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APPENDIX H-3 | Fair Housing Assessment

3.1 Introduction

Assembly Bill 686, signed in 2018, establishes new requirements to Government Code Section 65583 requiring cities and counties to facilitate deliberate action to relieve patterns of segregation to foster inclusive communities, a process referred to as affirmatively furthering fair housing (AFFH). Housing elements are now required to include the following:

- a summary of fair housing issues in the jurisdiction and an assessment of the jurisdiction’s fair housing enforcement and outreach capacity;
- an analysis of available federal, state, and local data and knowledge to identify integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs within the jurisdiction, including displacement risk;
- an assessment of the contributing factors for the fair housing issues identified in the analysis;
- an identification of the jurisdiction’s fair housing priorities and goals, giving highest priority to the greatest contributing factors that limit or deny fair housing choice or access to opportunity, or negatively impact fair housing or civil rights compliance; and,
- concrete strategies and actions to implement the fair housing priorities and goals in the form of programs to affirmatively further fair housing.

The purpose of this analysis is to replace segregated living patterns with truly integrated and balanced living patterns to transform racially and ethnically concentrated areas of poverty into areas of opportunity. Community amenities and access to opportunities are inherently spatial in nature and are not always readily accessible or attainable due to the different types of social, cultural, and economic barriers in our society. Ensuring that sites for housing, particularly lower income units, are in high resource areas rather than concentrated in areas of high segregation and poverty requires jurisdictions to plan for housing with regards to the accessibility of various opportunities including jobs, transportation, good education, and health services.

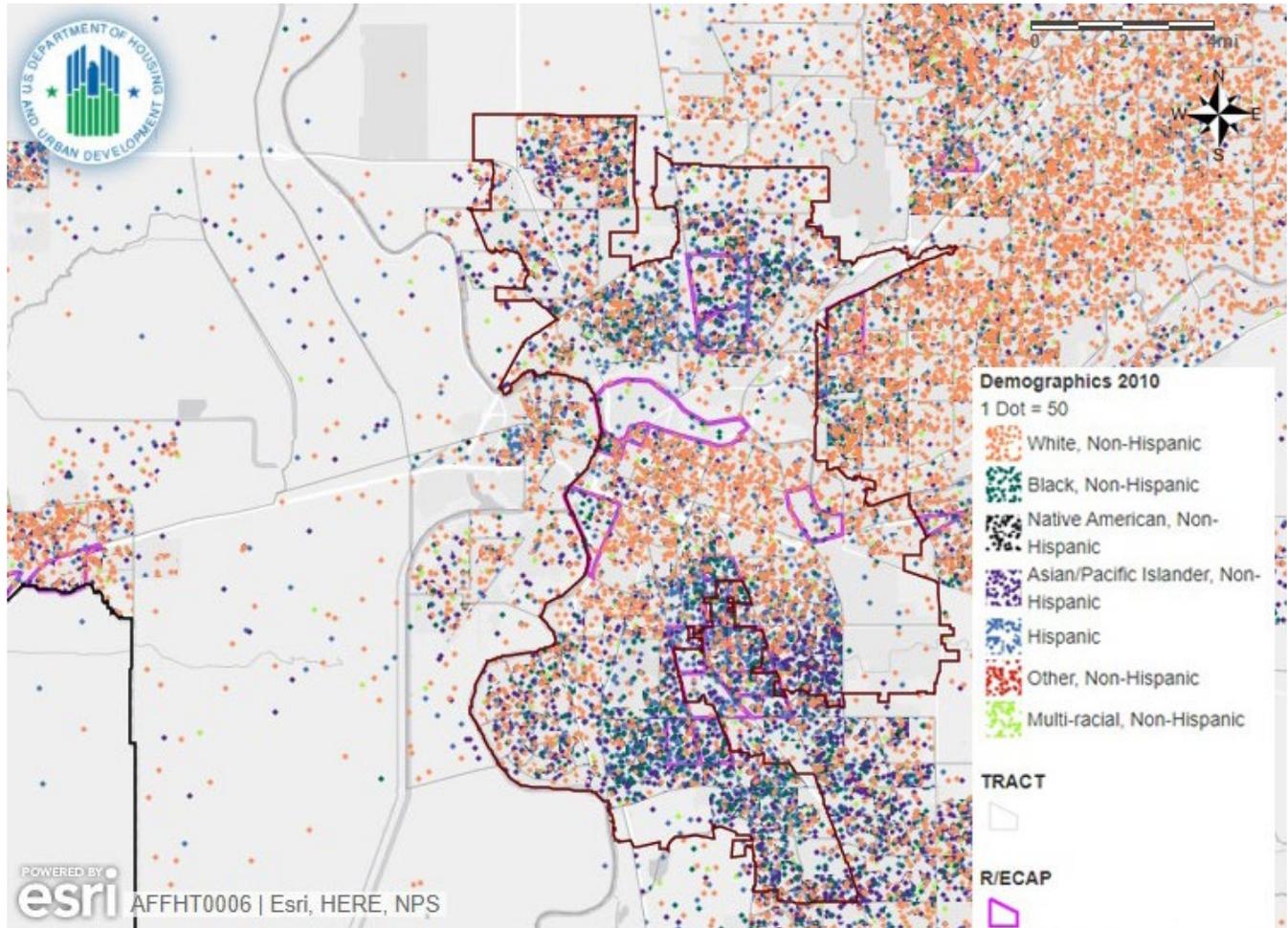
This chapter serves as an assessment of fair housing practices, pursuant to Government Code Section 65583 (c)(10) in the City of Sacramento. It examines existing conditions and demographic patterns —concentrated areas of poverty within the City, concentrated areas of low- and median- income housing, and concentrated areas of low and high opportunity — to compare how past discriminatory housing practices have continued to inhibit fair housing practices. It also provides an analysis from a regional perspective, describing settlement patterns across the Sacramento region. The majority of the data used in this assessment is from the Analysis of Impediments to Fair Housing Choice (AI), prepared for the Sacramento Valley Fair Housing Collaborative in February 2020. The regional study assessed fair housing in cities and unincorporated jurisdictions of Placer, Sacramento, and Yolo counties.

3.2 Overview of Racial and Ethnic Diversity

The City of Sacramento is both racially and ethnically diverse. As of 2020, the City has a population of over a half a million people, with a sizeable growth of 21 percent in its total population since 1990. 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), twice the size of the regional average. Twenty-two percent of residents are foreign-born — largely coming from Mexico, the Philippines, and China. Correspondingly, there is a high share of residents that have limited English proficiency. Other than English, the most frequently spoken languages in the City include Spanish, Chinese, Hmong, and Russian.

Although diversity in the Sacramento region has grown in correlation with the City, diverse communities are spread disproportionately across the region as a whole, as shown in Figure H 3-1. The suburbs east of the City have a larger population of non-Hispanic White and Asian residents than the City itself. Forty-three percent of Black residents within the region live in Sacramento, a proportion higher than other racial and ethnic groups regionally. Comparably, only 13 percent of the region’s non-Hispanic White residents reside within Sacramento.

Figure H 3-1: Racial and Ethnic Distribution in the Sacramento Region, 2010



Source: HUD Data Exchange AFFH Tool, 2020

3.3 Contributing Factors to Racial and Ethnic Segregation

By measures of both citywide and neighborhood diversity, the City of Sacramento has been ranked one of the top five most diverse¹ large cities in the United States. However, like other American cities, there is a history of systemic segregation and exclusion in housing within the City. This included 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.

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-the-us>

3.3.1 Redlining Practices

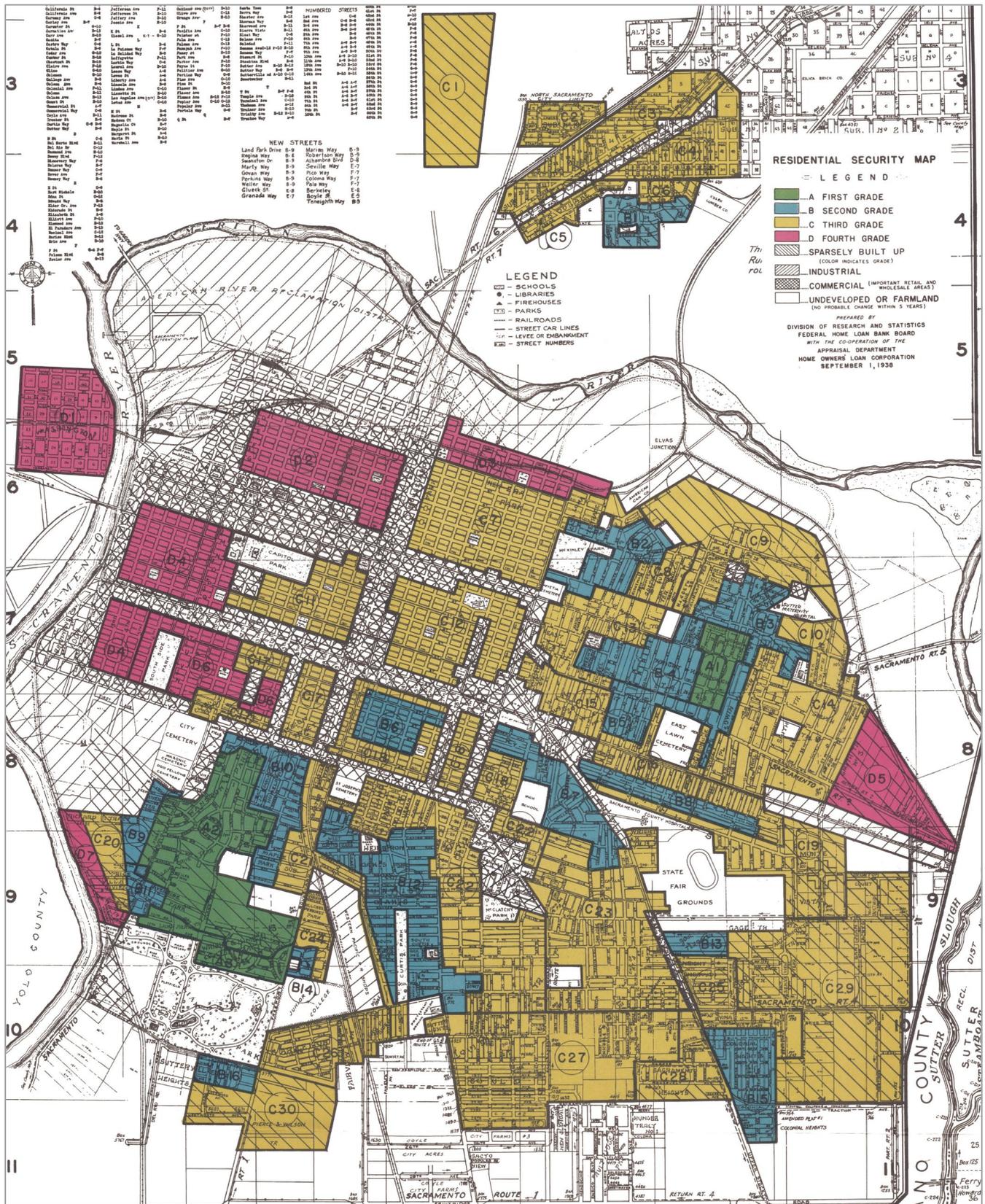
Redlining maps were used nationwide by financial institutions to assess the level of risk for making home loans. The practice began in the 1930s by the Federal Housing Administration, which was established in 1934. Red areas on the map, as shown in Figure H 3-2, were described as “racial hazards” where “infiltration of subversive races has occurred.” Yellow areas were seen to be “declining” for having multifamily housing and existing minority populations. Minority residents living in these areas were denied government-backed home loans with favorable terms, making it more difficult for minorities to buy homes. At the same time, minorities were also prohibited from moving to many of the “best” and “still desirable” green and blue neighborhoods through racial restrictive covenants. Subsequently, home values in these areas increased, while values in the redlined neighborhoods decreased, setting the stage for the racial wealth gap still prevalent today.

Redlining practices in historically diverse and minority areas of the City of Sacramento were in place by the 1940s, limiting the availability of financing for low-income and minority buyers to buy or remodel homes. By 1950, due to these restrictive covenants and redlining, most of the City’s minority population was in the former West End neighborhood, northwest area of Downtown Sacramento between 10th Street and the Sacramento River. Then, when the West End was targeted for urban renewal and clearing efforts in attempts to revitalize the community and expand opportunities for commercial development, a large part of the minority population was evicted and forced into other non-covenant restricted areas of the City. Redlining practices followed the displaced residents, as the northern and southern parts of the City diversified and access to housing financing became increasingly restrictive.

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 persist in many areas of the City today. Many Black, Hispanic, and other minority populations currently (2020) live in neighborhoods that either lack private amenities and/or City infrastructure needed to develop more opportunities for upward mobility, or face gentrification pressures and the associated danger of displacement from rising rents just when the amenities do arrive. Additionally, some neighborhoods remain predominately white in their racial composition because the “desirable” neighborhoods are almost exclusively zoned for single family homes. The exclusion of lower cost housing types prevents lower-income families from moving to these neighborhoods.

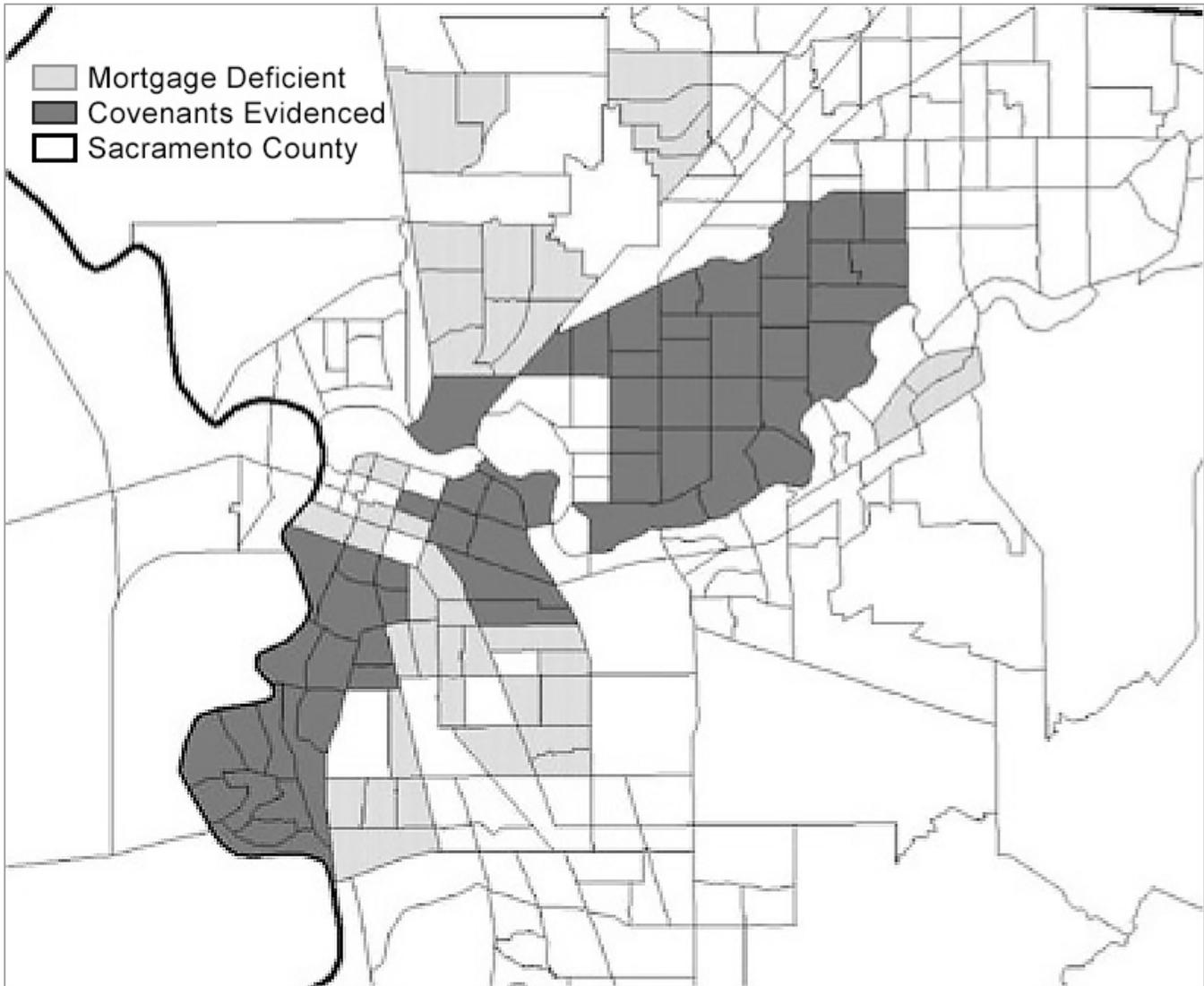
Figure H 3-2 shows a historic redlining map of the City and Figure H 3-3 maps areas within the City with historic racially restrictive covenants. When comparing the historic maps to the racial and ethnic composition of the region’s neighborhood’s today, a clear resemblance emerges. The concentration of today’s Black, Asian, and Hispanic residents tends to fall outside areas that historically had racially restrictive covenants. The trends within the City of Sacramento are indicative of patterns of development throughout the broader region as well, minority populations settling in areas adjacent to “unrestricted” areas and non-Hispanic White residents settling across the northeast corridor of the region.

Figure H 3-2: Sacramento Mortgage Redlining Map, 1937



Source: Sacramento Home Owners' Loan Corporation, 1937.

Figure H 3-3: City Areas with Historic Racially Restrictive Covenants



Source: Hernandez, Jesus. (2009). Redlining Revisited: Mortgage Lending Patterns in Sacramento 1930-2004. *International Journal of Urban and Regional Research*. 33. 291-313. 10.1111/j.1468-2427.2009.00873.x.

3.3.2 Mortgage Loan Access

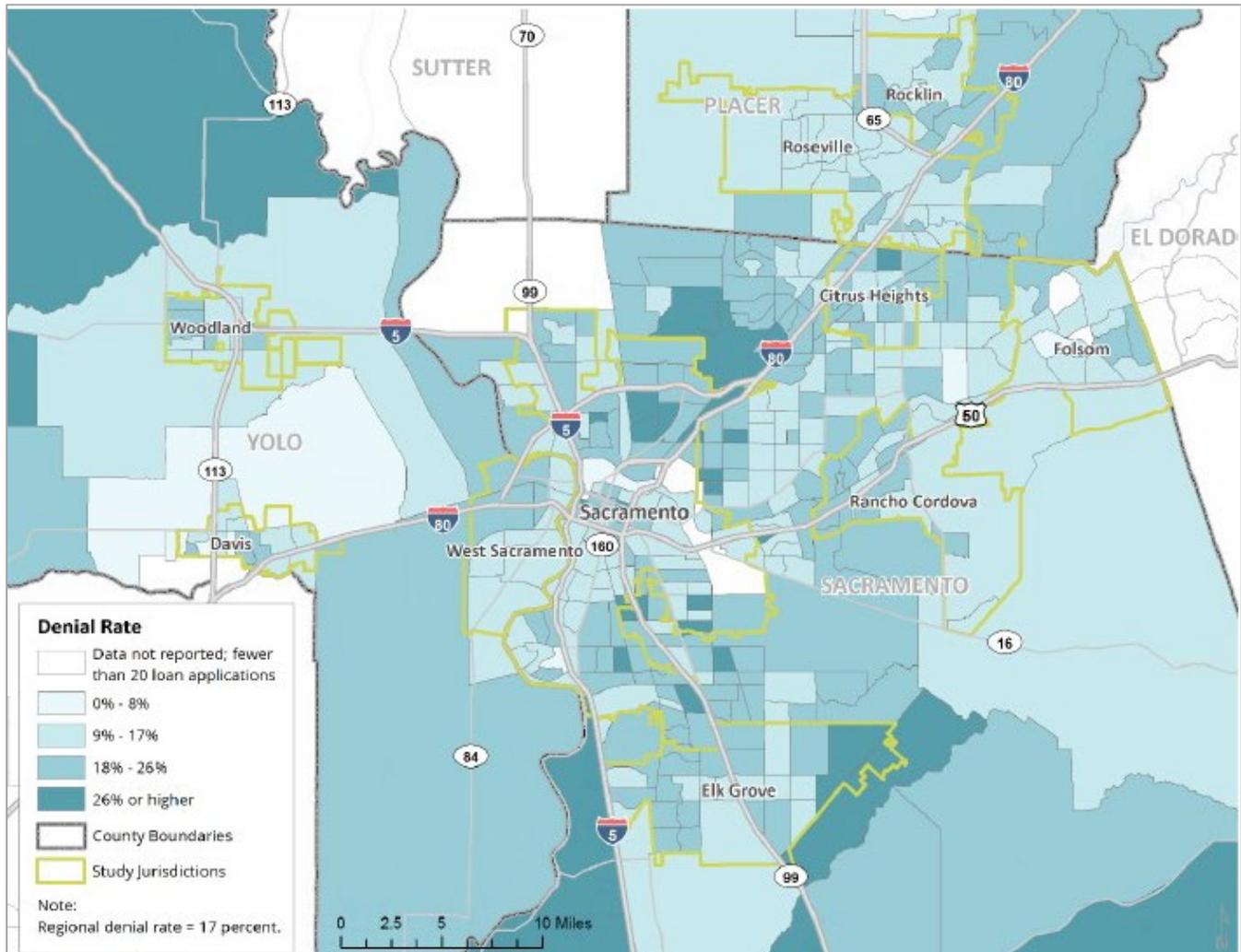
Despite efforts to reform long-standing practices of discrimination in the housing credit system, patterns of inequality still exist. The Great Recession and housing crisis brought to light the unusually high concentration of non-White residents with subprime mortgages and property foreclosures across the country. Subprime mortgages are a type of housing loan most often given to individuals that have weak credit history. Subprime mortgages carry higher interest rates, and are thereby more expensive, because there is a pre-determined higher risk of default. A concentration of subprime mortgages in areas with concentrations of minorities is a potential consequence of historically punitive practices, such as redlining.

In 2017, there were 89,838 loan applications filed in the region for owner-occupied homes, 4.7 percent of loans were subprime, which is slightly higher than the national rate of 4 percent. Within the City of Sacramento, Hispanic (12.6 percent) and Other Racial Minorities—which includes Black, Native American, and Pacific Islander—(11.4 percent), received the most subprime loans followed by Asian (4.4 percent) and Non-Hispanic White (4.5 percent) buyers.

The denial rate, determined by dividing the number of applications denied by the total number of completed applications, was 17 percent region-wide in 2017. However, denial rates vary substantially by individual census tract. Figure H 3-4 shows the region’s denial rate by census tract.

The denial rates within the region for Hispanic applicants (24 percent) and other minority groups, which includes Black, Native American, and Pacific Islander applicants (24 percent) were significantly higher than for White applicants (15 percent). Asian applicants experience mortgage loan denials at similar rates as White applicants. Higher rates of denial align with areas that have the highest concentrations of minority residents, as discussed later in this section.

Figure H 3-4: Regional Denial Rates by Census Tract, 2017



Source: FFIEC HMDA Raw Data, 2017; Root Policy Research, 2020

3.4 Regional Barriers to Fair Housing

The following is a summary of key housing barriers identified in the Analysis of Impediments to Fair Housing Choice (AI), prepared for the Sacramento region in February 2020:

- Harm caused by segregation is manifest in disproportionate housing needs and differences in economic opportunity.
- Affordable rental options in the region are increasingly limited.

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- There is a lack of affordable, accessible housing and access to supportive services for people with disabilities, especially those with mental illness, reducing their ability to achieve and maintain housing stability.
- Strict rental policies, such as income requirements, limit options for those on fixed incomes (i.e., Social Security and Disability Insurance recipients, Section 8 Voucher recipients, or child support recipients).
- Disparities in the ability to access homeownership exist. Past actions, such as redlining, lending discrimination, and other barriers to wealth, have limited economic opportunity for certain residents, particularly Black and Hispanic residents.
- Public transportation has not kept up with growth in the region, limiting economic opportunity for members of protected classes (i.e., minority residents, seniors, and persons living with a disability).
- Educational inequities and disparities in labor market participation persist in the region.

The contributing factors to these barriers have primarily been linked to past actions that limited or denied opportunities for housing and economic advancement of certain residents (e.g., redlining, restrictive covenants, lending discrimination). Recent growth in the region has resulted in an increased demand for rental housing, limiting the areas where low-income households can live affordably. Housing prices are high near sought after amenities (high performing school districts, health care, other healthy community amenities) which disadvantages low- and moderate-income families. Overall, the region suffers from racial segregation and disparate housing burdens with Black and Hispanic households in the region experiencing the highest rates of housing problems, such as cost burden and overcrowding.

3.5 Patterns of Racial and Ethnic Concentration Today

3.5.1 Dissimilarity Index

A common measure of the magnitude of segregation within a city or county is the dissimilarity index (DI). The DI measures the degree to which two specific groups are distributed across a geographic area. The DI varies between 0 and 100 and measures the percentage of one group that would have to move across neighborhoods to be distributed the same way as the second group. A dissimilarity index of 0 indicates conditions of total integration under which both groups are distributed in the same proportions across all neighborhoods. A dissimilarity index of 100 indicates conditions of total segregation such that the members of one group are located in completely different neighborhoods than the second group.

It is important to note that the DI provided by HUD uses non-Hispanic White residents as the primary comparison group. That is, all DI values compare racial and ethnic groups against the distribution of non-Hispanic White residents and do not directly measure segregation between two minority groups (e.g., Black and Hispanic segregation).

Generally, the City of Sacramento is moderately segregated. The City received an index rating of 37.8 in comparing all minorities with the base Non-Hispanic White population, indicating that roughly 38 percent of minority households would need to move across neighborhoods to be distributed in the same way as Non-Hispanic Whites in the City. In the comparison of Black and Non-Hispanic White populations, the City received a moderately segregated index rating of 44.9 demonstrating that nearly 45 percent of Black households would need to move across neighborhoods to be proportionally represented geographically within the community. Similarly, the DI rating for Asian and Non-Hispanic White groups shows that 43 percent of Asian households are concentrated in neighborhoods.

3.5.2 Racially/ Ethnically Concentrated Areas of Poverty

Racially or Ethnically Concentrated Areas of Poverty (R/ECAP) are neighborhoods in which there are both racial concentrations and high poverty rates. HUD's definition of a R/ECAP is:

- A census tract that has a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR

- A census tract that has a non-White population of 50 percent or more (majority-minority) AND the poverty rate is three times the average tract poverty rate for the county, whichever is lower.

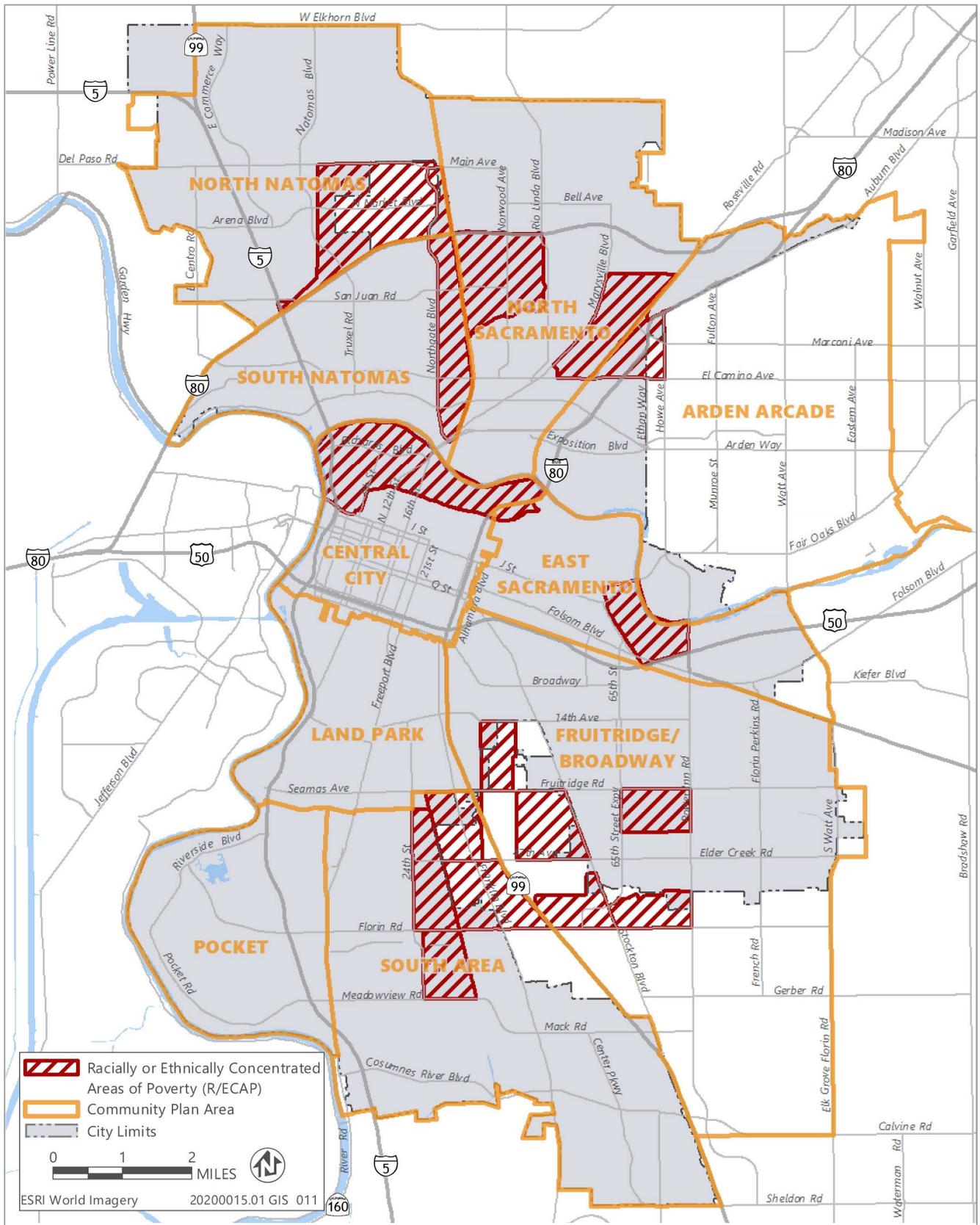
Households within R/ECAP tracts frequently represent the most disadvantaged households within a community and often face a multitude of housing challenges. R/ECAPs are meant to identify where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity. The City of Sacramento contains the majority of the region's R/ECAPs, largely in the northern and southern parts of the City (refer to Figure H 3-4).

In the City of Sacramento, White residents have very low poverty rates relative to other racial and ethnic groups. Of the households experiencing poverty in 2016, Black (23 percent) and Hispanic (24 percent) households have the highest rates compared to Non-Hispanic White households (8 percent). Additionally, Asian households (19 percent) are experiencing a poverty rate that is 5 percentage points higher than the rate in 2010.

In 2013, one in ten residents in the City of Sacramento were living in a R/ECAP, equating to approximately 45,000 people. Almost every R/ECAP has a high percent (over 58 percent) of households with housing cost burden (i.e. spending more than 30 percent of income on housing). In comparison to Figure H 3-1, R/ECAPs align with concentrations of Black, Asian, and Hispanic households. The areas with the lowest rate of housing cost burden also have the least amount of racial or ethnic concentrations.

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Figure H 3-4 Location of R/ECAPs in the City of Sacramento, 2013



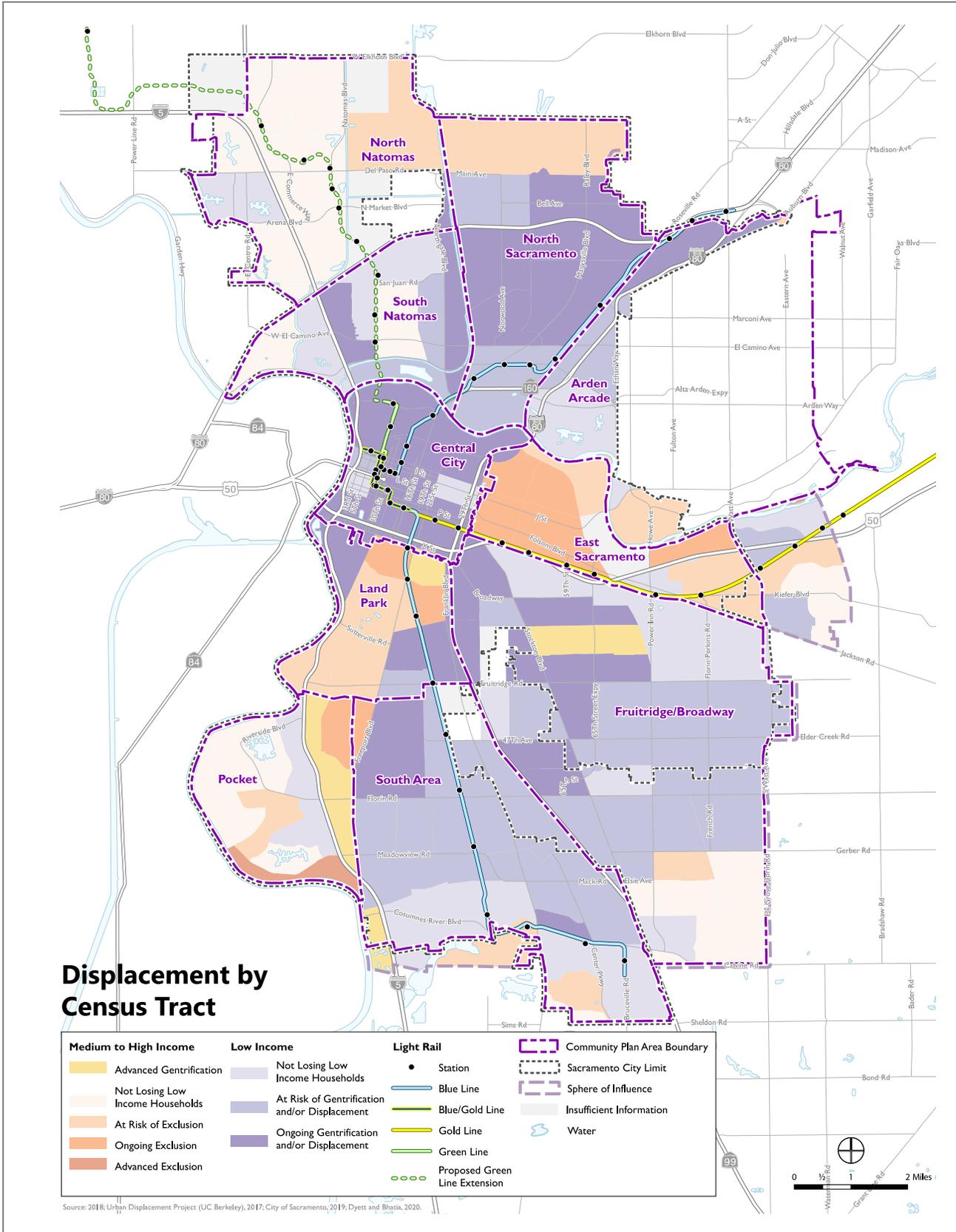
Source: HUD AFFH Data Tool; 2020.

3.6 Gentrification and Risk of Displacement

The rising cost of housing is becoming an increasingly important housing security issue in the City, especially for renters. The City of Sacramento has long been viewed as an affordable alternative to the Bay Area. In the past few years, the City has attracted attention of investors, renters, and buyers seeking housing opportunities. Gentrification, or the influx of capital and higher-income residents into working-class neighborhoods, is often associated with displacement, which occurs when housing costs or neighborhood conditions force people out and drive rents so high that lower-income people are excluded from moving in.

Renter occupancy and high rent burdens are the most common reasons for displacement to occur since renters may not be able to afford to stay in their unit as rents increase. The City of Sacramento has seen some of the highest increases in rent in recent years. In 2017, the median rent increased by 8.2 percent from the prior year, the highest in the nation for a metropolitan area, and over half of renters paid more than 30 percent of their income on housing. As rents increase and access to affordable housing decreases, low-income residents are disproportionately at risk of displacement. As shown in Figure H 3-5, the communities that are most at risk or are already experiencing gentrification and/or displacement (dark purple) are concentrated in the Central City Community Plan Area and parts of North Sacramento and the Fruitridge/Broadway Community Plan Areas. When renters are displaced, there is a corresponding increase in the number of people experiencing homelessness.

Figure H 3-5: Risk of Gentrification by Census Tract



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

3.7 Access to Opportunity

Lower-income housing and racially segregated communities are disproportionately impacted by a combination of locational factors such as proximity to landfills, freeways, industrial areas, and other toxins and pollutants. Recent studies have shown that the distribution of affordable housing has been disproportionately developed in minority neighborhoods with poor environmental conditions and high poverty rates, thereby reinforcing poverty concentration and racial segregation in low opportunity and low resource areas.²

Disparities in access to opportunity are measured by access to healthy neighborhoods, education, employment, and transportation within a Census tract. Several agencies, including HUD and HCD in coordination with the California Tax Credit Allocation Committee (TCAC), have developed methodologies to assess and measure geographic access to opportunity (including education, poverty, transportation, and employment) in areas throughout California. HUD's opportunity indices compare data indicators by race and ethnicity, for households below the poverty line, between jurisdictions, and for the region overall. The indices include the following:

- **Low Poverty Index.** This index measures neighborhood exposure to poverty. Higher index scores suggest better access to economically strong (i.e., low poverty) neighborhoods. Regionally, Black and Hispanic residents are least likely to have access to low poverty neighborhoods. In Sacramento, non-Hispanic White residents are most likely to live in low poverty neighborhoods.
- **School proficiency index.** This index measures neighborhood access to elementary schools with levels of academic proficiency within 1.5 miles. In Sacramento and Sacramento County, non-Hispanic White residents are more likely to have access to proficient schools than residents of color, and this gap persists among residents in poverty.
- **Labor Market Engagement Index.** This index measures the employability of neighborhood residents based on unemployment, labor force participation, and educational attainment. Higher index scores suggest residents are more engaged in the labor market. In Sacramento and Sacramento County, labor market engagement is higher for non-Hispanic White residents than that of other residents and the magnitude of difference is similar among residents in poverty.
- **Jobs Proximity Index.** This index measure how close residents live to major employment centers. A greater number of neighborhoods within the core of Sacramento have a higher jobs proximity index. Many R/ECAP neighborhoods have higher job proximity scores, indicating access to employment opportunities. Although R/ECAP neighborhoods have good access to jobs, the low Labor Market Engagement scores suggest a mismatch between the skills and labor force readiness of residents living in R/ECAP areas and the jobs offered at nearby major employment centers.
- **Transit Index.** The transit index measures use of public transit by low-income families that rent. The higher the index, the more likely that residents in the area are frequent users of public transportation. Regionally, the transit index varies by community; however, there are few differences by race or ethnicity within communities. The City of Sacramento received an index score between 68-70 across all races and ethnicities indicating frequent use of transit among all residents.
- **Low Cost Transportation Index:** This index measures the cost of transportation, based on estimates of the transportation costs for low income families. Compared to other jurisdictions, transportation is most affordable to residents in Sacramento as well as Davis, Woodland, and West Sacramento. There was not a clear pattern of disparity associated with the location of low transportation cost neighborhoods and race or ethnicity.

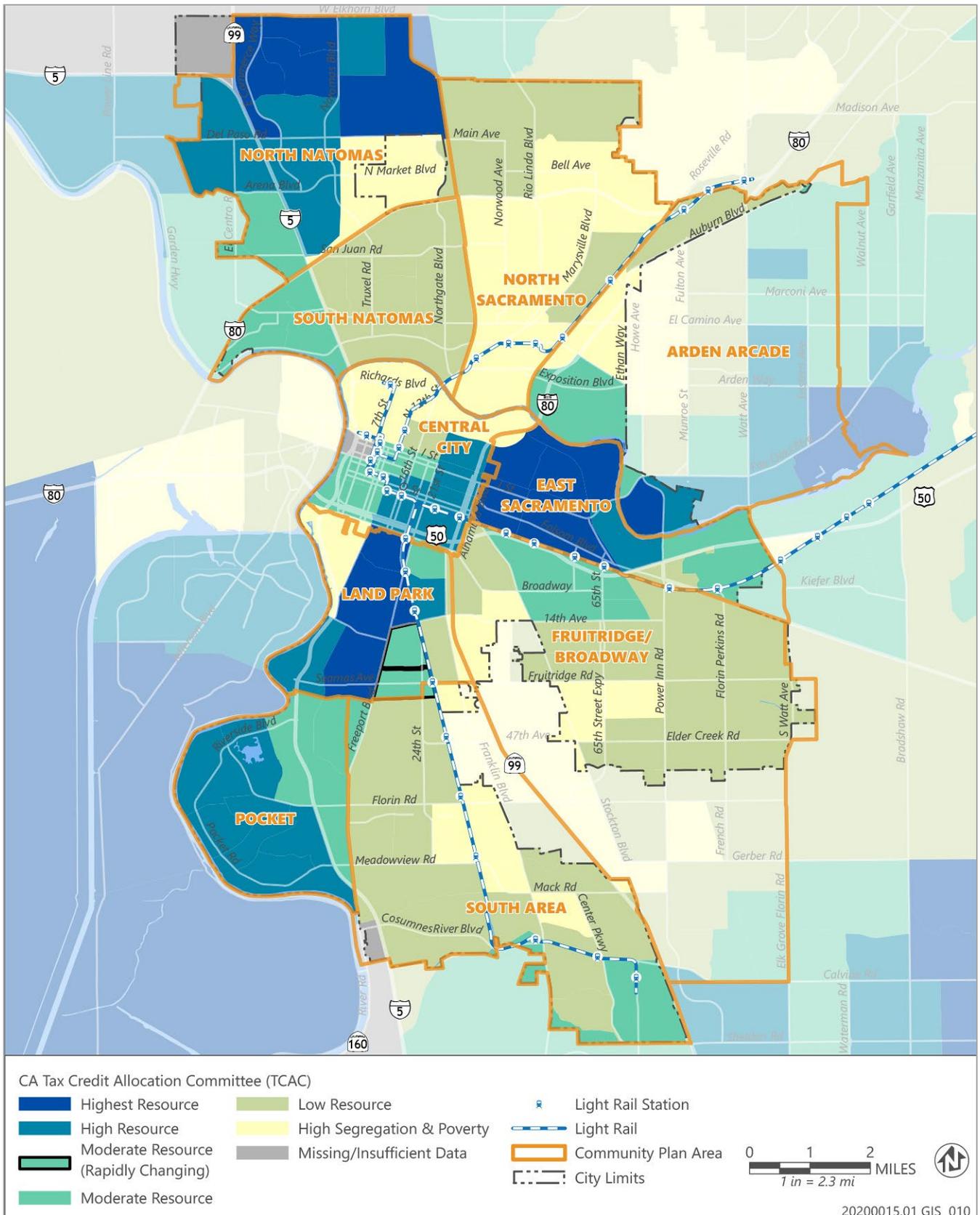
² Ellen, I.G.; Horn, K.M.; O'Regan, K.M. 2016. *Poverty concentration and the Low Income Housing Tax Credit: Effects of siting and tenant composition.* Journal of Housing Economics 34 (2016) 49-59. Elsevier Inc. <https://doi.org/10.1016/j.jhe.2016.08.001>

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The links between health and housing strongly indicate that improved housing and neighborhood environments could lead to reductions in health disparities. HCD and TCAC have prepared opportunity maps, as shown in Figure H 3-6, to identify areas with the highest and lowest resources. The high resource areas are those areas, according to research, that offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health. The primary function of TCAC is to oversee the Low Income Housing Tax Credit (LIHTC) Program, which provides funding to developers of affordable rental housing. The opportunity maps play a critical role in shaping the future distribution of affordable housing in areas with the highest opportunity.

As shown in the map below, the majority of census tracts within the City of Sacramento are categorized as either low resource (36 percent) or high segregation and poverty (20 percent), largely aligning with the areas of the City that were historically segregated by covenants and redlining practices. Portions of the Central City and outlying suburbs, such as the Pocket and areas of North Natomas, are classified as areas of moderate and high resource, and the established neighborhoods of East Sacramento and Land Park, as well as areas of North Natomas, are classified as highest resource.

Figure H 3-6: TCAC/HCD Opportunity Area Map, 2020



Source: CA Tax Credit Allocation Committee, 2020, adapted by Ascent.

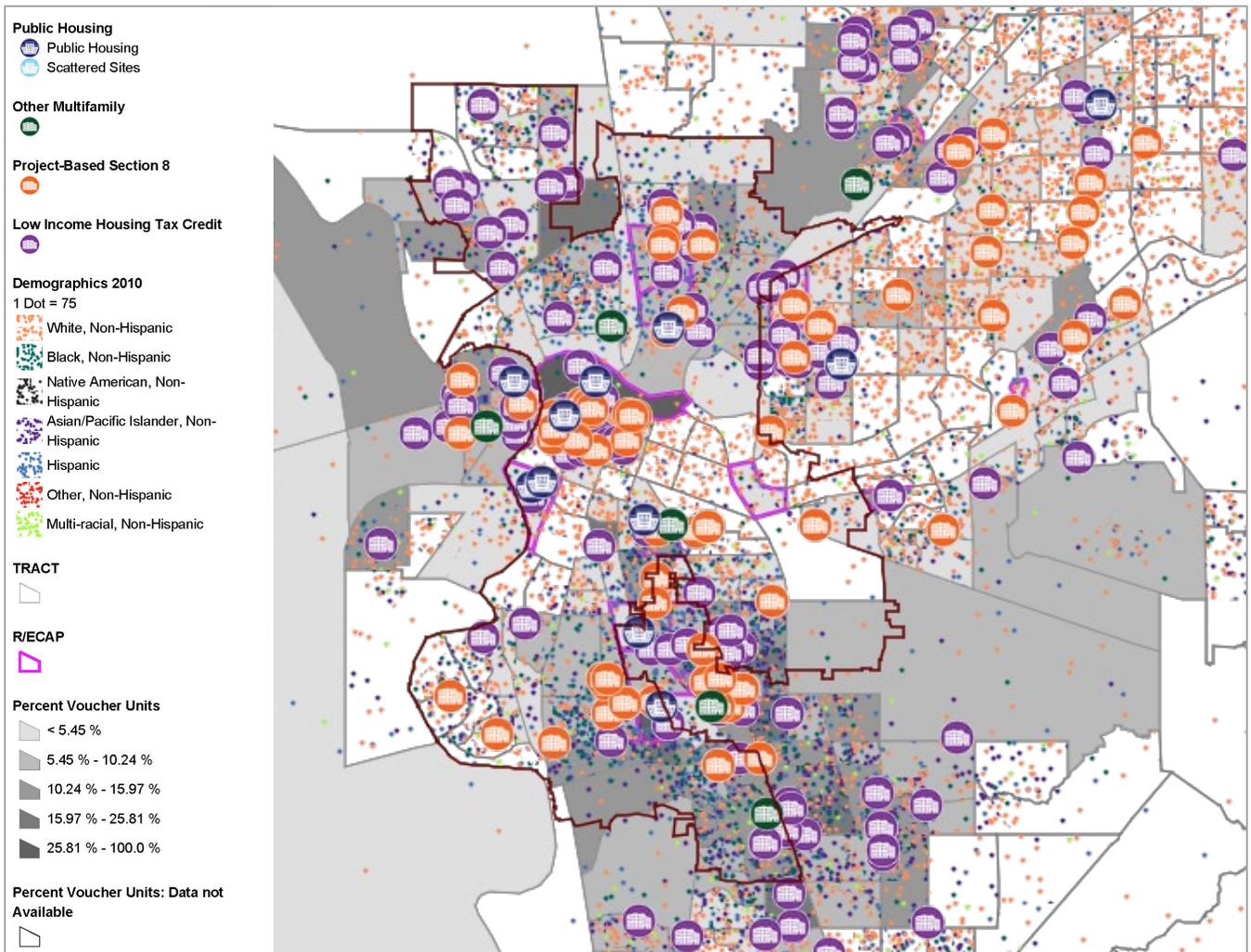
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The geographic distribution of publicly supported housing is an important factor in examining fair housing choice and segregation by income and race/ethnicity. The map below, Figure H 3-7, shows information provided by HUD on the location of publicly supported housing in and around the City of Sacramento relative to areas where residents of different races and ethnicities live. The icons represent different types of publicly supported housing:

- Blue icons indicate housing that is owned and operated by a public housing authority.
- Orange icons represent affordable rental housing that offers Housing Choice Vouchers/Section 8 subsidies.
- Purple icons represent Low Income Housing Tax Credit developments.
- Green icons show other types of publicly supported rental housing.
- Grey shading shows the percentage of rental units that house Housing Choice Voucher holders.

Low Income Housing Tax Credit properties are dispersed throughout the county but tend to cluster in areas closer to the perimeter of the jurisdictions. Project-based Section 8 properties are prevalent in more central and dense areas of Sacramento, where fewer voucher units exist. Overall, publicly supported housing is concentrated in areas that have a large percentage of voucher units and have concentrations of minority residents, particularly in and near R/ECAPs. Many publicly supported housing developments are located in downtown Sacramento, where services and transportation are readily available. The other large clusters of publicly supported housing are in south- and south-central Sacramento, where large concentrations of Asian, Black, and Hispanic residents exist, as well as voucher units. These areas align with where the majority of R/ECAPs are located in the City.

Figure H 3-7: Location of Publicly Supported Housing by Program, City of Sacramento



Source: HUD Affirmatively Furthering Fair Housing Mapping Tool – Version 4. Root Policy Research, 2020.

3.8 Disproportionate Housing Needs

Homeownership is the largest asset of most households in the U.S. and, for many low-income households, provides an opportunity for future generations to attain homeownership by increasing the family's wealth. One of the most prevalent consequences of residential segregation is the intergenerational inaccessibility of homeownership.

The City of Sacramento has a relatively low rate of homeownership, about 49 percent, compared to 57 percent countywide and 55 percent statewide in 2020. Homeownership rates vary widely by race and ethnicity, both within and among the region's jurisdictions. In the City, more than half (54 percent) of Non-Hispanic White households are homeowners. This is equal to the rate of homeownership in Asian households, also 54 percent. The homeownership gap between Hispanic and Non-Hispanic White households is a difference of 11 percent. Black households have the lowest homeownership rates in the City (28 percent); a difference of 26 percentage points between Black and Non-Hispanic White homeownership.

Generally, minority households are also more likely to experience higher rent burdens, poor housing conditions, and an increased risk of displacement and/or homelessness. White, Non-Hispanic households across the region and in each jurisdiction, are the least likely to experience housing problems while Black and Hispanic households experience housing problems at the highest rates (e.g., cost burden, overcrowding).

The findings from the data were consistent with community feedback received. The resident survey and focus group meetings conducted as part of the Regional AI found meaningful differences in housing challenges experienced by members of protected classes. Worry about rent increases, being unable to buy a home, and worry about property taxes are among the concerns identified by the greatest proportions of members of protected classes.

3.9 Current Fair Housing Practices

The City of Sacramento primarily works with SHRA to conduct outreach related to fair housing. The following resources are available to Sacramento residents.

- **The Renters Helpline:** A telephone hotline that provides telephone counseling and mediation services for residents of Sacramento County to help resolve a housing crisis or dispute. The program counselors deal directly with concerns regarding landlord-tenant disputes and help refer fair housing issues to the appropriate agency.
- **Tenant Protection Program:** The Tenant Protection Program was created to assist residential tenants with increasing rental rates by establishing limits on annual rent increases and providing protection from unwarranted lease termination through the Just Cause Ordinance. The program limits annual rent increases to 5 percent plus the change in the Consumer Price Index with a maximum of 10 percent; as of July 1, 2020, the maximum annual rent adjustment was 6 percent. The Just Cause Ordinance prohibits the eviction of tenants who have resided in a rental unit for more than 12 months without "just cause." For more information, the Sacramento Tenant Protection Act is described in Chapter 5.156 of the Sacramento City Code.
- **Rental Housing Inspection Program:** This program addresses the issue of substandard rental properties to promote greater compliance with health and safety standards while preserving the quality of Sacramento's neighborhoods and available housing. Owners of rental properties are required to submit a Rental Housing Program Registration Form for each rental property owned. City building inspectors inspect rental properties for code violations and issue corrective notices as needed.
- **COVID-19 Related Tenant Protections & Mediation:** In response to the COVID-19 pandemic the City issued a local short-term emergency eviction moratorium due to nonpayment of rent between March and September 2020 to protect residents experiencing loss of income or increased expenses due to COVID-19. State law (AB 3088) extended eviction protection for those that had been covered under the local emergency eviction moratorium.

- **Sacramento CARES Mediation Center:** The City hired the Sacramento Mediation Center to provide dispute resolution services for properties within the City of Sacramento. While residents deal with COVID-19 impacts, dispute resolution services under this program are voluntary and at no cost to participating parties while funding is available.

3.10 Affirmatively Furthering Fair Housing (AFFH) Analysis of Lower-Income Sites

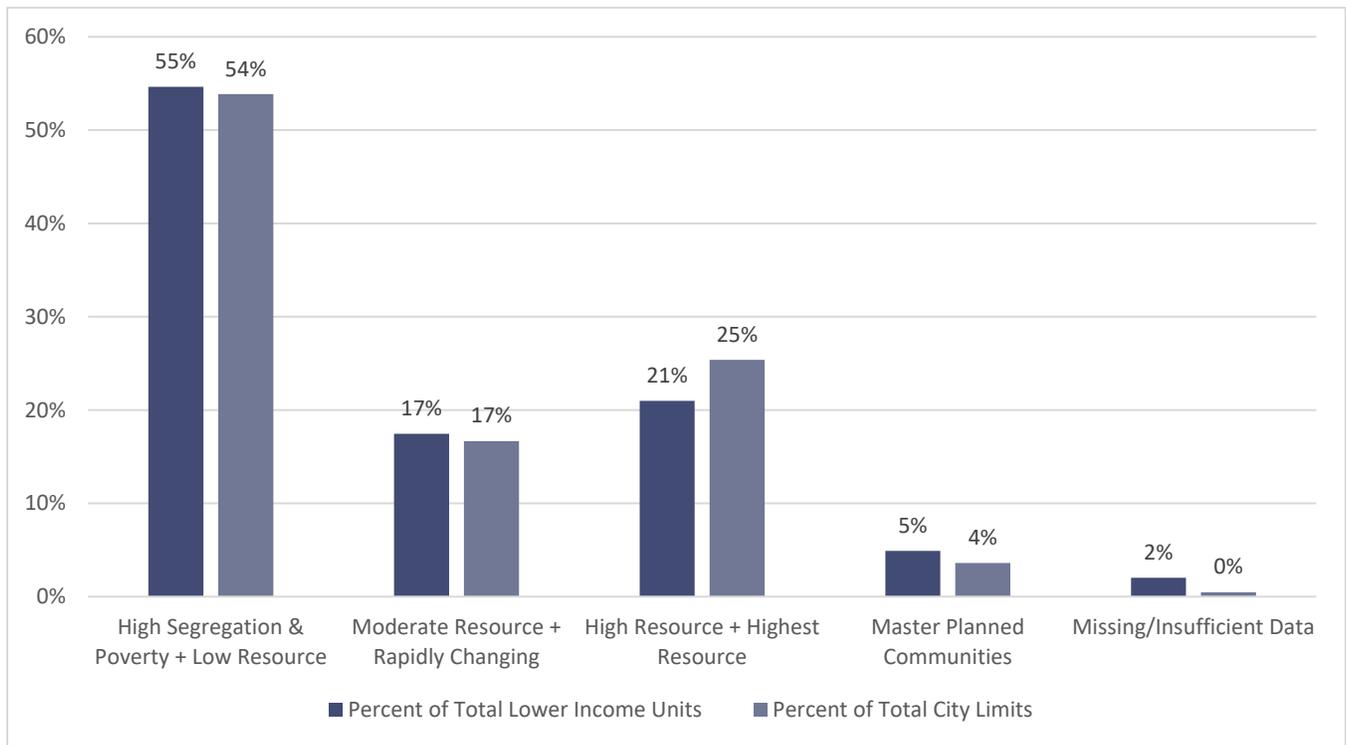
State law, Government Code Section 65583(c)(10), requires the sites analysis to be analyzed with respect to AFFH to ensure that affordable housing is dispersed equitably throughout the City rather than concentrated in areas of high segregation and poverty or low resource areas that have historically been underserved.

As the TCAC/HCD Opportunity Maps shown earlier in Figure H 3-6 indicated, most of the City's land area is classified as low resource or as areas of high segregation and poverty. There are several master planned communities that are currently in areas classified as low resource or high segregation and poverty because they are undeveloped areas that lack amenities. However, these communities are planned to include a variety of new amenities for residents, and once built, will be considered high resource areas. The City's Mixed Income Housing Ordinance requires large master planned communities to include affordable housing, expanding access to employment opportunities, transportation, and other amenities for lower-income households. For the purpose of the AFFH analysis of the sites inventory, the master planned communities are analyzed separately from the TCAC opportunity area classifications. Also, for the purpose of this comparison, low resource areas and areas of high segregation and poverty are combined; moderate resource areas and moderate resource (rapidly changing) areas are combined; and high resource and highest resource areas are also combined.

The Housing Element sites inventory shows a capacity for 20,832 lower-income housing units on vacant and underutilized sites and in approved projects. Figure H 3-8 displays the percentage of the capacity for lower income housing within the various TCAC opportunity areas in comparison to the total City land area within each opportunity area, and Figure H 3-9 shows the location of projects and sites in relation to the opportunity areas. While there is significantly higher capacity for lower-income units in low resource areas or areas of high segregation and poverty, the lower-income capacity is distributed within high or low resource areas in relatively the same proportion as the total land area within the City limits. For example, 54 percent of the land area within City limits is classified as either low resource or high segregation and poverty and 55 of the total lower-income capacity is estimated to be within these areas. On the other end of the spectrum, 25 percent of the area within City limits is classified as high resource or highest resource and 21 percent of the lower-income housing capacity is within these areas.

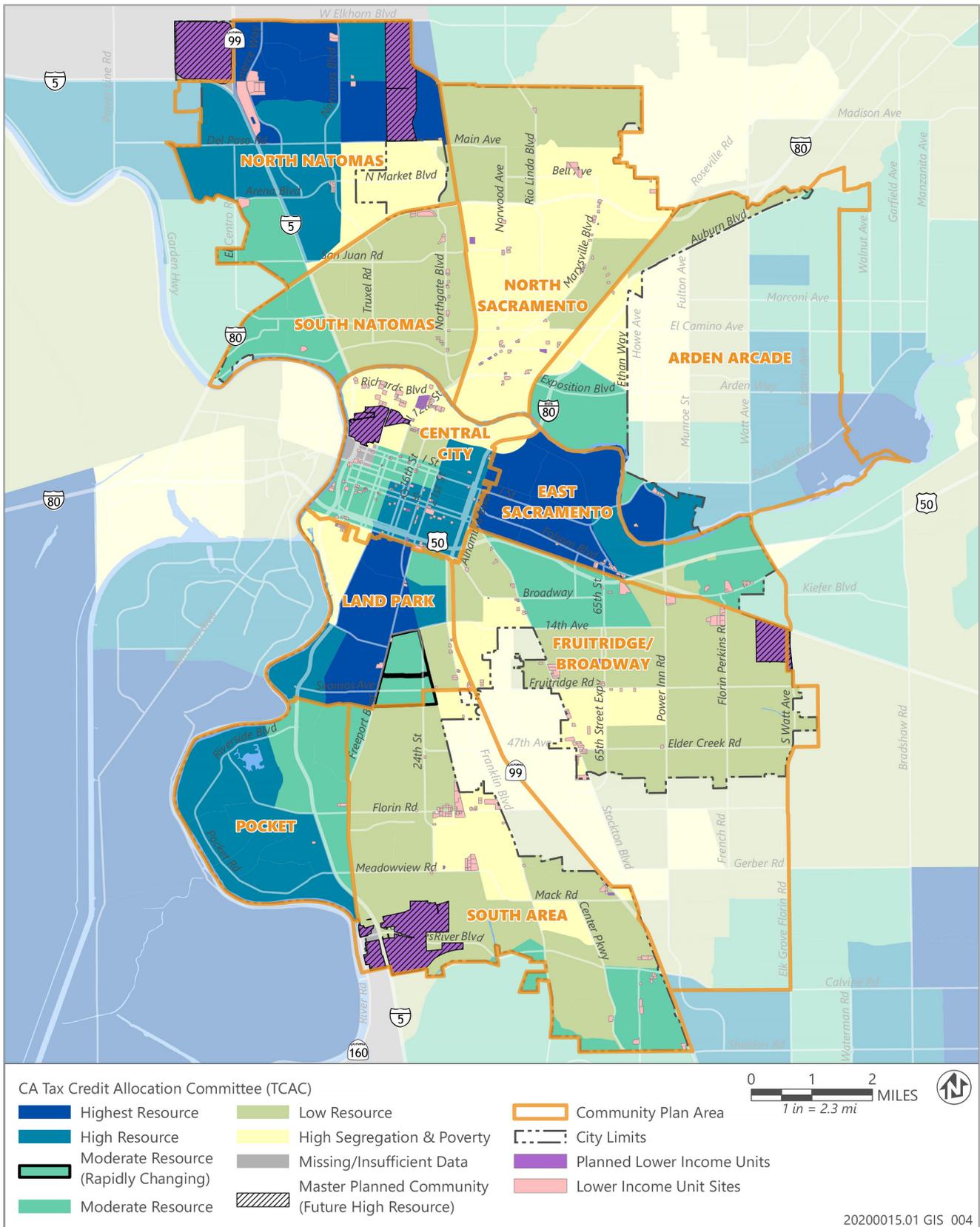
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Figure H 3-8 City Land Area and Lower Income Unit Distribution by TCAC Opportunity Area



Source: Ascent, 2020.

Figure H 3-9: Lower Income Site Distribution by TCAC/HCD Opportunity Area



Source: Adapted by Ascent Environmental, 2020.

3.11 Summary of Strategies for Affirmatively Furthering Fair Housing

Pursuant to Government Code Section 65583 (c)(10)(A)(v), the Housing Element includes several policies and programs to proactively address fair housing issues and replace segregated living patterns with integrated and balanced communities. 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. The following is a description of the strategies included in the Housing Element to affirmatively further fair housing in the City of Sacramento.

3.11.1 More Equitable Land Use Patterns

Many of the City's highest resource neighborhoods have remained segregated in their racial composition partly because they are almost exclusively zoned for single family homes. As part of the City's 2040 General Plan Update and subsequent update to the Planning and Development Code to be consistent with the General Plan, the City is looking to allow more affordable housing types in single-unit zones, including duplexes, triplexes, and fourplexes. Removing zoning restrictions to allow a greater variety of housing throughout the City can lead to more equitable and inclusive neighborhoods.

While allowing duplexes, triplexes and fourplexes within traditionally single-family neighborhoods will go a long way to expanding housing choices, larger sites that allow for higher density multi-unit housing are needed to build subsidized affordable housing. As described earlier, a majority of the higher-density lower-income housing capacity identified in the sites inventory is in areas of high segregation and poverty or low resource areas. Less than 20 percent of the capacity is in the high or highest resource areas. To address this, the Housing Element includes a program to rezone sites to create more opportunities for higher-density, multi-unit housing in high resource areas.

3.11.2 Targeted Investment in Underserved Communities

The City of Sacramento has demonstrated its commitment to prioritizing and implementing strategies, programs, and projects that promote 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 Council has adopted a framework and guiding principles for inclusive economic development that will guide decisions to invest City dollars in projects and programs that advance inclusive economic development and reduce inequities by improving the health, stability and economic security of residents and neighborhoods; fostering business and job growth; increasing household wealth; encouraging productivity; and supporting people, places and actions that promote economic growth throughout the City's diverse communities. Several policies and programs in the Housing Element reflect the City's commitment to investing in historically underserved communities to transform areas of poverty into areas of opportunity. The City plans to do this by providing critical infrastructure, amenities, and services in areas targeted for inclusive economic and community development.

3.11.3 Neighborhood Action Planning

To affirmatively further fair housing on all fronts, the City is integrating more neighborhood specific action planning within the City's overall development efforts. Recently the City established the Neighborhood Development Action Team as a resource to determine specific neighborhood priority strategies based on resident and business input as well as to facilitate a stronger coordination with neighborhood stakeholders. The City has also included policies to continue to work with neighborhood-specific teams, including non-English speakers, to identify housing needs at the neighborhood level, determine customized anti-displacement strategies and implement place-based solutions, particularly in areas targeted for inclusive and economic development.

3.11.4 Protecting Existing Residents from Displacement

In recent years, rents have risen rapidly in the City. There is a consistent pattern of low-income families, who are disproportionately Black and Hispanic, being priced out of neighborhoods with greater access to opportunities and amenities like high-performing schools. The City currently has several programs in place to protect renters, including the Just Cause Eviction Ordinance and the temporary moratorium on tenant evictions. The Housing Element includes programs to further protect vulnerable residents from displacement, including developing neighborhood specific anti-displacement strategies, targeting homeownership programs to underrepresented residents, and prioritizing affordable housing financing in areas at risk of gentrification.

3.11.5 Fair Housing Outreach and Education

During the outreach process, participants identified several gaps within the existing fair housing program structure pertaining to outreach and education. Households that are most vulnerable are not receiving enough information, if any at all, about existing City programs. There is a need to match those most at-risk with existing resources. Advocates and non-profit representatives emphasized the importance of making resources available on multiple platforms to the community and to be innovative.

To address this issue, the Housing Element includes programs to expand outreach and education to better reach vulnerable and at-risk households. Strategies include offering information in other languages, targeted social media efforts, combining information with other assistance programs, and partnering with community-based organizations. These actions will be ongoing in order to better provide resources and education to tenants and landlords on their rights and responsibilities under fair housing laws and to first time homebuyers to increase homeownership opportunities for all residents, including those who were historically excluded from homeownership.