

Table of Contents

City of Sacramento Housing Element

APPENDIX H-1 | COMMUNITY PROFILE H-1-1

- 1.1 Introduction H-1-1
- 1.2 Population and Household Characteristics H-1-1
- 1.3 Income and Employment H-1-8
- 1.4 Housing Characteristics H-1-12
- 1.5 Housing Cost and Affordability H-1-16
- 1.6 Special Housing Needs H-1-23
- 1.7 At-Risk Housing H-1-38

Figures

- Figure H 1-1: Community Plan Areas H-1-3
- Figure H 1-2: Age Distribution, City of Sacramento, 2018 H-1-4
- Figure H 1-3: Percent People of Color by Community Plan Area, 2018 H-1-6
- Figure H 1-4: Household Income Distribution, City and County of Sacramento, 2018 H-1-8
- Figure H 1-5: Median Household Income by Community Plan Area, 2018 H-1-9
- Figure H 1-6: Households by Income Level, City and County of Sacramento, 2016 H-1-10
- Figure H 1-7: Net New Housing Units by Year, City of Sacramento, 2005-2019 H-1-13
- Figure H 1-8: Housing Opportunity Index, City of Sacramento, 1991-2020 H-1-18
- Figure H 1-9 Percent of Unsheltered vs. Sheltered Homeless Population, 2019 H-1-32
- Figure H 1-10 Gender within the 2019 Homeless Count H-1-32
- Figure H 1-11 Racial Composition of 2019 Homeless Count vs Sacramento County Total Population H-1-33

Tables

- Table H 1-1 Population Change, 1990–2019 H-1-2
- Table H 1-2 Population by Community Plan Area, 2000-2018 H-1-2
- Table H 1-3 Age Distribution, City of Sacramento, 2000, 2010, and 2018 H-1-4
- Table H 1-4 Race and Ethnicity, City and County of Sacramento, 2010 and 2018 H-1-5
- Table H 1-5 Household Change, City of Sacramento, 1990–2018 H-1-7
- Table H 1-6 Households by Community Plan Area, 2018 H-1-7
- Table H 1-7 Employment by Industry (Jobs in City of Sacramento), 2010-2017 H-1-11
- Table H 1-8 Employment by Industry (Labor Market), City and County of Sacramento, 2017 H-1-12
- Table H 1-9 Housing Type, City of Sacramento, 1990–2020 H-1-13
- Table H 1-10 Homeownership, City of Sacramento, 2000–2018 H-1-14
- Table H 1-11 Overall Vacancy Rate, City of Sacramento, 2000–2018 H-1-14
- Table H 1-12 Age of Housing Stock, City of Sacramento, 2014-2018 H-1-15
- Table H 1-13 Residential Vacant Building Cases by Community Plan Area H-1-16
- Table H 1-14 Median Home Sale Prices by Type, City of Sacramento, May-October 2018 H-1-16
- Table H 1-15 Average Asking Rents by Bedroom Size, City of Sacramento, Q3 2017 and Q3 2018 H-1-17
- Table H 1-16 Housing Opportunity Index, City of Sacramento, 1991-2020 H-1-19
- Table H 1-17 HCD Income Limits based on Persons per Household, 2020 H-1-20
- Table H 1-19 Monthly Housing Costs of Households by Percentage of Income, City of Sacramento, 2017 H-1-22

Table H -20	Lower Income Households Overpaying for Housing, City of Sacramento, 2013-2017	H-1-22
Table H 1-21	Below Poverty Level by Demographic Group, City of Sacramento.....	H-1-22
Table H 1-22	Group Quarters Populations, City of Sacramento, 2000-2010	H-1-25
Table H 1-23	Single Female-headed Households with Own Children Under 18 Years, City of Sacramento, 2010 and 2018	H-1-25
Table H 1-24	Housing Stock by Tenure by Number of Bedrooms, City of Sacramento, 2018.....	H-1-27
Table H 1-25	Disability Status and Types of Disabilities for Civilian Non-Institutionalized Population Age 18 to 64 Years, City of Sacramento, 2018.....	H-1-27
Table H 1-26	Age of Persons with Developmental Disabilities by Zip Code, City of Sacramento	H-1-29
Table H1 – 27	Residence Type of Persons with Developmental Disabilities by Zip Code, City of Sacramento ...	H-1-30
Table H 1-28	Geographic Distribution of the Unsheltered Individuals, Sacramento County, 2019	H-1-33
Table H 1-29	Countywide Inventory of Beds for Homeless Individuals and Families, Sacramento County, 2020.....	H-1-34
Table H 1-30	Emergency Shelters Operating Year-Round, Sacramento County	H-1-35
Table H 1-31	Emergency Shelters Operating Seasonally, Sacramento County	H-1-36
Table H 1-32	Transitional Housing Operating, Sacramento County ¹	H-1-36
Table H 1-33	Rapid Rehousing Operating, Sacramento County.....	H-1-37
Table H 1-34	Permanent Supportive Housing Operating, Sacramento County.....	H-1-37
Table H 1-35	Units in Projects at Risk of Conversion to Market Rate Housing by 2031, City of Sacramento.....	H-1-40
Table H 1-36	Estimated Acquisition/Rehabilitation Cost, City of Sacramento	H-1-41
Table H 1-37	Potential Rent Subsidies based on 2020 Income Limits and Fair Market Rent.....	H-1-42
Table H 1-38	Estimated Replacement Cost.....	H-1-43
Table H 1-39	Qualified Entities, Sacramento County.....	H-1-44

APPENDIX H-1 | Community Profile

1.1 Introduction

This appendix chapter describes the characteristics of Sacramento's population and housing that are essential to understanding the City's housing needs. This appendix is organized as follows:

- Population and Household Characteristics
- Income and Employment
- Housing Characteristics
- Housing Costs and Affordability
- Special Housing Needs
- At-Risk Housing

Data in this appendix is derived from a variety of sources, and compiled to show relationships, major trends, and to respond to known issues and concerns. The most prominent data source used is the U.S. Census data, in varying forms, including the decennial census from 1990, 2000, and 2010, the 2006-2010 and 2014-2018 American Community Survey (ACS), and the Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS) data, which are derived from ACS 5-year datasets.¹ Employment data was also obtained from the State of California Employment Development Department's (EDD) Data Library. Demographic data was also sourced from the Sacramento 2040 General Plan Update Existing Conditions Technical Memorandum and Market Demand Study (GPU Market Demand Study) compiled by BAE Urban Economics in 2019. It should be noted that this 2019 GPU Market Demand Study organized data by the City's community plan areas, which include unincorporated areas adjacent to the City that are either study areas or within the City's sphere of influence.

1.2 Population and Household Characteristics

1.2.1 Population Growth Rates

Sacramento's population was 508,172 in 2019. Table H 1-1 shows the City of Sacramento's population growth rate relative to Sacramento County and the state. The City's growth rate since 1990 has more or less equaled the overall growth in the state of California, with a slightly slower rate of growth from 1990-2000 and slightly faster rate of growth from 2000-2019. According to the Sacramento Area Council of Governments (SACOG), the City of Sacramento is projected to continue to add new residents at a rate of about 1.1 percent per year. If this rate is realized, the City would add about 140,000 new residents by 2040.

¹ The decennial census data are based on a survey of the entire U.S. population, with about one person in six answering a more detailed questionnaire. The ACS data are based on a much smaller survey size, with about 3 million people answering the survey each year. This smaller sample size results in a lower level of accuracy than the decennial census. Because of the variability of the data sources, not all information is consistently available during the same time period, and the margin of error for data also varies. The most recently available data by source was always used, and notations are provided within the text and charts to document the source data and source year.

Table H 1-1 Population Change, 1990-2019			
<i>Year</i>	<i>City of Sacramento</i>	<i>Sacramento County</i>	<i>California</i>
Population			
1990	369,365	1,041,218	29,760,021
2000	407,018	1,223,499	33,871,648
2010	466,488	1,418,788	37,253,956
2019	508,172	1,546,174	39,557,045
Average Annual Percent Change			
1990-2000	1.0%	1.6%	1.3%
2000-2010	1.4%	1.5%	1.0%
2010-2019	1.0%	1.0%	0.7%

Source: SACOG Housing Element Data Profiles; U.S. Census, 1990, 2000, 2010; California Department of Finance, E-5 Population Estimates for Cities, Counties, and the State, 2010-2019.

1.2.2 Population by Community Plan Areas

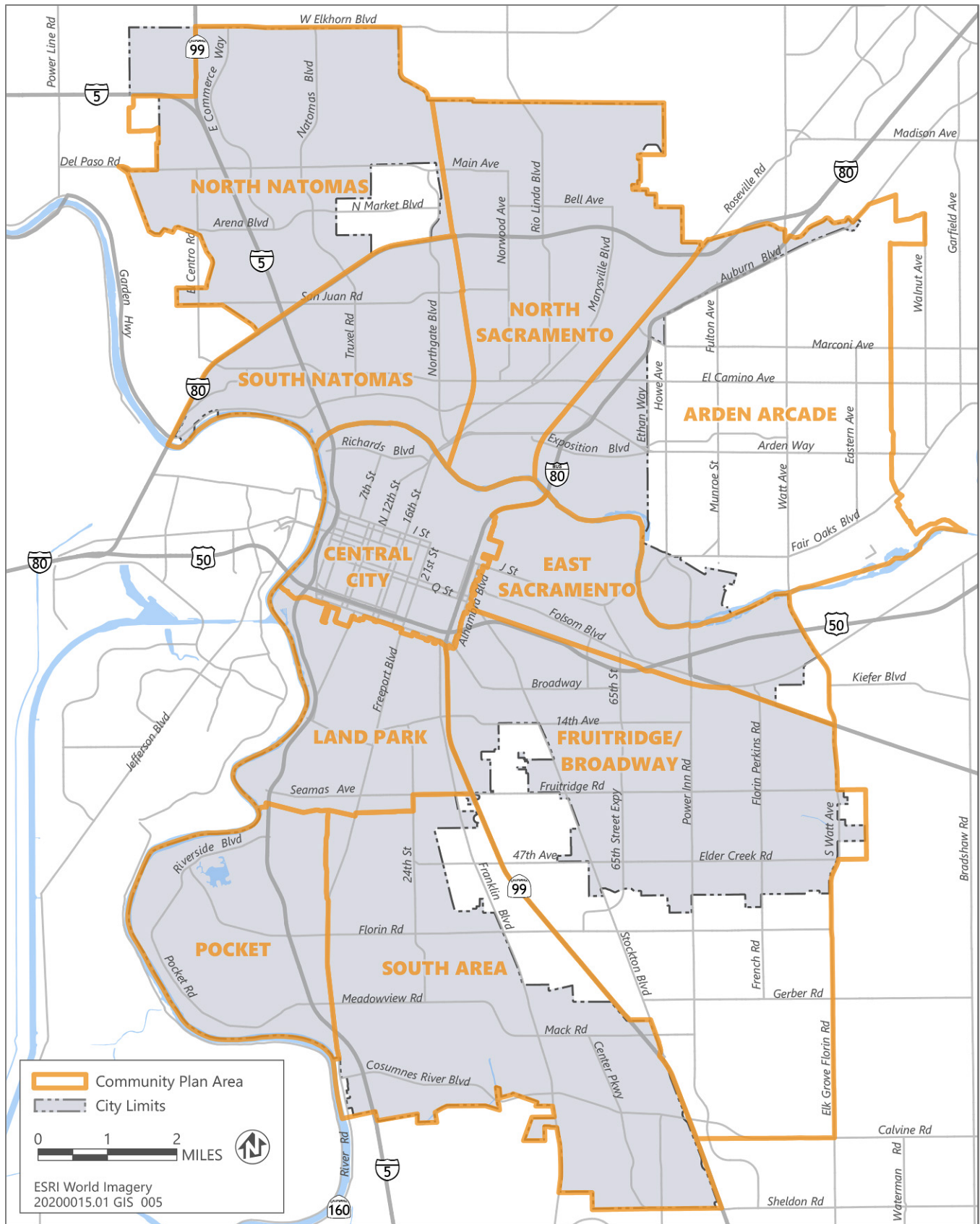
Table H 1-2 presents 2000, 2010, and 2018 population by community plan area. Throughout the City of Sacramento and its study areas and sphere of influence, all community plan areas experienced a positive growth rate between 2010 and 2018. Even the community plan areas that experienced population decline during 2000-2010, such as Land Park, saw population growth over the past decade. In contrast, the North Natomas community plan area had the highest population growth between 2000 and 2010, but its population growth rate slowed since 2010. The Central City community plan area also saw large population growth since 2010; most of which is from multi-unit residential construction. It should be noted that the 2018 data community plan area data includes the unincorporated neighborhoods in the City's Arden Arcade, East, and Fruitridge Florin Study Areas. The Fruitridge Florin Study Area and a portion of the East Study Area are also in the City's sphere of influence (see Figure H 1-1). For this reason, it is inaccurate to compare the 2018 population sizes and growth rates of these three community plan areas with their 2000 and 2010 equivalents.

Table H 1-2 Population by Community Plan Area, 2000-2018			
<i>Community Plan Area</i>	<i>2010</i>	<i>2018</i>	<i>Percent Change (2010-2018)</i>
Arden/Arcade	96,300	101,071	5.0%
Central City	32,367	35,547	9.8%
East Sacramento	31,635	32,659	3.2%
Fruitridge/Broadway	143,116	153,452	7.2%
Land Park	32,052	33,831	5.6%
North Natomas	53,766	59,979	11.6%
North Sacramento	55,855	60,574	8.4%
Pocket	43,833	45,706	4.3%
South Area	107,992	116,863	8.2%
South Natomas	43,645	46,012	5.4%
Total	640,561	685,694	7.0%

Source: GPU Market Demand Study, July 23, 2019 (ESRI Business Analyst 2018; BAE 2018).

Note: Data for the community plan areas includes the unincorporated neighborhoods in the City's sphere of influence and/or study areas.

Figure H 1-1: Community Plan Areas



Source: City of Sacramento, 2020; Ascent, 2020.

1.2.3 Age Distribution

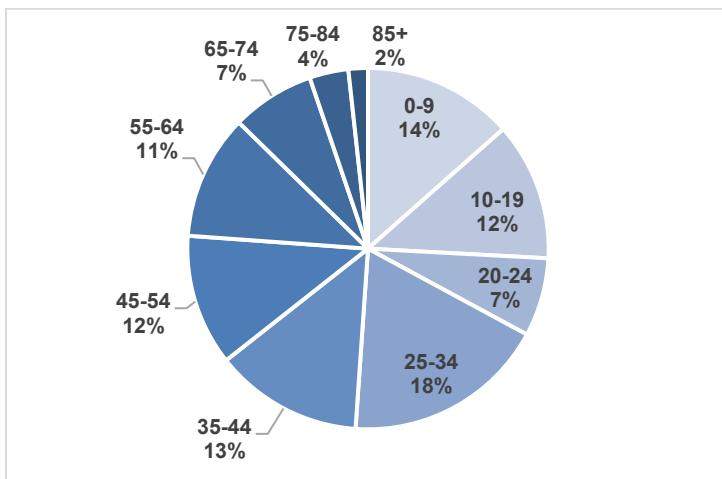
Table H 1-3 shows the population distribution by age groups in Sacramento in 2010 and 2018 and Figure H 1-2 shows the age distribution for the City of Sacramento as estimated in 2018. Overall, the population has skewed older from 2010 to 2018. Persons age 65 and over accounted for 10.5 percent of the total population in 2010, but in 2018 they made up 12.6 percent of the total population. In fact, the fastest growing segment of population was persons age 65-74, whose numbers increased by 43 percent as compared to an overall population increase of 6 percent during that same time period. In contrast, persons age 24 and under, represented a larger percentage of the total population in 2010 than in 2018 (decreased from 36.1 percent to 32.9 percent). Due to the increasing senior population, it is anticipated that compact housing types near transit and neighborhood serving amenities will be in demand.

Another significant age cohort in the City is adolescents and young adults ages 10 to 24. These residents represent the future of Sacramento and have varied and unique housing needs. As these residents age, they will increase the demand for housing appropriate for single adults and childless couples. As with the increasing senior population, it is anticipated that compact housing types near transit and neighborhood serving amenities be valued by these younger adults.

Age Interval (Years)	2000		2010		2018		% Change 2000-2010	% Change 2010-2018
	Population	% of Total Pop.	Population	% of Total Pop.	Population	% of Total Pop.		
0-9	61,930	15.2%	66,416	14.2%	66,705	13.5%	7%	0%
10-19	61,328	15.1%	64,472	13.8%	61,262	12.4%	5%	-5%
20-24	30,195	7.4%	37,671	8.1%	34,830	7.0%	25%	-8%
25-34	63,321	15.6%	77,608	16.6%	90,161	18.2%	23%	16%
35-44	61,483	15.1%	61,485	13.2%	65,755	13.3%	0%	7%
45-54	52,118	12.8%	59,546	12.8%	58,216	11.8%	14%	-2%
55-59	16,783	4.1%	27,444	5.9%	27,664	5.6%	64%	1%
60-64	13,417	3.3%	22,426	4.8%	27,642	5.6%	67%	23%
65-74	23,052	5.7%	25,780	5.5%	36,895	7.5%	12%	43%
75-84	17,312	4.3%	16,049	3.4%	17,259	3.5%	-7%	8%
85+	6,079	1.5%	7,591	1.6%	8,622	1.7%	25%	14%
Total	407,018	100.0%	466,488	100.0%	495,011	100.0%	15%	6%

Source: SACOG Housing Element Data Profiles, November 2012; U.S. Census, 2000 and 2010; ACS 5-Year Estimates 2014-2018.

Figure H 1-2: Age Distribution, City of Sacramento, 2018



Source: U.S. Census 2010; ACS 5-Year Estimates 2014-2018.

1.2.4 Race/Ethnicity

Sacramento is a racially and ethnically diverse City, and similar to the state as a whole, is growing more diverse over time. As shown in Table H 1-4, the City population is significantly more diverse than the county as a whole. In 2010, 65.5 percent of the City’s population were people of color, compared to 52.5 percent in the county. By 2018, 67.5 percent of the population were people of color, compared to 55 percent in the county. Similarly, the City has a notably higher proportion of Hispanic/Latino individuals than the county (almost 29 percent compared to 23 percent in 2018). The City also has a large Asian and Black population, making up 18.6 and 13.1 percent of the population, respectively, in 2018.

Table H 1-4 Race and Ethnicity, City and County of Sacramento, 2010 and 2018								
<i>Race/ Ethnicity</i>	<i>City of Sacramento</i>				<i>Sacramento County</i>			
	<i>2010</i>		<i>2018</i>		<i>2010</i>		<i>2018</i>	
	<i>Population</i>	<i>% of Total</i>	<i>Population</i>	<i>% of Total</i>	<i>Population</i>	<i>% of Total</i>	<i>Population</i>	<i>% of Total</i>
White (Non-Hispanic)	161,062	34.5%	160,691	32.5%	687,166	48.4%	682,500	45.2%
Black or African-American (Non-Hispanic)	64,967	13.9%	64,582	13.1%	139,949	9.9%	144,003	9.5%
American Indian, Alaskan Native (Non-Hispanic)	2,586	0.6%	1,672	0.3%	7,875	0.6%	5,469	0.4%
Asian (Non-Hispanic)	83,841	18.0%	92,077	18.6%	198,944	14.0%	231,740	15.4%
Native Hawaiian, Other Pacific Islander (Non-Hispanic)	6,392	1.4%	8,358	1.7%	13,099	0.9%	16,335	1.1%
Other ¹ (Non-Hispanic)	22,364	4.8%	25,803	5.2%	65,559	4.6%	82,951	5.5%
Persons of Hispanic Decent ²	125,276	26.9%	141,828	28.7%	306,196	21.6%	347,025	23.0%
Total	466,488	100.0%	495,011	100.0%	1,418,788	100.0%	1,510,023	100.0%

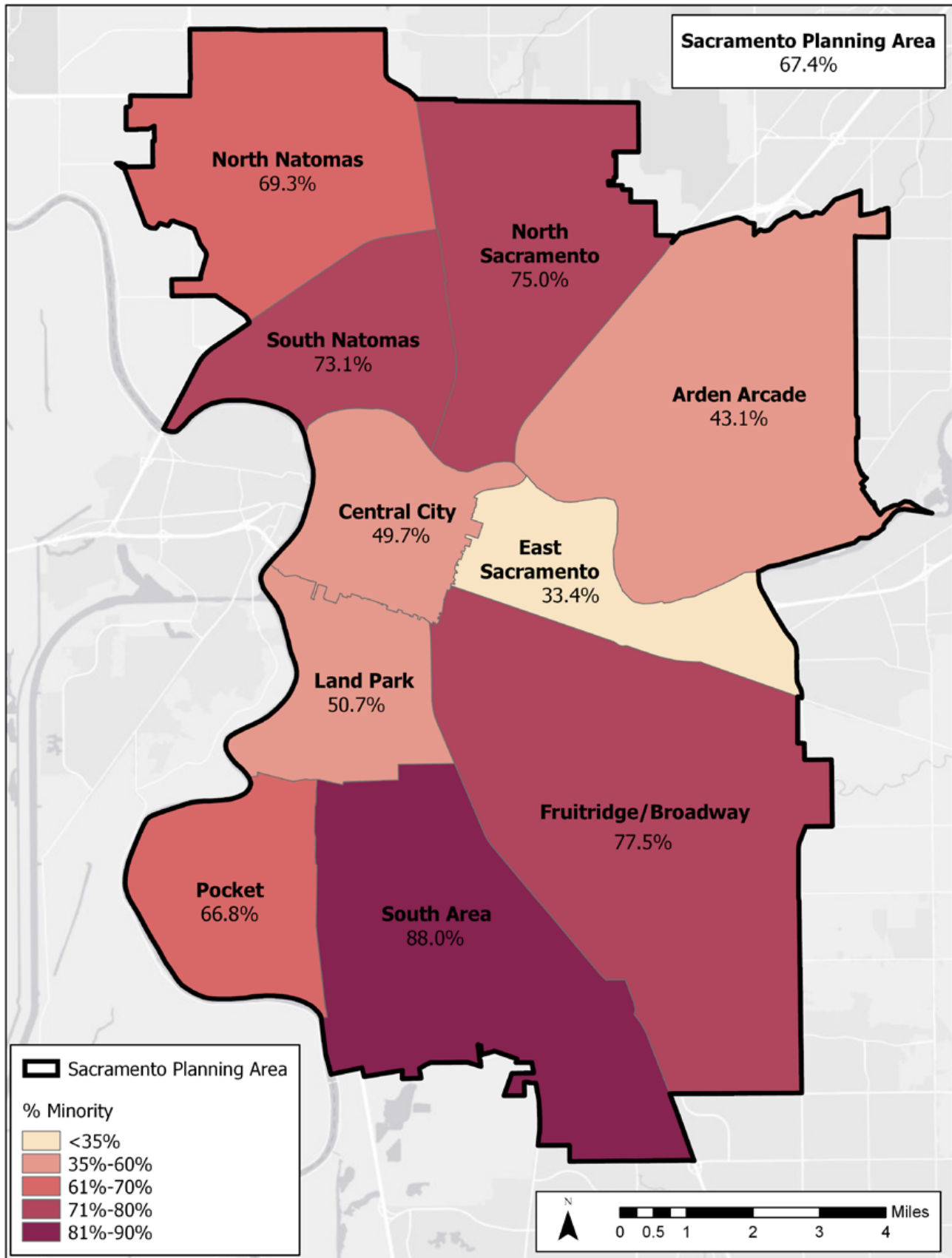
Source: U.S. Census, 2010; ACS 5-Year Estimates, 2014-2018.

¹ The “Other” category refers to persons of two or more races and any other category not already defined which a person identifies.

² 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 descent.

The racial and ethnic makeup of residents varies widely by community plan area. As shown in Figure H 1-3, the South Area is generally the most diverse of the community plan areas, with a population that is 88 percent people of color. Other areas with average to above average concentrations of people of color include Fruitridge/Broadway, North Sacramento, and North and South Natomas. Areas with the lowest concentrations of people of color generally include East Sacramento, the Central City, Arden Arcade, Land Park, and the Pocket.

Figure H 1-3: Percent People of Color by Community Plan Area, 2018



Source GPU Market Demand Study, July 23, 2019 (ESRI Business Analyst, 2018; BAE, 2018).

1.2.5 Household Size

As shown in Table H 1-5, the number of households in Sacramento increased from 144,661 in 1990 to 183,106 in 2018, a 27 percent change. The City’s population is growing faster than the number of households, increasing by 34 percent during this same time, indicating that household sizes are increasing. Sacramento’s average household size in 1990 was 2.50, increasing to 2.57 in 2000, 2.59 in 2010, and 2.66 in 2018. Household size can be related to overcrowding and overpayment, which will be discussed later in this section.

<i>Year</i>	<i>Number of Households</i>	<i>Total Population</i>
1990	144,661	369,365
2000	154,581	407,018
2010	174,624	466,488
2018	183,106	495,011
Percent Change Since 1990	27%	34%

Source: SACOG Housing Element Data Profiles; U.S. Census 1990, 2000. And 2010; ACS 5-Year Estimates, 2014-2018.

As shown in Table H 1-6, average household size varies by community plan area. Certain community plan areas, such as North and South Natomas, are closely reflective of the City’s overall average household size of 2.66. Other community plan areas have much higher household sizes, such as North Sacramento with an average household size of 3.36 and South Area at 3.47, which suggest that these neighborhoods have more families with children than the City overall. In contrast, the Central City community plan area has an average household size of 1.60. Even though the Central City has seen rapid population growth since 2010, this low household size indicates that the neighborhood has a large proportion of singles and couples without children.

<i>Community Plan Area</i>	<i>Households</i>	<i>Population</i>	<i>Average Household Size</i>
Arden/Arcade	44,355	101,071	2.28
Central City	22,167	35,547	1.60
East Sacramento	14,921	32,659	2.19
Fruitridge/Broadway	49,214	153,452	3.12
Land Park	14,765	33,831	2.29
North Natomas	20,936	59,979	2.86
North Sacramento	18,038	60,574	3.36
Pocket	19,952	45,706	2.29
South Area	33,718	116,863	3.47
South Natomas	16,623	46,012	2.77
Total	254,689	685,694	2.69

Source: GPU Market Demand Study, July 23, 2019 (ESRI Business Analyst, 2018; BAE, 2018).

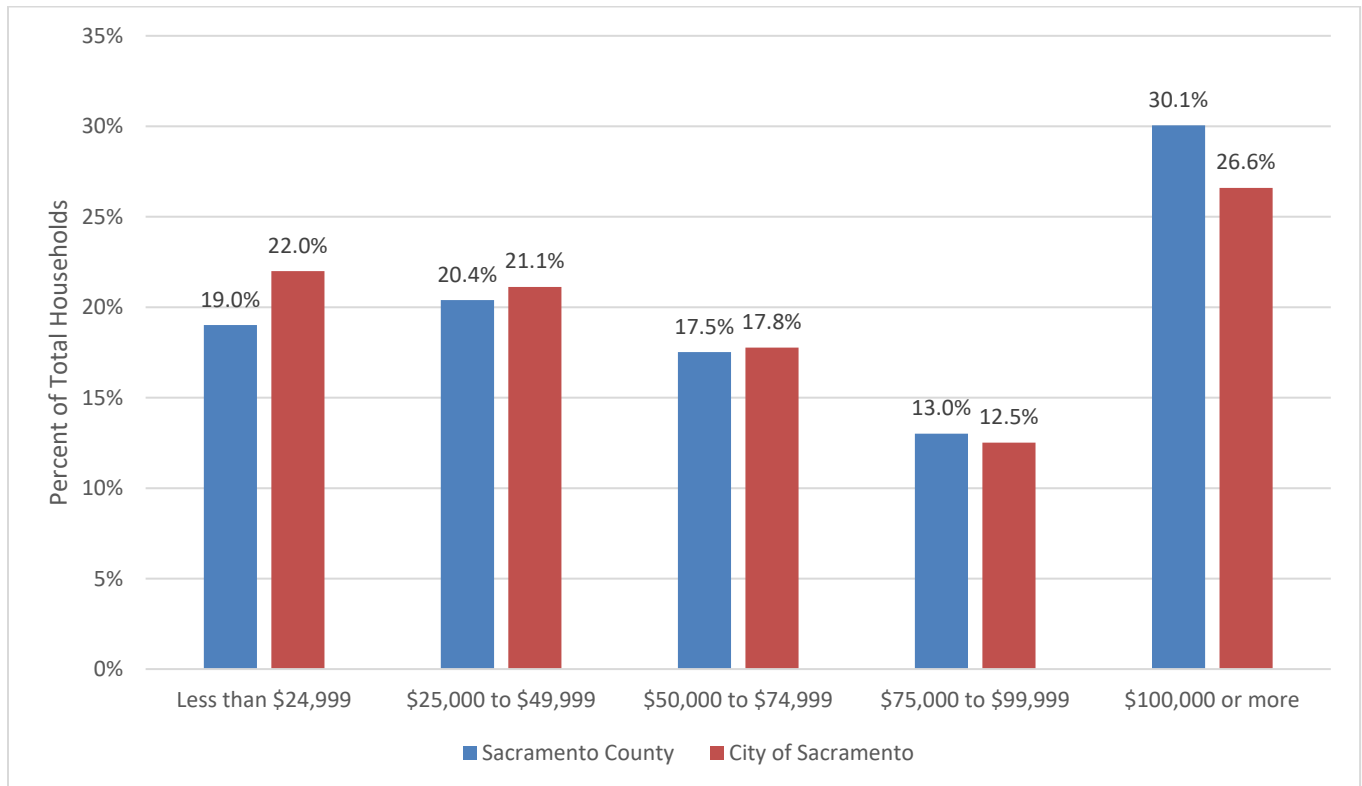
Note: This data includes the unincorporated neighborhoods in the City’s sphere of influence.

1.3 Income and Employment

1.3.1 Income Distribution

Household incomes in the City of Sacramento are lower than the county as a whole. As shown in Figure H-1-4, the City of Sacramento has a lower portion of households with an annual income over \$100,000 compared to the county. The City has roughly the same share of households earning between \$50,000 and \$99,999, but a significantly higher share of households earning less than \$50,000 per year. In 2018, the median household income in the City was \$58,456, compared to a median household income of \$63,902 countywide.

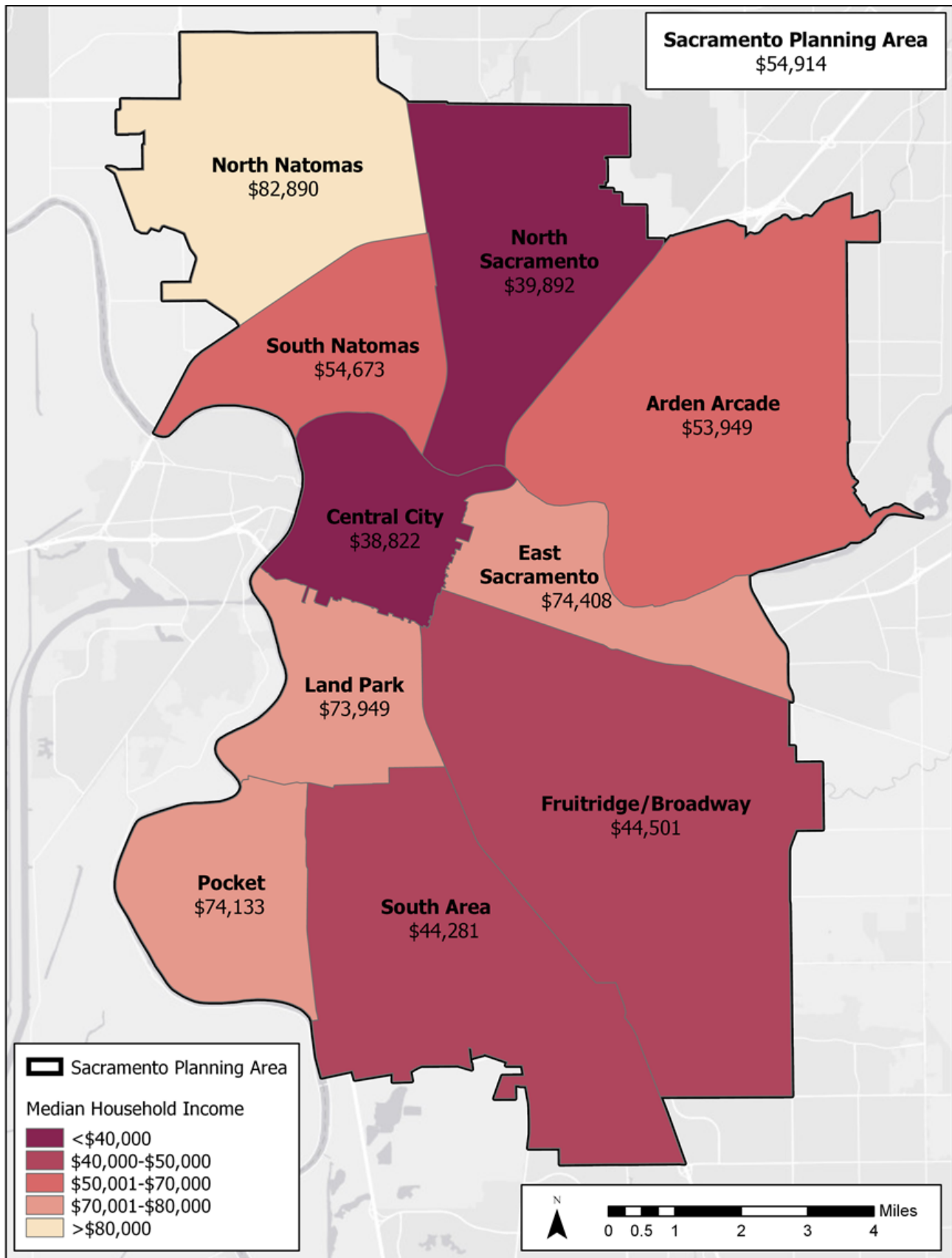
Figure H 1-4: Household Income Distribution, City and County of Sacramento, 2018



Source: SACOG Housing Element Data Package; ACS 5-Year Estimates, 2014-2018.

Figure H 1-5 shows the median household income for each of the 10 community plan areas based on data compiled in the GPU Market Demand Study. As shown in the figure, there are four community plan areas that have median household incomes that are below the citywide value: Central City, Fruitridge/Broadway, North Sacramento, and the South Area. The Central City has the lowest median household income (\$38,822), followed by North Sacramento at \$39,892. Except for the Central City, these low-income communities are also some of the most racially and ethnically diverse. Community plan areas with median household incomes that are above the citywide value include East Sacramento, Land Park, North Natomas, and the Pocket. At \$82,890, North Natomas has the highest annual median household income, followed by East Sacramento at \$74,408.

Figure H 1-5: Median Household Income by Community Plan Area, 2018



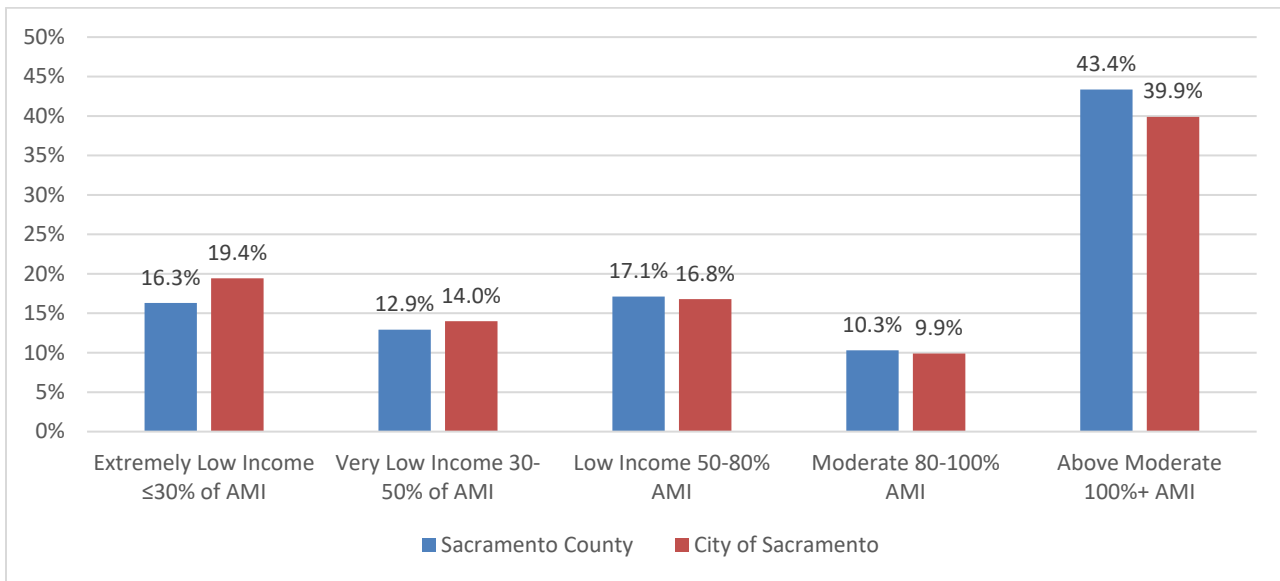
Source: GPU Market Demand Study, July 23, 2019 (ESRI Business Analyst, 2018; BAE, 2018).

1.3.2 Households by Income Level

Figure H 1-6 shows data collected from the 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) dataset, which is a special tabulation of the 2012-2016 ACS data prepared for HUD. The CHAS data set uses HUD-defined income categories to classify households by income level adjusted for household size.

Consistent with the information provided earlier on income distribution, the City has a larger proportion of lower-income households compared to the county as a whole and a smaller proportion of moderate- and above moderate-income households (see Figure H 1-6). The percentage of lower-income households in the City has increased since 2009 from 48 percent of households to 50 percent of households in 2016.

Figure H 1-6: Households by Income Level, City and County of Sacramento, 2016



Source: U.S. HUD CHAS, 2012-2016.

1.3.3 Employment Trends

Future housing needs depend, in part, on employment trends. Changes in the types and pay levels of jobs available in Sacramento and the surrounding region will have an impact on the type and cost of housing that future residents will desire and can afford. The Sacramento region is a hub for state government and related industries, health services, financial services, and local/regional serving retail. Sacramento also has an opportunity to capture a growing share of employment in emerging technology and energy industries. The region’s current employment base, and the potential to attract new types of employers that offer better paying jobs, will affect future housing needs in Sacramento.

Employment by Industry

Table H 1-7 shows 2017 data from a special tabulation of the Quarterly Census of Employment and Wages as described in the GPU Market Demand Study. According to the study, there were 302,111 jobs in the City of Sacramento in 2017, compared to roughly 250,571 jobs in 2010. Based on these figures, the City of Sacramento’s employment base grew by nearly 21 percent, adding an average of roughly 7,360 jobs per year. The number of jobs grew at an average annual growth rate of 2.7 percent, which is more than double the City’s population growth rate from 2010 to 2018.

Appendix H-1: Community Profile

Compared to the Sacramento Metropolitan Statistical Area (MSA),² Sacramento captured approximately 42 percent of regional employment growth, compared to only around 18 percent of regional population growth. This trend indicates that the City has continued to strengthen its position as the dominant employment center for the broader Sacramento region, which has important implications for non-residential land use and housing affordability. In fact, according to the California Employment Development Department, 19 of the 25 largest employers in Sacramento County are located in the City. Reflecting the City's role as the State Capitol and County seat, approximately 39 percent of jobs in Sacramento are in State and local government. However, the largest growing industry in the City between 2010 and 2017 was Health Care and Social Assistance, which added over 13,000 jobs, followed by Administrative and Waste Services, which added close to 10,000 jobs.

Table H 1-7 Employment by Industry (Jobs in City of Sacramento), 2010-2017

Industries	2010		2017		Absolute Change	Annual Average Change
	Number	Percent	Number	Percent		
Agriculture, Forestry, Fishing and Hunting	135	0.1%	116	0.0%	-19	-2.1%
Mining, Quarrying, and Oil and Gas Extraction	(b)	(b)	10	0.0%	n.a.	n.a.
Utilities	32	0.0%	98	0.0%	66	17.3%
Construction	7,096	2.8%	10,848	3.6%	3,752	6.3%
Manufacturing	6,403	2.6%	7,571	2.5%	1,168	2.4%
Wholesale Trade	5,027	2.0%	7,788	2.6%	2,761	6.5%
Retail Trade	15,790	6.3%	19,470	6.4%	3,680	3.0%
Transportation and Warehousing	4,017	1.6%	5,164	(b)	1,147	3.7%
Information	3,634	1.5%	3,305	1.1%	-329	-1.3%
Finance and Insurance	5,058	2.0%	6,038	2.0%	980	2.6%
Real Estate and Rental and Leasing	2,443	1.0%	2,996	1.0%	553	3.0%
Professional and Technical Services	13,539	5.4%	16,058	5.3%	2,519	2.5%
Management of Companies and Enterprises	2,093	0.8%	2,852	0.9%	759	4.5%
Administrative and Waste Services	11,920	4.8%	21,881	7.2%	9,961	9.1%
Educational Services	3,952	1.6%	3,634	1.2%	-318	-1.2%
Health Care and Social Assistance	24,989	10.0%	38,504	12.7%	13,515	6.4%
Arts, Entertainment, and Recreation	3,026	1.2%	3,793	1.3%	767	3.3%
Accommodation and Food Services	15,230	6.1%	22,558	7.5%	7,328	5.8%
Other Services, except Public Administration	9,222	3.7%	9,541	3.2%	319	0.5%
Federal Government	1,696	0.7%	2,759	0.9%	1,063	7.2%
State Government	86,043	34.2%	81,987	27.1%	-4,056	-0.7%
Local Government	29,086	11.6%	34,577	11.4%	5,491	2.5%
Unclassified/Not Elsewhere Classified	(b)	(b)	566	0.2%	n.a.	n.a.
Total	250,571	100%	302,111	100%	51,540	2.7%

Source: GPU Market Demand Study, July 23, 2019 (ESRI Business Analyst, 2018; BAE, 2018); Quarterly Census of Employment and Wages, 2018; U.S. Bureau of Labor Statistics (BLS), 2010, 2017.

(b) Data are confidential under BLS or State agency disclosure standards if there are fewer than three businesses in a category or if one employer makes up 80 percent or more of employment in a category.

² The Sacramento-Roseville-Arden Arcade Metropolitan Statistical Area (MSA) includes Sacramento County, Yolo County, Placer County, and El Dorado County.

Occupational Employment

Table H 1-8 shows data on the jobs held by residents living in the City of Sacramento. As of 2017, the U.S. Census Bureau estimates there were 221,362 residents age 16 years and over employed in the City. Employment by industry for Sacramento residents largely matches the countywide trends. The largest industry sector in which both City and County residents are employed is educational services and health care and social assistance (22.7 percent and 22.2 percent, respectively). Notably, a smaller percentage of City residents are employed in the retail sector (9.9 percent) compared to residents countywide (11 percent).

<i>Industries</i>	<i>Sacramento City</i>		<i>Sacramento</i>	
	<i>Estimate</i>	<i>Percent</i>	<i>Estimate</i>	<i>Percent</i>
Civilian employed population 16 years and over	221,362	100.0%	666,790	100.0%
Agriculture, forestry, fishing, and hunting	1,318	0.6%	5,532	0.8%
Construction	13,233	6.0%	42,625	6.4%
Manufacturing	11,153	5.0%	37,376	5.6%
Wholesale trade	5,155	2.3%	16,247	2.4%
Retail Trade	21,929	9.9%	73,133	11.0%
Transportation, warehousing, and utilities	11,399	5.1%	35,405	5.3%
Information	4,689	2.1%	13,351	2.0%
Finance and insurance, and real estate and rental and leasing	14,816	6.7%	49,013	7.4%
Professional, scientific, and management, and administrative and waste management services	27,569	12.5%	78,896	11.8%
Educational services, and health care and social assistance	50,212	22.7%	148,037	22.2%
Arts, entertainment, and recreation, and accommodation and food services	22,348	10.1%	63,180	9.5%
Other services, except public administration	11,016	5.0%	33,810	5.1%
Public administration	26,525	12.0%	70,185	10.5%

Source: ACS 5-Year Estimates, 2014-2018.

1.4 Housing Characteristics

1.4.1 Housing Type

Table H 1-9 compares the number of housing units by type in 1990, 2000, 2010, and 2020. Similar to statewide and national trends, the majority of the housing stock in Sacramento (66 percent) is comprised of single-unit homes. Multi-unit housing accounts for 34 percent of the City's housing stock, compared to 29 percent countywide. The proportion of single-unit homes (detached and attached) held constant between 1990 and 2020. While the proportion of multi-unit units also held constant overall between 1990 to 2020.

According to the GPU Market Demand Study, the Central City has the largest concentration of multi-unit housing units, which account for around 81 percent of the housing stock. The next largest concentrations of multi-unit housing are located in the Arden Arcade, South Natomas, North Natomas, and the Pocket areas, which account for around 31 to 46 percent of the total housing stock in each area.

Table H 1-9 Housing Type, City of Sacramento, 1990–2020

Type of Structure	1990		2000		2010		2020	
	Housing Units	% of Total	Housing Units	% of Total	Housing Units	% of Total	Housing Units	% of Total
Single-unit ¹	98,105	64%	107,229	65%	126,261	66%	132,089	66%
Multi-unit 2-4 units	14,971	10%	15,859	10%	18,501	10%	18,869	10%
Multi-unit 5+ units	35,303	23%	37,156	23%	42,955	23%	44,819	23%
Mobile homes/other	4,983	3%	3,670	2%	3,194	2%	3,194	2%
Total	153,362	100%	163,914	100%	190,911	100%	198,971	100%

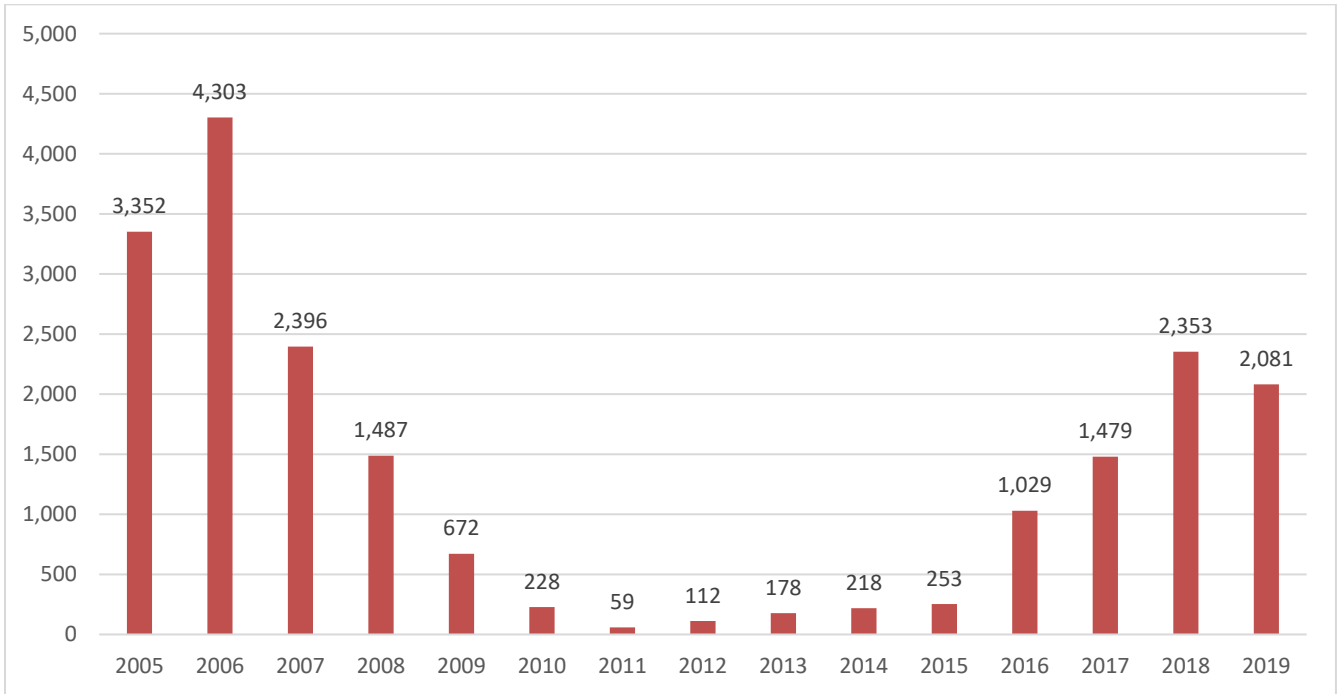
Source: U.S. Census, 1990, and 2000; California Department of Finance, E-5 Population Estimates for Cities, Counties, and the State, 2010-2020.

¹ Single-unit includes attached and detached units.

Between 2000 and 2010, nearly 32,000 housing units were constructed in the City, largely in North Natomas. About 20,000 single-unit homes and 11,000 multi-unit housing units were added during this period, representing the highest rate of housing construction since the 1950s, according to the U.S. Census Bureau.³ In contrast, from 2010 to 2019 only 2,905 housing units were constructed in the City.

Looking more closely on an annual basis, the net increase in housing units each year in Sacramento varied greatly, reflecting national and statewide housing market trends. The greatest annual increase in housing units happened in 2006 prior to the market crash. Soon after, construction came to a halt, and in 2011 there was a net increase of only 59 housing units. New construction has since increased, but nowhere near the rate of growth seen in 2006 (see Figure H 1-7).

Figure H 1-7: Net New Housing Units by Year, City of Sacramento, 2005-2019



Source: California Department of Finance, 2020; Ascent, 2020.

³ The City experienced greater population and housing unit gains in the 1960s, than in the 1950s, but this was largely due to the merger of the City of Sacramento and the City of North Sacramento in 1964.

1.4.2 Housing Tenure

In 2018, Sacramento had a relatively low rate of homeownership, 48 percent, compared to homeownership countywide and statewide (56 and 55 percent, respectively). Similar to regional and statewide trends, the rate of homeownership in the City decreased from 50.6 percent in 2010 (see Table H 1-10).

Table H 1-10 Homeownership, City of Sacramento, 2000–2018

<i>Jurisdiction</i>	<i>2010</i>	<i>2018</i>
City of Sacramento	50.6%	48.0%
County of Sacramento	59.5%	56.0%
California	57.4%	54.6%

Source: ACS 5-Year Estimates, 2006-2010, and 2014-2018.

The percent of renter-occupied single-unit homes in the City (32 percent) is high relative to the 27 percent countywide and 25 percent statewide rates, which partly explains the decrease in homeownership during a time period when the number of single-unit homes increased by about 19 percent.

1.4.3 Vacancy Rates

Table H 1-11 shows overall vacancy rates in Sacramento in 2000, 2010, and 2018. In 2018, the overall vacancy rate for housing in Sacramento was 6.5 percent (including units for seasonal or recreational use), with a homeowner vacancy rate of 1.2 percent and rental vacancy rate of 4.2 percent. Vacancy rates have decreased significantly since 2010 when the overall vacancy rate was 8.5 percent and the homeowner and rental vacancy rates were 3 percent and 8 percent, respectively. Real estate and housing professionals generally consider a balanced housing market to have a vacancy rate of about 2 percent for owner-occupied housing and 6 to 7 percent for rental housing. Vacancy rates suggest a tight housing market with limited availability of both owner-occupied housing and rental housing.

Table H 1-11 Overall Vacancy Rate, City of Sacramento, 2000–2018

<i>Year</i>	<i>Total Housing Units</i>	<i>Vacant Housing Units</i>	<i>Overall Vacancy Rate</i>
2000	163,957	9,376	5.7%
2010	190,911	16,287	8.5%
2018	195,749	12,643	6.5%

Source: SACOG Housing Element Data Profiles, November 2012; U.S. Census, 2000, and 2010; ACS 5-Year Estimates 2014-2018; California Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, 2012.

1.4.4 Age and Condition of Housing

Age of Housing

The age of housing, by itself, does not necessarily equate with poor housing conditions. However, a neighborhood with a large stock of older housing (particularly older non-subsidized rental housing) occupied by a high percentage of lower-income households has a much greater potential for housing problems than an affluent neighborhood with older housing.

If not properly maintained, housing can exhibit obvious signs of “wear and tear” after 30 years (or even less, depending on the quality of materials and construction). Non-structural components such as paint, siding, doors, windows, roof shingles, electrical, plumbing, and ventilation can deteriorate or fail during the first 30 years. After 40 years or more, housing can exhibit structural problems (e.g., sagging roofs, foundation failure, walls out of plumb) if subject to inadequate maintenance and repairs.

Appendix H-1: Community Profile

Table H 1-12 shows when housing units were built in the City. Of the 194,998 housing units in the City counted by the ACS in 2018, about 72 percent were built before 1990, and about 55 percent were built before 1980. The median year in which housing was built was 1975. Of all housing units built before 1980, 48 percent were owner occupied and 52 percent were renter occupied. Except for subsidized rental housing maintained to state or federal quality standards, these older housing units occupied by persons living in poverty may be most vulnerable to problems of housing condition.

Table H 1-12 Age of Housing Stock, City of Sacramento, 2014-2018		
<i>Year Built</i>	<i>Number of Units</i>	<i>% of total</i>
2014 or later	3,992	2%
2010-2013	1,593	0.8%
2000–2009	33,156	17%
1990–1999	16,499	8.5%
1980–1989	31,817	16.3%
1970–1979	30,271	15.5%
1960–1969	20,420	10.5%
1950–1959	23,350	12%
1940–1949	12,411	6.4%
1939 or earlier	21,489	11%
TOTAL	194,998	100%

Source: ACS 5-Year Estimates, 2014-2018.

Housing Conditions

Since 2008, the City of Sacramento has been conducting comprehensive and proactive code compliance activities of rental properties in neighborhoods throughout the City as part of the Rental Housing Inspection Program (RHIP). The program has resulted in a marked decrease in substandard rental housing throughout the City as owners are subject to fines and re-inspection if code violations are found. Of the 18,992 properties inspected between 2013 and 2020, only 104 properties (less than 1 percent) were deemed substandard because the owner did not make all of the necessary repairs/corrections that were identified during the inspections conducted through the RHIP. These properties were referred from the RHIP to Housing and Dangerous Buildings. Of the substandard rental properties 80 percent were single-unit homes, 13 percent were duplexes, 2 percent were small multi-unit projects (3 to 4 units), and 5 percent were larger multi-unit projects (5 or more units). Based on data it is estimated that less than 1 percent of the City’s rental housing stock would be considered substandard and in need of some rehabilitation.

Another indicator of housing condition, particularly that of single-unit homes, is the data from the City’s Vacant Building Program. Many areas of Sacramento were impacted by the wave of foreclosures that began in 2006. Foreclosures resulted in large numbers of vacant homes in neighborhoods such as Meadowview (South Area), Oak Park (Fruitridge/Broadway Area), and Del Paso Heights (North Sacramento area), among others. In order to address concerns about substandard housing conditions associated with bank-owned foreclosed properties, the City revised its Vacant Building Ordinance to decrease the wait time before a structure may be declared a nuisance, increased fees and penalties, and streamlined the vacant building enforcement process. Unlike the RHIP, the City’s Vacant Building Program responds to resident complaints. The number of complaints peaked in 2008 at the height of the foreclosure crisis, but have since declined as more investors purchased these foreclosed homes, repaired them, and either sold them or converted them into rental housing. Table H 1-13 shows the number of vacant building complaints by year and by community plan area.

Table H 1-13 Residential Vacant Building Cases by Community Plan Area									
<i>Community Plan Area</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>Total</i>
Arden Arcade	9	4	9	1	3	6	4	1	37
Central City	17	16	15	18	17	9	17	13	122
East Sacramento	8	10	6	9	1	18	5	5	62
Fruitridge/Broadway	92	82	81	67	61	121	48	19	571
Land Park	16	18	13	12	10	16	15	7	107
North Natomas	7	11	6	2	5	5	0	0	36
North Sacramento	61	58	54	37	40	49	30	16	345
Pocket	5	8	5	8	6	11	7	6	56
South Area	54	65	53	75	71	122	58	25	523
South Natomas	9	7	8	13	6	7	7	4	61
Citywide	278	279	250	242	220	364	191	96	1,920

Source: City of Sacramento, Code Enforcement Division, Vacant Building Program, 2020.

Based on these two sources, the City estimates that about 1 percent of the housing stock, or 1,900 housing units, may need rehabilitation.

The best proxy for housing conditions available through the U.S. Census is self-reported deficiencies in plumbing and kitchen facilities. In the 2018 ACS, 699 units in the City were estimated to lack plumbing facilities and 1,521 units were estimated to lack kitchen facilities. The data shows improvements since 2010 when 1,043 units were estimated to lack plumbing facilities and 1,972 units were estimated to lack kitchen facilities. According to this measure, a total of 2,220 housing units may need replacement (although there may be double counting of units lacking both kitchen and plumbing facilities).

1.5 Housing Cost and Affordability

1.5.1 Home Sale Prices

Consistent with statewide trends, prices for single-unit homes in the Sacramento area have experienced dramatic increases since the low point in the housing market in 2012. According to data collected from the Sacramento Association of Realtors in the GPU Market Demand Study, the median sale price for homes sold in Sacramento from May to October 2018 was \$325,000. There were 4,451 sales during this period, most of which were detached single-unit homes (see Table H 1-14).

Table H 1-14 Median Home Sale Prices by Type, City of Sacramento, May-October 2018	
<i>Property Type</i>	<i>Median Sale Price</i>
Single Unit ¹	\$335,000
Duplex ²	\$265,000
Condominium	\$222,500
All Units	\$325,000

Source: GPU Market Demand Study, July 23, 2019 (ESRI Business Analyst, 2018; BAE, 2018).

¹ Does not include the sale of 44 single-unit properties where multiple dwelling units were present on one-site (e.g., accessory dwelling unit).

² Represents the sale of individual units.

Appendix H-1: Community Profile

Sales prices have continued to climb since 2018. According to more recent data from the Sacramento Association of Realtors, the median sale price for the broader region, including all of Sacramento County and West Sacramento, increased from just over \$360,000 at the end of 2018 to nearly \$440,000 in November 2020. It is hard to predict whether or not prices will continue to increase at the same rate going forward, or whether the significant increase in home prices during 2020 is a reaction to the low inventory volume coupled with historically low interest rates.

1.5.2 Rental Costs

According to data collected in GPU Market Demand Study, the average rental rate in the third quarter of 2018 was \$1,228 per month. One- and two-bedroom units, which make up the majority of the rental housing stock, had average monthly rents of \$1,112 and \$1,312, respectively. Overall, the average asking rent increased about 5 percent from 2017 to 2018.

Table H 1-15 Average Asking Rents by Bedroom Size, City of Sacramento, Q3 2017 and Q3 2018

	<i>Studio</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4+ BR</i>	<i>All Unit Types (a)</i>
Average Asking Rent, Q3 2017	\$931	\$1,057	\$1,255	\$1,673	(b)	\$1,172
Average Asking Rent, Q3 2018	\$997	\$1,112	\$1,312	\$1,762	(b)	\$1,228
% Change Q3 2017 – Q3 2018	7.1%	5.2%	4.5%	5.3%	(b)	4.8%
Average Unit Size (sq. ft.), Q3 2018	474	670	908	1,228	1,332	804
Average price per sq. ft. Q3 2018	\$2.10	\$1.66	\$1.44	\$1.43	(b)	\$1.53

Source: CoStar 2018; GPU Market Demand Study, July 23, 2019 (ESRI Business Analyst, 2018; BAE, 2018).

(a) Unit totals may not add up to totals due to some units lacking classification by number of bedrooms.

(b) Sample size provided by CoStar is not an adequate representation of the City of Sacramento multi-unit rental housing market.

Data gathered in the GPU Market Demand Study shows that the average asking rents vary widely between the 10 community plan areas. The area with the highest average monthly asking rent was North Natomas at \$1,692 per month in 2018, followed by South Natomas (\$1,463 per month), the Pocket (\$1,412 per month), East Sacramento (\$1,366 per month), and the Central City (\$1,326 per month). The areas with the most affordable asking rents of less than \$1,000 per month include North Sacramento (\$970 per month) and Land Park (\$881 per month).

According to a report by Realtor.com in September 2020, rents were decreasing in several major cities across the nation in response to the Covid-19 pandemic, including nearby Bay Area locations, such as San Francisco, San Mateo, and Santa Clara counties. San Francisco saw rents decline around 25 percent from the prior year. Sacramento, on the other hand, continued to see rapidly increasing rents as more Bay Area residents relocated to the City, further driving up demand for a limited supply of rental housing. In fact, in September 2020 Sacramento was ranked sixth in the nation for increasing rents, with a 16 percent increase from the prior year.

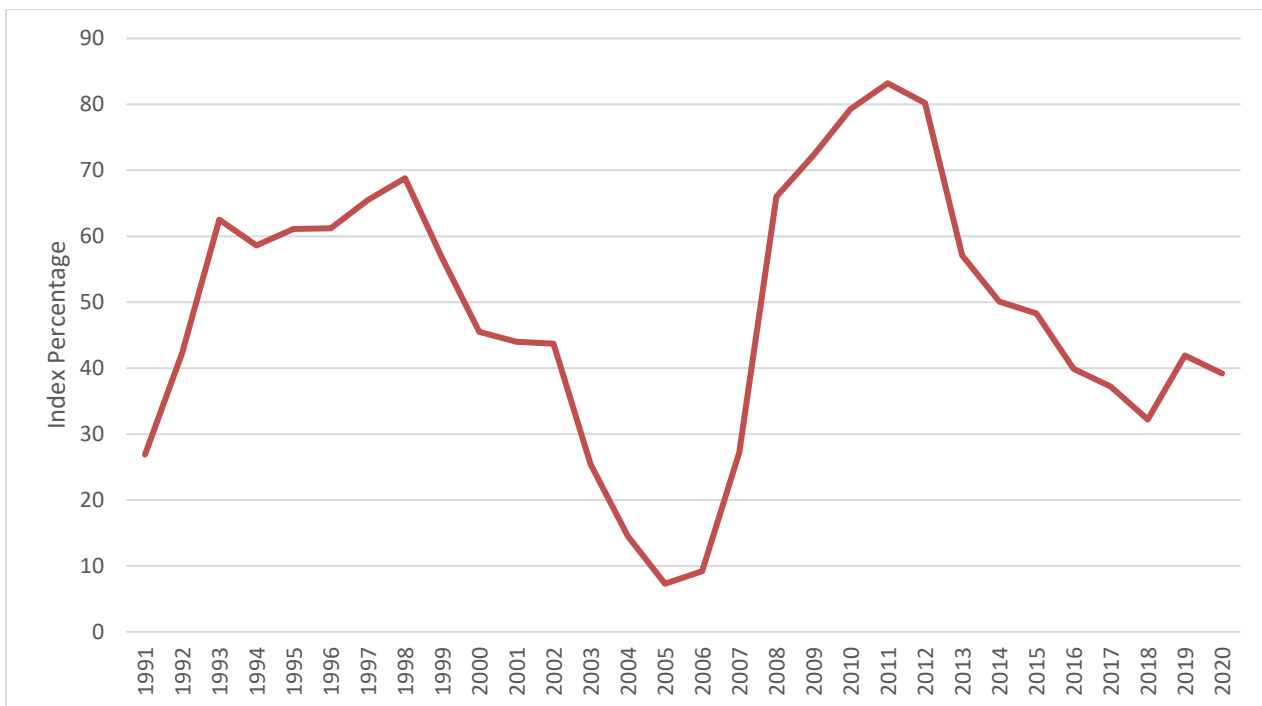
1.5.3 Affordability

Affordable housing is defined, in most cases, as housing and related costs (e.g., utilities, insurance, property taxes for owner-occupied properties) that requires no more than 30 percent of a household's gross income. Although in the past local housing costs have tended to increase faster than local incomes, both home prices and rents declined significantly during the recent recession. These downward trends followed earlier rapid price increases for rent (especially between 2001 and 2003) and home prices (which peaked in 2006). This section describes the ability of households at different income levels to pay for housing. Home prices have been increasing steadily since 2013 by 13 percent every year, which indicate a negative trend for housing affordability since stable rents and home prices represent a positive trend for housing affordability.

Ownership Affordability

One measure of ownership housing affordability is the Housing Opportunity Index (HOI), which reflects the percentage of homes that a household earning median income can afford in the area. Figure H 1-8 and Table H 1-16 show the Sacramento Area HOI, prepared by Wells Fargo and the National Association of Home Builders. Housing affordability in Sacramento has gone through cycles of increasing and decreasing affordability with changes in the local housing market and economy. Before 1998 affordability in the Sacramento region was generally increasing. The affordability index dropped from a high of 68.8 percent in 1998 to a low of 7.3 percent in 2005. However, by 2011 due to increasingly low housing prices, the affordability index reached a historical high of 83.2 percent. Table H 1-16 shows that affordability has decreased since 2011 with an increase in home prices. The housing affordability index reached 39.2 percent in 2020. This general trend in the affordability of ownership housing from 2011 to 2020 reflects a decline in the proportion of homes that are affordable to Sacramento households earning the area median income (AMI).

Figure H 1-8: Housing Opportunity Index, City of Sacramento, 1991-2020



Source: National Association of Home Builders Housing Opportunity Index, 2020.

Table H 1-16 Housing Opportunity Index, City of Sacramento, 1991-2020	
<i>Year</i>	<i>Index Percentage (%)¹</i>
1991	26.9
1992	42.3
1993	62.5
1994	58.6
1995	61.1
1996	61.2
1997	65.5
1998	68.8
1999	56.7
2000	45.5
2001	44.0
2002	43.7
2003	25.4
2004	14.5
2005	7.3
2006	9.2
2007	27.2
2008	66.0
2009	72.3
2010	79.3
2011	83.2
2012	80.2
2013	57.1
2014	50.1
2015	48.3
2016	39.9
2017	37.2
2018	32.2
2019	41.9
2020	39.2

Source: National Association of Home Builders Housing Opportunity Index, 2020.

¹ Figures are the percentage of homes that a household earning median income can afford during the fourth quarter of each year (1st quarter 2020).

Ability to Pay

This section describes the ability of households at different income levels to pay for housing based on HUD 2020 income limits. HUD classifies housing as “affordable” if households pay no more than 30 percent of gross income for payment of rent (including utilities) or monthly homeownership costs (including mortgage payments, taxes, and insurance). Table H 1-17 shows the 2020 HUD income limits for the Sacramento area. The AMI for a four-person household in the Sacramento area was \$86,300 in 2020. Income limits for larger or smaller households were higher or lower, respectively, and are calculated using a formula developed by HUD.

Table H 1-17 HCD Income Limits based on Persons per Household, 2020

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

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

Table H 1-18 shows the 2020 HUD income limits for extremely low-, very low-, low-, and moderate-income households by the number of persons in the household. Additionally, the table shows maximum affordable monthly rents and maximum affordable purchase prices for homes. For example, a three-person household was classified as low-income (80 percent of median) with an annual income of up to \$62,150 in 2020. A household with this income could afford to pay a monthly gross rent (including utilities) of up to \$1,554 or could afford to purchase a house priced at or below \$255,004. This assumes a household with this income has money to afford a down payment.

Based on the analysis in Table H 1-18, the 2018 median home sales price of \$325,000 would generally be affordable to moderate-income households in Sacramento. However, prices have been rapidly increasing since that time and data for the broader region, including all of Sacramento County and West Sacramento, indicates a much higher median sale price of \$440,000 in November 2020. At the same time, interest rates are low, allowing buyers to be able to afford more expensive homes. Nevertheless, most homes on the market are now out of reach for moderate-income households.

The average asking rents of \$1,112 for a one-bedroom and \$1,312 for a two-bedroom unit (shown earlier in Table H 1-15) are generally affordable to lower-income households earning 80 percent of AMI—the upper end of the income limit. The median rent is not affordable to very low- or low-income households that would typically qualify for subsidized affordable housing at 50 and 60 percent AMI.

Table H 1-18: Ability to Pay for Housing based on HCD Income Limits, 2020

<i>Extremely Low-Income Households at 30% of 2020 Area Median Income</i>					
Number of Persons	1	2	3	4	5
Income Level	\$18,150	\$20,750	\$23,350	\$26,200	\$30,680
Max. Monthly Gross Rent ¹	\$454	\$519	\$584	\$655	\$767
Max. Purchase Price ²	\$74,470	\$85,138	\$95,806	\$107,500	\$125,881
<i>Very Low-Income Households at 50% of 2020 Area Median Income</i>					
Number of Persons	1	2	3	4	5
Income Level	\$30,250	\$34,550	\$38,850	\$43,150	\$46,650
Max. Monthly Gross Rent ¹	\$756	\$864	\$971	\$1,079	\$1,166
Max. Purchase Price ²	\$124,117	\$141,760	\$159,403	\$177,046	\$191,407
<i>Low-Income Households at 80% of 2020 Area Median Income</i>					
Number of Persons	1	2	3	4	5
Income Level	\$48,350	\$55,250	\$62,150	\$69,050	\$74,600
Max. Monthly Gross Rent ¹	\$1,209	\$1,381	\$1,554	\$1,726	\$1,865
Max. Purchase Price ²	\$198,382	\$226,693	\$255,004	\$283,315	\$306,086
<i>Median-Income Households at 100% of 2020 Area Median Income</i>					
Number of Persons	1	2	3	4	5
Income Level	\$60,400	\$69,050	\$77,650	\$86,300	\$93,200
Max. Monthly Gross Rent ¹	\$1,511	\$1,726	\$1,943	\$2,158	\$2,330
Max. Purchase Price ²	\$248,028	\$283,315	\$318,806	\$354,092	\$382,608
<i>Moderate-Income Households at 120% of 2020 Area Median Income</i>					
Number of Persons	1	2	3	4	5
Income Level	\$72,500	\$82,850	\$93,200	\$103,550	\$111,850
Max. Monthly Gross Rent ¹	\$1,813	\$2,071	\$2,330	\$2,589	\$2,796
Max. Purchase Price ²	\$297,675	\$340,142	\$382,608	\$425,074	\$459,130

Source: HCD, 2020; and Ascent, 2020

Notes: Incomes based on HCD State Income Limits for 2020; FY 2020 AMI: \$86,300.

¹ Assumes that 30% of income is available for either: monthly rent, including utilities; or mortgage payment, taxes, mortgage insurance, and homeowners insurance² Assumes 95% loan (i.e., 5% down payment) at 4.5% annual interest rate and 30-year term; assumes taxes, mortgage insurance, and homeowners' insurance account for 21% of total monthly payments

1.5.4 Overpayment

Overpayment is another measure commonly used by public agencies to measure housing affordability. HUD refers to overpayment as "housing cost burden" in its CHAS data. Households that pay more than 30 percent of their gross income for housing are said to be overpaying for housing. The 2013-2017 CHAS data provides some insight into overpayment. As shown in Table H 1-19, about 39 percent of households are overpaying for housing. Overpayment is about twice as common for renter households than for homeowner households.

Table H 1-19 Monthly Housing Costs of Households by Percentage of Income, City of Sacramento, 2017

<i>Income Spent on Housing</i>	<i>Owner</i>		<i>Renter</i>		<i>Total</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Less than 30 Percent	62,335	73%	46,595	50%	108,930	61%
30 to 50 Percent ("cost burdened")	13,165	16%	21,915	23%	35,080	20%
50 Percent or more ("severely cost burdened")	9,680	11%	25,000	27%	34,680	19%
Total	85,180	100%	93,510	100%	178,690	100%

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

Residents at the lower end of the income scale are more likely to overpay for housing. Table H 1-20 shows the number of lower-income households in 2017 that paid more than 30 percent of their income for housing. In all, 59,035 households, or 68 percent of lower-income households, were estimated to overpay for housing in 2017. In 2017, 78 percent of extremely low-income and low-income households overpaid for housing, and 48 percent of low-income households. Renters are also more likely to overpay for housing. Overall, 56 percent of lower-income owners and 73 percent of lower-income renters were overpaying for housing. While the total number of lower-income households overpaying for housing has increased since 2013 (from 58,545 to 59,035 households), the proportion of lower-income households overpaying for housing has decreased (from 71 to 68 percent).

Table H -20 Lower Income Households Overpaying for Housing, City of Sacramento, 2013-2017

<i>Category</i>	<i>Owners Overpaying</i>		<i>Renters Overpaying</i>		<i>Total Overpaying</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Extremely Low-Income (<30% AMI)	4,970	76%	20,660	79	25,630	78
Very Low-Income (31–50% AMI)	5,170	63%	13,650	86	18,820	78
Low-Income (51–80% AMI)	5,455	42%	9,130	52	14,585	48
All Lower Income (<80% AMI)	15,595	56%	43,440	73	59,035	68

Source: SACOG Housing Element Data Profiles, November 2012; U.S. HUD CHAS 2013-2017.

Special needs households are more likely than the population at large to live below the poverty line. This group includes persons with disabilities, minimum wage workers, homeless persons, and single parents. In Sacramento, Black or African American and Hispanic/Latino households are more likely to live below the poverty line. Table H 1-21 shows population groups with a higher percentage of households living below the poverty line.

Table H 1-21 Below Poverty Level by Demographic Group, City of Sacramento

<i>Demographic Group</i>	<i>Total</i>	<i>Below Poverty Level</i>	<i>Percent Below Poverty Level</i>
Overall	487,280	89,006	18.3%
Older Adults	61,645	7,786	12.6%
White, not Hispanic/Latino	158,238	20,202	12.8%
Black or African American	64,786	15,319	23.6%
Asian	92,909	16,839	18.1%
Hispanic/Latino	139,398	29,959	21.5%

Source: ACS 5-Year Estimates, 2014-2018.

1.5.5 Overcrowding

A household is considered to live in overcrowded conditions when there is more than one person per room (excluding bathrooms, porches, balconies, foyers, halls, or half-rooms). Overcrowding decreased from 11 percent in 2000 to approximately 5 percent in 2010, but has since increased slightly to 6 percent in 2018.

Renter households are more likely to experience overcrowded conditions. In 2018, 72 percent of all overcrowded households were renter-occupied, while 28 percent of overcrowded households were owner-occupied. Furthermore, when households are unable to afford adequate housing due to housing affordability and other constraints, “doubling up” with family or friends can lead to overcrowding.

1.5.6 Availability of Subsidized Housing

There are two types of rental assistance available to renters in need of assistance: 1) rent restricted housing units in housing developments, and 2) rental housing vouchers that pay property owners the difference between what a renter can afford and a payment standard based on the fair market rent.

The Sacramento Housing and Redevelopment Agency (SHRA) is a joint powers agency created by the Sacramento City Council and the Sacramento County Board of Supervisors to serve as the Housing Authority, the Redevelopment Agency, and the Housing Department for the City and the County of Sacramento. SHRA has one of the largest inventories of public housing among California Housing Authorities. Assisted housing is an important component of the housing inventory for maintaining housing diversity and choice and for housing households with extremely low- and very low-incomes. Currently, SHRA administers 1,508 units of public housing within the City of Sacramento and an additional 771 units of public housing in other portions of Sacramento County, and approximately 12,000 Housing Choice Vouchers (formerly Section 8) throughout the City and county of Sacramento, providing assistance to extremely low- or very low-income households.

1.6 Special Housing Needs

Special housing needs relate to age, disability, income, family size, or other circumstances (such as student status) that create additional challenges to obtaining suitable housing that is also affordable. The following section describes these special needs groups and their associated housing availability issues.

1.6.1 Extremely Low-Income Households

Extremely low-income (ELI) households are those with an income of 30 percent or less of the AMI, adjusted for family size. In 2020, a family of four making \$26,200 or less would be classified as ELI. This income equates to a wage of about \$12.60 per hour for a single wage-earner, which is approximately equivalent to the 2020 state minimum wage. An extremely low-income family of four described above could afford a monthly housing cost of approximately \$655 a month. This ELI family would have to spend 81 percent of their monthly income to afford the median three-bedroom apartment rent of \$1,762 per month in the City of Sacramento.

According to HUD’s 2013-2017 CHAS data, approximately 32,695 households (approximately 18 percent of the City’s total households) were ELI households. Most ELI households (76 percent) rent their homes. Regardless of tenure, 80 percent of ELI households experience additional housing problems such as overpayment, overcrowding, and/or severe structural dilapidation. About 78 percent of ELI households paid more than 30 percent of their incomes for housing, including 66 percent who paid more than 50 percent of their incomes on housing. ELI households may also have mental or other disabilities and special needs, making it even harder to secure housing. To address the range of needs, the City’s Housing Element includes a variety of policies, including promoting a variety of housing types and preserving Single Room Occupancy (SRO) units in the Central City.

Virtually all ELI households are expected to need aid, including housing cost subsidies and social services. State law requires the City to identify the projected need for ELI housing. The City assumed that 50 percent of the very low-income housing need (see Section 2.2 Regional Housing Needs Allocation in Appendix H-2 for more details) is equal to the ELI housing need. As such, there is a projected need for 5,231 ELI housing units during the planning period.

Virtually all ELI households are expected to need aid, including housing cost subsidies and social services. In addition to the challenge of finding affordable housing, ELI households may also have mental or other disabilities and special needs, making it even harder to secure housing.

To address the range of needs, the City's Housing Element includes a variety of policies. One of the City's most effective strategies for ensuring new ELI housing is built is the prioritization of local funding. The SHRA Multifamily Lending Policies prioritize funding for the construction of new permanent supportive housing and the Lending Policies require that 5 percent of units in projects receiving funding from SHRA be affordable to extremely low-income households. The City also has an ordinance preserving single-room occupancy units in the Central City, which are an important source of affordable housing for ELI households. Other programs included in the Housing Element to serve ELI households include public housing units (Program H39), housing choice vouchers (Program H38), and low-income housing tax credits (Program H39).

Group Quarters Population

The group quarters population includes residents with special needs, both for housing and support services. Group quarters residents include inmates at County jails, prisons, military quarters, college dormitories, nursing homes, and other types of housing or shelter in which unrelated people live in common.

Group quarters populations do not include residents of assisted living facilities that have individual living units, such as senior apartments with on-site assistance. Special needs related to residents of group quarters most typical in Sacramento are most likely to reflect the needs of infirm older adults, persons with disabilities and other self-care limitations, and homeless individuals and families. These special needs groups are discussed later in this section.

The group quarters population decreased by approximately 8 percent from 2000 to 2010 in the City from 9,002 to 8,314 individuals. However, according to the California Department of Finance's estimates, the group quarters population has since increased to 8,720 as of 2020.

Since the U.S. Census Bureau only publishes detailed demographic information on the group quarters population once every decade, the following information by type of group quarters represents data from 2010. The largest subset of the group quarters population in 2010 was 2,775 persons living in non-institutionalized facilities such as group homes or residential care facilities (also called "community-based homes") that provide care and supportive services. Such places include homes for the mentally ill, developmentally disabled, and others with self-care limitations; drug/alcohol halfway houses not operated for correctional purposes; and communes.

In 2010, 1,367 people were living in nursing homes, which was a decrease of almost 29 percent over the 2000 total of 1,917. Another 2,254 individuals resided in correctional facilities (including inmates at the main County jail who did not list another place or residence), which was a 9 percent increase over the 2000 total of 2,059.

The final group quarter category included 1,493 residents of colleges, which was a 65 percent increase over the 2000 total of 907. The majority of students who live or study in Sacramento are non-traditional students, with housing needs independent of their status as students.

Table H 1-22 presents the types of group quarters populations in 2000 and 2010. Due to differences in how group quarters population were classified in 2000 and 2010, these two sets of data are not directly comparable. The drastic decrease of persons in military quarters is likely due to the fact that McClellan Air Force Base closed in 2001. McClellan Air Force Base is located adjacent to the City limits.

Table H 1-22 Group Quarters Populations, City of Sacramento, 2000-2010

<i>Type of Group Quarters</i>	<i>2000 Population</i>	<i>2010 Population</i>
Correctional Institutions	2,059	2,254
Nursing Homes	1,917	1,367
Other Institutions	855	291
College Dormitories	907	1,493
Other Non-institutional Group Quarters	N/A	2,775
Juvenile Institutions	N/A	134
Military Quarters	3,172	0
Total	9,002	8,314

Source: U.S. Census, 2000, and 2010.

N/A – Not available.

1.6.2 Single Female-Headed Households

Single female heads-of-households have special needs due to their incomes and family status. Single mothers (single female-headed households with children) and single women 65 years of age or more (single older women) on fixed incomes are among the special needs population with the greatest need. The needs of single older women are discussed in the section on older adults following this section.

As shown in Table H 1-23, the number of single female-headed households with own children decreased to from 15,699 households in 2010 to 13,750 households in 2018. Single mothers face housing challenges because of their incomes, in that many single mothers do not earn enough to qualify for market rate housing, and subsidized housing is in short supply, especially those units of sufficient size and with sufficient amenities to meet the needs of families. Many single mothers also receive some form of public housing assistance.

Table H 1-23 Single Female-headed Households with Own Children Under 18 Years, City of Sacramento, 2010 and 2018

<i>Year</i>	<i>Single Female-headed Households With Own Children Under 18 Years</i>	<i>Percent of Total Households</i>
2010	15,695	9.0%
2018	13,750	7.5%

Source: ACS 5-Year Estimates, 2014-2018; U.S. Census, 2010.

According to the 2014-2018 American Community Survey, approximately 36 percent of single mothers had incomes below the poverty level. Poverty level, like income levels, varies depending on family size; for a family of four, the poverty level in 2019 was \$26,172, or approximately 30 percent of Sacramento AMI during that same year. About 45 percent of single mothers received some form of public assistance income, such as Supplemental Security Income, public assistance, or food stamps. The median income for single mothers (\$31,040) was less than half (46 percent) of the median income for all families in the City.

Single female-headed households with children can be assisted by many of the same strategies targeted to very low- and extremely low-income households in general. However, childcare, early childhood education, and other family supportive services are particularly important for these households.

1.6.3 Older Adults

Older adults (persons age 65 or more) are a special needs group because a high percentage have relatively low incomes and decreasing mobility, which limit their housing options. Many older adults own homes that no longer meet their needs; for example, their homes may be too large, not located near medical and other service, and/or need repairs or accessibility modifications.

In 2018, 62,776 older adults lived in the City and 38,096 households were headed by older adults (see Table H 1-3 for detailed population age numbers). Overall, the older adult population is rising, up 31 percent since 2010. Older adults also represent an increasing proportion of the total population, from 10 percent in 2010 up to 13 percent in 2018. Moreover, older adult headed households have increased since 2010, perhaps due in part to the decreasing number of older adults living in nursing homes.

Older adults, as a group, have lower incomes than the population at large. The median income in 2018 of households headed by older adults was \$45,878, about 78 percent of the median income of all households in the City. This median income for older adults was approximately 66 percent of AMI for a family of two and 76 percent of AMI for a single person in 2018.

In contrast to the 2018 citywide homeownership rate of 48 percent, 65 percent of older adult households were homeowners in 2018, down from 68 percent in 2010. Although most older adult residents own their homes, often unencumbered by debt, many may be in a situation characterized as “house rich and cash poor.” In other words, a person may have large equity in a home, but still be forced to live on a minimal fixed income. Selling the home may not be an option, because the cost to rent may override the income made available by the home sale. Older adults who do rent may face the problem of paying ever increasing rents on fixed incomes. Approximately 35 percent of older adult households were estimated to be renters in 2018, or 13,372 older adult households.

In addition to financial difficulties, many older adults face transportation challenges and may be unable to use public transit due to limited mobility. Compounding this problem, more than half of all older adults live alone and therefore may not have access to transportation assistance from another member of the household.

Female Householders 65 Years of Age or More

A subgroup of older adults that may have special housing needs are single women over 65. In 2018, 6,026 households were headed solely by women 65 years of age or more. According to the 2014-2018 American Community Survey, single older women had a median income of about \$20,760, about 41 percent of the median income for all Sacramento City households and about 60 percent of the median senior household income of \$34,670. Women in this age group face housing challenges that are often greater than the overall older adult population because these women have substantially lower incomes than older adults as a group and less ability to obtain housing that meets their needs.

1.6.4 Large Households

A large household is defined as a household of five or more individuals. In 2018, there were 4,528 large households in the city, representing 9.2 percent of all households. Of the large households in 2018, 67 percent (or 3,037 households) were owner-occupied and 32.9 percent (or 1,491 households) were renter-occupied. Large households are proportionally more represented in lower income brackets.

The primary housing challenge facing large households is insufficient income to afford housing of adequate size to meet their needs. Large households in higher income categories tend to be homeowners or have adequate income to own homes with a sufficient number of bedrooms. However, large households who are renters are more likely to have difficulty finding housing, due both to their lower incomes and the limited number of larger units in the rental housing stock. As shown in Table H1-24, 48.5 percent of owner-occupied housing units and 22.6 percent of renter occupied units have three bedrooms and may be suitable for larger households. Of all renter-occupied units in the City’s housing stock, less than 10 percent (8,109 units) have 4 or more bedrooms, which would better accommodate large households. While this might indicate a sufficient number of large rental units, it does not

Appendix H-1: Community Profile

include a measure of affordability. Larger rental units tend to be more expensive and could be out of reach for lower-income large households.

Table H 1-24 Housing Stock by Tenure by Number of Bedrooms, City of Sacramento, 2018

	<i>Owner Occupied</i>		<i>Renter Occupied</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Less than 3 bedrooms	20,249	23.0%	66,079	70.8%
3 bedrooms	42,613	48.5%	21,117	22.6%
4 bedrooms	21,006	23.9%	6,847	7.2%
5 or more bedrooms	3,933	4.5%	1,262	1.3%
Total units	87,801		93,305	

Source: ACS 5-Year Estimates, 2014-2018.

1.6.5 People with Disabilities

Individuals with disabilities have special needs related to relatively low incomes, housing accessibility, self-care, access to transit, and proximity to health care and supportive services. Many individuals with disabilities cannot afford housing that meets their needs or cannot afford to live in neighborhoods with good access to transit.

According to the 2018 ACS, 57,051 civilian noninstitutionalized individuals over age five in the City of Sacramento had one or more hearing, vision, cognitive, ambulatory, self-care, and independent living disabilities.⁴ This number represents about 11 percent of the City's civilian noninstitutionalized population over age five (see Table H 1-25).

Table H 1-25 Disability Status and Types of Disabilities for Civilian Non-Institutionalized Population Age 18 to 64 Years, City of Sacramento, 2018

	<i>City of Sacramento</i>		<i>Sacramento County</i>		<i>California</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Total Persons	504,120	100.0%	1,527,845	100.0%	39,062,465	100.0%
Total persons with a disability	57,051	11.3%	168,932	11.1%	4,066,171	10.4%
Hearing difficulty	11,776	20.6%	43,114	25.5%	1,143,218	28.1%
Vision difficulty	9,234	16.2%	27,822	16.5%	769,946	18.9%
Cognitive difficulty	23,120	40.5%	68,887	40.8%	1,572,424	38.7%
Ambulatory difficulty	28,411	49.8%	84,613	50.1%	2,087,716	51.3%
Self-care difficulty	13,782	24.2%	41,921	24.8%	971,278	23.9%
Independent living difficulty	25,124	44.0%	73,853	43.7%	1,662,237	40.9%

Source: ACS 1-Year Estimate, 2018.

⁴ The Census Bureau defined disabilities based on two questions from the 2000 Census Long Form: 1) a long-lasting condition such as blindness, deafness, a severe vision or hearing impairment, or a condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying; and 2) a physical, mental, or emotional condition lasting six months or more that creates a difficulty in learning, remembering, concentrating, dressing, bathing, getting around inside the home, or going outside the home alone to shop or visit a doctor's office. Individuals may have more than one disability. The Census Bureau used the same definitions for the American Community Survey.

Developmental Disabilities

State housing element law requires an evaluation of the special housing needs of persons with developmental disabilities. A "developmental disability" is defined as a disability that originates before an individual becomes 18 years old, continues or can be expected to continue indefinitely, and constitutes a substantial disability for that individual. Specific development disabilities include mental retardation, cerebral palsy, epilepsy, and autism.

The 2018 American Community Survey estimates that 23,120 Sacramento residents have a cognitive difficulty, which comprises 41 percent of disabilities in the City. The Alta California Regional Center is a nonprofit private corporation under contract with the California Department of Developmental Services that provides services and supports for individuals with developmental disabilities. As of November 1, 2018, the Alta California Regional Center served 23,640 residents with developmental disabilities across their 10-county service area, 15,185 (64 percent) of which resided in Sacramento County. Of this total, 47 percent are ages 0-17, 36 percent are ages 18-40, 13 percent are ages 41-60, and 4 percent are ages 61 or over. Most developmentally disabled residents in the region (48.6 percent) have an intellectual disability and many (33.5 percent) are autistic.

Tables H 1-26 and H 1-27 show estimates from the State Department of Developmental Disabilities on the number of persons with disabilities by zip code in the City of Sacramento. Table H 1-26 displays the number of developmentally disabled persons by age group and Table H 1-27 displays estimates by zip code and residence type. The greatest number of people with developmental disabilities are living in the South Area (1,258 people within area code 95823), and the Fruitridge Broadway area (728 people living within area code 95828). In both areas, there is a higher portion of individuals that are 18 years or older and most are living in the home of a parent or guardian.

According to data from the Alta Regional Center, about 23 percent of developmentally disabled individuals live in supportive housing while 77 percent live at home. Many developmentally disabled persons are able to live and work independently. However, more severely disabled individuals require a group living environment with supervision, or an institutional environment with medical attention and physical therapy. Additionally, the Alta California Regional Center estimates that about 47 percent of developmentally disabled individuals are under the age of 18. Because developmental disabilities exist before adulthood, the first housing issue for the developmentally disabled is the transition from living with a parent/guardian as a child to an appropriate level of independence as an adult.

Another 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 December 2019, based on information from the State Department of Social Services, there were 52,730 blind and/or disabled individuals receiving SSI throughout Sacramento County. 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 the total population with disabilities.

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

Table H 1-26 Age of Persons with Developmental Disabilities by Zip Code, City of Sacramento

<i>ZIP</i>	<i>00-17 yrs</i>	<i>18+ yrs</i>	<i>Total Age</i>
95811	13	31	44
95812	<11	<11	>0
95813	0	<11	>0
95814	16	63	79
95815	127	207	334
95816	17	31	48
95817	35	73	108
95818	53	51	104
95819	30	40	70
95820	170	205	375
95821	199	222	421
95822	187	307	494
95823	518	740	1258
95824	179	221	400
95825	155	226	381
95826	170	176	346
95827	102	123	225
95828	289	439	728
95829	163	165	328
95830	<11	<11	>0
95831	170	190	360
95832	61	82	143
95833	183	159	342
95834	195	106	301
95835	191	111	302
95838	227	244	471
95841	104	131	235
95842	160	214	374
95864	80	80	160
95867	0	<11	>0

Source: State of California Department of Developmental Services. Consumer County by California ZIP Code and Age Group.

Table H1 – 27 Residence Type of Persons with Developmental Disabilities by Zip Code, City of Sacramento

<i>ZIP</i>	<i>Home of Parent /Family /Guardian</i>	<i>Independent /Supported Living</i>	<i>Community Care Facility</i>	<i>Intermediate Care Facility</i>	<i>Foster /Family Home</i>	<i>Other</i>	<i>Total Res</i>
95811	19	24	0	0	0	<11	>43
95812	<11	<11	0	0	0	0	>0
95813	<11	<11	0	0	0	0	>0
95814	22	46	0	0	0	11	79
95815	216	101	<11	0	<11	<11	>317
95816	27	19	0	0	<11	0	>46
95817	64	34	<11	0	<11	<11	>98
95818	80	22	0	0	<11	0	>102
95819	58	12	0	0	0	0	70
95820	276	60	16	15	<11	<11	>367
95821	280	125	13	0	<11	<11	>418
95822	345	73	62	0	<11	<11	>480
95823	840	191	170	22	24	11	1258
95824	275	56	53	12	<11	<11	>396
95825	223	112	29	<11	<11	15	>379
95826	273	49	20	0	<11	<11	>342
95827	175	27	18	0	<11	<11	>220
95828	547	73	92	0	13	<11	>725
95829	269	<11	35	<11	<11	<11	>304
95830	<11	0	<11	0	0	0	>0
95831	297	36	25	0	<11	<11	>358
95832	110	19	14	0	0	0	143
95833	285	41	12	0	<11	<11	>338
95834	265	23	<11	<11	<11	0	>288
95835	283	11	<11	0	<11	0	>294
95838	390	60	18	0	<11	<11	>468
95841	168	50	<11	0	<11	<11	>218
95842	258	91	11	<11	<11	<11	>360
95843	432	27	15	19	<11	<11	>493
95864	135	21	0	0	<11	0	>156
95867	<11	0	0	0	0	0	>0

Source: State of California Department of Developmental Services. Consumer County by California ZIP Code and Residence Type.

1.6.6 Students

Three major public colleges are located within the City of Sacramento: California State University Sacramento (CSUS), Sacramento City College, and Cosumnes River College. The latter two are two-year colleges. The University of California, Davis Medical Center is also located in the City, and many of the medical school functions are also located on the Medical Center campus.

In the fall of 2019, enrollment at CSUS, the only four-year college in the City, was about 31,100. As of Fall 2019, the enrollment at Sacramento City College was about 21,900 students, with an additional 14,500 students at Cosumnes River. This amounts to a total enrollment of about 67,500 students for all three campuses; a size roughly equivalent to 14 percent of the entire population of the City. The UC Davis Medical Center reports approximately 500 students, plus interns assigned to the medical center. In general, approximately 9 percent of the City's population was enrolled in college or graduate school according to the 2014-2018 American Community Survey, pointing to the fact that many students, especially those at the two-year colleges and the medical center, do not live within the City boundaries.

CSUS is the only college in the City with on-campus housing. Its student housing capacity is approximately 2,100. Consequently, 95 percent of students at CSUS and 98 percent of students citywide live off campus, including in housing leased by the University. While the University is in the process of significantly increasing its on-campus student housing capacity, currently, most students live with their parents or in rental units throughout the Sacramento area. The area surrounding CSUS, particularly near the intersection of Folsom Boulevard and 65th Street, has seen a dramatic increase in off-campus student-oriented housing in recent years.

Sacramento has a large percentage of older, continuing education students, who have already established homes and careers. Over 25 percent of students at CSUS are age 25 or older. 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. These schools have low enrollments relative to the City's population. However, one large private college, McGeorge School of Law in Oak Park, has approximately 480 day students.

1.6.7 Farmworkers

Farmworkers represent a small fraction of the City's labor force. In 2018, 841 City residents were employed in the agriculture, forestry, and fishing industries. According to the 2017 United States Department of Agriculture (USDA) Agricultural Census, there were a total of 349 farms with 4,769 farmworkers in Sacramento County in 2017. This includes approximately 2,076 workers employed more than 150 days per year and 2,693 workers employed less than 150 days per year. Based on this information, more than half, approximately 56 percent of agricultural workers in the county were seasonal in 2017. Although little agricultural activity remains within the Sacramento City limits, the region includes significant agricultural activity that attracts farmworkers and their families.

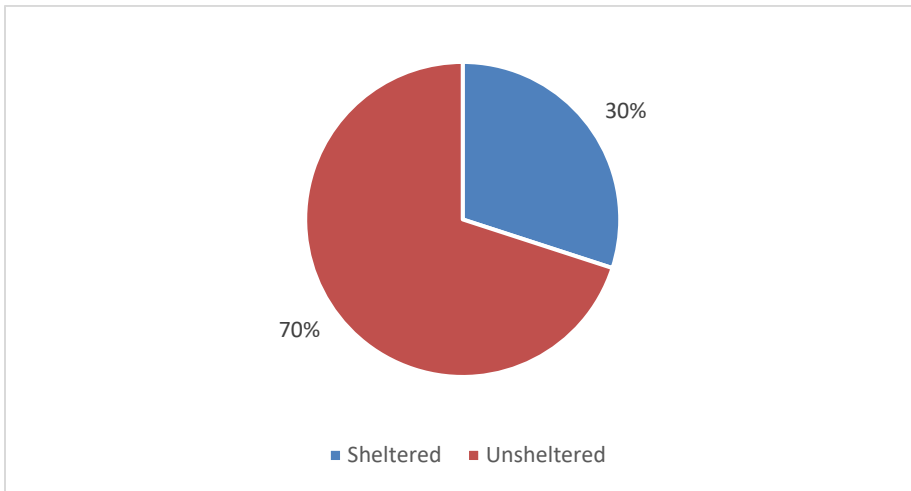
Farmworker housing needs for migrant and seasonal farmworkers may be greatest in proximity to agricultural areas of the county such as the Delta, than within the incorporated area of the City of Sacramento, which is remote from farming areas. City farmworker housing needs are anticipated to be relatively small. Strategies to assist very low-income households will also benefit this special needs population.

1.6.8 People Experiencing Homelessness

Sacramento Steps Forward (SSF), a non-profit organization in Sacramento, manages the HUD Continuum of Care (CoC) programs in Sacramento County. SSF oversees a point-in-time count of sheltered and unsheltered homeless persons every two years. The most recent point-in-time count was conducted in January 2019. This point-in-time count documented 5,570 individuals countywide, including 1,139 in emergency shelters, 531 in transitional housing, and 3,900 on the streets.⁵ The count shows that an estimated 70 percent of people experiencing homelessness in Sacramento County on any given night are unsheltered (see Figure H 1-9).

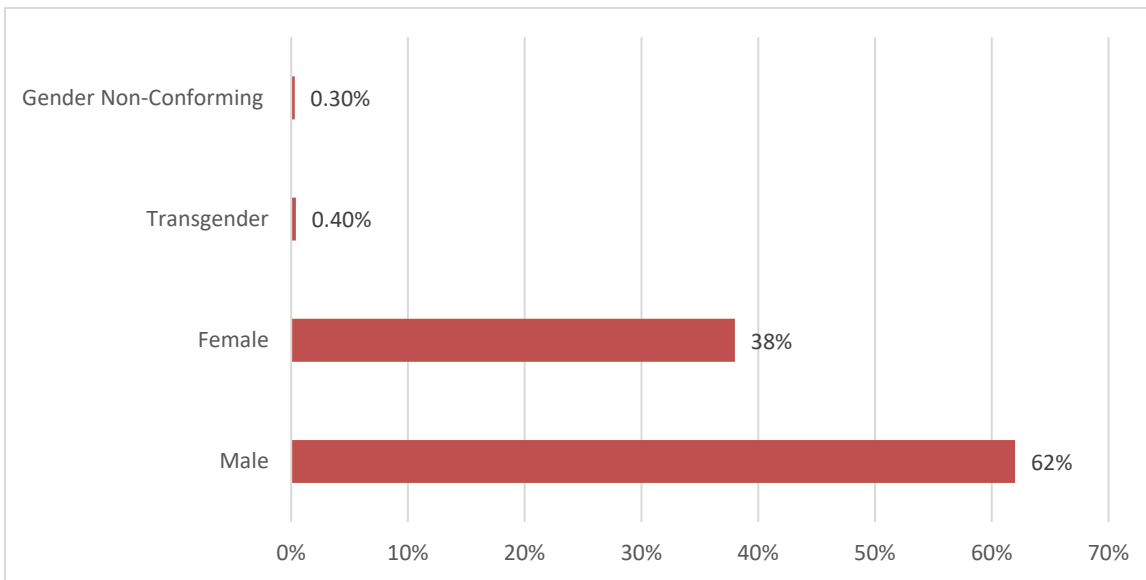
⁵ Sacramento Steps Forward, Sacramento Countywide Homeless County Report, 2019.

Figure H 1-9 Percent of Unsheltered vs. Sheltered Homeless Population, 2019



Source: Sacramento Steps Forward, Sacramento Countywide Homeless County Report, 2019.

Figure H 1-10 Gender within the 2019 Homeless Count

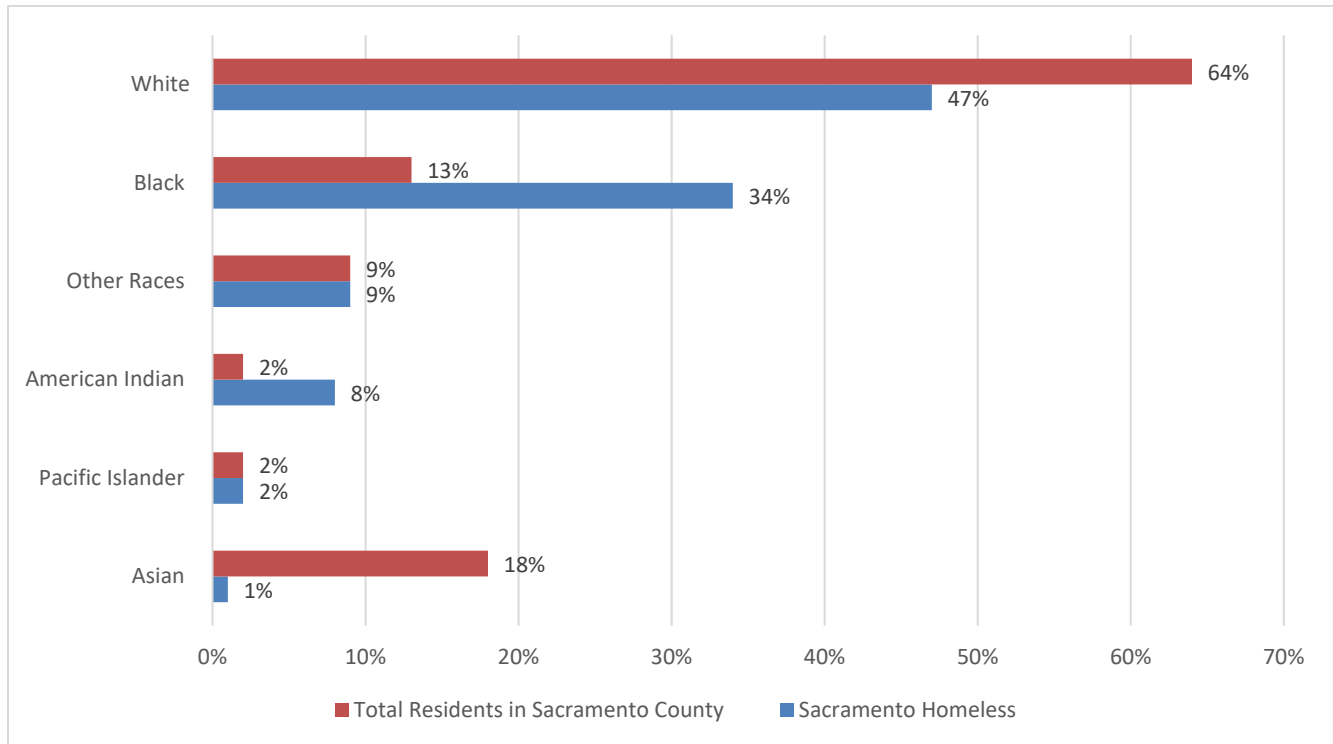


Source: Sacramento Steps Forward, Sacramento Countywide Homeless County Report, 2019.

Figures H1-10 and H1-11 show information on gender and race of the countywide homeless population. The majority of people experiencing homelessness self-identified their gender as male (62 percent) while 38 percent self-identified as female. Approximately 25 adults identified as transgender and approximately 16 identified as gender non-conforming (see Figure H 1-10). Comparing the racial composition of people experiencing homelessness to the total racial composition of all residents in the county reveals that Black and American Indian individuals are disproportionately represented in the homeless population (see Figure H 1-11).

Approximately four out of 10 unsheltered adults reported severe disabilities and/or health conditions; 26 percent of unsheltered adults cited having a debilitating cognitive or physical impairment; and 21 percent reported a severe psychiatric condition (such as severe depression or schizophrenia). Most who indicated having a disabling condition cited two or more specific conditions; the most common combination was a psychiatric condition with a cognitive or physical impairment. About 12 percent of homeless people counted in the 2019 survey were veterans of the U.S. Armed Forces, although the U.S. Department of Veterans Affairs estimates that approximately one-third of homeless people nationally are veterans.

Figure H 1-11 Racial Composition of 2019 Homeless Count vs Sacramento County Total Population



Source: Sacramento Steps Forward, Sacramento Countywide Homeless County Report, 2019.

The City and County of Sacramento address homelessness as a regional issue and the point-in-time count does not distinguish between jurisdictional boundaries for sheltered individuals and families. However, the point-in-time count does distinguish between jurisdictional boundaries for unsheltered individuals and families. Table H 1-28 provides the geographic distribution of unsheltered individuals in January 2019. There were 2,858 unsheltered individuals counted in the City, which represents about 73 percent of the County’s total unsheltered population. Assuming all emergency shelters were at capacity on the night of the homeless count, the City’s need for emergency shelters is therefore a total of 2,858 beds. Collectively, the City and Unincorporated Sacramento County’s emergency shelter need is estimated at 3,569. Appendix H-5, Constraints Analysis, describes the City’s zoning regulations and capacity to accommodate emergency shelters.

Table H 1-28 Geographic Distribution of the Unsheltered Individuals, Sacramento County, 2019

<i>Areas in Sacramento County</i>	<i>Total Unsheltered Count</i>	<i>Percent of County’s Unsheltered</i>
City of Sacramento	2,858	73%
Rancho Cordova	249	6%
Citrus Heights	45	1%
Folsom	17	0.4%
Galt	10	0.3%
Elk Grove	7	0.2%
Isleton	3	0.1%
Unincorporated	711	18%
Total	3,900	100%

Source: Sacramento Steps Forward, Sacramento Countywide Homeless County Report, 2019.

Similar to the rest of the state, the Sacramento area has seen a consistent increase in homelessness. Just in the two-year period between 2017 and 2019, the point-in-time count showed a 19 percent increase in the number of people experiencing homelessness in Sacramento County. While this upward trend is noteworthy, it should also be noted that counting homeless persons sleeping in places not meant for human habitation is inherently difficult and it can be assumed that not every unsheltered person was counted.

Homeless Shelter and Housing Facilities

Countywide data indicating the inventory of beds for homeless individuals and families is presented in Table H 1-29 and the number of existing beds available by housing type are presented in Tables H 1-30 through H 1-34.

Table H 1-29 Countywide Inventory of Beds for Homeless Individuals and Families, Sacramento County, 2020		
	<i>Homeless Populations</i>	<i>Current Inventory</i>
Beds: Individuals	Emergency Shelter, Year-Round	868
	Emergency Shelter, Seasonal	3
	Transitional Housing	267
	Rapid Re-Housing	137
	Permanent Supportive Housing	1,970
	Total	3,245
Beds: Families	Emergency Shelter, Year-Round	337
	Emergency Shelter, Seasonal	130
	Transitional Housing	257
	Rapid Re-Housing	633
	Permanent Supportive Housing	1,347
	Total	2,704

Source: Sacramento Steps Forward, September 2020.

Sacramento's year-round emergency shelters, seasonal emergency shelters, transitional housing, rapid re-housing, and permanent supportive housing are listed in Tables H 1-30 through H 1-34. Sacramento Steps Forward counted 5,816 homeless shelter and housing beds for individuals and families during the warm weather months, with an additional 133 shelter beds available during the winter overflow period (November to March). These facilities serve the homeless throughout Sacramento County, although they are scattered throughout the City and unincorporated portions of the County. The current inventory includes 1,090 year-round emergency shelter beds, 130 seasonal emergency shelter beds, 524 transitional beds, 734 rapid re-housing beds, and 3,317 permanent beds for homeless in the City of Sacramento.

Table H 1-30 Emergency Shelters Operating Year-Round, Sacramento County					
<i>Shelter</i>	<i>Location</i>	<i>Family Units</i>	<i>Family Beds</i>	<i>Single Beds</i>	<i>Total Beds</i>
Bishop Gallegos Maternity Home Shelter	City	1	2	10	12
North 5th Navigation Center	City	0	0	104	104
Interfaith Network Family Promise Shelter	County	4	14	0	14
Francis House Center Family Rescue Program	City	1	4	0	4
First Step Communities North A Street Campus Emergency Shelter	City	0	0	80	80
Sister Nora's Place	City	0	0	16	16
Next Move Family Shelter (HEAP)	City	3	9	0	9
Next Move Family Shelter	City	17	71	0	71
Next Move Mather Singles Interim Housing	County	0	0	80	80
County Re-Housing Shelter (HEAP)	City	0	0	10	10
County Re-Housing Shelter	City	0	0	75	75
Sacramento LGBT Center Host Home	City	0	0	10	10
Sacramento LGBT Center Short-term Transitional Emergency Program (HEAP)	City	0	0	12	12
Saint John's Emergency Shelter	City	43	129	34	163
Salvation Army Veteran Emergency Shelter	City	0	0	40	40
Salvation Army Emergency Shelter (Lodge)	City	0	0	24	24
City Scattered Site Shelter	City	0	0	40	40
Palmer Apartments	City	0	0	48	48
Cathcart Emergency Shelter	County	0	0	6	6
Union Gospel Mission Emergency Shelter	City	0	0	56	56
Bannon Street Family Emergency Shelter (HEAP)	City	4	10	0	10
Bannon Street Family Emergency Shelter	City	16	58	0	58
Volunteers of America Open Arms	City	0	0	12	12
WellSpace Health Interim Care Program	City	0	0	18	18
WellSpace Health Interim Care Program Plus	City	0	0	16	16
WellSpace Health T3 Shelter	City	0	0	10	10
Wind Youth Services Common Ground	County	0	0	20	20
Wind Youth Services Doug's Place	County	0	0	6	6
Wind Youth Services RHY Youth Shelter	County	0	0	6	6
Women Escaping A Violent Environment Emergency Shelter	Undisclosed	20	40	20	60
Total		109	337	753	1,090

Source: Sacramento Steps Forward, September 2020.

Table H 1-31 Emergency Shelters Operating Seasonally, Sacramento County

<i>Shelter</i>	<i>Location</i>	<i>Seasonal Beds</i>	<i>Overflow Beds</i>
Sacramento LGBT Community Center	City	0	3
Sacramento Self Help Housing (SSHH)	County	30	0
Sacramento Self Help Housing (SSHH)	County	20	0
Sacramento Self Help Housing (SSHH)	County	20	0
Sacramento Self Help Housing (SSHH)	County	20	0
Sacramento Self Help Housing (SSHH)	County	20	0
Sacramento Self Help Housing (SSHH)	County	20	0
Total Transitional Beds		130	3

Source: Sacramento Steps Forward, September 2020.

Table H 1-32 Transitional Housing Operating, Sacramento County¹

<i>Shelter</i>	<i>Location</i>	<i>Family Units</i>	<i>Family Beds</i>	<i>Single Beds</i>	<i>Total Beds</i>
Bridges Sober Living Environment	City	15	30	10	40
Sacramento LGBT Center Emergency Housing for Victims of Crime	City	0	0	8	8
Charlotte House	County	0	0	4	4
Grace House	County	0	0	5	5
Meadow House	City	3	12	0	12
Sacramento Veterans Center GPD Behavioral Health Center	County	0	0	12	12
Sacramento Veterans Center GPD Men's Transitional Housing	County	0	0	42	42
Sacramento Veterans Center GPD Behavioral Health Center	County	0	0	12	12
E. Claire Raley Transitional Living Program	City	23	69	4	73
TLCS & Wind Youth Possibilities (Joint RRH/TH Program)	City	0	0	15	15
Grace Haven Annex	City	0	0	4	4
New Life Program	City	0	0	28	28
Adolfo Mather THP Plus Housing for Foster Youth	County	15	34	33	67
AHS Scattered Sites	County	4	8	10	18
GDP Program	County	0	0	40	40
Mather Community Campus Families	County	25	68	0	68
Walking the Village Audre's Runaway & Homeless Youth Services	City	0	0	8	8
Walking the Village Tubman OES	City	4	12	4	16
Wind Youth Services Tubman Runaway & Homeless Youth Services	City	2	4	2	6
Wind Youth Service Transformational Living Program	City	0	0	12	12
Xpanding Horizons	City	0	0	12	12
WEAVE Transitional Housing	City	6	20	2	22
Total		97	257	267	524

Source: Sacramento Steps Forward, September 2020.

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

WEAVE = Women Escaping a Violent Environment

Table H 1-33 Rapid Rehousing Operating, Sacramento County

<i>Shelter</i>	<i>Location</i>	<i>Family Units</i>	<i>Family Beds</i>	<i>Single Beds</i>	<i>Total Beds</i>
Berkeley Food and Housing Project Roads Home	City	1	4	22	26
County Flexible Supportive Rehousing	County	2	6	11	17
Lutheran Social Services Connections	City	7	20	6	26
County Housing Support Program	County	125	428	15	443
Sacramento Veterans Resource Center	City	2	6	12	18
Saint John's Independent Housing Partnership	County	4	11	1	12
TLCS & Wind Youth Possibilities RRH Component	City	0	0	6	6
TLCS Human Resource Consultants	County	0	0	1	1
Volunteers of America Bringing Families Home	City	26	96	0	96
Volunteers of America City Emergency Solutions	City	3	12	6	18
Volunteers of America County Emergency Solutions	County	10	29	3	32
Volunteers of America Countywide	County	1	6	8	14
Volunteers of America Vet Families	County	3	15	10	25
Total		184	633	101	734

Source: Sacramento Steps Forward, September 2020.

Table H 1-34 Permanent Supportive Housing Operating, Sacramento County

<i>Shelter</i>	<i>Location</i>	<i>Family Units</i>	<i>Family Beds</i>	<i>Single Beds</i>	<i>Total Beds</i>
Mercy 7th and H	City	0	0	75	75
Flexible Supportive Rehousing Program	County	1	3	23	26
Flexible Supportive Rehousing Program	County	3	9	25	34
Mather Veteran's Village	County	0	0	31	31
Cottage Housing McClellan Park	County	40	137	0	137
Cottage Housing McClellan Park	County	43	147	0	147
Cottage Housing Quinn Cottages	City	2	12	58	70
Veterans Affairs VASH Vouchers	County	87	277	350	627
Lutheran Social Services Achieving Change Together	City	0	0	33	33
Lutheran Social Services Mutual Housing at Highlands	County	0	0	21	21
Lutheran Social Services Saybrook	City	56	184	0	184
Mercy Housing Ardenaire Apartments	County	6	12	13	25
Mercy Housing Mercy Blvd Court	City	0	0	58	58
Mercy Housing Mercy MLK Village (The King Project)	City	0	0	44	44
Mercy Housing Mercy MLK Village	City	0	0	4	4
Next Move: Casas De Esperanza	City	0	0	18	18
Next Move: Home At Last	City	0	0	22	22
LSS SUS: Single Adults	City	3	7	37	44
LSS SUS: TAY Families	City	15	30	0	30
Next Move SUS: Adult Families	City	20	73	0	73

Table H 1-34 Permanent Supportive Housing Operating, Sacramento County					
<i>Shelter</i>	<i>Location</i>	<i>Family Units</i>	<i>Family Beds</i>	<i>Single Beds</i>	<i>Total Beds</i>
Next Move SUS: Omega Collaboration	City	1	3	0	3
Next Move SUS: Seniors	City	0	0	40	40
Next Move SUS: Single Adults (Overflow)	City	0	0	6	6
Wind SUS: Single TAY	City	0	0	12	12
Self Help Housing: Building Community	City	0	0	50	50
Self Help Housing: Friendship Expansion	City	0	0	40	40
Self Help Housing: Friendship Housing	City	0	0	24	24
Self Help Housing: Friendship Housing Community	City	0	0	30	30
Self Help Housing: New Community	City	0	0	60	60
Mather Veteran's Village	County	7	17	44	61
SHRA Shelter Plus Care	County	95	313	470	783
SHRA: Mercy Blvd Court (Budget Inn)	City	0	0	14	14
SHRA: Shasta Hotel	City	0	0	18	18
TLCS: Co-Ops	County	3	7	30	37
TLCS Hotel Berry	City	0	0	10	10
TLCS: New Direction Permanent Housing Program	City	0	0	64	64
PACT Perm Housing Program – Expansion	City	0	0	20	20
PACT Perm Housing Program – Legacy	City	2	4	35	39
Widening Opportunities for Rehabilitation and Knowledge	City	6	14	35	49
Mutual Housing at the Highlands	County	0	0	26	26
Pathways to Success Scattered Site	County	0	0	23	23
YWCA	City	0	0	7	7
ReSTART	City	28	98	100	198
Total		418	1,347	1,970	3,317

Source: Sacramento Steps Forward, September 2020.¹

1.7 At-Risk Housing

1.7.1 Assisted Housing Projects

State law requires that housing elements include an inventory of all publicly assisted multi-unit rental housing projects within the local jurisdiction that are at risk of conversion to uses other than low-income residential during the next 10 years from the start of the housing element planning period (i.e., May 15, 2021). As part of the analysis, an estimation of the cost of preserving versus replacing the units is to be included, as well as details on alternative programs designed to preserve the affordable units.

The City of Sacramento is home to over 10,000 deed-restricted affordable units, not including privately owned deed-restricted affordable units that do not involve SHRA financing. In general, once the period of restricted rent/occupancy expires, a property owner may charge market rents for the previously restricted units. There is a threat that low-income occupants may have to find alternative housing if rents rise to market levels.

Although these projects are required by law to be listed as at risk of converting to market rate housing, it is not a very good indicator of whether these units will actually convert. The majority of units included in this list are projects built

Appendix H-1: Community Profile

under Federal Housing Administration (FHA) mortgage insurance programs in the late 1960s and early 1970s. In addition to the FHA mortgage insurance, most of these projects also included Housing Assistance Payment (HAP) vouchers, which function similarly to locally controlled Housing Choice Vouchers, formerly Section 8. These vouchers allow the owner to collect fair market rent but restrict occupancy to lower-income residents and assure that the resident will only be responsible for that portion of the rent equal to 30 percent of their income. Because these vouchers are contingent on annual appropriations from the federal government, HAP vouchers must be annually renewed. Much of the affordability of these older FHA properties is linked directly to the voucher subsidy, and so technically, the units are constantly “at risk.” Over time, data and experience has shown that many owners continue to renew their contracts beyond the expiration date, providing evidence that the link between affordability expiration date and conversion is not inevitable.

Generally, there are three circumstances which can result in the conversion of rent restricted units to market rate units:

Prepayment of HUD Mortgages: Section 221(d)(3), Section 202 and Section 236: Section 221 (d)(3) is a privately-owned project where the U.S. Department of Housing and Urban Development (HUD) provides either below market interest rate loans or market-rate loans with a subsidy to the tenants. With Section 236 assistance, HUD provides financing to the owner to reduce the costs for tenants by paying most of the interest on a market rate mortgage. Additional rental subsidy may be provided to the tenant. Section 202 assistance provides a direct loan to non-profit organizations for project development and rent subsidy for low-income elderly tenants. Section 202 provides assistance for the development of units for physically handicapped, developmentally disabled, and chronically mentally ill.

Opt-outs and Expirations of Housing Assistance Payment Contracts: HAP contracts (also known as Section 8 contracts) are a federally funded program that provides for subsidies to owner of a pre-qualified project for the difference between the tenant’s ability to pay and the contract rent. Opt-outs occur when the owner of the project decides not to renew an expiring contract. Profit-motivated owners typically decide not to renew their HAP contracts when the rental market tightens and market rents are escalating.

State and Local Regulatory Agreements: Expiration of the low-income use period of various financing sources, such as Low-income Housing Tax Credit (LIHTC), bond financing, density bonuses, California Housing Finance Agency (CALHFA), local housing trust funds, Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Low/Mod Tax Increment Financing. In addition to federal subsidies, the State of California and SHRA, on behalf of the City of Sacramento, provide subsidies or tax-advantaged funding to support the development of affordable housing. In return for receiving the development subsidies, owners of rental housing enter into regulatory agreements which require all or a portion of the units in a rental housing project to be reserved for lower income households. When those regulatory agreements expire without recapitalizing with new, subsidized financing, affordability covenants may also be lost.

Even with the relatively low likelihood of conversion, the City is proactive in preventing the loss of affordable housing units. In 2004, the City adopted a Preservation Ordinance which requires that owners of projects with federal mortgage insurance and/or HAP vouchers provide SHRA and the tenants of the property written notice within one year of an anticipated prepayment, termination of a subsidy contract, or termination of rental restrictions. This allows SHRA time to work with the owner to find a way to maintain the affordability of the units through subsidies or incentives, negotiation for purchase, or connecting the owner to an affordable housing developer for purchase. Should the owner still opt to convert to market rate rents, the ordinance ensures that tenants have at least 180 day notice and gives SHRA the right to inspect the property and sales agreement and to impose penalties to owners who fail to comply.

Table H 1-35 presents a list of housing units that have income restrictions that may expire before 2031. The total number of units at-risk over this 10-year period is 1,178 units. The inventory of assisted units required to be reported on in the Housing Element includes all multi-unit rental units regulated by federal, state, and/or local programs, many of which are covered by the City’s Preservation Ordinance. Such units include those developed under HUD programs, tax exempt mortgage revenue bond programs, low-income housing tax credits, redevelopment programs, inclusionary housing programs, and density bonus programs that are eligible for conversion to market rate within the next 10 years (2021 to 2031).

Table H 1-35 Units in Projects at Risk of Conversion to Market Rate Housing by 2031, City of Sacramento

<i>Project Name</i>	<i>Street Address</i>	<i>At-Risk Year</i>	<i>Primary Funding Sources</i>	<i>Total Units</i>	<i>Assisted Units</i>
Terraces at Capital Park, The (48 Senior & 12 Multifamily units)	1609-1623 O Street	2024	Tax Increment/TCAC	60	59
2220 L Street	2220 L Street	2026	Tax Increment	14	14
Sweetbay Building	519 12th Street	2026	Tax Increment	9	6
Villa Jardin Apts.	2701 Meadowview Avenue	2026	HOME	44	37
Las Victorianas	505 10th Street	2026	CDBG	40	21
Villa de Novo (Hagginwood Manor)	3535 Del Paso Blvd.	2026	NSP	17	17
2111 I Street	2111 I Street	2027	Tax Increment	2	2
23 Coral Gables - PHA	23 Coral Gables	2027	NSP	4	4
2324 H Street	2324 H Street	2027	Tax Increment	4	3
Marq @ Sac State, The	7901 La Riviera Drive	2029	Bond	200	40
Stonebridge (Grouse Run)	7401 S. Land Park Drive	2031	Bond	246	50
Ashford Park Apts.	132 Fountain Oaks Drive	2029	Bond	279	56
River Terrace Apts.	2593 Millcreek Drive	2029	Bond	347	70
Pensione K Artspace	1614 K Street	2029	Tax Increment	8	8
17th Street Commons	1524 17th Street	2029	Tax Increment	25	5
1500 Q Street	1500 Q Street	2030	Tax Increment	4	4
Terracina Gold, Vlg. 2	4451 Gateway Park Boulevard	2030	Bond/HTF	120	24
Whispering Pines Apts.	7610 Amherst Street	2030	HOME	96	11
Terracina Gold, Vlg. 1 & 3	4451 Gateway Park Boulevard	2030	HTF	160	32
Casa Natomas Senior	2400 Northview Drive	2030	HOME	59	11
Terracina Meadows Apts.	4500 Tynebourne Drive	2031	HTF/Inclusionary	156	70
Guild Theater (40 Acres)	2810 35th Street	2031	Tax Increment	12	12
Brannan Court Apts	1500 N Street	2018	CalHFA	40	8
Oak Park	4021 Broadway	2020	HUD/HAP	24	24
Grand Ave Villa	3740 May Street	2022	HUD/HAP	18	18
Victoria Apartments	1307 F Street	2023	HUD/HAP	10	10
Florin Gardens Apts. Cooperative	6951 24TH Street	2024	HUD/HAP	72	55
Gloria Drive Apartments	7201-4 Gloria Drive	2024	HUD/HAP	32	32
Hellenic Seniors Center	7847 Rush River Drive	2024	HUD/HAP	70	70
Sun Garden Plaza	6248 Lemon Hill Avenue	2027	LIHTC	150	147
River City Residence Club River Point I & II	1816 O Street	2028	HUD/HAP	15	15
Normandy Arms	1327 E Street	2029	HUD/HAP	20	20
Park Place	1230 N Street	2031	HUD/HAP	151	143
River Court Apartments	1671 W. El Camino	2029	LIHTC	160	80
Total Units				2,668	1,178

Source: SHRA 2020; California Housing Partnership Corporation; Tax Credit Allocation Committee, December 2020.

Appendix H-1: Community Profile

Bond = Tax exempt bond financing (California Debit Limit Allocation Committee)
 HOME = HOME Investment Partnership Program (Federal Funding)
 HUD/HAP = Housing and Urban Development/ Housing Assistance Payments Contract
 TCAC = Tax Credit financing (Tax Credit Allocation Committee)
 TI = Tax Increment
 CDBG = Community Development Block Grant funding (Federal funding)
 SHRA = Sacramento Housing and Redevelopment Agency
 NSP = Neighborhood Stabilization Program
 LIHTC = Low Income Housing Tax Credit
 HTF = Housing Trust Fund

1.7.2 Preservation Options

In addition to identifying units at risk of converting to market rate housing, Government Code Section 65583(a)(8)(B) requires a comparison of costs to replace lost units through construction or rehabilitation to the cost of preserving the existing units. Preservation of the at-risk units can be achieved in several ways, including 1) facilitating a transfer of ownership of these projects to affordable housing organizations; 2) purchasing of affordability covenants; and 3) providing rental assistance to tenants.

1.7.3 Purchase of Affordability Covenant

The first option to preserve the affordability of at-risk projects is to provide an incentive package to owners to maintain the projects as low-income housing. Incentives could include restructuring the existing loan, and/or supplementing the HAP fair market rent to market levels, if market rents are substantially more than the HUD allowed fair market rent, and/or providing a low interest loan or grant to finance project rehabilitation. It is difficult to estimate the cost of purchasing affordability covenants due to the number of variables in such a purchase.

1.7.4 Transfer of Ownership

Long-term affordability of low-income units can be secured by transferring ownership of at-risk projects to non-profit or for-profit affordable housing developers. By doing so, these units would be eligible for refinancing using a range of affordable housing financing programs, including low-income housing tax credits and tax-exempt mortgage revenue bonds that ensure affordability for at least 55 years from the time of funding. Transactions also include rehabilitation of the project to modernize the property and to extend the useful life of the major systems.

Based on cost information for recently financed acquisition/rehabilitation projects funded in the City of Sacramento, as shown in Table H 1-36, the average cost of acquiring and rehabilitating affordable housing units is \$286,613 per unit, or about \$338 million for all 1,178 at-risk units.

Table H 1-36 Estimated Acquisition/Rehabilitation Cost, City of Sacramento			
<i>Preservation Project</i>	<i>Number of Units</i>	<i>Total Cost</i>	<i>Cost/Unit</i>
Village Park	50	\$13,744,523	\$274,890
Shasta Hotel	79	\$25,404,666	\$321,578
St. Francis Terrace	48	\$12,641,773	\$263,370
Average		\$17,263,654	\$286,613
Total for all 1,178 "At Risk" units			\$337,629,721

Source: SHRA 2020.

Note: Data is based on cost estimates approved by governing bodies, not certified total development costs post construction.

1.7.5 Rent Subsidy

Operating subsidies could also be used to preserve the affordability of housing. Similar to Housing Choice Vouchers (also known as Section 8), the City, through a variety of funding sources, could potentially provide operating subsidies to project owners or tenant-based subsidies to lower income households within projects with expired use restrictions. The level of subsidy required to preserve at-risk affordable housing through rent subsidies is estimated to equal the Fair Market Rent (FMR) for a unit minus the housing cost affordable by a lower-income household. In general, FMRs are the maximum chargeable gross rent in an area for projects participating in the HUD Section 8 (Housing Choice Voucher) Program. FMRs are based on the cost of modest, non-luxury rental units in the local market area for various size units.

Table H 1-37 estimates the rent subsidies required to preserve the housing affordability for a theoretical project. Based on the estimates and assumptions shown in the table, approximately \$4.5 million annually would be required to preserve the current at-risk inventory of 1,178 units.

Table H 1-37 Potential Rent Subsidies based on 2020 Income Limits and Fair Market Rent					
		1 BR	2 BR	3 BR	TOTAL
Per Unit Affordable Rent ¹					
A	Low-Income Rent (60% AMI)	\$971	\$1,165	\$1,346	
B	Very Low-Income Rent (50% AMI)	\$809	\$971	\$1,122	
C	Average (A & B)	\$890	\$1,068	\$1,234	
D	Per Unit Fair Market Rent ²	\$1,072	\$1,349	\$1,946	
E	Monthly Per Unit Subsidy (D–C)	\$182	\$281	\$712	
F	Annual Subsidy/Unit (E * 12)	\$2,184	\$3,372	\$8,544	
	Total “At Risk” Units ³	589	353	236	1,178
	Total Annual Subsidy	\$1,286,376	\$1,190,316	\$2,016,384	\$4,493,076

Source: U.S. HUD, Fair Market Rents 2020; Ascent 2020.

¹ Affordable rent calculation is based on 1.5 persons per bedroom.

² 2020 HUD Fair Market Rent.

³ Assumes 50% of total “At Risk” units are 1-bedroom, 30% are 2-bedroom, and 20% are 3-bedroom.

AMI = Area Median Income

1.7.6 Replacement Costs Cost Comparisons

To estimate replacement housing costs for units potentially lost in the affordable housing market, the City reviewed four affordable housing projects that have received a commitment of subsidy from SHRA and will be new construction projects. The numbers provided are based on significant pre-development work including architectural drawings by experienced developers of affordable housing. The projects have not been constructed; however, the cost estimates are valuable for assessing replacement costs associated with the potential loss of affordable units from the inventory. Table 1-38 outlines the total and per unit costs for four proposed affordable new construction projects.

Based on costs from the sample projects, the estimated replacement cost is \$460,444 per unit, or about \$542 million to replace all 1,178 at-risk units with new construction.

Table H 1-38 Estimated Replacement Cost			
<i>New Construction Project</i>	<i>Number of Units</i>	<i>Total Cost¹</i>	<i>Cost/Unit</i>
700 K (The Hardin)	137	\$36,375,815	\$265,517
Lavender Courtyard	53	\$27,943,976	\$527,245
Mirasol Block A	104	\$58,129,619	\$558,939
Mirasol Village B/E	123	\$60,279,401	\$490,076
Average	104	\$45,682,203	\$460,444
Total for all 1,178 “At Risk” units			\$542,403,327

Source: SHRA 2020.

Note: Data is based on cost estimates approved by governing bodies, not certified total development costs post construction.

In summary, the three cost estimating scenarios find the relative preservation costs to be:

- Acquisition and rehabilitation - \$337,629,721 (affordability ensured for at least 55 years);
- Rent subsidy - \$4,493,076 annually or \$247,119,180 over 55 years (the typical length of a regulatory agreement); and
- Replacement through new construction - \$542,403,327.

The above analysis reveals that replacement and preservation of the identified 1,178 at-risk units is costly, regardless of the preservation method. Providing a rent subsidy program may appear to be the least costly option; however, such an approach does not also preserve the physical aspects of the housing nor does it have the potential to leverage private-sector financing. However, while federal and state funding is not as plentiful as in years past, there are still programs available for acquisition, rehabilitation, and new construction of affordable housing.

1.7.7 Resources for Preservation of Assisted Housing

There are a number of resources available to finance the acquisition and preservation of existing affordable housing. The most important is HUD’s willingness to renew and extend HAP contracts, which has been consistent. The State Department of Housing and Community Development (HCD) also administers programs to finance the acquisition of at-risk projects, and SHRA and the California Housing Finance Agency (CalHFA) underwrite tax exempt bond issuances which developers can then couple with low income housing tax credits. Local funding resources include HOME Investment Partnership Program funding, Community Development Block Grant funds, Permanent Local Housing Allocation program funds, and local housing trust funds.

SHRA offers gap financing and bond issuance for new construction and rehabilitation of multi-unit rental housing in the City. The adopted Multifamily Housing Loan Program and Mortgage Revenue Bond Program guidelines specify that funding recommendations for SHRA financing will be based on the following project priorities: 1) Preservation (affordable at-risk units); 2) Recapitalization (substantial rehabilitation of affordable projects); 3) Inclusionary housing; and 4) Rehabilitation and new production. SHRA provided financial assistance to preserve three affordable housing developments totaling 173 units at-risk during the 4th cycle housing element. Additionally, four projects totaling 80 units at-risk during the 5th cycle were substantially rehabilitated and subjected to new regulatory agreements. This resulted in a total of 253 units at-risk for conversion between 2007 and 2020 that were subject to new regulatory agreements. Due to the elimination of redevelopment tax increment financing and the decreases in Federal funding for affordable housing, preserving units will be challenging, but a high priority for SHRA.

The City is fortunate to have many, active and experienced affordable housing developers who are interested in preserving their own portfolios and potentially acquiring at-risk properties from developers who are no longer interested in providing affordable housing. SHRA maintains a list of developers and stakeholders and regularly updates these individuals regarding opportunities for housing funding and available land. HCD also maintains a list of organizations called qualified entities that have been pre-approved by HCD to participate in acquisition of at-risk

properties. The entities registered for Sacramento are listed in Table H 1-39. There are an additional 70 organizations on the list that are qualified for all counties.

Table H 1-39 Qualified Entities, Sacramento County	
<i>Company</i>	<i>City</i>
ACLC, Inc	Stockton
Affordable Housing Foundation	San Francisco
Eskaton Properties Inc.	Carmichael
Housing Corporation of America	Laguna Beach
Norwood Family Housing	Sacramento
ROEM Development Corporation	Santa Clara
Rural California Housing Corp	West Sacramento
Sacramento Valley Organizing Community	Sacramento
Satellite Housing Inc.	Berkeley
Volunteers of America National Services	Sacramento

Source: HCD 2020.

The City of Sacramento takes a very effective approach to ensuring its stock of regulated rental units remains affordable and available to lower income residents. While 1,178 units are considered “at risk” during this housing element cycle, given the City’s proactive Preservation Ordinance and the presence HAP vouchers on many of the units, it is unlikely that many affordable units will look to convert. Should owners opt to convert to market rate, the City has numerous programs and policies in place to facilitate new affordable development and to provide alternate affordable housing options to any displaced residents (see Chapter 9 for more detail).