

Section 3

Housing Element

HOUSING ELEMENT SECTION THREE CONTENTS

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1. INTRODUCTION

1.1 PURPOSE AND INTENT

This is the Housing Element of the General Plan of the City of Sacramento. The Housing Element sets forth the City's policies and strategies for meeting the housing needs of all types of households in our City. The City of Sacramento views housing policy as an important and pivotal cornerstone of the City's effort to support, maintain and where necessary revitalize our neighborhoods. In each of our neighborhoods, the range, style and mix of housing types contributes to the balance and stability of neighborhoods. The strategies included in this document are designed to reinforce balanced neighborhoods and provide choice in housing.

Since the Element is concerned with all household types, it includes policies for housing supply, housing quality, housing affordability, step-up housing, infill housing, senior housing and housing for persons with special needs such as persons with disabilities, or persons in crisis. In addition to the overall City goal of reinforcing neighborhoods, the City has also established economic development as a goal. Good housing policies and programs are key in supporting both the goals for economic development and neighborhood improvement. Indeed Sacramento's past performance in maintaining an adequate supply of affordable housing and strong neighborhoods has contributed to the City's competitive edge in recruiting new businesses to our area.

The Housing Element is also a State mandated requirement. State housing element law (Government Code Sections 65580-65589.8) requires each local government to review and update the housing element of its General Plan every five years. Pursuant to law, the City of Sacramento is required to analyze its housing needs and develop a detailed plan to provide adequate housing opportunities to all households. These efforts will help meet regional housing needs and contribute toward attainment of the state goal of safe and adequate housing for all Californians.

The housing element update process covers the six following steps:

- Review and evaluation of previous element
- Assessment of housing needs
- Inventory of land resources
- Analysis of governmental constraints on housing development
- Statement of quantified housing objectives, and
- Identification of policies and programs for implementation.

Besides these requirements, recent changes in State law require local governments to include the following supplemental information in the element update:

- The addition of people of disability as a special needs category.

1.2 FORMAT OF HOUSING ELEMENT

The element is divided primarily into eleven sections. The first chapters include an analysis of past performance, existing and projected housing needs and current housing production (Chapters 2,3 & 4). Chapters 5 & 6 includes an analysis of the land inventory and potential constraints. Chapters 10 & 11 include a description of goals and policies to provide housing in response to those needs, and an implementation program that completes the primary sections. Supplemental state requirements addressing energy conservation, preservation of assisted low and moderate-income units are covered in Chapters 7, 8, & 9.

1.3 RELATIONSHIP TO OTHER GENERAL PLAN ELEMENTS

The Housing Element is part of the City's General Plan and is consistent with the other General Plan elements. Land use and housing objectives in the Housing Element are supportive of existing goals and objectives in the Residential Land Use and Circulation Elements. The Housing Element also supports the goals, policies and programs contained in the draft Preservation Element of the General Plan. Moreover, the Housing Element supports Sacramento's overall urban growth policy statements found in the introduction to the City's General Plan.

1.4 RELATIONSHIP TO OTHER HOUSING PLANS AND PROGRAMS

Internal consistency is maintained with existing community plans, the Zoning Ordinance and various housing plans and programs. In addition, the Housing Element is internally consistent with the City of Sacramento's Five-Year Consolidated Plan, a planning document prepared by the Sacramento Housing and Redevelopment Agency, that addresses housing needs and the local strategy for use of Federal housing and community development funds.

1.5 CITIZEN PARTICIPATION

The 2002 public review draft housing element was developed based on the recently adopted housing goals and policies and new housing data from the Sacramento Area Council of Governments (SACOG), the 2000 Census, and other sources. The review and comment process includes distribution of the public review draft to numerous housing, development, business and community groups, notice to over 300 individuals and organizations representing diverse social and economic segments of the community, and individual meetings with housing and industry groups. Additionally, publicly noticed meetings were scheduled before the Sacramento Housing and Redevelopment Agency, Planning Commission and City Council to accept public testimony and consider comments and proposed revisions to the draft document.

1.6 HOUSING ELEMENT TIME FRAME January 1, 2002 – June 30, 2007

SACOG is responsible for allocating projected housing needs for the City of Sacramento and the six County Sacramento area. The SACOG housing projections include estimates of population and housing needs for the time period January 1, 2000 to June 30, 2007. The city's housing element however covers a planning period from July 1, 2002 thru June 30, 2007. The City's previously adopted housing element covers the January 1, 1999 through June 30, 2002 planning period. In order to update the City's housing needs and objectives for the planning period, the City's housing production from January 1, 2000 through January 1, 2002 is subtracted from the SACOG housing needs allocation to derive the City's projected unmet housing needs, through 2007.

2. ANALYSIS OF PAST PERFORMANCE

2.1 PURPOSE

As a first step, this Chapter provides an assessment of the previous element to determine the effectiveness of its policies and programs in addressing housing needs and adopted housing goals and objectives. Through this process, the City of Sacramento compared its 1999-2002 objectives with actual housing performance: the number of housing units constructed, rehabilitated and preserved, and the number of households assisted. This evaluation of the previous update's housing policies and programs identified successful as well as ineffective programs, thereby providing the City with understanding of changes necessary to improve the effectiveness of existing programs.

The 1999 –2002 housing objectives included both quantitative (numeric housing goals) as well as qualitative goals (program and results goals and objectives). An assessment of progress in meeting these goals follows.

2.2 PREVIOUS PLANNING PERIOD HOUSING OBJECTIVES

The previous planning period extended from January 1, 1999 to June 30, 2002. Numeric housing needs were established by the Sacramento Area Council of Governments (SACOG) based on a "fair share" plan known as the Regional Housing Needs Plan (RHNP). According to the RHNP for the previous planning period, the following unmet housing needs by income level were identified for the City of Sacramento for the previous 3.5-year time frame:

**Table 2-1
1999-2002 UNMET NEEDS AND OBJECTIVES
FOR THE CITY OF SACRAMENTO**

Income Level	1999-2002 Unmet Housing Needs	3.5 year Production Objectives 1/99 – 6/02
Very Low Income	1,707	665 units
Low Income	1,861	788 units
Moderate Income	0	2,580 units
Above Moderate	4,135	1,600 units
TOTAL	7,703	5,633 units

Source: Sacramento Area Council of Governments, 2001.

The total number of new housing units constructed in the City of Sacramento during the previous planning period is shown in Table 2-2.

**Table 2-2
TOTAL RESIDENTIAL NEW CONSTRUCTION
January 1, 1999 - December 31, 2001**

1999	706
2000	1,763
2001	2,849
TOTAL	5,318

Source: City Sacramento Planning and Building Department 2001

2.3 COMPARISON OF ACCOMPLISHMENTS WITH QUANTIFIED HOUSING OBJECTIVES

During the past planning period 1999-2002, substantial progress was made with respect to innovative and pathfinding policies and programs. For example, the City adopted a mixed income housing ordinance to promote the development of very low and low income housing within new growth areas of the city. Also, the City and County of Sacramento administer a Housing Trust fund development fee program, one of the first in the State. Despite these aggressive efforts supported by State and federal initiatives, the City fell short in meeting numeric goals in some areas.

With respect to total past housing production, 5,318 units were built in the City of Sacramento during the period of 1999 through 2001. An average of 1,772 units were built on an annual basis during the three-year period.

**Table 2-3
1999 - 2002 COMPARISON OF HOUSING ELEMENT OBJECTIVES
AND UNITS PRODUCED FOR THE CITY OF SACRAMENTO**

INCOME	HOUSING ELMENT OBJECTIVES FOR 3.5 YEAR PERIOD 1/99-6/02	VERIFIED ASSISTED UNITS PRODUCED 1/99 - 12/01	ESTIMATED MARKET RATE UNITS PRODUCED 1/99 - 12/01	TOTAL UNITS PRODUCED 1/99 - 12/01
Very Low Income	665	194	-0-	194
Low Income	788	55	89	144
Moderate Income	2580	28	2,228	2,256
Above Moderate	1600	0	2,724	2,724
TOTAL	5,633	277	5,041	5,318

Overall, the City of Sacramento likely reached the total production goal of 5,633 housing units for the 3.5-year planning period. The City produced 5,318 housing units during the first three years of the period and the remaining 315 units should be produced within the remaining six months. It is important to note however, that the housing produced in the city was primarily for moderate and above moderate-income levels.

Table 2-3, shows the city was unable to meet the housing objectives for very low and low income units, despite the fact that 277 publicly assisted units were constructed during this period. The numbers in Table 2-3 for publicly assisted units only includes projects that were constructed and occupied between January 1, 1999 and January 1, 2002 and do not reflect projects that are currently funded, programmed, or under construction. Considering those numbers, the city has an additional 815 assisted units that are funded and/or under construction. Among those 815 units, 366 units will be affordable to very low income and 239 units will be affordable to low income.

Also, the city's mixed-income housing program was approved in October 2001 and the affordable housing resulting from the program will be phased over several years, beginning in 2002. Market rate housing production is expected to increase over the next several years based on current building permit activity and expected buildout of the North Natomas area.

2.4 PREVIOUS HOUSING QUALITATIVE GOALS

Preservation, maintenance and construction of new housing affordable to all economic segments were the primary goals set forth in the previous element update. Specifically, those goals were the following:

- Housing supply: Provide adequate housing sites and opportunities for all households
- Housing affordability: Provide housing assistance to low and moderate households
- Housing mix, balance, and neighborhood compatibility: Promote a variety of housing types within neighborhoods to encourage economic diversity and housing choice
- Mitigate governmental and nongovernmental constraints in the development and assistance of housing
- Housing quality and neighborhood improvement
- Conserve Sacramento neighborhoods and rehabilitate affordable housing
- Preserve and develop housing opportunities for persons with special needs
- Energy conservation
- Promote equal housing opportunity
- Monitor and coordinate housing performance

Various policies and programs met specific objectives within each goal. Time frames and numerical objectives accompanied certain goals and policies. Other policies were broad statements whose objectives were qualitative rather than quantitative.

2.5 COMPARISON OF PREVIOUS OBJECTIVES WITH ACCOMPLISHMENTS

In the 1999 Housing Element Update, the City set quantified objectives for the 3.5-year period. Those objectives addressed the preservation and rehabilitation of existing housing, including residential hotel and single room occupancy (SROs) rooms, and new housing construction.

Table 2.4 is a comparison of the City's accomplishments with each of the goals, policies, and objectives set forth in Section 10 of the 2000 Housing Element Update. It is based on information provided by the Sacramento Housing and Redevelopment Agency (SHRA) and the Department of Planning and Building. The summary table includes the program or policy status, the projected time frame for achieving the program or policy's objective, and the local agency responsible for meeting those objectives and accomplishments.

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

Goal 1: HOUSING SUPPLY: Provide housing adequate sites and opportunities for all households				
Program	Lead Agency	Time Frame	Quantified Objective (Desired Result)	Status or Accomplishments
1.1 - Maintain & Expand Residentially Designated/Zoned Lands	City Planning, City Council, Downtown Dept, SHRA	On-going	Create planned opportunities for 10,000 new housing units	Ongoing Implementation - Project Reviews
1.2 - Adopted Site & Design criteria for sites of med. & high density development	City Planning, City Council.	On-going	Multi-family site criteria to evaluate suitability for higher density land uses	Ongoing application - Project Reviews
1.3 - Initiate Sphere of Influence and annexation studies in growth areas adjacent to city	City Planning, City Council, LAFCo.	On-going	Addition of 3,500 potential housing units within annexation area	Initiated June 2000
1.4 - Develop/maintain inventory system of available surplus land for affordable housing production	SHRA, Public Works, City Planning	Spring 2001	Complete Inventory of surplus land suitable for affordable housing production	Not Completed
1.5 - Update Financing and Phasing Plans	City Finance, Public Works, City Planning, City Council	Fall 1999	Amend financing plan for North Natomas and Railyards	2001 Financing Plan, Summer 2002
1.6 - Adopt Infill Strategy and Implement Infill Deep Lot Development Ordinances	City Planning, City Council	Winter 2001	Adopt Infill Strategy and Amend Infill Ordinances	Adopted Infill Strategy 03/02
1.7 - Mitigation Measures to meet Noise Standards for Residential Infill Sites	City Planning, Environmental Division	On-going	Standard mitigation measures to streamline environmental review process	Adopted for Central City.
1.8 - Amend Artist's Live/Work Space Ordinance	City Planning, City Council	Fall 2000	Amend Artist's Live/Work Ordinance to allow more flexibility in the type of live/work housing	Not Completed
1.9 - Rezone appropriate sites for commercial and residential mixed use	City Planning, City Council	On-going	Increase Residential Holding Capacity	65th St. Plan Pending, Transit for Livable Communities Land Use Recommendations approved.
1.10 - Implement and rezone appropriate sites to Employment Center (EC) zone which allows residential in a business park setting	City Planning, City Council	On-going	300 HD res. units in N. Natomas EC zone and applications of EC landuse in approp. locations near future transit stations to integrate res. projects near large emp. zones.	Achieved Objective: Terracina Gold Project
1.11 - Continue to administer the Mobile Park Regulations	City Planning Department	On-going	Administration of Mobile Park Regulations	On-going administration
1.12 - Provide programs to preserve or offer replacement housing to mobile park tenants	City Planning and SHRA	As needed	Coordinated replacement housing requirements	Produced mobile home survey, received state grant for mobile home repair and replacement
1.13 - Continued Implementation of Mobile Home Park Assistance Program.	SHRA / State of California	On-going, As needed	Stabilize mobile home tenancy through tenant ownership of parks	No conversions of mobile home parks
1.14 - Continue to implement Condominium Conversion Ordinance	City Planning	On-going existing program	Maintain a reasonable balance of rental vs. ownership housing opportunities in multi-family housing	Ongoing

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

GOAL 2: HOUSING AFFORDABILITY: Provide housing assistance to low and moderate households				
Program	Lead Agency	Time Frame	Quantified Objective (Desired Result)	Status or Accomplishments
2.1 - Participate in Sac. County Regional Sanitation Boards fee waiver and deferral program	SHRA, City Council	MOU approved 1998, Extension Summer 2000	Fee reductions for development of up to 200 qualified affordable housing units per year in the city and county.	Projects receiving fee waivers: Terracina Gold Villages, Terracina Meadows, Natomas Park, Northview Seniors
2.1a - Implement the Development Fee Program	Public Works, City Planning, City Council	Spring 2001	Fee reductions for up to 150 affordable housing units per year	Adopted Fee Reduction Ordinance Spring of 2001 to implement Mixed Income Housing Program
2.2 - Implement State Density Bonus Law	City Planning, City Council	Summer 2001	Adopt Density Bonus Ordinance to assist 15 units per year	Adopted Spring 2001
2.3 - Identify and adopt fee waiver and/or deferral program	City Planning, Utilities, Public Works, City Council	Winter 2001	Reduce development costs, for up to 200 infill and affordable housing units per year	Pending Infill Fee Reduction 11/02
2.4 - Continue to provide housing info. and referral services on affordable housing opportunities.	SHRA and Community Services Planning Council	On-going	Consolidated "one stop" information center for housing affordability programs and services	Community Information Center
2.5 - Develop, fund, & implement housing with supportive services	SHRA	On-going	Continued expansion of support services for 150 very low income persons/year	Adopted Supportive Housing Loan Program; funded 3 transitional housing sites funded by SRO supportive program for downtown hotels
2.6 - Pursue innovative financing and ownership alternatives	SHRA	On-going	Creation of innovated approaches to protect the financial viability and management of public housing	Adopted housing choice voucher homeownership program and HCV project based assistance program in Oct. 2001
2.7 - Review and revision of operating assistance programs or pre-development grants	SHRA	On-going	RFP for 2 awards per year to nonprofit corp. that will support vital projects	On-going administration. Grants awarded for three projects
2.8 - Community outreach and participation in annual update and three year Consolidated Plan.	SHRA	Annual	Community assessment to guide program funding.	Annual Plans Completed, Community process underway for five year plan
2.9 - Participate with special financing and lending groups to preserve and/or replace federally assisted housing with Sec. 8 subsidies	SHRA	On-going	Preserve affordability and rehabilitate 200 units in HUD	Florin Meadow: 244 Whispering Pines: 96 Greenfair: 386 Cascade: 74 Countrywood Villa: 292
2.10 - Promote partnerships between lenders, developers, housing interest groups and the community	SHRA and local lenders	On-going	Increase affordable housing lending through the Northern California Loan Pool and marketing efforts regulated financial institutions by two affordable housing loans/year	Negotiated partnership loans for Del Paso Nuevo w/ Wells Fargo and Freddie Mac; Fannie Mae establishing partnership office in Sacramento

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

2.12 - Promote Public, Competitive funding processes for assisted housing - NOFA & streamlined over over-the-counter programs	SHRA	On-going	Clear funding programs & Regularly scheduled application periods	Issued NOFAs and funded over the counter applications, maintained monthly.
2.13 - Develop and implement new Freddie Mac Alliance Agreement	SHRA, Sacramento Home Loan Counseling Center and lenders.	SHRA Fall of 1999	Increased choices for 300 low & moderate income home buyers, employees live closer to work	Established home ownership counseling seminars at UCD Medical center and Sacramento City Schools
2.14 - Maintain the flexibility in the use of housing set aside funds for very low and mixed income revitalization projects	SHRA	On-going	Production of 500 new and substantially rehabilitated affordable units by 2002	5 year Implementation plans for all redevelopment areas adopted . From 1995-1999 694 units were financed with affordability restrictions (all programs, all sources of funds.)
2.15 - Participate in new program with the California Housing Finance Agency to acquire and rehab. deteriorated properties	SHRA	Spring 2000	Successfully acquire funds to acquire and rehabilitate problem properties under CHFA's HELP program. Accomplish two programs in period	One million dollars in SHFA funds awarded for Franklin Villa Project
2.16 - Mixed Use Income Housing Ordinance for new growth areas, Railyards, and annexation sites	SHRA, City Planning, City Attorney, and City Council	Summer / Fall 2000	Adoption of a mixed Income Housing Ordinance (150 low and low income units)	Adopted October 2001 - 480 very low and low units pending approval
2.17 - Amend Housing Trust Fund Ordinance to allow use of commercial development fees paid into the N. Natomas fund for N. Nat. affordable housing projects	City Planning, City Council, City Attorney	Summer 2000	Completed Summer 2001	Amendment adopted March of 2001
2.18 - Educational outreach and marketing of the Section 8 voucher program	SHRA and Sacramento Valley Rental Housing Association	Fall 2000	Effective Marketing of Housing Choice Vouchers (Section 8 voucher) program with landlords	Regular workshops with rental property owners increased use of sec. 8 vouchers.

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

Goal 3: HOUSING MIX, BALANCE AND NEIGHBORHOOD COMPATIBILITY: Promote a variety of housing types within neighborhoods to encourage economic diversity and housing choice.				
Program	Lead Agency	Time Frame	Quantified Objective (Desired Result)	Status or Accomplishments
3.1 - Adoption of a Fair Share Housing Plan and of Multi Family Lending Guidelines	SHRA, City Council	Summer 2000	Creation and adoption of a Fair Share Housing Plan and Multi-Family Lending Guidelines	Amended 2000. New Multi Family lending guidelines to Council in May 2002.
3.2 - Address newly developing areas with unique circumstances addressed in Fair Share Plan	City Council, SHRA	Summer 2000	Including the N. Natomas census tract as an area for mixed income housing	Awaiting Census Data before resubmitting plan
3.3 - Include mixed income developments in new growth areas and encourage Step up housing in areas of low and moderate income housing	City Planning with SHRA, and Public Works	On-going	Provide opportunities for step-up housing where ever possible in low and moderate income neighborhoods	Ongoing project review: Mixed Income developments funded in Rainbow Springs (Meadowview), Del Paso Nuevo, and Downtown Sacramento
3.4 - Enforce the requirements in North Natomas Comm. Plan for multiple housing type and target density policies	City Planning, City Council	On-going	Workshops on promoting Med. Density multiple housing type housing developments and N. Natomas Comm. Plan Amendments to Residential Density Program	Planning Commission Workshop held 9/02

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

Goal 4: MITIGATE GOVERNMENTAL AND NONGOVERNMENTAL CONSTRAINTS IN THE DEVELOPMENT AND ASSISTANCE OF HOUSING				
Program	Lead Agency	Time Frame	Quantified Objective (Desired Result)	Status or Accomplishments
4.1 - Amend Zoning Ordinance to establish clear location and development standards, and a streamlined review process for emergency shelters and transitional housing	SHRA, City Planning, City Attorney, and City Council	Summer/Fall 2000	Amendments to Zoning Ordinance	Adopted Spring 2001
4.2 - Continue to implement the preliminary review process	City Planning	On-going	Identify planning and community issues early in process to shorten processing time	On going
4.3 - Continue a streamlined, effective process for involving neighborhoods in land use decisions	Neighborhoods, Planning, and Development Services	On-going	Early notification to neighborhood and business groups and adjacent property owners	On going
4.4 - Interdepartmental Meetings to coordinate early review of development projects and policy	City Planning, Public Works, Utilities	On-going	Coordinate input on new projects	Interdepartmental Planning Policy Review Committee. Front Counter "One Stop" shop, On going
4.5 - Amend/Implement Subdivision Ordinance Regulations			Streamline the map process and reflect current development and infrastructure standards	Adopted Feb. 2002 for 4 or less parcels.
4.6 - Study and Implement potential reductions of permit fees	Public Works, Utilities, and City Planning	On-going	Provide flexibility in development standards, infrastructure improvements.	Included in Infill Strategy, partially implemented (see 2.3)
4.7 - Work with SAFCA and other responsible agencies to resolve flood plain restrictions	City Managers Office, Public Works, SAFCA, Army Corps of Eng.	On-going	Sacramento levee improvements and Folsom Dam modifications	On going
4.8 - Study and modify infrastructure standards	City Planning, Public Works	On-going.	Provide flexibility in development standards.	On going
4.9 - Establish Planning Directors Special Permit Process for review and approval of Multi-Family Dev	City Planning, City Attorney's Office, City Council	Spring 2002	Zoning Ordinance Amendments to Multifamily R Review	Ordinance pending approval 11/02
4.10 - Repeal the existing Emergency Shelter and Housing Resolution	City Council, SHRA	Spring 2000	Repeal of Homeless Program Prohibition	Repealed Spring 2001

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

Goal 5: HOUSING QUALITY AND NEIGHBORHOOD IMPROVEMENT				
Program	Lead Agency	Time Frame	Quantified Objective (Desired Result)	Status or Accomplishments
5.1 - Continue to provide and improve the Design Review program	City Planning, City Council	Spring 2000	Develop clear and understood design guidelines to streamline the process	Single Family Design Guidelines Pending Approved 10/02
5.2 - Update the City's Infill and Deep Lot Development Ordinances	City Planning	Spring 2002	Update and adopt infill housing policies, ordinances & incentives that streamline the development process and resolve neighborhood concerns regarding infill housing	Draft Summer 2002 Pending the hiring of Infill Coordinator
5.3 - Adopt City's Multi-family Design Guidelines	City Planning, City Council	Spring 2002	Adoption of New Multi-Family Design Guidelines	Adopted
5.4 - Continue to implement the Problem-Oriented Policing (POP) Program	City Police, Neighborhood Services Dept.	On-going since 1996	Early and efficient resolution of problem property cases such as drug housing, health & safety cases	On going
5.5 - Continue to implement the Neighborhood Reclamation and Protection Plan (NRPP)	SHRA, Neighborhood Services Dept.	On-going	Strengthen existing troubled neighborhoods by weeding out problems and positive neighborhood capacities and assets	Implemented/Financed Weed and Seed Program, Avendale and Glen Elder
5.6 - Reorganize the Planning Division in geographic teams	City Planning	1996	Develop geographic teams to be more knowledgeable and accessible to neighborhood residents	Completed 1996
5.7 - Implement neighborhood revitalization and preservation recommendations for Central City	City Planning	Summer 1999	1. Adoption of Phase II of the Central. City Housing Strategy rezoning and Neighborhood Design Guidelines. 2. Finance and Complete at least 7 Central City mixed income housing projects	Adopted Rezoing s / Ordinances 2000 - Mixed Income Projects in Central City Completed: 13&F, 6&S, 4&T, Fremont Bldg. Under const. Cap. Park Homes. Funded: 18&L, 21&L, CADA Warehouse, CalPERS
5.8 - Support home ownership among low and moderate income household through SHRA activities	SHRA	On-going	Increase owner occupancy for 2400 qualified low and moderate income households	Owner Occupancy Assisted by SHRA increased by 1,469 Completions.

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

5.9 - Support home ownership programs carried out by non-profit housing corporations	SHRA	On-going	Increase owner occupancy among qualified low and moderate income households throughout Sacramento	Assistance provided to Sac. Home Loan Counseling Center and Sacramento Neighborhood Housing Services
5.10 - Continue Systematic building Code enforcement through Code Action Team (CAT)	City Building Division	On-going	Pro-active and systematic inspections and enforcement of basic health and safety codes and zoning ordinances	On going
5.11 - Develop and implement location criteria, review procedures and development standards for siting and integration of social service care facilities in residential neighborhoods	City Planning, City Council	Spring 2002	Develop a clear and easily understood Social Service Siting Policy and Ordinance	Pending Legal Review
5.12 - Where needed, implement the Rent Escrow Account Program (REAP)	City Attorney's Office, Neighborhoods Services, SHRA	On-going	Empower tenants to take immediate action to correct health and safety violations	Not Implemented
5.13 - Maintain high priority assistance and coordination for the development of Del Paso Nuevo	SHRA	1999-2010	130 New homes, parks and infrastructure development 1999-2002, 300 homes by 2010	54 Homes completed; Phase I and II funding approved
5.14 - Exploring financing and funding to correct infrastructure and housing deficiencies at the Parker Homes	SHRA	2001	Secure federal funds, allocation of McClellan AFB redevelopment area for housing rehabilitation and adequate infrastructure development	\$6 million pledged from future McClellan Park tax increment, Home, CDBG

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

Goal 6: CONSERVE SACRAMENTO NEIGHBORHOODS AND REHABILITATE AFFORDABLE HOUSING				
Program	Lead Agency	Time Frame	Quantified Objective (Desired Result)	Status or Accomplishments
6.1 - Expand the use of the SHRA Boarded/Vacant	SHRA	On-going	70 units eliminated from the city's dangerous and substandard building list, rehabilitated and sold to first time home buyers	36 Homes rehabilitated and sold to owner-occupants
6.1a - Develop/Expand incentive programs to improve management of privately owned rental housing	SHRA	Summer 2000	Adoption of Program	Partnered with Sacramento Rental and Housing Association and the District Attorney for landlord trainings.
6.2 - Continued financing of rehabilitation of owner-occupied homes through CDBG, Home, tax increment.	SHRA	On-going	350 low and very low income home owners will be able to maintain their homes through attractive financing options	412 homes received emergency repair, retrofit, or rehabilitation
6.3 - Maintain active financing program for acquisition and rehabilitation of multi-family properties	SHRA	On-going	Add 260 units to very low and low income affordable housing supply while removing blighting properties from neighborhoods	1107 units financed for acquisition and rehabilitation.
6.4 - Adopt a proactive rental inspection program to ensure rental housing maintenance	SHRA/City Council	Fall 2000	Maintain the quality of existing multi-family units and avoid deferred maintenance	Researched legal issues and ordinance pending
6.5 - Preserve privately owned HUD-financed low income housing projects that are endangered to conversion to market rate housing	SHRA	On-going	1. Preserve 100 units annually through restructuring programs 2. preserve 100 units annually through sales to priority purchasers 3. provide enhanced Section 8 vouchers to 85% of residents in opt out projects	800 Units preserved from loss of affordability
6.5a - Preservation of affordable units in mortgage revenue bond projects with expiring regulatory agreements through financial incentives	SHRA	On-going	Preservation of 100 affordable unites in expiring mortgage revenue bond projects	412 units in MRB projects refunded and extended affordability

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

6.6 - Appoint an SRO Task Force to review and recommend policies related to preservation, replacement and development of Single Room Occupancy Hotels	SHRA, City Council	Fall 2000	Task Force to report back to City Council on SRO policies	Adopted task force report June 2001, SHRA financed Integrated Health Services Network and case management for downtown SROs
6.7 - Implement new Residential Hotel Alternative Housing Program	SHRA/DHA	On-going	Assist 150 very low income persons throughout the Sacramento area that need appropriate supportive services	Predevelopment financing granted to Sac. Mutual Housing Association for site acquisition
6.8 - Amend the zoning ordinance to comply with the residential hotel new construction standards	City Planning/City Council	Spring 2001	Zoning Ordinance Amendment to facilitate the production of affordable living spaces for very low income people	
6.9 - Update of Historic Preservation Ordinance (Chapter 32)	City Planning/City Council	Spring 2001	Update the Historic Preservation Ordinance (Chapter 32)	Adopted Summer 2001
6.10 - Fund and Support Sacramento Heritage Trust Fund	SHRA/City Planning	On-going	Sacramento Heritage Program	On going
6.11 - Develop and adopt a Historic Preservation Element of the General Plan.	City Planning	Summer 2000	Historic Preservation Element	Adopted Spring 2000
6.12 - Adoption of a Residential Demolition Ordinance	City Planning/City Council	Spring 2000	Residential Demolition Ordinance to provide for alternatives to demolition of sound housing stock	Adopted 2000
6.13 - Continue to implement the Neighborhood Paint Program	SHRA, Neighborhood Housing Services, Business Assoc.	On-going	Affordable means for low income persons to weatherize and improve their homes	On going program operated by Neighborhood Housing Services
6.14 - Implement Franklin Villa Revitalization Plan	SHRA, NPDS and Police Departments	Summer 1999-2002	1. Acquire 120 HUD held properties, rehabilitate and manage them 2. Expand services of Franklin Villa Resource Center 3. Increase education resources for Parkway Elementary	144 units acquired or pending services and security expanded

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

Goal 7: PRESERVE AND DEVELOP HOUSING OPPORTUNITIES FOR PERSONS WITH SPECIAL NEEDS				
Program	Lead Agency	Time Frame	Quantified Objective (Desired Result)	Status or Accomplishments
7.1 Provide assistance to emergency shelter facilities of the homeless population	DHA	On-going	Maintenance of existing Network of emergency shelters linked with service providers to obtain assistance more effectively to get people off the streets, to move the secure fee from domestic violence , and to stabilize living conditions for homeless children	County expanded women's and children's shelter; other emergency shelters maintained through county, state, and federal funds.
7.2 Support transitional and permanent housing programs	SHRA, DHA, Non-profit service providers	On-going	Purchase and/or rehabilitate 80-100 units to house homeless persons in well managed and permanent housing facilities	Adopted Supportive Housing Loan Program; financed 3 projects.
7.3 - Review and adopt, as needed, specific recommendations of the Board on Homelessness of the Cities and Counties of Sacramento	City Council, SHRA	1999 - 2000	Continued funding and operation of effective supportive housing programs that link transitional and permanent housing, recovery programs, and emergency shelters to help persons maintain independent living skills	County successful in maintaining Continuum of care serving 2800 individuals and families
7.5 - Continue to promote the concept co-housing, mutual housing and housing cooperatives	SHRA and affiliated non-profit sponsors	On-going	An additional 25-50 unites can be accomplished in 1996-1998	Five Year Consolidated Plan in process of update (2002) covering period of 2003 - 2007 ; 3 developments funded for special needs (foster care youth, AIDS/HIV Housing)
7.6 - Continue to implement the strategies of the SHRA's Consolidated Plan for Housing and Community Development	SHRA and affiliated non-profit sponsors	On-going	Provide financing and technical assistance to non-profit service providers to create two additional developments for persons with special needs	Five Year Consolidated Plan to begin 2002; 3 developments funded for special needs (foster care youth, AIDS/HIV Housing)

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

Goal 8: ENERGY CONSERVATION				
Program	Lead Agency	Time Frame	Quantified Objective (Desired Result)	Status or Accomplishments
8.1 - Support SMUD's Energy Efficient Construction Program	SMUD	On-going	Implementation of new conservation and alternative energy programs to reduce energy costs of new residential buildings	On going
8.2 - Support SMUD and PG&E's program to retrofit existing housing for energy costs of new residential buildings	SMUD, PG&E, SHRA	On-going (existing programs)	Reduce household energy costs through a variety of insulation, system update, and weatherization program	<i>Ongoing</i>
8.3 - Continue to administer Tree Planting Program	SHRA, SMUD, Tree Foundation	On-going (existing programs)	Provide strategically located shade trees to reduce air conditioning costs.	Ongoing

Goal 9: PROMOTE EQUAL HOUSING OPPORTUNITY				
Program	Lead Agency	Time Frame	Quantified Objective (Desired Result)	Status or Accomplishments
9.1 - Continue to support enforcement practices of the Human Rights/Fair Housing Commission and fair housing educational programs	Human Rights Fair Housing Commission (HRFHC) (lead)	On-going (existing programs)	Provide mediation, education and referrals to the State Office of Fair Housing or legal aid centers for cases of housing discrimination or other forms of discrimination	Ongoing
9.2 - Provide equal housing opportunity for people with disabilities	(HRFHC) Building Div. SHRA, Legal Center for Elderly and Disabled	On-going (existing programs)	Ensure positive recourse and corrective action to prevent discrimination against persons with disabilities	Ongoing
9.3 - Support neighborhood efforts to resolve tenant complaints. McGeorge Law School/Neighborhood Mediation Program	Sacramento Mediation Center	On-going (existing programs)	Continue to provide alternative dispute resolutions methods for landlord tenant and neighborhood conflicts	On-going

Table 2.4 Comparison of Objectives for 1/99 – 12/01 with Accomplishments

9.4 - Develop and Implement a program that would incorporate housing visitability standards in all newly constructed single family homes financed by SHRA	SHRA, Building Industry Association	Summer 2000	Improved accessibility for persons with physical disabilities in single family development	Meetings held on single family standards.
Goal 10: MONITOR AND COORDINATE HOUSING PERFORMANCE				
Program	Lead Agency	Time Frame	Quantified Objective (Desired Result)	Status or Accomplishments
10.1 - Prepare annual monitoring report to the City Council on implementation of Housing Element Goals	SHRA, NPDS	Annually starting in April 2001	Annual report on new construction, rehabilitation and other assistance by income group served and all sources of funds.	Housing Update Summer 2002
10.2 - Monitor and publish an annual report on compliance with jobs to housing balance, housing type and affordability objectives in the North Natomas Community Plan	City Planning	Annually starting in 1999	Annual reports to City Planning Commission and City Council	Completed

3. HOUSING NEEDS ASSESSMENT

3.0 PURPOSE

Changes in the composition of Sacramento's population, along with the area economy, affect local housing needs. This section provides information on those changes and describes population trends and existing and future housing needs.

3.1 POPULATION AND HOUSEHOLD CHARACTERISTICS

Population and Household Growth Rates

According to the 2000 U. S. Census, Sacramento's population was 407,018. As shown in Table 3-1, between 1980 and 2000 the City experienced a 47.6% change in population. The County has seen a more dramatic percentage change of 56.2%. The City's share of the total county population has also decreased since 1980. Sacramento's share of the state population has remained relatively constant (at 1.2-1.3% of the total), while the County's share has increase slightly over time.

**Table 3-1
POPULATION CHANGE 1980-2000**

YEAR	CITY OF SACRAMENTO	SACRAMENTO COUNTY	CALIFORNIA
1980	275,741	783,381	23,775,360
1990	369,365	1,041,218	29,760,021
2000	407,018	1,223,499	33,871,648
Percent Change 1980 to 2000	47.6%	56.2%	42.5%
Percent Change 1990 to 2000	10.2%	17.5%	13.8%

Source: US Census Bureau

As shown in Table 3-2, the number of households in Sacramento increased from 112,859 in 1980 to 154,581 in 2000 or a 37% percentage change. Given that the City's population increased 47% in the same period, this indicates an accelerated household formation rate relative to population. The County experienced a similar increase in household formation rates.

**Table 3-2
HOUSEHOLD CHANGE 1980 - 2000**

YEAR	NUMBER OF HOUSEHOLDS	
	CITY OF SACRAMENTO	SACRAMENTO COUNTY
1980	112,859	299,805
1990	144,661	394,530
2000	154,581	453,602
Percent Change Since 1980	37%	51.3%

Source: 2000 US Census Bureau /

Group Quarters Population

The City's group quarters population, composed of individuals residing in school dormitories, correctional institutions, rooming houses, military bases and convalescent homes, increased by 1,948 or 31.5% from 1980 to 1990. Although relatively small in number, this population is significant. The group quarters' population represents residents with special needs, both for housing and support services.

According to the 2000 Census, this figure has increased from 8,209 individuals in 1990 to 9,002 in 2000. The County's group quarter population has increased from 22,144 in 1990 to 25,495 in 2000.

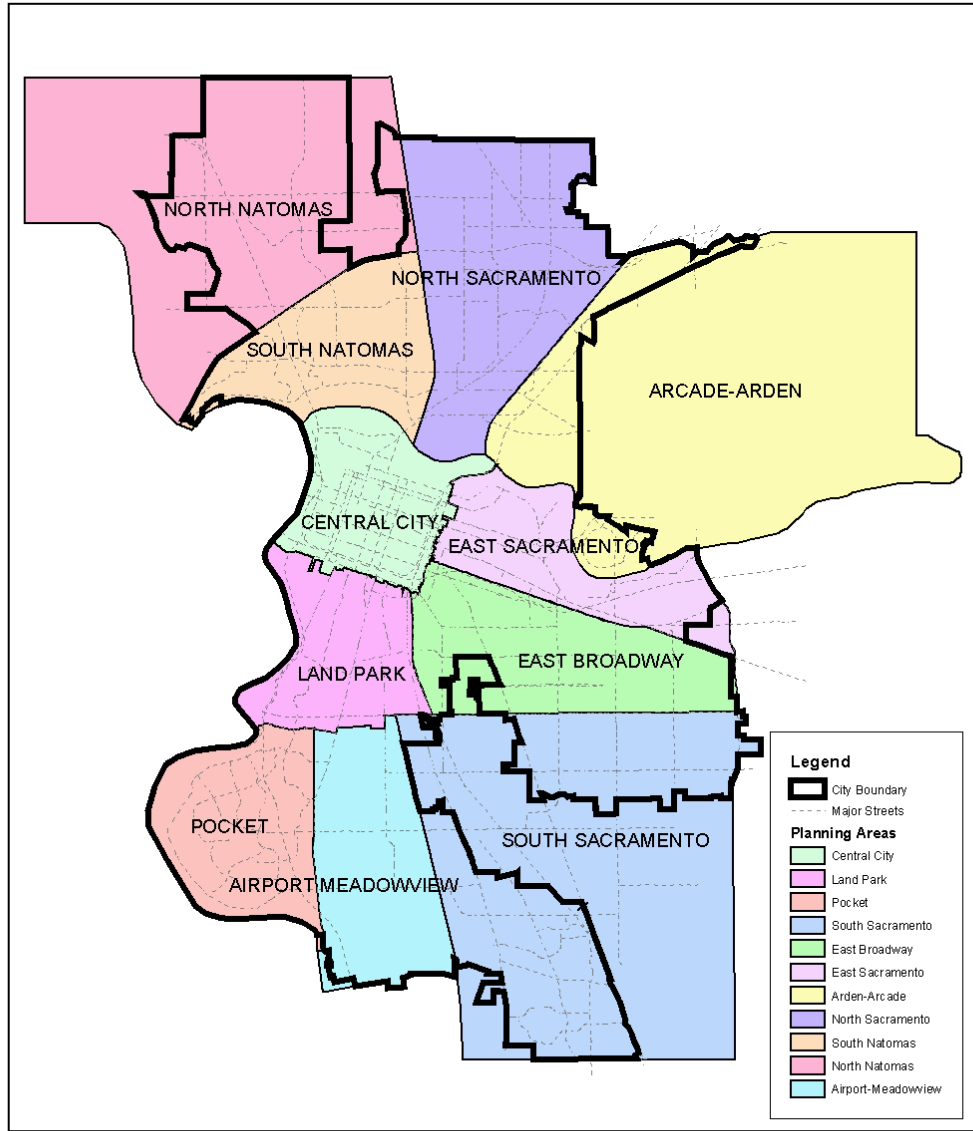
Population by Community Plan Areas

Tables 3-3 and 3-4 provides a breakdowns of the City's, past, existing and future population and housing data by Community Plan Areas. These areas are shown on Map 3-1.

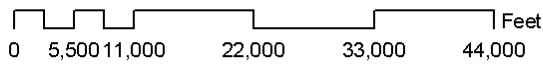
South Natomas, South Sacramento and North Sacramento had the highest population growth rate from 1980 to 2000. As might be expected, dwelling unit growth correlated very closely with population growth. These same areas also led in population growth and ranked among the highest in vacant land planned for residential use in the last update. Population totals decreased in the Central City, East Broadway, and East Sacramento Community Plan Areas. However, housing units the three plan area increased, indicating that many new households may be single or smaller households.

North Natomas, the area with the most vacant and zoned residential land, remains largely undeveloped. The projections (2000 to 2025) in tables 3-3 and 3-4 were broken down into community plans and utilized data reported from, with the assistance of SACOG, City's 2002 Population and Housing Report.

MAP 3-1



City of Sacramento Community Plan Areas



**Table 3-3
POPULATION BY COMMUNITY PLAN AREA - 1980- 2025 PERIOD**

Community Plan Area	1980	1990	2000¹	2025²
Airport/Meadowview	30,486	32,684	37,137	48,083
Arden/Arcade	10,248	10,680	11,891	12,165
Central City	28,956	33,090	32,794	51,894
East Broadway	37,845	45,476	43,093	47,615
East Sacramento	34,644	33,111	32,181	34,682
Land Park	33,839	33,128	33,546	35,875
North Natomas	643	594	1,607	63,340
North Sacramento	34,560	44,823	54,650	60,330
Pocket	23,716	42,884	45,419	49,671
South Natomas	10,418	34,587	38,678	40,703
South Sacramento	28,721	56,752	76,022	83,722
TOTAL	274,076	367,706	407,018	527,990

Source:

¹ 2000 US Census Bureau

² SACOG Population and Housing Module 2001

**Table 3-4
HOUSING UNITS BY COMMUNITY PLAN AREA - 1980- 2022 PERIOD**

Community Plan Area	1980	1990	2000¹	2025²
Airport/Meadowview	9,670	9,956	10,842	14,765
Arden/Arcade	5,062	5,508	6,136	5,655
Central City	17,975	18,465	19,524	27,186
East Broadway	16,401	17,746	17,261	17,861
East Sacramento	15,401	15,604	16,119	15,682
Land Park	14,577	14,809	15,397	15,339
North Natomas	290	295	783	23,749
North Sacramento	14,532	16,578	18,359	21,746
Pocket	9,477	18,119	19,971	20,095
South Natomas	3,851	14,876	15,771	16,742
South Sacramento	10,817	20,648	23,794	28,776
TOTAL	118,053	152,604	163,957	207,596

Source:

¹ 2000 US Census Bureau

² SAGOG Population and Housing Module 2001

Household Size and Type

The trend toward rapidly shrinking household size changed in the 1980's, with the County's average household remaining steady at 2.58 persons, and the City's average household size actually rising to 2.50 persons per household between 1980 and 1990. This trend was partly due to recession related factors, such as young people living at home longer or moving back in with their parents, and shared housing for affordability, and new cultural populations with larger extended families. The trend appears to be continuing: figures from the 2000 Census indicate the City's household size has increased to 2.57 persons, while the county's has increased to 2.64.

The total number of family households in the City of Sacramento in 2000 was 91,737 (59%), and of those households, 46,652 had children less than eighteen years of age. Married Couples with children families numbered 59,302 households with 28,093 of those families identified as having children under the age of eighteen. The Census also reported 23,790 households had a female head of household. Female head of households' with children under the age of eighteen constituted 14,192 households in the City.

The average household size of owner-occupied housing units in the City of Sacramento, according to the 2000 Census, was 2.65. The reported average household size of renter occupied housing was 2.5 persons.

Age/Sex Distribution

According to the 2000 Census, the City of Sacramento's population is comprised of 48.6% males and 51.4% females. The median age in 2000 was 32.8 years. Table 3-5 shows the population distribution by age interval based on the 1990 and 2000 Census.

**Table 3-5
AGE DISTRIBUTION 1990-2000¹ (EST.)**

<u>Age Interval (Years)</u>	<u>1990 Number</u>	<u>Percent of Total Population</u>	<u>Age Interval (Years)</u>	<u>2000 Number</u>	<u>Percent of Total Population</u>
0-9	59,317	16.1	0 - 9	61,930	15.2%
10-19	47,462	12.8	10 - 19	61,328	15.1%
20-29*	64,895	17.6	20 - 24*	30,195	7.4%
30-39*	67,248	18.2	25 - 34*	63,321	15.6%
40-49*	43,589	11.8	35 - 44*	61,483	15.1%
50-59*	28,346	7.7	45 - 54*	52,118	12.8%
60-64	13,889	3.8	55 - 59*	16,783	4.1%
65-74	25,493	6.9	60 - 64	13,417	3.3%
75-84	14,662	3.9	65 - 84*	40,364	9.9%
85 years	4,464	1.2	85 +	6,079	1.5%
Total	369,365	100.00%	Total	407,018	100%

Source: US Census Bureau

NOTE: *Because of changes in how the data was reported, a direct comparison between the 1990 data and the 2000 data cannot be achieved.

As a percentage of the total population, the City's senior population (persons 65 and older) has declined slightly since 1980. The senior population in 1990 accounted for 12% (44,619) of the total population, however, in 2000 the population decreased to 11.5% (46,443). The percentage of the population, 0-9 years of age also decreased from 16.1% (59,317) in 1990 to 15.2% (61,930) in 2000.

Race/Ethnicity

Compared to the County, the City is significantly more diverse. Forty-seven percent (47.4%) of the City's population is non-white compared to the County, which has only a 31.5% non-white population. Similarly, the City has a significantly higher proportion of persons of a Hispanic ethnicity. Table 3-6 summarizes the 2000 Census results for the City and County.

**Table 3-6
2000¹ CITY AND COUNTY COMPARISON OF RACE AND ETHNICITY**

Race/ Ethnicity	City of Sacramento	Percent of City Total	Unincorporated County	Percent of Unincorporated County Total	City & County Total Population
White	197,157	53%	837,945	69%	1,052,085
Black or African American	70,218	17%	139,495	11%	209,713
American Indian, Alaskan Native	11,303	3%	30,649	3%	41,952
Asian	77,008	19%	30,649	3%	41,952
Native Hawaiian and Other Pacific Islander	6,833	2%	13,935	1%	20,768
Other²	55,857	14%	119,937	10%	175,794
Total	407,018	100.0%	1,223,449	100%	1,630,517
Persons of Hispanic Decent³	87,974	22%	195,890	16%	283,864

Source: 2000 Census, US Census Bureau / US Department of Commerce

¹ In 2000, respondents were allowed to mark more than one race/ethnicity, thus accounting for the discrepancy between the total number of people in the city/county and the total number of people in a category. In addition, the "Native Hawaiian and Other Pacific Islander" category was added. Because of these changes, no comparison can be made between the 2000 data and the 1990 data.

² The "Other" category refers to any other category not already defined which a person identifies.

³ Hispanic Decent: This number comes from the total population and is not a category of race. It is defined as anyone being of Spanish, Latino, or Hispanic decent.

3.2 INCOME CHARACTERISTICS

The 2002 Sacramento Area median income figure, as determined by the U.S. Department of Housing and Urban Development (HUD), is \$57,300 . Median income is adjusted for family size, and the median for a four-member household is considered the area median.

The income categories used various housing agencies, are as follows:

- Very Low Income Less than 50% of median
- Low Income 51%-80% of median
- Moderate Income 81%-120% of median
- Above Moderate Income More than 120% of median

As mentioned earlier, the median income is adjusted for household size by HUD. These adjusted figures, calculated for very low and low income categories, are listed in Table 3-7 and will be used for future calculations of affordability.

**Table 3-7
2002 INCOME LIMITS FOR HOUSING PROGRAMS**

FAMILY HOUSEHOLD SIZE	VERY LOW INCOME	LOW INCOME
1	\$20,050	\$32,100
2	\$22,900	\$36,650
3	\$25,800	\$41,250
4	\$28,650	\$45,850
5	\$30,950	\$49,500
6	\$33,250	\$53,150
7	\$35,550	\$56 850
8	\$37,800	\$60,500

Source: U.S. Department of Housing and Urban Development

The Sacramento Area Council of Governments (SACOG) estimates that 45.2% of the City's households are in the low and very low income categories (Table 3-8).

**Table 3-8
2000 SACRAMENTO CITY AND COUNTY ESTIMATED
NUMBER OF HOUSEHOLDS BY INCOME LEVEL**

	City Households	Percent	County Households	Percent
Very Low Income (50% and Below)	44,209	27.6%	106,951	22.6%
Low Income (51% to 80%)	28,132	17.6%	79,896	16.9%
Moderate Income (81% to 120%)	31,248	19.5%	96,329	20.4%
Above Moderate	56,305	35.2%	190,035	40.2%
Total	159,894	100.0%	473,211	100.0%

3.3 EMPLOYMENT TRENDS

Sacramento County is home to over 38,000 employers and over 550,000 workers. Total employment in the county has steadily grown from 465,100 in 1990 to 559,400 in 2000. The unemployment rate has decreased from 8.2 percent in 1993 to a current rate between 4.0 and 5.0 percent.

The Sacramento Region has continued to add new jobs since the recession of the early 1990's when the region close to lost 12,300 jobs in 1992. The county has created over 14,671 jobs annually since 1993.

The services sector increased by 33 percent during the seven-year period of 1994 to 2000 and actually became the county's largest employer in 1995, overtaking the government sector. The services industry now employs over 28 percent of the county's workers. Absolute growth in the government sector has continued very slowly in spite of closure of the Sacramento Army Depot, Mather Air Force Base, and the impending closure of McClellan Air Force Base. This is primarily a result of new population growth requiring new schools and a mandated reduction in the size of classes, which has resulted in the hiring of new teachers.

The last five years has seen the rise of the Sacramento manufacturing sector, anchored by computers and electronics manufacturing. This sector alone has added over 5,800 jobs since 1993 while the manufacturing sector continues to grow, albeit slowly.

The construction sector has grown almost 79 percent since 1993 and wholesale and retail trade has grown over 15 percent.

Sacramento has also seen a growth in call centers and similar operations, due to Sacramento's seismic stability, diverse population, and affordable labor. Sacramento County is expected to experience strong employment growth between 1999 and 2004 as the Sacramento Region's economy continues to improve and diversify. The total number of jobs during the seven-year period is expected to increase by 125,900, an increase of 23.2 percent. Employment gains are anticipated across all major industries with the services industry adding the largest number of jobs. The communications and transportation / public utilities industries are anticipated to experience the fastest rates of expansion at 47.8 percent and 39.3 percent respectively.

The services sector will grow by approximately 49,000 jobs. The largest gains are expected to occur in business and health services sectors. Business services employment will expand as a result of growth in personnel supply and temporary help services, and increased demand for computer programming, data processing and computer related services. Health services will also provide a substantial amount of jobs, as the county continues to serve as the regional health care center for an expanding and aging population. Other components of the services industry that will contribute substantial job gains include engineering, accounting, research and management services.

Of all the major industries, the communications and public utilities industry is expected to experience the fastest rate of growth at 47.3 percent, an increase of 5,400 jobs. Most of the transportation and public utilities jobs will be in the high technology segments of communications, followed by gains in electric, gas, and sanitary services.

The retail trade industry is expected to produce 21,600 jobs during the projection period as a result of population growth and overall job creation in other industries. Eating and drinking establishments, food and drug stores, and big box retailers are anticipated to expand more rapidly in fast-growing communities in the northern, southern, and eastern areas of Sacramento County.

According to the State Employment Development Department, Labor Market Information Division, there will be a 125,900 job openings in Sacramento County between 1999 and 2006. This includes new jobs created and jobs resulting from people moving, retiring, etc.

Table 3-9 (Occupations with the Most Job Openings) identifies the top 26 occupations for job openings through 2006. Occupations with the greatest number of job openings include retail salespersons (6,250), cashiers (6000), General Office Clerks (5,760), waiters and waitresses (4,020), computer programmers (2,360) registered nurses 2,420) and teachers - secondary schools (2,140). These job openings are reflective of the growing sectors of the Sacramento regional economy such as retail trade, business services, high tech, health care and education.

Within the top 10 occupations, median annual salaries range from a low of \$12,626 for combined food preparation and service, up to \$61,797 for general managers and top executives. Meanwhile, the two occupations with the greatest projected job openings, retail salespersons and cashiers, have median annual salaries of \$16,744 and \$15,475 respectively.

Eleven of the top twenty-six occupations found in Table 3-9 has median annual salaries of less than \$20,000. These low paying jobs generally require a minimum of education and are either found in the retail or service sectors. Five of the occupations pay between \$20,000 and \$30,000/year and six occupations pay more than \$30,000/year. Those positions paying in excess of \$30,000/year include managers and executives, registered nurses, computer programmers, computer support specialists, customer service representatives, and automotive mechanics. Four occupations had no median salary data available.

Table 3-10 identifies the occupations with the fastest growth. Ten of the top 20 occupations in this list are in the fast-growing high tech sector. All ten of these occupations pay in excess of \$30,000/year.

According to HUD, the 2002 median family income for the Sacramento Area is \$57,300 and 50 percent of the median income is \$ 28,650. Fifteen of the twenty-six occupations identified in Table 3-9 do not pay wages that exceed 50 percent of the region's median family income of \$28,650/year, or \$13.77/hour. Conversely, fourteen of the fastest growing occupations (Table 3-10) pay more than the regions median family income. Four occupations do not pay \$13.77/hour and two occupations do not have available wage data.

**Table 3-9
OCCUPATIONS WITH THE MOST OPENINGS
SACRAMENTO COUNTY 1999 - 2006**

Occupation	Job Openings	Median Wage	Median Salary
Salespersons, Retail	6,250	\$8.05	\$16,744
Cashiers	6,000	\$7.44	\$15,475
General Office Clerks	5,760	\$10.13	\$21,070
Waiters & Waitresses	4,020	\$6.10	\$12,688
Combined Food Preparation and Service	3,810	\$6.07	\$12,626
General Managers, Top Executives	3,630	\$29.71	\$61,797
Guards and Watch Guards	2,710	\$7.83	\$16,286
Systems Analysts - E.C. Data Proc.	2,640	NA	NA
Registered Nurses	2,420	\$23.02	\$47,882
Computer Programmers	2,360	\$25.67	\$53,394
Food Prep Workers	2,310	\$6.73	\$13,998
Teachers -Secondary School	2,140	NA	NA
Janitors, Cleaners - Except Maids	1,790	\$7.64	\$15,891
Receptionists, Information Clerks	1,780	\$9.26	\$19,260
Laborers, Landscaping/Groundskeeping	1,750	\$8.66	\$18,012
Teachers Elementary School	1,640	NA	NA
Truck Drivers, Light	1,560	\$10.58	\$22,006
Computer Support Specialists	1,410	\$16.87	\$35,089
Secretaries, General	1,410	\$12.57	\$26,146
Accountants and Auditors	1,290	NA	NA
Counter and Rental Clerks	1,280	\$6.58	\$13,686
Truck Drivers, Heavy	1,270	\$13.62	\$28,330
Bookkeeping, Accounting Clerks	1,260	\$12.48	\$25,958
Customer Service Rep. - Utilities	1,250	\$14.62	\$30,050
Automotive Mechanics	1,190	\$15.43	\$32,094
Counter Attendants	1,170	\$6.20	\$12,896

Source: State of CA, Employment Development Dept., Labor Market Information Division Feb. 2002.

**Table 3-10
Occupations with the Fastest Growth**

Sacramento County 1999 - 2006						
Occupation	Annual Average 1997 -2004		Absolute Change	Percent Change	Median Wage	Median Salary
Computer Engineers	690	1,300	610	88.4%	\$32.32	\$67,225
Computer Support Specialists	1,550	2,880	1,330	85.8%	\$16.87	\$35,089
Electronic Semiconductor Processor	290	530	240	82.80	NA	NA
Data Base Administrators	650	1,130	480	73.8%	\$20.14	\$41,891
Hotel Desk Clerks	340	570	230	67.6%	\$7.35	\$15,288
Systems Analysts - Elect. Data Proc.	4,370	6,800	2,430	55.6%	NA	NA
Sales Agent - Financial Services	860	1,290	430	50.0%	\$18.52	\$38,521
Sales Agent - Selected Bus. Services	1,110	1,660	550	49.5%	\$15.15	\$31,512
Computer Programmers	3,100	4,630	1,530	49.4%	\$25.67	\$53,393
Central Office and PBX Installers	310	460	150	48.4%	\$20.58	\$42,806
Maids and Housekeeping Cleaners	2,030	2,860	830	40.9%	\$6.90	\$14,352
Mechanical Engineers	470	650	180	38.3%	\$25.13	\$52,270
Respiratory Care Practitioners	470	650	180	38.3%	\$19.05	\$39,624
Customer Service Representatives - Utilities	2,170	3,000	830	38.2%	\$14.62	30,409
Human Services Workers	560	770	210	37.5%	\$10.82	\$22,505

Sacramento County 1999 - 2006						
Occupation	Annual Average 1997 -2004		Absolute Change	Percent Change	Median Wage	Median Salary
Insurance Adjusters, Examiners, Investigators	1,670	2,290	620	37.1%	\$20.90	\$43,472
Loan Officers and Counselors	1,050	1,440	390	37.1%	\$18.03	\$37,502
Electrical and Electronic Engineers	1,780	2,440	650	36.3%	\$33.52	\$69,721
New Accounts Clerks	380	510	130	34.2%	\$10.89	\$22,651
Telephone, Cable TV Installers	560	750	190	33.9%	\$16.90	\$35,152

Source: State of CA, Employment Development Dept., Labor Market Information Division Feb. 2002.

3.4 HOUSING INVENTORY CHARACTERISTICS

Housing Type and Tenure

The 1990 Census indicated, 61.6% of existing housing units (93,035) were single family homes, 36.3% (54,680) were multi-family homes and 2% (3,217) were mobile homes. The 2000 Census reported, 65.4% of existing housing units were single family homes, 32.3% were Multifamily homes and 2.3% were mobile homes or other.

The tenure split, as of the 2000 Census, was 50.1% owner-occupied and 49.9 % renter-occupied units for the overall population. This compares to a 51.3% owner and 48.7% split in 1990. This trend towards renting and away from ownership was caused largely by a decreasing level of housing "affordability". (This is defined later in this section).

As of the 1990 Census, the tenure split varied greatly between ethnic groups. 57.0% of Asian and 54.2% of white households were homeowners, while only 44.2% of Hispanic households and 38.5% of black households were owners.

**Table 3-11
HOUSING UNIT TYPE CHANGE (1990- 2000)¹**

Type of Structure	1990		2000	
	Housing Units	% of Total	Housing Units	% of Total
Single Family	98,221	64.1	107,229	65.4
2 - 4 Units	14,623	9.5	15,859	9.7
5 + Units	35,651	23.2	37,156	22.7
Mobile Homes & other	4,867	3.2	3,670	2.2
TOTAL	153,362	100.0	163,914*	100.0

Source: 1990 Census for 1990, SACOG Housing Module 1990,
¹ 2000 Census April 1, 2000: Housing Unit total may differ in census due to different sampling methods and definitions of units

The 2000 Census reported 154,581 (94.3%) of the 163,957 housing units in the city were occupied. The remaining housing units in the city were vacant (9,376 or 5.7%) or used for seasonal, recreational, or occasional use (629 or 0.4%).

According to the 1990 Census, the City had a total of 151,012 dwelling units. As of April of 2000, this number had further increased to 163,957 or a 28% increase, according to 2000 Census. SACOG's housing unit count was noticeably different from the census data. The module used by SACOG was based on the 1990 census and local information. A breakdown of the type of dwelling units, in the January 2000 SACOG module, shows 103,014 single family units, 38,011 multi-family units, and 3,384 mobile homes and 14,447 duplex or four-plexes.

Housing Supply

Table 3-12 identifies the additions to the housing stock by housing type since 1989. Of the 14,505 units constructed since 1989, 76.5% were single family units, 22.6% were multi-family units and just under 1% were mobile homes. Since 1999, 87% of the constructed units were single family units, 12.5% were multi-family units, and less than one percent were mobile homes.

**Table 3-12
NEW CONSTRUCTION BY HOUSING TYPE (1989- 2001)¹**

YEAR	SINGLE FAMILY	2-4 UNITS	5+ UNITS	MOBILE HOMES	TOTAL
1989	1,300	59	859	55	2,273
1990	1,759	13	332	0	2,104
1991	1,260	86	434	0	1,780
1992	864	88	124	60	1,136
1993	152	109	24	0	285
1994	241	0	280	0	521
1995	28	21	0	22	71
1996	284	15	0	0	299
1997	314	8	153	0	475
1998	239	4	0	0	243
1999	575	10	120	1	706
2000	1,496	10	256	1	1,763
2001 ²	2,580	8	260	1	2,849
TOTAL	11,092	431	2,842	140	14,505

SOURCE: ; Sacramento City Planning and Building Department.

¹ Based on completions.

² Through January 1, 2002

Distribution of Multi Family Housing

Table 3-13 further identifies the distribution of multi family housing and multi family assisted housing by Community Plan area. The Central City, Arden Arcade and South Natomas communities have the highest percentage of multifamily units in the City. The Central City has the highest percentage of multi-family assisted units (publicly financed) relative to the citywide average.

**Table 3-13
2001 Housing Distribution by Community Plan Area
Single and Multi-family Units**

<i>Community Plan Area (CPA)</i>	<i>Total Housing Units (SF & MF)¹</i>	<i>Total Number Single Family</i>	<i>Percent Single Family</i>	<i>Total number Multi-family¹</i>	<i>Percent Multi-family¹</i>	<i>Multi-family Assisted** (MFA) and as a % of Multi-family²</i>	<i>MFA units in the CPA as a % of MFA in the City²</i>
Pocket	19,204	12,647	65%	6,557	34%	290 (4.4%)	2.2%
Arden-Arcade	5,640	2,604	46%	2,878	51%	605 (21.0%)	4.6%
E. Sacramento	15,633	10,642	68%	4,655	30%	717 (15.4%)	5.5%
South Natomas	15,864	8,572	54%	7,086	46%	736 (10.4%)	5.6%
Land Park	14,867	11,280	76%	3,586	24%	843 (23.5%)	6.6%
<i>Airport - Meadowview</i>	10,408	8,478	81%	1,929	19%	1,151 (59.7%)	8.8%
E. Broadway	17,361	13,406	75%	3,826	22%	1,213 (31.7%)	9.3%
HUD Addresses unverifiable*						1,313 (N/A)	10.1%
South Sacramento	22,716	15,699	69%	5,493	24%	1,373 (25.0%)	10.5%
North Sacramento	17,354	12,559	72%	4,795	28%	1,593 (33.2%)	12.2%
Central City	18,677	2,895	16%	15,782	85%	3,214 (20.3%)	24.6%
North Natomas	1,907	1,546	81%	204	11%	0	0
Total Citywide	160,309	100,328	62.5%	56,791	35.4%	13,048(22.9)	100%

* The Sacramento Housing and Redevelopment Agency was unable to confirm the location of some addresses reported by the Department of Housing and Urban Development.

** "Assisted" includes privately owned housing with project-based rental subsidies, public housing, and affordable tax credit developments.

Source: ¹ SACOG Population and Housing Module 2002

² Sacramento Housing and Redevelopment Agency.

Note: The table does not include the number of mobile homes in the city. Percentages of single family and multi-family units is based on total units in Community Plan Areas including mobile homes.

Factors Reducing Housing Supply (Demolitions and Conversions)

An average of approximately 75 dwelling units per year were demolished in the City between 1990 and 1999. In 2000 and 2001, the average number of demolitions increased to 150, primarily due to more rigorous code enforcement to alleviate dangerous building conditions. This has reduced the housing supply by 1200 units since 1990, although many of the units were unoccupied and in uninhabitable condition. No condominium conversions were reported since 1990.

Age of Housing

The age of housing is an indication of housing stock condition in an area. The latest data available on the age of housing stock is the 2000 Census (see Table 3-14). The aging of the City's housing stock increases the importance of housing rehabilitation programs in meeting housing needs. Approximately 40% of the City's housing stock is more than 40 years old.

**Table 3-14
AGE OF HOUSING STOCK (1990 - 2000)**

YEARS BUILT	1990		2000	
	NUMBER OF UNITS	% OF TOTAL	NUMBER OF UNITS	% of TOTAL
1990-2000	-	-	14,702	9.0
1980-1989	36,398	23.7	30,116	18.4
1970-1979	26,688	17.4	30,220	18.4
1960-1969	23,711	15.5	24,841	15.2
1950-1959 1940-1959*	25,734	16.8	42,797*	26.1*
Before 1949 Before 1939*	40,831	26.6	21,238*	13.0*

Source: 1990 Census, *2000 Census

Condition of Housing

One of the major components in the provision of adequate housing is the rehabilitation of existing units. As the cost of new construction increases and as Sacramento's housing stock continues to age, rehabilitation becomes an increasingly important component. In the 1998 Five Year Consolidated—Plan, the Sacramento Housing and Redevelopment Agency (SHRA) estimated that 18,097 units were substandard. This represented 11.8% of the city's housing stock. The SHRA designated 17,192 of these units suitable for rehabilitation and 905 units not feasible to rehabilitate. SHRA estimated that 95% are economically feasible to rehabilitate. The survey defined substandard as a structure that contains one or more major building violations that threaten the health and safety of residents, or a series of minor deficiencies that could result in major structural problems. Substandard and suitable for rehabilitation was defined as a substandard unit for which the replacement cost exceeds the rehabilitation cost.

**Table 3-15
Selected Housing Stock Deficiencies**

Characteristic	Number	Percent
Lacking complete plumbing facilities	1,053	.70
Lacking complete kitchen facilities	1,691	1.1
No telephone service	3,091	2.0

Source: US Census Bureau 2000

Overcrowding

An overcrowded household is defined as a household that lives in a dwelling unit with an average of more than 1.0 person per room, not including bathrooms. There were 17,115 overcrowded households reported in the 2000 Census, (11,805 renters, 5,310 homeowners) representing 11.0% of the City's total households. Overcrowding is caused by two major problems: the unavailability and non-affordability of appropriately sized units, particularly for large families. In 1990, 8.5% of the total housing units were considered overcrowded. Since 1990, there have been few three-bedroom or larger rental units constructed, and, as will be discussed below, the affordability of purchasing homes has declined remarkably. It can be intuitively concluded, therefore, that the trend would be toward more overcrowding due to households living in under sized units, or sharing units with previously separate households, in order to meet expenses.

However, the City has made progress addressing overcrowded housing units through the City's Mixed Income Housing Ordinance. Since 2000, the city has either produced or is currently funding the production of 191 low or very low, three and four bedroom housing units.

3.5 HOUSING AFFORDABILITY

Housing Costs

Like California in general and major portions of the United States, prices for single family homes in the Sacramento area experienced dramatic increases since 1990.

Since 1990, The housing market has dipped and then recovered. For example, from 1990 to 1998, median home prices dropped 10.7% from \$139,950 to \$125,000. Since 1997, however, home (resale) prices have increased 77.5%, from \$115,475 to \$205,000 in June of 2002. The median price of a resale home within the last year (\$175,000 in June of 2001) alone has risen 17.0%.

Table 3-16
1990-2002 MEDIAN RESALE HOME PRICES IN SACRAMENTO COUNTY

<u>Year</u>	<u>Month</u>	<u>Price (\$)</u>	<u>% Change - Previous Year</u>
2002	June	205,000	13.3
2001	September	170,000	12.6
2000	September	148,600	10.5
1999	September	133,000	6.0
1998	September	125,000	7.6
1997	September	115,475	{0.02}
1996	September	115,500	{5.0}
1995	September	121,000	{2.54}
1994	September	118,000	{5.60}
1993	September	125,000	{5.30}
1992	September	132,000	{2.73}
1991	September	135,700	{3.0}
1990	September	139,950	23.85

Source: Sacramento Association of Realtors: "Statistical Overview of the Existing Home Market in Sacramento County"

It is important to note that the above median prices are for the County of Sacramento, which tends to have higher home values than the City. For example, the median home value of owner occupied units at the time of the 2000 Census for the County was \$144,200 compared to the median home value reported in the City of \$128,800.

Rental Rates

Since 1992, the average rental rate has continued to rise. In 1992 the average rental price for the Sacramento area was \$524. The average rent in the third quarter of 2001 was \$819. (See Table 3-17). The Census in 1990 indicated that the median rent in the City of Sacramento was \$495. In 2000, the Census reported the average price for a rental unit was \$625.

**Table 3-17
RENTAL RATES BY NUMBER OF BEDROOMS**

SACRAMENTO METROPOLITAN AREA 1990, 1992, 1995, 1997, 1998, 1999, 2000, 2001									
<u>Unit Type</u>	<u>1990</u>	<u>1992</u>	<u>1995</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>% Change 90 - 01</u>
Studio	395	417	409	441	460	488	496	575	45.6%
1 Bedroom	442	473	479	483	499	581	619	716	62.0%
2 Bedroom	500	530	511	456	574	628	668	799	60.0%
3 Bedroom	635	676	797	740	775	931	1,020	1,186	86.8%
"Average"*	493	524	549	604	618	657	700	819	66.1%

Source: '90, '92 - Coldwell Banker and 1995 CB Commercial Sacramento Area Multi-Family Vacancy Rental Survey, Second Quarter 1995, 1997, 1998, 1999, 2000, and 2001 prepared by CB Commercial Real Estate Group Inc.

* "Average" rent, for the purpose of this table, refers to the mean of studio, one bedroom, two-bedroom/one bath, and three bedroom apartments for a Type B apartment. This is not a weighted mean.

Vacancy Rates

The total vacancy rate for the *City* in 2000 was estimated, by the Census, to be 5.9% , up from 5.81% in 1990. The Census reported homeowner units had a vacancy rate of 2% while rental units in the city had a higher vacancy rate of 5.4%

The apartment vacancy trend from 1992 to 2001 has declined. During this period, the Sacramento metropolitan region experienced a vacancy low of 2.8% and a high rate of over 9%. Current information, supplied by CB Commercial, indicates the 2001 third quarter vacancy rate for multi-family units at 3.6%. Vacancy rates are highest for 2 bedroom/ 2 bath (3.1%) and lowest for Studios (2.1%). Three bedroom units are also below the average vacancy rates -- reporting a 2001 vacancy rate of 2.5%.

Table 3-18
SACRAMENTO METROPOLITAN MULTI-FAMILY VACANCY RATES
1992 through 2001

<u>Year</u>	<u>Average Vacancy Rate</u>
1992	9.00%
1993	9.15%
1994	8.35%
1995	6.65%
1996	4.85%
1997	3.90%
1998	4.30%
1999	3.30%
2000	2.80%
2001	3.60%

Source: CB Commercial.

(Note: Preciseness is difficult when discussing vacancy rates due to the different methodologies employed and areas covered by the various sources.)

Ownership Affordability

Affordable housing is defined, in most cases, as housing that can be obtained for 30% or less of a given household's gross income. Overall, these results would indicate a trend toward decreasing housing affordability for ownership opportunities and stable to decreasing affordability for rental housing. For ownership, this trend can be displayed quantitatively using a housing affordability index. This is a measurement of the percentage of households that can afford to purchase a median priced home. It should be noted that the historical trend of housing affordability goes through cycles of increasing to decreasing affordability. Data suggests that the City and region are in a down cycle of affordability. The Sacramento Area Index (for the fourth quarter of each year), as provided by the Sacramento Association of Realtors, is shown below:

Table 3-19
1990-2001 Housing Affordability Index-Home Ownership

<u>Table</u>	<u>Index %</u>
1990	32%
1991	40%
1992	46%
1993	57%
1994	55%
1995	55% (Second Quarter Results)
1996	63% (Fourth Quarter Results)
1997	63%
1998	61%
1999	58% (Second Quarter Results)
2000	51% (Second Quarter Results)
2001	49% (Third Quarter Results)
2002	43% (Third Quarter Results)

(Percentages compiled by the California Association of Realtors, based on Sacramento Association of Realtors Multiple Listing Service Data. The index measures the number of households in the area that have the minimum income necessary to afford the area's median priced home).

In 2002, approximately 43% of households in the Sacramento area could afford the median priced existing home. Despite ups and downs in housing prices, the Sacramento Metropolitan region continues to be one of the most affordable housing markets in the state.

Rental Affordability

In order to assess the affordability of rents, it is necessary to determine affordable rents for each household size the highest end of each income level and compare these affordable rents to the actual average rents for appropriate sized units. Results of this analysis (Table 3-20) indicate that, on average, market rents in Sacramento are affordable to very few low income households (households earning 50% to 80% of median income) but are not affordable to very low income (households earning less than 50% of median income). The greatest affordability gap is for very low income households seeking 3 bedroom units (\$470 for type B rental, 618 for type A rental)*.

**Table 3-20
Sacramento Area Rental Affordability 2001**

Household Size	Unit Size	Affordability by Income Level ¹				Market Rents	
		Below 30%	Very Low Below 50%	Low 50%-80%	Moderate 80% - 120%	Monthly Average Rent Type B ²	Monthly Average Rent Type A ²
1	Studio	< \$301	\$302 - \$501	\$502 - \$802	\$801 - \$1,003	\$575	\$726
2	1 Bedroom	< \$344	\$345 - \$573	\$574 - \$916	\$917 - \$1,145	\$716	\$897
3	2 Bedroom	< \$387	\$388 - \$645	\$646 - \$1,032	\$1,031 - \$1,290	\$799	\$1,060
4	3 Bedroom	< \$430	\$431 - \$716	\$717 - \$1,146	\$1,147 - \$1,433	\$1,186	\$1,334
5	4 Bedroom	< \$464	\$465 - \$774	\$775 - \$1,238	\$1,239 - \$1,548	-	-

¹Household Median Incomes from the Department of Housing and Urban Development, rental ranges assume 30% of monthly income. See Table 4-7

²CB Commercial Rent and Vacancy Survey Third Quarter 2001 (Type A and B Rentals)

*Note: Apartment Type A – Built between 1990 and 200, best location, with the highest quality of construction, a large number of amenities and the highest rent ranges.

Apartment Type B – Built between 1975 and 1989, good location, with medium quality construction, average amenities and average rent ranges.

Apartment Type C – Built prior to 1974, lesser location, with low quality construction, no or limited amenities and low rent ranges.

Overpayment

Households that pay more than 30% of their gross income for housing are said to be "overpaying" for housing. The 2000 Census provides *some* insight into characteristics of household income in 1999 by selected monthly owner costs/gross rent as a percentage of household income. The 2000 Census has rendered a breakdown of household income categories in the data on monthly housing costs as a percentage of household income. The results of this "overpayment" calculation, both for owner and renter households, are displayed in Table 3-21.

**Table 3-21
1999 City of Sacramento Monthly Housing Costs
of Households by Percentage of Income**

Category	Owner	Percent	Renter	Percent
Less than 15.0 Percent	21,790	30.6	11,839	15.4
15.0 to 19.9	10,927	15.4	10,912	14.2
20.0 to 24.9 Percent	10,049	14.1	9,804	12.7
25.0 to 29.9 Percent	7,620	10.7	8,472	11.0
30.0 to 34.9 Percent	5,077	7.1	6,079	7.9
35.0 Percent or more	14,839	20.9	26,634	34.6
Not Computed	806	1.1	3,294	4.3
Total	71,108	100.0	77,034	100.0

Source: 2000 U.S. Census

According to the 2000 U.S. Census, a total of 52,629 households are "overpaying" for housing in the City or approximately 34% of city households. Table 3-20 does not reflect the cost burden by household income level.

Table 3-22 identifies the relationship between the average monthly cost of different housing types and the various incomes and hourly wage needed to pay for such housing types.

**Table 3-22
Monthly Housing Costs and Income**

Type of Housing	Cost of Housing	Yearly Income Needed	Household Hourly Wage Needed
Type C Apartment	\$658	\$26,320	\$13.16
Type B Apartment	\$801	\$32,040	\$16.02
Type A Apartment	\$1,000	\$40,000	\$20.00
Resale Home Price	\$1,512	\$60,480	\$30.24
New Construction Home Price	\$1,835	\$73,400	\$36.69

Source: CB Commercial Rent and Vacancy Survey Third Quarter 2001
Sacramento Association of Realtors

Table 3-23
WHAT HOUSING CAN BUY?
An Affordability Chart for Sacramento 2001
 Sacramento Redevelopment Agency and Department of Human Services

Monthly Rents	Type A Apartment Average Rent							\$1,000	\$1,000	
	1100								\$1,000	\$1,000
	1000									
	900									
	800	Type B Apartment Average Rent					800			
	700						\$500 - \$700			
	600	Type C Apartment Average Rent			\$650					
	500									
	400									
	300			\$312						
200	\$185	\$212								
100										
0										
	Public Hsg & Sec. 8	SSI	One Minimum Wage	Two Minimum Wage	1 Worker \$10-\$14/hr	2 Workers \$10/hr.	1 Worker \$20/hr.			
	"Poverty Level"			"Very Low Income"		"Low Income"				

Table 3-23 shows the relationship between the types of housing and the affordability levels of various household income groups. For example, a poverty level income person on general assistance or supplemental security income can only afford a public housing unit, shared housing unit or boarding home. A minimum wage job household can afford Single Room Occupancy unit, small apartment, shared housing or boarding home

Subsidized Housing Options

The Sacramento Housing and Redevelopment Agency (SHRA) serves as the Housing Authority for the City and the County of Sacramento. SHRA is one of the more aggressive public housing authorities in the state and has one of the largest inventories of public housing. Assisted housing is an important component of the housing inventory for maintaining housing diversity and choice and for housing households of very low income. Currently, SHRA administers 2,009 units of public housing within the City of Sacramento, and 2,559 Section 8 or housing vouchers in the City of Sacramento, thereby providing assistance to 4,689 very low or low income households.

Fair Market Rents

For the Section 8/housing voucher program, units must meet HUD's Fair Market Rent (FMR) standards. Market rents appear to be above the Fair Market Rates in Sacramento. The City's market rentals have been rising faster than the FMR rates since 1999. These sharp increases of market rents can limit a program's effectiveness and ability to provide housing choices for voucher qualifiers. FMR's are published by HUD and effective October 1st, 2001:

**Table 3-24
FAIR MARKET RENTS**

<u>Unit Size</u>	<u>HUD FMR</u>	<u>Average Market Rent*</u>
0/ Studio	\$503	\$575
1 bedroom	\$566	\$716
2 bedroom	\$709	\$799
3 bedroom	\$983	\$1186

Source: HUD, CB Commercial (3rd quarter 2001)

* Type B Units - Built between 1975 and 1989 with Good Location, Medium quality Construction and average amenities.

3.6 PROJECTED HOUSING NEEDS

Population Trends

Population within the City of Sacramento is forecasted, by SACOG, to reach 446,960 by 2005, 512,060 by 2015, 523,200 by 2020, and 528,880 by 2025. These projections are based on historical trends in the region.

New Construction Need

To assist local governments in the Sacramento Metropolitan Area in making projections of future housing needs, the Sacramento Area Council of Governments (SACOG) prepares a Regional Housing Needs Allocation Plan. The Plan covers the planning period from January 1st, 2000 - June 30, 2007. The purpose of this plan is to examine housing needs across jurisdictions/boundaries and allocate responsibility for planning to meet future housing needs. The State requires that the projections take into account the market demand for housing, employment opportunities, availability of suitable sites and public facilities, community patterns, type and tenure of housing need, and farm worker criteria.

Taking vacancy levels and anticipated demolitions and conversions into consideration the City's seven year Basic Construction Need was determined to be 19,497 dwelling units. After determining the total Basic Construction Need for a particular jurisdiction, the need is divided into very low, low, moderate and above moderate income categories. The basic construction needs for each income group for the January 1, 2000 - June 30, 2007 projection period are as follows:

**Table 3-25
January 1, 2000 - June 30, 2007
NEW CONSTRUCTION NEED**

<u>Income Group</u>	<u>Number of Units</u>	<u>% of Total</u>
Very Low	772 units	4.0%
Low	2,791 units	14.5%
Moderate	4,714 units	24.4%
<u>Above Moderate</u>	<u>11,036 units</u>	<u>57.1%</u>
Total	19,313 units	100.0%

These are the City's share of the region's housing needs to meet projected employment and population growth. Chapter 4, reviews these current housing needs and goals and discusses the progress to date. The figures express the total number of units by affordability that are estimated to be needed to meet population projections. In addition to overall housing needs, the housing needs of persons with special housing needs must be reviewed. These special needs are discussed in the next section.

3.7 SPECIAL HOUSING NEEDS

Special Housing need groups are those individuals or households who share a common type of need due to age, disability, income, or other mutual circumstance. The following section attempts to enumerate these special needs groups.

Single Parent Head of Household

The percentage and total population of single female head of households declined in 2000. The 2000 Census counted 14,536 households (approximately 9.4% of all households) headed by a single female with related children. The 1990 Census counted 18,217 households (approximately 12% of all households) headed by a single parent with related children. Of these, 14,880 (10.2% of all households) were headed by a female and 3,337 were headed by a male. These households have special needs for childcare and related support services. According to the 1990 Census, 16.2% of all households reported public assistance as their primary source of income, and it is estimated that a majority of these households use AFDC. In general, this population group can be assisted by the same strategies necessary to maintain and produce affordable housing in Sacramento. Special efforts to also provide childcare and family services on-site would also assist this segment of the population.

SHRA has participated in the HUD public housing Self-Sufficiency project and a number of other assisted housing programs with child care services. In addition, SHRA loans and city-issued tax exempt bonds also require tenant services on-site, many of which involve Head Start or other child care programs.

Large Families

A large family is defined as a household consisting of 5 or more persons. According to the 1990 Census this number has increased by 34.3%, to 15,306 family households. This represents approximately 10.60% of the City's total households. Large families are an interesting "need group" in that they do not, by definition, possess any special needs. According to the 1990 Census for the City, these figures changed to 48% homeowners and 52% were renters.

Large families that are renters and are low income have a difficult time obtaining adequate housing. Under current (1998) market conditions, there is a fairly low vacancy rate (2.9%) for larger multi-family housing (3+ bedrooms) and rents for these larger units tend to be beyond the reach of very low income households. Large families in higher income categories tend to be homeowners or have adequate income to rent existing units.

Seniors

The 2000 Census reported 46,443 seniors living in the City of Sacramento, which is an increase of 9.0% from 1990. However as a percentage of the overall population the senior population fell from 12.1% of the population to 11.4% .

Also, the Census reported there were 34,169 households with seniors in the City (22.19%). Non-family households with a senior head of household numbered 14,192 (9.2%) .

The 1990 Census shows that of households in the city, 29,736 were made up of seniors. Of this number 20,608 owned, and 9,128 rented. Elderly renters face the problem of paying ever increasing rents on fixed incomes. Approximately one-third of elderly households are renters.

Senior households have a fairly high home ownership rate at 69%, the ownership percentage tends to remain fairly constant with age. Among homeowners, even though they may own their homes outright, 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 price of rent may override the income made available by the home sale.

In addition to financial difficulties, seniors face transportation difficulties, with one-third of persons over 75 unable to use public transit. Compounding this problem, one-third of all seniors live alone and therefore may not have access to any sort of transportation assistance.

The vast majority of the senior population desires to live as independent a lifestyle as possible. Housing and assistance programs for seniors should put priority on independent living, attempting first to maintain these persons in their own homes. Sacramento has experimented with several methods to assist the elderly and frail elderly. One program, Riverview Plaza, is an SHRA-developed mixed-use tax credit complex based on an "age in place concept. SHRA has finance eight senior housing development, not including public housing, and is investigating new opportunities to provide assisted living for elderly public housing resident unable to live independently.

Disabled

Individuals with disabilities have special needs in terms of access to and accessibility within dwelling units. Transit and proximity to needed social or medical services is also a special concern for the disabled. The Comprehensive Plan (CP) prepared by SHRA (based on information from caseloads from the Community Services Planning Council) estimates that there are 4,296 persons with severe mental illness in the City of Sacramento that need special housing with supportive care. An additional, 1,379 persons are estimated to have developmental disabilities and 10,106 persons have physical disabilities.

According to the 2000 U.S. Census 84,630 individuals in the City of Sacramento had some form of disability. The Census reported that 65% of the total disabled population were between the ages of 21 and 65. However, the senior population (ages 65 and over) had the highest percentage (45.9%) of persons with a disability in an individual age group.

A different perspective on the number of persons with disabilities living in Sacramento County is offered by the California Disability Survey (CDS), conducted by the California Department of Rehabilitation after each federal decade census. The CDS estimates the disability rate among the working age population (16-64) and takes into account mental health, physical and developmental disabilities. The CDS has two disability rates: The overall disability rate and the "DR Severe Rate". The DR Severe Rate includes people with disabilities severe enough to qualify them for Department of Rehabilitation services.

For the Sacramento County, the overall CDS Disability Rate is 12.4% and 1990 DR Severe

Rate is 8.2%. The CDS statewide general disability rate is only slightly higher for women than for men and other research indicates that the rate is generally the same for all ethnic groups.

A fourth perspective on the disabled population in Sacramento County can be seen by examining the number of Supplemental Security Income (SSI) recipients living in Sacramento County. In March, 2002, based on information from the State Department of Social Services, there were 1,007 blind individuals receiving SSI and 41,654 disabled individuals receiving SSI (42,671 - Total). The SSI is a program based on individual need and resources and does not include the Social Security Disability Insurance Program (SSDI), the disability insurance program employees normally pay into. Recipients in the SSDI program would add to total disabled population.

Based on information from caseloads from the Community Services Planning Council, there are 12,261 persons in the County overall (of which 4,296 persons are located in the City of Sacramento) with severe mental illness that need special housing with supportive care.

Students

Three major colleges are located within the City of Sacramento. They are California State University Sacramento (CSUS), Sacramento City College and Cosumnes River College. The latter two are Junior Colleges. As of 2000, the enrollment at CSUS was 25,714, of which 19,970 were full-time-equivalent-students. The student population is expected to increase to 35,000 students (full and part time) by 2010 and 21,300 full-time-equivalent-students by 2006. As of 2000, the enrollment at Sacramento City College was 21,061 students and 10,079 students at Cosumnes River. This amounts to a total enrollment of 56,854 for all three campuses.

A fourth school, American River College, is also a Junior College and is located within the unincorporated portion of the County. Its enrollment is approximately 25,000 students.

CSUS is the only college in the City with on-campus housing. Its student housing capacity is 1300. There are currently no vacancies in the on-campus housing. Consequently, 95% of students at CSUS and 98% of students city-wide live off campus. Many of these students live with their parents; many others live in rental units throughout the area. There are no plans for new on-campus housing construction in the foreseeable future, although there is still land tentatively designated for housing in the Campus Master Plan.

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

There are many other colleges in Sacramento, including law schools, bible colleges, trade schools and university extensions. Generally speaking, however, these schools have low enrollments and serve the existing population. As such, they do not create a housing need.

Farm Workers

As part of SHRA's Five Year Consolidated Plan, as many as 1300 migrant farm workers are employed in Sacramento County during peak season. The majority are seasonal farm workers consisting of permanent area residents seeking part-time employment, students, the unemployed or under-employed workers, or the homeless. According to the CHAS, seasonal

farm workers are part of the area's lower income population and therefore presumably included in strategies addressing overall affordable housing needs. Migrant farm workers, on the other hand, are not considered part of the static lower income population. Farm worker housing needs may be greatest in proximity to agricultural areas of the County such as the Delta or Galt, than within the incorporated area of the City of Sacramento which is remote from farming areas. City farm worker housing needs are anticipated to be relatively small. An exception to this are the housing needs of "displaced farm workers".

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

Homeless Population

Since the 1980s, the local Homeless Program (sponsored by the County Department of Human Assistance and SHRA) has expanded from an office with a \$250,000 budget in 1984 to a \$4.3 million budget in 1990, and a 2001 budget of \$22 million. The local approach involves multiple partnerships with other public service providers and the non-profit community to provide a full spectrum of homeless services. A variety of supportive services are offered through the local shelter network including feeding, GA application assistance, the SHRA sponsored Just One Break (JOB) homeless employment outreach program, and counseling. Transitional housing programs such as the Shelter Plus Care program have also been established.

Homeless Needs Assessment: The 2001 Sacramento County Continuum of Care report includes an analysis of homeless persons in the County and their needs. Indeed the homeless population is a highly mobile population, so the portrait represents a snap shot in time. The highest priority needs for the homeless population according to the County Department of Human Assistance and local housing-for-the-homeless providers are transitional and permanent housing with supportive services for subgroups among the homeless population. For homeless individuals, this includes transitional and permanent housing with supportive services for chronic substance abusers, persons with serious mental health problems, dually-diagnosed persons, victims of domestic violence, those suffering from HIV/AIDS and persons with physical disabilities. For homeless families, resources need to focus on those people with serious mental health problems, those suffering from HIV/AIDS and persons with physical disabilities. Data is unavailable on the specific location of the homeless population. Countywide data is available on the needs of homeless individuals and families (Table 3-26 and 3-27).

**TABLE 3-26
2001 COUNTYWIDE NEEDS OF HOMELESS INDIVIDUALS**

Homeless Populations		Estimated Need	Current Inventory	Unmet Need/Gap	Relative Priority
Bed/Units	Emergency Shelter	1,058	784	274	M
	Transitional Housing	1094	810	284	M
	Permanent Supportive Housing	1600	257	1343	H
	Total	3,752	1,851	1586	
Estimated Supportive Service Slots	Job Training	2062	648	1414	M
	Case Management	2749	1275	1474	H
	Substance Abuse Treatment	1512	238	1274	H
	Mental Health Care	1202	128	1074	H
	Housing Placement	3093	101	2992	H
	Life Skills Training	2577	1851	726	M
	Other: Transportation	2062	159	1903	H
	Other: Legal Aid	68	9	59	L
	Other: Employment Services	2234	648	1586	M
	Other: Hospice Care	34	9	25	L
	Other: Medical/Dental	3180	329	2851	H
Estimated Sub-populations	Chronic Substance Abusers	1512	238	1274	H
	Seriously Mentally Ill	1615	128	1487	H
	Dually-diagnosed	687	370	317	H
	Veterans	1134	30	1104	M
	Persons with HIV/AIDS	171	146	25	M
	Youth	800	28	772	H

Source: 2001 Continuum of Care Gap Analysis, County Department of Human Assistance.

**TABLE 3-27
2001 COUNTYWIDE NEEDS OF HOMELESS FAMILIES**

Homeless Populations		Estimated Need	Current Inventory	Unmet Need/Gap	Relative Priority
Beds/Units	Emergency Shelter	406	301	105	H
	Transitional Housing	347	257	90	H
	Permanent Supportive Housing	1,812	453	1,359	H
	Total	2,565	1,011	1,554	
Estimated Supportive Services Slots	Job Training	1,539	648	891	M
	Case Management	2,052	1,275	777	H
	Child Care	282	185	97	H
	Substance Abuse Treatment	1,128	238	890	H
	Mental Health Care	898	128	770	H
	Housing Placement	2,308	428	1,880	H
	Life Skills Training	1,923	185	1,738	H
	Other: Transportation	1,539	159	1,380	H
	Hospice Care	25	9	16	L
	Other: Employment Services	1,667	648	1,019	H
	Other: Legal Aid	51	50	1	M L
	Other: Medical/Dental	1,272	157	1,115	H
Sub-populations	Chronic Substance Abusers	1,128	238	890	H
	Seriously Mentally Ill	1,025	128	897	H
	Dually-Diagnosed	513	370	143	H
	Veterans	846	0	846	M
	Persons with HIV/AIDS	76	68	8	M
	Youth (in family)	1,280	31	1,249	H

Source: 2001, Continuum of Care, Gap Analysis, County Department of Human Assistance.

The City of Sacramento represents approximately 33.3% of the households and population within the County of Sacramento, (2000 U.S. Census). Using the city/county population ratio, the estimated city share of the Countywide unmet housing need for emergency shelters, transitional housing and permanent housing is shown in Table 3-28:

**Table 3-28
2001 City's Share of Unmet Homeless Needs**

Housing Type	Homeless Population	Unmet Need/Gap (Countywide)	Unmet need/Gap (City Share)
Emergency Shelter	Individuals	274	91
	Families	105	35
	Total	379	126
Transitional Housing	Individuals	284	96
	Families	90	32
	Total	374	128
Permanent Housing	Individuals	1,343	447
	Families	1,359	453
	Total	2,702	900
Total Homeless	Individuals	1,901	634
	Families	1,554	520
	Total	3,455	1,154

Source:2001 Continuum of Care, County Department of Human Assistance (DHA)

According to the Agency, the average age of single men using Sacramento's homeless shelters has decreased from 46 to 33 years old over the past five years. The average age of women accessing the shelters is 36 years. Additionally, 35 % of Sacramento's homeless men are veterans representing all recent wars since the Korean War; the majority are Vietnam veterans. Approximately 3% of the total homeless population is comprised of seniors, 62 years and older. The Agency reports that approximately one-third of the homeless population has a diagnosed mental illness and appears to be unreachable through the community mental health services. Furthermore, homeless women appear to have a higher incidence of mental health issues than homeless men.

A total of 47% of shelter residents served in 1991 were white (European-American), 42% African American, 10% Latino, 1% Asian-Pacific Islander, and .1 % American Indian. In comparison with the 1990 Census count of 14.8% African Americans among the total population, African Americans, primarily young males, are significantly over-represented in Sacramento's homeless population.

Substance abuse continues to be a contributing factor to homelessness. According to the Consolidated Plan, approximately 50% of the homeless population is involved in drug or alcohol abuse. Without intervention, substance abuse continues to be a contributing factor to homelessness. Together, they often lead to more chronic problems for the individual and families.

Shelter Facilities

Sacramento's emergency shelters, outlined in Table 3-29, serve the homeless from the City and unincorporated portions of the County. Most of the County's emergency shelters are located within the city limits. According to the 2001 Continuum of Care Report, 768 shelter beds are available to individuals and families during the warm weather months. An additional 133 shelter beds are available during the winter overflow period, from November to March. Approximately 948 beds are available to homeless individuals and families during winter. The Agency reports that shelter facilities are constantly at 100% occupancy throughout the year. Shelter providers report that they are serving a rapidly growing number of homeless individuals and families seeking assistance. In addition to emergency shelters, the City and County priorities are to provide hotel/motel vouchers, transitional housing and permanent programs to the homeless. These housing shelter alternatives assist those attempting to make the transition from homelessness to transitional and permanent housing (Tables 3-30 and 3-31). Sacramento City and County are the primary service providers for the regions homeless population. The surrounding cities and counties lack facilities to address their fair share of the homeless need. The City and County are participating on the Homelessness Board to develop a more comprehensive solution to address the regions homeless problems.

**Table 3-29
EMERGENCY SHELTER FACILITIES AND BEDS FOR THE HOMELESS**

Single Person Shelters	Number of Beds
The Salvation Army Men's Lodge	80
The Salvation Army Men's Annex	60
The Salvation Army Women's Annex	20
The Salvation Army Aid-In-Kind Program	50
Volunteers of America Aid-In-Kind Program	62
South Area Emergency Housing Center - Women's Shelter	12
Union Gospel Mission	86
Subtotal	370
Family Shelters	Number of Beds
South Area Emergency Housing Center - Family Shelter	55
Women Escaping a Violent Environment (WEAVE)	35
St. John's Shelter for Women and Children	40
Subtotal	130
Shelters for Those under the Influence of Alcohol	Number of Beds
Volunteers of America Public Inebriate Drop-In Center	120
Shelter for the Mentally Ill	Number of Beds
Transitional Living & Community Support for Mentally Ill Women & Men (Card's Place)	18
TOTAL EMERGENCY SHELTER BEDS	637
Winter Overflow Shelters (November to March)	Number of Beds
Salvation Army Cal Expo Winter Program	180
TOTAL WINTER OVERFLOW BEDS	180
GRAND TOTAL SHELTER BEDS	768

Source: 2001 Continuum of Care, County Department of Human Assistance.

Table 3-30

¹TRANSITIONAL & PERMANENT HOUSING OPPORTUNITIES FOR THE HOMELESS

Transitional Housing Programs	Number of Spaces
■ <i>Chemical Dependency Center for Women</i>	30
■ <i>Diogenes Youth Services*</i>	16
■ <i>Lutheran social Services</i>	36
■ <i>Cottages</i>	60
■ <i>Sacramento Area Emergency Housing</i>	16
■ <i>Mather Campus*</i>	400
■ <i>VOA Recovery Program</i>	16
■ <i>VOA</i>	
■ <i>VOA Inebriate Program - Alcohol Treatment Center</i>	60
■ <i>VOA Independent Living Readiness Pilot Program ("Independent Readiness Program") for single men</i>	46
■ <i>Resources for Independent Living, Inc. Transitional Living Center for the severely physically disabled</i>	6
■ <i>Transitional Living and Community Support Program for the mentally ill</i>	48
■ <i>Veterans Resource Center</i>	30
■ <i>AIDS Housing Alliance</i>	12
TOTAL TRANSITIONAL HOUSING SPACES	766

Source: County Department of Human Assistance 2001 Continuum of Care

*Mather Community Campus includes 200 beds for singles and 200 beds for families.

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

Note: In 2002 the county approved SHRA's funding for the rehabilitation of 2 additional buildings on the site of the Mather Community Campus for 45-60 units for families participating in the traditional housing program. In addition, the Sacramento Veterans Resource Center is adding a wing for additional units, being built by the building industry's HOMEAID Program.

Table 3-31
¹PERMANENT HOUSING OPPORTUNITIES TARGETED TO THE VERY LOW INCOME
AND/OR FORMERLY HOMELESS INDIVIDUALS AND FAMILIES

Program	Number of Spaces
■ HUD Family Unification Demonstration Program Section 8 Certificates/Vouchers	40
■ Section 8 Moderate Rehabilitation Project (Midtown Manor)	20
■ Shasta SRO Hotel (alcohol free)	80
■ Ridgeway SRO Hotel	85
■ Sequoia SRO Hotel	88
■ AIDS Housing Alliance (Avalon)	6
■ AIDS Section 8 Certificate	12
■ CARES Long Term Housing Vouchers	22
■ Shelter Plus Care Certificates	325
■ Halcyon Place	22
■ Shasta Shelter Plus Care	12
■ TLCS Cooperative Apartments (singles)	26
■ TLCS (families)	25
■ VOA Nova House	4
■ Stephen's Place	<u>16</u>
 TOTAL PERMANENT HOUSING OPPORTUNITIES	 771

Source: SHRA, 2001 County Department of Human Assistance.

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

Note: The County has also committed funding for 80 new permanent supportive housing apartments at McClellan Park and 65 units for the formerly homeless in a boarded motel to be converted and rehabilitated into apartments with 24-hour services.

4. Current Housing Production Needs and Progress

4.1 INTRODUCTION

As noted in Chapter 3, SACOG prepares an estimate of population and housing needs for the planning period, SACOG also sets needs for housing production based on income and affordability to ensure that regional housing needs are addressed throughout the region. The housing needs adopted by SACOG for the City of Sacramento for the current planning period are:

Table 4-1
January 1, 2000 - June 30, 2007
NEW CONSTRUCTION NEED

<u>Income Group</u>	<u>Number of Units</u>	<u>% of Total</u>
Very Low	772 units	4.0%
Low	2,791 units	14.5%
Moderate	4,714 units	24.4%
Above Moderate	11,036 units	57.1%
Total	19,313 units	100.0%

Source: SACOG Regional Housing Needs Plan (RHNP) 2001

4.2 PROGRESS TOWARDS ADDRESSING NEEDS TO DATE

Table 4-2 shows new housing construction by housing type for the period of 1999 to 2001

Table 4-2
HOUSING UNITS ADDED 1999 TO 2001

YEAR	TOTAL UNITS	SINGLE FAMILY UNITS	2-4 UNITS	5+ UNITS	MOBILE HOMES
1999	706	575	10	120	1
2000	1,763	1,496	10	256	1
2001	2,849	2,580	8	260	1
TOTAL	5,318	4,651	28	636	3

Source: SACOG and the City of Sacramento Planning and Building Department

4.3 AFFORDABILITY OF UNITS PRODUCED

Relative to affordability, the city collected information regarding the sales price or rent levels of newly constructed and occupied units. Records from SHRA, can reveal the number of new, rehabilitated and owner assisted units during this period which are specifically targeted, through program restrictions, to very low, low or moderate income households. Table 4-3, Assisted Housing Production shows that 471 new low, moderate, and unrestricted income units were constructed and an additional 1,589 units were substantially rehabilitated (added to affordable supply) between 1999 and 2001. (A full breakout of the types and funding sources for publicly assisted units are shown in Tables 4-10 and 4-11 at the conclusion of this Chapter).

**Table 4-3
SUMMARY OF PUBLICLY ASSISTED HOUSING UNITS 1999 - 2001
(Based on data provided by SHRA)**

	Total	New Construction	Substantial Rehabilitation	Owner Assistance
Very Low Income Units Total	1,917	194	995	728
Low Income Units Total	1,494	55	519	917
Moderate Income Units Total	169	28	47	94
Other Non-Restricted Units*	222	194	28	0
TOTAL	3,802	471	1,589	1,739

Regarding privately sponsored housing production; information was collected on market conditions. As noted earlier, overall, the Sacramento rental market is a generally affordable moderate-income household, but, not low and very low-income households. However, newly built market rentals are generally affordable to only households with moderate incomes. The CB Commercial rental survey for the third quarter 2001, categorizes rental rates for apartments by factors such as age and condition. A Type "A" apartment building is, for example, in the best location, with the highest quality construction, highest amenities and highest rent ranges.

**Table 4-4
2001 BEST CONDITION (TYPE "A") RENTAL RATES
COMPARED WITH AFFORDABLE RENTS**

	Studio	1 Bdrm	2 Bdrm	3 Bdrm
Type "A" Rent Survey Results	\$ 726	\$ 897	\$ 1060	\$ 1334
Rent Affordable to Low Income Household*	\$ 802	\$ 916	\$ 1,032	\$ 1146
Rent Affordable to a Very Low Income Household	\$ 501	\$ 573	\$ 633	\$ 716
Rent Affordable to a Poverty Level Income Household	\$ 301	\$ 344	\$ 387	\$ 430

Source: CB Commercial Multi-Family Rental Survey 2001 and HUD 2001-2002 Median Income levels

* See Table 3-18 for calculations of rental affordability based on HUD income and housing definitions.

See also Tables 3-19 - 3-22

Type A, new condition, highest amenities, existing rental rates are affordable to moderate income households and affordable to some low income households (persons earning 80% of median income and above). New apartments are clearly beyond the reach of very low and poverty level income households (persons earning less than 80% and 50% of the median income).

**Table 4-5
Rent Levels of Selected Newly Constructed Multi-Family Projects
in the City of Sacramento (1999-2002)**

Project Name	# of Units Built	Year Built	One Bdrm	Two Bdrm	Three Bdrm
Miramont 4850 Natomas Boulevard	268	2001	\$898-1040	(\$1,175)	\$1185 - 1230
Fremont Building ¹ 1501 16 th Street	69	2001	\$1,045	\$1275 - \$1595	N/A
Meadow Glen ² 2451 Meadowview Rd.	170	2001	N/A	\$426	\$482
Irongate 3301 Arena Boulevard	280	2001	\$920	\$1,200	\$1,400
Trovas 4900 Natomas Boulevard	172	2001	\$940 - \$1,115	\$1,140 - \$1,185	\$1,415
Tuscaro (Arena Commons) 4400 Truxel Road	296	2000	\$950	\$1,265	\$1,400-\$1,500
Auberry Park ²	110	1999	N/A	\$418	\$474
Silver Peak 410 Bell Avenue	89	1999	\$745	\$850 - \$900	NA
Total Units	1,454				
Average units per project	181		\$942	\$1,185	\$1,355
Total Low Income Units	377				

Data Source: CB Commercial, "Sacramento City Apartment Complexes," 1/31/2002

¹Based on 30% of the 2002 HUD Income levels for low and very low-income households:

1 bedroom: \$573 very low; \$802 low income

2 bedrooms: \$645 very low; \$1,032 low income

3 bedrooms: \$716 very low; \$1,146 low income

Auberry and Meadow Glen were included

Fremont has 13 assisted units, rents range from \$424 to \$552

²Auberry Park (in the county) and Meadow Glen are publicly funded and subsidized multi-family projects

The quantification of the amount and types of housing constructed between 1999 and 2001 is needed to revise the basic new construction need by income group prepared by SACOG. This

determination was made based on a survey of rental rates of newly constructed apartment units as compared with income levels and maximum rents for various households (Tables 4-5). Eight projects, built between 1999 and 2002, were surveyed. Two projects in the survey were apartment complexes with fully assisted rents and one project was a mixed income complex. This comparison revealed that newly constructed market projects are affordable to moderate income households and mixed income rental projects are generally affordable to the low income households. New multi-family rental projects are not affordable to very low income households.

In total, 1,454 rental units were built between the eight projects from 1999 to 2002, with 20% of the total units affordable to low income households. In fact, of the units affordable to low income households in the survey, 293 units were constructed with public funding. Without the assisted projects, only 6% of new apartment units were affordable to low income households while 94% of the units were built for moderate and above moderate-income levels.

The City also surveyed new home sales prices in subdivisions located within the City of Sacramento (Table 4-6) and compared these prices with the maximum housing payments that a household could afford based on a 7% interest rate, 5% down payment and 30 year loan term (Table 4-7 and 4-8). Based on this analysis, staff determined that 40% of new single-family detached units were affordable to moderate income households and 60% were affordable to above moderate income households. In addition, it is assumed that all the market rate, 2-4 unit housing and all the mobile homes constructed between 1999 and 2001 were affordable to moderate income households.

**Table 4-6
ESTIMATED SALES PRICES OF SELECTED NEW SUBDIVISIONS
CITY OF SACRAMENTO 2001**

Project Name	Community	# Units	#Bdrms	SQ FT	Lot Size	Estimated Sales Prices
Glenmere 1561 Arrowbrook Avenue	North Natomas	101	4	2,196		252,950
			5	2,168-2,366		\$263,000 - \$317,400
Bel Lago at Westlake 160 Vista Cove Cir.	North Natomas	84	4	1,958-2,183		\$281,000 - \$291,000
			5	2,718-3,262		\$316,000- \$350,000
Ashford Place 15 Brynmar Ct.	North Natomas	96	3	1,557-1,686		\$207,950- \$215,950
			4	2007		\$242,950
			5	2291		261,950
Rainbow Springs Laramore Way	South Sacramento	69	4	1700-1859		180,000+
			3	1232-1624		150,000+
Westborough Village 7		114	3	1,582	3,432	190,000 - 220,000
			3-4	1,872-2,187	3,482	same
Villa II Unit 10-1	North Natomas	102	3-4	1,484-2,333		200,000- 325,000
			4-5	2,482 - 3009		same
Northborough Villages 8 & 9	North Natomas Plan 1,4	90	3-4	1,975 - 2464	6,500	220,000+
	Plan 2,3		2-4	2,363 - 2,890	6500	220,000+
	Plan 5		4 -5	3,250	6500	220,000+
Northborough Villages II	North Natomas	129	1/2/3 Plan 1	1 1,686	4,725	\$180,000 - \$290,000
			2/3/4 Plan 2	2,145		\$180,000 - \$290,000
			1/2/3/4 Plan 3	2360		\$180,000 - \$290,000
	Plan 4		2/3/4 Plan 4	2,618	4,725	\$180,000 - \$290,000
Beazer Homes in Riverview #1 Villages 1A & 1B	Plan 2 & 4	133	3	1540-1757		170,000 \$180,000 - \$225,000
	Plans 5 & 6		4	1,920-2,174	4,725	\$180,000 - \$225,000
Veranda II at Natomas Park	North Natomas	102	3	1,500		229,000

Mabry Drive							
			4	1,800-3,050			250,000-327,000
			5	2,750			304,000
Laguna Creekside 5630 Jacinto Ave.	South Sacramento		5	2,352 -2,952			\$280,000- \$330,000
			4	1,710 - 1,889			\$200,000- \$250,000
Memories II Jarvis Cir	180 North Natomas	91	3	1,872	5,775		243,000
			4	2,010	5,775		257,000
			5	2,135-2,401	5,775		\$263,000 - 277,000
Piazza del Sol	North Natomas	133	2	1,282			\$195,000
			3	1,540-1,757			\$211,000- \$223,000
			4	1,920-2,174			\$234,000- \$245,000
<hr/>							
Averages			2	2,126			233,673
			3	1,866			219,095
			4	2,145			238,223
			5	2,651			286,018

Source: Planning and Building Department; Planning Directors Special Permits.
Phone and Internet survey of new home sales prices.

Table 4-7
INCOME LEVELS AND MAXIMUM HOUSING PAYMENTS
Sacramento Countywide Area
2002

Maximum Monthly Housing Expense (Income Limits x .30/12)								
Household	Very Low		Low		Median		Moderate	
Size	Income	Payment	Income	Payment	Income	Payment	Income	Payment
1	\$20,050	\$ 501.25	\$32,100	\$802.50	\$40,100	\$1,002.50	\$48,120	\$1,203.00
2	\$22,900	\$572.50	\$36,650	\$916.25	\$45,800	\$1,145.00	\$54,960	\$1,374.00
3	\$25,800	\$645.00	\$41,250	\$1,031.25	\$51,600	\$1,290.00	\$61,920	\$1,548.00
4	\$28,650	\$716.25	\$45,850	\$1,146.25	\$57,300	\$1,432.25	\$68,760	\$1,790.00
5	\$30,950	\$773.75	\$49,500	\$1,237.50	\$61,900	\$1,547.50	\$74,280	\$1,857.00
6	\$33,250	\$831.25	\$53,150	\$1,328.75	\$66,500	\$1,662.50	\$79,800	\$1,995.00
7	\$35,550	\$888.75	\$56,850	\$1,421.25	\$71,100	\$1,777.50	\$85,320	\$2,133.00
8	\$37,800	\$945.00	\$60,500	\$1,512.50	\$75,600	\$1,890.00	\$90,720	\$2,268.00
Source:	California Department of Housing and Community Development							

**TABLE 4-8
Monthly Mortgage Payments for Ownership Homes
(Principal, Interest, Taxes and Insurance)**

Sales Price	Monthly Payment @ 7%	Yearly Income Needed for Monthly Payment	Affordability % Median Income	Monthly Payment @ 8 %	Yearly Income Needed	Affordability % Median Income	Monthly Payment @ 9%	Yearly Income Needed	Affordability % Median Income
\$80,000	\$596	\$23,840	<50%	\$648	\$25,920	<50%	\$702	\$28,080	50%
\$100,000	\$745	\$29,800	50-80%	\$810	\$32,400	50-80%	\$877	\$35,080	50-80%
\$140,000	\$1,042	\$41,680	50-80%	\$1,133	\$45,320	80%	\$1,228	\$49,120	80-100%
\$180,000	\$1,340	\$53,600	80-100%	\$1,457	\$58,280	100-110%	\$1,578	\$63,120	100-120%
\$200,000	\$1,489	\$59,560	100-120%	\$1,619	\$64,760	110-120%	\$1,754	\$70,160	>120%
\$220,000	\$1,638	\$65,520	120%	\$1,781	\$71,240	>120%	\$1,929	\$77,160	>120%

Source: HUD, SHRA
 Affordability at 30% of Income
 5% down payment
 Affordability at 30% of Income
 Taxes and Insurance (real estate and mortgage) .0135

4.4 ADJUSTMENTS TO HOUSING NEEDS BY INCOME LEVEL

Table 4-8 breaks down the potential economic groups served by the units constructed from January 2000 to January 2002. Table 4-9 lists the remaining new construction needs between January 1, 2000 and December 31, 2001 based on the adjustments for units already produced by income groups served.

**Table 4-9
Characteristics of Housing Units Added 2000- 2001
City of Sacramento**

New Units	Potential Economic Group Served
4,076 Single Family Units:	2,414 Above Moderate Income Households (market)
	1,609 Moderate Income Households (market)
	2 Very Low Income Households (SHRA Assisted)
	51 Low Income Households (SHRA Assisted)
18 Multiplex Units (2-4 units):	18 Moderate Income Households (market)
516 Multi Family Units:	320 Moderate and Above Moderate Income Households (market)
	4 Low Income Households (SHRA assisted)
	192 Very Low Income Households (SHRA assisted)
2 Mobile Homes:	2 Moderate Income Households (market)

**Table 4-10
PROGRESS IN MEETING 2007 REGIONAL HOUSING NEEDS**

Income Level	2007 Need	2000-2001 Units Produced	Remaining Units Needed
Very Low	772 units	194 units	578 units
Low	2,791 units	55 units	2,736 units
Moderate	4,714 units	1,789 units	2,925 units
Above Moderate	11,036 units	2,574 units	8,462 units
TOTAL	19,313 unit	4,612 units	14,701 units

As shown in Table 4.9 above, 14,701 units need to be constructed by June 30, 2007 to meet city's share of the Regional Housing needs by income group.

Table 4-11
City of Sacramento – Assisted Housing Production
Jan 1, 2000 - Jan 1, 2002
Income Level Report

INCOME CATEGORY	Total	New Construction	Rehabilitation	Owner Assistance
Very Low Income (0-50%)	1,917	194	995	728
Low Income (51-80%)	1,494	55	519	917
Moderate Income (81-120%)	169	28	47	94
Unrestricted	222	194	28	0
Total	3,802	471	196	1,739

NEW CONSTRUCTION	Total	Very Low	Low	Moderate	Unrestricted
Multifamily Housing	254	192	4	2	56
<i>Public Housing</i>					
Single-family					
Subdivision	213	4	49	24	138
Construction Training	4	0	2	2	0
Self-help	0	0	0	0	0
Total	471	196	55	28	194

REHABILITATION	Total	Very Low	Low	Moderate	Unrestricted
Multifamily Housing	1,107	835	241	10	21
Bond Projects	412	160	252	0	0
Single Family					
Fainted Ladies	19	0	2	10	7
<i>Public Housing Acq/Rehab</i>			9	0	0
Self Help	9	0			
<i>Single-family Rehabilitation</i>					
Job Training	6	0	6	0	0
Boarded & Vacant Homes	36	0	9	27	0
Total	1,589	995	519	47	28

OWNER ASSISTANCE	Total	Very Low	Low	Moderate	Unrestricted
Homebuyer Assistance					
Downpayment Assistance	1160	302	838	20	
Mortgage Revenue Bonds	39	5	17	17	
M	128	18	53	57	
Homeowner Rehabilitation					
Emergency Repair	330	330			
Home Improvement	32	29	3		
Retrofit	50	44	6	0	
Total	1,739	728	917	94	0

Source: SHRA 2002

Table 4-12
City Housing Production
Jan 1, 2000 - Jan 1, 2002
Funding Report

CATEGORY	Total	SHRA Funding	Other Funding
New Construction	\$64,934,934	\$ 7,093,125	\$57,841,809
Rehabilitation	\$115,989,774	\$9,884,760	\$106,105,014
Owner Assistance	\$109,085,179	\$9,421,205	\$99,663,974
Total	\$290,009,887	\$26,399,090	\$263,610,797
NEW CONSTRUCTION	Total	SHRA Funding	Other Funding
Multifamily Housing	\$30,555,477	\$2,050,000	\$28,505,477
Single-family			
Subdivision	\$33,354,339	\$4,586,066	\$28,768,273
Construction Training	\$656,118	\$328,059	\$328,059
Self-help	\$369,000	\$129,000	\$240,000
Total	\$64,934,934	\$17,093,125	\$57,841,809
REHABILITATION	Total	SHRA Funding	Other Funding
Multifamily Housing	\$ 67,058,132	\$8,847,627	\$58,210,505
Bond Projects	\$43,864,705		\$43,864,705
Single-family Rehabilitation			
Fainted Ladies	\$1,741,498	\$422,160	\$ 1,319,338
Self Help	\$162,448	\$162,448	
Job Training	\$12,252	\$12,252	
Boarded & Vacant Homes	\$ 3,150,466	\$ 440,000	\$2,710,466
Total	\$115,989,774	\$9,884,760	\$106,105,014
OWNER ASSISTANCE	Total	SHRA Funding	Other Funding
Homebuyer Assistance			
Downpayment Assistance	\$103,668,252	\$4,063,147	\$99,605,105
Mortgage Revenue Bonds	\$3,755,605	\$3,755,605	
Homeowner Rehabilitation			
Emergency Repair	\$574,316	\$ 574,316	
Home Improvement	\$880,646	\$821,777	\$ 58,869
Retrofit	\$206,360	\$206,360	
Total	\$109,085,179	\$9,421,205	\$99,663,974

Source: SHRA 2002

Note: All assisted constructed units completed in the years 2000 and 2001.

5. RESIDENTIAL LAND INVENTORY

State Housing Law (Government Code Section 65583(a)(3)) requires an inventory of adequate sites for residential development including vacant sites and sites with redevelopment potential. It also requires an analysis of appropriate zoning and adequate services to accommodate future housing needs. The inventory should also identify sites with constraints to housing development.

This section summarizes the inventory of vacant land suitable for residential development in Sacramento. It includes an analysis of the potential residential holding capacity, buildout constraints and the appropriate densities and development standards to permit development of a range of housing types and prices to accommodate projected new construction need for all income levels. It also analyzes the potential housing supply from infill, redevelopment and reuse sites and proposed studies and annexation proposals.

5.1 CITYWIDE INVENTORY OF VACANT RESIDENTIAL LAND

Two inventories are available regarding vacant lands. The first is a 1998 inventory of residential holding capacity completed by the Sacramento Area Council of Governments (SACOG). The SACOG survey identified vacant lands and infill reuse sites designated for residential uses in the General Plan or Community Plans. Second, a 2001 parcel level inventory of vacant residentially zoned sites is based on the City's Geographic Information System (GIS). Both inventories indicate that the City has an adequate supply of residential land available to meet the City's projected housing needs for single family and multi family development.

The second survey, which did not involve field research, was prepared based on the City's GIS database. This inventory identified only vacant (e.g no building improvements based on county assessor's records) land that is residentially zoned and over 2 acres in size. The 2 acre criteria was identified by housing developers as the minimum economically viable developable site that could be developed for an affordable housing project.

Both inventory approaches have validity. The SACOG inventory, which is broader in the definition of residentially designated land, allows the City to view the relative balance of land uses included in the Community Plans and General Plan based on long-term residential buildout potential. The GIS survey is more current, and provides a more accurate and detailed assessment of development potential for each vacant parcel immediately available for development (served by infrastructure). Both inventories are discussed in this Chapter.

5.2 1998 SACOG RESIDENTIAL HOLDING CAPACITY

SACOG maintains a recent (1998) estimate of residential holding capacity through the year 2022. The inventory was based on a City evaluation of residential buildout by minor traffic zone based on the adopted community and/or general plan land use designation and the reuse potential within redevelopment areas. SACOG identifies approximately 47,764 potential housing units. Table 5-1 provides a breakdown of the existing inventory, future holding capacity and vacant potential by community plan area and housing type. The relative percentage of single family units is also shown by community plan area.

**Table 5-1
City of Sacramento
Residential Holding Capacity thru 2022**

CPA	Existing				Holding Capacity				Vacant		
	1998				2022				1999		
	SF	MF	MH ¹	% SF	SF	MF	MH ¹	% SF	SF	MF	MH ¹
Airport-Meadowview	8,480	1,929	1	81%	11,882	2,683	1	82%	3,402	754	0
Arden-Arcade	2,601	2773	154	47%	2,773	2,774	150	47%	172	0	4
Central City ²	2,845	15,682	0	15%	3285(2)	22,944(2)	-	12%	400(2)	7262(2)	0
East Broadway	13,400	3,831	129	77%	13,812	3,916	6	78%	412	85	-123
East Sacramento	10,638	4,641	336	68%	10,676	4,666	336	68%	38	25	0
Land Park	11,280	3,586	1	76%	11,601	3,746	-	76%	321	160	-1
North Natomas ²	132	4	156	45%	10,181(2)	12,115(2)	160	42%	10,049(2)	12,111(2)	4
North Sacramento	12,534	4,636	678	70%	15,250	5,058	688	73%	2,716	422	10
Pocket	12,520	6,457	0	66%	13,104	6,819	-	66%	584	362	0
South Natomas	8,120	7,086	205	53%	9,659	7,330	226	56%	1,532	244	21
South Sacramento	15,569	5,493	1,522	69%	20,244	7,648	1,593	69%	4,675	2,155	71
TOTAL	98,128	56,118	3,182	62%	122,311	79,699	3,168	59%	24,183	23,581	-14

¹MH = Mobile Homes

²Assumes Community Plan Buildout by housing types

SF = Single Family

MF = Multi-Family

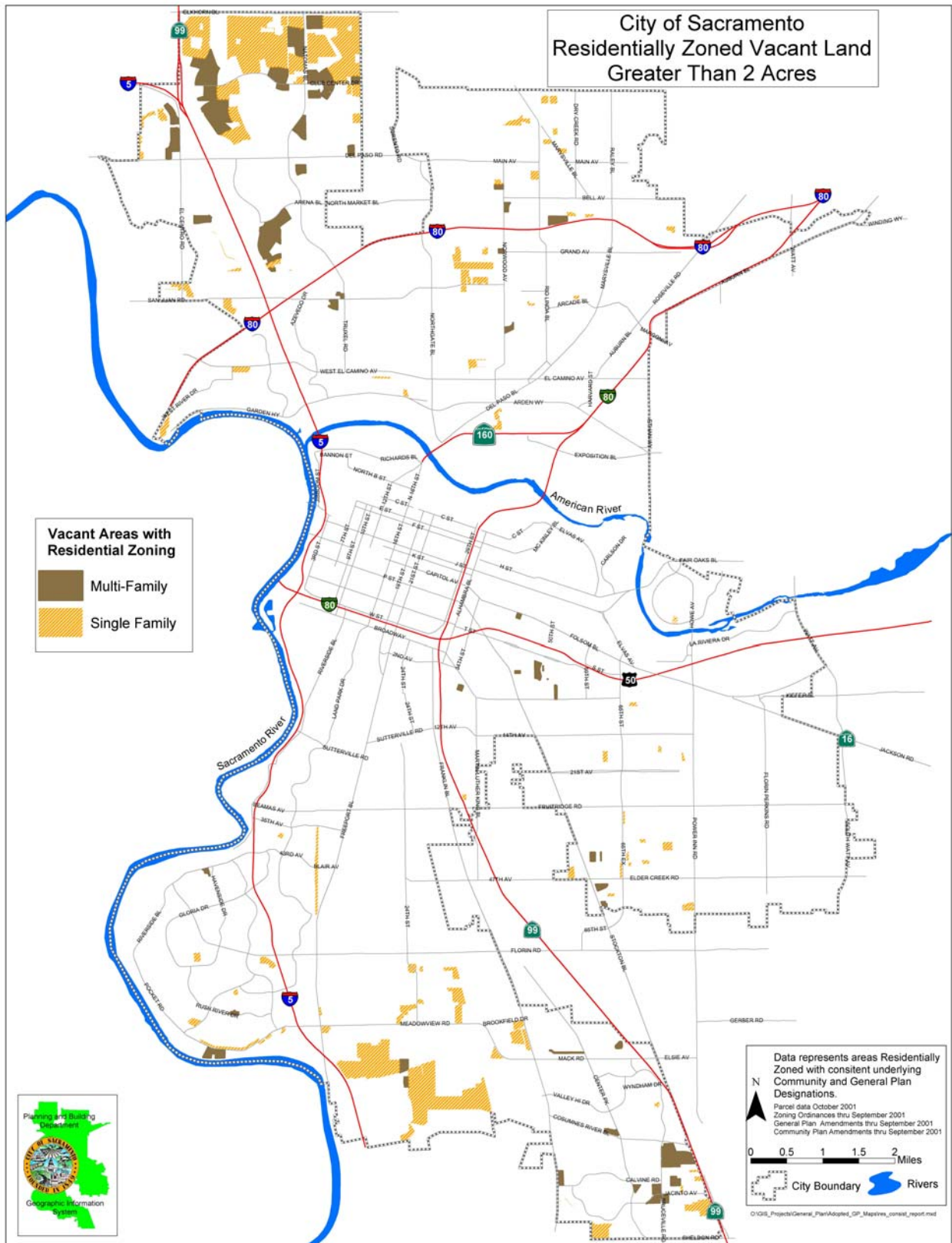
5.3 2001 CITY INVENTORY OF RESIDENTIALLY ZONED VACANT LANDS

The City of Sacramento's inventory of vacant residential lands over 2 acres in size utilized the City's current GIS property, zoning and land use database. In general this inventory does not include smaller residentially zoned parcels or parcels which are substantially vacant and under-utilized which could be developed for more intense residential uses. Parcels under 2 acres were excluded from the inventory in order to identify the most developable parcels. A supplemental infill site inventory of smaller parcels is shown in 5.3. A parcel specific inventory was developed September 2001 which identifies the parcel number, owner, zoning acreage, community and general plan designations and the buildout potential based on a survey of actual residential densities.

Map 5.1 and Table 5-2 summarizes the results of the GIS parcel level inventory by Community Plan area. The largest supply of vacant residential land is located within North Natomas (62.9% of total), Airport Meadowview (15.9%) and South Sacramento (11.0%). Based on zoning, approximately 62.59% of the projected build-out potential is for single family development and 37.41% is for multi family development. This ratio is slightly different as the current percentage of single family (64.8%) to multi family (33.2%) housing stock in the city.

The build out calculations are based on two different surveys of various residential project densities. Typical project densities by zoning and the conversion factors used for determining net to gross acre adjustments (e.g. land dedicated for public improvements) were based on the surveys of actual projects to establish feasible buildout estimates based on market conditions (Table 5-3). Sites are considered suitable for residential development if they are zoned for residential use, have a consistent general and community plan land use designation, lack significant environmental constraints that preclude development and are anticipated to be served by infrastructure and community facilities within the time frame of the housing element.

Map 5-1



**Table 5-2
Estimated Build-out Based on the
2001 Inventory of Vacant Residentially Zoned Lands**

Community Plan Area	Single Family Zoned Acreage		Multi-Family Zoned Acreage		Build-out by Housing Type ²		Total Units	% Citywide Total
	Gross	Net ¹	Gross	Net ¹	SF Units ³	MF Units ⁴		
Airport Meadowview	603	484	8	10	3,486	91	3,577	15.9 %
Arden Arcade	N/A	N/A	N/A	N/A	N/A	N/A	0	0.0
Central City	N/A	N/A	N/A	N/A	N/A	N/A	0	0.0
East Broadway	17	14	N/A	N/A	80	N/A	0	.4%
East Sacramento	N/A	N/A	N/A	N/A	N/A	N/A	0	0.0
Land Park	N/A	N/A	N/A	N/A	N/A	N/A	0	0.0
North Natomas	1,286	1,036	385	333	7,785	6,298	14,083	62.9%
North Sacramento	191	157	18	16	1,047	251	1,299	5.8 %
Pocket Area	84	68	N/A	N/A	465	0	465	2.1 %
South Natomas	69.0	55	N/A	N/A	405	0	405	1.8 %
South Sacramento	119	95	110	96	738	1,731	2,470	11.0 %
TOTAL	2,368	1,909	520	451	14,007	8,372	22,379	

1. Gross acreage is derived from the aggregated total acreage of all residentially zoned parcels over two (2) acres in size compiled from the City's GIS Parcel Inventory with consistent General Plan and Community Plan land uses. The conversion to net acreage was conducted on a parcel by parcel basis using the average conversion rate established for each zoning category. The average gross to net acre conversion rate was derived from a survey of pending and approved projects prepared by the City of Sacramento Planning Division in 1999. (See Typical Density and Acreage Conversion Rate Table included in Table 5-3)

2. Build-out was calculated using a typical density per net acre by zoning. The typical density per net acre by zoning was derived from a survey of pending and approved projects prepared by the City of Sacramento Planning Division in 1999. (See Typical Density and Acreage Conversion Table included in Appendix)

3. Single family build-out is based on an analysis of all R-1, R-1A, R-1-PUD, R-1A PUD series zoned parcels in the City. Because the R-2A zone is a flexible zone wherein both single family and multi-family developments occur, 50% of the build-out for R-2A was assigned to single family and 50% was assigned to multi-family for each community plan area.

4. Multi-family build-out is based on an analysis of all R-2, R-2A, R-2B, R-3, R-3A, R-4 and R-5 zoned parcels in the City only sites with consistent Community Plan and General Plan land use designations included. Because the R-2A zone is a flexible zone wherein both single family and multi-family developments occur, 50% of the build-out for R-2A was assigned to single family and 50% was assigned to multi-family for each community plan area.

**Table 5-3
Typical Densities and Acreage Conversion Factors
By Type of Zoning**

Zoning	Typical Density Per Net Acre	Typical Gross to Net Acre Conversion Rate
R-1	5.93	0.82
R-1 A PC-PUD	7.10	0.68
R-1 A PUD	7.10	0.68
R-1 PC	5.93	0.82
R-1 PUD	5.23	0.82
R-1A	7.94	0.79
R-1A SPD	7.94	0.79
R-1A-EA-3	7.94	0.79
R-1A-EA-4	7.94	0.79
R-1A-H	7.94	0.79
R-1A-PUD	7.10	0.68
R-1A-R	7.94	0.79
R-1A-R-PUD	7.10	0.68
R-1B	7.87	0.82
R-1B-SPD	7.87	0.82
R-1-EA-2	5.93	0.82
R-1-EA-3	5.93	0.82
R-1-EA-4	5.93	0.82
R-1-R	5.93	0.82
R-1-SPD	5.93	0.82
R-2	13.80	0.87
R-2A	13.80	0.87
R-2A-PUD	13.80	0.87
R-2A-R	13.80	0.87
R-2B	18.22	0.87
R-2B-PUD	18.22	0.87
R-2B-R	18.22	0.87
R-2B-R-EA-4	18.22	0.87
R-2B-R-PUD	13.80	0.87
R-2-R	13.80	0.87
R-2-R-EA-4	13.80	0.87
R-2-R-EA-4	13.80	0.87
R-3	20.36	0.85
R-3A	20.36	0.92
R-3A-SPD	20.36	0.92
R-3-EA-2	20.36	0.85
R-3-EA-3	20.36	0.85
R-3-EA-4	20.36	0.85
R-3-PUD	20.36	0.85
R-3-R	20.36	0.85
R-3-R-EA-4	20.36	0.85
R-4	22.00	0.88
R-4-PC	22.00	0.88
R-4-PUD	22.00	0.88
R-4-R	22.00	0.88
R-5	82.51	1
R-5-R	82.51	1

NOTE: Typical rates are based on-a two surveys: 1) a survey of 80 pending and approved residential projects conducted by the City Planning Division, 1990 thru 1999, and 2) a survey of built or approved multi-family projects since 1999. The surveys were used to adopt gross to net conversion factors.

5.4 ESTIMATED RESIDENTIAL VACANT AND INFILL BUILDOUT

Table 5-4 lists, by Community Plan Area, the total zoned vacant and infill capacity for single family and multi-family units in the City of Sacramento. The City's Vacant Zoned Land Inventory (Table 5-2) and the Vacant Zoned Infill Land Inventory (Table 5-10) were added together to establish the total vacant zoned residential land supply in the City. The inventory indicates estimated the City has zoned capacity for approximately 28,000 total residential units.

**Table 5-4
Estimated Build-out on the
Inventory of Vacant Residentially Zoned and Infill Land**

Community Area	¹ Residential Zoned Vacant Land Capacity			² Residential Zoned Infill Capacity			Total Residential Vacant and Infill Planned Zoned Capacity		
	SF Units	MF Units	Total	SF Units	MF Units	Total	SF Units	MF Units	Total
Airport Meadowview	3,486	91	3,577	420	76	496	3,906	167	4,073
Arden Arcade	N/A	N/A	0	86	73	160	86	73	159
Central City	N/A	N/A	0	13	129	142	13	129	142
East Broadway	80	N/A	0	386	129	515	466	129	595
East Sacramento	N/A	N/A	0	25	66	91	25	66	91
Land Park	N/A	N/A	0	169	51	220	169	51	220
North Natomas	7,785	6,298	14,083	0	0	0	7,785	6,298	14,083
North Sacramento	1,047	251	1,299	1,777	629	2,405	2,824	880	3,704
Pocket Area	465	0	465	308	70	379	773	70	843
South Natomas	405	0	405	296	139	434	701	139	840
South Sacramento	738	1,731	2,470	542	79	621	1,280	1,810	3,090
TOTAL	14,006	8,371	22,379	4,022	1,441	5,463	18,029	9,812	27,841

Source: ¹2001 City of Sacramento Inventory of Vacant Residentially Zoned Land over 2 acres

²2001 Inventory of Residentially Zoned Infill Land, under 2 acres

5.5 ZONING AND PLAN LAND USE RELATIONSHIP TO SITES

Map 5-1 shows the distribution of vacant multi-family and single family zoned sites over 2 acres in size. The 2 acre size was considered to be the minimum parcel size required for the development of an affordable housing project. Sites that have an inconsistent general plan or community plan land use designation are also identified. In instances where a vacant site has residential zoning but also has an inconsistent applicable general or community plan land use designation (e.g. future park, school or non-residential use), the site was excluded from the development potential calculations and zoning summary (Tables 5-2 and 5-5). In cases where the zoning designation is inconsistent with the general plan or community plan land use designation and a discretionary entitlement required for the project, usually the plan designation prevails and the discrepancy is reconciled when the City approves a development application.

Generally to determine what land uses are permitted on a specific site, the type of land use shown on the General Plan for the site in question is matched with the proper line under General Plan designation (see General Plan Implementation Section 9; Land Use and Zoning Consistency Matrix; Table 1). The General Plan land use designation is not intended to provide an exact correspondence with the site specific zoning; rather the intent of the designation is to show the general relationship of the various land uses. The General Plan land uses have been developed in a manner to allow the broadest range of a particular type of use within the designation. Specific uses and density ranges are identified by Community Plan (see the Community Plan/ General Plan Land Use Matrix (Section 9; Table 2) and zoning designations.

For example, the Community Plan/General Plan Land Use Matrix considers the Lo Density Residential General Plan designation (LDR 4-15 units/net acre) consistent with the Medium Density Residential North Natomas Community Plan designation (7-21 du/na). This is because the General Plan designation provides a broad density range that overlaps the target density for the community plan designation (12 units/net acre). The R2-A and R2-B zones are consistent with the North Natomas Community Plan Medium Density land use designation based on the Zoning Conformance table in the North Natomas Community Plan (page 95). This designation allows the density and housing types permitted in the R2A and R2B zones.

When matching the zoning and the land use designation, some residentially zoned parcels have a small portion of the site (less than 10%) with a Parks/Open Space (OS), Public/Quasi Public or Water (Drainage Basin) General or Community land use designation. The residential build out calculations (Tables 5-2 and 5-5) were adjusted to accurately reflect net build able acreage for the remainder of the site that has development potential. In other words, the portion of the site that may involve a public dedication of land was eliminated from the unit potential calculation. The typical densities and typical gross to new acre conversion rates (Table 5-3) were used to adjust the parcel size to a develop able lot size to estimate development potential for each parcel. The applicable zone density is multiplied by the net acreage to establish the buildout potential for each residential zoned site in the city. Since the R2A zone allows both single family and multi family units, half the R-2A zoned parcels buildout potential was assigned to multifamily units and half to single family units based on the survey of actual projects in the R2A zone. Higher densities were used for multifamily buildout versus single family development based on the project survey.

The gross acreage figures in Tables 5-1 and 5-2 were revised to reflect only that portion of each parcel with a consistent General Plan or Community Plan land use and zoning designation. Consequently, this is a conservative estimate of the city's residential land inventory as of September 2001. Additional sites are routinely added to the inventory through rezoning to assure consistency between zoning and community or general plan land use designations.

The build out calculations are based on two different surveys of various residential project densities. The first survey contained densities for approximately 80 projects approved or built from 1990 to 1999 (Table 5-2). The second survey contained only multi-family projects approved or built since 1999. The project densities by zone were combined to determine a typical density per net acre for each zone district. A gross to net acreage calculation was used to reduce the parcel size to a developable lot size to determine actual development potential. The applicable zone density is multiplied by the net acreage to establish the buildout potential for each residential zoned site in the city. Since the R2A zone allows both single family and multi family units, half the R-2A zoned parcels buildout potential was assigned to multifamily units and half to single family units based on the survey of actual projects in the R2A zone. Higher densities were used for multifamily buildout versus single family development based on the project survey. A complete list of each parcel's buildout potential is available from the Planning Division.

Table 5-5 indicates the number of parcels, amount of developable vacant land, and dwelling unit potential by residential zone. Most of the city's single family residential acreage is within the R-1 and R-1A zones. The majority of the multi family acreage is within the R-2B,R-3, and R-4 zones. All development projects in the City of Sacramento are subject to zoning regulations in the City Zoning Ordinance and are reviewed by staff for compliance with the goals, policies and land use designations of the General Plan and any applicable community plan.

Table 5-5 No. Of Parcels, Acreage, And Dwelling Unit Potential Of Vacant Residential Zoned Land, September 2001												
	Residential Zones											
	RE	R1	R-1A	R-1B	R-2A (1)	TOTAL SINGLE FAMILY ZONES	R-2A (1)	R-2B	R-3	R-4	TOTAL MULTI FAMILY ZONES(2)	TOTAL ALL ZONES
# Parcels	1	747	383	59	13	1,023	13	27	20	11	71	1274
Gross Acres	6	963	1,286	16	95	2,368	95	222	109	94	520	2,888
Potential Units	35	4,683	8,068	107	1,142	14,007	1,142	3,511	1,893	1,825	8,372	22,379

Source: Sept. 2001 City of Sacramento GIS Inventory of vacant residential sites over 2 acres.

(1) R-2A is a flexible zone. Actual buildout was assigned 50% single family and 50% multi family.

(2) Includes residential zones included in Table 5-2 calculations. Doesn't include sites or portions of site with inconsistent with the General Plan or Community Plan land use designation.

(3) Includes parcels with split zoning. Some parcels will be counted in more than one zone.

(4) Includes count of subdivided parcels that total a whole subdivision greater that two acres.

Table 5-6 compares the range of densities allowed by the applicable community plan or general plan land use designation, the typical density for the zone based on a survey of approved or proposed projects in the City, and zoning categories consistent with community and general plan designations based on the consistency matrix. The applicable Community Plan or General Plan land use category establishes a minimum and maximum density range for each residential site. The applicable plan land use density range when combined with the applicable zoning determines the type, density and development standards for each housing site. The North Natomas Community Plan, Airport Meadowview, South Sacramento and South Natomas Community Plans also establish a target average density which is the overall average density goal for the neighborhood or within a Planned Unit Development or Village. Staff uses the target density as a guideline to ensure that the overall PUD includes a mixture of housing developments with different housing types, densities and affordability options.

**Table 5-6
Residential Zoning And General Plan/community Plan Land Use Consistency**

Zoning	Typical Density per Net Acre*	Target Average Density per Net Acre	Consistent General Plan Designation	Consistent Community Plan Designations
R-E ¹	1.0	4.0	VERY LOW	Very Low Density (Rural Estates) 1-4 du/na
R-1 ¹	5.9	8.4	LOW	Low Density 4-8 du/na
R-1A ¹	8.0	8.4	LOW	Low Density 4-8 du/na
R-1B ¹	7.9	N/R	LOW	Low Density 4-8 du/na
R-2 ¹	13.8	16.8	LOW	Medium Density 7-21 du/na
R-2A ^{1 2}	13.8	17.4	MEDIUM	Med. Dens. 7-21 du/na, 11-21 du/na, 11-29 du/na & High Density 16-29 du/na
R-2B ^{1 2}	13.8	21.8	MEDIUM	Med. Dens. 7-21 du/na, 11-21 du/na, 11-29 du/na & High Density 16-29 du/na
R-3 ^{1 2}	20.23	21	MEDIUM	Med. Dens. 7-21 du/na, 11-21 du/na, 11-29 du/na & High Density 16-29 du/na
R-3A ^{1 2}	23.5	36.3	HIGH	High Density 30+ du/na
R-4 ^{1 2}	22.00	29.00	HIGH	High Density 30+ du/na
R-4A ^{1 2}	22.00	29.00	HIGH	High Density 30+ du/na
R-5 ^{1 2}	82	174.2	HIGH	High Density 30+ du/na
R-O / RMX ^{1 2}	36.0	36.3	HIGH	High Density 30+ du/na

1 Single Family residential permitted by right

2 Multiple family residential requires R Review

Source: General Plan Implementation Chapter, Sec 9-4, 9-8, 9-9. The General Plan and each community plan includes a consistency matrix that identifies the zoning district and the consistent land use category.

Emergency Shelter and Transitional Housing for the Homeless

The adequate sites analysis for emergency shelters and transitional housing should identify sites available for immediate development to address the city’s needs and objectives. Shelters should be located within reasonable proximity to public agencies and transportation services, on sites that do not require unusually high development costs, and are consistent with the general plan designation, site zoning and applicable parking, design and development standards.

The City developed an inventory of sites (adopted Feb. 2001) suitable for emergency shelters and transitional housing that are located within industrial zones and within walking distance (1000') of a light rail station or bus stop. Approximately 11.5 acres of land is required (assuming 22 units/acre) to address the city’s share of the homeless shelter and transitional housing need (254 families and individuals per Table 3-24). The land inventory identifies a sufficient amount of vacant land or land with reuse potential that could be suitable for homeless shelters or transitional housing. Transitional housing opportunities include SRO’s, cottage units, and other alternative living arrangements with support services. The City Planning Division maintains the site inventory. The following Table 5-6a summarizes the characteristics of potential emergency shelter and transitional housing sites that meet the locational criteria (no closer than 500' from parks, schools or churches, or single family residential zones).

Zone	# Acres Vacant	# Acres Redevelopable	Typical Parcel Size	Community Plan Area
C-4	1.25	.90	.5	East Broadway
M-1	65.6	19.9	1.0	North Sacramento Arden Arcade
M-2	835.5	197.7	6.4	East Broadway South Sacramento North Sacramento
Total	902.3	218	4.5	

The City encourages the development of emergency shelters within these commercial and industrial zoned sites (Table 5-7) by allowing such uses by rights subject to compliance to development standards. Development standards were also adopted to facilitate the development of emergency shelters. These standards define the maximum number of beds, parking, hours of operation, on-site personnel, and waiting areas. Development standards combined with location criteria provide applicants with a streamlined and predictable approval process.

These potential emergency shelters sites are accessible by public transportation. The City and County provide mobile food services to the mentally ill homeless population through the HOPE program.

Transitional housing accommodations include apartment units, cottage housing, rooming and boarding homes. The desirable size of the units varies with the need from small group living arrangements of 6 or less in single family homes to medium size occupancy hotel or apartments. Transitional housing typically is provided for an extended period of time (e.g. 18 months), and generally involves the integration with other social services and counseling services to assist in the transition to self-sufficiency. The City conditionally permits apartments, duplexes, rooming and boarding houses in commercial and residential zones (see Table 6-1 and 6-2) that serve the transitional housing needs of individuals and families. The inventory of multi-family residential zoned vacant sites is included in Tables 5-1 and 5-2.

5.6 RELATIONSHIP TO POTENTIAL CONSTRAINTS

As required under State law, sites identified for residential development in the City were analyzed to determine their relationship to public facilities, services and existing or potential physical constraints to potential development. Most potential environmental constraints can be addressed through the application of mitigation measures or project design potential physical constraints include sites with irregular parcel configurations, sites located within higher ambient noise levels and sites that include trees or overhead lines. Innovative site planning, tree protection measures and the use of certain upgraded construction and building materials can often alleviate these environmental constraints.

Potentially significant constraints such as site contamination from hazardous materials on site, wetlands, existence of protected species, cultural and archaeological resources and the risk of flooding, may involve more expense and effort associated with the project approval. The City can provide information on financial assistance mechanisms available (e.g. Brownfield grants or loans) to fund toxic remediation studies and site clean-up. Habitat mitigation fees are required for residential sites within North Natomas. In addition some sites within the South Sacramento and Airport Meadowview Community Plan areas (including Jacinto Creek Special Planning Area and areas south of Meadowview Road may need may need to address wetlands or habitat impacts. Typically, developers will mitigate for wetlands or habitat impacts through participation in a habitat conservation plan and by obtaining approvals from the appropriate state and federal permitting agencies. Areas within the Pocket Community Plan area and areas within the City adjacent to major creeks, as well as the Sacramento and American Rivers are also known areas of potential cultural and archaeological resources. Typically developers will coordinate with the City, State, and other local agencies (e.g. Native American Heritage Association, etc) to identify and mitigate cultural and archaeological impacts.

Noise Constraints

The Health and Safety Element of the General Plan identifies major freeways, railroads and various regional airports as the three major noise sources in the City of Sacramento. However, the city applies standard mitigation measures to reduce noise exposure. Developers could mitigate potential noise problems to acceptable levels through site planning and construction modifications. Noise exposure is mitigated at marginal costs incurred through better construction techniques, changes in building orientation and site design layout, soundwalls and the use of noise-reducing or noise-eliminating materials.

Flood Constraints

Natomas Flood Protection Status:

A local flood control project under the direction of the Sacramento Area Flood Control Agency (SAFCA) was completed by 1998 *providing* North and South Natomas a minimum of 100-year level of flood protection. Consequently, the FEMA flood insurance rate maps have been revised by FEMA and the City now allows residential development to occur in the Natomas area.

Citywide Flood Protection Status:

In and around the City, flooding caused by river overflow or heavy rainfall could cause possible damage to property in the City. Normally, water is contained within the rivers, creeks, canals, and adjacent levee systems. During the severe winter storms in the Sacramento area in 1986 and 1997 the American and Sacramento River levee systems carried a record volume of water due to heavy rainfall of long duration. Although these storms caused some flooding in certain areas, the major levee systems that protect the City from disaster withstood the record water flows.

In response to these flood events the U.S. Army Corps of Engineers ("COE") has conducted hydrology studies on the lower American River in 1989, in 1997, and again in 1999. The latest study the COE released indicate large portions of the Sacramento area, primarily south of the American River, are only protected against a 90-year flood event.

The current Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Maps ("FIRMs") for the City of Sacramento dated July 6, 1998, indicate that major portions of the City south of the American River are located within a 100-year floodplain area. A 100-year floodplain area, which there is a 1% probability of occurrence in any year, is expected to be inundated during a flood of magnitude. FEMA requires mandatory flood insurance for mortgages of structures in a 100-year floodplain with lenders insured by the Federal Deposit Insurance Corporation or who fund loans that are sold or secured by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation. In the life of a 30-year mortgage the probability of flood related damage to a structure in a 100-year floodplain is approximately 25%.

Approximately one half of the City is located within an area that is designated as "Zone A99" on the current FIRMs for the City of Sacramento that have been revised by a Letter of Map Revision ("LOMR") effective May 22, 2000. A "Zone A99" is defined as an area to be protected from 100-year flood by a Federal flood protection system under construction. Within the A99 zone excepting the southern portion of the City within the Morrison Creek 100-year floodplain there are no base flood elevations determined and no development restrictions.

The U.S. Army Corps of Engineers and the Sacramento Area Flood Control Agency are currently in the process of completing the levee improvements that would provide flood protection from the American River from a 140-year flood. The anticipated completion time is November 2003.

In addition to the American River floodplain, portions of South Sacramento (designated on FIRMs as an A99 Zone) are also within the Morrison Creek 100-year flood plain with a base flood elevation of 10.3/15.1 feet. Within the Morrison Creek 100-year flood plain the

following regulations will apply:

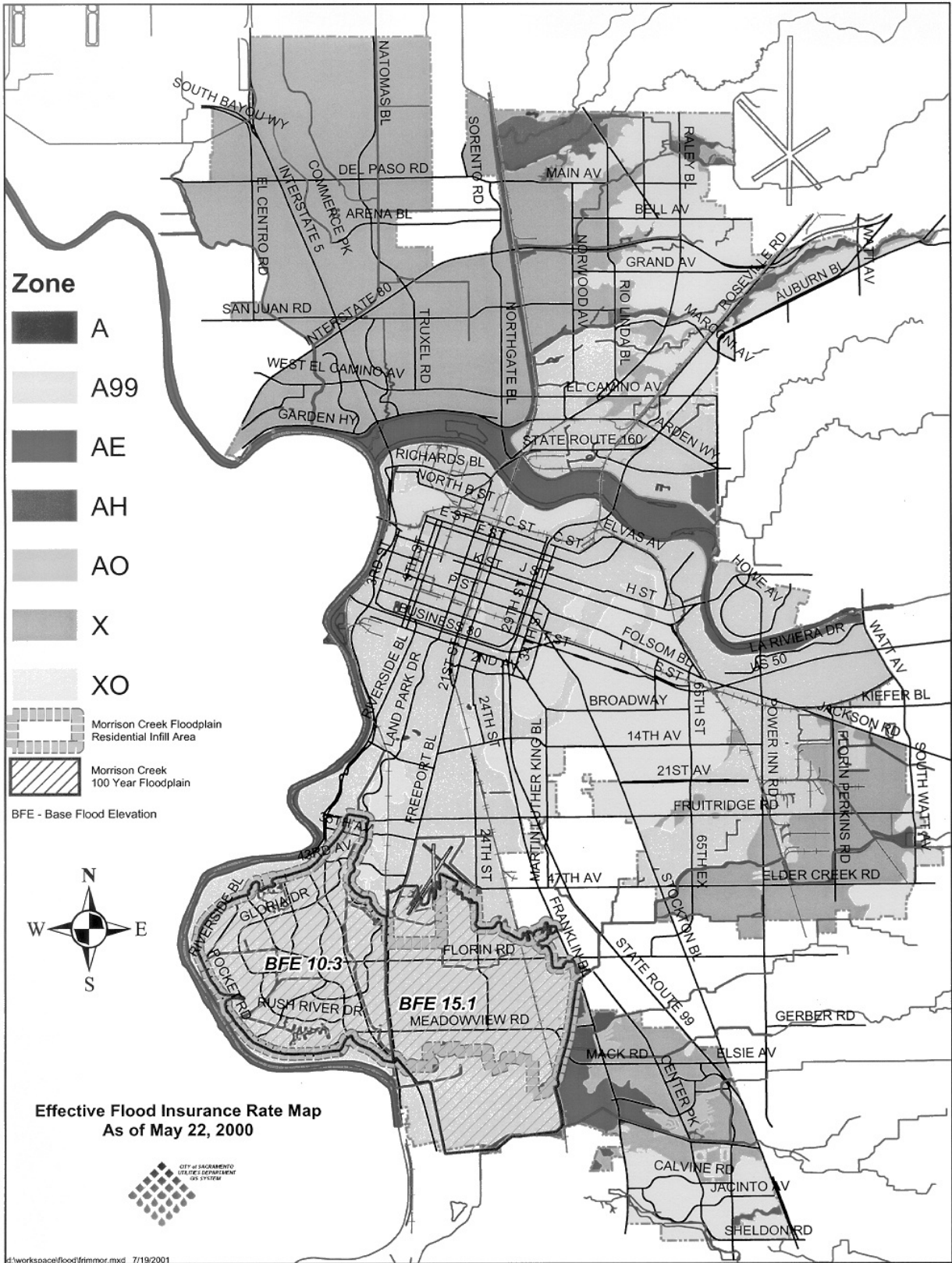
All new commercial or residential excepting single family residential within the "Morrison Creek Flood Plain Residential Infill Area" (see attached) will be required to be constructed with the lowest floor, including basement, at or above elevation 10.3/15.1 feet, or 3 feet above the highest adjacent grade, whichever is lower.

Commercial projects will have the option of flood-proofing in lieu of the elevation requirement.

The South Sacramento County Streams Group Project (SSCSGP) that would provide flood protection from the Morrison Creek watershed from a 200-year flood has been funded by the State of California and an assessment district established by the Sacramento Area Flood Control Agency. The work on the SSCSGP is anticipated to begin by the fall of 2002 and completed by the end of 2005.

Map 5-2 shows the current City of Sacramento Flood Zones based on the Flood Insurance Rate maps issued by FEMA on July 6, 1998 and subsequent LOMRs. The various flood zone designations are as follows: AE - Base flood elevations determined; AH - Flood depths of 1-3 feet (usually areas of ponding); base flood elevations determined; AO - Flood depths of 1-3 feet (usually sheet flow on sloping terrain); average depths determined; and A99 - To be protected from 100-year flood by Federal flood protection system under construction (no base elevation determined).

Map 5-2 Flood Zones



5.7 RELATIONSHIP TO PUBLIC FACILITIES AND SERVICES

The City requires all new developments to provide adequate public facilities. Generally in most areas of the City public facilities exist such as water, sanitary sewer, storm drainage and streets. In areas where any of these utilities or facilities do not exist, it is the responsibility of the private developer to extend and construct them.

The City requires private developers to construct distribution mains and in some cases, construct water transmission mains. In cases where the development is significantly increasing water demand, the developer may be required to upgrade the water system at their expense. The cost of constructing water transmission mains is reimbursed to the developer through the collection of water development fees. The City is currently extending existing water transmission mains in certain areas of Sacramento. Water transmission mains and reservoirs (water tanks) are being constructed in North Natomas to serve future City residents.

The City Department of Utilities is in the process of preparing a series of basin master plans to define and assess critical sewer and drainage system areas throughout Sacramento. The plan will prioritize critical areas based on urgency and cost effectiveness of required facilities. It will also establish a 10 - 20 year long term rehabilitative program for existing storm drainage and sewer facilities. In areas lacking storm drains or sewers, the program would require private developers to extend needed facilities at their own expense. Additionally, the "older" portions of the City of Sacramento are served by a combined sewer system (CSS). This century old system is scheduled for rehabilitation financed through the sewer and storm drainage utility rates. In addition, due to the lack of excess capacity, infill development within the CSS area is required to mitigate impacts to the CSS due to increased sanitary sewer and storm drainage flows. If mitigation of impacts is not practical, the developer may enter into an impact fee agreement with the City. The fee, as yet to be determined, will be used for improvements to the CSS. Although final CSS mitigation impact fee has not been established, this may have an impact on the fee and assessment structure of infill and reuse sites served by the system.

The analysis of the availability of public facilities and services in relationship to vacant residential sites focuses on the general availability of services by developed and new growth areas in the City.

Total capacity for water and sewer facilities to accommodate the City's share of the regional housing need is addressed in the City of Sacramento's Master Services Element (MSE). This document establishes the basis of information for the current services provided by the City and defines how services may be expanded to meet the demands of future urbanization. The current MSE (1995) indicates the city has an adequate supply of water and planned sewer capacity to serve the City's population through the planning period, 2007.

Currently the city provides water service from both surface and groundwater sources. The City of Sacramento has surface water rights to both the Sacramento and American Rivers. The water rights to these rivers can supply enough quality water to address the city's planned growth and more. However it should be noted that given the water supply conditions of the entire region, the City expects its role will be to develop a long-term surface supply program for the delivery of surface water to areas outside of the City and North Sacramento.

The 1992 Sacramento Regional Wastewater Treatment Master Plan addresses service area needs to the year 2010 as well as ultimate build-out. Under this master plan, expansion of treatment facilities will be constructed in phases based on the population growth rate. The City of Sacramento has adequate water and sewer capacity to serve the current and projected population for the housing element period of 2002 – 2007.

Developed Areas

The developed communities include Arden Arcade, Airport Meadowview, East Broadway, South Sacramento, Pocket, Land Park, East Sacramento, Central City, North Sacramento and South Natomas. These communities contain smaller infill sites and larger redevelopment project areas with significant reuse opportunities for residential development. Generally, the developed communities are adequately served by core infrastructure consisting of the networks of collector and arterial roadways, utility services including water, sanitary sewers, drainage and flood control, public services including solid waste, fire service, police service and park and recreation services. The Master Services Element defines in more detail the service capabilities and capital programs to support the projected service capabilities for development anticipated within the City of Sacramento's sphere of influence during the General Plan planning period (thru 2006).

The City of Sacramento has the combined sewer system (CSS) in portions of the older areas of the City. The older areas include the communities of Central City, East Sacramento, River Park, and portions of Land Park.- The CSS consists of a single network of pipelines that collects both storm water drainage and sanitary sewage and conveys these flows from the City south to the Sacramento Regional Wastewater Treatment Plant (SRWTP), near the unincorporated community of Freeport. When CSS flows are greater than 60 mgd (City's contract amount with SRWTP), CSS flows are diverted to the City's Combined Wastewater Treatment Plant (CWTP), located near South Land Park Drive and 35th Avenue, which provides primary treatment and disinfection. When the flow exceeds the capacity of CWTP, the City diverts excess flows to the Pioneer Reservoir storage and treatment facility that has a capacity of 350 mgd. When all three treatment facilities (SRWTP, CWTP, and Pioneer) have reached capacity, excess flows are directly discharged into the Sacramento River without treatment through Sump 2.

The newer developed areas are serviced by separate drainage systems. Storm water quality enhancement measures are required by the City's National Pollution Discharge Elimination System (NPDES) permit. New development within the city is required to reduce storm water pollution to the to the maximum extent feasible.

In addition to new growth areas and under developed communities needing services, small developed neighborhoods throughout the City are in need of improved drainage facilities and services. The Utility Infrastructure Report (November 1995) rated and ranked all 116 of the City's storm water drainage basins in three priorities A, B, and C. Priority A being the drainage basin with the most problems and greatest need of study. There were 14 priority A basins and 28 priority B basins identified. Portions of South Sacramento in the Morrison Creek watershed also need flood control improvements. The South Sacramento County Streams Group Project (SSCSGP) that would provide flood protection to South Sacramento from the Morrison Creek watershed from a 200-year flood has been funded by the State of California and an assessment district established by the Sacramento Area Flood Control Agency. The work on the SSCSGP is anticipated to begin by the fall of 2002 and completed by the end of 2005.

New Growth Areas/North Natomas

The new growth areas include North Natomas and the Jacinto Creek Planning Area in South Sacramento. The North Natomas Financing Plan, adopted by the City Council in 1999 provides assurances that all infrastructure and public facilities required in the Community Plan will be funded and the Phasing Plan provides assurances that all essential infrastructure and public facilities are in place and operational to serve each phase of development prior to approval of any rezoning or land use entitlements for any residential project within the plan area. The Financing Plan identifies infrastructure facilities and other community facilities to support development in North Natomas and identifies funding sources.

The City has adopted a series of implementation agreements, ordinances and resolutions to implement the Financing Plan including Formation of Area-wide Mello Roos CFD, approval of nexus studies and ordinances to implement the North Natomas Public Facilities Fees, Transit Fee, Drainage Fee, and Habitat Conservation Fees, implementation of Land Acquisition Program, adoption of the Habitat Conservation Plan, approval of Development Agreements between the City and North Natomas property owners, City/RD 1000 agreements and Developer/School District Agreements for School Facilities funding and approval of the Comprehensive Flood Management Plan. These implementation agreements assure the timely provision of public facilities and services concurrent with residential development.

The North Natomas Financing Plan (Table 5-8) describes the phasing schedule for facilities to serve residential development in the North Natomas Community Plan area. The infrastructure facilities will be phased in response to the market demand for housing and commercial/industrial space. Infrastructure is market driven in that the development generates fees that provide financing for infrastructure as development occurs. The relationship of North Natomas residential development sites to the planned extension of road improvements is shown on Map 5-3. If a site is developed prior to the planned improvements, the developer may complete the improvements earlier and seek reimbursement later. Adequate infrastructure capacity is or will be available to serve potential residential sites in North Natomas during the planning period.

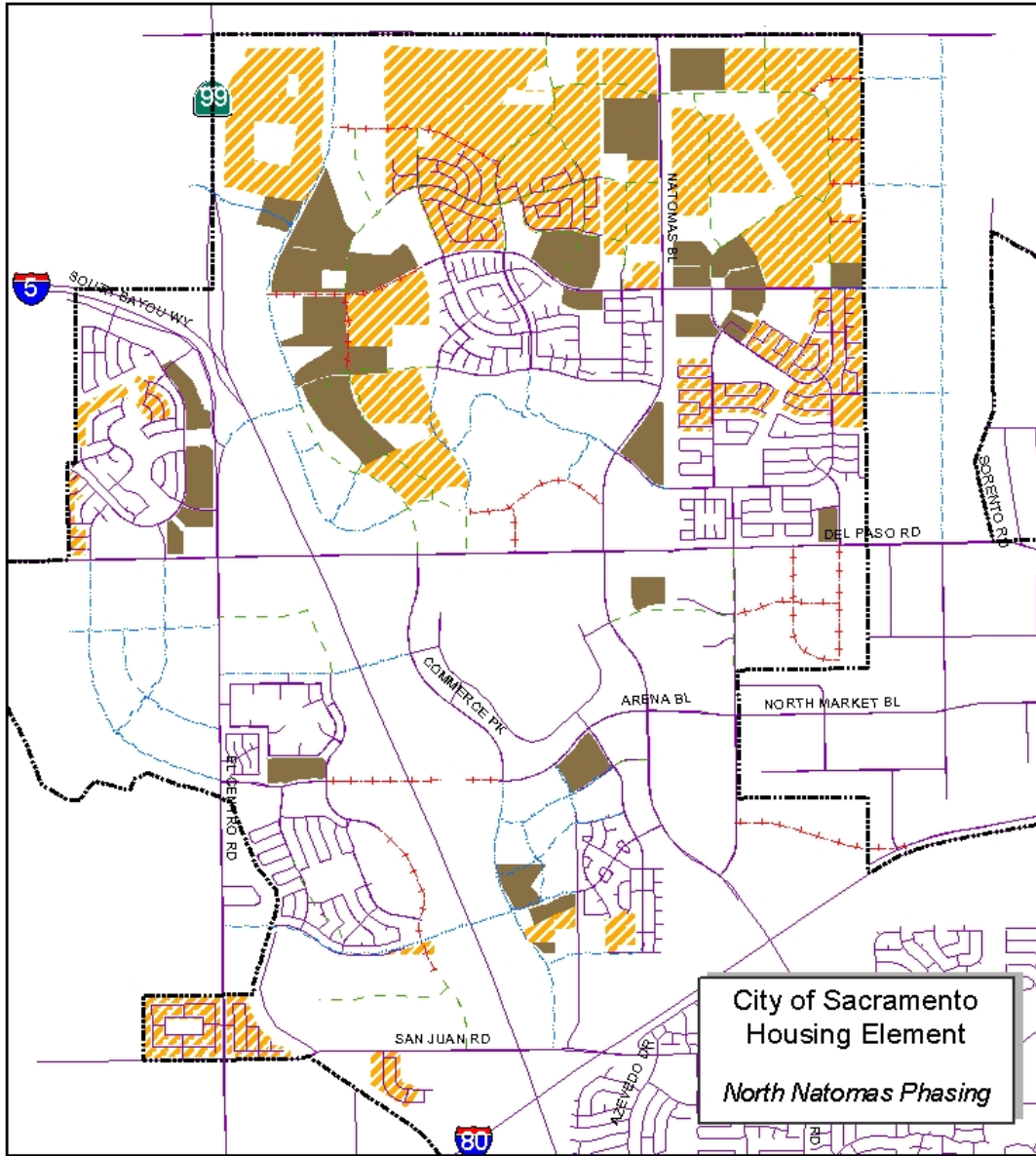
The City seeks to optimize multifamily opportunities on sites with proximity to public transit or bus service. Sites designated for moderate to higher density residential use are located in proximity to public transportation. In North Natomas, development of a community, based on many choices of transit, is a primary goal of the Community Plan. The phasing plan for transit service provides for express bus service to serve transit needs during the first phase of development (North Natomas Community Plan p. 44).

**Table 5-8
North Natomas Financing Plan**

Structure/Description	Phase	Estimated Year (1)	Facility/Improvement	Phase	Estimated Year (1)
Arena Interchange			Roads	As Development Proceeds	Annually
Construct interchange	II	2001			
Auxiliary Lane I-5 @ Del Paso to I-80	II	2001	Freeway & Parkway	As Development Proceeds	Annually
2-lane SB exit from I-5	II	2007	Landscaping		
Stripe NB Exist for 2 Lanes	III	2001			
Northgate Interchange			Fire Stations	1 st @ 40% Buildout 2 nd @ 60% Buildout	2004 2010
Improve WB Off-Ramp	VI	2010			
Del Paso Interchange			Library	Facilities phased in over	
Auxiliary Lane @ SB Loop On Ramp	II	2007	buildout with facility	constructed at 80% buildout	2018
I - 80 Interchange / I-5 Interchange			Police Substation	30% of Buildout	2003
Ramp EB to NB Traffic	III	2010			
Elkhorn / SR 99 Interchange			Bikeways	As Development Proceeds	Annually
Interchange expansion to 6 changes	V	2005			1996-2005
W. El Camino / I-80 Interchange			Shuttles	One Per Year from 1 st Year	
Overcrossing widening to 4 lanes	IV	2008			
HOV / Mainline Lanes			Planning / Studies	As Development Proceeds	Annually
I-80@ Northgate to I-5		2005	Reimbursement		
I-5 @ Del Paso to I-80		2005			
99 @ Elkhorn to I-5		2005	Neighborhood	As Development Proceeds	Annually
I-5 @ 99 Junction to Del Paso (NB)		2005	Community Park		
I-80 @ I-5 to El Camino		2021+	Development		
Overcrossings			Master Drainage		
A Street	VII	2008	Improvements	50 % Buildout	2007
South Loop Road	VIII	2015			
El Centro	VIII	2021+	Drainage basin facilities	Ass Development	Annually
Meister Way - w/LRT Lanes	VIII	2021+	Proceeds		
			Sewer System	As Development Proceeds	Annually
			Water Transmission	As Development Proceeds	Annually
			Flood Control - Levees		
			"Local Project	Before Development can Proceed	

Public Works Department December 2001

MAP 5-3 North Natomas Phasing



**City of Sacramento
Housing Element
North Natomas Phasing**

Planning and Building
Department
Geographic Information
Systems

Legend		Vacant Areas with Residential Zoning	
	Existing Streets		Multi-Family
	To Be Built By 2003		Single Family
	To Be Built By 2005		City Limits
	Future Streets Beyond 2005		



Future_Roadways.mxd | June 24, 2002

5.8 POSSIBLE ACTIONS TO INCREASE HOUSING SUPPLY AND DIVERSITY

There are various actions that the City could undertake to increase its housing supply and encourage development of diverse housing types throughout Sacramento. Those actions are discussed later in this Update. Housing supply and diversity could also be achieved by completing ongoing reuse/redevelopment and annexation studies and identifying housing opportunities adjacent to the light rail transit corridors.

Sites for a variety of housing types: Large parcels of vacant residential land

A variety of housing types contributes towards neighborhood stability by offering more affordable and move-up homes and accommodating a diverse income mix. The City could promote affordable housing opportunities for all households by requiring a mixture of housing types and styles throughout the City on large contiguous parcels of land. Table 5-9 shows 236 parcels within the City comprising two or more acres in the outlying growing communities. The residential land inventory showed numerous undeveloped parcels over 30 acres remaining in Sacramento.

Although not included in this inventory, there might also be contiguous smaller parcels of vacant land comprising a minimum of ten acres that would be appropriate for multiple housing types. However, circumstances (such as multiple owners) might interfere with application of this policy to smaller abutting parcels.

Table 5-9

Vacant Residential Parcels By Parcel Size						
	2-5 Acres	5-10 Acres	10-20 Acres	20-30 Acres	30 + Acres	Subtotal
Multi-Family Zoned	12	21	11	4	21	69
Single Family Zoned	65	30	27	14	31	167
Total	77	51	38	34	52	236

Source: 2001 GIS inventory of residentially zoned vacant sites over 2 acres

Various adopted community plans contain policy recommendations to provide a mixture of housing types in large residential subdivisions. Each community plan addresses circumstances unique to its area which might affect implementation of the housing type requirement. For instance, the 1986 South Sacramento Community Plan proposes diversification of housing types with the intention of addressing unmet housing needs of households at both ends of the income spectrum. The Plan assumes that more variation in housing type would offer diversity in housing price, style and size, thereby diversifying the existing landscape of predominantly entry-level homes in South Sacramento. Plan policy requires developers to provide two or more housing types for projects of 20 or more acres, and three or more housing types for projects comprised of parcels 30 or more acres.

The 1988 South Natomas Community Plan contains similar requirements to promote a variety of housing types in residential subdivisions of 20 acres or more. The multiple housing type policy for South Natomas and South Sacramento also promotes upscale housing. To ensure neighborhood diversity and stability, the City Council established guidelines for proportions of housing types in large subdivisions and residential projects.

The plan requires three or more housing types in medium and high density projects of 30 gross acres or more. Two or more housing types are required in medium and high density residential projects of 20 to 29 gross acres. The Council amended the plan in May 1993 to require developers of new low density housing to provide upscale housing through lower densities or additional amenities via the PUD process. Also, the policy provides for three or more housing types in medium to high density projects of 30 acres or more and two or more housing types in projects of 20 to 29 acres. Because of the high percentage of multi-family rental housing in South Natomas, the City Council amended the plan to encourage development of single family and ownership housing.

The North Natomas Community Plan, updated in 1994, contains policy requiring a variety of housing types in each neighborhood. As a guideline to ensure that variety, the maximum percentage of any dominant housing type should be 85 percent of the units in a project and the minimum of any minor housing type should be 5 percent. Furthermore, the NNCP includes policies to promote a balance of residential densities within each neighborhood by establishing a target average density for residential land use category. Homebuilders are encouraged to be innovative and responsive to changing lifestyles of future residents and trends towards transit, telecommuting and zero emission vehicles. The ongoing planning effort for North Natomas is expected to reinforce the housing type diversity policy.

Although certain communities might have circumstances outweighing the need to provide housing type diversity, the City will consider a multiple housing type policy on smaller parcels. As available land in Sacramento becomes scarcer, the City should consider adopting policy requiring housing type diversity for projects of ten acres or more. Given the City's parcelization pattern, restricting this policy to large parcels (20-30 acres or more) would have a limited application and result in fewer residential subdivisions with a mix of housing choices. However, the application of the City's Mixed Income Housing Ordinance has generally resulted in the construction of more than one type of housing type.

Potential Supply From Infill Sites

Redevelopment is a strategy of the General Plan to encourage private and public investment within undeveloped, blighted or underutilized areas within the City. Because redevelopment may also achieve greater land use densities and intensities, it is anticipated that redevelopment will increase the residential holding capacity of the city.

Also, infill areas exist within the existing urban areas of the city. A 2001 survey found over 3,359 parcels zoned for residential use that are located within designated infill areas, redevelopment areas or water development fee waivers. Affordable housing proposals on infill sites may be eligible for fee reductions and other regulatory concessions. Table 5-10 is a parcel inventory of the vacant land in the city of Sacramento. Table 5-11 projects, by a community plan area, the number of potential new housing units added from infill development. Based on the infill inventory, there is potential residential build out in these parcels for over 5,000 new dwelling units.

**Table 5-10
Vacant Infill Land Inventory by Parcel Size**

<u>Community</u>	<u>Less than 10,000 sq. ft.</u>	<u>10,000<1 acre</u>	<u>1 acre < 2acres</u>	<u>Total</u>
	number of parcels/acres	number of parcels/acres	number of parcels/acres	number of parcels/acres
Airport Meadowview	244 / 35.9	57 / 27.8	5 / 8.6	316 / 72.3
Arden-Arcade	32 / 4.47	20 / 6.24	3 / 3.8	55 / 14.51
Central City	91 / 8.2	1 / .23	0 / 0	92 / 8.43
East Broadway	412 / 45.15	55 / 20.3	6 / 8.97	473 / 74.42
East Sacramento	41 / 5.64	2 / .56	1 / 1.85	44 / 8.05
Land Park	110 / 13.77	32 / 14.6	3 / 4.8	145 / 33.17
North Natomas	0	0	0	0
North Sacramento	809 / 110.4	363 / 180.3	51 / 64.59	1223 / 355.29
Pocket	262 / 36.4	128 / 13.41	2 / 2.63	392 / 52.44
South Natomas	66 / 9.91	95 / 41.15	5 / 7	166 / 57.56
South Sacramento	241 / 30.66	62 / 31.24	23 / 33.3	326 / 95.20
Citywide Total	2,308 / 300.5	825 / 335.83	99 / 135.04	3,232 / 771.37

Source: Sacramento County Assessor's Office, City of Sacramento Department of Planning and Building, Sept. 2000

**Table 5-11
Estimated Build Out of Residentially Zoned Infill Property
by Community Plan Area**

Community Plan Area	Single Family Zoned Acreage		Multi-Family Zoned Acreage		Build-out by Housing Type		Total Units	% Citywide Total
	Gross	Net	Gross	Net	SF Units	MF Units		
Airport Meadowview	67.90	64.51	4.40	4.18	420	76	496	9%
Arden Arcade	9.19	8.73	5.36	5.05	86	73	160	3%
Central City	1.75	1.67	6.67	6.34	13	129	142	3%
East Broadway	66.75	63.42	7.66	7.28	386	129	515	9%
East Sacramento	4.44	4.22	3.61	3.43	25	66	91	2%
Land Park	30.10	28.60	3.07	2.92	169	51	220	4 %
North Natomas	0.00	0.00	0.00	0.00	0	0	0	0.00%
North Sacramento	315.85	300.06	39.44	37.47	1,777	629	2,405	44 %
Pocket Area	48.47	46.05	3.97	3.77	308	70	379	7%
South Natomas	50.13	47.62	7.43	7.06	296	139	434	8%
South Sacramento	90.80	86.26	4.40	4.18	542	79	621	11%
TOTAL	685.38	651.14	86.01	81.68	4,022.00	1,441	5,463	100.00

Numbers based on September 2001 Parcel Inventory.
Buildout numbers calculated April 2002

Note- The figures in this table do not include projected new housing units in New Growth Areas, as shown on Map 3. Consequently, the North Natomas Community Plan area is not included.

There is a potential for more than 12,500 additional housing units to be developed over the next 35 years based on several adopted plans. This potential housing supply is based on approved land use plans adopted by the City Council. Table 5.12 shows the maximum potential supply of housing that could be available in Sacramento over the next 35 years through adoption of land use studies, redevelopment or annexation. Each of these areas will require further policy consideration and appropriate environmental review by the Council before final action can be taken

**Table 5.12
Long Range Maximum Potential Housing Capacity of Mixed Use,
Redevelopment And Annexation Sites**

Proposed or Adopted Specific Plans/Rezoning		Number of Potential Units
Central City Plans	Railyards	2,700
	Richards Boulevard Area	3,860
	Central City Housing Strategy Rezoning (Phase I & II)	900
	R Street Corridor	2,400
Annexations	North Natomas Sphere Portion*	2,729
Total		12,589

Source: Neighborhoods, Planning and Building Department adopted plans.

The majority of the key redevelopment sites are in the Central City and are the subject of four separate planning studies focusing on redevelopment: Railyards Specific Plan, Richards Boulevard Area Plan, R Street Corridor Plan and Central City Housing Strategy Study. The first two Plans involve the redevelopment of industrial land to mixed uses. The R Street Plan and Housing Strategy identify several actions the City and the Sacramento Housing and Redevelopment Agency could undertake to preserve existing housing and increase the area's housing capacity. The R Street Corridor Plan and zoning, and first phase of the implementation program for the Housing Strategy has been adopted.

The balance of the Central City and R Street could accommodate an estimated 3,300 maximum additional units through implementation of the Central City Housing Strategy Study. Implementation of the Strategy entails rezoning and plan amendments to 1) increase the supply of residential land, 2) promote housing in neighborhood commercial corridors through entitlement and fee incentives and 3) ensure that new commercial development within or adjacent to residential neighborhoods is compatible in terms of size, scale and use. Another implementation measure for the Central City Housing Strategy allows residential by right in some commercial zones rather than by the special permit process. That measure involves creation of a neighborhood corridor overlay zone that would encourage integration of housing in neighborhood commercial areas. Implementation of these measures will mitigate some governmental constraints that might discourage housing development due to lengthy and costly permit processing.

Other redevelopment efforts in the Central City could produce additional homes. Reuse of the R Street Corridor, increasing densities of specific sites and rezoning other sites to residential is expected to result in additional units. Modification of the Zoning Ordinance to permit mixed use in designated parts of downtown could also help meet local housing needs.

The major reuse project is the development of the Railyards and Richards Boulevard Redevelopment Area. This long-term development is beyond the scope of the element's planning period. However, the eventual redevelopment of this industrial area offers a singular opportunity to significantly increase housing in the Central City, and thereby strengthen downtown Sacramento's role as a place to live and work. The Southern Pacific Railyards Master Plan devotes approximately 32 acres of land to residential use for a potential of 2,700 housing units while the adjacent Richards Boulevard area has a potential maximum capacity of 3,860 new housing units.

Besides the Central City, Sacramento has other reuse sites. Most of them are underutilized nonresidential land that could undergo development within a five-year time frame. Pending and anticipated annexation proposals will also result in additional residential land for the City within the next five years.

The City encourages the development of mixed use projects, particularly on sites within close proximity to public transit facilities, which offer the possibility of additional housing. That approach would provide housing on otherwise nonresidential sites. In addition to new construction of mixed use projects, conversion of single use projects to commercial and residential uses could achieve the City's overall housing, employment, and air quality goals. The City has recently rezoned sites within the Central City to encourage development of housing in conjunction with commercial uses.

Potential Residential Opportunities Within Light Rail Corridors

The City is considering ways to satisfy market demand for lower density single family subdivisions while preserving sites for medium and higher density housing. One solution would be to maximize housing density near transit. In addition to meeting housing need, this land use strategy would promote transit usage and other alternative modes of transportation. Some sites within close proximity (quarter to half-mile radius) to existing and future public transit stations might be appropriate for higher residential densities. Higher densities and mixed use projects within close walking distance of transit centers are more efficient land uses that support public transportation and air quality objectives.

Table 5.13 shows potential housing units that could be built if the City amended land uses and the zoning of parcels within a 1/4 mile radius of light rail stations (both existing and proposed). The housing unit projections, in Table 5.13, are preliminary estimates and dependent upon additional environmental review and city approval of the Transit for Livable Communities recommendation, developed by Regional Transit for the stations serving the Folsom Corridor, Northeast Line, and South line, light rail extension.

There are two Station Area Master Plan’s currently under development around the 65th Street Light Rail Platform. If implemented, the 65th Transit Station Village Plan and the 65th Street South Transit Village Plan could potentially produce over 2,100 units of housing (Table 5-13). The housing in these plans would range from single family units and apartments to student housing and live-work units.

**Table 5.13
Dwelling Unit Potential of
Preliminary Transit for Livable Communities Recommendations**

RT Line	Current General Plan Buildout	Potential Residential Buildout
South Line	3,900	6,500 - 14,000
Folsom Corridor	52	4,000
Northeast	2,000	4,000
Total	5,952	14,500 - 18,000

Source: Transit for Livable Communities Final Report

Other Potential Sites

Older industrial areas and future office/commercial sites in Sacramento have housing potential and warrant exploration. The Union Pacific Railyard site (Curtis Park West), a former industrial area adjacent to an existing residential neighborhood, is the subject of a current master plan process. There are other sites throughout the City, especially in older neighborhoods, that have similar outmoded uses with residential reuse potential. In addition, nonresidential sites, such as Delta Shores in the Airport Meadowview area, offer additional potential opportunity for mixed residential and nonresidential use.

Overall the City is making an effort to balance the supply of residentially zoned land with logical economic development growth typical of a major regional office and commercial center. The City has made an assessment of the impact of changes in potential housing supply in pending or adopted plans.

The City has also substantially increased the potential amount of residential land available through adoption of mixed use plans in redevelopment areas. This coupled with the existing land vacant residential land inventory should be adequate to meet both current and future housing goals.

5.9 DETERMINING ADEQUATE SITES VS. INCOME GROUPS SERVED

To determine if the City has adequate sites to meet projected need, the remaining new construction need by income categories (Table 4-9) is compared with the development potential of vacant residential zoned parcels (Table 5-2). Table 4-9 indicates the remaining need for the housing element period is 14,619 units. Of the total estimated units, 578 should be constructed for households of very low income, 2,736 for households of low

income, 2,935 for households of moderate income and 8,370 for households of above moderate income.

The residential zoned vacant land supply has a development potential (Table 5-2) for 22,379 total units, including 8,372 units that can be developed for multi family use and 14,007 units that could be developed for single family use. The following analysis relates the residentially zoned vacant land supply to market data previously discussed in Chapter 4 on the affordability of new single family and multi family development to determine if the city has an appropriate mix of zoning to meet projected needs by income group.

Table 5-14 provides a comparison of potential sales prices and rent levels of recent and newly constructed units with the zoning, density and economic groups served. Residential projects built at densities below R-1A (12 units/net acre) provides adequate opportunities for housing to meet the needs of the above moderate and moderate income household. The housing types serving these income groups range from larger lot custom homes to more traditional single family detached homes, patio homes or zero lot line developments. The sales prices of new homes in the Natomas area are *anticipated* to range from approximately the low \$200,000's to a high of \$350,000. The median new home price in Sacramento from January to March of 2002 was 271, 472. (Meyers Group Data)

This compares with the sale price of existing (resale) homes in the Sacramento's MSA of \$186,000 (March 2002). However, given current low interest rates and available homeowner assistance programs the lower priced homes are affordable to moderate income household.

Projects constructed at densities below R-2A (17 units per acre) provide housing opportunities for moderate and low income households. The housing types serving these income groups include duplexes and halfplexes.

Multi family market rate and publicly assisted residential projects have been historically constructed at densities greater than R-2A (17units/net acre) to provide housing opportunities for low and very low income households. The housing types serving these income groups include garden and traditional apartments and condominiums. Much of the existing multi family housing offers rents generally affordable to low income households. However, new North Natomas rental rates are not affordable to low income households. Housing for very low income must be provided with a public subsidy.

Table 5-15 surveys the characteristics of affordable housing projects (publicly assisted) constructed or approved within the City of Sacramento since 1994. The survey indicates that the city has approved mixed income affordable housing projects in several different communities (Central City, Land Park, South Sacramento and South Natomas) to distribute affordable housing opportunities throughout Sacramento. The survey also indicates that a variety of infill and larger sites have been developed for affordable housing. The zoning for these sites also is varied and includes both residential (R-2A, R-2B, R3-A and R-5 zoned sites) as well as commercial sites (C-2 and C-4). The survey suggests that residential and commercial zoned infill sites (smaller than two acres), although not included in the development potential estimate, should also be considered suitable for affordable housing.

**Table 5-14
Comparison of Residential Zoning, Density Prices and
Economic Group Served**

Zone/District	Maximum Density	Potential Sales Prices/Rents	Economic Group Served ³
Single Family RE Rural Estates	2 du/na		
R-1 Single Family	12 du/na	\$150,000 - 290,000 (3bdrm) ² \$180,000-\$350,000 (4bdrm) ²	Above Moderate Income
R-1A Single Family Alternative	12 du/na	\$ 150,000-\$350,000(3/4bdrm) ²	Moderate Income
R-1B Single Family or Two Family	15 du/na		Moderate Income
Multi-Family R-2 Two Family	17 du/na		Moderate Income
R-2A Multi-Family	17 du/na		Moderate, Low, Very Low Income
R-2B Multi-Family	22 du/na	1 bdrm ¹ 897-992 ² 2 bdrm ¹ \$1060-1,205 ² 3 bdrm ¹ \$1,097-1,500 ²	Moderate, Low, Very Low Income
R-3 Multi-Family	29 du/na	\$900-\$1,300 ³	Moderate, Low, Very Low Income
R-3A Multi-Family	29 du/na	\$900-\$1,300 ³	Moderate, Low, Very Low Income
R-4 Multi-Family	58 du/na	\$900-\$1,300 ³	Moderate, Low, Very Low Income
R-4A Multi-Family	58 du/na	\$900-\$1,300 ³	Moderate, Low, Very Low Income
R-5 Multi-Family	17 du/na	\$900-\$1,300 ³	Moderate, Low, Very Low Income
Mixed Use			
R-O Residential Office	36 du/na	\$900-\$1,300 ³	Moderate, Low, Very Low Income
RMX Residential Mixed Use	36 du/na	\$900-\$1,300 ³	Moderate, Low, Very Low Income
EC Employment Center	36 du/na	\$900-\$1,300 ³	Moderate, Low, Very Low Income

Source: . Based on 2001 Type A rents ²Based on potential North Natomas sales prices and rents. ³Based on Table 4-4 Type A Rents and Affordability Comparison. ⁴Based on current industry norms of a 7% interest rates, 5% down payment and household size assumptions of 1.5 person's per bedroom.

**Table 5-15
Characteristics of Selected Affordable Housing Projects
City of Sacramento 1997-2002**

Project Name	Project Address	Community	Zone	Net Acres	Total # Units	Project Density	# Affordable Units	Status
Russell Manor Senior Living	Bruceville Rd.	South Sacramento	R-3 PUD	2.5	66	26 du/na	57 very low 9 low	Occupied 1997
Metro Square	26/27 th & I	Central City	R-5	2.28	45	22 du/na	45 low/mod	Occupied 1998
Meadowview Apartments	Meadowview Rd. & 24 th Street	South Sacramento	R-2B-R	12.4	170	14 du/na	170 very low	Occupied 2000
Fremont Building	16 th & O/P	Central City	R-5	.88	69	78 du/na	7 very low 4 low, 2 mod	Occupied 2001
Terracina Gold	Del Paso Road	North Natomas	EC-20	14.6	280	19 du/na	86 very low 119 low, 76 low/mod	Under Construction 2001
Lexington/ Evergreen New Construction	1048 Dixianne	North Sacramento	R-3	1.9	24	13 Du/na	24 very low	Under Construction 2002
Terracina Meadows	Gateway Park Blvd	North Natomas	R-3	6.8	148	22 du/na	84 very low 34 low	Under Construction 2002
Natomas Park Apartments	S. of Club Center Dr.	North Natomas	R-3	9.56	212	22 du/na	43 very low 49 low	Under Construction 2002
18 th & L Street	18 th & L	Central City	R-5/C-2	1.77	152	86 du/na	31 low	Under Construction 2002
Total/Average					1,231		471 very low 246 low 123 low/mod	

Source: Sacramento Housing and Redevelopment Agency and City Planning Records 2002. All affordable units have regulatory restrictions.

6. GOVERNMENTAL AND NONGOVERNMENTAL CONSTRAINTS

GOVERNMENTAL CONSTRAINTS

Analysis of potential and actual governmental constraints should identify barriers to the maintenance, improvement and development of housing for all income levels. Those constraints include land use policies and controls, site improvement requirements, building codes and their enforcement, city processing and permit procedures, fees and exactions. The following analysis indicates that the permit procedures, development standards and fees provide some potential governmental constraints to the provision of adequate housing opportunities.

6.1 LAND USE CONTROLS

The City of Sacramento exercises discretionary authority over the residential land use entitlement process. This is accomplished through implementation of the General Plan, Community Plans and the Zoning and Subdivision Ordinances.

The General Plan establishes the framework for residential development in the City through policies of the Land Use Element, Housing Element, Circulation Element, Conservation and Open Space Element, Public Facilities and Services Element, Health and Safety Element, and the Land Use Map. During the project approval process, the various elements of the General Plan are designed to work in concert with each other. The General Plan facilitates the adequate provision of housing, while attaining many other important public objectives.

The City has also adopted Community Plans which establish a permitted minimum and maximum density range (expressed in dwelling units per net acre). In North and South Natomas a target density, which is the average plan density, is also established for each residential category. These community plan land use designations are interpreted with the applicable zoning designation to determine the allowed density and housing type for a particular project. Proposed project densities that fall above or below the density range require a plan amendment.

Because there are several major noise sources that impact the City, including five freeways, two major railroads, and four commercial and military airports, residential development must mitigate noise impacts if the site is located in an area where the noise is expected to exceed the 60dB threshold for the exterior yard area to conform to the General Plan standards. For exterior noise levels greater than 60dB Ldn, the interior limit level of 45 dB Ldn applies. This may be accomplished through the completion of acoustical studies, construction of sound barriers, and the implementation of various soundproofing construction techniques. The costs associated with these noise mitigation requirements, have a limited impact on housing feasibility and improve residential quality. In the interest of public health, safety and welfare, it is not deemed appropriate to modify or eliminate these standards. However, the City has standardized noise mitigation measures to assist applicants to comply with the environmental review process. In the Residential Mixed Use Zone (RMX), compliance with the construction standards to reduce interior noise levels and other development standards allow development approvals as a matter of right.

Zoning and Subdivision Ordinances:

The City of Sacramento exercises discretionary authority over residential developments through the zoning and subdivision ordinances. These ordinances establish development standards to regulate all residential development within the City. The City's Zoning Ordinance provides for thirteen residential zones, several non-residential, overlay and special planning district zones which permit or conditionally permit a variety of residential uses (See Table 6-1).

Residential Zones: The following residential zoning districts permit various types of residential uses. See Table 6.1a for the types of residential uses allowed within each zone and the level of discretionary approval required.

- RE Rural Estates Zone:** This is a very low density residential zone. It is intended to be applied primarily to areas impacted by high noise levels, within designated approach or clear zones around airports, within identified floodway and floodway fringe areas, and other areas where physical and/or safety considerations necessitate very low density residential use. This zoning district shall be designated as "RE" with the maximum permitted units per acre as a suffix (i.e., RE-1/4, RE-1/2, RE-1/1, RE-1/.5).
- R-1 Standard Single Family Zone:** This is a low density residential zone composed of single family detached residences on lots a minimum of 52 feet by 100 feet in size. A duplex or halfplex is allowed on a corner lot subject to compliance with specific restrictions. This zone may also include recreational, religious and educational facilities as the basic elements of a balanced neighborhood. Such areas should be clearly defined and without encroachment by uses not performing a neighborhood function. Minimum lot dimensions are 52 feet by 100 feet interior, 62 feet by 100 feet corner. Approximate density for the R-1 zone is 6 to 8 dwelling units per acre.
- R-1A Single Family Alternative Zone:** This is a low to medium density residential zone intended to permit the establishment of single family, individually owned, attached or detached residences where lot sizes, height, area and/or setback requirements vary from Standard Single Family. This zone is intended to accommodate alternative single family designs which are determined to be compatible with Standard Single Family areas and which might include single family attached or detached units, townhouses, cluster housing, condominiums, cooperatives or other similar projects. Approximate density for the R-1A zone is 10 dwelling units per acre. Maximum density in this zone is 15 dwelling units per net acre.
- R-1B Single Family or Two Family Zone:** This is a residential zone generally located inside the Central City and in North Natomas which allows single family units by right and two family units subject to Special Permit approval. The lots are generally existing so there is no minimum lot size or density. However, lots smaller than 40 feet by 80 feet generally present design restrictions. Approximate density for the R-1B zone is up to 12 dwelling units per acre.
- R-2 Two-Family Zone:** This is a residential zone allowing two single family attached or detached units under one ownership. This zone is intended to provide a low density buffer between single family and more intense land uses. Minimum land area per unit is 2,600 square feet per unit for an interior lot and 3,100 square feet per unit for a corner lot. Maximum density for the R-2 zone is 14 to 16 dwelling units per acre.

- R-2A Multi-Family Zone: This is a multi-family residential zone designated to provide for garden apartments and cluster housing. This zone is regulated so that the structures cover a minimum of ground area and a maximum of open space is provided. Units can be individually owned through compliance with the condominium regulations in Chapter 6 Section 3. Minimum land area per unit is 2,500 square feet. Maximum density for the R-2A zone is 17 dwelling units per acre.
- R-2B Multi-Family Zone: This is a multi-family residential zone. This zone offers broader density flexibility as a transition from the garden apartment setting to a more traditional apartment setting. Units can be individually owned through compliance with the condominium regulations in Chapter 6 Section 3. Minimum land area per unit is 2,000 square feet. Maximum density for the R-2B zone is 21 dwelling units per acre.
- R-3 Multi-Family Zone: This is a multi-family residential zone intended for more traditional types of apartments. This zone is located outside the Central City serving as a buffer along major streets and shopping centers. Minimum land area per unit is 1,500 square feet. Maximum density for the R-3 zone is 29 dwelling units per acre.
- R-3A Multi-Family Zone: This is a multi-family residential zone located in the Central City and certain areas adjacent thereto. It is designed to provide development regulations that are consistent with goals for various residential areas in the Central City. Minimum land area per unit is 1,200 square feet. Maximum density for the R-3A zone is 36 dwelling units per acre.
- R-4 Multi-Family Zone: This is a multi-family residential zone located generally adjacent to R-5 zoning. Minimum land area per unit is 750 square feet. Maximum density for the R-4 zone is 58 dwelling units per acre.
- R-5 Multi-Family Zone: This is a multi-family residential zone bordering the Central Business District. This is not entirely a residential zone and may include institutional, office and commercial uses subject to special permit review. The minimum land area per unit depends upon the percentage of lot coverage. Maximum density in the R-5 zone ranges from 70 to 150 dwelling units per acre.
- RMX Residential Mixed Use Zone: This is a mixed use zone. The zone permits multiple family residential, office and limited commercial uses in a mixture established for the area through a special planning district or adopted locational standards. Maximum density in the RMX zone is 36 dwelling units per acre.
- RO Residential-Office Zone: This is a medium density multiple family zone, generally located inside the Central City and in certain areas adjacent thereto. The zone permits development of office uses subject to the granting of a Special Permit by the Planning Commission. The Special Permit allows City review of the project to ensure that the proposed office use is compatible with adjacent residential uses. Maximum density in the RO zone is 36 dwelling units per acre.
- Non Residential Zones: The following non residential zoning districts conditionally permit various types of residential uses subject to approval of a discretionary entitlement (see Table 6.2):
- EC Employment Center Zone: This zone is a flexible zone for primarily employment generating uses in a pedestrian friendly setting with ample private and/or public open

space. The EC zone also provides the opportunity for a variety and mix of supporting uses, including support retail, residential, and light industrial. The EC zone has several categories of permitted intensity ranging from 30 employees per net acre (EC30) to 80 employees per net acre (EC80).

- C-1 Limited Commercial Zone: This is a limited commercial zone which allows certain office, retail stores, and commercial service establishments which are compatible with residential developments. This zone is intended to be applied to small parcels which are surrounded by a residential neighborhood.
- C-2 General Commercial Zone: This is a general commercial zone which provides for the sale of commodities, or performance of services, including repair facilities, offices, small wholesale stores or distributors, and limited processing and packaging.
- C-3 Central Business District Zone-Special Planning District: The Central Business District (CBD or C-3 zone) applies to an approximately 70 block portion of the Central City. The CBD or C-3 zone is that area so designated on the map in Chapter 5 Section 1.1. The area is sometimes referred to in this section as the C-3 or CBD zone. The CBD or C-3 zone is intended for the most intense retail, commercial and office developments in the City. Residential uses are permitted by special permit. See Chapter 5 Section 1.1 for more details.
- SC Shopping Center Zone: This is a general shopping center zone which provides a wide range of goods and services to the community. This zone, however, prohibits general commercial uses which are not compatible with a retail shopping center.
- C-4 Heavy Commercial Zone: This is a commercial zone designed primarily for warehousing, distribution types of activity, and those commercial uses having a minimum of undesirable impact upon nearby residential areas. A minimum of light manufacturing and processing is permitted.

Overlay Zones: Overlay zones are districts that encompass one or more underlying zones and establish additional regulatory incentives and development standards for residential uses in commercial and mixed use zones:

- NC Neighborhood Corridor Overlay Zone: Encourages the development of new housing in specified general commercial zoned corridors located within low to medium density neighborhoods.
- UN Urban Neighborhood Overlay Zone: Encourages the development of new housing and mixed use development in specified C-2 and Residential Mixed Use zoned areas near in Central City neighborhoods.
- MC Midtown Commercial Overlay Zone: Encourages pedestrian uses along J Street including residential uses.
- BC Building Conservation Overlay Zone: Encourages the retention of residential uses and historically and architecturally significant structures in specific areas zoned Residential Office (R-O).

Special Planning Districts (SPD's): SPD's establish special processing procedures, flexible development standards and incentives to regulate properties under multiple ownership. Examples include the Central Business District, Del Paso Boulevard, Railyards, Richards

Boulevard, R Street Corridor and Alhambra Corridor. A SPD is designated, adopted, amended, or removed in accordance with the provisions for rezoning. Only, the City Planning Commission and City Council may initiate the approval procedure and only as a result of a redevelopment, general or community plan update or adoption. Each SPD is required to have its own design standards, development standards, list of permitted uses, and project review procedures. Most SPD projects are approved at staff level review to streamline the approval process.

Planned Unit Developments (PUD's): The purpose of the PUD is to provide for greater flexibility in the design of integrated developments than otherwise possible through strict application of zoning regulations. The PUD regulations generally apply to large scale developments (over 100 acres) and encourage the design of well-planned facilities which offer a variety of housing or other land uses through creative and imaginative planning for various types of developments. Residential subdivision developments which may include a variety of housing types and site plans, accessible open "green spaces", or common recreational areas, an attractive and well-oriented community meeting place or recreational facility, and other features of substantial benefit to a viable and balanced community. Mixed residential-business developments combining apartments, convenience shopping facilities, motel-hotel combinations, offices, commercial recreation facilities, or other compatible uses can be grouped in a well-designed and coordinated site development.

PUD's may be applied to any area of the City of Sacramento that the City Council determines meets the criteria and purpose of the designation. However, the North Natomas Community Plan Area requires all large development areas to establish a PUD prior to development. Schematic plans and/or guidelines are also required before a permit can be issued.

All development in a PUD is required to obtain a special permit by the City Planning Commission. Developments with zoning for single family, duplex, and halfplex developments under 150 lots, which have an approved tentative map, schematic plans and guidelines can be approved through a planning director's special permit.

**Table 6-1
Zoning Districts Permitting Residential Uses**

Type Residential Use	R E	R 1	R 1 A	R 1 B	R 2	R 2 A	R 2 B	R 3	R 3 A	R 4	R 5	R M X	R O	O B
Alternative Ownership Housing Types (townhouse, row house, cluster housing, patio dev't, condo and non-condo housing)			3/6	3/6	3/6	3/6	3/6	3/6	3/6	3/6	3/6	3/6	3/6	
Apartments*						5/8	5/8	5/8	5/8	5/8	5/8	1	5/8	
Artist's Live/Work*	1	1	1	1	1	1/3	1/3	1/3	1/3	1/3	1/3	1/3	2/3	
Condominiums, Conversion to*				3	3	3	3	3	3	3	3	3	3	
Deep Lot Development		1			4									
Dormitory*		7		7	7	7	7	7	7	7	7	7	7	
Duplex (attached or detached)		1	1	1/4	1	3	3	3	3	3	3	3	3	
Family Care Facility		1	1	1	1	1	1	1	1	1	1	6	1	5
Family Day Care Facility*		1	1	1	1	1	1	1	1	1	1	6	1	5
Fraternity-Sorority*		7		7	7	7	7	7	7	1/7	1/7	7	7	
Guest House*		4												
Halfplexes*		4	4	4	6	6	6	6	6	6		6		
Home Occupation*	1	1	1	1	1	1	1	1	1	1		1		
Mobile Home/Manufactured Home* Used as a Single Family Dwelling	1	1	6/2		1	1	3	3	3	3	3	1	3	
Mobile Home Park*	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Temporary Residential Shelter*		6	6	6	6	6	6	6	6	6	6	6	6	6
Residential Care Facility*		6	6	6	6	6	6	6	6	6	6	6	6	
Residential Hotel-SRO*											7	7	7	
Rooming and Boarding House*		1	1	1	1	6	6	6	6	3	3	6	3	
Second Residential Unit*		4												
Single Family Dwelling*	1	1	2/6	1	1	3	3	3	3	3	6	1	3	

Level of Discretionary Approval:

1. Use permitted by right subject to compliance with development standards.
2. Planning Director's approval subject to compliance with development standards.
3. Special Permit or Plan Review approval by Zoning Administrator.
4. Special Permit approval by Zoning Administrator subject to compliance with development standards.
5. Site Plan review approval by Planning Commission.
6. Special Permit approval by Planning Commission.
7. Special Permit approval by Planning Commission subject to compliance with development standards.
8. Use permitted by right but subject to design review if located within a Design Review Area or a PUD
9. Use not permitted outside the Central City
10. Planning Director's Plan Review subject to compliance with development standards and design guidelines.

**Table 6-2
Non-Residential Zoning Districts Permitting Residential Uses**

Type Residential Use	E C	H C	S C	C 1	C 2	C 3	C 4	M 1	M 1 (S)	M 2	M 2 (S)	M I P	M R D	H	S P X	T C	A	A O S	F	A R P-F
Alt Ownership Housing			3/6	3/6	3/6	3/6	3/6													58
Apartments*	6		5	1/5	1/5	1/5	3/9	3/9	3/9	3/9	3/9									
Artist's Live/Work*	6	5	5	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2
Condo, Conversion*			7	7	7	7														
Deep Lot Development																				
Dormitory*			6	6	6	6														
Duplex*			6	1/6	1/6	1/6	3/9	3/9	3/9	3/9	3/9									
Family Care Facility*		5	5	1	1	1														
Family Day Care Home*		5	5	1	1	1	1	1	1	1				1						
Fraternity-Sorority*			7	7	7	7														
Guest House*																				
Halfplexes*							3/9	3/9	3/9	3/9	3/9									
Home Occupation*	1		1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	
Mobile/Manuf. Home* Used as SF Dwelling			7	6	6	6	3/9	3/9	3/9	3/9	3/9							4	4	
Mobile Home Park*		7	7	7	7	7	7	7	7	7	7	7	7	7	7					
Temporary Residential Shelters*		6	6	6	1	1	1	1	6	6	6	6	6	6	6	6				
Res Care Facility*		6	6	6	6	6	6	6	6	6	6			6			6			
Residential Hotel-SRO*				7	7	7	7	7	7	7	7									
Room & Boarding House			3	3	3															
Second Residential Unit*																				
Single Family Dwelling*			6	1/6	1/6	1/6	3/9	3/9	3/9	3/9	3/9									

Level of Discretionary Approval:

1. Use permitted by right subject to compliance with development standards.
2. Planning Director's approval subject to compliance with development standards.
3. Special Permit or Plan Review approval by Zoning Administrator.
4. Special Permit approval by Zoning Administrator subject to compliance with development standards.
5. Site Plan review approval by Planning Commission.
6. Special Permit approval by Planning Commission.
7. Special Permit approval by Planning Commission subject to compliance with development standards.
8. Use permitted by right but subject to design review if located within a Design Review Area or a PUD.
9. Use not permitted outside the Central City.
10. Planning Director's Plan Review subject to compliance with development standards and design guidelines.

Table 6.2 identifies for each zone district the level of approval required for the different types of residential uses (e.g. permitted by right or subject to discretionary approval by the Planning Director, Zoning Administrator or Planning Commission. Staff level reviews (Planning Director or Zoning Administrator Special Permit) take approximately two months to complete and are less expensive while Planning Commission approvals can take six months or more to complete and include higher fees. Single family dwellings, manufactured housing and artist's live/works are permitted by right in all residential zones and some commercial zones subject to compliance with development standards. For some uses special permit approval is required at the staff level (e.g. Planning Director) to determine compliance with development standards. Discretionary special permit approval is required by the Zoning Administrator or Planning Commission to establish various types of residential uses including alternative ownership housing types (e.g. townhouses, cluster or patio homes), duplexes, halfplexes and rooming and boarding houses in multi-family zones, residential care facilities, and single room occupancy hotels. In some cases the zoning ordinance doesn't specify development standards for review of certain types of residential uses. Second units are conditionally allowed only in the R-1 zone.

Plan Review (R Review) approval is required by the Planning Commission for all multi family developments, with the exception of residential projects located within a Design Review District if the project is reviewed by the Design Review Board or is within a Planned Unit Development (Ord. 98-050). Plan Review is limited to a consideration of the site layout, orientation of buildings and other features as they relate to the physical characteristics of the site and its surrounding (not land use). Second units and alternative ownership housing types should be permitted in the R-1 and R-1A zones to provide a mix of affordable housing opportunities in residential neighborhoods.

The Planning staff is proposing the use of a Planning Director's Plan Review to streamline the review process for mixed use projects within 1/4 mile of transit stations, small apartment projects and infill projects. This new entitlement would provide for staff level review of the site plan to assure the project conforms with development standards, mitigation measures, and design guidelines. Zoning Administrator approval would be required for certain conditionally permitted uses.

Mobile Homes/Mobile Home Parks

In keeping with State law, the Zoning Ordinance permits mobile homes on permanent foundations in the same residential zones as single family dwellings. Those mobile homes are required to follow the same development standards that apply to single family dwellings. The land inventory category for single family housing includes potential mobile homes and mobile home parks.

Sacramento allows mobile home parks in most residential and nonresidential zoning districts subject to the granting of a special permit by the Planning Commission. In addition, the Zoning Ordinance currently regulates the development and maintenance of mobile home parks. The regulations restrict mobile home parks to a minimum five-acre site and a maximum density of ten mobile home spaces per acre. The only zone in which mobile home parks development cannot occur is the R-1B zone, a Central City zone for single or two-family units.

Residential Development Standards: Table 6.3 provides a summary of the City's residential development standards for each residential zoning district. Each zone district establishes maximum densities, heights, setbacks, maximum lot coverage and minimum lot size. The City adopted these standards to ensure that minimum levels of design and construction quality are maintained and adequate levels of street and community facility improvements are provided. The

City may also approve variances from these development standards for affordable housing or infill development projects based on findings of that the project will not be injurious to the public welfare and will not adversely affect General Plan or Community Plan policies. The administration of the Zoning Ordinance setback and parking requirements are often difficult to apply to infill projects without requiring variances. This is especially applicable in the Central City and other older neighborhoods with smaller lots. This negative effect can take the form of a financial burden caused by the cost of entitlements. In many ways, the City has taken actions to streamline the process through the establishment of the Zoning Administrator function which allows for an administrative approval of many smaller projects and variances. Residential development requirements could also result in a decrease in the development potential of a parcel or parcels, thereby indirectly affecting the economic feasibility of a project. Finally, the need for entitlements often subjects small projects to the public hearing process, which can result in increased costs and potential denial on the basis of neighborhood opposition.

**Table 6.3
Residential Development Standards.**

ZONE	LOCATION	MAXIMUM NO. UNITS (NET ACRE)	TYPE OF USE	MAXIMUM HEIGHT (FT.)	MINIMUM YARD REQUIREMENTS				REQUIRED MINIMUM COURT	MAX LOT COVERAGE BLDG SIZE	MINIMUM LOT AREA PER DU IN SQ. FT.*
					Front	REAR	INTERIOR SIDE	STREET SIDE			
1. RE	General	1 unit	single family	35 ft.	(1) 25 ft.	15 ft.	5 ft.	12 ½ ft.	NA	(4)	(4)
2. R-1	General	8 units	single family	35 ft.	(1) 25 ft.	(2) 15 ft.	5 ft.	12 ½ ft.	NA	40%	5,200 (1)/ 6,200(C)
3. R-1A	General	15 units	single family duplex	35 ft.	(5)	(5)	(5)	(5)	NA	(5)	(5)
4. R1-B	General	12 units	single family duplex	35 ft.	(1) 25 ft.	(2) 15 ft.	(3) 3 ft.	(3) 3 ft.	NA	60%	NR
5. R-2	General	14 units	single family duplex	35 ft.	(1) 25 ft.	(2) 15 ft.	(3) 3 ft.	12 ½ ft.	NA	40%	2,600(I)/ 3,100(C)
6. R-2A	General	17 units	single family duplex multi-family	35 ft.	(1) 25 ft.	(2) 15 ft.	(3) 3 ft.	25 ft.	(25)	50%	2,500
7. R-2B	General	21 units	single family duplex multi-family	35 ft.	(2) 25 ft.	(2) 15 ft.	(3) 3 ft.	25 ft.	(25)	50%	2000
8. R-3	General.	29 units	single family duplex multi-family	35 ft..	(1) 25 ft.	(2) 15 ft.	(3) 3 ft.	25 ft.	(25)	50%	1,500
9. R-3A	General Central City	36 units	single family duplex multi-family	35 ft. (5)	(1) 25 ft. (1) 25 ft.	(2) 15 ft. (2) 15 ft.	(3) 3 ft. (3) 3 ft.	25 ft. (3)	(25) (25)	50% 60%	1,200 1,200

**Table 6.3 continued
Residential Development Standards**

ZONE	LOCATION	MAXIMUM NO. UNITS (NET ACRE)	TYPE OF USE	MAXIMUM HEIGHT (FT.)	MINIMUM YARD REQUIREMENTS				REQUIRED MINIMUM COURT	MAX LOT COVERAGE BLDG SIZE	MINIMUM LOT AREA PER DU IN SQ. FT.*
					FRONT	REAR	INTERIOR SIDE	STREET SIDE			
10. R-4	General Central City	58 units	single family duplex multi-family	35 ft. (5)	25 ft. 10 ft.	(2) 15 ft. (2) 15 ft.	(3) 3 ft. (3) 3 ft.	(3) 3 ft. (3)	(25) (25)	60%	750 750
11. R-5	Central City	174 units	single family duplex multi-family	45 ft. (5)	10 ft.	(2) 15 ft.	(3) 3 ft.	(3) 3 ft.	(25)	(6)	(6)
12. RMX	General Central City	36 units	single family duplex multi-family	35 ft.(5)	25 ft.(1) 0'	(2) 15 ft. (2) 15 ft.	(3) 3 ft. (3) 3 ft.	(3) 3 ft. (3) 3 ft.	(25) (25)	70% 70%	1,200 1,200
13. R-O	General Central City	36 units	single family duplex multi-family	35 ft. 35 ft.	25 ft. (1) 10 ft.	(2) 15 ft. (2) 15 ft.	(3) 3 ft. (3) 3 ft.	12 ½ ft. (3) 3 ft.	(25) (25)	(7) 70%	1,200 1,200
14. EC	General	(23)	multi-family	(5) 2-8 stories	(5)	(5)	(5)	(5)	(5)	(5)	(5)

Footnotes:

- | | |
|---|----------------|
| (1) - 25' or 10' avg two nearest buildings | I - Interior |
| (2) - 5' if abuts alley | C - Corner Lot |
| (3) - 3'; 5' for 3 story building | |
| (4) - 5-20% | |
| (5) - may vary with special permit | |
| (6) - 45-70%; 250-500ft. | |
| (7) - 60% | |
| (8) - Central City special permit for height variance (see height and regulations chart in zoning code, footnote 8) | |
| (23) - maximum of 25 % of PUD net acreage shall be designated for residential use | |
| (25) - 10' between bldgs, 20' where main entrances are located on two or more sides of a corner | |

A potential constraint to the development of manufactured/mobile home parks are standards requiring a net density of ten dwelling units and a minimum site requirement of five acres. Given the limited size and supply of available land in Sacramento, smaller sites may be more appropriate for mobile home parks.

In an attempt to overcome constraints inherent to conventional development standards, the City is currently implementing the following regulations or taking the following actions:

- Provision of alternative development standards within the R1-A (Single-Family Alternative) Zone. This promotes higher density and more innovative design for single family projects.
- Duplex development on corner lots to promote rental housing opportunities.
- Transit Overlay Zones to provide an additional regulatory incentives to promote transit oriented development within walking distance of a transit station.
- Planning Director Plan Review to streamline the review process for small multi-family projects under 100 units.
- Smart Growth Checklist for an applicant or staff to use in evaluating a project in relation to the City's Smart Growth Principles. This process assists the applicant and Planning Department in balancing the cost and benefits of altering a project to make it more "Smart".
- Infill Streamlining proposed amendments would allow for flexibility in the application of development standards (e.g., height, setbacks, parking requirements) and an expedited process for infill projects.
- Implementation of the Zoning Administrator process to streamline the project review process. The cost and time for review and approval of smaller projects.
- Streamlining the map process through amendment of the Subdivision Ordinance. In February 2002, the City Council revised the Subdivision Ordinance to permit Zoning Administrator approval of parcel maps (subdivisions into four or fewer parcels), subdivision modifications, and tentative map time extensions.
- The Planning Director may waive or reduce fees for publicly assisted housing projects intended for occupancy by low and moderate income households or additional fees if the project includes a unique or innovative design feature and that the time spent evaluating the project will benefit staff processing of future projects.
- The City will update its Zoning Ordinance to reflect classic development standards, streamline permit processing as necessary and clarify the planning process and zoning requirements.
- Establishment of a Permit Assistance Counter to provide a single point of contact for all city departments to provide public information and staff for review of development proposals

6.2 INFRASTRUCTURE STANDARDS

The Department of Public Works implements on- and off-site improvement requirements, including standards for street construction, sidewalk, curb, gutter and, in some instances, parking and/or bicycle lanes. Residential development may also necessitate the construction of water, sewer and drainage improvements. All improvements are generally completed as conditions of tentative map approval and are developer financed. The compliance with certain infrastructure improvements may be perceived as a constraint to the provision of housing for all income levels.

For infill projects, the city code requires the repair of defective sidewalks, minimum driveway lengths and maneuvering areas that can be difficult to meet on smaller infill sites. The code also requires dedication and improvement of full street or alley frontages, although exceptions have been granted for existing infill lots used exclusively for residential purposes. Furthermore, the Planning Commission may approve variances from city standards based on hardship considerations. The City has established two new Capital Improvement Program (CIPs) that dedicate \$370,000 annually to assist with infrastructure requirements associated with residential infill projects and redevelopment projects. The City is also pursuing the State's Jobs-Housing Balance Incentive Grant to provide additional funds to assist with infrastructure requirements associated with infill.

The Public Works Department adopted narrow local street standards that facilitate pedestrian activity, parking, landscaping and street trees. Amendment of certain infrastructure standards might facilitate housing development. For instance, residential infrastructure costs could be measurably reduced by reducing requirements for street widths, curb, gutter and side walk widths, as well as requiring sidewalks on only one side of the street. A reduction in street widths and sidewalks could result in an increase in the number of units which could be accommodated on any given parcel of land. This however, must be balanced with fire safety standards to provide adequate emergency access for fire response vehicles. Nonetheless, increased flexibility in street standards would allow greater land area and increased density which would result in a per-lot cost reduction. This savings could ultimately be reflected in the price of housing to the residential consumer.

6.3 BUILDING CODES

The City Building Division streamlined procedures in the interest of reducing approval time frames. The current building permit process incorporates "master plan" review, plan checking prior to actual planning entitlement approval (although no permits are issued without approved entitlements), waiver of issuance of a Certificate of Occupancy for single family housing, and no review of manufactured homes within mobile home parks.

Certain housing rehabilitation projects sponsored by the Sacramento Housing and Redevelopment Agency (SHRA) are exempt from building permit fees. These projects are reviewed pursuant to Chapter 49 of the City Housing Code, which has less restrictive standards than the standard 1991 Uniform Building Code(s) (UBC). General residential construction is required to conform to the 2001 California Building Codes adopted by the State Building Standards Commission and adopted by the City of Sacramento on November 1, 2002. Aside from rehabilitation projects, the City does not currently have procedures to waive building fees for low income construction projects.

The Historic Building Code and Secretary of Interior Standards are also utilized by the City to facilitate the rehabilitation of properties on the City's Official Register of Listed Structures and

within Preservation Areas with Architectural or Historical Significance. This allows significant flexibility in the interpretation of the building code to promote historic renovations.

City enforcement of the building code to remove hazardous and dangerous buildings has resulted in the demolition of some affordable housing. The City could better coordinate its code enforcement activities with agency financing programs to assure to the extent feasible that rehabilitation opportunities are fully explored with the owner before demolition.

6.4 PROCESSING AND PERMIT PROCEDURES

The intent of the City's housing policy is to encourage and facilitate the development of affordable housing. Facilitation is important in the development process where time is money. One means toward this end is the reduction of development costs through the streamlining of the entitlement process. Three streamlining methods which the City employs are staff level approvals (e.g. Planning Director or Zoning Administrator), concurrent processing of residential entitlement applications and one-stop permit approval at the permit assistance counter.

Under the first streamlining measure, a developer/applicant may submit an application for various related entitlements at one time. The Department of Planning and Development concurrently processes all related land use entitlement requests in order to expedite the application. All facets of a proposal are scheduled for one public hearing before the Planning Commission. A project, in total, may also be noticed and scheduled for public hearing before the City Council. As an example; an applicant requesting a General Plan Amendment (GPA), Community Plan Amendment (CPA), rezoning (RZ), Tentative Map (TM), Subdivision modifications (Sub-Mod) and related variances may submit one, all-encompassing application.

The City completed a comparison of processing times for various types of residential entitlements and for preparing an Environmental Impact Report (EIR) for the time periods of January 1st, 1999 (Table 6.4) to Jan. 31st 2002. Staff level approvals generally average 2 months while Planning Commission approvals average 5 months. Rezoning and plan amendments averaged six and nine months, respectively while an EIR took considerably more time to complete. The processing times are affected by a variety of factors including the completeness of the application, the level of environmental review, and types of conditions or mitigation measures required for project approval.

Mixed Income Housing Program

A mixed income program has been adopted for new growth areas that cause minimal negative impacts to the development economics of both single family and multi family development. The mixed income policy can be accomplished if developers take advantage of available priority processing, implement the mixed housing type and target average densities in the existing Community Plan, and are permitted certain modifications in the development of affordable units /and have access to sufficient offset provisions to enable developers to build the affordable units at a profit, or at least at cost. For example, North Natomas development costs for a moderate density subdivision (e.g. target average density of 12 units per net acre; includes a mix of patio homes, halfplexes, duplexes, bungalows, second units or courtyard apartments) with smaller unit sizes can reduce development costs and increase affordability.

**Table 6.4
Estimated Completion Times
Land Use Residential Entitlements 1999-2001**

REQUEST TYPE	MONTHS																											
	1	2	3	4	5	6	7	8	9	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	
Special Permit (Zoning Administrator)	█		█		█		█		█		█		█		█		█		█		█		█		█		█	
Special Permit (Planning Director)	█		█		█		█		█		█		█		█		█		█		█		█		█		█	
Special Permit/Tentative Map (Planning Commission)	█		█		█		█		█		█		█		█		█		█		█		█		█		█	
Rezone/ Planned Unit Development	█		█		█		█		█		█		█		█		█		█		█		█		█		█	
Community Plan Amendment /General Plan Amendment	█		█		█		█		█		█		█		█		█		█		█		█		█		█	
EIR	█		█		█		█		█		█		█		█		█		█		█		█		█		█	
█	Estimated Average Time				1999-2001																							
█	Estimated Time Range																											

Source: City of Sacramento Planning and Building Department

The Building Division averages 4-6 weeks to approve residential building permits once subdivision maps are approved.

Projects located within a design review district or PUD also must obtain approval from the design review staff or Board. Design review approval typically takes 1-2 months. The purpose of the review is to determine compliance with adopted design guidelines that are intended to enhance the appearance and value of property and the livability of neighborhoods. Staff is working on amendments to Section 16 of the Zoning Ordinance to streamline the approval process.

In 2003, City adopted a single-family design checklist to streamline the design review and improve the quality of single-family detached units. The checklist sets minimum standards such as front porch size and garage setbacks for single-family units citywide. The city is also close to adopting a Planning Directors Plan Review (PDPR) for review and approval of smaller multi-family developments.

Currently all multi-family developments must go through the R-review process that requires approval by the Planning Commission, unless the project is in a design review area or PUD, which adds additional time and costs. The PDPR process would establish uniform management,

maintenance, and design guidelines for all multi-family projects and would allow the approval of small multi-family developments at a staff level. The Design Review Guidelines and checklist were reviewed by representatives of the building industry and it was determined that the additional costs were minimal.

6.5 LOCAL GOVERNMENT FINANCING LIMITATIONS

Over the past decade, local governments have had increasing difficulty in financing infrastructure improvements and providing essential services to new and existing neighborhoods. The following is a brief summary of the existing constraints to local government financing and the response of local governments to this challenge.

First, California's population increased almost 13% from 1990 - 2000. Secondly, realizing they cannot "go it alone", local governments have begun to approach infrastructure problem-solving on a multi-jurisdictional basis. While this is a more efficient and effective way of dealing with infrastructure and service provision problems, local jurisdictions still face the challenge of raising necessary funds in light of decreased real property tax revenues and state and federal cutbacks. The City of Sacramento has attempted to meet this challenge through the use of several funding mechanisms, including general obligation bonds, benefit assessment and Mello-Roos assessment districts, increased development fees and increased sales taxes. Development fees, one of the easiest ways for local governments to finance infrastructure improvements, are levied on developers as a condition of project approval and do not require voter approval (as do bonds), nor do they count toward a locality's Gann limit. Fees can guarantee a locality that funds will be available to provide adequate services required as a result of development.

The use of development fees has become widespread as localities have realized that fees could fund a wide range of services related to a given development. However, the strong impact that fees have had on the cost of housing prompted the state legislature to act to curb their seemingly unbridled use. California Government Code 66001 and 66006 require a public process for establishing or imposing a development or improvement fee.

6.6 DEVELOPMENT FEES AND EXACTIONS

Many variables affect the total amount of development fees charged by the City for a particular housing project. Some of these variables include the following: the total size of the project, lot sizes, sizes of the individual units, the necessity of housing planning entitlements, capital improvements and assessment districts, engineering services, and housing type.

Development permit fees fall into three categories:

1. Processing fees charged to cover direct City services.
2. Development impact fees and special taxes charged to finance the cost of capital improvements or mitigate project impacts.
3. Fees collected by the City for other governmental agencies.

Standard exactions related to housing development may include park land dedication, as a result of the Quimby Act, or school site dedication.

To illustrate the potential fees charged for residential development located outside the North Natomas Community Plan area (which has special assessments to finance infrastructure and mitigation programs), two hypothetical scenarios have been developed. The first is for a 100-lot

single family project (1300 s.f. 3 bedroom, 2 bath home) and the second is for a five acre, 100-unit multi-family project (875 s.f. units). These are shown in Tables 6.5 and 6.6. Both tables are based on the 2001 fee schedule for the city of Sacramento. Based on the current fee schedule, including total planning, engineering, and building fees, the estimated cost for a standard single family unit is \$12,100 and \$7,100 for multi-family units. These fees do not include any off-site improvements or special assessments that maybe required as a condition of approval.

A comparison of current (2001) residential entitlement fees between the City and the County of Sacramento is shown in Table 6-7. While there are similarities between the jurisdiction's planning processes, the environmental review and public works' roles vary considerably and are not noted. The table compares the fees charged by the City and County Planning Departments for typical entitlements required for residential development. The City's planning fees have not been updated since 1999 and are generally lower than Sacramento County.

2001 fee comparisons were developed by Economic Planning Systems for single family and multi-family developments in the City of Sacramento and other areas in the Sacramento region. Caution should be exercised in using these comparisons because the infrastructure items paid for by fees and special taxes versus private capital may be different for the various projects. The costs represent estimates to be used for general planning and comparison purposes only.

Table 6-8 also Figure 6-1 provides a summary of fees and bond debt comparisons for single family development in selected areas, including North Natomas. Based on this analysis, the city's processing fees, development impact fees, school mitigation fees, special taxes and assessments range from approximately \$31,100 per unit (Willowcreek) to approximately \$36,100 per unit for a North Natomas 1800 s.f. single family home average. These development costs are within the range of fees charged for comparable similar development in new growth areas in Sacramento and Placer County, which range from a low of \$28,821 (Laguna West) to a high of \$44,112 (North Roseville).

Table 6-9, also Figure 6-2, provides a comparison for multiple family development in selected areas, including North Natomas. Based on the EPS analysis, the city's processing fees, development impact fees, school mitigation fees, special taxes and assessments average approximately \$17,100 for a 850 s.f. rental unit in North Natomas. These development costs are within the range of fees charged for comparable development in new growth areas, which range from a low of \$9,400 in the City of Sacramento (without a finance district) to a high of \$19,000 in Rocklin.

A project applicant in the City of Sacramento could request a 25% reduction of Planning fees for projects promoting infill development. Any other proposal to waive or reduce fees must take into account the impacts associated with these actions. Waiver or reduction of fees necessary to cover direct departmental expenses would likely result in a reduction of staff and an increase in processing time for permits and entitlements. Reduction of other fees would likely result in a decrease in the level of capital improvements, a decrease in the ability to provide essential property related services, or an inability to mitigate significant project impacts.

Under the City's Zoning Ordinance, the Planning Director may waive planning fees for projects serving low income households. The City also adopted and provides a fee reduction plan where applied to the Mixed Income Housing Ordinance.

Park Acquisition Fees in the Central City

Based on the State Subdivision Map Act, the City's Subdivision Ordinance requires the dedication of land for park acquisition when land is subdivided for residential purposes. For smaller residential projects, they may pay in-lieu fees instead of dedicating land. (These are also known as Quimby fees) The in-lieu fees are based on costs of acquiring land in the area in which the residential project is located. Due to the costs of land in the Central City, the Quimby fees in the Central City tend to be several orders of magnitude higher than anywhere else in the city. For instance, this fee is typically about \$7,000 per unit in North Natomas, but up to \$10,000 to \$20,000 in the Central City.

While the City's goal is to support additional owner-occupied housing, due to the desired densities in the area this typically requires that these projects be townhome or condominium developments, with some limited opportunities for detached single family homes. These kinds of developments legally require subdivision of land and therefore are subject to Quimby fees. Since apartments in the Central City can usually build without subdividing land, they are usually not subject to Quimby fees.

6.7 Special Needs

The general population of the City of Sacramento contains several groups of people who have special housing needs. These needs make it difficult for individuals of these groups to locate suitable housing. Demographic information on special needs groups is discussed in Section 3.7 of this housing element.

Group Homes

Group Homes are categorized in the City of Sacramento Zoning Code to reflect the services and size of this housing type. The definitions of the group homes are as follows:

"Family care facility" means a facility which provides primarily non-medical, twenty-four (24) hour a day resident services to six or fewer individuals in need of personal assistance essential for sustaining the activities of daily living, or for the protection of the individual; and which is a residential care facility within the meaning of the Community Care Facilities Act (Health and Safety Code Section 1500 et seq.) or is a home for the mentally disordered or otherwise handicapped, or dependent and neglected children within the meaning of Sections 5115 and 5116 of the Welfare and Institutions Code. Facilities that do not fall under these categories or provide services to more than six individuals, excluding members of the resident family or persons employed as facility staff, shall be deemed residential care facilities.

"Nonresidential care facility" means a facility which provides supervision, care, or therapy to seven or more individuals, excluding members of the resident family or persons employed as facility staff, on a less than twenty-four (24) hour a day basis. A facility that provides this service for six or fewer individuals is a "family day care facility" (see definition above).

"Rooming and boarding house" means a dwelling, including on-site accessory structures, containing a single dwelling unit in which the house owner or manager resides; and containing not more than five guest rooms; and in which, for compensation, long-term lodging with or without meals is provided. Rooming and boarding house does not include a family care facility, residential care facility, dormitory, fraternity or sorority house, or residential hotel (SRO).

"Residential care facility" means a facility, which provides primarily non-medical resident services to seven or more individuals in need of personal assistance essential for sustaining the

activities of daily living, or for the protection of the individual, excluding members of the resident family or persons employed as facility staff, on a twenty-four (24) hour a day basis. A facility that provides this service to six or fewer individuals is a “family care facility” (see definition above).

“Residential hotel” means any building containing six or more guestrooms or efficiency units intended or designed to be used, rented, or occupied for sleeping or living purposes by guests, which is also the primary residence of those guests. Residential Hotels are not buildings containing six or more guestrooms or efficiency units which are primarily used by transient guests who do not occupy the building as their primary residence. Also known as a single room occupancy (SRO) hotel.

Analysis of Group Homes in The City of Sacramento’s Zoning Code:

Family care facilities are allowed in most residential zones subject to development standards outlined in the zoning code. Also, family care facilities are allowed with a special permit issued by the Planning Commission in the Residential Mixed Use Zone. This use is also allowed in some commercial zones (C-1, C-2, and C-3), subject to development standards. In the Highway Commercial (HC) and Shopping Center (SC) zones a family care facility is allowed subject to a site plan review by the City Planning Commission.

Non-residential care facilities are allowed in most residentially and commercially zoned areas but require a special permit from the City Planning Commission.

The land use restrictions for “rooming and boarding houses” vary in the city zoning code. In residential zones R-1, R-1A, R-1B and R-2 rooming and boarding houses are allowed by right but must comply with development standards. In all other residential zones, rooming and boarding homes depending on the type of zone must obtain a Planning Commission Special Permit or Zoning Administrator (ZA) Special Permit or Plan Review. In the industrial zones SC, C1, and C2 a ZA Special Permit or Plan Review is needed to site this use.

Residential Care Facilities and Resident Hotels, or Single Room Occupancy (SRO) hotel have the strongest permitting requirements of group homes. According to the City of Sacramento Zoning Code, a Planning Commission Special Permit is required for residential care facilities in any zone that it is allowed. Resident Hotels – SRO’s are allowed in high density residential, commercial, and industrial zones with development standards and a special permit, by the planning commission.

Overall the analysis of the City Zoning Code revealed a few possible constraints to housing for group homes. One possible constraint reflects the difficulty in building large (7 occupants or more) residential facilities for the disabled. According to the City Zoning Code and previously mentioned, residential facilities can be developed by right, in certain zones, when the facility plans to house 6 or less residents. Residential facilities planning 7 or more residents, in most zones, must obtain a special permit, approved by the Planning Commission, and in some zones adhere to certain development standards.

The reduction and decline of Single Room Occupancy Hotels (SRO’s), or Resident Hotels, represent a second potential governmental constraint to housing people in the special needs group. Residential hotels represent last resort housing for single people who are very poor, some of who have mental health, physical health, and substance abuse problems. This is the most difficult housing to replace in any urban community.

A Single Room Occupancy Hotel Task Force was formed in 2000 to examine the preservation and new construction of SRO's, review the needs for services among the SRO population, develop financing strategies and investigate revenue sources to increase income and funds for operations. The recommendations by the task force are a mosaic of strategies that address the many issues surrounding these units. A total of six primary recommendations were made by the task force followed by specific policy changes or program recommendations.

The six recommendations of the SRO Task Force are :

1. The City should pursue policies that will create different housing types affordable and accessible to persons typical of those living in downtown residential hotels.
2. The Sacramento Housing Redevelopment Agency should modify its multi-family policies to increase the number of units accessible and affordable to persons typical of SRO residents.
3. The City should provide financial support to an integrated health, employment and related services network that can benefit downtown SRO residents, SRO owners and private businesses.
4. The Task Force concludes that financing commitments are needed from the city and SHRA in the form of development financing fee waivers and lien releases, and Section 8 vouchers.
5. The City should approve certain changes to its regulatory and entitlement processes, consistent with new development and management standards.
6. The Task Force recommends enforcement of social nuisance and criminal Codes and approval of new actions to reduce incidences of crime.

NONGOVERNMENTAL CONSTRAINTS

While potential governmental constraints can affect the availability and cost of housing, land and financing costs more directly affect housing development costs. These nongovernmental or market constraints are analyzed in the following sections.

6.8 LAND COSTS

Developers often cite the rising cost of land suitable for residential development as the fastest rising cost component in Sacramento County. There is little the City can directly do to influence the market price of land. However, the City does impact the housing supply through the administration of land use policies. As discussed elsewhere in the Element, it is the City's responsibility to do everything in its power to remove zoning constraints to the development of affordable housing.

Land costs vary widely within the City depending on many factors, including desirability of location, parcel size and level of existing improvements. Infill lots in prime locations sell for as much as \$333,333 for 1/3 acre.

6.9 CONSTRUCTION COSTS

A number of Building Design and Construction innovations may serve to reduce construction costs. These include:

- C Use of Optimum Value Engineered (OVE) family design, which has been shown to reduce lumber requirements significantly.
- C Mixing unit sizes and types.
- C Decreasing dwelling unit sizes without negative effects by careful design of circulation patterns and use of open spaces.
- C Use of dual master bedroom units to accommodate joint unit ownership by unrelated single

adults.

- C Use of all-weather wood foundations.
- C Use of thinner floor slabs where possible.
- C Elimination of wall sheeting.
- C Prefabricated component construction.
- C Use of polybutylene water supply piping

6.10 INSURANCE COSTS AND LIABILITY

The costs for insurance policies for liability associated with construction continues to escalate. This is a particular constraint to attached ownership housing and condominiums, where existing laws allow for lawsuits associated with construction defects for ten years. Private insurance policies to associated with such projects are either exorbitantly high as to not be feasible except for high end projects, or in many cases are not available at all. Generally, successful projects require project advocates to self-insure. In addition, the additional liability often leads to architects, contractors, and others to charge higher rates to participate in such projects, adding further to the overall costs.

6.11 AVAILABILITY OF FINANCING

Nongovernmental or market constraints include the availability of financing, as well as land and construction costs. These cost components are reviewed in this section.

Financing of land acquisition, land development and housing construction has become difficult in the last several years. Representatives of the Building Industry Association of Superior California, as well several local non-profit and for-profit developers consulted in Housing Element focus group meetings, share this view. A special report from the Urban Land Institute's Real Estate Credit Task Force concurs with this opinion.

Over the past several years, fixed rate mortgages have varied from just over 7% to 11-1/2%.

Interest rates also affect the cost to builders and developers of financing single family and multi-family projects, thereby effectively increasing (or decreasing) the sales prices or rental rates for units in the given projects. Raising investment capital for multi-family projects can be difficult under any circumstances. It is even more difficult for low income housing and even more difficult for non-profit organizations and smaller developers; this is due, in part, to increasing equity requirements.

6.12 FAIR HOUSING IMPEDIMENTS

SHRA conducted an analysis of impediments to fair housing. The following is a summary of the impediments identified:

Sacramento lacks an effective systematic method for information collection on issues such as racial steering and housing discrimination complaints.

Sacramento lacks a regional approach to fair housing planning.

Home mortgage Disclosure Act (HMDA) revealed a pattern of lending, which disproportionately under serves applicants from low-income and /or predominately minority communities.

Table 6-5
2001 Government Fees Collected for a Single Family Vacant Infill
Total Fee Amounts (100 Unit Subdivision)

Fee Type Processing Fees	In-Fill Single Family
Planning	
Negative Declaration	\$3,700
Tentative Map	\$5,000
Design Review	\$1,080
Public Works Review	\$950
Total	\$10,730
Public Works	
Final Map Charge	\$3,250
Tree Planting	\$11,000
Survey Monumentation	\$0
Plan Check/Inspection	\$7,750
Material Testing	\$0
Streetlight Design	\$12,601
Total	\$34,601
Utilities	
Water Service w/Meter	\$34,000
Water Usage	\$5,052
Total	\$39,052
Building Inspections	
Plan Check	\$17,214
Building Permit	\$100,300
Technology Surcharge	\$4,674
Total	\$122,188
Total Processing Fees	\$206,571
Per Unit	\$2,066
Impact Fees and Taxes	
Quimby Fees	\$178,800
Business Operations Tax	\$3,560
Water Development Fee	\$0
Sewer Development Fee	\$12,400
Regional Sanitation Fee	\$350,000
Strong Motion Instrumentation	\$890
Residential Construction Tax	\$38,500
Major Street Construction Tax	\$71,209
School Impact Fee	\$223,600
Park Development Fee	\$125,900
Flood Control -SAFCA, CIEF	\$0
Habitat Conservation Fee	\$0
Public Facilities Fees	\$0
Transportation Fees	\$0
Drainage Fees	\$0
Channel Fees	\$0
Land Acquisition Fees	\$0
Regional Park Land Acquisition	\$0
Total Impact Fees and Taxes	\$1,004,859
Per Unit	\$10,049

Total Fees	\$1,211,430
Total Fees Per Unit	\$12,114

Assumptions

1. 1300 Sq. Ft. homes 6000 Ft. 7 du/nu
2. 75% 3 Bedroom, 25% 4 Bedroom, attached garage
3. \$120,000 acre land value

Notes

1. Base Fee, staff fee @ 95 hourly as needed may be added.
2. Fee varies from 1.72 to 4.15, contingent upon which of seven school districts serve the project

**Table 6-6
2001 Government Fees Collected for Multi-Family Vacant Infill
Total Fee Amounts**

Fee Type Processing Fees	In-Fill Multi-family
Planning	
Negative Declaration	\$1,400
R-Review	\$3,000
Design Review	\$1,100
Public Works Review	\$0
Total	\$5,500
Public Works	
Grading	\$300
Landscape	\$50
Survey Monumentation	\$0
Engineering	\$2,000
Material Testing	\$0
Streetlight Design	\$0
Total	\$2,350
Utilities	
Water and Sewer Service	\$7,434
Water Supply Report	\$90
Engineering	\$1,000
Total	\$8,524
Building Inspections	
Plan Check	\$16,429
Building Permit	\$49,013
Fire Review	\$3,325
Technology Surcharge	\$2,618
Total	\$71,385
Total Processing Fees Per Unit	\$87,759 \$878
Impact Fees and Taxes	
Quimby Fees	\$88,000
Business Operations Tax	\$2,747
Water Development Fee	
Sewer Development Fee	\$620
Regional Sanitation Fee	\$231,000
Strong Motion Instrumentation	\$622
Residential Construction Tax	\$28,250
Major Street Construction Tax	\$49,722
School Impact Fee	\$150,500
Park Development Fee	\$76,100
Flood Control -SAFCA, CIEF	\$0
Habitat Conservation Fee	\$0
Public Facilities Fees	\$0
Transportation Fees	\$0
Drainage Fees	\$0
Land Acquisition Fees	\$0
Regional Park Land Acquisition	\$0
Total Impact Fees and Taxes Per Unit	\$627,561 \$6,276
Total Fees	\$715,320
Total Fees Per Unit	\$7,153

Assumptions

1. 5.0 acre site
2. Units average 875 GSF
3. Unit Mix 50%, 1 Bedroom, 2 Bedroom
4. Five twenty-unit buildings, One-hundred units total.
5. Building Valuation \$6,265,875. Land Value \$100,000

Notes

1. Site is zoned to allow Multi Family development. "R" review addresses on-site planning issues
2. Base fee, Staff fee @ \$95 hourly as needed may be added for projects in PUD's or Design Review areas (not paid if project located in R Review Area)
3. Tree planting addressed under general landscaping Re: on-site development criteria
4. Ibid
5. Assumes the street frontage improvements are in place. Service provided via 4" infrastructure.
6. Total reflects capital investments equalization fee @ 752 per unit.
7. Fee varies from \$1.72 to 4.15, contingent upon which of seven school districts serve the project

Table 6-7
SELECTED RESIDENTIAL PLANNING APPLICATION FEE COMPARISON 2001

<u>Entitlement</u>	<u>City of Sacramento Review & Entitlement Processing Fees</u>	<u>County of Sacramento Planning & Hearing Fees</u>
General Plan Amendment	8500	10,357
Additional Fees:		
Res to Comm. Ind.	-	1848
Ag. to Urban	-	2021
200-500 ac.	-	
500 + ac.	-	
Community Plan Amendment	7,000	7110
Rezone	8,000 (+10/parcel)	7999
Variance (P.D/ZA)	500-1600	2376
Variance (P.C./BS)	1,600	3008
Variance (Fence ZA)	-	0
Development Plan Review		
Early Preliminary Review		
/Dev Plan Review	1,600	1056 - 2905
PC,CC/BS "R" Review	2,400	3465
Special Permits		
PD/ZA	1,600	2376
CPC/Project	3,300	4099
Condominium Conversion	7,800	5740
Time Extension CC	2,000	4002
Tentative Map CPC/CC-PC/BS	5,000	5190
Appeal to Legislative Body	250-1000	2009
Post Subdivision Modification/ Subdivision Resubmission	2,000(\$10/parcel)	2641 - 3583
Lot/Boundary Line Adjustment	500	528
Cert. of Nonconforming Use	259	528
Development Agreement	7,700+ Direct Cost	5128
Dev. Agreement Annual Review	N/A	875

- Notes:
1. City entitlement designations are listed first.
 2. City fees do not include miscellaneous related environmental or Public Works fees.
 3. County fees do not include miscellaneous related environmental, Public Works, or Regional Transportation fees.
 4. The following land use designation abbreviations are used:
Res.-Residential Comm.-Commercial Ind.-Industrial Ag.-Agricultural
 5. The following abbreviations refer to the appropriate hearing bodies:
P.D. - City Planning Director Z.A. - County or City Zoning Administrator
P.C. - City Planning Commission C.C. - City Council
B.S. - County Board of Supervisors
 6. Where specific entitlements are not available, the most similar entitlements and processes are compared.

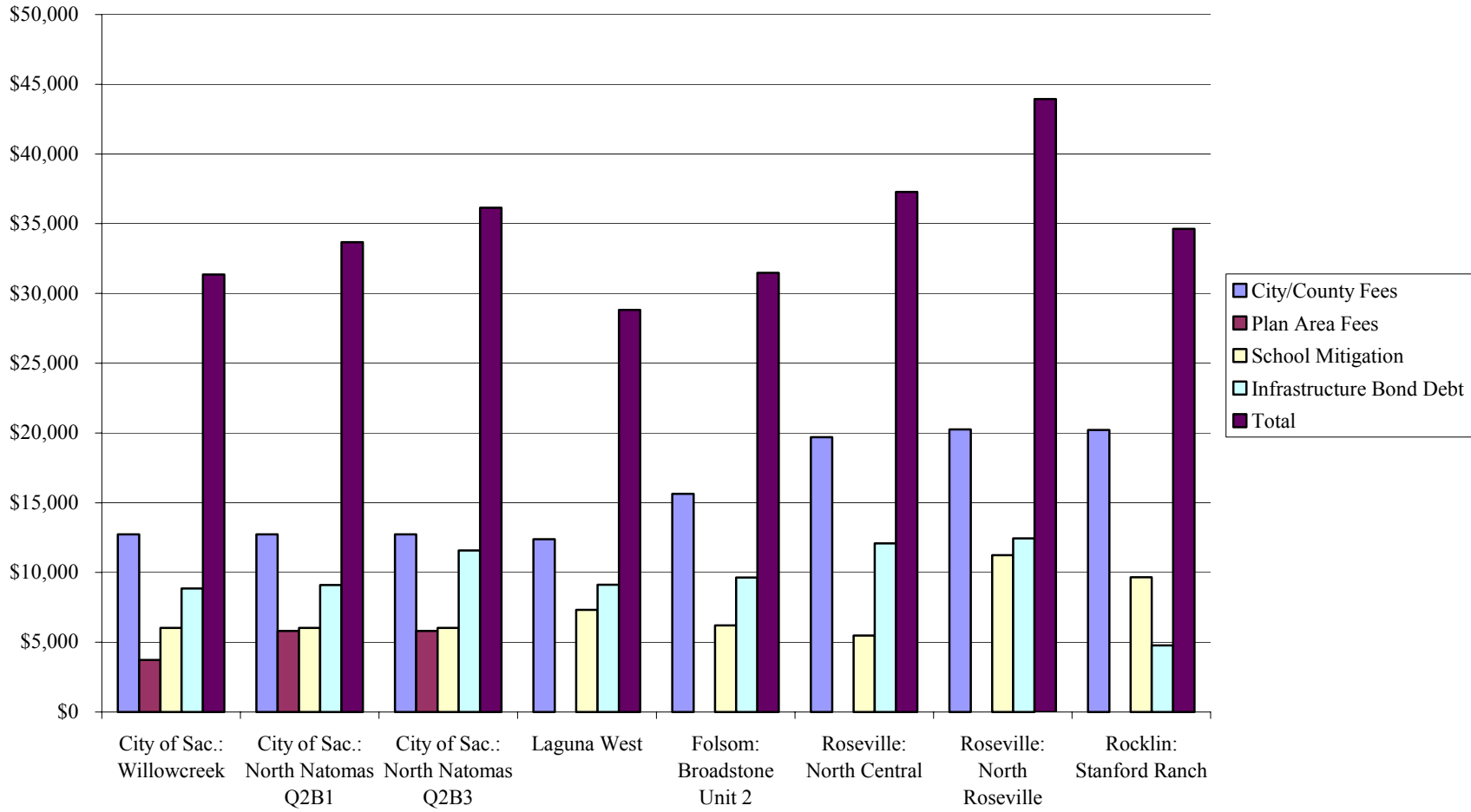
**Table 6-8
Comparison of Single Family Development Fees 2001
City of Sacramento and Outlying Jurisdictions**

	City of Sac.: Willowcreek	City of Sac.: North Natomas Q2B1	City of Sac.: North Natomas Q4B8c	Laguna West	Folsom: Broadstone Unit 2	Roseville: Central SP	Roseville: North Roseville SP	Rocklin: Stanford Ranch	
City/County Fees	\$12,733	\$12,733	\$12,733	\$12,389	\$15,633	\$ 19,703	\$ 20,246	\$20,219	
Plan Area Fees	\$3,733	5,806	\$5,806	\$0	\$0	\$0	\$0	\$0	
School Mitigation	\$6,030	\$6,030	\$6,030	\$7,314	\$6,210	\$5,476	\$11,245	\$9,649	
Infrastructure Bond Debt	\$8,853	\$9,114	\$11,569	\$9,117	\$9,634	\$12,097	\$12,442	\$4,776	
Total	\$31,119	\$33,683	\$36,138	\$28,821	\$31,476	\$37,276	\$44,112	\$34,645	

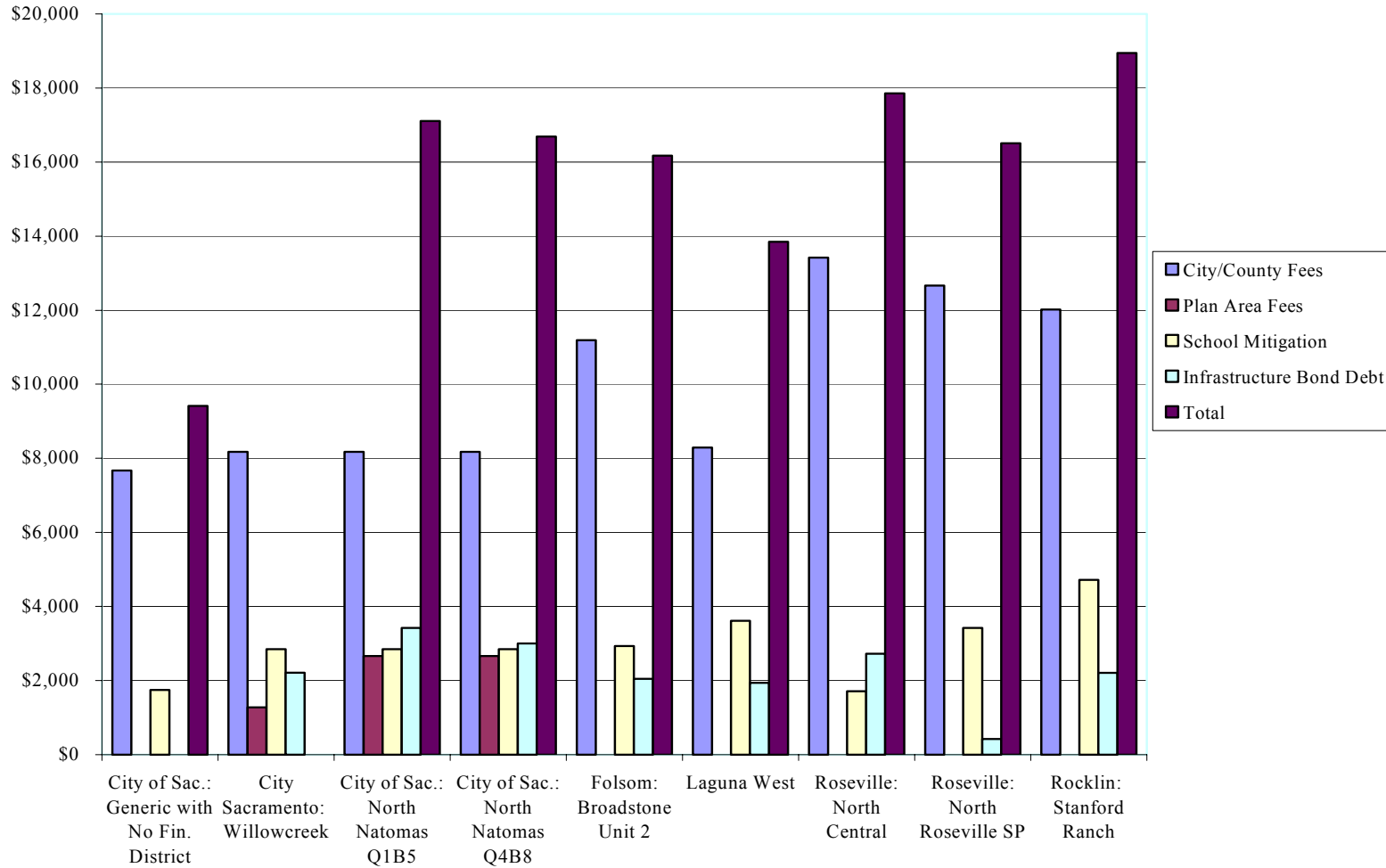
**Table 6-9
Comparison of Multiple Family Development Fees 2001
City of Sacramento and Outlying Jurisdictions**

City/County Fees	\$7,672	\$8,173	\$8,173	\$8,173	\$8,295	\$11,189	\$13,419	\$12,664	\$12,018
Plan Area Fees	\$0	\$1,275	\$2,663	\$2,663	\$0	\$0	\$0	\$0	\$0
School Mitigation	\$1,743	\$2,848	\$2,848	\$2,848	\$3,616	\$2,933	\$1,709	\$3,421	\$4,722
Infrastructure Bond Debt	\$0	\$2,215	\$3,425	\$3,004	\$1,937	\$2,047	\$2,728	\$424	\$2,207
Total	\$9,414	\$14,511	\$17,108	\$16,688	\$13,847	\$16,169	\$17,856	\$16,509	\$18,946

**Figure 6-1
Comparison of Single Family Fees**



**Figure 6-2
Comparison of Multiple Family Fees**



7. ENERGY CONSERVATION OPPORTUNITIES FOR HOUSING MAINTENANCE AND AFFORDABILITY

7.1 INTRODUCTION

The relationship between energy conservation programs and affordable housing programs, which are not often linked, merits strengthening. In addition to being environmentally responsible and economically efficient, energy efficient building design and other energy conservation measures result in lower monthly housing costs for residents (at no additional cost to the builder) and contribute towards overall housing affordability. Furthermore, design, lot orientation and site planning could help conserve energy.

The following guidelines represent sound principles for designing and constructing housing that is energy efficient and affordable:

1. Make the living units energy efficient by first lowering the requirement for heating and cooling. This includes good site orientation, good solar design, efficient framing, weather stripping, insulation, shading and high quality windows.
2. Downsize the heating and cooling systems and make them more efficient. Increase the SEER of the A/C units and ensure the ductwork is tight.
3. Install energy efficient lighting. This includes the kitchen area, bathroom vanity, hallways, bedrooms, living rooms and porch lights. Use fluorescent torchieres in rooms without ceiling fixtures.
4. Use energy efficient appliances. Install a super efficient, Energy Star refrigerator. Install a microwave oven. Install a water heater with an energy factor of .60 or more.
5. Look for energy efficiency in common areas. Energy efficient lighting (indoor and outdoor), washers, dryers and pool equipment design.
6. Install heat island mitigation measures like white roofs, strategic shade trees, shaded pavement and grass pavement applications.
7. Include renewable measures like PV roofs and ground source heat pumps. Improve recycling opportunities for construction material, refuse and wastewater. Specify recycled, and sustainable building materials.

The City of Sacramento implements several programs and regulations that reduce energy costs and reinforce the affordability of housing.

7.2 ENERGY EFFICIENCY PROGRAMS

The Sacramento Municipal Utility District provides technical assistance and financial for design and construction of new housing and remodeling of existing facilities. For new construction, SMUD offers design and technical assistance for incorporating efficiency features in projects. Incentives may be available for upgrading air conditioning, lighting, and appliances to more efficient systems. Free shade trees may be available. SMUD also programs to incorporate advanced systems like photovoltaic roof panels and ground source heat pumps into new projects. Design assistance is also available for retrofit projects. SMUD also offers programs to lower the utility bills for occupants of low-income housing.

7.3 POLICIES PROMOTING ENERGY CONSERVATION

Several current residential development regulations and policies promote energy conservation and efficiency of use. For instance, the City has actively encouraged the development of vacant sites throughout Sacramento. Infill development takes advantage of existing infrastructure.

Programs and policies supporting residential energy efficiency are:

- (1) Infill Program
The City offers incentives to develop vacant parcels within older neighborhoods, thereby taking advantage of existing infrastructure and other services.
- (2) SHRA Rehabilitation Programs
As part of SHRA's housing rehabilitation loan program, weatherization and certain energy efficient improvements can be financed. Similar to SMUD/PG&E conservation programs, this program helps reduce operating costs of existing housing and can help reduce on-going costs of affordable housing.
- (3) Tree Planting Program
SHRA has implemented a tree planting program in consultation with the Sacramento Tree Foundation and SMUD as a form of energy assistance, to provide shade and to help with neighborhood revitalization.
- (4) Subdivision Ordinance Regulations
Lot orientation regulations in the ordinance promote natural solar power and energy conservation.
- (5) Parking Lot Tree Shading Ordinance
- (6) Residential Water-Metering Requirement
Water meters are required to be installed in all new residential construction.
- (7) Implementation of Title 24
- (8) Transit Oriented Development. Programs which encourage new residential development (including density increases) along transit lines are included in the programs.
- (9) Promote Energy Conservation in New Development. The City will strive to improve energy conservation in new and existing housing by working with SMUD, PG&E and other agencies whenever it is practical and advantageous to do so.
- (10) Cool Communities. The goals of the Cool Communities concept are to achieve significant implementation of savings in summer energy demand, and to quantify the projected ozone reduction so that they may eventually be included in the Smart Growth Implementation Strategy.

8. PRESERVATION OF ASSISTED UNITS

8.1 INTRODUCTION

The City of Sacramento contains over 1,370 affordable apartment units with federal government assistance that is expiring. These multifamily complexes have low-interest loans and/or “project-based assistance,” meaning that the subsidy is attached to the complex; in consideration of the government assistance, the owner makes rent-restricted units available to very low- and low-income households. When the term of regulatory agreements governing the units’ affordability expires, the owners are free to renew or discontinue the contracts that provided rent subsidies and/or below market interest rates. They are also free to prepay their mortgages, sell the developments, and charge market rents so long as they provide the proper notices to interested parties and accept offers from purchasers intending to maintain the projects’ affordability.

To avoid the immediate loss of affordable housing in the event of a sale, Congress replaced project-based assistance with tenant-based vouchers (now merged with Housing Choice Vouchers, formerly called Section 8 certificates) so that tenants would receive the same subsidy - payment of 30 percent of their income for rent with the government contributing the difference between the tenant’s payment and a fair market rent. Owners could continue to rent to the same tenants, now with Housing Choice Vouchers (HCV), or could refuse to participate in the assistance program. In the latter case, the tenants would have to look for housing elsewhere where the owner would agree to participate in the Housing Choice Voucher program. (Please note that project-based Section 8 contracts are still referred to as “Section 8.”)

The terms describing this situation - the right of the owners to terminate government assistance - are “opt-outs,” “prepayments,” and “expiring use projects.” Prior to 1996, Congress established a process through the Department of Housing and Urban Development (HUD) where owners could prepay if they negotiated a sale through priority or qualified purchasers, generally nonprofit housing corporations. Five apartment complexes in the County were sold to nonprofit corporations during this time, preserving the units’ affordability. Many more projects, including four in the City, were not sold to qualified nonprofit purchasers because of HUD’s difficulties in processing the complicated transactions prior to Congress’ ending the program.

The 1996 change in the federal government’s treatment of the prepayment and expiring use housing problem vastly altered the ability of local government to maintain the complexes as assisted housing. Attention is now directed toward ensuring 1) that affordable housing developers are aware of pending sales so that they can make decisions on whether an acquisition is possible, and 2) that a sufficient number of apartment owners participate in the Housing Choice Voucher program so that displaced tenants find suitable alternatives if the ultimate purchaser of the opt out property refuses to participate in the voucher program. In addition, Congress’ renewal of the new tenant-based certificates is critical for maintaining the same number of affordable units in the private market.

In 1997, Congress adopted the Multifamily Assisted Housing Reform and Affordability Act (MAHRAA), which released owners from any obligation to accept Section 8 contract renewals. To provide incentives to stay in the program, it authorized funding for those projects with HCV rents significantly above the market to renew their contracts at lower rents, restructure the remaining debt to prevent foreclosures, and allow for necessary operational costs and reserves. Called “Mark-to-Market,” this new program only affected five Sacramento projects, all of which are senior housing. Because of tax complications and different considerations given to senior housing, the senior developments have renewed their Section 8 contracts without restructuring.

For fiscal year 2000, Congress offered incentives for owners of projects with Section 8 rents below comparable market rents to renew their contracts. Called “Mark-up-to-Market,” the new incentives became operational in January 2000 and have attracted owners’ attention in Sacramento. In the unincorporated County of Sacramento, at least two owners who had issued their Notice of Intent to Sell are considering reversing that action to take advantage of the new incentives.

In 2001, the State of California strengthened its noticing requirements. For the first 180 days after giving a notice of intent to discontinue subsidies, an owner must give qualified purchasers who intend to maintain the project’s affordability the exclusive right to extend a purchase offer. If that offer is not accepted, for the next 180 days the owner can accept offers from anyone, but must give qualified entities that have submitted offers the opportunity to match the accepted offer. Owners may not sell their properties and terminate subsidies unless they have carried out the state’s noticing requirements.

The City of Sacramento is considering a local ordinance specifying noticing requirements in conformity with the State’s provisions, plus mechanisms to enforce them. This was one of the recommendations that emerged from a Preservation Working Group established by the Sacramento Housing and Redevelopment Agency.

8.2 INVENTORY OF UNITS AT RISK OF LOSING THEIR AFFORDABILITY

Project-Based Section 8 and Federal Housing Administration Insured Loans

Three different groups of multifamily housing developments are pertinent to this discussion: 1) developments with project-based Section 8 contracts that are expiring; 2) projects insured by FHA; and 3) tax-exempt mortgage revenue bonds. The first two are closely related, since many Section 8 assisted projects also have FHA-insured loans. Bond projects, on the other hand, do not have the same HUD requirements and do not receive special “enhanced vouchers” for their tenants after expiration of their regulatory agreements. Tax-exempt mortgage revenue bond projects are described separately below.

For projects with Section 8 contracts that are expiring, federal law allows the owners to opt-out (not renew) the contracts, or they may renew generally one year at a time. Notice of the owner’s intent to let the Section 8 contract expire must be given at least one year in advance to the tenants, HUD, and the State Department of Housing and Community Development (HCD). HUD and HCD notify SHRA and qualified purchasers, who have 180 days to make exclusive purchase offers, as described above. At the time of the second six-month notice, the Agency or its contractor begins the process of holding tenant information meetings to explain the replacement vouchers. The housing authority then determines tenant eligibility and issues the vouchers if project-based assistance will not be renewed. Table 8-1 lists the projects with expiring Section 8 contracts.

**Table 8-1
At-Risk of Conversion: HUD Assisted Projects
City of Sacramento***

Name	Address	City	Overall Expiration**	Total Units	Assisted Units	SOA
BROADWAY SENIORS CENTER	5200-14 BROADWAY	SACRAMENTO	31-Aug-05	120	119	221(d)(4)MKT
CAMELOT NORTH	1222 E ST	SACRAMENTO	30-Apr-03	20	20	236(j)(1)
CAMELOT SOUTH	1222 E ST	SACRAMENTO	30-Apr-03	20	20	236(j)(1)
CASA DE ANGELO	3151 NORTE DAME DR APT 7	SACRAMENTO	30-Sep-02	100	100	
COLLEGE GARDENS	7761 COLLEGE TOWN DR	SACRAMENTO	30-Jun-02	100	39	236(j)(1)
COLOMA WOODS	2300 HEATHER GLEN LN	RANCHO CORDOVA	31-Dec-02	29	28	221(d)(4)MKT
EMPIRE VILLAGE	254 PALIN AVENUE, #5	GALT	02-Aug-05	54	54	231
FORREST PALMS SENIORS CENTER	1825 EL MONTE AVE	SACRAMENTO	31-Aug-05	40	39	221(d)(4)MKT
GRAND AVE VILLA	3740 MAY ST	SACRAMENTO	30-Jun-02	18	18	
Meadowview Rivera	1454 MEADOWVIEW RD	SACRAMENTO	01-Aug-02	96	96	
Northland Village	370 MORRISON AVE	SACRAMENTO	30-Sep-02	44	44	
Park Place	1230 N ST	SACRAMENTO	30-Sep-02	154	143	223(d)/221BMIR223(e)
PIONEER TOWERS II	515 P ST	SACRAMENTO	08-Feb-03	198	100	231
SHERWOOD COURT	1218 D ST	SACRAMENTO	31-May-03	14	14	236(j)(1)
SHILOH ARMS	4009 23RD AVE	SACRAMENTO	30-Sep-05	106	106	236(j)(1)
SIERRA SUNRISE	4525 MANZANITA AVE	CARMICHAEL	31-Dec-05	116	114	207
SKY PARKWAY TERRACE	5414 SKY PKWY	SACRAMENTO	30-Sep-02	59	58	221(d)(4)MKT
SOUTHCREST APARTMENTS	7390 24TH ST	SACRAMENTO	30-Sep-06	30	30	221(d)(4)MKT
Sunrise Meadows	11020 COLOMA RD	RANCHO CORDOVA	31-Dec-02	95	44	
Tamarron Ranch	2055-A W EL CAMINO AVE	SACRAMENTO	18-Dec-03	128	26	
VICTORIA APARTMENTS	1307 F ST	SACRAMENTO	31-May-03	10	10	221(d)(4)MKT
WASHINGTON SQUARE III	410 10TH ST	SACRAMENTO	31-May-03	40	40	236(j)(1)
Willow Tree Apartments	4300 NORWOOD	SACRAMENTO	31-May-03	108	108	236(j)(1)
Total	23 projects			1699	1370	

* List generated from HUD Real Estate Management System filtering out projects that have Section 8 contracts that expire after 1/1/06, 202 or 811 projects, projects with no Section 8 Contract and an FHA loan with no affordability restrictions, cooperative

** Please note that every owner has the right to renew his/her Section 8 contract upon its expiration on a yearly basis. Most owners choose to renew their contracts, some owners do not. It is the projects whose owners do not renew that are at-risk of conv

As stated previously, multifamily property owners with Section 8 contracts have a variety of FHA-insured loans. These include: Section 202 – Elderly and Disabled Housing with Section 8 assistance; Section 213 – Cooperative housing; Section 221(d)(3) – Low/Moderate Income Housing with limited distributions and below-market interest rates; Section 221(d)(4) - Moderate Income Housing (usually for-profit owners); Section 223 – various refinancing programs; Section 231 – Elderly Housing; and Section 236 – Interest Reduction Program

One City of Sacramento project with an FHA-insured loan without a Section 8 contract has prepaid: College Gardens II. College Gardens prepaid its mortgage in 1992, and eligible tenants received preservation vouchers (Table 8-2). In 1999, the new owner sold the complex to a nonprofit housing corporation that received 501©(3) bonds, which restricts at least 20 percent of the units to households below 50 percent of area median income. A second FHA-insured project without Section 8 – Cosumnes River Apartments – extended its regulatory agreement ten years, to 2014.

The vast majority of FHA-insured multifamily projects have Section 8 contracts. As Table 8.1 demonstrates, many Section 8 assisted projects also low-interest financing or mortgage insurance under HUD's Section 236 and Section 221(d)(3) Below-Market Interest Rate (BMIR) programs, resulting in loans ranging from 1 percent to 3 percent interest. Tenants in these projects benefited from the interest rate subsidies that provided lower rents, based on the owner's operations' costs and debt service. In many instances, HUD added Section 8 assistance to provide deeper subsidies and increase the project's income to remedy operating shortfalls. A few Sec. 236 and 221(d)(3) projects in Sacramento received "Flexible Subsidy" funds for rehabilitation; restrictions on prepayment were more significant in these cases, although possible if the new owner continued deep affordability restrictions after the mortgage prepayment, as was the case of Kennedy Estates, which is described below.

HUD also provided project-based Section 8 assistance to many private owners through the FHA Section 221(d)(4) mortgage insurance program, which unlike the insurance programs mentioned above, did not carry below market interest rates. The balance of project-based Section 8 assistance was provided through state housing finance agencies.

An owner's decision to prepay an FHA-insured mortgage is independent of his decision to terminate the Section 8 contract, and HUD treats them as separate issues. However, most of owners' decisions are made together – to prepay the mortgage and opt out of the Section 8 contract. The owner may also decide to continue renting to Section 8 tenants, or may refuse to participate in the Section 8 program.

Table 8-2
CHANGE IN STATUS: HUD ASSISTED PROJECTS
CITY OF SACRAMENTO

Name	Address	Location	Zip	Type *	Total Units	# of Section 8 Units	Residents Leased in Place	Residents w/Vouchers Who Moved	Affordability Maintained (5)
17th-V Street Apartments	1708 V Street	Sacramento	95818	PR/O	16	16	14	1	Sec. 8 Vouchers
Broadway Gardens Duplex	3018 53rd Street	Sacramento	95820	Opt	16	4	Completed		Sec. 8 Vouchers
Cascade Apartments	7600 Fruitridge Road	Sacramento	95820	Opt	74	73	73		Section 8 Maintained & Tax Credit Allocation
College Gardens II (2)	7901 La Riviera Drive	Sacramento	95826	PR	198	0	71	21	Nonprofit Bond
Cosumnes River	8180 Center Parkway	Sacramento	95823	PR	84	0	57		SB439 - 30% at 60% AMI
Countrywood Village	5700 Mack Road	Sacramento	95823	Opt	124	27	18	3 leasing on-going	Sec. 8 Vouchers
Countrywood Village East	5500 Mack Road	Sacramento	95823	Opt	168	34			Section 8 Maintained/MRB
Discovery Park (1-3)	2025 W. El Camino Ave	Sacramento	95833	Opt	566	103	20	64	Sec. 8 Vouchers
Fairview Apartments	2115 Wyda Way	Sacramento	95825	Opt	4		Completed		Sec. 8 Vouchers
Foothill Plaza		Sacramento		PP	76	0	60		SB439 - 30% at 60% AMI
Florin Meadows I and II	7301 29th Street	Sacramento	95822	120	244	244	244	Project-based	Section 8 Maintained/MRB
Greenfair Towers I and II	701 Fairgrounds Drive	Sacramento	95817	PR/O	331	331	331	Project-based	Section 8 Maintained/MRB
Greenfair Complex (cw & bc)	Fairgrounds Drive	Sacramento	95817	PR/O	52	52	52	Project-based	Section 8 Maintained/MRB
Piedmont Arms	2556 27th Street	Sacramento	95818	PR/O	11	11	11	0	Sec. 8 Vouchers
Ping Yuen Center (3)	915 4th Street	Sacramento	95814	Repl.	72	54	vacated	54 Sec.8/Pub Hsg.	Replaced Hsg. Currently Vacant
Ralph Kennedy Estates (4)	6531 Elder Creek Road	Sacramento	95824	Flex	100	100	100	100 Sec.8/Pub.Hsg.	Tax Credit/PH Project-Based Section 8
River Garden Estates (1) aka American Ri	2223 Northview Drive	Sacramento	95833	LM	124	25	8	9	Tax Credit/S.8
Sun Garden	6248 Lemon Hill Ave.	Sacramento	95824	Opt	144	144	127	4	MRB/Sec.8 Vouchers
Whispering Pines AKA Meadowview	7610 Amherst Street	Sacramento	95832	PR/O	96	96	96		Section 8 Maintained/Tax Credit
Washington Square 1&11	813/815 E Street	Sacramento	95814	PR/O	103	103	77	9	Section 8 Maintained
Total	14 projects				2,603	1,417	1359		

(1) HUD - foreclosed property, sold to nonprofit; Sec. 8 loan management setaside. All units have affordability restrictions for 55 years.

(2) Two conversions: 1) owner prepaid, vouchers given - Many tenants over-income; 2) sold to nonprofit in 501©(3) bond sale; 30-year affordability restrictions

(3) Property vacated for building system failure, units to be replaced. Tenants relocated with Sec. 8 or public housing

(4) Property sold to nonprofit for rehab; tenants relocated with Sec. 8 or public housing; Sec. 8 from Flexible Subsidy. All units have affordability restrictions for 55 years.

(5) Tax credit developments have affordability restrictions for 55 years; mortgage revenue bond (MRB) projects have, at a minimum, affordability restrictions for 30 years.

*PR = Owner prepaid HUD-insured mortgage.

Opt = Owner terminated expiring Section 8 contract.

PR/O = Property opted out of the Section 8 program and prepaid a HUD-insured loan.

01/02/2002

8.3 RISK ASSESSMENT ANALYSIS

In order to forecast which assisted housing developments are the most likely to discontinue their affordability agreements, it is helpful to review recent conversion activity.

Whispering Pines is a 96-unit apartment with 100% project-based Section 8 assistance. It had been financed with an FHA-insured Section 236 mortgage. The project's continued affordability was achieved through the sale to a nonprofit corporation (Asociacion Campesina Lazaro Cardenas, ACLC), which maintained project-based assistance, achieved the difficult Section 236 de-coupling of the interest reduction program, obtained Low Income Housing Tax Credits, and secured an SHRA loan of \$790,000. The period of affordability is 55 years.

Florin Meadows is a recent opt-out project where affordability was preserved. A 244-unit project with 100% project-based Section 8, it was purchased by a for-profit developer. Mortgage revenue bonds with low-income housing tax credits and a \$1.2 million SHRA loan from its federal HOME funds were used to finance the purchase and rehabilitation of the project.

American River Village (HUD foreclosure) originally contained 25 Section 8-assisted units in the 124-unit project, although at the time of sale many units were vacant and some were not habitable. A nonprofit housing development corporation, the Sacramento Mutual Housing Association, purchased the property, substantially rehabilitated it, and preserved its affordability for 55 years through the Low Income Housing Tax Credit program and SHRA loans. The total development cost was \$9.2 million, with \$980,000 in SHRA assistance. The development accepts Section 8 tenants.

Sun Garden was a 150-unit Section 8-assisted, Section 236 insured development. A for-profit developer with a nonprofit managing general partner rehabilitated the units, discontinued Section 8 project-based subsidies, but accepted the tenant-based vouchers issued to the tenants. The project was financed with tax-exempt mortgage revenue bonds and 4 percent Low Income Housing Tax Credits. The affordability period is 30 years.

Ralph Kennedy Estates had been purchased by the City Housing Authority out of a HUD foreclosure in 1978 and subsequently received a Flexible Subsidy grant for rehabilitation. Its loan was a Section 236. In 1996, the project was sold to Rural California Housing Corporation, a nonprofit housing corporation with the condition that it perform substantial rehabilitation on the failing building systems. The project is maintaining very low rents for 55 years as a result of financing through the Low Income Housing Tax Credit program and SHRA assistance. The total development cost was \$6.16 million, with \$1.25 million in SHRA assistance. The development accepts Section 8 tenants.

This recent conversion experience gives some indication of predictors, if the initial HUD-foreclosed properties are not considered. The balance of the projects had contract rents below FMRs (market), they were owned by for-profit firms, and their Section 8 contract terms were expiring in less than 5 years.

Given these factors, projects at high risk of conversion are projected to be:

- Projects that do not have federal use restrictions prohibiting their termination of Section 8 or early prepayment of their FHA-insured mortgages
- Contract rent below 100 percent of FMR
- For-profit owners
- Section 8 contract expiring in less than 5 years
- Location in high demand area (downtown Sacramento, South Natomas, Greenhaven, East

Sacramento)

- It is assumed that these developments would have more to gain from market appreciation on unregulated units than they would under HUD's new Mark-up-to-Market incentives to remain with the Section 8 program and receive true market or above-market rents. The economic recovery beginning in 1998 accelerated rents and provided incentives for sale.

Low risk developments would be characterized by:

- Projects that do not have federal use restrictions prohibiting their termination of Section 8 and/or early prepayment of their FHA-insured mortgage.
- Contract rents above 120 percent FMR
- Section 8 contracts expiring in more than 5 years
- Nonprofit ownership, coupled with senior housing
- It is assumed that there would be difficulty to obtain above-market rents without Section 8 and subsidized debt on these 20+ year old properties; developments with nonprofit owners could be challenged as to their mission and disposition of proceeds; and displacing low- and very low senior citizens, even with Section 8 vouchers, would be highly unpopular.

Developments at moderate risk of prepayment and Section 8 termination would by definition fall between these two assessments, and are the most difficult to predict. The extended economic recovery that has produced significant rent increases in many Sacramento neighborhoods is probably the most powerful reason for sale. With these disclaimers, the moderate risk developments may be characterized by:

- Contract rents under 120 percent FMR
- For profit owners
- Section 8 contracts expiring in less than 5 years
- Location outside of existing high demand areas (where trends toward higher rents and lower vacancies have already taken place)
- Condition of property

Tax-Exempt Mortgage Revenue Bonds

Tax-exempt mortgage revenue bonds for multifamily housing were a popular vehicle for financing mixed-income and affordable housing developments in the 1980s. Their regulatory agreements extended for 10 or 15 years, fewer years than the longest bond maturity. Issued by the housing authority, the interest on the bonds is not subject to federal or state taxation; the consequent below market cost of funds creates below-market interest rate mortgages. In consideration of that subsidy, a minimum of 20 percent of the units are set aside for rental to households at 50 percent of the median income. (IRS allows either the 20 percent set aside or 40 percent of the units to be rented to and occupied by persons earning 60 percent of the area median income, but Sacramento has chosen the deeper affordability choice.)

In the mid-1990s, developers began using mortgage revenue bonds with the four percent Low Income Housing Tax Credit (LIHTC) program, generally restricting 100 percent of their units to 50 and 60 percent of area median income. These combined financing tools were used to purchase HUD opt out projects, rehabilitate them and maintain their affordability through other subsidies than project-based Section 8. Tenants in these opt-out projects were given vouchers which they could continue to use at the site or elsewhere. Florin Meadows is an example of the use of this financing for Section 8 expiring use projects.

As shown in Table 8-3, seven of the eighteen mortgage revenue bond projects in the City of Sacramento have had expiring regulatory agreements and were refunded to preserve affordability. Four obtained technical amendments, generally to substitute and strengthen credit enhancement. In all bond refunding, the Agency requires rehabilitation that affects the health and safety of tenants, deepens the affordability requirements to reach very low-income tenants, and/or requires that rents be restricted in addition to household income. In addition, the Agency requires that the regulatory agreement stay in place as long as the bonds are outstanding.

Changes in the procedures of the California Debt Limit Allocation Committee (CDLAC) have also assisted in extending the affordability of the projects. In the competitive allocation system, projects with 30-year to 55-year regulatory agreements now receive higher priority.

As Table 8-3 indicates, regulatory agreements on four Sacramento City bond projects expire before 2007. The Agency aggressively encourages bond refunding and offers local financing to meet rehabilitation needs.

It also encourages the use of new mortgage revenue bonds with or without the four percent Low Income Housing Tax Credit program.

**Table 8.3
MULTIFAMILY MORTGAGE REVENUE BONDS
CITY OF SACRAMENTO**

Name	Address	# Total Units	Restricted Units	Issued/Refunded Date	Expiration Date
Ashford Park	132 Fountain Oaks Circle	279	56	12/1/96 & 7/21/99	2007
California Place	6633 Valley High Drive	211	106	Amended Only	2122
Creekside	6465 Village Centre Drive	296	60	Amended Only	2000
Grouse Run	7413 South Land Park Drive	246	49	6/1/90	2000
Rancho Natomas	751 San Juan Road	337	68	Amended Only	2004
River Point I	2361 Oak Harbor Drive	356	72	1999	2014
River Point II	2361 Harbor Drive	356	72	1999	2014
River Terrace	2592 Millcreek Road	346	70	12/1/96 & 7/21/99	2002
Smoke Tree	3334 Smoke Tree Drive	520	105	9/1/94	2000
Stone Creek	2645 Stone Creek Drive	368	74	11/1/97	2007
Sun Garden Plaza	6248 Lemon Hill Avenue	150	150	1998	2013
The Villas @ La Riviera	7901 La Riviera Drive	199	40	1998	2029
Woodbridge	2028 San Juan Road	301	61	Amended Only	2004
Terracina Gold, Village 2	000 Del Paso Road	96	96	2000	2030
Countrywood Village	5500 Mack Road	292	292	2000	2055
Florin Meadows	7301 29th Street	244	244	2001	2056
Greenfair Towers and Garden Apartments	702 Fairgrounds Drive	386	386	1999	2054
Park City Apartments	3310 Winter Park Drive	384	77	1996	2006

8.4 COST ANALYSIS

State law requires that a cost analysis be shown comparing the cost of replacing opt out and prepayment units with the cost of replacing the lost subsidy. If all assisted housing developments would opt out of their affordability requirements, an estimated physical cost of replacement housing would be \$120 million (1,370 units @ 700 square feet average @ \$125/square foot construction cost). The cost of the lost subsidy could roughly be estimated by assuming that if Section 8 assistance contributes an average of \$200/month per household (1,370 households) toward rent, then the direct cost of the lost subsidy is \$3,288,000 annually.

The substitution of tenant-based vouchers for project-based assistance reduces the cost of the lost subsidy, but the two subsidy programs are difficult to compare because of vouchers' dependence on unit availability and annual Congressional appropriations.

8.5 RESOURCES FOR PRESERVATION

SHRA's preservation program consists of the following five elements:

- Notification to owners of their notice and priority purchase requirements under state and federal law
- Local gap financing to achieve feasibility
- Participation in HUD's Interest Rate Reduction assumption program
- Tenant education and training contract with Human Rights/Fair Housing
- Administration of Housing Choice Vouchers
- Assistance with local project-based voucher program
- Use of companion federal and state programs for preservation
- Issuance of tax-exempt mortgage revenue bonds

Communication with owners is an important part of the opt-out process. SHRA encourages use of SHRA resources for preservation, and provides information on the process for awarding vouchers to eligible tenants.

SHRA continues to award grants to nonprofit corporations to provide assistance to tenants as they changed from different forms of subsidized housing to Housing Choice Vouchers. The Human Rights/Fair Housing Commission of Sacramento has carried out these education activities under contract to SHRA.

The leading local nonprofit housing corporations with the experience and ability to acquire and manage opt-out projects are as follows:

Asociacion Campesina Lazarus Cardenas
Communities Housing Opportunities Corporation
Eskaton
Mercy Charities Housing California/Rural California Housing Corporation (recently merged)
Nehemiah Progressive Housing Corporation
Pacific Housing
Sacramento Mutual Housing Association
Sacramento Valley Organizing Community
Volunteers of America

With regard to flexible loan programs, SHRA assumes the regulatory responsibility of HUD's below market interest rate loans (IRP) and Section 8 contract administration to facilitate the purchase of opt-out projects by nonprofit corporations. The agency accepts applications for gap financing bimonthly for HOME Investment Partnership Program funding, local Housing Trust Funds, and tax increment funds. Priority is given to the acquisition and rehabilitation of housing, which includes all preservation projects. Any nonprofit or for-profit developer is encouraged to submit applications.

Federal Home Investment Partnership Funds (HOME), which the City receives approximately \$3 million annually, are the most useful for preservation projects and priority in their use has been designated for acquisition and rehabilitation projects. City Housing Trust Funds, which depending on the economic climate generate from \$500,000 to \$1million in revenue annually, require "net new units," and are therefore not applicable for most opt-out projects, which are occupied housing. Redevelopment area tax increment

housing setaside funds are targeted to the redevelopment area that generated them, and are used to increase and improve the housing that serves the redevelopment area. Funding the purchase of opt-out projects is an eligible use of these housing funds, and they have been used for such purchases. The total amount of housing setaside funds varies by redevelopment area; estimates are listed in Chapter 9.

Tax-exempt mortgage revenue bonds with and without Low Income Housing Tax Credits have been the primary means by which opt out projects have been acquired, rehabilitated, and preserved as affordable housing in the City and County of Sacramento. SHRA loans often finance the gap in feasibility and ensure that an adequate level of rehabilitation is obtained.

SHRA will participate with the California Housing Finance Agency in the new HUD financial restructuring programs adopted by Congress for project-based Section 8 developments as well as with the State Department of Housing and Community Development in the incentive financing it provides for the preservation of affordable housing. SHRA is also considering acquisition of expiring use projects for its own account in the event that local nonprofit corporations do not actively pursue these developments.

8.6 QUANTIFIED OBJECTIVES

The goal of the city’s preservation policy is to maintain an adequate supply of affordable housing. This goal pertains not only to the existing inventory of regulated units subject to expiring use, but also to the number of apartments in the private sector that accept Housing Choice Vouchers. Given an open sales process and the availability of bridge loan financing, a number of financing methods, generally in combination, can achieve long-term affordability. These sources are tax-exempt bond financing and equity raised through the four percent Low Income Housing Tax Credit program, the use of nine percent tax credits, local subsidies in the form of deferred payment low-interest loans, and use of State resources from the California Housing Finance Agency and the Department of Housing and Community Development. In addition, HUD’s mark-to-market and mark-up-to-market programs, when operational, should increase incentives for existing owners to continue operating their developments as affordable housing.

The impact of the state’s new noticing requirements is not fully known. For the larger opt-out projects with project-based Section 8, both the agency and affordable housing developers will work in concert to purchase them, using the state’s new noticing and right of refusal requirements. Nevertheless, given the past two years’ rate of conversions and acceptance of Section 8 on site, it is reasonable to assume that annually at least 100 units will opt to stay in the subsidy program and 100 units will be sold to owners who will maintain the affordable rents through a variety of subsidy programs mentioned above (Table 8-4) . Of the estimated 100 units whose owners decide not to renew their Section 8 contracts, 85 percent of the residents will receive Section 8 certificates or vouchers, the great majority of them, estimated at 75 percent, being used on site.

Extend affordability contract:	250 units
Sell but remain affordable	300 units (potential nonprofit purchase)
Convert to market rate	100 units, 85 % tenants assisted

9. LOW AND MODERATE INCOME HOUSING

The City of Sacramento, through the Sacramento Housing and Redevelopment Agency, actively supports the new construction and rehabilitation of affordable housing and the revitalization of lower income neighborhoods through the loan and grant programs that SHRA administers for the city. The primary funding sources discussed in this chapter are 1) redevelopment tax increment setaside funds; 2) local Housing Trust Funds; 3) federal Home Investment Partnership (HOME) and Community Development Block Grant (CDBG) funds; 4) the Housing Choice Voucher (formerly Section 8) and public housing programs; and 5) tax-exempt mortgage revenue bonds.

9.1 REDEVELOPMENT AREA TAX INCREMENT REVENUES

Redevelopment is one of the most powerful tools available to local governments to generate new investment in deteriorated areas plagued by a variety of physical, economic and environmental problems. The financial mechanism is tax increment – the increase in property tax revenue over the base year when the redevelopment area was adopted. After payments to local taxing agencies, the redevelopment agency uses the balance of tax increment financing to create jobs and housing, invest in commercial or manufacturing enterprises, rebuild or install infrastructure, clean up contaminated sites, and make other related investments.

State law requires redevelopment agencies to set aside a minimum of twenty (20) percent of tax increment annually to be used for housing very low-, low- and moderate-income people. This fund is referred to interchangeably as the “low/mod” fund, “housing setaside,” or “20 percent setaside.” These housing funds are the only redevelopment funds that may be used outside a redevelopment area that generated it, if a finding of benefit is made that the expenditure benefits the redevelopment area. The balance of tax increment funding is used for commercial and capital investments.

In recent years, tax increment generated from redevelopment areas has been one of the city’s major revenue sources to increase the supply of housing for lower income people. Proceeds from tax allocation bond sales, loan repayments, and certificates of participation as well as other contributions augment the city’s low and moderate-income housing fund. HOME, CDBG, and housing trust funds all are used in redevelopment areas for housing purposes that will benefit the area, as well as citywide.

Redevelopment Areas

Prior to 1960, the city had four designated redevelopment areas: Alkali Flat, Del Paso Heights, Oak Park, and the Merged Downtown Sacramento Redevelopment Area (combining the waterfront area, K Street, and other small adjacent areas). Twenty years passed before a new wave of areas was adopted: North Sacramento, Richards/Railyards, Auburn, Franklin, and Stockton boulevards. Auburn, Franklin, and Stockton redevelopment areas are located in the city and the county. These areas centered on commercial corridors that had suffered from shifting transportation patterns, leaving once vital streets isolated from traffic flow and cut off from commercial interest.

A third wave of redevelopment area adoptions responded to changes in national defense policies which closed the Army Depot, and Mather and McClellan Air Force bases, leaving large underutilized areas of land with obsolete buildings and infrastructure. The Mather and McClellan redevelopment areas, which are now merged, are located solely in the county,

although tax increment from McClellan will be invested in the city neighborhood of Parker Homes, which once provided housing for air base personnel. Most recently, Northgate Boulevard has been recommended as a redevelopment area with potential final approval forthcoming in May 2003.

9.2 HOUSING SETASIDE FUNDS

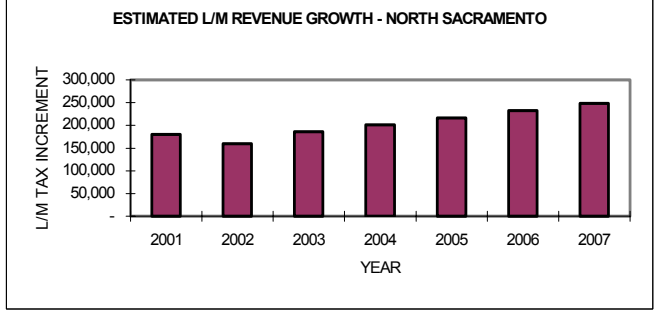
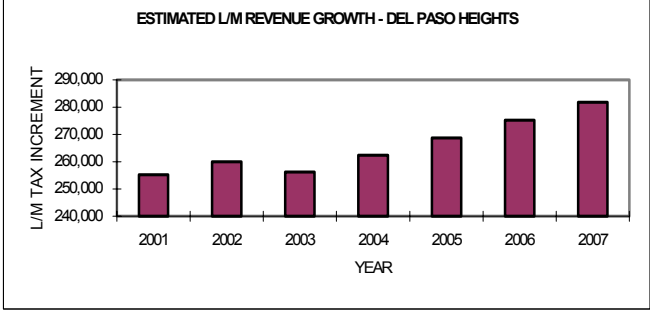
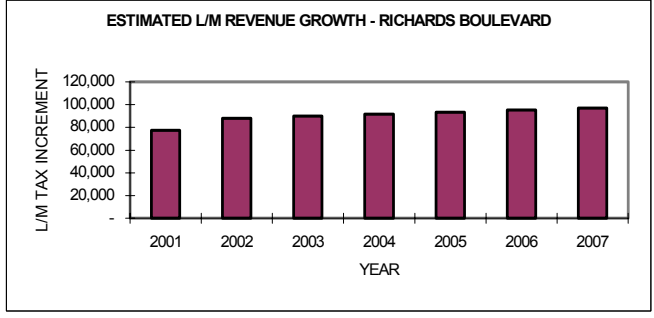
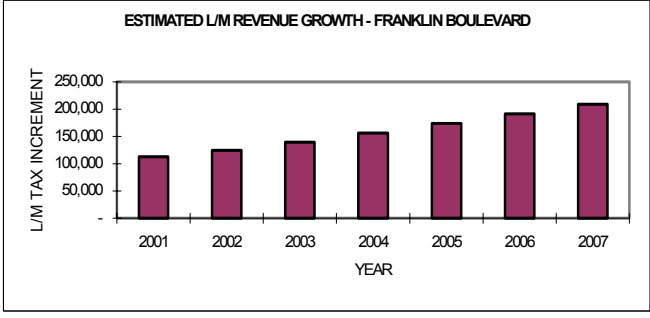
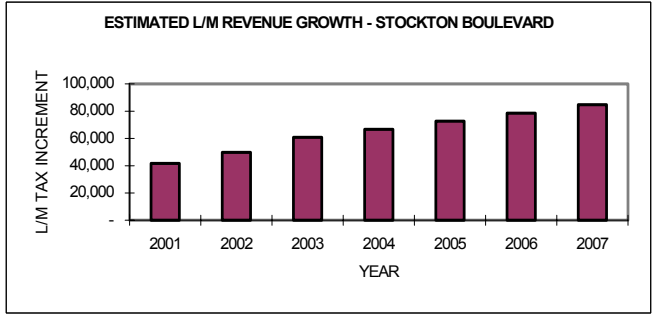
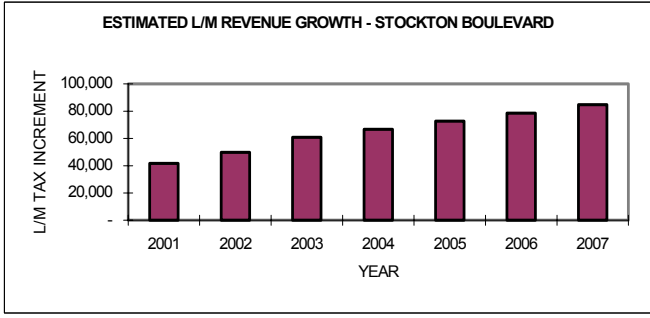
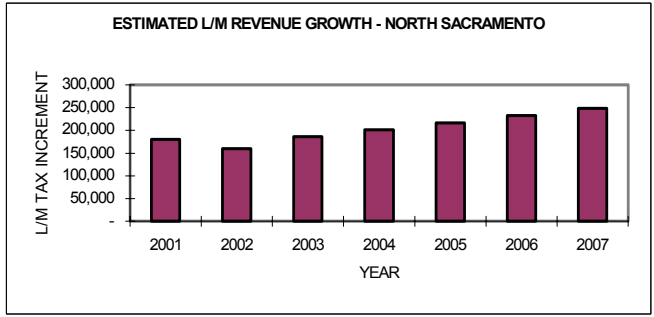
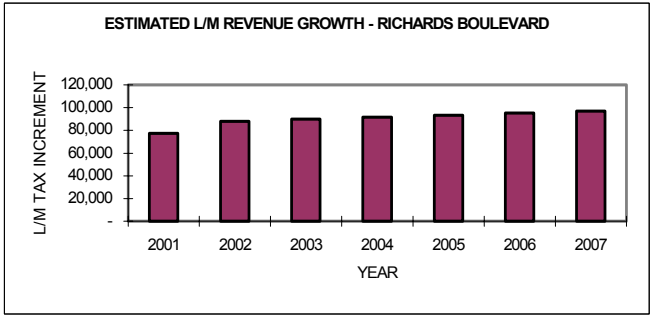
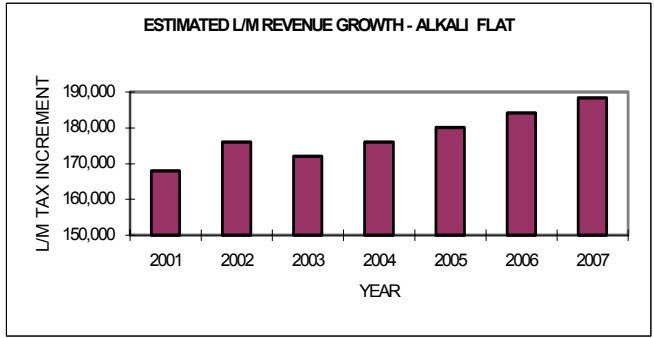
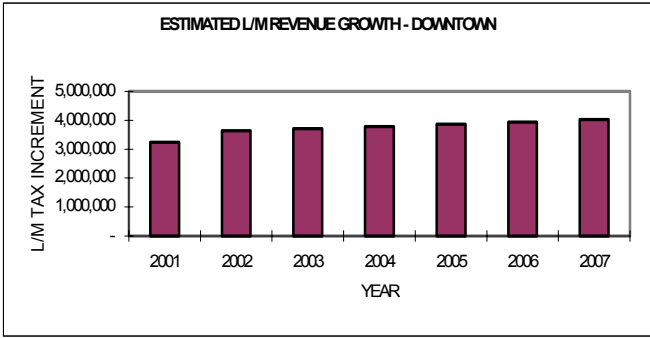
Revenues

Tax increment gross revenues increased from \$2,957,785 in 1989 to an estimated \$4,503,014 in 2001. Revenues did not increase every year; decreases in revenue marked the mid-1990s as the result of property devaluations and reassessments that occurred as a result of the recession. The greatest generator of tax increment is the Merged Downtown Sacramento Redevelopment Area, coterminous with the central business district.

Table 9-1 and its related figures estimates gross housing setaside revenues for the city's redevelopment areas from 2001 - 2007.

**TABLE 9-1
ESTIMATED GROSS REVENUES FOR HOUSING SETASIDE FUNDS, 2001-2007**

REDEVELOPMENT AREA	2001	2002	2003	2004	2005	2006	2007
DOWNTOWN	3,240,000	3,640,000	3,712,800	3,787,056	3,862,797	3,940,053	4,018,854
ALKALI FLAT	167,960	176,000	171,997	175,981	180,044	184,189	188,416
DEL PASO HEIGHTS	255,150	260,000	256,257	262,464	268,796	275,254	281,842
OAK PARK	382,644	390,000	376,749	386,696	396,843	407,193	417,750
FRANKLIN BOULEVARD	112,896	125,000	139,408	156,370	173,670	191,316	209,316
STOCKTON BOULEVARD	41,600	50,000	60,732	66,647	72,632	78,689	84,819
AUBURN BOULEVARD	1,264	100	5,035	7,591	10,198	12,858	15,571
RICHARDS BOULEVARD	77,500	88,000	89,760	91,555	93,386	95,254	97,159
ARMY DEPOT	44,000	4,000	12,266	20,568	29,036	37,673	46,482
NORTH SACRAMENTO	180,000	160,000	185,508	200,842	216,482	232,435	248,707
TOTAL	4,503,014	4,893,100	5,010,512	5,155,770	5,303,884	5,454,914	5,608,916



In addition to the housing setaside funds, the redevelopment agency has augmented the city's low and moderate income housing fund revenues with interest accruals, annual adjustments, and loan repayments. The most significant deposits to the fund are bond proceeds and Certificates of Participation. Bond proceed deposits have steadily surpassed the tax increment setaside amounts in the low/mod funds.

Expenditures

As shown in Table 9-2, the city's housing setaside fund balance varied according to bond sales. In this chart, the uses of the 1990 redevelopment offering spanned a number of years, due to the complexity of raising the subsidies needed for low-income housing. The majority of expenditures, as described in the narrative below, involved housing loans and grants, debt service, and administrative costs. Proceeds from the 1998 tax allocation bond sale and refunding are shown as revenues for 1998, followed by an elevated increase in expenditures.

**TABLE 9-2:
LOW AND MODERATE INCOME HOUSING FUND EXPENDITURES FROM 1994-2000**

	1994	1995	1996	1997	1998	1999	2000
REVENUE	9,312,000	12,530,000	5,508,000	5,525,000	20,256,000	17,361,054	9,217,966
EXPENDITURE	11,534,000	10,826,000	6,805,000	7,547,000	12,858,000	11,166,106	8,956,137
CASH BALANCE	10,444,000	12,148,000	10,851,000	8,829,000	16,227,000	22,421,948	22,683,777

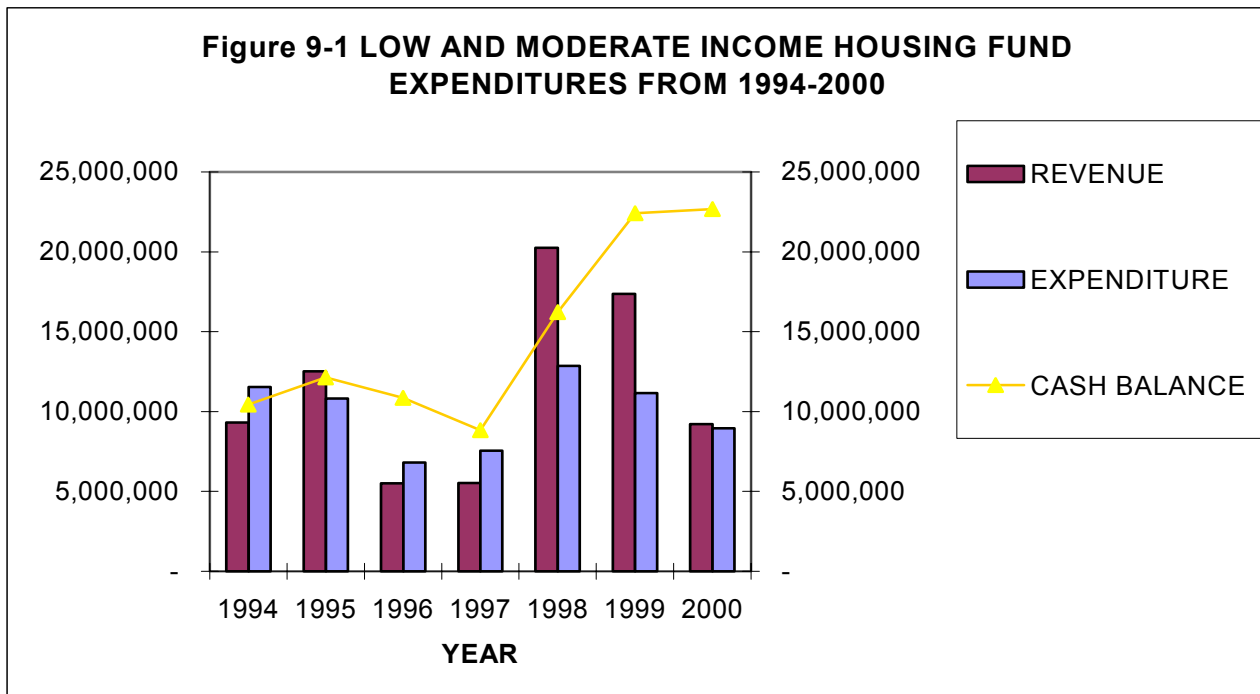


Table 9-3 lists housing fund expenditures by redevelopment area. The 1999 tax allocation bond sales increased the long-term debt service payments in the Downtown, Oak Park, Richards Boulevard, and Del Paso Heights redevelopment areas.

**TABLE 9-3
LOW AND MODERATE INCOME HOUSING FUND EXPENDITURES BY REDEVELOPMENT
AREA IN 2000**

REDEVELOPMENT AREA	PROGRAM SUBSIDIES	DEBT PROCEEDS	DEBT SERVICE	ADMIN.	TOTAL
DOWNTOWN	4,152,828.00		2,040,233.00	552,439.00	6,745,500.00
ALKALI FLAT	43,648.00		192,147.00	35,090.00	270,885.00
DEL PASO HEIGHTS	138,157.00		193,900.00	226,313.00	558,370.00
OAK PARK	375,480.00		301,900.00	193,843.00	871,223.00
FRANKLIN BOULEVARD	65,481.00			27,468.00	92,949.00
STOCKTON BOULEVARD	1,036.00			766.00	1,802.00
AUBURN BOULEVARD	496.00			44.00	540.00
RICHARDS BOULEVARD	742.00		90,802.00	1,886.00	93,430.00
ARMY DEPOT	152,667.00			27,013.00	179,680.00
NORTH SACRAMENTO	4,751.00		92,500.00	44,507.00	141,758.00
TOTAL	4,935,286.00	-	2,911,482.00	1,109,369.00	8,956,137.00

9.3 HOUSING PROGRAM ACTIVITY

Merged Downtown Redevelopment Area

Since 1989, the preponderance of downtown housing setaside funds were used to house very low-income people. Tax increment funds supported the last new construction of scattered site public housing, the development of Riverview Plaza (mixed-use senior housing), the acquisition and rehabilitation of the Shasta and Argus residential hotels (AKA single room occupancy, or SRO, hotels), rehabilitation of five other downtown SROs, and the new construction of two new residential hotels – the 60-unit Terraces and the 137-unit Pensione K, which included 8 live-work units. In addition, \$1.6 million annually is transferred to the county Department of Human Assistance to support housing programs for the homeless.

These tax increment housing funds have been a source of rehabilitation financing in the central city, since the housing supply in the district is very limited. The acquisition and rehabilitation of boarded and vacant properties has been a cost-effective way to bring new regulated units on line that have been rehabilitated for long-term occupancy for low- and moderate-income homeowners. The purchase of two boarded apartment complexes and their subsequent rehabilitation produced the Norwood Avenue Family Housing Demonstration project, with State of California, CDBG, and tax increment funding. Other examples of the use of housing setaside funds may be seen in the Sacramento Mutual housing Association's purchase of American River Village, a HUD-foreclosed multifamily property with 3-, 4-, and 5-bedroom units, and numerous smaller property rehabilitations in Southside Park and the central city, many of them through the Fainted Ladies program for historic residential properties.

Nine new construction projects were also financed with downtown housing setaside funds from 1993 through 2001: River City CoHousing in Southside Park, Metro Square Homes in midtown Sacramento, the Fremont Building (a mixed-use, mixed-income rental development), and homeownership projects at Capitol Park Homes, 6th and S, 4th and T, and 10th and T.

The 1990 tax allocation bond sale resulted in \$6 million allocated to housing development downtown. With these funds, the Agency issued a Notice of Funding Availability (NOFA) for mixed-income housing and added \$2 million in local Housing Trust Funds to be able to fund residential projects to sustain the revitalization of downtown. Private investment in these developments demonstrated a landmark change in residential financing based on the recognition of a strong market for quality residential buildings downtown. The 152-unit mixed-income, mixed-use development at 18th and L Streets will be the first development financed through this NOFA in 2002.

The CAL-PERS headquarters development on R Street will begin its housing component in 2003. It will anchor residential use in the southwest corner of the downtown redevelopment area and contribute to the implementation of the R Street Corridor Specific Plan.

Alkali Flat Redevelopment Area

Housing setaside funds rehabilitated two residential mixed-use buildings on 12th Street, financed a historic 8-unit multifamily property, moved two boarded and vacant historic properties to Alkali Flat, a preservation area, where they were rehabilitated, and financed the new construction of ten townhomes for the neighborhood's first homeownership development in 15 years. Tax increments also funded exterior painting of 11 residences, provided housing grants to very low-income homeowners for emergency repairs and retrofitting for handicapped accessibility, and funded the rehabilitation of rental and ownership property.

SHRA is currently in the process of acquiring the Globe Mills site, an abandoned, vandalized and seriously deteriorated complex, at the gateway to downtown Sacramento. It anticipates issuing a request for proposals for a mixed-use development in 2002.

Del Paso Heights Redevelopment Area

In 1997, the Del Paso Heights redevelopment area was awarded a \$5 million grant, matched with \$5.5 million in loan authority through Section 108 of the Community Development Block Grant program, to develop a new town in the southwestern corner of the area. Del Paso Nuevo will be a 154-acre master planned community, creating a sustainable home ownership neighborhood with parks, public facilities, and neighborhood services. Construction on significant infrastructure improvements from roads to drainage systems began in October 1998. The backbone infrastructure for the first phase of housing was completed in early 2001, followed immediately by the construction of the first 54 homes. Three model homes opened in fall 2001, and the first families occupied these homes in December 2001. Property acquisition for the next phase of homes (23) is underway. In 1999, a bond sale resulted in an additional \$2 million for housing in the Del Paso Heights project area and Del Paso Nuevo.

The Agency also financed the demolition and reconstruction of housing on Norwood Avenue, the units becoming part of the adjacent Sacramento Mutual Housing Association's development. The Agency continues to work with Habitat for Humanity to develop infill housing on scattered sites.

Oak Park Redevelopment Area

Oak Park Renaissance is a comprehensive revitalization effort based on the study of over 400 parcels in a compact section of the redevelopment area where boarded homes and vacant parcels are disproportionately high. The agency is developing an overall masterplan for infrastructure and housing improvements that will result in the renovation of existing housing and expanded opportunities for infill single family development. Oak Park's 1999 tax allocation bond will be one of the primary funding sources for the project.

Housing setaside funds have been used to support First Time Homebuyer and rehabilitation programs, including SHRA's acquisition of a troubled apartment building that it rehabilitated as public housing. Over the past 5 years, housing setaside funds have brought 84 new low- and very low-income homeowners to Oak Park through the use of loans for First Time Homebuyer downpayments and closing costs.

Sacramento Neighborhood Housing Services (SNHS), recently certified by the U. S. Treasury as a certified Community Development Financial Institution (CDFI), whose purpose is to expand the availability of credit, investment capital, and financial services in distressed areas. Housing setaside funds will be used to match the private capital raised by SNHS, creating a \$300,000 fund to upgrade the housing stock and increase homeownership in the Oak Park redevelopment area.

The agency has entered into a development agreement with Kynship Development/St. Hope Development Company to restore the Woodruff Hotel, Guild Theatre and a residential Victorian structure in the heart of Oak Park's historic commercial district. Kynship/St. Hope will redevelop the Woodruff/Guild into an entertainment, retail and residential complex. The Woodruff will be converted into 12 apartments and its historic architecture maintained. SHRA's contribution in bridge and construction financing for the mixed-use complex is \$2.5 million in tax increment funds (setaside and non-housing funds).

In 1999, SHRA received a Youth Build grant to fund the construction skills training and general education of unemployed youth, conducted through collaboration with the Building Trades Council, Sacramento County Department of Education, and employment agencies. Tax increment and private loans financed the construction of four homes, which have been sold to homeowners.

North Sacramento Redevelopment Area

Tax increment housing setaside funds have been committed to a self-help housing development of low-income artists and their families, built on a live/work model. The project is scheduled to start construction in the spring of 2002. Tax increment funds have also capitalized homebuyer and rehabilitation programs, efforts that were augmented by CDBG's residential paint program. CDBG funds also rehabilitated the residential portion of a formerly blighted motel, which was converted into a mixed-use building with residential uses over retail.

SHRA used HOME and Housing Trust Funds to purchase the blighted Lexington Apartments, demolish them, and finance their reconstruction as mutual housing townhouses for families with a community building for tenants and neighborhood events. As part of the project, the Sacramento Mutual Housing Association will complete the rehabilitation of its adjacent development.

Army Depot Redevelopment Area

The Army Depot redevelopment area has experienced a cycle of investment/disinvestments with the coming and leaving of Packard Bell, which leased major segments of the base in its move to Sacramento from southern California. Diversified businesses are returning through a new master lease through a private sector company, and tax increment housing revenues are expected to increase as a result. Housing setaside funds have supported the construction of three new homes through the Pre-Apprenticeship Training Program, and will be used to fund the housing activities of the Weed and Seed program, a U. S. Department of Justice program, combining neighborhood policing with community-building incentives, including housing improvements.

Franklin Boulevard Redevelopment Area

This city/county redevelopment area used its housing setaside revenues to support the Agency's Boarded and Vacant Home and First Time Homebuyer programs. Other sources of funds – HUD public housing, HOME, and CDBG – provided the financing for the major acquisition and rehabilitation projects in the area: the provision of 13 public housing apartments with a Head Start center.

SHRA will be exploring opportunities to assemble and subdivide land for transit-oriented housing development around the Fruitridge light rail station currently under construction. A number of older smaller multifamily apartment complexes will be targeted for acquisition and rehabilitation financing.

Stockton Boulevard Redevelopment Area

The Stockton Boulevard redevelopment area located in both the city and county, is primarily a commercial corridor which has undergone significant commercial improvement since its adoption as a redevelopment area. As a result, SHRA anticipates that the first tax allocation bond may be issued in 2002. The focus for housing activities has been to improve the condition of mobile home parks and motels.

Auburn Boulevard Redevelopment Area

Although this city/county redevelopment area has not yet generated housing setaside funds, it has nevertheless benefited from the investment of CDBG funds to assist a private developer to purchase and rehabilitate a boarded motel and convert it to housing for low-income seniors. A second motel along the commercial boulevard in the county is just beginning its conversion/rehabilitation into a second senior housing site.

Richards/Railyards Redevelopment Area

Much of the redevelopment effort in Richards Boulevard during the 1990s was directed toward improvements in the social service complex for the homeless. The 60-unit Quinn Cottages transitional housing program was completed in 1997 in this area. Downtown redevelopment funds were used for land acquisition and environmental clean up, joined by federal HOME funds for construction and permanent financing. The public housing authority is completing a 5-year modernization of its units at the Dos Rios public housing site.

Projected Redevelopment Agency Housing Activity

In 2000, redevelopment implementation plans for the years 2000 – 2004 were adopted for all redevelopment areas except the downtown redevelopment area, for which a 5-year implementation plan was adopted. The downtown plan estimated 487 new or rehabilitated units would be produced over that period. Six hundred ninety-four assisted units were projected in the other city redevelopment areas, which included First Time Homebuyer programs.

High priority activities included the expansion of homeownership, the acquisition and rehabilitation of deteriorated multifamily properties (including motels used for permanent housing), and new mixed-income developments. Specific future projects are described in the redevelopment area narratives.

Housing activities in the downtown redevelopment area will change dramatically with the projected tax allocation bond sale in 2002. Forty to 50 percent of the proceeds will be devoted to housing to strengthen the retail core and sustain the cultural sites and places of entertainment already thriving. The projected housing will serve the full spectrum of affordability. In addition, expenditure of non-housing funds for infrastructure improvements also facilitates the construction of housing and increases its feasibility.

9.4 OTHER LOW AND MODERATE INCOME HOUSING FUNDS

In addition to local tax increment housing setaside funds, the city of Sacramento receives federal funds as an entitlement city and local revenues generated by the city Housing Trust Fund. Private lenders and equity investors provide the majority of financing for affordable housing developments in which the Agency provides subordinate financing.

Housing Trust Fund of the City of Sacramento

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

Housing trust fund collections as of June 30, 2001, totaled \$11,420,112 in the citywide fund and \$1,119,152 in the North Natomas Fund (Table 9-4). Over that same period, \$11.4 million in city and Natomas housing trust funds were committed to the development of 1,385 homes and apartments, of which 1,053 were affordable to very low-, low- and moderate-income people. Fifty-one percent of the assisted units are projected to be affordable to very low-income households, and 40 percent affordable to low-income persons. Nine of the 20 projects with funding commitments are homeownership developments, the remaining 11 being multifamily rental property.

City trust fund expenditures on projects to date will ultimately leverage a total capital investment of \$153 million in the city, producing a leverage ratio of 1:13.4. The average housing trust fund subsidy therefore equaled 7.4 percent of the project cost. The average per unit development cost was \$110,551. Half of the developments assisted with housing trust funds also received other sources of city funding. If all sources of locally controlled funds are considered, the average total city subsidy per assisted unit is \$19,057, which equals 13.2 percent of the project cost.

**TABLE 9-4
HOUSING TRUST FUND DEVELOPMENTS
CITY OF SACRAMENTO – AS OF 12/02**

Project Name	Project Address	Total Units	Total Assisted Units	Very Low	Low	Moderate	Housing Trust Fund	Project Total
931 T Street	931 T Street	13	5	0	3	3	\$330,427	\$2,561,049
1500 Q Street	1500 Q Street	6	4	2	2	0	\$119,810	\$870,050
18th & L Streets (1)	18th & L Street	176	45	36	0	9	\$2,000,000	\$32,025,000
Del Paso Nuevo Phase I	Norwood & Ford Ave	54	28	0	28	0	\$367,446	\$8,123,938
Evergreen Estates	1048 Dixieanne	56	54	0	54	0	\$100,000	\$1,695,000
Kennedy Estates	6509 Elder Creek	98	98	0	98	0	\$950,000	\$6,840,985
Land Park Woods	2814 Fifth Street	75	75	57	18	0	\$1,916,420	\$6,602,307
Lexington/Dixieanne	2401-2441 Lexington	76	76	65	11	0	\$726,052	\$9,287,378
Morrison Point Subdivision	282 Morrison Ave	22	22	10	12	0	\$190,000	\$1,915,000
Pensione K	1100 17 th Street	137	137	125	4	8	\$500,587	\$5,199,580
Terracina Gold, Villages 1 & 3	SWC Del Paso and Gateway Park	160	108	53	5	0	\$610,000	\$19,158,238
Terracina Gold (Village 2- MRB)	SWC Del Paso & Gateway Park Blvd.	120	92	24	68	0	\$1,000,000	\$12,069,610
Terracina Meadows	North Natomoas	156	120	70	50	0	\$1,000,000	\$15,953,001
Preapprenticeship Program	Meadowview	8	8	0	8	0	\$500,000	\$800,000
BEGIN Homeownership	Del Paso Heights	28	28	0	28	0	\$38,160	\$2,846,005
Habitat for Humanity	Citywide	6	6	6	0	0	\$129,000	\$369,000
Boarded & Vacant Homes	Citywide	16	16	0	16	0	\$165,000	\$1,360,000
TOTAL	Citywide	1207	922	448	405	20	\$10,642,902	\$127,116,141

1. Project information taken from original applications to SHRA; final data may vary.

Note: Information on completed tax credit projects has been taken from Placed in Service summaries.

Data for other projects have been taken from SHRA documents.

Mortgage Revenue Bonds

Since 1983, the agency has issued tax-exempt mortgage revenue bonds for housing developments that restrict a portion of their units for very low-income and low-income households. The basic federal requirements are that 20 percent of the units must be restricted to very low-income households (50 percent of area median income), or 40 percent of the units restricted to households at 60 percent of area median income. Agency policies require the 20 percent very low-income restriction. The funds raised as a result of the bond sales carry below market interest rates, but these favorable terms are often not sufficient to produce a feasible mixed-income development. Under these conditions, developers may couple their bond applications with Low Income Housing Tax Credits to raise the equity needed for the project's

affordability and feasibility. Bond-funded developments with tax credits may have a longer affordability period (55 years) than the 30-year regulatory term on a project with bonds alone.

As described in the chapter on Housing Preservation (HUD opt-outs), mortgage revenue bonds with Low Income Housing Tax Credits have been the most successful tool for preserving the affordability and useful life of the apartment complexes terminating their HUD contracts. During the last two years alone, 627 units occupied by very low-income people were acquired and rehabilitated and their affordability preserved through this financing vehicle.

For the first time in a decade, mortgage revenue bonds and tax credits have been used to finance new construction, producing mixed income developments with a variety of affordability levels serving very low-income and lower income households. This financing has been used successfully in new growth areas for family and senior developments, and will likely be employed in downtown Sacramento's housing expansion.

Federal Sources of Funds

The primary source of federal housing funding is the United States Department of Housing and Urban Development (HUD). It supports the city and county housing authority's 3600 public housing units and just over 10,000 Housing Choice Vouchers (formerly Section 8), a tenant-based subsidy program. HUD funds operating subsidies for public housing units and has in the past funded rehabilitation for the oldest developments in the city – Dos Rios and River Oaks.

As a result of recent legislative changes, HUD has given local housing authorities the right to use a portion of Housing Choice Vouchers for homeownership and project-based assistance. The agency projects 200 very low-income and low-income households could become homeowners in the next few years as a result of the voucher's use for mortgage payments to supplement the family's funds. These alternatives in the use of vouchers can help relieve the difficulty some voucher-holders were experiencing since mid-1999 in finding suitable rental property in the Sacramento market, where shortages in rental housing accelerated rents and decreased vacancy rates.

HUD has awarded additional Housing Choice Vouchers to the agency for families participating in the Welfare-to-Work program, an activity that is conducted in partnership with the County Department of Human Assistance. Housing choice vouchers are also awarded to the agency for issuance to tenants in apartment complexes whose owners have prepaid their HUD mortgages and/or terminated their Section contracts.

As an entitlement city under federal standards, the city also receives Community Development Block Grants (CDBG), Home Investment Partnership (HOME) funds, Emergency Shelter Grants (ESG), and Housing for People with AIDS/HIV (HOPWA). ESG and HOPWA funds are administered by the County Department of Human Assistance, while SHRA administers federal and local housing funds for the city and county. HOME funds are used exclusively for the new construction and rehabilitation of affordable housing, covering both homeownership and rental properties. In the city, 1498 new homeowners have been created using the agency's downpayment assistance funded by HOME. The median income of these families is 60 percent of the area median; 73 percent are ethnic minorities, and 33.5 percent are female heads of household.

Within its allocation, SHRA has set aside HOME funding for a supportive housing loan program that it operates in conjunction with the County Department of Human Assistance, the County Department of Health and Human Services and Mercy Housing, serving persons who are

homeless or at risk of homelessness. CDBG funds designated for housing primarily support rehabilitation and First Time Homebuyer programs; CDBG funds available for public service activities support homeless programs and transitional housing.

SHRA annually produces an Action Plan required by HUD, describing the uses of CDBG, HOME, ESG, HOPWA and related financing programs. A 5-year Consolidated Plan, adopted in November 2002, discusses how all these sources of funds are used in support of local housing and community revitalization priorities. Federal funds available in the federal fiscal year 2002 are as follows:

Community Development Block Grants	\$6,614,000
HOME	\$3,479,000
Emergency Shelter Grants	\$231,000
Housing for People with AIDS/HIV	\$784,000

Tables listing the projects supported by these funds are found in Chapter 11.

State Resources

In fiscal year 2000/2001, the state legislature dramatically increased the resources available to affordable housing in recognition of the increasing difficulty in expanding and preserving its supply. Administered by the State Department of Housing and Community Development (HCD), these funds were used by a local developer in the form of a deferred payment loan to help finance a Low Income Housing Tax Credit development. SHRA received \$500,000 in HCD homeownership funds for the city to be used for housing rehabilitation, new construction, and mobile home repairs. In a separate application, SHRA was awarded \$200,000 exclusively for the repair and replacement of coaches in mobile home parks, based on its investigation into the substandard conditions in those parks.

Previously, SHRA made significant use of the State's Deferred Payment Loan Program for the Shasta, Sequoia, and YWCA residential hotels, and received a Family Housing Demonstration Project award for the acquisition/rehabilitation of boarded apartment complexes. The agency continues to support nonprofit housing and social service agencies in their applications for supportive housing funds for the homeless mentally ill and other transitional housing programs.

The county of Sacramento was awarded funding for a pilot program established by the state to reach out to the mentally ill homeless, obtain immediate services, provide 24-hour case management, and offer housing assistance. The program, called Project Hope, was successfully carried out by combined teams of city and county law enforcement officials and social service workers; as a result, the program was expanded by the state legislature and has continued its operation under county Departments of Human Assistance and Health and Human Services.

The California Housing Finance Agency (CHFA) is an important housing resource for the agency and affordable housing developers in Sacramento. The agency has been awarded \$3 million through CHFA's HELP program - \$2 million for the acquisition and rehabilitation of problem properties in the county, and \$1 million toward the acquisition and rehabilitation of Franklin Villa in support of the city's revitalization effort. The agency's down payment assistance programs partner with CHFA's loan programs for low and very low-income households, providing one of the most affordable homeownership financing packages available. In addition, CHFA's pooled bond issuances for multifamily development provide affordable housing developers a below-market financing source that can be coupled with Low Income Housing Tax Credits.

10. GOALS, POLICIES AND PROGRAMS

10.1 INTRODUCTION

This section of the Housing Element describes the proposed goals, policies and implementation program for the development, improvement and maintenance of housing in the City of Sacramento. The goals are general statements, whereas the policies indicate principles to guide actions to meet goals. Existing, and new, programs and actions follow each goal statement describing the implementing steps and actions to attain the goals and policies.

10.2 OVERVIEW OF GOALS, POLICIES, AND OBJECTIVES

In order to take a holistic and comprehensive approach to housing the City of Sacramento views the housing policies as part of the City's overall mission to strengthen neighborhoods, improve livability and conditions for all residents, and maintain the economic well being of the City and all its residents. Goals, policies and programs are set in the following areas:

- Housing Supply
- Housing Affordability
- Housing Mix, Balance, and Neighborhood Compatibility
- Mitigate Governmental and Non-Governmental Constraints in the Development of Housing
- Housing Quality and Neighborhood Improvement
- Conserve Sacramento Neighborhoods and Rehabilitate Affordable Housing
- Preserve and Develop Housing Opportunities for Persons with Special Needs
- Energy Conservation
- Promote Equal Housing Opportunity
- Monitoring and Coordination of Housing Performance

10.3 SPECIFIC GOALS, POLICIES, AND OBJECTIVES

GOAL 1: HOUSING SUPPLY: Provide Adequate Housing Sites and Opportunities for All Households.

The Regional Housing Needs allocation indicated that by 2007, an additional 19,313 housing units would be needed in Sacramento to accommodate projected households. Population growth trends indicate that Sacramento will need to provide an adequate residential land supply to accommodate a variety of housing types and households of all income levels and sizes. Land will be needed for a variety of single family, multi-family, detached, attached, rental, ownership, and large and small housing units. The City is currently actively developing plans to support growth in the City including designation of new areas for development as well as planned re-use of areas. For example, the Community plans for South Sacramento, South Natomas and North Natomas contain policies that encourage the construction of two or more housing types (such as single family and duplex or halfplex units) within projects of twenty or

more acres to foster economic diversity and opportunity. Approximately 1000 parcels of 2 or more acres are zoned for residential use. Those parcels can adequately accommodate the City's projected housing needs and mix of housing types. These policies are designed to ensure that the City continues to increase the residential holding capacity within the City through various land use opportunities such as new growth policies, promotion of reuse, and mixed use projects.

The City will need basic infrastructure and public facility improvements to serve the projected residential development. Needed infrastructure includes transportation, water facilities, sewer collection and drainage, as well as building and siting of public facilities, such as fire stations, schools and libraries. As part of the planning process, the City will continue to assess funding methods for new infrastructure and financing improvement costs that are often seen as a financial constraint to residential development. The City will continue to evaluate the infrastructure needs within community plan areas that are experiencing new growth and consider new funding mechanisms. In particular, the City should work with the school districts to assess and plan for school facilities.

Since the City is an older developed City, re-use, intensification and infill are important strategies to address housing supply. Infill sites are vacant or underutilized urban lots that, if properly developed, could accommodate additional housing as well as assist in neighborhood revitalization and stabilization. Development of these lots could better utilize existing infrastructure and City services, provide additional housing opportunities, and eliminate blight that the underdeveloped lots could be contributing to the neighborhoods. By providing housing in close-in urban areas and helping to reduce commuter trips, residential infill development furthers other important City objectives to improve air quality and promote public transportation by providing housing near job sites.

Finally, in Chapter 5, it was noted that the City is planning for reuse of infill areas such as Railyards/Richards Boulevard, R Street Corridor and intensification of residential uses in the Central City. Overall, these new areas alone are estimated to support an additional 10,000 units. Since these re-use and intensification areas are in the early planning phases, application of the policies included in this housing element are timely. Many of the proposed housing supply programs therefore, focus on incorporating housing supply and mix policies to these new areas as more specific planning for the areas evolve.

General Housing Supply Policies

- 1.A The City of Sacramento shall adopt policies, programs and procedures with the intent of achieving its regional fair share housing allocation of affordable housing for all income groups of the City.
- 1.B The City shall maintain an adequate supply of appropriately zoned land with public services to accommodate the projected housing needs in accordance with the General Plan as updated.
- 1.C The City shall ensure that its adopted policies, regulations and procedures do not add unnecessarily to the cost of housing while still attaining other important City objectives.
- 1.D The City shall consider housing opportunities as part of the planning and implementation process for newly annexed or newly developing areas as well as for re-use and intensification areas.
- 1.E The City shall continue to promote appropriate and compatible infill housing.

- 1.F The City shall continue to develop and support transit oriented residential development along transit corridors.
- 1.G The City shall continue to support well designed and compatible second units and carriage homes, and other non conventional housing opportunities such as artist live-work spaces..
- 1.H The City will continue to offer and implement density bonus provisions for qualifying projects including single family, multi-family, senior housing and other types of housing.
- 1.I The City shall continue programs to ensure the retention of mobile home parks.
- 1.J The City shall continue to monitor the conversion of rental housing to condominiums to protect the rental housing supply.

Housing Supply Programs and Actions

- 1.1 Maintain and expand the amount of residentially designated and zoned lands within the City with particular attention to expanding the range and mix of housing sites in new growth areas, areas of opportunity for development or reuse and existing and potential improvement program areas, as designated in the General Plan. Designate sites through the General Plan, Community and Specific Plan amendment process, rezoning process, redevelopment plan amendment process and the annexation pre-zoning process. New Growth Areas include North Natomas, Airport Meadowview and South Sacramento; Existing and Potential Improvement Areas include older commercial corridors in North Sacramento, South Natomas and South Sacramento; Areas of Opportunity for Development or Reuse include the Railyards/Richards area, Curtis Park West, R Street Corridor.

Responsible Entity: City Planning/City Council/ Downtown Department/SHRA
Time frame: On-going. Jacinto Creek, Railyards/Richards Boulevard Area, North Natomas and R Street Corridor plans adopted.
Desired Result: Create planned opportunities for an additional 10,000 new housing units.

- 1.2 Apply location, site, and design criteria for the evaluation of suitable sites for medium to high density residential development. The City should seek to optimize multi family opportunities on sites meeting the following criteria: (a) proximity to public transit or bus service (b) proximity to commercial and social services (c) parcel size and configuration which enhances the feasibility of development (d) lack of physical constraints (noise, wetlands) (e) provision for a variety of housing types and affordable housing opportunities and (f) other criteria deemed appropriate including integration of multi family units within the larger adjacent neighborhood. Apply the criteria to evaluate rezoning proposals involving multi-family development.

Responsible Entity: City Planning/City Council
Time frame: On-going
Desired Result: **Continue to review** multi-family site criteria to evaluate suitability for higher density land uses

- 1.3 Initiate sphere of influence revision studies and annexation proposals Continue Comprehensive Annexation Program for land within existing Sphere of Influence. Apply Mixed Income Housing Ordinance to newly annexed areas.

Responsible Entity: City Planning/City Council and LAFCo
Time frame: **Spring 2004**
Desired Result: Addition of 2,550 potential housing units within annexation area.

- 1.4 Develop and maintain a system for inventorying all available surplus land and evaluate their suitability for affordable housing production.

Responsible Entity: Public Works Department and City Planning
Time Frame: Spring 2004
Desired Result: Complete inventory of city surplus lands suitable for affordable housing production

- 1.5 Update financing and phasing plans, as appropriate, to assure the timely provision of infrastructure to new growth and redevelopment project areas, including by not limited to the North Natomas and the Railyards /Richards Boulevard area. Consider housing affordability in addition to other criteria in the imposition and spreading of infrastructure costs and the structuring of the payment of such costs.

Responsible Entity: City Finance/Pubic Works/ City Planning/ City Council
Time frame: Ongoing
Desired Result: Amend financing plan for North Natomas and Railyards.

- 1.6 Develop standard noise attenuation measures and standards to meet noise standards for residential infill sites.

Responsible Entity: City Planning, Environmental Division
Time frame: Ongoing
Desired Result: Implement standard noise mitigation measures to streamline environmental review process.

- 1.7 Amend the Artist's Live/Work Space Ordinance permitting live/work and residential loft use in all residential and nonresidential zones subject to compliance with development standards

Responsible Entity: City Planning/City Council
Time frame: Fall 2002
Desired Result: Amend zoning code to allow more flexibility in the type of Live/Work housing.

- 1.8 Implement the Transit For Livable Communities (TLC) Recommendations for the South Line, Folsom Line, and the Northeast Line Light Rail Station areas to promote residential mixed use development.

Responsible Entity: City Planning/City Council
Time frame: Fall 2002 – Fall 2005
Desired Result: Plan amendments and rezoning to the increase residential holding capacity by approximately 14,500-22,000 new units.

- 1.9 Implement and rezone appropriate sites to Employment Center (EC) zone, that allows residential in a business park setting (with a maximum 25% of acreage towards residential use). This would apply the EC zone developed in the North Natomas Community Plan Area or a citywide basis.

Responsible Entity: City Planning /City Council
Time frame: Contingent upon rezoning requests or in conjunction with community plan/general plan amendments
Desired Result: Applications of EC landuse in appropriate locations near future transit stations and transportation corridors to integrate residential projects with large employment uses.

- 1.10 Continue to administer the Mobile Home Park regulations, regarding development of mobile home parks.

Responsible Entity: City Planning Department
Time frame: On-going.
Desired Result: Administration of mobile home park regulations.

- 1.11 Provide programs to preserve or offer replacement housing to mobile home park tenants.

Responsible Entity: City Planning and SHRA
Time frame: As needed.
Desired Result: Coordinated replacement-housing requirements for displaced mobile home tenants.

- 1.12 Consider modifications to the Condominium Conversion Ordinance that regulates the conversion of rental housing to condominiums and new condominium construction.

Responsible Entity: City Planning
Time frame: On-going existing program.
Desired Result: Allow some conversion of apartments in the Central City Community Plan Area and update vacancy rates. Maintain a reasonable balance of rental vs ownership housing opportunities in multi-family housing.

- 1.13 Review and update the City's Emergency Shelter Site inventory to determine if the sites are adequate and developable.

Responsible Entity: City Planning
Time frame: Summer 2004.
Desired Result: Ensure the Emergency Shelter Site Inventory contains sites that are developable.

GOAL 2: HOUSING AFFORDABILITY: PROVIDE HOUSING ASSISTANCE TO LOW AND MODERATE INCOME HOUSEHOLDS

Sacramento's Mixed Income Housing Program will contribute to Sacramento's affordable housing supply in order to meet City's projected regional housing need of approximately 3300 new units affordable to very low and low income households. The affordable housing policies and programs administered by the Sacramento Housing and Redevelopment Agency will result in rental and ownership housing and service enriched housing for persons with special needs.

The City currently offers developers a maximum 25% density increase for residential projects that provide a minimum percentage of total housing units to lower income households or senior citizens. The water development fee is also waived for residential infill sites. The City has adopted an infill strategy to offer flexible development standards, financial incentives and permit streamlining, to encourage infill development. Besides the water development fee waiver, the City gives the Planning Director the ability to waive or reduce planning entitlement fees for residential projects intended for low or moderate income households. To the extent feasible, these fee waivers reduce development costs and contribute towards long term housing affordability.

Housing Affordability Policies

- 2.A The City shall continue to increase affordable housing opportunities in new growth areas by implementing the Mixed Income Housing Ordinance and other programs to ensure an equitable distribution of affordable housing throughout Sacramento communities.
- 2.B The City shall support programs that increase owner-occupancy rates, such as down payment assistance and mortgage credit certificates for low-income households who are first-time home buyers.
- 2.C The City shall continue to provide appropriate financial and development incentives to rehabilitate deteriorated housing and promote new development of affordable housing and to seek new sources of funding for these purposes.
- 2.D The City shall continue to support community based nonprofit organizations that develop affordable housing and provide supportive services for special needs populations.
- 2.E The City and SHRA shall aggressively pursue and maximize the use of Housing Trust Fund, tax increment, and all appropriate state, federal, and private funding for the development and rehabilitation of housing affordable to very low, low, and moderate income people. Housing Trust Fund fee increases will be proposed for the first time in accordance with the provisions of the trust fund ordinance to help remedy the increasing gap in housing affordability.

Housing Affordability Programs and Actions

- 2.1 Participate in the Sacramento County Regional Sanitation Board's fee waiver and deferral program to reduce impact fees for very low and low income housing developments and request waiver of fees for 200 very-low income units per fiscal year in

the City and County of Sacramento or 5% of the residential building permits issued in the unincorporated County in the prior fiscal year, which ever is greater, and an extension from June 1, 2000 thru June 2002. There is no cap on deferrals.

Responsible Entity: SHRA/City Council
Time frame: MOU approved in 1998; Extension Fall 2002
Desired Result: Fee reductions for the development up to 200 qualified affordable housing units per year in the City and County.

- 2.2 To the extent feasible, continue to fund and administer the Affordable Housing Fee Reduction Program (or other financing mechanisms) and work with affordable housing developers other agencies and districts to review and reduce applicable processing and development impact fees for very low and low income housing units-

Responsible Entity: Budget/City Planning/City Council
Time Frame: On-going
Desired Result: Fee reductions for up to 200 affordable housing units per year.

- 2.3 Adopt and implement a new fee reduction program for single family infill neighborhoods

Responsible Entity: City Planning
Time frame: Adopted Jan. 2003, Implementation On-going
Desired Result: Reduce development costs for up to 30 single family infill housing units per year in target infill areas.

- 2.4 Implement the City's Economic Development Bank to reduce sewer fees for infill housing.

Responsible Entity: City Planning/City Council/Regional Sanitation District
Time frame: On-going
Desired Result: Reduce fees for up to 1200 Infill Housing Units

- 2.5 Continue to utilize and implement Water Development Fee Waiver Program adopted in 1987.

Responsible Entity: City Planning/Utilities
Time frame: Ongoing
Desired Result: Distribute fee waivers for 50-100 Units annually.

- 2.6 Continue to provide housing information and referral services on affordable housing opportunities.

Responsible Entity: SHRA and Community Services Planning Council
Time frame: On-going existing program known as the Community Information Center (CIC)
Desired Result: Consolidated "one stop" information center for housing information regarding housing availability, programs and services.

- 2.7 Implement the Supportive Housing Loan Program in collaboration with the County Department of Human Assistance, Health and Human Services, and Mercy Housing.

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: SHRA will continue to participate in the financing of housing for emancipated foster youth, AIDS/HIV, & other persons with special needs.

- 2.8 Aggressively pursue financing and ownership alternatives to protect the quality of public housing, its services to residents, and its afford ability to very low-income people.

Responsible Entity: SHRA
Time frame: Ongoing
Desired Result: Innovative approaches will be pursued to protect the financial viability and management of public housing, including modernization and substantial rehabilitation of 120 units and the sale of 60 single-family properties to existing tenants and work incentive programs.

- 2.9 Review and revise the program of operating assistance or pre development grants for specific projects being carried out by qualified nonprofit housing corporations to create housing for special needs populations including the disabled. Funding is usually provided through CDBG or HOME.

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: Authorize 1-2 awards per year to corporations to support vital projects particularly for housing for persons with special needs.

- 2.10 Involve the community at-large in participating in the annual update and five year Consolidated Plan for the expenditure of federal funds.

Responsible Entity: SHRA
Time frame: Annual
Desired Result: New community needs assessment to guide program funding.

- 2.11 Maintain active arrangement with owners and potential purchasers to preserve federally assisted housing with expiring Sec. 8 subsidies, including contractive with the Human Rights / Fair Housing Commission to provide tenant education and counseling.

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: Preserve affordability and rehabilitate 100 units per year in HUD expiring use projects.

- 2.12 Promote partnerships between lending institutions, equity investors, developers, housing interest groups and the community to encourage sufficient availability of financing for affordable rental and ownership housing projects-

Responsible Entities: SHRA and local lenders
Time frame: On-going

Desired Result: Increase affordable housing lending through marketing efforts with regulated financial institutions and equity investors.

- 2.13 Maintain flexibility in the use of housing set aside funds for very low, low, and moderate income households in mixed income revitalization projects in existing and future redevelopment target areas through the Implementation Plans prepared pursuant to Article 16.5 of the Community Redevelopment Law.

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: Production of 500 new and substantially rehabilitated affordable units by the year 2007 through Redevelopment Implementation Plans.

- 2.14 Apply to HELP, a new partnership program of the California Housing Finance Agency to acquire and rehabilitate seriously deteriorated problem properties.

Responsible Entity: SHRA
Time Frame: Received three HELP awards, Implementation 2003-2004.
Desired Result: Successfully apply for funds to acquire and rehabilitate problem properties under CHFA's HELP program; accomplish two projects during this time period.

- 2.15 Implement by ordinance a program to require a mix of housing by income levels in all new growth areas (Map 10-1), the Downtown and Curtis Park Railyards sites and annexation areas of the City. In all new development, 10% of all new housing shall be affordable to very low income households and 5% affordable to low income households. Affordability shall be assured for the longest feasible time, but not be less than 30 years.

The City shall adopt a program of regulatory and financial incentives. This program may include one or more of the following: public subsidies, density bonuses, expedited or preferential permit processing, interior finishes reductions, fee waivers or deferrals and public works modifications to allow cost savings to developers to meet the mixed income target. SHRA shall assist developers in applying for available financing and the City shall give these affordable units a priority for fee waivers and other incentives.

To the extent feasible, the mixed income program shall limit the total number of affordable units within any one project and encourage scattered site dispersal of smaller scale affordable housing.

To the extent that an applicable Community Plan establishes target average density and/or multiple housing type policies, projects shall generally be required to comply with the applicable target average density and/or multiple housing type requirements at the subdivision level to assure a variety of housing opportunities within each subdivision.

To incorporate affordable housing opportunities throughout the community, the City shall give preference to the following housing types: residential over retail uses, live-work units, granny flats and second units, a mix of duplexes and four-plexes, single family zero lot line, z shaped lots and single family patio homes.

Responsible Entity: SHRA, City Planning, and City Council
Time Frame: Adopted Oct. 2001(Amendments in Summer 2003),
Implementation
Desired Result: 900 very low and low income units by 2007

- 2.16 SHRA will work with the Sacramento Valley Rental Housing Association (SVRHA) to educate and more effectively market the Section 8 voucher program so that affordable housing opportunities are made available throughout the City of Sacramento.

Responsible Entity: SHRA and SVRHA,
Time Frame: On-going
Desired Result: Effective marketing of Section 8 program with landlords

- 2.17 Annually update the fee schedule for the Housing Trust Ordinance to reflect the current costs of housing construction.

Responsible Entity: SHRA, City Planning
Time Frame: Summer/Fall 2003
Desired Result: Maintain the effectiveness of the Housing Trust Ordinance to develop housing for lower income workers employed in new nonresidential development projects.

- 2.18 Develop additional options on how to address the needs of extremely low income households for affordable housing, including using the Mixed Income Housing Ordinance, and bring these options to the City Council for its consideration.

Responsible Entity: City Planning, SHRA
Time frame: Summer 2004.
Desired Result: Develop policies and programs that address the needs of extremely low income households.

**GOAL 3: HOUSING MIX, BALANCE AND NEIGHBORHOOD COMPATIBILITY:
Promote a variety of housing types within neighborhoods to encourage
economic diversity and housing choice.**

The City of Sacramento, as historically developed, includes many different types of neighborhoods. It is the goal of the City to strengthen and stabilize them and increase housing choices throughout the City, neighborhood by neighborhood. Certain areas have an over-concentration of publicly assisted housing and strive for more diversity by increasing home ownership and move-up housing.

General Housing Mix and Balance Policies

- 3.A The City shall take into account, in future community plan updates, including fair share housing needs within each neighborhood. As appropriate, include policies that encourage development of a variety of housing types in large subdivisions.
- 3.B The City shall encourage the development of a variety of housing styles and lot sizes to accommodate residents who wish to "move-up" within their community plan area.

Programs

- 3.1 Include mixed income housing developments in new growth areas and utilize infill incentives to encourage step-up housing in existing areas which have predominantly low income housing. This can be accomplished by planning public amenities (siting parks, golf courses and other facilities to create new market conditions) to support middle and upper end housing in weaker market areas, and by conscientiously working with lenders and developers to invest in the diversification of areas.

Responsible Entity: City Planning (lead) with assistance, SHRA and City Public Works

Time frame: Ordinance adopted Oct. 2001, Ongoing through inclusionary housing plans.

Desired Result: Many neighborhood areas of Sacramento are predominantly low income. Equally important to the concept of fair share distribution of low income housing is economic diversification and stabilization of low income areas. Through actions of SHRA and the City in coordination with lenders and developers efforts should be made to provide opportunities for step-up housing when ever possible in low income neighborhoods.

- 3.2 Enforce the requirements in the North Natomas Community Plan for multiple housing type and target density policies through educational workshops with builders and others as to the existence of these requirements for each development project

Responsible Entity: City Planning/City Council

Time Frame: Conducted workshops in Fall 2002,

Desired Result: Conduct workshops to identify incentives on promoting Medium Density multiple housing type Housing Developments in North Natomas Community Plan and other areas.

- 3.3 Support home ownership among low and moderate income household through the following SHRA programs or similar activities: down payment assistance loans, mortgage credit certificates, and partnership activities with the Sacramento Home Loan Counseling Center and Neighborhood Housing Service.

Responsible Entity: SHRA

Time Frame: On-going

Desired Result: Increase owner-occupancy for 2400 qualified low and moderate income households.

GOAL 4: MITIGATE GOVERNMENTAL AND NONGOVERNMENTAL CONSTRAINTS IN THE DEVELOPMENT AND ASSISTANCE OF HOUSING

The City recognizes that government fees and processing procedures contribute to the cost of housing, thereby affecting housing affordability for some households. At the same time, the City has a responsibility to fund essential services (with limited tax revenue) and assure that adequate service levels are maintained and State environmental and planning laws are followed. Nongovernmental constraints such as land supply and construction costs, and lack of financing act as additional barriers to housing development. Mitigation of these potential constraints could facilitate the production and rehabilitation of housing and still support and encourage public participation.

Delegating the level of decision-making from the Council to the Commission or staff on permit processing could reduce development costs by reducing time and fees. An improved pre-application process also includes early staff identification of planning and building issues and potential options. The City could further expedite the permit process by continuing to offer centralized permit processing and concurrent review of multiple permits.

The City recently made efforts to streamline the review and approval process by establishing an "application review task force", a multi-department group whose purpose was to assess the process and recommend improvements. This task force proposed the following goals:

- Delegate decision-making at the earliest and most appropriate point in the process.
- Provide comprehensive and timely processing of applications.
- Build a process which keeps the applicant advised.
- Involve interested parties at the earliest point; keep community groups informed.

The task force members recommended several implementation measures to achieve these goals; the major recommendations follow, along with other programs the City could implement to streamline the process.

Policies

- 4.A The City shall continue to streamline the permit application process to reduce the length of time for review and approval.
- 4.B The City shall provide for early notification and consultation with appropriate neighborhood organizations to facilitate resolution of land use issues.
- 4.C The City shall continue to require adequate flood protection when approving new development.
- 4.D The City shall amend the zoning ordinance to establish clear development standards, review and approval procedures for a variety of housing types, including but not limited to multi family housing and emergency shelters.

- 4.E The City shall continue to remove barriers to new housing development through land use planning and zoning updates, permit streamlining and planning and implementation of infrastructure improvements necessary for new development.

Programs

- 4.1 Continue to implement the preliminary review process whereby city staff and neighborhood groups provide comments and advise the applicant of policy and technical areas that needs to be addressed prior to the formal application review.

Responsible Entity: City Planning.
Time frame: Workshop completed in Fall of 2002
Desired Result: This is an existing program that helps to identify planning and community issues early in the process so that problems can be identified and addressed and processing time is shortened.

- 4.2 Continue community outreach process for involving neighborhoods in land use decisions affecting their area including notification of planning entitlement applications. Provide forums to encourage and promote dialogue between the applicant/developer and the neighborhood.

Responsible Entity: Neighborhoods/ Planning Services
Time frame: On-going.
Desired Result: Early project notification to neighborhood and business groups and adjacent property owners

- 4.3 Conduct interdepartmental committee meetings to coordinate early review of development projects and address policy concerns. The committee consists of the Planning and building, Public Works, and other City departments involved with the building and planning process.

Responsible Entity: City Planning, Public Works and Utilities
Time frame: On-going.
Desired Result: The Interdepartmental Planning Policy Review Committee is in place to coordinate input on new projects. Additionally, the City has recently implemented and Automated Permit System (APS) to expedite development reviews among city departments.

- 4.4 Work with SAFCA and other responsible agencies to resolve flood plain restrictions that affect major portions of the City. Actions include: 1) Complete the Sacramento River levee stabilization project. 2) Begin construction of needed improvements along the perimeter levee system protecting Natomas. 3) Implement permanent protection plan along the main stream of the American River as authorized by Congress and, 4) Modify operation of Folsom Dam and Reservoir to provide a minimum 100-year level of flood protection on an interim basis until such time as permanent protection is available.

Responsible Entity: City Manager's Office, Public Works Department, SAFCA and Army Corps of Engineers.
Time frame: On-going.

Desired Result: Sacramento levee improvements and Folsom Dam re-operation are now in place. Work continues on the modifications to Folsom Dam.

- 4.5 Implement City's Development Oversight Commission Recommendations relate to improving coordination, information, and streamlining development processes.

Responsible Entity: City Planning and Building, Public Works, Utilities, and Fire Department,

Time frame: Dec. 2002 - 2005

Desired Result: Staffing assistance information handouts and service Improvements, revised zoning and development processes

- 4.6 Develop effective infill programs that address the regulatory process, including a streamlined process with reduced levels of review and more flexible regulatory requirements including building code and infrastructure standards and different regulatory requirement for infill development, particularly for traffic levels of service, street standards, and parking.

Responsible Entity: City Planning and Building, Public Works, Utilities, and Fire Department,

Time frame: Hire Infill Coordinator Summer 2003, On-going

Desired Result: Provide flexibility in development standards so that new subdivisions are compatible with existing neighborhood conditions. Also provide flexibility in the types of infrastructure improvements necessary. For example, flexibility in roadway widths would, in some instances, reduce costs and allow a more intimate neighborhood environment.

- 4.7 Establish Planning Director's Plan Review (PDPR) process for review and approval of smaller multi-family developments. Currently all multi-family proposals require R-review and approval by the Planning Commission, unless the project is located within a design review district or PUD which creates additional processing times and costs. The PDPR process would utilize the Multi-Family Design Guidelines to assure compliance with minimum design standards (5.3).The streamlined process shall provide for notice and community review of proposed projects for City Council review of individual projects. Appropriate maintenance and management requirements should be established to promote the proper and operation of rental units.

Responsible Entity: City Planning/City Council

Time Frame: Spring/Summer 2003

Desired Result: Zoning Ordinance Amendments to Multi-family R Review

- 4.8 Work with the Building Industry Association and other stakeholders to consider state legislation to change or modify the Subdivision Map Act to address the issue of condominium construction and liability insurance.

Responsible Entity: City Planning

Time frame: 2003-2004

Desired Result: Modification of the Subdivision Map Act to encourage the production of condominium housing units.

GOAL 5: HOUSING QUALITY AND NEIGHBORHOOD IMPROVEMENT

Sacramento is a community of distinct neighborhoods. An emphasis of the City's current mission and policy is based on improving conditions for all people through improvement and strengthening of our neighborhoods. Since neighborhoods are the "living spaces" for residents of Sacramento, housing policy plays a critical role in neighborhood improvement strategies and vice a versa.

In this respect, the design of new housing and infill housing is important to neighborhood stability and improvement. The City's newly adopted Infill Strategy promotes and encourages quality infill development in Sacramento. Infill sites are vacant or underutilized urban lots that, if properly developed, could accommodate additional housing as well as assist in neighborhood revitalization and stabilization. Development of these lots could better utilize existing infrastructure and City services, provide additional housing opportunities, and eliminate blight that the underdeveloped lots could be contributing to the neighborhoods. By providing housing in close-in urban areas and helping to reduce commuter trips, residential infill development furthers other important City objectives to improve air quality and promote public transportation by providing housing near job sites. The programs described below will tailor the existing infill program to neighborhoods and specific communities. Because of the sensitivity of introducing new buildings in established neighborhoods, efforts must be made to ensure that new housing respects the historic patterns of a neighborhood and the community's design fabric. The Planning Division is interested in developing flexible guidelines to help new infill projects successfully integrate into existing communities.

Design, intensity and location of multi-family projects is also a concern. The community is requesting the establishment of standards for concentration of multifamily housing, design and management be developed. Policies and programs are included in this section, to address some of these issues.

There are several neighborhoods with a large supply of affordable housing in need of rehabilitation. The City has recently instituted programs targeting a wide variety of problems that directly or indirectly affect housing conditions within those communities. Some programs described in this section, such as the Infill Program, strengthen existing older neighborhoods and others, such as the newly adopted early notification system, attempt to inform neighborhood residents and organizations of development and land use projects. While all of the goals, policies and programs addressed in this Element pertain to revitalization and stabilization, the programs below directly assist neighborhoods.

Policies

- 5.A The City shall expand the design review program to encourage residential development of high architectural and structural quality which is compatible with neighboring land uses.
- 5.B The City shall continue to work with neighborhood residents in ensuring that all our neighborhoods are safe, decent and pleasant places to live and work. This includes working with schools, community oriented policing, addressing problem properties, and ensuring new development is compatible with existing neighborhoods.

- 5.C As a municipal government, the City of Sacramento shall continue to develop new means of including the community and neighborhoods in the planning and delivery of public services
- 5.D Promote quality residential infill development in infill areas or designated infill sites through flexible development standards.
- 5.E Implement citywide single family design guidelines in project reviews process.

Programs

5.1 The City shall continue to expand and improve the Design Review program of the City. In particular, the City shall adopt Design Guidelines for single family uses to help standardize design expectations and shall investigate alternative administrative processes for small project design review. Additionally, the City has adopted an administrative (staff level) design review process for the north area of Sacramento (north of the American River). This eliminates the need for full Design Review Board review for small projects or projects which reasonably conform to design guidelines. In all these efforts, the City is seeking to streamline the process without sacrificing good quality design and community acceptance.

<u>Responsible Entity:</u>	City Planning
<u>Time frame:</u>	Checklist adopted Fall 2002, Implementation Ongoing
<u>Desired Result:</u>	Adopt and Implement Single Family Design Checklist and other Design Review programs.

5.2 Implement Infill Strategy and implementing ordinances that provide incentives to encourage development that is appropriate for the neighborhood. Accomplish the following objectives:

- Add policy language and the incentives to promote a quality project that compliments the neighborhood. Quality should be exhibited in product design, type and variety of materials and orientation to the street.
- Provide increased flexibility within the Zoning Ordinance to develop in a manner consistent with the surrounding neighborhood. For example, offer flexibility by modification of setback, lot size and lot coverage development standards.
- Add the ability to offer a streamlined process for infill projects that are compatible with the neighborhood setting.
- Appoint a new Citywide Infill Coordinator to coordinate and promote the program.
- Provide updated information about the inventory location of infill areas and targeted infill development sites.
- In addition to existing fee waiver and reduction programs, investigate other City and non-City financial incentives for the program such as a reduction in the Quimby Fee Ordinance.
- Implement Pre-Approved House Plan Program

Responsible Entity: City Planning Department.
Time frame: Spring 2004, Implementation on-going
Desired Result: Update and adopt infill housing policies, ordinances and incentives that streamline the development process and resolve neighborhood concerns regarding infill housing.

- 5.3 Consider amendments to Central City Quimby exactions to facilitate condominium and ownership housing.

Responsible Entity: City Parks and Recreation, City Planning
Time frame: Summer 2003
Desired Result: Fee reductions to promote Central City ownership housing.

- 5.4 Implement the Citywide Infill Strategy to encourage compatible residential infill development. Create additional incentives for residential infill development, including but not limited to, regulatory concessions and streamlining the permit approval process for quality designed development that is appropriate for the neighborhood. Pursue funding through the State Jobs Housing Balance Grant.

Responsible Entity: City Planning/City Council
Time frame: Summer 2003
Desired Result: Develop Streamlining Ordinance by Fall 2003. Create Infill Incentive Fund and Infrastructure Assistance Program by Fall 2003

- 5.5 Implement the Citywide Infill Strategy to encourage targeted single family housing within residential neighborhoods.

Responsible Entity: City Planning/City Council/ Public Works/Utilities
Time Frame: On-going
Desired Result: Addition of 30 - 80 units per year.

- 5.6 Implement Downtown Redevelopment and Citywide Infill Strategy to encourage opportunities for additional housing and reuse in the Central City.

Responsible Entity: City Planning, Economic Development, SHRA, CADA, Public Works, Utilities
Time Frame: On-going
Desired Result 500 units per year

- 5.7 Implement the Citywide Infill Strategy to encourage Transit Oriented Development that provides additional housing within a 1/4-mile radius of transit stations.

Responsible Entity: City Planning, Regional Transit, SHRA
Time Frame: On-going
Desired Result 100-200 units annually

- 5.8 Implement current infill incentives and continue to study potential fee reductions of permit fees to remedy smaller residential project inequities.

Responsible Entity: Public Works and Utilities Departments.

Time frame: On-going.
Desired Result: In coordination with the Public Works Department review fees associated with smaller projects, particularly infill projects. Reduce any excesses, and where possible provide fee waivers or incentives for projects which meet the goals of the Housing Element or conform to infill development design criteria. Encourage 30-50 infill units annually in small housing projects.

- 5.9 Investigate the City of Sacramento's use of property liens to increase the production of infill housing development.

Responsible Entity: City Planning /City Council
Time frame: Fall 2003
Desired Result: Consider modifications to the City's use of liens to provide an incentive for infill property owners to utilize their properties for development or to sell their property to an outside party who will use the property.

- 5.10 Implement the City's Multifamily Development Guidelines to address site planning, building design and architectural issues.

Responsible Entity: City Planning /City Council
Time frame: Ongoing
Desired Result: Multi-Family Design Guidelines implemented in conjunction with action 4.7

- 5.11 Continue to implement the Problem-Oriented Policing (POP) Program, a multi-departmental effort to improve city neighborhoods and abate various code violations.

Responsible Entity: City Police Department and Neighborhood Services Department.
Time frame: On-going
Desired Result: Early and efficient resolution of problem property cases such as drug houses and health and safety violations.

- 5.12 Continue to implement the Neighborhood Reclamation and Protection Plan (NRPP), a multi-departmental program designed to control and rid targeted neighborhoods of gangs and drugs.

Responsible Entity: SHRA and Neighborhood Services Department
Time frame: Ongoing
Desired Result: Strengthen existing troubled neighborhoods through weeding out of problems and development of positive neighborhood capacities and assets.

- 5.13 Implement neighborhood revitalization and preservation recommendations for the Central City.

Responsible Entity: City Planning
Time frame: 2003-2004
Desired Result: Implement phase III of the Central City Housing Strategy.

Finance and complete at least seven central city mixed income housing projects.

- 5.14 Continue systematic building code enforcement through Code Action Team (CAT) to preserve and restore housing and thereby help strengthen residential neighborhoods and link to the SHRA boarded and vacant program.

Responsible Entity: City Building Division
Time frame: On-going.
Desired Result: Proactive and systematic inspections and enforcement of basic health and safety codes and zoning ordinance to preserve housing and prevent neighborhood decline.

- 5.15 Where needed, implement the Rent Escrow Account Program (REAP) which would enable tenants to voluntarily place rent in an escrow account in the event identified code violations are not resolved by the landlord.

Responsible Entity: Neighborhood Services Department, SHRA,
Time frame: On-going.
Desired Result: Empower tenants to take immediate action to correct health and safety violations.

- 5.16 Del Paso Nuevo; maintain high priority assistance and coordination for the development of Del Paso Nuevo - a 154 acre new town in the Del Paso Heights Redevelopment Area.

Responsible Entity: SHRA in partnership with the City of Sacramento
Public Works, Utilities, Parks
Time Frame: 1999-2006
Desired Result: 300 new homes, 2 parks, commercial development and infrastructure development by 2006.

- 5.17 The City, County, and SHRA will allocate some portion of McClellan AFB redevelopment area revenues and city housing funds to correct infrastructure and housing deficiencies at the Parker Homes. These homes were originally constructed, by the federal government in 1942 as off-base military housing for McClellan AFB, in a manner that fell well short of basic infrastructure and building code requirements.

Responsible Entity: SHRA, Utilities, Public Works
Time Frame: 2007
Desired Result: Housing rehabilitation and adequate infrastructure development

- 5.18 Continue City's efforts to work with concerned stakeholders and community leaders to revitalize distressed neighborhoods. City programs and planning efforts include:

- Gardenland Neighborhood Infill Strategic Plan
- Weed and Seed Program
- Oak Park Renaissance Plan
- Dixie Anne Neighborhood Plan

Responsible Entity: City Planning, SHRA, and Neighborhood Services
Time Frame: On-going
Desired Result: Infill Development and Neighborhood Revitalization

- 5.19 Develop, adopt, and implement neo-traditional neighborhood design guidelines to address the planning, building, and architectural design issues associated with development on a larger neighborhood scale.

Responsible Entity: City Planning,
Time Frame: Fall 2004
Desired Result: Adoption and implementation of Neighborhood Design Guidelines.

GOAL 6: CONSERVE SACRAMENTO NEIGHBORHOODS AND REHABILITATE AFFORDABLE HOUSING

Given the financing and construction expenses of new housing, the existing housing supply is the City's best source of housing affordable to lower income households. Ongoing and new programs targeted to maintain the existing housing stock could result in retention of affordable housing and avoid tenant displacement. The City should target rehabilitation of housing units, especially those affordable to lower income households, in need of repair. Approximately 18,000 existing housing units in the City need some degree of rehabilitation; fifty percent are renter-occupied. There is a continuing need for housing rehabilitation to avoid major expenses associated with demolition or new housing construction.

A key ingredient in successful housing preservation is the participation of the diverse neighborhoods throughout Sacramento. The City should work cooperatively with its neighborhoods, as well as with other participants, to rehabilitate the existing housing supply. A large percentage of Sacramento's affordable housing is located within neighborhoods which investors and policy-makers have traditionally ignored. The City needs to recognize that neighborhoods and their residents, as well as the investment and development community, must be included in policy decisions in order for successful implementation to occur. Even stable neighborhoods and communities that are currently not in need of revitalization assistance should participate in the City's ongoing housing preservation process. Through outreach efforts, the City will be able to reinforce the sense of community.

Policies

- 6.A Revitalize and improve the quality of existing Sacramento neighborhoods.
- 6.B Maintain programs to retain the existing assisted housing stock (opt-out units) which may be converted to market rate housing.
- 6.C Provide programs to preserve the existing stock of single room occupancy units (SROs) or their replacement and accessibility to SRO tenants.
- 6.D Develop priorities for the repair, upgrading, or replacement of substandard mobile home parks.
- 6.E Monitor the conversion of rental housing to condominiums to protect the rental housing supply.
- 6.F Preserve landmark and historic residential buildings within financial feasibility constraints.

6.G Develop a motel/hotel conversion program for permanent housing.

Programs

6.1 Continue the use of the SHRA Boarded/Vacant Home program, which provides incentives to contractors to purchase these properties, rehabilitate them, and sell them to low and moderate income home buyers.

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: 120 units eliminated from the City's dangerous and substandard building list, rehabilitated, and sold to first time home buyers.

6.2 Develop and expand successful incentive programs to improve management and maintenance of privately owned rental housing, particularly among four-plex housing and apartments, within older neighborhoods and commercial corridors. Program elements may include improved coordination with neighborhood code enforcement, problem-oriented policing efforts, property management districts and other proactive efforts along commercial corridors in affiliation with business and neighborhood associations.

Responsible Entity: SHRA, SVAOA
Time Frame: Summer 2002
Desired Result: Adopt Program

6.3 Continue to finance the rehabilitation of owner-occupied homes through CDBG, HOME, tax increment, and other sources of funds.

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: 250 low and very low income home owners will be able to maintain their homes through attractive financing options, ranging from emergency grants to amortized loans.

6.4 Maintain active financing program for acquisition and rehabilitation of multi-family properties to assist in the revitalization of neighborhoods and provide affordable housing. Continue to explore additional funding sources to expand activity.

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: Add 300 units to very low and low income affordable housing supply while removing blighting properties from neighborhoods.

6.5 Adopt a proactive rental inspection program to ensure rental housing maintenance. This may require a fee to support inspection services. Careful consideration of the fee structure should be given to avoid increasing the costs of rental housing. Also, consider a "self-certification" program for landlords that participate in a maintenance/management training program.

Responsible Entity: City Council, SHRA, Neighborhood Services
Time frame: Summer 2003
Desired Result: Maintain the quality of existing multi-family units and avoid deferred maintenance.

- 6.6 Preserve privately owned HUD-financed low income housing projects that are at risk of conversion to market rate housing through a program including notification to owners, information to tenants through Human Rights/Fair Housing on-site programs, proactive local financing and participation in federal and state preservation programs.

Responsible Entity: SHRA
Time frame: On-going
Desired Result: Preserve 100 units annually through restructuring programs; preserve affordability of 100 units annually (and Section 8 assistance) through sales to priority purchasers; and provide enhanced Section 8 vouchers to 85 percent of residents in opt-out projects (estimate 200 units prepaid)

- 6.7 Preserve affordable units in mortgage revenue bond projects with expiring regulatory agreements through financial incentives including refinancing and issuance of new bonds for acquisition/rehabilitation.

Responsible Entity: SHRA
Time frame: On-going
Desired Result: Preservation of 100 affordable units in expiring mortgage revenue bond projects

- 6.8 Introduce ordinance to enforce noticing requirements of owners of HUD-subsidized project to give affordable housing developers the opportunity to purchase these units and maintain their affordability.

Responsible Entity: SHRA
Time Frame: Summer 2003
Desired Result: Maintain affordability of HUD-subsidized projects.

- 6.9 Amend the zoning ordinance to comply with the residential hotel new construction standards

Responsible Entity: City Planning/City Council
Time Frame: Summer 2005
Desired Result: Zoning Ordinance amendment to facilitate the production of affordable living spaces for very low income people that provide privacy and foster self-sufficiency.

- 6.10 Fund and Support Sacramento Heritage Trust Fund

Responsible Entity: SHRA/City Planning
Time Frame: On-going
Desired Result: Sacramento Heritage Program

- 6.11 Implement Historic Preservation Element of the General Plan which includes an inventory of historic preservation resources, policies and programs.

Responsible Entity: City Planning
Time frame: Fall 2002
Desired Result: Historic Preservation Inventory

6.12 Continue to implement the Neighborhood Paint Program.

Responsible Entity: SHRA, Neighborhood Housing Services, Business Association
Time frame: Ongoing
Desired Result: Affordable means for low and very low income persons to weatherize and improve their homes.

6.13 Implement the Franklin Villa Revitalization Plan (Phoenix Park Project) to restore neighborhood vitality and safety through various financing initiatives.

Responsible Entity: SHRA, NPDS and Police Departments
Time Frame: Acquired +/- 250 properties, Fall 2003
Desired Result: Acquire +/- 600 privately held properties, rehabilitate and manage them; expand services of Franklin Villa Resource Center and increase educational resources for Parkway Elementary School

GOAL 7: PRESERVE AND DEVELOP HOUSING OPPORTUNITIES FOR PERSONS WITH SPECIAL NEEDS

The City has identified populations with special housing needs and has implemented programs to address their needs. Those groups include the disabled, elderly, large families, families with female heads of households, and families and persons in need of emergency shelter. (Section 3 details the special housing needs of Sacramento's homeless population). The Sacramento Housing and Redevelopment Agency, County DHA, and DHHA play a crucial roles in implementation of programs designed to assist Sacramento's special needs population. These Agencies operates and oversees a variety of housing programs and supportive services targeting the homeless, elderly, disabled, mentally ill, AIDS patients, new large and small households, and those most at risk of becoming homeless or displaced. Homelessness and its contributing factors continue to be a pervasive problem in Sacramento. Emergency housing and related assistance to homeless individuals and families are currently financed in part by the City. However, in recognition that prevention of homelessness is the best solution to the problem, priority is being given to a preventive approach to serve those most at risk of becoming homeless or displaced. This approach involves housing construction and rehabilitation and administration of social services to ensure that residents remain housed.

In response to the impact of the public inebriate and homeless on downtown neighborhoods, the City and County have consolidated facilities and services for the homeless in the Richards Boulevard area near 12th and North B Streets. (See Program 4 below). This multi-service campus houses a new social services complex, emergency shelters for the homeless, a detoxification/recovery facility, and centralized services for shelter and non-shelter participants. The site also contains low-cost "cottage" dwellings for individuals and families who are making a transition from homelessness to mainstream lifestyles. Consolidation and integration of services in the Richards Boulevard area will assist Sacramento and the Redevelopment Agency to effectively serve the homeless over the next twenty years. More importantly, through this comprehensive program, the City of Sacramento will achieve several of its affordable housing goals and help prevent homelessness.

Policies

- 7.A Provide financing for housing that serves the homeless and support programs that address the causes of homelessness.
- 7.B Encourage a variety of housing programs that address special housing needs, including the disabled.

Programs

- 7.1 Continue to provide assistance to emergency shelter facilities for the homeless population, including alcohol and drug recovery programs, through the County Department of Human Assistance (DHA) and their non profit service providers. Expand and reinforce linkages between shelters, providers of transitional housing, and other social service agencies through computerized case management.

Responsible Entity: DHA
Time Frame: On-going
Desired Result: Maintain an inventory of the existing network of emergency shelters linked with service providers to provide a secure living environment free from domestic violence, and to stabilize living conditions for homeless children.

- 7.2 Support transitional and permanent housing programs that enable homeless persons to deal with the issues that led to homelessness and to move toward self-sufficiency.

Responsible Entity: SHRA, DHA, nonprofit service providers
Time Frame: On-going
Desired Results: Purchase and or rehabilitate 80-100 units to house homeless persons in well managed transitional and permanent housing facilities.

- 7.3 Review and adopt, as needed, specific recommendations of the Five Year Plan of the Board on Homelessness of the Cities and County of Sacramento. Recommendations include the expansion of permanent housing opportunities for formerly homeless persons in well managed facilities with supportive services so that progress toward self-sufficiency is maintained.

Responsible Entity: City Council, SHRA
Time Frame: 2002-2007
Desired Result: Continued funding and operation of effective permanent supportive housing programs.

- 7.4 Continue to implement the strategies of the SHRA's Consolidated Plan for Housing and Community Development. The "Consolidated Plan" discusses several housing initiatives for special need populations including the development of housing for the homeless, the mentally ill and persons with AIDS. SHRA is actively pursuing funding and programs for these special needs populations.

Responsible Entity: SHRA and affiliated non-profit sponsors
Time frame: On-going

Desired Result: Provide financing and technical assistance to non-profit service providers to create two additional developments for persons with special needs.

- 7.5 Consider adopting a reasonable accommodations process to provide housing opportunities for the disabled . Consider a streamlined approval process for residential facilities which accommodate 6 to 12 individuals and review entitlement processes to achieve the more efficient conversion of motels and other suitable buildings for permanent housing.

Responsible Entity: SHRA, City Planning, City Council

Time Frame: Spring 2004

Desired Result: Amendments to the zoning code to provide reasonable accommodations for the disabled

- 7.6 Change SHRA's multifamily lending policies to include the right borrowers to allow weekly tenancies, so that weekly rental payments could be accepted.

Responsible Entity: SHRA, City Council

Time Frame: Fall 2003 or Winter 2004

Desired Result: Increase the number of units accessible and affordable to SRO residents.

- 7.7 Implement the recommendations of the SRO Task Force to investigate boarding homes as an alternative to new construction of residential hotels.

Responsible Entity: City Planning

Time Frame: Spring 2004

Desired Result: Develop guidelines for the operation of boarding homes for tenants typical of SRO residents.

- 7.8 Promote and encourage a variety of housing types for senior housing including "age in place" housing complexes, independent and assisted living projects.

Responsible Entity: City Planning, SHRA

Time Frame: On-going

Desired Result: Provide more adequate housing units available and affordable to the growing senior population.

GOAL 8: ENERGY CONSERVATION

Ongoing support of existing energy conservation measures and encouragement of additional policies is one means by which the City could help control rising construction costs. Technological advances and effective site design could reduce development costs while providing long-term energy efficient housing. The City should take steps to better integrate solar access planning into the land use planning process in order to meet existing and future energy concerns. The Sacramento Municipal Utility District (SMUD) offers energy conservation

programs that promote compliance above the minimum standards within Title 24 of the California Building Code. SMUD and the Pacific Gas and Electric Company (PG&E) offer weatherization programs to all households regardless of income to help reduce the costs of operating housing. These weatherization programs are especially effective in reducing the monthly costs of lower income affordable housing. Another form of energy assistance available to Sacramento households is the tree planting program administered by SHRA in consultation with SMUD and the Sacramento Tree Foundation.

Finally, the City through its land use policies and the proposed policies of this Housing Element, seeks to increase the supply of housing located along transit corridors to reduce vehicle trips (See housing supply policies).

Policies

- 8.A Wherever possible, develop, incorporate and support energy conserving programs in the production and rehabilitation of housing to improve the environment and reduce household energy costs.

Programs

- 8.1 Support SMUD's Energy Efficient New Construction Program which provides financial incentives to builders to exceed minimum energy efficiency standards.

Responsible Entity: SMUD
Time frame: On-going (existing program)
Desired Result: Implementation of new conservation and alternative energy programs to reduce energy costs of new residential buildings.

- 8.2 Support SMUD and PG&E's program to retrofit existing housing for energy efficiency.

Responsible Entity: SMUD, PG& E and SHRA
Time frame: On-going (existing programs)
Desired Result: Reduce household energy costs through a variety of insulation, system update and weatherization program.

- 8.3 Continue to administer the Tree Planting Program to provide shade and to help with neighborhood revitalization and beautification.

Responsible Entity: SHRA, SMUD and Tree Foundation
Time frame: On-going (existing program)
Desired Result: Provide strategically located shade trees to reduce air conditioning costs.

GOAL 9: PROMOTE EQUAL HOUSING OPPORTUNITY

All households in Sacramento, regardless of income, age, disability, race, ethnicity, sex, religion, marital status or sexual preference, should have the right to rent, lease, or purchase housing without discrimination. The City has continued to ensure equal housing opportunity through its enforcement of fair housing practices.

The City should support the enforcement of fair housing laws to ensure that all households in Sacramento have equal access to safe and affordable housing. Fair housing practices should prevent discrimination against households with special needs, such as the poor, the elderly, the ill, disabled, female-headed families, immigrants and non-traditional households. Through the Human Rights/Fair Housing Commission, the City of Sacramento has enforced equal and fair access laws; support for the Commission's enforcement and educational activities should continue.

Through promoting enforcement of existing state and federal laws, the City could help eliminate discrimination against households with special needs. The City should implement State and federal legislation addressing prevention of discrimination against households with children as well as ensure housing accessibility for households with physically challenged members. Furthermore, Equal housing opportunity programs should provide a means for resolution of housing discrimination complaints.

- 9.A Encourage economic integration, fair housing opportunity and the elimination of discrimination against households with special needs.
- 9.B Increase affordable housing opportunities in new developments and implement a fair share distribution of affordable housing units throughout Sacramento communities.
- 9.C The City should work in conjunction with other Sacramento area jurisdictions and agencies to develop a region-wide approach to provide affordable housing for all households.

Programs

- 9.1 Continue to support enforcement practices of the Human Rights/Fair Housing Commission addressing discrimination against households with special needs, and fair housing education programs offered by other organizations such as the Apartment Owner's Association and the Board of Realtors. Provide for fair-housing information in appropriate public locations and disseminate such information in different languages.

Responsible Entity: Human Rights Fair Housing Commission (lead)/ City Planning
Time frame: On-going (existing program)
Desired Result: Provide mediation, education and referrals to the State Office of Fair Housing or legal aid centers for cases of housing discrimination or other forms of discrimination in Spanish and other languages by disseminating information through brochures at city public counters.

- 9.2 Ensure that residential projects comply with the American Disabilities Act. To the extent feasible, finance and support public improvements, including curb cuts, sidewalks and traffic signals, that provide public access for the disabled.

Responsible Entity: Public Works and Building Division,
Time frame: On-going (existing program)
Desired Result: Ensure positive recourse and corrective action to prevent discrimination against persons with disabilities.

- 9.3 Support neighborhood efforts to resolve tenant complaints.

Responsible Entity: Sacramento Mediation Center
Time frame: On-going (existing program)
Desired Result: Continue to provide alternative dispute resolutions methods for landlord tenant and neighborhood conflicts.

- 9.4 Consider a program, in consultation with the Building Industry Association, which would incorporate housing visitability standards (including the installation of interior modifications) in newly constructed single family homes. Include guidelines for exterior and interior modifications including, but not limited to no step entrances and 36-inch entries into bathrooms.

Responsible Entity: City Planning, SHRA
Time Frame: State Model Ordinance for Universal Access anticipated in 2004
Desired Result: Voluntary compliance through the Single Family Design Checklist for universal access to improve accessibility for persons with physical disabilities in single family developments.

GOAL 10: MONITOR AND COORDINATE HOUSING PERFORMANCE

The City recognizes the need to coordinate its many efforts to implement its identified housing strategies. Successful development of affordable housing depends on coordination and active participation of the SHRA, City Planning, other City departments, and various regional agencies which provide technical support or serve in an advisory capacity. Implementation of the Housing Element could be monitored in a variety of ways to ensure that the City meets its objectives.

Policies

- 10.A: Monitor implementation of Housing Element objectives and measures.
- 10.B: Increase regional housing policy coordination to ensure a fair share and regional approach to address housing issues.

Programs

- 10.1 Prepare an annual monitoring report to the City Council on implementation of the city housing programs.

Responsible Entity: SHRA, City Planning
Time frame: Annually starting in July 2003
Desired Result: Annual report on new construction, rehabilitation, location and other assistance by income group and special need group served all sources of funds.

- 10.2 Monitor and publish an annual report on compliance with the jobs to housing balance, housing type and affordability objectives in the North Natomas Community Plan.

Responsible Entity: City Planning
Time Frame: Annually starting in 2003

Desired Result: Annual reports to City Planning Commission and City Council

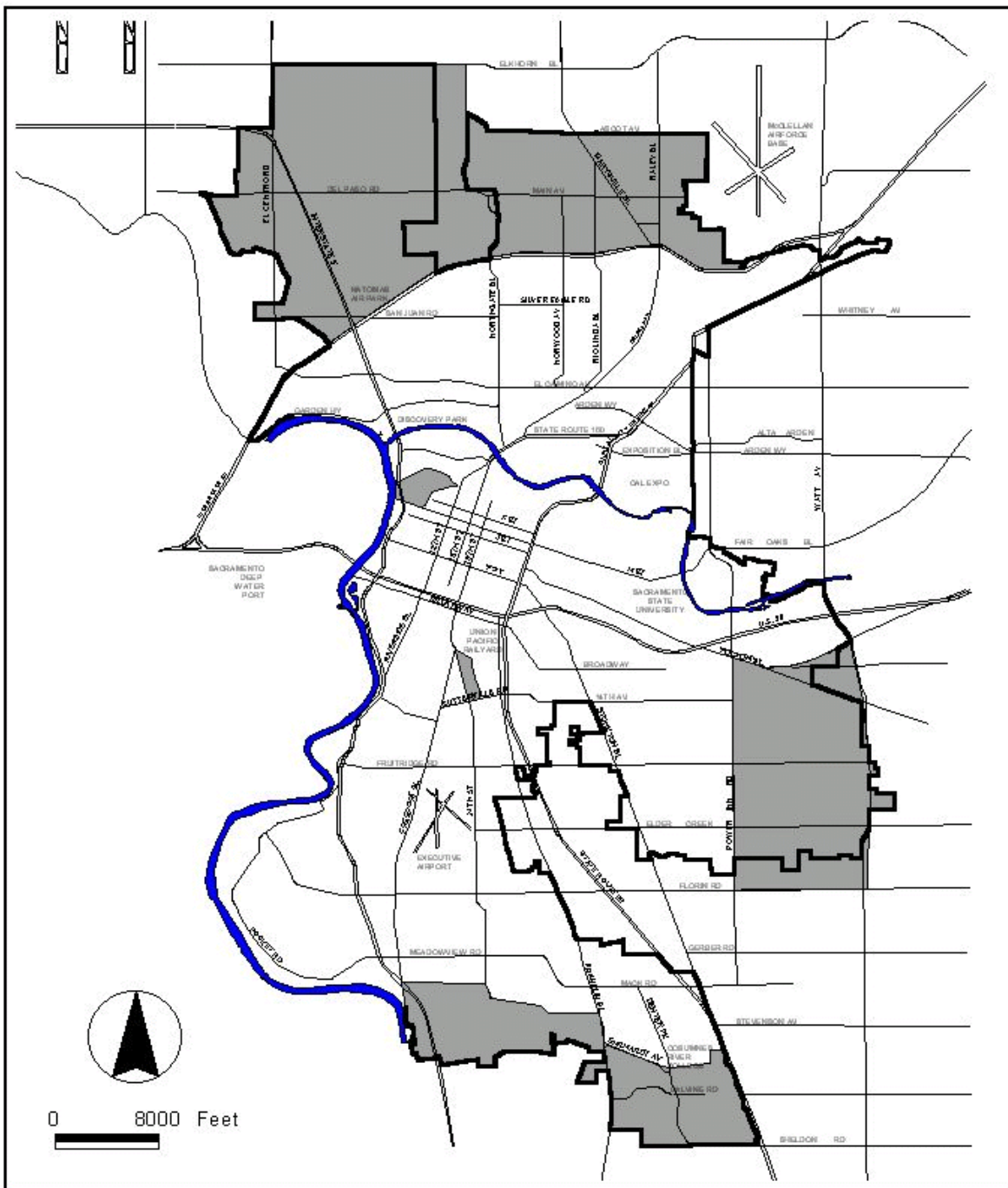
10.3 Promote policies and programs by county and regional decision making bodies to promote the equitable distribution of affordable housing.

Responsible Entity: City Planning, SHRA, SACOG

Time Frame: Ongoing

Desired Result: Consortium of cities and counties to implement region wide affordable housing programs and objectives.

Map 10-1



AREAS SUBJECT TO MIXED
INCOME HOUSING POLICY

City of Sacramento
GP
GENERAL PLAN
update 1995-2005

11. HOUSING ELEMENT IMPLEMENTATION PROGRAM

11.1 QUANTIFIED OBJECTIVES

Quantified housing objectives for the time frame of the element can be categorized by targeted household income groups as shown in Table 11-1 below. As required under State law, the table classifies the dwelling unit objectives by income level and type of housing assistance, such as housing rehabilitation or production of affordable housing units. This information is based on the City's more detailed housing program objectives and the chart on the following pages.

**Table 11-1
January 1, 2002 – June 30, 2007 QUANTIFIED HOUSING UNIT OBJECTIVES
BY INCOME CLASSIFICATION (BASED ON IMPLEMENTATION PROGRAM)**

Income Category	Total	Rehabilitation	New Construction (Based on Revised RHAP Goals)
Very Low Income (0-50%)	1,130	433	697
Low Income (51-80%)	923	225	698
Moderate Income (81-120%)	6,492	145	6,347
Above Moderate Income (120+%)	6,623	0	6,623
Total	15,168	803	14,365

Source: See Table 11- 3 for program objectives detail.

New construction objectives are shown below in Table 11-2 for the City of Sacramento. These numbers are projections based on previous housing activity, anticipated construction activity, funding availability and the housing programs included in Chapter 10.

**TABLE 11-2
REVISED NEW CONSTRUCTION OBJECTIVES FOR THE 1/02 to 6/07 PERIOD**

Income Level	Remaining Units Needed	Revised 5.5 Year Production Goal	Percentage of Total
Very Low	578 units	697 units	9.5%
Low	2,736 units	698 units	7.2%
Moderate	2,925 units	6,347 units	42.7%
Above Mod	8,462 units	6,623 units	40.6%
Total	14,701 units	14,365 units	100.0%

Table 11-3: Housing Program Objectives was compiled by SHRA, in cooperation with the City Planning Division. The objectives represent the maximum number of units expected to be developed for different income groups based on the City's housing priorities, aggressive housing policies and programs and reasonable estimates of the amount of funding available for housing activity from state, federal and local funding sources. The City's primary affordable housing goals, articulated in the development and approval of the use of public subsidies for housing, may be summarized as follows:

- Increase home ownership for low-income people to help stabilize neighborhoods and increase investment in rehabilitating deteriorated single-family housing. Funded programs to meet this goal include down payment assistance and mortgage credit certificates, the Boarded/Vacant Program, the Freddie Mac Alliance Agreement (employer-assisted housing, CHFA's mortgage insurance, etc.), various paint programs, rehabilitation loans and grants, a variety of infill housing incentives (gap financing), and self-help housing. The households most likely to be served by subsidized home ownership programs are low-income (50 to 80 percent of area median income).
- Stimulate the acquisition and rehabilitation of problem multifamily properties and institute better management practices through financing requirements and monitoring. This goal has high priority in older, lower income neighborhoods. Activities that meet this goal include gap financing, issuance of mortgage revenue bonds with tax credits, and joint efforts with local nonprofit housing corporations to acquire bank-foreclosed properties for demolition and reconstruction. The most significant recent activity under this goal has been the housing authority's aggressive pursuit of HUD-foreclosed units in Franklin Villa for rehabilitation and property management, a \$1million commitment. Acquisition and rehabilitation programs for both ownership and rental housing predominantly serve very low-income households (under 50 percent of area median income).
- Support mixed-income development to revitalize lower income neighborhoods. In new growth areas, this goal seeks to create housing affordable to low-income people to increase economic diversity and to expand housing near job centers. In downtown Sacramento, this goal has major importance in sustaining the retail, commercial, and civic life of the central city. Mixed-income housing as an element of downtown Sacramento revitalization serves primarily moderate-income households (80 to 120 percent of area median income). In new growth areas, mixed income housing is most likely to be financed with Low Income Housing Tax Credits, thereby assisting both very low and low-income people. Depending on the state's regulations, households earning 35 percent of median income may be reached through these developments.
- Provide and preserve decent and safe housing for all income groups. Redevelopment tax increment, HOME and CDBG funds all support various housing alternatives for homeless persons and those in transitional housing, including alcohol and drug recovery programs. In addition, redevelopment and CDBG funds subsidize the acquisition and rehabilitation of units owned by the City's housing authority in order to construct and maintain them to a high community standard. (Particularly with regard to homeless programs, the number of persons assisted is estimated on the chart on Housing Program Objectives, rather than the units produced.) SHRA's aggressive pursuit of Section 8 certificates for welfare-to-work households as well as the general population has increased tenant-based assistance nearly 25 percent countywide over the last five years. Persons receiving homeless assistance generally have incomes less than 30 percent of median; public housing residents overall have less than 40 percent median income.

These goals, and the programs that implement them, are reflected in the 1997-2002 Consolidated Plan's Annual Action Plan for 2000. The estimates of funding and production or assistance were based on the best information available on federal government housing funds and local redevelopment revenues at the end of 2001.

Additional implementation detail for the City's various affordable housing programs is shown in the following chart. The Implementation Program chart (Table 11-5) identifies the status of the programs (which correspond to the housing policies described in Section 10), the agency responsible for program implementation, time frame, and quantified objectives. Not all listed programs contain quantified objectives; some programs are instrumental in supporting housing production and maintenance but do not result in quantifiable housing units.

11.2 IMPLEMENTATION SUMMARY

The policies and programs included in Chapter 10 were developed by a multi-agency team to reflect realistic but aggressive program efforts. The team included persons from many disciplines of the Planning Department and the Sacramento Housing and Redevelopment Agency. The programs are designed to meet or exceed the stated goals. For many programs however, a distinction must be made between efforts to fund a project (funding obligation or contract) and actual availability of the unit for occupancy following construction. Program performance is estimated based on historic funding and permitting activities. Actual build-out and occupancy of these units may occur on a slightly different time frame.

**TABLE 11-3
CATEGORIZATION BY INCOME GROUP OF HOUSING PROGRAM OBJECTIVES
JANUARY 1, 2002 - JULY 1, 2007**

HOUSING PROGRAMS	Very Low	Low	Moderate	Above Mod	Totals	Very Low/Low % Total
New Construction						
Ownership Housing - Subsidized	9	125	66	0	200	
Ownership Housing - Market Rate			4,200	6,300	10,500	
Multifamily Housing- Subsidized Rental	105	110	421		636	
Mixed Income Housing (1)	583	291			874	
Multifamily Housing - Market Rate - Unsubsidized		172	1,660	323	2,155	
Subtotal	697	698	6,347	6,623	14,365	9.71%
Rehabilitation						
Multifamily Acquisition/Rehabilitation & Conversion	385	175	125		685	
HUD Section 8 Opt-Outs (Multifamily Acq. & Rehab)(2)	(200)	(100)			-300	
Residential Hotel Rehabilitation (2)	(89)				-89	
Homeowner Rehabilitation (Loans)	42	33			75	
Mobile Home Rehabilitation	6	12			18	
Boarded/Vacant Homeownership Program		5	20		25	
Subtotal	433	225	145	0	803	81.94%
Conservation/Preservation (Other Rehabilitation)						
Weatherization	50	50			100	
HUD Section 8 Opt-Outs (Multifamily Acq. & Rehab)	435				435	
Homeowner Repair and Paint Volunteer Programs	1,565	245			1,810	
Subtotal	2,050	295	0	0	2,345	100.00%
Homeownership Purchase Programs						
Mortgage Credit Certificates	25	130	120		275	
Downpayment Assistance	155	440			595	
Subtotal	180	570	120	0	870	86.21%
Tenant Assistance						
New Section 8 Certificates/Vouchers	1,925				1,925	
Subtotal	1,925	0	0	0	1,925	100.00%
Homeless/Special Needs						
Homeless Assistance (beds) Tenant-based asst.	1,146				1,146	
Public Housing Assistance	100				100	
Supportive Housing (Units)	(25)				-25	
Subtotal	1,246	0	0	0	1,246	100.00%
TOTAL	6,531	1,788	6,612	6,623	21,554	38.60%

(1) These numbers are included as part of the Multifamily Housing-Subsidized Rental numbers.

(2) These numbers are included as part of the Multifamily Acquisition/Rehabilitation & Conversion numbers.

Table 11.4
ESTIMATES OF SOURCES AND USES OF CITY OF SACRAMENTO HOUSING FUNDS
ADMINISTERED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
January 1, 2002 - June 30, 2007

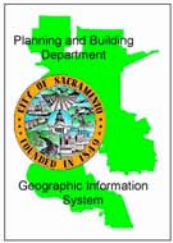
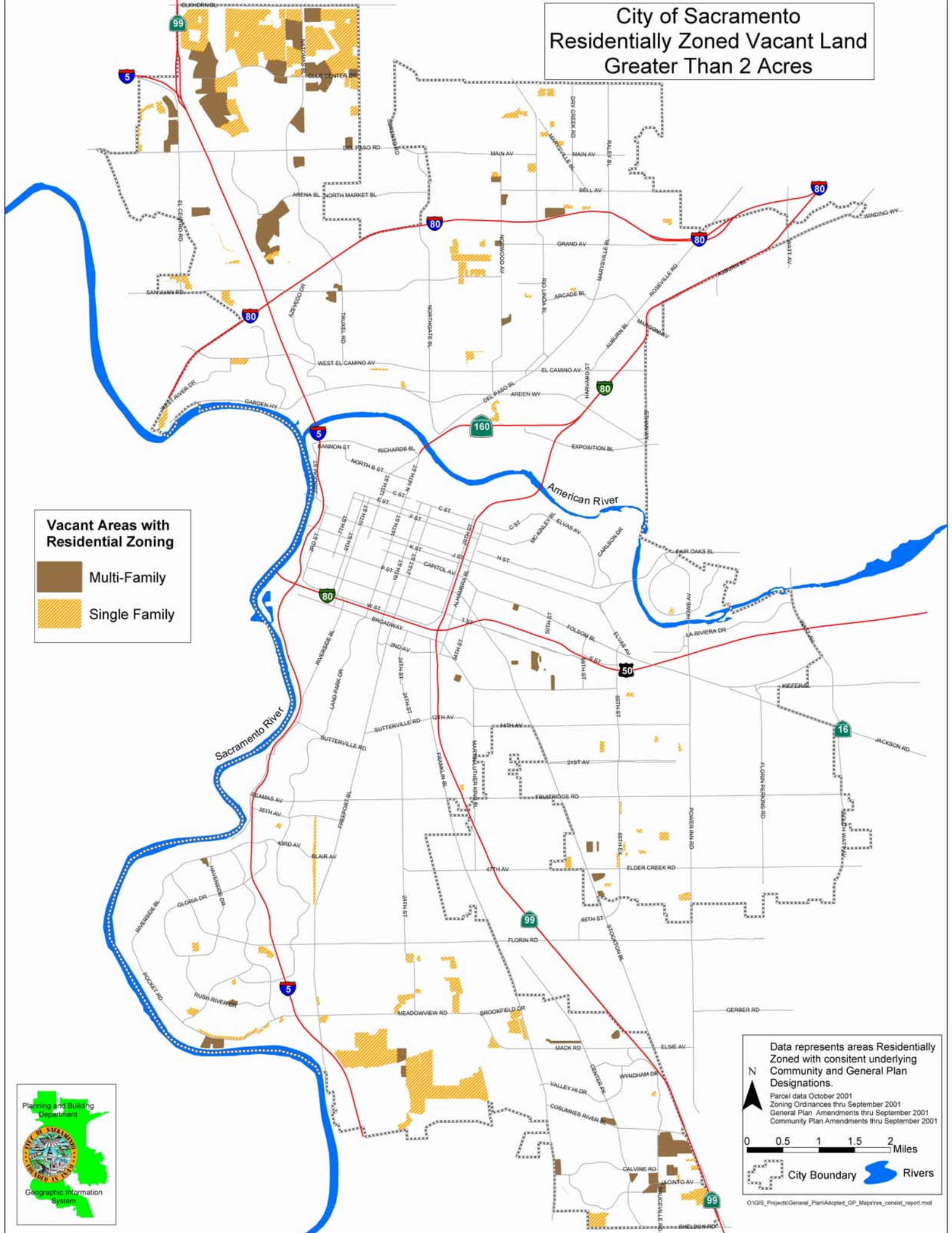
Sources and Uses	Estimated Funds by Use	Units/Households by Percent of Area Median Income				Total Assisted
		<30%	30 - 50%	50 - 80%	80 - 120%	
Redevelopment Housing Setaside (1)						
Homeless/Special Needs - Beds (2)	8,000,000	800				800
Public Housing Assistance	1,100,000	100				100
Multifamily New Construction	14,000,000		80	60	171	311
Multifamily Substantial Rehabilitation	5,150,000		25	25	75	125
Ownership Programs						
Del Paso Nuevo	1,500,000		9	125	66	200
Boarded/Vacant Program	500,000			5	20	25
Single Family Rehabilitation	250,000		9			9
HOME						
	-					-
Multifamily New Construction (7)	6,000,000	30*	195*	75*		300*
Multifamily Substantial Rehabilitation (3)	8,000,000	60	240	100		400
Home Ownership						
First Time Homebuyer Assistance	2,500,000		80	225		305
Community Development Block Grant						
Homeless/Special Needs (Beds) (4)	2,125,000	346				346
Multifamily New Construction	-					-
Multifamily Substantial Rehabilitation	-					-
Ownership Programs						
First Time Home Buyer Downpayment Asst.	2,250,000		75	200		275
Emergency Repair and Retrofit	1,700,000	145	290			435
Single Family Rehabilitation Loans	2,000,000	10	23	33		66
Volunteer Repair and Paint Programs	700,000	685	880	245		1,810
Del Paso Nuevo - New Town (6)	4,000,000					
Franklin Villa Acq/Rehab(5)	1,350,000					
Housing Trust Funds - City						
Multifamily New Construction (7)	2,900,000	20*	100*	70*		190*
Substantial Rehabilitation & Conversion	545,000		35			35
Del Paso Nuevo (Single Family Ownership) (6)	2,000,000					
Other Funding Sources						
Mixed Income Housing City Fee Waivers (7)	500,000	50	533	291		874
Mortgage Credit Certificates	12,100,000		25	130	120	275
Mortgage Revenue Bonds (New and Rehab) (Not Using Local Financing)	25,000,000		50	100	100	250
Downtown Tax Increment Capital Contributions (8)	10,000,000				200	200
Housing Choice Vouchers (New)		1,445	480			1,925
CalHOME Mortgage Assistance (State Funding)	300,000			15		15
Cal-HOME Manufactured Housing Rehab	180,000		6	12		18
TOTAL	114,650,000	3,641	2,840	1,566	752	8,799

1. Redevelopment Housing setaside funds include 2002 downtown tax allocation bond proceeds; they do not include future bond sales for other areas.
2. Estimates are based on \$1.45 million allocated annually to homeless housing programs and related administration.
3. These funds include Franklin Villa acquisition and rehabilitation.
4. Estimates do not include Housing for Persons with AIDS/HIV (HOPWA) or Emergency Shelter Grants, which are passed through to the County Department of Human Assistance.
5. CDBG funds will be combined with multiple funding sources to acquire and rehabilitate over 400 units in phase 1 of Franklin Villa.
6. The homes are counted under Redevelopment Tax Increment funds.
7. Total Mixed Income Housing units, funded by HOME, Housing Trust Funds, and City fee waivers. Annual amount of fee waivers shown.
8. These funds are not housing setaside funds, but are redevelopment capital funds used in housing developments to create feasibility.

City of Sacramento Residentially Zoned Vacant Land Greater Than 2 Acres

Vacant Areas with Residential Zoning

- Multi-Family
- Single Family



Data represents areas Residentially Zoned with consistent underlying Community and General Plan Designations.

Parcel data October 2001
Zoning Ordinances thru September 2001
General Plan Amendments thru September 2001
Community Plan Amendments thru September 2001

0 0.5 1 1.5 2 Miles

City Boundary Rivers