



See homes from Sacramento, Folsom, Elk Grove and other communities that are priced around \$330,000 dollars – the median home price for Sacramento County. Nick Perez - The Sacramento Bee

BUSINESS & REAL ESTATE

Will Sacramento home prices keep rising in 2018? Here are predictions from three experts



Residential Rents Accelerating in US, Fastest Pace in 21 Months



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LATEST NEWS

Sacramento home prices rise 14 percent since last year



FILE - This Jan. 22, 2018, file photo shows a sold sign in front of a home in Mount Lebanon, Pa. On Tuesday, March 27, the Standard & Poor's Case-Shiller 20-city home price index for January is released. Gene J. Puskar, File - AP Photo

BUSINESS & REAL ESTATE

US home prices post 6.2 percent annual gain in January



A formerly homeless graduate of the Sacramento nonprofit Women's Empowerment speaks emotionally at the 2016 commencement. The organization has partnered with the Institute of Real Estate Management's REstart program to train homeless women to be on-site property managers, giving them both housing and jobs. Leslie Sterling - Sacramento Bee file

CALIFORNIA FORUM

Homeless people need jobs and housing. Here's how Sacramento is doing both at the same time



# Regional Housing & Equity in Sacramento



# Presentation Outline

- State of Housing Production in Sacramento
- Why We Plan for Affordable Housing
- Distribution of Affordable Housing (Region/City)
- Current City Housing Programs
- Future Initiatives and Planning



# Housing Shortage In Sacramento

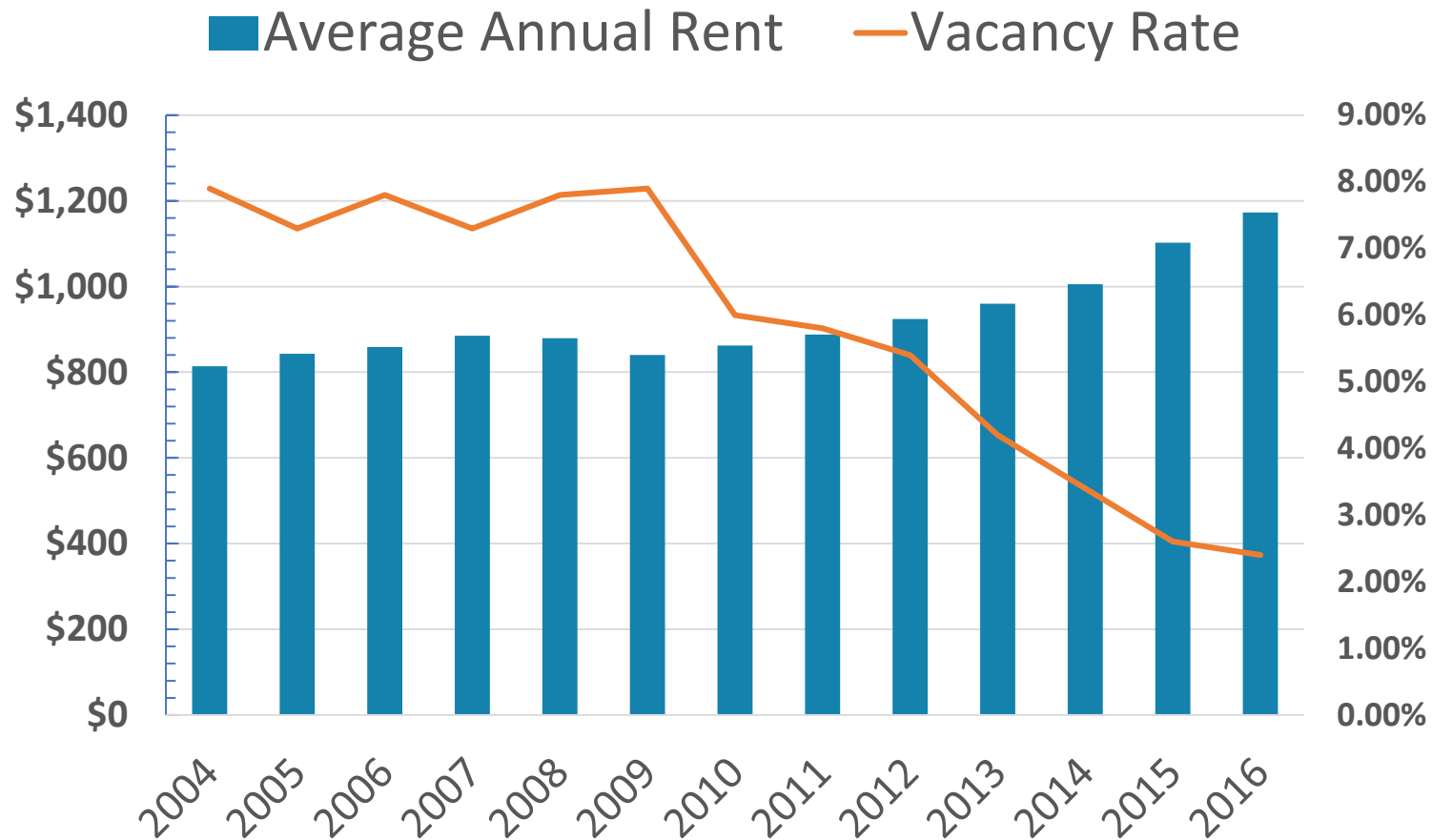
☐ Rising Rents

☐ Rising Average  
Home Sale Prices

☐ Shrinking  
Vacancy Rates

☐ Flat Median  
Incomes

# Average Annual Rent & Vacancy Rate (Sacramento County)



SOURCE: COSTAR (NOTE-2016  
PROJECTED VALUES)



# MEDIAN RENT INCREASE / MEDIAN RENTER INCOME DECLINE (2000-2014 SACRAMENTO COUNTY)



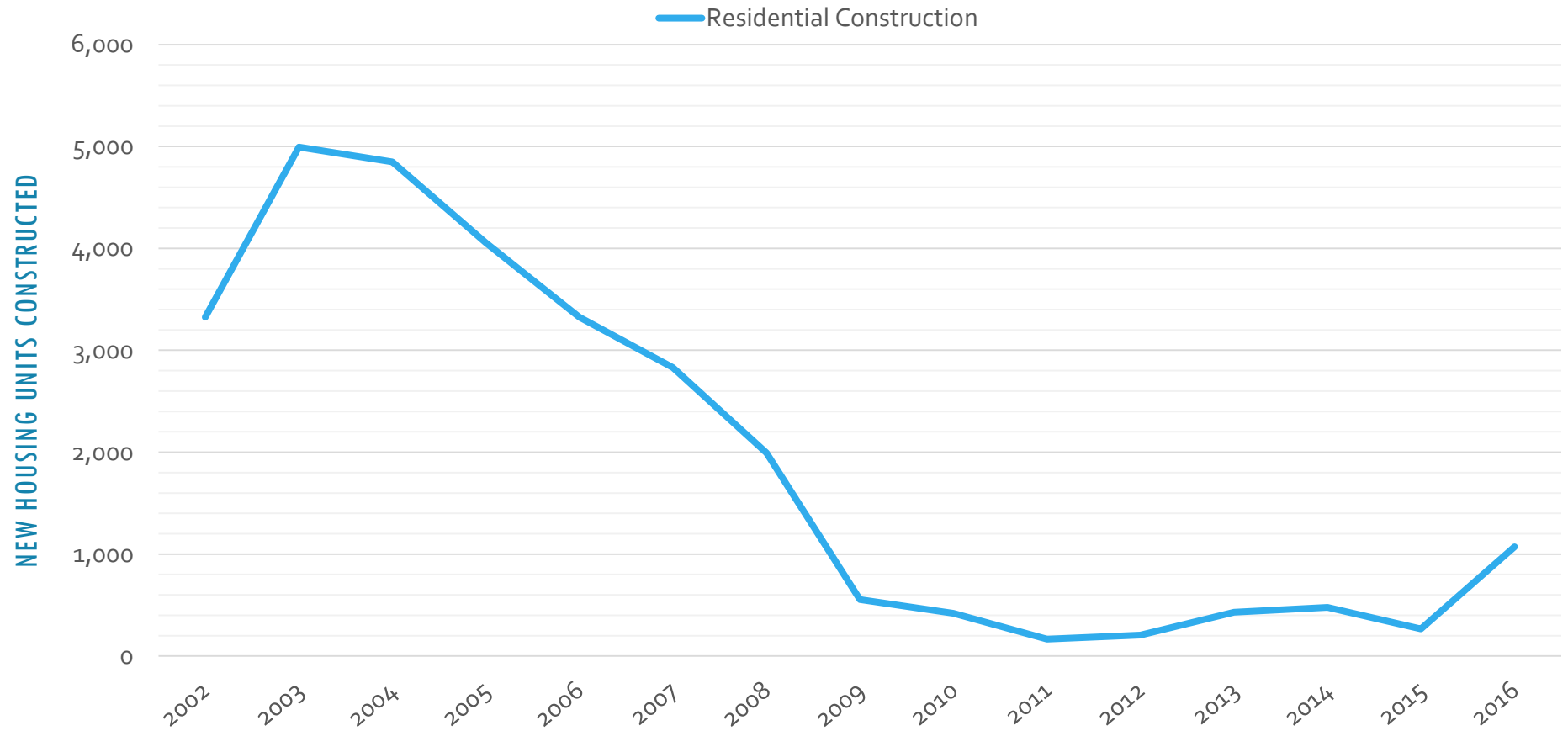
SOURCE: CALIFORNIA HOUSING PARTNERSHIP CORPORATION — *CONFRONTING SACRAMENTO COUNTY'S RENT AND POVERTY CRISIS: A CALL FOR REINVESTMENT IN AFFORDABLE HOMES*

# Average Home Prices (Sacramento County)



SOURCE: SACRAMENTO BEE -  
CORELOGIC

# SACRAMENTO HOUSING CONSTRUCTION (2002-2016)



SOURCE: GENERAL PLAN 2035 LIVABILITY INDEX

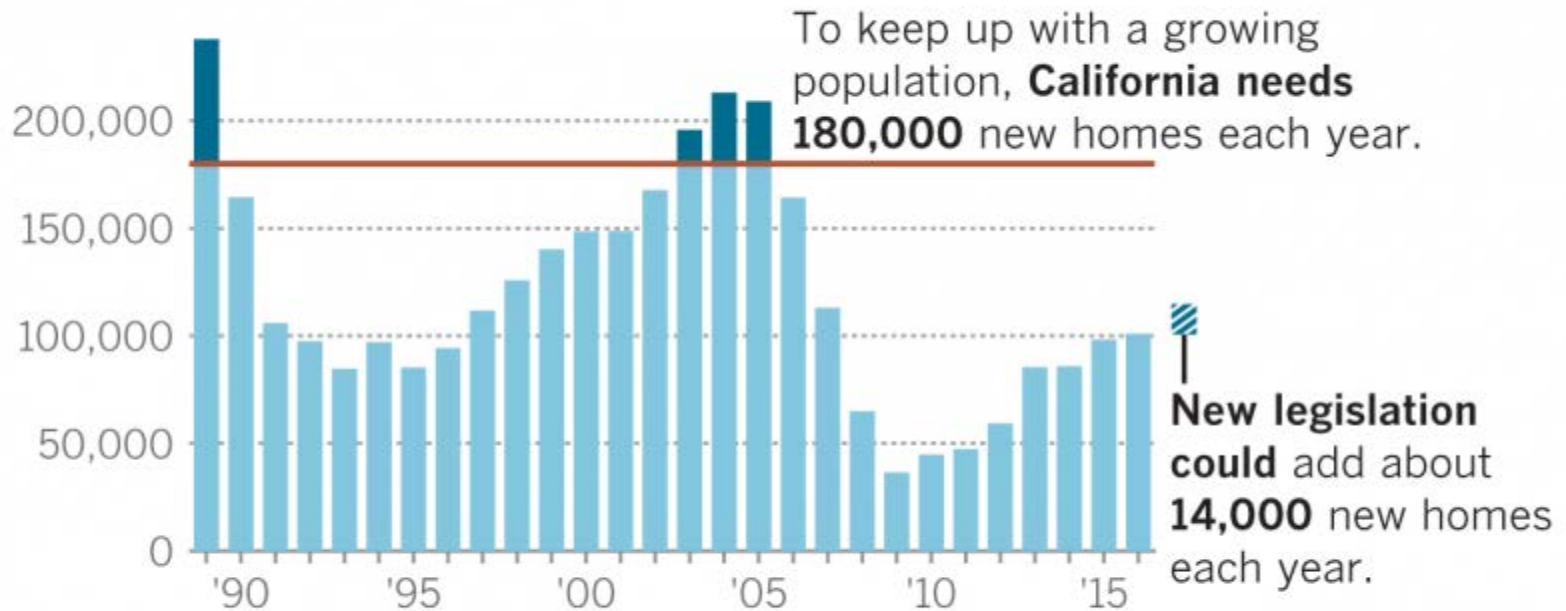




# Factors Contributing to The Drop In Housing Production

- ☐ Economic Recession
- ☐ Rising Construction Costs
- ☐ Financing
- ☐ Decrease in Affordable Housing Subsidy

## New homes built each year in California



*Note: One of the bills would require voter approval in 2018.*

Sources: Construction Industry Research Board and California Department of Housing and Community Development

@latimesgraphics

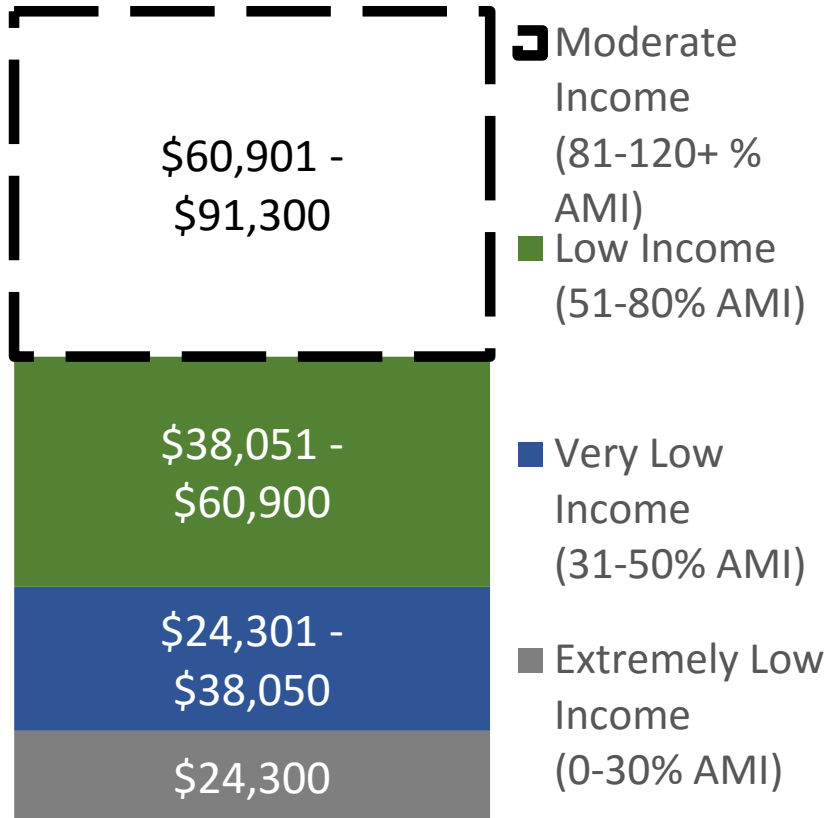


# Affordable Housing

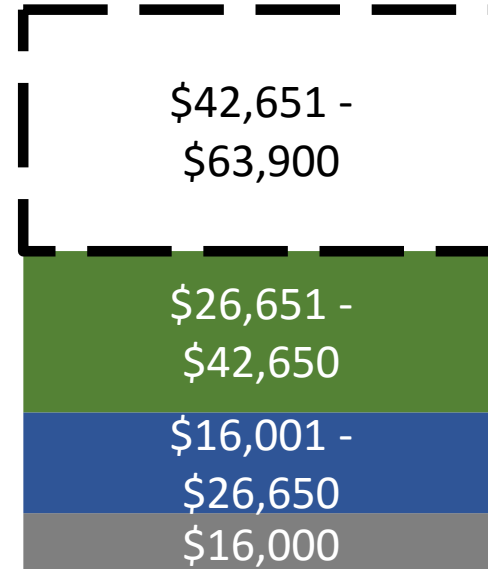


# Area Income Levels

## 4 PERSON HOUSEHOLD (SACRAMENTO COUNTY – 2016)



## 1 PERSON HOUSEHOLD (SACRAMENTO COUNTY – 2016)



SOURCE: DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT

# SACRAMENTO AVERAGE ANNUAL SALARY EXAMPLES

## 1 PERSON HOUSEHOLD (SACRAMENTO COUNTY – 2016)

■ Moderate Income  
(81-120+ % AMI)

\$42,651 - \$63,900

■ Low Income  
(51-80% AMI)

\$26,651 - \$42,650

■ Very Low Income  
(31-50% AMI)

\$16,001 - \$26,650

■ Extremely Low  
Income  
(0-30% AMI)

\$16,000

Construction Laborers (\$43,687)

Teachers and Instructors (\$43,953)

Office and Administrative Workers (\$39,700)

Security Guards (\$27,099)

Retail Salespersons (\$27,883)

Janitors and Cleaners (\$27,447)

Childcare Workers (\$24,300)

Food Preparation and Serving (\$23,543)

Fast Food Employees (\$20,999)

SOURCE: SACRAMENTO BEE

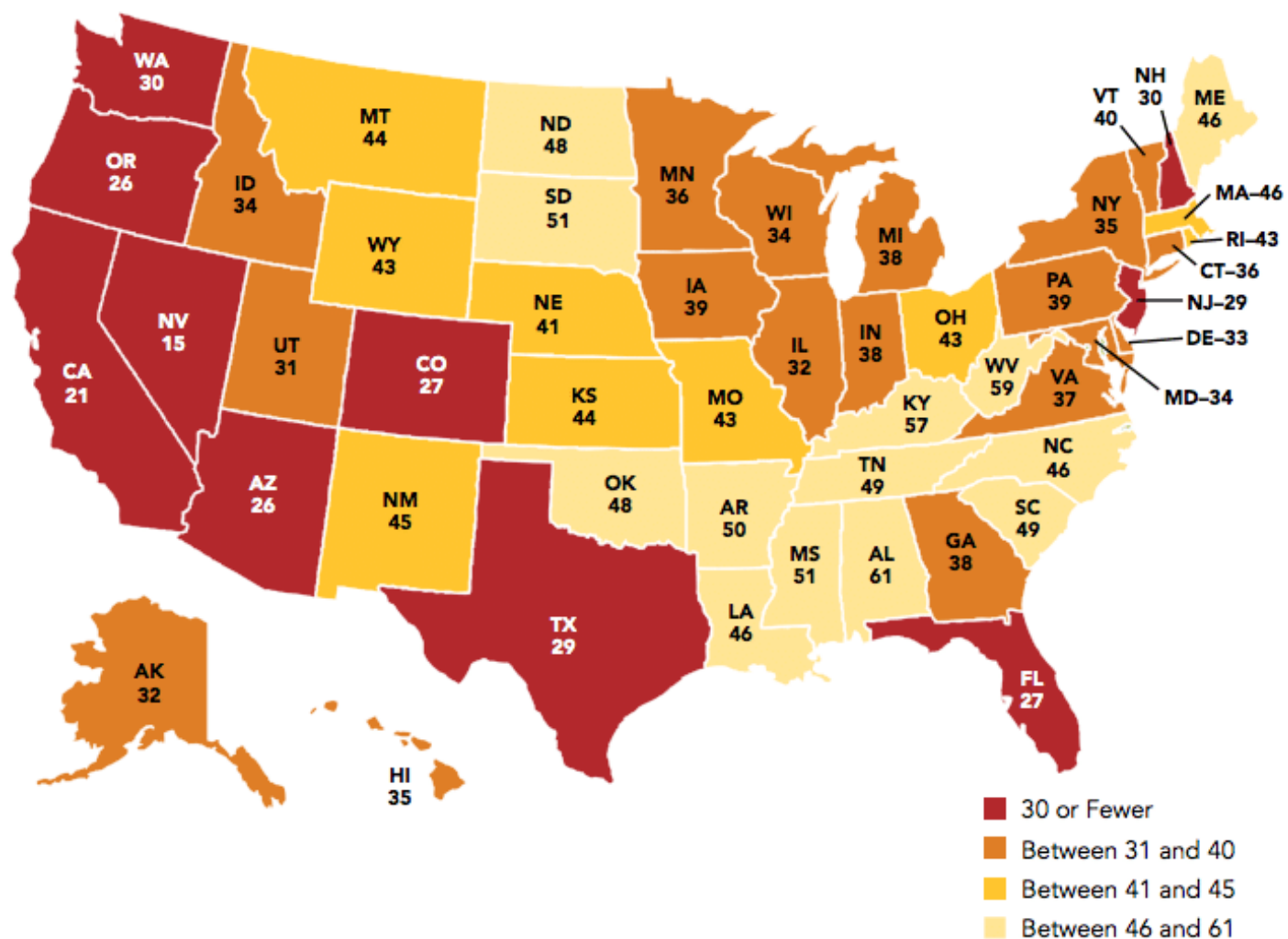
# Sacramento Subsidized Affordable Housing Production

- Constructed or Substantially Rehabilitated Affordable Housing
  - **2002-2007:** 4,004 homes.
  - **2008-2013:** 1,650 homes.
  - **2014-2017:** 432 homes.





## UNITS AFFORDABLE AND AVAILABLE PER 100 ELI RENTER HOUSEHOLDS BY STATE



Source: NLIHC tabulations of 2015 ACS PUMS data.

The 2017 figures should not be compared to previous years, because of a change in the definition of extremely low income.

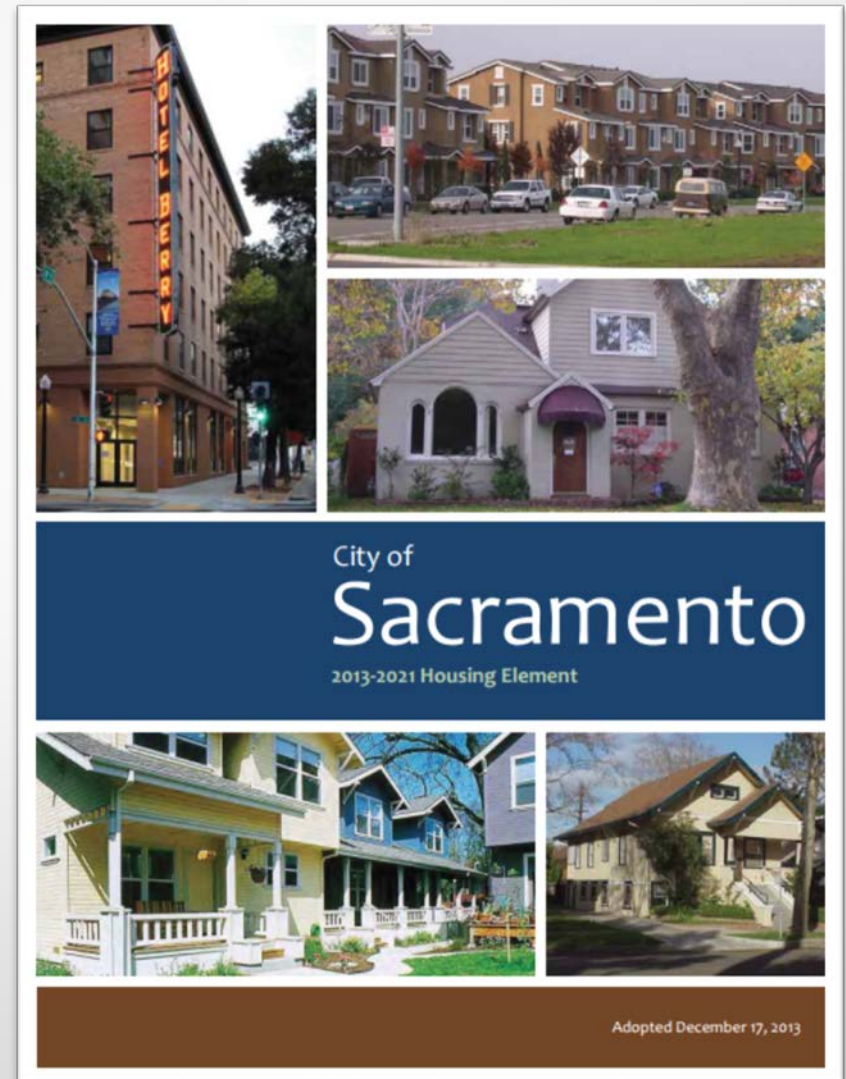
# Why Is Affordable Housing So Important?

- Lack of affordable housing results in overcrowding and overpayment
- Need housing *for all incomes* near job centers
  - GHG and VMT impacts from lack of housing mix



# What is the Housing Element?

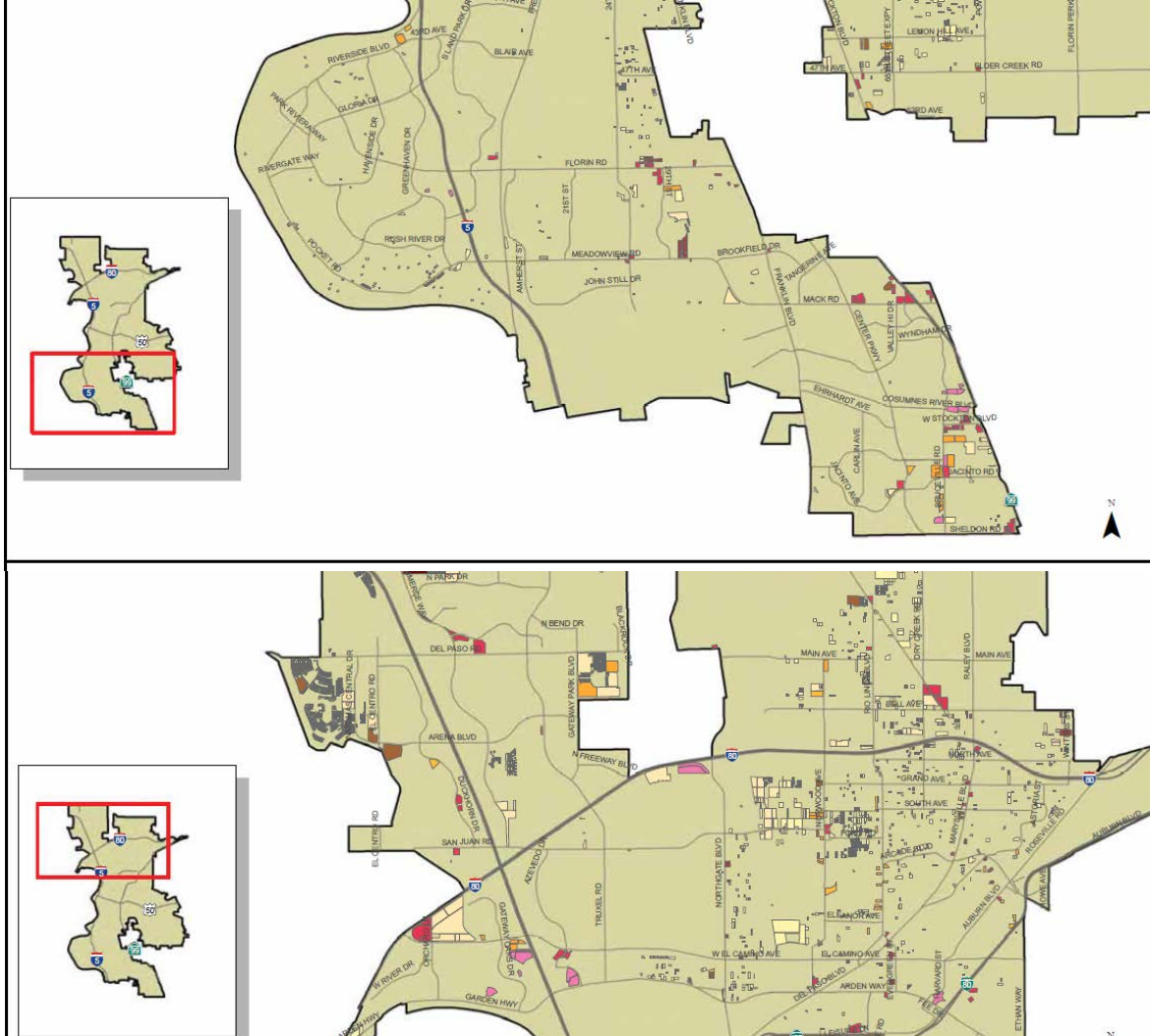
- The City's housing strategy
- Chapter of City's General Plan
- Must be certified by State every 8 years
- Regional Housing Needs Allocation (RHNA)
- Sets forth housing goals, policies and programs for all income levels



# Regional Housing Needs Allocation (RHNA)

## ☐ PROVIDE AFFORDABLE HOUSING CAPACITY:

- ZONING
- VACANT LAND INVENTORY
- HOUSING PROGRAMS



# Sacramento's Share of RHNA

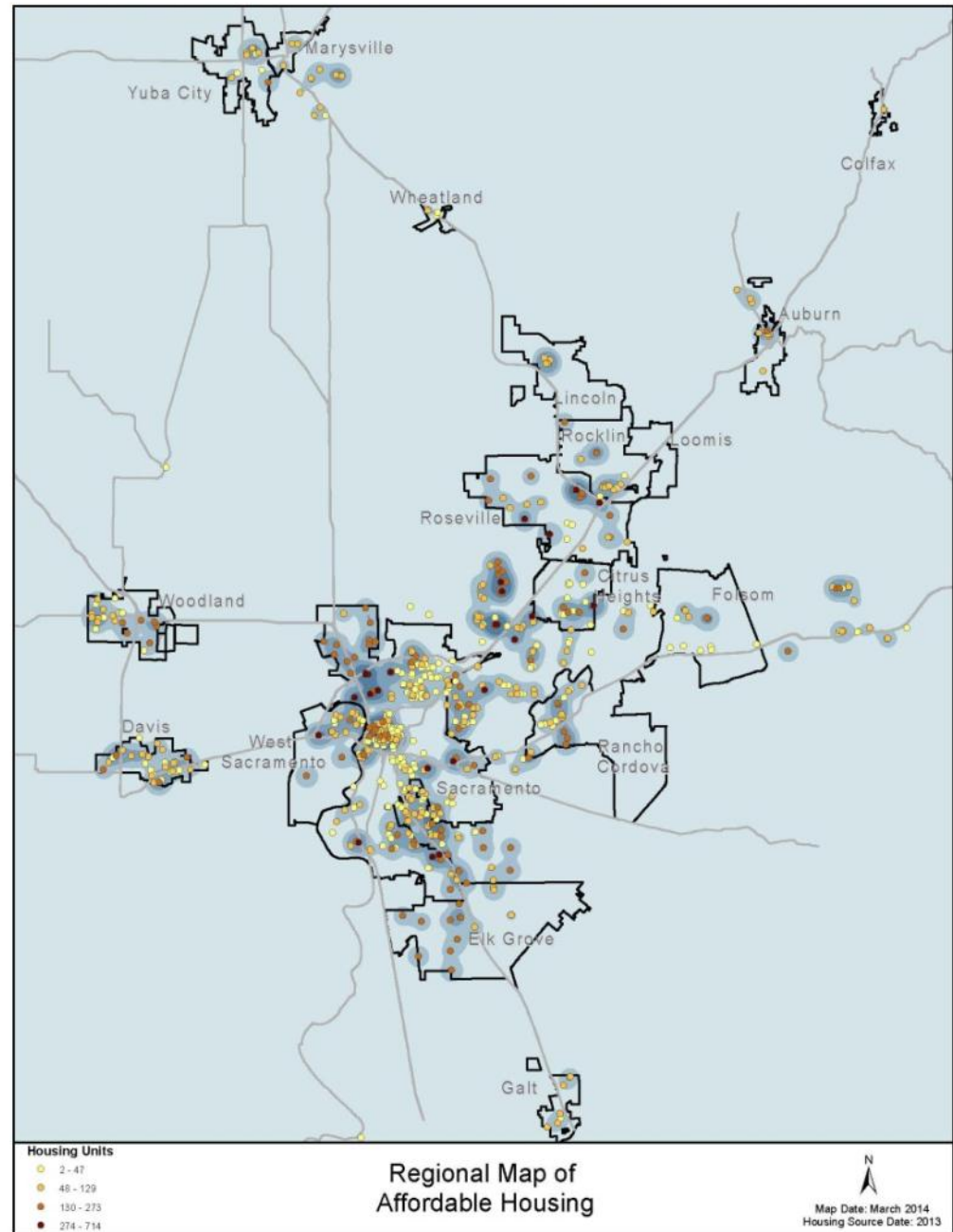
Income Level	Number of Units	Percent
Extremely Low* (0-30% AMI)	2,472	10.25%
Very Low (31-50% AMI)	2,472	10.25%
Low (51-80% AMI)	3,467	14.40%
Moderate (81-120% AMI)	4,482	18.60%
Above Moderate (120%+ AMI)	11,208	46.50%
<b>Total</b>	<b>24,101</b>	<b>100.00%</b>

*\*Per Gov't. Code Section 65583(a)(1), half of a jurisdiction's very low-income share of the RHNA presumed to be extremely low-income.*

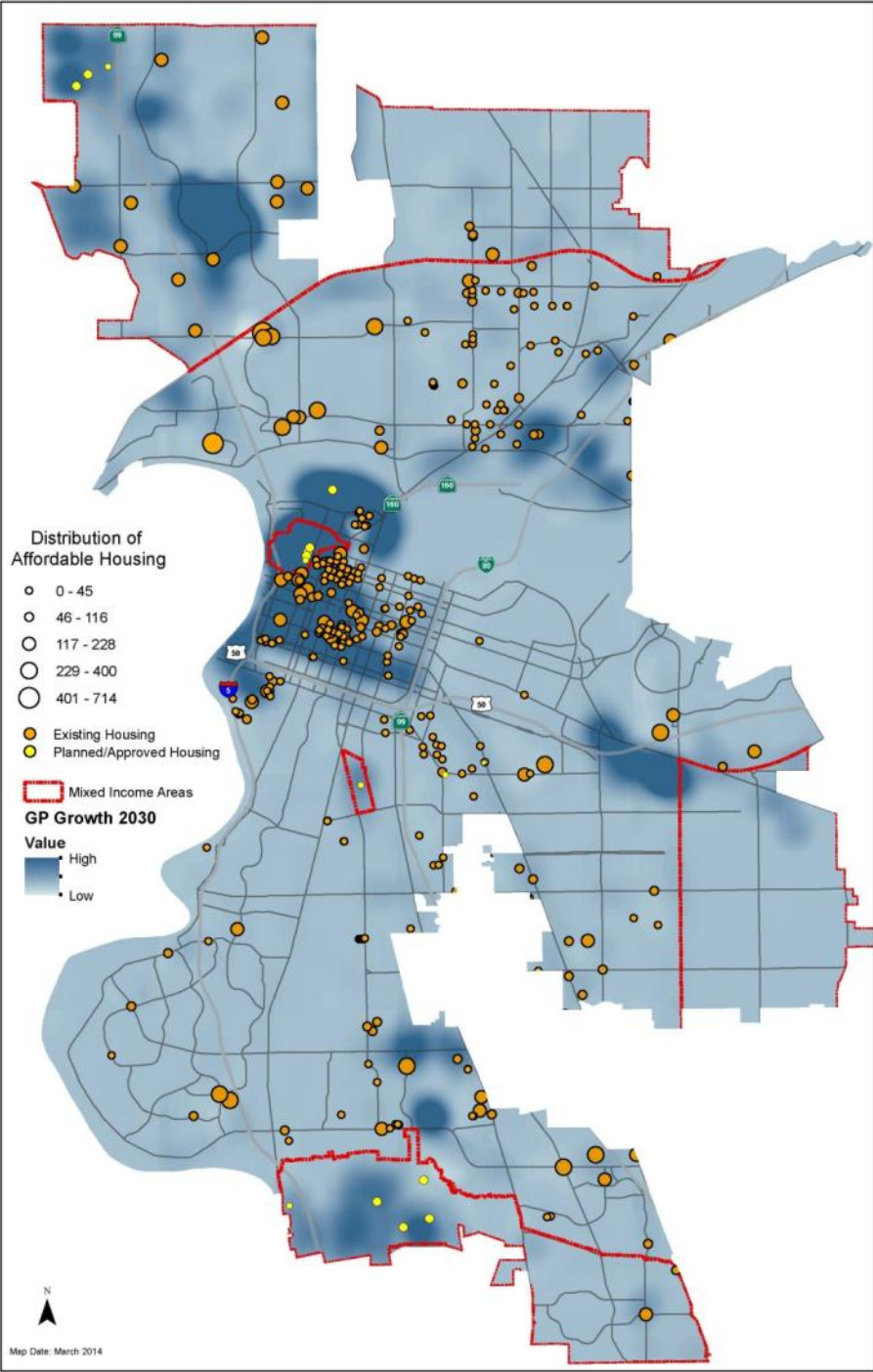


# Distribution of Subsidized Affordable Housing

County	Total Housing Units, 2012	% of Region's Housing Units	Subsidized Rental Units	% of Total Subsidized Units in Region
El Dorado**	73,195	7.9%	1,419	3.2%
Placer	154,525	16.8%	4,354	9.7%
Sacramento	558,209	60.5%	31,387	70.2%
Sutter	33,935	3.7%	763	1.7%
Yolo	74,379	8.1%	5,634	12.6%
Yuba	27,687	3.0%	1,169	2.6%
Region Total	921,930	100.0%	44,726	100.0%







# Housing Programs

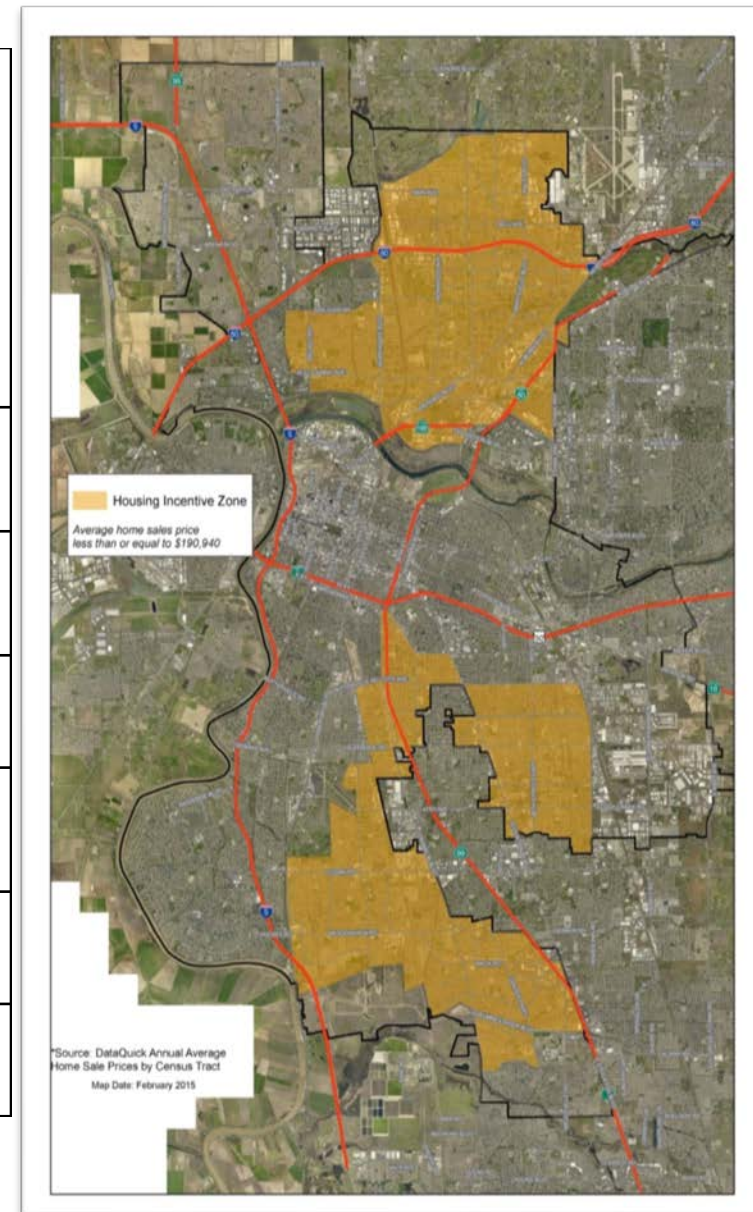
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**mercy**HOUSING





# Mixed Income Housing Ordinance / Housing Impact Fee

Housing Type	Fee Amount (Per Square Foot)  Fiscal Year 2017/2018
Single-unit and duplex dwellings (less than 20 dwelling units per net acre)	\$2.68
High density single-unit and duplex dwellings (20 dwelling units per net acre or more*)	\$0.00
Multi-unit dwellings (less than 40 dwelling units per net acre)	\$2.68
High density multi-unit dwellings (40 dwelling units per net acre or more*)	\$0.00
Conversion of a nonresidential building to a residential use	\$0.00
Dwelling units in the Housing Incentive Zone (see map below)	\$1.16



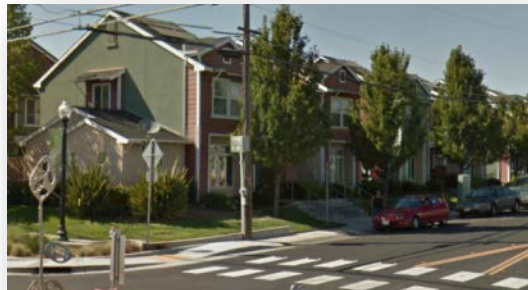
# Housing Trust Fund Ordinance

- Nonresidential Development
- Fees used for affordable workforce housing

Building Type	Current Fee Level (FY 16/17) Fee/SF	New Fee Level (FY 17/18) Fee/SF
Office	\$2.50	<b>\$2.51</b>
Hotel	\$2.38	<b>\$2.39</b>
Commercial	\$2.00	<b>\$2.01</b>
Manufacturing	\$1.57	<b>\$1.57</b>
Warehouse**	\$0.68	<b>\$0.69</b>
** Warehouse buildings with a minor portion (25% maximum) of the space improved for incidental office use.		

\*San Francisco Construction Cost increase between March 2016 and March 2017 = 0.443949062%

# Housing Trust Fund Assisted Projects (44 Developments, 3095 Units)





# Other Housing Element Programs

- Acquisition Rehab
- Preservation of Existing Affordable Housing
- 10 Year Plan to End Chronic Homelessness
  - Over 427 permanent supportive housing units constructed
- Rental Housing Inspection Program
- Single Family Rehabilitation
  - In 2016, SHRA completed 96 Emergency Repairs and 153 accessibility modifications in 2016.
- Universal Design Ordinance
- Responsible Banking Ordinance
- Reasonable Accommodation Ordinance





# Current & Upcoming City Housing Programs / Policies

- Update of Mixed Income Housing Ordinance Fees in 2019
- Exempting Affordable Housing from Impact Fees (Citywide)
- Environment Justice policies in General Plan
- 2<sup>nd</sup> Unit Streamlining
- Central City Specific Plan
- New Local and Regional Resources for Affordable Housing

# Other Citywide Programs to Facilitate Housing Production

- ☐ Zoning Code Update / Planning & Building Process Streamlining
- ☐ Fee Deferral Ordinance
- ☐ SCIP (Statewide Community Infrastructure Program)
- ☐ SB 743 Implementation
- ☐ Update to minimum Unit Size (Encourage Affordability By Design)





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