



City of Sacramento

Regional Equity and Affordable Housing

City Planning Academy

April 21, 2014



Presentation Outline

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

The Housing Element

Why is every City and County in California required to plan for future housing?

What is the Housing Element?

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

Sacramento's Share of RHNA

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

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

What is Affordable?

BASIC MAX RENT AND SALES PRICE ESTIMATES - 2013

2013 Income Limits	4 PERSON	MAX RENT	MAX PRICE
Extremely Low Income	\$22,850	\$571	\$112,743
Very Low Income	\$38,050	\$951	\$187,740
Low Income	\$60,900	\$1,523	\$300,482
County Median Income	\$76,100	\$1,903	\$375,480
Moderate Income	\$91,300	\$2,283	\$450,477

2013 Income Limits	1 PERSON	MAX RENT	MAX PRICE
Extremely Low Income	\$16,000	\$400	\$78,944
Very Low Income	\$26,650	\$666	\$131,492
Low Income	\$42,650	\$1,066	\$210,436
County Median Income	\$53,250	\$1,331	\$262,737
Moderate Income	\$63,900	\$1,598	\$315,284

**Max rent is determined by 30% of monthly income limits.

***Max price is determined by assuming a 4.5% interest rate on a 30 year mortgage with a monthly payment of no more that 30% of monthly income limits.

Affordable Housing and Equity

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

Jobs Housing Fit in the Sacramento Region

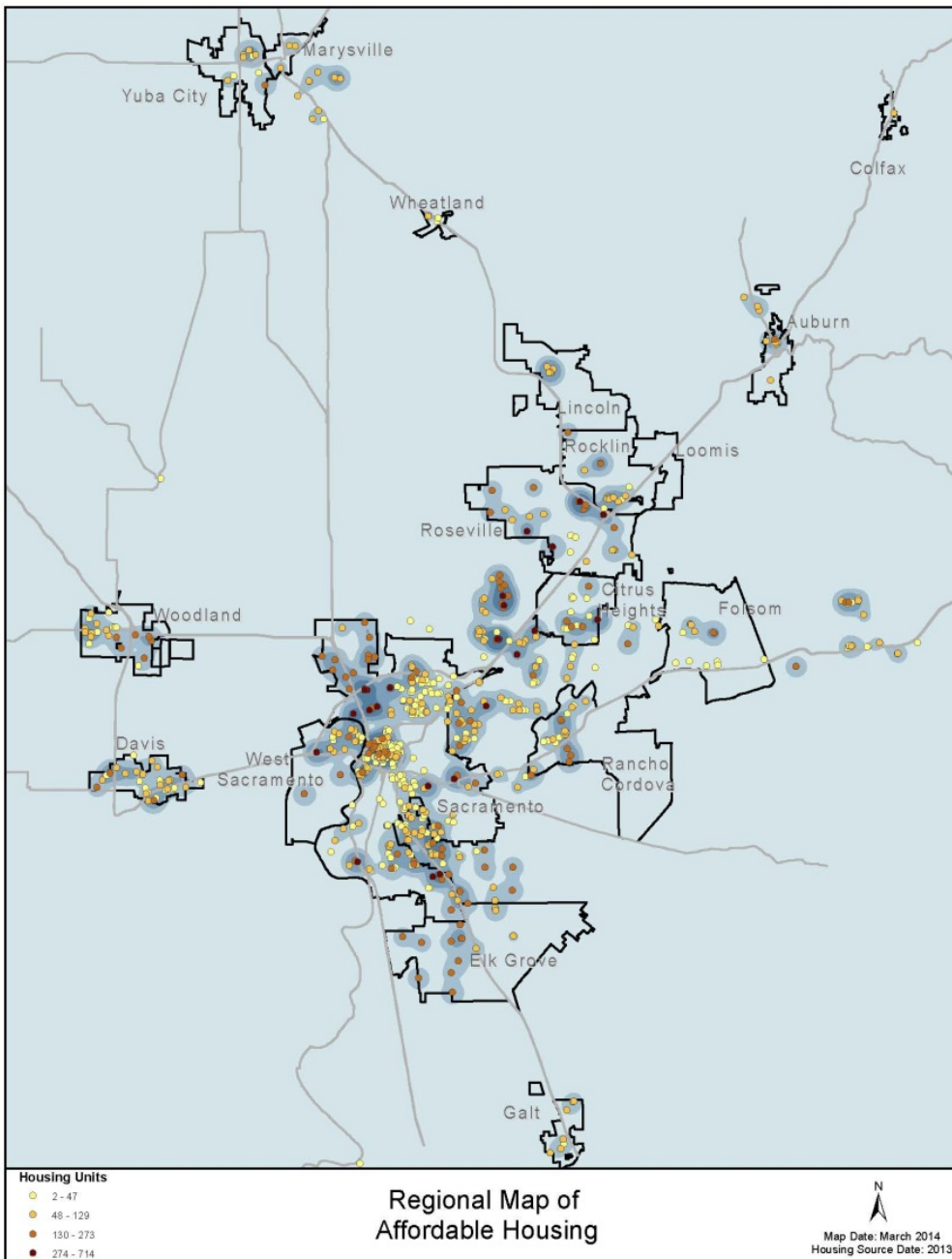
- 2010 Study that measure ratio between low-wage jobs and rental units affordable to those low-wage workers
- Folsom
 - 8,166 low-wage jobs – 1,624 homes, or 6% of total housing, were affordable.
- Roseville
 - 15,018 low-wage jobs – 3,496 homes, or 7% of total housing, were affordable.
- Sacramento
 - 52,169 low-wage jobs – 47,366 homes, or 25% of total housing, were affordable.

Need for Affordable Housing

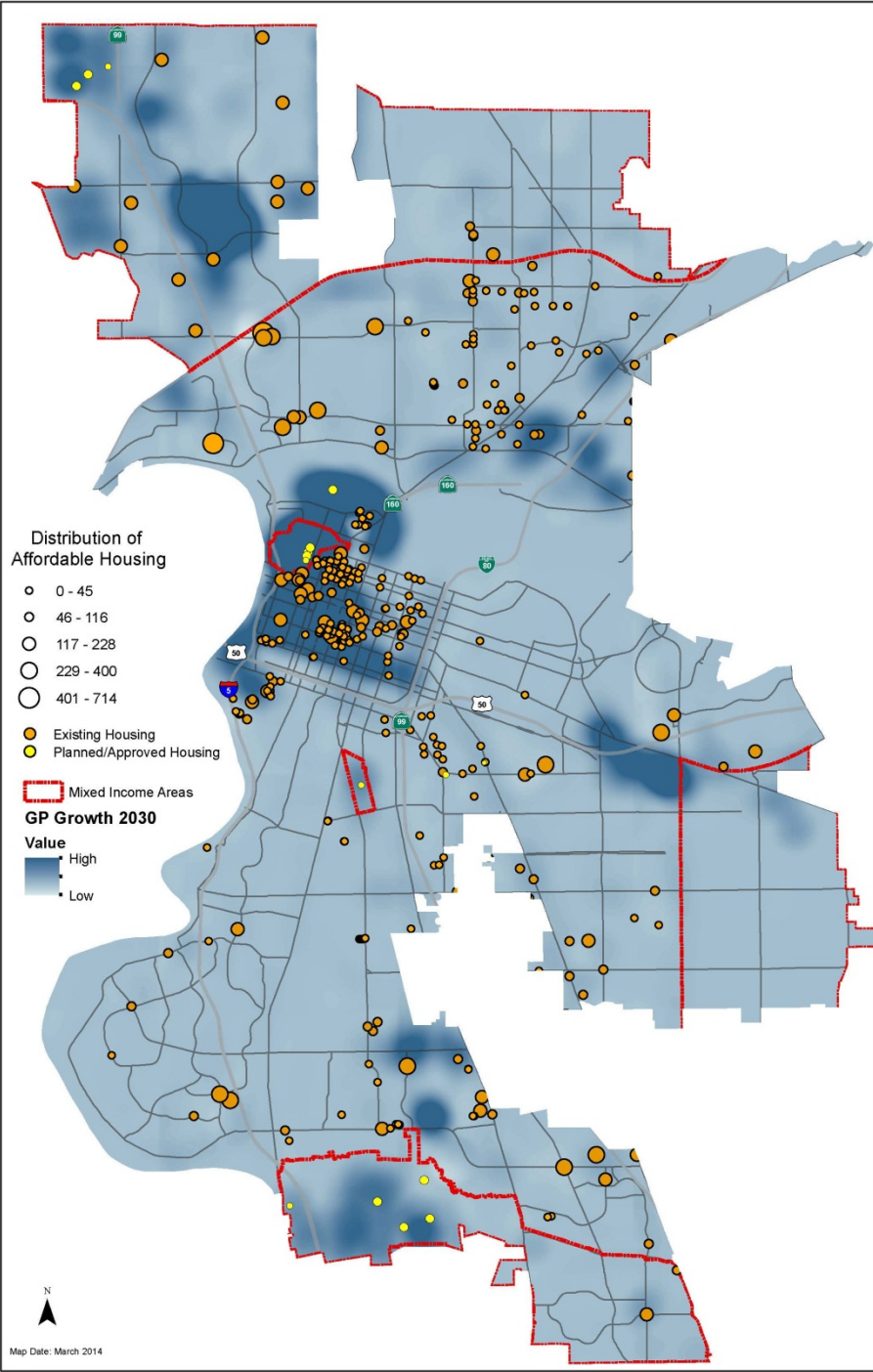
- Market rents in Sacramento are not affordable to extremely low income households or most very low-income households.
- 27,495 extremely low income households in the City, 80% of whom are overpaying for their current housing.
- Housing Choice Vouchers have been reduced by 10% due to federal budget cuts.
- 1,339 of the 15,000 subsidized rental housing units in the City are at risk of converting to market rate housing.
- Homeless families have increased from 543 in 2009 to 801 in 2013.



Distribution of Affordable Housing



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



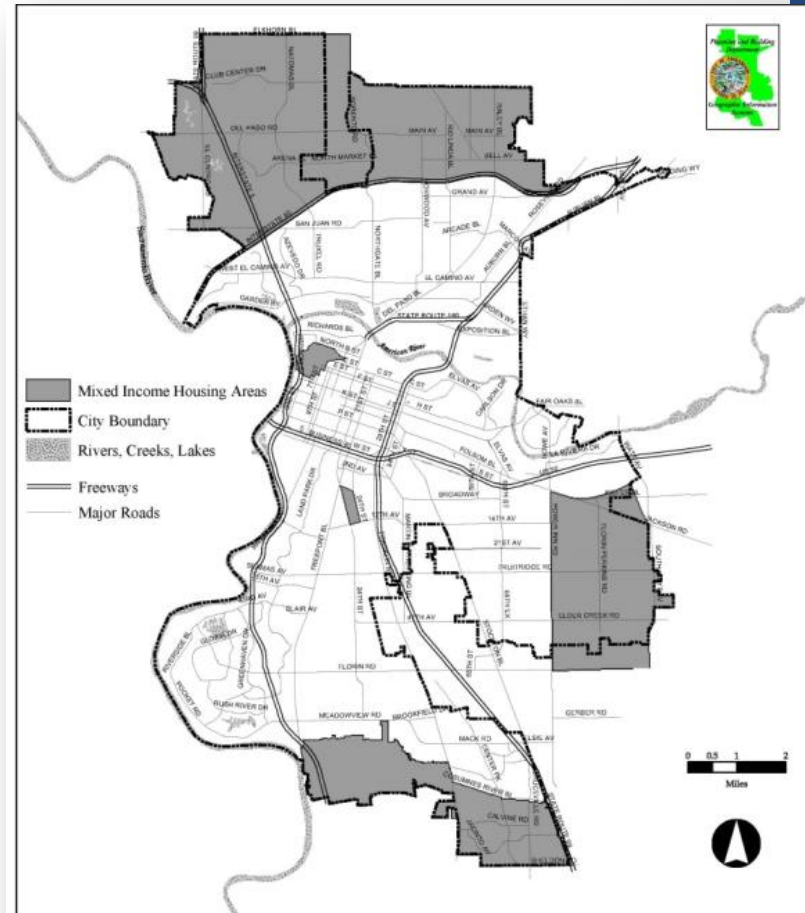
Distribution of Affordable Housing

- 0 - 45
- 46 - 116
- 117 - 228
- 229 - 400
- 401 - 714
- Existing Housing
- Planned/Approved Housing
- ▭ Mixed Income Areas
- GP Growth 2030**
- Value
- High
- Low

Housing Programs

Mixed Income Housing Ordinance

- Applies primarily to the outer edges of the City.
- Developments of 10 units or more.
- Standard Requirement:
 - 10% Very Low Income
 - 5% Low Income
- Affordable housing developed onsite and at the same time as other housing.
- No option to pay a fee instead of building housing.

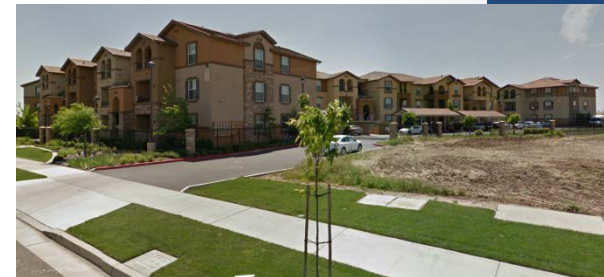
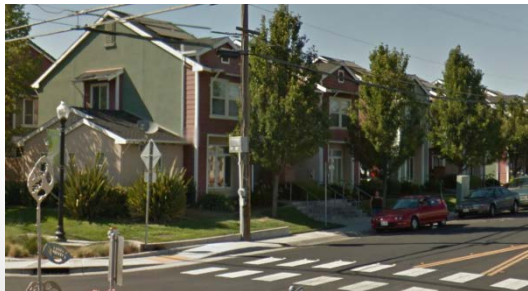


AREAS SUBJECT TO MIXED INCOME HOUSING POLICY

Housing Trust Fund Ordinance

- Commercial linkage fee program
- Requires commercial development to pay fee
- Based on need for housing from creation of low-wage jobs
- County, Rancho Cordova, Elk Grove and Folsom all have similar program
- Fees used for affordable workforce housing
- Over \$25,000,000 collected since 1989

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



Other Housing Programs

- Acquisition Rehab
 - 626 I Street Senior Apartments, 108 units
 - Washington Plaza, 76 units
 - Sutterview Senior Apartments, 77 units
- Preservation of Existing Affordable Housing
 - 285 units preserved in 2008
- Single Room Occupancy (SRO) Ordinance
 - Hotel Berry, 103 units
 - Budget Inn/Boulevard Court, 104 units
 - 7th and H, 150 units
 - YWCA, 32 units
 - Ridgeway, 22 units
- 10 Year Plan to End Chronic Homelessness
 - 427 permanent supportive housing units constructed



Other Housing Programs

- Rental Housing Inspection Program
 - 4,343 initial inspections performed in 2013
 - Top three corrections were: 702 Faulty or Improperly Installed Water Heaters, 680 unsafe/faulty front entry doors, 676 cases of faulty wiring.
- Single Family Rehabilitation
 - In 2013 the City assisted 101 low- and very low-income residents with grants for emergency repairs and/or accessibility modifications.
- Universal Design Ordinance
- Reasonable Accommodation

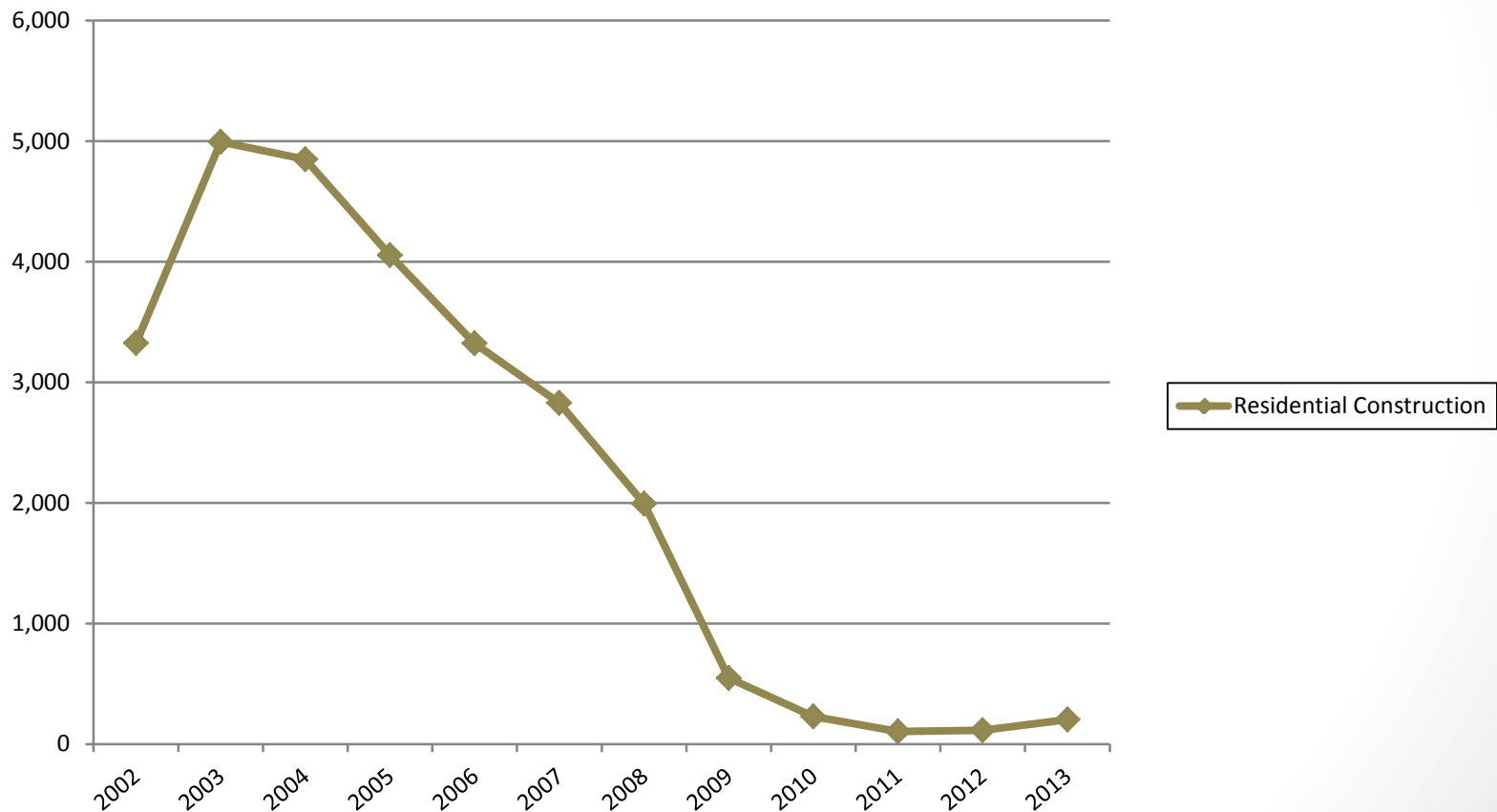
Past Production

- 2008-2013: Constructed/Preserved or Rehabilitated 1,650 Regulated Affordable Housing Units.
 - 56 from the Mixed Income Housing Ordinance.
- 2002-2007: Constructed/Preserved or Rehabilitated 4,004 Regulated Affordable Housing Units.
 - 1,452 from the Mixed Income Housing Ordinance.

Future Initiatives and Planning

Building Permit Activity

Residential Construction - Housing Units



Source: City of Sacramento Building Permits, 2002-2013

Less Resources for Affordable Housing

- In 2011, the City had \$10,755,000 in redevelopment funding designated for affordable housing. In 2012, Redevelopment was brought to an end.

SHRA - Funding Sources			
	2002	2006	2012
HOME Entitlement	\$ 3,382,390	\$ 3,396,966	\$ 2,763,303
Housing Trust Fund Fees Collected	\$ 2,336,496	\$ 3,344,627	\$ 130,389
HTF Interest	\$ 10,105		\$ 235,339
HTF Loan Income	\$ 23,642		\$ 84,628
TOTAL	\$ 5,718,886	\$ 6,741,593	\$ 2,893,692

Updating the Mixed Income Housing Ordinance

- The ordinance is inflexible.
- The result has not been the mixed-income communities originally envisioned in 2000.
- For-sale inclusionary units have not been successful.
- Reduced local, state, and federal funding sources.
- Fee revenue can be used to support affordable housing in walkable, transit-rich areas.
- Shift from greenfield to infill development.
- Recent court cases.

Challenges of Infill Development

- Between 2008-2035, 60% of growth anticipated to happen outside of current ordinance boundaries (in infill areas)

- Challenges of infill:
 - Smaller sites
 - Increased costs of infrastructure
 - More controversial



- Land is more expensive
- Environmental clean-up costs
- Riskier investment

Newly Adopted Housing Element Policy

1. The City shall revise its Mixed-Income Housing Ordinance to promote affordable housing citywide and will require: 1) an affordable housing impact fee for all new housing units, and 2) large, single-family subdivisions to provide housing for a variety of incomes and family types.

Objective: Adapt the current Mixed Income Ordinance to create new affordable housing opportunities and mixed income communities while being flexible, market sensitive, and responsive to the challenges of infill development.

Upcoming Projects

- Crime Prevention through Environmental Design
- Regional Resources for Affordable Housing
- Working Group to Identify New Funding Sources For Affordable Housing
- Fee Deferral Program
- Update of the Housing Trust Fund Ordinance

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