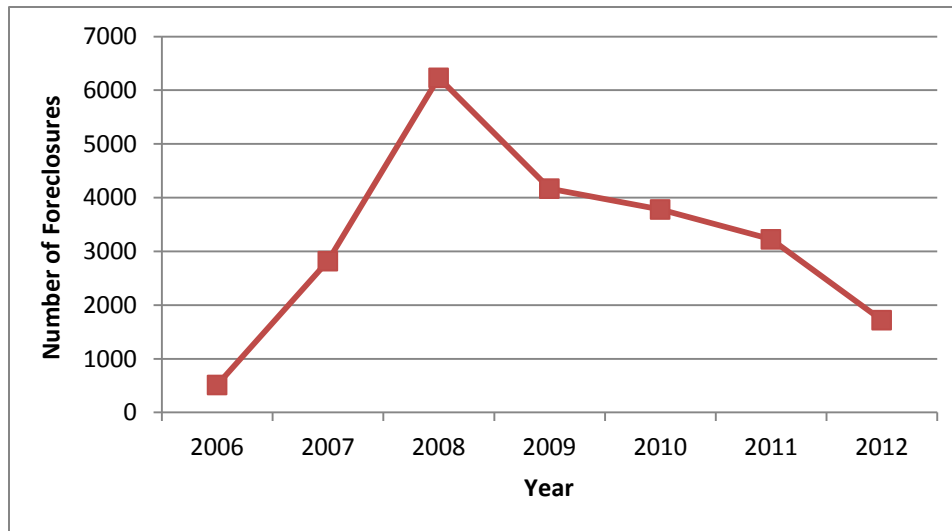




Foreclosure Trends

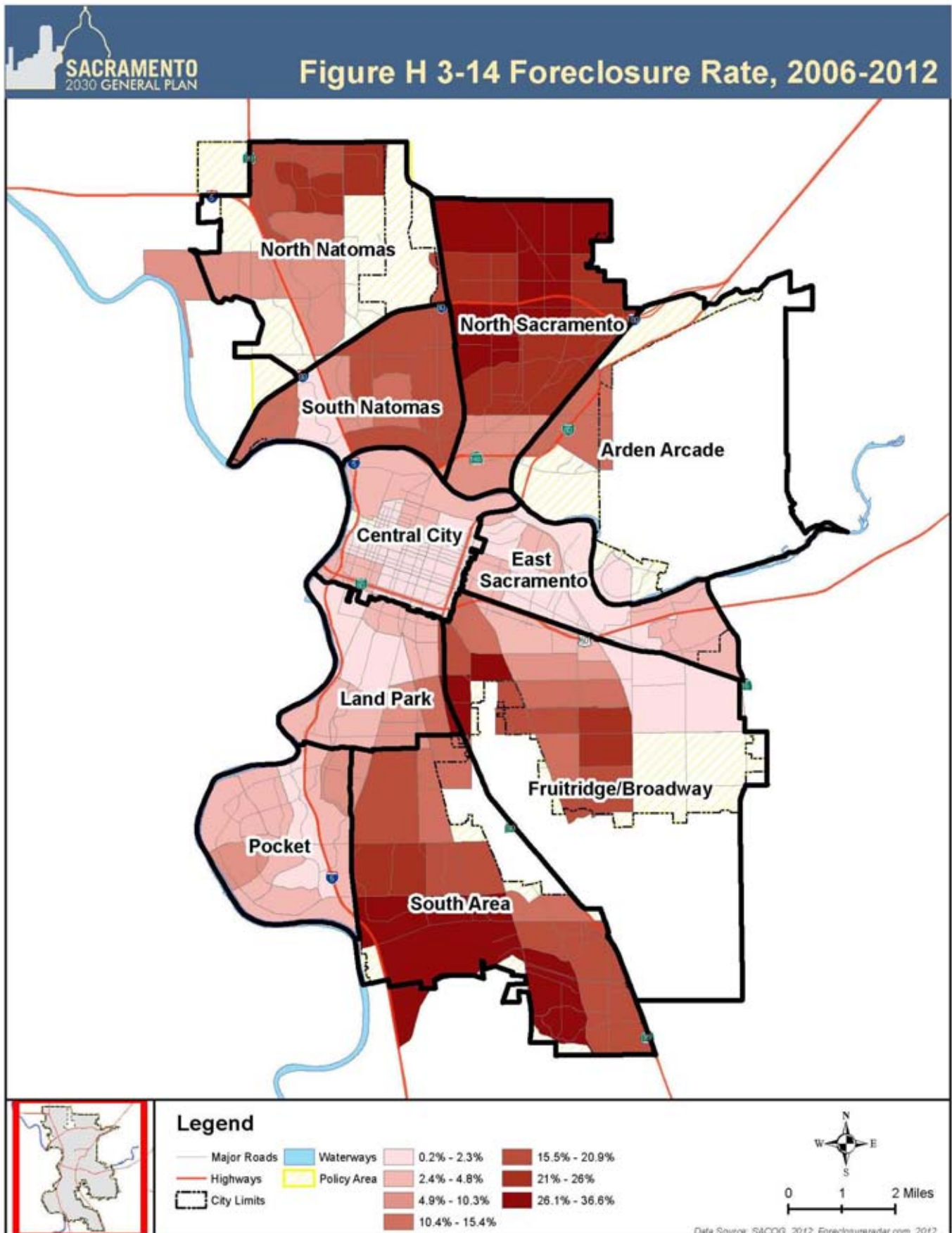
California was one of the states hardest hit by the foreclosure crisis. According to the California Reinvestment Coalition, since the beginning of the foreclosure crisis, more foreclosures have occurred in California than any other state. As of December 2012 California had the third highest foreclosure rate, with one in every 457 homes receiving a foreclosure filing (compared to 1 in 810 homes nationally). Only Florida and Nevada had higher rates. However, nationally and at the state and local levels, the number of foreclosures is decreasing. According to DataQuick, foreclosure resales accounted for 16.6 percent of all California resale activity during the last quarter of 2012, down from 20.0 percent the prior quarter and 33.6 percent in 2011. It peaked at 57.8 percent in the first quarter of 2009.

Figure H 3-13 shows the number of foreclosures in Sacramento from 2006 to 2012. The total number of foreclosures in Sacramento peaked at 6,232 housing units at the beginning of the recession in 2008. Over the next four years, the number of foreclosures dropped to 1,720 housing units in 2012. Figure H-3-14 shows the distribution of foreclosures between 2006 and 2012 in Sacramento. As shown in the figure, North Sacramento and the South Area experienced the highest rates of foreclosure, with some Census Tracts having more than 30 percent of homes in foreclosure.

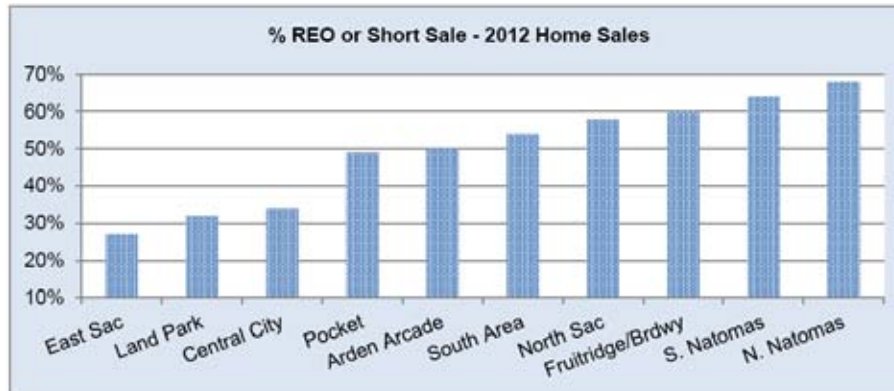


Source: SACOG, 2012; Foreclosureradar.com, 2012.

Figure H 3-13: Foreclosures 2006-2012



As shown in Figure H 3-15, a significant percentage of 2012 home sales in the city of Sacramento were real estate owned (REO) or short sales, ranging from a low of slightly below 30 percent in East Sacramento to a high of nearly 70 percent in North Natomas. In most of the community plan areas, REO and short sales made up about 50 to 60 percent of total home sales.



Source: Data Quick, data through October 2012.

Figure H 3-15: REO or Short Sales as a Percentage of Total 2012 Home Sales by Community Plan Area

While foreclosure rates are decreasing, foreclosures still make up a large share of total home sales in the Sacramento area. More than 2 percent of homeowners in the Sacramento-Arden-Arcade-Roseville Metropolitan Statistical Area were in foreclosure in the first quarter of 2012, the sixth-highest amount in 75 metropolitan areas.¹⁵

Overpayment

“Overpayment” is another measure commonly used by public agencies to measure housing affordability. HUD refers to overpayment as “housing cost burden” in its CHAS data. Households that pay more than 30 percent of their gross income for housing are said to be “overpaying” for housing. The 2005-2009 CHAS data provides some insight into overpayment. As shown in Table H 3-22, about 44 percent of households are overpaying for housing. Overpayment is more common for renter households.

Overpayment (2009)

34,150 Homeowner Households (38%)
42,345 Renter Households (51%)

<i>Income Spent on Housing</i>	<i>Owner</i>	<i>%</i>	<i>Renter</i>	<i>%</i>	<i>Total</i>	<i>%</i>
Less than 30 Percent	54,665	62	41,470	49	96,135	56
30 to 50 Percent ("cost burdened")	20,550	23	20,680	25	41,230	24
50 Percent or more ("severely cost burdened")	13,600	15	21,665	26	35,265	20
Total	88,815	100	83,815	100	172,630	100

Source: SACOG Housing Element Data Profiles, November 2012; 2005-2009 CHAS data.

¹⁵ Joan C. Fahrenthold, Associated Press, America's Sickest Housing Markets, 2012.

Residents at the lower end of the income scale are more likely to overpay for housing. Table H 3-23 shows the number of lower-income households in 2009 that paid more than 30 percent of their income for housing. In all, 56,500 households, or 68 percent of lower-income households, were estimated to overpay for housing in 2009. In 2009, 80 percent of ELI households overpaid for housing, compared to 75 percent of VLI, and 53 percent of LI households. Renters are also more likely to overpay for housing. Overall, 61 percent of lower-income owners and 71 percent of lower-income renters were overpaying for housing in 2009. While the total number of lower-income households overpaying for housing has decreased since 2000 (from 74,642 to 56,500 households), the proportion of lower-income households overpaying for housing has increased (from 58 to 68 percent of households).

Table H 3-23 2009 City of Sacramento Lower Income Households Overpaying for Housing

Category	Owners Overpaying		Renters Overpaying		Total Overpaying	
	Number	%	Number	%	Number	%
Extremely Low-Income (<30% MFI)	4,130	74	17,795	81	21,925	80
Very Low-Income (30–50% MFI)	5,075	62	12,425	82	17,500	75
Low-Income (50–80% MFI)	7,785	55	9,290	51	17,075	53
All Lower Income (<80% MFI)	16,990	61	39,510	71	56,500	68

Source: SACOG Housing Element Data Profiles, November 2012; 2005-2009 CHAS data.

Overcrowding

Overcrowded Households (2010)

2,902 Homeowner Households
6,091 Renter Households
8,993 Total Overcrowded Households (5%)

An overcrowded household is one that lives in a dwelling unit with more than one person per room (excluding bathrooms, porches, balconies, foyers, halls, or half-rooms). Overcrowding is caused by two major problems: lack of availability and lack of affordability of appropriately sized units, particularly for large families. When households are unable to afford adequate

housing, “doubling up” with family or friends may lead to an increase in overcrowding.

Overcrowding increased from about 9 percent in 1990, to 11 percent in 2000, but decreased to approximately 5 percent in 2010. The data from 2010 represent a significant decline from the 2000 total. This downward trend in overcrowding has been reflected in the 2006 and 2010 ACS.

Availability of Subsidized Housing

There are two types of rental assistance available to renters in need of assistance: 1) rent restricted housing units in projects assisted with public funds, and 2) rental housing vouchers that pay property owners the difference between what a renter can afford and a payment standard based on the fair market rent.

The Sacramento Housing and Redevelopment Agency (SHRA) is a joint powers agency created by the Sacramento City Council and the Sacramento County Board of Supervisors to serve as the Housing Authority, the Redevelopment Agency, and the Housing Department for the City and the County of Sacramento. California Assembly Bill 1X26, the Dissolution Act, eliminated all redevelopment agencies throughout the state effective February 1, 2012, including the Redevelopment Agencies of the City and

County. The Dissolution Act allowed successor agencies to wind down the affairs of the former redevelopment agencies. The City and County have assumed these roles and have designated SHRA as the local entity to retain the housing assets and housing functions of the former Redevelopment Agencies.

SHRA has one of the largest inventories of public housing among California Housing Authorities. Assisted housing is an important component of the housing inventory for maintaining housing diversity and choice and for housing households with extremely low and very low incomes. Currently, SHRA administers 1,868 units of public housing within the city of Sacramento and an additional 1,047 units of public housing in other portions of Sacramento County, and approximately 12,000 Housing Choice Vouchers (formerly Section 8) throughout the city and county of Sacramento, providing assistance to extremely low- or very low-income households.

In its past function as a Redevelopment Agency, SHRA provided funding for the construction, rehabilitation, purchase, and preservation of affordable rental and ownership units throughout the city and county. From 2007 to 2012, SHRA funded 554 new rental units, rehabilitated 1,958 rental units and 44 single family units, and provided down payment assistance for 274 homeownership units in the city.

Conclusions

The median home price in Sacramento decreased by about 55 percent between 2007 and 2012 to a low of \$149,250. In accordance with declining home prices, housing affordability has significantly increased since the late 2000s. An estimated 81.0 percent of households in the city can afford a median-priced home in 2012 compared to 7 percent in 2005. This drastic increase in affordability indicates that many households who desire to become homeowners can now afford to do so, including many middle income households who traditionally do not qualify for homebuyer assistance. However, though home prices are much more affordable access to those homes especially for low-income homebuyers and even some moderate-income homebuyers remains an issue due to tighter lending standards and the presence of investors paying cash for homes. In the long-term sales prices are likely to rise, and current (January 2013) data has already indicated that this may be the case, as the median sales price in the city has increased by about 5 percent to \$157,300.

Rents rose in the early 2000s – approximately six percent on average – although not as dramatically as housing prices. Rents in Sacramento have generally stabilized, rising less than 3 percent per year between 2003 and 2007, and about 4 percent between 2007 and 2010. The initial rise in rents during the early 2000s may have been due to high population growth and strong housing demand during a time when the supply of rental housing did not keep pace with population growth. A large number of apartment complexes have been completed in the Sacramento area since 2000, eventually increasing the supply of rental housing and, perhaps, contributing to the slow-down in rent increases as vacancy rates also continued to rise. Even so, very little of the unregulated rental housing constructed since 2000 is affordable to very low- and extremely low-income households.

Housing cost burden is high in the city, although the total number of households overpaying for housing has decreased since 2000. In 2009, 38 percent of homeowners and 51 percent of renters paid more than 30 percent of their incomes for housing. Overpayment was highest among extremely low-income renters (over 80 percent) and very low-income renters (over 75 percent).

There has been a decrease in overcrowded housing units since 2000, from approximately 11 percent of all households to 5 percent in 2010. This can be a result of several things, for example families or individuals can now afford to rent a place by themselves or large families can now afford larger units.

As late as the early 1990s, Sacramento could be generally considered an “affordable” place to live. Though changes in the market, demographic changes and population growth reversed this trend in the early 2000s, Sacramento is affordable once again. However, the increasing share of lower-income households with housing cost burdens may signal the need for more variety of regulated housing options.

3.5 New Housing Needs, Special Housing Needs, and At-Risk Housing

Summary of Key Findings of this Section

- The City should plan to accommodate 24,101 housing units between 2013 and 2021, of which 35 percent should be affordable to lower-income households.
- There are over 15,000 subsidized rental housing units in the city, including public housing, of which 1,602 are at risk of converting to market rate housing.
- Almost 16 percent of city households have extremely low-incomes. Black households, elderly households, and Hispanic households are most likely to have extremely low-incomes.
- Over 8,300 city residents live in group quarters, mostly in nursing homes and other residential care facilities.
- Female-headed households with children account for about 10 percent of all households. Over 30 percent have poverty level incomes.
- Seniors account for about 11 percent of city residents. Almost 21 percent have extremely low-incomes. Among seniors, single women have the lowest median income.
- Large families (households with five or more related persons) account for 10 percent of city households. About 60 percent of large family renters have lower incomes.
- About 14 percent of city civilian noninstitutionalized residents over the age of five have one or more disabilities.
- A January 2013 countywide homeless count found 2,538 homeless individuals. Over 1,700 homeless individuals were counted in various shelters and transitional housing, while nearly 800 were counted in unsheltered locations.

This section presents the City’s share of estimated new housing need as established by the Sacramento Area Council of Governments (SACOG) through the Regional Housing Needs Allocation (RHNA) process between 2013 and 2021. In addition to the RHNA, new housing need in Sacramento should reflect demographic and economic trends in the city, and existing needs that are not being met. The city has an inventory of over 15,000 subsidized rental housing units including public housing that are affordable to lower-income households, a valuable resource that should be preserved, if possible.

This section also identifies special housing needs, including the needs of seniors, female-headed households, disabled residents, students, large families, farm workers, and extremely low-income (ELI) households.

These housing needs must be considered in formulating the City's housing policy. Some special needs groups have needs beyond housing, including job training, health care, mental health care, child care, and/or other supportive services. With a few exceptions, special needs groups are disproportionately lower income and have higher poverty rates than the population at large, creating further challenges to finding suitable housing that is also affordable.

New Construction Need

The 2013 Regional Housing Needs Assessment (RHNA) for the Sacramento region covers the planning period from January 1, 2013 to October 31, 2021. SACOG allocated 24,101 housing units as the City's share of regional housing needs during this period. Approximately 21 percent of these housing units should be affordable to extremely low- and very low-income households, 14 percent to low-income households, and 19 percent to moderate-income households. The City's obligation under State law is to demonstrate how it will accommodate its share of regional housing needs with adequately zoned sites that are development ready. The City does not need to guarantee that all of the housing units it must accommodate can actually be built. Table H 3-24 shows the City's housing allocation from SACOG by income level.

Table H 3-24 New Construction Needs (January 1, 2013–October 31, 2021)		
<i>Income Group</i>	<i>Number of Units</i>	<i>% of Total</i>
Very Low	4,944	21
Low	3,467	14
Moderate	4,482	19
Above Moderate	11,208	46
Total	24,101	100

Source: SACOG Regional Housing Needs Allocation (RHNA) September, 2012.

In addition to identifying overall housing needs, the City must demonstrate that it can accommodate a variety of housing types (e.g., single room occupancy units, residential care facilities, homeless shelters) that house those with special needs. State law also requires that cities and counties plan for the needs of extremely low-income households. The City may assume that 50 percent of its very low-income regional housing allocation is for extremely low-income (ELI) households.¹⁶ With this assumption, the City's housing need for ELI households is 2,472 new units over the nearly nine-year RHNA period.

At-Risk Housing

Assisted Housing Projects. In 1989, the California Government Code was amended to include a requirement that localities identify and develop a program in their housing elements for the preservation of assisted, affordable multifamily units. Subsequent amendments have clarified the scope of the analysis to also include units developed pursuant to inclusionary housing and density bonus programs. In the preservation analysis, localities are required to provide an inventory of assisted, affordable units that are eligible to convert within 10 years. As part of the analysis, an estimation of the cost of preserving versus

¹⁶ Under state law, SACOG is not required to prepare a regional housing allocation specifically for extremely low-income households. However, the City must include quantified objectives in the Housing Element for the number of housing units that might be constructed, rehabilitated, or preserved for ELI households.

replacing the units is to be included, as well as details on alternative programs designed to preserve the affordable units.

The city of Sacramento is home to approximately 15,000 affordable units, including public housing. In general, once the period of restricted rent/occupancy expires, a property owner may charge market rents for the previously restricted units. There is a threat that low-income occupants may have to find alternative housing if rents rise to market levels, although in properties with Housing Assistance Payments (HAP) vouchers, those residents are provided “enhanced” vouchers to subsidize their rent in market rate projects.

Although these projects are required by law to be listed as at risk of converting to market rate housing, it is not a very good indicator of whether these units will actually convert. The majority of units included in this list are projects built under Federal Housing Administration (FHA) mortgage insurance programs in the late 1960s and early 1970s. In addition to the FHA mortgage insurance, most of these projects also included Housing Assistance Payment (HAP) vouchers, which function similarly to locally controlled Housing Choice Vouchers, formerly Section 8. These vouchers allow the owner to collect fair market rent, but restrict occupancy to lower-income residents and assure that the resident will only be responsible for that portion of the rent equal to 30 percent of their income. Because these vouchers are contingent on annual appropriations from the federal government, HAP vouchers must be annually renewed. Much of the affordability of these older FHA properties is linked directly to the voucher subsidy, and so technically, the units are constantly “at risk”. Over time, data and experience has shown that many owners continue to renew their contracts beyond the expiration date, providing evidence that the link between affordability expiration date and conversion is not inevitable.

Even with the relatively low likelihood of conversion, the City is proactive in preventing the loss of affordable housing units. In 2004, the City has adopted a Preservation Ordinance which requires that owners of projects with federal mortgage insurance and/or HAP vouchers provide the Sacramento Housing and Redevelopment Agency (SHRA) and the tenants of the property written notice within one year of an anticipated prepayment, termination of a subsidy contract, or termination of rental restrictions. This allows SHRA time to work with the owner to find a way to maintain the affordability of the units through subsidies or incentives, negotiation for purchase, or connecting the owner to an affordable housing developer for purchase. Should the owner still opt to convert to market rate rents, the ordinance ensures that tenants have at least 180 day notice and gives SHRA the right to inspect the property and sales agreement and to impose penalties to owners who fail to comply.

The inventory of assisted units required to be reported on in the Housing Element includes all multifamily rental units regulated by federal, state, and/or local programs, many of which are covered by the City’s Preservation Ordinance. Such units include those developed under the US Department of Housing and Urban Development (HUD) programs, tax exempt mortgage revenue bond programs, low-income housing tax credits, redevelopment programs, inclusionary housing programs, and density bonus programs that are eligible for conversion to market rate within the next 10 years (2013 to 2023). The total number of units at-risk for this period is 1,930.

Table H 3-25 presents a list of housing units that have income restrictions that may expire before 2023. The 328 units within the projects considered lower risk are those owned by SHRA or a non-profit housing organization. The remaining 1,602 units are within projects owned by profit motivated organizations, however, 374 of these higher risk units are “at-risk” only due to the annual renewal requirements associated with the HAP vouchers described above.

Table H 3-25 Units in Projects at Risk of Conversion to Market Rate Housing

<i>Project Name</i>	<i>Street Address</i>	<i>At-Risk Year</i>	<i>Primary Funding Sources</i>	<i>Total Units</i>	<i>Assisted Units</i>
Units at Higher Risk of Conversion					
Countrywood Village East	5500 Mack Road	2012	HUD	168	34
Park Place	1230 N St	2013	231 NC/SR	148	143
Larchmont Valley Hi	5280 Meadow Park Wy	2013	HUD/ HAP HFDA/NC/SR	10	10
Normandy Arms	1327 E St	2013	HUD/ HAP/LMSA	20	20
Artisan Square	1615 Del Paso Blvd	2013	HOME	7	7
Hellenic Senior Center	7847 Rush River Dr	2013	HUD/ HAP	70	70
Gloria Drive Apartments	7201–4 Gloria Dr	2013	HUD/ HAP	32	32
Victoria Apartments	1307 F St	2013	HUD/ HAP	10	10
Pioneer Towers	515 P Street	2013	HUD	198	100
Woodbridge Apartments	2028 San Juan Rd	2014	CDLAC Bond	301	61
Somerset Parkside	1001 – 1029 Q Street	2014	RHCP	26	26
St. Francis Manor	2515 J St	2014	HUD/ HAP 202/8	128	126
Camelot North	1222 E Street	2014	LMSA	20	20
Camelot South	1222 E Street	2014	LMSA	20	20
Whispering Pines Apartments	1454 Meadowview Road	2014	LMSA	96	96
Don Carlos	1510 O St	2015	RRP/DPR	8	8
Johnston House	1522 14th St	2015	RRP SHRA	6	6
L & D Properties	2425 Q St	2015	HOME	10	10
Alcoa Boise Cascade	701 Fairgrounds Drive	2015	LMSA	52	52
Dillon Christina Western	701 Fairgrounds Drive	2015	LMSA	140	140
Greenfair Towers II	701 Fairgrounds Drive	2015	LMSA	194	194
Shiloh Arms	4009 23rd Ave	2016	HUD/ HAP	106	106
Cascade Apartments	7600 Fruitridge Road	2016	HUD	74	73
Sequoia Hotel	911 K St	2016	TI, HCD	92	92
N/A	502 10th St	2016	HOME	8	7
N/A	511 9th St	2016	TI	2	2
Guild Theater/ Woodruff Hotel	3456 3 rd Ave	2016	TI	16	12
17 th Street Commons	1524 17th St	2017	HOME, TI	11	11
Grand Avenue Villa	3740 May Street	2017	LMSA	18	18
N/A	324 T St	2018	TI	3	3
Somerset Parkside	1001-1035 Q Street	2014	RHCP	26	25
Biele Place	1421 15 th Street	2014	RHCP	35	34
Don Carlos	1510 O Street	2015	RRP/DPR	8	8

Table H 3-25 Units in Projects at Risk of Conversion to Market Rate Housing

<i>Project Name</i>	<i>Street Address</i>	<i>At-Risk Year</i>	<i>Primary Funding Sources</i>	<i>Total Units</i>	<i>Assisted Units</i>
Johnston House	1506 O Street	2015	RRP SHRA	6	6
Brannan Court	1500 N Street	2018	CalHFA	40	8
17 th Street Commons	1614-40 O St. 1506-1524 17 th 1631 P Street	2033	CalHFA/HOME	29	12
Subtotal				2,138	1,602
Units at Lower Risk of Conversion					
River City Residences	1816 O Street	2012	HUD	15	15
Wong Center	331 J Street	2012	LMSA	187	187
Florin Gardens Coop. East Phase II	2536 Wah Avenue	2013	HUD/HAP	52	52
Florin Garden Apartments Coop.	6951 24 th Street	2014	LMSA	72	55
SAC PHA 8 Scattered Lots	7546 Skelton Way	2017	HUD/HAP	8	8
Steven's Place	2411 F St	2017	HOME	16	11
Subtotal				350	328
Total Units				2,488	1,930

Source: SACOG Housing Element Data Profiles, November 2012; Sacramento Housing and Redevelopment Agency, 2012; CADA, 2013.

Local Funding Definitions:

CDLAC = Tax exempt bond financing (California Debit Limit Allocation Committee)

HOME = HOME Investment Partnership Program (Federal Funding)

HUD/HAP = Housing and Urban Development/ Housing Assistance Payments Contract

TCAC = Tax Credit financing (Tax Credit Allocation Committee)

TI = Tax Increment

CDBG = Community Development Block Grant funding (Federal funding)

RRP = Rental Rehabilitation Program

Downtown = Downtown redevelopment project area Low-Income Housing Fund

HCD = State Department of Housing & Community Development

LMSA = Loan Management Set-Aside

SHRA = Sacramento Housing and Redevelopment Agency

202/8 = HUD Section 202 and 208 Programs

NC/SR = Section 8 New Construction/Substantial Rehabilitation

DPR = Down Payment Resource

HFDA = Section 8 Funding through Housing Finance and Development Agency

RCHP = Rental Housing Construction Program

Preservation Options

In addition to identifying units at risk of converting to market rate housing, Government Code Section 65583(a)(8)(B) requires a comparison of costs to replace lost units through construction or rehabilitation to the cost of preserving the existing units. Preservation of the at-risk units can be achieved in several ways, including 1) facilitating a transfer of ownership of these projects to affordable housing organizations; 2) purchasing of affordability covenants; and 3) providing rental assistance to tenants.

Purchase of Affordability Covenant

The first option to preserve the affordability of at-risk projects is to provide an incentive package to owners to maintain the projects as low-income housing. Incentives could include restructuring the existing loan, and/or supplementing the HAP fair market rent to market levels, if market rents are substantially more than the HUD allowed fair market rent, and/ or providing a low interest loan or grant to finance project rehabilitation. It is difficult to estimate the cost of purchasing affordability covenants due to the number of variables in such a purchase.

Transfer of Ownership

Long-term affordability of low-income units can be secured by transferring ownership of these projects to non-profit or for-profit affordable housing organizations. By doing so, these units would be eligible for refinancing using a range of affordable housing financing programs, including low-income housing tax credits and tax-exempt mortgage revenue bonds that ensure affordability for at least 55 years from the time of funding. Most of these transactions also include rehabilitation of the project to modernize the property and to extend the useful life of the major systems. Upon review of recently financed preservation projects that have been acquired and refinanced as shown in Table H 3-26, the average cost of acquiring and rehabilitating these affordable housing units is \$112,307 per unit, or \$216,752,510 for all 1,930 at-risk units.

Table H 3-26 Estimated Acquisition/Rehabilitation Cost			
<i>Preservation Project</i>	<i>Number of Units</i>	<i>Total Cost</i>	<i>Cost/Unit</i>
Norwood Avenue Apartments	28	\$1,840,000	\$65,714
Wong Center Apartments	187	\$31,916,593	\$170,677
Y.W.C.A. Residential Hotel	32	\$3,217,000	\$100,531
Average	82	\$12,324,531	\$112,307
Total for all 1,930 "At Risk" units			\$216,752,510

Source: Sacramento Housing and Redevelopment Agency, 2013.

Rent Subsidy

Tenant-based subsidies could be used to preserve the affordability of housing. Similar to Housing Choice Vouchers (formerly Section 8), the City, through a variety of potential funding sources, could provide a voucher to lower income households. The level of subsidy required to preserve at-risk affordable housing through rent subsidies is estimated to equal the Fair Market Rent for a unit minus the housing cost affordable by a lower-income household. Table H 3-27 estimates the rent subsidies required to preserve the housing affordability for a theoretical project with equal numbers of three different prototypical units. Based

on the estimates and assumptions shown in the table, approximately \$3.9 million annually would be required to preserve the current at-risk inventory of 1,930 units.

Table H 3-27 Potential Rent Subsidies					
		1 BR	2 BR	3 BR	TOTAL
Per Unit Affordable Rent ¹					
A	Low Income (60% AMI)	\$914	\$1,029	\$ 1,142	
B	Very Low Income (50% AMI)	\$761	\$856	\$951	
C	Average (A & B)	\$838	\$943	\$ 1,047	
D	Per Unit Fair Market Rent	\$837	\$1,021	\$ 1,473	
E	Monthly Per Unit Subsidy (D–C)	\$0	\$78	\$426	
F	Annual Subsidy/Unit (E * 12)	\$0	\$936	\$5,112	
Total “At Risk” Units ²		643	643	644	1,930
Total Annual Subsidy		\$0	\$601,848	\$3,292,128	\$3,893,976

Source: HUD, 2012; SACOG, 2012; Mintier Harnish, 2013.

¹ Gross rents as allowed under the HOME and low-income housing tax credit programs.

² Assumes 1/3 of total “At Risk” units within each bedroom size.

Replacement Costs Cost Comparisons

To estimate replacement housing costs for units potentially lost in the affordable housing market, per unit construction costs of recently approved or constructed projects are used. The land for the projects listed was donated, so the estimated cost does not include the land cost, which would add substantially to the overall project cost (estimated land costs are discussed in Chapter 8, Constraints). Based on costs for recently funded new construction multifamily projects, it is estimated that the average per unit cost is \$273,066 or about \$5.3 million for all 1,930 units as shown in Table H 3-28

Table H 3-28 Estimated Replacement Cost			
New Construction Project	Number of Units	Total Cost¹	Cost/Unit
Broadway and Martin Luther King Blvd.	56	\$14,039,751	\$250,710
Kelsey Village	20	\$5,704,286	\$285,214
La Valentina	81	\$29,952,000	\$369,778
North of Richards Blvd. on North Seventh Avenue	180	\$33,581,000	\$186,561
Average	85	\$20,819,259	\$273,066
Total for all 1,930 “At Risk” units			\$527,017,380

Source: Sacramento Housing and Redevelopment Agency, 2013.

In summary, the three cost estimating scenarios find the relative preservation costs to be:

- Acquisition and rehabilitation - \$216,752,510
- Rent subsidy - \$3,893,976 annually or \$38,939,760 over ten years
- Replacement through new construction - \$527,017,380

Replacement and preservation of these 1,930 at-risk units is costly, regardless of the preservation method. Providing an acquisition and rehabilitation program would be the least costly option. Additionally, there are many Federal and State funding programs available for acquisition, rehabilitation, and new construction of affordable housing.

There are several organizations active in the region that have the capacity to own and manage affordable rental projects and have expressed an interest in being notified of the availability of assisted rental housing. These organizations listed in Table H 3-29 have been pre-approved by HCD to participate in acquisition of at-risk properties. In addition to these qualified companies, there are many other affordable housing developers locally and throughout the state who participate in preservation projects.

Table H 3-29 Qualified Entities in Sacramento County	
<i>Company</i>	<i>City</i>
ACLC, Inc	Stockton
Affordable Housing Foundation	San Francisco
C. Sandidge and Associates	Pinole
Christian Church Homes of Northern California, Inc.	Oakland
Community Home Builders and Associates	San Jose
Community Housing Opportunities Corporation	Davis
Eden Housing, Inc.	Hayward
Eskaton Properties Inc.	Carmichael
Housing Corporation of America	Laguna Beach
Nehemiah Progressive Housing Dev. Corp.	Sacramento
Norwood Family Housing	Sacramento
Project Go, Inc.	Rocklin
ROEM Development Corporation	Santa Clara
Rural California Housing Corp	West Sacramento
Sacramento Valley Organizing Community	Sacramento
Mutual Housing California	Sacramento
Satellite Housing Inc.	Berkeley
Solano Affordable Housing Foundation	Fairfield
Transitional Living and Community Support	Sacramento

Source: California Department of Housing and Community Development, 2012.

Conclusions

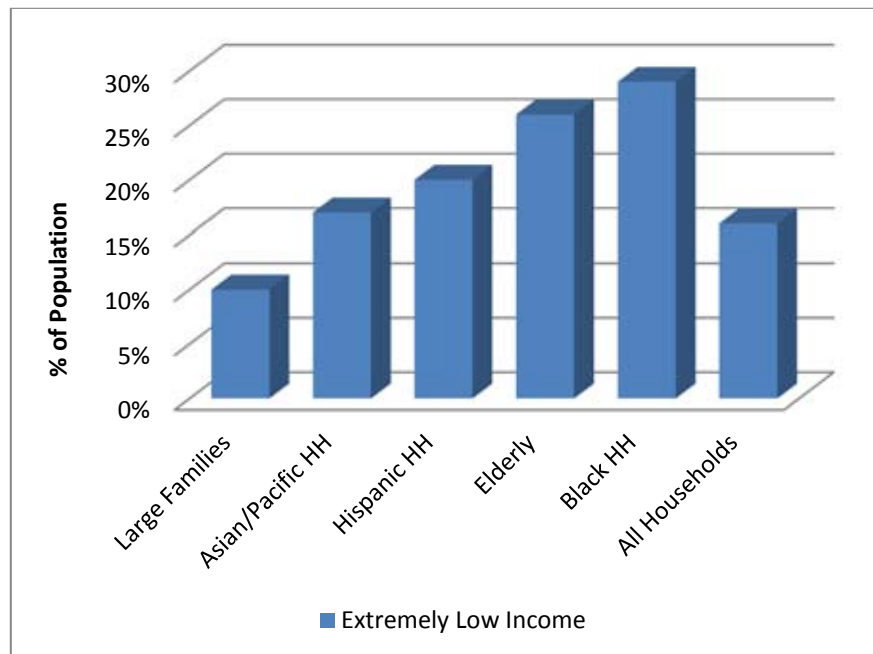
The City of Sacramento takes a very effective approach to ensuring its stock of regulated rental units remains affordable and available to lower income residents. While 1,930 units are considered “at risk” during this housing element cycle, given the City’s proactive Preservation Ordinance and the presence of

Housing Assistance Payments (HAP) vouchers on many of the units, it is unlikely that many affordable units will look to convert. Should owners opt to convert to market rate, the City has numerous programs and policies in place to facilitate new affordable development and to provide alternate affordable housing options to any displaced residents (see Chapter 9 for more detail). Since adoption of the Preservation Ordinance in 2004, the City has provided funding to preserve 517 units from conversion, ensuring additional long-term affordability in the existing affordable housing stock.

Special Housing Needs

Special housing needs relate to age, disability, income, family size, or other circumstances (such as student status) that create additional challenges to obtaining suitable housing that is also affordable. The following section describes these special needs groups and their associated housing availability issues.

Extremely Low-Income (ELI) Households. Extremely low-income (ELI) households are those with an income of 30 percent or less of the area median income, adjusted for family size. According to HUD's 2005-2009 CHAS data, approximately 27,495 households (approximately 16 percent of the city's total households) were ELI households. Special needs households are more likely than the population at large to have extremely low incomes. This includes seniors whose primary source of income is Social Security, persons with disabilities, minimum wage workers, homeless persons, and single parents. In Sacramento, Black or African American, elderly, or Hispanic households are more likely to have extremely low incomes. Figure H 3-16 shows population groups, including special needs groups and racial minorities who have a higher percentage of ELI households.



Source: HUD (2005-2009 CHAS)

Figure H 3-16: Percentage of ELI Households by Population Group

In 2012, a family of four making 30 percent of area median income (ELI) earned \$22,850. This income equates to a wage of about \$10.99 per hour for a single wage-earner, or almost three dollars more than the 2012 state minimum wage. As would be expected in a population of such little means, most ELI households (80 percent) rent their homes. However, among elderly ELI households (26 percent of all ELI households), homeownership rates rise to approximately 37 percent.

Regardless of tenure, 85 percent of ELI households experience additional housing problems such as overpayment, overcrowding, and/or severe structural dilapidation. About 80 percent of ELI households paid more than 30 percent of their incomes for housing, including 67 percent who paid more than 50 percent of their incomes. This same extremely low-income family of four described above could afford a monthly housing cost of approximately \$571 a month. This ELI family would have to spend 63 percent of their monthly income to afford the median three-bedroom apartment rent of \$1,200 per month.

Virtually all ELI households are expected to need aid, including housing cost subsidies and social services. The City's program for addressing chronic homelessness, which provides housing followed by additional services based on the client's needs, is likely to assist many ELI households with extreme housing issues. Other programs available to serve ELI clients include the Single Room Occupancy (SRO) strategy, public housing units, housing choice vouchers, and low-income housing tax credits.

Group Quarters Population. The group quarters population includes residents with special needs, both for housing and support services. Group quarters residents include inmates at County jails, prisons, military quarters, college dormitories, nursing homes, and other types of housing or shelter in which unrelated people live in common. Group quarters populations do not include residents of assisted living facilities that have individual living units, such as senior apartments with on-site assistance.

Special needs related to residents of group quarters most typical in Sacramento are most likely to reflect the needs of infirm older adults, persons with disabilities and other self-care limitations, and homeless individuals and families. These special needs groups are discussed later in this section.

The group quarters population decreased by approximately 8 percent from 2000 to 2010 in the city from 9,002 to 8,314 individuals. The largest subset of the group quarters population in 2010 was 2,775 persons living in non-institutionalized facilities such as group homes or residential care facilities (also called "community-based homes") that provide care and supportive services. Such places include homes for the mentally ill, developmentally disabled, and others with self-care limitations; drug/alcohol halfway houses not operated for correctional purposes; and communes.

In 2010, 1,367 people were living in nursing homes, which was a decrease of almost 29 percent over the 2000 total of 1,917. Another 2,254 individuals resided in correctional facilities (including inmates at the main County jail who did not list another place of residence), which was a 9 percent increase over the 2000 total of 2,059.

The final group quarter category included 1,493 residents of colleges, which was a 65 percent increase over the 2000 total of 907. The majority of students who live or study in Sacramento are non-traditional students, with housing needs independent of their status as students.

Table H 3-30 presents the types of group quarters populations in 2000 and 2010. Due to differences in how group quarters population were classified in 2000 and 2010, these two sets of data are not directly comparable. The drastic decrease of persons in military quarters is likely due to the fact that McClellan Air Force Base closed in 2001. McClellan Air Force Base is located adjacent to the city limits.

Table H 3-30 Group Quarters Populations 2000-2010		
<i>Type of Group Quarters</i>	<i>2000 Population</i>	<i>2010 Population</i>
Correctional Institutions	2,059	2,254
Nursing Homes	1,917	1,367

Table H 3-30 Group Quarters Populations 2000-2010		
<i>Type of Group Quarters</i>	<i>2000 Population</i>	<i>2010 Population</i>
Other Institutions	855	291
College Dormitories	907	1,493
Other Non-institutional Group Quarters	N/A	2,775
Juvenile Institutions	N/A	134
Military Quarters	3,172	0
Total	9,002	8,314

Source: 2000 and 2010 Census.

N/A – Not available.

Single Female-Headed Households. Single female heads-of-households have special needs due to their incomes and family status. Single mothers (single female-headed households with children) and single women 65 years of age or more (single elderly women) on fixed incomes are among the special needs population at greatest need. The needs of single elderly women are discussed in the section on seniors following this section.

Single Female-headed Households (2010)

27,640 Single Female-headed Households
16% of all Sacramento Households

15,285 Single Female-headed Households with
own children under 18 years (9% of households)

The number of single female-headed households with own children increased between 2000 and 2010, as shown in Table H 3-31, while the number of single mothers as a percentage of total households has remained steady. Single mothers face housing challenges because of their incomes, in that many single mothers do not earn enough to qualify for market rate housing, and subsidized housing is in short supply, especially those units of sufficient size and with sufficient amenities to meet the needs of families. Many single mothers also receive some form of public housing assistance. In 2012, 77 percent of public housing residents countywide were female headed households. With 43 percent of public housing residents under the age of eighteen, it can be surmised that a large majority of these households are single mothers.

Table H 3-31 Single Female-headed Households with Own Children Under 18 Years		
<i>Year</i>	<i>Single Female-headed Households With Own Children Under 18 Years</i>	<i>Percent of Total Households</i>
2000	14,356	9%
2010	15,285	9%

Source: SACOG Housing Element Data Profiles, November 2012; 2000, and 2010 Census.

According to the 2006-2010 American Community Survey, approximately 32 percent of single mothers had incomes below the poverty level. Poverty level, like income levels, varies depending on family size; for a family of four, the poverty level in 2009 was \$22,314, or 39 percent of Sacramento area median income during that same year. Over half (51 percent) received some form of public assistance income, such as Supplemental Security Income, public assistance, or food stamps. The median income for single mothers—\$27,648—was less than half (48 percent) of the median income for all families in the city.

A phenomenon on which the Census Bureau began reporting at the turn of the century is the number of grandparents raising their own grandchildren. Of the nearly 4,200 grandparents raising their own grandchildren in the city in 2010, 64 percent were women. Nearly 24 percent of grandparents raising grandchildren lived at the poverty level.¹⁷

Single female-headed households with children can be assisted by many of the same strategies targeted to very low- and extremely low-income households in general. However, childcare, early childhood education (such as Head Start), and other family supportive services are particularly important for these households.

Seniors. Seniors (persons age 65 or more) are a special needs group because a high percentage have relatively low incomes and decreasing mobility, which limit their housing options. Many seniors own homes that no longer meet their needs; for example, their homes may be too large, not located near medical and other service, and/or need repairs or accessibility modifications.

In 2010, 49,420 seniors lived in the city and 29,999 households were headed by seniors in the city (see Table H 3-2 for detailed population age numbers). Overall the senior population is rising, up 6 percent since 2000, despite the declining proportion of seniors as a subset of the total population. Senior headed households have slightly increased since 2000, perhaps due in part to the decreasing number of seniors living in nursing homes.

Seniors, as a group, have lower incomes than the population at large. The median income in 2009 of households headed by seniors was \$34,760, about 69 percent of the median income of all households in the city. This median senior income was approximately 60 percent of area median income for a family of two and 68 percent of area median income for a single person in 2009.

In contrast to city households as a whole, who had a 49 percent ownership rate in 2010, 68 percent of senior households were homeowners in 2010, down from 71 percent in 2000. Although most elderly residents own their homes, often unencumbered by debt, many may be in a situation characterized as “house rich and cash poor.” In other words, a person may have large equity in a home, but still be forced to live on a minimal fixed income. Selling the home may not be an available option, because the cost to rent a housing unit may override the income made available by the home sale. Seniors who do rent face the problem of paying ever increasing rents on fixed incomes. Approximately 32 percent of elderly households were estimated to be renters in 2010, or 10,157 senior households.

In addition to financial difficulties, many seniors face transportation difficulties and are unable to use public transit due to limited mobility. Compounding this problem, more than half of all seniors live alone and therefore may not have access to any type of transportation assistance.

The vast majority of the senior population desires to live an independent lifestyle as long as possible. Housing and assistance programs for seniors should put priority on independent living, attempting first to maintain these persons in their own homes.

Female Householders 65 Years of Age or More. A subgroup of seniors that may have special housing needs are single elderly women. In 2010, 10,968 households were headed by women 65 years of age or more. Women in this age group face housing challenges that are often greater than the senior population as

¹⁷ The 2006-2010 American Community Survey did not report on the percentage of grandmothers with poverty level incomes raising grandchildren.

a whole because these women have substantially lower incomes than seniors as a group and less ability to obtain housing that meets their needs.

According to the 2006-2010 American Community Survey, single elderly women had a median income of about \$20,760, about 41 percent of the median income for all Sacramento city households and about 60 percent of the median senior household income of \$34,670. In 2006 over half (53 percent) of these single women owned their homes, and it is likely that a substantial number of these homeowners experienced difficulties in maintaining and/or adapting their homes for accessibility, given that over half (52 percent) of elderly women had one or more disabilities.²¹ In 2006 over 14 percent of elderly women reported that their disabilities affect their ability for self-care, while nearly 27 percent reported that they had difficulties going outside their homes.¹⁸

Large Families (2005-2009 CHAS)

10,025 Owner Households (57%)
7,550 Renter Households (43%)

17,575 Total Large Family Households

Large Families. A large family is defined as a household of five or more related individuals. Large families represent the overwhelming majority (98 percent) of large households according to the 2006-2010 American Community Survey

In 2010, about 10 percent of all households (17,575) were large families. This number represents a 10 percent decrease in ten years.

The primary housing challenge facing large families is insufficient income to afford housing of adequate size to meet their needs. Homeownership among large families increased from 2000 to 2009. By 2009, 57 percent of large families owned their homes, and 43 percent were renters in the city. Large families are proportionally more represented in lower income brackets than in the household population as a whole.

Large families in higher income categories tend to be homeowners or have adequate income to own or rent units of adequate size and sufficient number of bedrooms. However, large families who are renters are more likely to have difficulty finding housing, due both to their lower incomes and the limited number of larger units in the rental housing stock. In 2009, about 81 percent of large families (6,145) living in rental housing were low-, very low- or extremely low-income.

Residents with Disabilities (2010)

65,436 Civilian Noninstitutionalized
Individuals with Disabilities

Disabled. Individuals with disabilities have special needs related to relatively low incomes, housing accessibility, self-care, access to transit, and proximity to health care and supportive services. Many individuals with disabilities cannot afford housing that meets their needs or cannot afford to live in neighborhoods with good access to transit.

According to the 2008-2010 American Community Survey, 65,436 civilian noninstitutionalized individuals over age five in the city of Sacramento had one or more sensory, physical, mental, self-care, or “go outside the home” disabilities.¹⁹ This number represents about 14 percent of the city’s civilian noninstitutionalized population over age five.

¹⁸ Comparable data is not available from the 2006-2010 American Community Survey.

¹⁹ The Census Bureau defined disabilities based on two questions from the 2000 Census Long Form: 1) a long-lasting condition such as blindness, deafness, a severe vision or hearing impairment, or a condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying; and 2) a physical, mental, or emotional condition

The 2000 CHAS data provides the most recent detailed income data for disability status by age. Detailed disability status is not available from the 2009 CHAS data. The 2000 CHAS data shows 31,454 lower-income households with disabilities.²⁰ Over 44 percent were very low-income households (including more than 25 percent extremely low-income), and the other 20 percent were low-income.

SB 812, which took effect January 2011, amended State housing element law to require an evaluation of the special housing needs of persons with developmental disabilities. A "developmental disability" is defined as a disability that originates before an individual becomes 18 years old, continues or can be expected to continue indefinitely, and constitutes a substantial disability for that individual. This includes mental retardation, cerebral palsy, epilepsy, and autism.

The 2008-2010 American Community Survey estimates that 29,828 Sacramento residents have a cognitive difficulty, which comprises 46 percent of disabilities in the city. According to the California Department of Developmental Services, as of July 1, 2012, the Alta California Regional Center served 17,570 residents with developmental disabilities in the region, 4,489 (26 percent) of which resided in the city of Sacramento. Of this total, 36 percent are ages 0-14, 17 percent are ages 15-22, 38 percent are ages 23-54, 6 percent are ages 55-64, and 3 percent are ages 65 or over. The Sierra Vista Developmental Center in Yuba City, which also served residents from the region, closed in 2009. Most developmentally disabled residents in the region (60.1 percent) have a type of mental retardation and many (19.4 percent) are autistic.

While about 28 percent of developmentally disabled individuals live in supported housing, 72 percent live at home. Many developmentally disabled persons are able to live and work independently. However, more severely disabled individuals require a group living environment with supervision, or an institutional environment with medical attention and physical therapy. Additionally, almost half (44.1 percent) of developmentally disabled individuals are under the age of 18. Because developmental disabilities exist before adulthood, the first housing issue for the developmentally disabled is the transition from living with a parent/guardian as a child to an appropriate level of independence as an adult.

Another perspective on the disabled population in Sacramento County can be seen by examining the number of Supplemental Security Income (SSI) recipients living in Sacramento County. In December 2011, based on information from the State Department of Social Services, there were 54,470 blind and/or disabled individuals receiving SSI throughout Sacramento County. The SSI is a program based on individual need and resources and does not include the Social Security Disability Insurance Program (SSDI), the disability insurance program employees normally pay into. Recipients in the SSDI program would add to total disabled population.

Based on information from caseloads from the Community Services Planning Council, 25,590 people received mental health services from Sacramento County in 2009. More recent data shows that 9,045 people received mental health services from the County during the month of May 2011 alone. This total includes both city residents and those from elsewhere in Sacramento County.

lasting six months or more that creates a difficulty in learning, remembering, concentrating, dressing, bathing, getting around inside the home, or going outside the home alone to shop or visit a doctor's office. Individuals may have more than one disability. The Census Bureau used the same definitions for the American Community Survey.

²⁰ CHAS data includes only the number of households with disabilities, not the number of individuals. Comparable data for 2009 is not available.

Because disabilities include a wide range and severity of sensory, physical, mental, and developmental conditions, the special needs of persons with disabilities is wide ranging, as well. In addition to affordable and accessible housing, transportation, and proximity to services, many persons with disabilities need on-site support or even full-time care in a group home environment.

Students. Three major public colleges are located within the city of Sacramento: California State University Sacramento (CSUS), Sacramento City College, and Cosumnes River College. The latter two are two-year colleges. The University of California, Davis Medical Center is also located in the city, and many of the medical school functions are also located on the Medical Center campus.

In the fall of 2011, enrollment at CSUS, the only four year college in the city, was about 28,000. As of Fall 2011, the enrollment at Sacramento City College was almost 22,800 students, with an additional 15,450 students at Cosumnes River. This amounts to a total enrollment of about 66,250 students for all three campuses, or 14 percent of the entire population of the city. The UC Davis Medical Center reports approximately 800 students, plus interns assigned to the medical center. In general, approximately 11 percent of the city's population was enrolled in college or graduate school according to the 2006-2010 American Community Survey, pointing to the fact that many students, especially those at the two-year colleges and the medical center, do not live within the city boundaries.

CSUS is the only college in the city with on-campus housing. Its student housing capacity is approximately 1,600. Consequently, 94 percent of students at CSUS and 98 percent of students citywide live off campus, including in housing leased by the University. While the University is in the process of significantly increasing its on-campus student housing capacity, currently, most students live with their parents or in rental units throughout the Sacramento area.

Sacramento has a large percentage of older, continuing education students, who have already established homes and careers. Over 23 percent of students at CSUS are age 25 or older. This factor somewhat decreases the low-income housing needs generated by the college, although data as to the magnitude of this factor is not available.

There are many other colleges in Sacramento, including law schools, bible colleges, trade schools and university extensions. These schools have low enrollments relative to the city's population. However, one large private college, McGeorge School of Law in Oak Park, has approximately 860 day students.

Farmworkers. Farmworkers represent a small fraction of the city's labor force. In 2010, 1,326 city residents were employed in the agriculture, forestry, and fishing and hunting industries. According to the 2007 Agricultural Survey, in 2007 the entire county of Sacramento had 4,745 farmworkers. Although little agricultural activity remains within the Sacramento city limits, the region includes significant agricultural activity that attracts farmworkers and their families.

Farmworkers

4,475 Farmworkers in Sacramento County

In 2000, a study to enumerate and profile migrant and seasonal farmworkers in California was completed for the U.S. Department of Health and Human Services. This study estimated that 2,831 migrant farmworkers and 3,284 seasonal farmworkers were employed in Sacramento County. Including all members of farmworker households, 10,882 farmworkers and their family members were estimated to reside or work in the county. While the study did not differentiate those living in the unincorporated portions of the county, based on the location of farming activities, it can be assumed that a large majority of these

farmworker households reside in the unincorporated portions of Sacramento County, and few in Sacramento city or other cities.

According to the 2000 Comprehensive Housing Affordability Survey (CHAS), seasonal farmworkers (those who live in the area full-time) are part of the area's lower-income population. Migrant farmworkers, on the other hand, are not counted by the Census as part of the local population and may not be counted in Census-based studies of affordable housing needs. However, migrant workers do have shelter needs while working in the county. Farmworker housing needs for migrant and seasonal farmworkers may be greatest in proximity to agricultural areas of the county such as the Delta, than within the incorporated area of the city of Sacramento, which is remote from farming areas. City farmworker housing needs are anticipated to be relatively small.

As the county's farmlands are developed for urban uses, some permanent farmworkers may be displaced from farm employment and may seek jobs and housing in more urban areas. Again, strategies to assist very low-income households will also benefit this special needs population.

Homeless Population. While the Sacramento County Department of Human Assistance (DHA) has historically administered the community's Continuum of Care (CoC) and homeless programs, a collaborative effort by numerous stakeholders transitioned the management of these programs to the non-profit organization Sacramento Steps Forward (SSF) in 2011. As part of their efforts to continually monitor, understand, and appropriately plan for housing and service needs for the homeless population, the City and County, through DHA and SSF, undertake a single day (or a "point-in-time") count of the homeless. This project has numerous contributing partners, including but not limited to the following: the Downtown Sacramento Partnership, law enforcement (police and park rangers), community volunteers, Sacramento Steps Forward, and the Leadership Council of the Ten Year Plan.²¹ The homeless population is varied and complex, and enumerating this population is difficult. The count is conducted for two reasons. First, it is required by the Department of Housing and Urban Development (HUD) as part of the annual application for McKinney-Vento funding. Secondly, the count is conducted as part of the ongoing monitoring for the Ten Year Plan to End Chronic Homelessness. The count relies on a methodology that allows for focused geographic counting and extrapolation of that count to the broader geography of the city and County. Although DHA has been conducting point-in-time counts since 2003, this research-based methodology was first used for the 2007 and 2008 counts.

Homeless Population (Sacramento County)

January 24, 2013 Homeless Count:
2,538 Total Homeless People

Table H 3-32 describes a point-in-time count of the subgroups in Sacramento's homeless population by shelter status. On the evening of January 24, 2013, SSF conducted a homeless count to determine the size of the homeless population throughout Sacramento County in shelters, transitional housing, and on the streets. This point-in-time count documented 2,538 individuals, including 808 in emergency shelters, 944 in transitional shelters, and 786 on the streets.²² At the time of the 2013 count, 27 percent of homeless people were severely mentally ill and 39 percent were chronic substance abusers. About 12 percent of homeless

²¹ The Leadership Council is one component of the leadership structure created to implement the Ten Year Plan to End Chronic Homelessness. In 2011, through a collaborative effort of numerous stakeholders, the non-profit organization Sacramento Steps Forward was formed to administer the County Department of Human Assistance Continuum of Care and other homeless programs. Please see their website for more information: <http://www.sacramentostepsforward.org/>

²² Sacramento County Department of Human Assistance, 2011

people counted in the 2013 survey were veterans of the U.S. Armed Forces, although the U.S. Department of Veterans Affairs estimates that approximately one-third of homeless people nationally are veterans.

Since 2009, the Sacramento area has seen a consistent decrease in unsheltered homeless persons; in 2013, 786 unsheltered persons were counted, down from 955 in 2011 (a 17.7 percent reduction) and 1,194 in 2009 (a 34.2 percent reduction). While this downward trend is noteworthy, it should also be noted that counting homeless persons sleeping in places not meant for human habitation is inherently difficult and it cannot be assumed that not every unsheltered person was counted.

Table H 3-32 2013 Homeless Subpopulations			
<i>Sub-Populations</i>	<i>Total</i>	<i>Sheltered*</i>	<i>Unsheltered</i>
Chronically Homeless Individuals	432	147	285
Chronically Homeless Families	3	3	0
Seriously Mentally Ill	677	351	326
Chronic Substance Abuse	993	523	470
Veterans	302	166	136
Female Veterans	21	18	3
Persons with HIV/AIDS	39	15	24
Victims of Domestic Violence	504	220	284

* Includes persons in emergency shelters and transitional housing, except chronic homeless individuals and families includes only emergency shelters.

Source: 2013 Sacramento Countywide Homeless County Report. Prepared by Sacramento Steps Forward.

The Ten Year Plan to End Chronic Homelessness focuses on the “housing first” model, which aims to get homeless individuals and families into permanent housing. However, through the Continuum of Care, the City and County also recognize the great need to provide emergency and transitional shelter facilities. Countywide data indicating the estimated shelter needs for homeless individuals and families is presented in Table H 3-33 and the number of existing beds available by shelter type are presented in Tables H 3-34 through H 3-36.

Currently (2011) Sacramento meets the existing need for emergency shelter beds for individuals and is very close to meeting the existing need for emergency shelter beds for families (seven beds short). Sacramento does not meet the existing need for individual or family beds in transitional or permanent supportive housing. As shown in Table H 3-33, the unmet need in transitional housing is 1,079 beds and the unmet need in permanent supportive housing is 1,062 beds. The greatest need is for individual permanent supportive housing with an unmet need of 983 beds and individual transitional housing with an unmet need of 576 beds.

Table H 3-33 2011 Countywide Needs of Homeless Individuals				
Homeless Populations		Estimated Need	Current Inventory	Unmet Need/Gap
Beds: Individuals	Emergency Shelter	532	532	0
	Transitional Housing	1,202	626	576
	Permanent Supportive Housing	1,821	838	983
	Total	3,555	1,996	1,559
Beds: Families	Emergency Shelter	361	354	7
	Transitional Housing	946	443	503
	Permanent Supportive Housing	690	611	79
	Total	1,997	1,408	589

Source: Sacramento County 2013-17 Draft Consolidated Plan, 2012; Sacramento Steps Forward, 2011.

Homeless Shelter and Housing Facilities. Sacramento's emergency shelters, transitional housing, and permanent supportive housing are listed in Tables H 3-34, 3-35, and 3-36. Sacramento Steps Forward counted 4,039 homeless shelter and housing beds for individuals and families during the warm weather months, with an additional 150 shelter beds available during the winter overflow period (November to March). These facilities serve the homeless throughout Sacramento County, although they are scattered throughout the city and unincorporated portions of the County. The current inventory includes 745 emergency beds, 913 transitional beds and 2,281 permanent beds for homeless in the city of Sacramento. Almost 60 percent of homeless shelter and housing facilities surveyed are at capacity or overutilized and the overall average facility use rate is 101 percent. Overutilization is most pronounced for permanent supportive housing: 70 percent of shelters are at capacity or overutilized and the average shelter use rate is 103 percent. Overall, transitional and emergency shelters (excluding winter overflow beds) are almost at capacity but not overutilized on average.

Table H 3-34 Emergency Shelter Facilities and Beds for the Homeless			
<i>Single Female Shelters</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Utilization Rate</i>
Loaves and Fishes, Sister Nora's Place	City	13	88%
Sacramento Area Emergency Housing Center Women's Refuge	County	10	100%
<i>Single Male Shelters</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Utilization Rate</i>
Union Gospel Mission Emergency Shelter	County	84	98%
Volunteers of America North A Street Aid-in-Kind	City	80	100%
<i>Single Male and Female Shelters</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Utilization Rate</i>
Sacramento Self Help Housing, Cathedral/Downtown Housing	City	5	160%

Table H 3-34 Emergency Shelter Facilities and Beds for the Homeless

Sacramento Self Help Housing/The Effort at Salvation Army T-3 Program	City	11	100%
The Effort at Salvation Army Interim Care Program	City	28	100%
The Salvation Army Lodge Program	City	65	109%
The Salvation Army Veteran's	City	13	85%
Transitional Living & Community Support for Mentally Ill Women & Men (Carol's Place)	City	22	86%
Volunteers of America Open Arms (HIV)	City	12	92%
<i>Youth Shelters</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Utilization Rate</i>
Diogenes & WIND Youth Center	County	12	42%
<i>Single Females with Children</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Utilization Rate</i>
St. John's Emergency Shelter Program	County	112	85%
Women Escaping a Violent Environment Emergency	City	54	74%
<i>Adults with Children</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Utilization Rate</i>
Frances House Emergency Motel Vouchers	N/A	16	88%
Traveler's Aid, Emergency Motel Vouchers for Families	N/A	10	180%
Sacramento Area Emergency Housing Center Motel Voucher Program	N/A	48	162%
Sacramento Area Emergency Housing Center Family Shelter	City	55	93%
Volunteers of America Bannon Street Aid-in-Kind	City	62	50%
Interfaith Network Family Promise Center	City	11	100%
<i>Shelter for the Mentally Ill</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Utilization Rate</i>
Transitional Living & Community Support for Mentally Ill Women & Men (Carol's Place)	City	22	86%
Total Emergency Shelter Beds	--	745	99%
<i>Winter Overflow Shelters (November to March)</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Utilization Rate</i>
Volunteers of America Winter Sanctuary	City	100	103%
Volunteers of America Winter Shelter Program	City	28	68%
Sacramento Area Emergency Housing Center Winter Overflow Shelter	City	22	132%
Total Winter Overflow Beds	--	150	101%
Grand Total Emergency Shelter Beds	--	895	99%

Source: 2-1-1 Sacramento databases, 2012 and Sacramento Steps Forward, January 2012.

Table H 3-35 Transitional Housing Opportunities for the Homeless¹

<i>Shelter</i>	<i>Number of Beds</i>	<i>Utilization Rate</i>
Clean and Sober New Life	80	100%
Lutheran Social Services Transitional Housing Families	35	117%
Lutheran Social Services Transitional Housing Youth	20	105%
Resources for Independent Living Transitional Center	6	100%
Sacramento Area Emergency Housing Center Extended Shelter Program	6	50%
Sacramento Children's Home Sacramento Crisis Nursery	4	125%
Sacramento Cottage Housing Inc. Quinn Cottages	70	87%
The Salvation Army Transitional Living Program	105	90%
Traveler's Aid Families Beyond Transition	52	125%
Vietnam Veterans of California GDP Sacramento Veterans Resource Center	30	100%
Vietnam Veterans of California GDP Women's Transitional Housing	6	100%
Transitional Living and Community Support MICA	9	44%
Transitional Living and Community Support Palmer	48	92%
Volunteers of America Adolfo TH-Plus Housing for Foster Youth	10	138%
Volunteers of America Independent Living and Readiness Program	100	71%
Volunteers of America Mather Community Campus	313	108%
Walking the Village Tubman House	19	100%
Total Transitional Beds	913	97%

Source: Sacramento Steps Forward, January 2012.

¹ Transitional housing includes apartment units and support services with residency limited to two years. Permanent housing has no residency limitation.

Table H 3-36 Permanent Housing Opportunities Targeted to the Very Low-Income and/or Formerly Homeless Individuals and Families

<i>Shelter</i>	<i>Number of Beds</i>	<i>Utilization Rate¹</i>
Department of Veteran's Affairs, VASH Vouchers	160	134%
Lutheran Social Services, Achieving Community Change Together	33	--
Lutheran Social Services, Adolfo PSH Program	26	104%
Lutheran Social Services, Mutual Housing at the Highlands	66	100%
Lutheran Social Services, Saybrook PSH Project	177	97%
Mercy Housing, 7 th & H Street Housing Community	150	--
Mercy Housing, Ardenaire Apartments	22	136%
Mercy Housing, Budget Inn	74	101%
Mercy Housing, The King Project	80	96%
Sacramento Area Emergency Housing Center, Casa Serenes	30	117%
Sacramento Area Emergency Housing Center, Cases De Esperanza	18	100%
Sacramento Area Emergency Housing Center, Home at Last	22	--
Sacramento Area Emergency Housing Center, Omega PSH Project	57	119%
Sacramento Area Emergency Housing Center, Omega Expansion	21	95%
Sacramento Cottage Housing Inc., McClellan Park PSH	284	94%
Sac County DHA Shelter Plus Care	895	71%
Sacramento Self Help Housing Friendship Housing Program	24	104%
Sac Self Help Housing Friendship Housing Program Expansion	40	102%
Shasta Hotel Cooperative Shelter Plus Care	18	100%
St. John's Program for Women and Children	30	147%
St. John's Program for Women and Children (Non-HUD)	31	100%
Transitional Living and Community Support, Folsom Oaks	18	100%
Transitional Living and Community Support, PACT Permanent Housing Program (PPHP)	8	100%
Transitional Living Community Support T Street Co-op	9	100%
Transitional Living Community Support WORK	25	92%
Turning Point Community Programs, Pathways	40	90%
Turning Point Community Programs, YWCA	11	100%
Volunteers of America Nova House	12	83%
Total Permanent Beds	2,381	103%

Source: Sacramento Steps Forward, January 2012.

² Utilization rate is based on a January 2012 housing survey by Sacramento Steps Forward. Some shelters that were under development and not surveyed in January 2012 are now currently (May 2013) active.

Chapter 3 Conclusions

The city of Sacramento is a city with a dynamic and changing population, a wide variety of housing types, and a diverse supply of resources and opportunities. Understanding the population demographics, affordability trends, and current housing characteristics is necessary when creating comprehensive policies and programs to address current and future housing needs. The City has identified six themes that capture the broad housing goals to be addressed in the Housing Element; data relevant to each theme is summarized below from the community profile.

Sustainability and Stability

Sacramento is a city of both older, established neighborhoods and one of new housing units and development opportunities. As such, this theme plays out differently in new communities and in existing neighborhoods. By diversifying the current housing stock and providing housing for changing populations who demand alternative housing options, new neighborhoods are strengthened. With approximately 63% of the city's current housing stock over 30 years old and up to 21 percent of the current housing stock in need of rehabilitation, the City has also the unique opportunity to encourage the incorporation of sustainability in existing housing.

Given the interplay of existing infill areas and greenfield development areas, the city has a variety of individual neighborhoods, each with its own housing characteristics. As shown in Table H 3-11, one of the most important is the mixture of single-family and multi-family housing units. The majority of the city neighborhoods are characterized by a majority of single-family units, with the notable exception of the Central City. As the general demographics of the city shift to smaller households, more senior households and more racially diverse households, the need for variety of housing types and tenures throughout the city may shift this distribution closer to the more urban housing types found in the Central City.

Production

As a basic tenet of the Housing Element, the City is required to plan to accommodate its "fair share" of new growth allocated to the six-county SACOG region, enumerated in the Regional Housing Needs Allocation (RHNA). Between 2013 and 2021, the City's RHNA requires that the City plan to accommodate 24,101 new housing units, including 8,411 units for lower-income households.

Beyond planning for growth to meet the RHNA, however, the City has needs for improving housing for existing residents. These needs include ensuring that between 1 and 18 percent of households living in substandard units can improve the conditions they live in and that the 44 percent of the households, including many lower-income families who overpay for their housing can find relief to this economic strain.

Extremely Low-Income and Special Needs Housing

While the Regional Housing Needs Allocation requires the City to plan for 2,472 new housing units for extremely low-income (ELI) households, other measures of ELI needs point to the need for an approach that looks beyond new construction. These measures include enhancing opportunities for the 27,495 existing ELI households in the city, 80 percent of whom are overpaying for their current housing and preserving existing affordable ELI housing throughout the city. This would also include preserving the city's asset of almost 2,000 public housing units, which house, on average, households making 7 percent of area median income. In addition, there are over 1,800 subsidized rental units in the private market with expiring

affordability restrictions, many of which are occupied by ELI households and which have subsidies ensuring this occupancy.

Rehabilitation and Preservation

The city's existing neighborhoods are aging at the same time that the new growth greenfield areas are building out with new housing. To ensure that the existing neighborhoods are maintained as valuable and viable with attractive housing options, reinvestment in these assets will be needed. Considering that 35 percent of the older housing stock is renter-occupied, this task becomes more important. In addition to the aging of market-rate housing, there is a need to maintain the existing subsidized housing stock, including public housing, subsidized housing and homeless and transitional shelters.

Accessibility

With over 65,000 city residents living with some sort of physical, mental, or sensory disability, there is a need to consider housing options for this population. Given the interplay of disability and income, with the majority of disabled individuals being lower-income, housing opportunities could attempt to bridge the gap between affordability and accessibility. In addition, considering the growing senior population and the aging housing stock, thoughtful targeting of rehabilitation resources can help stabilize this population, allowing seniors to remain in their homes and ensuring on-going affordability.

Housing Integration and Providing Housing Opportunities for All Income Groups

While the city is ethnically and racially diverse, with about 55 percent of the population non-White and growing segments of Hispanic and Asian households, income disparities among minority populations lead to economic and geographic segregation. The city as a whole has a lower median income than the surrounding region, and within the city, economic stratification is still an issue.

Although market prices declined drastically and 81 percent of households earning the area median income can afford a median-priced home, home purchase is still out of reach for many buyers, especially very low- and extremely low-income households. Meanwhile, the median rent is still increasing and unaffordable to most of these same households. About 50 percent of the city's population is lower-income and while the market is currently providing for some lower-income households, housing opportunities for these households will diminish as market prices rise. A mix of affordable housing types will provide increased opportunities for the lowest income households.

In addition, the city currently has a low ownership rate overall of 49 percent, well below the state average of 56 percent. Increasing homeownership and providing ownership opportunities for the modest income worker, therefore, would address this concern. As the economy in Sacramento grows and shifts, housing can play a vital role in attracting employers. Ownership housing at more moderate levels can also help to boost the lagging middle class in the city. When combined, these dual strategies will help to improve the current disparate income distribution.

4 Housing Element Update Public Participation Program

4.0 Key Findings

The City of Sacramento has led a comprehensive public participation program for the Housing Element update, beginning in 2012. Some of the public involvement tools have included:

- A General Plan open house with specific booths to discuss housing issues.
- Meetings with stakeholders including developers, advocates, nonprofit social service providers, and other interested community members.
- A community workshop at City Hall.
- 10 study sessions and hearings before the City Council, Planning Commission, Adult and Aging Commission, and the Sacramento Housing and Redevelopment Commission.

4.1 Introduction

State law (Section 65583[c][7] of the California Government Code) requires cities and counties to make a diligent effort to achieve public participation of all economic segments of the community in the development of a Housing Element and requires the Housing Element to describe this effort. This chapter describes the City's efforts to engage all segments of the community during the preparation of the updated Housing Element, including the individuals, organizations, and agencies with which the City consulted, the methods of community outreach, and a summary of comments received and how these comments have been addressed.

4.2 Community Outreach

Community Workshop

On March 13, 2013, neighborhood associations, activists, housing advocates, developers and public agencies were invited to participate in a community workshop. The City provided a "Housing Element 101" presentation to educate the group on the update process. Highlights of information collected for the Community Profile were presented at the meeting. The City posed key policy questions, which included:

- How to prioritize limited funds and resources?
- What affordable housing requirements should there be for new development?
- What are the housing needs of different neighborhoods?
- How should the City address the housing needs of seniors and persons with disabilities?

Stakeholder Group Meetings

The City held stakeholder group meetings during key points of the Housing Element update process. The stakeholder group consisted of representatives from the development community, affordable housing community, special needs communities, and other interested parties. During the meetings the City provided a “Housing Element 101” presentation to educate the group on the update process; solicited feedback and discussed major issues; proposed themes; and discussed highest priority City needs, major opportunities and barriers to meeting the City’s housing needs, and priority short-term and mid-term steps on which the City should focus.

Study Sessions and Public Hearings

The City held study sessions before the Planning and Design Commission on November 15, 2012, March 14, 2013, May 23, 2013, and July 25, 2013 to obtain direction and feedback and to share work progress to date. Additionally the City had public meetings with the Sacramento Housing and Redevelopment Commission, the Disability Advisory Commission, and the Adult and Aging Commission. A subsequent public hearing to recommend approval of the draft Housing Element by the Planning and Design Commission was held on August 15, 2013. On September 2, 2013 City Council approved submittal of the Draft Housing Element to HCD. [Note: These meetings are tentative.]

List of Attendees (Organizations Represented)

Throughout the year-long process of updating the Housing Element, many different organizations and groups have provided input. This list includes some of those organizations, but is not exhaustive and does not include the many individual citizens who also participated.

- North State Building Industry Association
- Sacramento Housing Alliance
- Sacramento Municipal Utility District (SMUD)
- Community Services Planning Council – Adult and Aging Commission
- Mercy Housing
- Sacramento Steps Forward
- Sares-Regis Group
- Downtown Partnership
- Habitat for Humanity
- Sacramento Housing and Redevelopment Commission
- Sacramento City Planning and Design Commission
- Sacramento Disabilities Advisory Commission (DAC)

Envision Sacramento Survey

Between May 13, 2013 and June, 7 2013, the City solicited public input through a survey on its online discussion forum called Envision Sacramento. More than 160 individuals responded to questions concerning the use of limited resources, affordable housing requirements for new development, housing needs in the respondents' neighborhoods, and housing needs for seniors and persons with disabilities. The results of the survey can be found in Appendix H-B.

4.3 Distribution Methods of Draft Housing Element

The Draft Housing Element was distributed to City Commissioners and Council members in preparation for their August and September hearings. City staff posted the draft document on the Housing Element Update Website on July 17, 2013, and sent a mass email to alert the public.

4.4 Summary of Public Comments

During the Community Workshop, Commission meetings, and stakeholder meetings participants responded to a series of questions regarding the City's housing strategy and past successes. There is a significant diversity of opinions concerning how the City should meet its housing needs. The following is a summary of the key policy issues that have been discussed. A list of notes from public meetings can be found in Appendix H-B.

- There needs to be regional cooperation to create more affordable housing.
- The Mixed Income Housing Ordinance should be flexible and, if it is applied citywide, it cannot constrain infill development.
- There is a growing need for housing for extremely low-income residents.
- The City needs to support housing for all income groups and multi-generational households.
- Avoid over-concentration of affordable housing in any area of the city.
- Foreclosed homes should be used to create new affordable housing opportunities.
- The City needs to avoid a future foreclosure crisis by encouraging responsible lending practices.
- The loss of redevelopment financing compels the City to find new sources of funding for affordable housing.
- The City should have a competitive fee structure that does not discourage new investment.
- Affordable housing needs to be coupled with good services and located near amenities.

In response to public comments, the City has revised its policies and programs in an effort to address current housing needs while at the same time avoiding constraints to housing production.

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5 Land Inventory

5.0 Key Findings

- Sacramento's Regional Housing Need Allocation for 2013-2021 is 24,101 units. The City has prepared an inventory of vacant sites, which can accommodate 21,216 units. Additionally the inventory includes planned and approved projects that will provide an additional 7,924 housing units, for a total residential capacity of 29,140 units, which is more than enough capacity to meet the 2013-2021 RHNA.
- The land inventory includes enough capacity to meet the RHNA for all income levels. The City can accommodate 10,891 lower-income units (i.e., extremely low-, very low-, and low-income units), 6,527 moderate income units, and 11,722 above moderate-income units.

5.1 Introduction

This chapter presents an inventory of sites suitable for residential development in Sacramento during the planning period of this Housing Element update, 2013-2021. Analysis of the data presented in this chapter demonstrates that the City of Sacramento has an adequate supply of suitable land to accommodate the City's housing allocation of 24,101 units.

The chapter provides a brief summary of legal requirements framing the land inventory, and begins with the City's progress towards meeting the Regional Housing Needs Allocation (RHNA). An analysis of capacity within each zoning district follows, using information from housing recently developed in Sacramento. Using actual projects provides a basis for the densities assumed in the land inventory. Additional information demonstrates the availability of infrastructure and public services that support development of housing for a variety of income levels and special needs groups.

Finally, this chapter contains a discussion of the sites that are suitable for housing development, including vacant parcels, infill areas, and large development project areas.

5.2 Legal Requirements

California law (Government Code Sections 65583 (a)(3)) requires that the Housing Element contain:

- an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment; and
- an analysis of the relationship of zoning and public facilities and services to these sites.

The inventory of land suitable for residential development must be used to identify sites that can be developed for housing within the planning period (Section 65583.2).

State law further requires that the Housing Element:

“...identify adequate sites made available through appropriate zoning and development standards with services and facilities, including sewage collection and treatment, domestic water supply, and septic tanks and wells, needed to facilitate and encourage the development of a variety of types of

housing for all income levels, including multifamily rental housing, factory-built housing, mobile homes, housing for agricultural employees, emergency shelters, and transitional housing in order to meet the community’s housing goals as identified in subdivision.”

Government Code Section 65583.2(c) requires the local government to demonstrate that the projected residential development capacity of the sites identified in the inventory can realistically be achieved. The City must determine whether each site in the inventory can accommodate some portion of its share of the regional housing needs by income level during the planning period. The number of units calculated must be adjusted as necessary based on land use controls and site improvement requirements.

5.3 Regional Housing Need Allocation

The City of Sacramento’s share of the regional housing need is determined by the Sacramento Area Council of Governments (SACOG) through the Regional Housing Needs Plan, adopted in September, 2012. The Plan contains the Regional Housing Needs Allocation (RHNA), which specifies the share of the regional housing need allocated to each city and county by income level. According to the RHNA, the City should plan to accommodate 24,101 housing units between January 1, 2013 and October 31, 2021. Table H 5-1 below shows the City’s RHNA by income category. Of the 24,101 total units, 4,944 should be affordable to extremely low- and very low-income households, 3,467 to low-income households, 4,482 to moderate-income households, and 11,208 to above moderate-income households. Opportunity sites that are identified to meet the allocated need must permit adequate densities and contain infrastructure and services such that production of housing affordable to lower-income residents is feasible.

Table H 5-1 City of Sacramento Regional Housing Needs Allocation, January 1, 2013, to October 31, 2021		
<i>Income Category</i>	<i>Units</i>	<i>Percent of Total</i>
Extremely Low-Income	2,472	10.3%
Very Low-Income	2,472	10.3%
Low-Income	3,467	14.4%
Moderate-Income	4,482	18.6%
Above Moderate-Income	11,208	46.5%
TOTAL	24,101	100.0%

Source: Sacramento Area Council of Governments, Regional Housing Needs Plan, 2013-2021.
Adopted September 2012.

5.4 Land Inventory

The land inventory consists of several recently built, planned, and approved projects and 3,788 vacant sites with a capacity to accommodate a variety of multifamily and single-family housing types for renters and owners, and a variety of housing and shelter options for extremely low-income and special needs groups. Of the total vacant sites, 286 sites are a half acre or more and have capacity to accommodate moderate- and lower-income units. In total, the vacant sites have a capacity to accommodate 21,216 housing units. Additionally, planned and approved projects will allow for 7,724 units, for a total residential capacity of 28,940 units, which is more than enough capacity to meet the 2013-2021 RHNA.

The South Area Community Plan has approximately 28 percent of the identified housing capacity in the inventory (vacant sites and planned/approved projects). Another 24 percent is in North Natomas, 17 percent in North Sacramento, 11 percent in the Central City, and the remaining 20 percent of the housing capacity is in the Fruitridge Broadway, South Area, Arden Arcade, East Sacramento, Land Park, and Pocket community plan areas. A map of these areas can be found in Figure H 3-2 of the Community Profile.

The complete inventory of sites is provided in Appendix H-C.

Recently Built, Planned, and Approved Development Projects with Affordable Units

Since the RHNA period runs from January 1, 2013, to October 31, 2021, Sacramento's land inventory can include new units built since January 1, 2013, and projects that are approved and anticipated to be built during the planning period. Recently built projects that were still under construction and not yet occupied as of January 1, 2013, are included in this inventory. The City did not do an inventory of all market-rate projects, but instead focused on projects that include units affordable to extremely low-, very low-, low-, and moderate-income households. Table H 5-2 shows each of these projects and describes the project status as of June 1, 2013. It also shows the number of built, planned, and approved units by income category. A description of each of the projects follows.

In total, there are 7,924 units in recently built and planned and approved projects. The projects listed in the table will provide 9 extremely low-income units, 194 very low-income units, and 693 low-income units, which are based on affordability restrictions. The planned projects of Delta Shores, Township 9, and the Downtown Railyards will have market rate units that will include high density and medium density multi-family dwellings that, as described in the Community Profile Chapter and Constraints Chapter, have shown to be affordable to moderate-income families. In total, the planned and approved projects will provide capacity for 3,838 moderate-income units. The 3,169 attached and detached single-family units planned for in these projects, as well as 21 of the multifamily units at Legado de Ravel, are considered affordable to above moderate-income households.

Table H 5-2 Built, Planned, and Approved Projects with Affordable Units

<i>Name of Development</i>	<i>Address/Parcel Numbers</i>	<i>Type of Units</i>	<i>Density</i>	<i>Acres</i>	<i>Total Units</i>	<i>AMI Units</i>	<i>ELI Units</i>	<i>VLI Units</i>	<i>LI Units</i>	<i>MI Units</i>	<i>Status as of June 1, 2013 and Notes</i>	<i>Notes</i>
Township 9	100200450000	Multifamily	80	1.42	114					114	Entitlements for 2,350 housing units, which included rezoning, general plan amendments, and a financing plan, was approved by the City Council in 2007.	Infrastructure has been put in place with Prop 1C financing.
	100200450000	Multifamily	118	1.96	231					231		
	100200450000	Multifamily	143	0.98	140					140		
	100200450000	Multifamily	98	2.18	214					214		
Delta Shores	530010072000	Multifamily	27	35.67	1,738					1,738	The proposal for 4,904 housing units, which included rezoning, general plan amendments, and a financing plan, was approved by the City Council in January 2009.	Work on Cosumnes River Boulevard Extension began in May of 2013.
	530010072000	Single Family (Attached)	14	88.96	1,246	1,246						
	530010072000	Single Family (Detached)	14	88.96	1,246	1,246						
	530010072000	Single Family	7	136.89	675	675						
Downtown Railyards	200100580000	Multifamily	230	1.3	69				69		Entitlements for proposal for at least 10,000 housing units, which included rezoning and general plan amendments was approved by the City Council in 2007.	Lot 46b Affordable Units Round 1 Prop 1C Infill Infrastructure Grant. The property will have a deed restriction for 69 low-income units.
	200100560000	Multifamily	230	1.15	139				139			Lot 7a1 Affordable Units - Round 2 Prop 1C TOD Grant. The property will have a deed restriction for 139 low-income units.
	200100560000	Multifamily	230	1.69	141				141			Lot 6b Affordable Units - Round 1 Prop 1C Infill Infrastructure Grant. The property will have a deed restriction for 141 low-income units.
	200100560000	Multifamily	230	1.27	141				141			Lot 59N Affordable Units - Round 2 Prop 1C TOD Grant. The property will have a deed restriction for 141 low-income units.
	200100560000	Multifamily	230	3.36	456					456		Lots 6a/84/57s Market Rate Round 1 Infill Infrastructure Grant.

Table H 5-2 Built, Planned, and Approved Projects with Affordable Units

Name of Development	Address/Parcel Numbers	Type of Units	Density	Acres	Total Units	AMI Units	ELI Units	VLI Units	LI Units	MI Units	Status as of June 1, 2013 and Notes	Notes
	200100560000	Multifamily	230	3.67	388					388		Lots 16 & 48a/b Market Rate Round 1 TOD Grant
	200100560000	Multifamily	230	1.17	112					112		Lots 7b1 Market Rate Round 2 TOD Grant
	200100560000	Multifamily	230	2.72	328					328		Lots 71N/71S/59S Market Rate Round 2 Infill Infrastructure Grant
Kelsey Village	2830 Stockton Blvd	Multifamily		0.7	20			20			Certificate of Occupancy issued on 3/29/13	The property has a deed restriction for 20 very low- and extremely low-income units.
Township 9	640 Vine Street	Multifamily		1.83	180	1		36	143		Building permit issued on 12/18/12. Currently under construction.	The property has a deed restriction for 179 lower income units as a condition of receiving Prop 1C financing.
The Arbors	3820 Broadway	Multifamily		1.42	55			55			Temporary Certificate of Occupancy issued on 6/17/13	The units will be deed restricted.
Curtis Park Court Apartments	3675 W Pacific Avenue	Multifamily		2.01	91	1		30	36	24	Planning Entitlements approved on 5/23/13	The property has a deed restriction for 66 inclusionary units. The project is currently applying for Prop 1C funding.
Warehouse Artist Lofts	R Street between 11th and 12th Streets	Multifamily	131.5	.88	116		9	53	24	30	Commenced construction in February 2013 and will be completed by the end of 2014.	116 unit mixed income development financed with 9% Tax Credits and Prop 1C funding.
Legado de Ravel	16 th and O Streets	Multifamily	83		84	21				63	Construction commenced in January 2012 and will be completed by August 2013.	Units are categorized based on the rent schedules at which the units are currently (August 2013) being marketed
TOTAL UNITS					7,924	3,190	9	194	693	3,838		

Township 9 and the Downtown Railyards

In 2007, the City Council approved development applications for the Downtown Railyards and Township 9. Both of these projects are former industrial sites that were rezoned to high density, mixed-use residential uses. These two developments are located in areas with significant infrastructure constraints. To fund the necessary infrastructure improvements, both developers are seeking Proposition 1C funding, as well as other forms of state and federal financing.

The land inventory only includes sites that will accommodate the first and second phases of housing development for the Downtown Railyards and Township 9. Maps of the first phase of housing development for Township 9 and the first and second phases of the Downtown Railyards are attached in Appendix H-C. Both developments will be able to make infrastructure improvements and build the initial phases of housing development within the next eight years, based on information from the developers as well as performance requirements associated with the Proposition 1C grants.

The new zoning designations and overlay districts for the Downtown Railyards and Township 9 (RMCU, ORMU, RMX-PUD-SPD, and OB-PUD-SPD, respectively), are described in the Constraints chapter. Township 9 proposes a total of approximately 2,350 dwelling units and the Downtown Railyards project proposes a total of 10,000 to 12,100 dwelling units. However, based on the infrastructure and phasing limitations described, only 699 dwelling units in the Township 9 project and 1,774 dwelling units in the Downtown Railyards project are proposed to be built during this Housing Element period. These unit totals are included in the land inventory and maps of these projects are included in Appendix H-C.

Delta Shores

Delta Shores is located in the southern area of the city and consists of approximately 800 acres. Located within the Southern border of the city along I-5, Delta Shores will be bisected by the future Cosumnes River Boulevard, which will ultimately connect Highway 99 to the east with I-5 on the west and extending to Freeport Boulevard. Work on the boulevard began in May of 2013 and will cost \$82 million. The development includes approximately 120 acres on the west side of I-5 partially fronting Freeport Boulevard and approximately 680 acres on the east side of I-5. The proposal for 4,904 housing units, which included rezonings, general plan amendments, and a financing plan, was approved by the City Council on January 2009. A map of Delta Shores is included in Appendix H-C.

Kelsey Village

Kelsey Village, a HUD 202 project, developed by Satellite Housing, is a two-story single building, containing 20 units of permanent supportive housing for very low- and extremely low-income adults with developmental disabilities. The project was completed in Spring 2013.

The Arbors

The Arbors at Oak Park is a mixed use development located at Broadway and Martin Luther King, Jr. Boulevard that will provide 55 deed-restricted affordable senior units. SHRA provided over \$6 million in redevelopment funds for land acquisition and construction and leveraged \$7.8 million in Low Income Housing Tax Credits. The project was completed in Summer 2013.

Curtis Park Court Apartments

Curtis Park Court Apartments, which was recently approved in May 2013, will satisfy Curtis Park Village's obligation for affordable housing under the City's Mixed Income Housing Ordinance requirement. The project will provide 66 deed restricted units.

Warehouse Artist Lofts

Warehouse Artist Lofts (formerly known as the Capitol Lofts) is located on the south side of R Street between 11th and 12th Streets. This is a 116-unit mixed income development, which was financed with 9 percent Tax Credits and Prop 1C funding, will include 75 percent of the units as affordable to extremely low-, very low-, and low-income households. This project commenced construction in February 2013 and will be completed by the end of 2014.

Legado de Ravel

Legado de Ravel is located on the corner of 16th and O Streets. The new development will provide 84 market rate apartments in two structures. The units are categorized in Table H 5-2, above, based on advertized rents as of August 2013. This project commenced construction in January 2012 and will be completed by August 2013.

Criteria for Selection of Vacant Sites (Methodology)

In December 2012, City staff updated the vacant parcel list by reviewing the most recent parcel/assessor land use codes, querying permit data, flagging new development/vacant parcels, and reviewing updated aerial photography to determine validity of vacant parcels. To be included in the City's land inventory, a parcel must be zoned at a density that permits the production of housing at the appropriate affordability level, and must not be constrained by infrastructure limitations or environmental conditions.

Sites within the inventory meet one of the following criteria:

- vacant residentially and non-residentially zoned sites that allow residential development over a half acre;
- vacant residentially zoned, low density sites, that allow above moderate-income residential development under a half acre; or
- portions of large development projects that can reasonably be developed between 2013 and 2021.

The selection criteria used to identify sites in the land inventory included:

- **Zoning.** The land inventory only includes parcels that have zoning that allows residential development by right. Other zones, including the SC, C-4, M-1, and M-2, allow residential development with a conditional use permit under certain circumstances; however, these sites were not included in the inventory. The zones included in the inventory are shown in Table H 5-4, below.
- **Vacant status.** While there is significant capacity of residential development on underutilized sites, all of the sites included in the inventory are vacant.

- **Parcel size.** For sites with zoning appropriate for lower- and moderate-income housing units (see discussion of Density and Affordability, below), one-half acre was considered the minimum parcel size. Sacramento has historically produced high density, multifamily housing on parcels less than one acre. Table H 5-3 below shows parcels of less than an acre that have accommodated affordable housing. As Table H 5-3 shows, a parcel as small as 0.54 acres can produce housing affordable to lower income families. As a result, any parcels less than half an acre, besides those zoned R-1 and R-1A, were removed from the land inventory.

For parcels zoned R-1 and R-1A, which allow single-family homes and are assumed to accommodate the above moderate-income housing need, the minimum parcel size was 2,600 square feet. Irregularly shaped and landlocked parcels were removed from the inventory.

Table H 5-3 Affordable Housing Projects Developed on Less than an Acre												
Project Name	Address	Funding Source	Housing Type	Unit Income Level					Total Units	Acres	DU/ AC	Zone
				ELI	VLI	LI	Mod	Market				
Fremont Mews	1400 P Street	Bond	Family	0	24	25	0	70	119	0.88	135.0	R-5
Norwood Annex	3301 Norwood Avenue	Tax Credit	Family	0	11	0	0	4	15	0.7	21.5	R-2B
St Anton Building	2110 L Street	Bond	Family	0	13	4	0	48	65	0.59	110.6	R-5
Victory Townhomes	2401 Lexington Street	Tax Credit	Family	0	63	11	0	2	76	0.54	140.7	M-1
7 th and H	720 7th Street	Tax Increment, HOME	Family	75	75	0	0	0	150	0.55	272	C-3
Kelsey Village	2830 Stockton Blvd.	HOME, HUD 811	Family	5	15	0	0	0	20	0.7	28.5	C-2
La Valentina	429 12 th Street	CDBG, HOME	Family	24	40	16	0	1	81	0.87	93	R-5

Density and Affordability

To identify sites that can accommodate a local government's share of the RHNA for lower-income households, housing elements must either include an analysis that demonstrates the appropriate density to encourage and facilitate the development of housing for lower-income households or use a "default density standard." The "default density standards" are densities that are deemed appropriate by State law to accommodate housing for lower-income households based on the type of the jurisdiction. Sacramento is considered a "metropolitan jurisdiction" with a default density standard of 30 units per acre. By law HCD is required to accept sites that allow for zoning at this density as appropriate for accommodating Sacramento's share of the regional housing need for lower-income households.

All of the 10 zones in the land inventory that are indicated to accommodate lower income housing units (i.e., extremely low-, very low-, and low-income) allow for development at 30 units per acre as shown in Table H 5-4, below. The City's development standards facilitate development at higher densities. For

example, parking requirements for senior and affordable units now have half the standard requirement, which means more of the lot area can be devoted to housing units. Maximum heights can now be exceeded up to 50 percent with a director-level hearing or by a greater amount by the Planning and Design Commission. Additionally, the City's density bonus ordinance was updated in 2013 to be current with State law. In sum, if an affordable developer needs a density of 30 dwelling units an acre for the project to be financially feasible, lack of appropriately zoned vacant land will not be an issue.

Because lower density residential zones (such as R-1 and R-1A) permit a limited number of housing types, the City assumed that above moderate-income (AMI) housing products would most likely be developed in these districts. Producing housing affordable to lower income households at any income level in these zone districts is difficult.

The R-2A and R-2B zoning districts have the permitted densities to accommodate small-lot single family and multi-family dwellings, which can be affordable to moderate-income families.

Method for Estimating Capacity on Vacant Sites

To estimate the development capacity of the vacant sites, affordable and market-rate projects approved between 2003 and 2008 were analyzed to determine average actual densities in each zoning district. New developments in the majority of the zoning districts exceeded 80 percent of the allowable density. Table H 5-4, below, shows the maximum allowed density in each zone as well as estimates of realistic densities based on recently built affordable and market rate housing. Descriptions of each zoning district can be found in Chapter H-8 of the Housing Element. Housing development potential for the vacant sites (described in later sections of this chapter) have been estimated to be 80 percent of the maximum allowable density of each zone, as presented in Table H 5-4.

To provide a conservative estimate of available land, the land inventory includes only 25 percent of the capacity of sites in zones that are not primarily residential. This assumption reflects the fact that other uses, such as retail or office uses, may occupy a portion of the land on these sites. The C-1, OB, C-2, and C-3 zones are the four zones in the inventory that allow 100 percent nonresidential uses. Prior to the Development Code update of 2012, the OB zone did not allow residential development. Outside the Central City, the C-1 and C-2 required a Planning and Design Commission conditional use permit. With the recent Code update, the OB, C-1, and C-2 zones now allow housing by right, and the C-3 zone continues to allow housing by right.

The realistic capacity of these nonresidential zones to facilitate residential development was determined by surveying building permits allowed in the C-2 zone from 2003 to 2007. Of the 138 parcels that were developed in the C-2 zone between 2003 and 2007, 32 were developed as residential uses and only four were developed as mixed use. This means that 26 percent of the C-2 zone was developed for residential uses based on the exclusively residential and mixed use developments on 36 of the 138 parcels. Therefore it can be assumed one fourth of the capacity of vacant C-1, C-2, C-3 and OB zoned sites in the City will be used for residential development.

Table H 5-4 Realistic Unit Capacity Assumed for Each Zone

<i>Zone</i>	<i>Maximum Density Allowed</i>	<i>Realistic Unit Density</i>	<i>Inventoried Income Level</i>	<i>Assumption for Percent Residential Buildout</i>
R-1	1 unit per lot	6.1	Above Moderate	100%
R-1A	1 unit per lot	9.4	Above Moderate	100%
R-1B	2 units per lot	7.9	Above Moderate	100%
R-2	2 units per lot	9.1	Moderate	100%
R-2A	17	13.6	Moderate	100%
R-2B	21	16.8	Moderate	100%
R-3	30	24.0	Lower	100%
R-3A	36	28.8	Lower	100%
R-4	60	88.0	Lower	100%
R-5	175	140.0	Lower	100%
RO	36	28.8	Lower	100%
RMX	60	48.0	Lower	100%
C-1	30	24.0	Lower	25%
C-2	70-150 ¹	56.0	Lower	25%
C-3	No Restrictions	192.3	Lower	25%
OB	36	28.8	Lower	25%

Source: Sandlund, G., pers comm, 2013.

¹ Maximum density in the C-2 Zone is based on the corresponding general plan land use designation.

Summary of Capacity on Vacant Sites

Table 5-5 summarizes the capacity on vacant sites by zone and income category. The vacant sites included in the land inventory have capacity for 8,532 above moderate-income housing units, 2,689 moderate-income housing units, and 9,995 lower-income housing units (i.e., extremely low-, very low-, and low-income units), for a total capacity of 21,216 units.

Table H 5-5 Summary of Vacant Land Capacity by Zone and Income Category		
<i>Zone District</i>	<i>Income Category</i>	<i>Housing Unit Capacity</i>
R-1	AMI	3,528
R-1A	AMI	4,993
R-1B	AMI	11
Subtotal, AMI		8,532
R-2A	MI	935
R-2B	MI	1,753
Subtotal, MI		2,689
R-3	ELI/VLI/LI	1,708
R-3A	ELI/VLI/LI	135
C-1	ELI/VLI/LI	164
C-2	ELI/VLI/LI	3,086
RMX	ELI/VLI/LI	1,422
RO	ELI/VLI/LI	51
OB	ELI/VLI/LI	915
R-4	ELI/VLI/LI	2,295
R-5	ELI/VLI/LI	103
C-3	ELI/VLI/LI	115
Subtotal, LI, VLI, and ELI		9,995
Total Units		21,216

Source: City of Sacramento, 2013.

Summary of Total Residential Capacity to Accommodate the RHNA

Table H 5-6 below provides a summary of total residential capacity included in the land inventory compared to the City's share of the regional housing need as assigned in the RHNA. As shown in the table, the City has capacity for 29,140 units, which is more than enough capacity to accommodate the RHNA of 24,101 units. The land inventory includes capacity for 10,891 lower-income units (i.e., extremely low-, very low-, and low-income units), 6,527 moderate income units, and 11,722 above moderate-income units. The inventory has surplus capacity for all income categories.

Table H 5-6 Estimated Residential Capacity Compared to RHNA by Income, City of Sacramento, January 1, 2013 to October 31, 2021						
	<i>Extremely Low-Income</i>	<i>Very Low-Income</i>	<i>Low-Income</i>	<i>Moderate-Income</i>	<i>Above Moderate-Income</i>	<i>Total</i>
RHNA	2,472	2,472	3,467	4,482	11,208	24,101
Total Residential Capacity	10,891			6,527	11,722	29,140
Planned and Approved Projects	896			3,838	3,190	7,924
Capacity on Vacant Land	9,995			2,689	8,532	21,216
<i>Surplus/Deficit</i>	+2,480			+2,045	+514	+5,039

Source: City of Sacramento, 2013.

This is a conservative estimate of the capacity on vacant land based on the criteria used to identify available sites. It is not a complete inventory of all potential sites and all approved market rate projects. It does not include parcels smaller than one-half acre or underutilized parcels that might have the potential for reuse or redevelopment. It also does not count all market rate developments that are planned and approved. There is additional capacity, particularly for high density units, on small and underutilized parcels.

Areas with Limitations on Development of Housing

Infrastructure and Service Limitations

Five areas in the City of Sacramento either lack infrastructure or have undersized infrastructure. These areas include Delta Shores, the Downtown Railyards, Township 9, and portions of North Sacramento and Southeast Sacramento. Delta Shores is a greenfield area that will have infrastructure put in place as large scale development occurs. An infrastructure financing plan for Delta Shores was developed concurrently with the PUD and environmental impact report. Township 9 and the Downtown Railyards are both infill locations that were formerly used for industry. Infrastructure will be provided in these areas concurrently with large scale development.

The two remaining areas with infrastructure limitations include portions of North Sacramento and Southeast Sacramento. These areas are already developed areas with small to medium sized vacant lots offering infill potential. These areas will have a more difficult time attracting the type of development that can afford to privately fund major infrastructure improvements. Nevertheless, residential development has occurred in these areas since 2000. However, most recent development has been typically affordable to moderate-income households. The City has sought additional resources to address infrastructure needs in these areas.

With the exception of commercial corridors, much of the development in North Sacramento is residential and at a very low density. As a result, many areas of North Sacramento have inadequate infrastructure capacity, or no infrastructure at all. The two areas of North Sacramento with the most significant infrastructure challenges are the area north of Bell Avenue and east of Rio Linda Boulevard and a second area west of Norwood Avenue and north of Silver Eagle Road. Water lines exist in these areas, but may be inadequately sized for fire flow depending on the type of proposed development.

Many areas in North Sacramento lack curbs and gutters; instead, water drains into roadside ditches. A new residential project would have to extend drainage lines to the nearest connecting line and might require onsite water detention facilities to prevent localized flooding and provide water quality treatment. Sewer lines in this area may also have to be extended to reach a project site. In some areas, a sewer lift station might be necessary if the main sewer line from which the project is connecting is too shallow. Sewer lines need to be constructed to a minimum slope to move the sewage via gravity.

In Southeast Sacramento (south of Fruitridge Road and east of Power Inn Road), unlike North Sacramento, water, sewer, and drainage lines are adjacent to almost every parcel. However, many of the parcels are deep and irregularly shaped. There are few additional connections to surrounding infrastructure along the borders of these deep sites. The cost of running utilities through these sites could be a financial constraint to development.

Water and Sewer

The City's existing water capacity and planned sewer capacity will be able to accommodate its share of the regional housing need within the planning period. The Sacramento Water Treatment Plant 2020 Master Plan, Interceptor Master Plan 2000, and the County Sanitation District-1 Master Plan have designated planning horizons of 2020 and buildout. Through its ongoing implementation of these water and wastewater facility master plans, the City of Sacramento will continue to plan for growth in water and wastewater treatment demands and expand facilities as needed to meet those demands. Further information about water and wastewater system capacities is provided below.

Water Supply and Demand. Projected water demand in 2020 of 185,788 acre-feet per year will be met by the City's total water supply of 310,300 acre-feet per year. Table H 5-7 compares projected water demands through 2035 to the City's normal year water supply. Supply totals represent the City's total surface and groundwater entitlements, while demand totals represent the City's maximum projected demands, including retail, wholesale, and wheeling deliveries. During normal years, groundwater is not required to meet demand, except for water delivered to areas outside the areas authorized to receive delivery of the city's surface water supply. The City has more than enough capacity to meet projected demand during the timeframe of this Housing Element and beyond.

Table H 5-7 Average Year Water Supply and Demand Comparison (Acre-Feet)					
	2015	2020	2025	2030	2035
Total Water Supply	290,800	310,300	329,800	346,800	346,800
Total Water Demand	172,589	185,788	217,886	249,984	260,984
Water Surplus	118,211	124,512	111,914	96,816	85,816

Source: 2030 Source: 2010 Urban Water Management Plan.

Sewer Capacity and Expansion. The planning horizons for the SWRTP 2020 Master Plan, Interceptor Master Plan 2000, and the CSD-1 [sewerage] Master Plan, in conjunction with the proposed land uses for areas within the SRCSD service area, are used to determine the projected wastewater flows and timing of flow increases during the planning horizon through 2020. Existing and proposed treatment facilities were designed to be expanded gradually in incremental units as future wastewater flows and loads increase. Consequently, some existing facilities have available capacity for future flows and loads, while other facilities (capacity limiting facilities) are at their existing capacity and would need to be expanded to accommodate any increase in flows or loads. Master plan facilities would be constructed in phases as flow and load demands require. Generally, facility expansion would be phased in five- to ten-year increments over the planning period. These increments are large enough to provide reasonable economy of scale and small enough to minimize the size of potentially idle facilities. By constructing the Master Plan facilities in phases, SRCSD can control the rate of facility expansion if actual growth rates are slower or faster than projected.¹ This will allow SRCSD to maintain adequate sewer service capacity to accommodate the City's remaining RHNA allocation through 2021 in addition to growth in demand from development under the 2030 General Plan.

¹ 2030 General Plan Draft MEIR pgs. 6.11-48 and 6.11-49)

Environmental Constraints

As described in the Constraints Section, the area that currently (2013) has the greatest environmental constraint is Natomas. Beginning January 1, 2009, building standards were imposed as a result of a new Flood Emergency Management Agency (FEMA) floodplain designation in the basin, which resulted in a defacto building moratorium due to anticipated flood depths.

For the Natomas Levee Improvement Project, the Sacramento Area Flood Control Agency (SAFCA) has developed a financing plan, funded by development impact fees and a citywide assessment. Substantial improvements to Natomas levees have been constructed by SAFCA in cooperation with the State under the Department of Water Resources' Early Implementation Program. Further improvements to achieve 100-year and concurrently 200-year levels of flood protection is pending Congressional authorization and funding, which is anticipated by the end of 2013. It is expected that some residential construction will resume once funding is authorized and the Natomas Basin is re-mapped to the A99 flood zone, which is anticipated to happen within two to three years. Infrastructure improvements to prepare residential sites in the Natomas Basin can be made concurrently with flood improvements. While this presents a constraint on the development of housing within Natomas for the next few years, there is sufficient capacity in other areas of the city to meet the annual housing need for the first part of the planning period. The sites within Natomas will be available within the eight-year Housing Element planning period.

As described in the Constraints Section, recent (August 2013) expiration of levee certifications have potential implications for FEMA flood designations for large areas of the city of Sacramento, outside the Natomas area. However, SAFCA is undertaking a process to certify the levees locally, and the City of Sacramento will be working closely with SAFCA to develop the levee improvement program for recertifying the levees to achieve 100-year flood protection in order to avoid a remapping by FEMA.

Concurrently, the City is working with SAFCA to develop flood control plans that will achieve 200-year flood protection for the entire city by 2025 to meet the requirements of State law, established by SB 5. As a result, housing development is not expected to be constrained due these recent State flood protection policies..

Emergency Shelters

Emergency shelters, referred to as “temporary residential shelters” in the City’s Zoning Code, are allowed by right in the C-4, M-1, and M-2 zones. The City has identified 121 vacant sites of more than one acre, totaling 926 acres, that will allow the development of emergency shelters by right. A map of these sites can be found in Appendix H-C. The City’s standards facilitate the development of emergency shelters by ensuring that these uses are located and constructed in a manner that best serves the shelter and supportive service needs of homeless persons and provides for adequate sites to meet homeless needs

Development standards require that emergency shelters:

- Be located at least 1,000 feet from any other shelter and at least 500 feet from a public park, public or private school, church, or single-family residential zone. The city has applied these locational criteria to vacant parcels in zones that permit emergency shelters by right to ensure that adequate sites exist to allow such shelters (see Appendix C).

- Be located within 1,000 feet of a designated transit corridor or bus route, or shall provide transportation between the facility and transit lines and/or services.
- Provide at least one parking space per four adult bed for small shelters (24 or fewer beds) and one parking space per five adults beds for large shelters (more than 24 beds), plus an additional space designated exclusively for the manager. All parking is required to be off-street and on-site. The City has reviewed these parking standards and determined that they are reasonable in light of the parking demand generated by emergency shelters and that these standards do not hinder the ability of homeless providers to construct such shelters on sites identified by the City where these are permitted by right.
- Establish, maintain, and post set hours for client intake/discharge.
- Provide on-site personnel during hours of operation when clients are present.
- Include a manager's area located near the entry to the facility.
- Provide exterior lighting on pedestrian pathways and parking lot areas that reflect away from residential areas and public streets.
- Provide telephone(s) for use by clients and secure areas for personal property.
- Provide an enclosed or screened waiting area on the property if intake of clients is to occur onsite to prevent queuing in the public right-of way. Small emergency shelters must have a waiting area of at least 100 square feet, and large shelters must have a waiting area of at least 200 square feet (unless, for large shelters, the director determines that additional waiting space is required to meet the needs of the anticipated client load). The City developed the waiting area requirements in consultation with shelter providers and determined that these requirements are reasonable to protect shelter clients and avoid off-site impacts from client intake.
- Provide on-site interior and/or exterior common or recreational space of at least 15 square feet per occupant or at least 100 square feet total (whichever is greater). This common space is in addition to the required waiting area. The City developed the common space requirements in consultation with shelter providers and determined that these requirements are reasonable and necessary for the well-being of shelter clients.

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6 Housing Program Resources

6.0 Key Findings

- The City's Housing Trust Fund, adopted in 1989, has provided almost \$30 million for the development of over 2,500 new affordable units. These fees are based on the need for affordable housing generated by new non-residential construction.
- SHRA's average annual budget for Housing Choice Vouchers countywide is more than \$10 million for over 12,000 vouchers.
- SHRA issues tax exempt mortgage revenue bonds on behalf of the City. These bonds, often coupled with low-income housing tax credits, provide millions of dollars of loans and equity for affordable housing development.
- The City and SHRA take advantage of a broad range of external funding sources, including competitive funding from the State and Federal government.

6.1 Introduction

This chapter presents information on funds and other resources that are available to support the City of Sacramento's housing programs. The City's housing programs are funded through a variety of State, local, and Federal sources. These funds actively support the construction of new affordable housing, encourage housing rehabilitation, and provide various other housing services to low- and moderate-income households.

The City, through the Sacramento Housing and Redevelopment Agency (SHRA), provides development funding, operating assistance, and mortgage assistance for a variety of affordable housing types throughout the City. Development funding is most typically provided to developers of multifamily rental units for new construction or rehabilitation, and leverages additional funding from other sources, including tax exempt mortgage revenue bonds, low-income housing tax credits, and various programs administered by the State of California and the Federal government. SHRA, primarily in its role as the Housing Authority, administers approximately 11,000 Housing Choice Vouchers (formerly Section 8) and over 2,000 public housing units for very low- and extremely low-income households. Finally, for lower-income homebuyers, SHRA provides mortgage assistance, typically in a secondary position to conventional funding, to allow access to homeownership for families who otherwise would be priced out of the market.

To help summarize resources available, Table H 6-1 presents a summary of SHRA's historical budgeted funding for housing programs, and Table H 6-2 projects anticipated annual funding during the Housing Element period, based on historical averages.

Table H 6-1 SHRA Budgeted Funding by Funding Source

Year	Public Housing	HCV ¹	Tax Increment ²	HOME	CDBG ³	HTF	TOTAL
2011	\$10,659,708	\$109,741,760	\$10,755,000	\$3,070,188	\$1,277,649	\$1,042,027	\$136,546,332
2012	\$10,245,315	\$111,168,891	\$0	\$1,871,691	\$889,815	\$360,528	\$124,536,240
2013	\$10,056,422	\$111,168,891	\$0	\$1,813,096	\$1,042,027	\$586,528	\$124,666,964
Average	\$10,320,482	\$110,693,181	\$3,585,000	\$2,251,658	\$1,069,830	\$663,028	\$128,582,179

Source: SHRA, 2013.

¹ HCV ("Housing Choice Voucher") revenue amounts include total housing assistance payments for the entire County, including all incorporated cities.

² Although \$10,755,000 in Tax Increment revenue was realized in 2011, the funding was recaptured due to the dissolution of Redevelopment.

³ CDBG (Community Development Block Grant) amounts represented are the portion of each year's allocation used for housing purposes.

Table H 6-2 SHRA Projected Funding by Funding Source, 2013-2021

	Public Housing	HCV ¹	Tax Increment ²	HOME	CDBG	HTF	Total
Historical Annual Average	\$10,320,482	\$110,693,181	\$3,585,000	\$2,251,658	\$1,069,830	\$663,028	\$125,582,179
2013–2021	\$92,884,338	\$996,238,629	\$0	\$20,264,922	\$9,628,470	\$5,967,252	\$1,124,983,611

Source: SHRA, 2013.

¹ Housing Choice Voucher revenue amounts include total housing assistance payments for the entire County, including all incorporated cities.

² Due to the dissolution of Redevelopment, no Tax Increment revenue is anticipated.

Revenues from the HOME and Housing Trust Funds, detailed in Table 6-2, are targeted for use under the Sacramento Housing and Redevelopment Agency Multifamily Housing Lending Program. This program provides assistance for developers wishing to purchase and rehabilitate or construct affordable rental housing throughout the city. Guidelines for this program were updated in 2009, prioritizing funding towards preservation of at-risk units and rehabilitation projects in redevelopment areas.

When considering the funding sources described in Tables H 6-1 and H 6-2 above, it is important to recognize the limitations and regulations associated with each. Public Housing and Housing Choice Voucher (HCV) funding represents a large amount of SHRA's funding, but the uses of both are limited to maintenance of existing public housing units and HCVs, and in general, do not represent funding available for the provision of new housing units. In addition, CDBG funding is used for non-housing purposes (although Tables H 6-1 and H 6-2 show only those funds budgeted for housing-related activities).

The City is very interested and committed to seeking additional resources for the provision of affordable housing, and will continue to request such funding when available. Recently, the City has pursued new funding from State funded bond programs, including Proposition 1B and 1C funds for the Downtown Railyards and Curtis Park Railyards developments.

6.2 Funding Sources

This section offers a summary of funding sources that are currently used by the City and SHRA, as well as additional funding sources that are potentially available to support various housing programs.

Federal Sources of Funding

U.S. Department of Housing and Urban Development

Public Housing

The largest source of funding for affordable housing in Sacramento comes from the United States Department of Housing and Urban Development (HUD). HUD supports the Housing Authority's public housing units, new development and rehabilitation of affordable housing, and special needs housing through the provision of operating subsidies and capital funding. The City has over 2,000 public housing units, which house some of the poorest residents of the city, with an average income of seven percent of area median income. Providing safe and secure housing for such an impoverished population is extremely expensive and requires an ongoing, dedicated operating subsidy. Recent cut backs to the public housing program at HUD are requiring public housing authorities nationwide to reconsider how they own, manage, and maintain their public housing assets. In recognition of the declining Federal resources, the City has approved SHRA's asset repositioning strategy, which aims to rehabilitate and redevelop current public housing, with no net loss of subsidized units.

Housing Choice Vouchers

In addition to public housing, HUD also funds Housing Choice Vouchers formerly known as Section 8. Unlike public housing, which fixes the tenant's rent to no more than 30 percent of their household income, Housing Choice Vouchers provide a subsidy to private landlords to pay the difference between what the tenant can afford with 30 percent of their family income and the fair market rent. The Housing Choice Voucher program aims to provide housing choices to lower-income families, and to disperse lower-income residents throughout the county. SHRA administers approximately 12,000 Housing Choice vouchers throughout Sacramento County, including all its incorporated cities. The majority of these vouchers are "tenant based" – they travel with the tenant to wherever he or she wishes to reside. However, HUD allows housing authorities to "project base" up to 20 percent of their vouchers, ensuring that certain units within certain complexes are available and affordable to lower-income families and enabling the development to achieve deeper income targeting. SHRA's administrative plan envisions project basing up to 15 percent of its total voucher funding.

Entitlement Funds

As an entitlement City under HUD regulations, Sacramento also receives Community Development Block Grants (CDBG), Home Investment Partnership (HOME) funds, Emergency Shelter Grants (ESG), and Housing for People with AIDS/HIV (HOPWA). Federal funds available in the Federal fiscal year 2013 are shown in Table H 6-3. These amounts are taken from the 2013 Consolidated Action Plan, and include only new entitlement funds. They do not include any program income or existing unspent income, which is included in the budgeted amounts in Table H 6-1.

Table H 6-3 Entitlement Funds, Fiscal Year 2013	
<i>Funding Source</i>	<i>Amount</i>
Community Development Block Grants	\$4,285,920
HOME	\$1,812,849
Emergency Shelter Grants	\$302,145
Housing for People with AIDS/HIV	\$862,627
TOTAL	\$7,263,541

Source: SHRA, 2013.

CDGB. The majority of CDBG funds are allocated for non-housing community development projects and each HUD funding source also allows for administrative costs. For 2013, just over \$1 million of the total CDBG funding is allocated for housing development, preservation, and homeownership according to the City’s Consolidated Plan. CDBG funds designated for housing primarily support rehabilitation and First Time Homebuyer programs. CDBG funds are also available for public service activities supporting homeless programs and transitional housing.

HOME. HOME funds are used exclusively for the new construction and rehabilitation of affordable housing, covering both homeownership and rental properties. While HOME funding has fluctuated in recent years, it has averaged about \$2.2 million annually, and repayments from outstanding loans are “revolved” back into the fund. While HOME funds are partially used to support homeownership programs, the majority of HOME dollars are used as “gap” loans for multifamily rental development and rehabilitation. HOME loans have been provided in eight City projects between 2008 and 2013, leveraging millions of dollars in Federal and State funds to help produce 711 affordable rental units. During this same timeframe, 192 downpayment assistance loans were funded by HOME throughout the city, allowing lower-income residents to become first time homebuyers. SHRA has also set aside HOME funding for a supportive housing loan program that it operates in conjunction with the County Department of Human Assistance, the County Department of Health and Human Services, and Mercy Housing, serving persons who are homeless or at risk of homelessness.

ESG and HOPWA. The Emergency Shelter Grant (ESG) program provides homeless persons with basic shelter and essential supportive services. ESG funds can be used for a variety of activities, including: rehabilitation or remodeling of a building used as a new shelter, operations, and maintenance of a facility, essential supportive services, and homeless prevention. The Housing for People with AIDS/HIV (HOPWA) program provides grant funds to design long-term, comprehensive strategies for meeting the housing needs of low- and moderate-income people living with HIV/AIDS. HOPWA funds can be used for acquisition, rehabilitation, or new construction of housing, rental assistance, and related supportive services. HOPWA funds are received by the County of Sacramento for the City and counties of Sacramento, El Dorado, Placer, and Yolo and administered by the County Department of Human Assistance (DHA).

McKinney Vento Act Program Description

Funding is available on an annual basis through the U.S. Department of Housing and Urban Development (HUD) Super-NOFA which is typically published in the spring of each year. Sacramento County Department of Human Assistance (DHA) is the lead Agency (Grantee) in Sacramento County, which

coordinates the local application process. Funding is provided for services to chronically homeless individuals residing in transitional housing and permanent supportive housing developments. Priority had previously been for transitional housing programs; however, recent emphasis has begun to shift towards providing funding for services through permanent supportive housing. Most existing programs are renewed on an annual basis. Funding for new programs is typically available in two ways; the Grantee (DHA) can apply for one new project (Samaritan Bonus) each year in addition to renewing existing programs or an existing program can either be de-funded or request a reduction in funding and those funds can become available to a new program.

HUD 811 and 202 Programs

The Section 811 program provides funding for the development of rental housing with the availability of supportive services for adults with disabilities. The Section 811 program allows for persons with disabilities to live as independently as possible in the community. The program also provides project rental assistance, which covers the difference between the HUD-approved operating costs of the project and the tenants' contribution toward rent. The Section 202 program provides funds to finance the construction, rehabilitation, or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable. It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, and other supportive activities.

Mortgage Revenue Bonds and Low-Income Housing Tax Credits

Since 1983, SHRA has issued tax-exempt mortgage revenue bonds on behalf of the City for housing developments that restrict a portion of their units for very low-income and low-income households. The basic Federal requirements are that 20 percent of the units must be restricted to very low-income households (50 percent of area median income), or 40 percent of the units restricted to low-income households at 60 percent of area median income. Agency policies require the 20 percent very low-income restriction. The funds raised as a result of the bond sales carry below market interest rates, and are often coupled with Low-Income Housing Tax Credits to raise the equity needed for the project's affordability and feasibility.

The Low-Income Housing Tax Credit program is a Federal program that provides each state an allocation of tax credits based upon population to be used to create affordable housing for lower-income households. First used in 1988, the tax credits are used as an incentive for private business to invest in affordable housing. Within the Federal tax credit program, there are two programs: the four percent and the nine percent tax credits. The nine percent tax credit program with its higher credit factor (typically around nine percent) is more competitive and requires much deeper affordability targeting. The four percent tax credit program is used solely in conjunction with the mortgage revenue bond program. In addition to federal tax credits, California has created a state tax credit program to be used in conjunction with the federal credits.

Mortgage revenue bonds with Low-Income Housing Tax Credits have been the most successful tool for financing new construction, producing mixed-income developments with a variety of affordability levels serving very low-income and lower-income households and preserving the affordability and useful life of the apartment complexes terminating their HUD contracts. Use of the mortgage revenue bond and tax credit programs allows the City to spread its limited local resources as gap loans supporting bond and tax credit

projects. This financing has been used successfully in new growth areas for family and senior developments, and will likely be employed in downtown Sacramento's housing expansion.

Mortgage Credit Certificates

The Mortgage Credit Certificate (MCC) program provides financial assistance to first time homebuyers for the purchase of new or existing single-family homes. The MCC provides qualified first time homebuyers with a Federal income tax credit, which reduces an individual's tax payment(s) by an amount equal to the credit. The MCC program can be used to increase homeownership, especially in targeted census tracts.

State Sources of Funding

Proposition 1B Funding

Proposition 1B authorized about \$20 billion in State bond funds for transportation. The measure allocates specific amounts of bond funding for particular transportation uses, and requires that the funding be subject to legislative appropriation. These transportation funds can be used to assist in improvements that are required for new development projects supporting transit, including affordable housing. The Downtown Railyards project received \$20 million in Proposition 1B funding in April 2008 to relocate and realign the Union Pacific railroad tracks to facilitate the development of the Sacramento Valley Station. The realignment has cleared one barrier to development of the first two phases of the Railyards project, which will include 1,831 units as indicated in Appendix C.

Proposition 1C Funding

Proposition 1C authorized about \$2.85 billion in State funding for a variety of housing programs. Potential uses of Proposition 1C funds include brownfield cleanup and infill incentives, multifamily housing programs, implementation of Transit Oriented Development (TOD), the State Homeowner Downpayment Assistance program, supportive housing, farmworker housing, emergency housing assistance, and programs for homeless youth. For the first round of this program, Sacramento received Proposition 1C funding from both the TOD program and the infill infrastructure program to implement redevelopment projects at the Downtown Railyards and Township 9. The City will continue to seek this type of grant funding to assist major infill projects in the city.

Multifamily Housing Program

The Multifamily Housing Program (MHP) is used to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households. Special allocations have been made for supportive housing with associated health and social services for low-income renters with disabilities, or individuals or households that are moving from emergency shelters or transitional housing, or are at risk of homelessness. MHP funding can be used by local governments, for-profit and nonprofit corporations, limited equity housing cooperatives, and individuals to construct, rehabilitate, or preserve permanent and transitional rental housing.

Mental Health Services Act Program

Mental Health Services Act (MHSA) Housing Program was established by Executive Order to fund permanent supportive housing (PSH) projects for people with psychiatric disabilities and children with

serious emotional disturbance. In permanent housing, all services must be voluntary. PSH is defined to include all of the following: tenant holds a lease and has rights of tenancy, tenant has a private space that is locked and that only they have access to, and participating in supportive services is not a requirement of tenancy. Transitional housing and emergency shelters are not eligible for funding.

Eligible uses of funds include: acquisition of vacant property, acquisition and rehabilitation of an existing development, construction of a new development, capitalizing operating costs, and predevelopment costs associated with an eligible project proposal. Funds can be awarded as a grant or a loan, whichever assists in project feasibility and/or meets the requirements of other sources of funding.

There are two pools of funds that are provided in three year cycles. “One-time” funds are provided by the State directly to the County and applications are accepted over-the-counter through SHRA and through Sacramento County Division of Mental Health (DMH). The other source of MHSA funds are controlled by CalHFA and applications are submitted over-the-counter to CalHFA.

Building Equity and Growth in Neighborhoods (BEGIN)

BEGIN funding includes grants to local public agencies to make deferred-payment second mortgage loans to qualified buyers of new homes, including manufactured homes on permanent foundations, in projects with affordability enhanced by local regulatory incentives or barrier reductions. These grants are used to increase homeownership among low- and moderate-income residents.

Housing Enabling Local Partnerships (HELP)

HELP funding is provided to local government entities to tailor the affordable housing activities and priorities of the particular jurisdiction. HELP Program funds can be used for a wide variety of housing programs, including multifamily construction and rehabilitation and homeownership assistance. SHRA has used the HELP program twice to assist in the funding for the acquisition and redevelopment of the Phoenix Park (formerly Franklin Villa) neighborhood.

CalHOME

CalHOME funding includes grants to local public agencies and nonprofit corporations to assist individual households through deferred-payment loans, as well as direct, forgivable loans to assist development projects involving multiple ownership units, including single-family subdivisions. These grants are used to enable low- and very low-income residents to become or remain homeowners.

Emergency Housing and Assistance Program (EHAP)

EHAP funding includes both operating grants and deferred loans for capital development. Grants can be used for facility operations of emergency shelters, transitional housing projects, and supported services for homeless individuals and families. Loans to local public agencies and nonprofit developers may be used for capital development activities for emergency shelters, transitional housing, and safe havens that provide shelter and supportive services for homeless individuals and families.

Workforce Housing Reward Program

This program provides financial incentives to cities and counties that issue building permits for new housing affordable to very low- or low-income households. Grants can be used for construction or acquisition of capital assets.

Local Sources of Funding

Housing Trust Fund of the City of Sacramento

The City of Sacramento adopted a landmark local ordinance in 1989 that established an impact fee on new non-residential construction. The fees were based on an economic nexus analysis that determined that the construction of such commercial projects as offices, business parks, hotels, warehouses, and shopping centers played a major role in attracting new very low- and low-income workers to Sacramento. Because the workers are often unable to afford housing close to their work sites, the fee-generated revenue is used to increase the supply of housing affordable to these income groups, creating the nexus or linkage between jobs and housing.

Annually, the City Housing Trust Fund provides approximately \$700,000 for new construction of housing for people that are in or likely to be in the labor force. As of mid 2013, almost \$30 million in City Housing Trust Funds have been loaned to developers building over 2,500 new units affordable to lower-income households. Housing Trust funds are most commonly used as “gap” loans, leveraging millions of dollars of outside resources to create affordable housing in the city.

6.3 Institutional Resources

In addition to the external resources described above, the City has an intricate internal network of departments that work together to coordinate housing activities. It is imperative that these departments work under the same vision for housing in the city, and that their collective resources and expertise are directed toward a common goal.

Sacramento Housing and Redevelopment Agency

The Sacramento Housing and Redevelopment Agency (SHRA) is a Joint Powers Authority created as a public agency by the City and County of Sacramento in 1973. SHRA serves two essential functions for both the City and unincorporated County in its roles as the Housing Authority and housing department for both jurisdictions.

In its role as the Housing Authority, SHRA owns and operates 2,462 public housing units in the city and an additional 832 in the other parts of the county. It administers over 12,000 Housing Choice Vouchers throughout Sacramento County. SHRA also acts as the City’s housing department, administering Federal and State funding programs for the provision of affordable housing and implementing the City’s Mixed Income Housing Ordinance.

City of Sacramento

In addition to the lead housing role of SHRA, various City departments are involved in the planning and delivery of housing and community development services.

The **Economic Development Department's** mission is to market the City and facilitate private investment in accordance with established economic development priorities and adopted land use plans and policies. In addition, the Economic Development Department administers the Merged Downtown and Richards Boulevard redevelopment areas, working collaboratively with SHRA on housing projects in these areas.

The **Community Development Department (CDD)** reviews development all applications requiring entitlements from the Planning and Design Commission and/or City Council, ensures implementation of the State of California code requirements and City ordinances and codes, reviews development projects for adequate infrastructure, and operates the Permit Centers that are “one stop” public information and service centers for a number of City agencies. These development-oriented centers assist customers with planning, engineering, building, and transportation issues.

CDD also oversees planning efforts of the City, including the General Plan and Community Plans as well as neighborhood and specific plan area projects. CDD ensures that development is consistent with the vision of the City and prioritizes public infrastructure investment to facilitate such development.

CDD also includes the Code Enforcement division, which promotes and maintains a safe and desirable living and working environment. Code Enforcement maintains and improves the quality of the community by administering a fair and unbiased enforcement program to correct violations of municipal codes and land use requirements. The Code Enforcement division administers the rental property inspection programs and the vacant building ordinance, ensuring proper upkeep of residential units throughout the city.

The **Parks and Recreation Department** provides parks and recreation services. The department maintains more than 2,000 acres of developed parkland, operates 18 community centers and clubhouses, and provides recreation programs at numerous department and school sites. The Neighborhood Services division helps to connect residents to City government and to facilitate ongoing and meaningful community input. Neighborhood Services works on a variety of neighborhood related issues, including development and maintenance of housing.

County of Sacramento

Sacramento Steps Forward (SSF) operates the County's welfare program and serves as the lead agency for the ESG and HOPWA programs. SSF offers a range of services including: senior volunteer services, welfare reform, homeless assistance, employment services, financial assistance, medical assistance, and senior nutrition.

The **Department of Health and Human Services** offers a variety of services including: alcohol and drug rehabilitation services, children's services, family assistance, mental health services, senior services, and shelter and homeless assistance.

Other Service Providers

SHRA coordinates with a variety of nonprofit organizations that coordinate or provide housing and/or social services in the City of Sacramento. These organizations include the Mercy Housing, Volunteers of America, Sacramento Neighborhood Housing Services, Lutheran Social Services, InfoLine Sacramento, Self-Help Housing, Turning Point Community Programs, Transitional Living and Community Support, Loaves and Fishes, Sacramento Veterans Resource Center, and many others.

7 Opportunities for Conserving Energy Resources in the Residential Sector

7.0 Key Findings

- Sacramento has two key performance goals related to energy used in buildings:
 - To achieve zero energy in all new construction by 2030; and
 - To achieve an overall 15 percent reduction in energy usage in all existing residential and commercial building by 2020.
- Retrofitting Sacramento's older, energy inefficient housing stock represents a key, largely untapped opportunity for reducing residential energy consumption.
- Multifamily housing typically requires less energy per dwelling unit than detached, single-family housing. The 2035 General Plan reduces residential energy consumption by encouraging a greater proportion of new growth to be energy-efficient multifamily housing.
- The Sacramento Climate Action Plan includes measures and actions to reduce energy demand, increase building efficiency in new and existing buildings, and increase renewable energy generation and use. At the time of this writing (June 2013), the Climate Action Plan is being incorporated into the 2035 General Plan.
- The City collaborates with SHRA, SMUD, Greenwise Joint Venture, Ygrene Energy Fund, and other agencies to implement energy efficiency and sustainability goals.

7.1 Introduction

State law (Government Code Part 65583[a][7]) requires Housing Elements to contain an analysis of opportunities for residential energy conservation. According to the California Department of Housing and Community Development, the energy conservation section of a Housing Element must inventory and analyze the opportunities to encourage energy saving features, energy saving materials, and energy efficient systems and design for residential development. Housing Element policies and programs should address the environmental significance and operational benefits of employing energy conservation in the building and retrofitting of housing.

The term "residential energy" refers to the total energy used in residential buildings, including heating, cooling, and "plug load" from appliances, lights, and electrical devices. "Energy conservation" refers to reducing energy use through using less of an energy service, such as lowering the thermostat in the winter. Energy conservation differs from "energy efficiency", which refers to using less energy without cutting back on energy services.

Residential energy efficiency can be improved by sealing the building envelope and HVAC ducts, insulating the attic or ceiling, walls, and floor, installing efficient heating and cooling systems, and energy efficient lighting and appliances. Passive heating, cooling, and lighting can also be employed when designing new buildings.

Approximately 63 percent of the housing units in the city were built before the advent of the 1978 California Energy Code. A comparison of energy consumption from homes built in the Sacramento area confirmed that Sacramento's older homes are indeed considerably less energy efficient than new homes.¹ Retrofitting older, less efficient housing offers a relatively high cost/benefit ratio when compared to other energy investments, such as increasing the energy efficiency requirements of new construction.²

Housing type also makes a difference in building energy consumption. Single-family detached housing consumes 35 percent more energy per dwelling unit for space heating and 21 percent more energy per unit than multifamily housing of comparable size and age.² This is due to the self-insulating effect of shared walls and ceilings in attached housing. In addition, single-family homes tend to be larger than multifamily homes, adding an additional 16 percent more energy for space heating, and 13 percent for space cooling.

Reducing residential energy consumption has multiple benefits: it reduces greenhouse gas (GHG) emissions, conserves limited energy resources, and reduces household energy bills. Energy efficiency and renewable energy are key components of the City's strategy for reducing GHG emissions and preparing for climate change. In addition to being environmentally responsible and economically efficient, energy conservation measures can result in lower monthly housing costs and contribute to greater long-term housing affordability.

7.2 Strategies and Policies for Conserving Energy Resources

Energy resource conservation is a key strategy for reducing community-wide GHG emissions and creating a sustainable city. It is one of the main themes of the General Plan and the Housing Element. The City of Sacramento is implementing a number of strategies that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions.

Three important strategies for conserving residential energy are:

- Improving the energy efficiency in new buildings;
- Increasing the energy efficiency of existing buildings;
- Increasing renewable energy generation; and
- Sustainable land use and transportation.

Seven Strategies from the Sacramento Climate Action Plan

The California Legislature adopted the California Global Warming Solutions Act (Assembly Bill 32) in 2006, which established a goal of reducing statewide GHG emissions to 1990 levels by the year 2020. AB 32 set a

¹ Meeting AB 32: Cost-Effective Green House Gas Reductions in the Residential Sector. A study prepared by ConSol for the California Home Builder's Foundation, August, 2008.

² Growing Cooler: The Evidence on Urban Development and Climate Change. Reid Ewing et. al. 2008, The Urban Land Institute.

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mid-term GHG emissions reduction target, putting California on a trajectory to achieve an even more aggressive long-term reduction goal set forth by Executive Order S-3-05: 80 percent below 1990 levels by 2050. The California Air Resources Board (CARB) later clarified that a minimum target of 15 percent below 2005 levels is roughly equivalent to the AB 32 target.

Recognizing the City's part in helping to meet State GHG reduction targets, the City of Sacramento 2030 General Plan (2009) included goals and policies directing the City to be proactive in addressing climate change, including the preparation and adoption of a climate action plan that would contain strategies and specific actions for reducing GHG emissions and adapting to expected impacts of climate change.

The Sacramento Climate Action Plan (CAP) was adopted on February 14, 2012. It included strategies, measures, and actions for reducing community-wide GHG emissions 15 percent below 2005 levels or 28 percent below 2020 levels, and adapting to climate change impacts. The CAP will be incorporated into the 2035 General Plan as part of the 5-year update.

The CAP is organized into seven key strategies for reducing GHG emissions from seven sectors. Since most GHG emissions originating from human activities come from fossil fuel combustion, all seven strategies include measures or actions that conserve energy resources:

- Sustainable land use;
- Mobility and connectivity;
- Energy efficiency and renewable energy;
- Waste reduction and recycling;
- Water conservation and wastewater efficiency;
- Climate change adaptation; and
- Community involvement and empowerment.

The second jurisdictional GHG inventory was prepared for the City in 2013 that showed GHG emissions for the seven sectors: residential energy; commercial/industrial energy; industrial-specific; transportation (on-road mobile); solid waste; wastewater treatment; and water consumption. The inventory shows the total city-wide GHG emissions for 2011 to be 3,910,501 million metric tons of carbon dioxide equivalent (MT CO₂e). Residential Energy accounts for 656,472 MT CO₂e, or 17percent of Sacramento's community-wide total.³

Increasing Energy Efficiency in Existing Buildings

The CAP includes several measures to improve energy efficiency in existing buildings, including measures related to its partnership with utilities, and the development and adoption of a Property Assessed Clean Energy Financing Program (PACE) to help finance energy efficiency retrofits of existing buildings.

³ City of Sacramento jurisdictional Greenhouse Gas Inventory-2011, Prepared by Ascent Environmental, 2013.

State Energy Efficiency Requirements for New Construction

Title 24 of the California Code of Regulations contains California's building standards for energy efficiency. Each city and county must enforce these standards as part of its review of building plans and issuance of building permits. The standards, prepared by the California Energy Commission, were established in 1978 in response to a State legislative mandate to reduce California's energy consumption. The standards are updated periodically to consider and incorporate new energy efficiency technologies and methods. The pending 2013 Title 24 update will increase energy efficiency requirements for nonresidential construction 25 percent above 2008 Title 24 and 20 percent above 2008 Title 24 for residential construction.

Sustainable Land Use and Transportation

Regional Blueprint for Sustainable Communities

The Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) is a long-range plan for transportation in the region built on the SACOG Blueprint (a scenario for regional growth that was adopted in 2004). SACOG is required by Federal law to update the MTP at least every four years, and is now required by the State of California to align transportation, housing, and other land uses to achieve per capita GHG emission reductions of 10 percent per capita by 2020, and 16 percent per capita by 2035, pursuant to SB 375.

City of Sacramento

2035 General Plan

The 2035 General Plan will be adopted at the completion of the 5-year update of the 2030 General Plan. One of the changes to be made will be the integration of the Sacramento Climate Action Plan into the 2035 General Plan.

The 2035 General Plan will continue to guide future development in a manner consistent with the MTP/SCS, which emphasizes smart land use, infill development, environmental quality, and sustainability. The following are some of the more important principles reflected in the policies of the 2035 General Plan:

- a focus on higher density developments and mixed-use projects in areas adjacent to transit stations, along transit corridors and commercial corridors, near job centers, and in strategic opportunity areas throughout the city;
- promotion of livable and well-designed neighborhoods that are walkable and complete, with a mix of uses and services to support the needs of a growing population;
- promotion of developments that foster accessibility and connectivity between areas and safely and efficiently accommodate a mixture of cars, transit, bicyclists, and pedestrians;
- encouraging sustainable levels of energy and resource consumption through efficient land use, transportation, building design, construction techniques, waste management, and other infrastructure systems; and
- planning for housing close to jobs, services, and amenities.

HOUSING ELEMENT: Opportunities for Residential Energy Conservation

The 2035 General Plan will continue to guide development by focusing less on specific land uses and more on “place types.” Place types are descriptions of neighborhoods and other places; their form, layout, and function; and the general mix of land uses and densities envisioned for each place. The General Plan defines several high-density residential neighborhoods and/or mixed-use centers that can support efforts to conserve energy. Residential place types (neighborhoods) have maximum densities ranging from 8 to 250 dwelling units per acre, while mixed-use place types (centers and corridors) have maximum densities ranging from 32 to 450 units per acre.

The City’s emphasis on place types and opportunities to grow in more environmentally sustainable ways is reinforced by policies contained in several of the General Plan elements. The policy direction is summarized below.

Land Use and Community Design Element. This element will continue to encourage compact, higher density development to conserve land resources, protect habitat, support transit, reduce vehicle trips, improve air quality, conserve energy and water, and diversify Sacramento’s housing stock. The City’s growth strategy will promote infill development, redevelopment, and growth in existing urbanized areas over urban expansion. The City will place greater emphasis on a neighborhood land use mix that promotes walkability and reduces vehicle trips. The City will also promote sustainable building practices that reduce waste and conserve resources, including land, water, air, and energy. Such building practices may include passive heating and cooling, efficient water and light fixtures, drought-tolerant landscapes, permeable paving materials, and on-site energy generation systems.

Environmental Resources Element. A major focus on the Environmental Resources Element will continue to be the maintenance and expansion of City’s urban forest – its tree canopy. The tree canopy reduces the urban heat island effect, which makes streets and sidewalks more pleasant places to walk and provides shade for residences. The tree canopy contributes significantly to residential energy savings.

Mobility Element. The Mobility Element will continue to emphasize neighborhoods and centers with highly interconnected streets that decrease travel distances and promote walkability and bicycling. . Pedestrian and bikeway networks will be expanded to create safe, walkable environments. Residents will continue to integrate walking and bicycling into their daily activities. The Element will also continue to emphasize direct links between streets and major destinations such as bus stops, schools, parks, and shopping centers, further reducing the need to use automobiles for many trips.

Utilities (Energy Resources) Element. This element will continue to include policies to improve energy efficiency, reduce energy consumption, and increase renewable energy generation to reduce dependence on non-renewable energy sources. The City will continue promote green building practices that meet “LEED” (U.S. Green Building Council’s Leadership in Energy and Environmental Design) and other green building rating systems and standards. This element will continue to emphasize retrofitting of older buildings to improve energy efficiency.

7.3 Programs and Implementation Measures

The strategies and policies for energy conservation described above can be implemented through a number of agencies and various regulatory, voluntary, and financial assistance programs. This Section briefly describes some of the potential ways to achieve energy savings through the regulations and programs of various City departments, the Sacramento Housing and Redevelopment Agency, and local utility providers.

Clean Energy Sacramento

The City partnered with YGreene Energy Fund to create a Property Assessed Clean Energy (PACE) program that provides privately funded financing to local property owners for energy efficiency, renewable energy, and water conservation upgrades. The loans are repaid over the assigned term via an annual assessment on the property tax bill. This allows the borrower to “mortgage” the improvements and pay only for the benefits they derive while they own the home.

Sacramento Housing and Redevelopment Agency (SHRA)

Housing Rehabilitation

SHRA helps pay the cost of weatherization and certain energy efficiency improvements through its housing rehabilitation program. This program helps reduce the operating costs of housing.

Sacramento Metropolitan Utility District (SMUD)

SMUD provides technical and financial assistance for design, construction and remodeling of housing. For new construction, SMUD offers design and technical assistance for incorporating energy efficiency features. Incentives may be available for upgrading air conditioning, lighting, and appliances to more efficient systems. SMUD has programs to incorporate advanced systems such as photovoltaic roof panels and ground source heat pumps into new projects. Design assistance is available for retrofit projects.

Other ways in which SMUD works with its residential customers and local jurisdictions to promote energy conservation include:

1. Online home energy analysis that allows customers how to identify energy waste;
2. Consumer information containing a variety of tips on saving energy during winter heating and summer cooling periods;
3. Whole-house energy efficiency retrofit programs;
4. Free shade trees that help cool homes naturally;
5. The Advantage Homes program that helps homebuyers find a new, energy-saving home;
6. The SolarSmart program that allows residential customers to purchase SolarSmart new homes and reduce their annual energy bills by as much as 60 percent;
7. Consumer information on how to keep pools clean, warm, and energy efficient;
8. The Cool Roof program in which SMUD provides rebates to residential customers who replace their roofs with approved materials that reflect the sun’s energy;
9. Rebates to buy down the cost of electric appliances and products to encourage energy efficiency; and
10. The Peak Corps program in which Peak Corps volunteers allow SMUD to cycle their air conditioners during emergency situations, thereby reducing peak electricity demand.

City of Sacramento

Planning and Development Code

The City adopted a comprehensive update of the Zoning Code on April 9, 2013 in order to facilitate infill development and update development standards to recognize urban and traditional neighborhood development identified in the General Plan.

Incentives for Green Buildings. The Planning and Development Code includes a bonus system to create incentives for green buildings that meet or exceed CALGreen Tier I or Tier II green building standards.

Mixed Use Zones. The City's Planning and Development Code includes several districts that promote mixed-use development in the Central City area and along commercial corridors. These zones include the Residential Mixed-Use (RMX) Zone, Residential-Office (RO) Zone, and the R-5 High-rise Residential Zone, which permits non-residential uses. The comprehensive update increased the density and height in several zones, including the RMX zone and several multifamily zones. These and other zoning districts are described in more detail in Part 8, Constraints. Development standards associated with these zones seek to facilitate the type of energy-efficient development patterns envisioned under the new General Plan update and the SACOG Blueprint and MTP/SCS.

Parking Lot Tree Shading Standards. The Planning and Development Code includes standards for tree shading in off-street parking areas. Shading reduces heat gain and energy use in nearby buildings.

Greater Emphasis on Infill. The Planning and Development Code was designed to create greater flexibility for infill development in allowed densities, heights, and uses. For example, it allows limited retail by right in certain office and retail zones, and limited residential uses by right in the OB zone. It also provides for shorter review time (staff-level approval) of projects that are consistent with standards and guidelines, and a more flexible process for deviations from development standards at director hearing level.

Infill Development, Development Fees, and Affordable Housing. To facilitate more infill and affordable housing production and more integrated, sustainable neighborhoods, the City provides fee reductions and waivers. The intent of these fee waivers and reductions is to reduce the burden of development and impact fees on small residential infill development (one to four units) in targeted residential neighborhoods and to promote affordable housing development.

Mixed Income Housing Ordinance. As described in Chapter 6, the City's Mixed Income Housing Ordinance seeks to ensure better income integration in new neighborhoods and potentially better proximity of a wider range of housing to services and jobs.

Streamlined Review for Transit Priority Projects

Streamlined CEQA review and analysis is available to Transit Priority Projects (TPPs) and residential or mixed-use residential projects that are consistent with the Sustainable Communities Strategy (SCS) that was adopted by the Sacramento Area Council of Governments (SACOG), pursuant to SB 375.

Building Codes

The City of Sacramento enforces State building code standards, including standards for residential building energy efficiency (Title 24), described above.

Other City Programs

Department of General Service. The City General Services Department implements a number of programs to encourage composting, recycling, and water conservation, which reduce GHG emissions and save energy.

Department of Utilities. The City Utilities Department has a number of programs to encourage indoor and outdoor water conservation, which reduces the electricity requirements for pumping water.

Department of Public Works, Urban Forestry Program. The City Public Works Department, through the Urban Forestry Program, provides care and maintenance support to more than 150,000 street and park trees. The department has prepared a tree planting guide to help residents select appropriate shade and canopy trees. The department also implements a shade tree planting program (one shade tree for each 40 feet of street frontage within the City limits). Among the benefits of the Urban Forestry Program is reduced energy use associated with air conditioning in residential neighborhoods during summer months.

8 Constraints

8.0 Key Findings

- Recent Zoning Code amendments in 2013 have removed all governmental constraints identified in the 2008-2013 Housing Element.
- High development costs challenge the ability of homebuilders to provide housing affordable to low- or moderate-income households. Such costs include:
 - Land costs, which are beginning to increase in 2013;
 - Materials costs (such as wood, concrete, and steel) that have also risen significantly; and
 - Permit and development impact fees.
- Since the downturn in the housing market, consumer lending standards have tightened as has the general availability of credit in financial markets. However, more recently, development financing conditions have started to turn around, especially for multifamily development. The cost of construction financing is historically low, with prime rates below 5 percent in 2013 enabling many projects to pencil out that would not otherwise. Given recent trends, the availability of financing is likely to be less of a constraint on new housing construction during this Housing Element planning period than it has been in the recent past.
- Due to the recent collapse of the subprime mortgage market, loan qualification standards are considerably stricter and the availability of financing is considerably reduced. So, while mortgage rates remain historically low, borrowers with low credit scores and/or lower incomes may find obtaining a home mortgage more challenging than would have been the case several years ago.
- FEMA flood zone mapping has constrained residential development in Natomas in the past planning period. Current levee improvements are anticipated to allow residential development in this area for the majority of this Housing Element planning period.
- Outside Natomas, expiration of levee certifications have potential implications for FEMA flood designations for large areas of the city of Sacramento. However, SAFCA is undertaking a process to certify the levees locally, and the City of Sacramento will be working closely with SAFCA to develop the levee improvement program for recertifying the levees to achieve 100-year flood protection in order to avoid a remapping by FEMA.
- Concurrently, the City is working with SAFCA to develop flood control plans that will achieve 200-year flood protection for the entire city by 2025 to meet the requirements of State law, established by SB 5. As a result, housing development is not expected to be constrained due these recent State flood protection policies.

8.1 Introduction

The purpose of this section is to identify nongovernmental and governmental factors (constraints), some of which are unique to Sacramento, that inhibit the development, maintenance, or improvement of housing. Examples of such constraints are land and construction costs, access to credit for home loans, permit fees, development standards, and compliance with State laws intended to facilitate housing for lower-income and special needs households. A thorough understanding of the constraints to development can help to structure appropriate policy and programmatic responses to mitigate constraints and to provide additional avenues to the development of housing.

8.2 Nongovernmental Constraints

State law (California Government Code, Section 65583[a][5]) requires Housing Elements to contain an analysis of nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction. Potential nongovernmental constraints are largely determined by market conditions over which local jurisdictions have little control. However, local governments can influence market conditions and their associated costs, even if only indirectly. Governmental interventions that affect nongovernmental constraints will be explored in more detail in Section 8.2.

Development Costs

The cost to develop a housing unit, whether single-family or multifamily, includes the cost of land, construction, infrastructure, and “soft costs,” those additional non construction costs associated with design, financing, entitlements, and sales – costs such as engineering and architectural fees, insurance, financing, administrative costs, and marketing costs.

Land Costs

Land costs typically account for a large share of development costs, but also vary widely by market area and market fluctuations, even within short timeframes. As with other development costs, very high land costs may make housing development infeasible unless expected rents or sales prices are high enough to account for such costs. Even if raw land costs are low, high site preparation costs (such as grading, dewatering, and special engineering requirements to provide utilities to a property) can affect the cost of housing and the feasibility of developing affordable housing for low- and moderate-income households.

In February of 2013, Keyser Marston Associates performed a market feasibility analysis for residential development in Sacramento. Eight residential prototypes varying in tenure, location, and construction type were analyzed. Properties zoned for single-family development between one and 40 acres ranged in price from approximately \$52,679 to approximately \$258,065 per acre (between \$1.21 and \$5.92 per square foot).

Properties zoned for multifamily development ranged in price from approximately \$48.21 per square foot for urban infill location to \$6.89 per square foot for a suburban/greenfield location. As with single-family land costs, the variation in multifamily land costs can depend on whether properties are “shovel ready,” which means that utilities are available and ready to be connected.

Construction Costs

The cost of construction (labor and materials) and improvements represents the largest component of housing development costs. The greatest contributor to construction costs is the type of building. Single-story, wood-framed structures are the least costly to build, whereas multi-story steel-reinforced, poured-in-place concrete structures are the most expensive.

Single-Family Construction and Infrastructure Costs

The average development cost (including land, construction, infrastructure improvements, fees, and other costs) for a 2,200 square foot single-family home can vary from \$126 per square foot (in greenfield areas to \$139 in infill areas (Keyser Marston Associates, 2013). Once a vacant parcel is purchased, the contractor is required to make site improvements before constructing a building on the property. Site improvements can include connections to existing utility systems, rough grading, and installation of water and sewer lines. The cost variation depends on the lot size, unit size, type of residential dwelling, primary infrastructure needed for the site, and roadway improvements including landscaping, sound walls, and additional lanes. Additionally, in infill areas the cost of the infrastructure improvements must be borne by the developer alone as opposed to financing districts that can distribute the costs more evenly. In general, site improvement costs in Sacramento average about \$16 per square foot, which is included in the \$126 -\$139 figures above (Keyser Marston Associates, 2013).

Multifamily Construction and Infrastructure Costs

The average development cost (including land, construction, infrastructure improvements, fees and other costs) for a multifamily projects range from \$202 per square foot (for suburban apartments) to \$303 for large urban infill projects. The variation in cost is due largely to the type of materials use as noted above (Keyser Marston Associates, 2013). As mentioned above infrastructure costs can vary depending on the location of the project.

Soft Costs

Other costs, often called “soft costs,” include engineering and architectural fees, insurance, financing, administrative costs, and marketing costs. For single-family development, soft costs range from about \$21 to \$33 per square foot. Permitting costs and impact fees payable to the local jurisdiction comprise a substantial portion of the total soft costs. For a typical single-family residence in an infill development in the city, permitting and impact fees are estimated at about \$34,100, whereas a similar single-family residence in a greenfield area would be subject to about \$53,300 in fees. For multifamily development in the city, permitting and impact fees range from about \$18,400 per unit in an infill development to about \$23,300 per unit in a greenfield area.

Total Development Costs

Table H 8-1 summarizes total costs, including land, construction, and soft cost estimates for the eight residential prototypes compiled by Kaiser Marston Associates. Based on the cost estimates for the residential prototypes shown in Table H 8-1, the cost to construct a single-family home in Sacramento ranges from approximately \$220,000 for a small-lot, 1,600 square foot single-family home in an outer-edge suburban area to \$305,200 for a suburban infill 2,200 square foot single-family home, and \$310,500 for an

urban infill 950 square foot condominium. The prototype small-lot single-family home in the outer-edge suburban area would be affordable to a lower-income family of three earning roughly \$55,000 per year. The prototype urban infill condominium would be affordable to a moderate-income family of three earning roughly \$80,000 per year. However, these costs do not take developer profits into account, which would add to the cost of the units.

The cost to construct an apartment project ranges from approximately \$191,600 per unit for a 950 square foot unit in a small suburban infill apartment to \$257,400 per unit for an 850 square foot unit in a larger urban infill project. Examples of the high cost to develop multifamily housing can be seen in the rents charged for apartments recently built in North Natomas (a greenfield area) and midtown (an infill area). A search of rental listings on Rent.com revealed asking rents in North Natomas that ranged from about \$1,000 to \$1,200 for one-bedroom units to between \$1,200 and \$1,500 for two-bedroom units. Recently constructed apartments and lofts in Midtown and Downtown Sacramento had asking rents ranging from \$1,000 to \$1,800 for studio or one-bedroom apartments to \$1,800 to \$3,000 for two-bedroom apartments.

These newly constructed apartments are affordable to some low-income and most moderate-income households, although many of the luxury apartments in Midtown and Downtown are out of reach for moderate-income households. A couple living in a one-bedroom apartment and paying \$1,200 per month in rent and utilities (one of the cheaper *new* one-bedroom units) would need an annual income of about \$48,000, which is the upper threshold of the low-income category for a family of two. Older apartments typically have lower rent rates that are more affordable.

According to the Kaiser Marston Associates study, market sales prices and rental rates at the beginning of 2013 were too low to make most new development financially feasible. In order for a developer to achieve a return of 10 percent of total costs, sale prices and rental rates would need to increase in the range of 5 percent to 15 percent from early 2013 values for financial feasibility, assuming development costs remain flat.

However, the housing market is changing very rapidly as the housing market recovery is accelerating in the first part of 2013. According to a report by CoreLogic, home prices in the Sacramento region increased by nearly 23 percent in April 2013 compared with the same month a year earlier. From March to April 2013, home prices rose more than 4 percent in the region. The increase in home values has been driven largely by a low supply of homes on the market and high demand from investors and traditional home buyers, coupled with record low mortgage rates. As the housing market recovers and home sale prices increase, the financial feasibility of new residential development projects will improve; however, as home sale prices increase, so will the cost of land, which will add to the development costs.

The cost to develop both single-family and multifamily housing represents a constraint to the provision of housing affordable to lower income and many moderate-income households. In addition, land values are beginning to increase in 2013, which will add to the costs of development. It is highly likely that in the future home builders will require financial assistance (e.g., discounted permit and impact fees, reduced infrastructure requirements, discounted or free land) and/or the homebuyer will require assistance (e.g., down payment assistance, below-market rate financing) in order for a single-family home to be affordable to a lower income or moderate-income household.

Table H 8-1 Land and Construction Costs					
<i>Housing Type & Size</i>	<i>Average Land Value (\$/sf)</i>	<i>Average Construction Costs (\$/sf)</i>	<i>Average Soft Costs (\$/sf)</i>	<i>Total (per sf)</i>	<i>Average Cost Per Unit¹</i>
Suburban Infill Small SFR Project (2,200 sf)	\$5.92	\$55	\$22	\$139	\$305,200
Outer-edge Suburban Large SFR Project (2,200 sf)	\$1.19	\$55	\$21	\$126	\$276,800
Outer-edge Suburban Small Lot/Cluster SFR (1,600 sf)	\$1.21	\$60	\$23	\$138	\$220,000
Suburban Infill Large Condo Project (1,200)	\$6.89	\$135	\$50	\$224	\$268,800
Urban Infill Condo Project (950 sf)	\$48	\$191	\$71	\$327	\$310,500
Suburban Infill Smaller Apt Project (950 sf)	\$6.89	\$125	\$31	\$202	\$191,600
Urban Infill Smaller Apt Project (850 sf)	\$48.21	\$174	\$43	\$298	\$253,400
Urban Infill Larger Apt Project (850 sf)	\$45.91	\$194	\$48	\$303	\$257,400

Sources: Keyser Marston Associates 2013.

¹ Total development cost includes land, infrastructure improvements, construction, fees/permits, soft costs, and construction financing.

The Cost and Availability of Financing

During the recession, the tightening of credit availability severely constrained financing for new home building. From the peak in 2007 to year-end 2012, construction and development loan volumes were down 68 percent nationally, according to the Federal Deposit Insurance Corp. Single-family and small residential development loans saw the largest declines, but larger multifamily loans are also just a fraction of their peak levels. Since the last development boom, banks have tightened up their underwriting significantly and construction financing is not as readily available.

However, more recently, development financing conditions have started to turn around, especially for multifamily development. While there is more scrutiny of developer's credentials and banks are requiring a higher loan-to-value ratio, the cost of construction financing is historically low, with prime rates below 5 percent in 2013. Faced with a lagging housing market, the Federal Reserve has been cutting interest rates since late 2007, enabling many projects to pencil out that would not otherwise. Where financing is available, construction capital seems to be directed at the best transactions – those with large, established, and well-capitalized sponsors. Given recent trends, the availability of financing is likely to be less of a constraint on new housing construction during this Housing Element planning period than it has been in the recent past.

For those looking to purchase homes, mortgage interest rates are currently (June 2013) low, around 4.3 percent for a 30-year fixed mortgage. With a fixed-rate loan, consumers can afford a higher-priced house when interest rates are lower. The reverse is true when interest rates are higher – monthly payments rise, reducing the amount a buyer can afford to borrow and price the buyer can afford to pay for a home. The current low rates make it easier for households to finance house purchases. However, due to the recent collapse of the subprime mortgage market, loan qualification standards are considerably stricter and the availability of financing is considerably reduced. So, while mortgage rates remain historically low, borrowers with low credit scores and/or lower incomes may find obtaining a home mortgage more challenging than would have been the case several years ago.

Flood Zone Designations from the Federal Emergency Management Agency

Natomas

One of the City's primary new growth areas over the past decade has been Natomas, located north of downtown Sacramento. Natomas is generally bound by the American River to the South, the Sacramento River to the west, Sutter County to the North, and the Natomas East Main Drain Canal to the East. On July 20, 2006, the U.S. Army Corps of Engineers (USACE) decertified the levee system protecting Natomas. Due to the decertification, the Federal Emergency Management Agency (FEMA) re-mapped the area into a floodplain (AE flood zone) on December 8, 2008, which resulted in a de-facto building moratorium due to anticipated flood depths.

For the Natomas Levee Improvement Project, SAFCA has developed a financing plan, funded by development impact fees and a citywide assessment. Substantial improvements to Natomas levees have been constructed by SAFCA in cooperation with the State under the Department of Water Resources Early Implementation Program. Further improvements to achieve 100-year and concurrently 200-year levels of flood protection is pending Congressional authorization and funding, which is anticipated by the end of 2013. It is expected that some residential construction will resume once funding is authorized and the Natomas Flood Insurance Rate Map designation is upgraded to the A99, which is anticipated to happen within two to three years. While this presents a constraint on the development of housing within Natomas for the next few years, there is sufficient capacity in other areas of the city to meet the annual housing need for the first part of the planning period. The sites within Natomas are anticipated to be available within the eight-year Housing Element planning period.

Levee Certification Expiration Outside of Natomas

Historically the USACE has been the agency responsible for certifying the levees in the Sacramento area. Starting in 2007, following Hurricane Katrina, the USACE began developing new standards for levee certification. USACE began imposing its certification criteria more uniformly across the country, no longer allowing as much flexibility for local conditions. For example, encroachments, such as trees, fences, and other structures that were once deemed acceptable, are now identified as threats to levee stability. USACE application of the new criteria has resulted in the expiration of levee certifications in the Sacramento area between May 2012 and August 2013. The affected areas include 40 miles of levees wrapping most of the city of Sacramento on the American and Sacramento rivers. These certification expirations have potential implications for the FEMA flood designation for large areas of the city of Sacramento. If FEMA were to remap the city of Sacramento, many areas would potentially be within the 100-year flood zone, impacting the ability to develop in these areas.

However, rather than relying on USACE to certify the levees as it has in the past, SAFCA is undertaking a process to certify the levees locally. In February 2012 SAFCA retained a consultant team to determine whether the levees protecting Sacramento along the Lower American River and Sacramento River and their tributaries (outside Natomas) are adequate to meet established FEMA requirements for 100-year flood protection. A secondary objective of the team was to determine whether the levees meet the State of California's Urban Levee Design Criteria for the 200-year flood. The team has completed the first phase of their evaluation and concluded that up to 8 miles of the Sacramento River East levee, including the Pocket and Little Pocket areas, 3.7 miles of levees along the north and south banks of Arcade Creek, and 2,500 feet of erosion sites on the Sacramento River East levee need to be improved. Now that the deficiencies have

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been identified, SAFCA is developing a levee improvement program that will make the necessary improvements to recertify the levees in this area.

FEMA flood zones remain unchanged and currently (August 2013) there is no schedule for FEMA to remap the flood zones in the Sacramento area. The City of Sacramento will be working closely with SAFCA to develop the levee improvement program for recertifying the levees to avoid a remapping by FEMA.

Central Valley Flood Management**Senate Bill 5**

In October 2007 the State of California approved a package of bills to reduce future flood risk. SB 5 (Machado) requires the State to prepare a Central Valley Flood Protection Plan (CVFPP) and requires local general plans and zoning to comply with the plan by 2015. This law requires a 200-year level of flood protection for areas of more than 10,000 people. SB 5 contains several key provisions affecting local governments including:

- The State Department of Water Resources (DWR) and the Central Valley Flood Protection Board (State Reclamation Board) must provide cities and counties with preliminary floodplain maps and the state agencies must adopt a Central Valley Flood Protection Plan (CVFPP) by 2012.
- Every city and county in the Central Valley must incorporate the new CVFPP data, policies, and implementation measures into their general plans within two years, and amend zoning ordinances as necessary during the following year.
- After 2015, local government may not approve new development in areas that do not have 200-year flood protection unless adequate progress is being made to achieve that level of protection. All areas of new development must have 200-year protection by 2025.
- Cities and counties are authorized to prepare local flood protection plans that include strategies for increasing flood safety, funding strategies, flood control maintenance, and emergency response.

New development would be allowed with less than 200 year protection if adequate progress is being made between 2015 and 2025.

Senate Bill 1278

On September 25, 2012, the Governor signed SB 1278 (Wolk), which extended the start date for the DWR and Central Valley Flood Protection Board to provide the floodplain maps, and the start of the compliance process, to 2013.

Scheduled Timeline

The following is the scheduled timeline for requirements and City actions related to flood improvements:

- 2013 – State 200-year floodplain maps released
- 2015 – City to incorporate flood hazard map and 200 year floodplain policies into General Plan

- 2016 – City to incorporate 200 year flood protection standard into implementing ordinances
- 2016-2025 – City must make adequate progress to achieve 200 year level of flood protection
- 2025 – City must require 200 year level of flood protection for all new development

The City is working with SAFCA to develop flood control plans that will achieve 200-year flood protection for the entire city by 2025. As a result, housing development is not expected to be constrained due these recent State flood protection policies.

8.3 Governmental Constraints

Governmental policies and regulations can result in both positive and negative effects on the availability and affordability of housing. This section describes City policies and regulations that could potentially constrain the City's ability to achieve its housing objectives. Potential constraints to housing include land use controls (through General Plan policies and zoning regulations), development standards, infrastructure requirements, residential development fees, and the development approval processes. While government policies and regulations are intended to meet legitimate public purposes and further the public good, the City of Sacramento recognizes that its actions can potentially constrain the availability and affordability of housing to meet the community's future needs.

Many of the nongovernmental constraints described in the previous section can be further exacerbated through unintentional actions by a jurisdiction. For example, the cost of land is partially a function of the amount of land zoned for development, intensity of zoning, and the availability of infrastructure and services provided by local government.

The governmental constraints analysis focuses on factors the City can control and does not include State, Federal, or other governmental policies or regulations that the City of Sacramento cannot affect or modify. These City policies and regulations typically affect the City's ability to meet future housing needs and secure adequate funding for the construction of affordable housing. Historically, City fees, policies, and regulations have most affected the availability of housing affordable to lower-income households. As land and construction costs have increased, these policies and regulations also affect the availability of moderate-income housing.

Land Use Controls

Zoning Code

Zoning has the most immediate impact on the construction of new housing. The City's zoning and development regulations establish maximum densities based on the availability of public services, constraints on circulation, and ability to maintain neighborhood character. In 2009, the City of Sacramento updated its General Plan, which resulted in subsequent changes to the City's approach to defining land uses and zoning districts. In Spring 2013, to implement the General Plan's policy shift, the City restructured and updated the zoning requirements under Title 17 (Zoning) of the Sacramento Municipal Code to help facilitate intensive infill development with housing allowed by right in most zones.

Tables H 8-2, 8-3, and 8-4 provide a summary of the City's new regulations for residential zoning, including development standards and permitted uses, which go into effect on September 30, 2013. The City's conditional use permit process is used primarily to review specific uses that have a distinct impact on an area

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in which they are located, or that are capable of creating special problems for bordering properties unless given special attention. A conditional use permit may be granted at the discretion of the Zoning Administrator, Planning and Design Commission, or City Council and is not the automatic right of any applicant. Land uses described below that require a conditional use permit may be subject to conditions beyond what is described in the Sacramento Zoning Ordinance.

Table H 8-2 Development Standards in Zoning Districts that Permit Housing

Zone	Maximum Number of Units	Type of Land Use	Max. Height (Feet)	Minimum Yard Requirements (Feet)				Maximum Building Lot Coverage	Minimum Lot Area Per Dwelling Unit (square feet)
				Front	Rear	Interior Side	Street Side		
RE	1 unit per lot	SF	35	⁽¹⁾ 25	15	5	12.5	5-20%	NR
R-1	1 unit per lot	SF, D	35	⁽¹⁾ 25	⁽²⁾ 15	5	12.5	40% or 25,00 square feet	5,200 (I)/ 6,200(C)
R-1A	2 units per lot	SF, D	35	⁽¹⁾ 25	5	⁽⁷⁾ 0	12.5	50%	2,900
R1-B	2 units per lot	SF, D	35	⁽¹⁾ 25	⁽²⁾ 15	⁽⁷⁾ 0	12.5	60%	3,200
R-2	2 units per lot	SF, D	35	⁽¹⁾ 25	⁽²⁾ 15	⁽⁷⁾ 0	12.5	40% or 25,00 square feet	5,200 (I)/6,200(C) For Duplex Units: 2,600 (I)/3,100(C)
R-2A	17 units per net acre	SF, D, MF	35	10	⁽²⁾ 15	⁽⁷⁾ 0	10	50%	2,500
R-2B	21 units per net acre	SF, D, MF	35	10	⁽²⁾ 15	⁽⁷⁾ 0	10	50%	2,000
R-3	30 units per net acre	SF, D, MF	35	10	⁽²⁾ 15	⁽⁷⁾ 0	10	50%	2,000
R-3A	36 units per net acre	SF, D, MF	35	10	⁽²⁾ 15	⁽⁷⁾ 0	10	60%	2,000
R-4	60 units per net acre	SF, D, MF	45	10	⁽²⁾ 15	⁽⁷⁾ 0	10	60%	2,000
R-4A	110 units per net acre	SF, D, MF	75	⁽⁴⁾ 10	⁽²⁾ 15	⁽⁷⁾ 0	⁽⁴⁾ 10	70%	3,200
R-5	175 units per net acre	SF, D, MF	240	⁽⁴⁾ 10	⁽²⁾ 15	⁽⁷⁾ 0	⁽⁴⁾ 10	80%	3,200
RMX	60 units per net acre	SF, D, MF	45	⁽⁴⁾ 10	⁽²⁾ 15	⁽⁷⁾ 0	⁽⁴⁾ 10	NR	NR
RO	36 units per net acre	SF, D, MF	35	⁽¹⁾ 20	⁽²⁾ 15	⁽⁷⁾ 0	⁽³⁾ 12.5	60% outside of the central city	NR
EC	⁽⁶⁾	MF	2-8 stories	⁽⁴⁾ 10	⁽²⁾ 15	⁽⁷⁾ 0	⁽⁴⁾ 10	25%	NR
OB	36 units per net acre	MF	35	NR	⁽²⁾ 15	5	NR	NR	NR
C-1	30 units per net acre	SF, D, MF	35	NR	⁽²⁾ 15	5	NR	NR	NR
C-2	36-250 units per net acre	SF, D, MF	⁽⁵⁾ 65	NR	⁽⁸⁾ 0	⁽⁸⁾ 0	NR	NR	NR
CBD/ C-3	450 units per net acre	SF, D, MF	⁽⁹⁾ No Max	NR	⁽⁸⁾ 0	⁽⁸⁾ 0	NR	NR	NR
C-4	60 units per net acre	MF, D	75	NR	⁽²⁾ 0	⁽⁸⁾ 0	NR	NR	NR
SC	30 units per net acre	SF, D, MF	35	20	⁽⁸⁾	⁽⁸⁾	20	NR	NR

Source: City of Sacramento, 2013. (I = Interior; C = Corner Lot; ft. = feet; NR = No Requirement SF = single-family, D = duplex, MF = multifamily)

⁽¹⁾ = 10- to 25-feet; average of two nearest buildings

⁽²⁾ = 5 feet if abuts alley

⁽³⁾ = Outside central city, however, inside central city, if line abuts a lot in an R-1 or R-1B zone, or abuts a lot containing a single-unit dwelling. Then the minimum interior side-yard setback is 5 feet.

⁽⁴⁾ = Specified structures may extend into the minimum front and street side setback area up to a maximum height of 15 feet

⁽⁵⁾ = Height dependent on distance of the R-1, R-1B, and R-2 zones

⁽⁶⁾ = Maximum of 25 percent of planned unit development net acreage shall be designated for residential use

⁽⁷⁾ = No minimum interior side-yard setback is required, unless the interior side-yard lot line abuts a lot in an R-1 or R-1B zone, or abuts a lot containing a single-unit dwelling. Then the minimum interior side-yard setback is 5 feet.

⁽⁸⁾ = There is no minimum rear-yard setback, unless the rear yard of a lot is adjacent to an R-zoned or OB-zoned lot and is not separated by an alley, the minimum rear-yard setback is 5 or 15 feet.

⁽⁹⁾ = Height varies based on proximity to State Capitol

Table H 8-3 Permitted Land Uses in Residential Zoning Districts

Type Residential Use	RE	R-1	R-1A	R-1B	R-2	R-2A	R-2B	R-3	R-3A	R-4	R-4A	R-5	RMX	RO
Dormitory		3	3	3	3	3	3	3	3	2/3	2/3	2/3	3	3
Duplex		2	2	2	2	2	2	2	2	2	2	2	2	2
Family care facility (Group Home)		1	1	1	1	1	1	1	1	1	1	1	1	1
Farm worker housing														
Fraternity house; sorority house		3	3	3	3	3	3	3	3	3	3	3	3	3
Home occupation	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Mobilehome park	3	3	3	3	3	3	3	3	3	3	3	3		3
Model home; temporary sales office	2	2	2	2	2	2	2	2	2	2	2	2	2	
Multi-unit dwelling						2	2	2	2	2	2	2	2	2
Residential care facility		3	3	3	3	3	3	3	3	3	3	3	3	3
Residential hotel-SRO										3	3	3		3
Rooming and boarding house													3	
Second residential unit	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Single-unit dwelling (includes manufacture homes)	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Temporary residential shelter		3	3	3	3	3	3	3	3	3	3	3	3	3

Source: City of Sacramento Zoning Code, 2013.

Level of discretionary approval:

1. Use permitted by right subject to compliance with development standards.
2. Use permitted by right with site plan & design review subject to compliance with development standards.
3. Conditional use permit approval by Planning and Design Commission.
4. Conditional use permit approval by Zoning Administrator

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Table H 8-4 Permitted Residential Land Uses in Nonresidential Zoning Districts																								
Type Residential Use	RO	HC	SC	C1	C2	C3	C4	M1	M1 (S)	M2	M2(S)	MIP	MRD	H	SPX	TC	A	AOS	F	OB	OB-2	OB-3	ARP-F	
Dormitory	3		3	2/3	2/3	3																		
Duplex	2		3	2	2	2	4																	
Family care facility (Group Home)	1	1	1	1	1	1	1	1	1	1	1		1	1						1	1	1		
Farm worker housing																	2	2						
Fraternity house; sorority house	3		3	3		3																		
Home occupation	1		1	1	1	1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1		
Mobilehome park	3	3	3	3	3		3	3	3	3	3													
Model home; temporary sales office																								
Multi-unit dwelling	2		2	2	2	2	4	4	4	4	4		3							2	2	2		
Residential care facility	3	3	3	3	3	3	3	3	3	3	3			3						3	3	3		
Residential hotel-SRO	3			3	3	3	3	3	3	3	3									3	3	3		
Rooming and boarding house			3	3	3															3	3	3		
Second residential unit	1		1	1	1	1																		
Single-unit dwelling (includes manufactured homes)	2		3	2	2	3											2	3						
Temporary residential shelter	3		3	3	3	3	2/3	2/3	2/3	2/3	2/3			3	3	3				3	3	3		

Source: City of Sacramento Zoning Code, 2013.

Level of discretionary approval:

1. Use permitted by right subject to compliance with development standards.
2. Use permitted by right with site plan & design review subject to compliance with development standards.
3. Conditional use permit approval by Planning and Design Commission.
4. Conditional use permit approval by Zoning Administrator

Based on analysis of the standards shown in the preceding tables, the City has concluded that it facilitates the construction of a wide variety of housing types, including housing for special needs groups, extremely low-income households, and persons in need of emergency shelter and transitional housing through various zoning districts specifically designed to accommodate the development of housing. Consistent with State law, transitional housing and supportive housing have been defined as a “dwelling” and treated accordingly in the individual zone chapters. The 2013 Zoning Code update allowed housing by right in most nonresidential and mixed-use zoning districts to further increase housing opportunities.

Based on the analysis that follows, the City has found that permitted densities are adequate to promote a variety of housing types in Sacramento, and that development standards associated with each zoning district (including permitted uses, maximum height, minimum setback and yard requirements, maximum lot coverage, minimum parking, minimum lot size, and other standards, as presented below) do not create unnecessary impediments to the construction, conservation, modification for accessibility, or rehabilitation of housing for all income groups and special needs households. These standards work in tandem to ensure that allowable densities can be achieved in most cases while still providing for quality development and the health and safety of Sacramento residents.

As described in the section on permit processing, the City has also established procedures to consider and approve variations from the strict application of its development standards to provide for special housing needs and alternative types of housing.

The following residential zoning districts allow the development of residential land uses:

- *Rural Estates Zone (RE)* is intended to accommodate very low-density residential uses. It applies primarily to areas impacted by high noise levels; areas within designated approach or clear zones around airports; areas within identified floodway and floodway fringe areas; and other areas where physical or safety considerations necessitate very low density residential use. This zone is designated as “RE” with a suffix indicating one unit per a minimum number of acres (i.e., RE-1/4, RE-1/2, RE-1/1, RE-1/.5).
- *Standard Single-Family Zone (R-1)* is intended to accommodate low-density residential uses composed of single-unit detached residences and duplex dwellings on corner lots. The minimum lot size is 52 feet by 100 feet. This zone may also include recreational, religious, and educational facilities as the basic elements of a balanced neighborhood. These areas should be clearly defined and without encroachment by uses not performing a neighborhood function. The maximum density for the R-1 zone is one dwelling per lot, with an additional unit allowed on corner and through lots of 125 feet or more.
- *Single-Family Alternative Zone (R-1A)* is intended to permit single-unit or duplex dwellings, whether attached or detached, at a higher density than is permitted in the R-1 zone. Dwellings that have no interior side yards, such as townhouses and row houses, are allowed. A maximum density of two dwelling units is allowed per lot.
- *Single-Family or Two Family Zone (R-1B)* is intended to permit single-unit and duplex dwellings on lots generally located in the Central City and in North Natomas. A maximum density of two dwelling units is allowed per lot.

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- *Two Family Zone* (R-2) is intended to provide a low density buffer between the R-1 zone and more intense land uses. This zone is intended to permit duplexes and single-unit attached or detached units. A maximum of two dwelling units is allowed per lot.
- *Multifamily Zone* (R-2A) is intended to permit garden apartments and cluster housing. This zone is regulated to minimize the ground area covered by structures and maximize open space. The maximum density is 17 dwelling units per acre.
- *Multifamily Zone* (R-2B) is intended to accommodate broader density flexibility as a transition from the garden-apartment setting to a more traditional apartment setting. The maximum density is 21 acres per acre.
- *Multifamily Zone* (R-3) is intended to accommodate traditional types of apartments. This zone is located outside the Central City, serving as a buffer along major streets and near shopping centers.
- *Multifamily Zone* (R-3A) is intended to accommodate higher density development in the Central City, along major commercial corridors, and in areas near major institutions and public transit facilities. The maximum density for the R-3A zone is 36 dwelling units per acre.
- *Multifamily Zone* (R-4) is intended to accommodate higher-density development in the Central City, along major commercial corridors, and in areas near major institutions and public transit facilities. It permits dwellings, institutions, and limited commercial goods and services serving the surrounding neighborhood. The maximum density is 110 dwelling units per acre.
- *Multifamily Zone* (R-5) is intended to permit dwellings, institutions, and limited commercial goods and services serving the surrounding neighborhood. The maximum density is 175 dwelling units per acre.
- *Residential Mixed Use Zone* (RMX) is intended to allow a mix of residential and limited commercial uses as a matter of right, and to preserve the residential character of neighborhoods while encouraging the development of neighborhood-oriented ground-floor retail and service uses. The maximum density is 60 dwelling units per acre.
- *Residential-Office Zone* (RO) is intended to provide a medium-density multiple-family zone, generally located inside the Central City and in certain adjacent areas. The zone permits development of office and other commercial uses that are compatible with adjacent residential uses. The maximum density is 36 dwelling units per acre.

In addition to the above residential districts, the Zoning Ordinance allows residential uses in nonresidential zones (Chapter 17.216). The following nonresidential zoning districts allow residential land uses, including a variety of housing types such as single-family, duplex, and multifamily housing, subject to approval and development standards as indicated in Table H 8-3. As stated previously, the 2013 Zoning Code update allowed housing by right in most nonresidential and mixed-use zoning districts.

- *Office Business Mixed-Use Zones* (OB, OB-2, OB-3) are intended to provide for mixed-use employment zones that permit business, office, institutional, or professional buildings; the sale of goods and services; and lodging and dwellings. OB is *Office Business Low-Rise Mixed-Use Zone*; OB-2 is the *Office Business Mid-Rise Mixed-Use Zone*; and OB-3 is *Office Business High-Rise Mixed-Use Zone*. Multifamily housing is

permitted by right at a maximum density of 36 dwelling units per acre in the OB zone, 60 units per acre in the OB-2 zone, and 100 units per acre in the OB-3 zone.

- *Employment Center Zone (EC)* is intended to provide a flexible zone for employment-generating uses in a pedestrian-friendly setting with ample open space. The EC zone also provides for a variety of supporting uses, including retail, residential (up to 25 percent of EC lands), and light industrial. The close proximity of supporting uses allows for pedestrian, bicycle, transit, and rideshare-connection opportunities, which collectively help reduce dependence on the automobile. Consequently, parking needs are reduced and shared parking opportunities increase.
- *Limited Commercial Zone (C-1)* is intended to provide for certain offices, retail stores, and commercial service establishments that are compatible with residential developments. This zone is intended to be applied to small lots that are surrounded by a residential neighborhood. Housing is permitted by right at a maximum density of 30 dwelling units per acre.
- *General Commercial Zone (C-2)* is intended to provide for the sale of goods; the performance of services, including repair facilities; office uses; dwellings; small wholesale stores or distributors; and limited processing and packaging. Housing is permitted by right at a maximum density range of 36-150 dwelling units per acre. The maximum density depends on the general plan designation.
- *Central Business District Zone-Special Planning District (CBD or C-3)*, also known and referred to as the central business district (CBD), is intended to provide for the most intense residential, retail, commercial, and office developments in the city. Housing is permitted by right and there are no restrictions in density in the C-3 zone.
- *Shopping Center Zone (SC)* is intended to provide a wide range of goods and services to the community. However, general commercial uses that are incompatible with a retail shopping center are prohibited. Housing is allowed with a conditional use permit. The maximum density is 30 dwelling units per acre.
- *Light Industrial Zone (M-1)* is intended to provide for the manufacture or treatment of goods; however, the M-1 Zone also allows residential uses. Multi-unit dwellings in the Central City or less than ¼ mile from a light rail station are allowed with a conditional use permit. Emergency shelters of 24 or fewer beds are allowed by right.
- *Heavy Industrial Zone (M-2)* is intended to provide for the manufacture or treatment of goods; however, the M-1 Zone also allows residential uses. Multi-unit dwellings in the Central City or less than ¼ mile from a light rail station are allowed with a conditional use permit. Emergency shelters of 24 or fewer beds are allowed by right.
- *Heavy Commercial Zone (C-4)* is intended for warehousing, distribution activities, and commercial uses that have minimal undesirable impact upon nearby residential areas. Minimal light manufacturing and processing are permitted. Duplexes are allowed with a conditional use permit within ¼ mile from a light rail station, and multifamily housing is allowed with a conditional use permit in the Central City and/or within ¼ mile from a light rail station. The maximum density is 60 dwelling units per acre.

The City of Sacramento uses overlay zones that are districts encompassing one or more underlying zones. These overlay zones establish additional regulatory incentives and development standards for residential uses in commercial and mixed use zones. The following overlay zones allow residential land uses by right:

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- *Transit Overlay Zone (TO)* allows a mix of moderate- to high-density residential and nonresidential uses, by right, to promote transit ridership within walking distance of an existing or proposed light rail transit station. The district is intended to promote coordinated and cohesive site planning and design that maximizes development that supports transit. This type of development allows for continuity of pedestrian-oriented streetscapes and activities throughout the district and encourages pedestrians, bicycles, and transit other than automobiles to be used to access employment, services, and residences. This overlay zone permits increased heights, densities, and intensities over the base zone for projects with a residential component, and encourages housing and mixed-use projects. The district also restricts certain uses that do not support transit ridership.
- *Light Rail Station Ordinance and General Plan Amendment.* The Light Rail Station General Plan Amendment adds policies that support the recommendations of the Transit for Livable Communities (TLC) project. The ordinance allows residential uses within one-quarter mile of light rail transit stations in C-4, M-1, M-1(s), M-2, and M-2(s) zones, subject to a conditional use permit.

Lastly, the City of Sacramento uses special planning districts (SPD) and planned unit developments (PUD) to allow greater flexibility in design of proposed development projects and otherwise not possible through strict application of zoning regulations. The following describes the purpose of SPDs and PUDs and how they are established.

- *Special Planning Districts (SPD)* establish special processing procedures, flexible development standards, and incentives to regulate properties under multiple ownerships. An SPD is designated, adopted, amended, or removed in accordance with the provisions for rezoning. Only the City Planning and Design Commission and City Council may initiate the approval procedure and only as a result of a redevelopment, general, or community plan update or adoption. Each SPD is required to have its own design standards, development standards, list of permitted uses, and project review procedures. Most SPD projects are approved through staff level review to streamline the approval process.
- *Planned Unit Developments (PUD)* provide for greater flexibility in the design of integrated developments. The PUD regulations generally apply to large scale developments (over 100 acres) and encourage the design of well-planned facilities which offer a variety of housing or other land uses through creative and imaginative planning for various types of developments. One example of a PUD includes residential subdivision developments that include a variety of housing types and site plans, accessible open “green spaces,” common recreational areas, a community meeting place or recreational facility, and other features benefiting a viable and balanced community. Another example of a PUD includes mixed residential-business developments that combine apartments, convenience shopping facilities, motel-hotel combinations, offices, commercial recreation facilities, or other compatible land uses grouped in a well-designed and coordinated site development.

In 2007, the City Council approved development applications for the Railyards and Township 9 development projects. Both of these projects were former industrial sites close to the Central City that were rezoned to high density, mixed use residential uses. The zones within these projects that permit residential development are as follows:

Township 9

- *Residential Mixed Use Planned Unit Development Special Planning District (RMX-PUD-SPD)* provides for both residential and commercial development. This district overlays both SPD and PUD requirements atop the RMX designation, which allows multifamily residential, office, and limited commercial uses. Maximum densities range from 80 dwelling units per acre to 150 dwelling units per acre, depending where the lot is located in the PUD.

Railyards

- *Residential Commercial Mixed-Use (RCMU)* provides for a wide range of residential and commercial uses, including retail, entertainment, and other uses, in order to facilitate the development of a 24-hour city. The emphasis of this designation is commercial with a residential component. Maximum density for the RCMU zone is 230 dwelling units per acre.
- *Office Residential Mixed Use (ORMU)* provides for office, residential, hospitality, and supporting retail uses in portions of the Railyards area immediately adjacent to the Central Business District. The emphasis for this designation is office and residential. Maximum density for the ORMU zone is 230 dwelling units per acre.
- *Residential Mixed-Use (RMU)* provides for an urban residential neighborhood with accompanying neighborhood-serving retail and restaurant uses. The emphasis for this designation is residential. Maximum density for the RMU zone is 310 dwelling units per acre.

Further details of the aforementioned land use designations may be found within the Railyards Specific Plan and Township 9 PUD Guidelines.

Parking Standards

Parking requirements for residential uses are shown in Table H 8-5. Recognizing the impact of parking requirements in achieving compact, urban infill development, the City does not require parking for homes on small lots less than 3,200 square feet located in the Central City. No parking is required for any use in the Central Business District. Parking requirements for multifamily housing developments range from 0.5 spaces per unit to 1.5 spaces per unit, depending on whether the project is located in an Urban, Traditional, or Suburban Area. The City's parking requirements are relatively low overall, both in infill and greenfield areas, and do not in general represent a constraint to the development of housing or achievement of permitted residential densities. Additionally parking requirements for affordable or senior housing are half of the standard requirement.

Table H 8-5 Parking Standards for Residential Uses

<i>Land Use</i>	<i>Central Business and Arts & Entertainment District</i>	<i>Urban District</i>	<i>Traditional District</i>	<i>Suburban District</i>
Single-unit, duplex dwelling	No minimum requirements	1 space per dwelling unit, except on lots equal to or less than 3,200 square feet in the Central City, where there is no minimum requirement	1 space per dwelling unit, except on lots equal to or less than 3,200 square feet in the Central City, where there is no minimum requirement	1 space per dwelling unit
Second residential unit	No minimum requirements	1 space per dwelling unit	1 space per dwelling unit	1 space per dwelling unit
Multi-unit dwelling (3 units or more)	No minimum requirements	0.5 space per dwelling unit	1 space per dwelling unit	1.5 spaces per dwelling unit
Fraternity or sorority house; dormitory	No minimum requirements	1 space per 3 occupants	1 space per 3 occupants	1 space per 3 occupants
Residential hotel (SRO)	No minimum requirements	1 space per 10 dwelling units, plus 1 space for manager	1 space per 10 dwelling units, plus 1 space for manager	1 space per 10 dwelling units, plus 1 space for manager

Source: City of Sacramento Zoning Code, 2013.

Conclusions Regarding City Development Standards

The City's development standards, such as parking, height, lot coverage, setbacks, and landscaping are fairly liberal and allow for the maximum densities to be achieved in each zoning district. Recent Zoning Code updates in 2013 have doubled the allowable densities in the R-4, R-5, and C-2 zones. Additionally, the new minimum parking requirements will allow more building square footage to be devoted to residential units as opposed to parking spaces.

The City's maximum building lot coverage ranges from 50 to 70 percent in residential zones (except in the RE, R-1, and R-2 zones), with no limits in commercial zones. Setback and yard requirements are modest in higher density residential zones and do not impede the achievement of maximum allowable densities. The 2013 zoning code update removed the conditional use permit requirement for small-lot single family homes, row houses, condos, and other alternative housing types. These housing types are now all considered to be "dwelling units." Many residential zones no longer have interior setback requirements to help facilitate this type of housing. Similarly, landscaping, which is required in front and side street setback areas, can be accommodated without reducing the permitted building lot coverage. Finally, the minimum lot area per dwelling unit is consistent with the maximum allowable residential density.

In those zones that allow higher densities and building heights, the achievable density often has less to do with the City's development standards than market conditions. To build to the maximum height and density allowed in these zones often requires more expensive construction techniques that may not be financially viable. For example, to build to the maximum density of 175 units per acre in the R-5 zone would require

steel-frame buildings of six or more stories, which may not be financially feasible under current market conditions even with the City's development standards.

The ability to achieve a particular density in the City of Sacramento does not seem to be an issue of concern by the development community, particularly for affordable housing projects. Between 2003 and 2013 one single density bonus was requested by affordable housing developers. Such a lack of demand for density bonuses is further evidence that the City allows reasonable densities that are achievable under the City's development standards and sufficient to meet market demand and feasibility.

Density Bonuses

State law requires cities and counties to approve density bonuses for housing developments that contain specified percentages of units affordable to very low- or low-income households or units restricted to occupancy by seniors. Under state law (California Government Code, section 65915-65918), housing developers may qualify for several types of density bonuses, up to 35 percent, based on the percentage housing units in a development affordable to very low-income, low-income, moderate-income, or senior households. Density bonus units must be restricted to occupancy by seniors or affordable to the targeted income for at least 30 years.¹ Depending on the percentage of affordable units and the income level(s) to which the units are affordable, cities and counties must also grant up to three "concessions" (i.e., additional incentives) in addition to a density bonus. To comply with State law, the City's density bonus requirements were updated as part of the Zoning Code update in 2013.

Mixed-Income Housing Program

The City of Sacramento adopted the Mixed Income Housing Ordinance (Inclusionary Ordinance) in October 2000, which requires that developments within new growth areas include at least 15 percent of their housing units at prices affordable to low- and very low-income households. An inclusionary housing requirement has the potential to constrain housing production by adding to the cost of building housing if developers must provide the required affordable housing at less than cost, donate land, and/or pay in-lieu fees. In the next planning period, the City intends to apply the Ordinance citywide in a manner that is sensitive to the challenges and costs of infill development, as well as responsive to changes in the housing market.

Building Codes and Code Enforcement

Building codes regulate the construction of dwellings and apply to plumbing, electrical, and mechanical systems. The purpose of building codes and their enforcements is to protect the public from unsafe conditions associated with faulty construction. The City of Sacramento enforces State building code standards (Title 24) for all structures subject to the code, including the construction and rehabilitation of housing.

Based on the minor modifications of the State building code and efforts to use code enforcement as a tool to catch problems before they require more extensive repairs or demolition, building code and code enforcement practices and regulations by the City of Sacramento are not considered to represent a

¹ Seniors include persons aged 62 or older, or 55 and older when living in a senior citizen housing development, as defined in section 51.3 of the California Civil Code.

HOUSING ELEMENT: Constraints

constraint to the provision of housing or affordable housing in the city. Building code modifications and City code enforcement practices are described below.

State law offers local government the option of amending the State standards based on geographical, topological, or climate considerations. Further, State housing law provides that local building departments can authorize the use of materials and construction methods other than those specified in the uniform code if the proposed design is found to be satisfactory and the materials or methods are at least equivalent to that prescribed by the building codes. The City of Sacramento adds three supplemental requirements to the State building code standards: (1) self-illuminated house address numbers, (2) four-inch slab for all non-engineered foundations, and (3) Class B shake and shingles for all residential structures. These amendments to the uniform codes do not add significantly to the cost of residential development.

Building code standards are upheld through code enforcement. City enforcement of the building code to remove hazardous and dangerous buildings has resulted in the demolition of some affordable housing. However, the City's Rental Housing Inspection Program has resulted in a high compliance rate for needed repairs. The expanded use of this program has helped to address building condition issues before they progress to conditions requiring demolition or substantial rehabilitation, and to promote the exploration of rehabilitation opportunities before demolition.

Infrastructure Requirements

The Development Engineering and Finance Division implements on- and off-site improvement requirements, including standards for street construction, sidewalks, curbs, gutters, and, in some instances, parking and/or bicycle lanes. Residential development may also necessitate constructing water, sewer, and drainage improvements. All improvements are generally completed as conditions of tentative map approval and are developer financed. Complying with certain infrastructure improvements may be perceived as a constraint on the provision of housing for all income levels.

For infill projects, the City code requires the repair of defective sidewalks, minimum driveway lengths, and maneuvering areas that can be difficult to build on smaller infill sites. The code also requires dedication and improvement of full-street or alley frontages, although exceptions have been granted for existing infill lots used exclusively for residential purposes. Furthermore, the Planning and Design Commission may approve variances from City standards based on hardship considerations.

The Development Engineering and Finance Division adopted narrow local street standards that facilitate pedestrian activity, parking, landscaping, and street trees, but which may also help to facilitate housing development. For instance, residential infrastructure costs could be measurably reduced by reducing requirements for street widths, curbs, gutters, and sidewalk widths, and by requiring sidewalks on only one side of the street. A reduction in street widths and sidewalks could result in an increase in the number of units that could be accommodated on any given parcel of land. This however, must be balanced with fire safety standards to provide adequate emergency access for emergency vehicles. Nonetheless, increased flexibility in street standards would allow greater land area and increased density, which would result in a per-lot cost reduction. This savings could ultimately be reflected in the price of housing to the residential consumer.

The City has become increasingly flexible in street standards for infill development. The City also allows a 41-foot right-of-way for local streets in infill areas. This is in contrast to the standard 53-foot right-of-way

that has separated sidewalks with tree planters, which is required in all greenfield developments (non-infill sites).

Although infrastructure requirements represent a cost to developing housing, the City does not believe its improvement standards are unreasonable or represent a significant constraint. The City has reduced infrastructure requirements to permit infill residential development and required street widths have been reduced, helping to cut infrastructure costs. A sewer and sanitation waiver/deferral program is also used to reduce the constraining effects of high initial infrastructure costs on affordable housing development.

Development Impact Fees

The provision of public facilities and services for new development in Sacramento is funded in part by taxes and fees. These taxes and fees are levied against development projects in proportion to the expected fiscal impact on the community. Development impact fees are determined as a proportional share of cost to fund capital improvements (such as roads, schools, and utilities) needed to serve the development project.

The City of Sacramento's impact fees typically fall at the low end of the range of charges by other jurisdictions in the region. Economic Planning Systems (EPS) prepared a fee comparison in April 2007, which includes several jurisdictions within the Sacramento Region. These comparisons should be used with caution because the infrastructure items paid by fees and special taxes versus private capital may be different for the various projects. These costs are estimates to be used only for comparison purposes.

As of January 2007, the fees charged by the cities and other agencies for a hypothetical single-family home ranged from a low of \$42,617 in Dixon to \$60,976 in the City of Sacramento's Natomas Basin and to a high of \$89,002 in the Springlake area of Woodland. In February 2007, fees for multifamily development ranged from a low of \$18,043 in Roseville to \$26,918 in the City's Natomas Basin to a high of \$55,823 in Fairfield. Tables H 8-6 and 8-7 provide typical fee breakdowns for the City of Sacramento for single-family and multifamily projects. These totals include both citywide fees and plan area fees, which are often imposed on local development areas in order to fund local needs.

Table H 8-6 Typical Single Family Fees Per Unit		
Type of Fee	Single Family Infill Unit (16-unit development)	Single Family New Growth (103-unit development)
Processing Fees and Taxes		
Admin Fee	\$140.00	\$140.00
Building Permit	\$2,197.24	\$2,197.24
City Business Operations Tax	\$105.96	\$105.96
Fire Department Inspection	\$114.00	\$114.00
Fire Department Plan Review	\$296.00	\$296.00
General Plan Maintenance	\$529.82	\$529.82
Green Building	\$10.60	\$10.60
Neighborhood Parks Maintenance District Annexation	\$123.44	\$ 61.41
North Natomas Development Fees (Transit Fee, Public Facilities Fee, Land Acquisition Fee, Regional Park Fee, Admin Fee)	Not Required	\$16,295
Plan Review Fee	\$461.42	\$461.42
Public Works (Development Engineering) Review	\$577.50	\$2.91
Residential Construction Tax	\$385.00	\$385.00
Residential Construction Water Use Fee	\$53.55	\$53.55
Strong Motion	\$26.49	\$26.49
Technology	\$212.69	\$212.69
Utilities Review	\$122.50	\$90.39
Utilities – Erosion and Sediment Control	\$1,620.00	\$84.56
City Impact Fees		
Construction Excise Tax	\$2,119.28	\$2,119.28
Downtown/Railyards/Richards Transportation Impact Fee	Not Required	Not Required
Park Development Impact (PIF)	\$5,516.00	\$5,516.00
Quimby Fee	\$1,877.40	Land Dedication by Master Developer
Sewer – Combined Sewer Development	\$148.53	Not Required
Water Development	\$2,622.48	\$2,622.48
Water Meter	\$457.00	\$457.00
Outside Agency Impact Fees		
Regional Sanitation Fee (SRCSD)	\$2,800.00	\$9,950.00
Sacramento Transportation Authority (STA) Fee	\$1,093.44	\$1,093.44
SAFCA Development Impact Fee (Flood Control)	\$4,004.00	\$4,004.00
School Fees	\$6,534.00	\$6,534.00
Total Fees	\$544,133.56	\$5,482,521.26
Total Fees Per Unit	\$34,008.35	\$53,223.88

Source: City of Sacramento Community Development Department, 2013.

Table H 8-7 Typical Multifamily Fees Per Unit (150-unit Project)		
<i>Type of Fee</i>	<i>Multifamily Infill</i>	<i>Multifamily New Growth</i>
<i>Processing Fees and Taxes</i>		
Admin Fee	\$140.00	\$140.00
Building Permit	\$130,623.73	\$125,993.15
City Business Operations Tax	\$5,000.00	\$5,000.00
Fire Department Inspection	\$7,609.50	\$8,850.20
Fire Department Plan Review	\$2,100.00	\$5,600.00
General Plan Maintenance	\$20,000.00	\$47,002.20
Green Building	\$976.13	\$940.04
Landscape Review	\$50.00	\$50.00
Neighborhood Parks Maintenance District Annexation	\$7,500.00	\$7,500.00
Plan Review Fee	\$106,863.52	\$103,074.62
Public Works (Development Engineering) Review	\$3,080.00	\$1,400.00
Residential Construction Tax	\$47,250.00	\$47,250.00
Sign Permit	\$1,806.00	\$1,986.00
Strong Motion	\$2,440.32	\$4,935.23
Technology	\$18,998.98	\$18,325.42
Utilities Review	\$2,100.00	\$1,400.00
Utilities – Erosion and Sediment Control	\$1,800.00	\$1,800.00
<i>City Impact Fees</i>		
Construction Excise Tax	\$195,225.76	\$188,008.80
Downtown/Railyards/Richards Transportation Impact Fee	\$135,627.00	Not Required
Park Development Impact (PIF)	\$227,250.00	\$487,500.00
Sewer – Combined Sewer Development	\$263,811.50	\$1,331.99
Water Development	\$76,074.60	\$76,074.60
Water Meter	\$3,258.00	\$3,258.00
Water Supply Test	\$774.00	\$774.00
<i>Outside Agency Impact Fees</i>		
Regional Sanitation Fee (SRCSD)	\$315,000.00	\$315,000.00
Sacramento Transportation Authority (STA) Fee	\$114,750.00	\$114,750.00
SAFCA Development Impact Fee (Flood Control)	\$61,149.00	\$260,400.00
School Fees	\$448,800.00	\$1,083,450.00
Total Fees	\$2,200,058.04	\$2,910,880.25
Total Fees Per Unit	\$14,667.05	\$19,411.96

Source: City of Sacramento Community Development Department, 2013.

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The City's development fees represent a significant cost, especially as a proportion of the total development cost of affordable housing. Because subsidized affordable housing is restricted in the rent or sales price that can be charged, development fees impact the cost of providing that affordable housing more than market housing, which can seek to recoup excessive costs through price increases to the homebuyer or renter. Higher fees add to development cost, requiring additional subsidies or other funding for an affordable project. For non-subsidized projects designed to provide "entry level" housing, fees can also represent a significant proportion of the total cost of the unit.

However, the City's fees remain relatively low compared to other jurisdictions in the region. In addition, the City has programs in place that have the potential to reduce or waive fees where necessary to help provide affordable housing. The Sacramento Housing and Redevelopment Agency (SHRA) administers a fee waiver and deferral program for affordable housing projects throughout Sacramento County that allows for waivers and deferrals of regional sewer and sanitation fees. Additionally the City has a program in the Housing Element to establish a fee deferral program for affordable housing. The City's development fees are therefore not considered to represent a constraint on housing production.

Permit Processing

The City of Sacramento meets State-required timelines for the approval of development permits, as shown in Table H 8-8. The time required for development approval is not generally a constraint or substantial cost to housing developers. An overly lengthy review process, however, could adversely affect an affordable housing project if the time required to obtain approval affects the applicant's ability to access funding for the project (e.g., government loans, low-income housing tax credits, mortgage revenue bonds). For this reason, expedited permit review can provide an additional level of certainty that the amount of time required for project approval will not adversely affect the developer's ability to access funding. Review of the City's permit processing and requirements for obtaining use permits does not indicate any significant impediments to cost or time required for approval of residential development.

Table H 8-8 Permit Processing	
<i>Application Type</i>	<i>Estimated Approval Time</i>
Conditional use permit (zoning administrator)	2 months
Site plan and design review (director level)	3 months
Conditional use permit/tentative map (Planning and Design Commission)	5 months
Rezone/planned unit development	8 months
Community plan amendment/General Plan amendment	8 months
Environmental impact report	10 months

Source: City of Sacramento, 2013.

Further descriptions of permits and their processing procedures are provided in the following subsections.

Design Review and Historic Preservation

The City of Sacramento requires design review according to the standards of one of 15 districts, or of the citywide design standards in areas that do not fall within the boundaries of the districts. In addition, historic districts have been designated, primarily in the Central City and Oak Park areas. These districts include restrictions, including requirements for certificates of appropriateness, which have the potential to limit new development.

Design review occurs concurrently with other permit processing, and does not typically add to overall processing times, although design review can add expense to a project. The City's design standards are comprehensive and well documented, and the process is predictable and standardized. Since project design is a significant source of community opposition to projects, the City's standardized design review can neutralize this opposition, streamlining project approval.

With the 2013 Zoning Code updates, design review will be applied citywide through a new entitlement called Site Plan and Design Review. Prior to the code update, a development project would be subject to design review, preservation review, plan review, design checklists, and alternative-design standards, depending on where the project was located. Now, a single entitlement will be used for compliance with the City's development standards and design guidelines making the development review process more predictable. Site Plan and Design Review will also allow staff level approval for projects less than 150 dwelling units, less than 125,000 square feet, or less than 60 feet in height. Projects that exceed any of those three criteria will be reviewed by the Planning and Design Commission.

Site Plan and Design Review will ensure that a proposed development is consistent with the General Plan and any applicable community or specific plans. In addition, this review ensures that utilities and infrastructure are sufficient to support the proposed development and are compatible with City standards and that the proposed development is compatible with surrounding development.

Additionally, deviations from development standards would be considered through Site Plan and Design Review as opposed to variances. In such a case the entitlement would be heard at the director or commission level, depending on the severity of the deviation. For example, a building could exceed the maximum height of the zone up to 50 percent with a director-level hearing. Otherwise, the project would have to be heard by the commission if additional height was desired. When a project is not in substantial compliance with design guidelines it is heard at the director-level.

Conditional Use Permit Process

The conditional use permit (CUP) process is described in the City's Zoning Ordinance under Title 17. A CUP is a zoning instrument used primarily to review the location, site development, or conduct of certain land uses. These are uses that generally have a distinct impact on the area in which they are located, or are capable of creating special problems for bordering properties unless given special attention. A CUP may be granted at the discretion of the zoning administrator, Planning and Design Commission or City Council and is not the automatic right of any applicant.

CUPs are only required for single-family or multifamily units in the Shopping Center, Heavy Commercial, and Industrial Zones. CUPs are no longer required for alternative ownership units (e.g., townhouses, patio homes). These housing types are now considered "dwellings." CUPs are required for temporary and permanent emergency shelters, but only when defined development standards (1,000 foot separation

HOUSING ELEMENT: Constraints

between shelters, 500 foot separation from churches, schools, parks, and single-family areas, location within 1,000 feet of a transit line or shuttle) are not met.

Environmental Review Process

The City's Environmental Planning Services Division (EPS) is responsible for major analyses required by the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). EPS prepares and/or oversees the preparation of all environmental documents, technical studies, and associated permit applications required in compliance with CEQA and NEPA before the City approves the project. Discussion related to environmental impact review focuses on CEQA because the majority of residential development projects are required to meet requirements of CEQA and do not involve any Federal related component that would require the project to also comply with NEPA.

The City requirement for conducting environmental impact review in compliance with CEQA is applicable to all development projects and the City does not require any procedures beyond what is required by CEQA. There is no evidence that the requirement for conducting environmental impact review for projects in the City of Sacramento presents a constraint to the production of housing in Sacramento.

Provision for a Variety of Housing Types

The City of Sacramento encourages and facilitates the development of a variety of housing types, including emergency shelters, transitional housing, supportive housing, housing for agricultural employees and single-room-occupancy (SRO). The following analysis explains how the City facilitates these housing types.

Housing for Persons with Disabilities and Supportive Service Needs

Persons with special needs or disabilities have a number of housing needs related to accessibility of dwelling units, access to transportation, employment and commercial services, and alternative living arrangements that include on-site or nearby supportive living services. The City ensures that new housing developments comply with California building standards (Title 24 of the California Code of Regulations), including handicapped accessibility requirements.

The City of Sacramento Zoning Ordinance allows specialized housing use types for persons with disabilities. The City permits care facilities, home occupations, residential hotels, and second residential units as types of residences that could benefit persons with disabilities in residential and some nonresidential zoning districts (see Tables H 8-3 and 8-4).

Group homes (called "family care facilities" in the City code) with six or fewer residents are permitted by right in residential and commercial districts (including districts R-E, R-1, R-1A, R-1B, R-2, R-2A, R-2B, R-3, R-3A, R-4, R-5, R-0, C-1, C-2, and C-3). "Family care facility" is defined as a facility that provides primarily nonmedical resident services to six or fewer individuals in need of personal assistance for daily activities. Family care facilities require a conditional use permit in RMX zone.

Group homes with more than six residents (defined by the City code as "residential care facilities") are permitted in all residential zones R-1, R-1A, R-1B, R-2, R-2A, R-2B, R-3, R-3A, R-4, and R-5 with a conditional use permit. (The conditional use permit process is described above.)

Reasonable Accommodations

The City of Sacramento has a program to ensure that reasonable accommodations are made for persons with disabilities. The process has been established to provide people with disabilities a way to ensure that their needs are met by the City's zoning, building, and permitting process. On average, one or two applications are submitted each year and they have provided much needed flexibility in accommodating the homeowners' access needs.

ADA Retrofit

The City adheres to the standards set forth by Chapter 11 of the California Building Code regarding accessibility. The City does not check plans for compliance with ADA guidelines, but instead the City checks plans for compliance with 2001 California Building Code, Chapter 11 (Accessibility) Compliance.

If someone wants to or has to retrofit residential units to make them accessible, the owner and the owner's architect are responsible for complying with the building code and making the appropriate modifications. The City issues building permits and inspects the modifications based on the requirements set forth by the California Building Code, Chapter 11 (Accessibility) Compliance. The owner and architect are liable for whether or not his or her residential building is accessible or compliant with ADA guidelines.

Emergency Shelter and Transitional/Supportive Housing

Emergency homeless shelters are defined as temporary residential shelters in the City code. Temporary residential shelters housing fewer than 24 individuals and meeting certain location requirements and development standards are permitted by right in the C-2, C-3, C-4, M-1, M-1(S), M-2, M-2(S) zones (or in the zones R-1, R-1A, R-1B, R-2, R-2A, R-2B, R-3, R-3A, R-4, and R-5 with a Planning and Design Commission conditional use permit). Temporary residential shelters that house more than 24 individuals are allowed in the same zones, but always require a conditional use permit. Conditional use permits for temporary residential shelters housing more than 24 individuals require staff-level review with a 100 foot noticing requirement. Location requirements for temporary residential shelters specify a 1,000 foot separation between temporary residential shelters, although multiple programs are permitted on a single parcel.

Supportive and transitional housing are now defined in the Zoning Code as a dwelling and subject only to those restrictions that apply to other residential uses of the same type in the same zone.

Sacramento does not limit the number of occupants in a dwelling beyond the number allowed by the Uniform Housing Code. Occupancy standards in the Zoning Code refer to families as individuals living as a single housekeeping unit. Rooming and boarding houses are distinguished from family care facilities, residential care facilities, and residential hotels in the Zoning Code.

The City's regulations provide for group homes, homeless shelters, transitional housing, and housing with supportive services by right or with limited conditional use permit requirements. Overall these regulations do not present a constraint to their development.

Single-Room Occupancy (SRO) Housing

Single-Room Occupancy (SRO) facilities, defined as residential hotels in the City code, are permitted in the R-4, R-4A, R-5, RMX, R0, OB, OB-2, OB-3, C-1, C-2, C-3, C-4, M-1, M-1(S), M-2, and M-2(S) zones with a conditional use permit. The purpose of the conditional use permit is to ensure compliance with definitional and development standards for SRO units contained in Title 17 of the City code. These standards include:

- A minimum of 220 square feet of floor area plus an additional 100 square feet of floor area for each occupant of an SRO unit in excess of two;
- A separate closet for each SRO unit;
- A kitchen sink, cooking appliance, refrigeration facilities, and light and ventilation conforming to City code requirement;
- A separate bathroom containing a water closet, lavatory, and bathtub or shower; and
- One parking space per 10 units plus one space for the building manager.

The City considers these standards the minimum necessary to ensure the health and safety of occupants and does not believe these standards create unreasonable constraints to the production of SRO-type housing.

In fact, the City, in partnership with SHRA, has a proactive strategy to encourage the development of SRO units. On September 26, 2006, the City Council adopted a SRO Preservation/Replacement Action Plan and committed \$15 million to the preservation of existing SRO units and the construction of new SRO units. During the last planning period the following SRO projects were constructed:

- Hotel Berry, 103 units
- YWCA, 32 units
- Budget Inn/Boulevard Court, 75 units
- 7th and H, 150 units

As part of the strategy, SRO units will be developed as efficiency units. These units are similar to studio apartments and offer greater privacy to residents, private bathrooms, and individual cooking facilities.

Housing for Agricultural Workers

As noted in Chapter H-3, farmworkers represent a small fraction of the City's labor force. Although little agricultural activity remains within the Sacramento City limits, the region includes significant agricultural activity that attracts farmworkers and their families. The most likely alternative housing need would be for seasonal agricultural workers who reside in the Sacramento region temporarily during those times of year when crop harvesting and processing occur. Such workers need access to group housing or temporary (non-emergency) shelter. The City permits employee housing by right in agricultural zones according to the

requirements of the Employee Housing Act (sections 17000 – 170652.5 of the California Health and Safety Code).

Second Units

Second units are attached or detached dwelling units for one or more persons located on the same lot as the main house (i.e., primary residence). A second unit is permitted by right in all residential zones subject to compliance with development and design standards. Second units are permitted on all lots containing a permanent single-family dwelling. The following development standards apply to second units (for full details see Sacramento Municipal Code, Title 17):

- Only one second unit is allowed per lot.
- The area of a detached second unit shall not exceed 1,000 square feet. The area of an attached second unit shall not exceed 30 percent of the floor area of the primary residence.
- At least one off-street parking space must be provided. Tandem parking on a driveway is permitted
- Design of the second unit must be compatible with the primary residence

Manufactured Homes and Mobile Home Parks

State law requires that cities and counties allow the placement of manufactured homes (also referred to as factory-built homes and modular homes) meeting Federal construction standards and manufactured home subdivisions in single-family neighborhoods.² Government Code Sections 65852.3 through 65852.5 require that manufactured homes be permitted in single-family districts subject to the same land use regulations as conventional homes. Government Code Section 65852.7 requires that cities and counties allow mobile home parks (including condominium and cooperative parks) in all residential zones.

In keeping with State law, the City's Zoning Code allows manufactured homes on permanent foundations in the same residential zones as dwellings. The code defines manufactured homes as a dwelling and they are subject to the same development standards.

Sacramento allows mobile home parks in nearly all residential and many nonresidential zoning districts, subject to the granting of a conditional use permit by the planning and design commission. In addition, the Zoning Ordinance currently regulates the development and maintenance of mobile home parks. The regulations restrict mobile home parks to a minimum five-acre site and a maximum density of 10 mobile home spaces per acre. The City's standards for mobile home parks do not pose constraints to the placement or development of these housing types.

² The National Manufactured Housing Construction and Safety Standards Act of 1974 (also referred to as the Manufactured Home Act of 1974).

HOUSING

Sustainable, Stable, and Integrated Communities

Sustainable development is not only environmentally sustainable but also socially and economically stable. Housing is an integral component of sustainable development and the new policies and programs of the 2013-2021 Housing Element will compliment larger efforts in other elements of the General Plan.

Stable neighborhoods are envisioned to include a variety of housing types and densities, complimenting non-residential uses throughout the city. Measures of stability vary for greenfield and infill areas, but both should include housing for all economic groups, a balance between homeownership and rental, accessible public transit, access to jobs, and basic retail services.

Integration of neighborhoods and communities throughout the city contemplates a vibrant and diverse population. Housing, along with other key components in the built environment, plays an important role in the extent of integration one finds in neighborhoods and throughout the larger community.

GOAL H-1.1

Sustainable Communities. Develop and rehabilitate housing and neighborhoods to be environmentally sustainable.

Policies

H-1.1.1 Sustainable Housing Practices. The City shall promote sustainable housing practices that incorporate a “whole system” approach to siting, designing and constructing housing that is integrated into the building site, consume less energy, water, and other resources, and are healthier, safer, more comfortable, and durable. (RDR)

GOAL H-1.2

Housing Diversity. Provide a variety of quality housing types to encourage neighborhood stability.

H-1.2.1 Variety of Housing. The City shall encourage the development and revitalization of neighborhoods that include a variety of housing tenure, size and types, such as second units, carriage homes, lofts, live-work spaces, cottages, and manufactured/modular housing. (RDR)

- H-1.2.2 Compatibility with Single Family Neighborhoods.** The City shall encourage a variety of housing types and sizes to diversify, yet maintain compatibility with, single-family neighborhoods. *(RDR)*
- H-1.2.3 Proper Management and Maintenance.** The City shall encourage property management and maintenance of residential development through the development review process to foster public safety and reduce crime. *(RDR)*
- H-1.2.4 Mix of Uses.** The City shall actively support and encourage mixed-use retail, employment, and residential development around existing and future transit stations, centers and corridors. *(RDR)*
- H-1.2.5 Neighborhood Input on Development.** The City shall continue to work with neighborhood associations and residents through the planning and delivery of residential development to ensure that neighborhoods are safe, decent, and pleasant places to live and work. *(RDR)*
- H-1.2.6 Mortgage Default and Foreclosures.** The City shall support efforts to alleviate the individual and community problems associated with mortgage default and foreclosures. *(SO/RDR)*
- H-1.2.7 Crime Prevention Through Environmental Design.** The City shall continue to include the Police Department in the review of development projects to adequately address crime and safety, and to promote the implementation of Crime Prevention through Environmental Design (CPTED) strategies that include proper siting, landscaping and housing design. *(RDR/IGC)*
- H-1.2.8 Housing Choice Vouchers.** The City shall continue to educate and market the Housing Choice Vouchers program to landlords to provide affordable housing opportunities. *(SO/PI)*
- H-1.2.9 Capital Area Development Authority.** The City shall continue to work with Capital Area Development Authority (CADA) and the State of California, a major employer in Sacramento, to support the production and preservation of affordable and workforce housing, especially in and around downtown. *(IGC)*

GOAL H-1.3

Balanced Communities. Promote racial, economic, and demographic integration in new and existing neighborhoods

Policies

- H-1.3.1 Social Equity.** The City shall encourage economic and racial integration, fair housing opportunity, and the elimination of discrimination. *(PI)*
- H-1.3.2 Economic Integration.** The City shall consider the economic integration of neighborhoods when financing new multifamily affordable housing projects. *(FB)*

- H-1.3.3 Fair Housing.** The City shall support fair housing education programs offered by local organizations such as the Apartment Owner's Association and the Board of Realtors. *(JP)*
- H-1.3.4 A Range of Housing Opportunities.** The City shall encourage a range of housing opportunities for all segments of the community. *(RDR)*
- H-1.3.5 Housing Type Distribution.** The City shall promote an equitable distribution of housing types for all income groups throughout the city and promote mixed income neighborhoods rather than creating concentrations of below-market-rate housing in certain areas. *(RDR)*
- H-1.3.6 Asset Building Programs.** The City shall support asset building programs, including those administered by the Housing Authority, for lower income residents especially in City or SHRA funded multifamily developments. *(IGC)*
- H-1.3.7 Responsible Banking Practices.** To help reduce predatory and subprime lending practices in Sacramento, the City shall require partner banks and lending institutions to invest in the community in a responsible manner. *(FB)*

Production

The Housing Element must demonstrate sufficient land with adequate zoning and infrastructure to meet the Regional Housing Needs Allocation (RHNA). The RHNA reflects anticipated household growth in the region and the “share” of that growth expected in each jurisdiction by income level.

Construction of housing units is not mandated in the Housing Element; however, historically the City has been able to meet the production goals of its RHNA primarily through new development in greenfield areas when market production was strong. Affordable housing development in these areas worked in concert with market rate development through inclusionary policies.

During the past Housing Element planning period (2008-2013), the Great Recession which resulted in a steep drop in home prices and low rent levels coupled with the building moratorium for the Natomas area led to a dramatic decline in new housing production in Sacramento. The test for the future is addressing market issues and current development constraints as the market focus shifts to infill development where production is more restricted, expensive and complex. Furthermore, the loss of redevelopment funding, which was one of the City's primary tools for developing affordable housing in infill areas, no longer exists. Sacramento's challenge is how to encourage infill development and affordable housing in a more complex and uncertain funding environment.

GOAL H-2.1

Adequate Sites. Provide adequate housing sites and opportunities for all households.

Policies

- H-2.1.1 Adequate Supply of Land.** The City shall maintain an adequate supply of appropriately zoned land with public services to accommodate the projected housing needs in accordance with the General Plan. *(RDR/SO)*

- H-2.1.2 Affordable Housing Throughout the Region.** The City shall work with the Sacramento Area Council of Governments (SACOG) and other regional entities to develop a regional approach that facilitates the equitable distribution of affordable housing throughout the region. *(IGC)*
- H-2.1.3 Housing Element Annual Report.** The City shall monitor and annually report on implementation of Housing Element objectives. *(PSR)*
- H-2.1.4 Pre-development Loans.** The City shall continue to provide pre-development loans to non-profit organizations for affordable housing developments under the Sacramento Housing and Redevelopment Agency's (SHRA) Multifamily Lending Guidelines. *(FB)*

GOAL H-2.2

Development. Assist in creating housing to meet current and future needs.

Policies

- H-2.2.1 Quality Infill Development.** The City shall promote quality residential infill development by maintaining and implementing flexible development standards. *(RDR)*
- H-2.2.2 Financial Tools to Diversify Residential Infill Development.** To the extent resources are available, the City shall use financial tools to diversify market developments with affordable units, especially in infill areas. *(FB)*
- H-2.2.3 Offsetting Development Costs for Affordable Housing.** The City shall defer fees to Certificate of Occupancy (COO) to help offset development costs for affordable housing and will offer other financial incentives including, but not limited to, water development fee waivers and sewer credits. *(FB/SO)*
- H-2.2.4 Funding for Affordable Housing.** The City shall pursue and maximize the use of all appropriate state, federal, local and private funding for the development, preservation, and rehabilitation of housing affordable for extremely low-, very low-, low-, and moderate-income households, while maintaining economic competitiveness in the region. *(FB)*
- H-2.2.5 Review and Reduce Fees for Affordable Housing.** The City shall work with affordable housing developers as well as other agencies and districts to review and reduce applicable processing and development impact fees for very low- and low-income housing units. *(SO)*
- H-2.2.6 Update the Mixed Income Housing Ordinance.** The City shall revise its Mixed-Income Housing Ordinance to promote affordable housing citywide and to require developers to contribute towards production of housing affordable to lower- and moderate-income households. *(RDR)*
- H-2.2.7 Suburban Infill and Secondary Units.** The City shall continue to support efforts to provide more varied housing opportunities in existing suburban neighborhoods through infill and intensification on existing available sites, by allowing secondary units on single-family lots, and allowing for additional development on excessively large lots. *(RDR)*

GOAL H-2.3

Constraints. Remove constraints to the development housing.

Policies

- H-2.3.1 Avoiding Unnecessary Costs to Housing.** The City shall ensure that its policies, regulations, and procedures do not add unnecessary costs to housing and do not act as an obstacle to new housing development. *(RDR)*
- H-2.3.2 Streamlined Application and Building Process.** The City shall continue to facilitate interdepartmental review of development applications, encourage pre-application meetings with planning and building staff, and streamline the overall planning application and building process for all development types. *(RDR)*
- H-2.3.3 Early Notification and Consultation with Neighborhood Associations.** The City shall provide for early notification and consultation with appropriate neighborhood organizations to facilitate resolution of land use issues that hinder new housing development. *(RDR)*
- H-2.3.4 Requiring Adequate Flood Protection.** The City shall continue to require adequate flood protection when approving new residential development. *(RDR)*
- H-2.3.5 Clear Development Standards and Approval Procedures.** The City shall maintain and administer clear development standards, and approval procedures for a variety of housing types, including, but not limited to, multifamily housing and emergency shelters. *(RDR)*
- H-2.3.6 New Sources of Infrastructure Financing.** The City shall continue to seek new sources of financing for necessary infrastructure improvements for new development to facilitate new housing development. *(FB)*

Extremely Low-Income and Special Needs

Creating housing opportunities for extremely low-income (ELI) and special needs households, especially when compared to production-driven affordable housing, requires a greater effort, higher level of investment, consistent political support, and greater financing innovation. While the housing needs and strategies for each of these groups are not identical, a greater City role that drives development and investment is envisioned to serve each group. The City has already demonstrated its high level of commitment in adopting the Single Room Occupancy (SRO) Strategy, Ten-Year Plan to End Chronic Homelessness, Preservation Ordinance, and its approval of the public housing asset repositioning strategy.

GOAL H-3.1

Extremely Low-Income. Provide a variety of housing options for extremely low-income (ELI) households.

Policy

H-3.1.1 Promote Extremely Low Income Housing. The City shall promote the siting, production, rehabilitation, and preservation of housing for ELI households, including non-traditional housing types. *(RDR)*

GOAL H-3.2

Special Needs. Provide housing choices appropriate for “special needs” populations, including homeless, youth, female-headed households, seniors, and persons with disabilities, including developmental disabilities.

Policies

H-3.2.1 Encourage Senior Housing. The City shall encourage the development, rehabilitation, and preservation of senior housing, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities. *(RDR)*

H-3.2.2 Community Based Non-profit Organizations. The City shall continue to work with community-based non-profit organizations that develop affordable housing and provide supportive services for special needs populations. *(JP/FB)*

H-3.2.3 Ten-Year Plan to End Chronic Homelessness and the Continuum of Care. The City shall support the efforts of Sacramento Steps Forward to implement and update the Sacramento City and County Ten-Year Plan to End Chronic Homelessness and the Continuum of Care to meet the needs of homeless families and individuals. *(JP/SO/FB)*

H-3.2.4 Public and Private Social Service Agencies. The City shall cooperate with public and private social service agencies to site facilities that address the human service needs of the City’s special needs populations. *(JP/IGC)*

- H-3.2.5 Emergency Shelter Facilities.** The City shall continue to provide assistance to emergency shelter facilities for the homeless population, including alcohol and drug recovery programs. *(P/IGC)*
- H-3.2.6 Information and Referral Services.** The City shall continue to provide information and referral services for affordable housing opportunities through resources such as the Community Services Planning Council’s beehive and “2-1-1” information line, and Self Help Housing’s referral program. *(PI)*
- H-3.2.7 Dispute Resolution for Tenant and Neighborhood Conflicts.** The City shall continue to provide dispute resolution services for tenant and neighborhood conflicts including ongoing referrals to the Human Rights/Fair Housing Commission of Sacramento. *(SO)*
- H-3.2.8 Permanent Supportive Housing.** The City shall continue to provide funding and other resources for permanent supportive housing. *(FB)*
- H-3.2.9 Special Needs Housing Prioritized.** The City shall prioritize development and acquisition/rehabilitation projects designed and programmed to serve special needs tenants such as chronically homeless individuals or families for available local affordable housing financing as set forth in the City’s Multifamily Lending and Mortgage Revenue Bond Policies. Projects that augment or safeguard the City’s inventory of single room occupancy units will also have the same priority. *(FB)*

Rehabilitation

The City of Sacramento is a City with many vibrant and diverse neighborhoods. To preserve the character and vitality of the housing in these existing neighborhoods, the City will focus rental rehabilitation efforts on properties needing substantial rehabilitation in areas targeted for reinvestment. On a limited basis, properties may be acquired and rehabilitated in areas to increase diversity where there is limited opportunity to develop new affordable housing. The City will also explore how to rehabilitate vacant properties, such as those that have been foreclosed, as a means to facilitate and expedite the sale to new owner-occupants and to stabilize neighborhoods.

GOAL H-4

Rehabilitation. Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote housing affordability.

Policies

- H-4.1 Prevent Blight and Deterioration.** The City shall work to prevent blight and deterioration of housing units resulting from deferred maintenance. *(SO)*
- H-4.2 Acquisition and Rehabilitation.** The City shall use acquisition and rehabilitation as a tool to improve distressed neighborhoods or achieve economic integration. *(FB)*

- H-4.3** **Preservation of Affordable Housing.** The City shall continue to administer its Preservation Ordinance to ensure no loss of regulated multifamily rental units. *(FB)*
- H-4.4** **Well Maintained Mobile Home Parks.** The City shall promote well maintained mobile home parks in viable condition for continued use. *(SO)*
- H-4.5** **Minimize Impact of Closure of Existing Mobile Home Parks.** The City shall minimize the impact of potential closures of existing mobile home parks by ensuring compliance with State of California mobile home park regulations. *(SO)*
- H-4.6** **Condominium Conversions.** The City shall ensure the conversion of rental housing to condominiums does not adversely impact the rental housing supply. *(RDR)*

Accessibility

Historically, City development reflected State and Federal fair housing law that, in general, required accessible common areas and routes of travel in all multifamily housing. When federal financing is used, typically for affordable developments, a percentage of accessible units is incorporated in multifamily housing. Additionally the California Building Code has adaptability requirement for specified multifamily units. Recognizing the importance of accessible housing as the population ages, the City will act proactively to encourage or create accessibility in new development through modifications to local development standards and practices to ensure accessibility options in all new housing.

GOAL H-5

Accessibility. Promote, preserve and create accessible residential development.

Policies

- H-5.1** **Universal Design in New Housing.** The City shall encourage universal design in new housing and integration of accessibility features in existing housing and neighborhoods. *(RDR)*
- H-5.2** **Equal Access to Development Process.** The City shall ensure equal access to its development policies, practices, and procedures. *(RDR)*
- H-5.3** **Accessibility Requirements and Opportunities.** The City shall increase awareness of accessibility requirements and opportunities for developers and residents. *(PI)*
- H-5.4** **Funding for Accessibility Retrofits.** The City shall provide funding to residents to retrofit their homes to improve accessibility. *(FB)*

Homeownership

Notwithstanding current home prices, the City recognizes that the market may not be able to produce for-sale homes that are affordable or available to moderate-income families over the Housing Element cycle. Policies and programs under this theme focus on modifying existing programs and include efforts to create “modest” income homeownership. Modest income includes those households making too much to access affordable housing financing (over 80 of percent area median income), but have difficulty affording a house on the open market.

GOAL H-6

Homeownership. Provide ownership opportunities and preserve housing for Sacramento’s modest income workers.

Policies

- H-6.1 Promoting Homeownership in Distressed Areas.** The City shall promote homeownership opportunities in areas with a significantly high proportion of rental housing, and areas distressed by foreclosures. *(RDR)*
- H-6.2 Homeownership Among Low and Moderate-Income Households.** The City shall support homeownership among low- and moderate-income households through a variety of homebuyer assistance programs. *(FB/SO)*
- H-6.3 Affordable Housing Types.** The City shall promote modest income homeownership opportunities through alternative construction methods and ownership models, employer assisted housing and amendments to the Mixed-Income Housing Ordinance. *(RDR)*
- H-6.4 Executive Housing .**The City shall encourage development of housing to meet the needs of executives to encourage economic growth and new businesses in the city. *(RDR)*

Quantified Objectives

As required by State law governing Housing Elements, Table H 9-1 lays out the City's quantified objectives for the development, improvement, maintenance, and preservation of housing for the period 2013-2021.

Table H 9-1 Quantified Objectives for 2013-2021						
	ELI ¹	VLI	LI	Mod	Above Mod	Total
New Construction						
Single-family	0	0	100	1,617	4,800	6,517
Multifamily	20	30	610	1,088	3,200	4,948
Rehabilitation²						
Single-family	0	300	130	0	0	430
Multifamily	30	60	200	0	0	290
Preservation²						
	5	10	35	0	0	50
Owner Assistance						
	0	0	230	70	0	300
Special Needs						
New	10	0	0	0	0	10
Rehabilitation	50	0	0	0	0	50
Total Production	115	400	1,305	2,775	8,000	12,595

¹ Extremely low-income (ELI) units include those with project based vouchers, which limits occupancy and affordability to families of extremely low-income, but allows for collection of rent (including that rent associated with the voucher subsidy) to exceed ELI rent limits.

² All rehabilitation and preservation units are included in the quantified objectives, regardless of the amount of rehabilitation required or the proportion of rehabilitation to new construction.

The Sacramento Area Council of Government's (SACOG) Regional Housing Needs Allocation (RHNA) covers a nearly nine-year period (i.e., January 1, 2013, to October 31, 2021), while the Housing Element planning period covers only a portion of the RHNA timeframe (i.e., an eight-year period). The objectives contained in the following table cover the Housing Element period of October 31, 2013, to October 31, 2021.

While the RHNA lays out the City's anticipated new growth and outlines the City's obligation to accommodate that growth, the quantified objectives speak more to the City's program and policy objectives to promote housing development and access to affordable housing, particularly for lower-income households. Finally, the quantified objectives are prepared in the context of funding availability, community desires and programmatic limitations, allowing for a more comprehensive understanding of how the City anticipates balancing affordable housing development.

Table H 9-2 is the Housing Element Program Matrix, providing a list of all the Housing Element programs and the associated responsible entity, timeframe, and objective for each program. Many of the programs are linked to others. For example, preservation of multifamily units is a specific objective of an overall rehabilitation strategy. Table H 9-1 takes the overlapping programs and summarizes the overall production expectations from the parts of the whole. In addition, each program may implement multiple policies, and many policies have overlapping goals. Overlapping programs have been noted with multiple policy references.

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
<p>1. The City shall revise its Mixed-Income Housing Ordinance to promote affordable housing citywide and will require: 1) an affordable housing impact fee for all new housing units, and 2) large, single-family subdivisions to provide housing for a variety of incomes and family types.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-1.3.5, H-2.2.4 ▪ Responsible Department: Community Development; SHRA ▪ Objective: Adapt the current Mixed Income Ordinance to create new affordable housing opportunities and mixed income communities while being flexible, market sensitive, and responsive to the challenges of infill development. 	X				
<p>2. The City shall update its residential design guidelines to include Crime Prevention Through Environmental Design (CPTED) strategies.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-1.2.3; H-1.2.7 ▪ Responsible Department: Community Development (primary) and Police. ▪ Objective: Ensure CPTED principles are incorporated into and consistent with the City's residential design guidelines. 	X				
<p>3. To ensure on-going safety and security, the City through SHRA will annually inspect SHRA financed multifamily projects for compliance with security, maintenance, and social service requirements.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-1.2.3 ▪ Responsible Department: SHRA; Police; Community Development ▪ Objective: Ensure that SHRA-financed multifamily projects are safe, viable and attractive assets to the community and for the residents living in them. 					X
<p>4. The City shall provide Housing Choice Vouchers to very low- and extremely low-income Sacramento households in the City and County in order to continue to provide housing options to those most in need..</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-1.2.8 ▪ Responsible Department: SHRA ▪ Objective: Provide approximately 12,400 vouchers. 					X

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
5. Prepare a new Analysis of Impediments to Fair Housing Choice (AI) in order to assess the City's efforts at reducing housing discrimination and enforcing fair housing laws. <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-1.3.1 ▪ Responsible Department: SHRA ▪ Objective: Prepare a new Analysis of Impediments to Fair Housing Choice (AI). 		X			
6. The City shall provide for fair-housing information in appropriate public locations and disseminate such information in different languages. <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-1.3.1 ▪ Responsible Department: Community Development; SHRA ▪ Objective: Educate the public and developers about fair housing requirements and reduce housing discrimination. 					X
7. The City shall engage the Sacramento Area Council of Governments and other regional entities to develop a regional plan to pool local funding and staff capacity together in order to develop affordable, transit-oriented development in key locations in the region. <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.1.2 ▪ Responsible Department: SHRA (primary); Community Development ▪ Objective: Work with cities, counties, and regional agencies in the SACOG region to increase the development of affordable housing throughout the region. 	X				
8. Consistent with Government Code § 65863, the City shall consider the impacts of rezones and general plan amendments of residential sites on the City's ability to meet its share of the regional housing need. <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.1.1 ▪ Responsible Department: Community Development ▪ Objective: Ensure that rezoning does not reduce the City's ability and capacity to meet its share of the regional housing needs. 					X

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
<p>9. The City shall maintain a land inventory for housing production which identifies infill and greenfield sites.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.1.1 ▪ Responsible Department: Community Development ▪ Objective: Update land inventory regularly to ensure the City's ongoing ability to meet its share of regional housing needs. 					X
<p>10. The City shall amend financing plans as needed to ensure that adequate funding is available to provide infrastructure improvements for new development. To ensure funding for large new developments, the City shall complete Mitigation Fee Act compliant finance plans for the 65th Street area.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.3.6 ▪ Responsible Department: Community Development ▪ Objective: Ensure adequate infrastructure to support for new development. 	X				
<p>11. The City shall develop Capital Improvement Plan (CIP) programs to coordinate infrastructure financing with the General Plan and focus funding in key infill areas.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.3.6 ▪ Responsible Department: Community Development ▪ Objective: Ensure adequate infrastructure to support infill development. 					X
<p>12. The City shall review and update the City's Emergency Shelter Site inventory to determine if the sites are adequate, accessible, appropriate, and developable.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.3.5 ▪ Responsible Department: Community Development ▪ Objective: Ensure the availability of accessible, appropriate, and developable sites for emergency shelters. 					X

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
<p>13. The City shall prepare an annual report to the City Council on implementation of City housing programs and recommend revisions to the implementation strategies as appropriate.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.1.3 ▪ Responsible Department: Community Development ▪ Objective: To increase the effectiveness of the City's housing programs through an annual evaluation of program achievements and appropriate revisions to those programs. 					X
<p>14. The City may assist non-profit organizations with predevelopment loans in conjunction with applications for permanent supportive housing.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.1.4 ▪ Responsible Department: SHRA ▪ Objective: At least one loan during the planning period for permanent supportive housing projects. 					X
<p>15. The City shall submit an annual report to the City Council that evaluates implementation of the General Plan and recommends appropriate revisions.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-3.2.8 ▪ Responsible Department: Community Development ▪ Objective: Increase the success of the City's strategy of encouraging infill through ongoing monitoring and appropriate modifications to the General Plan and related implementation efforts. 					X
<p>16. The City shall encourage infill development by reducing barriers through infrastructure improvements and assistance to ensure that adequate infrastructure is in place to serve higher density and mixed use development in key opportunity areas.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.1.3 ▪ Responsible Department: Community Development (primary); SHRA;, Economic Development ▪ Objective: Encourage the production of infill units. 					X

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
<p>17. The City shall pursue grant funding, including the State Department of Housing and Community Development Workforce Housing Program, Community Design Grant Program, and other revenue sources to provide critical amenities/services in infill areas to promote complete neighborhoods. Examples include:</p> <ul style="list-style-type: none"> ▪ Park Improvements; ▪ Sidewalk widening, streetscape improvements and street lighting; and ▪ Other infrastructure improvements. ▪ Implements Which Policy(ies): H-2.3.6 ▪ Responsible Department: Community Development ▪ Objective: Obtain grant funding to assist with infill development including amenities and services in infill areas. 					X
<p>18. The City shall issue waivers for sewer and sanitation development fees for projects in which at least 10 percent are affordable to very low-income households.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.3.6 ▪ Responsible Department: Utilities ▪ Objective: Provide fee waivers for residential units annually. 					X
<p>19. The City shall use sewer credits to assist with infill and affordable housing.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.2.3 ▪ Responsible Department: Economic Development; Sacramento Area Sanitation District ▪ Objective: Provide sewer credits annually. 					X
<p>20. The City shall apply for new and existing Federal and State funding sources, such as Proposition 1C funds, HELP, BEGIN, and MHSA, and will support applications for Tax Exempt Mortgage Revenue Bonds, Low Income Housing Tax Credits, State of California Multifamily Housing Program, and other such federal and state programs to assist affordable housing programs and projects.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.2.4 ▪ Responsible Department: SHRA (primary); Community Development ; Economic Development ▪ Objective: Seek a variety of funding to increase the supply of affordable housing. 					X

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
<p>21. The City shall streamline the Housing Trust Fund Ordinance to apply the fees equally throughout the City and modify aspects of the ordinance that have proven to be ineffective over the years.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy: H-2.2.2; H-2.2.4 ▪ Responsible Department: Community Development; SHRA ▪ Objective: Amend the City Zoning Code to improve and clarify the implementation of the Housing Trust Fund and ensure economic competitiveness with surrounding jurisdictions. 	X				
<p>22. Each year the City shall evaluate the effectiveness of its development process streamlining efforts in order to ensure a high level of customer service.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.3.1, H-2.3.2 ▪ Responsible Department: Community Development ▪ Objective: Remain in the top 5 of Business Journal rankings for jurisdictions in the Sacramento Region that are considered the most development friendly. 					X
<p>23. The City shall continue to implement the preliminary review process whereby City staff and neighborhood groups provide comments and advise the applicant of policy and technical areas that need to be addressed prior to the formal application review. This is an existing program that helps to identify planning and community issues early in the process so that problems can be identified and addressed and processing time is shortened.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-1.2.5; H-2.3.3 ▪ Responsible Department: Community Development ▪ Objective: Streamline the development approval process through early identification of City and neighborhood concerns and feasible methods to address those concerns. 					X

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
<p>24. The City shall work with SAFCA and other responsible agencies to achieve increases in flood protection to the City and surrounding areas so that City and other land use agencies can proceed with development plans and meet Federal Emergency Management Agency (FEMA) and State requirements for flood protection in 100-year and 200-year flood plains, respectively. Actions include: (1) finishing Folsom Dam spillway modifications, and supporting and implementing subsequent raising of Folsom Dam; (2) finishing construction of improvements along the perimeter levee system protecting Natomas; (3) accomplishing improvements needed to meet FEMA levee accreditation requirements for lands in the Sacramento area protected by levees; and (4) supporting development and implementation of plans for progressively improving the level of flood protection in Sacramento area to 200-year urban level of protection. The City shall monitor flood risk in the city and the impacts on the City's ability to accommodate its share of the regional housing needs.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.3.4 ▪ Responsible Department: SAFCA (primary); Utilities ▪ Objective: Expedite the completion of improvements that will increase flood protection in the City and allow Sacramento to accommodate its share of regional housing needs. 					X
<p>25. The City shall prepare a study recommending new financing options to provide for infrastructure in infill areas. New sources of financing could include state and federal grants, the General Fund, the use of impact fees, bond measures, and financing sources.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.3.6 ▪ Responsible Department: Community Development (primary), SHRA ▪ Objective: Address infrastructure improvement needs in advance of, or concurrent with, new development in key opportunity areas. 			X		
<p>26. The City shall implement the Asset Repositioning of the City's public housing units through land use regulations and with local resources, ensuring no net loss of ELI units.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-3.1.1; H-3.2.9 ▪ Responsible Department: SHRA ▪ Objective: Ensure the on-going viability of the City's public housing through strategic investment and rehabilitation, increasing the supply of affordable and mixed-income housing with no net loss of ELI. 					X

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
27. The City shall continue to implement the Single Room Occupancy (SRO) strategy, ensuring no net loss of Downtown SRO units and providing funding and other resources for the rehabilitation of existing SRO units and the construction of new SRO units in the City. <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-3.1.1 ▪ Responsible Department: SHRA (primary); Community Development ▪ Objective: Construct and rehabilitate SROs and ensure no net loss of existing SRO units downtown. 					X
28. The City shall use available housing resources, including project based rental subsidies, such as local Housing Choice Vouchers, federal Housing Assistance Payment vouchers, and state Mental Health Services Act Vouchers for the provision of housing for extremely low-income households. <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-3.1.1 ▪ Responsible Department: SHRA ▪ Objective: Ensure the availability and choice of housing for extremely low-income households. 					X
29. The City shall continue to provide assistance to senior affordable housing projects. <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-3.2.1 ▪ Responsible Department: SHRA ▪ Objective: Use housing resources to construct new affordable senior units and rehabilitate/preserve additional affordable senior units. 					X
30. Over the next five years, the City shall work with service providers to improve linkages between emergency shelters, transitional housing and supportive services. <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-3.2.6 ▪ Responsible Department: SHRA (primary); DHA; and Community Development ▪ Objective: Increase numbers of referrals of homeless and formerly homeless to service providers. 					X
31. The City shall provide funding and other resources for permanent supportive housing located both in leased units and affordable housing developments. <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-3.2.3 ▪ Responsible Department: SHRA ▪ Objective: Provide funding for permanent supportive housing, developing new units. 					X

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
<p>32. The City shall implement the Ten Year Plan to End Chronic Homelessness, including the “Housing First” strategy. Focuses of the “Housing First” strategy include:</p> <ul style="list-style-type: none"> ▪ Providing support for permanent housing that offers disabled homeless individuals a home without expecting them to have resolved their addictions or mental health problems. ▪ Providing supportive services and treatment in such housing to assist tenants return to health and ability to stay housed. ▪ Implements Which Policy(ies): H-3.2.3 ▪ Responsible Department: Sacramento Steps Forward (primary), SHRA; Community Development ▪ Objective: Provide support for permanent supportive housing and services related to the development of new permanent supportive housing units and units through leasing. 					X
<p>33. Through the Human Rights/Fair Housing Commission, the City shall provide fair housing assistance and dispute resolution services in order to resolve tenant and neighborhood conflicts.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-3.2.7 ▪ Responsible Department: Human Rights/Fair Housing Commission ▪ Objective: Provide fair housing assistance and dispute resolution services to residents. 					X
<p>34. The City shall encourage the preservation of regulated affordable rental developments that are converting to market rate. The City will continue to implement the City’s Preservation Ordinance, which requires notification to SHRA of proposed conversion of affordable units, and allows SHRA priority to work with affordable developers to preserve such projects. In addition, the City will ensure compliance with the “no net loss” provisions of the adopted Housing Authority Repositioning Strategy, ensuring that, during rehabilitation and revitalization of public housing properties, there is no net loss of units affordable to extremely low income families.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-4.3 ▪ Responsible Department: SHRA ▪ Objective: Assist in the preservation of privately owned affordable housing units and public housing units. 					X

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
<p>35. The City and SHRA shall seek to preserve, convert, and/or rehabilitate privately owned multifamily rental housing to assure its ongoing affordability for lower-income residents.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-4.2 ▪ Responsible Department: SHRA ▪ Objective: Assist in the preservation, conversion, and/rehabilitation of multifamily rental housing. 					X
<p>36. The City shall continue to implement the citywide Rental Housing Inspection Program (RHIP) where building inspectors inspect rental properties for interior and exterior code violations and issue corrective notices.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-4.1; H-1.2.3 ▪ Responsible Department: Community Development ▪ Objective: Improve the quality of rental housing in the city. 					X
<p>37. The City shall modify the Condominium Conversion Ordinance to make the process and regulations clearer to staff, applicants, and affected tenants, while maintaining a similar level of oversight in order to avoid adverse impacts to the rental stock and tenants.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-4.6 ▪ Responsible Department: Community Development ▪ Objective: Encourage the development of a variety of housing types by making the Condominium Conversion Ordinance easier to understand, administer, and use by developers. 			X		
<p>38. The City shall amend SHRA's existing first-time homebuyer programs to target distressed properties and/or areas, and foreclosed homes.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-6.2 ▪ Responsible Department: Community Development (primary); SHRA ▪ Objective: Promote the development of single-family units in infill areas. 			X		
<p>39. The City shall provide grants for low and very low income residents with grants for emergency repairs and/or accessibility modifications to their homes.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-4.1; H-6.2 ▪ Responsible Department: SHRA ▪ Objective: Assist in the rehabilitation of low- and very low-income single-family homes. 					X

Table H 9-2 Housing Element 2013-2021 Programs

<i>Administration Implementation Programs</i>	<i>2013 - 2015</i>	<i>2016 - 2017</i>	<i>2018 - 2019</i>	<i>2020 - 2021</i>	<i>On- going</i>
<p>40. The City shall support establish a fee deferral program for affordable housing to defer fees to certificate of occupancy, recognizing the complexities and time needed to complete an affordable housing development.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-2.2.3 ▪ Responsible Department: Community Development ▪ Objective: Extend fee deferral period for affordable housing development. 		X			
<p>41. The City shall establish a Responsible Banking Ordinance that would require banks that receive City deposits to report mortgage lending practices, small business lending, and other investments in the community. The ordinance shall in no way restrict the investment activities of the City Treasurer or the Administration, Investment and Fiscal Management Board.</p> <ul style="list-style-type: none"> ▪ Implements Which Policy(ies): H-1.3.7 ▪ Responsible Department: City Treasurer (Primary), Community Development, Economic Development, SHRA ▪ Objective: Promote responsible lending and investment in the City. 		X			

Appendix A: Program Evaluation

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Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
1. The City shall require energy efficiency standards in all SHRA funded new construction multi-family projects above Title 24 through the multi-family lending guidelines. Energy efficiency will also be encouraged to the extent feasible in rehabilitation projects funded by SHRA.	Complete/ Ongoing	The majority of SHRA funded multifamily new development is financed using Low Income Housing Tax Credits. Consistent with the California Tax Credit Allocation Committee (TCAC), SHRA funded new construction projects typically exceeding Title 24 energy standards by at least 10 percent. To codify the requirements and to ensure that all SHRA financed projects incorporate sustainability features, SHRA modified the Multifamily Lending and Mortgage Revenue Bond Policies. The Policies require that new construction projects qualify for at least five points and rehabilitation for at least three points under the nine percent TCAC sustainability scoring criteria. These requirements will ensure that new construction projects exceed Title 24 and that rehabilitation projects incorporate sustainability measures. This is a policy statement, not a program.	This is a policy statement, not a program. Delete program.
2. The City shall research housing types and developments that accommodate the use of neighborhood electric vehicles (NEV), particularly those that meet the mobility needs of seniors and persons with disabilities. A report will be produced summarizing the research and will recommend ways to facilitate or encourage their use in housing.	Incomplete	Due to a lack of staff resources, this program will not be completed.	Delete program.
3. The City shall develop guidelines for large residential developments over 10 acres as well as master planned communities to ensure a variety of densities and housing types.	Incomplete	The General Plan provides the necessary guidance to ensure a variety of housing types in new developments. In addition, recommendations for the new Mixed Income Housing Ordinance have included requirements and incentives for a mix of housing types for large residential developments. This program is not necessary.	Delete program.
4. The City shall amend the Artist's Live/Work Space Ordinance to allow a broader definition of live-work units in all multifamily and most residential zones subject to comply with developmental standards. The City shall remove "Artist" from the title of the ordinance.	Complete	The City adopted the new Planning and Development Code in April 2013, which takes effect on September 30, 2013. The code allows for live/work uses by right in many commercial, mixed-use, and high density residential zones.	Delete program.
5. The City values inclusionary housing and is interested in expanding it citywide. Staff is directed to work with all stakeholders, and report back within one year to Council to determine whether it is feasible to extend the Mixed Income Housing Ordinance citywide, and if so, in what manner. The City shall use an economic analysis to evaluate the impact, timing and process of incorporating inclusionary housing obligations on areas not currently subject to the Mixed Income Housing Ordinance.	In Progress	The City reviewed the Mixed Income Housing Ordinance in light of the current state of the housing market and community concerns about the overconcentration of affordable housing in some areas of the city. The key objective was a citywide approach that will result in quality affordable housing that is well-integrated into our communities. The Mixed Income Housing Ordinance is being updated simultaneously as part of the Housing Element update process which began in August 2012. The City has been conducting a robust outreach process that will take into account the perspectives and interests of all stakeholders, throughout the city. The City has conducted a public workshop, several stakeholder meetings, four workshops with the Planning and Design Commission, and an electronic public survey on the Housing Element and Mixed Income Housing Ordinance revisions.	Replace with a program to revise the Mixed income Housing Ordinance.
6. The City shall evaluate and implement changes necessary in the City's Zoning Code and building review process to encourage the	Complete	The City treats manufactured housing the same as other comparable structures and the new Planning and Development Code continues to do	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
use of manufactured housing as a quality affordable housing alternative housing type in urban centers, corridors and near transit stations.		so. The Code does not create obstacles to manufactured housing. This program is not necessary.	
7. The City shall amend the Zoning Code to change the parking requirement for second residential units ("granny flats") from one space per bedroom to one space per unit.	Complete	The City updated its parking requirements to allow one parking space per unit in October 2012.	Delete program.
8. The City shall conduct a study to research housing types and affordability programs that may accommodate lower income populations such as limited equity housing cooperatives, manufactured housing, land trusts, boarding homes, rooming houses and shared housing, determine if these housing types are appropriate, and define and clarify the permitting process for these housing types.	Incomplete	The State of California abolished Redevelopment Agencies in 2011, eliminating an important source of funding for housing. Due to the limitation of available funding sources to pay for staff, SHRA has not been able to conduct this research. The City has several other policies and programs to ensure a variety of housing types.	Delete program.
9. The City shall develop a study proposing best practices for incorporating multifamily developments with other surrounding uses and housing types. The study will analyze the feasibility of building smaller apartment complexes and how to integrate this housing type in areas with predominantly single-family homes. The study would also determine what building and site design features are optimal both for transitioning from lower density to higher density development, and creating a distinct identity for each multifamily development.	In progress	The City plans to update the residential design guidelines in 2014 to encourage developers to be sensitive to surrounding uses and housing types when designing multifamily projects.	Replace with a program to update the Residential Design Guidelines.
10. The City shall update the Single-Family Residential Design Checklist and the Multifamily Residential Guidelines to include CPTED strategies.	Incomplete	In 2009 Community Development Staff, in cooperation with the Police, Development Services, and Utilities Departments, made recommendations for improving these design guidelines. However, due to a lack of staff resources, this project was not completed. It is anticipated to be completed in 2015.	Retain program.
11. The City shall revise SHRA's Multifamily Lending Guidelines to develop siting criteria for new multifamily and permanent supportive housing developments and to ensure that all SHRA financed multifamily rental projects (new construction and rehabilitation) incorporate security measures such as installation of security camera, enhanced lighting and roving security patrols.	Complete	On March 17, 2009, the City Council adopted the revised Multifamily Lending Guidelines for SHRA financed multifamily housing. The guidelines include project priorities that reflect siting criteria and specific security requirements.	Delete program.
12. To ensure on-going safety and security, the City through SHRA will annually inspect SHRA financed multifamily projects for compliance with security, maintenance, and social service requirements.	Ongoing	The SHRA Portfolio Management Department is responsible for ensuring ongoing compliance with funding requirements, security, maintenance, and social services in all SHRA-funded projects. Prior to project approval, developers must have SHRA approval of a management company and management plan, appropriate security measures, and financing plan to ensure ongoing operations. In addition, all projects must submit a resident services plan prior to funding approval with appropriate on-site services provided at least 15 hours a week. Annually, the Portfolio Management Department inspects each property to ensure that it meets Housing	Retain program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
		Quality Standards, provides social services, and keeps up-to-date records. SHRA may perform additional compliance audits, at its sole discretion.	
13. As part of the General Plan implementation process the City shall rezone sites adjacent to light rail stations (consistent with the City's light rail station ordinance) in order to promote transit oriented, higher density, and mixed use residential development.	Complete	<p>In Fall 2009 the City rezoned 1,668 parcels for consistency with the 2030 General Plan. Many of these sites are located within one quarter mile of a light rail station. Additionally, the Shovel Ready Sites Program (Program 5) involved rezoning sites to encourage transit oriented development.</p> <p>On March 15, 2011, the City adopted the Northeast Line Implementation Plan. This was a planning effort to promote reinvestment, redevelopment, and revitalization along the light rail corridor including the Globe, Arden/Del Paso, and Royal Oaks Stations. The Plan included land use changes to better streamline uses that support an active and safe commercial corridor such as mixed use and mixed density housing, as well as office and general commercial uses. Additionally, the Plan recommends infrastructure improvements focused on key areas along the light rail corridor to encourage catalyst and near-term development in the area.</p>	Delete program.
14. The City shall work with residential developers to submit applications to the Proposition 1C Transit Oriented Development Housing Program through the California Department of Housing and Community Development.	Complete	In 2008 and 2009, the City received approximately \$135 million in Proposition 1C funding for the Downtown Railyards, Township 9, Curtis Park Village, La Valentina Station, Capitol Lofts, and Broadway Lofts. These projects include a substantial amount of affordable housing. Construction has begun for the Capitol Lofts and infrastructure improvements have been completed for the Railyards project. The Railyards project is currently (2013) in the development process.	Delete program.
15. The City shall develop and expand incentive programs to improve management and maintenance of privately owned rental housing within older neighborhoods and commercial corridors, particularly four-plexes and apartments. Program elements may include improved coordination with neighborhood code enforcement, problem-oriented policing efforts, property management districts, and other proactive efforts along commercial corridors in affiliation with business and neighborhood associations.	Incomplete	Staff reductions in the Police and Code Enforcement Departments have made the implementation of this program infeasible. However, the City's Rental Inspection Program (Program 77 in this report) is making significant progress in maintaining and inventorying the rental housing stock.	Delete program.
16. The City shall make planning and policy documents more easily accessible, such as placing items on the City's website, and shall promote additional opportunities for community participation.	Complete	In 2009 the City eliminated unnecessary or redundant web pages on the Community Development Department website in order to make policy documents and current outreach opportunities more readily available for the public to view. The City also launched Envision Sacramento, an interactive online forum for community engagement.	Delete program.
17. The City shall involve residents and conduct public outreach for updates of the Analysis of Impediments to Fair Housing Choice (AI), the redevelopment implementation plan updates, and future consolidated plan updates.	Complete/ Ongoing	SHRA actively involves the community at large in all planning activities. SHRA is in the first year of the 2013-2017 Consolidated Plan and completed an update to the Analysis of Impediments of Fair Housing Choice in Fall 2011. In the development of the Consolidated Plan, SHRA	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
		<p>partnered with the United States Department of Housing and Urban Development (HUD) to pilot the new Consolidated Plan Tool. SHRA held community meetings as appropriate, and solicited input through working in partnership with external advocacy groups, social service providers, and City departments.</p> <p>The City updated many of its redevelopment implementation plans in 2009 and made a concerted effort was made to involve a wide spectrum of the public.</p> <p>This is a policy statement rather than a program.</p>	
18. The City shall map the placement and licensing of new group homes, placement of emergency shelters, and other supportive housing and social services and shall coordinate with the Community Care Licensing Division of the State of California to ensure that such uses are provided throughout the City and not concentrated in any one neighborhood.	Complete/ Ongoing	In 2009 Community Development staff began collecting data on supportive housing and other social services. However, due to a lack of staff resources, this program will not be completed.	Delete program.
19. The City shall address the foreclosure crisis using a variety of approaches including pre-foreclosure intervention aimed to keep homeowners in their homes and neighborhood reinvestment strategies aimed to occupy homes left vacant due to foreclosure while using on-going federal and state legislative advocacy and data analysis to inform the approaches.	Complete/ Discontinued	<p>Between 2007 and 2012 SHRA worked with both the City and County to implement a comprehensive strategy aimed at eliminating neighborhood blight and stemming the decline of home values caused by the foreclosure crisis in Sacramento. In conjunction with HUD allocation of approximately \$40.2 million in grant funding (\$17M for the City and \$23.2M for the County) under the Neighborhood Stabilization Program (NSP) rounds one (NSP-1) and three (NSP-3) in early 2009, the City Council approved the plan for program development and expenditures to return vacant, foreclosed, or abandoned residential properties to occupancy; revitalize neighborhoods through strategic redevelopment and reuse efforts; and provide affordable rental opportunities to Sacramento households.</p> <p>SHRA's plan involved three unique programs consisting of: 1) the Vacant Properties Program (VPP), which provides financing incentives to encourage for-profit and non-profit builders to purchase, rehabilitate, and sell foreclosed single-family homes within identified target areas; 2) the Block Acquisition and Rehabilitation Program (Block Program), which works with established developers to acquire, rehabilitate (or demolish and rebuild), and maintain multifamily dwelling units as common rental property in areas where foreclosures and vacant properties have intensified blight issues; and (3) the Property Recycling Program (PRP), which allows SHRA to engage in strategic investments and partnerships to remove the blight of foreclosed and vacant properties through redevelopment activities; the acquisition and rehabilitation of single family homes; and the acquisition, rehabilitation, and occupancy of affordable rental housing. Through these programs, SHRA rehabilitated and sold 342 single-family and multifamily units, and retained or created an estimated</p>	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
		900 jobs. The City allocated all NSP funds by the end of 2012.	
20. The City shall provide Housing Choice Vouchers to approximately 11,000 Sacramento households in the City and County in order to continue to provide housing options to very low- and extremely low-income residents.	Ongoing	SHRA, in its role as the Housing Authority for both the City and County of Sacramento, administers approximately 12,000 Housing Choice Vouchers. Housing Choice Vouchers cover the portion of fair market rent above the tenant's share which is set at approximately 30 percent of their income. The 2012 average annual household income for the Housing Choice Vouchers was \$13,821. Since 2008, SHRA has maintained a leasing percentage of about 99 percent for available vouchers and has used 100 percent or more of the available funding for vouchers.	Modify program to remove numerical goals, as these are identified in the quantified objectives.
21. With the support of SHRA, the Human Rights/Fair Housing Commission will conduct annual fair housing audits to track compliance, enforce fair housing law, and help to eliminate housing discrimination.	Discontinued	SHRA supported the Human Rights/Fair Housing Commission with annual CDBG funding through 2011. The Human Rights/Fair Housing Commission provides direct assistance to persons who have faced housing or other forms of discrimination and refers those complaints either to legal aid centers, the Federal Housing and Urban Development, or the State Department of Fair Employment and Housing. From 2008 to 2010, the Human Rights/Fair Housing Commission conducted 386 audits. However, the State of California abolished Redevelopment Agencies in 2011, eliminating an important source of funding for this action. Due to budget constraints SHRA can no longer fund the Human Rights/Fair Housing Commission, but will continue to affirmatively further fair housing through policy and program activities.	Delete program.
22. Prepare a new Analysis of Impediments to Fair Housing Choice (AI) in order to assess the City's efforts at reducing housing discrimination and enforcing fair housing laws.	Complete	The SHRA Community Development Block Grant (CDBG) Department completed the update to Analysis of Impediments to Fair Housing Choice in 2011. SHRA plans to update the Analysis of Impediments to Fair Housing Choice during this next Housing Element cycle.	Retain program.
23. The City shall develop a report that will examine indicators of economic and social balance and evaluate housing needs. Housing needs would include those of different ethnic groups and cultures. The report would also analyze the production and investment in housing from the neighborhood to the regional level.	Incomplete	The State of California eliminated redevelopment agencies in 2011, eliminating an important source of funding for this action. Due to the limitation of available funding sources to pay for staff, SHRA has no immediate plans to develop this report.	Delete program.
24. The City shall provide for fair-housing information in appropriate public locations and disseminate such information in different languages.	Ongoing	SHRA will continue to provide periodic updates on their website to educate the public and developers about fair housing requirements.	Retain program.
25. The City shall participate in efforts to address regional equity and fair share issues through education and coalition building.	Ongoing	City staff initiated discussions with SACOG staff on how to report on regional housing production and consider strategies to encourage affordable housing development in each jurisdiction. SACOG, in collaboration with jurisdictions throughout the region, is currently developing a Housing Work Plan which includes:	Modify program to advocate for a regional housing plan.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
		<ul style="list-style-type: none"> ▪ an assessment of existing conditions affecting housing - demographics, market conditions, housing stock; ▪ an inventory of housing policies and funding; ▪ a review of region's existing analyses of impediments to fair housing; ▪ a jobs-housing fit measure; and ▪ a combined housing and transportation cost analysis. 	
26. In conjunction with the Human Rights/Fair Housing Commission, the City shall provide information and technical assistance to support the efforts of the Sacramento Apartment Owner's Association, the local Board of Realtors, and other organizations to increase awareness of fair housing laws.	Discontinued	City and SHRA staff provided referrals to the Human Rights/Fair Housing Commission to persons who have fair housing questions or concerns. However, the State of California abolished Redevelopment Agencies in 2011, eliminating an important source of funding for this action. Due to budget constraints SHRA can no longer fund the Human Rights/Fair Housing Commission, but will continue to promote fair housing through policy and program activities.	Delete program.
27. The City shall continue to administer Section 17.190 of the Zoning Code, the Mixed Income Housing Ordinance.	Complete/ Ongoing	<p>SHRA and the City Community Development Department collaboratively administer the City's Mixed Income Housing Ordinance, which was adopted in October 2000. A May 2007 assessment of the ordinance found that since inception, over 1,500 inclusionary units had been approved and/or built. Since that assessment, the residential market has slowed down, leading to a decline in the number of inclusionary housing plans reviewed and approved. A total of 56 affordable units were built under the Mixed Income Housing Ordinance between 2008 and 2013. SHRA's portfolio management department continues to handle the ongoing monitoring of all the inclusionary units that have been produced to date.</p> <p>The City has conducted a public workshop, several stakeholder meetings, four workshops with the Planning and Design Commission, and an electronic public survey on the Housing Element and Mixed Income Housing Ordinance revisions. Staff anticipates updating the Ordinance to incorporate a mix of affordable housing fees, affordable-by-design units, and land dedication that would be adjusted based on project size. Affordable-by-design units such as apartments, second units, and duplexes, are market-rate units that are generally more likely to be affordable to low- and moderate-income households in a community compared to a standard single-family home.</p>	Replace with a program to revise the Mixed income Housing Ordinance.
28. The City shall amend its multifamily lending guidelines to allow asset building programs as an option to fulfill the requirement for social services in SHRA funded projects.	Complete	On March 17, 2009, the City Council adopted revised Multifamily Lending and Mortgage Revenue Bond Policies. The guidelines include requirements for resident services in all SHRA-financed projects. These guidelines specifically call out both education and enrichment classes as appropriate service types. All applicants are required to provide a detailed narrative of the proposed program (prior to financing approval), and encouraged to provide asset-building services, such as financial education classes.	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
29. Consistent with Government Code § 65863, the City shall consider the impacts of rezones and general plan amendments of residential sites on the City's ability to meet its share of the regional housing need.	Ongoing	Community Development staff has developed a system of tracking all rezones and general plan amendments that are approved by council. In the Fall 2009 the City rezoned 1,668 parcels for consistency with the 2030 General Plan, including 14 parcels in the Housing Element vacant land inventory. The result was a net increase in the land inventory's capacity to provide housing to lower-income households.	Retain program.
30. The City shall maintain a land inventory for housing production which identifies infill and greenfield sites.	Ongoing	Community Development staff has continued to monitor rezones to ensure that the land inventory has adequate sites to meet the city's share of the regional housing need.	Retain program.
31. The City shall amend financing plans as needed to ensure that adequate funding is available to provide infrastructure improvements for new development. To ensure funding for large new developments, the City shall complete Mitigation Fee Act compliant comprehensive plans for the Panhandle, Greenbriar, Delta Shores, and Railyards/River District areas.	Ongoing	The Panhandle, Greenbriar, Delta Shores, Railyards and River District Finance Plans are complete. The 65th Street Finance Plan is underway and is expected to be completed in late 2013.	Modify program to address the 65 th Street Finance Plan.
32. The City shall report annually to the Sacramento Area Council of Governments (SACOG) on its affordable production achievements, in compliance with the SACOG Regional Housing Compact. The City shall also request that SACOG produce an annual report on the region's achievements under the compact.	Complete/ Ongoing	The City will continue to send SACOG the Housing Element Progress Report. However, SACOG is also developing a Regional Housing Work Plan, mentioned in Program 25, which eliminates the need for this action.	Delete program.
33. The City shall develop Capital Improvement Plan (CIP) programs to coordinate infrastructure financing with the General Plan and focus funding in key infill areas.	Ongoing	Community Development staff continue to work with other City departments to coordinate CIP funding in priority infill areas. Additionally, criteria contained in the City Transportation Department's programming guide (funding guidelines) prioritize projects that are consistent with the General Plan. Lastly, the City Planning and Design Commission conducts an annual review of CIP projects to determine consistency with the General Plan.	Retain program.
34. The City shall review and update the City's Emergency Shelter Site inventory to determine if the sites are adequate, accessible, appropriate, and developable.	Complete/ Ongoing	As part of the 2008-2013 Housing Element update, the City updated the emergency shelter sites inventory. The City updated the inventory for the 2013-2021 update and will continue to do so as new emergency shelters are constructed.	Retain program.
35. The City shall prepare an annual report to the City Council on implementation of City housing programs and recommend revisions to the implementation strategies as appropriate.	Complete/ Ongoing	City staff has and will continue to prepare annual housing reports for the City Council.	Retain program.
36. The City may assist non-profit organizations with predevelopment loans in conjunction with applications for permanent supportive housing.	Ongoing	SHRA continues to offer, in limited circumstances, predevelopment loans to non-profit organizations. The revised Multifamily Lending and Mortgage Revenue Bond Policies, adopted March 17, 2009, describe the details and parameters for these loans. In 2008, SHRA approved three predevelopment loans totaling \$530,000 for the non-profit developers of the YWCA and Budget Inn. Together,	Retain program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
		these projects provide 105 permanent supportive housing units. In 2009 and 2010 SHRA also approved predevelopment loans for the 7th and H project totaling \$1,985,000. This project provides 150 permanent supportive housing units.	
37. The City shall amend the City Zoning Code (Sacramento City Code Title 17) as needed to ensure that "transitional housing" and "supportive housing," as those terms are defined in California Government Code section 65582, are treated as residential uses subject only to those restrictions that apply to other residential uses of the same type in the same zone, in conformance with section 65583 of the California Government Code.	Complete	The new Planning and Development Code adopted in April 2013 defines "transitional housing" and "supportive housing." The definitions clarify that transitional and supportive housing is to be considered in the same manner as single-family and multifamily dwellings.	Delete program.
38. The City shall prepare a comprehensive update of the Infill Strategy, which would include reducing planning and development fees in infill target areas and integrating the City's Commercial Corridor Revitalization Strategy into the Infill Strategy, to address obstacles to development in target infill areas, commercial corridors, and key opportunity sites.	Incomplete	The General Plan is updated every five years and includes the City's policies and programs for infill development.	Delete program.
39. The City shall submit an annual report to the City Council that evaluates implementation of the Infill Strategy and recommends appropriate revisions.	Complete/ Ongoing	The City merged the annual report on infill development with the General Plan Annual Report, which is shared with the City Council each year.	Modify program to reflect the merger of the annual report on infill development with the General Plan annual report.
40. The City shall encourage infill development by reducing barriers through the following actions: <ul style="list-style-type: none"> ■ Zoning Code updates and streamlining, especially as it relates to standards for the City's mixed use, residential mixed use, and higher density zoning districts; ■ proactive zoning that encourages mixed use and higher density development in key opportunity areas such as those near light rail stations and along commercial corridors; and ■ infrastructure improvements and assistance to ensure that adequate infrastructure is in place to serve higher density and mixed use development in key opportunity areas. 	Complete/ Ongoing	<p>The 2030 General Plan, adopted in 2009, increased densities and flexibility for land uses in many infill areas. Between 2009 and 2010, the City rezoned over 2,000 parcels to be consistent with the new land use designations. The City is currently (2013) conducting a three phase update of the Planning and Development Code to provide a predictable, clear, and consolidated direction for development that focuses on traditional neighborhoods while reinvigorating others. The City completed the first phase of the update on April 9, 2013, to provide flexibility in development standards for infill lots, to recognize urban and traditional development patterns identified in the General Plan, and to create a consistent citywide site plan and design review process. The City plans to complete the second phase of the update in late 2013 to revise the Mixed Income Housing Ordinance, Housing Trust Fund Ordinance, Subdivision Ordinance, and Flood Ordinance. Finally, the City plans to complete the third phase in 2014 to complete the Sign Ordinance, update the citywide design guidelines, and update the energy efficiency standards to support the Climate Action Plan.</p> <p>Additionally, in 2010 the Community Development Department</p>	Modify program to reflect the completed Zoning Code Update and maintain a focus on infrastructure improvements.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
		implemented the Shovel Ready Sites Program for the River District, Florin Corridor, 65th Street Area, and Northeast Light Rail Line. The goal of the program is to address infrastructure needs as well as tackle contamination and access issues.	
41. The City shall pursue grant funding, including the State Department of Housing and Community Development Workforce Housing Program, Community Design Grant Program, and other revenue sources to provide critical amenities/services in infill areas to promote complete neighborhoods. Examples include: <ul style="list-style-type: none"> ▪ Park Improvements; ▪ Sidewalk widening, streetscape improvements and street lighting; and ▪ Other infrastructure improvements. 	Ongoing	As indicated in Program 14, the City acquired approximately \$135 million in Prop 1C and 1B funding in 2008 and 2009. The City also used Federal Stimulus Funding, including \$400,000 in EPA Brownfield money for the City's Brownfield Revolving Loan Fund. Currently, due to the State budget crisis, some funding programs, such as the workforce housing grant program, are currently not accepting applications. The California Sustainable Strategies Pilot Program has entitled Township 9 for additional points in the State and Federal grant applications.	Retain program.
42. The City shall promote and expand the use of pre-approved house plans in targeted residential infill areas.	Complete	In 2010 the Community Development Department, through a grant from SMUD, expanded and improved the infill housing plan program to include: <ul style="list-style-type: none"> ▪ New models ▪ Value engineering ▪ Green homes ▪ Universal design Three homes were completed during 2012 and 2013. The updated California building code will become effective January 2014. Due to the costs of updating the pre-approved plans the program will be discontinued.	Delete program
43. The City shall implement the Downtown Housing Investment Strategy. The primary purpose of the Downtown Housing Investment Strategy is to establish priorities for the expenditure of downtown housing set-aside funds. This will help ensure the production of a broad range of housing types for all income levels and support improved economic vitality within the Downtown Redevelopment Area. The four major goals of the Downtown Housing Investment Strategy include: <ul style="list-style-type: none"> ▪ Alleviating impediments and create incentives to foster downtown housing ▪ Encouraging both market-rate and affordable housing development. ▪ Safeguarding existing affordable housing ▪ Maintaining commitment to the Single Room Occupancy 	Discontinued	The City adopted an ordinance in October 2008, which established a Development Fee Deferral Program as part of an economic incentive plan to alleviate impediments and create incentives to foster downtown housing. As part of the initiative to safeguard existing affordable housing, SHRA approved \$5 million to fund the immediate repair needs of Riverview Plaza, a 120-unit senior affordable downtown high rise. SHRA assistance to Riverview Plaza restricted 33 units at 50 percent of the area median income for an additional 55 years. SHRA also worked with the owner of Pioneer Towers to assist with the rehabilitation of the 198-unit senior downtown high-rise to ensure long-term affordability. <p>The Downtown Housing Strategy for the Central City identified the JKL corridor as the primary focus area, and called for a Notice of Funding Availability (NOFA) for \$25 million. Three sites were submitted as part of that process: 11th and J Streets, 16th and J Streets, and the 700 and 800 Block of K Streets. In 2010 the latter site at the 700 and 800 Block of K</p>	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
<p>Strategy.</p> <p>This strategy will be supported by Notice of Funding Availability and by City policies targeting infill development.</p>		<p>Street was subject to an Exclusive Right to Negotiate Agreement as SHRA was working with two mixed-use mixed income projects to bring forward development proposals in Summer 2011. While the 700 Block was approved in 2011, the City and SHRA were unable to come to agreement with the developer of the 800 Block. However, two downtown projects were recently completed (between 2011 and 2013): the renovations of the 32-unit Maydestone (15th and J Streets) and the construction of the 150-unit 7th and H project (7th and H Streets).</p> <p>The State of California abolished Redevelopment Agencies in 2011, eliminating funding for this action. Due to a lack of resources, this program will be discontinued.</p>	
44. The City shall conduct a study regarding the use of property liens for delinquent properties in order to encourage infill housing development.	Incomplete	The State of California abolished Redevelopment Agencies in 2011, eliminating funding for this action. Due to staff reductions, this program will not be completed.	Delete program.
45. The City shall issue waivers for sewer and sanitation development fees for projects in which at least 10% are affordable to very low-income households.	Ongoing	Through the Regional Sanitation Board's fee waiver and deferral program, SHRA provided fee waivers and deferrals to 530 affordable units in the City and County between 2008 and 2012.	Retain program.
46. The City shall support Sacramento County's efforts to amend the enacting ordinances for the County Fee Waiver and Deferral Program to extend the deferral period recognizing the complexities and time needed to complete an affordable housing development.	Complete	On January 14, 2009, the County, the Regional Sanitation Board, and the Water Board amended the ordinances enacting the County Fee Waiver and Deferral Program. In addition to removing all sunset dates from the program, the amendments extended the fee deferral period to 24 months, and the waiver compliance period to 36 months maximum.	Delete program.
47. The City shall use sewer credits to assist at least 200 units annually for infill and affordable housing.	Ongoing	The Economic Development Department issued 995.67 sewer credits from 2008 to 2012. Since 2010, these sewer credits have helped create 1,632 new jobs and 313 low-income and infill housing units.	Modify program to remove numerical goals, as these are identified in the quantified objectives.
48. The City shall produce a study on alternative housing products, materials, and designs that support affordability "by design" through cost savings at the planning and development stages. The study will recommend how these housing products can be encouraged by the City.	Incomplete	The State of California abolished Redevelopment Agencies in 2011, eliminating funding for this action. Due to the limitation of available funding sources to pay for staff, SHRA has not been able to conduct this study.	Delete program.
49. The City shall update the Zoning Code to reflect recent changes to State law pertaining to density bonuses and impact fee deferrals for affordable housing.	Complete	The new Planning and Development Code, adopted in April 2013, includes a density bonus chapter that is consistent with State law.	Delete program.
50. The City shall update SHRA's Multi-family Lending Guidelines for the expenditure of HOME, Housing Trust Fund, and Tax Increment Housing Set Aside funds for multi-family rental developments to	Complete	On March 17, 2009, the City Council adopted revised Multifamily Lending and Mortgage Revenue Bond Policies. The guidelines include funding, underwriting, and leveraging requirements that maximize external	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
maximize leverage of public and private dollars and to meet the goals, policies, and programs of the Consolidated Plan, Redevelopment Implementation Plans and the Housing Element.		financing and align funding with other policy objectives. Specifically, Section 2.3 requires that the SHRA loan amount shall not exceed the difference between total development cost and the maximum potential equity and debt raised from private and public sources other than SHRA. In addition, the guidelines clarify that the total loan amount, including hard and soft debt, shall not exceed 90 percent combined loan to value. Furthermore, the introduction to the guidelines clearly states the goals of the program, which include increasing and preserving the supply of affordable housing, revitalizing communities, encouraging economic integration, and maintaining sustainable living environments, all of which are larger goals of City housing policies and programs, including the Housing Element.	
51. The City shall apply for new and existing Federal and State funding sources, such as Proposition 1C funds, HELP, BEGIN, and MHSA, and will support applications for Tax Exempt Mortgage Revenue Bonds, Low Income Housing Tax Credits, State of California Multi-family Housing Program, and other such federal and state programs to assist affordable housing programs and projects.	Ongoing	<p>In 2009 SHRA approved gap funding for seven multifamily affordable housing developments and 36 permanent supportive housing units in two developments financed with MHSA funding. In addition, SHRA assisted in the sale of 11 homes financed through the BEGIN program.</p> <p>In 2010 SHRA received a \$2 million Housing Trust Fund Award from the State of California. SHRA used the funding to assist the 7th and H project. In addition, SHRA supported three projects that received an allocation of nine percent tax credits, including: La Valentina (81 units), Forest Palms (40 units), and 7th and H (150 units). All three have been completed, creating 271 new or preserved affordable housing units in the city.</p> <p>In 2011 SHRA approved financing for the Kelsey Village project, a 20-unit newly constructed permanent supportive housing project. The project, which is already under construction, will be financed with HUD 811 proceeds, bonds, and four percent tax credits. SHRA also began construction on two additional projects funded with NSP: Coral Gables (4 units) and 3535 Del Paso Boulevard (17 units).</p> <p>In 2012 SHRA supported three projects in the City: Township 9 (180 units), Ridgeway Hotel (22 units), and Taylor Terrace (168 units), all of which are currently under construction.</p>	Retain program.
52. The City shall explore "in-lieu" fee equivalents using the economic impact analysis described in Program 5 for market developers under the Mixed Income Housing Ordinance for consideration by the City Council. Uses of collected fees may include funding of the Extremely Low-Income (ELI) Buydown Program and maintaining affordability of inclusionary ownership units.	In progress	The City is considering an affordable housing impact fee as part of the Mixed Income Housing Ordinance update.	Replace with a program to revise the Mixed income Housing Ordinance.
53. The City shall make technical changes to the Housing Trust Fund Ordinance to apply the fees equally throughout the City and modify aspects of the ordinance that have proven to be ineffective over the	In progress	City staff has developed draft revisions to the ordinance. The City anticipates completing the ordinance revisions by early 2014.	Retain program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
years.			
54. The City shall use the remaining funds in the Affordable Housing Fee Reduction Program to assist developments required through the Mixed Income Ordinance. The City shall also assess the feasibility of the program in light of State prevailing wage requirements and may revise the program to better serve affordable housing development.	Complete	<p>In 2009 the City redirected funds from the Affordable Housing Fee Reduction Program to fund the Shovel Ready Sites Program. The program was not used much from 2004 to 2008 because it triggers prevailing wage requirements. Prevailing wage requirements can often dramatically increase development costs for projects that use these City funds. In 2008, SHRA identified that there were no projects on the horizon that could or wanted to take advantage of the funds.</p> <p>The Shovel-Ready Sites Program has a specific emphasis on preparing areas that can have a near-term return on investment for the City, especially infill areas. This type of planning and economic development work was especially needed during the recession, because of the City's dependence upon revenue from processing development (e.g., building permit fees). With an emphasis on job-creation, retail, and office attraction, the Shovel-Ready Sites Program efforts help increase sales tax and property tax revenues, thereby increasing the General Fund.</p>	Delete program.
55. The City shall prepare a study recommending additional incentives for small infill projects.	Complete	In April 2013 the City comprehensively updated its zoning and development codes to encourage sustainable infill development by restructuring and improving processes in the development code (e.g., parking regulations, design review, urban development standards) to make sustainable infill development economically feasible.	Delete program.
56. Each year the City shall evaluate the effectiveness of the MATRIX program and other development process streamlining efforts in order to ensure a high level of customer service.	Ongoing	In the most recent poll by the Business Journal, the City of Sacramento was ranked fifth out of the seven most business-friendly jurisdictions in the region.	Retain program.
57. The City shall continue to implement the preliminary review process whereby City staff and neighborhood groups provide comments and advise the applicant of policy and technical areas that need to be addressed prior to the formal application review. This is an existing program that helps to identify planning and community issues early in the process so that problems can be identified and addressed and processing time is shortened.	Ongoing	The Community Development Department has continued to implement the preliminary review process.	Retain program.
58. The City shall work with SAFCA and other responsible agencies to achieve increases in flood protection to the City and surrounding areas so that City and other land use agencies can proceed with development plans and meet Federal Emergency Management Agency (FEMA) and State requirements for flood protection in 100-year and 200-year flood plains, respectively. Actions include: (1) finishing Folsom Dam spillway modifications, and supporting and implementing subsequent raising of Folsom Dam; (2) finishing construction of improvements along the perimeter levee system protecting Natomas; (3) accomplishing improvements needed to	Complete/ Ongoing	<p>The Sacramento Area Flood Control Agency (SAFCA), with the support of the City of Sacramento and in cooperation with the U.S. Army Corps of Engineers (USACE), U.S. Bureau of Reclamation (USBR), and the Central Valley Flood Protection Board (CVFPB), are working to progressively increase the level of flood protection in the Sacramento area to 200-year flood protection from major rivers and streams.</p> <p>SAFCA is evaluating the levee systems protecting portions of northern and southern Sacramento to determine if the levees meet the criteria established by Federal Emergency Management Agency for levee</p>	Retain program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
meet FEMA levee accreditation requirements for lands in the Sacramento area protected by levees; and (4) supporting development and implementation of plans for progressively improving the level of flood protection in Sacramento area to 200-year urban level of protection.		<p>accreditation by the National Flood Insurance Program. These evaluations are expected to be finalized in 2013.</p> <p>State law requires urban areas to have 200-year level of protection by July 2016, or to have made adequate progress on construction of facilities that would achieve this level of protection by 2025. By July 2016, a city or county within the Sacramento-San Joaquin Valley is not to enter into a development agreement, issue a permit for construction of a residence, or approve a tentative map for property located in a flood hazard zone in an urban area, unless it finds that the property is protected by facilities that provide a 200-year level of protection, it has placed conditions on the development that will ensure that the development is protected to 200-year level of protection, or the flood management agency is making adequate progress toward providing 200-year level of protection.</p> <p>Major ongoing flood protection activities include those described below:</p> <ul style="list-style-type: none"> Improvements to Folsom Dam and maintenance of and improvements to the levee systems protecting Natomas, North Sacramento, and South Sacramento continue. Improvements to the Folsom Dam spillway by USBR and USACE are scheduled to be complete in late 2017. Construction of up to a 3.5-foot raise of Folsom Dam is also planned. SAFCA has completed substantial improvements to Natomas levees in cooperation with the State under the Department of Water Resources Early Implementation Program. SAFCA is currently (2013) completing additional improvements to achieve 100-year and subsequently 200-year levels of flood protection. USACE, in cooperation with CVFPB and SAFCA, is developing plans for further improvements to levee systems protecting portions of northern and southern Sacramento to progressively increase the level of flood protection to the 200-year level for urban flood protection. Congress authorized these plans in 2010, which are currently scheduled for completion in 2014 The South Sacramento Streams project addresses flood protection for the south part of the city. USACE completed construction of the last reach of improvements along the creeks west of Franklin Boulevard in 2012. SAFCA, in partnership with the City, constructed improvements without Federal participation to Unionhouse Creek east of Franklin Boulevard to Highway 99 in 	

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
		2012 to provide a 100-year level of protection. USACE and SAFCA are developing plans for flood control improvements on Florin Creek from Franklin Boulevard east to Highway 99, with construction tentatively scheduled for summer of 2014 or 2015, contingent upon availability of funding.	
59. The City shall revise the Zoning Code to reduce the parking requirement for senior and efficiency units from 1.5 parking spaces per unit to one parking space per unit outside the Central City area.	Complete	The City modified the parking requirements for affordable, senior, and other multifamily residential units as part of a comprehensive update to its parking regulations adopted on October 30, 2012.	Delete program.
60. The City shall prepare a study recommending new financing options to provide for infrastructure in infill areas. New sources of financing could include state and federal grants, the General Fund, the use of impact fees, bond measures, and tax increment financing.	In progress	These efforts are being largely carried out through the City's Shovel Ready Sites Program, which identified key infrastructure investments to support catalyst development (see Program 40).	Retain program.
61. The City shall implement the Asset Repositioning of the City's public housing units through land use regulations and with local resources, ensuring no net loss of ELI units.	Ongoing	<p>As a result of on-going reductions in capital and operating funding from the US Department of Housing and Urban Development (HUD), the City adopted the Asset Repositioning Study in July 2007. This study set the stage for the implementation of a proactive strategy to "reposition" SHRA's public housing units to reduce dependence on HUD and eliminate capital and operating deficits.</p> <p>On March 10, 2009, the City Council approved the disposition and transfer of two properties known as Sutterview and Washington Plaza totaling 153 units of affordable senior housing to a related nonprofit for the purpose of obtaining the financing and tax credits necessary to complete major rehabilitations of both. HUD approval was subsequently received on October 8, 2009, and the properties transferred July 8, 2010. Pre-construction due diligence is complete and financing applications are now in process. Construction is anticipated to begin by January of 2014.</p> <p>On August 10, 2010, the City Council approved the disposition of a second set of three properties under this strategy. On July 18, 2012, HUD approved one of these for disposition and transfer from public housing, the 78-unit senior housing property known as Sierra Vista. This property is anticipated to transfer by June 30, 2013. Pre-construction due diligence has already been completed and financing applications will be submitted upon transfer to nonprofit. Construction is anticipated to begin by March 2014. The first two of these properties have received project-based housing vouchers which allow the current residents to remain in place while paying a maximum of 30 percent of their annual income towards rent. An application for vouchers for the third property has been submitted and anticipated to be approved by June 30, 2013.</p>	Retain program.
62. The City shall study the feasibility of a voluntary ELI "buy-down" program. For all new multifamily rental housing developments with SHRA funding, SHRA will have the right to buy down affordable	Incomplete	The State of California abolished redevelopment agencies in 2011, eliminating an important source of funding for this action. Due to the limitation of available funding sources to staff this effort, SHRA has no	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
units. The buy-down program provides a subsidy to provide affordable units to extremely low-income households. Approval and implementation of the program is dependent on identification of an on-going local funding source.		immediate plans to research the feasibility of this option.	
63. The City shall continue to implement the Single Room Occupancy (SRO) strategy, ensuring no net loss of Downtown SRO units and providing funding and other resources for the rehabilitation of 100 existing SRO units and the construction of 200 new SRO units in the City.	Ongoing	The City adopted the SRO strategy in 2006, with a goal of no further loss of SRO units downtown and building new and rehabilitating existing SRO units. Since adoption of the ordinance, 32 SRO units have been rehabilitated at the YWCA, the 104 SRO units at the Hotel Berry were renovated, and the 150-unit 7th and H project was constructed.	Modify program to remove numerical goals, as these are identified in the quantified objectives.
64. The City shall use available housing resources, including project based rental subsidies, such as local Housing Choice Vouchers, federal Housing Assistance Payment vouchers, and state Mental Health Services Act Vouchers for the provision of housing for extremely low-income households.	Ongoing	<p>The City maintains its commitment to providing extremely low income (ELI) housing. The Housing Choice Voucher Program remains the most efficient way to provide housing for extremely low-income households. Since 2008, SHRA has maintained at least 99 percent occupancy in the Housing Choice Voucher Program and used at least 100 percent of available program funds. Most recently in 2012, SHRA administered 11,840 Housing Choice Vouchers with a 99.05 percent lease up, and used 100 percent of available funding.</p> <p>SHRA funded the preservation of four projects with 300 HAP vouchers. Two City projects received Mental Health Services Act Vouchers: 25 in the Budget Inn and 11 at the YWCA. However, due to a freeze in the tax credit market, the developer was forced to return tax credits in November 2008. SHRA also preserved Southcrest Apartments, a 32-unit complex, with project-based Section 8.</p> <p>SHRA purchased the Hotel Berry and through its affiliate, Norwood Avenue Housing Corporation submitted and was awarded a tax credit allocation in Summer 2009. In 2010, the Hotel Berry received Mental Health Services Act Funding from SHRA resulting in 10 MHSA units. Finally, the 150-unit 7th and H project, which serves extremely low-income individuals, received its tax credit funding. By 2013 both the Hotel Berry and the 7th and H project were completed.</p>	Retain program.
65. The City shall continue to provide assistance to senior affordable housing projects.	Ongoing	In accordance with Program 67, SHRA will be preparing a report on senior housing needs and options, which will help inform lending policies for senior affordable housing. In the meantime, SHRA continues to support construction and rehabilitation of senior apartments throughout the city. SHRA assisted in the renovation and completion of four senior apartment complexes with 285 total units: Broadway Seniors Apartments, Casa De Angelo Apartments, Rio Linda Manor, and Forrest Palms. In addition SHRA provided financial assistance to Southcrest Apartments. In 2010, SHRA assisted the rehabilitation of the 108-unit senior apartment complex at 626 I Street. In 2011 this project was under construction, with an anticipated completion date of winter 2013.	Retain program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
66. Over the next five years, the City shall work with the County Department of Human Assistance (DHA) and service providers to improve linkages between emergency shelters, transitional housing and supportive services.	Ongoing	Through the Interagency Council (see program 70 below), SHRA and the City and County of Sacramento work together to provide a range of services for homeless families and individuals. The County "continuum of care" (CoC) model covers an array of services from prevention and services to housing. Historically, the Community Services Planning Council staffs the Ten Year Plan to End Chronic Homelessness, coordinating closely with DHA, who has been the recipient of most of the Federal funding for homeless services. Due to funding shortages, the structure of DHA and the administration of the CoC underwent a transformation in 2010. The Board of Supervisors approved a homeless sustainability plan based on a new public-private Homeless Continuum of Care (CoC) structure that includes the County of Sacramento, the City of Sacramento, other jurisdictions, and private sector partners. Since that time, a new nonprofit, the Sacramento Steps Forward Nonprofit Corporation (SSFNC), has incorporated. In July 2011 the transition of the CoC from DHA to the SSFNC became effective.	Modify program to remove reference to DHA.
67. The City shall report on senior housing options, including: <ul style="list-style-type: none"> ■ independent living, assisted living, and at-home care ■ strategies for creating accessibility to health-related services that are not available on site (to provide aging-in-place options) ■ gaps in affordability ■ recommended solutions. <p>The report will also describe different types of senior housing such as clustered cottages, motel conversions and intergenerational housing in transit-oriented developments.</p>	Incomplete	The State of California abolished redevelopment agencies in 2011, eliminating funding for this action. Due to the limitation of available funding sources to staff this effort, SHRA has no immediate plans to complete this report.	Delete program.
68. Through the City's contract with Mercy Housing, provide technical assistance and capacity building for non-profit agencies seeking to develop affordable housing in Sacramento.	Discontinued	SHRA provided Community Development Block Grant (CDBG) funds to Mercy Housing through 2011 in order to provide technical assistance to social service providers that wish to develop supportive housing for special needs groups, such as emancipated foster youths and persons with HIV/AIDS. This funding has proven to be effective in enhancing the capacity of service providers to own, manage, and develop permanent supportive housing.	Delete program.
		However, the State of California abolished redevelopment agencies in 2011, eliminating funding for this action. Due to the lack of resources this program has been discontinued.	
69. The City shall provide funding and other resources for permanent supportive housing located both in leased units and affordable housing developments.	Ongoing	Please see Program 70 (below) for information regarding permanent supportive housing units and leased housing units developed under the Ten Year Plan to End Chronic Homelessness.	Retain program.
70. The City shall implement the Ten Year Plan to End Chronic	Ongoing	The Sacramento City Council and County Board of Supervisors adopted	Retain program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
<p>Homelessness, including the "Housing First" strategy. Focuses of the "Housing First" strategy include:</p> <ul style="list-style-type: none"> Providing support for permanent housing that offers disabled homeless individuals a home without expecting them to have resolved their addictions or mental health problems. Providing supportive services and treatment in such housing to assist tenants return to health and ability to stay housed. 		<p>the Ten Year Plan to End Chronic Homelessness in Fall 2006, calling for providing permanent supportive housing for all of Sacramento's chronically homeless population. Within the first year of adoption, 171 chronically homeless people were housed in units through leasing and 139 new permanent supporting housing units were under construction in three different projects. In 2008, with the approval of the Budget Inn, the number of permanent supporting housing units approved rose to 260, which was just 20 units shy of the five-year goal of 280 (in only two years). In 2009 approximately 130 people were housed in units through leasing.</p> <p>In 2010 SHRA was involved in several projects and activities that advanced supportive housing activities. The Keys to Hope program provides lease assistance in scattered sites throughout Sacramento County to chronically homeless individuals. Keys To Hope programs provided assistance to 130 extremely low income individuals. In addition, as of the end of 2012, a total of 11 permanent supportive housing projects had been approved including: Colonia San Martin, MLK Village, YWCA, Mutual at Highlands, Boulevard Ct., Hotel Berry, VOA Living Center, 7th and H, and Kelsey Village. Collectively these projects increase the number of newly developed permanent supporting housing units to 447.</p>	
71. Annually provide information to Community Services Planning Council's Beehive and "211" information line, and Self Help Housing's referral program to insure up-to-date affordable housing information for these referral services.	Discontinued	<p>SHRA staff sat on the interagency council, staffed by the Community Services Planning Council, and actively participated in its efforts to connect Sacramento residents with housing information and referrals, including the Beehive and "211" information line. SHRA staff provided information to the referral programs as programs changed or were updated.</p> <p>However, the State of California abolished Redevelopment Agencies in 2011, eliminating funding for this action. Due to the lack of resources SHRA no longer funds this program.</p>	Delete program.
72. Through the Human Rights/Fair Housing Commission, the City shall provide fair housing assistance and dispute resolution services in order to resolve tenant and neighborhood conflicts.	Complete/ Ongoing	City and SHRA staff provided referrals to the Human Rights/Fair Housing Commission to person with fair housing questions or concerns.	Retain program.
73. Working together with Mercy Housing and the Sacramento County departments of Human Assistance (DHA) and Health and Human Services (HHS), provide assistance to permanent supportive housing projects through the supportive loan program.	Discontinued	See detail on Program 70 (above) on permanent supportive housing projects funded under the Ten Year Plan to End Chronic Homelessness. Each of the seven permanent supportive housing projects (i.e., Mutual at Highlands, Budget Inn/Boulevard Court, Hotel Berry, 7th and H, Folsom Oaks, VOA North Highlands, YWCA) approved in the City and County use a variety of public funding sources to ensure the capital and operating expenses of the project are met. Many have used the Mental Health Services Act (MHSA) Prop. 63 funds to bring long-term operating subsidies to the project. Others have received operating guarantees from SHRA in the form of a 15-year operating deficit reserve.	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
		However, the State of California abolished Redevelopment Agencies in 2011, eliminating funding for this action. Due to the lack of resources this program will be discontinued.	
74. The City shall encourage the preservation of regulated affordable rental developments that are converting to market rate. The City will continue to implement the City's Preservation Ordinance, which requires notification to SHRA of proposed conversion of affordable units, and allows SHRA priority to work with affordable developers to preserve such projects. In addition, the City will ensure compliance with the "no net loss" provisions of the adopted Housing Authority Repositioning Strategy, ensuring that, during rehabilitation and revitalization of public housing properties, there is no net loss of units affordable to extremely low income families.	Ongoing	In 2004 the City Council adopted a Housing Preservation Ordinance aimed at preserving Federally-subsidized projects at risk of conversion to market rate. SHRA has been the lead Agency implementing the ordinance. In addition, SHRA has provided low-cost financing to preserve several at risk projects since 2004. In 2008 SHRA financed the preservation of three projects in the city with 285 total units: Broadway Seniors Apartments, Casa De Angelo, and Forest Palms. All three projects have been completed.	Retain program.
75. The City and SHRA will seek to preserve, convert, and/or rehabilitate privately owned multifamily rental housing to assure its ongoing affordability for lower-income residents. Specifically, the following projects will be preserved or rehabilitated and converted to affordable rental housing: a. The City shall enter into a legally enforceable loan agreement with Dawson Holdings, Inc. for up to \$3,495,000 in HOME and tax increment funding to preserve the Casa De Angelo Apartments. b. The City shall enter into a legally enforceable loan agreement with Community Housing Opportunities Corporation for up to \$1,900,000 in HOME and tax increment funding to preserve the Forrest Palms Apartments. c. The City shall enter into a legally enforceable loan agreement with DHI Broadway Associates, L.P. for up to \$2,100,000 in HOME and tax increment funding to preserve the Broadway Senior Center Apartments. d. The City shall report to HCD on the financing and construction timeline for the three preservation projects, described above, that will be used to fulfill the Alternative Adequate Sites Program.	Complete/ Ongoing	SHRA entered into legal loan agreements with all three properties in 2008: Casa De Angelo (September 18), Broadway Seniors (September 26), and Forrest Palms (October 22). Casa De Angelo Apartment, Broadway Seniors, and Forest Palms are all completed. In 2009 SHRA preserved Southcrest Apartments, a 32-unit complex with project-based Section 8. SHRA also began construction on two additional projects funded through NSP: Coral Gables (4 units) and 3535 Del Paso Boulevard (17 units).	Modify program to remove references to specific projects.
76. The City shall continue to implement the Problem-Oriented Policing (POP) Program, which emphasizes preventing crime and abating various code violations by engaging the community, other public agencies, and the private sector to address a problem.	Discontinued	The City continued to fund the POP program, despite budget concerns, from 2008 to 2012. Most recently, the City staffed the program with four officers and one sergeant. However, due to a lack of resources, this program was discontinued. Police officers have incorporated POP principles in their all their patrols.	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
77. The City shall implement the citywide rental inspection program where building inspectors will go door to door surveying rental properties for interior and exterior code violations and issue corrective notices.	Complete/ Ongoing	<p>The Rental Housing Inspection Program has completed the fourth year of inspections. From 2008 to 2012, the City performed nearly 20,000 initial inspections. Other program accomplishments include:</p> <ul style="list-style-type: none"> • Batched billing and payment update processes are up and running. • Batch scanning process as part of City's Content Management Project has allowed inspectors to develop paperless case files, start and finish job duties in the field. • Inspectors use a mobile web-based inspection application with performance reporting capability. • 4th year (2011) top three corrections were: 978 faulty or improperly installed water heaters, 804 cases of faulty wiring, and 701 unsafe/faulty front entry doors. • 70 percent of the identified rental properties are registered; staff send a reminder notice, warning notice, and if necessary, send administrative penalties to owners of rental properties that are occupied and not registered. <p>Staff has seen a decrease in the number of complaints from tenants of rental properties, as compared to the previous five year average.</p>	Retain program.
78. The City shall continue the use of the SHRA Boarded/Vacant Home program. This program provides developer subsidies to qualified developers purchasing, rehabilitating and selling single-family boarded and vacant homes. Award of the subsidy is contingent on sale of the home to a low- or moderate-income family and recordation of affordability covenants.	Complete/Discontinued	The SHRA Homeownership Services Department administered the Boarded and Vacant Home Program. In 2009 SHRA assisted three developers through the Boarded and Vacant Program. In 2010 and 2011, SHRA acquired, rehabilitated, and sold 68 vacant and foreclosed single family properties to low- to moderate-income families. However, SHRA discontinued this program once NSP funding was exhausted in 2011.	Delete program.
79. The City, in an effort to have the most significant impact in blighted areas, shall focus its rehabilitation funding and programs to rental properties in need of substantial rehabilitation in redevelopment and other target areas.	Complete/ Ongoing	On March 17, 2009, the City Council adopted revised Multifamily Lending and Mortgage Revenue Bond Policies. The guidelines outline SHRA funding priorities. SHRA's top priorities for over the counter projects are preserving and recapitalizing projects that are already affordable, but that are nearing the end of their affordability period and/or are in need of renovations to operate. A portion of these projects are located in redevelopment areas. SHRA preference in the guidelines has been given to projects located in redevelopment areas. This preference will encourage affordable housing developers to reinvest in projects that are located in blighted areas. In addition, SHRA has many SHRA and City initiatives such as the SRO Preservation Policy, the Ten Year Plan to End Chronic Homelessness, the Downtown NOFA, and redevelopment area	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
		<p>implementation plans. In general, all of the projects under these initiatives are in redevelopment areas or other target areas.</p> <p>As of February 1, 2012, Assembly Bill 1X26 all redevelopment agencies in the State of California are dissolved. However, existing redevelopment plan areas are still in effect while the City and County Successor Agencies wind down the activities of their former redevelopment agencies. SHRA is providing project delivery services for existing projects in some redevelopment plan areas until the projects are completed. This is a policy statement rather than a program.</p>	
80. The City, on a limited basis, shall provide funding for acquisition and minor rehabilitation to multi-family properties to increase diversity in established areas where there is limited opportunity to develop new affordable housing.	Discontinued	<p>SHRA has provided projects that are in need of minor renovations with access to the Mortgage Revenue Bond Program. In addition to these private activities, the City adopted the Public Housing Asset Repositioning Strategy in 2007, which seeks to preserve and rehabilitate public housing assets throughout the City. Many of these units are in older areas of the city with little opportunity for new development, and the City's commitment to preservation is another way to meet the objectives of this program.</p> <p>However, the State of California abolished redevelopment agencies in 2011, eliminating an important source of funding for this action. Due to the lack of resources this program will be discontinued.</p>	Delete program.
81. In an effort to make the Investment Property Improvement Loan Program more marketable, the City shall conduct a study of similar efforts and programs in other jurisdictions to inform future modifications to the existing program.	Incomplete	The State of California abolished redevelopment agencies in 2011, eliminating funding for this action. Due to the limitation of available funding sources to staff this effort, SHRA has no immediate plans to conduct this study.	Delete program.
82. The City shall modify the Condominium Conversion Ordinance to make the process and regulations clearer to staff, applicants, and affected tenants, while maintaining a similar level of oversight in order to avoid adverse impacts to the rental stock and tenants.	Incomplete	Due to staff reductions this program was not implemented during the previous Housing Element planning period, but will be carried forward in the 2013-2021 Housing Element.	Retain program
83. The City shall adopt a Universal Design Ordinance, consistent with the State of California Department of Housing and Community Development's model ordinance.	Complete	On February 16, 2010, the City Council adopted the Universal Design Ordinance. The ordinance took effect on August 16, 2010.	Delete program.
84. The City shall adopt a reasonable accommodation ordinance that streamlines and formalizes City procedures related to accessibility and adaptability accommodations for development.	Complete	On August 25, 2009, the City Council adopted the Reasonable Accommodation Ordinance.	Delete program.
85. The City shall educate the public, developers and public officials on fair housing, anti-"NIMBY," and accessibility issues. Educational opportunities will include information available at the planning/building counter, supporting and promoting the anti-NIMBY campaign of the Sacramento Housing Alliance and staff, commissioner, and council training on fair housing.	Discontinued	SHRA continued to work with Human Rights/Fair Housing Commission (see programs 26 and 72, above) on fair housing issues. In addition, SHRA provides funds to the Sacramento Housing Alliance to educate the public on affordable housing and other anti-"NIMBY" issues. During the City's adoption of the reasonable accommodation ordinance (see program 84) and Universal Design Ordinance (see program 83), the City conducted outreach to the disabled community, affordable housing	Delete program.

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
Program	Status	Evaluation	Recommendation
		advocates, and other stakeholders about accessibility needs and challenges. However, the State of California abolished redevelopment agencies in 2011, eliminating funding for this action. Due to a lack of resources, this program will be discontinued.	
86. The City shall develop a checklist for considering information needs and accessibility to meetings when conducting public outreach.	Complete	The Community Development Department has gathered considerable information on accessibility of public outreach meetings.	Delete program.
87. The City shall conduct a study researching the incorporation of "visitability" standards into the residential building code.	Complete	On February 16, 2010, the City Council adopted the Universal Design Ordinance. The ordinance, which took effect on August 16, 2010, requires for-sale homes to offer features to potential buyers that would make the home visitable.	Delete program.
88. The City shall implement the Citywide Infill Strategy to encourage targeted single-family housing within residential neighborhoods.	Complete/ Ongoing	The City continues to successfully encourage single family housing in infill areas. Between 2008 and 2013 there were 1,285 homes built in residential infill target areas. The General Plan includes the City's policies and programs for infill development.	Delete program.
89. The City shall amend SHRA's existing first-time homebuyer programs to target distressed properties and/or areas, including homes in Redevelopment Areas, foreclosed homes and new ownership units built under the Mixed Income Housing Ordinance.	Complete/ Ongoing	In 2008 SHRA convened an internal team of policy, redevelopment, and homeownership staff to explore the most strategic uses of homebuyer programs. The homebuyer program guidelines and procedures were modified to reflect the recommendations made by the team to target homebuyer assistance programs to specific areas. However, production in SHRA homebuyer assistance programs demonstrates that the programs are targeted naturally as a result the location of homes affordable to low-income buyers. For example, from 2008 to June 2013, SHRA assisted 212 homebuyers in the City with homebuyer assistance loans: 81 of the homes assisted were foreclosed properties; 110 of the homes assisted were in Redevelopment Areas; an additional 92 of the homes assisted were in other distressed areas of the city. In December 2008, SHRA was awarded an allocation of the 2008 Housing Act Volume Cap for a Mortgage Credit Certificate (MCC) program specific only to foreclosed properties. From 2009 to 2011, SHRA assisted 67 homebuyers purchase of foreclosed homes through the MCC REO Program, an allocation of the 2008 Housing Act Volume Cap. In addition to these homebuyer assistance loans, one homebuyer purchased a home built under the Mixed Income Housing Ordinance in 2009. The State of California abolished redevelopment agencies in 2011, eliminating redevelopment areas; however, SHRA's homebuyer assistance programs are ongoing.	Modify program to reflect discontinued use of redevelopment areas and remove reference to the Mixed Income Housing Ordinance.
90. The City shall amend SHRA's existing single-family rehabilitation program to target distressed properties and/or areas, including	Complete/ Ongoing	From 2008 to 2012, SHRA assisted 411 low- and very low-income residents with grants for emergency repairs and/or accessibility	Modify program to reflect the loss of

Table HA-1 Evaluation of 2008-2013 City of Sacramento Housing Element Programs			
<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
homes in redevelopment areas and homes left vacant due to foreclosure.		modifications to their homes. During the same time frame, SHRA assisted 25 homeowners with rehabilitation loans. Most of the homes assisted were in Redevelopment Areas or other distressed areas of the city. However, the State of California abolished Redevelopment Agencies in 2011, eliminating funding for this action, and the program was suspended.	redevelopment and replace the loan program with a grant program for minor repairs for emergencies or accessibility.
91. The City shall amend the Zoning Code to clarify that limited equity housing cooperatives are to be defined as apartments and governed by the same standards as nonprofit affordable housing.	In Progress	The City updated its Zoning Code in 2013 to treat all alternative housing types as "dwellings" subject to the same use regulations..	Delete program.
92. The City shall conduct a study on local and regional employer assisted housing programs to help employees find affordable housing near their workplace, which may result in reduced employee turnover and commuting times.	Incomplete	The State of California abolished redevelopment agencies in 2011, eliminating funding for this action. Due to the limitation of available funding sources to staff this effort, SHRA has no immediate plans to conduct this study.	Delete program.
93. Using the economic impact analysis described in Program 5, the City shall recommend modifications in homeownership income targets in the Mixed Income Housing Ordinance to promote development of inclusionary ownership housing.	In process	During the 2008 Housing Element workshops, the City Council agreed that income targets for inclusionary homeownership units should be increased, to better incentivize affordable homeownership. On February 10, 2009, SHRA held a workshop on the Mixed Income Housing (Inclusionary) Ordinance with the City Council. As part of the presentation, the results of an independent economic impact analysis were shared. At the conclusion of the meeting, Council directed staff to organize a stakeholder group to evaluate potential changes to the ordinance, including modifications to encourage affordable homeownership options. Staff anticipates updating the Mixed-Income Housing Ordinance to incorporate a mix of affordable housing fees, affordable-by-design units, and land dedication that would be adjusted based on project size. Affordable-by-design units such as apartments, second units, and duplexes, are market-rate units that are generally more likely to be affordable to low- and moderate-income households in a community compared to a standard single-family home.	Delete program.

Appendix B: Public Participation Notes

This Appendix contains meeting notes from public meetings with the Community, and City/County Commissions. These meetings provided a forum for public input and comments which guided the preparation of the Housing Element. Notes listed are from the following gatherings:

- City Planning and Design Commission Workshop #1 – November 15, 2013
- Community Workshop – March 13, 2013
- City Planning and Design Commission Workshop #2 – March 14, 2013
- Disabilities Advisory Commission – March 21, 2013
- SHRA Commission Workshop #1 – April 17, 2013
- Adult and Aging Commission – April 24, 2013
- City Planning and Design Commission Workshops #3 – May 23, 2013
- SHRA Commission Workshop #2 – May 29, 2013

City Planning and Design Commission Workshop #1 November 15, 2013 (City Hall)

The City received the following comments:

- Need to tie affordable housing development to transportation corridors near transit.
- Need to encourage residential infill development.
- Support for a regional housing trust fund.
- Need to have regional equity in affordable housing development.
- The Housing Element is too quantitative. It is not just about quantity of units, it is about quality of life.
- Need housing that support social cohesion.
- Co-housing is an opportunity for infill and support neighborhoods.
- Affordable housing requirements can kill a project.
- As a project becomes denser, it becomes much more expensive.
- Need to look at issues for all citizens. There needs to be a place for all citizens.
- Homelessness is a significant issue for our community.
- Key strategy for homeless is permanent supportive housing.
- Need to discuss the progress on the 10-year plan to end chronic homelessness.

**Community Workshop
March 13, 2013 (City Hall)**

The City received the following comments:

- The Mixed Income Housing Ordinance should be applied citywide.
- The Mixed Income Housing Ordinance should not apply to infill but only to larger projects.
- The Mixed Income Housing Ordinance should be more flexible.
- Affordable housing requirements should adjust with market conditions.
- Affordable housing should be near services.
- Housing for extremely low-income housing should be prioritized.
- Co-housing is a great way of having multi-generational housing with a mix of incomes.
- There needs to be a greater availability of move-up housing for higher wage earners in the city.
- Gated communities should be encouraged.
- Prioritize down payment assistance with affordable housing funds.
- Need to encourage banks to renovate foreclosed homes and require them to sell them at affordable prices.
- Use utility rebates to improve REO's before selling to lower income buyers.
- Focus on the economic sustainability of housing.
- Affordable housing attracts low-income people from outside of the city.
- Keep the Mixed Income Housing Ordinance the way it is. Even when the market goes down, the need goes up.
- The biggest obstacle to development is the City's building permit fees.
- Concerns about overconcentration of affordable housing.
- Expand pre-approved infill housing plans to include multi-family housing, especially multi-generational housing.
- Concern about long term impact of affordable housing. There needs to be services.
- Property tax incentives to first-time homebuyers to buy in the city for 15 years.
- There should be mixed-income developments rather than large 100 percent affordable projects.
- Opinion was split as to whether to focus more on rehab or new construction.
- Concerns about cash investors buying up inventor and crowding out homebuyers.

City Planning and Design Commission Workshop #2
March 14, 2013 (City Hall)

The City received the following comments:

- Concern about expanding the Mixed Income Housing Ordinance citywide.
- Need to find more local funds for affordable housing.
- Need to look at inclusionary housing best practices of other cities.
- Need to rehab and sell foreclosed homes.
- Affordable housing programs should adjust with the housing market.
- Save affordable housing funding when market is high and use it when the market is low.
- Need to focus on intergenerational communities. You should not have to leave a community when you get older.
- Development needs to be profitable for developers.
- We are a poor city with pockets of wealth.
- Fannie Mae and Freddie Mac are starting a program for foreclosed homes and selling to low-income households that are deed-restricted for five years.
- Apply the Mixed Income Housing Ordinance citywide.
- City needs to be competitive to attract developers and needs to offer move-up housing.
- Need to offer flexibility with the Mixed Income Housing Ordinance and use fees.
- Do not segregate or concentrate low-income housing
- Avoid large 100 percent affordable projects.
- Encourage HOAs and gated communities
- Need to focus funding on extremely-low-income housing.

Disabilities Advisory Commission
March 21, 2013 (City Hall)

The City received the following comments:

- Seniors and shut-ins are living in properties they cannot maintain. They become inaccessible and are also a fire hazard.
- Average income of an individual with a disability is \$866 a month.
- ELI housing downtown is affordable but there is no place for residents to park. Cars are often the resident's most valuable asset.
- There is a lot of employment and businesses leaving. The City needs to create more jobs.

**SHRA Commission Workshop #1
April 17, 2013 (SHRA Offices)**

The City received the following comments:

- Flexibility for the inclusionary housing program is good.
- Let developers choose the percentage of low- vs. very low-income units to provide.
- Need to do affordable housing where land is cheap in the region.
- Concern that updating the Mixed Income Housing Ordinance will always be behind the market.
- Give developers options for Mixed Income Housing Ordinance but do not change the percentage.
 - Do not make options more attractive than building affordable housing.
 - Give lead time for the market to adjust. Maybe apply the ordinance in 2-3 years
- Need to focus on new construction.
- Apply the Mixed Income Housing Ordinance citywide but do not make it flexible in new growth areas.

**Adult and Aging Commission
April 24, 2013 (4600 Broadway)**

The City received the following comments:

- Need for housing for grandparents raising grandchildren.
- Concern about extremely low-income seniors.
- Many seniors will be homeless if they do not get section 8 vouchers.
- Need to incorporate more human services in affordable housing.
- Need more affordable infill housing
- Safe ground is looking for a plot of land for small cottages for the homeless.
- Infill housing will be challenging.
- Concerned that the housing trust fund fee is too high
- Need to look at Co-housing/shared housing

**City Planning and Design Commission Workshop #3
November 15, 2013 (City Hall)**

The City received the following comments:

- A responsible lending policy is a great idea
- Growing percentage of single family homes that have been rented
- The growing number of denser developments may be changing the perception of rental.

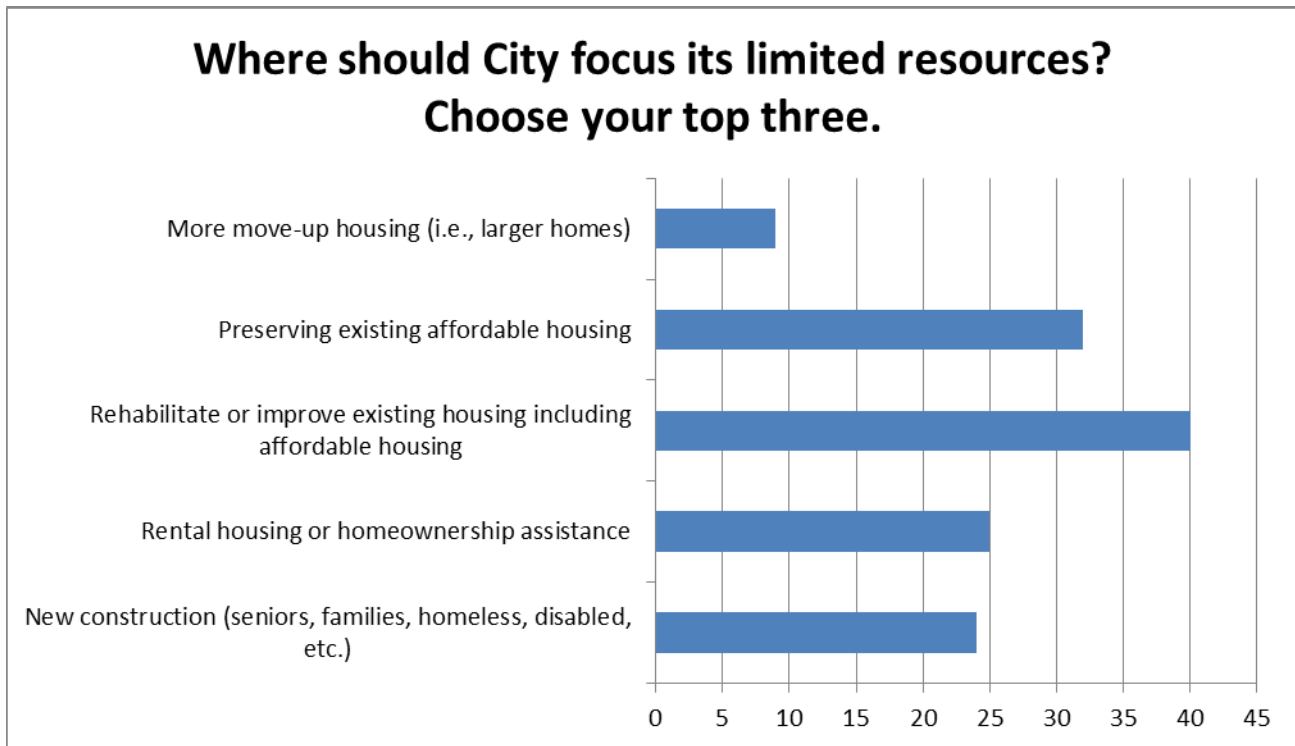
- Significant amount of foreclosed properties that were snapped up by investors. Will they come back on the market? A lot of people that rented lost homes and could not come back to market. Almost no product on the market.
- Need to have affordable housing fee indexed by area. Could cut into profit margin and not be able to get the financing.
- Executive housing should be promoted
- Support affordable-by-design housing. Deed-restricted for-sale housing takes advantage of the buyers.
- Conflicted on the affordable housing impact fee. Fee should be indexed. Some neighborhoods have significant amounts of affordable housing in it. Fee could be so high that it would make the project infeasible.
- The City has a good and competitive fee structure. Roseville has fees of \$70-80,000 a door.
- Infill is hard to do, expensive, has infrastructure challenges.
- Concerned about current ordinance, but also concerned about making it citywide. The City will be driving development into the suburbs, which is not what we want.
- There should be all kinds of housing.
- Building housing units that are affordable by nature is a good way to do it.
- The City gives affordable housing developments subsidies and then charges them fees that threaten the project.
- Regional cooperation on affordable housing is even more important. Needs to be a regional dialog.
- Need to be creative and flexible on how we finance affordable housing.
- Need to prioritize special needs housing for funding.

SHRA Commission Workshop #3
May 29, 2013 (SHRA Offices)

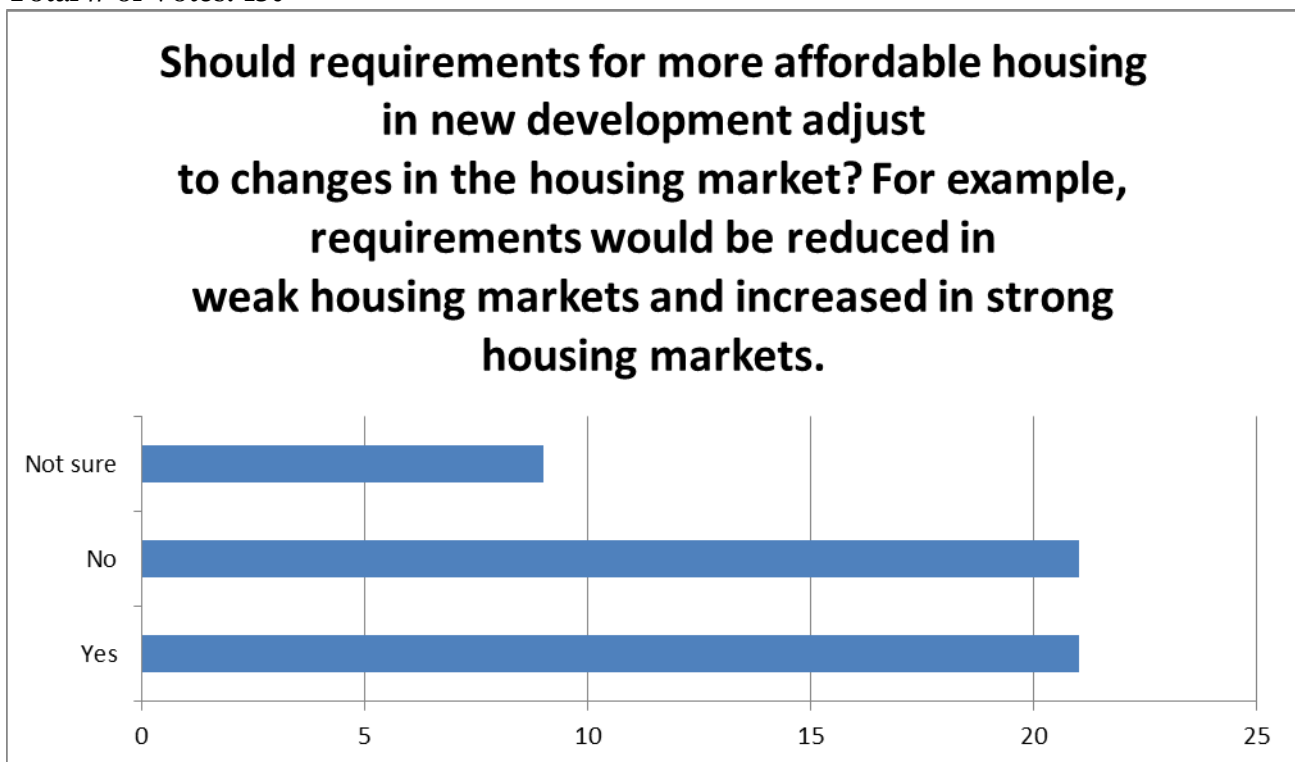
The City received the following comments:

- Needs to be regional cooperation to create more affordable housing:
 - Should consider increasing regional housing trust fund fees or having a regional housing trust fund fee
 - Consider a regional approach to discourage subprime lending
 - Education and outreach on the cost/benefits of Single family homeownership
- Mixed Income Housing Ordinance should be applied citywide.
- The Rental Housing Inspection Program is important and we should have supportive language in the Housing Element.

May 2013 Envision Sacramento Survey Results

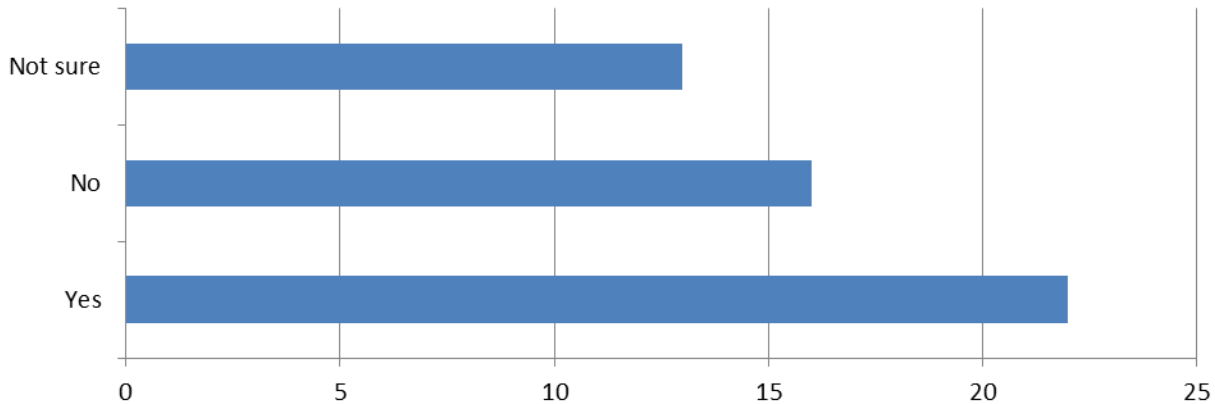


Total # of Votes: 130



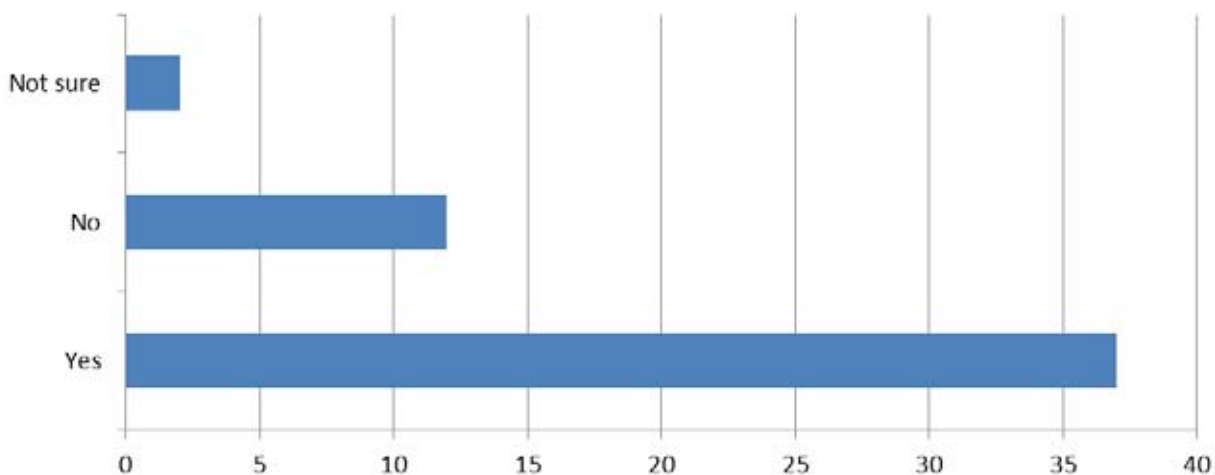
Total # of Votes: 51

In certain new growth areas like Delta Shores, the City requires that 15% of all housing be built to be affordable to low-income households. Should these inclusionary requirements offer more options for developers?



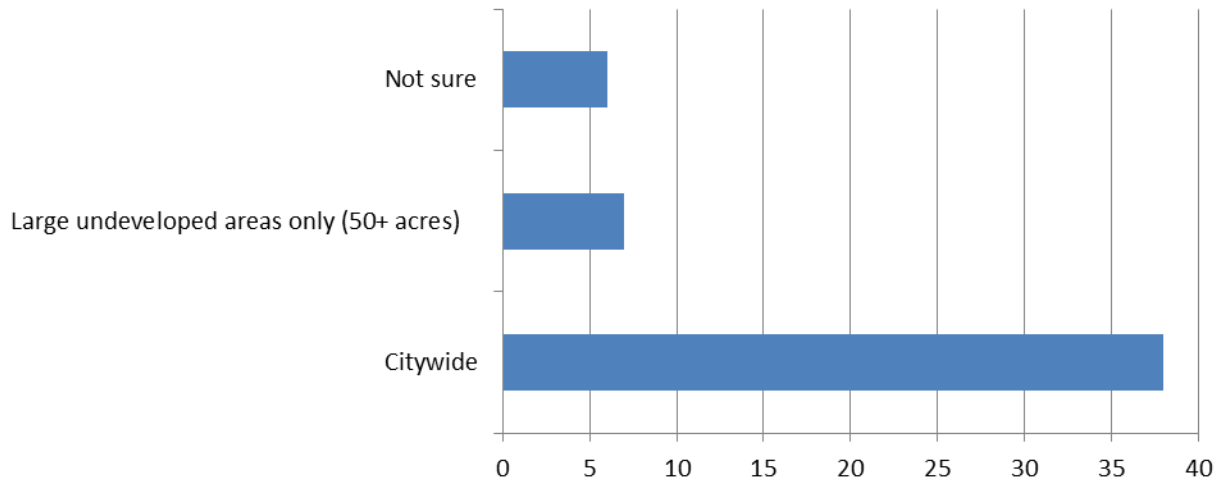
Total # of Votes: 51

Should larger projects (e.g., over 100 acres) be required to provide affordable housing on site as part of their project?



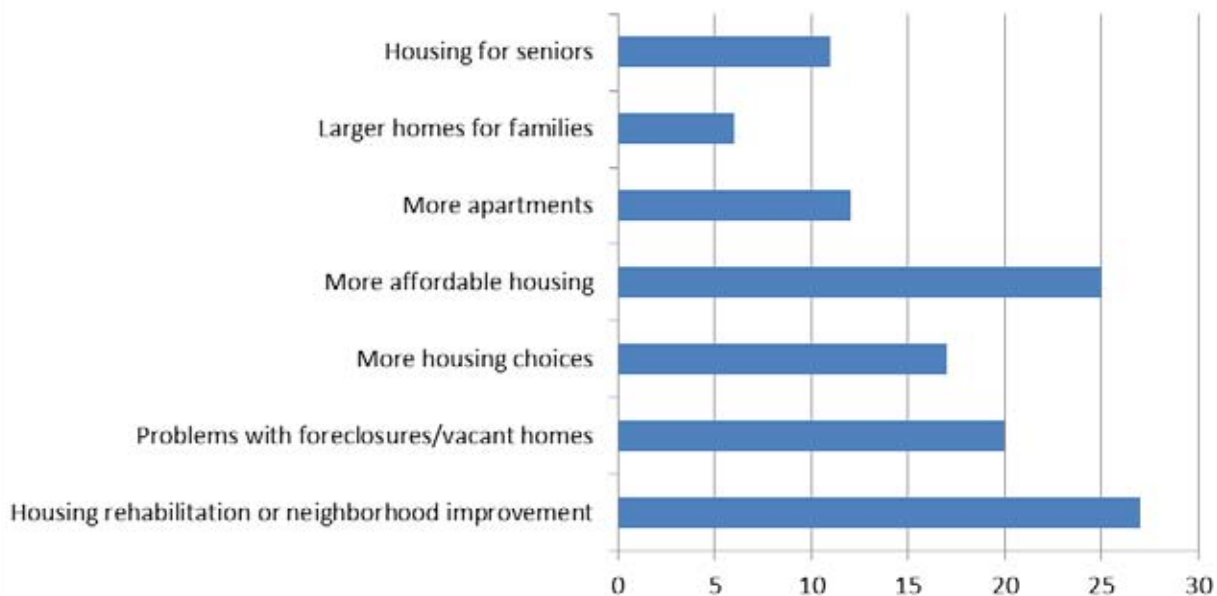
Total # of Votes: 51

Should inclusionary requirements apply citywide or just to “new growth areas” like Delta Shores or Greenbriar?



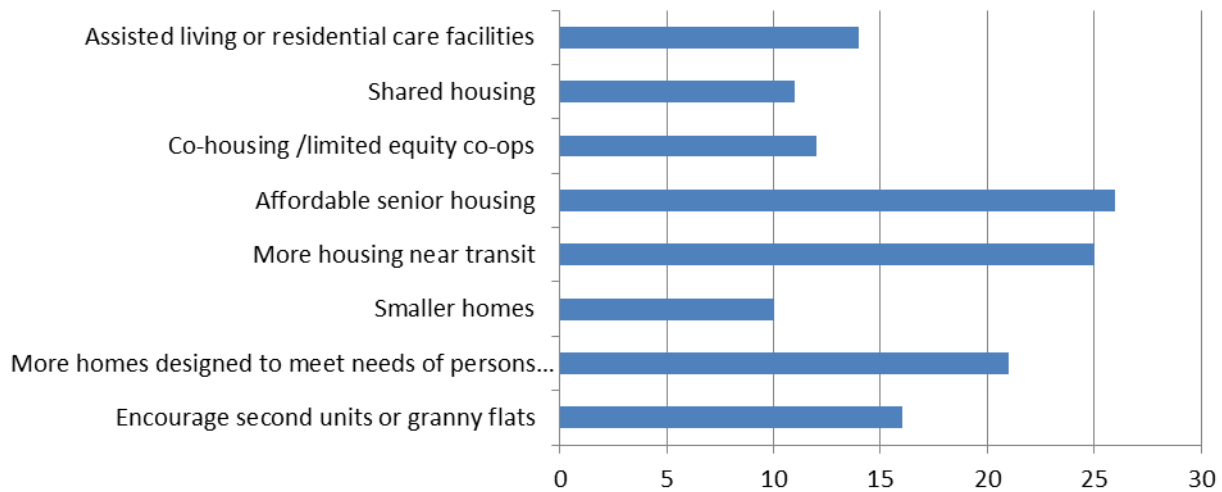
Total # of Votes: 51

What are the housing needs in your neighborhood? Choose your top 3.



Total # of Votes: 118

How should the City address the housing needs of seniors and persons with disabilities?



Total # of Votes: 135

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Appendix C Land Inventory

Table H-C-1 provides the parcels included in the Land Inventory. Following this table are maps showing the locations of these vacant sites throughout the city, as well as maps of Township 9, the Railyards, Delta Shores, and other planned and approved projects. This appendix also includes maps of sites available for Emergency Shelters and SROs.

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Table H C-1 Vacant Land Inventory

Assessors Parcel Number	Acres	Community Plan Area	General Plan Land Use Designation	Zoning Designation	Maximum Allowed Residential Density	Expected Density (80% of max density unless otherwise noted)	Percent Residential	Inventoried Units (based on expected density and percent residential)	Inventoried Income-level
22600440130000	1.00	North Natomas	RR	C-2	70-150	56.0	25%	14	Lower
26602030310000	0.70	Arden Arcade	SCor	C-2	70-150	56.0	25%	10	Lower
23701620100000	0.54	North Sacramento	SNLD	C-2-R	70-150	56.0	25%	8	Lower
23700920200000	6.39	North Sacramento	SCnt	C-2-R	70-150	56.0	25%	89	Lower
23700910020000	2.96	North Sacramento	SCnt	C-2-R	70-150	56.0	25%	41	Lower
23700920210000	0.94	North Sacramento	SCnt	C-2-R	70-150	56.0	25%	13	Lower
23700920160000	2.09	North Sacramento	SCnt	C-2-R	70-150	56.0	25%	29	Lower
23700920150000	4.63	North Sacramento	SCnt	C-2-R	70-150	56.0	25%	65	Lower
23801010170000	0.53	North Sacramento	SCnt	C-2-SPD	70-150	56.0	25%	7	Lower
23801010200000	1.28	North Sacramento	SCnt	C-2-SPD	70-150	56.0	25%	18	Lower
25100840180000	0.75	North Sacramento	SCor	C-2	70-150	56.0	25%	11	Lower
25101250100000	0.53	North Sacramento	SCor	C-2	70-150	56.0	25%	7	Lower
25101230150000	0.99	North Sacramento	SCor	C-2	70-150	56.0	25%	14	Lower
25103250110000	0.56	North Sacramento	SCor	C-2	70-150	56.0	25%	8	Lower
26502520120000	0.74	North Sacramento	SCor	C-2-R	70-150	56.0	25%	10	Lower
26502420280000	0.61	North Sacramento	SCor	C-2	70-150	56.0	25%	9	Lower
22502200650000	0.99	South Natomas	SCnt	C-2-PUD	70-150	56.0	25%	14	Lower
22502200400000	3.90	South Natomas	SCnt	C-2-PUD	70-150	56.0	25%	55	Lower
22502200640000	15.93	South Natomas	SCnt	C-2-PUD	70-150	56.0	25%	223	Lower
22501400560000	2.99	North Natomas	ECMR	C-2-PUD	70-150	56.0	25%	42	Lower
22501400570000	1.26	North Natomas	ECMR	C-2-PUD	70-150	56.0	25%	18	Lower
22519700100000	4.04	North Natomas	TCnt	C-2-PUD	70-150	56.0	25%	57	Lower
27401100300000	0.68	South Natomas	SCor	C-2-PC-SPD	70-150	56.0	25%	9	Lower
27500850130000	1.73	North Sacramento	UNLD	C-2-SPD	70-150	56.0	25%	24	Lower
27503100080000	2.16	North Sacramento	SCnt	C-2-LI	70-150	56.0	25%	30	Lower
27503100220000	6.79	North Sacramento	SCnt	C-2-LI-PC	70-150	56.0	25%	95	Lower
27503100070000	1.04	North Sacramento	SCnt	C-2-LI	70-150	56.0	25%	15	Lower

Table H C-1 Vacant Land Inventory

<i>Assessors Parcel Number</i>	<i>Acres</i>	<i>Community Plan Area</i>	<i>General Plan Land Use Designation</i>	<i>Zoning Designation</i>	<i>Maximum Allowed Residential Density</i>	<i>Expected Density (80% of max density unless otherwise noted)</i>	<i>Percent Residential</i>	<i>Inventoried Units (based on expected density and percent residential)</i>	<i>Inventoried Income-level</i>
27502600500000	2.67	North Sacramento	SCnt	C-2-LI	70-150	56.0	25%	37	Lower
27502400970000	3.96	North Sacramento	UCntLow	C-2-LI	70-150	56.0	25%	55	Lower
27502400960000	1.95	North Sacramento	UCntLow	C-2-LI	70-150	56.0	25%	27	Lower
27701340040000	0.70	North Sacramento	UCorLow	C-2-TO	70-150	56.0	25%	10	Lower
27701600730000	1.01	Arden Arcade	UCntHigh	C-2	70-150	56.0	25%	14	Lower
27702610400000	2.93	Arden Arcade	UCntHigh	C-2	70-150	56.0	25%	41	Lower
27400420430000	1.90	South Natomas	ECMR	C-2-PUD	70-150	56.0	25%	27	Lower
00100310260000	0.85	Central City	UCntHigh	C-2-SPD	70-150	56.0	25%	12	Lower
00102100470000	1.26	Central City	UCntHigh	C-2-SPD	70-150	56.0	25%	18	Lower
00102100480000	0.51	Central City	UCntHigh	C-2-SPD	70-150	56.0	25%	7	Lower
00102100510000	1.83	Central City	UCntHigh	C-2-SPD	70-150	56.0	25%	26	Lower
00100700090000	1.71	Central City	UCntLow	C-2-SPD	70-150	56.0	25%	24	Lower
00100700240000	1.87	Central City	UCntLow	C-2-SPD	70-150	56.0	25%	26	Lower
00300610100000	0.60	Central City	UCorLow	C-2-SPD	70-150	56.0	25%	8	Lower
00500100160000	0.53	East Sacramento	TCnt	C-2	70-150	56.0	25%	7	Lower
00900120480000	0.80	Central City	UCntHigh	C-2	70-150	56.0	25%	11	Lower
00900120580000	1.26	Central City	UCntHigh	C-2	70-150	56.0	25%	18	Lower
00900120020000	2.24	Central City	UCntHigh	C-2	70-150	56.0	25%	31	Lower
00900120030000	5.11	Central City	UCntHigh	C-2	70-150	56.0	25%	71	Lower
00900120670000	1.38	Central City	UCntHigh	C-2	70-150	56.0	25%	19	Lower
01002940300000	0.53	Land Park	UCorLow	C-2	70-150	56.0	25%	7	Lower
01402220670000	1.11	Fruitridge/Broadway	UCorLow	C-2-SPD	70-150	56.0	25%	16	Lower
01400850460000	0.97	Fruitridge/Broadway	UCorLow	C-2	70-150	56.0	25%	14	Lower
01500100370000	4.32	Fruitridge/Broadway	UCntLow	C-2-TO	70-150	56.0	25%	60	Lower
02301110310000	1.70	Fruitridge/Broadway	SCor	C-2-SPD	70-150	56.0	25%	24	Lower
02301110300000	7.15	Fruitridge/Broadway	SCor	C-2-SPD	70-150	56.0	25%	100	Lower
02202800290000	0.71	Fruitridge/Broadway	SCor	C-2-SPD	70-150	56.0	25%	10	Lower

Table H C-1 Vacant Land Inventory

Assessors Parcel Number	Acres	Community Plan Area	General Plan Land Use Designation	Zoning Designation	Maximum Allowed Residential Density	Expected Density (80% of max density unless otherwise noted)	Percent Residential	Inventoried Units (based on expected density and percent residential)	Inventoried Income-level
02302520190000	1.00	Fruitridge/Broadway	SCor	C-2-R	70-150	56.0	25%	14	Lower
02302520170000	1.07	Fruitridge/Broadway	SCor	C-2-R	70-150	56.0	25%	15	Lower
04101120070000	1.06	South Area	UCntLow	C-2	70-150	56.0	25%	15	Lower
04100860280000	0.86	South Area	UCntLow	C-2-TO	70-150	56.0	25%	12	Lower
04100860290000	0.77	South Area	UCntLow	C-2	70-150	56.0	25%	11	Lower
04100860310000	0.77	South Area	UCntLow	C-2-TO	70-150	56.0	25%	11	Lower
04100860300000	0.68	South Area	UCntLow	C-2	70-150	56.0	25%	10	Lower
03802730230000	1.23	Fruitridge/Broadway	SCnt	C-2	70-150	56.0	25%	17	Lower
03700810020000	0.59	Fruitridge/Broadway	SCor	C-2-SPD	70-150	56.0	25%	8	Lower
04000210470000	2.36	Fruitridge/Broadway	SCor	C-2-R-SPD	70-150	56.0	25%	33	Lower
03901710250000	0.50	Fruitridge/Broadway	SNHD	C-2-R-SPD	70-150	56.0	25%	7	Lower
04000210030000	0.95	Fruitridge/Broadway	SCor	C-2	70-150	56.0	25%	13	Lower
11801310290000	1.11	South Area	SCor	C-2-R	70-150	56.0	25%	16	Lower
11801310600000	1.51	South Area	SCor	C-2-R	70-150	56.0	25%	21	Lower
11801110620000	3.78	South Area	SCor	C-2-R	70-150	56.0	25%	53	Lower
11801110630000	1.70	South Area	SCor	C-2-R	70-150	56.0	25%	24	Lower
11801110650000	1.17	South Area	SCor	C-2-R	70-150	56.0	25%	16	Lower
11801110640000	1.02	South Area	SCor	C-2-R	70-150	56.0	25%	14	Lower
11801330040000	4.55	South Area	SCor	C-2	70-150	56.0	25%	64	Lower
11801330090000	3.73	South Area	SCor	C-2	70-150	56.0	25%	52	Lower
05000200150000	0.61	South Area	SCnt	C-2	70-150	56.0	25%	9	Lower
05300210080000	0.71	South Area	SNLD	C-2	70-150	56.0	25%	10	Lower
04900500090000	0.60	South Area	SCnt	C-2	70-150	56.0	25%	8	Lower
04900210430000	1.21	South Area	UCntLow	C-2-R	70-150	56.0	25%	17	Lower
04900210050000	4.65	South Area	TNHD	C-2	70-150	56.0	25%	65	Lower
04903700060000	0.80	South Area	UCntLow	C-2	70-150	56.0	25%	11	Lower
04903800200000	0.50	South Area	UCntLow	C-2	70-150	56.0	25%	7	Lower

Table H C-1 Vacant Land Inventory

<i>Assessors Parcel Number</i>	<i>Acres</i>	<i>Community Plan Area</i>	<i>General Plan Land Use Designation</i>	<i>Zoning Designation</i>	<i>Maximum Allowed Residential Density</i>	<i>Expected Density (80% of max density unless otherwise noted)</i>	<i>Percent Residential</i>	<i>Inventoried Units (based on expected density and percent residential)</i>	<i>Inventoried Income-level</i>
04902700060000	0.64	South Area	SNHD	C-2	70-150	56.0	25%	9	Lower
02904700250000	2.54	Pocket	SCnt	C-2-EA-2	70-150	56.0	25%	36	Lower
07903100020000	0.50	East Sacramento	UCntLow	C-2	70-150	56.0	25%	7	Lower
07903100460000	1.02	Fruitridge/Broadway	UCntLow	C-2-SWR-PUD	70-150	56.0	25%	14	Lower
07904200150000	0.94	East Sacramento	UCorLow	C-2-PUD	70-150	56.0	25%	13	Lower
07904300170000	0.93	Fruitridge/Broadway	ECMR	C-2-SWR-PUD	70-150	56.0	25%	13	Lower
07901820110000	2.39	East Sacramento	UCorLow	C-2	70-150	56.0	25%	33	Lower
07901820270000	0.63	East Sacramento	UCorLow	C-2	70-150	56.0	25%	9	Lower
07801900490000	1.16	East Sacramento	SCor	C-2-SWR	70-150	56.0	25%	16	Lower
11714600280000	2.58	South Area	SCnt	C-2-PUD	70-150	56.0	25%	36	Lower
11714600080000	1.10	South Area	SCnt	C-2-PUD	70-150	56.0	25%	15	Lower
11714600070000	1.22	South Area	SCnt	C-2-PUD	70-150	56.0	25%	17	Lower
11714600090000	0.81	South Area	SCnt	C-2-PUD	70-150	56.0	25%	11	Lower
11714600250000	1.01	South Area	SCnt	C-2-PUD	70-150	56.0	25%	14	Lower
11714600220000	0.99	South Area	SCnt	C-2-PUD	70-150	56.0	25%	14	Lower
11714600210000	0.58	South Area	SCnt	C-2-PUD	70-150	56.0	25%	8	Lower
11714600240000	0.92	South Area	SCnt	C-2-PUD	70-150	56.0	25%	13	Lower
11714600230000	0.51	South Area	SCnt	C-2-PUD	70-150	56.0	25%	7	Lower
11714600180000	1.14	South Area	SCnt	C-2-PUD	70-150	56.0	25%	16	Lower
04100750070000	0.51	South Area	SCor	C-2	70-150	56.0	25%	7	Lower
04100750060000	1.49	South Area	SCor	C-2	70-150	56.0	25%	21	Lower
27407100020000	3.75	South Natomas	ECMR	C-2-PUD	70-150	56.0	25%	53	Lower
11702200190000	3.86	South Area	SCnt	C-2-R	70-150	56.0	25%	54	Lower
11702200200000	0.59	South Area	SCnt	C-2-R	70-150	56.0	25%	8	Lower
11702200230000	1.11	South Area	SCnt	C-2-R	70-150	56.0	25%	16	Lower
26503220160000	1.49	North Sacramento	UCorLow	C-2	70-150	56.0	25%	21	Lower
22517800120000	1.12	North Natomas	SNHD	C-2-PUD	70-150	56.0	25%	16	Lower

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22500300570000	14.46	North Natomas	UCntLow	C-2-PUD	70-150	56.0	25%	202	Lower
22517800100000	9.06	North Natomas	TCnt	C-2-PUD	70-150	56.0	25%	127	Lower
11714600350000	0.90	South Area	SCnt	C-2-PUD	70-150	56.0	25%	13	Lower
02203100040000	0.99	Fruitridge/Broadway	SCor	C-2-SPD	70-150	56.0	25%	14	Lower
11702200400000	0.71	South Area	SCnt	C-2-R	70-150	56.0	25%	10	Lower
11702200390000	1.02	South Area	SNHD	C-2-R	70-150	56.0	25%	14	Lower
00601350300000	1.21	Central City	CBD	C-3	No Maximum	192.3	25%	58	Lower
00601340390000	0.66	Central City	PRK	C-3-SPD	No Maximum	192.3	25%	32	Lower
00600870540000	0.53	Central City	CBD	C-3-SPD	No Maximum	192.3	25%	25	Lower
25000100490000	6.07	South Natomas	ECLR	OB-PUD	36	28.8	25%	44	Lower
25000100460000	10.94	South Natomas	ECLR	OB-PUD	36	28.8	25%	79	Lower
27403201020000	4.33	South Natomas	SCnt	OB-PUD	36	28.8	25%	31	Lower
27701530160000	5.77	Arden Arcade	ECMR	OB	36	28.8	25%	42	Lower
27403200640000	0.92	South Natomas	ECMR	OB-PUD	36	28.8	25%	7	Lower
27403200630000	1.44	South Natomas	ECMR	OB-PUD	36	28.8	25%	10	Lower
27403200600000	0.57	South Natomas	ECMR	OB-PUD	36	28.8	25%	4	Lower
27403200590000	2.19	South Natomas	ECMR	OB-PUD	36	28.8	25%	16	Lower
27403200620000	9.21	South Natomas	ECMR	OB-PUD	36	28.8	25%	66	Lower
27404100250000	5.42	South Natomas	ECMR	OB-PUD	36	28.8	25%	39	Lower
27404100260000	5.53	South Natomas	ECMR	OB-PUD	36	28.8	25%	40	Lower
29503700140000	0.74	Arden Arcade	ECMR	OB-PUD	36	28.8	25%	5	Lower
00101810150000	0.56	Central City	UCntLow	OB-SPD	36	28.8	25%	4	Lower
00102100460000	1.57	Central City	UCntHigh	OB-SPD	36	28.8	25%	11	Lower
04900310020000	0.53	South Area	ECMR	OB	36	28.8	25%	4	Lower
03100530170000	0.78	Pocket	ECMR	OB-PUD	36	28.8	25%	6	Lower
03100540210000	1.36	Pocket	ECMR	OB-EA-3-PUD	36	28.8	25%	10	Lower

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07902910080000	1.40	Fruitridge/Broadway	ECMR	OB-SWR	36	28.8	25%	10	Lower
07902910090000	0.82	Fruitridge/Broadway	ECMR	OB-SWR	36	28.8	25%	6	Lower
07904300150000	2.03	Fruitridge/Broadway	ECMR	OB-SWR-PUD	36	28.8	25%	15	Lower
07904300130000	11.38	Fruitridge/Broadway	ECMR	OB-SWR-PUD	36	28.8	25%	82	Lower
07904300140000	2.81	Fruitridge/Broadway	ECMR	OB-SWR-PUD	36	28.8	25%	20	Lower
07904300190000	5.07	Fruitridge/Broadway	ECMR	OB-SWR-PUD	36	28.8	25%	37	Lower
07904300180000	10.90	Fruitridge/Broadway	ECMR	OB-SWR-PUD	36	28.8	25%	78	Lower
07904300210000	3.81	Fruitridge/Broadway	ECMR	OB-SWR-PUD	36	28.8	25%	27	Lower
07904300200000	3.48	Fruitridge/Broadway	ECMR	OB-SWR-PUD	36	28.8	25%	25	Lower
07904300160000	3.26	Fruitridge/Broadway	ECMR	OB-SWR-PUD	36	28.8	25%	23	Lower
11702020410000	3.13	South Area	ECLR	OB	36	28.8	25%	23	Lower
11701840100000	3.99	South Area	SCnt	OB	36	28.8	25%	29	Lower
11701840170000	4.22	South Area	SCnt	OB	36	28.8	25%	30	Lower
11701810440000	3.65	South Area	SCnt	OB-PUD	36	28.8	25%	26	Lower
11701830040000	0.87	South Area	SCnt	OB-PUD	36	28.8	25%	6	Lower
11701810400000	1.08	South Area	ECMR	OB-R-PUD	36	28.8	25%	8	Lower
11701810450000	2.29	South Area	SCnt	OB-R-PUD	36	28.8	25%	16	Lower
11702110240000	3.99	South Area	SCnt	OB-PUD	36	28.8	25%	29	Lower
27406300110000	0.97	South Natomas	ECMR	OB-PUD	36	28.8	25%	7	Lower
22600610200000	7.23	North Sacramento	SNHD	R-3-PUD	30	24.0	100%	173	Lower
25001910380000	0.99	North Sacramento	SNHD	R-3-R	30	24.0	100%	24	Lower
25003410100000	0.78	North Sacramento	SNHD	R-3	30	24.0	100%	19	Lower
25003310190000	1.99	North Sacramento	SNHD	R-3	30	24.0	100%	48	Lower
25101810170000	0.83	North Sacramento	SCor	R-3	30	24.0	100%	20	Lower
25101810200000	0.63	North Sacramento	SCor	R-3	30	24.0	100%	15	Lower
26503830140000	0.96	North Sacramento	TNMD	R-3	30	24.0	100%	23	Lower
20104400780000	5.04	North Natomas	SNHD	R-3-PUD	30	24.0	100%	121	Lower

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20104400770000	4.62	North Natomas	SNHD	R-3-PUD	30	24.0	100%	111	Lower
22501400350000	15.85	North Natomas	SNHD	R-3-PUD	30	24.0	100%	380	Lower
22525000140000	6.85	North Natomas	SNHD	R-3-PUD	30	24.0	100%	164	Lower
22523500030000	6.09	North Natomas	SNHD	R-3-PUD	30	24.0	100%	146	Lower
22517300020000	3.50	North Natomas	PUB	R-3-PUD	30	24.0	100%	84	Lower
27402320130000	0.61	South Natomas	SNHD	R-3-R	30	24.0	100%	15	Lower
27402320140000	0.61	South Natomas	SNHD	R-3-R	30	24.0	100%	15	Lower
27402450010000	0.61	South Natomas	SNHD	R-3-R	30	24.0	100%	15	Lower
01103500430000	0.96	Fruitridge/Broadway	TNHD	R-3	30	24.0	100%	23	Lower
01103600400000	1.14	Fruitridge/Broadway	TNHD	R-3	30	24.0	100%	27	Lower
01103500440000	0.93	Fruitridge/Broadway	TNHD	R-3	30	24.0	100%	22	Lower
01400310100000	1.29	Fruitridge/Broadway	UCorLow	R-3	30	24.0	100%	31	Lower
01103600390000	0.64	Fruitridge/Broadway	TNHD	R-3	30	24.0	100%	15	Lower
03600840200000	0.51	South Area	TNHD	R-3-EA-1	30	24.0	100%	12	Lower
03800910050000	2.82	Fruitridge/Broadway	TNHD	R-3-R	30	24.0	100%	68	Lower
11802900060000	3.75	South Area	SNHD	R-3-PUD	30	24.0	100%	90	Lower
11714600170000	0.52	South Area	SNHD	R-3-PUD	30	24.0	100%	12	Lower
20112600090000	1.41	North Natomas	SNHD	R-3-PUD	30	24.0	100%	34	Lower
00102100240000	0.71	Central City	UCntLow	R-3A-SPD	36	28.8	100%	20	Lower
00101600500000	3.97	Central City	ECLR	R-3A-SPD	36	28.8	100%	114	Lower
20103001530000	4.83	North Natomas	SNHD	R-4-PUD	60	88.0	100%	425	Lower
22523200020000	7.06	North Natomas	SNHD	R-4-PUD	60	88.0	100%	622	Lower
22523200010000	6.96	North Natomas	SNHD	R-4-PUD	60	88.0	100%	613	Lower
22523200030000	7.23	North Natomas	SNHD	R-4-PUD	60	88.0	100%	636	Lower
00100620060000	0.74	Central City	UCntHigh	R-5-SPD	175	140.0	100%	103	Lower
23801600160000	4.35	North Sacramento	TCnt	RMX-SPD	60	48.0	100%	209	Lower
23801400120000	0.53	North Sacramento	TCnt	RMX-SPD	60	48.0	100%	25	Lower

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23801400080000	0.87	North Sacramento	TCnt	RMX-SPD	60	48.0	100%	42	Lower
25102700040000	0.80	North Sacramento	SCor	RMX	60	48.0	100%	38	Lower
26202110310000	0.61	South Natomas	SCor	RMX-SPD	60	48.0	100%	29	Lower
26200630080000	0.61	South Natomas	SCor	RMX-SPD	60	48.0	100%	29	Lower
26200300140000	1.86	South Natomas	SCor	RMX-SPD	60	48.0	100%	89	Lower
26503730280000	0.68	North Sacramento	UCntLow	RMX	60	48.0	100%	33	Lower
27700730090000	1.54	North Sacramento	UNLD	RMX	60	48.0	100%	74	Lower
27701430080000	0.59	North Sacramento	UCorLow	RMX-TO	60	48.0	100%	28	Lower
00100630020000	0.51	Central City	UCntHigh	RMX-SPD	60	48.0	100%	25	Lower
01500100330000	0.97	East Sacramento	UCntLow	RMX-TO	60	48.0	100%	46	Lower
04100850030000	0.71	South Area	UCntLow	RMX-TO	60	48.0	100%	34	Lower
04100850040000	0.73	South Area	UCntLow	RMX-TO	60	48.0	100%	35	Lower
04100830020000	0.73	South Area	UCntLow	RMX-TO	60	48.0	100%	35	Lower
04100830010000	0.73	South Area	UCntLow	RMX	60	48.0	100%	35	Lower
04100830030000	0.74	South Area	UCntLow	RMX-TO	60	48.0	100%	35	Lower
04100830040000	0.74	South Area	UCntLow	RMX	60	48.0	100%	35	Lower
04905700040000	1.61	South Area	UCntLow	RMX-TO	60	48.0	100%	77	Lower
04905700030000	1.95	South Area	UCntLow	RMX-TO	60	48.0	100%	94	Lower
04905700050000	0.84	South Area	UCntLow	RMX-TO	60	48.0	100%	40	Lower
04905700010000	2.54	South Area	UCntLow	RMX-TO	60	48.0	100%	122	Lower
04905700060000	2.78	South Area	UCntLow	RMX-TO	60	48.0	100%	133	Lower
04905700020000	1.58	South Area	UCntLow	RMX-TO	60	48.0	100%	76	Lower
26503840110000	0.55	North Sacramento	TNMD	RO	36	28.8	100%	16	Lower
01402230040000	1.23	Fruitridge/Broadway	UCorLow	RO-SPD	36	28.8	100%	35	Lower
22601020010000	1.42	North Sacramento	SCnt	C-1-R	30	24.0	25%	9	Lower
22602400260000	0.81	North Sacramento	SCnt	C-1-R	30	24.0	25%	5	Lower
25002000500000	1.23	North Sacramento	TCnt	C-1-SPD	30	24.0	25%	7	Lower

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25002000490000	1.34	North Sacramento	TCnt	C-1-SPD	30	24.0	25%	8	Lower
20105400290000	3.45	North Natomas	SCnt	C-1-PUD	30	24.0	25%	21	Lower
22512500480000	0.71	North Natomas	SCnt	C-1-PUD	30	24.0	25%	4	Lower
29500200070000	3.41	Arden Arcade	ECMR	C-1-R-PUD	30	24.0	25%	20	Lower
00101030030000	0.57	Central City	UCntLow	C-1-SPD	30	24.0	25%	3	Lower
00101030060000	0.58	Central City	UCntLow	C-1-SPD	30	24.0	25%	4	Lower
02502310180000	0.57	South Area	SCor	C-1-R-EA-4	30	24.0	25%	3	Lower
11802900040000	0.85	South Area	SCor	C-1-PUD	30	24.0	25%	5	Lower
11802900030000	0.95	South Area	SCor	C-1-PUD	30	24.0	25%	6	Lower
11802900010000	0.91	South Area	SCor	C-1-PUD	30	24.0	25%	5	Lower
11709200560000	3.51	South Area	SNLD	C-1-R	30	24.0	25%	21	Lower
11702020290000	4.55	South Area	SCnt	C-1-R	30	24.0	25%	27	Lower
22521701650000	2.52	North Natomas	SNMD	C-1-PUD	30	24.0	25%	15	Lower
26602820070000	1.16	Arden Arcade	SNMD	R-2A	17	13.6	100%	16	Moderate
26602510380000	0.52	Arden Arcade	SNMD	R-2A	17	13.6	100%	7	Moderate
26602030300000	0.74	Arden Arcade	SCor	R-2A	17	13.6	100%	10	Moderate
23703800510000	4.17	North Sacramento	SNMD	R-2A	17	13.6	100%	57	Moderate
25101910240000	0.74	North Sacramento	SNMD	R-2A	17	13.6	100%	10	Moderate
25101310160000	0.55	North Sacramento	TNMD	R-2A	17	13.6	100%	7	Moderate
25101310170000	1.53	North Sacramento	TNMD	R-2A	17	13.6	100%	21	Moderate
26300100270000	4.46	North Sacramento	TNMD	R-2A	17	13.6	100%	61	Moderate
22501400400000	3.58	North Natomas	SNHD	R-2A-PUD	17	13.6	100%	49	Moderate
04000320180000	2.39	Fruitridge/Broadway	SNMD	R-2A-R	17	13.6	100%	33	Moderate
02900210160000	1.97	Pocket	SNHD	R-2A	17	13.6	100%	27	Moderate
07802020060000	42.52	Fruitridge/Broadway	TNMD	R-2A-SWR	17	13.6	100%	578	Moderate
07802020140000	0.67	Fruitridge/Broadway	TNMD	R-2A-R-SWR	17	13.6	100%	9	Moderate
11701400390000	3.15	South Area	SNMD	R-2A-R	17	13.6	100%	43	Moderate

Table H C-1 Vacant Land Inventory

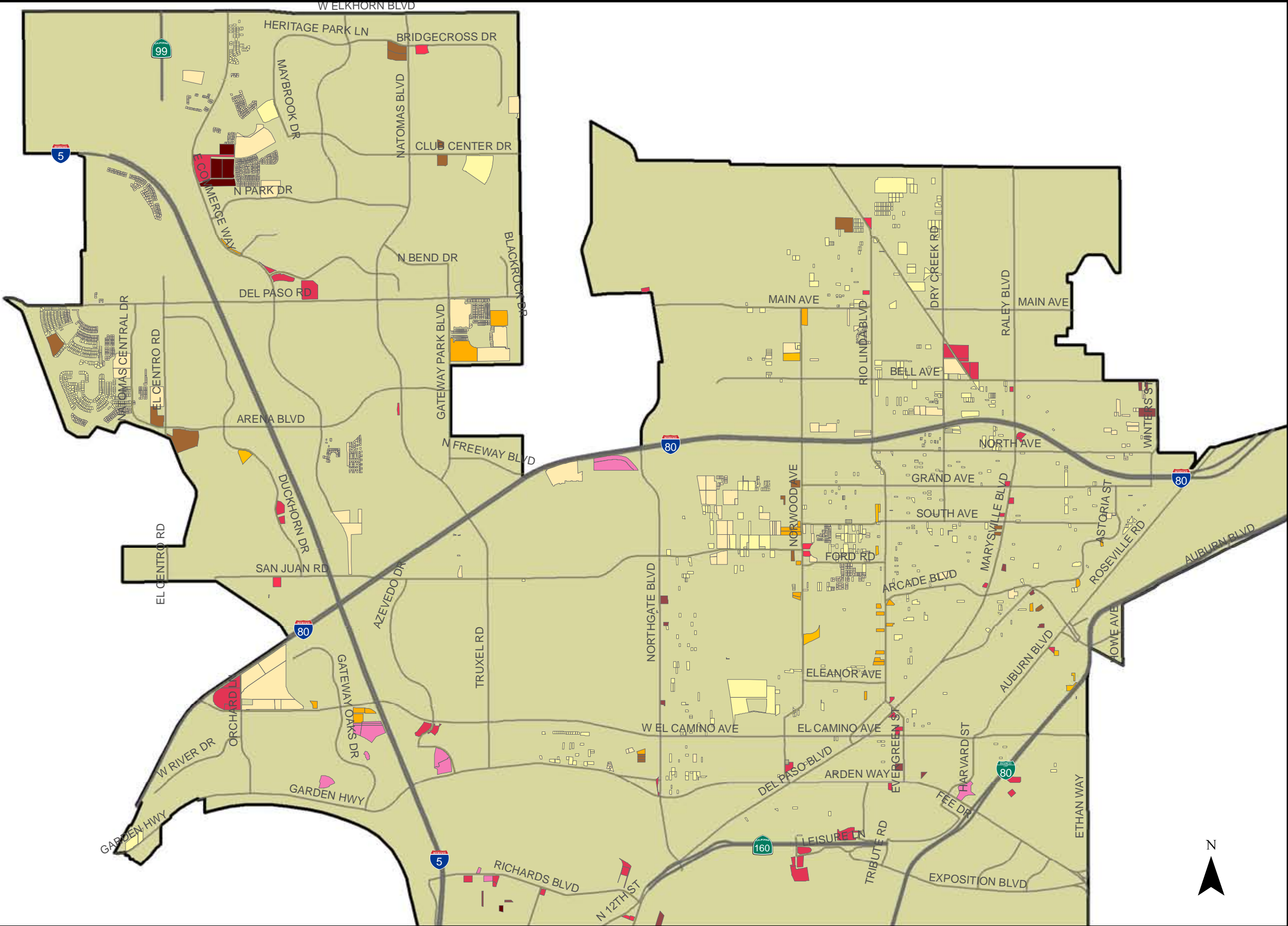
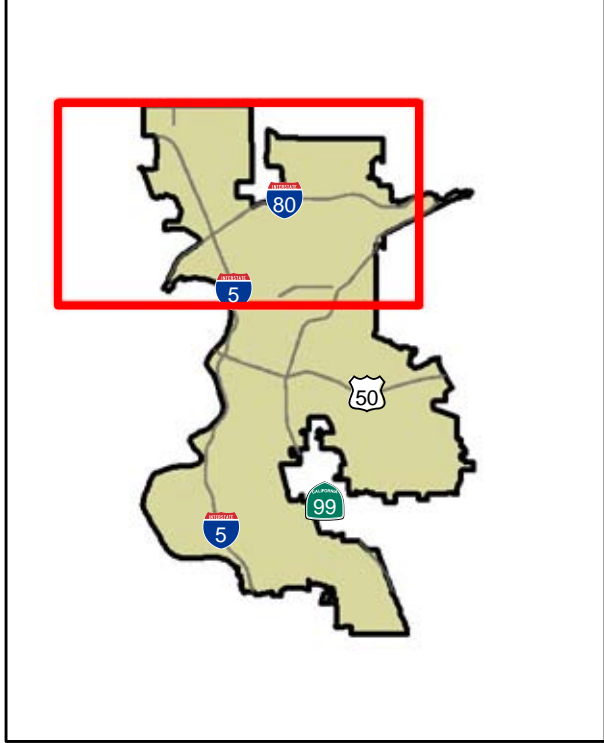
<i>Assessors Parcel Number</i>	<i>Acres</i>	<i>Community Plan Area</i>	<i>General Plan Land Use Designation</i>	<i>Zoning Designation</i>	<i>Maximum Allowed Residential Density</i>	<i>Expected Density (80% of max density unless otherwise noted)</i>	<i>Percent Residential</i>	<i>Inventoried Units (based on expected density and percent residential)</i>	<i>Inventoried Income-level</i>
05202900130000	0.59	South Area	SCor	R-2A	17	13.6	100%	8	Moderate
23700400010000	3.13	North Sacramento	SNHD	R-2B-R	21	16.8	100%	53	Moderate
25001300170000	1.54	North Sacramento	SNHD	R-2B-R	21	16.8	100%	26	Moderate
25001300160000	1.34	North Sacramento	SNHD	R-2B-R	21	16.8	100%	22	Moderate
25001300210000	0.58	North Sacramento	SNHD	R-2B	21	16.8	100%	10	Moderate
25001910180000	0.61	North Sacramento	SNHD	R-2B	21	16.8	100%	10	Moderate
25001300230000	0.93	North Sacramento	SNHD	R-2B	21	16.8	100%	16	Moderate
25001300220000	1.34	North Sacramento	SNHD	R-2B-R	21	16.8	100%	23	Moderate
25202820100000	0.52	North Sacramento	SNHD	R-2B-R	21	16.8	100%	9	Moderate
25203400180000	0.89	North Sacramento	SNHD	R-2B-R	21	16.8	100%	15	Moderate
26301720080000	0.70	North Sacramento	TNMD	R-2B	21	16.8	100%	12	Moderate
26500110020000	0.72	North Sacramento	SNHD	R-2B	21	16.8	100%	12	Moderate
26501610030000	1.00	North Sacramento	SNHD	R-2B	21	16.8	100%	17	Moderate
26500120030000	0.90	North Sacramento	SNHD	R-2B	21	16.8	100%	15	Moderate
26501610070000	0.90	North Sacramento	SNHD	R-2B	21	16.8	100%	15	Moderate
26501610080000	1.24	North Sacramento	SNHD	R-2B	21	16.8	100%	21	Moderate
26500720240000	0.77	North Sacramento	SNHD	R-2B-R	21	16.8	100%	13	Moderate
26501110010000	0.78	North Sacramento	SNHD	R-2B	21	16.8	100%	13	Moderate
26500710010000	0.88	North Sacramento	SNHD	R-2B-R	21	16.8	100%	15	Moderate
26503710040000	0.76	North Sacramento	TNMD	R-2B-R	21	16.8	100%	13	Moderate
22502300740000	1.17	South Natomas	PRK	R-2B-PUD	21	16.8	100%	20	Moderate
22510100150000	1.40	South Natomas	ECMR	R-2B-PUD	21	16.8	100%	24	Moderate
22510100230000	2.89	South Natomas	ECMR	R-2B-PUD	21	16.8	100%	49	Moderate
22510100210000	1.72	South Natomas	ECMR	R-2B-PUD	21	16.8	100%	29	Moderate
22500600780000	8.23	North Natomas	SNHD	R-2B-PUD	21	16.8	100%	138	Moderate
22520900870000	1.14	North Natomas	SNHD	R-2B-PUD	21	16.8	100%	19	Moderate
27402320120000	1.04	South Natomas	SNHD	R-2B-R	21	16.8	100%	17	Moderate

Table H C-1 Vacant Land Inventory

Assessors Parcel Number	Acres	Community Plan Area	General Plan Land Use Designation	Zoning Designation	Maximum Allowed Residential Density	Expected Density (80% of max density unless otherwise noted)	Percent Residential	Inventoried Units (based on expected density and percent residential)	Inventoried Income-level
22500600750000	16.19	North Natomas	SNHD	R-2B-PUD	21	16.8	100%	272	Moderate
03800910040000	1.51	Fruitridge/Broadway	TNMD	R-2B-R	21	16.8	100%	25	Moderate
03800910020000	1.11	Fruitridge/Broadway	TNMD	R-2B-R	21	16.8	100%	19	Moderate
04900101030000	5.67	South Area	SNMD	R-2B	21	16.8	100%	95	Moderate
02900210510000	5.39	Pocket	SNHD	R-2B-R	21	16.8	100%	91	Moderate
11702110270000	1.42	South Area	SNMD	R-2B-R-PUD	21	16.8	100%	24	Moderate
11702110180000	1.52	South Area	SNMD	R-2B-R-PUD	21	16.8	100%	26	Moderate
11701400010000	0.59	South Area	SNHD	R-2B	21	16.8	100%	10	Moderate
11702020420000	5.93	South Area	SNHD	R-2B-R	21	16.8	100%	100	Moderate
11709100410000	9.65	South Area	SNHD	R-2B-R	21	16.8	100%	162	Moderate
11701820230000	4.97	South Area	SNHD	R-2B-R-PUD	21	16.8	100%	83	Moderate
11701820220000	5.47	South Area	SNHD	R-2B-R-PUD	21	16.8	100%	92	Moderate
11702110210000	1.53	South Area	SNMD	R-2B-R-PUD	21	16.8	100%	26	Moderate
03801010140000	4.60	Fruitridge/Broadway	TNMD	R-2B-R	21	16.8	100%	77	Moderate
26300100430000	0.60	North Sacramento	PRK	R-2B	21	16.8	100%	10	Moderate
26300100420000	1.09	North Sacramento	SNHD	R-2B	21	16.8	100%	18	Moderate
1,789 Separate Parcels	582.23	Various	SNLD	R-1	1 unit per lot	6.1	100%	3,528	Above Mod.
1701 Separate Parcels	533.41	Various	SNLD, TNLD, SNMD, TNMD	R-1A	1 unit per lot	9.4	100%	4,993	Above Mod.
13 Separate Parcels	1.41	Central City	TNMD	R-1B	2 units per lot	7.9	100%	11	Above Mod.
Total	685							21,216	
Total Lower-Income								9,995	
Total Moderate-Income								2,689	
Total Above Moderate-Income								8,532	



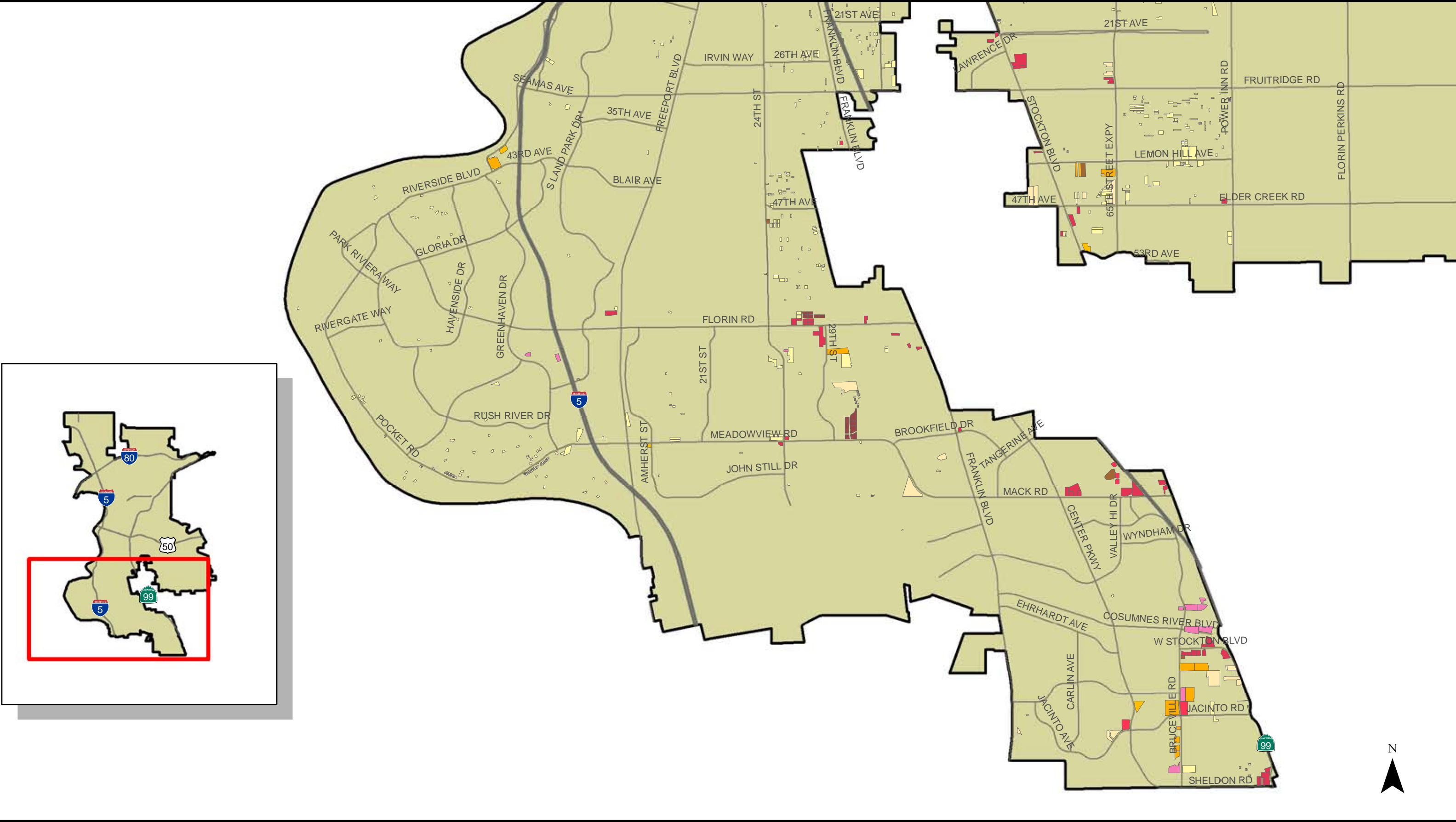
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- Vacant Land by Zoning**
- Residential Zones**
- R-1 - Standard Single Family
 - R-1A - Single Family Alternative
 - R-1B - Single or Two Family
 - R-2 - Two-Family
 - R-2A - Multi-Family (up to 17 units/acre)
 - R-2B - Multi-Family (21)
 - R-3 - Multi-Family (29)
 - R-3A - Multi-Family (36)
 - R-4 - Multi-Family (58)
 - R-5 - Multi-Family (174)
 - RO - Residential-Office
 - RMX - Residential Mixed Use
- Commercial and Office Zones**
- OB - Office Building
 - C-1 - Limited Commercial
 - C-2 - General Commercial
 - C-3 - Central Business District

Housing Element

Vacant Residential Land Inventory

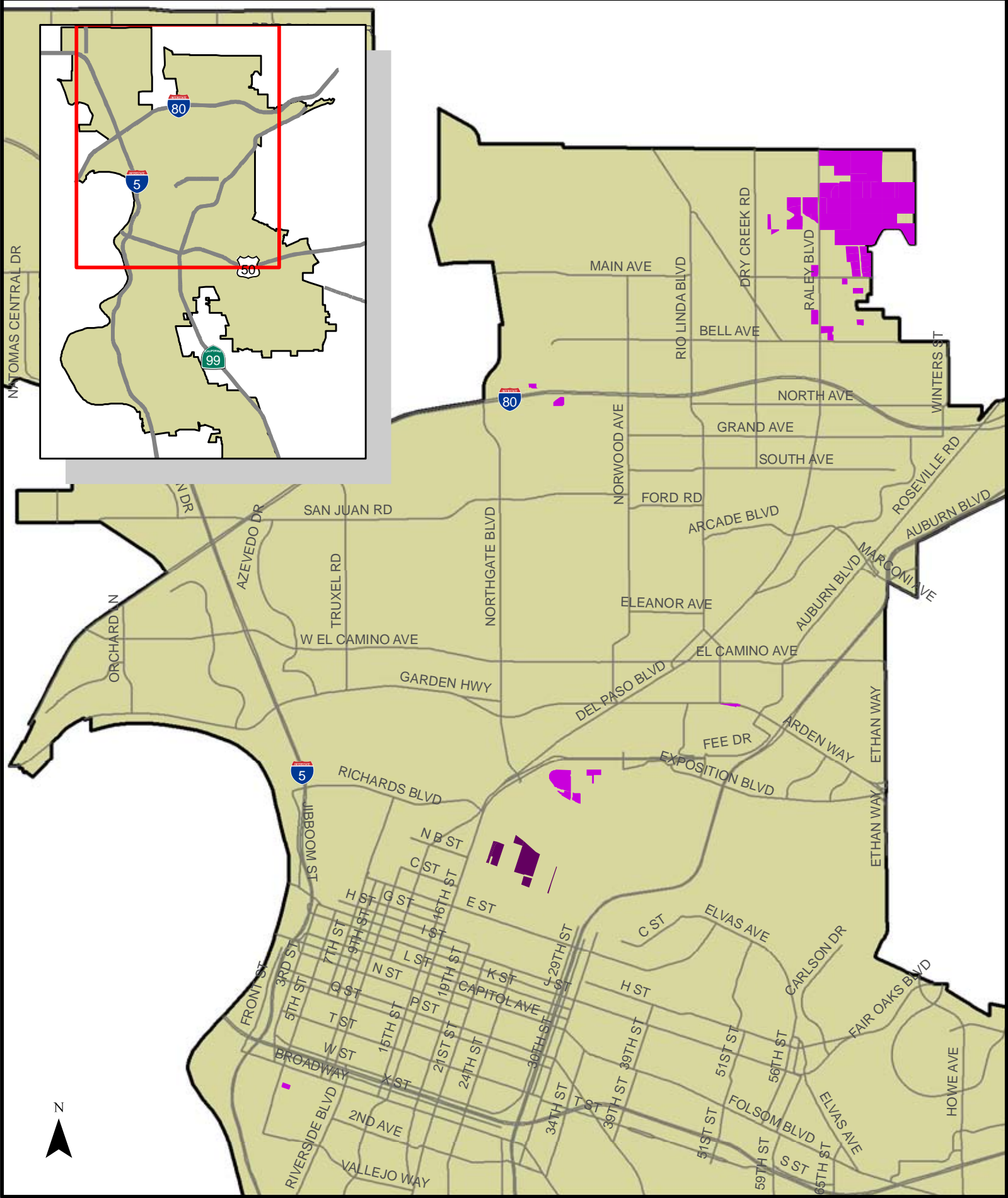


- Vacant Land by Zoning**
- Residential Zones**
- R-1 - Standard Single Family
 - R-1A - Single Family Alternative
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Housing Element

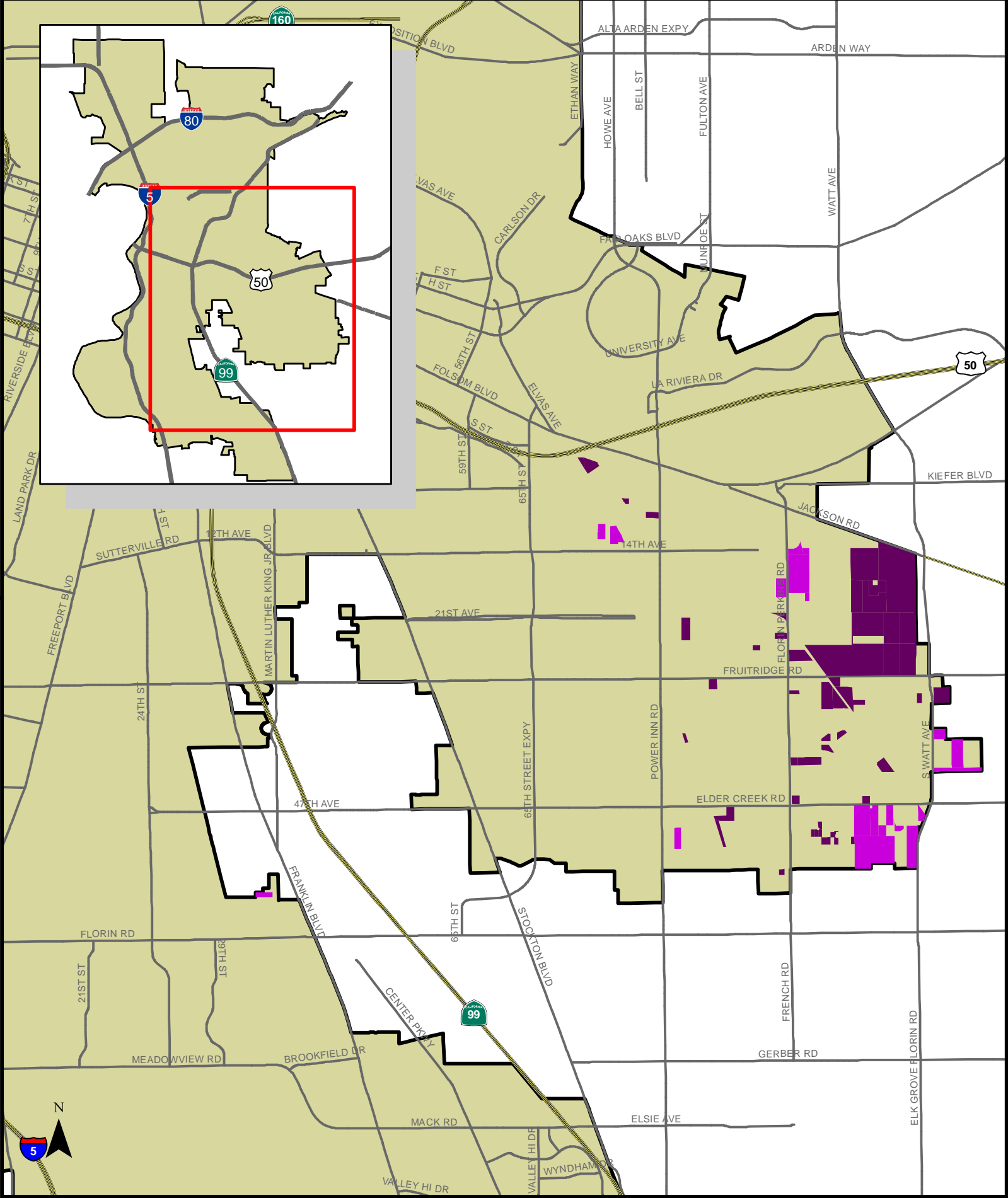
Vacant Residential Land Inventory

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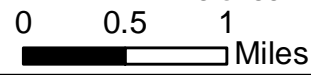
- C-4 - Heavy Commercial
- M-1 - Light Industrial
- M-2 - Heavy Industrial

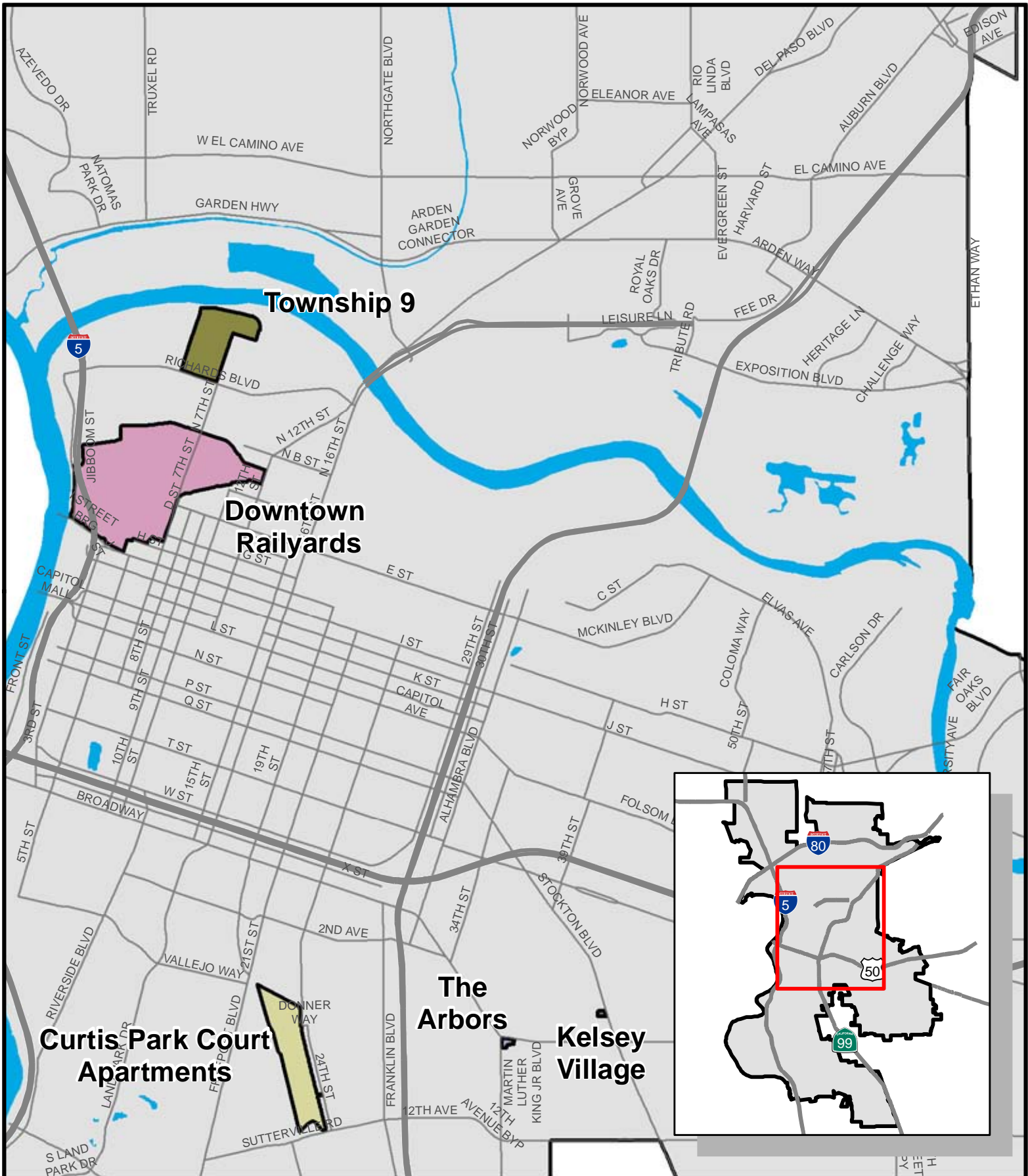
Vacant Parcels
For Temporary Residential Shelters

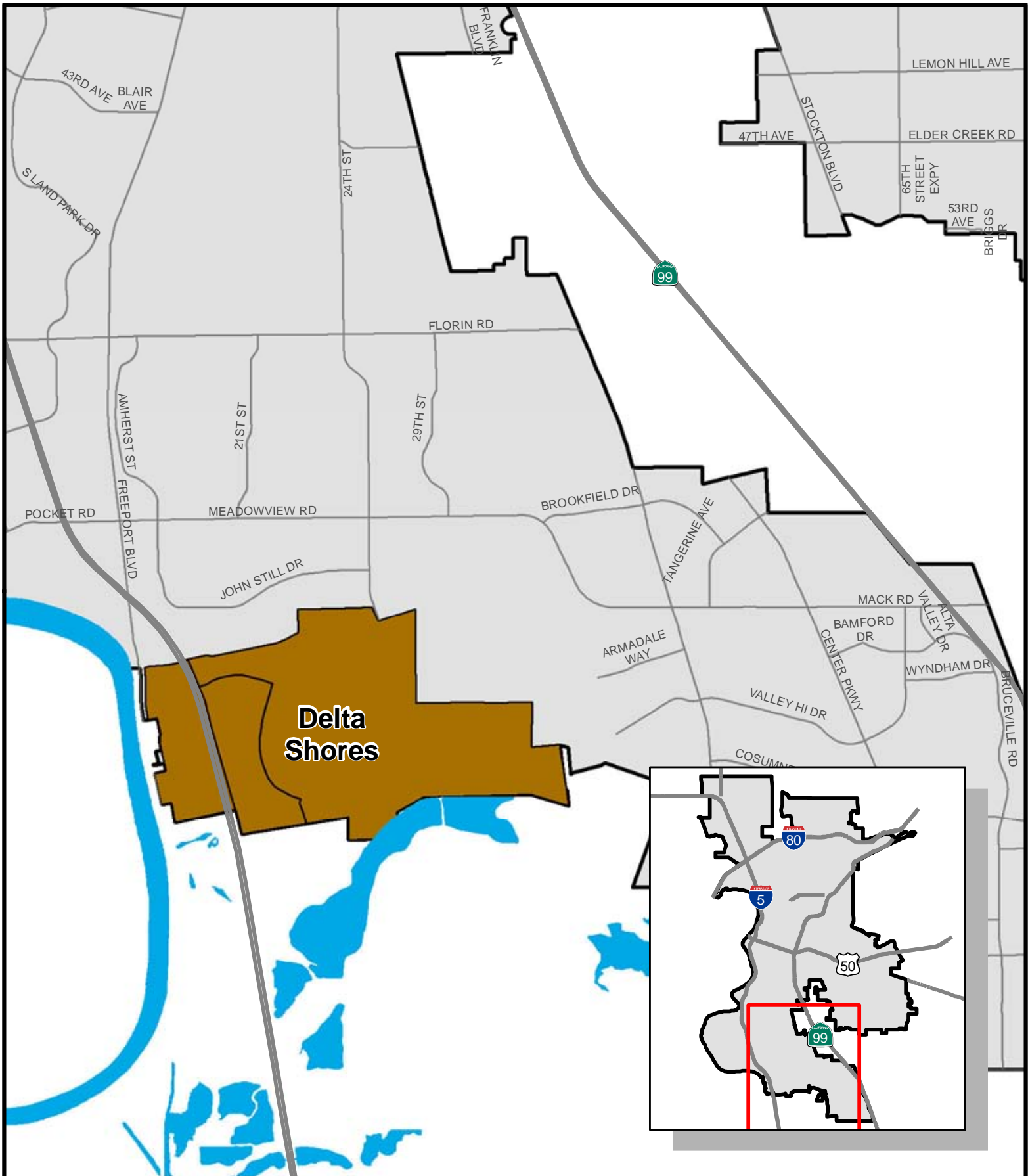


- C-4 - Heavy Commercial
- M-1 - Light Industrial
- M-2 - Heavy Industrial

Vacant Parcels For Temporary Residential Shelters







0 0.5 1 Miles

Planned and Approved Projects South

City of
SACRAMENTO

July 2013

251 of 304

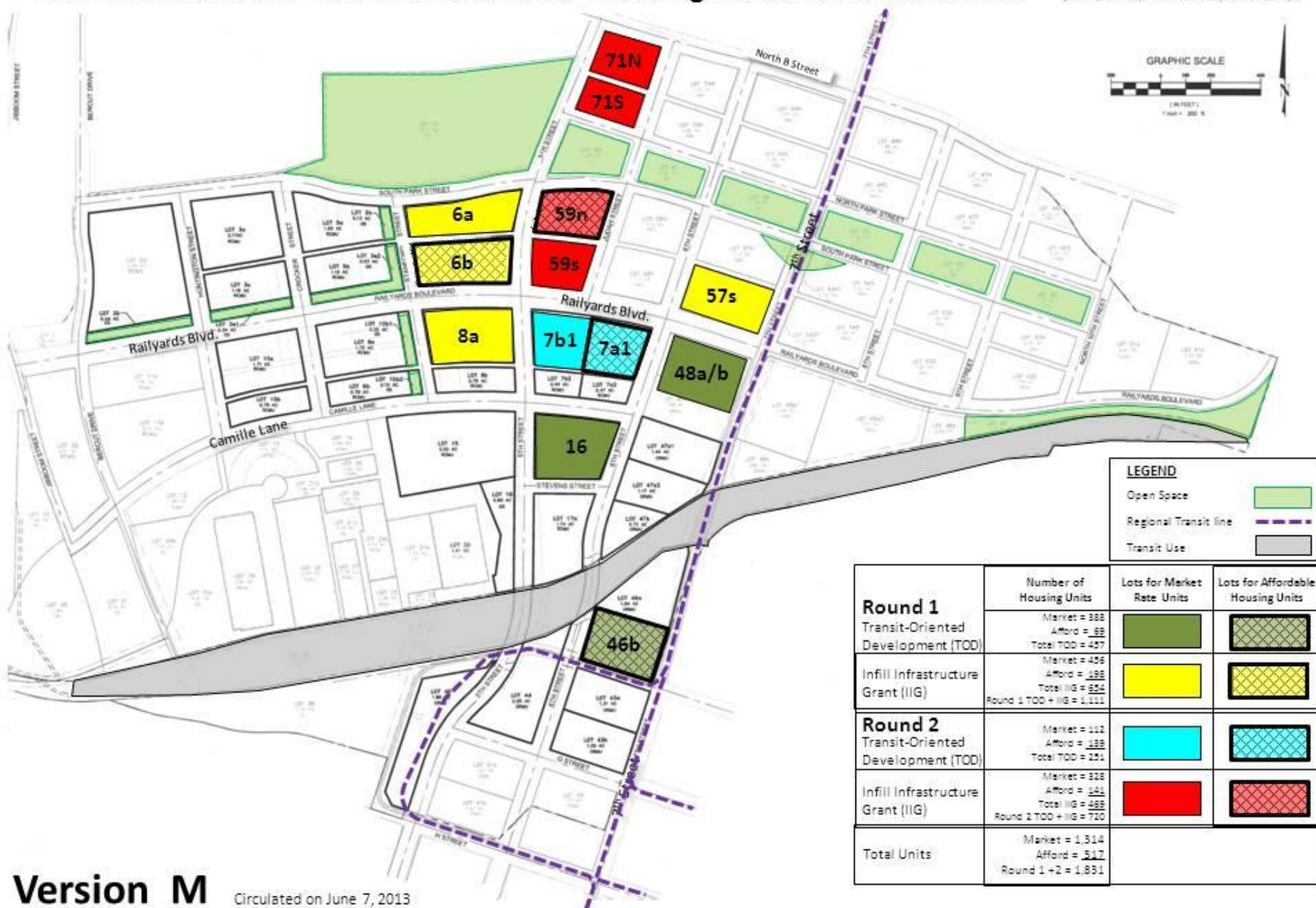


Illustrative Site Plan - Phase 1



Township 9

HCD Round 1 and 2 TOD and IIG Grants - Housing Lots and Infrastructure



Version M

Circulated on June 7, 2013

Note: The Sacramento Railyards Round 1 TOD and IIG Infrastructure Grants were awarded by HCD on August 10, 2008 and the Round 2 TOD and IIG Infrastructure Grants were awarded on June 24, 2009 (collectively, the "HCD Grants"). These site plans do not alter the scope of the infrastructure and housing elements of the HCD Grants. These site plans address the specific location of housing dedications, and seek to conform locations to City municipal code provisions.

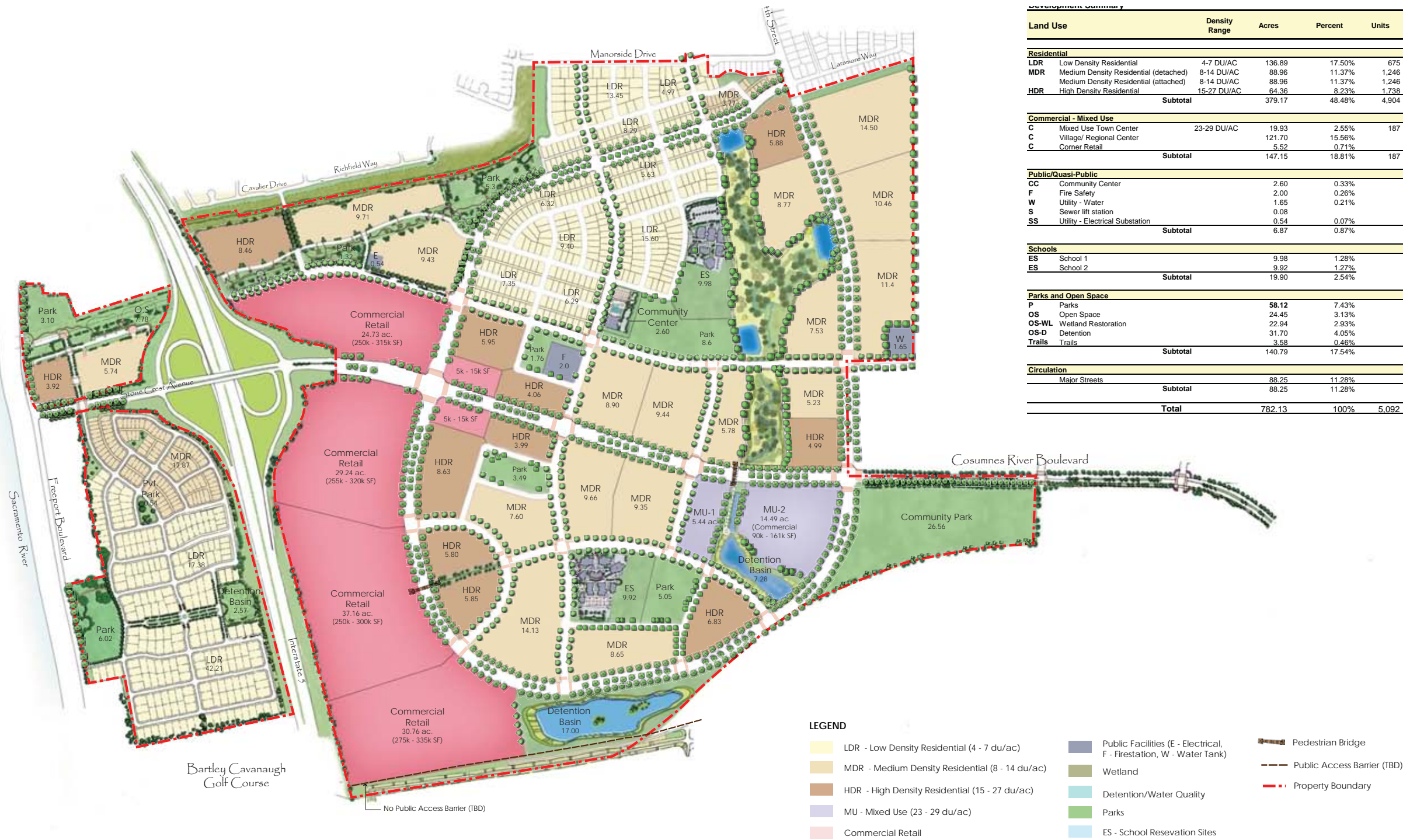


Figure 1.7: Illustrative Concept Plan

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Appendix D: Glossary

Acre: a unit of land measure equal to 43,560 square feet. Net acreage refers to the portion of a site exclusive of existing or planned public or private road rights-of-way.

Affordability Covenant: A property title agreement which places resale or rental restrictions on a housing unit.

Affordable Housing: Under State and federal statutes, housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and related costs.

Assisted Housing: Housing that has received subsidies (such as low interest loans, density bonuses, direct financial assistance, etc.) by federal, state, or local housing programs in exchange for restrictions requiring a certain number of housing units to be affordable to very low, low, and moderate income households.

At-Risk Housing: Assisted rental housing that is at risk of losing its status as housing affordable for extremely low, very low, low, and moderate income residents due to the expiration of federal, state or local agreements.

California Department of Housing and Community Development (HCD): The State Department responsible for administering State-sponsored housing programs and for reviewing housing elements to determine compliance with State housing law.

Census: The official United States decennial enumeration of the population conducted by the federal government.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD) on a formula basis for entitlement communities and by the State Department of Housing and Community Development (HCD) for non-entitled jurisdictions. This grant allots money to cities and counties for housing rehabilitation and community development, including public facilities and economic development.

Condominium: A building or group of buildings in which units are owned individually, but the structure, common areas and facilities are owned by all owners on a proportional, undivided basis.

Continuum of Care: A community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximum self-sufficiency. It includes action steps to end homelessness and prevent a return to homelessness.

Density: The number of dwelling units per unit of land. Density usually is expressed “per acre,” (e.g., a development with 100 units located on 20 acres has density of 5.0 units per acre).

Density Bonus: The allowance of additional residential units beyond the maximum for which the parcel is otherwise permitted usually in exchange for the provision or preservation of affordable housing units at the same site or at another location.

Development Impact Fees: Fees required by City code, ordinance, resolution or other City law to be paid as a condition of, or prerequisite to, issuance of a building permit for the development of residential uses, as those fees may be amended from time to time.

Dwelling Unit: means one or more rooms that include permanent provision for living, sleeping, eating, cooking, and sanitation that are occupied for residential purposes by one or more persons living as a single housekeeping unit. (SCC 17.108)

Elderly Household: Elderly households are one- or two- member (family or nonfamily) households in which the head or spouse is age 65 or older.

Emergency Shelter: An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis.

Fair Market Rent (FMR): Fair Market Rents (FMRs) are freely set rental rates defined by HUD as the median gross rents charged for available standard units in a county or metropolitan area. Fair Market Rents are used for the Section 8 Rental Program and other HUD programs.

First-Time Home Buyer: Defined by HUD as an individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home. Jurisdictions may adopt local definitions for first-time home buyer programs which differ from non-federally funded programs.

Floor Area Ratio (FAR): The ratio of gross building area (GBA) of development divided by the total net lot area (NLA). For example, a one-story building covering its entire lot would have a FAR of 1.0. A two-story building covering half its lot would also have an FAR of 1.0. The formula for calculating FAR is $GBA/NLA = FAR$.

General Plan: The General Plan is a legal document, adopted by the legislative body of a City or County, setting forth policies regarding long-term development. California law requires the preparation of seven elements or chapters in the General Plan: Land Use, Housing, Circulation, Conservation, Open Space, Noise, and Safety. Additional elements are permitted to address local needs.

Group Quarters: A facility which houses groups of unrelated persons not living in households (U.S. Census definition). Examples of group quarters include institutions, dormitories, shelters, military quarters, assisted living facilities and other quarters, including single-room occupancy (SRO) housing, where 10 or more unrelated individuals are housed.

Home Mortgage Disclosure Act (HMDA): The Home Mortgage Disclosure Act requires larger lending institutions making home mortgage loans to publicly disclose the location and disposition of home purchase, refinance and improvement loans. Institutions subject to HMDA must also disclose the gender, race, and income of loan applicants.

HOME Program: The HOME Investment Partnership Act, Title II of the National Affordable Housing Act of 1990. HOME is a Federal program administered by HUD which provides formula grants to States and localities to fund activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership or provide direct rental assistance to low-income people.

Homeless: Unsheltered homeless are families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings

(e.g., the street, sidewalks, cars, vacant and abandoned buildings). Sheltered homeless are families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter (e.g., emergency, transitional, battered women, and homeless youth shelters; and commercial hotels or motels used to house the homeless).

Household: The US Census Bureau defines a household as all persons living in a housing unit whether or not they are related. A single person living in an apartment as well as a family living in a house is considered a household. Household does not include individuals living in dormitories, prisons, convalescent homes, or other group quarters.

Household Income: The total income of all the persons living in a household. Household income is commonly grouped into income categories based upon household size, and income, relative to the regional median family income. The following categories are used in the Housing Element:

- *Extremely Low:* Households earning less than 30 percent of County median family income;
- *Very low:* Households earning less than 50 percent of County median family income;
- *Low:* Households earning 51 percent to 80 percent of the County median family income;
- *Moderate:* Households earning 81 percent to 120 percent of County median family income; and
- *Above Moderate:* Households earning above 120 percent of County median family income.

Housing Choice Voucher Program (formerly Section 8 vouchers): A tenant-based rental assistance program that subsidizes a family's rent in a privately owned house or apartment. The program is administered by local public housing authorities. Assistance payments are based on 30 percent of household annual income. Households with incomes of 50 percent or below the area median income are eligible to participate in the program.

Housing Problems: Defined by HUD as a household which: (1) occupies a unit with physical defects (lacks complete kitchen or bathroom); (2) meets the definition of overcrowded; or (3) spends more than 30 percent of income on housing cost.

Housing Subsidy: Housing subsidies refer to government assistance aimed at reducing housing sales or rent prices to more affordable levels. Two general types of housing subsidy exist. Where a housing subsidy is linked to a particular house or apartment, housing subsidy is "project" or "unit" based. In Section 8 rental assistance programs the subsidy is provided to the family (called "tenant-based") who can then use the assistance to find suitable housing in the housing unit of their choice.

Housing Unit: A room or group of rooms used by one or more individuals living separately from others in the structure, with direct access to the outside or to a public hall and containing separate toilet and kitchen facilities.

Large Household: A household with five or more members.

Manufactured Housing: Housing that is constructed of manufactured components, assembled partly at the site rather than totally at the site. Also referred to as modular housing.

Market-Rate Housing: Housing which is available on the open market without any subsidy. The price for housing is determined by the market forces of supply and demand and varies by location.

Median Income: The annual income for each household size within a region which is defined annually by HUD. Half of the households in the region have incomes above the median and half have incomes below the median.

Mobile Home: A structure, transportable in one or more sections, which is at least 8 feet in width and 32 feet in length, is built on a permanent chassis and designed to be used as a dwelling unit when connected to the required utilities, either with or without a permanent foundation.

Mortgage Revenue Bond (MRB): A state, county or city program providing financing for the development of housing through the sale of tax-exempt bonds.

Overcrowding: As defined by the U.S. Census, a household with greater than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches. Severe overcrowding is defined as households with greater than 1.51 persons per room.

Overpayment: The extent to which gross housing costs, including utility costs, exceed 30 percent of gross household income, based on data published by the U.S. Census Bureau. Severe overpayment exists if gross housing costs exceed 50 percent of gross income.

Parcel: The basic unit of land entitlement. A designated area of land established by plat, subdivision, or otherwise legally defined and permitted to be used, or built upon.

Public Housing: A project-based low-rent housing program operated by independent local public housing authorities. A low-income family applies to the local public housing authority in the area in which they want to live.

Reasonable Accommodations: Amendments to a City's standard procedures for processing permits or application in order to enable people with disabilities to participate fully in the process.

Regional Housing Needs Plan (RHNP): A quantification by a Council of Government or by the State Department of Housing and Community Development of existing and projected housing need, by household income group, for all localities within a region.

Regional Housing Needs Allocation (RHNA): Each city and county in the RHNP receives a Regional Housing Needs Allocation (RHNA) of a total number of housing units that it must plan through their General Plan Housing Elements within a specified time period (January 1, 2013 to October 31, 2021 for this Housing Element period). Allocations are also distributed within four economic income categories; these four categories must add up to the total overall number a jurisdiction is allocated. The City's total RHNA from the 2013-2021 Housing Element is 24,101 housing units distributed in the following way: 4,944 should be affordable to extremely low- and very low-income households, 3,467 to low-income households, 4,482 to moderate-income households, and 11,208 to above moderate-income households.

Rehabilitation: The upgrading of a building previously in a dilapidated or substandard condition for human habitation or use.

Sacramento Area Council of Governments (SACOG): The regional government agency authorized by the Federal and State Government to address regional transportation, housing, and other planning issues in Sacramento, Placer, El Dorado, Sutter, Yolo, and Yuba Counties.

Second Dwelling Unit: A self-contained living unit, either attached to or detached from, and in addition to, the primary residential unit on a single lot. Sometimes known as “granny flat” or “accessory unit.”

Senior: The Census Bureau defines a senior as a person who is 65 years or older, and this definition is used in the Housing Element document unless otherwise noted. For persons of social security eligibility, a senior is defined as a person age 62 and older. Other age limits may be used for eligibility for housing assistance or retired communities.

Service Needs: The particular services required by special populations, typically including needs such as transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services preventing premature institutionalization and assisting individuals to continue living independently.

Single Room Occupancy (SRO): A SRO is a cluster of residential units of a smaller size than normally found in multiple dwellings within a residential hotel, motel, or facility providing sleeping or living facilities in which sanitary facilities may be provided within the unit and/or shared, and kitchen or cooking facilities may be provided within the unit or shared within the housing project.

Special Needs Groups: Those segments of the population which have a more difficult time finding decent affordable housing due to special circumstances. Under California Housing Element statutes, these special needs groups include the elderly, people with disabilities, large families with five or more members, female-headed households, farmworkers, extremely low income households, and the homeless. A jurisdiction may also choose to consider additional special needs groups in the Housing Element, such as students, military households, other groups present in their community.

Subdivision: The division of a lot, tract or parcel of land in accordance with the Subdivision Map Act (California Government Code Section 66410 et seq.).

Substandard Housing: Housing which does not meet the minimum standards in the State Housing Code. Jurisdictions may adopt more stringent local definitions of substandard housing. Substandard units which are structurally sound and for which the cost of rehabilitation is economically warranted are considered suitable for rehabilitation. Substandard units which are structurally unsound and for which the cost of rehabilitation is considered infeasible are considered in need of replacement.

Supportive Housing: Housing with a supporting environment, such as group homes or Single Room Occupancy (SRO) housing and other housing that includes a supportive service component such as those defined below.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Tenant-Based Rental Assistance: A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Transitional Housing: Transitional housing is temporary (often six months to two years) housing for a homeless individual or family who is transitioning to permanent housing. Transitional housing often includes a supportive services component (e.g., job skills training, rehabilitation counseling) to allow individuals to gain necessary life skills in support of independent living.

U.S. Department of Housing and Urban Development (HUD): The cabinet level department of the federal government responsible for housing, housing assistance, and urban development at the national level. Housing programs administered through HUD include Community Development Block Grant (CDBG), HOME and Housing Choice Vouchers, among others.

Zoning: Local codes regulating the use and development of property. A zoning ordinance divides the city or county into land use districts or “zones”, represented on zoning maps, and specifies the allowable uses within each of those zones. It establishes development standards for each zone, such as minimum lot size, maximum height of structures, building setbacks, and yard size.

Zoning Ordinance: Known as the “Planning and Development Code of the City of Sacramento” and its purpose is to implement the City’s General Plan through the adoption and administration of zoning laws, ordinances, rules and regulations. (SCC 17.100.010)

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Appendix F: SACOG Data Approval Letter

The Sacramento Area Council of Governments (SACOG) developed regional data sets to support jurisdictions' work on housing element updates. The California Department of Housing and Community Development (HCD) reviewed the housing element data and approved its use in housing element updates by jurisdictions in the SACOG region. The HCD approval meant that data drawn from these data sets would not need to be reviewed again by HCD when the housing element is submitted.

This Appendix contains the letter from HCD (dated January 30, 2013) stating HCD's approval of the housing element data.

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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 Third Street, Suite 430

P. O. Box 952053

Sacramento, CA 94252-2053

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www.hcd.ca.gov

January 30, 2013

*****Corrected*****

Mr. Mike McKeever, Chief Executive Officer
Sacramento Area Council of Governments (SACOG)
1415 L Street, Suite 300
Sacramento, CA 95814

RE: Review of SACOG Housing Element Data

Dear Mr. McKeever:

Thank you for the opportunity to review the SACOG Housing Element Data. The Department applauds SACOG for its tremendous effort to assist local governments in complying with the statutory requirements of housing element law. The Housing Element Data prepared for SACOG members will provide an important tool in updating housing elements for all local governments in the SACOG region for the 5th housing element cycle.

Housing element law requires a quantification and analysis of existing housing needs. The SACOG Housing Element Data addresses most of the requirements for quantification of existing housing needs¹ and listing of projects at-risk of converting to market rate uses, including:

- Identification of population and employment trends;
- Household characteristics (i.e., existing households, existing extremely low income households, total, lower and extremely low income households overpaying, overcrowded households);
- Special needs (i.e., number of persons with disabilities, number of persons with developmental disabilities, elderly households by tenure, large households by tenure and female headed households);
- Projected housing needs for extremely low income households; and
- Inventory of at-risk units between 2013 and 2023.


HCD has reviewed the Housing Element Data and determined it meets statutory requirements for the quantification of existing housing needs as described above. The Housing Element Data will not be subject to further HCD review as part of the housing element update process. However, local housing elements must still include or update the requisite analysis of this data as appropriate. For more information on analysis requirements, please see the Department's Building Blocks at http://www.hcd.ca.gov/hpd/housing_element2/HN_home.php.

¹ Local governments must still quantify farmworkers and homeless persons.

For your information, the Department has recently established its Housing Element Update Guidance which provides additional assistance to jurisdictions in the update of their housing elements. The Update Guidance also provides a streamlined review option for jurisdictions meeting specific requirements. SACOG's Housing Element Data has been incorporated into the streamlined review portion of the Update Guidance. Jurisdictions simply need to confirm use of HCD pre-approved Housing Element Data and HCD will not need to review the data it has pre-approved. Other jurisdictions, not using the streamlined review, just need to notify the Department that the Housing Data has been utilized. For more information on the Department's Update Guidance, please see <http://www.hcd.ca.gov/hpd/>.

The Department appreciates the efforts of SACOG, particularly Tina Glover, Associate Research Analyst, Joe Concannon, Data Services Manager, Sharon Sprowls, Senior Program Specialist, Corina Cisneros, Intern, and Greg Chew, Senior Planner, in making the data available to streamline the preparation and review of housing elements for local governments in the SACOG region. The Department looks forward to working with SACOG and its members in the update of the housing elements. If you have any questions, please contact Paul McDougall, of our staff, at (916) 322-7995.

Sincerely,



Glen A. Campora
Assistant Deputy Director

Appendix G: Regulated Affordable Housing Units Created or Preserved

This Appendix contains a table of newly constructed, rehabilitated or preserved housing units with regulatory agreements from 2008-2012.

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Table H G-1 Regulated Affordable Housing Units Created or Preserved 2008-2012

Project Name	ELI		VLI Restricted Units	VLI Units with Vouchers	LI Restricted Units	LI Units with Vouchers	Moderate	Market Rate	TOTAL	Project Type (N or R)*	Rehab Qualification Type (SR, CV, PV)*
	Through Funding	Through Vouchers									
2008											
Riverview Plaza	0	0	123	0	0	0	1	0	124	R	0
Rio Linda Manor	0		13		52		0	0	65	R	0
Broadway Senior	0	48	20	10	79	38	1	0	100	R	PV
Casa de Angelo	0	40	20	8	79	32	1	0	100	R	PV
Copperstone Village	0		37		65		1	0	103	N	0
YWCA	31		0		1		0	0	32	R	0
Subtotal	31	88	213	18	276	70	4	0	524		
2009											
Southcrest	0	12	6	2	24	10	0	0	30	R	PV
Taylor Terrace	0		70		65		32	1	168	R	0
Subtotal	0	12	76	2	89	10	32	1	198		
2010											
Forrest Palms	0	16	14	6	26	10	0	0	40	R	PV
Budget Inn	74		0		0		1	0	75	R	SR
La Valentina	24		40		16		0	1	81	N	0
Maydestone	0		0		16		8	8	32	R	SR
Morrison Creek Estates	0		5		0		17	0	22	R	CV
Hagginwood Manor	0		16		0		1	0	17	R	CV
Subtotal	98	16	75	6	58	10	27	9	267		
2011											
Palmer House	16		0		0		0	0	16	R	0
Norwood Avenue Housing	0		20		8		0	0	28	R	0
Hotel Berry Acquisition	11	0	92		0		0	0	103	R	SR
7th and H	75	14	75	14	0	0	0	0	150	N	0
Norwood Estates	0		0		0		0	0	0	R	0
626 I Street	82	20	26	20	0	0	0	0	108	R	0
23 Coral Gables	0		4		0		0	0	4	R	CV
Subtotal	184	34	217	34	8	0	0	0	409		

Appendix G: REGULATED AFFORDABLE HOUSING UNITS CREATED OR PRESERVED

Table H G-1 Regulated Affordable Housing Units Created or Preserved 2008-2012

Project Name	ELI		VLI Restricted Units	VLI Units with Vouchers	LI Restricted Units	LI Units with Vouchers	Moderate	Market Rate	TOTAL	Project Type (N or R)*	Rehab Qualification Type (SR, CV, PV)*
	Through Funding	Through Vouchers									
2012											
Broadway/MLK	6		49		0		0	0	55	N	0
Township 9	3		33		143		0	1	180	N	0
Kelsey Village	0	10	5	3	15	7	0	0	20	N	0
Subtotal	9	10	87	3	158	7	0	1	255		
TOTAL	322	160	668	63	589	97	63	11	1,653		

Notes:

N – New Construction

R – Rehabilitation

SR – Single Room Occupancy

CV – Conversion from Market Rate to Affordable

PV – Preservation

Outreach Summary

Meeting(s)	Dates
Natomas Planning Committee	September 25, 2012
Habitat, Mercy Housing, Housing Advocates	September 28, 2012
North State BIA Staff	October 5, 2013
Planning and Design Commission Workshop	November 15, 2012
North State BIA Staff	December 14, 2012
Sacramento Housing Alliance Staff	February 21, 2013
North State BIA Staff	February 25, 2013
Natomas Planning Committee	March 4, 2013
Community Workshop	March 13, 2013
Planning and Design Commission Workshop	March 14, 2013
Bill Heartman	May 10, 2013
North State BIA Staff	May 14, 2013
North State BIA Board	May 19, 2013
Disability Advisory Commission	March 21, 2013
SHRA Commission	April 17, 2013
Adult and Aging Commission	April 24, 2013
Planning and Design Commission Workshop	May 23, 2013
SHRA Commission	May 29, 2013
Phil Angelides	June 11, 2013
North State BIA Board	June 18, 2013
Natomas Planning Committee	June 19, 2013
Sacramento Steps Forward	June 20, 2013
Downtown Partnership	June 27, 2013
Sacramento Housing Alliance Staff	July 16, 2013
Planning and Design Commission Workshop on Draft Housing Element	July 25, 2013
Planning and Design Commission Hearing to Approve	August 15
SHRA Commission	August 21
Council Hearing to Approve	September 3
Planning and Design Commission Hearing	December 2013
Council Hearing to Adopt Housing Element	January 2014

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July 25, 2013

City of Sacramento
Planning and Design Commission
300 Richards Boulevard, 3rd Floor
Sacramento, CA 95814

RE: Housing Element Workshop No. 4

Dear Commissioners Kaufman, Parrinello, Mack, Burchill, Nybo, LoFaso, Covill, Harvey, Ray, Declines, Lubawy, Lele and Chandler:

This letter is submitted on behalf of Encore McKinley Village, LLC in response to the Staff Report and related attachments for the "Housing Element Workshop No. 4 for the Housing Element of the General Plan." As noted in the Staff Report, the purpose of the Workshop is to provide the Commission and the public an opportunity to review and comment on the draft 2013-2021 Housing Element as well as discuss key policy and program updates including the Mixed Income Housing Ordinance, Housing Trust Fund Ordinance, responsible banking ordinance and new fee deferral program. The comments below address the City's proposed update to its Mixed Income Housing Ordinance (Ordinance).

At the outset, we want to express our appreciation for the work that City staff has done to try to balance the need for diverse housing types against the financial realities of the still fragile Sacramento housing market. In particular, we support the City's goal of encouraging a range of housing opportunities through the "Affordable by Design" concept embodied in the draft outline of the Ordinance.

As the City and the community work to craft and implement policies to increase affordable housing, it is important that we do so in a way that does not inhibit a sustainable housing recovery and that encourages – and does not discourage – new, infill developments which already face substantial costs and hurdles.

Accordingly, we wish to offer three comments at this time on the draft outline presented by the staff. First, we believe infill projects that have submitted applications and are currently being processed by the City should be subject to a grandfather clause exempting such projects from the proposed affordable housing impact fee. Second, the City's own consultant has determined that new residential development in Sacramento is not feasible in the current market even without imposition of the proposed affordable housing impact fee; thus, the fee should not be imposed until the City can make a finding that the residential market has improved such that development is actually feasible. Finally, given the direct correlation between infill development, annual transportation savings per household, and housing affordability, additional credits against the proposed affordable housing impact fees should be given for infill projects located in "Established Communities" or "Center & Corridor Communities," as designated by the Sacramento Area Council of Governments (SACOG). Each of these issues is discussed in more detail below.

Grandfather Clause. Infill projects are not subject to the existing Mixed Income Housing Ordinance. The City proposes to revise the Ordinance to apply to all new housing units, including infill. Infill projects such as McKinley Village and others in the City's development pipeline were underwritten and undertaken with the assumption that these projects would not be subject to affordable housing impact fees. As a matter of fairness to these projects, and in keeping with the City's policies encouraging and promoting infill development, we urge the City to allow pending infill projects to be grandfathered in and exempted from affordable housing impact fees either indefinitely or, in the alternative, for a period of five years to allow a reasonable time for project build-out.

Fees Linked to Market Conditions and Findings of Feasibility. In the Financial Feasibility Analysis prepared for the City, Keyser Marston Associates (KMA), the City's consultant, assumed that developer returns would need to be at least 10% of total development costs for a typical project to be financially feasible. (Residential Nexus Analysis for the Mixed Income Housing Ordinance, p. 72 [Appendix II(C), "Financial Feasibility Analysis"].) We believe that this benchmark is too low to attract development financing given current entitlement, development, and market risks associated with projects in Sacramento at this time. However, even assuming this overly conservative benchmark, KMA determined that all five of the ownership housing prototypes studied in its Feasibility Analysis are infeasible. Indeed, *none* of the five prototypes provides 10% returns and even the highest return of 6.3% for urban infill condo projects was caveated by KMA with the observation that such projects are "virtually unbuildable in today's market." (*Ibid.*) In other words, even without imposing any affordable housing impact fees, KMA determined that none of the prototypical residential for-sale housing products is currently feasible.

Nevertheless, the City's proposed Ordinance seeks to impose additional fees and thereby exacerbate the financial difficulty of developing under existing market conditions. We do not believe this to be a practical or feasible approach at this time. Particularly in light of the City's

desire to encourage more infill development, the City must be sensitive about imposing new financial burdens that could preclude much needed residential development in the City.¹

Accordingly, we suggest the City delay imposing the affordable housing impact fee until such time as the City and its consultant can make a finding that residential development is, in fact, feasible. As noted in the Staff Report, the Ordinance needs to respond to both downturns and upturns in the market. We wholeheartedly agree. When the market is stronger and returns clear the feasibility threshold, taking into account the imposition of the affordable housing impact fee, it is reasonable for the City to consider imposing these impact fees. The Ordinance should be flexible enough to impose and increase fees as the market improves and returns are more robust.

Fee Credits for Established Communities and Center & Corridor Communities. To the extent the Ordinance seeks to provide affordable housing opportunities, the Ordinance needs to better acknowledge the correlation between infill development and decreased household transportation costs/annual transportation savings. Numerous studies across the country have shown that 1) transportation costs are a major component of household expenses and a significant factor in effective housing affordability; 2) transportation costs are significantly lower for infill housing as compared to suburban housing further from employment centers; and 3) reduced transportation costs effectively result in increased housing affordability. For example, as shown in Attachment 1, the share of annual household income spent on transportation increases greatly as development moves away from the central city and employment centers. SACOG also collected data on transportation and housing expenses as part of the update to its Regional Transportation Plan, and concluded the total cost of transportation per household is significantly higher for Developing Communities and Rural Residential Communities (further from employment centers) and significantly lower for Centers & Corridors and Established Communities (closer to central city and employment centers). (See Attachment 2, comparing the annual cost per household by the different community type areas, and Attachment 3, showing such areas).²

¹ Pursuant to the Regional Housing Needs Allocation (RHNA), the City must plan to accommodate 24,101 new housing units by 2021 (Housing Element, p. H 5-2).

² SACOG community type areas (Centers & Corridors, Established Communities, Developing Communities and Rural Residential Communities) are defined in its RTP along with a map identifying the various areas. (See the executive summary of chapter 3 at: <http://www.sacog.org/2035/mtpsc/>; see also Attachment 3.)

This is further explained in Attachments 4(a) and 4(b).³ As shown in Attachment 4(a), a household with an annual income of \$60,900 per year (80% of 2012 Median Family Income for a family of 4) can afford to purchase a \$249,875 home. When annual transportation savings for infill development are factored in, less income is required to purchase the same house (because the household is saving money on transportation) in an infill location as compared to a suburban location. Assuming the annual transportation savings provided by SACOG, households in Developing Communities located away from employment centers need \$60,900 annual income to purchase a \$249,875 home, while households in Established Communities closer to employment centers can purchase the same value home with an annual income of \$55,900, and households in Center & Corridor Communities closer to the central city would need an annual income of \$49,233 to purchase the same home. This increased affordability is due to the annual transportation savings afforded to infill development, which is \$1,500 for Established Communities and \$3,500 for Center and Corridor Communities. (See Attachments 2, 3, 4(a) and 4(b).)⁴

Looked at in another way, assuming the same annual income of \$60,900, households located in the central city and near other employment centers can purchase more housing than households located away from employment centers. (Also see Attachments 4(a) and 4(b).)

Given the City's goals of both promoting infill and affordability, the Ordinance should recognize the direct correlation between infill and affordability and should provide an additional credit against the affordable housing impact fees for infill development. Specifically, we propose the Ordinance be revised to provide an additional 15% credit against the affordable housing impact fee for development in Center and Corridor Communities and a 7.5% credit for Established Communities.⁵

³ Attachments 4(a) and 4(b) were prepared using the assumptions from Table 3-21 of the July 2013 Public Review Draft of the Sacramento 2030 General Plan Housing Element Update. (Housing Element, p. H 3-36.)

⁴ As shown in Attachment 4(b), a household in a Developing Community with an annual income of \$91,000 per year (120% of 2012 Median Family Income for a family of 4) can afford to purchase a \$374,689 home. Assuming annual transportation savings as calculated by SACOG, a household in an "Established Community" can purchase the same value home with an annual income of \$86,320, and households in Center and Corridor Communities would need an annual income of \$79,653 to purchase the same home.

⁵ With this additional fee credit, for-sale units under 50 acres and located in a Center & Corridor Community would be required to pay the full fee or pay 15% of the fee and do any combination of (1) build 15% of the units as Affordably by Design, (2) build 10% of the units as regulated rental units at or below 80% AMI or (3) dedicate land valued equal to the fee balance due.

For-sale units under 50 acres and located in an Established Community would be required to pay the full fee or pay 22.5% of the fee and do any combination of (1) build 15% of the units as

July 25, 2013

Page | 5

We look forward to continuing to work with the City and the community to fashion policies which foster diverse housing opportunities, consistent with the goals of supporting a sustainable housing recovery and quality, infill development. We thank you for your time and hope you will consider our suggested revisions to the Ordinance.

Sincerely,

A handwritten signature in blue ink that reads "Tina Thomas" followed by a stylized circular flourish containing the letters "a g".

Tina A. Thomas

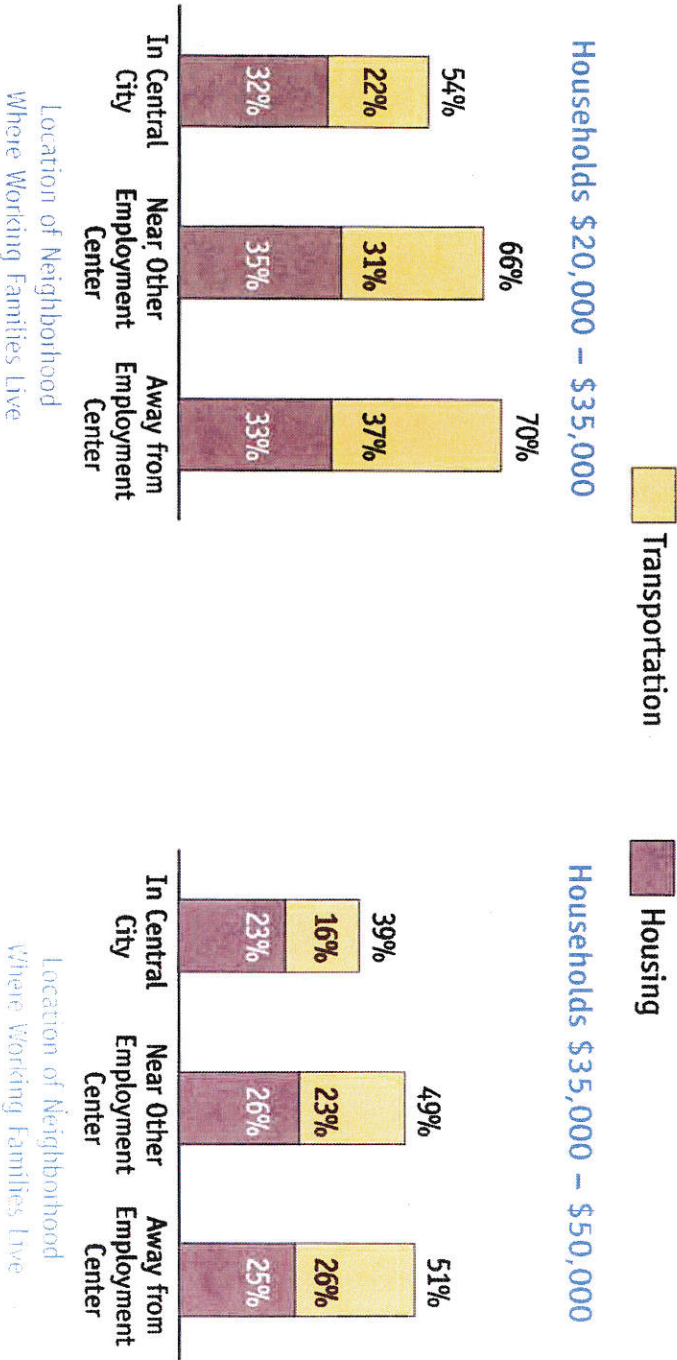
Attachments (5)

Affordably by Design, (2) build 10% of the units as regulated rental units at or below 80% AMI or (3) dedicate land valued equal to the fee balance due.

Life on the Fringes: the Further a Neighborhood is from Employment Centers the More Likely Transportation Costs Predominate

A TRIP FROM SUBURB TO CENTRAL CITY no longer describes the typical commute in many metropolitan areas of the country. As jobs have suburbanized, many commuters make their way from suburb to secondary city or from exurban community to other employment centers in the region as well as central city locations. As these graphs show, the combined cost of housing and transportation increases with distance to employment centers. For Working Families living in neighborhoods far from employment centers, especially those in the \$20,000 - \$35,000 bracket, combined housing and transportation costs consume a particularly large share of income, with transportation costs exceeding those for housing.

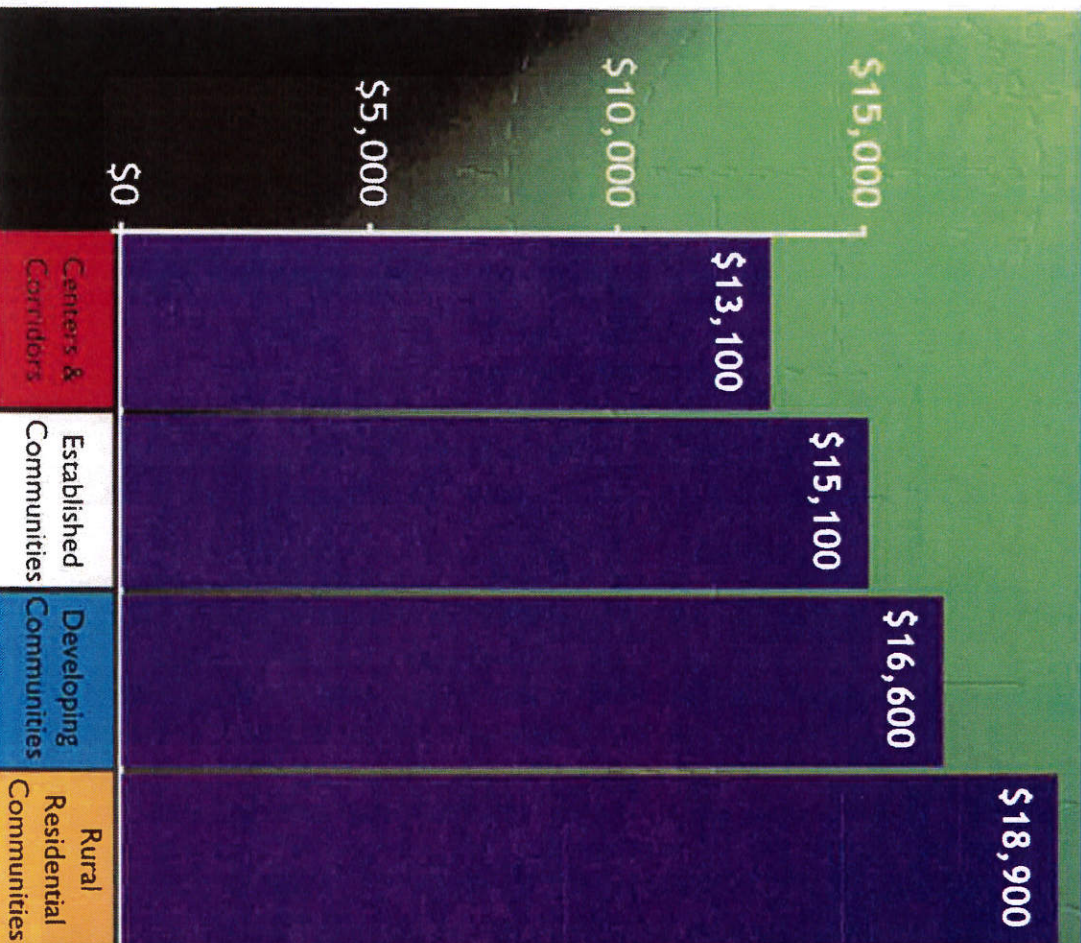
Share of Income Spent on Housing and Transportation



Source: Center for Neighborhood Technology calculations.

NOTE: Employment centers are job locations with a minimum of 5,000 employees.

Community Types: Total Cost of Transportation per household



- Auto ownership
- Auto use
- Transit

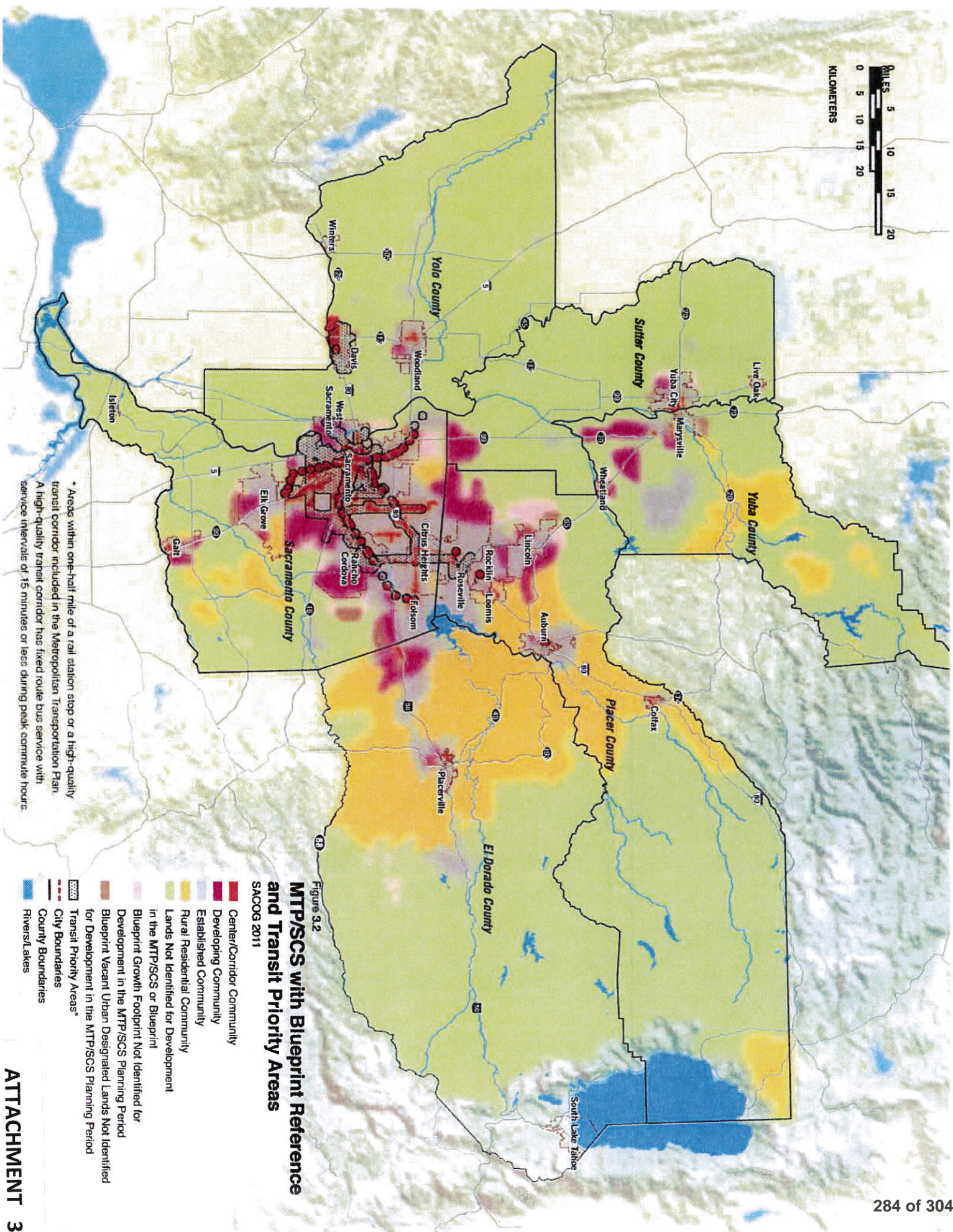
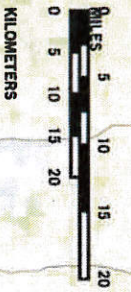


Figure 3.2
MTP/SCS with Blueprint Reference
and Transit Priority Areas
 SACOG 2011

Ability to Pay for Housing based on HUD Income Limits, 2012 Transportation Adjustments

Based upon Households at 80% of 2012 Median Family Income¹

Assumes a 3BR House and a 4 Person Household¹

	Developing Communities	Established Communities	Center & Corridor Communities
Income Level ¹	\$ 60,900	\$ 60,900	\$ 60,900
Maximum Monthly Gross Rent ¹	\$ 1,523	\$ 1,523	\$ 1,523
Maximum Purchase Price House ¹	\$ 249,875	\$ 249,875	\$ 249,875

Annual Transportation Cost ²	\$ 16,600	\$ 15,100	\$ 13,100
Annual Transportation Savings		\$ 1,500	\$ 3,500
Monthly Transportation Savings		\$ 125	\$ 292

Reduced Income Needed to Purchase Maximum Purchase Price Home Above

Reduced Income Needed	\$ 5,000	\$ 11,667
Adjusted Income Level Needed	\$ 55,900	\$ 49,233
% of Median Family Income Needed to Purchase Maximum Purchase Price Home	73%	65%

Increased House Purchase Capacity with Transportation Cost Savings

Increased Maximum Monthly Gross Rent	\$ 125	\$ 292
Increased Housing Purchase Capacity	\$ 20,500	\$ 47,833
Adjusted Maximum Purchase Price House	\$ 270,375	\$ 297,708

Notes: 1. Uses same assumptions from Table 3-21 of the July 2013 Public Review Draft of the Sacramento 2030 General Plan Housing Element Update.

2. Uses data from SACOG's 2010 MTP/SCS.

Ability to Pay for Housing based on HUD Income Limits, 2012 Transportation Adjustments

Based upon Households at 120% of 2012 Median Family Income¹

Assumes a 3BR House and a 4 Person Household¹

	Developing Communities	Established Communities	Center & Corridor Communities
Income Level ¹	\$ 91,320	\$ 91,320	\$ 91,320
Maximum Monthly Gross Rent ¹	\$ 2,283	\$ 2,283	\$ 2,283
Maximum Purchase Price House ¹	\$ 374,689	\$ 374,689	\$ 374,689
Annual Transportation Cost ²	\$ 16,600	\$ 15,100	\$ 13,100
Annual Transportation Savings		\$ 1,500	\$ 3,500
Monthly Transportation Savings		\$ 125	\$ 292

Reduced Income Needed to Purchase Maximum Purchase Price Home Above

Reduced Income Needed	\$ 5,000	\$ 11,667
Adjusted Income Level Needed	\$ 86,320	\$ 79,653
% of Median Family Income Needed to Purchase Maximum Purchase Price Home	113%	105%

Increased House Purchase Capacity with Transportation Cost Savings

Increased Maximum Monthly Gross Rent	\$ 125	\$ 292
Increased Housing Purchase Capacity	\$ 20,500	\$ 47,833
Adjusted Maximum Purchase Price House	\$ 395,189	\$ 422,522

Notes: 1. Uses same assumptions from Table 3-21 of the July 2013 Public Review Draft of the Sacramento 2030 General Plan Housing Element Update.

2. Uses data from SACOG's 2010 MTP/SCS.

07/25/13

To: Our City's elected officials
or those otherwise concerned
with the city housing ordinance

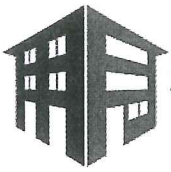
My name is Joseph Barry, I am
a disability advocate, state worker,
and student.

I have made Sacramento my home
since childhood in 1989

I am a homeowner and very active
in my community

All that I ask is that you do
what's right ~~that~~ and appoint
a stakeholders Committee/Citizens
Committee to review any proposed changes
to the current City Mixed Income
Housing Ordinance.

Thank you
Mr Joseph Barry
1501 38th Ave
Sacramento, CA 95822
916 225-5634



SHA Issue Points

1. Public given **insufficient** time to review draft element prior to this meeting. Our comments are therefore only preliminary.
2. First, we are surprised and disappointed by what is missing from element. There is either no or little information about critical issues facing our community including:
 - a. The impact on the loss of redevelopment funding. There is no discussion about what the loss of funds means to maintaining and producing affordable housing NOR and MOST IMPORTANTLY, nothing about strategies to address this devastating problem.
 - b. Future of SHRA, especially in light of recent effort to dissolve agency.
 - c. Housing Choice Voucher crisis resulting from sequestration which could increase homelessness in our communities.
 - d. Potential significant changes to the Mixed Income Ordinance and the Housing Trust Fund. Element should provide framework for broader community discussion about these two critical programs. There is no evaluation of the Ordinance or Trust Fund in element, so impossible to evaluate if changes are needed or to guide revisions and according to Planning Department supervisors, there is no planned public outreach for revisions or review of changes to these ordinances.
 - e. SafeGround and other initiatives to address the growing homeless population.
 - f. How housing element will promote/support sustainable communities and objectives of City's Climate Action Plan. SB 375 reinforced the link between housing planning and achieving climate change objectives, yet the housing element only references other general plan elements rather than including policies that would meet both affordable housing and sustainable communities' goals.
3. There is no real evaluation of prior housing programs. No description of the number of units built, preserved, or rehabbed as a result of specific City programs or policies.

Worse, programs proposed for next planning period are weak and do not include clear quantified objectives or describe "how" the City will encourage or support a specific policy or strategy. Housing element law was revised by SB 375 to require programs to demonstrate how they will have a "beneficial impact" in the planning period, and the City's programs **CLEARLY DO NOT MEET THIS STANDARD.**

4. Housing Element effectively highlights growing housing need, increasing home prices, growing income disparities and acknowledges that income disparities among minority populations lead to economic and geographic segregation. Yet, the proposed programs are completely inadequate to meaningfully address and in some cases, do not confront the issues at all.
5. Land Inventory requires significant revisions to demonstrate adequacy of sites identified. Among other serious concerns, the City appears to rely on too many small sites to address housing need for lower income families.

July 25, 2013

City Planning and Design Commission

City of Sacramento
300 Richards Boulevard, 3rd Floor
Sacramento, CA 95811

Subject: *Housing Element Update: Mixed Income Housing Ordinance (Item: 3)*

Dear Planning Commissioners:

On behalf of the Downtown Sacramento Partnership (DSP) Board of Directors and roughly 450 property and business owners in Sacramento Central Business District, I wanted to comment on the draft 2013-2021 Housing Element and specifically, proposed changes to the City's Mixed Income Housing Ordinance.

Residential development within the Sacramento's downtown core has been a longtime policy objective of the DSP. Market forces and challenges associated with infill development have made all projects virtually infeasible in the last several years. While we appreciate the flexible options that are included in the framework for ordinance changes, we are strongly concerned about the impacts new requirements or fees will have on development in the core. The market analysis commissioned by the City clearly shows feasibility difficulties associated with infill products today and into the near future. Numerous policies and strategies enacted by the city (including the General Plan) prioritize infill development, however new requirements will continue to inhibit sustainable infill development.

If Sacramento considers expanding the ordinance to include the Central City, it must include safeguards to ensure that we do not further negatively impact residential projects. Any ordinance changes must include exemptions for priority areas or further phase in requirements over five to 10 years (instead of the three proposed) in order to ensure that market conditions improve prior to implementing new requirements. Adding new requirements and fees to already infeasible development will only serve to promote unsustainable development patterns and move growth into suburban areas where land and construction costs are significantly cheaper. The DSP will continue to work with staff and stakeholders to mitigate any impacts from new requirements on residential development within the Central City. Downtown revitalization hinges on attracting residents with a mix of product types and income levels. Any new fees or requirements will impede these efforts.

Finally, I want to thank City staff for their outreach on this issue. Staff has always been available and transparent during discussions related to the Housing Element. If you have any questions or comments please contact me at kgreene@downtownsac.org or (916) 442-8575.

Sincerely,



Kevin Greene
Policy Manager

CC: DSP Board of Directors
John Shirey, City Manager
Tom Pace, Long Range Planning Manager

916 442.8575
FAX 916 442.2053

980 9th Street, Suite 400
Sacramento, CA 95814



**LEAGUE OF WOMEN VOTERS[®] OF SACRAMENTO
COUNTY**

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(916) 447-VOTE _

www.lwvsacramento.org _ www.smartvoter.org _ www.easyvoter.org

August 13, 2013

Dear Planning Commissioner:

The state mandated Housing Element for 2013 - 2021 which you will consider this Thursday, August 15 contains extensive research about housing in the City of Sacramento. This information is valuable guiding you in considering the draft that will go to Council on September 9.

We are concerned about the possible decrease in the percentage of affordable housing required for each development. The decrease from 15%, which the League fought hard to include in the 2008 - 2013 Element, may be lowered when the ordinance to implement the 2013 Element is heard in January of next year. Presently the Element has only policy language on this issue. We realize that developers who would like not to be required to include affordable housing were heard, as well as housing advocates who believe strongly that policy language will not actually produce housing for those below 60% of median income, much less those at 30% below. With the housing market improving day by day, we urge you to hold to the 15% as in the 2008 Element.

We applaud the proposal to extend the mixed income ordinance citywide. Affordable units are needed in more than Natomas and the South Area - in fact those communities may have more than their share of those units. We abhor creating ghettos.

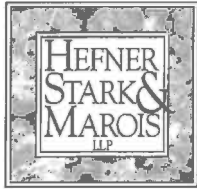
We also favor the proposal for creating new opportunities for affordable housing (H-2.2.3). Another positive is at H - 1.3.7 where the lapsed fee deferral program which expired in December of 2009 would be extended.

The City's Housing Trust Fund has, with other sources, made many difficult funding packages possible. Although the City's program is more aggressive than neighboring jurisdictions' we would not want to see that fund become more difficult to use.

We will be following the development of the ordinances implementing the 2013 Element and will be informing you of our position on those at a later date.

Sincerely,

Kay Knepprath
LWVSC Housing Consultant
(for the Board of Directors)



LAW OFFICES
ESTABLISHED 1896

GREGORY A. FOREST

2150 RIVER PLAZA DRIVE
SUITE 450
SACRAMENTO, CA
95833-4136
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August 13, 2013

Via Email

Kiyomi Burchill
Chair, Planning and Design Commission
City of Sacramento
300 Richards Boulevard, 3rd Floor
Sacramento, CA 95811

Re: 2014-2021 Housing Element – Mixed Income Housing Policy

Dear Commissioner Burchill:

Our firm represents West Coast Housing Partners, LLC, a Delaware limited liability company and BHT II Parkebridge 531, LLC, a Delaware limited liability company (collectively, our "client"). Our client is the owner of the Parkebridge subdivision project in South Natomas, which encompasses approximately 90 acres. The City approved a tentative subdivision map of approximately 531 housing units for Parkebridge in 2006. This letter conveys our client's concerns regarding the proposed policy related to Mixed Income Housing.

The Mixed Income Housing policy (the "Policy") was discussed at the Planning Commission Workshop on July 25. As you know, the draft Policy calls for the City's current Mixed Income Housing Ordinance to be substantially revised. This is important, as the current Ordinance imposes a very heavy burden on new housing production and increases the cost of all market-rate homes. The current requirement to sell ten percent (10%) of all units at prices affordable to very-low income households, and five percent (5%) of units for low income households, must be changed to reduce these burdens on new housing projects in order to keep the cost of new housing as affordable as possible.

Our client's Parkebridge project is located south of Interstate 80 and east of Natomas High School, which is outside of the "New Growth" Area where the current Ordinance applies. As the City proposes to apply the next Mixed Income Housing Ordinance city-wide, our client is following the development of this Policy with pointed interest. Currently, the Parkebridge project is not subject to any Mixed Income Housing requirement. However, we estimate that a fee of three dollars (\$3) per square foot of new construction, as proposed in the draft Policy, would add approximately \$2.6 million to the cost of the project. Therefore, we strongly support the provision in the draft Policy that would allow builders of large projects to reduce the fee in exchange for providing affordable housing within the project.

One such method of "in lieu" affordable housing outlined in the draft Policy is the construction of attached and compact housing that is available at a lower price point. This housing is identified as "affordable-by-design" in the draft Policy, and includes cottage homes on small (less than 3,000 square foot) lots, duplexes, triplexes and condominium units. Under the proposed Policy, a developer would be allowed to reduce the fee obligation of the project by providing fifteen percent (15%) of the units as affordable-by-design.

Many of the participants at the Workshop on July 25 asked questions about the "affordable-by-design" option in the draft Policy. City Staff has acknowledged that the prices of such units are determined by the housing market and are not artificially restricted for sale to low and very-low income households. However, it is important for the public to understand that the current Ordinance assigns the cost of providing subsidized housing mostly to new home buyers, and does so through the over-production of high-density apartment complexes. Under the new Policy, more housing will be constructed in compact, medium-density single-family housing types, and will generate fee revenue to meet the needs of very-low income households. Overall, the burden of providing below-market-rate new housing, and its effects on the community, will be reduced and shared more equitably than under the current Ordinance. As the City's new home market approaches recovery, it is important for the City to keep new homes affordable by reducing costs. The City must also encourage the production of more "compact" housing to provide opportunities for first-time homebuyers to enter the new home market. Simply requiring a percentage of homes to be sold at below-market prices defeats these goals, as builders often respond by building larger homes that sell at a higher price in order to absorb the higher cost.

We urge the Commission to support the draft Policy as currently proposed, which provides for builders to comply with the Mixed Income Housing policy by providing fifteen percent (15%) of units as affordable-by-design. We believe this provision is crucial to the success of the new Policy and will help keep new homes affordable for future City homebuyers as the new-home market recovers.

Very truly yours,
HEFNER, STARK & MAROIS, LLP

By


Gregory A. Forest

GAF

cc: Planning Commissioners
Greg Sandlund, Associate Planner
West Coast Housing Partners, LLC

K:\West Coast Housing Partners\Parkebridge (8076-0001)\Kyr Burchill ver 1.docx

August 14, 2013

City of Sacramento
Mayor Johnson, City Councilors, and Manager Shirey
915 I Street- 5th Floor
Sacramento, CA 95811

Re: City of Sacramento 2013-2021 Draft Housing Element

Dear Mayor Johnson, City Councilors, and Manager Shirey,

The Sacramento Housing Alliance (SHA) submits the following comments regarding the City of Sacramento Draft 2013-2021 Housing Element (Draft) on behalf of our members, member organizations, and low and moderate income Sacramentans. SHA's mission is to work for safe, decent, accessible, affordable housing and healthy communities for homeless and low-income people through advocacy, education, leadership development and civic engagement.

Our comments are provided to support the City's historic leadership in affordable housing and provide recommendations regarding the changes needed to ensure the housing element complies with state law and effectively addresses the serious and continuing housing needs in the City. They are intended as a starting point for discussion and collaboration. We look forward to working with the City to address critical deficiencies in the current draft and helping Sacramento adopt and implement a housing element that provides safe, affordable housing for all Sacramentans and lays the foundation for a sustainable, healthy City; strengthens our neighborhoods; and supports the local economy.

The following outlines our major concerns. We advocate for the following revisions to the Draft Housing Element in order for it to comply with the law, and in order for it to address concerns about the inconsistencies between the City's General Plan and this Draft Housing Element before it is submitted to the Department of Housing and Community Development (HCD) for their review. We welcome the opportunity to meet with the City to discuss strategies and options for addressing these requirements.

1. First, we are surprised and disappointed by what is missing from element. There is little to no information about critical issues facing our community:

- a. The impact on the loss of redevelopment funding. There is no discussion about what the loss of funds means to maintaining and producing affordable housing NOR and MOST IMPORTANTLY, is there anything about strategies the City will employ to address this devastating problem.
- b. The future of SHRA, especially in light of recent and continuing effort to dissolve the agency.
- c. The Housing Choice Voucher crisis resulting from federal budget sequestration which could increase homelessness in our community.
- d. Potential significant changes to the Mixed Income Ordinance and the Housing Trust Fund. The element should provide a framework for broader community discussion about these two critical programs. There is no evaluation of the Ordinance or Trust Fund in element, so impossible to evaluate if changes are needed or to guide revisions.
- e. In one of the meetings with the City, Planning Staff indicated they were considering changes to the City's Rental Housing Inspection Program. The element should lay out more specifically the need for changes, and the impact these changes would have on the effectiveness of the Program.
- f. Safe Ground and other initiatives to address the growing homeless population.
- g. How the Housing Element will promote/support sustainable communities and objectives of City's Climate Action Plan. SB 375 reinforced the link between housing planning and achieving climate change objectives, yet the Housing Element only references other general plan elements rather than including policies that would meet both affordable housing and sustainable communities' goals.

The Housing Element provides an important platform for evaluating these critical issues and engaging the public in developing strategies to address them. It is inconceivable the City could prepare a Draft Housing Element and housing programs without addressing these critical concerns. The element must be revised to address these critical issues.

2. Public Participation (Government Code Section 65583(c)(8)):

Insufficient opportunities for meaningful public participation were provided. Housing element law requires the City to make a diligent effort to achieve the public participation of all economic segments of the community. While the City held a number of Planning Commission meetings, and Planning Department.

staff provided two briefings to SHA, no other significant efforts were made to reach out and engage low and moderate income residents, special needs populations, and neighborhoods, particularly neighborhoods suffering from disinvestment. Noticing of the meetings held were also limited to subscribed email lists, and links to meeting agendas buried on the City's website. Anyone who was not already subscribed to get regular emails from the City, or the Planning Department, or who do not regularly frequent the City's website, would not have been noticed about the outreach workshops or other meetings.

In addition, the element should describe how the City has or will consider and incorporate input from the citizen participation process. The element describes some feedback provided at meetings but does not indicate how the element reflects community input.

We recommend the City hold meetings out in the community, at neighborhood meetings, community centers or other appropriate community events. The Planning Department should reach out to existing neighborhood and civic organizations to request time to solicit input about housing needs at their meetings or events. Reach out and solicit input from residents where they live and work. Demonstrating a diligent effort to achieve public participation involves more than holding meetings at City Hall.

Here are some additional resources to help guide a more effective citizen engagement process:

- <http://www.ca-ilq.org/public-engagement>;
- <http://www.sonoma-county.org/health/community/>;
- http://www.lgc.org/freepub/community_design/guides/participation_tools.html

3. Housing at-risk of conversion (Government Code Section 65583(a)(9) and 65583(c)(6)):

The element identifies 1,509 assisted housing units at higher risk of converting to non-low income uses within the planning period, including 807 units at risk by the end of 2014. The listing of at-risk units is missing a description of the number of elderly versus non-elderly units. This information is required by the statute and is critical to understanding the nature of the risk and in identifying appropriate responses.

Despite the significant risk of conversion for such a large number of units, the element does not identify any significant policy or program response to address the need. While the element describes the City's preservation ordinance, it appears the ordinance simply implements state law regarding noticing. And while the element indicates the City was able to provide funding to help preserve 517 units since 2004, it does not address the impact of the loss of redevelopment funding on the City's ability to provide such assistance for the current at risk housing stock.

4. Analysis of Special Housing Needs (Government Code Section 65583(a)(7)):

The element does not describe existing resources or specific strategies to address the special housing needs of Extremely Low Income (ELI) households, disabled persons, large families, elderly persons or the homeless. For example, the element notes that the SRO strategy, public housing units, housing choice vouchers could serve ELI households. However, public housing and housing choice vouchers are a diminishing resource and do not represent a meaningful resources for the growing number of ELI households.

While the element identifies a large number of lower income senior owners and renters, it does not identify the number of housing units in the city reserved for seniors, existing resources and assistance for senior households or any specific strategies to address the growing housing needs of lower income seniors. The element identifies that 81 percent of large families living in rental housing were extremely low, very low, or low income. Yet, the element does not describe the number of rental units with 3 or more bedrooms that are available, or any strategies to address this housing need (especially given the elements identification of a serious housing cost burden for these income groups).

The element should estimate the number of homeless people within the City. While the element includes information about the number of homeless persons and families within the County, it should also include an estimate of the proportion within the City. In addition, the element should describe current issues and conditions in Sacramento regarding the homeless population. For example, Safe Ground is working within the City to develop a unique model community and services program to serve homeless adults. The element should describe this effort and any strategies being considered to assist this important effort.

The element should also estimate the number of disabled residents within the City, and what current issues, conditions, programs and resources are available in the City of Sacramento for persons with disabilities and how their housing

needs are being met and/or not met. For example, the element should discuss housing cost burdens for persons with disabilities. The element should also discuss programs and policies to address the needs of persons with disability. For example, an effective Universal Design ordinance can be an important strategy to meet the mobility needs of persons with disabilities. In addition, the element should discuss how mobility and accessibility issues will be addressed in the City's strategies to promote more transit oriented development and sustainability.

5. Inventory and analysis of sites (Government Code Section 65583(a)(3) and 65583.2):

- a. The element should include more information about the capacity estimates on small residential and non-residential sites. It appears that development on small sites require significant subsidies to be feasible (the only examples the element provided of development on small sites were heavily subsidized with public resources). Given the element appears to rely significantly on small sites to accommodate a large share of the RHNA for lower income households; the element should describe the feasibility of providing or the availability of sufficient subsidies. Otherwise, the element should identify additional sites larger than one acre to accommodate the Regional Housing Need Allocation (RHNA) for lower income households.

In addition, the element should include information about the feasibility of small (in some cases, smaller than ½ acre) nonresidential sites to accommodate housing affordable for lower income households. For example, many small C-2 sites estimate a residential capacity of between 4-13 units. Residential developments of that size are very difficult to develop for housing affordable to lower income households. The element should describe the potential feasibility (the examples provided in Table H 5-3 do not identify any affordable units of that size). Given the complexities of developing residential in mixed use developments, the element should also describe incentives and policies to facilitate such developments.

- b. The element should identify sites located in areas with access to transit and other important amenities (schools, employment, groceries) and prioritize developments in those areas. In addition, sites that are located close to amenities are more competitive for critical affordable housing resources (such as the Low Income Tax Credits). While the element notes on page H 7-4 that the City's 2035 General Plan includes principles to plan for housing close to jobs, services, and amenities and promote developments that foster accessibility and connectivity between areas, the element does not appear to directly implement those goals. For example, the inventory of sites does not describe the sites relative to proximity to amenities nor identify priority development areas that could facilitate mobility and connectivity. The element could provide an important resource for identifying sites that will be most competitive for affordable housing funds and facilitate the City's efforts to promote walkable and sustainable communities.

On page H 7-7 the element describes commendable Zoning Code amendments to promote infill development and energy conservation and efficiency. The incentives should be described in greater detail (e.g. what kind of bonuses are provided for developments that exceed CALGreen Tier I or II; what level of affordability is required to qualify for fee reductions and waivers; how is infill defined to qualify for waivers; and what neighborhoods are targeted?). The element should also describe how the City promotes these incentives to the development community.

The element also highlights that CEQA streamlining is available to Transit Priority Projects (TPPs) pursuant to SACOGs Sustainable Communities Strategy. However, the sites inventory does not identify which sites are within a TPP.

- c. The housing element should also describe the City's participation in initiatives to promote equitable development including the status and goal of the Transit Oriented Development Collaborative.
- d. The element describes the de facto building moratorium in the Natomas Basin and indicates development is expected to proceed in the later part of the planning period pending Congressional authorization and funding. Last week, Congress restored funding for the levee improvements necessary to lift the moratorium. So this portion of the Element needs updating. The City should include a program to monitor the status of these

efforts and a process to identify additional sites should the estimate of timing for development prove to be optimistic given needed federal and state actions.

- e. The element should include information about the degree to which the City is relying on sites with Township 9, Downtown Railyards and Delta Shores to address the regional housing need (RHNA) for low income households. While the element describes build out capacity and some information about timing, if these areas are needed to provide adequate sites, the element should provide more specific information about the basis for the development capacity within the planning period and information about the expected affordability.

6. Analyze and address potential governmental constraints (Government Code Section 65583 (a)(5) and 65583(c)(3)):

We commend the City for its leadership in revising parking standards to promote infill and for its efforts review and modify development and processing requirements that could hinder affordability and sustainable development. However, the housing element should also address the following:

- a. Describe the reasonable accommodation (RA) process. While the element indicates the City has a process for reasonable accommodation in the zoning, building, and permitting process, it does not describe the process, any costs, or how it promotes the availability of the RA process.
- b. Describe the status of the SRO ordinance including the no-net loss policy as well as the availability of resources to continue preservation and development. The element notes that \$15 million was made available in 2006 but should identify if any funds remain and how additional resources can be made available.
- c. The element generally describes its successful Rental Housing Inspection Program. We understand the City may be considering changes to the program. If so, the element should describe any potential changes and the public process that will be used to consider revisions.

7. Quantified Objectives and Housing Programs (Government Code Section 65583(b) and (c)(1-6)):

As noted above, the element does not appear to recognize/address the impact of the loss of redevelopment funds or the impact of SHRA's loss of staff and resources. The element should describe the City's strategy for addressing these serious issues, including any strategy to identify other funding resources (e.g., expand the Housing Trust Fund, etc.). SHA stands ready to work collaboratively

with the City to identify strategies to address this crisis and recommends the City consider creating a taskforce of community stakeholders to work with the City.

The Draft Element includes very little information about the City's strategy to revise its mixed income ordinance. While City staff has shared a framework the City is considering, much of that framework is inconsistent with policies and conclusions in the Element. For example, the current frame work appears to no longer require regulated affordable housing units to meet the inclusionary obligation (replacing it with an untested and ineffective "affordable by design" strategy) and would allow most developments to fee-out rather than build the units. Yet page H 3-68 of the element indicates that income disparities among minority populations lead to economic and geographic segregation and the proposed fee out strategy will exacerbate this segregation. Other sections of the Element indicate that the increasing share of lower-income households with housing cost burdens may signal the need for more variety of regulated housing options. The City should convene interested stakeholders to help develop any revisions to the ordinance, and assist the Planning Dept. with trouble-shooting the problems in their proposed framework which will actually inhibit the building of affordable housing not facilitate or encourage it.

Most of the City's housing programs require more information about **how** the City will implement the strategy and should include objectives (quantified where appropriate). Including more information about the City's role in implementation and its objectives for outcomes will both facilitate implementation and provide a measure to evaluate the success of the strategy.

Programs that require revision to comply with the law and address identified needs include:

- a. Program 4 indicates the City will provide Housing Choice Vouchers on an ongoing basis but does not address the current crisis resulting from the Federal Sequestration. The program should describe how the City will work with SHRA to maintain existing Vouchers and identify strategies to assist any families that may lose their assistance.
- b. Program 5: should describe **how** the City will engage the community in the effort to update the Analysis of Impediments to Fair Housing Choice.
- c. Program 6: where will the City provide information about fair housing resources and describe the adequacy of these efforts to reach populations in need.
- d. Program 7: is this a reference to the TOD Collaborative effort? The element should more specifically describe the status and timing of this effort.
- e. Program 8: How does the City "consider" impacts of rezoning on its ability to maintain adequate sites? Is there a formal process to review and report on all rezoning?

- f. Program 9: We recommend the City consider posting and updating the land inventory on-line to further promote priority development areas and to maintain a transparent and accessible site inventory.
- g. Program 11: When will the City develop CIPs to coordinate infrastructure financing and focus funding on key infill areas?
- h. Program 14: How will the City assist non-profit organizations with Predevelopment loans? Has funding been identified to provide assistance?
- i. Program 16: How is this program different than Program 11?
- j. Program 17: As noted in the Element, the Workforce Housing Program has not been funded in over 5 years and there is no likelihood it will be in the near future. As a result the program should identify more realistic funding programs and make a more specific commitment to apply for them (e.g., annually, twice in planning period). For example, the Housing Related Parks Program administered by HCD, can provide funding for park development and improvements. The City could consider participating in that program.
- k. Program 20: Describe when the City will apply (e.g., annually, bi-annually)
- l. Program 21: Describe how the public will be engaged in revising the Housing Trust Fund Ordinance. While the program indicates the aspects of the ordinance have proven to be ineffective, the element does not appear to describe the evaluation that led to that conclusion.
- m. Program 24: Should commit the City to both monitor the status of the flood protection efforts and a process to identify alternative sites should development not be able to proceed in the Natomas area as projected in the land inventory.
- n. Program 26: What “local land use regulations and local resources” will the City employ to ensure no net loss of ELI units?
- o. Program 27: What funding will the City use to implement the SRO strategy?
- p. Program 28: Given the reduction in many of the noted resources, what will the City do to otherwise provide resources for ELI households?
- q. Program 29: What type of assistance will the City provide?
- r. Program 30: What specifically will the City do to improve linkages between emergency shelters, transitional housing and supportive housing?
- s. Program 31: What funding resources will the City use?
- t. Program 32: The program commits the City to implement the Ten Year Plan to End Chronic Homelessness, but does not describe **how** the City will do so.
- u. Program 33: The program indicates the City, through the Human Rights/Fair Housing Commission provides fair housing assistance and dispute resolution services. How does the City support the Commission? The Commission is currently unfunded by the City. Will the City provide funding? If yes, how will it provide funding? If no, how will the City deliver this program?
- v. Program 34: Commits the City to encourage the preservation of at-risk units. However, the element does not evaluate or describe the impact of the loss of redevelopment funds and reduction on housing authority resources on these strategies. Given the significant number of units that are at-risk over the next 2 years, a more specific commitment is needed.

- w. Program 35: How and when will the City and SHRA “preserve, convert, and/or rehabilitate privately owned multifamily rental housing for lower income households?
- x. Program 38: This program should be revised to also address the serious issues with subprime lending including the identified relationship between race and ethnicity described on pages H 3-37 and 38.
- y. Program 39: What funding source will the City use for this program?
- z. Program 40: We commend the City for supporting fee deferral, but the program should specifically commit the City to adopt fee deferral with the adoption scheduled earlier in the planning period.
- aa. Program 41: We commend the City for committing to establish a Responsible Banking Ordinance and commit to assisting and supporting the City in this effort.

Thank you very much for your consideration of our comments. We would like our comments to be included in the record, and request the draft element be revised prior to submitting it to HCD for their review. SHA looks forward to working with the City in the coming weeks and months to strengthen the Draft to comply with State law and more effectively address critical community needs. Sacramento has a long history of being a leader in affordable housing and sustainability; we welcome the opportunity to work with the City to maintain and reinforce this commitment. We would like to meet with you as soon as possible to discuss these concerns. We will follow up with Planning Staff to set up a meeting soon. If you have any questions, please contact me at the number or email below.

Sincerely,

Greg Sparks- Executive Director
Sacramento Housing Alliance
1800 21st Street, Suite 100
Sacramento, CA 95811
916-455-4900 x301
Greg@SacHousingAlliance.org

cc: Greg Sandlund, Project Manager- Community Development Department,
Tom Pace, Principal Planner- Community Development Department,
Planning and Design Review Commissioners

Greg Sandlund

Subject: FW: Public Comment to Planning and Design Meeting 8/15/13
Attachments: HousingElement8-15-13.pages; ATT00001.htm

Tristan Godt
431 Eastbrook Way
Sacramento, CA 95835
916-248-6022

August 13, 2013

Ms. Kiyomi Burchill
Planning and Design Commission
915 I St, First Floor
Sacramento, CA 95814

Dear Chairperson:

Thank you for the opportunity to send my comments for the August 15, 2013 agenda item, LR12-004 Draft 2013-2021 Housing Element.

As a Natomas Park resident and active community member, I have been interested in the Housing Element, specifically Inclusionary housing, for many years. I live in one of the few new growth areas in Sacramento and during the past 11 years have been front and center to the impact of large "project" apartments of low income housing. The outcome has not been ideal. North Natomas does not have the infrastructure required to support inclusionary housing recipients. Transportation, employment, and medical facilities, to name a few.

I support the changes to the current ordinance, as presented in the Draft 2013-2021 Housing Element, and applaud the planning department for the new plan, specifically in the areas of:

- Extending the mixed income ordinance citywide as opposed to only new growth areas, alleviating North Natomas of the current overburden
- Builder options, including "in-lieu fees", which will generate income for much needed programs
- Affordable by design concept, much of which is already present in my community, but under the current plan is not counted towards the 15% low/very low income requirements

Again, thank you for including my comments in your review. I look forward to seeing this project move forward for council approval on September 3, 2013.

Regards,
Tristan Godt