

Table of Contents

City of Sacramento Housing Element

APPENDIX H-3 | FAIR HOUSING ASSESSMENT..... H-3-1

- 3.1 Introduction H-3-1
- 3.2 Regional Barriers to Fair Housing H-3-2
- 3.3 Fair Housing Enforcement and Outreach Capacity H-3-2
- 3.4 Patterns of Integration and Segregation H-3-4
- 3.5 Access to Opportunity..... H-3-19
- 3.6 Disproportionate Housing Needs H-3-30
- 3.7 Other Relevant Factors..... H-3-38
- 3.8 Analysis of Sites Inventory To Affirmatively Further Fair Housing (AFFH)..... H-3-43
- 3.9 Fair Housing Issues and Contributing Factors..... H-3-55

Figures

- Figure H 3-1: Racial and Ethnic Distribution in the Sacramento Region, 2010..... H-3-5
- Figure H 3-2: Racial Demographics, City of Sacramento, 2018 H-3-6
- Figure H 3-3: Racial or Ethnic Predominance, City of Sacramento H-3-7
- Figure H 3-4: Percent of Population with a Disability, City of Sacramento..... H-3-9
- Figure H 3-5: Percent of Children in Married Couple Households..... H-3-11
- Figure H 3-6: Percent of Children in Female Headed Households, No Spouse Present H-3-12
- Figure H 3-7: Distribution of Median Income by Block Group, City of Sacramento H-3-14
- Figure H 3-8: Percent of Low to Moderate Income Households by Block Group, City of Sacramento H-3-15
- Figure H 3-9: Poverty Status by Block Group, City of Sacramento H-3-16
- Figure H 3-10: Location of R/ECAPs in the City of Sacramento, 2013..... H-3-18
- Figure H 3-11: TCAC/HCD Opportunity Area Map, 2021 H-3-21
- Figure H 3-12 TCAC Opportunity Areas – Education Score, City of Sacramento..... H-3-24
- Figure H 3-13: TCAC Opportunity Areas – Economic Score, City of Sacramento..... H-3-25
- Figure H 3-14: Jobs Proximity Index, City of Sacramento..... H-3-26
- Figure H 3-15: Transportation Cost Index, City of Sacramento H-3-27
- Figure H 3-16: Population with a Disability and Access to Transit, City of Sacramento..... H-3-28
- Figure H 3-17: TCAC Opportunity Areas – Environmental Score, City of Sacramento H-3-29
- Figure H 3-18: Cost Burdened Renters, City of Sacramento 2015-2019 H-3-31
- Figure H 3-19: Cost Burdened Homeowners, City of Sacramento 2015-2019..... H-3-32
- Figure H 3-20: Overcrowded Households, City of Sacramento 2015-2019..... H-3-34
- Figure H 3-21: Location Affordability Index, City of Sacramento H-3-36
- Figure H 3-22: Risk of Gentrification by Census Tract..... H-3-37
- Figure H 3-23: Sacramento Mortgage Redlining Map, 1937..... H-3-40
- Figure H 3-24: City Areas with Historic Racially Restrictive Covenants..... H-3-41
- Figure H 3-25: Regional Denial Rates by Census Tract, 2017 H-3-42
- Figure H 3-26: Location of Publicly Supported Housing by Program, City of Sacramento H-3-44
- Figure H 3-27: City Land Area and Income Unit Distribution by Racial Predominance..... H-3-46
- Figure H 3-28: City Land Area and Income Unit Distribution by Median Income..... H-3-47
- Figure H 3-29: Site Distribution by Racial Predominance H-3-48
- Figure H 3-30: Site Distribution by Median Income H-3-49

Figure H 3-31: City Land Area and Income Unit Distribution by TCAC Opportunity Area..... H-3-51
Figure H 3-32: Site Distribution by TCAC/HCD Opportunity Area..... H-3-52
Figure H 3-33: City Land Area and Distribution of Site Capacity by Income in Areas At-risk of Displacement H-3-53
Figure H 3-34: Site Distribution in Areas At-risk of Displacement H-3-54

Tables

Table H 3-1: Renter’s Helpline Records 2016-2020 H-3-3
Table H 3-2: Housing Tenure by Race/Ethnicity - City of Sacramento H-3-38
Table H 3-3: Factors Contributing to Fair Housing Issues..... H-3-56

APPENDIX H-3 | Fair Housing Assessment

3.1 Introduction

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

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

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

This appendix chapter serves as an assessment of fair housing practices, pursuant to Government Code Section 65583 (c)(10) in the City of Sacramento. It examines existing conditions and demographic patterns—concentrated areas of poverty within the City, concentrated areas of low- and median- income housing, and concentrated areas of low and high opportunity—to compare how past discriminatory housing practices have continued to inhibit fair housing practices. It also provides an analysis from a regional perspective, describing settlement patterns across the Sacramento region. The data used in this assessment is from the U.S. Census American Community Survey (ACS) Estimates, the California Department of Housing and Community Development (HCD) AFFH Data and Mapping Tool, and the Analysis of Impediments to Fair Housing Choice (AI) prepared for the Sacramento Valley Fair Housing Collaborative in February 2020. The regional study assessed fair housing in cities and unincorporated jurisdictions of Placer, Sacramento, and Yolo counties. Other relevant factors including data from the U.S. Department of Housing and Urban Development (HUD), the Department of Fair Housing Employment and Outreach, and local analysis of the City's Community Plan Areas (CPA) are also included.

3.2 Regional Barriers to Fair Housing

The following is a summary of key housing barriers identified in the AI, prepared for the Sacramento region in February 2020:

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

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

3.3 Fair Housing Enforcement and Outreach Capacity

Fair housing complaints can be used as an indicator to identify characteristics of households experiencing discrimination in housing. Pursuant to the California Fair Employment and Housing Act [Government Code Section 12921 (a)], the opportunity to seek, obtain, and hold housing cannot be determined by an individual's "race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, or any other basis prohibited by Section 51 of the Civil Code."

Fair housing issues that may arise in any jurisdiction include but are not limited to:

- housing design that makes a dwelling unit inaccessible to an individual with a disability;
- discrimination against an individual based on race, national origin, familial status, disability, religion, sex, or other characteristic when renting or selling a housing unit; and
- disproportionate housing needs including cost burden, overcrowding, substandard housing, and risk of displacement.

The City refers discrimination complaints to the California Department of Fair Employment and Housing. The California Department of Fair Employment and Housing dual-files fair housing cases with HUD's Region IX Office of Fair Housing and Equal Opportunity (FHEO), as part of the Fair Housing Assistance Program. HUD's FHEO reported that 66 housing discrimination cases were filed by residents of Sacramento County in 2019. City level data is not available.

Appendix H-3: Fair Housing Assessment

The City of Sacramento primarily works with Sacramento Housing and Redevelopment Agency (SHRA) to conduct outreach related to fair housing. The following resources are available to Sacramento residents.

- The Renters Helpline:** A telephone hotline that provides telephone counseling and mediation services for residents of Sacramento County that need help resolving a housing crisis or dispute. The program counselors deal directly with concerns regarding landlord-tenant disputes and help refer fair housing issues to the appropriate agency. Table H3-1 shows county data from the Renter's Helpline, including the City of Sacramento, for the years 2016-2020. About 38.5 percent of all fair housing cases investigated countywide were for City of Sacramento residents.

Table H 3-1: Renter's Helpline Records 2016-2020

	Countywide		City of Sacramento	
	Number	Number	Number	Percent
2016-2017				
Overall Goals	8,331	3,668		44.0%
Dispute Resolutions	42	18		42.9%
Fair Housing Cases Investigated	85	33		38.8%
2017-2018				
Overall Goals	8,302	3,751		45.2%
Dispute Resolutions	61	28		45.9%
Fair Housing Cases Investigated	98	40		40.8%
2018-2019				
Overall Goals	8,079	3,520		43.6%
Dispute Resolutions	134	58		43.3%
Fair Housing Cases Investigated	114	43		37.7%
2019-2020				
Overall Goals	9,067	4,062		44.8%
Dispute Resolutions	113	50		44.2%
Fair Housing Cases Investigated	96	35		36.5%

Source: Sacramento Self Help Housing Annual Reports 2016-2020

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

3088) extended eviction protection for those that had been covered under the local emergency eviction moratorium.

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

3.4 Patterns of Integration and Segregation

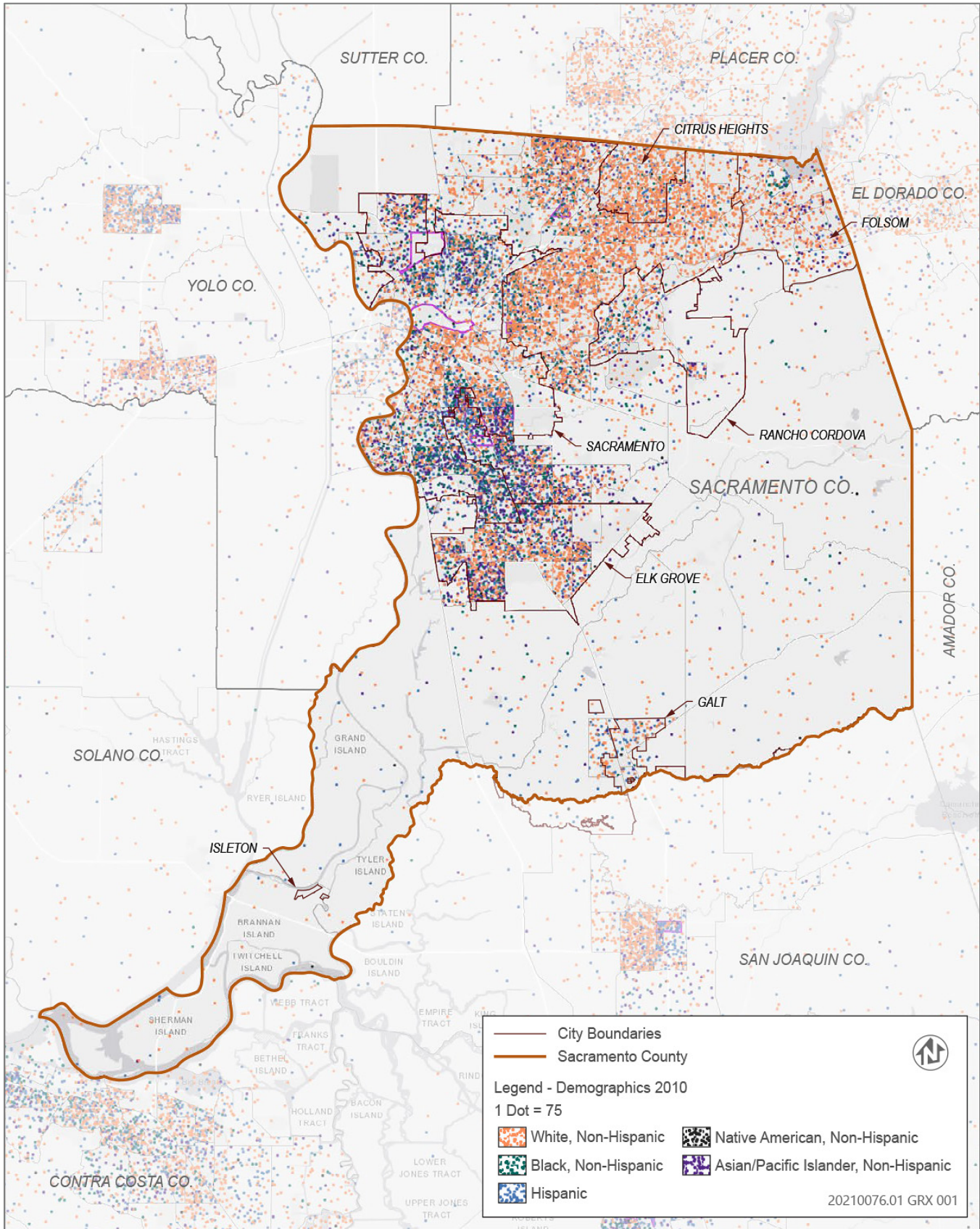
3.4.1 Race and Ethnicity

The Sacramento Valley region has grown in diversity in recent decades and has higher shares of Hispanic/Latino (29.9 percent) and Asian residents (18.9 percent) than the national average (18.4 percent and 5.7 percent respectively). In 2017, non-Hispanic White residents made up 55.7 percent of the population within the region, compared to 73 percent in 1990. Figure H 3-1 shows the racial and ethnic distribution in the Sacramento Region as of 2010. Generally, patterns of settlement indicate that the majority of non-White residents and residents that identify as either Hispanic/Latino reside in and around the Cities of Sacramento and Elk Grove. Moreover, 43 percent of Black residents within the region live in Sacramento, a proportion higher than other racial and ethnic groups regionally. Comparably, only 13 percent of the region’s non-Hispanic White residents reside within Sacramento.

As of 2020, the City of Sacramento has a population of over a half a million people, with a sizeable growth of 21 percent in its total population since 1990. Among the City’s residents, one third are non-Hispanic White (35 percent), one quarter are Hispanic/Latino (27 percent), and roughly one in five are Asian (19 percent). The City is also home to a significant Black population (14 percent), which is twice the size of the regional average. Twenty-two percent of residents are foreign-born — largely coming from Mexico, the Philippines, and China. Correspondingly, there is a high share of residents that have limited English proficiency. Other than English, the most frequently spoken languages in the City include Spanish, Chinese, Hmong, and Russian.

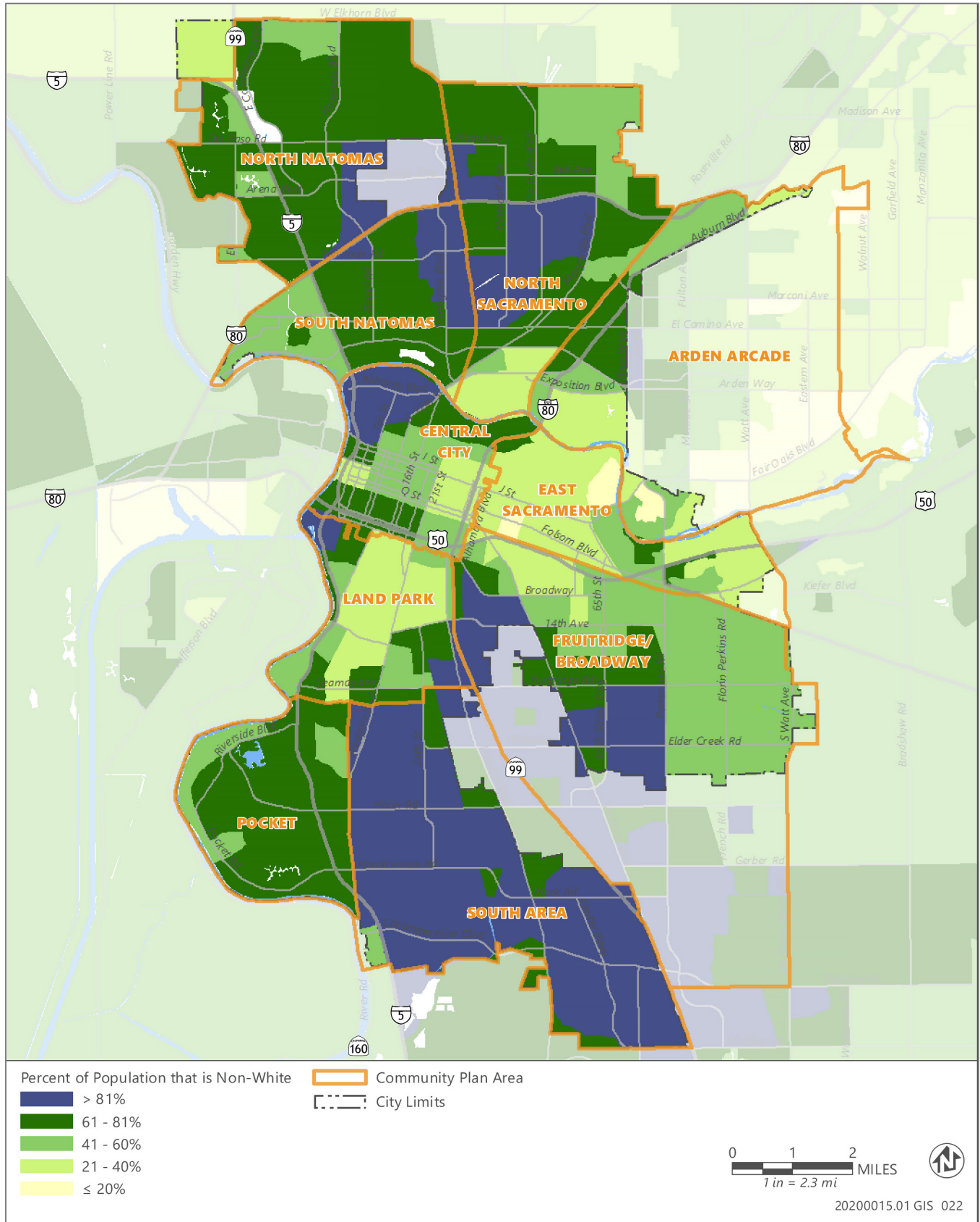
Figure H 3-2 shows demographic trends in the City by displaying the percentage of non-White populations by census block group from 2018. As was also shown in Figure H 1-3 of Appendix H-1 (Percent People of Color by Community Plan Area, 2018), Non-White populations are greater in the far south (i.e., South Area and Fruitridge/ Broadway Community Plan Areas) and far north (i.e., North Sacramento, North Natomas, and South Sacramento Community Plan Areas). In the South Area, there are more predominant populations of Asian and Hispanic/Latino residents by census tract while the northern areas of the City have census tracts with more Black residents in addition to Hispanic/Latino residents. The rest of the City is largely composed of mostly non-Hispanic White census tracts, with more predominance in East Sacramento and Land Park (see Figure H 3-3).

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



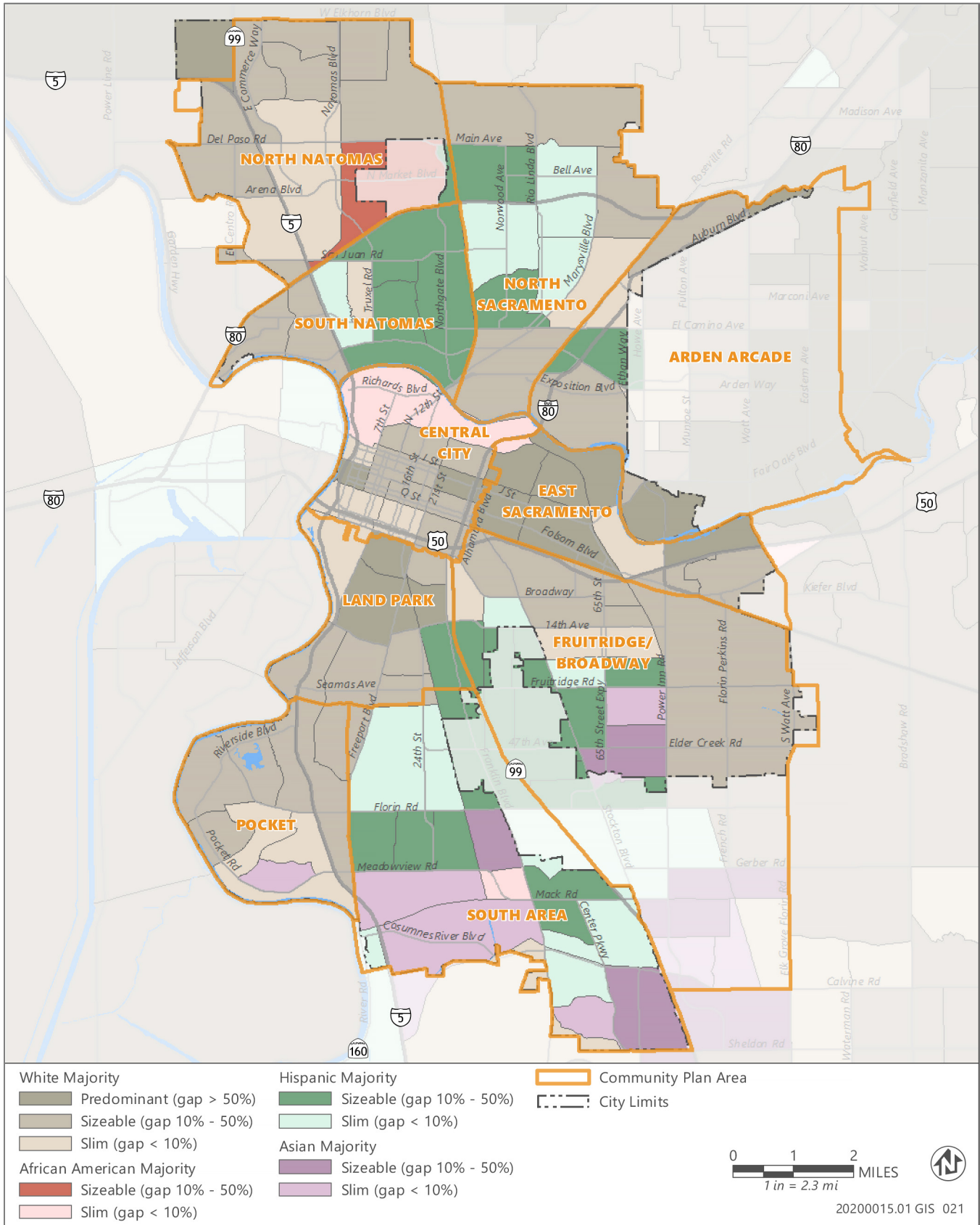
Source: HUD Data Exchange AFFH Tool, 2020

Figure H 3-2: Racial Demographics, City of Sacramento, 2018



Source: HCD AFFH Data Resources and Mapping Tool.

Figure H 3-3: Racial or Ethnic Predominance, City of Sacramento



Source: HCD AFFH Data Resources and Mapping Tool.

Dissimilarity Index

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

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

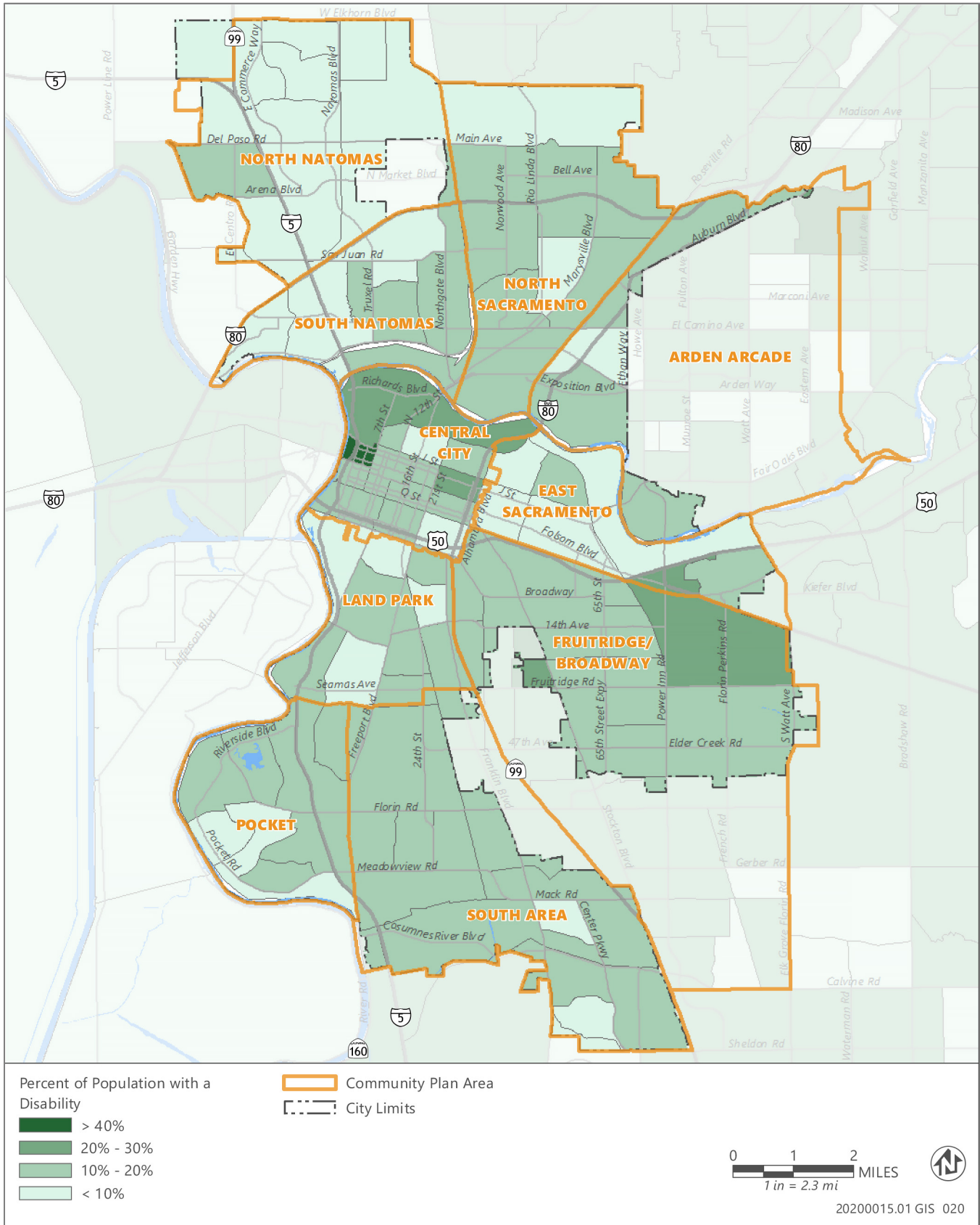
Generally, the City of Sacramento is moderately segregated. The City received an index rating of 37.8 in comparing all minorities with the base Non-Hispanic White population, indicating that roughly 38 percent of minority households would need to move across neighborhoods to be distributed in the same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

3.4.2 Disability Status

The U.S. Census Bureau defines disability as one of the following: hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty. As was discussed in Section 1.6.5 and shown in Table H 1-25 of Appendix H1, 57,051 Sacramento residents over the age of 5 had a disability in 2018. This group equates to approximately 11.3 percent of the non-institutionalized population over age five in the City, which is similar to that of the county (11.1 percent) and slightly higher than California (10.4 percent).

Figure H 3-4 shows the population of persons with a disability by census tract in the City using ACS data from 2015-2019. The map reveals a slightly higher concentration of residents with disabilities in the northern part of the Central City (in the River District) and the eastern part of Fruitridge/Broadway, as compared to the rest of the City. At a regional level, Sacramento is similar to the rest of the county in that almost all of the census tracts in the county show less than 20 percent of the population living with a disability.

Figure H 3-4: Percent of Population with a Disability, City of Sacramento



Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2015-2019.

3.4.3 Familial Status

The Fair Housing Act (FHA) bans discrimination based on certain protected classes, including "familial status," which refers to the presence of at least one child under 18 years old. Under the FHA, familial status discrimination occurs when a landlord, property manager, real estate agent, or property owner treats someone differently because they have a family with one or more individuals who are under 18 years of age. A "family" also includes people who are pregnant and people who are in the process of securing legal custody of a person under 18 years of age, including a family that is in the process of adopting a child, or foster parents. All families with children are protected by the FHA against familial status discrimination, including single-parent households and same-sex couples with children.

Rules that unreasonably restrict children or limit the ability of children to use their housing or the common facilities at the property may violate the FHA. Moreover, enforcing certain rules only against families with children may also violate the FHA. The following are the types of conduct that may violate the FHA:

- Refusing to rent, sell, or negotiate with a family because the family has one or more children under 18 years of age.
- Advertising a preference for households without children or otherwise discouraging such families.
- Telling an individual or family no unit is available even though a unit is in fact available.
- Forcing families into housing units that are larger than necessary.
- Designating certain floors or buildings for families with children, or encouraging families with children to reside in particular areas.
- Charging additional rent, security deposit, or fees because a household has children under 18 years of age.

This assessment examines the spatial distribution of households by familial status to determine the potential of familial status discrimination in the City. Figure H 3-5 displays the percent of children in married couple households in the City compared to the rest of the region while Figure H 3-6 shows the regional distribution of children in female-headed households with no spouse present.

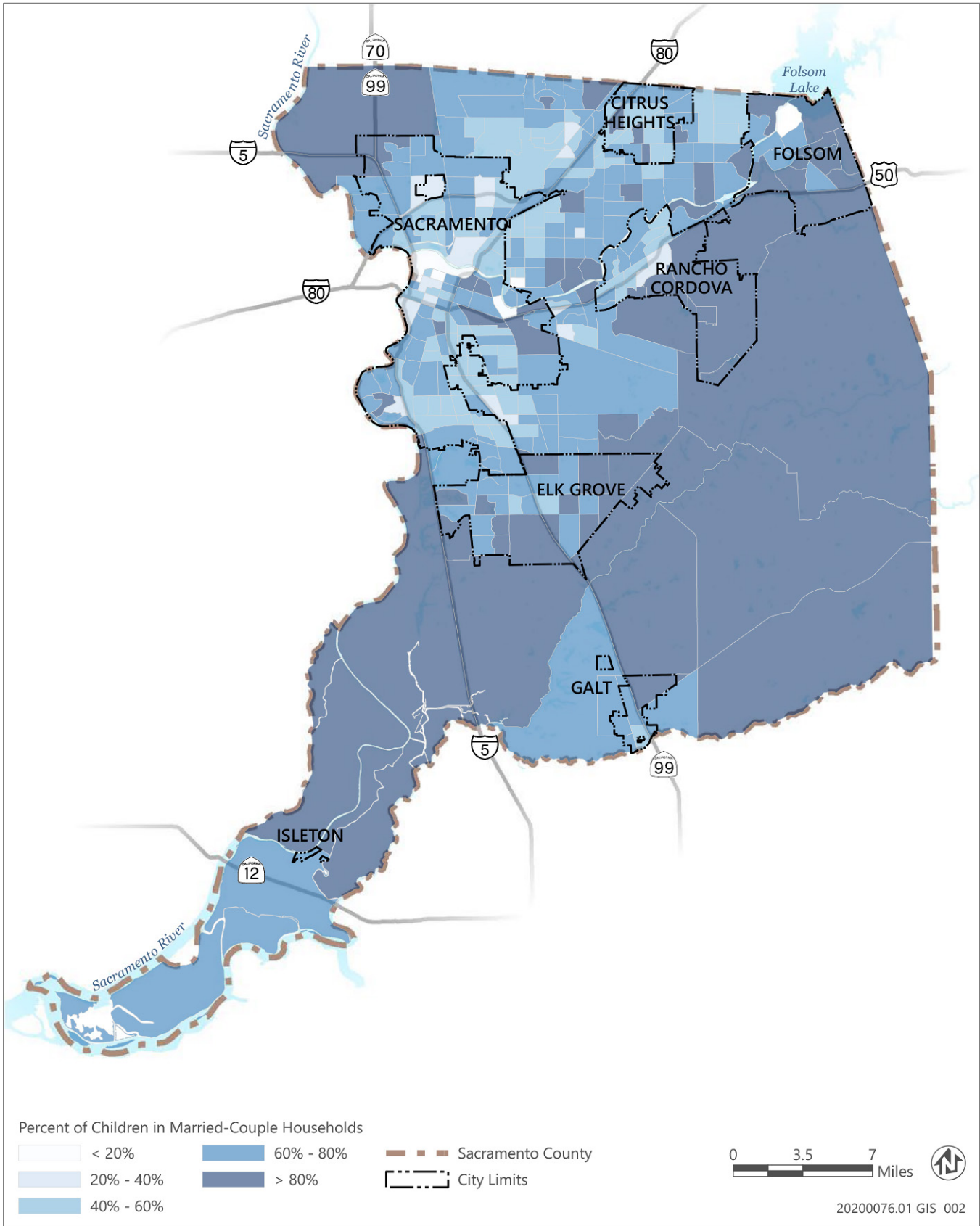
Married Couple Families with Children

Relative to the region, census tracts in the City have fewer children in married couple households (as shown in Figure H 3-5). In 2019, approximately 37.5 percent of all households in the City were married-couple households with children under the age of 18. This was a smaller portion of married couple families with children than countywide (45.1 percent) and statewide (68.8 percent). More married couples with families live in the North Natomas, East Sacramento, Pocket, and Land Park communities where there are more single-unit homes.

Female Headed Households, No Spouse Present

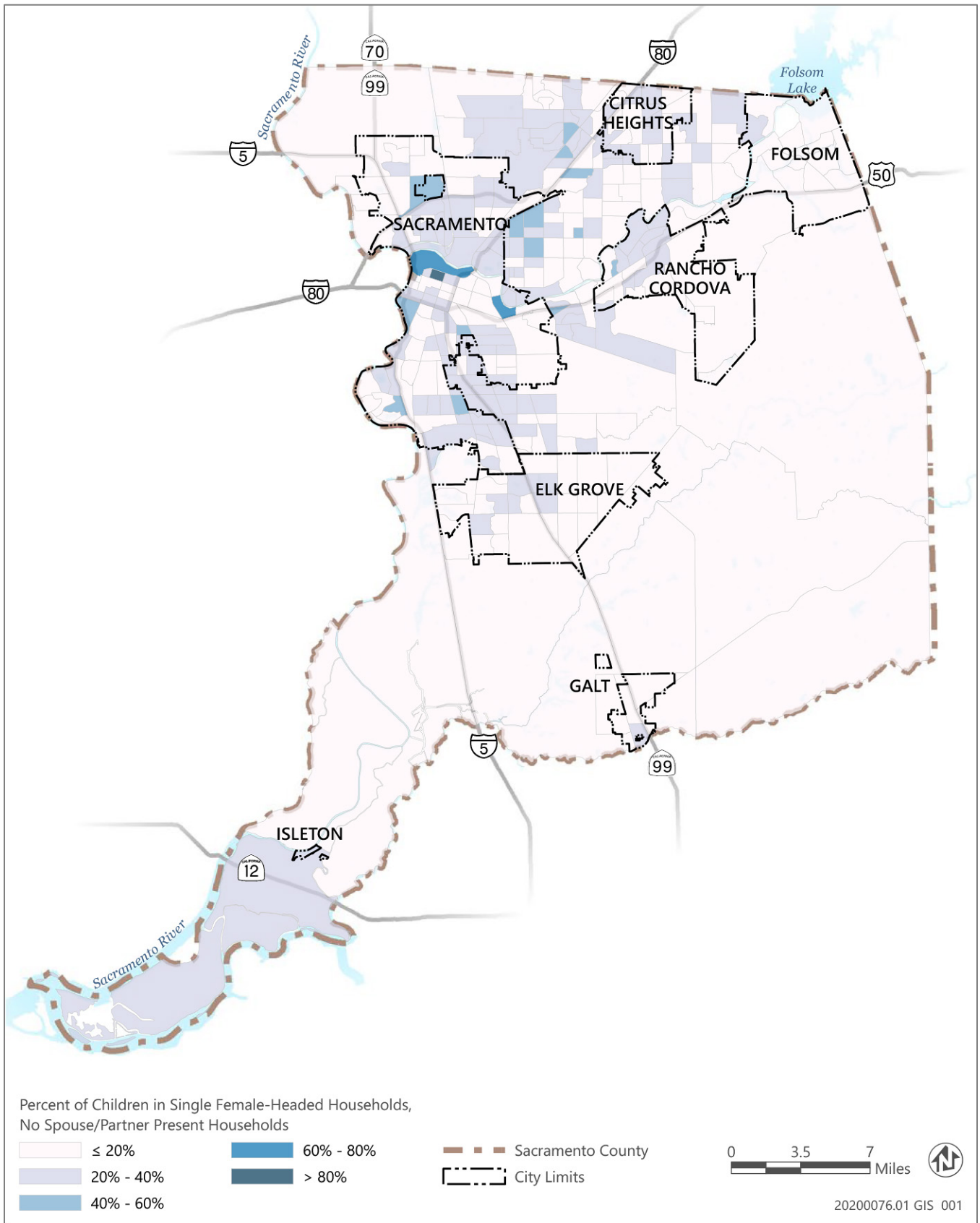
As discussed in Section 1.6.2 from Appendix H1, Single Female-Headed Households, single female heads-of-households have distinct housing needs, typically because they only have one potential wage earner and often have more difficulty finding adequate affordable housing than families with more than one source of income. Of the households in the City in 2019, 7.4 percent were single female-headed households with children, which was higher compared to just 6.9 percent in Sacramento County. As shown in Figure H 3-6, higher percentages of children living in female-headed households with no spouse present are concentrated in certain census tracts of the City. Namely, the northern portion of the Central City has the largest cluster of census tracts with more than 60 percent of children living in single-female headed households. There is an additional tract with this household composition in the southwestern portion of Arden-Arcade.

Figure H 3-5: Percent of Children in Married Couple Households



Source: U.S. Census, 2015-2019 American Community Survey; HCD AFFH Data and Mapping Tool; adapted by Ascent 2021

Figure H 3-6: Percent of Children in Female Headed Households, No Spouse Present



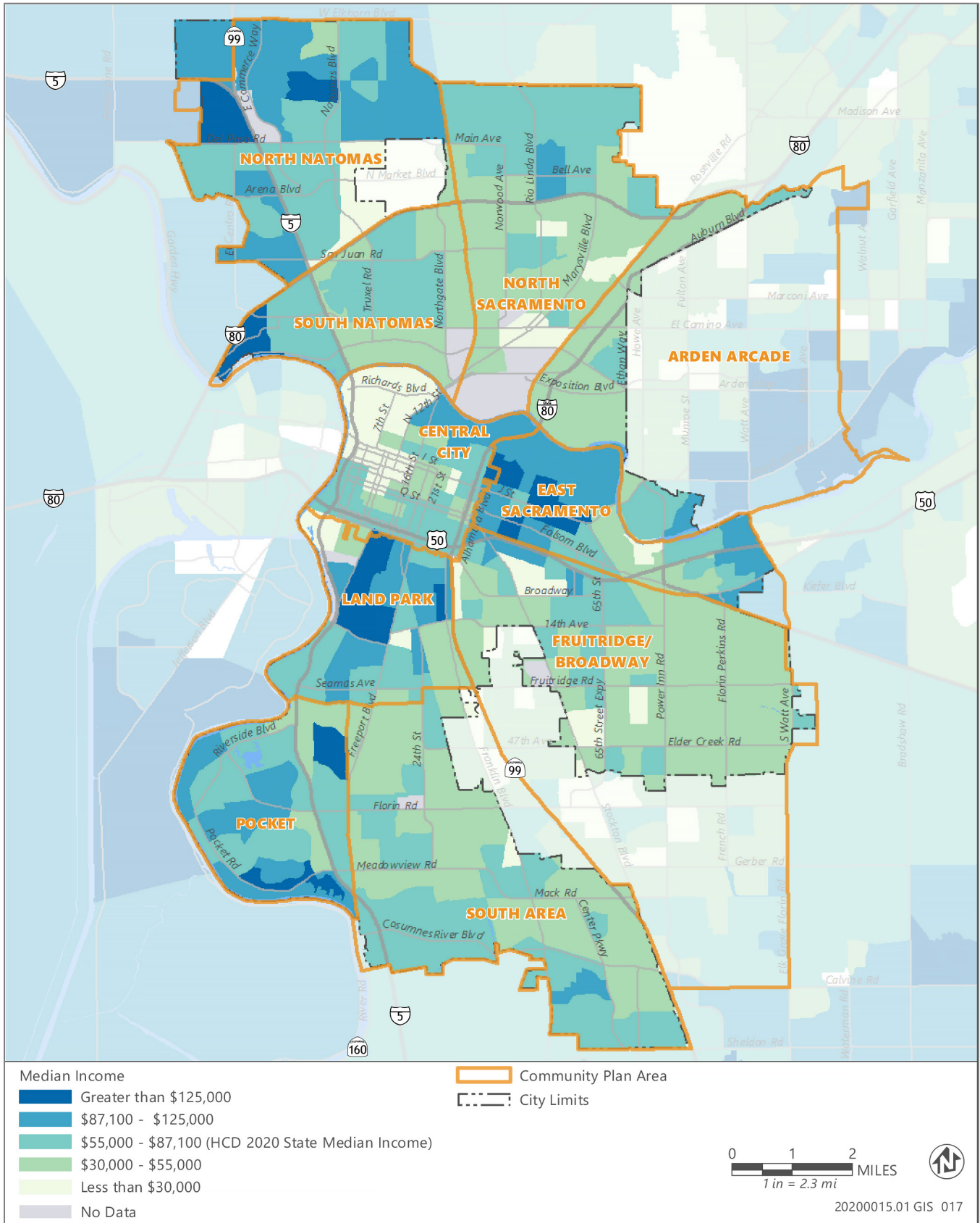
Source: U.S. Census, 2015-2019 American Community Survey; HCD AFFH Data and Mapping Tool; adapted by Ascent 2021

3.4.4 Income Status

Appendix H1, in Section 1.3.1 Income Distribution, notes that household incomes in the City of Sacramento are lower than the county as a whole. 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 (see Figure H 1-5 in Appendix H1). The households with the lowest median household incomes are in the Central City, followed by North Sacramento at \$38,822 and \$39,892 respectively. 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 (see Figure H 3-7). At \$82,890, North Natomas has the highest annual median household income, followed by East Sacramento at \$74,408.

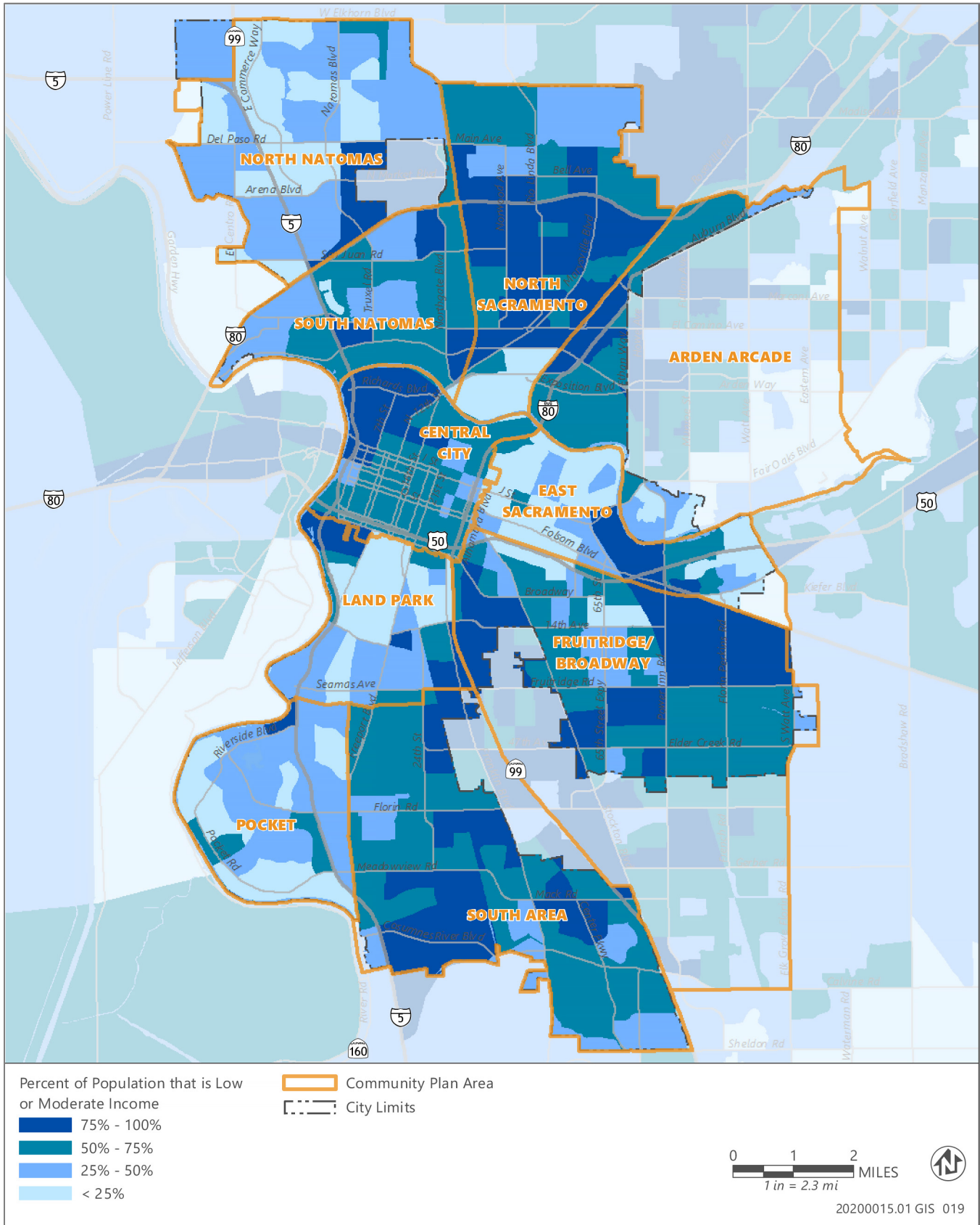
Figure H 3-8 further displays this information by showing the percentage of low- to moderate- income households by block group. As displayed in the figure, tracts with the highest percentage of low- and moderate-income households and greater presence of poverty, as shown in Figure H 3-9, are located in Del Paso Heights, Oak Park, Meadowview and around California State University Sacramento (CSUS). While poverty exists at some level throughout the City, it is most concentrated (i.e., more than 40 percent of the population is below the poverty level) south of the Sacramento River near the Railyards, in and around the CSUS, and in the Natomas Crossing community.

Figure H 3-7: Distribution of Median Income by Block Group, City of Sacramento



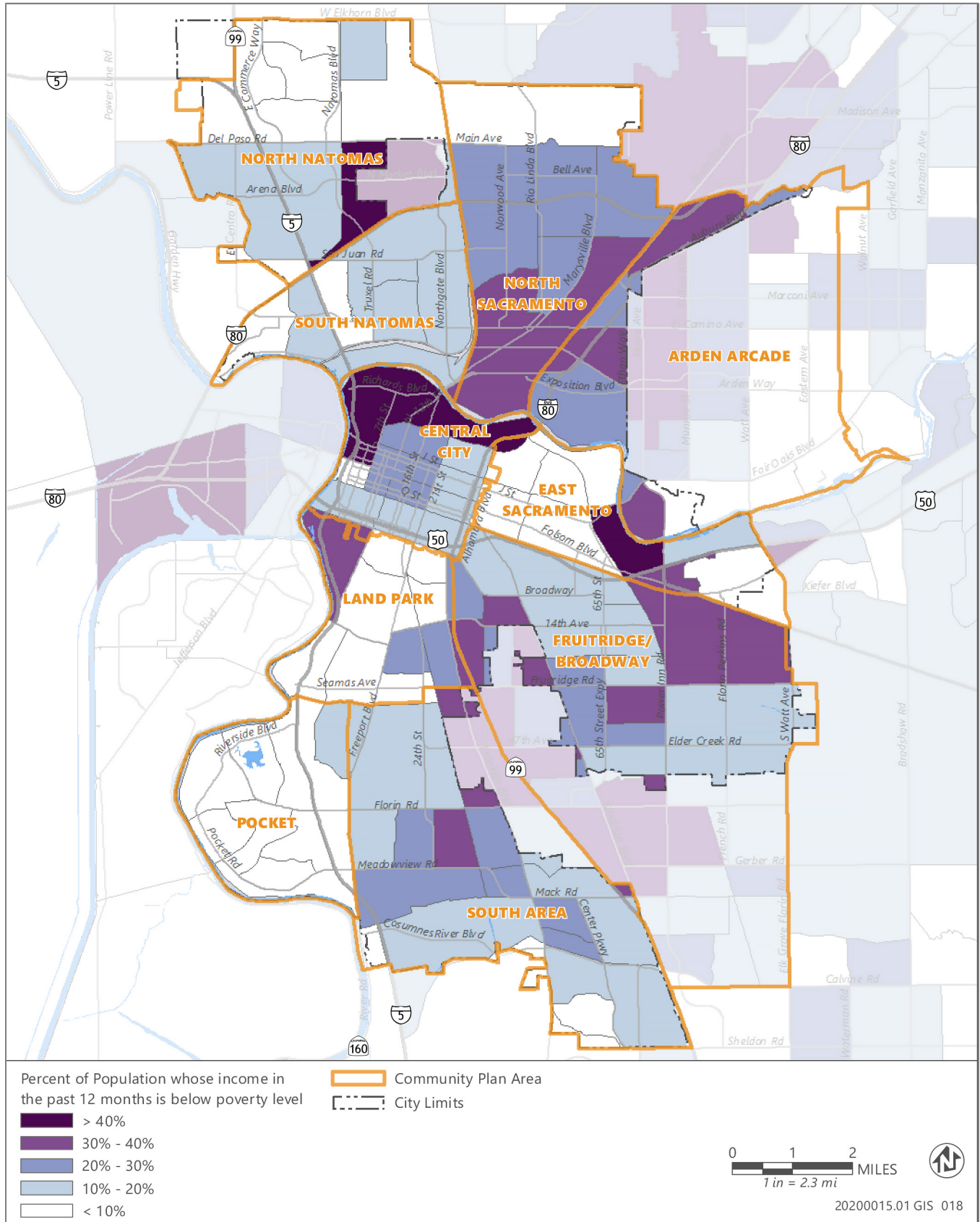
Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2015-2019.

Figure H 3-8: Percent of Low to Moderate Income Households by Block Group, City of Sacramento



Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2015-2019.

Figure H 3-9: Poverty Status by Block Group, City of Sacramento



Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2015-2019.

3.4.5 Racially or Ethnically Concentrated Areas of Income

Racially or Ethnically Concentrated Areas of Poverty

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

- A census tract that has a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR
- A census tract that has a non-White population of 50 percent or more (majority-minority) AND the poverty rate is three times the average tract poverty rate for the county, whichever is lower.

Households within R/ECAP tracts frequently represent the most disadvantaged households within a community and often face a multitude of housing challenges. R/ECAPs are meant to identify where residents may have historically faced discrimination and continue to be challenges by limited economic opportunity. The City of Sacramento contains the majority of the region's R/ECAPs, largely in the northern and southern parts of the City (refer to Figure H 3-10).

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

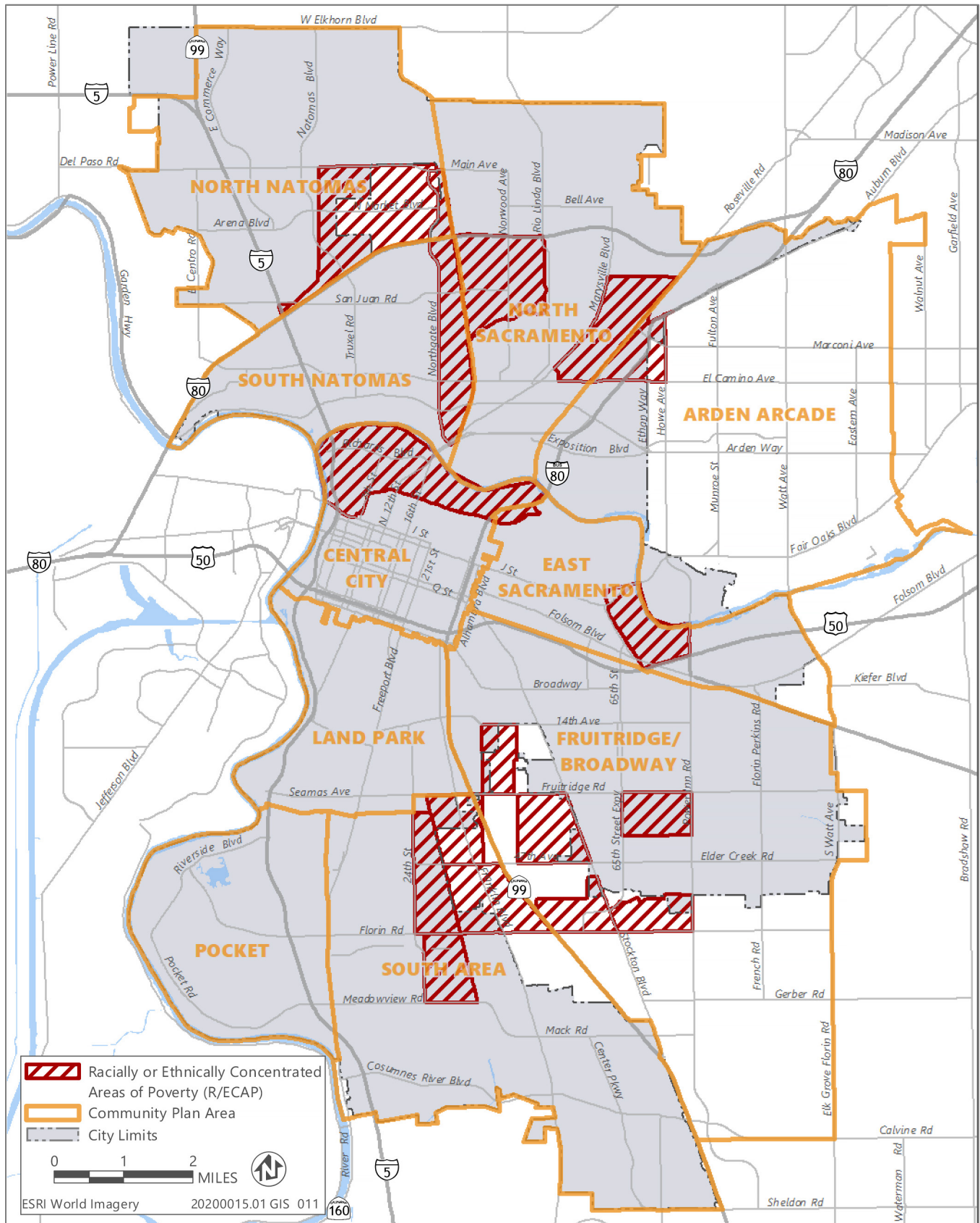
In 2013, one in ten residents in the City of Sacramento were living in a R/ECAP, equating to approximately 45,000 people. Almost every R/ECAP has a high percent (over 58 percent) of households with housing cost burden (i.e., spending more than 30 percent of income on housing). In comparison to Figure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

Racially or Ethnically Concentrated Areas of Affluence

Although HCD and HUD have not established standard definitions for Racially or Ethnically Concentrated Areas of Affluence (RCAAs), they are generally understood to be neighborhoods in which there are both high concentrations of non-Hispanic White households and high household income rates. Comparing the City of Sacramento to the surrounding Sacramento region, the City has a greater presence of low-moderate income households and higher diversity than other incorporated cities.

As was discussed previously and shown in Figure H 3-3, non-Hispanic Whites are the predominant racial/ethnic group in the City, with more predominance in parts of the Central City, East Sacramento, Land Park, the Pocket and North Natomas. Additionally, the median household income in most census tracts throughout the City is equal to the 2020 State Median Income or lower. Several census tracts in the North Natomas, East Sacramento, and Land Park communities have a median household income above \$100,000 (see Figure H 3-7) and are predominately white neighborhoods (see Figure H 3-3) and could be considered RCAAs.

Figure H 3-10: Location of R/ECAPs in the City of Sacramento, 2013



Source: HUD AFFH Data Tool; 2020.

3.5 Access to Opportunity

Across the nation, affordable housing has been disproportionately developed in minority neighborhoods with high poverty rates, thereby reinforcing the concentration of poverty and racial segregation in low opportunity and low resource areas. Several agencies, including HUD and HCD, in coordination with the California Tax Credit Allocation Committee (TCAC), have developed methodologies to assess and measure geographic access to opportunity in areas throughout California. For this assessment, the opportunity indices prepared by HUD and HCD/TCAC are used to analyze access to opportunity in the City of Sacramento. Access to opportunity is measured by access to healthy neighborhoods, education, employment, and transportation.

3.5.1 HUD Opportunity Index

HUD's opportunity indices compare data indicators by race and ethnicity, for households below the poverty line, between jurisdictions, and for the region overall. The indices include the following:

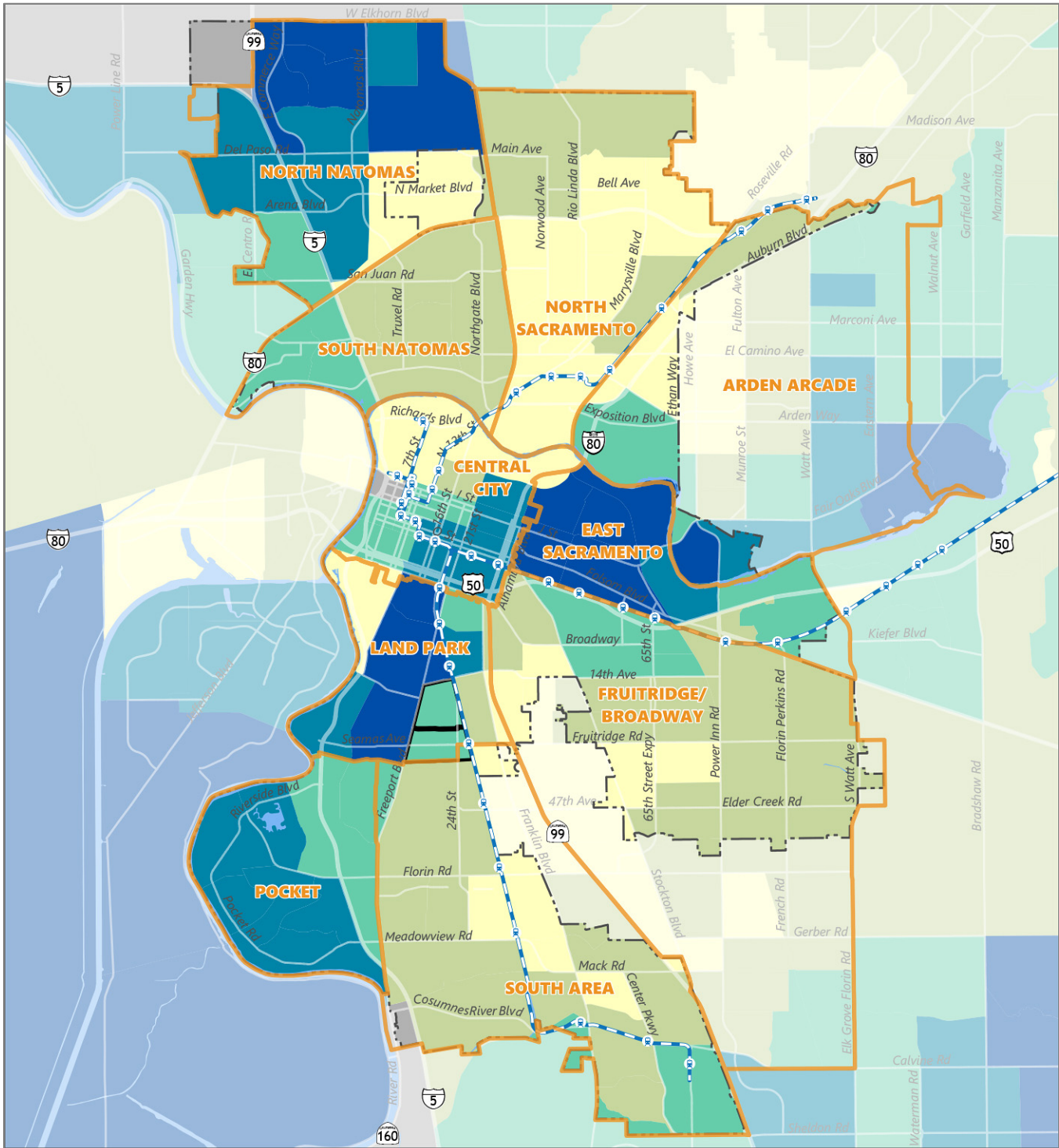
- **Low Poverty Index.** This index measures neighborhood exposure to poverty. Higher index scores suggest better access to economically strong (i.e., low poverty) neighborhoods. Regionally, Black and Hispanic/Latino residents are least likely to have access to low poverty neighborhoods. In Sacramento, non-Hispanic White residents are most likely to live in low poverty neighborhoods.
- **School proficiency index.** This index measures neighborhood access to elementary schools with levels of academic proficiency within 1.5 miles. In Sacramento and Sacramento County, non-Hispanic White residents are more likely to have access to proficient schools than residents of color, and this gap persists among residents in poverty.
- **Labor Market Engagement Index.** This index measures the employability of neighborhood residents based on unemployment, labor force participation, and educational attainment. Higher index scores suggest residents are more engaged in the labor market. In Sacramento and Sacramento County, labor market engagement is higher for non-Hispanic White residents than that of other residents and the magnitude of difference is similar among residents in poverty.
- **Jobs Proximity Index.** This index measure how close residents live to major employment centers. A greater number of neighborhoods within the core of Sacramento have a higher jobs proximity index. Many R/ECAP neighborhoods have higher job proximity scores, indicating access to employment opportunities. Although R/ECAP neighborhoods have good access to jobs, the low Labor Market Engagement scores suggest a mismatch between the skills and labor force readiness of residents living in R/ECAP areas and the jobs offered at nearby major employment centers.
- **Transit Index.** The transit index measures use of public transit by low-income families that rent. The higher the index, the more likely that residents in the area are frequent users of public transportation. Regionally, the transit index varies by community; however, there are few differences by race or ethnicity within communities. The City of Sacramento received an index score between 68-70 across all races and ethnicities indicating frequent use of transit among all residents.
- **Low Cost Transportation Index.** This index measures the cost of transportation, based on estimates of the transportation costs for low income families. Compared to other jurisdictions, transportation is most affordable to residents in Sacramento as well as Davis, Woodland, and West Sacramento. There was not a clear pattern of disparity associated with the location of low transportation cost neighborhoods and race or ethnicity. Access to transportation and the Low Cost Transportation Index is explained further in Section 3.5.2.

3.5.2 TCAC and HCD Opportunity Areas

HCD and TCAC prepared opportunity maps, as shown in Figure H 3-11, to identify areas with the highest and lowest resources. The primary function of TCAC is to oversee the Low Income Housing Tax Credit (LIHTC) Program, which provides funding to developers of affordable rental housing. The opportunity maps play a critical role in shaping the future distribution of affordable housing in areas with the highest opportunity. The high resource areas are those areas, according to research, that offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.

As shown in the map below, the majority of census tracts within the City of Sacramento are categorized as either low resource (37 percent) or high segregation and poverty (16 percent), largely aligning with the areas of the City that were historically segregated by covenants and redlining practices. Portions of the Central City and outlying suburbs, such as the Pocket and areas of North Natomas, are classified as areas of moderate and high resource, and the established neighborhoods of East Sacramento and Land Park, as well as areas of North Natomas, are classified as highest resource.

Figure H 3-11: TCAC/HCD Opportunity Area Map, 2021



CA Tax Credit Allocation Committee (TCAC)

- Highest Resource
- High Resource
- Moderate Resource (Rapidly Changing)
- Moderate Resource
- Low Resource
- High Segregation & Poverty
- Missing/Insufficient Data

- Light Rail Station
- Light Rail
- Community Plan Area
- City Limits

0 1 2 MILES
1 in = 2.3 mi



20200015.01 GIS 010

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

Educational Opportunity

The best opportunities for positive educational outcomes are in the North Natomas, Central City, and Pocket communities. Most of the City, however, has poor education scores. Figure H 3-12 shows that two large areas in the city, and partially the county, have the least positive educational outcomes. These areas are in the Fruitridge-Broadway, Arden-Arcade, and North Sacramento communities which correspondingly were classified as low resource with the most central tracts in each community showing signs of high segregation and poverty (see Figure H 3-11). This data indicates that access to proficient school opportunities throughout the City are not available especially in areas with concentrated poverty.

Economic Opportunity and Jobs Proximity Index

In the context of economic opportunity, Sacramento had mixed outcomes. Most of the City ranks either greater than 0.75 indicating the most positive economic outcomes or less than 0.25 indicating the least positive economic outcomes. The Central City had consistently positive economic scores (between 0.50 and 0.75). The lowest scoring census tracts (shown in Figure H 3-13) are in North Sacramento, South Area, and Fruitridge Broadway.

The 2014-2017 job proximity index prepared by HUD quantifies the accessibility of a given neighborhood to all jobs within a core-based statistical area. Index ratings for Sacramento (see Figure H 3-14) show the closest proximity to jobs in most of the Central City, South Natomas area, and areas near CSUS. These also tend to be areas where more employment centers are located. These index scores generally decline for census tracts farther away from these employment clusters. In fact, there are a few census tracts on the far southern end of the City with a job index of less than or equal to 20, which means that those residents have the furthest proximity to jobs. In comparison to the region, Sacramento generally has greater job opportunity index scores than the neighboring cities of Elk Grove, Citrus Heights, and unincorporated Sacramento County.

Access to Transportation and Low Cost Transportation Index

The Low Cost Transportation Index, developed by HUD, estimates the percentage of income that residents use to pay for transportation, measured at the census tract scale. The higher an index score, the lower the cost of transportation. Index scores can be influenced by factors such as access to public transportation, housing density, and proximity of employment centers and other services.

As a whole, Sacramento has an average index rating of 72, meaning it has lower transportation costs than 72 percent of the nation. In comparison, the average score for California is 66, while the average score for Sacramento County is 66, meaning Sacramento has lower costs than the statewide average, and the rest of Sacramento County. As shown in Figure 3-15, the Central City and parts of North Sacramento, Arden Arcade, Land Park, East Sacramento, and the Fruitridge/Broadway areas have higher index scores (79-99) than the rest of the City and therefore lower transportation costs. Costs are lower because these areas are in closer proximity to services and employment centers, have ample public transportation choices, and some of these areas have higher housing densities. In contrast, there are lower scores in the northern and southern portion of the city (40-58). Specifically, areas north of Del Paso Road and Main Avenue in North Natomas, and south of Meadowview Road in the South Area have higher estimated transportation costs, likely due to their distance from services and employment centers. These areas are also further than ½ mile away from existing light rail and bus stops (See Figure 3-15). However, Figure 3-15 does show that the rest of the City is well served by transit as most areas are within a ½ mile from an existing light rail or bus stop.

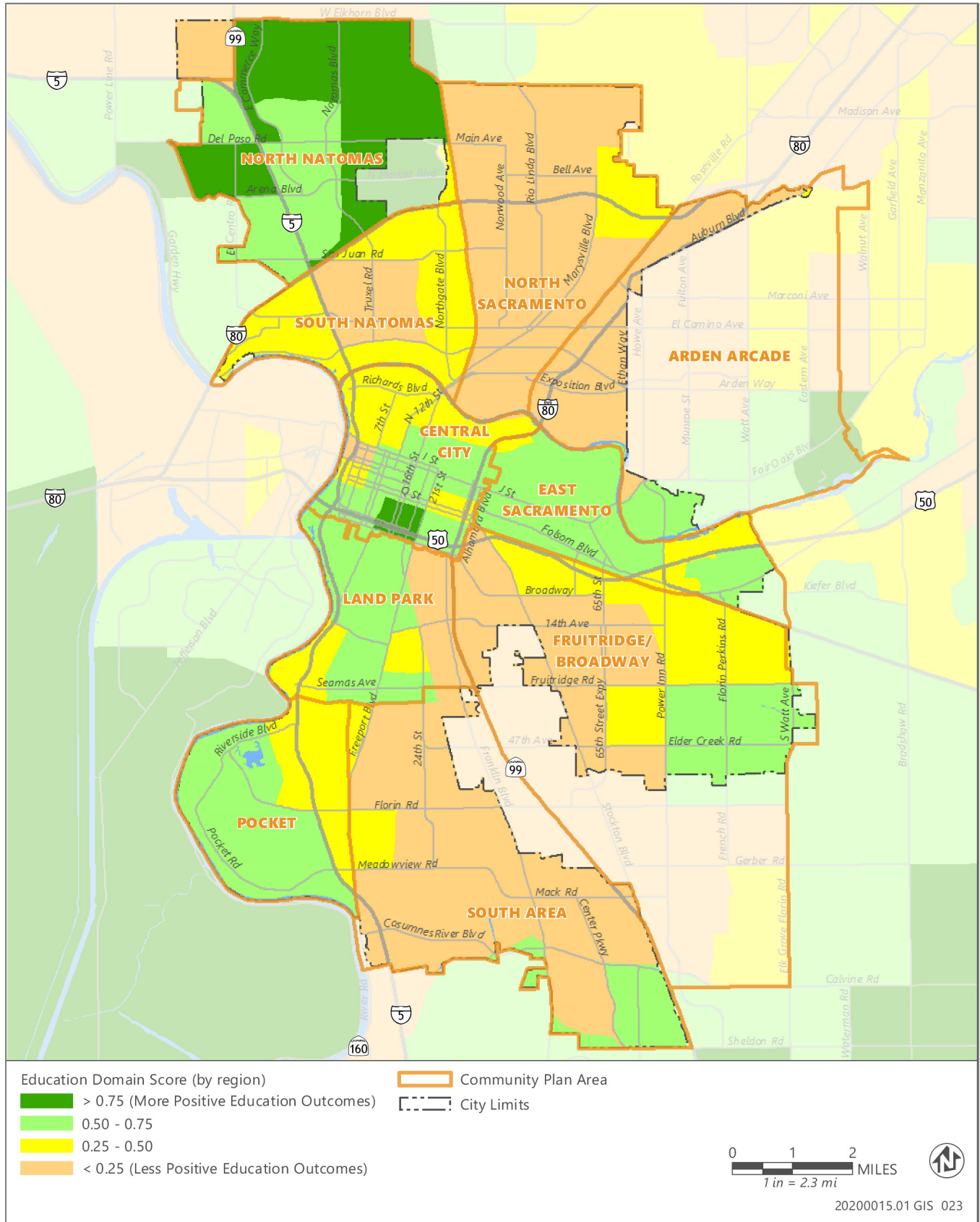
Providing access to affordable and reliable transportation allows people with disabilities more opportunities in education, employment, healthcare, and housing. Figure H 3-16 shows the existing light rail and bus stops within a ¼ mile radius with the percent of people with a disability by census tract in the City. As discussed in Section 3.4.2, there are more residents with disabilities residing per census tract in and near the River District and the eastern Fruitridge/Broadway area near Granite Regional Park and New Brighton. Residents in the River District have greater access to transit and a closer commute to their place of residence compared to residents near Granite Regional Park and New Brighton neighborhoods who have to travel about a ½- 1 ½ mile further, which can be a challenge for people with a disability.

Environmental Conditions

Lower-income housing and racially segregated communities are disproportionately impacted by a combination of locational factors such as proximity to landfills, freeways, industrial areas, and other toxins and pollutants. A 2016 report entitled “Poverty Concentration and the Low Income Housing Tax Credit: Effects of Siting and Tenant Composition” studied whether nationally the LIHTC affects the concentration of poverty. The study examined who lives in tax credit developments in different neighborhoods, and how neighborhoods and metropolitan areas change after LIHTC developments are built. The study concluded that the distribution of affordable housing has been disproportionately developed in minority neighborhoods with poor environmental conditions and high poverty rates, thereby reinforcing poverty concentration and racial segregation in low opportunity and low resource areas.¹ The links between health and housing strongly indicate that improved housing and neighborhood environments could lead to reductions in health disparities. TCAC and HCD measured environmental opportunity using the exposure, pollution burden, and environmental effect indicators used in California’s Office of Environmental Health Hazard Assessment CalEnviroScreen 3.0 tool. CalEnviroScreen 3.0 is a statewide risk assessment tool that measures the cumulative impacts of multiple sources of pollution. As shown in Figure H 3-17, the poorest environmental conditions in the City correlate with the areas of lowest resources and high segregation and poverty.

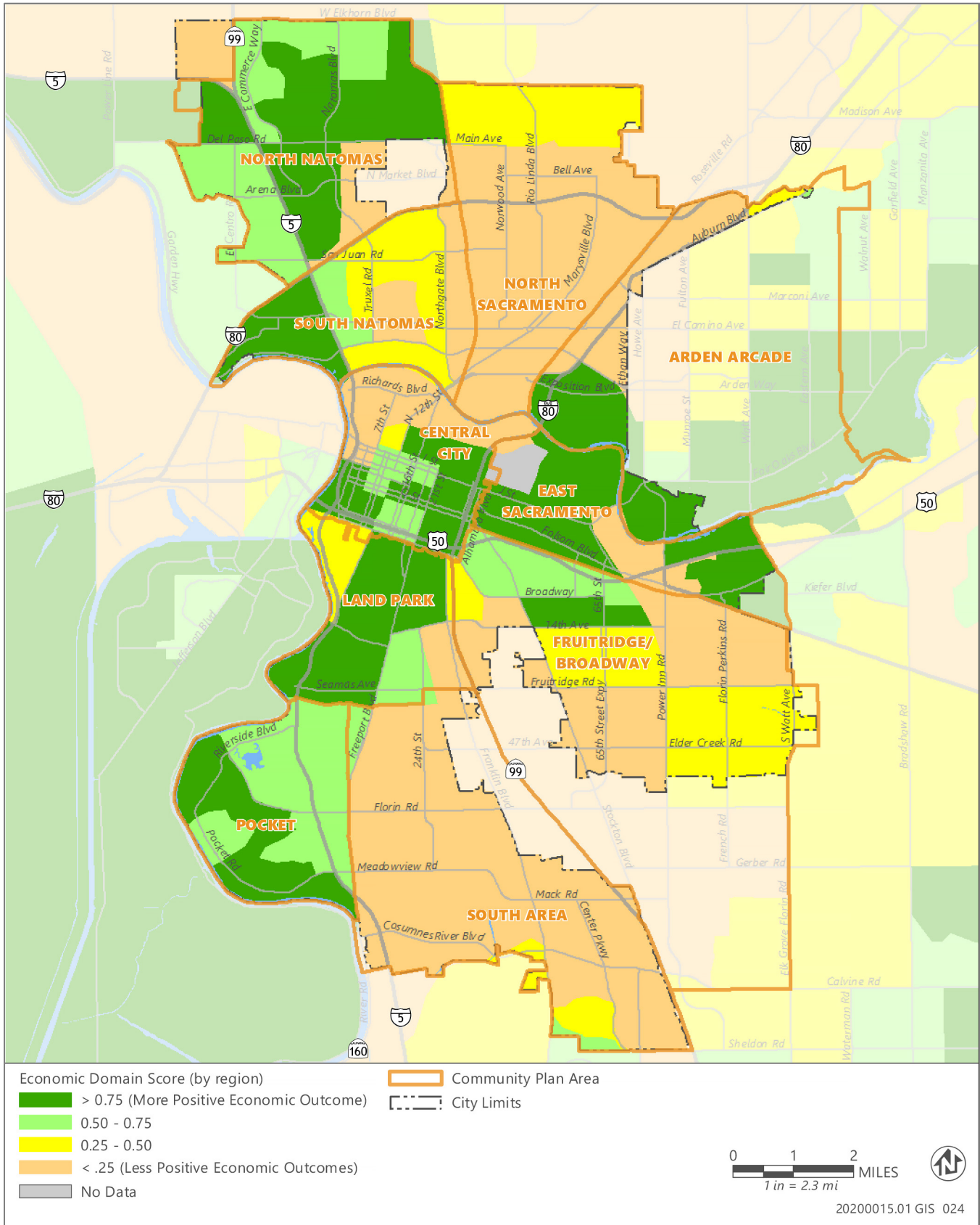
¹ Ellen, I.G.; Horn, K.M.; O’Regan, K.M. 2016. *Poverty concentration and the Low Income Housing Tax Credit: Effects of siting and tenant composition*. Journal of Housing Economics 34 (2016) 49-59. Elsevier Inc. <https://doi.org/10.1016/j.jhe.2016.08.001>

Figure H 3-12 TCAC Opportunity Areas – Education Score, City of Sacramento



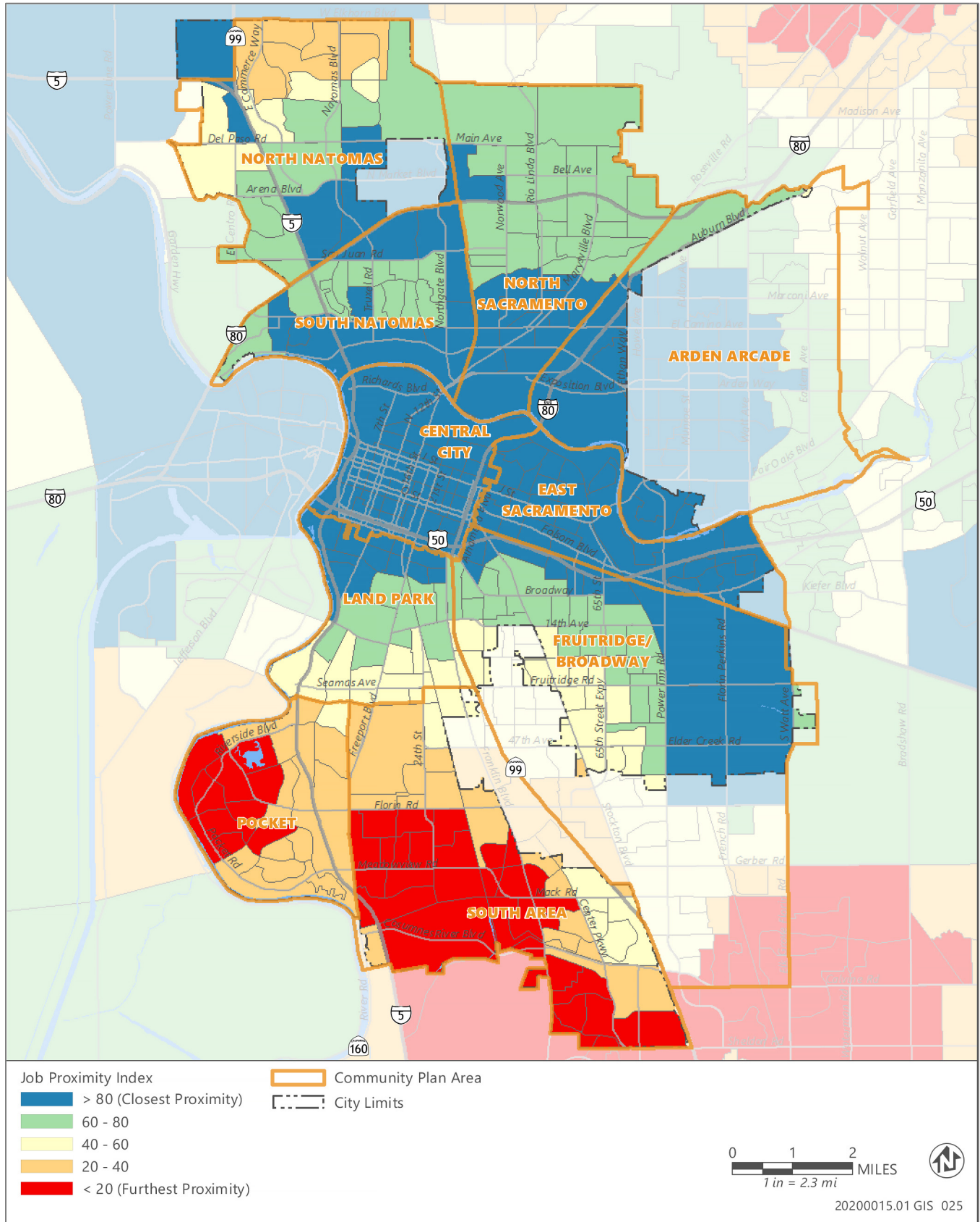
Source: HCD AFFH Data Resources and Mapping Tool.

Figure H 3-13: TCAC Opportunity Areas – Economic Score, City of Sacramento



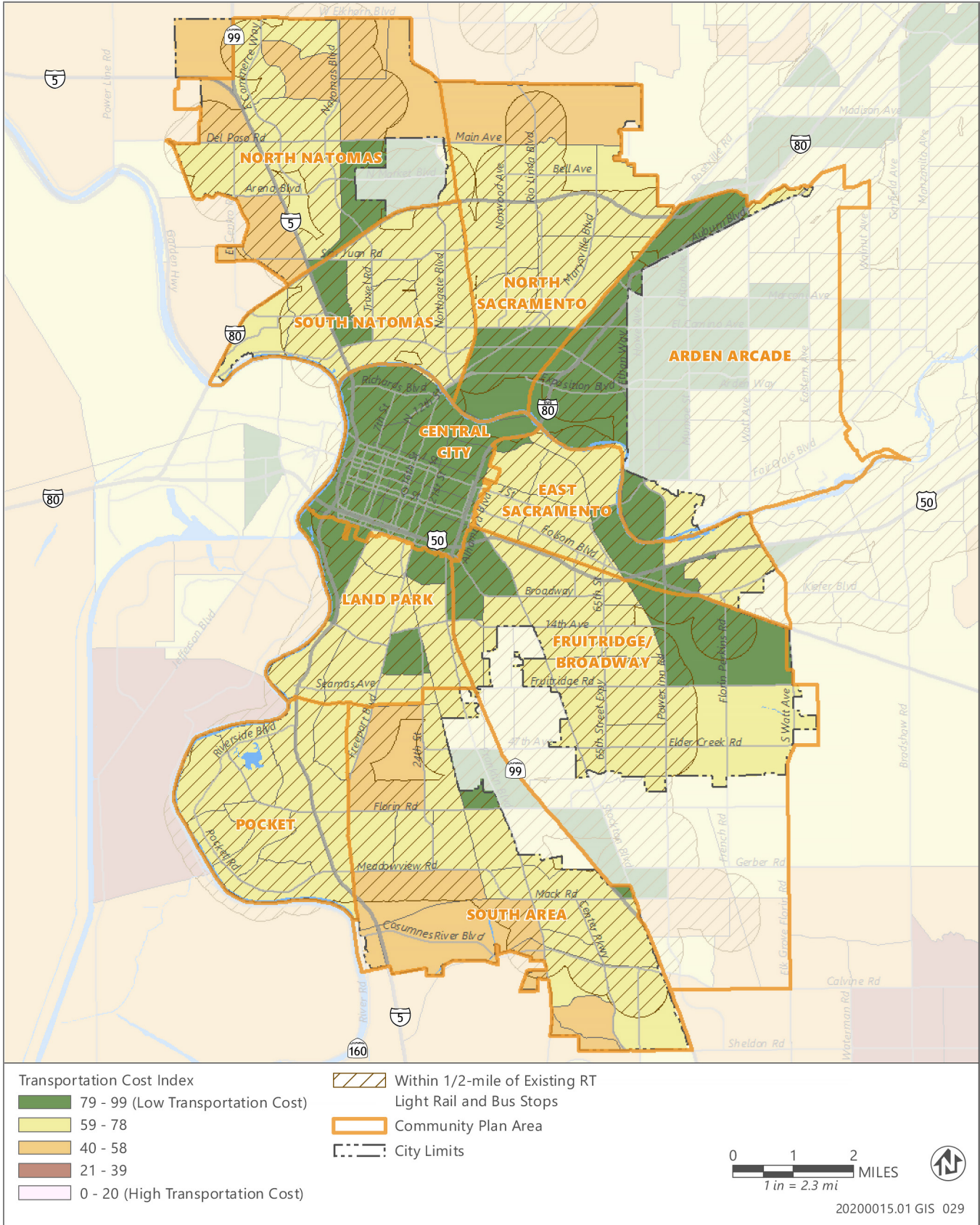
Source: HCD AFFH Data Resources and Mapping Tool.

Figure H 3-14: Jobs Proximity Index, City of Sacramento



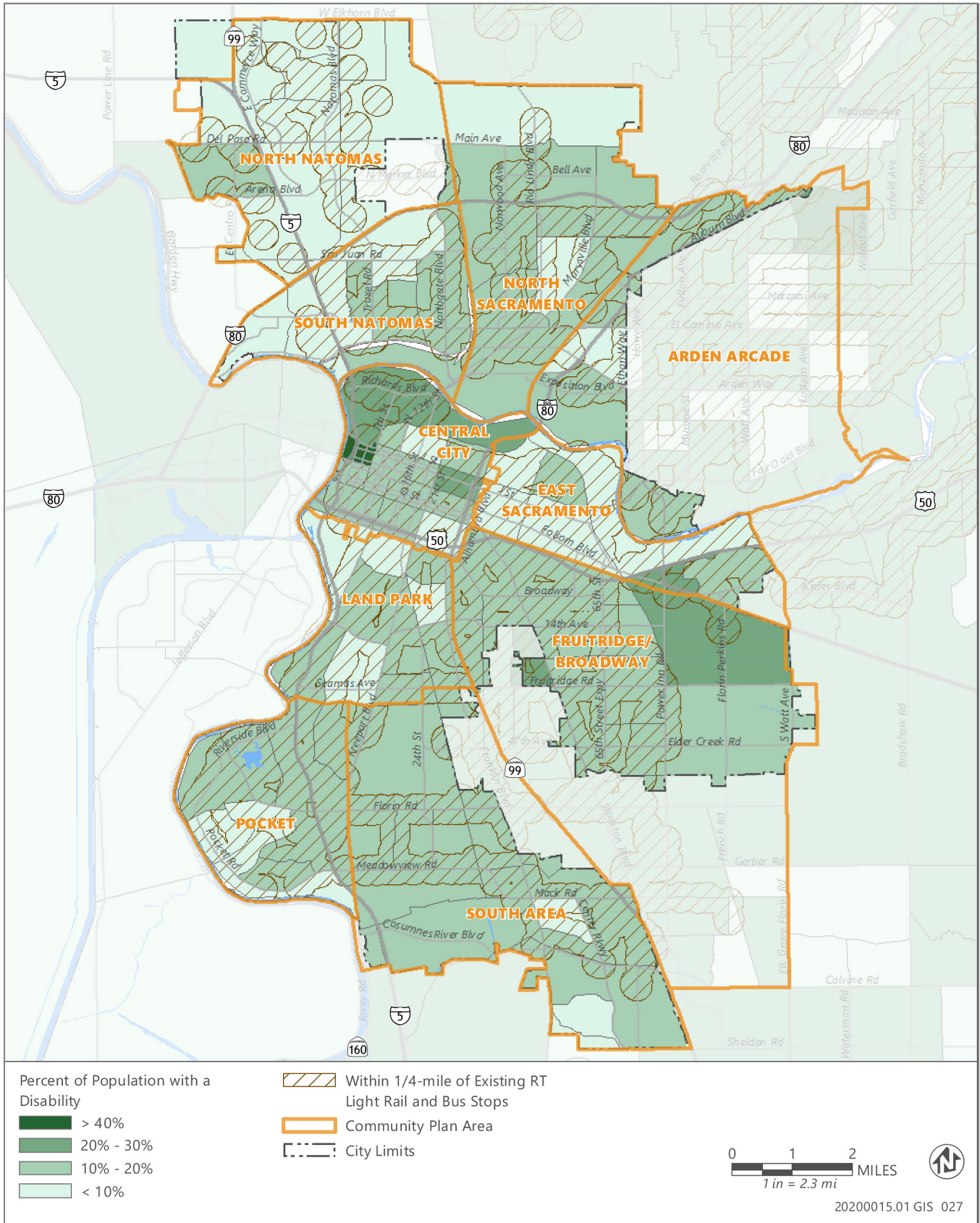
Source: HCD AFFH Data Resources and Mapping Tool.

Figure H 3-15: Transportation Cost Index, City of Sacramento



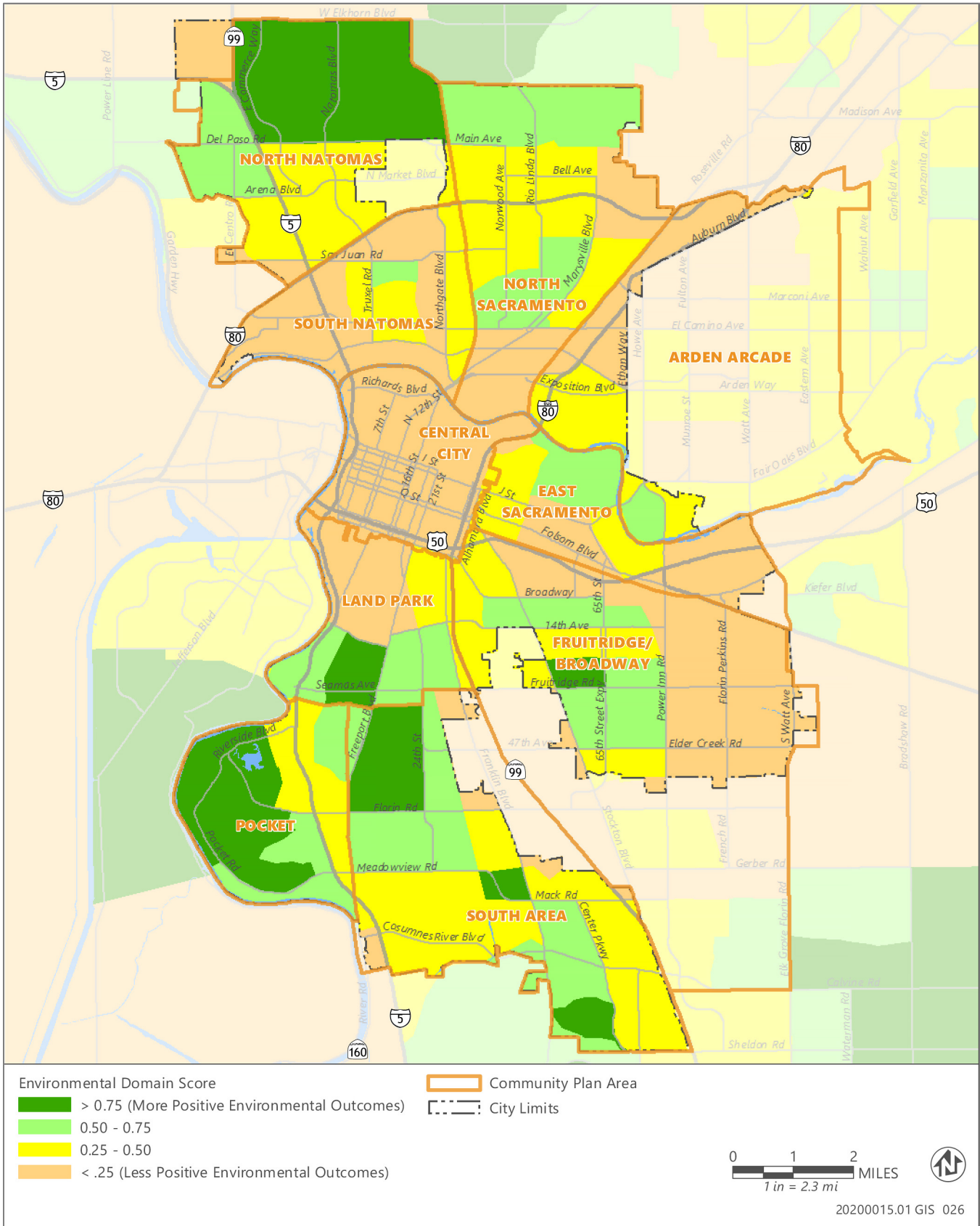
Source: HUD Low Cost Transportation Index, Office of Policy Development and Research in 2021.

Figure H 3-16: Population with a Disability and Access to Transit, City of Sacramento



Source: City of Sacramento, 2021. HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2015-2019.

Figure H 3-17: TCAC Opportunity Areas – Environmental Score, City of Sacramento



Source: HCD AFFH Data Resources and Mapping Tool.

3.6 Disproportionate Housing Needs

An analysis of disproportionate housing needs identifies how access to the housing market differs for members of protected classes and whether such differences are related to or the effects of discriminatory actions. For the disproportionate housing need analysis, a “housing problem” is defined as units having incomplete kitchen or plumbing facilities, more than 1 person per room, and households with cost burdens greater than 30 percent (where costs include utilities, insurance, HOA fees, and property taxes). “Severe” housing problems include all of the above except that the cost burden is greater than 50 percent.

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

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

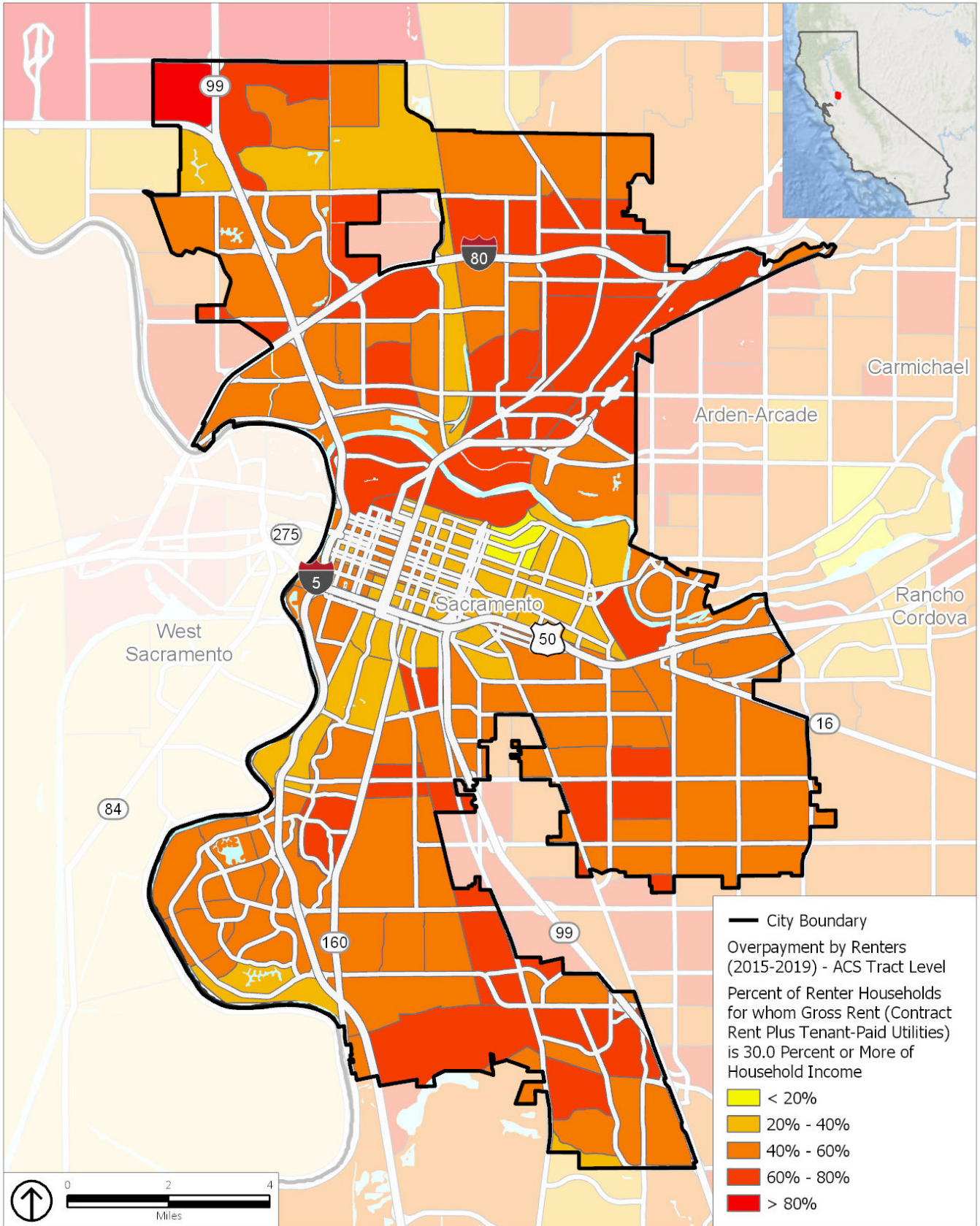
3.6.1 Cost Burden and Overpayment

As previously described, overpayment or “housing cost burden” is defined as households paying more than 30 percent of their gross income on housing related expenses, including rent or mortgage payments and utilities. As shown in Table H 1-19 in Appendix H1, about 39 percent of households are overpaying for housing.

Renters in the City were significantly more burdened with overpayment compared to homeowners, with 50 percent of renters burdened by housing costs compared to 27 percent of homeowners. Figure H 3-18 shows the trends of overpayment for renters in the City between 2015-2019. In most of the City, more than half of all renters per census tract are overpaying for housing. Higher percentages of renters (more than 80 percent) are overpaying in the Central City, North Sacramento, South Area, and North and South Natomas, but overall, there are census tracts in almost every Community Plan Area where more than 80 percent of renters are overpaying for housing.

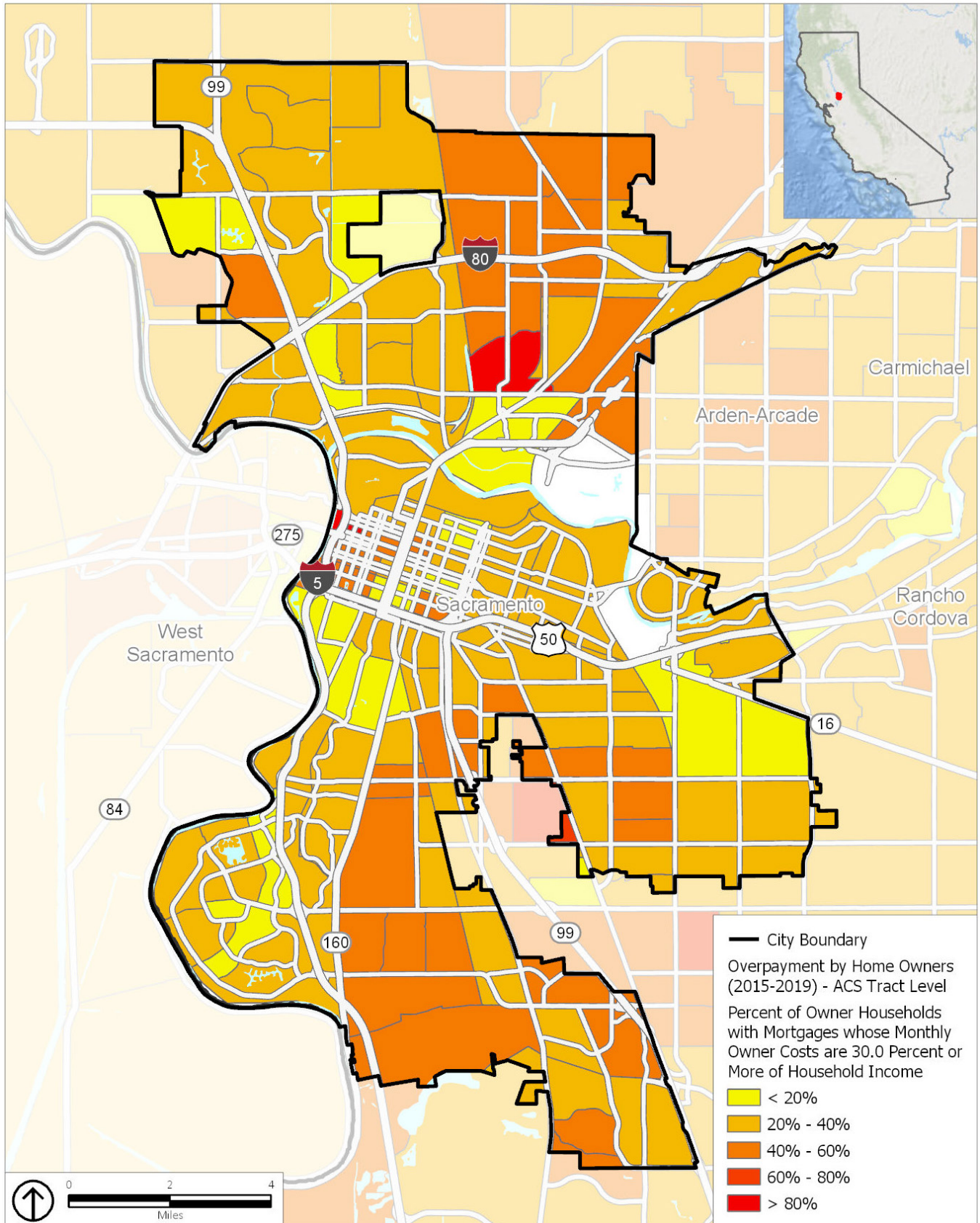
Similarly, Figure H 3-19 shows overpayment trends for homeowners in the City between 2015-2019. Compared to renters, fewer homeowners are overpaying for housing throughout the City; however, where homeownership opportunities exist, about 20-40 percent of homeowners have consistently been overpaying for housing since 2015. The most homeowners overpaying for housing costs, per census tract, are in North Sacramento and the South Area. A significant portion of homeowners in the Central City are also overpaying for housing.

Figure H 3-18: Cost Burdened Renters, City of Sacramento 2015-2019



Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2015-2019.

Figure H 3-19: Cost Burdened Homeowners, City of Sacramento 2015-2019

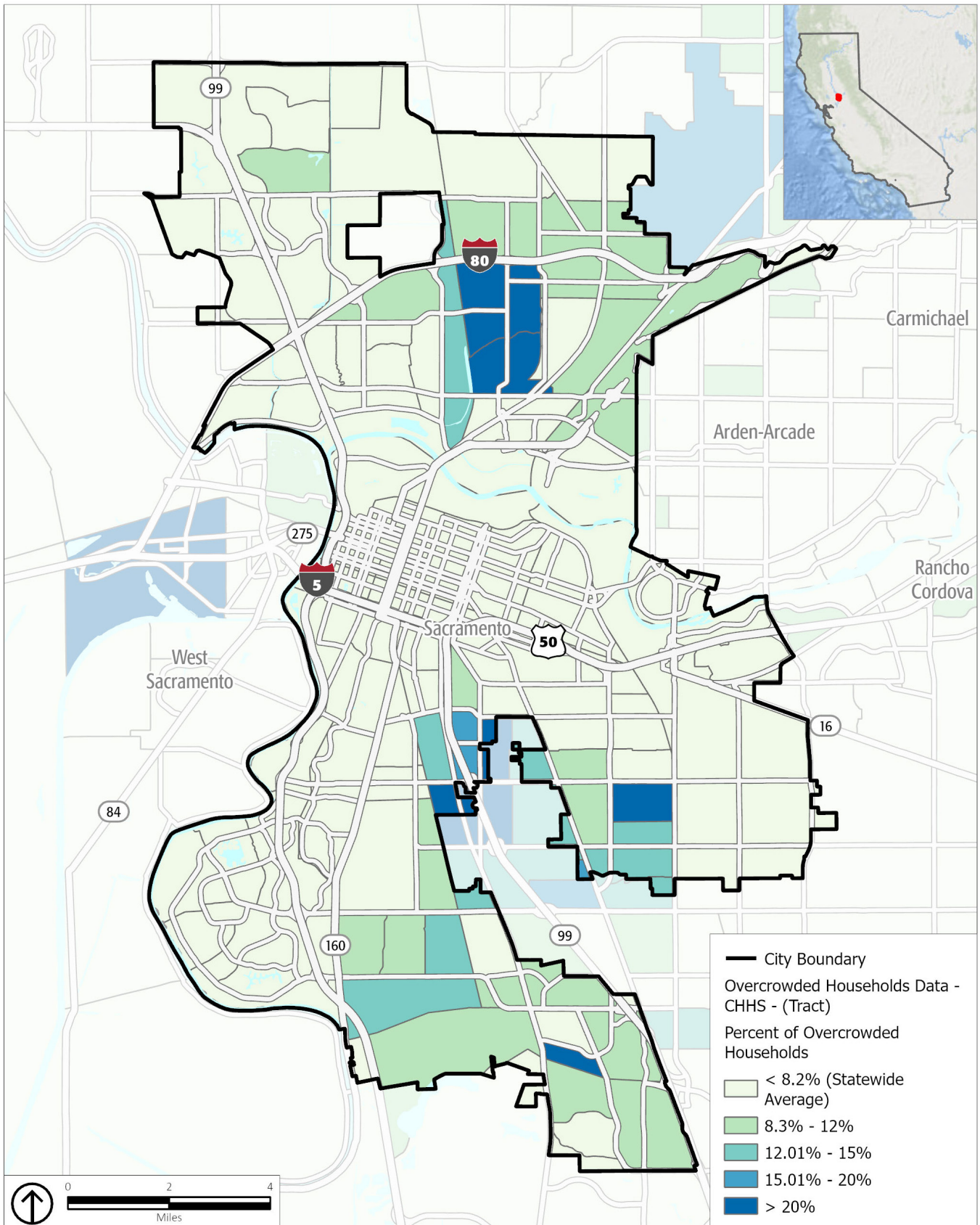


Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2015-2019.

3.6.2 Overcrowding

The average household size in the City of Sacramento is 2.69 persons, with average sizes as low as 1.6 in the Central City and as high as 3.36 in North Sacramento (see Table H 1-6 in Appendix H1). Overcrowding of residential units, in which there is more than one person per room, can be a potential indicator that households are experiencing economic hardship and are struggling to afford housing. While the issue of overcrowding in the City has decreased in recent decades, 6 percent of households were overcrowded in the City as of 2018. As with most disproportionate housing needs, renter households are more likely to experience overcrowded conditions. Figure H 3-20 shows the trends of overcrowded households in the City by census tract. Most tracts in the City are less than or equal to the statewide average of 8.2 percent except for several tracts in the South Area and the southern portion of the Fruitridge/Broadway community. Additionally, the central area of North Sacramento has four adjacent tracts with at least 20 percent of households experiencing overcrowding.

Figure H 3-20: Overcrowded Households, City of Sacramento 2015-2019



Source: HCD AFFH Data Resources and Mapping Tool, HUD 2011-2015.

3.6.3 Gentrification and Risk of Displacement

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

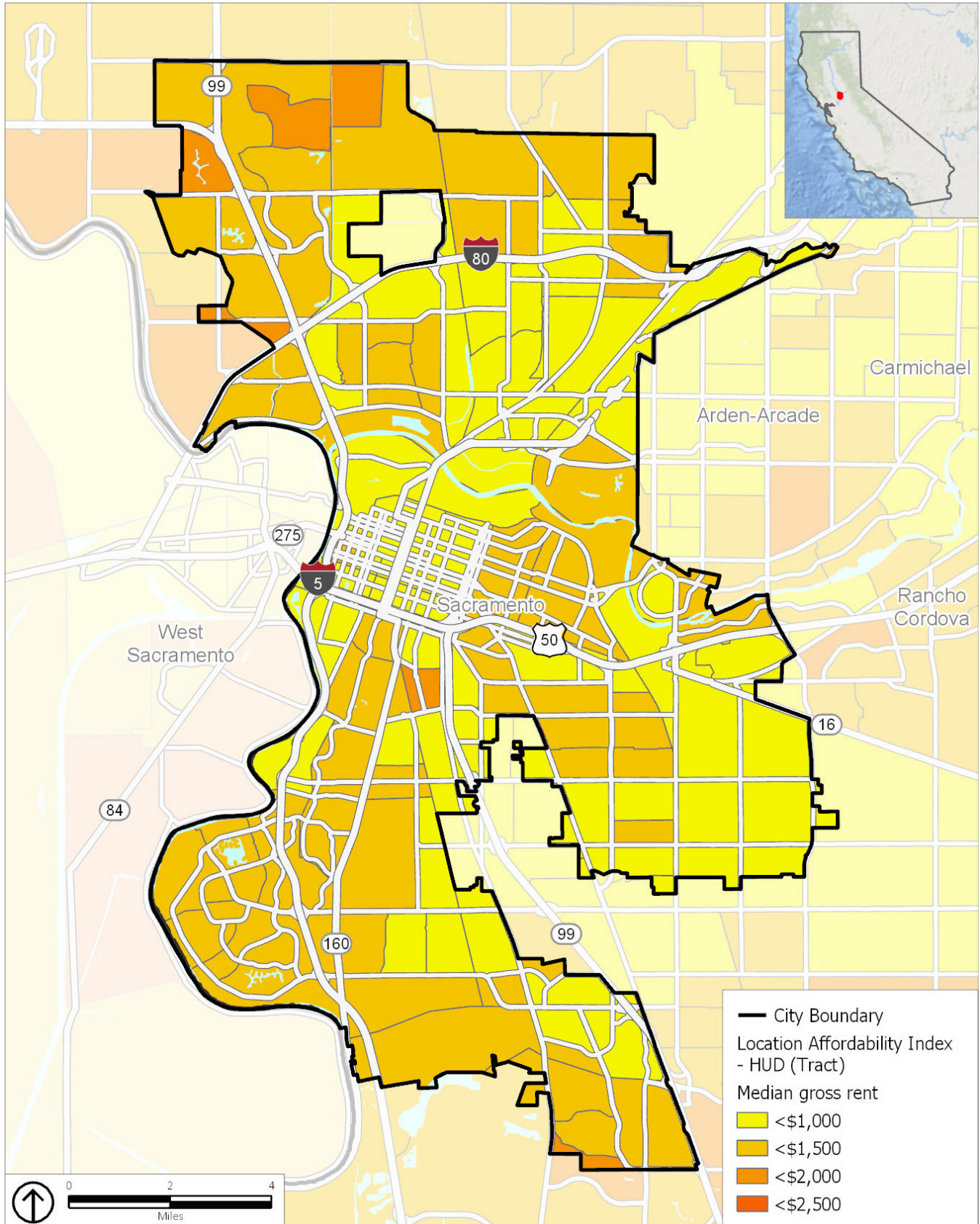
Renter occupancy and high rent burdens are the most common reasons for displacement to occur since renters may not be able to afford to stay in their unit as rents increase. The City of Sacramento has seen some of the highest increases in rent in recent years. As described in Appendix H1 in Section 1.5.2 Rental Costs, the median rent was \$1,228 per month in the third quarter of 2018. The median rent increased by 4.8 percent from the prior year (see Table H 1-15). In 2017 however, the City had the highest increase in annual median rents (8.2 percent) for a metropolitan area in the nation, and over half of renters paid more than 30 percent of their income on housing. Low-income residents are disproportionately at risk of displacement as rents increase and access to affordable housing decreases. When renters are displaced, there is a corresponding increase in the number of people experiencing homelessness.

Figure H 3-21 below shows the Location Affordability Index in the City of Sacramento. First launched by HUD, the index measures standardized household housing and transportation cost estimates. Using 2012-2016 ACS data, the index ratings show that the majority of the City has rents between \$1,000 and \$2,000 a month. In North Natomas neighborhoods, rents are more than \$2,000. As was discussed previously, the average rent in Sacramento was \$1,288 (see Section 1.5.2, Rental Costs) in 2018. These rents are primarily affordable to moderate-income households, but out of reach for lower-income households. As shown in the figure, lower median rents are mostly in the South Area, North Sacramento, South Natomas, Central City, and in Fruitridge/Broadway.

As shown in Figure H 3-22, the communities that are most at risk or are already experiencing gentrification and/or displacement (dark purple) are concentrated in the Central City and in parts of North Sacramento, South Natomas, South Area, and Fruitridge/Broadway. Oak Park is an example of a neighborhood in the Fruitridge Broadway Community Plan Area that has been in a state of transition over the last decade. Since 2010, there have been shifts in the racial and ethnic diversity of the Fruitridge/Broadway area, with Elmhurst and Oak Park becoming increasingly less diverse. More specifically, Oak Park, has seen about a 20 percent decrease in the size of its Black population. Revitalization efforts, particularly in North Oak Park, have caused increases in home prices and a surge in newly built apartments and businesses over the years. As a result, Oak Park has been facing pressures of ongoing gentrification and displacement for years and this could potentially worsen with new development occurring in and around the area.

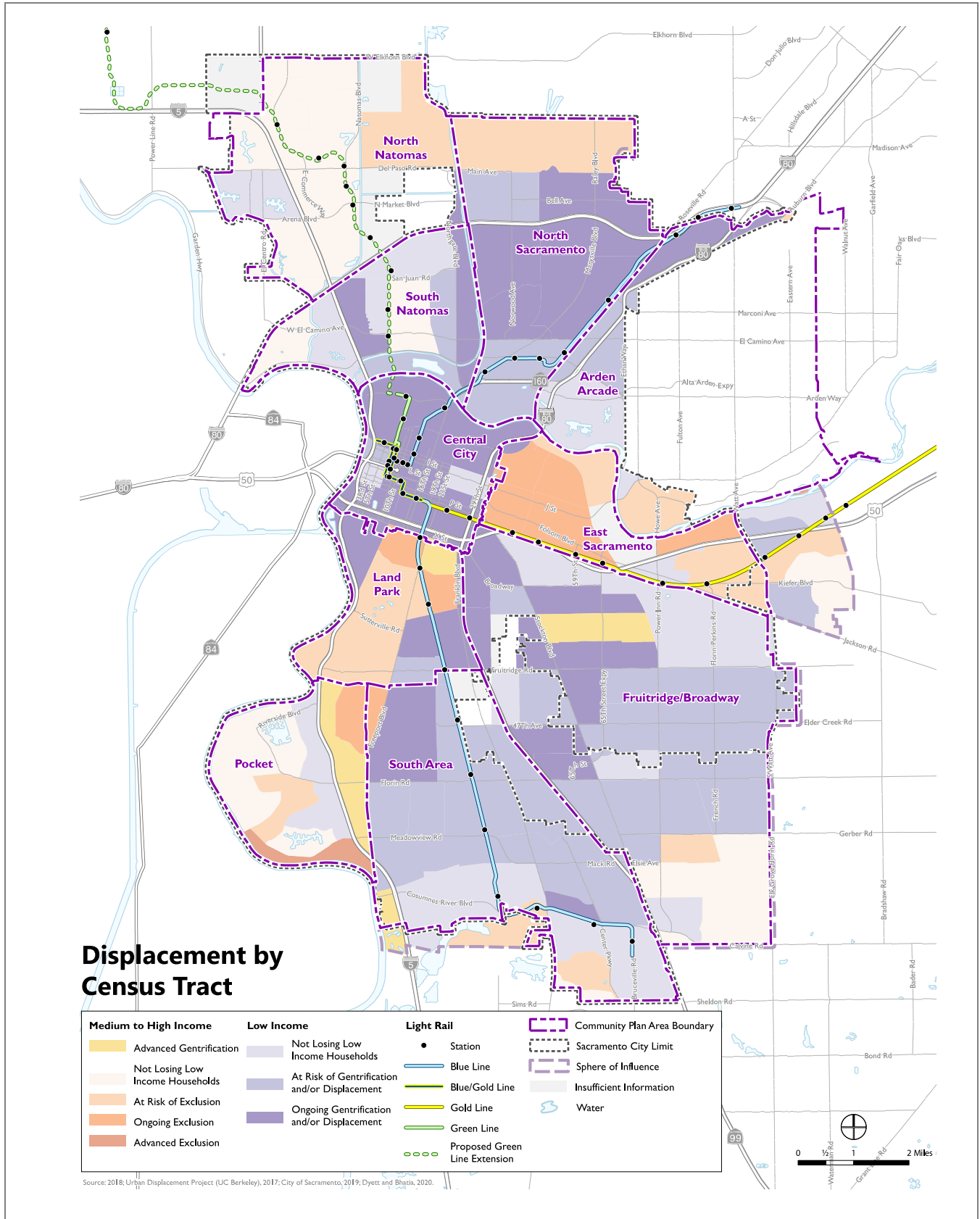
Aggie Square, a \$1.1 billion proposed project located near the UC Davis Med Center and adjacent to Oak Park, is a public-private partnership between UC Davis, Wexford Science and Technology, and the City of Sacramento. The project would expand the university's Sacramento campus, creating a state-of-the-art hub for research, innovation and education. Plans include 1 million square feet of space for research labs, commercial office space, and student housing. The project has the potential to generate significant economic benefits and revenue for the City and region. While the project could also generate economic benefits for the surrounding community, there is concern that the project could hasten gentrification and increase displacement risk. In April 2020, the City entered into a Community Benefits Partnership Agreement with UC Davis and Wexford Science and Technology to address gentrification and displacement concerns in the surrounding neighborhoods. The agreement includes provisions that a minimum of \$50 million be allocated for affordable housing along the Stockton Boulevard corridor and that at least 20 percent of the 3,600 permanent jobs at Aggie Square be filled by local residents. It also commits to improving biking, walking and transit access around the UC Davis Sacramento campus on Stockton Boulevard.

Figure H 3-21: Location Affordability Index, City of Sacramento



Source: U.S. Census, American Community Survey 2012-2016; HCD AFFH Data Resources and Mapping Tool

Figure H 3-22: Risk of Gentrification by Census Tract



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

3.6.4 Rates of Homeownership

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

The City of Sacramento has a relatively low rate of homeownership, about 49 percent, compared to 57 percent countywide and 55 percent statewide in 2020. Homeownership rates vary widely by race and ethnicity, both within and among the region's jurisdictions. As shown in Table H 3-2, more than half (55.2 percent) of Non-Hispanic White households in the City are homeowners. This is similar to the rate of homeownership in Asian households, 57.5 percent. Black households have the lowest homeownership rates in the City (31.3 percent); a difference of almost 24 percentage points between Black and Non-Hispanic White homeownership.

	<i>Owner Occupied</i>		<i>Renter Occupied</i>		<i>Total Occupied Units</i>
	<i>Number</i>	<i>Percent of Total</i>	<i>Number</i>	<i>Percent of Total</i>	<i>Number</i>
White, Non-Hispanic	43,390	55.2%	35,180	44.8%	78,570
Black	8,182	31.3%	17,937	68.7%	26,119
Asian	17,361	57.5%	12,839	42.5%	30,200
Native Hawaiian and Other Pacific Islander	1,152	49.1%	1,194	50.9%	2,346
American Indian and Alaskan Native	516	35.4%	943	64.6%	1,459
Some Other Race	6,529	39.2%	10,133	60.8%	16,662
Multiracial (Two or More Races)	3,467	36.8%	5,967	63.2%	9,434
Hispanic or Latino	16,878	41.1%	24,223	58.9%	41,101
Total Occupied	89,823	48.5%	95,508	51.5%	185,331

Source: U.S. Census, American Community Survey 5 Year Estimates 2015-2019, Table S2502.

3.7 Other Relevant Factors

By measures of both citywide and neighborhood diversity, the City of Sacramento has been ranked one of the top five most diverse² large cities in the United States. However, like other American cities, there is a history of systemic segregation and exclusion in housing within the City. This included practices of mortgage redlining, leading to disinvestment in low-income and minority areas; racially restrictive covenants on housing developments, restricting the access of minority residents to certain areas of the region; and urban renewal programs aimed at redeveloping "blighted," primarily minority, parts of town.

3.7.1 Redlining Practices

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

² Newman, Katelyn. 2020. America's Most racially Diverse Big Cities. U.S. News. <https://www.usnews.com/news/cities/slideshows/the-10-most-racially-diverse-big-cities-in-the-the-us>

Appendix H-3: Fair Housing Assessment

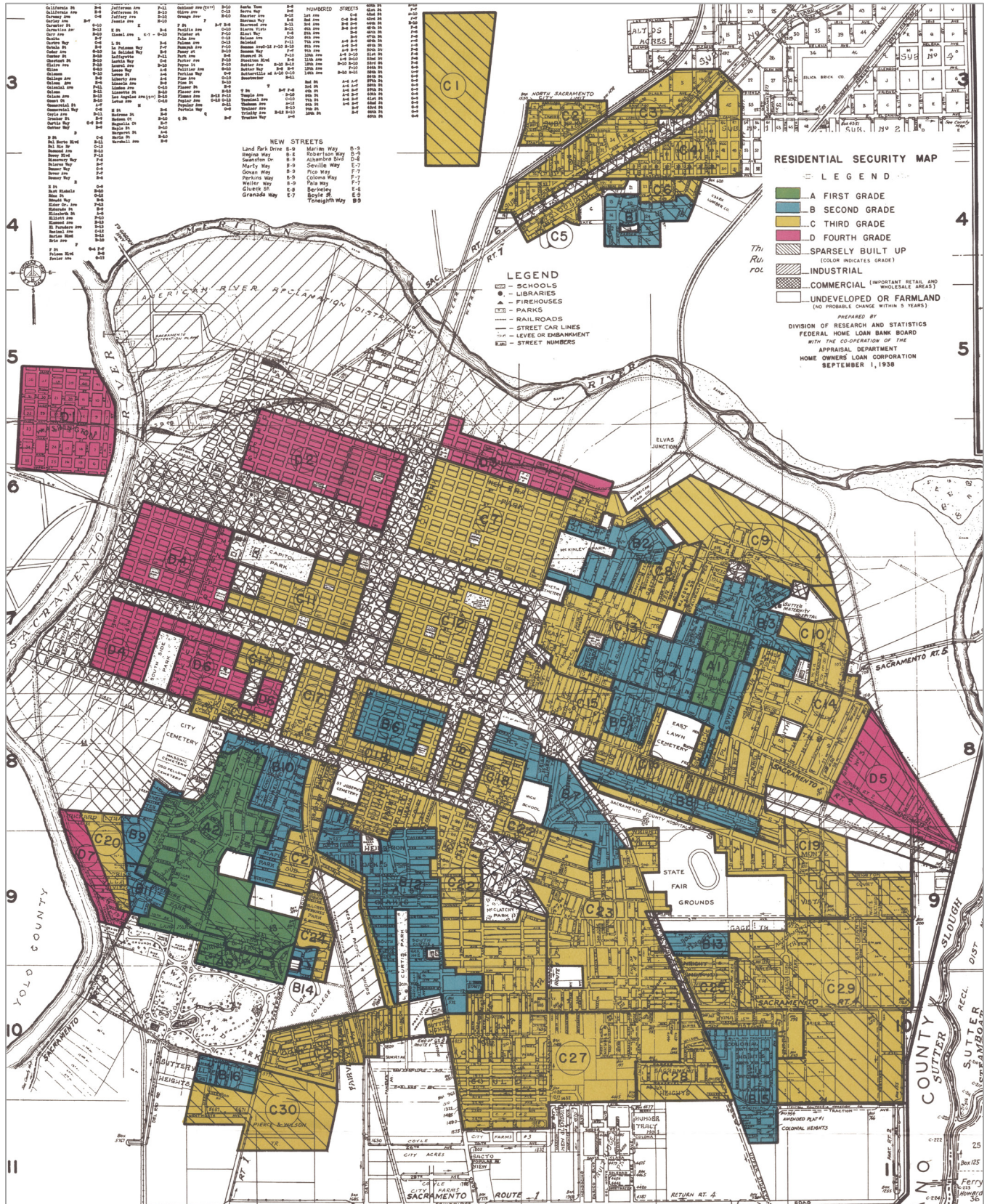
home values in these areas increased, while values in the redlined neighborhoods decreased, setting the stage for the racial wealth gap still prevalent today.

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

While the FHA of 1968 outlawed racially restrictive covenants and government-sponsored redlining, the effects of past systematic segregation and exclusion in housing persist in many areas of the City today. Many Black, Hispanic/Latino, and other minority populations currently (2020) live in neighborhoods that either lack private amenities and/or City infrastructure needed to develop more opportunities for upward mobility, or face gentrification pressures and the associated danger of displacement from rising rents just when the amenities do arrive. Additionally, some neighborhoods remain predominately white in their racial composition because the "desirable" neighborhoods are almost exclusively zoned for single family homes. The exclusion of lower cost housing types prevents lower-income families from moving to these neighborhoods.

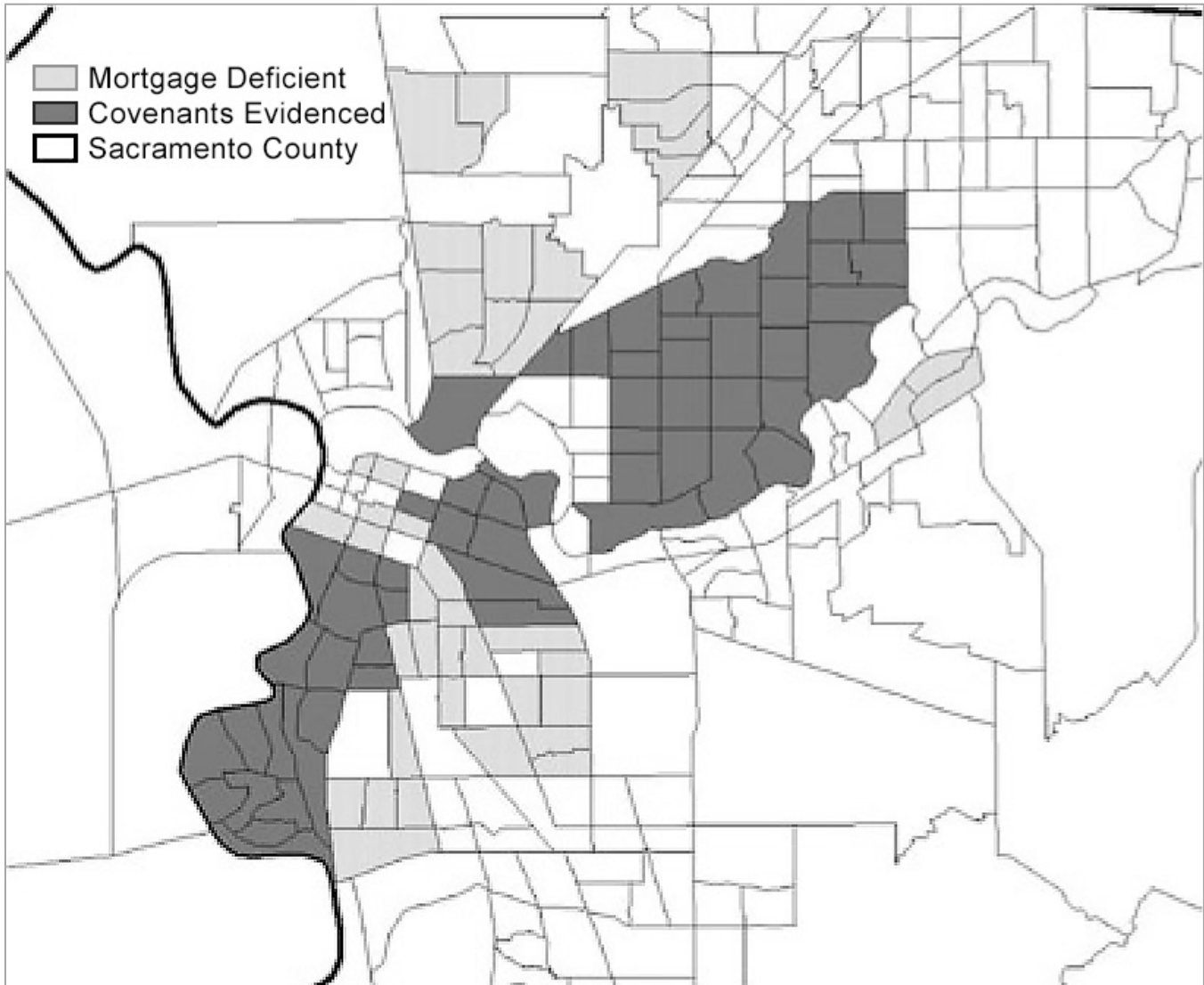
Figure H 3-23 shows a historic redlining map of the City and Figure H 3-24 maps areas within the City with historic racially restrictive covenants. When comparing the historic maps to the racial and ethnic composition of the region's neighborhood's today, a clear resemblance emerges. The concentration of today's Black, Asian, and Hispanic/Latino residents tends to fall outside areas that historically had racially restrictive covenants. The trends within the City of Sacramento are indicative of patterns of development throughout the broader region as well, minority populations settling in areas adjacent to "unrestricted" areas and non-Hispanic White residents settling across the northeast corridor of the region.

Figure H 3-23: Sacramento Mortgage Redlining Map, 1937



Source: Sacramento Home Owners' Loan Corporation, 1937.

Figure H 3-24: City Areas with Historic Racially Restrictive Covenants



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

3.7.2 Mortgage Loan Access

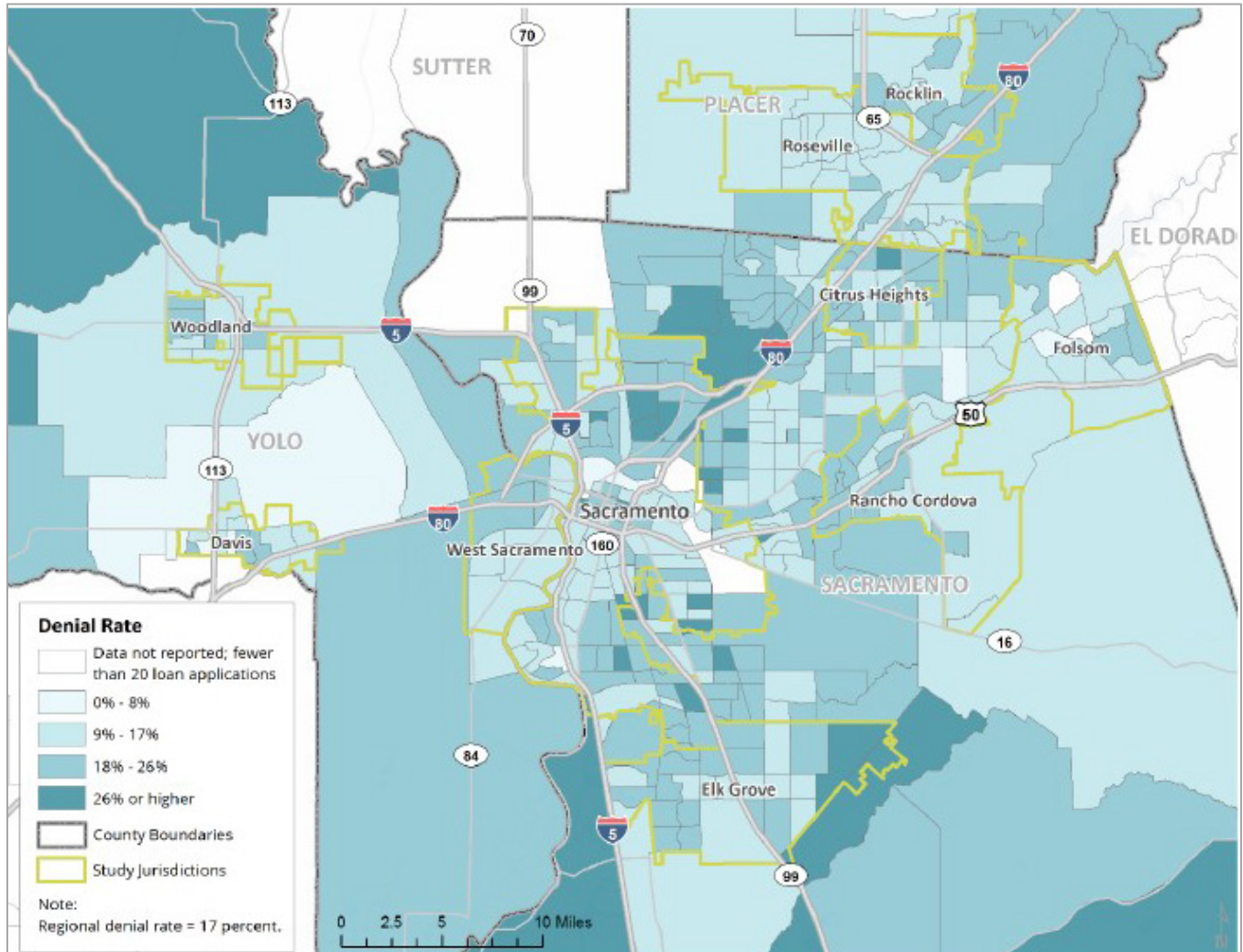
Despite efforts to reform long-standing practices of discrimination in the housing credit system, patterns of inequality still exist. The Great Recession and housing crisis brought to light the unusually high concentration of non-White residents with subprime mortgages and property foreclosures across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

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

The denial rate, determined by dividing the number of applications denied by the total number of completed applications, was 17 percent region-wide in 2017. However, denial rates vary substantially by individual census tract. Figure H 3-25 shows the region’s denial rate by census tract.

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

Figure H 3-25: Regional Denial Rates by Census Tract, 2017



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

3.8 Analysis of Sites Inventory To Affirmatively Further Fair Housing (AFFH)

State law, Government Code Section 65583(c)(10), requires the sites analysis to be analyzed with respect to AFFH to ensure that affordable housing is dispersed equitably throughout the City rather than concentrated in areas of high segregation and poverty or low resource areas that have historically been underserved. By comparing the sites inventory to the fair housing indicators in this assessment, this section analyzes whether the sites included in the 2021-2029 Housing Element sites inventory improve or exacerbate fair housing conditions, patterns of segregation, and access to opportunity throughout the City.

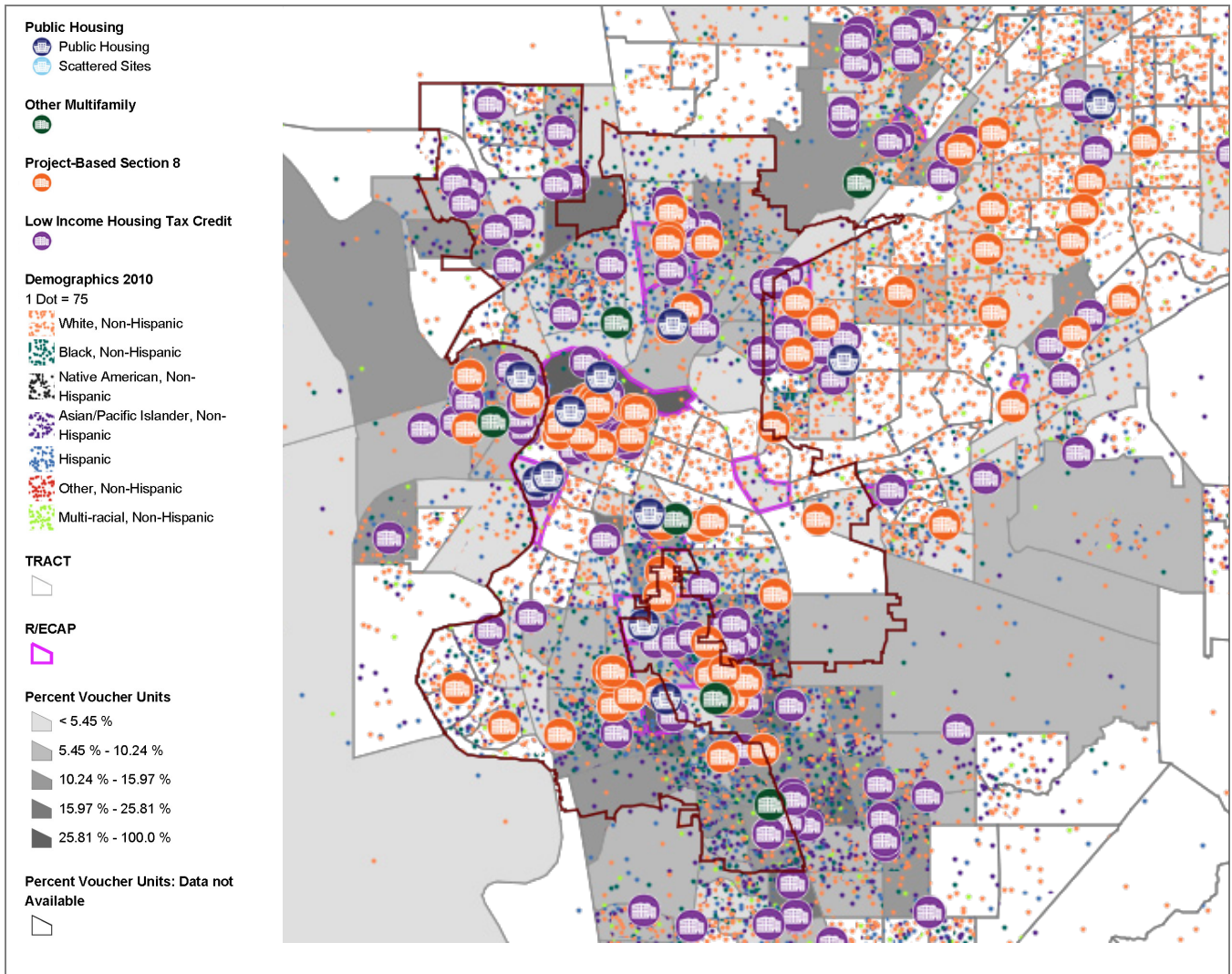
3.8.1 Location of Existing Publicly Supported Housing

The geographic distribution of existing publicly supported housing is an important factor in examining fair housing choice and patterns of segregation by income and race/ethnicity. Figure H 3-26, shows information provided by HUD on the location of publicly supported housing in and around the City of Sacramento relative to areas where residents of different races and ethnicities live. The icons represent different types of publicly supported housing:

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

LIHTC properties are dispersed throughout the City but are more prevalent in North Natomas, North Sacramento, and the Central City. Project-based Section 8 properties are prevalent in more central and dense areas of Sacramento (like the Central City), where fewer voucher units exist. Overall, publicly supported housing is concentrated in areas that have a large percentage of voucher units and have concentrations of minority residents, particularly in and near R/ECAPs. Many publicly supported housing developments are located in downtown Sacramento, where services and transportation are more readily available. The other large clusters of publicly supported housing are in south- and south-central Sacramento, where large concentrations of Asian, Black, and Hispanic/Latino residents exist, as well as voucher units. These areas align with where the majority of R/ECAPs are located in the City.

Figure H 3-26: Location of Publicly Supported Housing by Program, City of Sacramento



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

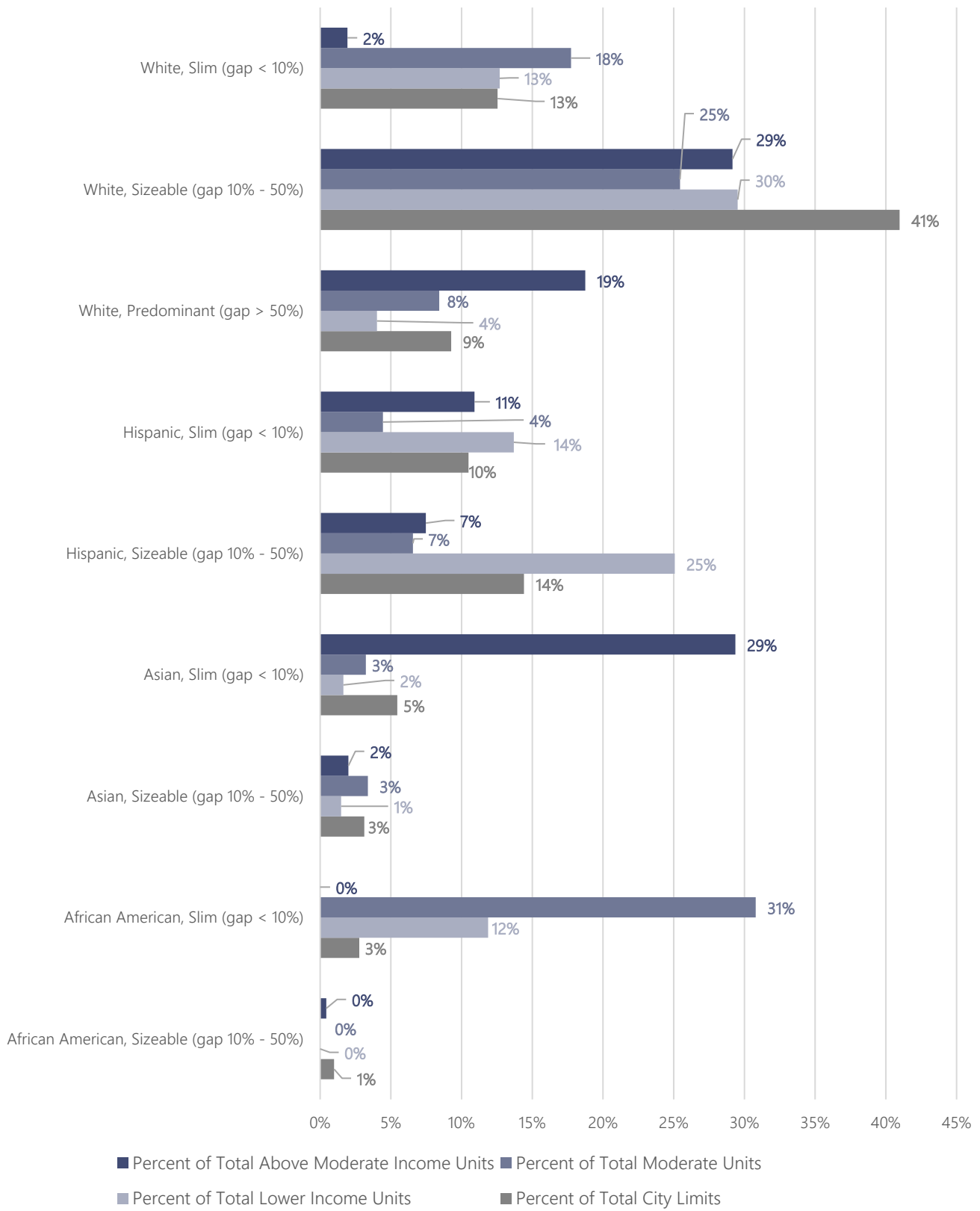
3.8.2 Potential Effects on Integration and Segregation Trends

This evaluation uses the City's residential sites inventory to evaluate whether sites planned for future development could further impact patterns of residential segregation based on race and ethnicity and/or income. As previously discussed, the City is moderately segregated. In the South Area, there are more predominant populations of Asian and Hispanic/Latino residents while the northern areas of the City have more Black residents and Hispanic/Latino residents. The rest of the City is predominately White non-Hispanic. The City has both concentrated areas of poverty and concentrated areas of affluence. Poverty is most concentrated south of the Sacramento River near the Railyards, in and around the CSUS neighborhoods, and in the Natomas Crossing community. Meanwhile, affluence is greatest in the North Natomas, East Sacramento, Pocket, and Land Park communities. This evaluation overlays the sites inventory by income level with the socioeconomic data of each census tract using the predominant race or ethnicity of each census tract, shown in Figure H 3-29, and the distribution of median income, shown in Figure H 3-30.

Most of the available lower-income sites identified in the Housing Element are in North Sacramento, Fruitridge/Broadway, the Central City, and the South Area, which already have a greater presence of Black, Indigenous, and People of Color (BIPOC) households. About 25 percent of the lower-income capacity is identified in census tracts with a sizeable Hispanic/Latino majority although only 14 percent of the land area in the City is occupied by predominately Hispanic/Latino populations (see Figure H 3-27). This is mostly due to the availability of land suitable for higher density development along Florin Road near Oak Park (South Area), and in the South Natomas areas (North Sacramento). However, this shows that lower income sites have the potential to exacerbate ongoing patterns of segregated residential settlement in the City. In addition, the distribution of lower-income sites could also continue the settlement trends of low-moderate income households. Figures H 3-28 and H 3-30 show that lower-income sites tend to be located in areas with lower median incomes.

Similarly, above-moderate income sites identified in the Housing Element could continue patterns of affluence, specifically in the Pocket, Land Park, and East Sacramento communities. As shown in Figures H 3-27 and H 3-28, 29 percent of the above-moderate income site capacity is located in either predominately White non-Hispanic census tracts or Asian census tracts, and 39 percent of the capacity are identified in areas with median incomes higher than the State Median Income (\$87,100). Although only 10 percent of the above moderate-income site capacity is located in R/ECAP areas (see Figure H 3-31), the above-moderate incomes sites could potentially improve R/ECAP conditions in North Sacramento and Fruitridge/Broadway communities by increasing average median household incomes and providing precedent for future resource development or investment (e.g., schools, infrastructure, health care access).

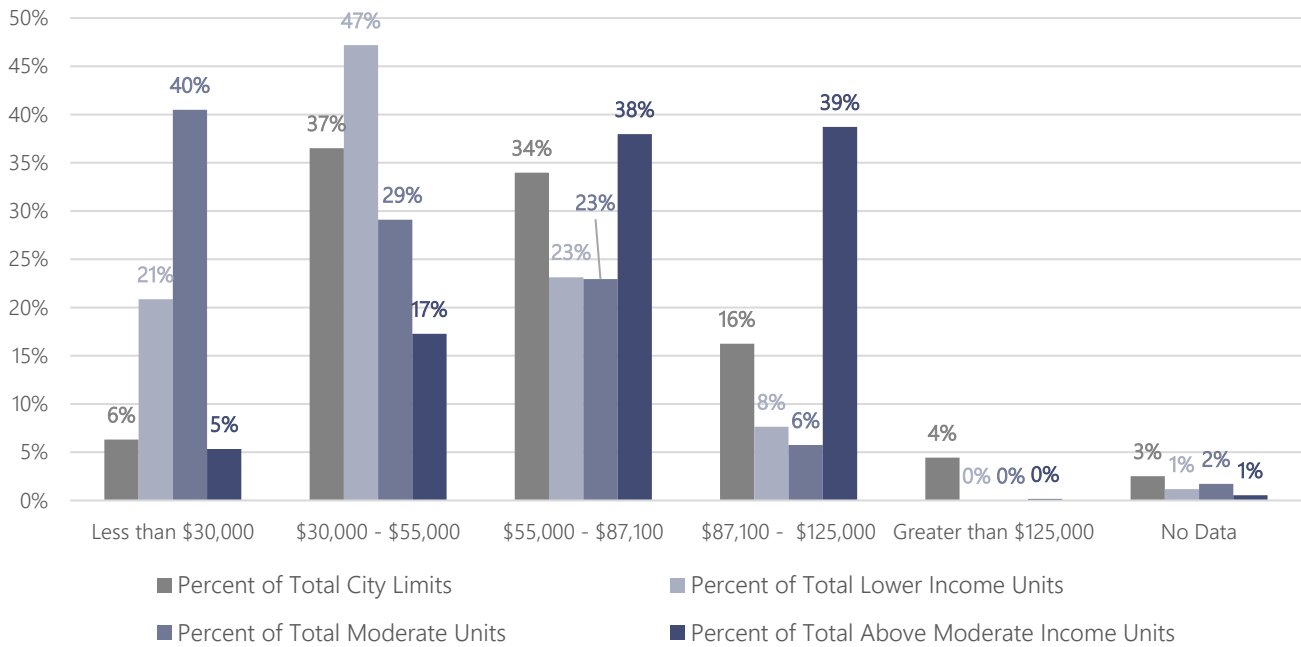
Figure H 3-27: City Land Area and Income Unit Distribution by Racial Predominance



Note: The data in this chart corresponds to the data shown in Figure H 3-29 Site Distribution by Racial Predominance.

Source: Ascent, 2021.

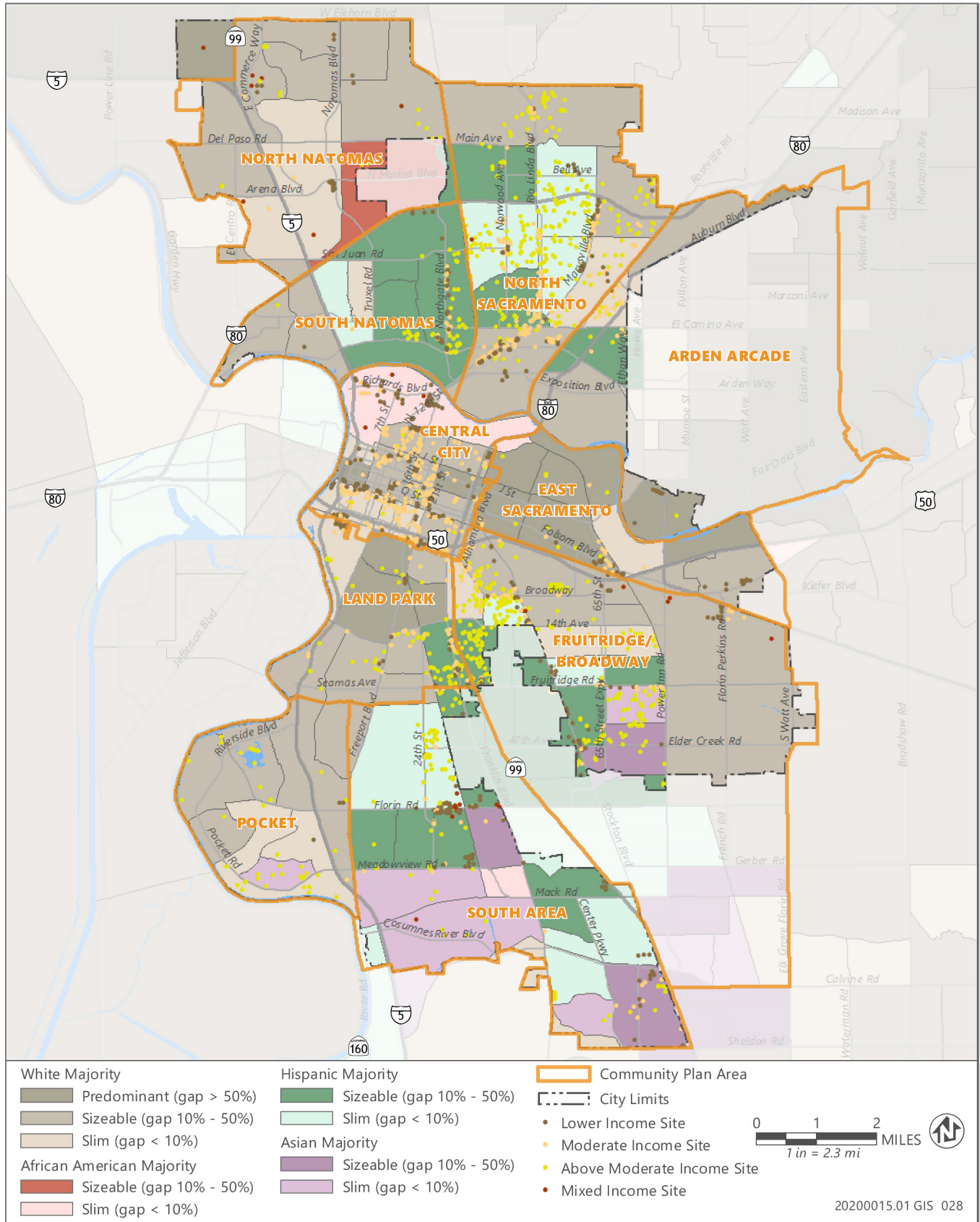
Figure H 3-28: City Land Area and Income Unit Distribution by Median Income



Source: Ascent, 2021.

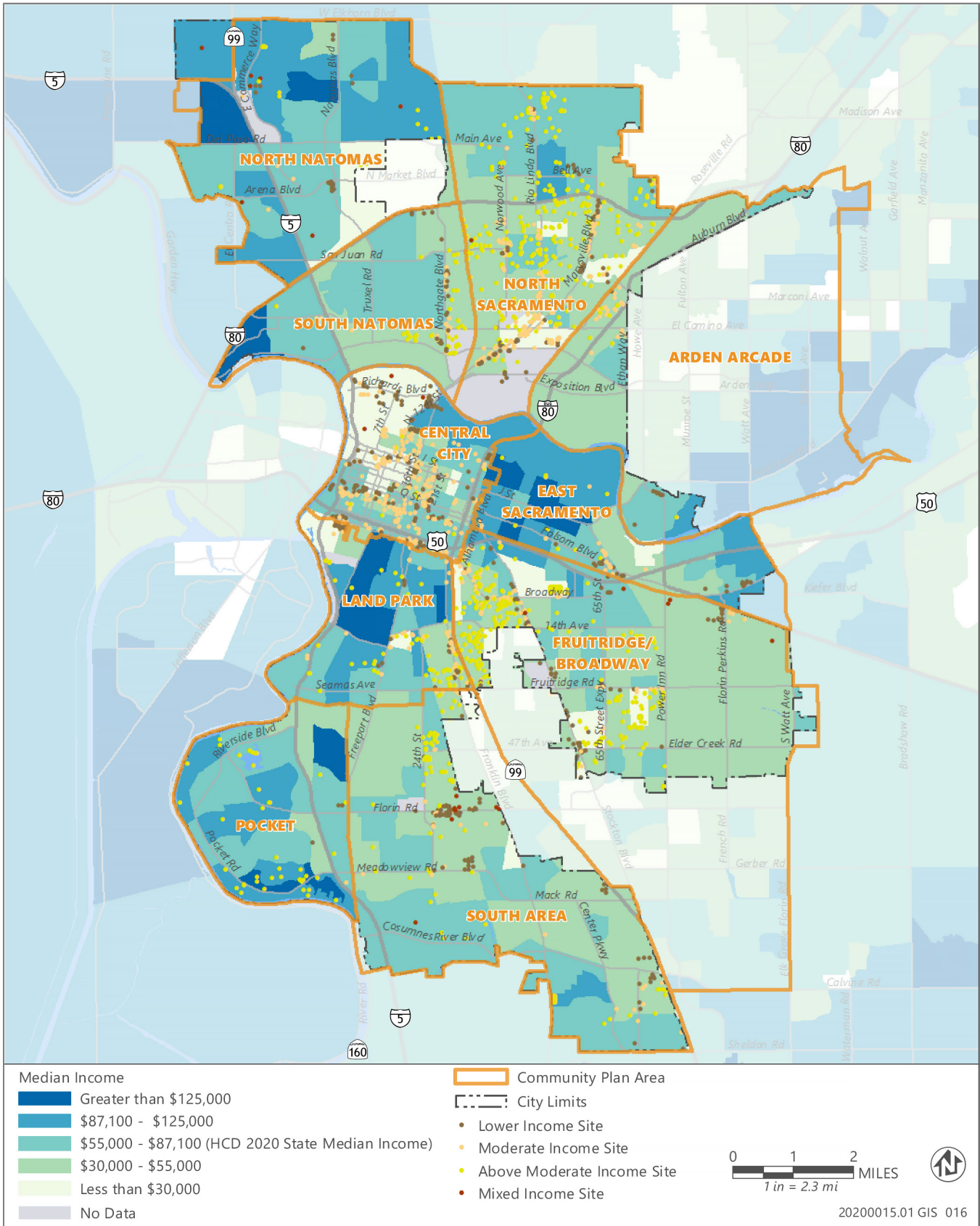
Note: The data in this chart corresponds to the data shown in Figure H 3-30 Site Distribution by Median Income.

Figure H 3-29: Site Distribution by Racial Predominance



Source: Adapted by Ascent Environmental, 2021.

Figure H 3-30: Site Distribution by Median Income



Source: Adapted by Ascent Environmental, 2021.

3.8.3 Potential Effects on Access to Opportunity

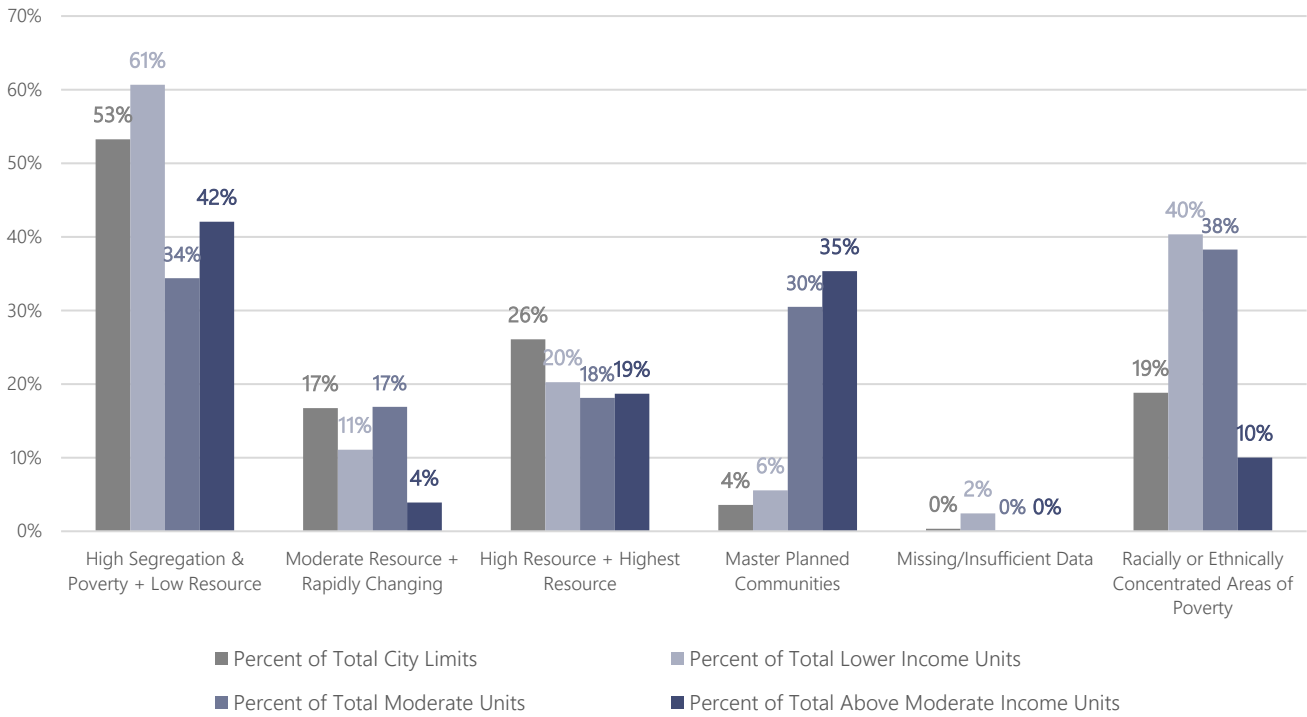
As the TCAC/HCD Opportunity Maps shown earlier in Figure H 3-12 indicated, most of the City's land area (53 percent) is classified as low resource or as areas of high segregation and poverty. These areas also overlap with R/ECAP areas, which account for approximately 19 percent of the City's total land area. There are several master planned communities that are currently in areas classified as low resource or high segregation and poverty because they are undeveloped areas that lack amenities. However, these communities are planned to include a variety of new amenities for residents, and once built, will be considered high resource areas. The City's MIHO requires large master planned communities to include affordable housing, expanding access to employment opportunities, transportation, and other amenities for lower-income households. For the purpose of the AFFH analysis of the sites inventory, the master planned communities are analyzed separately from the TCAC opportunity area classifications. Also, for the purpose of this comparison, low resource areas and areas of high segregation and poverty are combined; moderate resource areas and moderate resource (rapidly changing) areas are combined; and high resource and highest resource areas are also combined.

The Housing Element sites inventory shows a total capacity for 51,191 housing units on vacant and underutilized sites and in approved projects. Figure H 3-31 displays the percentage of the capacity for all sites by income level in the sites inventory within the various TCAC opportunity areas in comparison to the total City land area within each opportunity area, and Figure H 3-32 shows the location of projects and sites in relation to the opportunity areas and R/ECAPs.

Due to the high proportion of the City's land area in low resource areas or areas of high segregation and poverty, there is significantly higher capacity for housing units in these areas. About 61 percent of the total lower-income capacity and 42 percent of the above-moderate income capacity are estimated to be within these areas compared to 53 percent of the land area within City limits. Additionally, 40 percent of lower-income units and 38 percent of moderate income units are identified are in R/ECAPs. While this ratio is disproportionate, it is due to the larger capacity for high density housing near the Meadowview and Florin Light rail stations, within the South area, the River District, and North Sacramento. However, the capacity for all sites is distributed within high or low resource areas in relatively the same proportion as the total land area within the City limits. As shown in Figure H 3-31, 26 percent of the area within City limits is classified as high resource or highest resource and 18-20 percent of the housing capacity is within these areas. The reason for this is that high resource areas such as East Sacramento, Land Park, and Pocket CPA neighborhoods tend to be stable single-family neighborhoods with very limited available land for larger affordable housing developments to be built. Therefore, there are limited opportunities to rezone large sites in high resource areas. The City has included strategies in the Housing Element to diversify the housing stock and allow smaller-scale, more affordable housing dispersed throughout the City to address disproportionate access to opportunity and patterns of segregation.

Additionally, the City has included policies and programs to direct investments to low resource areas and areas of concentrated poverty to improve the amenities available for residents in these areas (see Programs H9 and H10). The City also plans to take actions to increase capacity for housing in high resource areas (Program H12). The solution is not to limit the potential for affordable housing in areas of high segregation and poverty, but to also identify additional opportunities for affordable housing in high resource areas.

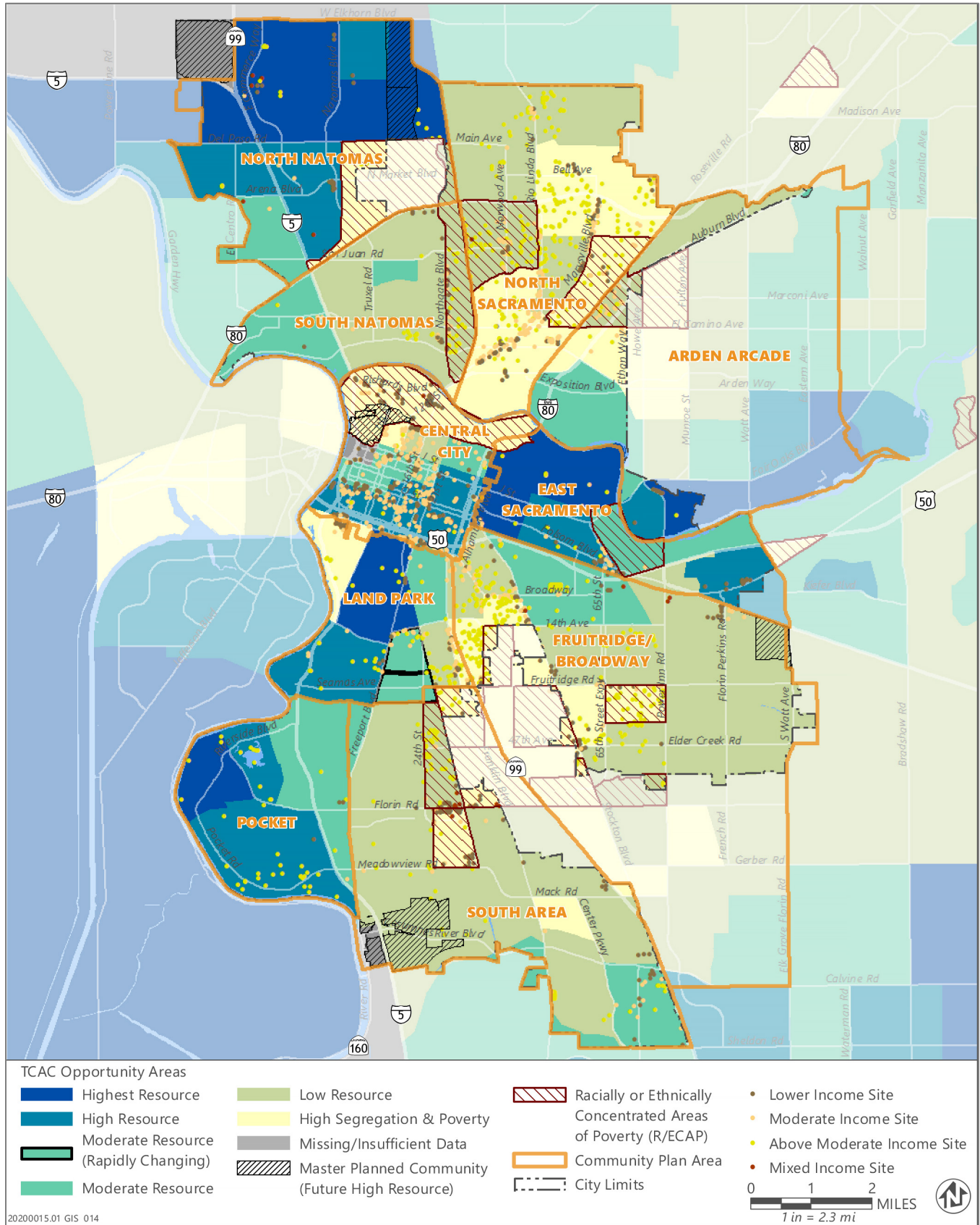
Figure H 3-31: City Land Area and Income Unit Distribution by TCAC Opportunity Area



Source: Ascent, 2021.

Note: The data in this chart corresponds to the data shown in Figure H 3-32 Income Site Distribution by TCAC/HCD Opportunity Area.

Figure H 3-32: Site Distribution by TCAC/HCD Opportunity Area



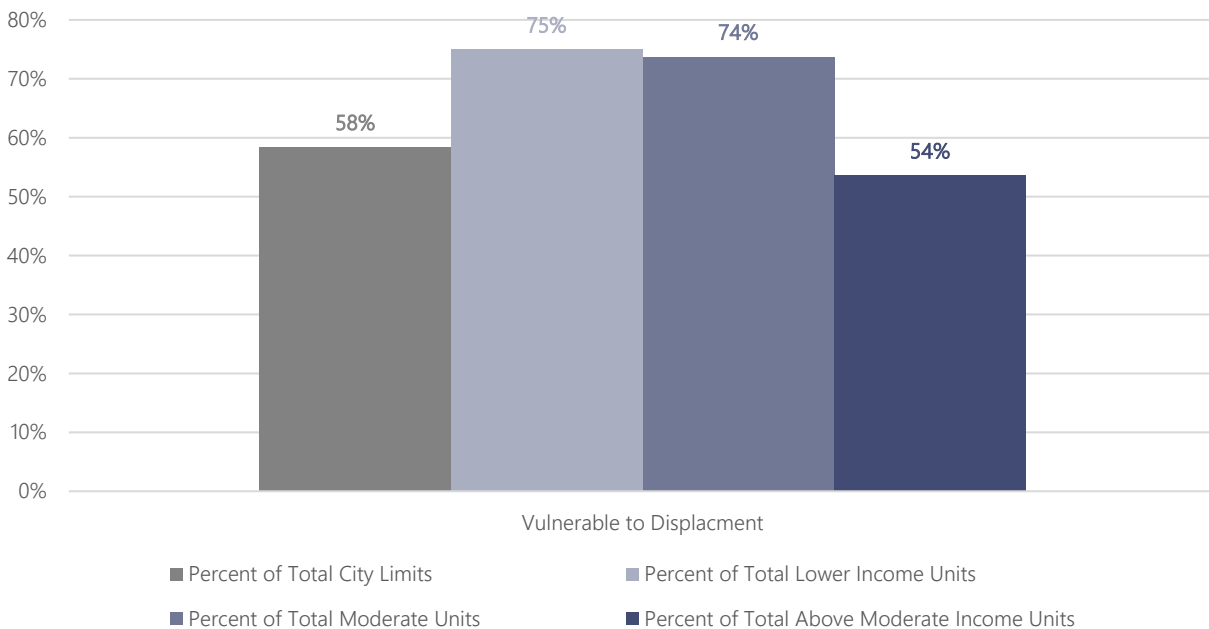
Source: Adapted by Ascent Environmental, 2021.

3.8.4 Potential Effects on Displacement Risk and Disproportionate Housing Needs

As discussed previously, renters are disproportionately affected by housing needs including overpayment, overcrowding, and displacement risk. Future development has the potential to exacerbate cost burden for Sacramento residents. There is some potential to ease overcrowding in the Central City and North Sacramento neighborhoods as there will be more housing options available for a variety of income levels in all areas. However, the greatest challenge over the planning period will be that of residential displacement and the disproportionate risk facing BIPOC households. The Central City, the River District, and neighborhoods in and near Oak Park are already facing a greater threat of displacement due to investment patterns over time. Using data from the UC Berkeley Displacement Project as of 2021, about 58 percent of the land area in City limits is considered vulnerable to displacement primarily due to the increases in rents in recent years. Every CPA in the City has neighborhoods facing some risk of displacement, but some have more risk than others, such as the South Area, North Sacramento, and Fruitridge/Broadway CPAs. There is a consistent pattern of low-income families, who are disproportionately Black and Hispanic/Latino, being priced out of neighborhoods, and with the demand for luxury apartments and limited funding for affordable housing development, it is likely that new above-moderate development in areas already at-risk of displacement will result in higher rents, an inability for residents to pay, and the eventual displacement of those residents. Because of this threat, it is important to provide affordable housing in these at-risk areas to reduce the potential for displacement of lower-income residents and to implement other strategies to prevent displacement.

About 54 percent of the above moderate-income site capacity is distributed in areas vulnerable to displacement (see Figure H 3-33). As shown in Figure H 3-34, the capacity for above-moderate sites, mostly on scattered single-family lots, is largely in North Sacramento and in the Fruitridge/Broadway CPA in and near Oak Park neighborhoods. While this has the potential to add to the intensity of the issue in these areas, 75 percent of the lower income site capacity is identified in areas vulnerable to displacement. This has a greater potential to protect vulnerable residents from being displaced under changing market pressures. The City has included several programs to protect vulnerable residents from displacement, including developing neighborhood specific anti-displacement strategies and prioritizing affordable housing financing in areas at risk of gentrification.

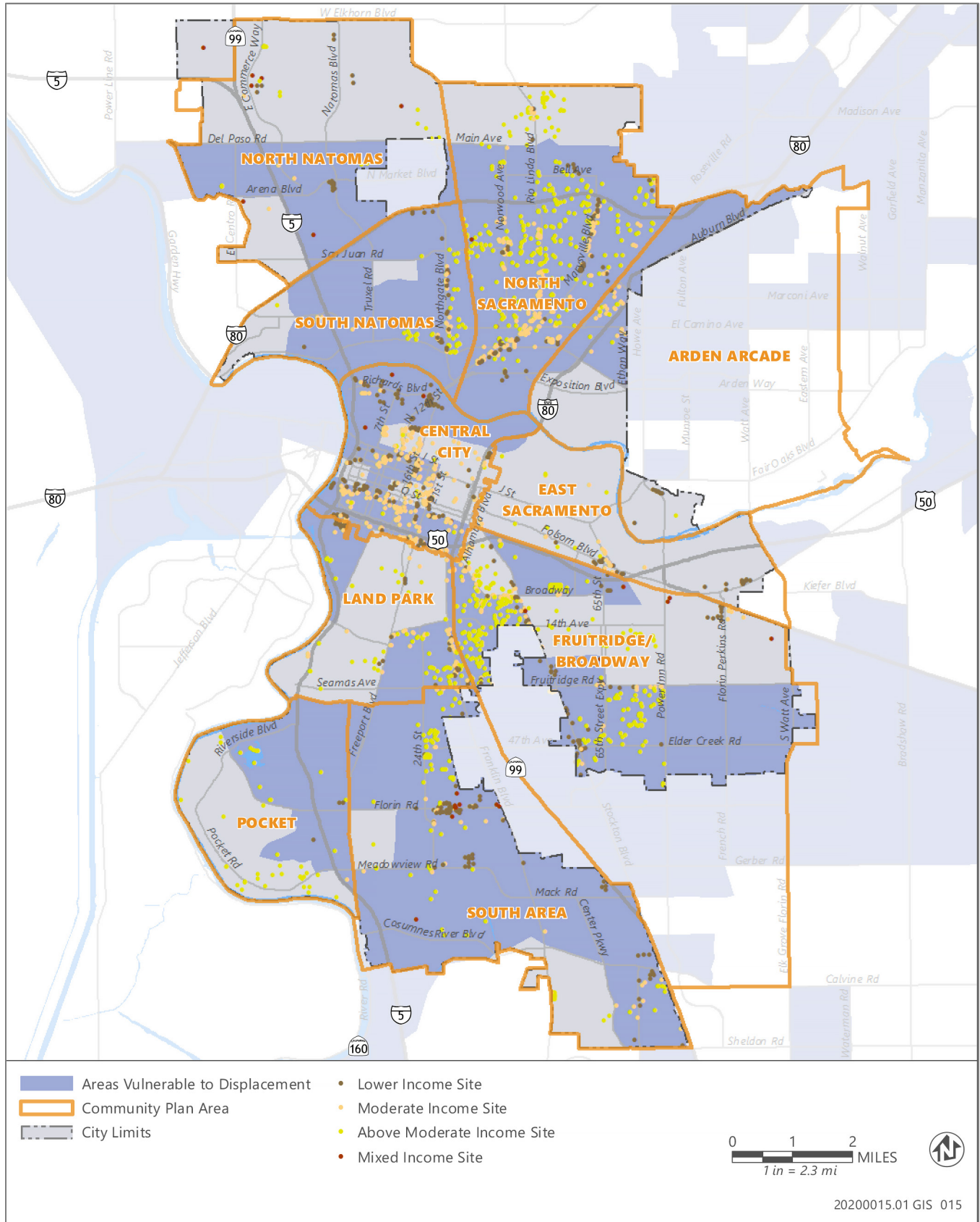
Figure H 3-33: City Land Area and Distribution of Site Capacity by Income in Areas At-risk of Displacement



Note: The data in this chart corresponds to the data shown in Figure H 3-35 Site Distribution by Displacement Risk.

Source: Ascent, 2021.

Figure H 3-34: Site Distribution in Areas At-risk of Displacement



Source: Adapted by Ascent Environmental, 2021.

3.9 Fair Housing Issues and Contributing Factors

The City of Sacramento is the most diverse jurisdiction in the Sacramento region. Fair housing issues in the City are primarily related to segregation based on race and income, disproportionate access to opportunities throughout the City, and disproportionate housing needs for communities with protected characteristics. The contributing factors to these fair housing issues are and have been the high cost of housing, past zoning and land use practices, and historical underinvestment in communities of color. High housing costs in addition to a growing demand for luxury apartments and single-unit housing have led to the vulnerability and displacement of lower-income households and communities of color in the City's neighborhoods, including neighborhoods in the Central City, South Area, North Sacramento, and Fruitridge/Broadway. Pursuant to Government Code Section 65583 (c)(10)(A)(v), the Housing Element includes several policies and programs to proactively address fair housing issues and replace segregated living patterns with integrated and balanced communities. Table H 3-3 below summarizes the fair housing issues, contributing factors, and implementation programs included in the Housing Element to affirmatively further fair housing in the City of Sacramento.

Table H 3-3: Factors Contributing to Fair Housing Issues			
<i>Assessment of Fair Housing Identified Issue</i>	<i>Contributing Factor</i>	<i>Meaningful Actions</i>	<i>Targets and Timelines</i>
<p>Patterns of segregation based on race and income; presence of R/ECAPs and RCAAs</p>	<p>Past practices of nationwide redlining, documented evidence of racially restrictive covenants, and lending discrimination</p> <p>Patterns of public and private investments including redevelopment programs</p> <p>Zoning and land use practices resulting in predominately single-unit neighborhoods that are predominately occupied by White non-Hispanic homeowners with higher median household incomes</p> <p>Limited affordable housing available for low-income residents throughout the City</p> <p>The location of available sites for lower income housing has the potential to exacerbate patterns of segregation</p>	<p><u>Short-Term (2021-2022)</u></p> <p>Review the Mixed Income Housing Ordinance to evaluate feasibility of amendments to the ordinance, including the consideration of an inclusionary housing component, with the goal of increasing the amount of affordable housing built throughout the City (Program H1)</p> <p>Facilitate more equitable land use patterns and targeted investment in underserved communities by conducting neighborhood-level planning and preparing specific plans and actions plans (Program H9)</p> <p>Rezone sites in high resource areas to create more opportunities for lower-income housing throughout the City (Program H12)</p> <p><u>Annual and Ongoing (2021-2029)</u></p> <p>Support affordable housing development throughout the City particularly in high resource areas (Program H36)</p> <p>Increase housing choice voucher mobility throughout the City and in high resource areas (Program H40)</p>	<p><u>Short-Term (2021-2022)</u></p> <p>50 percent increase in projected available total affordable and workforce housing funding in comparison to the 2013-2021 housing element period (H1, H3)</p> <p>60 percent of affordable and workforce housing funding spent in high resource/high opportunity areas (Figure 3-3) and areas at risk or are already experiencing gentrification/and or displacement (Figure 4-6) (H1, H36)</p> <p>Initiate one specific plan or action plan every 1-2 years during the planning period in Sacramento’s in infill areas and along commercial corridors that have been historically underserved (H9)</p> <p><u>Annual and Ongoing (2021-2029)</u></p> <p>60 percent of new affordable units are located in high resource/high opportunity areas (Figure 3-3) and areas at risk or are already experiencing gentrification and/or displacement (Figure 4-6) (H1, H9, H12, and H36)</p> <p>10 percent increase in housing choice voucher usage in high resource/high opportunity areas (Figure 3-3). (H40)</p>
<p>Disproportionate access to opportunities in areas identified as low resource/ high segregation and poverty in the Central City, Fruitridge-Broadway,</p>	<p>Lack of investments in low resource neighborhoods resulting in less proficient schools and poorer environmental conditions than the rest of the City</p>	<p><u>Short-Term (2021-2022)</u></p> <p>Facilitate inclusive infill and economic development in Sacramento’s historically disenfranchised and disinvested neighborhoods (Programs H9 and H10)</p>	<p><u>Short-Term (2021-2022)</u></p> <p>Initiate one specific plan or action plan every 1-2 years during the planning period in Sacramento’s infill areas and along commercial corridors that have been historically underserved (H9, H10)</p>

Table H 3-3: Factors Contributing to Fair Housing Issues			
<i>Assessment of Fair Housing Identified Issue</i>	<i>Contributing Factor</i>	<i>Meaningful Actions</i>	<i>Targets and Timelines</i>
Arden-Arcade, and North Sacramento communities	Lack of infrastructure which limit opportunities to develop housing	<p>Target investment in underserved communities and areas being prioritized for inclusive economic and community development (Program H10)</p> <p><u>Annual and Ongoing (2021-2029)</u> Pursue funding to provide critical infrastructure, amenities, and services in areas targeted for inclusive economic and community development (Program H46)</p>	<p>Conduct geographic specific infrastructure analysis every 1-2 years during the planning period in low resource / high segregation and poverty areas of the city (Figure 3-3) (H9, H10)</p> <p><u>Annual and Ongoing (2021-2029)</u> During the planning period, obtain an average of \$5 million annually in grants, investments and allocations from federal, state, and regional government sources to invest in areas targeted for inclusive economic and community development (H46)</p>
Disproportionate housing needs including cost burden, risk of displacement, and risk of homelessness for renters and households of color	<p>Increased market demand for luxury apartments and single-unit housing is causing housing costs to rise dramatically</p> <p>Lack of economic mobility for marginalized residents</p> <p>Limited financial and legal assistance available for vulnerable residents, leading to increases in homelessness</p> <p>Systemic issues contributing to disproportionate housing needs and rise in homelessness for people of color include but are not limited to: economic dislocation, reduced social safety nets, housing policy, mass incarceration, family instability, structural racism, and other individual causes</p>	<p><u>Short-Term (2021-2022)</u> Develop a coordinated response plan to address homelessness, with a focus on addressing disparities for marginalized populations (Program H13)</p> <p>Connect lower-income residents to homeownership and equity-building opportunities in their communities by supporting community ownership models (Program H18)</p>	<p><u>Short-Term (2021-2022)</u> Serve 2,500 unhoused residents annually (H13)</p> <p>Bring 10 shelter and housing sites online annually that have been identified in the Council adopted Comprehensive Siting Plan to Address Homelessness (H13)</p> <p>10% increase in homeownership of lower income residents in comparison to the 2013-2021 housing element period (H18 and H39)</p> <p>Conduct outreach 3 times annually with community-based organizations (CBOs) and other potential community partners that are working with interested low-income community members to develop new forms of community-driven, collective ownership models and wealth building strategies for lower-income residents (H18)</p>

Table H 3-3: Factors Contributing to Fair Housing Issues			
<i>Assessment of Fair Housing Identified Issue</i>	<i>Contributing Factor</i>	<i>Meaningful Actions</i>	<i>Targets and Timelines</i>
		<p><u>Medium-Term (2023-2025)</u> Raise awareness on Sacramento Tenant Protection Act. Continue to protect tenants who have resided in a rental unit for more than 12 months by maintaining limits on rent increases and prohibiting evictions without “just cause.” (Program H25)</p> <p>Reduce barriers to housing opportunities for formerly incarcerated individuals throughout the City (Program H27)</p> <p><u>Long-Term (2026-2029)</u> Provide support to vulnerable individuals and households through a rental assistance program, focusing primarily in areas with concentrated poverty or classified as low resource (Program H34)</p> <p><u>Annual and Ongoing (2021-2029)</u> Increase homeownership opportunities throughout the City, particularly areas at risk of displacement or classified as low resource, by continuing to support first-time homebuyer assistance programs (Program H39)</p>	<p><u>Medium-Term (2023-2025)</u> Conduct 2-3 workshops per year on fair housing rights and resources (including the City’s Tenant Protection Program) located in areas at risk of displacement in collaboration with CBOs and Sacramento Housing Alliance (H25)</p> <p>Through the Renter’s Helpline, conduct 10 Renter’s Helpline and Project Sentinel presentations per year and investigate 30 cases per year (H25)</p> <p>Increase access to housing by formerly incarcerated individuals by 15% (H27)</p> <p><u>Long-Term (2026-2029)</u> \$250,000 awarded annually for rental assistance (application fees, security deposits, prepaid rent, etc.) (H34)</p> <p>Assist 4,500 households with rental assistance during the planning period (H34)</p> <p>50 percent of households receiving rental assistance will be located in areas at risk or are already experiencing gentrification and/or displacement (Figure 4-6) (H34)</p> <p><u>Annual and Ongoing (2021-2029)</u> Conduct annually, 4 education campaigns (emails, workshops, flyers distributed, etc.) for first time home buyer program resources (H39)</p> <p>Apply for \$3 million annually to state and federal funding opportunities for rental construction and</p>

Table H 3-3: Factors Contributing to Fair Housing Issues			
Assessment of Fair Housing Identified Issue	Contributing Factor	Meaningful Actions	Targets and Timelines
		<p>Continue to use available housing resources including subsidies, Housing Choice Vouchers, and grant funding to ensure housing for Extremely Low-Income households (Program H43)</p> <p>Preserve as many units as possible that are “at risk” of conversion to market rate and minimize loss of affordable housing inventory (Program H47)</p> <p>Conduct rental home inspections to ensure sanitary and habitable conditions throughout the City (Program H48)</p>	<p>operating subsidies and additional housing choice vouchers for the provision of housing for extremely low-income households (H43)</p> <p>Preserve 50 units “at risk” of conversion annually (H47)</p> <p>Inspect 3,000 housing units annually to ensure sanitary and habitable conditions throughout the City (H48)</p>
<p>Outreach and education for vulnerable and marginalized populations</p>	<p>Households that are most vulnerable are not receiving enough information about existing City programs and resources available</p> <p>Lack of sufficient accommodations for hearing or visually impaired residents and non-English speakers</p>	<p><u>Short-Term (2021-2022)</u> Perform outreach to tenants and landlords on fair housing rights, responsibilities, and resources available (Program H17)</p> <p><u>Long-Term (2026-2029)</u>Affirmative Marketing Education to promote equal access to housing (Program H32)</p> <p><u>Annual and Ongoing (2021-2029)</u> City will work with community-based organizations to provide culturally competent education to both tenants and landlords about the Rental Home Inspection Program (Program H48)</p>	<p><u>Short-Term (2021-2022)</u> Conduct 2-3 workshops per year on fair housing rights and resources (including the City’s Tenant Protection Program) located in areas at risk of displacement in collaboration with CBOs and Sacramento Housing Alliance (H17)</p> <p><u>Long-Term (2026-2029)</u> Conduct 2 educational campaigns per year (emails, workshops, flyers distributed) to spread awareness of affirmative marketing methods (H32)</p> <p><u>Annual and Ongoing (2021-2029)</u> Conduct 4 educational workshops per year for tenants and landlords in collaboration with the California Apartment Association, Sacramento Association of Realtors and Sacramento Self Help Housing (H48)</p>

3.9.1 Overview of Strategies to Affirmatively Further Fair Housing

The City is committed to creating more opportunities for affordable housing dispersed more equitably throughout the City and, as neighborhood investments increase, protecting existing residents from displacement. The following strategies guided the development of the policies and implementation programs, shown in Table H 3-3 above and in Chapters 4 and 5 of the Housing Element, to affirmatively further fair housing in the City.

More Equitable Land Use Patterns

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

While allowing duplexes, triplexes and fourplexes within traditionally single-family neighborhoods will go a long way to expanding housing choices, larger sites that allow for higher density multi-unit housing are needed to build subsidized affordable housing. As described earlier, a majority of the higher-density lower-income housing capacity identified in the sites inventory is in areas of high segregation and poverty or low resource areas. Less than 20 percent of the capacity is in the high or highest resource areas. To address this, the Housing Element includes a program to rezone sites to create more opportunities for higher-density, multi-unit housing in high resource areas (Program H12).

Targeted Investment in Underserved Communities

The City of Sacramento has demonstrated its commitment to prioritizing and implementing strategies, programs, and projects that promote inclusive economic and community development throughout the City, with a specific focus on neighborhoods that have historically been denied access to high-quality services. The City Council has adopted a framework and guiding principles for inclusive economic development that will guide decisions to invest City dollars in projects and programs that advance inclusive economic development and reduce inequities by improving the health, stability and economic security of residents and neighborhoods; fostering business and job growth; increasing household wealth; encouraging productivity; and supporting people, places and actions that promote economic growth throughout the City's diverse communities. Several policies and programs in the Housing Element reflect the City's commitment to investing in historically underserved communities to transform areas of poverty into areas of opportunity including developing specific plans and action plans for areas that have been historically underserved including disinvestment and disenfranchisement (Program H9); and, providing critical infrastructure, amenities, and services in areas targeted for inclusive economic and community development (Program H10);.

Neighborhood Action Planning

To affirmatively further fair housing on all fronts, the City is integrating more neighborhood specific action planning within the City's overall development efforts. Recently the City established the Neighborhood Development Action Team as a resource to determine specific neighborhood priority strategies based on resident and business input as well as to facilitate a stronger coordination with neighborhood stakeholders. The City has also included policies to continue to work with neighborhood-specific teams, including non-English speakers, to identify housing needs at the neighborhood level (Policy H-4.5), determine customized anti-displacement strategies and implement place-based solutions, particularly in areas targeted for inclusive and economic development (Policy H-5.3).

Protecting Existing Residents from Displacement

In recent years, rents have risen rapidly in the City. There is a consistent pattern of low-income families, who are disproportionately Black and Hispanic/Latino, being priced out of neighborhoods with greater access to opportunities and amenities like high-performing schools. The City currently has several programs in place to protect renters, including the Just Cause Eviction Ordinance and the temporary moratorium on tenant evictions. The Housing Element includes programs to further protect vulnerable residents from displacement, including developing neighborhood specific anti-displacement strategies, targeting homeownership programs to underrepresented residents (Policy H-5.6 and Program H39), and prioritizing affordable housing financing in areas at risk of gentrification (Policy H 5-7).

Fair Housing Outreach and Education

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

To address this issue, the Housing Element includes programs to explore ways to expand fair housing outreach and education to better reach vulnerable and at-risk households (Program H17). Strategies could include offering information in other languages, targeted social media efforts, combining information with other assistance programs, and partnering with community-based organizations. These actions will be ongoing in order to better provide resources and education to tenants and landlords on their rights and responsibilities under fair housing laws. The City will also seek resources to continue to support first time homebuyer assistance programs and will work with service providers and community partners to market these programs to residents in areas at risk of displacement and gentrification and to populations that have been historically excluded from homeownership (Program H39).