

### **Panhandle Mixed Income Housing Strategy**

The Panhandle Planned Unit Development (Panhandle) is a mixed use community located at the easterly edge of the North Natomas Community Plan. This plan is comprised of 1,662 single family residential units, 18 acres of parks, 36 acres of parkways and open space and an elementary school site. The Panhandle will be incorporated into the North Natomas Community Plan area.

The City of Sacramento Mixed Income Housing Program requires projects of more than 100 gross acres to “demonstrate how the project will provide housing for a variety of incomes and family types consistent with the housing element.”

The Panhandle PUD will address the mixed income housing ordinance through a combination of payment of housing impact fees (approximately \$7.7 million) and the construction of 16 regulated affordable homes as described below.

A total of 16 regulated affordable homes will be constructed within Villages 4, 5, 10 and 11 (Villages) of Panhandle. These regulated affordable homes shall be the same or similar to other market rate homes (i.e., comparable design, size and materials) in each of the Villages. Building permits may not be issued for more than 75 percent of the market rate homes within each Village prior to the issuance of building permits for 100 percent of the regulated affordable homes. The location of the regulated affordable home will not be adjacent to or across from another regulated affordable home, but otherwise may be located anywhere in each Village. Each subdivision located within Villages 4, 5, 10 and 11 will be responsible for its portion, and not less than four regulated affordable homes will be constructed within each respective Village.

By providing these 16 regulated affordable homes, Panhandle will receive a housing impact fee credit totaling approximately \$1.6 million and SHRA will waive its 30-year monitoring fee. A 30-year regulatory agreement for each of the 16 regulated affordable homes will be recorded at the sale of each home. Panhandle will pay a housing impact fee for the non-regulated, estate and traditional homes, located in Villages 1, 2, 3, 6, 7, 8, 9, 12, 13 and 14.

#### City of Sacramento Mixed Income Housing Ordinance

In subsections 17.712.030(B) and 17.712.030(B)(1) of the Mixed Income Housing Ordinance, the affordable housing requirements indicate:

If the residential project exceeds 100 gross acres in size, the owner shall pay a housing impact fee on all newly constructed market rate dwelling units pursuant to section 17.712.050, and obtain city council approval of a mixed income housing strategy that demonstrates how the project provides housing for a variety of incomes and family

types consistent with the housing element policy. The planning director shall review the proposed mixed income housing strategy in consultation with the executive director of SHRA. The planning director shall recommend approval, modification, or denial of the proposed mixed income housing strategy in conjunction with the development project's earliest planning approvals, consistent with the provisions of section 17.808.260. The city council and planning and design commission shall consider the amount of regulated affordable housing in the vicinity. The mixed income housing strategy may provide for fee credits for land dedication to SHRA, construction of affordable dwelling units, or other mechanisms that lead to the provision of affordable housing.

#### North Natomas Community Plan

The North Natomas Community Plan calls for "Neighborhoods (that) will provide a balance of different housing densities with a variety of housing types, lot sizes, and affordability to serve a broad spectrum of residents." The Panhandle will meet the City's Mixed Income Housing Program by providing a diversity of housing and will be implementing the housing principles espoused by the North Natomas Community Plan.

#### Panhandle PUD

The stated housing goals of the Panhandle are:

- Provide a variety of housing opportunities that will complement the existing North Natomas Community Plan Community.
- Provide diversity and "move-up" housing opportunities which incorporate high-quality design materials that will retain property values over time.
- Create a community that makes efficient use of land while offering residential housing densities that transition from suburban densities of the existing North Natomas Community to the west to the existing large-lot and rural densities to the east.
- Provide large suburban home sites adjacent to Sorento Road to transition from the existing suburban densities west of the Plan Area to the existing rural densities to the east of the Plan Area. The Panhandle Planned Unit Development (PUD) Schematic Plan is consistent with the City's General Plan and in accordance with the Sacramento City Code.

The PUD Schematic Plan is comprised of predominantly single-family residential development to be implemented through provision of various single-family lot sizes and product types to accommodate various income levels and lifestyle options within the Plan Area. (General Plan designation Suburban Neighborhood Low Density SNLD; Zoning designation R-1 and R-1A). The PUD further defines the development intentions by establishing specific land use designations in the Plan Area that allow specific

residential density ranges and lot sizes (SNLD-E “Estate Lots”, SNLD-T “Traditional Lots”, and SNLD-V “Village Lots”).

The Panhandle project plans three categories of lot sizes:

- Estate lots (6000 – 14,500 sq. ft.),
- Traditional lots (4500 – 7500 sq. ft.)
- Village lots (3000 – 6000 sq. ft.).

House sizes will generally be in the following range:

- Estate (2500 sq. ft. – 3500 sq. ft.)
- Traditional (1800 – 2500 sq. ft.)
- Village (1200 – 1600 sq. ft.).

General range of home prices (2018 estimate):

- Estate lot homes (\$500k – \$750k);
- Traditional lot homes (\$400k - \$550k);
- Village lot homes (\$350k - \$450k).

Based on the most current data available the North Natomas Community Plan has approximately 200 acres of land available for multi-family housing which equates to about 4,000 multi-family apartment units. There is also substantial land available for affordable housing immediately adjacent or very close to the Panhandle.

Currently there is considerable diversity of housing in the North Natomas area but very little “move up” housing which can be generally defined as larger homes on larger lots. Data provided by local real estate sources indicate there is a significant demand for these larger homes. These homes would typically be four and five bedrooms with larger backyards. Currently there is a limited amount of these size homes and lots in the North Natomas area. There is also a significant demand for the less expensive smaller homes on smaller lots, particularly in light of the project’s location close to downtown and major freeways. The Panhandle PUD addresses this need for diversity by providing a significant variety of lot sizes, house sizes and home prices.

By providing this housing diversity as well as contributing significant funds to support affordable housing the Panhandle implements the goals for the Panhandle PUD, the North Natomas Community Plan and the City of Housing Mixed Income Housing ordinance.

Attachments:

- 1 - 2035 General Plan Housing Element Policies
- 2 - Panhandle PUD Schematic Map

## **Panhandle - Housing Element**

The Panhandle Mixed Income Housing Strategy (MIHS) implements the City's Housing Element in a variety of ways. The overall approach of the Panhandle is to provide a wide variety of housing types, payment of housing impact fees (approximately \$7.7 million) and construction of affordable units. This will implement the following provisions of the City Housing Element:

1. **Diversity of housing types and construction of more affordable units:**

- Goal H-1.2: Housing Diversity. Provide a variety of quality housing types to encourage neighborhood stability. This goal is specifically advanced via adherence to the following policies:
  - Policy 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.
  - Policy 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.
  - Policy 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.
- Goal H-1.3: Balanced Communities. Promote racial, economic, and demographic integration in new and existing neighborhoods. This goal is specifically advanced via adherence to the following policies:
  - Policy H-1.3.2: Economic Integration. The City shall consider the economic integration of neighborhoods when financing new multifamily affordable housing projects.
  - Policy H-1.3.4: A Range of Housing Opportunities. The City shall encourage a range of housing opportunities for all segments of the community.
  - Policy 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.

- Goal H-2.2: Development. Assist in creating housing to meet current and future needs. The project shall utilize financial tools made available by the city pursuant to the following policies:
  - Policy H-2.2.3: Offsetting Development Costs for Affordable Housing. The city shall defer fees to Certificate of Occupancy 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.
  - 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.
  - Policy 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.
- 2. **Moderate Income Workforce Housing:** Moderate income housing is facilitated by Panhandle's design elements including the wide variety of lot sizes, home product types, and a walkable and bikable environment. The development of moderate income housing is supportive of the following City of Sacramento Housing Element Goals and Policies:
  - Goal H-1.2: Housing Diversity. Provide a variety of quality housing types to encourage neighborhood stability. This goal is specifically advanced via adherence to the following policies:
    - Policy 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.
    - Policy H-1.2.2: Compatibility with Single Family Neighborhoods. The City shall encourage a variety of housing types and sizes to diversity, yet maintain compatibility with, single family neighborhoods.
    - Policy 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.
  - Goal H-1.3: Balanced Communities. Promote racial, economic, and demographic integration in new and existing neighborhoods. This goal is specifically advanced via adherence to the following policies:

- Policy H-1.3.1: Social Equity. The City shall encourage economic and racial integration, fair housing opportunity, and the elimination of discrimination.
- Policy H-1.3.2: Economic Integration. The City shall consider the economic integration of neighborhoods when financing new multifamily affordable housing projects.
- Policy H-1.3.4: A Range of Housing Opportunities. The City shall encourage a range of housing opportunities for all segments of the community.
- Policy 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 low market rate housing in certain areas.

3. **Product type variation and innovation:** The diversity and flexibility of the Panhandle design (see PUD guidelines) encourage product type variation supportive of the following City of Sacramento Housing Element Goals and Policies:

- Goal H-1.2: Housing Diversity. Provide a variety of quality housing types to encourage neighborhood stability. This goal is specifically advanced via adherence to the following policies:
  - Policy 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.
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  - Policy H-1.3.4: A Range of Housing Opportunities. The City shall encourage a range of housing opportunities for all segments of the community.
  - Policy 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.

#### 4. **Workforce ownership**

Due to the high cost of construction, in order to meet housing demand for households approaching the region's median household income, additional considerations are necessary. This housing segment benefits the middle class and this middle income stratum of the market has been the underserved. Construction of housing that is attainable for households at or near the median income is consistent with a variety of goals and policies spelled out in the City of Sacramento Housing Element.

- Goal H-6: Homeownership. Provide ownership opportunities and preserve housing for Sacramento's modest income workers

In order to accommodate this need, the Panhandle will provide the following benefits to reduce the cost for workforce housing:

- A significant portion of the project will be comprised of smaller and more affordable units with designs that can reduce the individual unit cost of development providing an opportunity for affordable alternatives to the more traditional suburban development.
- Access to amenities: Close proximity to parks and other recreational opportunities as well as schools located within the project area (high school, middle school and elementary school) reduce transportation and related housing costs which contribute to the desirability of the community.

#### 5. **Sustainability**

Sustainability and green development is listed as a theme and priority program of the City Housing Element, listed as Goal H-1.1 in the City Housing Element. It is also applicable to the Panhandle's vision. The project's location in proximity to downtown and major employment centers provides the opportunity to create a community with reduced impacts on the environment compared to other similarly sized communities. The project has a more sustainable land plan design as well as encouraging energy efficient construction techniques. The Panhandle encourages walking and biking through its two on-site trails as well as two large parks located within the project. The plan design will reduce reliance on cars, reduce energy consumption and contribute to a healthier lifestyle.

- Goal H-1.1: Sustainable Communities. Develop and rehabilitate housing and neighborhoods to be environmentally sustainable. This goal is advanced via adherence to the following policy:
  - Policy 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.

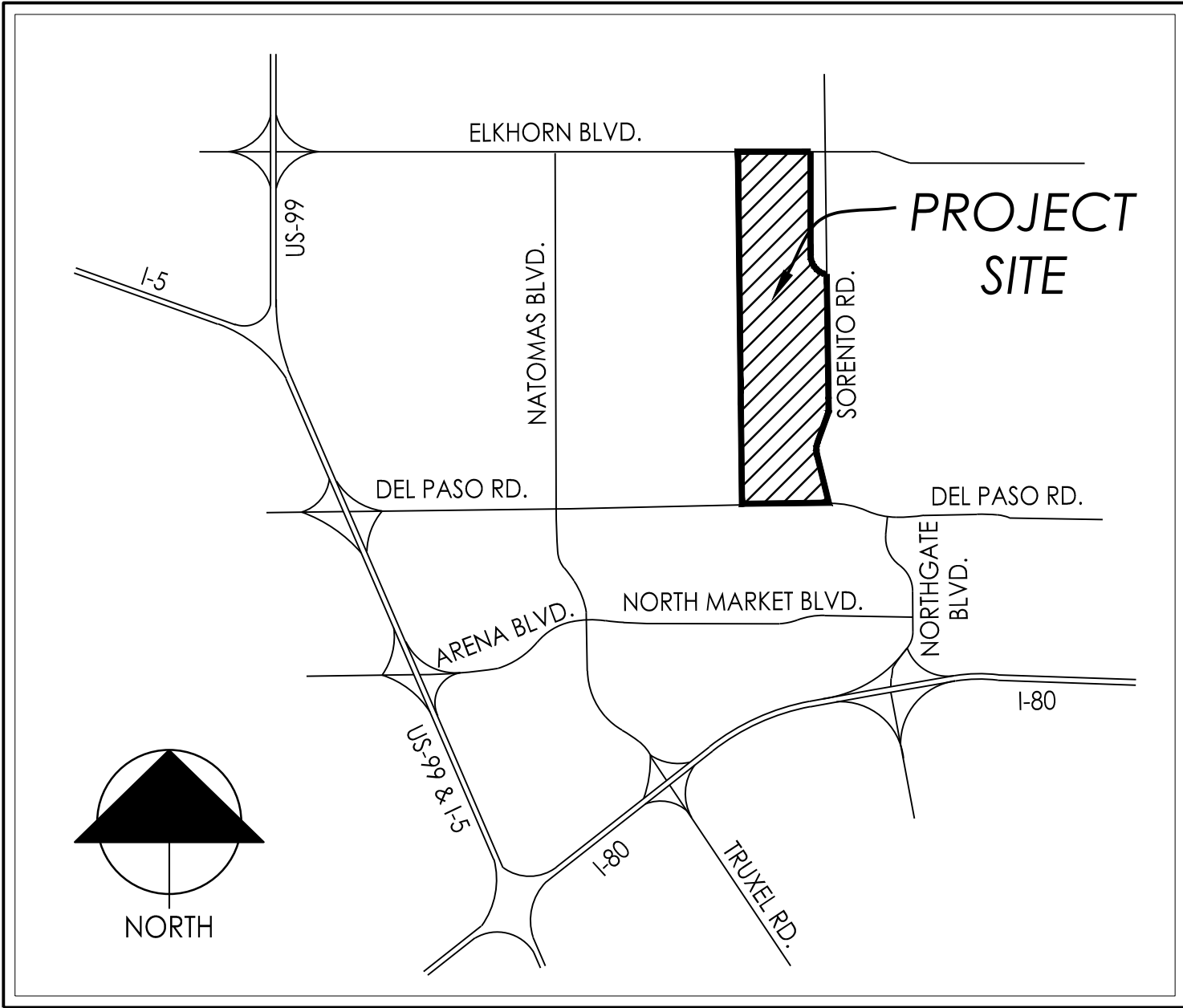
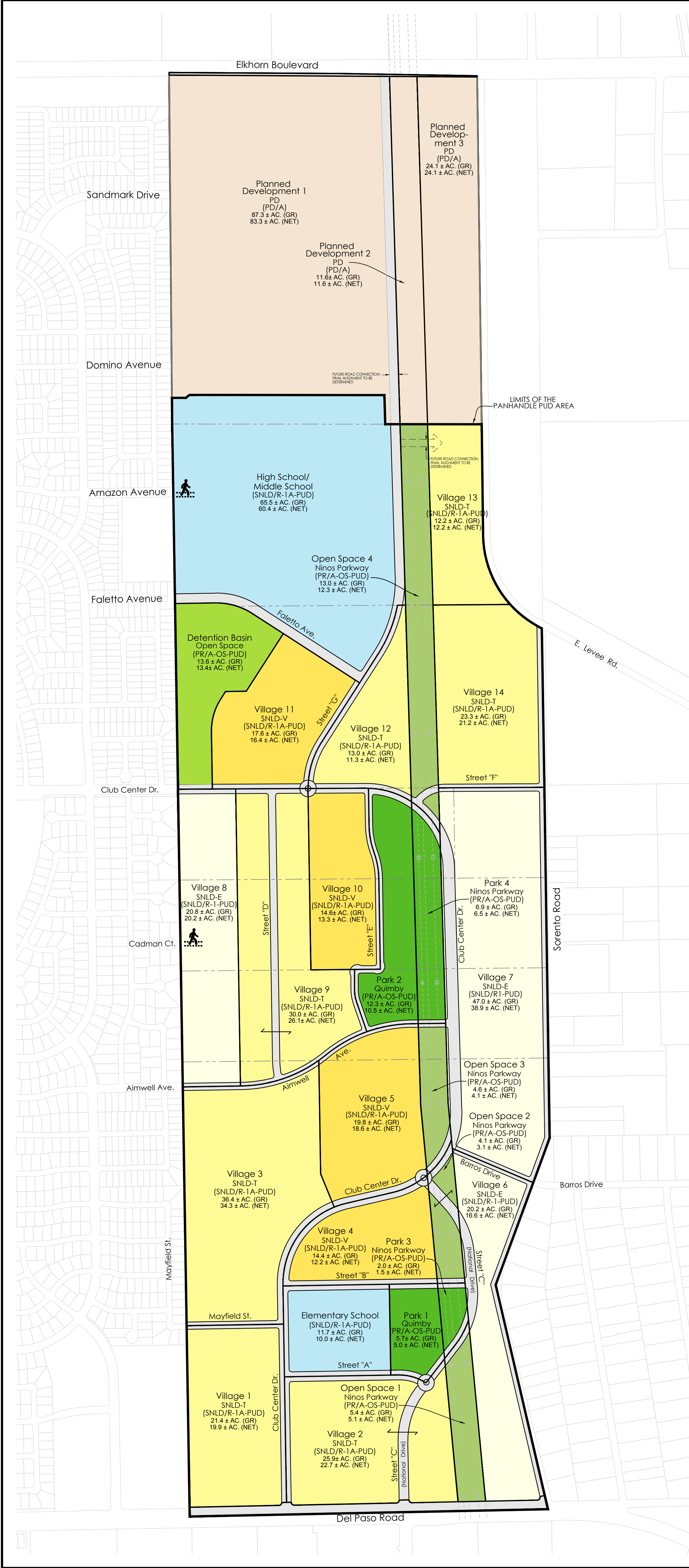
The Panhandle development includes the following features:

- A design that encourages walking and biking which can reduce transportation costs, reduce greenhouse gas emissions and improve the efficiency and livability of the environment. The Panhandle projects has two separate bike/pedestrian trails and two large parks located within the community that provide opportunity for a healthier lifestyle. In addition, these bike and pedestrian trails directly connect to adjacent trails providing greater connectivity to adjoining neighborhoods and retail centers which will reduce reliance on auto travel.
- Amenities in close proximity, including parks, trails, schools, and opportunities for social and community interaction.

The features above result in a potentially significant reduction in greenhouse gas emissions compared to comparable sized developments. Affordability is improved by reductions in transportation costs and improvements in energy efficiency. Additional financial benefits achieved include reduced health care costs, higher property values and greater productivity.



Attachment 2: Panhandle PUD Schematic Map



Parkland Dedication Summary Table							
PANHANDLE Planned Unit Development Plan						2013 parkland dedication formula	
land use	unit type	net acres	avg. net density	dwelling units	% of total residential units	Quimby Formula	parkland dedication rqmt.
SNLD-E	SF	75.7	4.5	340	20%	0.0135	4.59
SNLD-T	SF	148.4	6.0	869	52%	0.0135	11.73
SNLD-V	SF	60.5	7.5	453	27%	0.0135	6.11
TOTAL				1,662			22.43
on-site park deficit		-6.93	acres (to be paid in in-lieu fee)				
parkland provided		23.50					
creditable parkland		15.50					
NOTE: 8 AC. OF PARKLAND SHOWN IN PL CORRIDOR SEEKS NO QUIMBY CREDIT							
park requirement		5/1000	adjust.	3.5/1000		adjusted	delta
3.5ac/1000 actual parkland		22.43	0.7	15.70	acres on-site	15.50	-0.20
1.5/1000 in-lieu fee		22.43	0.3	6.73	acres in-lieu fee	6.93	
				22.43 total rqmt.		22.43	

LAND USE SUMMARY					
PUD Land Use*	General Plan	Zoning	Acres (G)	Acres (N)	Units
SNLD-E	SNLD (3-8 du/ac)	R-1-PUD	88.0±	75.7±	340±
SNLD-T	SNLD (3-8 du/ac)	R-1A-PUD	162.2±	148.4±	869±
SNLD-V	SNLD (3-8 du/ac)	R-1A-PUD	66.4±	60.5±	453±
Elementary School	SNLD (3-8 du/ac)	R-1A-PUD	11.7±	10.0±	
High School / Middle School	SNLD (3-8 du/ac)	R-1A-PUD	65.5±	60.4±	
Park - Quimby	PR	A-OS-PUD	18.0±	15.5±	
Park - Ninos Parkway	PR	A-OS-PUD	8.9±	8.0±	
Open Space - Ninos Parkway	PR	A-OS-PUD	27.1±	24.6±	
Detention Basin - Open Space	PR	A-OS-PUD	13.6±	13.4±	
Planned Development (Krumenacher Property)	PD	A	123.0±	119.0±	
Major Roads (Del Paso Rd & Elkhorn Blvd)	varies	varies	5.0±	5.0±	
Collector and Residential Streets	varies	varies	0.0±	48.9±	
TOTALS			589.4±	589.4±	1,662± DU

\*SNLD = Suburban Neighborhood Low Density  
-E = Estate (4.5 du/ac average net density)  
-T = Traditional (6.0 du/ac average net density)  
-V = Village (7.5 du/ac average net density)  
= Pedestrian Connection Only

