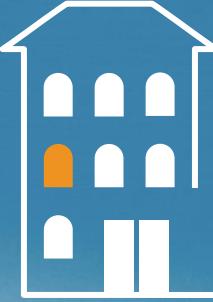


ADOPTED AUGUST 17, 2021
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City of Sacramento
2021-2029
HOUSING ELEMENT

AN 8-YEAR HOUSING STRATEGY



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List of Abbreviations

ADU	Accessory Dwelling Unit
AHSC	Affordable Housing and Sustainable Communities Program
CCSP	Central City Specific Plan
CDBG	Community Development Block Grants
CDD	Community Development Department
CESH	California Emergency Solutions and Housing
CLEAN	Cleanup Loans and Environmental Assistance to Neighborhoods
CoC	Continuum of Care
COG	Councils of Governments
CPA	Community Plan Area
DHA	County Department of Human Assistance
DHS	Department of Health Services
EHAP	Emergency Housing Assistance Program
ELI	Extremely Low-Income
EPS	Economic Planning & Services
ESG	Emergency Shelter Grant
ESG	Emergency Solutions Grants Program
FEMA	Federal Emergency Management Agency
FWHG	Farmworker Housing Grant
GHG	Greenhouse Gas
GIS	Geographic Information Systems
GSAF	Golden State Acquisition Fund
HCD	California Department of Housing and Community Development
HCV	Housing Choice Voucher
HEAP	Homeless Emergency Aid Program
HHAP	Homeless, Housing Assistance and Prevention
HHC	Housing for a Healthy California
HOME	Home Investment Partnerships Program
HOPE	Home Ownership for People Everywhere
HOPWA	Housing for People with AIDS/HIV
HUD	US Department of Housing and Community Development
IED	Office of Innovation & Economic Development

IIG	Infill Infrastructure Grant Program
JADU	Junior Accessory Dwelling Unit
LEAP	Local Early Action Planning
LHTF	Local Housing Trust Fund Program
MCC	Mortgage Credit Certificate
MHP	Multifamily Housing Program
MIHO	Mixed Income Housing Ordinance
MPRROP	Mobile-home Park Rehabilitation and Resident Ownership Program
NLES	Natomas Levee Evaluation Study
OCR	Office of Community Response
ODE	Office of Diversity & Equity
OMS	Office of Migrant Services
PBID	Property and Business Improvement Districts
PDLP	Predevelopment Loan Program
PLHA	Permanent Local Housing Allocation Program
PUD	Planning Unit Development
REAP	Regional Early Action Planning
RHNA	Regional Housing Needs Allocation
RMX	Residential Mixed Use
SACOG	Sacramento Area Council of Governments
SAFCA	Sacramento Area Flood Control Agency
SB	Senate Bill
SHARP	Sacramento Housing Authority Repositioning Program Inc.
SHMHP	Supportive Housing Multifamily Housing Program
SHRA	Sacramento Housing and Redevelopment Agency
SPD	Special Planning Districts
SSF	Sacramento Steps Forward
TCC	Transformative Climate Communities
THP	Transitional Housing Program
TOD	Transit Oriented Development Housing Program
USDA	US Department of Agriculture
VHHP	Veterans Housing and Homelessness Prevention Program



CHAPTER 1 | Introduction

Housing continues to be one of the biggest challenges in Sacramento and throughout California.

With Sacramento seeing some of the highest increases in rent in recent years and home prices continuing to rise, the City is facing an unprecedented housing crisis. As housing becomes less affordable and the supply of housing continues to not meet demand, it is becoming harder for residents, especially low- and middle-income families and individuals, to afford housing. Gentrification and displacement pressures have intensified and homelessness continues to increase in the City. Sacramento's most vulnerable communities, including low- and middle-income households and communities of color, continue to be disproportionately affected by the housing crisis.

The City has taken a number of actions to accelerate the production of housing and to address the housing issues of current residents, but a more holistic plan is needed to address this complex issue.

Sacramento's Eight-Year Housing Strategy

This Housing Element is the City's eight-year housing strategy and commitment for how it will meet the housing needs of everyone in the community. This housing strategy, which covers the planning period of May 15, 2021 to May 15, 2029, will help address the housing crisis in Sacramento through a number of goals, policies, and programs that focus on expanding the housing stock and offering a wider range of housing choices for everyone in the City. The Regional Housing Needs Allocation (RHNA) projection period is June 30, 2021 to August 31, 2029 (see Chapter 3 for more details).

Equity, inclusion, and anti-displacement are themes that are woven throughout the document and reflected in a number of policies and programs. The City aims to ensure that Sacramento is an equitable and inclusive city by protecting and providing opportunities to those residents who are most vulnerable and prioritizing community resources towards historically disadvantaged communities.

The Housing Element is mandated by State law and is part of the City's General Plan. It outlines the City's strategy for housing and how it will comprehensively address the existing and projected housing needs of everyone in the City for the next eight years (2021-2029).

This Housing Element presents an important opportunity for the City to address housing issues in a comprehensive manner and develop a bold and implementable housing strategy.

State Requirements

State law recognizes the vital role local governments play in the supply and affordability of housing. Each local government in California is required to adopt a housing element, which is one of the eight mandated elements of the General Plan. The City is required to prepare an annual progress report on the status and progress of implementing its housing element.

The purpose of this Housing Element is to:

- ❖ Identify the City's housing needs;
- ❖ State the community's goals and objectives with regard to housing production, rehabilitation, and conservation to meet those needs; and
- ❖ Define the policies and programs that will be implemented to achieve goals and objectives.

State law (Government Code Section 65583) requires the City to adopt a Housing Element that addresses the needs of everyone in the community, at all income levels.

HOUSING ELEMENT REQUIREMENTS

- ❖ An analysis of existing and projected housing needs
- ❖ An inventory of land suitable for housing
- ❖ An analysis of potential constraints on housing
- ❖ A fair housing analysis
- ❖ An analysis of any special housing needs
- ❖ Identification of zone(s) where emergency shelters are allowed by-right
- ❖ An evaluation of the previous element
- ❖ An analysis of opportunities for residential energy conservation
- ❖ An analysis of assisted housing developments that are "at-risk" and eligible to change from low-income housing uses
- ❖ Goals, policies, and implementation programs

In order for the private market to adequately address the housing needs and demand of Californians, local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain), housing development. As a result, housing policy in California rests largely on the effective implementation of local general plans and, in particular, local housing elements.

- California Department of Housing and Community Development (HCD)



Housing Element Organization

This Housing Element and associated appendices satisfy the requirements of State law (Government Code Section 65583(a)) and are organized as follows:

Housing Element Contents

The Housing Element is divided into the following chapters:

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

2. Community Engagement describes the City's efforts to engage all segments of the community during the preparation of the Housing Element, including the numerous individuals, organizations, and agencies with which the City consulted, and the methods of community outreach.

3. Summary of Land Available for Housing presents a summary of the City's Regional Housing Needs Allocation and the inventory of sites within Sacramento City Limits that are suitable for residential development during the planning period.

4. Goals and Policies contains the City's housing goals and policies that provide direction to help the City meet its housing goals. The Housing Element includes eight goals that create the framework for how the City will address housing needs.

5. Implementation contains the implementation programs that the City and its partner agencies are committed to implementing over the planning period. A summary of the City's quantified objectives for housing development, rehabilitation, and conservation is also included.



HOUSING ELEMENT GOALS

Goal 1. Increasing Overall Housing Production

Goal 2. Increasing Affordable Housing and Workforce Housing Production

Goal 3. Promoting Accessory Dwelling Units

Goal 4. Advancing Equity and Inclusion

Goal 5. Protecting Residents from Displacement

Goal 6. Preserving the Existing Housing Stock

Goal 7. Housing for People Experiencing Homelessness

Goal 8. Increasing Accessible Housing

Appendices

The following appendices contain important information and analysis to inform and support the Housing Element. They provide the foundation for the goals, policies, and implementation programs.

H-1 Community Profile describes the characteristics of Sacramento's population and housing that are essential to understanding the City's housing needs including population and household characteristics, income and employment, housing costs and affordability, special housing needs, and at-risk housing.

H-2 Land Inventory presents the detailed results of the inventory of sites within the City that are suitable for residential development during the eight-year planning period. It includes a description of the City's RHNA, number of residential units in the pipeline of approved projects and within master planned communities, and an analysis of capacity on vacant and underutilized sites where housing is an allowed use.

H-3 Fair Housing Assessment provides an assessment of fair housing practices in Sacramento, an analysis of the relationship between available sites and areas of high or low opportunity in the City, and a summary of strategies to affirmatively further fair housing.

H-4 Housing Program Resources presents information on staff resources and funding available to support City housing programs.

H-5 Constraints identifies nongovernmental and governmental constraints that inhibit the development, maintenance, or improvement of housing.

H-6 Opportunities for Energy Conservation summarizes the ways the City is currently addressing the conservation of energy resources as part of larger climate action and adaptation planning processes.

H-7 Evaluation of Past Housing Element summarizes the City's achievements in implementing programs under the previous (2013-2021) Housing Element.

H-8 Outreach Meeting Summaries includes the compilation of community input and feedback received during the various meetings and engagement events.

H-9 Glossary provides definitions for terms used in this document.



General Plan Consistency

The City is currently in the process of updating its General Plan. The 2040 General Plan update extends the planning horizon for the General Plan from 2035 to 2040. The Housing Element will be adopted ahead of the 2040 General Plan, and therefore has been prepared to maintain internal consistency with the current 2035 General Plan as required by State law. Specifically, the sites inventory reflects the capacity under the 2035 General Plan land use designations. The 2040 General Plan update is expected to increase allowable densities in certain areas of the city, which will likely increase housing capacity beyond what is described in the 2021-2029 Housing Element.

While the Housing Element is consistent with the 2035 General Plan, the Housing Element goals, policies, and programs were drafted with the goal of implementing the vision and guiding principles for the 2040 General Plan, including the vision that "Sacramento's neighborhoods will be affordable and inclusive, and every resident will have the opportunity to thrive." Relevant guiding principles from the 2040 General Plan update are listed below. When the City prepares the 2040 General Plan or any future amendment, the City will review the Housing Element to ensure internal consistencies.

RELEVANT 2040 GENERAL PLAN GUIDING PRINCIPLES

- ❖ **Principle #4.** Cultivate a broad mix of housing types in all residential zones throughout the city to provide options for residents of all income levels, while protecting existing residents and communities from displacement.
- ❖ **Principle #14.** Work to ensure that Sacramento is an equitable, inclusive, and just city for people of all ages, abilities, ethnicities, races, genders, sexual identities, incomes, and cultures, such that everyone can achieve their full potential here.
- ❖ **Principle #17.** Prioritize community resources towards historically disadvantaged communities in an equitable manner.
- ❖ **Principle #19.** Holistically address the needs of and prioritize care for the homeless, directing resources in a compassionate way that facilitates the transition back into permanent housing.







CHAPTER 2 | Community Engagement

This Housing Element has been prepared with extensive community input and a robust public participation plan to ensure a wide range of input and feedback was received on key components of the plan.

The City used several methods to solicit feedback from a variety of sources including: City staff from other departments, the Sacramento Area Council of Governments (SACOG), the Sacramento Housing and Redevelopment Agency (SHRA), housing developers, housing advocacy groups, local nonprofits, Property Business Improvement Districts (PBIDs), and the broader community from all areas of the City.

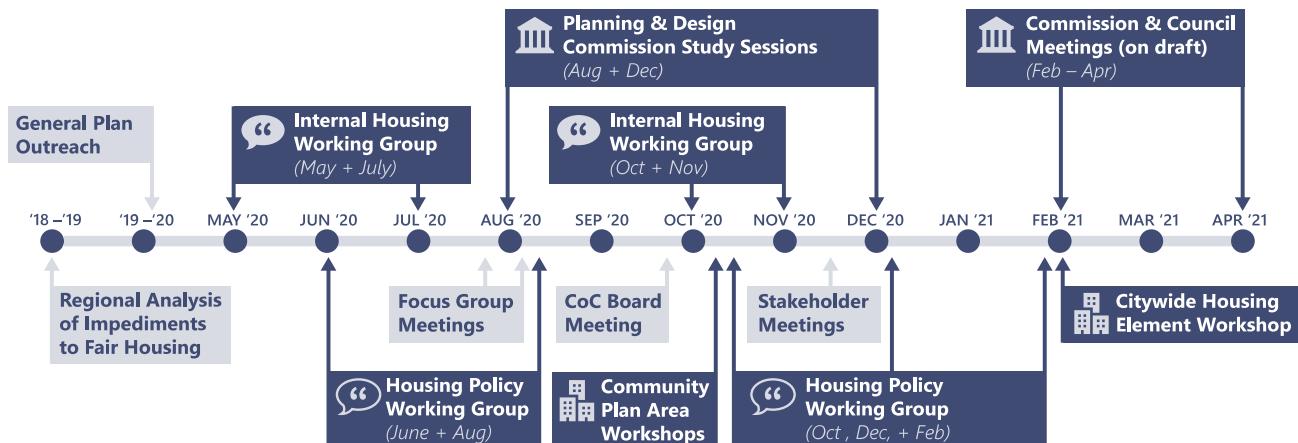
State law (Section 65583[c][7]) of the California Government Code) requires cities and counties to make a diligent effort to achieve public participation that includes all economic segments of the community.

The Housing Element also relied on feedback received at recent citywide outreach events that had been done through other related planning efforts. Throughout the development of this Housing Element, the City strived to foster a transparent and participatory process and the result is a plan that is informed and reflects input received at each major phase of the process.

This chapter describes the City's efforts to engage all segments of the community during the preparation of the Housing Element, including the numerous individuals, organizations, and agencies with which the City consulted, and the methods of community outreach.

Figure 2-1 outlines the various forms of outreach that were conducted and the frequency of outreach that took place during the Housing Element process. Summary notes from the various community engagement efforts are compiled in Appendix H-8.

Figure 2-1 Summary of Housing Element Outreach Activities



PUBLIC ENGAGEMENT SUMMARY

- 5** Meetings with the Housing Policy Working Group
- 4** Meetings with the Internal Housing Working Group
- 2** Focus Group Meetings on Anti-displacement and the City's Affordable Housing Requirements
- 3** Study Sessions with the Planning & Design Commission
- 2** Citywide Engagement Events
- 2** Stakeholder Meetings

survey includes responses from roughly 1,300 participants from the City of Sacramento out of 3,388 total responses.

The data, analysis, and community input from the AI was used to aid in the development of the Housing Element fair housing assessment and the policies and implementation programs.

The resident survey from the AI includes responses from roughly **1,300 participants** from the City of Sacramento and 3,388 total responses from the region.

General Plan Update

The City initiated the 2021-2029 Housing Element Update in April 2020. Prior to the initiation of the project, City staff also began a comprehensive General Plan Update and used the process to gather community input on various topics addressed in the General Plan, including housing issues. During Phase I of General Plan Citywide outreach, staff conducted three in-person Citywide workshops to gather input on critical issues and opportunities to kick off the project.

Housing production and **affordable housing** were emerging themes amongst resident concern and feedback during the General Plan workshops.

Summary of Outreach Activities

Analysis of Impediments to Fair Housing

The Sacramento Valley Fair Housing Collaborative Analysis of Impediments to Fair Housing Choice (AI) was completed in February 2020. The City of Sacramento was an active participant of the Sacramento Valley Fair Housing Collaborative in facilitating the development of the 2020 AI. In partnership with the participating jurisdictions and nonprofit organizations throughout the region, the project team facilitated six resident focus groups and six stakeholder focus groups. Additionally, a resident survey was available in Chinese, Korean, Spanish, and Vietnamese both online and accessible to participants using assistive devices (e.g., screen readers) and in a postage paid mail-back format. The resident

21% of residents suggested a greater variety in housing for residents at all income levels was needed, including services for those experiencing homelessness.

On a scale of 1 (poor) to 5 (good), only 7% of respondents characterized housing choice in Sacramento as good, **while 47% rated housing choice as a 1 or 2.**

Community Plan Area Workshops

During Phase II of the General Plan Update, City staff facilitated an online Community Plan Area (CPA) self-guided workshop for community members to learn about and provide feedback on key strategies for topics including land use, mobility, housing, and park access.

A separate dedicated section on the Housing Element allowed community members to review draft housing goals and give feedback on potential actions to shape the Housing Element goals, policies, and implementation programs.

This virtual workshop was active between October 6, 2020 and October 20, 2020. The Housing Element section had a total of 185 individual participant responses and 557 responses all together. The virtual workshop materials for the Housing Element section were available in English, Spanish, and Chinese. A summary of the workshop and feedback received is included in Appendix H-8.

KEY THEMES OF COMMUNITY FEEDBACK

- ❖ Allow a greater array of housing types in single family zones.
- ❖ Establish an inclusionary requirement or strengthen the Mixed Income Housing Ordinance.
- ❖ Develop an affordable housing bond or tax structure.
- ❖ Expand tenant protections.
- ❖ Prioritize neighborhood-specific planning processes.

Community Plan Area Virtual Workshop Flyer

sacramento I **2040**



Internal Housing Working Group and Housing Policy Working Group

In 2019 and 2020, the City established two working groups to vet and gather feedback on housing-related planning and policies on an ongoing basis.

Internal Housing Working Group

The Internal Housing Working Group (IHWG) is comprised of approximately 16 staff from the following offices and divisions: Planning Division, Office of Innovation & Economic Development, Office of the City Manager, Sacramento Housing and Redevelopment Agency, Office of the Mayor, Sacramento Area Council of Governments, and three City Council Representatives. The City met with the IHWG throughout the process to engage the group on specific elements of the Housing Element Update.

Housing Policy Working Group

The Housing Policy Working Group (HPWG) is comprised of approximately 40 individuals representing a wide range of perspectives, including City staff, real estate representatives, housing advocacy groups, housing developers, staff from State agencies and departments, Planning and Design Commissioners,

Property Business Improvement Districts (PBIDs), and local non-profits. City staff has met with the HPWG throughout the process to engage the group on specific elements of the Housing Element.

Housing Policy Working Group Meeting Workshop



HOUSING POLICY WORKING GROUP

- ❖ On **June 18, 2020**, the HPWG provided input on the overall policy framework and potential housing strategies to consider.
- ❖ On **August 20, 2020**, the HPWG provided input on policy topics to address in the Housing Element.
- ❖ On **October 29, 2020**, staff presented and gathered feedback on the preliminary draft sites inventory and methodology.
- ❖ On **December 3, 2020**, the HPWG provided feedback on preliminary draft goals, policies, and implementation programs.
- ❖ On **February 4, 2021** the HPWG reviewed and provided feedback on the Public Review Draft Housing Element.

Focus Group Meetings

The City hosted two virtual focus group meetings in August 2020 to gather input from various stakeholders, including developers, home builders, non-profit organizations, advocacy groups, and public agencies on two key housing issues: anti-displacement and the City's affordable housing requirements.

The feedback received from each focus group was incorporated into the Housing Element Update and used to guide new policies and programs. Appendix H-8 contains summaries of the focus group discussions.

Stakeholder Discussions

City staff met with representatives from the Sacramento Housing Alliance (SHA) and Legal Services of Northern California to review and discuss the preliminary draft sites inventory methodology and future outreach approaches after initial review and comment at the October 29 Housing Policy Working Group meeting.

Staff also met with representatives from Resources for Independent Living and the North State Building Industry Association to discuss preliminary goals, policies, and programs related to universal design and accessibility.

Citywide Community Workshop on Draft Housing Element

The City held a virtual Citywide workshop in February 2021 to accompany release of the Public Draft Housing Element. Workshop materials were translated and interpretation services were provided in Spanish and Chinese. City staff was available to take phone calls for participants who lack internet access or who are visually impaired. In addition to traditional notification methods, City staff also attended three existing community-based meetings to share information about the Housing Element and how to provide input on the plan. The City worked with Sacramento ACT, SHA, and the Sacramento Poor People's Campaign to coordinate and attend these meetings.

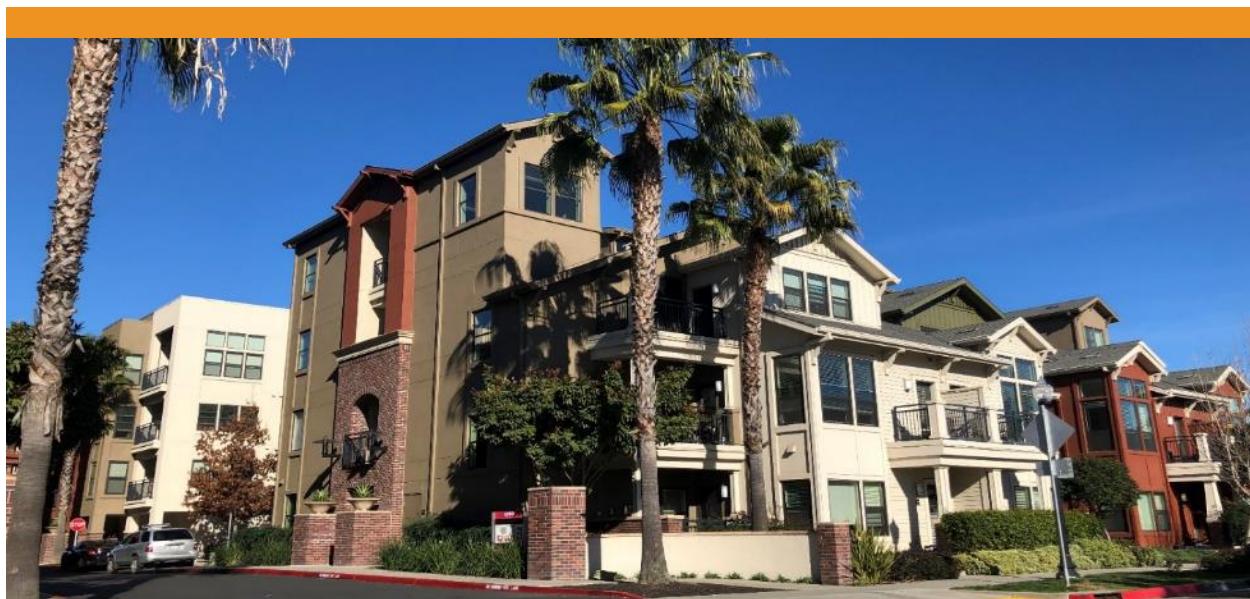
Study Sessions and Public Hearings

The City held study sessions with the Planning and Design Commission on August 13 and December 10 to share work progress to date and obtain early direction and feedback. Additionally, the City had public meetings in February and March 2020 with the Preservation Commission, Youth Commission, Sacramento Housing and Redevelopment Commission, the Disability Advisory Commission, and the Arts, Culture, and Creative Economy Commission on the Draft Housing Element. A subsequent public hearing was held with the Planning and Design Commission on March 11, 2021 to recommend submittal of the draft Housing Element to the California Department of Housing and Community Development (HCD). On April 6, 2021, City Council authorized submittal of the Draft Housing Element to HCD for the 60-day review. An additional City Council Workshop was held on June 15 to provide another opportunity for the Council to discuss the Draft Housing Element policies and programs.

List of Attendees and 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.

- Arts, Culture, and Creative Economy Commission
- California Apartment Association
- Capital Area Development Authority (CADA)
- Continuum of Care Board
- Disabilities Advisory Commission
- Downtown Partnership
- Habitat for Humanity
- House Sacramento
- Inclusive Economic & Community Development Investment Committee
- Investment without Displacement
- Jamboree Housing
- KMP Strategies
- Legal Services of Northern CA
- Midtown Association
- Mercy Housing
- Mutual Housing
- NeighborWorks
- North State Building Industry Association (BIA)
- Poor People's Campaign
- Preservation Commission
- Public Interest Law Project
- Rebuilding Together
- Sacramento ACT
- Sacramento Area Congregations Together
- Sacramento Area Council of Governments (SACOG)
- Sacramento Association of Realtors
- Sacramento Community Land Trust
- Sacramento Continuum of Care
- Sacramento Disabilities Advisory Commission
- Sacramento Housing Alliance (SHA)
- SHA Affordable Housing Advisory Committee
- Sacramento Housing and Redevelopment Commission (SHRA)
- Sacramento Municipal Utility District (SMUD)
- Sacramento Regional Builders Association
- Sacramento Resources for Independent Living
- Sacramento Steps Forward
- Volunteers of America
- Youth Commission





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CHAPTER 3 | Summary of Land Available for Housing

A key component of the Housing Element is demonstrating how the City will meet its fair share of the regional housing need.

Regional Housing Needs Allocation

The Regional Housing Needs Assessment (RHNA) is the California State-required process that seeks to ensure cities and counties are planning for enough housing to accommodate all economic segments of the community. The State assigns each region in California a regionwide housing target that is distributed to jurisdictions through a methodology prepared by the regional councils of Government. For this 2021-2029 Housing Element, the State issued a target of 153,512 housing units for the entire Sacramento Region.

The City of Sacramento's share of the regional housing need was determined through a methodology prepared by the Sacramento Area Council of Governments (SACOG). The City must plan to accommodate a total of 45,580 housing units between June 30, 2021 and August 31, 2029. This is equal to a yearly average of 5,581 housing units. Table 3-1 below shows the City's RHNA by income category. Of the 45,580 total units, the City must plan to accommodate 10,463 units for extremely low- and very low-income households, 6,306 units for low-income households, 8,545 units for moderate-income households, and 20,266 units for above moderate-income households.

Table 3-1 Regional Housing Needs Allocation, City of Sacramento 2021-2029

<i>Income Category</i>	<i>Units</i>	<i>Percent of Total</i>
Extremely Low- and Very Low-Income	10,463	23.0%
Low-Income	6,306	13.8%
Moderate-Income	8,545	18.7%
Above Moderate-Income	20,266	44.5%
TOTAL	45,580	100.0%

Source: Sacramento Area Council of Governments, Regional Housing Needs Plan, 2021-2029. Adopted March 2020.

INCOME LEVELS AND ABILITY TO PAY

State law defines affordability in terms of target household incomes and the relative percentage these households must pay to purchase or rent decent and safe housing. Affordability is therefore relative to both household income and housing unit cost. In most cases, affordable housing is defined as housing and related costs (e.g., utilities, insurance, property taxes for owner-occupied properties) that requires no more than 30 percent of a household's gross income.

The income categories (e.g., extremely low-, low-, or moderate-income) and relative ability to pay for housing are determined in relation to the median household income for the City, adjusted by household size. Table 3-2 below shows the 2020 State and Federal income limits for the Sacramento area based on household size. **The area median income (AMI) for a four-person household in the Sacramento area was \$86,300 in 2020.**

Table 3-2 HCD Income Limits based on Persons per Household, 2020

<i>Income Categories</i>	<i>Persons per Households</i>				
	1	2	3	4	5
Extremely Low-Income (<=30% AMI)	\$18,150	\$20,750	\$23,350	\$26,200	\$30,680
Very Low-Income (31-50% AMI)	\$20,250	\$34,550	\$38,850	\$43,150	\$46,650
Low-Income (51-80% AMI)	\$48,350	\$55,250	\$62,150	\$69,050	\$74,600
Median-Income (100% AMI)	\$60,450	\$69,050	\$77,700	\$86,300	93,250
Moderate-Income (81-120% AMI)	\$72,550	\$82,900	\$93,250	\$103,600	\$111,900

Source: CA Department of Housing and Community Development (HCD), 2020.

Inventory of Housing Capacity

State law requires the City to demonstrate that sufficient land is zoned to provide housing capacity that is adequate to meet the RHNA for each income level. As part of this Housing Element update, City staff conducted a comprehensive inventory of residential units in the pipeline (i.e., approved projects) and all vacant and non-vacant (i.e., underutilized) land within the City limits that is zoned to allow for housing and available to develop within the Housing Element planning period, 2021-2029.

Planned and Approved Projects

Sacramento has a significant pipeline of development projects that are seeking entitlements or are actively pursuing construction. Using data pulled from June 2021, there are an estimated 23,797 housing units in the pipeline that are counted toward meeting the RHNA. About 73 percent of the units in the pipeline are higher density multi-unit or attached housing. The remaining 27 percent are lower-density single-unit developments. A majority of these units (60 percent) are in large master planned communities, such as the Railyards, Delta Shores, and the Panhandle. The remaining

40 percent of the residential pipeline is in individual developments, which include deed-restricted affordable units, market rate condos and multi-unit development, and mixed-use projects. Based on affordability restrictions, the total number of affordable lower-income units in the pipeline is 1,931.

LARGE MASTER PLANNED COMMUNITIES

- ❖ Aspen 1/New Brighton
- ❖ Delta Shores
- ❖ Greenbriar
- ❖ Panhandle
- ❖ Railyards
- ❖ Township 9

Vacant and Underutilized Sites

The City identified potential vacant and underutilized non-vacant sites zoned to allow for residential development within City limits. The City focused the inventory of underutilized non-vacant sites to those primarily located within the Central City and along commercial corridors where the City is focused on encouraging the majority of new housing.

*The Central City is the Community Plan Area with the greatest capacity for housing. The Central City also provides for the greatest density and variety of housing types. Several major planning projects are within the Central City, including the RailYards and Township 9. In addition, there are over 30 individual residential developments in the pipeline. Altogether the Housing Element includes **10,378 units** in the pipeline that are estimated to be built in the Central City by 2029 and capacity for **5,899 units** on vacant and underutilized sites.*

DEFINITIONS

- ❖ **Vacant Site:** A vacant site is a site without any houses, offices, buildings, or other significant improvements on it. Improvements are generally defined as development of the land (such as a paved parking lot, or income production improvements such as crops, high voltage power lines, etc.) or structures on a property that are permanent and add significantly to the value of the property.
- ❖ **Underutilized Site:** Non-vacant sites that have structures or other site improvements, but are capable of being redeveloped with residential uses at a higher density under the zoning and General Plan land use designations. Examples include sites with vacant or abandoned buildings, surface parking lots in the Central City, and large sites that are only partially developed.



Rendering of the Arden Way Apartments Affordable Housing Development

Source: Community Housing Works, 2020

AFFORDABILITY ASSUMPTIONS FOR VACANT AND UNDERUTILIZED SITES

Sites were categorized by income level based on zoning, allowed density, and site size:

- ❖ **Lower-income Sites.** State law establishes a “default density standard” of 30 units per acre for lower-income units in the City of Sacramento. Sites 0.5 acres and larger with zoning or General Plan land use designations that allow for development at 30 units per acre were generally included in the inventory as lower-income sites.
- ❖ **Moderate-income Sites.** High-density multi-unit zoned sites less than 0.5 acres but larger than the size threshold described below for a single-unit lot were inventoried as moderate-income, based on the assumption that the site was too small to accommodate a subsidized lower-income project but large enough for a smaller market-rate multi-unit development to be built. Sites zoned for lower-density multi-unit development that were larger than about 7,000 square feet were also inventoried as moderate-income sites.
- ❖ **Above Moderate-income Sites.** Sites with single-unit or duplex zoning (i.e., R-E, R-1, R-1A, and R-1B) as well as small sites in higher density zones, ranging from under 2,400 square feet to under 7,000 square feet depending on the zone, were categorized as above moderate based on the assumption that a single-unit home would be the most likely to be built.

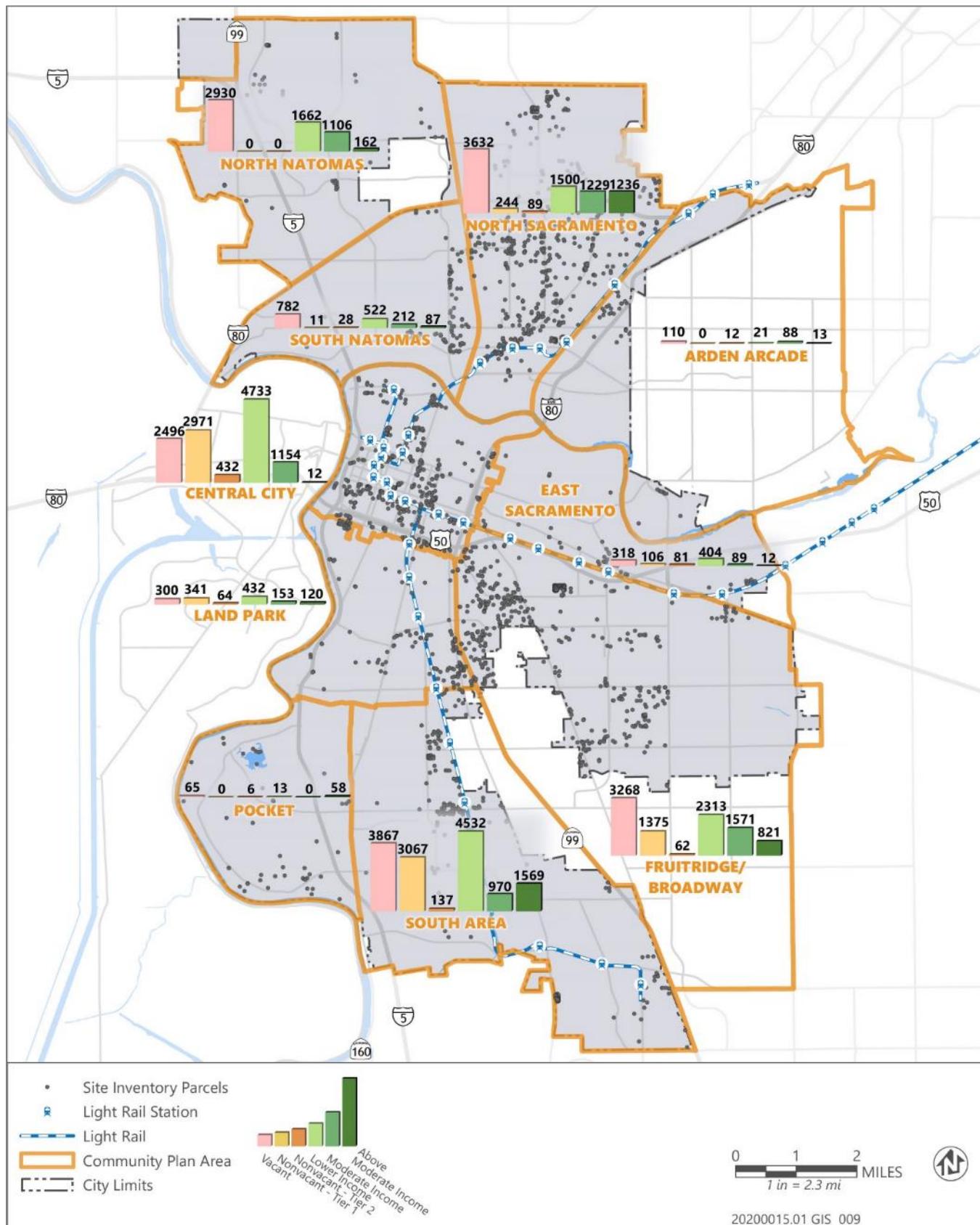
Findings by Community Plan Area

Applying the assumptions and methodology described in Appendix H-2, the City determined the total residential capacity on vacant and underutilized sites within the City (see Table 3-3).

Community Plan Area	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units
Arden Arcade	21	88	13	122
Central City	4,733	1,154	12	5,899
East Sacramento	404	89	12	505
Fruitridge/Broadway	2,313	1,571	821	4,705
Land Park	432	153	120	705
North Natomas	1,662	1,106	162	2,930
North Sacramento	1,500	1,229	1,236	3,965
Pocket	13	0	58	71
South Area	4,532	970	1,569	7,071
South Natomas	522	212	87	821
TOTAL	16,132	6,572	4,090	26,794

Source: Ascent, 2021; City of Sacramento, 2021.

Figure 3-1 Summary of Capacity on Vacant and Underutilized Sites by Community Plan Area



Source: Ascent, 2021; City of Sacramento, 2021.



ACCESSORY DWELLING UNITS

Accessory dwelling units – also known as granny flats, secondary units, in-law units, and backyard cottages – are an important part of the solution to increasing the supply of affordable housing. The City allows up to two accessory dwelling units on each lot by right in all residential districts.

Accessory Dwelling Unit Projection

Per State law, a projection of the number of accessory dwelling units (ADUs) expected to be built within the 8-year planning period can also be considered as part of the inventory. The City has seen a dramatic increase in ADU production in recent years, particularly since 2018 when the state passed several bills to facilitate ADUs statewide. In 2020 the City received applications for 162 ADUs and 76 building permits were pulled. As a result, the City anticipates the number of ADUs to increase over the Housing Element planning period. The City is conservatively projecting an average of 75 ADUs will be constructed each year during the planning period (2021-2029). Over the eight-year period this is equal to a projection of 600 ADUs.

Capacity to Accommodate the RHNA

Table 3-4 below provides a summary of total residential capacity included in the land inventory compared to the City's 6th Cycle RHNA. As shown in the table, the City has a total capacity for 51,191 units within pipeline residential developments and master planned communities and on vacant and underutilized sites, which is sufficient capacity to accommodate the RHNA of 45,580 units. The land inventory includes capacity for 18,399 lower-income units (i.e., extremely low-, very low-, and low-income units), 22,373 moderate income units, and 10,419 above moderate-income units. While there is a shortfall in the above-moderate income category, State law allows surplus sites in the moderate-income category to carry over to the above moderate-income category. The Housing Element relies on non-vacant sites for 42 percent of the RHNA for lower-income and 20 percent overall.

Table 3-4 Summary of Residential Capacity Compared to 2021-2029 RHNA by Income

	<i>Lower-Income Units</i>	<i>Moderate-Income Units</i>	<i>Above Moderate-Income Units</i>	<i>Total Units</i>
RHNA	16,769	8,545	20,266	45,580
Pipeline Residential Development	1,931	15,543	6,323	23,797
Capacity on Vacant Sites	9,013	4,739	4,016	17,768
Capacity on Tier 1 Underutilized Sites	6,475	1,567	73	8,115
Capacity on Tier 2 Underutilized Sites	644	268	1	911
ADU Projection	336	258	6	600
Total Capacity	18,399	22,373	10,419	51,191
Surplus(+)/Deficit(-)	+1,630	+13,828	-9,847	+5,611

Source: Ascent 2021, City of Sacramento 2021

Analyzing Sites Through a Fair Housing Lens

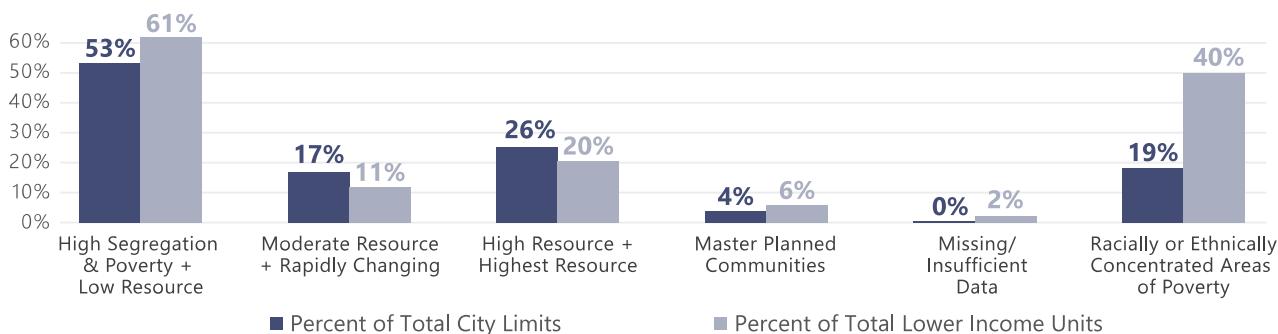
Throughout California, amenities and access to opportunities are not always readily accessible or attainable due to different social, economic, or cultural barriers in society. Because of this imbalance, it is important to ensure that sites for housing, particularly lower-income units, are distributed throughout the City where access to amenities and opportunities are higher, rather than only in concentrated areas of high segregation and poverty. To ensure this, the City needs to consider the accessibility of various opportunities when planning for housing. This includes assessing accessibility to jobs, transportation, and good education and health services. Appendix H-3 provides a more detailed fair housing assessment to affirmatively further fair housing (AFFH). It compares the sites inventory to several of these indicators to determine how the inventory affects fair housing conditions and access to opportunity.

High resource areas identified by HCD and the California Tax Credit Allocation Committee (TCAC) as areas which offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health. About 26 percent of the area within City limits is classified as high or highest resource (see Figure 3-2). The inventory demonstrates an overall adequate capacity to accommodate the RHNA but there are also a limited number of sites that allow for higher density development in existing high resource communities such as East Sacramento, Land Park, and the Pocket.

Additionally, there are several master planned communities identified in the sites inventory that are currently undeveloped, lack amenities, and are classified as low resource or high segregation and poverty. However, the City's Mixed Income Housing Ordinance (MIHO) requires large master planned communities to include affordable housing and to expand access to employment opportunities, transportation, and other amenities for lower-income households. Therefore, once these communities are built, they will be considered high resource areas.

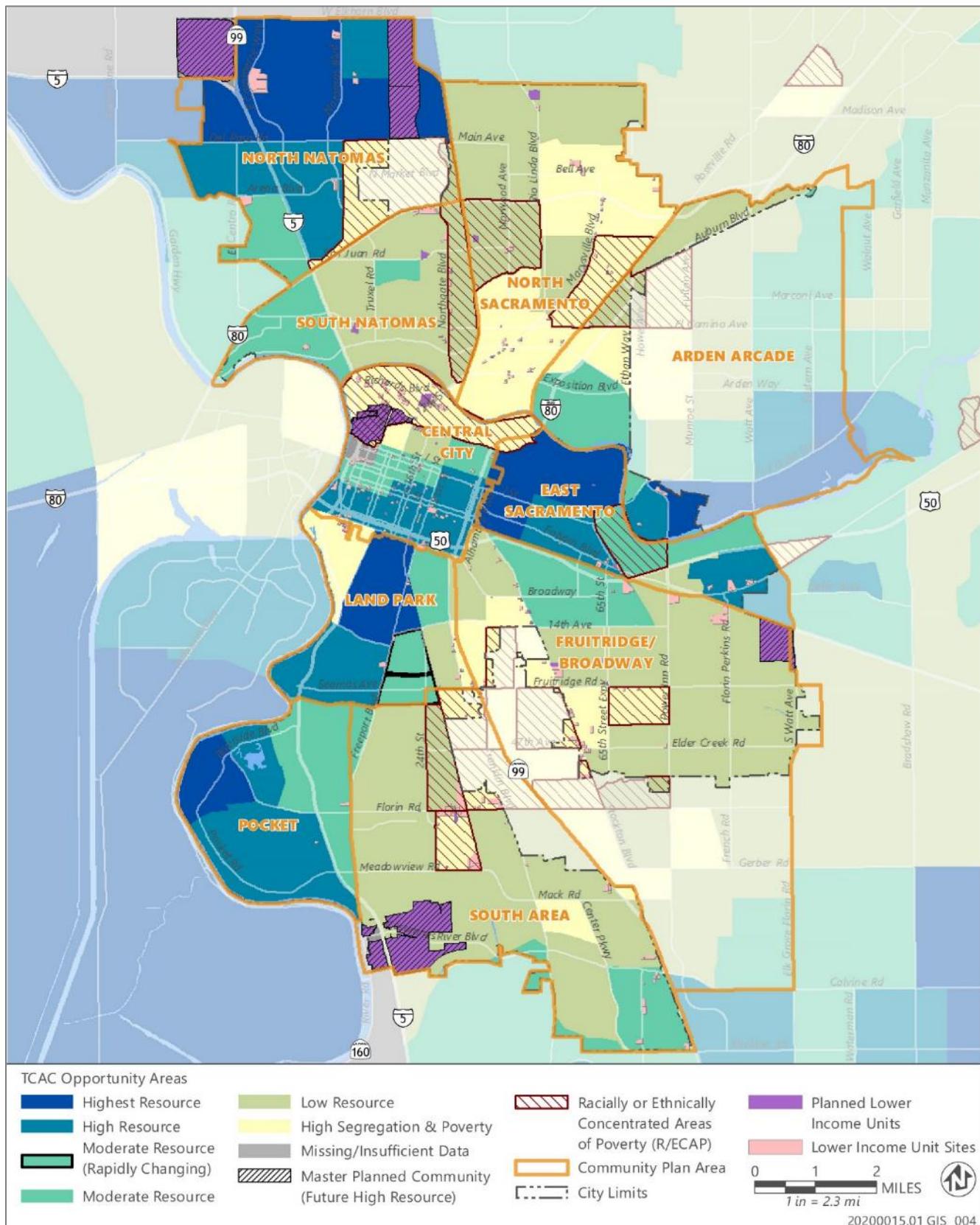
For lower-income sites, there is significantly higher capacity for units in low resource areas and areas of high segregation and poverty. These lower resource areas also overlap with Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) areas. R/ECAPs are defined by the US Department of Housing and Community Development (HUD) and identify where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity. About 19 percent of land within the City's limits is considered a R/ECAP and 40 percent of lower-income units identified in the inventory are in R/ECAPs. This is due to the capacity for high density housing in Florin near the Meadowview and Florin Light-rail stations, and within the South area and River District. Conversely, the capacity for lower-income units is distributed within high or low resource areas in relatively the same proportion as the total land area within the City limits. For example, 26 percent of the area within City limits is classified as high resource or highest resource and 20 percent of the lower-income housing capacity is within these areas. The City has identified policies and programs in the Housing Element that affirmatively further fair housing by increasing capacity for a broader variety of housing, including lower-income housing, in high resource areas, and directing investments to low resource areas and areas of concentrated poverty to improve quality of life of residents in these areas. See Appendix H-3 for a more detailed discussion of the fair housing issues in Sacramento, the factors that contribute to these issues, and the Housing Element policies and programs that affirmatively further fair housing.

Figure 3-2 City Land Area and Lower-Income Site Capacity by TCAC Opportunity Area



Source: City of Sacramento, 2021; Ascent, 2021.

Figure 3-3 Lower-income Sites and TCAC/HCD Opportunity Areas



Source: CA Tax Credit Allocation Committee, 2021, adapted by Ascent.



CHAPTER 4 | Goals and Policies

The goals and policies provide direction to help the City reach its housing goals.

The Housing Element includes eight goals that create the framework for how the City of Sacramento will address housing needs during the planning period. Within each goal section, the policies provide direction for how the City will achieve that goal.

The goals and policies were developed with extensive community input and reflect the City's ambition to create equitable and inclusive neighborhoods and to provide opportunities for a variety of housing at all levels of affordability to meet the current and future needs of all residents.

HOUSING ELEMENT GOAL SECTIONS



Goal 1. Increasing Overall Housing Production



Goal 2. Increasing Affordable Housing and Workforce Housing Production



Goal 3. Promoting Accessory Dwelling Units



Goal 4. Advancing Equity & Inclusion



Goal 5. Protecting Residents from Displacement



Goal 6. Preserving the Existing Housing Stock



Goal 7. Housing for People Experiencing Homelessness



Goal 8. Increasing Accessible Housing

Goal 1. Increasing Overall Housing Production



Facilitate the construction of 45,580 new housing units by 2029.

Sacramento, like most communities in California, is facing a housing crisis.

Housing demand continues to outpace supply. This lack of supply drives up housing costs, greatly impacting affordability. Through the Housing Element update process, every city and county in the state is given a target number of housing units it must plan to accommodate, called the Regional Housing Needs Allocation (RHNA). **The City's target for this Housing Element is 45,580 units over the next eight years, an average of about 5,700 housing units annually.**

Recent housing construction has fallen far below this target. Figure 4-1 below shows the number of housing units by income level that were built over the last seven years (2013-2019) compared to the City's next eight-year housing target.

Meeting this housing target will be challenging. For one, the City does not build housing – the private and nonprofit sectors do. Cities also do not control local market realities or the availability of state and federal funding needed to support the development of housing.

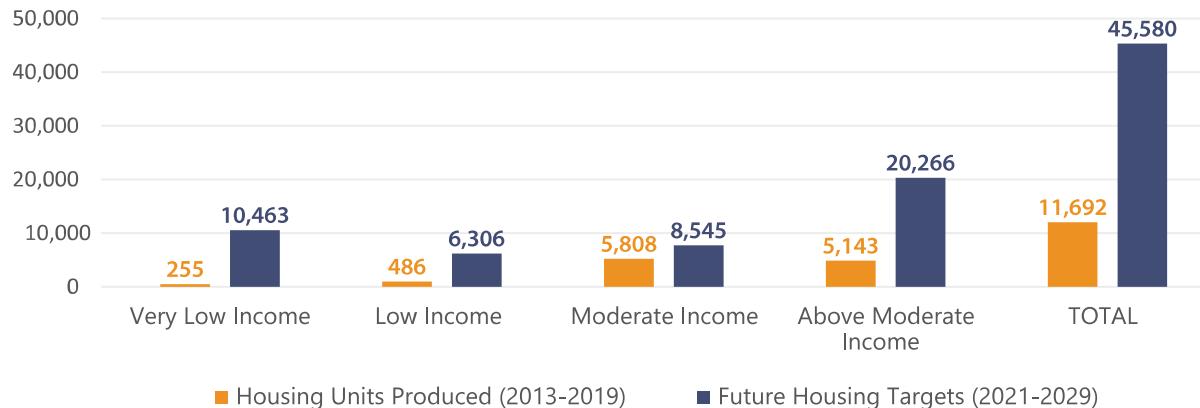
However, the City can help by ensuring that enough land is zoned for residential development to accommodate this large number of housing units. The City can also make it easier and cheaper to build housing. The City has made it a priority to streamline the approval and increase the production of housing through a number of actions with the goals of expediting the planning approval process, reducing housing project costs, and reducing development risk.

Some of the recent actions the City has taken include:

- ❖ **Allowing for checklist planning approval of qualifying infill housing** (Sacramento is the first City in California to offer this);
- ❖ **Amending the City's accessory dwelling unit (ADU) ordinance** to encourage these smaller and more affordable units throughout the City; and
- ❖ **Establishing a Transit Oriented Development (TOD) ordinance** to incentivize and protect areas near light-rail stations for housing and other TOD uses.

These are good steps, but more needs to be done. The following are additional policies aimed at increasing overall production of housing and providing a variety of housing types for all income levels.

Figure 4-1 Past Housing Production (2013-2019) Compared to Future Housing Targets (2021-2029)



Source: City of Sacramento, 2020.

Policies

H-1.1 Ensure Adequate Supply of Land. The City shall maintain an adequate supply of appropriately zoned land to accommodate the projected housing needs.

H-1.2 Reduce Time and Expense of Planning Approval Process. The City shall continue to reduce the time and expense of the planning approval process by offering ministerial/staff-level review of infill housing.

H-1.3 Reduce Time and Expense of Building Permit Process. The City shall continually strive to streamline and simplify the building permit process using best practices from other cities to improve aspects of the process, including coordination with departments, consistency, and timeliness, to make the development experience as efficient and certain as possible.

H-1.4 Facilitate Infill Housing Development. The City shall facilitate infill housing along commercial corridors, near employment centers, near high-frequency transit areas, and in all zones that allow residential development as a way to revitalize commercial corridors, promote walkability and increased transit ridership, and provide increased housing options.

H-1.5 Facilitate Development Through Specific Plans and Commercial Corridor Action Plans. The City shall prepare specific plans and action plans in infill areas and along commercial corridors through a process that includes significant community participation and facilitates infill residential development, affordable housing production, and accommodates more "by-right" housing development in these areas with reduced processing time and costs, while protecting existing residents and businesses from displacement.

H-1.6 Support Infrastructure Improvements in Targeted Infill Areas. The City shall identify infrastructure needs in infill areas; seek new sources of funding for planning and financing infrastructure improvements; and prioritize investments to lower construction costs and catalyze new housing development, particularly in disadvantaged and historically underserved communities as described in the 2040 General Plan Update.

H-1.7 Encourage Adaptive Reuse. The City shall promote and facilitate the conversion of commercial, office, industrial, and parking structures for housing and mixed-use developments.

H-1.8 Support Workforce Pathways into Sacramento's Construction Industry. The City shall support local efforts to expand the construction workforce.



19J in Downtown provides 173 studio and one-bedroom apartments on 0.29 acres – a density of 597 units/acre.

Goal 2: Increasing Affordable and Workforce Housing Production



Support the production of 16,769 new lower-income housing units by 2029 and increase other affordable housing opportunities within the existing housing stock.

Sacramento housing costs have skyrocketed in recent years, making it especially hard for lower-income households to afford housing.

The short supply of affordable and workforce housing coupled with increasing costs of housing not only have negative impacts on the City's lower-income households, but they also have a destabilizing impact on the overall economy as fewer household financial resources are able to be spent on other sectors of the economy. Many lower-income families must choose between paying rent or paying for other basic needs like healthcare, food, and transportation. Others are forced into overcrowded or substandard housing conditions or join the increasingly large population of people experiencing homelessness.

KEY FACTS

- ❖ As defined by the U.S. Department of Housing and Urban Development (HUD), **lower-income households** are those that earn **less than 80% of area median income (AMI)**, or \$69,050 for a family of four in the Sacramento area in 2020.
- ❖ The **median home sale price** in the Sacramento region increased from about \$149,250 in 2012 to **nearly \$440,000 in 2020**.
- ❖ **Less than 40% of homes** in Sacramento are sold at prices affordable for a household earning the median income in 2020.

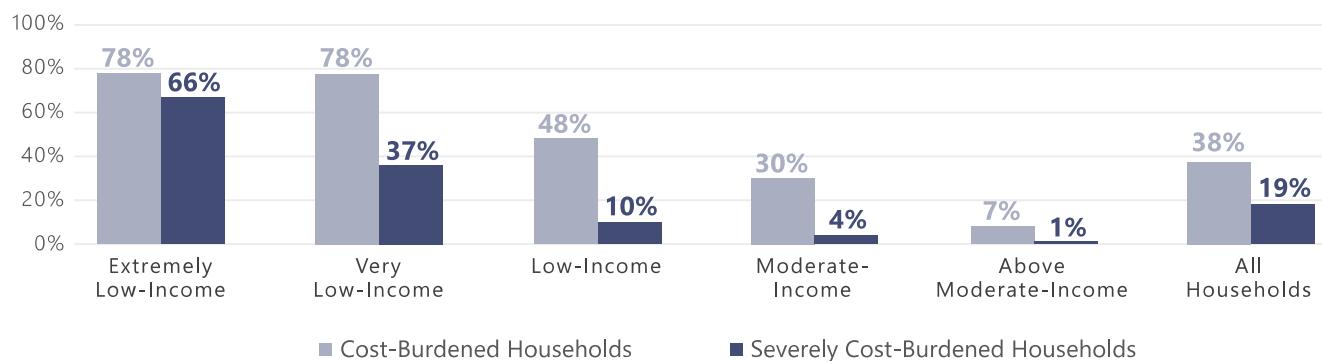
Housing is considered "affordable" if no more than 30 percent of a household's gross monthly income is spent on rent and utilities. Households are considered "cost burdened" if they spend more than 30 percent of their income on housing costs, and "severely cost burdened" if they spend more than 50 percent.

DEFINITIONS

- ❖ **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.
- ❖ **Workforce Housing:** housing that is affordable to households earning between 60 and 120 percent of area median income (AMI). Workforce housing targets middle-income families and workers including teachers, health care workers, retail clerks, young professionals, and more.

As shown below in Figure 4-2, 39 percent of all Sacramento households were considered cost burdened in 2017, and 19 percent of households were considered severely cost-burdened. Lower-income families were more likely than others to overpay for housing.

Figure 4-2 Cost-Burdened Households in Sacramento, 2017



Source: SACOG Housing Element Data Profiles; U.S. HUD CHAS 2013-2017.

City of Sacramento Housing Element 2021-2029

The private market has largely been unable to produce homes affordable to lower-income households, since affordable rents do not cover the cost to construct these housing units. Between 2013-2019, the City constructed an average of 105 lower-income housing units per year, which represents less than 10 percent of Sacramento's previous lower-income housing target.

There are several barriers to developing affordable housing in Sacramento and in California. A historical focus on building single family homes and neighborhoods has made it harder to build housing for lower-income households throughout the City. That, coupled with high construction and land costs and the severe disinvestment in affordable housing subsidies from the state and federal governments, has created major challenges to building new affordable housing. However, the City can play a part in supporting the production of more affordable housing units.

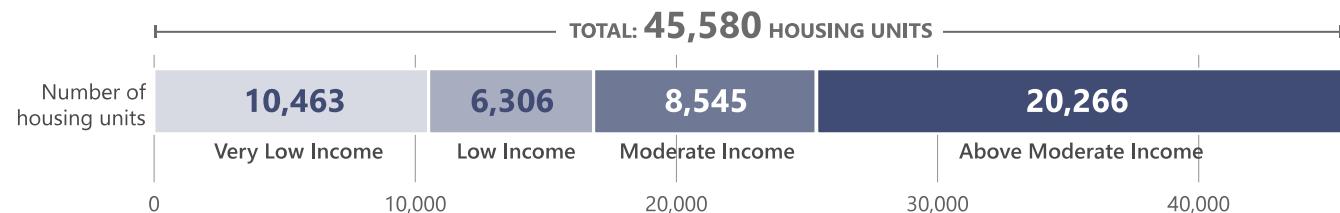
As part of California's 6th Cycle Housing Element, the City of Sacramento must adequately plan for and accommodate a total of 16,769 new lower-income housing units by 2029, which represents 37 percent of the City's overall RHNA (See Figure 4-3 below).

- ❖ Within that 16,769 figure, 10,463 units should be affordable to very low-income households making less than 50 percent AMI, and the remaining 6,306 units should be affordable to low-income households making between 50-80 percent AMI.
- ❖ The allocation is equivalent to producing 2,100 lower-income units annually over the next eight years.

LOCAL SOURCES OF FUNDING FOR AFFORDABLE HOUSING

- ❖ **The Sacramento Housing and Redevelopment Agency (SHRA)** is a Joint Powers Authority created by the City and County. In its role as the Housing Authority, SHRA owns and operates 1,508 public housing units in the City and an additional 771 in the other parts of the county. SHRA also administers over 13,000 Housing Choice Vouchers throughout Sacramento County. SHRA acts as the City's local housing finance agency, administering local, Federal, and State funding programs for the provision of affordable housing and implementing the City's Mixed Income Housing Ordinance.
- ❖ **The Housing Trust Fund Ordinance** was adopted in 1989 to raise local financing for the construction of affordable housing near new employment centers. The ordinance established square footage fees for non-residential development used to increase the supply of affordable housing. Since inception through 2019, the fee has generated approximately \$50 million.
- ❖ **The Mixed Income Housing Ordinance** (MIHO) requires an affordable housing impact fee for new housing units and large subdivisions to assist with the provision of housing for a variety of incomes and household types. The revenue is placed in the citywide Housing Trust Fund and is used to develop affordable housing units with the goal of increasing the supply available for lower-income workers. Since the City began collecting fees under this ordinance in 2016, the MIHO has generated over \$4.5 million.

Figure 4-3 City of Sacramento RHNA, 2021-2029



Project Spotlight: Lavender Courtyard

Developing affordable housing often requires multiple sources of financing and public subsidy from Federal, State, and local governments. The table below shows the anticipated funding sources for Lavender Courtyard, an affordable housing project by Mutual Housing California that is currently (2021) under construction at the corner of 16th and F Streets in Sacramento. The Lavender Courtyard project is a 53-unit affordable LGBTQ-friendly community for older adults. The project relies on Federal and State Low Income Housing Tax Credits, a Multifamily Housing Program loan from the State Department of Housing and Community Development (HCD), a \$1.9 million federal HOME loan from SHRA, fee waivers, and several other sources of financing and public subsidy.

Funding Sources	Total	Per unit
Federal Tax Credit Equity	\$7,667,037	\$144,661
State Tax Credit Equity	\$2,684,394	\$50,649
HCD Multifamily Housing Program Loan	\$11,263,818	\$212,525
Federal HOME Investment Partnerships Program (HOME) funds	\$1,905,525	\$35,953
Federal Home Loan Bank (FHLB) of San Francisco	\$520,000	\$9,811
Private Foundation	\$2,500,000	\$47,170
Deferred Developer Fee/General Partner Contribution	\$1,203,202	\$22,702
Fee Waivers	\$200,000	\$3,774
TOTAL SOURCES	\$27,943,976	\$527,245

Source: Sacramento Housing and Redevelopment Agency, 2020.



Lavender Courtyard Site Plan

Source: Mogavero Architects, 2016



Rendering of the Lavender Courtyard Development

Source: Mogavero Architects, 2020

Policies

H-2.1 Provide Opportunities for Affordable Housing Throughout the City.

The City shall ensure that there are sites zoned appropriately for affordable housing in each of the City's 10 community plan areas, especially high resource areas.

H-2.2 Maximize Use of Public Properties for Affordable Housing and Shelters.

The City shall make City-owned properties that are no longer needed for current or foreseeable future public operations available for the development of affordable housing and emergency shelter space to the maximum extent feasible, and shall encourage other public entities to do so as well.

H-2.3 Assist in the Development of Affordable Housing.

The City and SHRA shall assist affordable housing developments through site identification, direct funding, supporting funding applications, land donation, expedited permit review, and other incentives.

H-2.4 Provide Deferrals and Zero-Dollar Impact Fees for Affordable Housing.

The City shall continue to offer deferrals of City-controlled impact fees and consider the continuation of zero-dollar impact fees for affordable housing units.

H-2.5 Create Additional Local Funding for Affordable Housing.

The City shall strive to create additional local funding for affordable housing.

H-2.6 Advocate for State and Federal Legislative Changes.

The City shall advocate for additional financial resources and legislative changes from the State and Federal government to support the production of affordable housing.

H-2.7 Commercial Linkage Fee.

The City shall continue to require new commercial development to meet the housing demand they generate, particularly the need for affordable housing for lower-income workers.

H-2.8 Support Innovative Construction Methods.

The City shall support and encourage the development and construction industries to implement new technologies and opportunities to build housing that is more affordable by design.

H-2.9 Shared and Intergenerational Housing.

The City shall encourage micro-unit housing in combination with significant shared community space and new shared and intergenerational housing models to help meet the housing needs of aging adults, students, and lower-income individuals and families.

H-2.10 Awareness and Support.

The City shall work to increase community awareness and support for affordable housing citywide.

H-2.11 Conversions to Affordable Housing.

The City shall explore new strategies to convert abandoned and blighted properties into affordable housing.

H-2.12 Housing Choice Vouchers.

The Sacramento Housing and Redevelopment Agency (SHRA) shall continue to educate, market, and provide incentives for landlords to participate in the Housing Choice Vouchers program to provide affordable housing opportunities throughout the City. Based on funding availability, SHRA may use Housing Coordinators and other best practices in assisting participants with leasing housing and maintaining landlord partners.

H-2.13 Affordable Housing Set-Aside in Enhanced Infrastructure Financing Districts.

The City shall require a 20 percent set-aside for affordable housing in all new enhanced infrastructure financing districts to the extent permissible by State law.

H-2.14 By-right Housing on Previously Identified Housing Sites.

The City shall allow housing developments with at least 20 percent affordable housing by-right, consistent with objective development and design standards, on lower-income vacant sites identified in the sites inventory that have been counted in two previous housing cycles or lower-income non-vacant sites counted in one previous housing cycle, consistent with AB 1397.

Goal 3: Promoting Accessory Dwelling Units



Facilitate the construction of at least 600 accessory dwelling units by 2029.

One effective strategy to increasing the supply of affordable housing is facilitating the construction of accessory dwelling units (ADUs).

Over time, ADUs have been referred to by several different names: granny flats, in-law units, backyard cottages, and secondary units. ADUs are an affordable and innovative approach to adding more housing, particularly in single-family residential neighborhoods.

As a result of their small size and relatively low cost of construction, ADUs are naturally occurring affordable housing for renters as well as a reliable source of

income for homeowners. They are particularly well-suited for Sacramento's growing population of college students, small childless families, and older adults; some of whom want to live near extended families while maintaining privacy.

DEFINITIONS

- ❖ **Accessory Dwelling Unit (ADU).** ADUs are defined as attached or detached dwelling units that are complete with independent living facilities for one or more persons located on the same lot as the main house (i.e., primary residence).



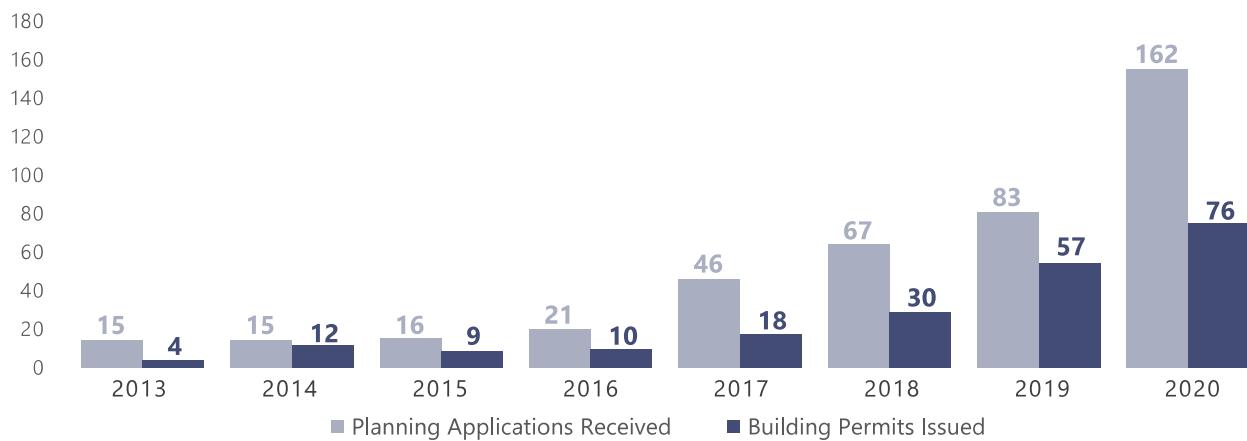
Example of a Cottage-style Accessory Dwelling Unit

Source: ARLnow, Arlington, Virginia, 2020.

City of Sacramento Housing Element 2021-2029

Since 2017, there have been many changes in state and local laws to promote the development of ADUs. As a result of these recent policy changes, ADUs are now eligible for streamlined approval and permitted by right in any zone that allows a residential use. In other words, if the design of an ADU complies with objective development and design standards then it is eligible for an approval process of 60 days or less. Unlike other residential development, ADUs are exempt from density calculations, environmental review, and public hearings. As shown in Figure 4-4, the number of ADU planning applications and building permits issued in the City have steadily increased since 2017.

Figure 4-4 ADU Building Activity, 2013-2020



Source: City of Sacramento Community Development Department, 2021.



Example of an Accessory Dwelling Unit Attached to a Remodeled Garage

Policies

H-3.1 Resources and Materials. The City shall initiate Planning and Development Code amendments and develop tools, resources, and educational materials to increase awareness and support, and to promote and facilitate the development of Accessory Dwelling Units (ADUs) in neighborhoods throughout the City.

Goal 4: Advancing Equity and Inclusion



Create more equitable and inclusive neighborhoods.

Where we live directly impacts our health and our ability to achieve our full potential. Equitable housing must be more than affordable; it must also connect residents to the jobs, schools, services, and community assets that will enable them to thrive and be healthy.

By measures of both citywide and neighborhood diversity, the City of Sacramento has been ranked one of the most diverse large cities in the United States¹. As of 2020, the City has a population of over half a million people. Among the City's residents, one third are non-Hispanic White (35 percent), one quarter are Hispanic (27 percent), and roughly one in five are Asian (19 percent). The City is also home to a significant Black population (14 percent), which is twice the size of the regional average.

While diversity in the City continues to grow, diverse communities are spread disproportionately within the City and across the region as a whole.

Like other American cities, Sacramento has a past of segregation and exclusion in housing.

This includes past practices of mortgage redlining, leading to disinvestment in low-income and minority areas; racially restrictive covenants on housing developments, restricting the access of minority residents to certain areas of the region; and urban renewal programs aimed at redeveloping "blighted," primarily minority, parts of town. The Great Recession and housing foreclosure crisis of 2008 brought to light the unusually high concentration of predatory lending practices in which non-White residents received a disproportionate number of subprime mortgages leading to an abundance of property foreclosures.

As a result of past practices and predatory lending, many Black, Hispanic, and other minority populations currently (2020) live in neighborhoods that either lack

amenities for upward mobility, or face gentrification pressures and the associated danger of displacement from rising rents just when the amenities do arrive.

KEY FACTS

- ❖ Sacramento has been ranked **one of the most diverse large cities** in the U.S.
- ❖ 35% of Sacramento residents are non-Hispanic White, 27% Hispanic, 19% Asian, and 14% Black.
- ❖ **Settlement trends set by past race-based housing policies are still evident today.** Communities of color are concentrated in neighborhoods adjacent to "unrestricted" areas while non-Hispanic White residents largely occupy neighborhoods that historically excluded communities of color.

Demographic patterns across the region as well as in the City reflect the consequences of racial and ethnic segregation. While systemic discriminatory practices excluded Black, Hispanic, and minority households from homeownership opportunities and subsequent intergenerational wealth, another part of why some neighborhoods remain predominately white in their racial composition is because the "desirable" neighborhoods remain zoned exclusively for single family homes. Black, Hispanic, and other minority households are disproportionately lower income and the exclusion of lower cost housing types prevents minority lower-income families from moving to these neighborhoods.

While the Fair Housing Act of 1968 outlawed racially restrictive covenants and government-sponsored redlining, the effects of past systematic segregation and exclusion in housing are still apparent in many areas of Sacramento today.

¹ Newman, Katelyn. 2020. America's Most racially Diverse Big Cities. U.S. News. <https://www.usnews.com/news/cities/slideshows/the-10-most-racially-diverse-big-cities-in-the-us>

Past discriminatory practices have created barriers to homeownership and intergenerational wealth-building for many minority families, and subsequent single-family zoning in neighborhoods with the highest opportunities reinforced it.

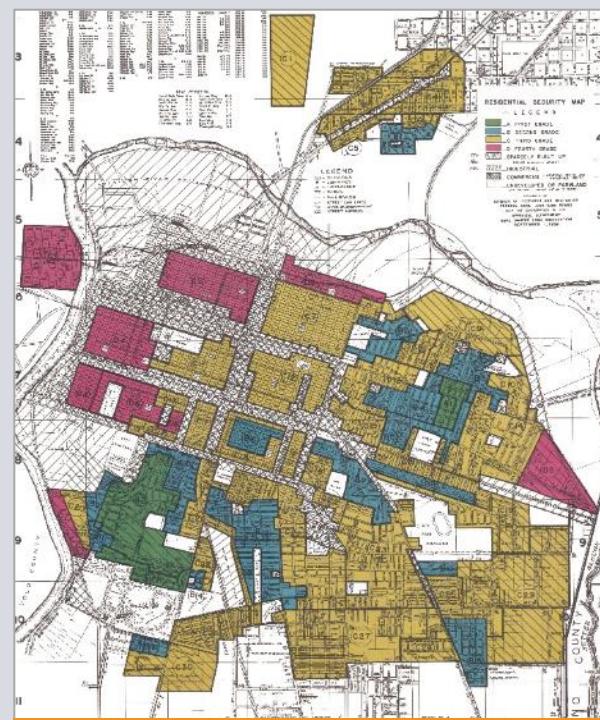
This Housing Element includes several policies and programs to proactively address fair housing issues and segregated living patterns with integrated and balanced communities. As part of the City's 2040 General Plan Update, the City is looking to allow a greater array of housing types in single-unit zones — including duplexes, triplexes, and fourplexes — to increase the availability of housing for more residents at various income levels. Revising the zoning code to allow a greater variety of housing throughout the city can lead to more inclusive neighborhoods since many of the City's highest resource neighborhoods have remained segregated in their racial composition (partly because they are zoned almost exclusively for single family homes).

To affirmatively further fair housing on all fronts, the City is integrating more neighborhood specific action planning within the City's overall development efforts. Additionally, the Housing Element includes programs to further protect vulnerable residents from displacement, to expand outreach and education to better reach vulnerable and at-risk households, and to prioritize inclusive economic and community development throughout the City, with a specific focus on neighborhoods that have historically been denied access to high-quality services.

The City is committed to creating more opportunities for affordable housing dispersed more equitably throughout the City; transforming racially and ethnically concentrated areas of poverty into areas of opportunity; and, as neighborhood investments increase, protecting existing residents from displacement.

HISTORIC REDLINING IN SACRAMENTO

Throughout the country, including here in Sacramento, "redlining" maps were used by financial institutions to assess the level of risk for making home loans. Red areas, as shown in the map below, were described as "racial hazards" where "infiltration of subversive races has occurred." Yellow areas were seen to be "declining" for having multifamily housing and existing minority populations. In this way, minority groups were not granted government-backed home loans with favorable terms in their own neighborhoods but were also prohibited from moving to many of the "best" and "still desirable" green and blue neighborhoods through racial restrictive covenants.



Redlining in Sacramento (1937)

Policies

H-4.1 Expand Housing Types Throughout the City.

The City shall take meaningful actions to allow for a greater array of housing types throughout the city to create more inclusive and equitable neighborhoods and to affirmatively further fair housing.

H-4.2 Invest to Create Equitable Neighborhoods.

Neighborhoods. The City shall invest in historically underserved communities, as described in the 2040 General Plan Update, to transform racially and ethnically concentrated areas of poverty into areas of opportunity, while working to promote housing stability and provide new stable housing opportunities for current residents to stay and enjoy the neighborhood investments.

H-4.3 Promote Mixed Income Neighborhoods.

The City shall promote mixed income neighborhoods with an equitable distribution of housing types for people of all incomes throughout the City by encouraging new affordable housing in high resource areas and promoting homeownership opportunities throughout the City, particularly in low resource areas.

H-4.4 Support Wealth-building Activities for Low-income Residents.

The City shall support efforts to connect low-income residents with financial empowerment resources, homeownership programs, small business assistance, living wage jobs, and workforce training resources and services.

H-4.5 Amplify Community Voices Through Neighborhood Planning.

The City shall work with representative groups of community residents, including non-English speakers, to identify housing needs and implement solutions at the neighborhood level, particularly in areas targeted for inclusive economic and community development.

H-4.6 Housing for Formerly Incarcerated Residents.

The City shall strive to promote housing options and address barriers for individuals who were formerly incarcerated in locating, obtaining, and maintaining affordable housing.

DEFINITIONS

❖ Inclusive Economic Development Investment(s).

Investments that expand economic opportunities that benefit underserved and underrepresented communities, thereby reducing social, racial, health, and economic disparities in these communities. Through public and private actions that are responsive to community need and build on resident assets, these investments foster small business growth, increase quality jobs, stabilize people in safe and affordable homes, prepare residents of all ages to fill jobs, improve neighborhoods, and increase household wealth.

Goal 5: Protecting Residents from Displacement



Protect residents at-risk of displacement from their homes and their communities.

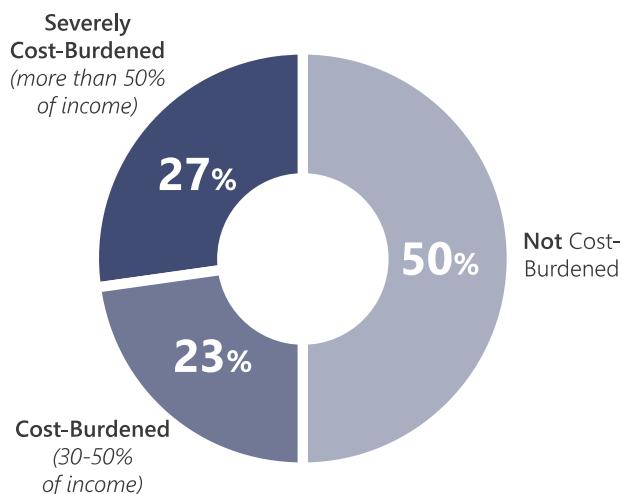
Anti-displacement is about how to keep people in their homes and in their communities in the face of increasing rents and economic pressures.

Sacramento has seen some of the highest increases in rent in recent years. In 2020, the median rent increased by 16 percent, the sixth highest in the nation, and in 2018 half of renters paid more than 30 percent of their income on housing (see Figure 4-5).

As rents increase and access to affordable housing decreases, low-income renters and people of color are disproportionately at risk of displacement. As shown in Figure 4-6, the communities that are most at risk or are already experiencing gentrification and/or displacement (dark purple) are concentrated in the Central City and parts of North and South Sacramento. When renters are displaced due to excessive rent increases, there is a corresponding increase in the number of people experiencing homelessness.

Some anti-displacement strategies are currently being implemented in Sacramento, including tenant protections, preserving existing affordable housing, creating more homeownership, and conducting neighborhood-level planning. The Housing Element includes additional policies and programs the City and its partners will use to help support vulnerable residents and households.

Figure 4-5 Housing Cost Burden - Renters (2018)

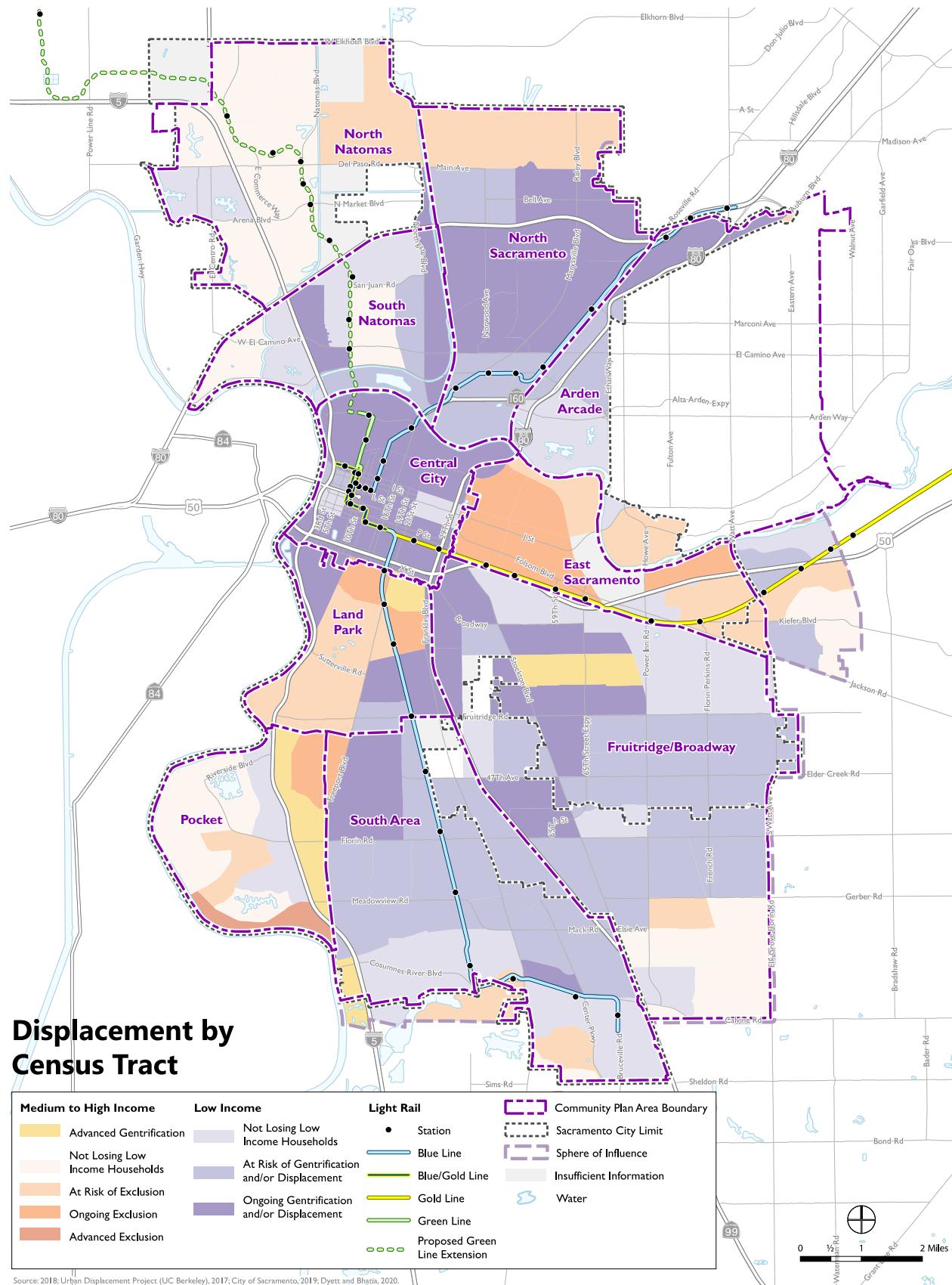


Source: 2013-2017 HUD CHAS data

DEFINITIONS

- ❖ **Displacement** occurs when certain groups of individuals or households (often low-income) are forced to move from neighborhoods as a result of rising housing costs and neighborhood conditions associated with new investments in those neighborhoods.
- ❖ **Gentrification** is the process by which higher income households displace lower income residents of a neighborhood, changing the essential character of that neighborhood. Often, though not always, gentrification has a very clear racial component, as higher income white households replace lower income minority households.

Figure 4-6 Risk of Gentrification by Census Tract



Source: Urban Displacement Project, UC Berkeley, 2015; City of Sacramento, 2019; Dyett & Bhatia, 2020

Policies

H-5.1 Minimize Displacement of Vulnerable Residents.

The City shall work to make all neighborhoods places of opportunity and encourage investments while minimizing the involuntary displacement of people of color and other vulnerable populations, such as low-income households, the elderly, and people with disabilities due to the influx of less vulnerable populations attracted by increased opportunities and/or investments.

H-5.2 Strengthen Tenant Protections.

The City shall explore options to strengthen eviction prevention, limits on annual rent increases, and tenant relocation measures.

H-5.3 Develop Neighborhood-Specific Anti-Displacement Strategies.

The City shall engage neighborhood residents in developing customized anti-displacement solutions through neighborhood-level planning in areas targeted for inclusive economic and community development, particularly those at-risk of displacement.

H-5.4 Fair Housing Services and Education.

The City shall support local organizations in providing counseling, dispute resolution and fair housing services, and make a concerted effort to disseminate resources to underrepresented residents, including non-English speakers.

H-5.5 Support Collective Ownership Models.

The City shall support community-driven collective ownership models to help low-income residents remain in their communities and build equity.

H-5.6 Target Homeownership Programs to Underrepresented Residents.

The City shall target outreach on homeownership programs and other housing opportunities to residents in areas at risk of displacement and gentrification and to populations that have historically been excluded from homeownership by discriminatory mortgage lending practices.

H-5.7 Prioritize Affordable Housing Financing in Areas at Risk of Gentrification.

The City and SHRA shall prioritize the financing of affordable housing in areas at risk of gentrification to provide options for low-income residents to remain in their neighborhoods.

H-5.8 Homeowner Protection Services.

The City shall promote and expand programs that support existing homeowners in affording and maintaining their home, including home repairs and foreclosure prevention, with a focus on people of color and vulnerable populations, such as low-income households, the elderly, and people with disabilities.

COLLECTIVE OWNERSHIP MODELS

Community-driven collective homeownership models refer to a form of ownership by a group for the benefit of members of that group. For example, a housing cooperative or "co-op" is a shared housing arrangement in which individuals buy into a building and collectively own that building, sharing responsibilities with fellow tenants or owners.

Another example are community land trusts, which can help ensure the availability of permanently affordable housing in areas facing rapid economic change and appreciation in land values. Community land trusts are a system of tenure in which the land is owned by an entity, usually a nonprofit, and the buildings on the land are owned or leased by residents. There are often legal provisions governing ownership and transfer to keep units affordable in perpetuity. This dual ownership model, which separates the cost of the land from the cost of the buildings, can make homeownership more accessible to low- and moderate-income families.

Goal 6: Preserving the Existing Housing Stock



Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability.

The policies in this section focus on preserving the existing housing stock, with an emphasis on preserving affordable housing.

The City of Sacramento is home to over 10,000 deed-restricted affordable units, not including privately owned deed-restricted affordable units that do not involve SHRA financing. In general, once the period of restricted rent/occupancy expires, a property owner may charge market rents for the previously restricted units. State law requires that housing elements include an inventory of all publicly assisted multi-unit rental housing projects within the local jurisdiction that are at risk of conversion to uses other than low-income residential during the next 10 years from the start of the housing element planning period (i.e., May 15, 2021). An estimated 1,178 units are at-risk of converting to market rate by 2031. The preservation of affordable units is not only more cost effective than building replacement units, but it is a key element of anti-displacement policy.

Beyond subsidized affordable housing, there is a need to maintain and improve the quality of existing market rate housing. Sacramento is a city with many older, established neighborhoods. While the age of housing, by itself, does not necessarily equate with poor housing conditions, 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). As of 2018, of the nearly 196,000 housing units in the City, **about 72 percent were built before 1990, and about 55 percent were built before 1980** (see Table 4-1). The median year a Sacramento home was built is 1975.

KEY FACTS

- ❖ An estimated **1,178 subsidized affordable units are at risk** of converting to market rate by 2031.
- ❖ The median age of a Sacramento home is **45 years old**.
- ❖ **72%** of Sacramento homes were built before 1990.

Table 4-1 Housing Stock by Year Built

Year Built	Number of Units	% of Total
2014 or later	3,992	2%
2010-2013	1,593	0.8%
2000-2009	33,156	17%
1990-1999	16,499	8.5%
1980-1989	31,817	16.3%
1970-1979	30,271	15.5%
1960-1969	20,420	10.5%
1950-1959	23,350	12%
1940-1949	12,411	6.4%
1939 or earlier	21,489	11%
Total	195,749	100%

Source: U.S. Census Bureau, 2018 American Community Survey 5-Year Estimates

ENERGY CONSERVATION IN EXISTING HOMES

The majority of Sacramento's existing housing stock was built before California's 1978 Building Energy Efficiency Standards were implemented. Existing homes provide a significant opportunity to reduce overall energy use, save money, improve air quality, and reduce greenhouse gas (GHG) emissions. By retrofitting older homes to be energy efficient or even zero-carbon, the City has a unique opportunity to achieve both its housing preservation and climate decarbonization goals at the same time. See **Appendix H-6** for more information on how the City is currently addressing the conservation of energy resources as part of larger climate action and adaptation processes.

Policies

H-6.1 Preserving Existing Affordable Housing.

The City shall prioritize the preservation of existing affordable housing at risk of loss of affordability covenants as a critical means of mitigating the displacement and loss of affordable housing units from the City's inventory.

Program to help protect the most vulnerable tenants, including low-income residents, the elderly, and non-English speaking residents who are often most at risk of living in substandard housing conditions.

H-6.2 Rehabilitation and Preservation.

The City shall use preservation, conversion, and/or rehabilitation as tools to improve substandard single-unit homes and multi-unit affordable housing to preserve the existing housing stock and affordability.

H-6.4 Preserve Existing Mobile Home Parks. The City shall support efforts by tenants and nonprofits to preserve existing mobile home parks.

H-6.3 Enhance Rental Housing Inspection Program.

The City shall strive to increase awareness, outreach, and language access related to the Rental Housing Inspection

H-6.5 No Net Loss of Housing Stock. The City shall ensure that sites being redeveloped for housing do not result in a net reduction in housing units.

H-6.6 Preserve Central City Single Room Occupancy Units.

The City shall continue to preserve single room occupancy (SRO) units in the Central City.

Project Spotlight: Pensione K

Single Room Occupancy (SRO) developments play a vital role in providing affordable housing to the City's most vulnerable residents including older adults, persons with disabilities, persons at risk of homelessness, and formerly incarcerated individuals. SROs traditionally provide affordable housing for single individuals with extremely low incomes. Pensione K is an affordable apartment complex located on the corner of 17th and K Streets in Sacramento's Midtown neighborhood. This SRO project, which was built in 1996 with initial financing from SHRA includes a total of 127 studio units, underwent a substantial rehabilitation in 2017 with financial assistance.



Pensione K Affordable Apartment Complex

Source: Pensione K., 2020

Goal 7: Housing for People Experiencing Homelessness

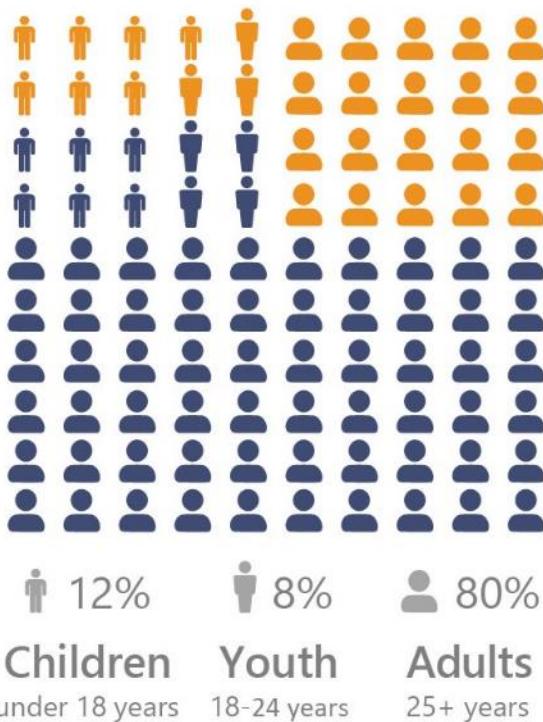


Prevent the occurrences of homelessness and address the housing needs of people experiencing homelessness.

Similar to other regions in California with double-digit increases in reported homelessness, the Sacramento region is in the middle of a homelessness crisis.

On the night of the 2019 Sacramento County Homeless Count, an estimated 5,570 people experienced homelessness throughout the county. However, this figure is a snapshot in time and does not account for different individuals entering, exiting, and returning to a state of homelessness. The results suggest that an estimated 10,000 to 11,000 residents in Sacramento County experienced homelessness in 2019. Nearly 70 percent of people experiencing homelessness were unsheltered.

70% Unsheltered 30% Sheltered



Source: 2019 Homelessness in Sacramento County. Prepared by Sacramento Steps Forwards

The homelessness population includes veterans, women, children, persons with disabilities, older adults, and other vulnerable groups. These individuals lack adequate sanitary facilities and are at risk from theft, crime, and extreme weather conditions. These conditions threaten the physical and mental health and safety of those experiencing homelessness and these conditions pose a threat to the public health and well-being of the entire community.

KEY FACTS

- ❖ From 2017 to 2019, Sacramento County saw a **19%** increase of people experiencing homelessness on any given night.
- ❖ About **70%** of people experiencing homelessness on any given night are unsheltered.
- ❖ **93%** of unsheltered residents were originally from Sacramento or long-term residents.

The crisis of unsheltered homelessness is one that impacts the entire Sacramento community; both those experiencing homelessness and the broader community of housed residents, businesses, and neighborhoods. As residential rents continue to climb, many housed residents also face the threat of homelessness due to lack of access to affordable housing.

Over the past several years, Sacramento has made significant investments to increase access to and availability of shelter, services, and permanent housing for people and families experiencing homelessness. For example, the City and County have made significant strides in adding capacity in the homeless crisis system by allocating funding for almost 300 new shelter beds for single adults and 90 new shelter beds for families. However, much more needs to be done.

The Housing Element includes a variety of policies to help the City address the homelessness crisis. Policies range from working with the County and partner agencies on a regional approach, removing barriers to emergency shelter access, and to improve data quality and regularly report on metrics.

Policies

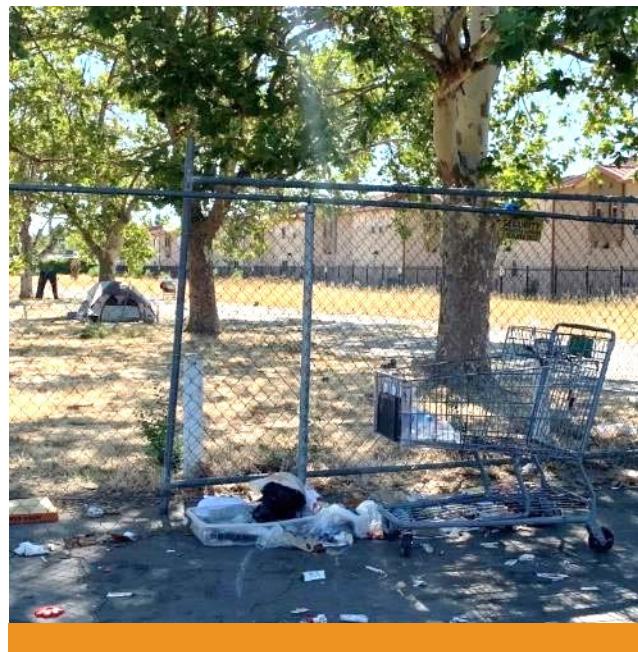
- H-7.1 Housing First Principles.** The City shall prioritize solutions that are consistent with the notion that stable housing is the first, critical step towards addressing human needs.
- H-7.2 Regional Coordination.** The City shall coordinate with the region and work with the Continuum of Care, Sacramento County, SHRA, and partner agencies to develop strategies that address homelessness through a shared vision, coordinated programs, and joint funding opportunities.
- H-7.3 Innovative Solutions.** The City shall consider and employ innovative solutions that further collaboration and coordination of the homeless continuum of care. This will include effective responses and best practices for prevention services, emergency shelters, interim housing, permanent housing and ongoing housing stability to address the homelessness crisis.
- H-7.4 Permanent Supportive Housing.** The City shall facilitate and provide permanent supportive housing options that offer appropriate services so that people experiencing chronic homelessness can maintain permanent housing.
- H-7.5 Prevention Resources.** The City shall use data to focus on impactful solutions, long-term outcomes, and strategies that target those most at risk of homelessness by connecting them to affordable housing, prevention resources, workforce training, and supportive services that will help prevent them from losing their homes (e.g., rental assistance programs, tenant protections, and job assistance).
- H-7.6 Rental Housing Assistance.** The City shall prioritize and facilitate programs and strategies that work to help those experiencing homelessness, or who are at risk of homelessness, find appropriate rental housing and prevention services.

H-7.7 Diversion Approach. The City shall work with and provide resources to partner organizations to prevent people from seeking shelter by helping them identify immediate alternate housing arrangements and connecting them with services and financial assistance to help them return to permanent housing.

H-7.8 Improve Connections Between Shelters and Housing. The City shall expand and improve the collaboration and connection between emergency shelters, temporary housing, and permanent housing in order to decrease the duration of homelessness and rehouse individuals quickly.

H-7.9 Remove Barriers to Accessing Shelter. The City shall strive to remove barriers to emergency shelter access.

H-7.10 Regular Reporting. The City shall use metrics and improve data quality to track and improve the efficacy of homeless services, programs, and investments.



Goal 8: Increasing Accessible Housing



Promote greater universal access in housing and support efforts that provide older adults and people with disabilities the option to stay in their homes and neighborhoods.

The goals of the Housing Element reflect empowerment and inclusion for the broad range of human ability represented in Sacramento.

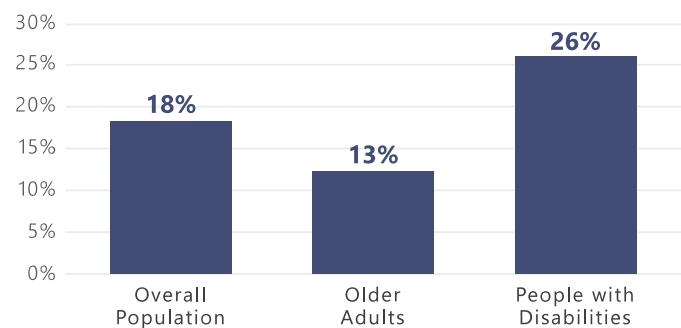
Individuals with disabilities have special needs related to relatively low incomes, housing accessibility, self-care, access to transit, and proximity to health care and supportive services. Disabilities can be both visible and invisible. It is important that there is just and fair inclusion throughout the city and that conditions create an environment where everyone can participate, prosper, and reach his or her full potential.

In 2018, over 57,000 Sacramento residents over age five had one or more disability. This number represents about 11 percent of the City's population over age five. The likelihood of a person experiencing multiple disabilities also increases with age. Of the residents living with one or more disabilities in 2018, about 40 percent were age 65 or older.

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

Persons living with disabilities, especially with severe living or self-care difficulties, generally live with low to extremely low incomes. Figure 4-7 compares the percentage of groups living at or below the poverty line. Overall 18 percent of the population lives below the poverty level in Sacramento. However, 26 percent of people with disabilities live below the poverty line, and only 13 percent of older adults live in poverty.

Figure 4-7 Percentage of People Living in Poverty in Sacramento (2018)



Source: ACS 5-Year Estimates, 2014-2018

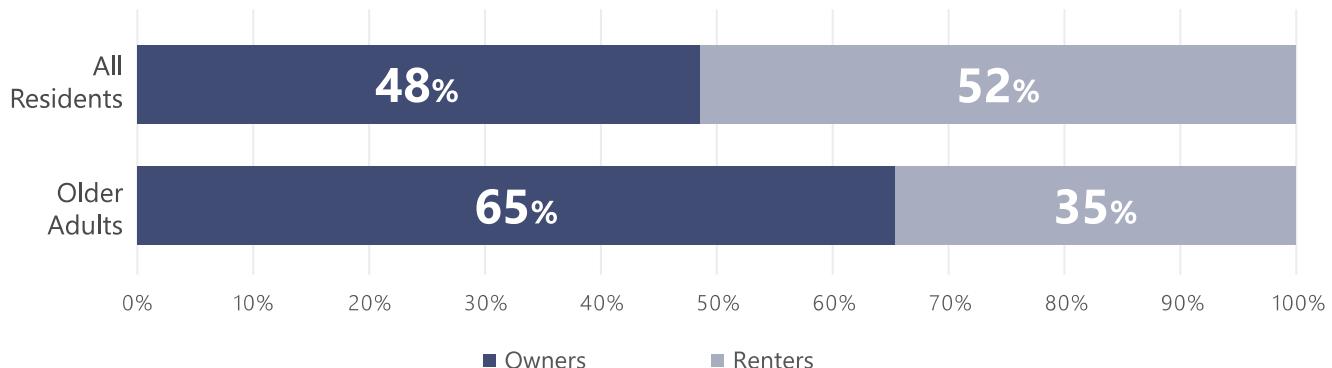
Because a larger percentage of people with disabilities live in poverty, their housing environments tend to be less stable and they are more likely to experience homelessness. This is reflected in the 2019 Point-in-Time Count, which noted that approximately 40 percent of unsheltered homeless adults reported severe disabilities and/or health conditions; 26 percent cited having a debilitating cognitive or physical impairment.

The aging of the population is a global trend and a major force shaping housing in the 21st century.

Older adults (persons age 65 or more) are a special needs group because a high percentage of them have relatively low incomes and decreasing mobility, which limit their housing options. Many older adults own homes that no longer meet their needs; their homes are too large, not located near health and social services, and/or need repairs or accessibility modifications. In Sacramento, the older adult population is rising rapidly. As of 2018, there were about 62,776 older adults living in the City, up 27 percent since 2010. Older adults also represent an increasing proportion of the total population, from 10 percent in 2010 to 13 percent in 2018.

City of Sacramento Housing Element 2021-2029

Figure 4-8 Homeownership Among Older Adults (2018)



Source: ACS 5-Year Estimates, 2014-2018

Older adults, as a group, have lower incomes than the population at large. The median income in 2018 of households headed by older adults was \$45,878, about 78 percent of the median income of all households in the City. In contrast to City households as a whole, who had a 48 percent ownership rate in 2018, 65 percent of older adult households were homeowners in 2018 (see Figure 4-8).

Although most older adults 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.

The vast majority of older adults and persons with disabilities desire to live an independent lifestyle as long as possible. The independent living movement supports the idea that individuals with disabilities can make their own decisions about living, working, and interacting with the surrounding community. Housing and assistance programs for older adults and those with disabilities should put priority on independent living, attempting first to maintain these persons in their own homes and to age in place. Other housing options are accessory dwelling units and duplexes that allow older adults to live near extended families while maintaining privacy.

As Sacramento's population continues to age, there will be increasing demand for age-friendly housing built with universal design principles. A few universal design elements include: zero-step entrances, single-floor living, wide halls and doorways, and electronic

controls reachable from a wheelchair. Housing design features that increase accessibility and safety can allow those with mobility disabilities much more independence in their home.

The Housing Element contains policies to support the independent living movement by helping older adults and people with disabilities stay in their homes and promoting universal design and accessibility in housing throughout the city.

KEY FACTS

- ❖ Over **57,000** Sacramento residents over age five (about **11%** of the population) had one or more disability.
- ❖ Overall, **18%** of the population live below the federal poverty line. About **13%** of older adults and **26%** of persons with a disability are below the federal poverty line.
- ❖ The older adult population has increased **27%** between 2010 and 2018.
- ❖ Older adult headed households made **78%** of the citywide median household income.
- ❖ In 2018, **65%** of older adults were homeowners.

DEFINITIONS

- ❖ **Universal Design.** The design of buildings, products, and environments that make them accessible and safe to all people regardless of age, size, ability, or disability.

Policies

H-8.1 Universal Design in New Housing. The City shall strive to achieve universal design in new residential housing units to provide housing for people with disabilities and allow older adults to age in place.

H-8.2 Reasonable Accommodation Ordinance. The City shall ensure people with disabilities have equal opportunity to use and enjoy their housing by providing a process to request modification to a land use or zoning standard, regulation, policy, or procedure.

H-8.3 Encourage Accessible Housing Near Transit and Amenities. The City shall encourage the development, rehabilitation, and preservation of accessible housing, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.

H-8.4 Financial Assistance for Accessible Affordable Housing. The City shall prioritize financial assistance for affordable housing and permanent supportive housing projects that exceed the minimum accessibility provisions of State and Federal law.

H-8.5 Partner with Community Based Non-profit Organizations. The City shall continue to support and partner with community-based organizations that develop affordable housing, retrofit existing housing, and provide supportive services for older adults and people with disabilities.

H-8.6 Emergency Home Repairs and Accessibility Retrofits. The City shall continue to provide low- and very low-income older adults and persons with disabilities with grants for emergency repairs and/or accessibility modifications to their homes and seek ways to expand this program with community-based organizations, providing affordable loans for larger repair and retrofit needs.

SACRAMENTO: AN AGE-FRIENDLY CITY

The Mayor's Initiative on an Age-Friendly City is a new effort by the Mayor's Office to prepare for Sacramento's growing aging population and become a more livable city for residents of all ages and abilities. The City is partnering with AARP to host listening sessions and conduct extensive outreach, as part of the 2040 General Plan Update, to inform the development of an Age-Friendly Action Plan for Sacramento.



CHAPTER 5 | Implementation

This Housing Element addresses the City's housing issues with a comprehensive and bold strategy.

The City and its partner agencies are committed to implementing the programs outlined in this chapter over the eight-year planning period. These implementation programs have been developed with extensive community input and with thoughtful consideration for what the City could feasibly accomplish during the planning period with current staff resources.

The result is a set of implementation programs that prioritize what will be the most effective in terms of moving the needle and getting more housing, particularly affordable housing, built in Sacramento. Identification of programs is the first step towards implementing the City's housing strategy; successful implementation will require ongoing management, oversite, and collaboration. The City will continually monitor progress and report on these programs annually to the City Council and to the California Department of Housing and Community Development (HCD).

The implementation programs are first organized below by timeframe. Each program then describes the proposed action, the goal(s) it implements, the timeframe for accomplishing the program, and the City agencies, departments, and partners primarily responsible for implementing the program. The Quantified objectives lay out the number of housing units that the City expects to be constructed, maintained and preserved within the planning period. These numbers are based largely on the implementation programs, particularly the ones with measurable outcomes.

IMPLEMENTATION

PROGRAM TIMEFRAMES

- ❖ **Short-Term (2021-2022)**
- ❖ **Medium-Term (2023-2025)**
- ❖ **Long-Term (2026-2029)**
- ❖ **Annual & Ongoing (2021-2029)**

HOUSING ELEMENT GOAL SECTIONS

GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5	GOAL 6	GOAL 7	GOAL 8
 HOUSING PRODUCTION	 AFFORDABLE HOUSING	 ACCESSORY DWELLINGS	 EQUITY & INCLUSION	 PREVENTING DISPLACEMENT	 HOUSING PRESERVATION	 HOMELESSNESS	 ACCESSIBILITY

IMPLEMENTATION PROGRAMS

Short-Term (2021-2022)

Program H1. Review Mixed Income Housing Ordinance



The City shall evaluate the effectiveness of the Mixed Income Housing Ordinance (MIHO). The City shall conduct an economic feasibility study to guide any decisions on changes to the ordinance, including the consideration of a mandatory inclusionary housing component. In this evaluation of the ordinance, the City will engage a broad range of stakeholders to ensure a variety of voices and interests are heard and considered. Based on the findings of the evaluation and the study, the City shall consider amendments to the ordinance with the goal of increasing the amount of affordable housing built in the City while ensuring the requirements do not pose a constraint to overall housing production.

- ❖ **Implements which Policy(ies):** H-2.1, H-4.3
- ❖ **Timeframe:** Initiate economic feasibility analysis in 2021, complete analysis by Spring 2022, and receive decision on ordinance from City Council by end of 2022.
- ❖ **Responsible Department or Agency:** Community Development; SHRA
- ❖ **Objective:** Increase the number of affordable housing units throughout the City.

Program H2. Housing Development Toolkit



The City shall use the Vacant Lot Registration Program data to map privately-owned vacant lots and screen them for parcels that could be appropriate for housing based on screening criteria. The City shall develop a web-based Housing Development Toolkit on the City's website with a step-by-step process for owners identified through the Vacant Lot Registration Program and the Housing Element Land Inventory to evaluate their options for developing their site for housing. The website will walk through the development process and the incentives and programs currently being offered by the City or partner agencies. The Housing Development Toolkit will include resources to facilitate affordable housing developments on large sites, including the City's processing of lot line adjustments and voluntary merger of parcels, and a zero-dollar impact fee for affordable housing units. The City shall develop and execute a Housing Development Toolkit outreach plan targeted at developers and owners of vacant lots with a specific focus on the City's most underserved areas. The City shall review the effectiveness of this program annually with the City's Housing Policy Working Group and suggest changes, as necessary.

- ❖ **Implements which Policy(ies):** H-1.4, H-2.3
- ❖ **Timeframe:** 2021-2022
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Assist in the development of market rate and affordable housing by providing information and tools to property owners of sites appropriate for housing. Facilitate the development of affordable housing on large sites.

Program H3. Establish New Sources of Funding for Affordable Housing



Working with the Housing Policy Working Group (HPWG) and other stakeholders, City staff shall explore new funding sources for affordable housing with the City Council. Potential sources of funding could include but not be limited to the following:



- An increased Housing Trust Fund fee for specific uses;
- Ensuring 20 percent of revenue from an Enhanced Infrastructure Financing District (EIFD) be set-aside for affordable housing;
- Dedicating Property Transfer Tax revenues received in excess of the approved budget at year-end to affordable housing or infrastructure to support infill housing; and
- An affordable housing bond.
 - ❖ **Implements which Policy(ies):** H-2.3, H-2.5, H-2.13, H-4.2, H-4.3
 - ❖ **Timeframe:** Starting in 2021, explore funding sources annually during the City's budget review and approval process.
 - ❖ **Responsible Department or Agency:** Office of Innovation and Economic Development (primary); Finance Department; Community Development; SHRA
 - ❖ **Objective:** Increase available funding to construct affordable housing throughout the City.

Program H4. ADU Toolkit



The City shall develop an online ADU Toolkit with overview, process, case studies, and printable one-pagers covering various topics including, but not limited to, Universal Design and access.

- ❖ **Implements which Policy(ies):** H-3.1
- ❖ **Timeframe:** 2021-2022
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Increased education and awareness of ADUs to encourage the construction of this more affordable housing type throughout the City.

Program H5. ADU Outreach Plan



The City shall develop and execute an ADU outreach plan. Outreach activities could include distributing website information, ADU tours, and educational workshops/open houses.

- ❖ **Implements which Policy(ies):** H-3.1
- ❖ **Timeframe:** 2021-2022
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Increased education and awareness of ADUs to encourage the construction of this more affordable housing type throughout the City.

Program H6. Permit-Ready ADU Plans



The City shall develop permit ready design plans for City of Sacramento residents that will be ADA accessible and vary in square footage to accommodate a variety of ADU options.

- ❖ **Implements which Policy(ies):** H-3.1, H-8.1
- ❖ **Timeframe:** 2021-2022
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** At least 175 homeowners utilizing permit ready plans to build ADUs by 2029.

Program H7. Develop a Web-based Land Inventory



The City shall develop and maintain a web-based inventory of housing element sites that is updated monthly to identify sites appropriate for housing and provide an overlay of the State's High Opportunity Areas as defined by the State's Housing Departments such as the Treasurer or Department of Housing and Community Development. The inventory will also track remaining capacity to meet the RHNA in compliance with no-net loss requirements to maintain adequate capacity for lower- and moderate-income housing throughout the Housing Element Planning Period. The inventory will also highlight surplus City-owned sites and other public lands that would be appropriate for affordable housing.

- ❖ **Implements which Policy(ies):** H-1.1, H-2.2
- ❖ **Timeframe:** Develop web-based sites inventory in 2021; maintain regularly through ongoing updates.
- ❖ **Responsible Department or Agency:** Community Development; Office of Innovation and Economic Development
- ❖ **Objective:** Assist in the development of housing by providing information on land availability. Ensure transparency in the maintenance of adequate sites throughout the Housing Element Planning Period.

Program H8. Revisions to Parking Requirements



The City shall consider further eliminating City-mandated parking minimums and explore instituting parking maximums along established transit corridors. Analysis, community outreach, and coordination with the City's Parking Services Division will be initiated in 2021. Recommended revisions to the Planning and Development Code's parking regulations to be presented to City Council for consideration in 2022.

- ❖ **Implements which Policy(ies):** H-1.4
- ❖ **Timeframe:** 2021-2022
- ❖ **Responsible Department or Agency:** Community Development (primary); Public Works
- ❖ **Objective:** Increase financial feasibility of residential development by allowing more of the site to be used for housing.

Program H9. Facilitate Appropriate Development through Specific Plans and Commercial Corridor Action Plans



The City shall prepare specific plans and action plans in infill areas and along commercial corridors that have been historically underserved, as described in the 2040 General Plan Update and have been targeted for development that considers the needs and desires of the neighborhood in which it is located (e.g., Stockton Blvd, Del Paso/Marysville Blvd). The City shall work to conduct neighborhood-level planning with residents to develop customized engagement and investment strategies that ensure meaningful and equitable participation and anti-displacement solutions in areas targeted for inclusive economic and community development. Infrastructure and California Environmental Quality Act (CEQA) analysis should be included in Specific Plans to facilitate and reduce the length and cost of the development review process.



- ❖ **Implements which Policy(ies):** H-1.4, H-1.5, H-1.6, H-4.2, H-4.3, H-4.5, H-5.1, H-5.3
- ❖ **Timeframe:** Initiate one specific plan or action plan every 1-2 years during the planning period, starting in 2021 with the Stockton Blvd Plan.
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Facilitate infill housing through the development of specific plans, increase the quality of life and economic growth of people, businesses, and places in Sacramento's historically disenfranchised and disinvested neighborhoods, and affirmatively further fair housing.

Program H10. Targeted Infill Infrastructure Strategies



The City shall leverage available State and federal funding sources to conduct infrastructure analyses and targeted studies to understand existing capacity and conditions in infill areas and along commercial corridors of the City that are being prioritized for inclusive economic and community development. The City shall identify area-specific infrastructure improvements and prepare local area finance plans as feasible, to lower construction costs and catalyze development in targeted areas. These finance plans will be prioritized in areas that have been historically underserved and are identified in the Housing Element land inventory to provide opportunities for investments that lead to more equitable quality of life throughout the City. The City was awarded \$750,000 in 2021 from the California Department of Housing and Community Development's (HCD's) Local Early Application Planning grant program to conduct stormwater drainage basin modeling for priority infill areas and housing element site inventory locations. This infrastructure study will be completed by the end 2023.

- ❖ **Implements which Policy(ies):** H-1.7, H-4.2
- ❖ **Timeframe:** Begin conducting infrastructure analyses in 2021 and begin preparation of local area finance plans in 2023.
- ❖ **Responsible Department or Agency:** Community Development (primary); Public Works; Office of Innovation and Economic Development
- ❖ **Objective:** Remove barriers for development in infill areas and along commercial corridors of the City that are being prioritized for inclusive economic and community development by preparing infrastructure finance strategies as needed in target areas through 2029.

Program H11. Prohousing Designation



The City shall strive to receive and maintain through the sunset date of January 1, 2025, the State's Prohousing Designation by demonstrating a sufficient number of policies that significantly contribute to accelerating housing production. Jurisdictions that receive a Prohousing Designation will receive incentives in the form of additional points or other preferences in the scoring of competitive State funding grant programs in the areas of housing, transportation, infrastructure, and land use.

- ❖ **Implements which Policy(ies):** H-2.3
- ❖ **Timeframe:** Initiate application in 2021 and maintain designation through sunset date of January 1, 2025.
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Increase the City's competitiveness in receiving affordable housing funding from the State.

Program H12. Rezone Additional Affordable Housing Sites in High Resource Areas



The City shall redesignate and rezone sites in high resource areas, as identified by HCD and TCAC, to create more opportunities for affordable housing in areas that offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health. The City will establish an appropriate target based on an analysis of potential sites to rezone.

- ❖ **Implements which Policy(ies):** H-2.1, H-4.3
- ❖ **Timeframe:** Redesignate sites in conjunction with the 2040 General Plan Update and subsequent zoning updates to the Planning and Development Code in 2022-2023.
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Rezone sites to accommodate additional lower-income housing units in high resource areas and to affirmatively further fair housing.

Program H13. Homeless Plan



The City shall work with the Continuum of Care, its members, service providers, and jurisdictions, on a coordinated response plan that is updated regularly. The Plan shall include potential shelter site and strategies to address homelessness, with an emphasis on addressing disproportionate barriers to existing homelessness and accessing housing among marginalized populations. The Plan shall also include metrics and indicators to track the efficacy of programs and investments to address homelessness. These metrics will be presented each year in a publicly available annual report.

- ❖ **Implements which Policy(ies):** H-7.2
- ❖ **Timeframe:** Consider the creation and adoption of a plan by 2022 and update as needed
- ❖ **Responsible Department or Agency:** City Manager's Office (Office of Community Response, Homeless Services Division) in coordination with the Office of Innovation & Economic Development, and the Continuum of Care for Sacramento County
- ❖ **Objective:** Ensure continued regional coordination on homelessness issues, with a focus on addressing disparities. Persons with disabilities and Black and American Indian individuals are disproportionately represented in the unsheltered population.

Program H14. Article 34 Ballot Measure



The City shall advocate the State Legislature to repeal Article 34 from the State Constitution. If Article 34 is not repealed by the State, the City shall place a measure on the ballot to seek voter approval that would grant the City general authority to support the development of affordable housing units that, at a minimum, would meet the lower-income RHNA. The City currently has voter approval, this program would request voter approval once the current approval period ends in 2024.

- ❖ **Implements which Policy(ies):** H-2.3
- ❖ **Timeframe:** 2022-2024
- ❖ **Responsible Department or Agency:** SHRA (primary); Office of Innovation and Economic Development
- ❖ **Objective:** Ensure the City has voter approval to provide funding for affordable housing.

Program H15. Permitting Requirements for Special Needs Housing



The City shall ensure compliance with State law and encourage special needs housing through the following actions:

- The City shall amend the Zoning Code to allow Low Barrier Navigation Center developments by right in mixed-use zones and nonresidential zones permitting multi-unit uses (Government Code Sections 65660-65668).
- The City shall review and revise the Zoning Code provisions for temporary residential shelters to comply with locational restrictions and parking requirements under State law (Government Code Section 65583(a)(4)), establish a higher threshold for the number of beds permitted by right, and ensure that the zones in which shelters are permitted by right provide sufficient capacity in appropriate locations within the City where public transit and services are available.
- The City shall update the Zoning Code to allow SROs (i.e., residential hotels) by right in commercial and multi-unit dwelling zones.
- The City shall develop a processing procedure to allow for the approval of 100 percent affordable developments that include a percentage of supportive housing units, either 25 percent or 12 units, whichever is greater, without a conditional use permit or other discretionary review in all zoning districts where multi-unit and mixed-use development is permitted (Government Code Section 65651(a)).

Review and amend the Zoning Code, as necessary, to ensure requirements for group homes of seven or more persons are consistent with State law and fair housing requirements.

- ❖ **Implements which Policy(ies):** H-6.6, H-7.9
- ❖ **Timeframe:** 2022
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Ensure the City's regulations and procedures are in conformance with State law.

Program H16. Update Density Bonus Ordinance



The City shall update the Density Bonus Ordinance for consistency with State law.

- ❖ **Implements which Policy(ies):** H-2.3
- ❖ **Timeframe:** 2022
- ❖ **Responsible Department or Agency:** Community Development (primary); SHRA
- ❖ **Objective:** Consistency with State law.

Program H17. Fair Housing Education, Information, and Dispute Services



The City, with partner organizations, shall continue to provide fair housing services to tenants and landlords. Services include: the Renter's Help Line to direct referrals to legal counsel to prevent and rectify fair housing issues; fair housing trainings; and distribution of fair housing informational materials. The City shall look for opportunities to expand its outreach and public education strategies on available tenant protection services to reach vulnerable and at-risk households by offering information in other languages, targeted social media efforts, combining information with other assistance programs, engaging youth or distributing resources through schools, seeking opportunities for ongoing dispute resolution services, and partnering with community-based organizations.

- ❖ **Implements which Policy(ies):** H-4.2, H-5.4
- ❖ **Timeframe:** Provide ongoing fair housing services; develop outreach and public education strategies by 2022.
- ❖ **Responsible Department or Agency:** Community Development (co-primary); SHRA (co-primary); Office of Innovation and Economic Development
- ❖ **Objective:** Education of tenants and landlords in their rights and responsibilities under fair housing laws to promote increased housing stability, fair housing practices within rentals, and to affirmatively further fair housing.

Program H18. Support Collective Ownership Models



The City shall conduct outreach with community-based organizations (CBOs) and other potential community partners that are working with interested low-income community members to develop new forms of community-driven, collective ownership models and wealth building strategies for lower-income residents (e.g., co-op housing, community land trusts) to identify ways the City can support these efforts. The City shall work with communities at-risk of displacement to evaluate these ownership models.

- ❖ **Implements which Policy(ies):** H-4.2, H-4.3, H-4.4, H-5.5
- ❖ **Timeframe:** Initiate coordination in 2022 and provide ongoing support as appropriate.
- ❖ **Responsible Department or Agency:** Office of Innovation and Economic Development (primary); Community Development
- ❖ **Objective:** Connect lower-income residents to homeownership and equity-building opportunities in their communities using models supported by members of the resident groups to be served.

Medium-Term (2023-2025)

Program H19. Affordable Housing and Infill Development Educational Campaign



The City shall develop an educational campaign to bolster community support for affordable housing. The campaign could include social media content about housing needs, challenges, new developments, and available resources; information available on the City website; and outreach to local journalists, media outlets, and community organizations.

- ❖ **Implements which Policy(ies):** H-2.10
- ❖ **Timeframe:** 2022
- ❖ **Responsible Department or Agency:** Office of Innovation and Economic Development (primary); Community Development; SHRA
- ❖ **Objective:** Increased community support for affordable housing.

Program H20. Universal Design Ordinance



The City shall review and update the Universal Design Ordinance to provide clarification on how and when the ordinance is applied. The City shall partner with AARP and Resources for Independent Living to increase awareness of the City's Universal Design Ordinance.

- ❖ **Implements which Policy(ies):** H-8.1
- ❖ **Timeframe:** 2023
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Increase awareness of the Universal Design Ordinance.

Program H21. Prioritize Infrastructure for Affordable Housing



The City shall establish procedures for granting priority water and sewer service to developments with lower-income units in compliance with Government Code Section 65589.7.

- ❖ **Implements which Policy(ies):** H-2.3,
- ❖ **Timeframe:** 2023
- ❖ **Responsible Department or Agency:** Department of Utilities (primary); Community Development
- ❖ **Objective:** Prioritize infrastructure service to developments with lower income units to support the production of affordable housing throughout the City.

Program H22. Mid-Term Evaluation of Implementation Programs



The City shall evaluate the effectiveness of each of the implementation programs in meeting their stated objectives. The City shall meet with the Housing Policy Working Group (HPWG) in the Fall of 2023 and conduct a City Council Workshop in the Spring of 2024 to review the progress of the implementation programs in meeting their stated objectives. City staff will then recommend adjustments to implementation programs that are not on-track to meeting their stated objectives by the Winter of 2024.

- ❖ **Implements which Policy(ies):** N/A
- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Community Development; Office of Innovation and Economic Development; SHRA
- ❖ **Objective:** Ensure the 2021-2029 Housing Element Implementation Programs are meeting their identified objectives.

Program H23. Movable Tiny Homes as ADUs



The City shall consider amending the Planning and Development Code to allow movable tiny homes to be considered an ADU.

- ❖ **Implements which Policy(ies):** H-3.1
- ❖ **Timeframe:** 2024
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Streamline and reduce costs for ADUs throughout the City, but with a specific focus on areas of high opportunity to affirmatively further fair housing.

Program H24. Explore Methods to Further Reduce the Expense and Uncertainty Associated with the Planning and Building Permit Process



The City shall explore further actions for streamlining and simplifying the planning approval and building permit processes. The City shall work with small infill housing developers and other stakeholders on the Housing Policy Working Group to review current processes and fees to identify ways to reduce costs and streamline processes for small infill development.

- ❖ **Implements which Policy(ies):** H-1.2, H-1.3
- ❖ **Timeframe:** 2023
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Continue to streamline and make the development process as simple as possible.

Program H25. Sacramento Tenant Protection Act



The City shall conduct outreach to raise awareness by tenants and landlords of the requirements and rights afforded to them under the Sacramento Tenant Protection Act (Sacramento City Code Chapter 5.156). The City shall collect data to review the effectiveness of the current ordinance and consider changes that would strengthen the effectiveness of the current ordinance.

- ❖ **Implements which Policy(ies):** H-5.2
- ❖ **Timeframe:** Outreach and data collection of the Sacramento Tenant Protection Act is ongoing and will continue through the life of the programs. Revisions to the existing ordinance will be considered prior to the current sunset date of December 31, 2024.
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Continue to protect tenants who have resided in a rental unit for more than 12 months by maintaining limits on rent increases and prohibiting evictions without "just cause", while providing landlords with a fair and reasonable return on their investment through a petition and hearing process.

Program H26. Review Rent Escrow Ordinance



The City shall review and evaluate the feasible implementation and impacts of the Rent Escrow Account Program (Sacramento City Code Article XIV). If implementation of the current ordinance is determined to be infeasible or ineffective, the City shall coordinate with stakeholders to identify alternative approaches to addressing the needs of tenants.

- ❖ **Implements which Policy(ies):** H-5.2
- ❖ **Timeframe:** 2025
- ❖ **Responsible Department or Agency:** Community Development, Finance
- ❖ **Objective:** To determine the feasibility of implementing the current Rent Escrow Account Ordinance.

Program H27. Fair Chance Ordinance



The City shall research best practices to reducing housing barriers for formerly incarcerated individuals and present recommended policies for Council review in 2024. The City will then decide whether to adopt a Fair Chance Ordinance that creates rules that limit the use of criminal records by landlords when they are screening prospective tenants.

- ❖ **Implements which Policy(ies):** H-4.6
- ❖ **Timeframe:** 2024-2025
- ❖ **Responsible Department or Agency:** Office of Innovation and Economic Development (primary); Community Development; SHRA
- ❖ **Objective:** To reduce barriers to housing opportunity for formerly incarcerated individuals.

Program H28. Infill Housing Prototypes



The City shall work with infill developers and other stakeholders on replicable site plans or architectural plans to reduce pre-development costs and expedite the planning approval process for a variety of ADA-accessible infill housing types, including duplexes, triplexes, fourplexes, bungalow courts, and other workforce housing types, that can be used throughout the City.

- ❖ **Implements which Policy(ies):** H-1.4
- ❖ **Timeframe:** 2025
- ❖ **Responsible Department or Agency:** Office of Innovation and Economic Development; Community Development
- ❖ **Objective:** Increase the development and construction of housing that is affordable by design throughout the City.

Program H29. Financial Assistance for Affordable ADUs



The City shall identify potential funding sources and community partners to develop and implement a financial assistance program that would provide loans and/or grants to encourage homeowners to construct an ADU with an agreement to charge rents affordable for lower income households or rent the ADU to Housing Choice Voucher participants.

- ❖ **Implements which Policy(ies):** H-3.1
- ❖ **Timeframe:** 2025
- ❖ **Responsible Department or Agency:** Community Development (primary); Office of Innovation and Economic Development, Treasurer's Office
- ❖ **Objective:** Finance at least 70 ADUs by 2029. Ensure that financial assistance is distributed throughout the City, particularly in areas of high opportunity.

Program H30. Regional Analysis of Impediments to Fair Housing



The City shall continue to participate in a regional collaborative approach to analyzing and addressing fair housing issues through the five-year review and update of the regional Analysis of Impediments to Fair Housing Choice. The City shall take affirmative actions to further fair housing choice in the City by implementing the solutions developed in the Regional Analysis of Impediments to Fair Housing Choice (AI) to mitigate and/or remove fair housing impediments.

- ❖ **Implements which Policy(ies):** H-5.4
- ❖ **Timeframe:** 2025
- ❖ **Responsible Department or Agency:** SHRA (primary); Community Development (primary)
- ❖ **Objective:** Assess the City's efforts at reducing housing discrimination and enforcing fair housing laws, and advance equity in housing opportunities throughout the region.

Program H31. Monitor Status of Flood Protection Improvements and Impact on Meeting the RHNA



The City shall monitor the status of flood protection improvements in the Natomas Basin planned for 2025 and the associated residential cap on building permits in the Natomas Basin (i.e., 1,000 single units and 500 multi-units per calendar year). If the residential building permit cap would impact the City's ability to meet the lower-income RHNA, the City will take action to eliminate the potential impact or will ensure that adequate sites are available, or made available, in other areas of the City.

- ❖ **Implements which Policy(ies):** H-1.1
- ❖ **Timeframe:** Monitor residential building permits annually; make determination of impact on ability to meet lower-income RHNA in 2025, and take action to eliminate impact or identify replacement sites by the end of calendar year 2025.
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Ensure the City has adequate capacity to meet the lower-income RHNA.

Long-Term (2026-2029)

Program H32. Affirmative Marketing Education



The City shall promote compliance with California Government Code 12955 (c) that says:

It shall be unlawful: ... For any person to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a housing accommodation that indicates any preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information or an intention to make that preference, limitation, or discrimination.

The City shall ensure that developers of new housing are aware of this law and the importance of promoting neighborhood integration. The City shall create educational materials, post materials to the Housing Development Toolkit (Program H2) and work with the Housing Policy Working Group to spread awareness of affirmative marketing methods, and consider adopting a resolution supporting affirmative marketing and adherence to the letter and intent of Government Code 12955. (c).

- ❖ **Implements which Policy(ies):** H-4.3
- ❖ **Timeframe:** 2026
- ❖ **Responsible Department or Agency:** Community Development (primary); SHRA
- ❖ **Objective:** To promote equal access to housing opportunities and to affirmatively further fair housing.

Program H33. Identify Local Financing for Affordable Housing



The City shall study the feasibility of developing local financing strategies to help finance affordable housing. Some options could include reviewing and evaluating the viability of creating a public bank to help finance affordable housing, among other public goals; and forming a consortium of locally serving banks to develop a source of capital for residential builders who agree to target their housing product to the needs of the local economy.

- ❖ **Implements which Policy(ies):** H-2.3, H-2.5, H-4.2
- ❖ **Timeframe:** Complete study and present recommendation to City Council by the end of 2026
- ❖ **Responsible Department or Agency:** Treasurer's Office (Primary); Office of Innovation and Economic Development; SHRA
- ❖ **Objective:** Establish new local financing sources to support the development of lower-income housing units throughout the City.

Program H34. Research Options for a Rental Assistance Program



The City shall research and identify best practices for affordable alternatives to up-front payments of application fees, security deposits, or other prepaid rent such as a low- or no-interest loan to the tenant, a direct grant issued to the landlord, or additional supportive services and case management.

- ❖ **Implements which Policy(ies):** H-4.2, H-5.1
- ❖ **Timeframe:** 2027
- ❖ **Responsible Department or Agency:** Office of Innovation and Economic Development (primary); Community Development
- ❖ **Objective:** Provide support to vulnerable individuals and households seeking access to rental housing, particularly those in areas with concentrated poverty or classified as low resource.

Program H35. Review Condominium Conversion Ordinance



The City shall review and modify the Condominium Conversion Ordinance to make the process and regulations clearer to staff, applicants, and affected tenants, while maintaining oversight in order to avoid adverse impacts to the rental housing stock and tenants.

- ❖ **Implements which Policy(ies):** H-5.2
- ❖ **Timeframe:** Review and consider modifications to ordinance in 2028
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Preserve rental housing in the City.

Annual and Ongoing (2021-2029)

Program H36. Support Affordable Housing Development



The City and SHRA will continue to assist in the development of affordable housing by providing gap financing, issuing mortgage revenue bonds, and providing support for funding applications, and offering technical assistance with site identification, project concept feedback-predevelopment meetings, development incentives, and permit processing. The City and SHRA shall explore ways to increase affordable housing development in areas of high resource and opportunity throughout the City.

- ❖ **Implements which Policy(ies):** H-2.3
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** SHRA (primary); Office of Innovation and Economic Development; Community Development
- ❖ **Objective:** Assist in the development of at least 200 affordable units each year.

Program H37. Surplus Public Lands



The City shall regularly review the inventory of City-owned surplus, vacant, or underused land, no longer needed for current or foreseeable future public operations, that should be considered for sale or lease for development of affordable housing and/or shelters. The City shall prioritize the review of sites within high resource areas. Where sites are not purchased for residential purposes, a portion of revenue generated from sale of surplus lands should be used to fund affordable housing. The City was awarded Senate Bill (SB) 2 Planning Grant funds in 2020. A portion of these funds are being used to develop this program. The SB 2 grant program will be completed by the end of 2023.

Pursuant to Assembly Bill (AB) 1486, the City shall actively market the land to affordable housing developers and also consider opportunities to partner with affordable housing developers, such as identifying public buildings or parking structures where air rights could be made available for housing, or transit stations where affordable housing can be added while preserving adequate public parking. The City shall also consider opportunities where public uses could be relocated to other, more appropriate sites to make sites available for affordable housing, particularly in high resource areas. The City will work with other public agencies, such as Sacramento Regional Transit and the school districts, to implement this program.

- ❖ **Implements which Policy(ies):** H-2.2
- ❖ **Timeframe:** Review City-owned sites annually; market sites to affordable housing developers as sites become available
- ❖ **Responsible Department or Agency:** Office of Innovation and Economic Development (primary); Community Development; SHRA
- ❖ **Objective:** Increase the affordable housing stock by 150 lower-income housing units.

Program H38. Legislative Advocacy



The City shall track and advocate for State and Federal legislation and budget decisions that create more affordable housing opportunities.

- ❖ **Implements which Policy(ies):** H-2.6
- ❖ **Timeframe:** Annually
- ❖ **Responsible Department or Agency:** Office of Innovation and Economic Development (primary); Office of Governmental Affairs; Community Development; SHRA
- ❖ **Objective:** More resources to fund affordable housing development.

Program H39. First-time Homebuyer Assistance Program



The City shall seek resources for local down payment assistance programs and continue to apply for funding to support first time homebuyer assistance programs. Available funding programs currently include the following: CalHome First-time Homebuyer Mortgage Assistance Program (CalHome), Building Equity and Growth in Neighborhoods Program (BEGIN), and Mortgage Credit Certificate Program (MCC). The City shall work with service providers and identify community partners to market these homeownership programs to residents in areas at risk of displacement and gentrification and to populations that have historically been excluded by discriminatory mortgage lending practices.

- ❖ **Implements which Policy(ies):** H-4.2, H-4.4, H-5.6
- ❖ **Timeframe:** Apply for funding annually
- ❖ **Responsible Department or Agency:** SHRA; Community Development; Office of Innovation and Economic Development, Community Partners
- ❖ **Objective:** Increase homeownership opportunities throughout the City, particularly areas at risk of displacement or classified as low resource.

Program H40. Tenant-Based Housing Choice Vouchers



SHRA, acting as the City's Housing Authority, shall continue to provide Housing Choice Vouchers (HCVs) to very low- and extremely low-income Sacramento households in order to provide affordable housing options to those most in need. SHRA shall continue to offer Small Area Fair Market Rents, implement the Landlord Incentive Program based on available federal funding, and provide landlord education on the benefits of participating in the program. SHRA shall also consider other best practices to incentivize new landlords to participate in the program.

- ❖ **Implements which Policy(ies):** H-2.12
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** SHRA
- ❖ **Objective:** Increase the number of properties participating in the HCV program, throughout the City and in high resource areas of the City.

Program H41. Asset Repositioning of Public Housing



SHRA shall implement the Asset Repositioning of the City's public housing units through the acquiring and rehabilitating of Housing Authority properties. These activities will be implemented through a joint venture between the nonprofit organization established by the Housing Authority or through collaboration with an established non-profit developer. Projects will utilize a combination of mortgage revenue bonds, low-income housing tax credits, state and federal funding and gap financing from SHRA's funding resources to ensure no net loss of extremely low-income (ELI) units.

- ❖ **Implements which Policy(ies):** H-6.1
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** SHRA
- ❖ **Objective:** Ensure the ongoing 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 units.

Program H42. Single Room Occupancy Hotels



SHRA shall continue to implement the Single Room Occupancy (SRO) ordinance, providing funding and other resources for the rehabilitation of existing SRO units and the construction of new SRO units in the City.

- ❖ **Implements which Policy(ies):** H-6.6
- ❖ **Timeframe:** Implementation of SRO ordinance is ongoing. Update Planning and Development Code to be completed by 2024.
- ❖ **Responsible Department or Agency:** SHRA
- ❖ **Objective:** Preserve 712 SRO units.

Program H43. Housing for Extremely Low-Income Households



SHRA shall continue to use available housing resources, including both portable and project-based rental subsidies, such as local Housing Choice Vouchers (HCVs), federal Housing Assistance Payment contracts, Veterans Affairs Supportive Housing (VASH) vouchers, Mainstream vouchers, Emergency Solutions Grant, and State Mental Health Services Act (MHSA) funding for the provision of housing for extremely low-income households. SHRA shall continue to apply to annual and irregular state and federal funding opportunities for rental operating subsidies and additional vouchers as they arise.

- ❖ **Implements which Policy(ies):** H-2.12, H-5.1, H-6.1
- ❖ **Timeframe:** Seek annual funding opportunities and additional funding opportunities as they arise.
- ❖ **Responsible Department or Agency:** SHRA
- ❖ **Objective:** Ensure the availability and choice of housing for extremely low-income households.

Program H44. Construction Skills Educational Alignment



The City shall work with local high school districts, higher educational institutions, related non-profit agencies, and representatives of the building trades through the creation and regular convening of a taskforce to do outreach and educate youth on construction job options and benefits, develop training pathways and system coordination, and enhance programs to ensure sufficient, local skilled labor within our region.

- ❖ **Implements which Policy(ies):** H-1.8
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Office of Innovation and Economic Development
- ❖ **Objective:** Support efforts for continued coordination and alignment of construction workforce pathways, including outreach and training pipelines for the much-needed expansion and availability of a local construction workforce.

Program H45. Support Innovations in Construction Technology



The City shall support and encourage innovations in construction technology to build more affordable housing in less time and with fewer resources by partnering with these projects through land or subsidies and supporting non-traditional construction methods (such as modular and other offsite construction methods).

- ❖ **Implements which Policy(ies):** H-2.8
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Community Development (primary); SHRA; Office of Innovation and Economic Development
- ❖ **Objective:** Increase the development and construction of housing that is affordable by design.

Program H46. Funding Complete Neighborhoods



The City shall pursue funding to provide critical infrastructure, amenities, and services in areas targeted for inclusive economic and community development.



- ❖ **Implements which Policy(ies):** H-1.7, H-4.2
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Community Development; Youth, Parks, and Community Enrichment (YPCE); Utilities; Public Works; Office of Innovation and Economic Development
- ❖ **Objective:** Obtain grant funding to assist with infill development including amenities and services in areas targeted for inclusive economic and community development.

Program H47. Preserve Existing Supply of Affordable Housing



The Sacramento Housing and Redevelopment Agency (SHRA) shall track expiring subsidy contracts and regulatory agreements on regulated affordable housing. SHRA will prioritize multifamily lending such that preserving affordable housing at risk of converting to market rate comes first when funding is available. SHRA will ensure that owners have complied with Government Code Sections 65863.10, 65863.11, and 65863.13 before releasing regulatory agreements or approving ownership transfers for projects affiliated with SHRA. In addition, at least annually, SHRA will review the list of properties with expiring regulatory agreements and contact owners whose properties' restrictions will expire within the following 36 months. SHRA will coordinate with qualified entities upon initial noticing and pursue and support applications for funding. To maximize tenant protections, SHRA will offer coordination assistance – developer outreach for owners planning to sell and tenant education for owners planning to allow their restrictions to expire. 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.

- ❖ **Implements which Policy(ies):** H-5.1, H-6.1
- ❖ **Timeframe:** SHRA will track expiring subsidy contracts on an ongoing basis and will conduct an annual review.
- ❖ **Responsible Department or Agency:** SHRA
- ❖ **Objective:** Preserve as many units as possible that are "at risk" of conversion and minimize loss of affordable housing inventory by communicating with owners willing to preserve affordability through sale and/or recapitalization.

Program H48. Rental Home Inspection Program



The City shall continue to implement the citywide Rental Housing Inspection Program (RHIP) where building inspectors inspect rental properties for interior and exterior to ensure compliance with building codes and safe, sanitary and habitable conditions and issue corrective notices. The City shall track and report annually on the number of units inspected, the number of violations, and the actions taken on those violations in order to ensure the effectiveness of the program. The City shall work with community-based organizations to provide culturally competent education to both tenants and landlords to better understand the program.

- ❖ **Implements which Policy(ies):** H-5.2, H-6.3
- ❖ **Timeframe:** Continue ongoing implementation of the program; expand annual reporting metrics starting in 2022
- ❖ **Responsible Department or Agency:** Community Development
- ❖ **Objective:** Conduct inspections annually to ensure sanitary and habitable conditions throughout the City and improve education and outreach.

Program H49. Emergency Repair Program



The City shall provide grants for low- and very low- income homeowners for emergency repairs and/or accessibility modifications to their homes and shall work to identify funding to expand this program to include loans for larger repairs and all electric modifications.



- ❖ **Implements which Policy(ies):** H-5.8, H-6.2
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** SHRA; Office of Innovation and Economic Development
- ❖ **Objective:** Provide grants for at least 150 emergency repair projects and 80 accessibility modifications annually and establish a loan program for more substantial repairs.

Quantified Objectives

State law (California Government Code Section 65583[b]) requires that housing elements contain quantified objectives for the maintenance, preservation, and construction of housing. The quantified objectives set a target goal for Sacramento to strive for based on needs, resources, and constraints.

	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	TOTAL
New Construction ¹	5,231	5,232	6,306	8,545	20,266	45,580
Rehabilitation ²		460	1,380			1,840
Conservation/ Preservation ³	712	589	9			1,890

¹ New construction objective is equal to the RHNA

² Rehabilitation objective reflects emergency repair objectives (Program H48)

³ Conservation/Preservation objective includes 1,178 at-risk affordable units and 712 SRO units in the Central City.