



City Council Report

915 I Street, 1st Floor
Sacramento, CA 95814

www.cityofsacramento.org

File #: 2016-01285

Discussion Item 17

Title: Downtown Housing Initiative Update

Recommendation: Review and comment.

Location: Downtown Sacramento, Districts 3 and 4

Contact: Ryan DeVore, Director, (916) 808-8860, Director, Community Development Department

Presenter: Ryan DeVore, Director, (916) 808-8860, Director, Community Development Department; Tyrone Roderick Williams, Director of Development, (916) 440-1319, Sacramento Housing and Redevelopment Agency

Department: Community Development

Attachments:

- 1-Description/Analysis
- 2-Progress towards 10,000 Places to Live
- 3-Table of Pipeline Projects
- 4-Map of Pipeline Projects
- 5-Downtown Housing Initiative Plan
- 6-Summary of Downtown Specific Plan
- 7-Downtown Specific Plan Schedule
- 8-Opportunity Sites Selection Process
- 9-Map of Opportunity Sites

Description/Analysis

Issue Detail: In the 2015 State of the City address the Mayor launched the Downtown Housing Initiative as part of the larger Sacramento 3.0 strategy, where the City becomes a hub of innovation, entrepreneurship and technology. The goal of the Downtown Housing Initiative is to deliver 10,000 places to live in Downtown over the next ten years. The Downtown Housing Initiative Plan delineates policies, processes, incentives and resources to facilitate the construction of housing units to help meet that goal.

The Downtown Housing Initiative proposes to increase population density to a level that can sustain and attract additional investments such as hotel, grocery and retail establishments. It also recommends mixed income and multi-modal friendly residences to meet a diverse range of housing needs. This strategy has the added benefits of stabilizing the tax base, attracting and keeping young professionals, families and retirees while providing the economic stability to support fast-paced growth projects.

The proposed unit mix is as follows:

Market Rate	6,000
Workforce	2,500
Rapid Rehousing	1,500
Places to Live by 2025	10,000

Recently, the White House's September 2016 "Housing Development Toolkit" included Sacramento in a list of cities that "have already begun to foster more affordable housing opportunities by removing restrictions, implementing transit-oriented zoning ordinances, and speeding up permitting and construction processes." The full report can be found at www.whitehouse.gov.

This report serves as an update on the City's progress implementing the initial programs of the Downtown Housing Initiative, including the Downtown Specific Plan, which is a key implementation measure. Staff will return in the spring of 2017 with a background report summarizing the various technical analysis as well as initial recommendations prior to drafting the Downtown Specific Plan, Environmental Impact Report, and other associated documents. The Downtown Specific Plan is anticipated to be adopted in early 2018.

Policy Considerations: On August 25, 2015, the City Council approved the recommendations in the Downtown Housing Initiative and initiated the Downtown Specific Plan. The Downtown

Housing Initiative and the Downtown Specific Plan are consistent with the City's goals and policies as established in the 2035 General Plan. These policies include:

LU 1.1.4 Leading Infill Growth. The City shall facilitate infill development through active leadership and the strategic provision of infrastructure and services and supporting land uses.

LU 1.1.5 Infill Development. The City shall promote and provide incentives (e.g., focused infill planning, zoning/rezoning, revised regulations, provision of infrastructure) for infill development, reuse, and growth in existing urbanized areas to enhance community character, optimize City investments in infrastructure and community facilities, support increased transit use, promote pedestrian- and bicycle-friendly neighborhoods, increase housing diversity, ensure integrity of historic districts, and enhance retail viability.

LU 5.6.1 Downtown Center Development. The City shall encourage development that expands the role of the Central Business District as the regional center for living, commerce, arts, culture, entertainment, and government.

LU 5.6.3 Mixed-Use Downtown Development. The City shall support a mixed-use, vibrant CBD by encouraging innovative mixed-use development resulting in development consistent with Sacramento's commitment to environmental sustainability.

Economic Impacts: The economic impacts of the Downtown Housing Initiative will be an increase in economic activity in the downtown area, which will support more small and medium sized businesses.

Environmental Considerations: The Downtown Housing Initiative does not make any commitments to, or give approvals for, specific projects. Environmental review for specific projects will be completed prior to any choice limiting actions or discretionary action(s) being carried out with regard to such projects.

Public Comments: To kick start the Downtown Housing Initiative process, the Mayor convened various working groups of expert practitioners to review existing conditions and provide recommendations. The practitioners represented industry leaders in lending, non-profit and for-profit development, downtown property owners, executive leadership from the City of Sacramento, and SHRA. In addition, working groups were convened that included members from the American Institute of Architects (AIA), Building Trades Council, Capital Area

Development Authority (CADA), Downtown Partnership, Greater Sacramento Area Economic Council (GSAC), Heller Pacific, Downtown Railyards Venture (DRV), Sacramento Metro Chamber, Midtown Business Association, North State Building Industry Association (BIA), Region Business, Regional Transit, Sacramento Area Council of Governments (SACOG), Sacramento Steps Forward, Sacramento Municipal Utility District (SMUD), USA Properties, Valley Vision, and other builder/developer representatives. The working groups provided input on recommendations for implementing the 10,000 places to live goal of the Downtown Housing Initiative.

As indicated in the Downtown Specific Plan Schedule, in Attachment 7, the City will be doing a three phased outreach approach to the community by requesting:

1. Initial input and ideas;
2. Responses preliminary recommendations;
3. Feedback on final draft documents.

The City continues to work with its partner agencies such as SMUD, CADA, and Regional Transit to coordinate on infrastructure development and share data.

Additionally, the Downtown Specific Plan's website (www.downtownspecificplan.com) includes reference documents, lists upcoming events, and will have online engagement opportunities to get public input throughout the process.

Sustainability Considerations: The Downtown Housing Initiative is consistent with General Plan goals in that it will increase the number of places to live within the downtown area. The plan supports Transit Oriented Development (TOD), infill development, and conversion of vacant and outdated buildings.

The proposed plan also supports an increase in density within the target area. Increasing housing density in Downtown Sacramento around public transportation hubs will reduce dependence on the use of private automobile, reduce long commutes, reduce the use of fossil fuels, improve energy efficiency, reduce carbon dioxide emissions, and help meet air quality standards.

Rationale for Recommendation: Stabilizing the economic vitality of Downtown Sacramento is dependent on increasing the residential population, thereby fortifying the revenue base. Underutilized, outdated, or vacant buildings have been identified within this target area. Concentrating efforts to build out the available parcels and converting antiquated buildings into viable living spaces is a proven strategy to increase density.

Financial Considerations: There are no direct financial considerations associated with this report.

Local Business Enterprise (LBE): The purchase of goods or services is not associated with this report.

Background

The Downtown Housing Initiative Plan includes a variety of implementation measures which can be found in Attachment 5. The following are updates on near-term and mid-term projects that City and SHRA staff have been working on.

Near-term Projects

The Downtown Developer Toolkit

The Downtown Developer Toolkit (Toolkit) is a City website, launched in November 2015, that connects the user to information provided by various City departments, agencies and organizations that play a role in the development process. This website is designed to be user friendly, easy to read, and updated on an ongoing basis as new resources are developed. This first phase of the Toolkit highlights the existing resources that are available and helps to identify how much the City has already done to streamline development. The Toolkit can be found online at www.downtowndevelopertoolkit.com.

SRO Ordinance

Adopted in 2006, City Code Chapter 18.20 (Relocation Benefits Pertaining to Residential Hotel Unit Conversion or Demolition) requires that 712 residential hotel or comparable units be maintained within the City of Sacramento. Single Room Occupancy (SRO) residential hotels play a vital role in providing affordable housing to the city's most vulnerable residents. The number of available SRO units in the downtown area decreased by 301 units between 1986 and 2006. The key is to preserve downtown SRO housing and to replace units lost through conversion or demolition. A revised ordinance is anticipated to be before the City Council in November of 2016 that will both preserve affordable for extremely low income families while providing the City greater flexibility in light of new funding realities.

Program Guidelines for the Mixed Income Housing Ordinance

The Program Guidelines for the new Mixed Income Housing Ordinance are intended to aid applicants, landowners, developers, homebuyers, and others in understanding and complying

with the Mixed Income Housing Ordinance, which was adopted on October 1, 2015. The new ordinance will help create critical new funding to leverage affordable housing development while being sensitive to the challenges of the urban infill development. The Program Guidelines are anticipated to be adopted by City Council by Fall 2017.

Streamlining the Development Review Process with Specific Measurable Outcomes

For the past few years the Community Development Department (CDD) has introduced process improvements under the Sacramento Streamline Program. As part of this effort, CDD implemented a series of performance measures, throughout the development review process, to ensure certainty, timeliness, and consistency. The measures track timelines and establish desired outcomes. Things measured included public counter wait time, planning entitlement processing time, building plan review time, inspection performance, and customer service survey results at several points in the process. The desired outcomes are reducing the total permitting time and improving overall customer satisfaction to become the preferred place to do business in the region. So far the results have been impressive. Permitting timelines have been cut by weeks and customer satisfaction is high. For example, 91% of all public counter customers report being very or extremely satisfied with the service.

CDD also committed to offer a certification program for expedited review and to institute a program for third party plan checks. CDD has both available to its customers. We accept both the Permit Simplicity and PASS certification programs and also offer expedited plan review, which nearly cuts review time in half. Third party plan review is used to handle peaks in workload to ensure that we are able to meet our established timelines and offer expedited review for those who desire that service.

Citywide Development Impact Fee Project and Fee Deferral Ordinance

The goal of Citywide Development Impact Fee Program is to make infrastructure financing more predictable, easy to administer, and provide needed infrastructure to support future infill development throughout the City. The proposed fee changes would provide certainty for developers and City staff and funding for needed infrastructure. Additionally, the Fee Deferral Ordinance would allow impact fees to be paid after construction of the project but prior to final inspection. Deferral of fee will be a strong financial incentive to stimulate housing development. This program is scheduled for adoption by Council on November 22, 2016.

Institute Periodic Interdisciplinary Process Review Meetings

The City Manager's Office leads a monthly meeting to discuss development process improvements. All City departments involved in development review are in attendance. This

effort has resulted in improved performance measures, policy revisions and customer service improvements.

Develop a Lobby Management System that Provides a Guided Entry Point for Customers

CDD has improved its lobby management system to guide customers through the process. Upon arrival, customers are greeted by a Customer Service Representative, who screens the applicant to ensure that they have the proper information and get routed to the proper staff for assistance. The customer is logged into Qflow, which tracks arrival time, wait time, service time, allows notes to be added at each step in the process, and provides for transparency throughout their visit. It also allows us to separate our customers by their needs to ensure they do not wait any longer than necessary. For example, customers who have questions or are resubmitting plans are routed to our express line, which has an average wait time of at least 10 minutes less than our more complicated processes.

Marketing and Communication

CDD has helped get the word out about our recent streamlining efforts (Sacramento Streamline) through a variety of channels such as a 17,000 email address list of current and former customers, Twitter, Facebook, the department website, advertisements in the Business Journal, and the Downtown Developer Toolkit. In coming months CDD will launch a monthly lunch and learn to create an opportunity for customers to learn about and discuss current and future process improvements.

Through the Downtown Housing Initiative outreach effort, communication and marketing of our innovative services were identified as areas for improvement. CDD committed to market four processes outlined in the Downtown Housing Initiative Plan (Processes 4, 5, 8, 10). Below is an update of our progress:

- Process 4, Creating Consistency: Consistency is one of the five CDD values and staff routinely meets to discuss ways of improving policies, building code interpretations, and design review processes, with an emphasis on consistency. We celebrate actions that support our values and foster a positive customer service culture. Regular meetings help reinforce clear communication between staff and customers.
- Process 5, Project Tracking System: Through Accela (our permitting software) and Sacramento Permit Tracker, customers are able to see detailed staff comments, notes, and approvals regarding their project status. To create awareness of these services CDD sent announcements through email, social media outlets, and advertisements in print media.

- Process 8, Pre-submission Review: Two additional project managers have been hired and now are available to projects valued at \$1 million or more (previously, only projects valued at \$3 million or more were assigned a project manager) or that are complex in nature. These additional staff help facilitate pre-application, pre-submittal and on-site project meetings. To promote this service, we have mentioned it in email outreach, social media, print advertisements, and news print articles.
- Process 10, Training for positive customer service: All CDD managers and select staff participated in customer service training videos and discussion. Outstanding customer service has been engrained into the culture by celebrating successes at staff and management meetings, and through our Employee Appreciation Program. The results have been impressive, with 91% of our public counter customers reporting being either very or extremely satisfied with our service. Additionally, a department motto was created, “be proactive, finish strong,” to promote a positive and “can do” work environment, with customers as a priority. Customer feedback is solicited through surveys at each point of the development process and promoted through email, print media, and social media.

Mid-term Projects

Downtown Specific Plan

The Downtown Specific Plan will create a predictable and welcome environment to build housing in the job and transit center of the Sacramento Region. Key benefits include:

- Environmental Impact Report (EIR) that either exempts most residential development or substantially reduces environmental review
- Streamlined development review with updated design guidelines for Transit Oriented Development
- Detailed analysis of infrastructure capacity and a finance plan supported by a 10 and 20-year Market Study
- Marketing of vacant and underutilized opportunity sites online
- Incorporation of Grid 3.0 to have a circulation plan for Downtown
- Inventory and plan for amenities needed for over 10,000 new places to live

A detailed summary of the Downtown Specific Plan can be found in Attachment 6. The Plan is anticipated to be adopted in early 2018.

Twin Rivers

In September 2015, HUD awarded SHRA and the City of Sacramento a \$30 million Choice Neighborhoods Implementation Grant to redevelop and revitalize the Twin Rivers public

housing community and surrounding River District-Railyards neighborhood. The \$30 million grant will be leveraged with public and private investment to build new housing, improve the transportation connections to the neighborhood, and implement social services that benefit residents. Built in phases over the next seven years, the mixed income community at build out will include 218 public housing units, 135 affordable units and 134 market rate units. Environmental review is underway and entitlements will be approved in the spring of 2017 in time to submit for the next AHSC funding round.

Progress towards 10,000 Places to Live

The goal of the Downtown Housing Initiative is to create 10,000 places to live in 10 years. Since January 1, 2015, 1,183 homes have been created or preserved as follows:

Market Rate Goal: 6,000 Homes

- 445 homes have begun construction.
- 115 homes have been constructed.

Affordable Goal: 2,500 Homes

- 83 new affordable homes have begun construction
- 154 affordable homes have been preserved
- 86 new affordable homes were constructed.

Homeless Program Goal: 1,500 Homes

- 300 households have participated in the rapid rehousing program.

New Multi-family projects include:

- Ice Blocks 2 (144 units)
- Downtown Plaza Tower (44 units)
- Warehouse Artist Lofts (116 units)
- 16 Powerhouse (50 units)
- 700 K Street (137 units)
- Eviva (118 units)
- 515 T Street (11 units)
- 1813 Capitol Ave (4 units)

New Single and two family projects include:

- The Creamery
- Solons Alley
- Tapestri Square

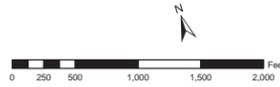
Staff anticipates that development will occur at a faster pace in the next couple of years as the Downtown Housing Initiative is implemented. Since 2014, the amount of new homes being built downtown has nearly doubled each year. The City is well positioned for additional housing development with over 14,000 homes that seeking planning approval, are approved, or under construction in Downtown (Attachment 3).

Pipeline Projects, Downtown (October 2016)

Map ID	Category	Location	CD	Developer Description	Residential Units		
					SF	MF	Total
Applications							
1	S and 5th Street (P16-042)	3348 S Street	4	Phil Harvey	5	0	5
2	19J Project	1827 J Street	4	Nikky Mohanna	0	175	175
3	Railyards		3				6,000
4	Twin Rivers Redevelopment Master Plan						843
	Subtotal				5	175	7,023
Approved Projects Not Yet Constructed							
5	Winn Park Lofts (P14-032)	2813 Q Street	4	Bill Rassmussen/Matt Sanchez	0	16	16
6	11th and R Mixed Use	1024 R Street	4	Virlakas Groen Architects	0	26	26
7	15Q Mixed Use (P15-064)	1420 Q Street	4	Bay Miry	0	73	73
8	20th Street Townhomes (P15-070)	1928 P Street	4	Al Esquivel	32	0	32
9	Brownstones at 15th and T (Z15-059)	1924 15th Street	4	Ellis Architects	4	0	4
10	Urbane 30 (P16-008)	3009 U St	4	Jeffrey DeMure & Assc	7	0	7
11	Yamane (P15-047)	2500 J Street	4	Matt Keasling / Ryan Heater	0	134	134
12	Broadway Redux (P15-058)	1011 Broadway	4	Erica Cunningham	0	9	9
13	California Brownstones (P15-023)	1715 17th Street	4	Ken King	12	0	12
14	Fast Feet Lofts (Z15-037)	1817 T Street	4	Craig Hausman	4	0	4
15	K Street Mixed Use and Landmark Move	2301 K Street and 1808 U Street	4	Law Offices of Greg Thatch	0	8	8
16	Tomato Alley TM (P15-046)	816 T Street	4	Lane Leach	4	0	4
17	Senior Artist Community (P14-024)	700 16th Street	4	Pacifica Company	0	132	132
18	800 K Street (P11-009)	800 K, 801 L	4	NA	0	200	200
19	Whole Foods (P14-045)	20th & L	4	Pappas Investments	0	141	141
20	1500 S St Mixed Use (DR14-194)	1508 S St	4	Red Knoll LLC	0	76	76
21	Aura Condos (P05-066)	NA			0	283	283
22	C Street Lofts (Z14-052)	316 14th St	4	Ken King	4	0	4
23	Remaining Township 9		3				2,129
24	Cathedral Square (P05-161)	11th and J Street	4		0	242	242
25	Entertainment and Sports Center Project (ESC) (P13-065)	Various parcels located between J and L Streets and 3rd and 7th Streets	4	Sacramento Basketball Holdings	0	481	481
26	Sacramento Commons (P14-012)	Bounded by 5th, 7th, N and P Streets	4	KW Captowers LLC	0	1,013	1,013
27	Metropolitan (P05-205)	NA	4			190	190
28	Press Building (P16-019)	1723 20th Street	4	Sotiris Kolokotronis	0	253	253
29	SoCap Lofts (Remaining Phases TBD*)	R Street (6-7th)	4	Regis Homes	36	0	36
30	The Towers on Capitol Mall (P04-221 / P06-024)	Capitol/4th	4		0	810	810
	Subtotal				103	4,087	6,319
Approved Projects, Under Construction							
31	700 Block Project (P10-087)	South side of K	4	Bay Miry	0	137	137
32	F Street Housing (P15-055)	2010 F Street	4	Craig Hausman	6	0	6
33	Q and 19th St Mixed Use (DR15-169)	1627 19th Street	4	Sotiris Kolokotronis	0	72	72
34	Mansion Flats Modern (P15-059)	1509 D Street	4	Erica Cunningham	8	0	8
35	Manor Flats (PB16-008)	701 L Street	4	Steven Karp	0	23	23
36	20th St Apartments (PB15-074)	1417 20th Street	4	Richard Graber	0	5	5
37	515 T Street Residential (P14-004)	515 T Street	4	Mogavero Notestine Associates	0	11	11
38	Ice Blocks 2 (P14-062)	17th/18th & R Street	4	Heller	0	148	148
39	Creamery Project (P13-043)	D St, 10th St, Television Circle, railroad, bounded by D, E, 10th, and 11th St	4	Lewis Land Developers	117	0	117
40	Downtown Plaza Tower (DR14-318)	6th and J Street	4	JMA	0	69	69
41	Eviva (P09-029)	16th & N Street	4		0	118	118
	Subtotal				131	583	714
Total Pipeline Units							14,056
Potential Units (Based on 79 acres of Vacant and Underutilized Land)							7,900

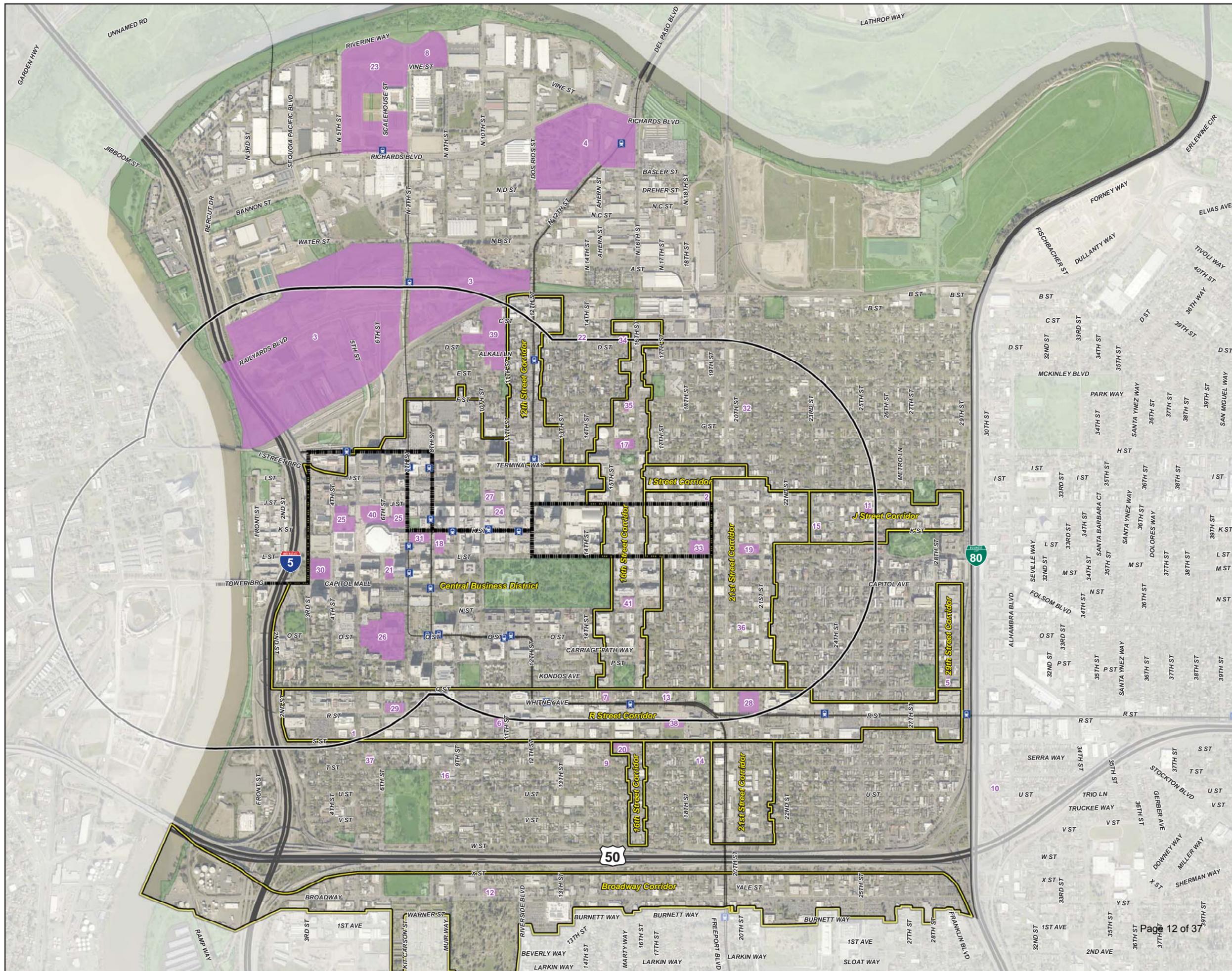
Pipeline Projects Downtown

- Planning Projects
- Districts/Corridors
- Light Rail
- Proposed Streetcar
- Half Mile Around Street Car
- Parks



Map ID	Category	Location	CD	Developer/Description	Residential Units		
					SF	MF	Total
1	Projects with New Entitlement	1816 5th Street	4	Phil Harvey	0	0	0
2	190 Project	1827 J Street	4	Nicky Motam	0	175	175
3	Subtotal				0	175	175
4	Twin Rivers Redevelopment Master Plan				0	0	0
5	Approved Projects, Not Yet Constructed				3	175	178
5	Wine Park Lofts (P14-032)	2813 Q Street	4	Bil Rossmore/Mat Sanchez	0	16	16
6	11th and R Mixed Use	1024 R Street	4	Vrikas Green Architects	0	26	26
7	150 Mixed Use (P15-064)	1420 Q Street	4	Bay Miry	0	21	21
8	30th Street Townhomes (P15-070)	1928 P Street	4	Al Esquibel	32	0	32
9	Brownstones at 15th and T (Z15-059)	1924 15th Street	4	Elli Architects	4	0	4
10	Urban 30 (P16-006)	3009 U St	4	Julian DeHare & Assoc	0	0	0
11	Yamasee (P15-047)	2500 J Street	4	Mark Krenning / Ryan Heister	0	134	134
12	Broadway Reden (P15-058)	1011 Broadway	4	Erika Cunningham	0	9	9
13	California Brownstones (P15-073)	1715 17th Street	4	Ken King	12	0	12
14	Fast Feet Lofts (Z15-037)	1517 T Street	4	Craig Hanson	0	0	0
15	K Street Mixed Use and Landmark Move	2301 K Street and 1808 U Street	4	Law Offices of Greg Thibault	0	8	8
16	Tomato Alley TM (P15-046)	1808 U Street	4	Lane Lench	4	0	4
17	Senior Artist Community (P14-024)	700 16th Street	4	Pacific Company	0	132	132
18	800 K Street (P11-039)	800 K, 801 E.	4	NA	0	208	208
19	Whisk Foods (P14-045)	20th St.	4	Peggy Investments	0	141	141
20	1500 S St Mixed Use (R14-194)	1508 S St	4	Rod Knoll LLC	0	76	76
21	Aura Condos (P05-066)	NA	4	NA	0	283	283
22	K Street Lofts (Z14-032)	316 14th St	4	Ken King	4	0	4
23	Remaining Towns 9		3		0	2,129	2,129
24	Cathedral Square (P05-161)	11th and J Street	4		0	242	242
25	Entertainment and Sports Center Project (ESC) (P13-065)	Various parcels located between J and L Streets and 3rd and 7th Streets	4	Sacramento Basketball Holdings	0	481	481
26	Sacramento Commons (P14-012)	Block bounded by 5th, 7th, N and P Streets	4	KW Capetown LLC	0	1,013	1,013
27	Metropolitan (P05-205)	NA	4		0	196	196
28	Press Building (P16-019)	1723 20th Street	4	Soren Kokkoroni	0	253	253
29	5th St Lofts (Remaining Phases TBD)	R Street (6-7th)	4	Bray Homes	0	36	36
30	The Towers on Capitol Mall (P04-221 / P06-024)	Capitol Mall	4		0	816	816
Subtotal					803	6,887	6,319
31	Approved Projects, Under Construction				0	137	137
31	700 Block Project (P10-087)	South side of K	4	Bay Miry	0	137	137
32	P Street Housing (P15-055)	2010 P Street	4	Craig Hanson	0	0	0
33	Q and 19th St Mixed Use (D15-169)	1627 19th Street	4	Soren Kokkoroni	0	72	72
34	Mansion Flats Modern (P15-059)	1509 D Street	4	Erika Cunningham	0	0	0
35	Manser Flats (P16-008)	701 I Street	4	Soren Karp	0	23	23
36	30th St Apartments (P15-014)	1417 30th Street	4	Richard Gehler	0	5	5
37	515 T Street Residential (P14-004)	515 T Street	4	Mogensen Neustein Associates	0	11	11
38	Ice Blocks 2 (P14-062)	17th/18th & R Street	4	Heller	0	148	148
39	Creamery Project (P13-043)	D St, 10th St, Television Circle, bounded by D, E, 10th, and 11th St	4	Lewis Land Developers	117	0	117
40	Downtown Plaza Tower (D14-318)	6th and J Street	4	JMA	0	69	69
41	Tower (P19-029)	16th & N Street	4		0	118	118
Subtotal					117	583	714
Total Units					920	8,470	7,143

Map Last Update: 10/11/2016



DOWNTOWN HOUSING INITIATIVE PLAN

Sacramento, California

[TABLE OF CONTENTS]

LETTER FROM MAYOR & EXECUTIVE DIRECTOR	1
ABOUT THE CITY OF SACRAMENTO	2
ABOUT SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA)	
INTRODUCTION TO THE DOWNTOWN HOUSING INITIATIVE.....	3
BACKGROUND.....	4
THE STRATEGIES	
• TRANSIT ORIENTED DEVELOPMENT	
• HOUSING CONVERSION	
• SMART! HOUSING	
• RAPID REHOUSING	
HOUSING MIX.....	5
FRAMEWORK - FOUR KEY LEVERS.....	7
• POLICIES	
• PROCESSES	
• INCENTIVES	
• RESOURCES	
CONCLUSION	14
POLICY MATRIX	15

Dear Friends,

As Mayor of the City of Sacramento and Executive Director of the Sacramento Housing and Redevelopment Agency (SHRA), it is with great pride that we present the Downtown Housing Initiative plan.

Sacramento is moving into the era of Sacramento 3.0. Not only is the economy making a strong recovery from the Great Recession, it is changing in fundamental ways. The Sacramento region is transforming into a hub of innovation, entrepreneurship, and technology with a vibrant Downtown Sacramento at its epicenter.

From the new Golden 1 Center to the thriving arts, entertainment and dining scenes, the momentum in Downtown is growing. The key to this transformation is housing. This plan will help us realize the full potential of Downtown by laying out the policies, processes, resources and incentives to make the development process as transparent and predictable as possible, while at the same time investing in the amenities and initiatives necessary to become the modern, inclusive, interconnected city of the 21st century.

We look forward to working with you in realizing this vision for a strong and vital future for our Downtown, City and Region.



Kevin Johnson
Mayor, City of Sacramento



La Shelle Dozier
Executive Director, SHRA

[ABOUT THE CITY OF SACRAMENTO]

To Protect, Preserve, And Enhance The Quality Of Life For Present And Future Generations

Sacramento is a charter city operating under the council/manager form of government. The City Council consists of eight members, elected by District, and a directly elected Mayor. Sacramento provides a full array of municipal services including public safety (police and fire), community development, economic development, public works, utilities, convention, culture and leisure, parks and recreation, and the traditional internal management support functions.

[ABOUT SHRA]

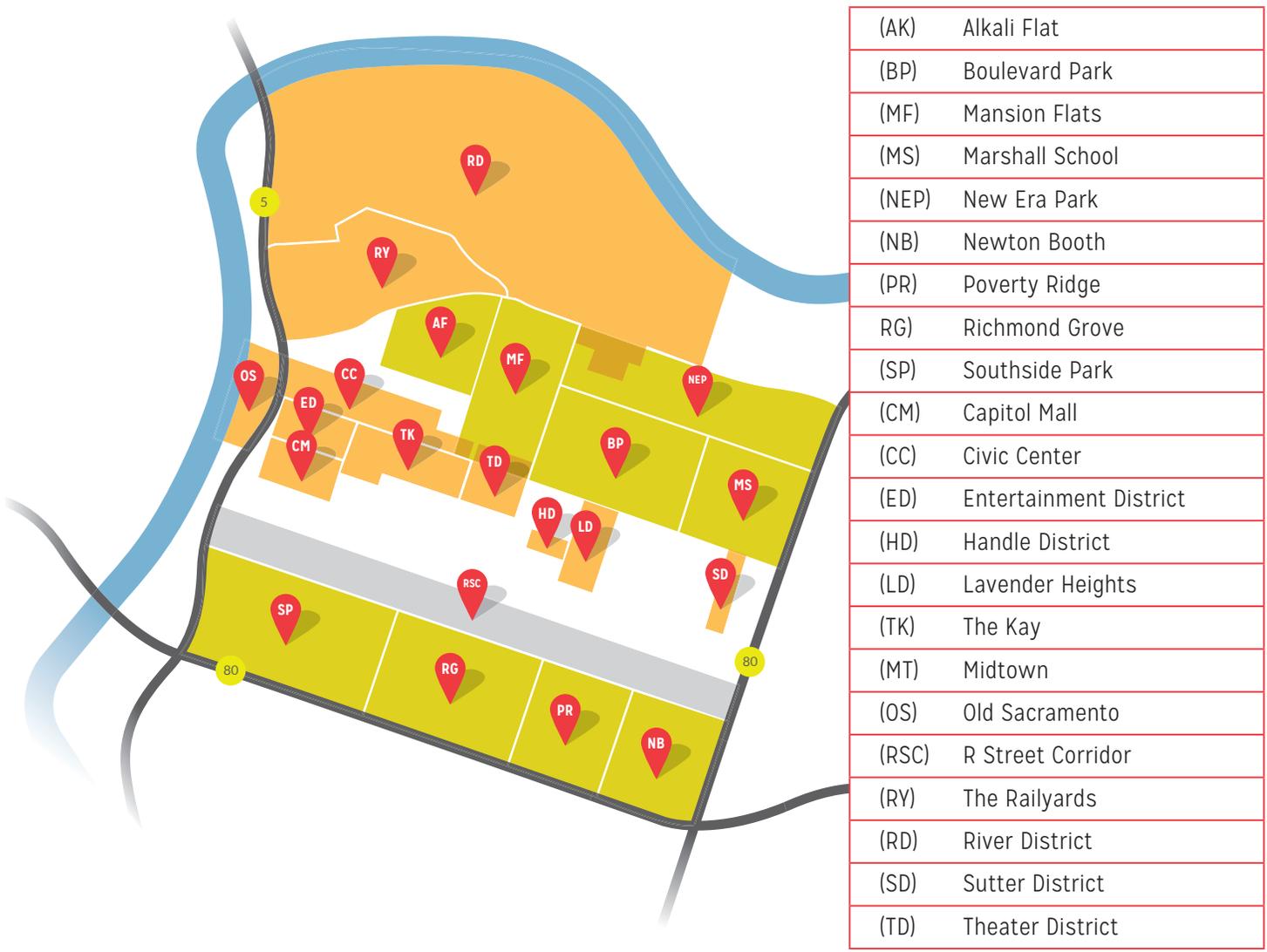
75 Years Leading Meaningful Change For The Betterment Of Sacramento

SHRA is a Joint Powers Agency created by the City and County of Sacramento. SHRA brings together funding resources and staff expertise to revitalize lower income communities, create affordable housing opportunities, and serve Housing Authority residents. SHRA has convened and facilitated a diverse cross-section of Sacramento community stakeholders to develop shared goals and strategies which will improve the lives of Sacramento families. SHRA is leading the Downtown Housing Initiative, and using its expertise to support the goals of Sacramento 3.0.

Downtown Sacramento is comprised of the area generally bound by the rivers to the North and West, and Business Highway 80 to the South and East. According to the 1950 US Census 58,000 people lived in Downtown Sacramento. Since that time the population has decreased by about 30,000 people, and much of the former housing has been demolished. Stabilizing the economic vitality of Downtown is dependent upon increasing the residential population, thereby fortifying the revenue base.

The recent momentum of our economic revitalization has been marked by major investments in our region including the Golden 1 Center, the Railyards, Township 9 and the new Promise Zone designation. Businesses are growing again and the people employed by and running those businesses need places to live.

Key elements of the Downtown Housing Initiative are described in this plan document. As the Lead Agency of the Initiative, in partnership with the City of Sacramento, SHRA will coordinate the implementation of the strategy to bring 10,000 places to live to Downtown Sacramento by 2025.



NEED

The lack of housing downtown is a significant fiscal, economic and community development challenge facing the City of Sacramento. The housing base has not grown significantly over the past decade, creating a deficit in supply while the demand remains high in niche markets. To alleviate this problem, Mayor Kevin Johnson has introduced a new Downtown Housing Initiative to develop 10,000 places to live in Downtown Sacramento over the next ten years. This initiative seeks to increase population density to a level that can sustain and attract additional investments such as hotel, grocery and retail establishments. It will also provide mixed income and multi-modal friendly residences to meet a diverse range of housing needs. This strategy has the added benefits of stabilizing the tax base, attracting and retaining young professionals, families and retirees while providing the economic foundation to support fast-paced growth projects.

In his 2015 State of the City Address, Mayor Johnson launched the Downtown Housing Initiative, as part of his Sacramento 3.0 vision. He identified four strategies where efforts will be focused: Transit Oriented Development (TOD), Housing Conversion, SMART! Housing, and Rapid Re-Housing.

STRATEGIES

Transit Oriented Development (TOD)

TOD will play a significant role in the Downtown Housing Initiative. Coupling multi-modal transportation and housing creates hubs of sustainable and environmentally friendly living options. The TOD strategy will focus further development in the Downtown Railyards, Township 9, Twin Rivers Development, the Central Business District, and portions of the R Street Corridor served by light rail transit. The purpose of TOD is to provide options for people who want to live in neighborhoods where transit service provides an alternative to driving. The hubs within the TOD plan contain a mix of housing, retail, and work space. TODs are pedestrian and bicycle friendly, mixed-use areas that allow for live-work spaces, retail and housing. The TOD provides relief from automobile-dependent lifestyles, freeing the roads of congestion.

SHRA will continue to partner with Regional Transit to identify potential TOD development sites within the downtown development target area. In addition, should a Choice Neighborhood Implementation Grant be awarded to the Twin Rivers development site, additional resources will be invested to accommodate the multi-modal design.

Housing Conversion

Housing Conversion is the practice of rehabilitating outdated nonresidential buildings and transforming them into modern sustainable housing. The goal of the strategy is to preserve and repurpose the stock of older buildings that exist in the downtown target area. Key to the Housing Conversion strategy is providing incentives and regulatory streamlining to help make re-use easier and promoting projects that have the following qualities:

- **ENERGY EFFICIENCY** - having a low impact on the energy grid, energy independent
- **SUSTAINABILITY** - utilizing durable materials, extending the life-cycle of existing structures
- **MULTI-MODALITY** - bike and pedestrian friendly, TOD
- **COMMUNITY-CENTRIC** - Inclusive of current residents, considerate of neighborhood characteristics and culturally astute starting with pre-design through completion
- **GREEN** - low production of greenhouse gases, conserves land
- **HISTORICALLY MINDFUL** - maintaining and accentuating the historic character of the structural as it relates to the community, improving on accessibility and diversifying use

SMART! Housing

SMART! Housing describes the technologically integrated housing this plan supports. It is energy-efficient, with easy access to amenities. Innovators, technopreneurs, the creative class, employees, millennials, and empty nesters will be able to tap into the Downtown network from home, shared work spaces, and community kiosks. SMART! Housing in Sacramento will incorporate innovative sourcing and co-location opportunities. The City will provide information to homebuilders and facilitate linkages between local technology companies and developers to encourage construction of SMART Housing.

Rapid Re-Housing

The most vulnerable populations are the hardest to house. Working with our non-profit and County partners, homeless residents of our City will be triaged through the Continuum of Care single point of entry model. They will be matched with housing and services that will help them remain housed. Providing opportunities for all of our residents throughout the strategy is integral to the pillar of inclusion.

HOUSING MIX

The goal of the Downtown Housing Initiative – 10,000 places to live Downtown in the next ten years – targets a variety of housing types. The mix consists of market rate, workforce and rapid re-housing. The type and quantity of housing included in the plan is consistent with both proposed and planned units within the Downtown target area.

The market rate goal is 6,000 units. The Railyards project is expected to produce close to 5,000 market rate units. There are also other market rate developments in the works. Based on current housing starts, this goal is achievable.

The workforce housing goal can be achieved through public investment in affordable housing through Low Income Housing Tax Credits (LIHTC) and other public funding vehicles that will support infrastructure investments. Meeting two-thirds of the current planned affordable housing will help us to reach our goal of 2,500 workforce housing units. SHRA will use its experience to support an all-inclusive affordable housing strategy. As the annual tax credit re-capitalization dates are published, SHRA will develop strategies around re-investment opportunities to leverage private capital.

The current Sacramento rapid re-housing strategy strives to decrease the homeless population by two-thirds. CalWORKS has provided additional funding, which will accelerate these efforts. The Continuum of Care (CoC) has made 450 Rapid Re-housing vouchers available. These efforts will help us realize a drastically decreased homeless population over the next ten years.

Market Rate	6,000
Workforce	2,500
Rapid Re-housing	1,500
Places to Live by 2025	10,000

[ADDRESSING THE NEED]

In developing this plan Mayor Kevin Johnson and SHRA convened a host of expert practitioners, including lenders, non-profit and for-profit developers, downtown property owners, and executive leadership from the City of Sacramento and SHRA. In addition, members of the American Institute of Architects, Building Trades Council, Capitol Area Development Authority, Downtown Sacramento Partnership, Greater Sacramento Area Economic Council (GSAC), Heller Pacific, LDK Ventures, Metro Chamber, Midtown Business Association, North State BIA, Region Builders, Regional Transit, Sacramento Area Council Of Governments (SACOG), the Sacramento Association of Realtors, Sacramento Steps Forward, SMUD, USA Properties, Valley Vision, and other builder/developer representatives provided recommendations on achieving the goal of 10,000 places to live Downtown in ten years.

[THE FRAMEWORK: FOUR KEY LEVERS]

There are four key levers to achieving this goal: policies, processes, resources, and incentives.

POLICIES - RECOMMENDATIONS

1. Develop Downtown Specific Plan and Environmental Impact Report (EIR)

The Downtown Specific Plan will include the land-use regulations and policies designed to streamline the housing development process and identify necessary public improvements to support new housing development. The Community Development Department will be the lead agency in completing environmental review, developing the specific plan and ensuring the plan is consistent with both the framework of the Downtown Housing Initiative and the City's General Plan.

The Downtown Specific Plan will include the following components:

1. Environmental Impact Report
2. Market and opportunity sites analysis
3. Infrastructure needs survey and financing plan
4. Historic resources survey
5. Adaptive reuse incentives
6. Survey of public amenities to support 10,000 new homes
7. Adjustments, as necessary, to zoning and development standards

2. Create Enhanced Infrastructure Finance Districts (EIFD)

Senate Bill 628, authorizing the creation of Enhanced Infrastructure Financing Districts (EIFDs), was signed into law by Governor Brown on September 29, 2014. This new legislation provides local governments the ability to finance a broad range of infrastructure work as well as affordable housing and transit oriented development projects through tax increment, generated from the growth in property taxes collected from the affected area. However, these funds can only be collected from those local governmental agencies that voluntarily agree to contribute their funds. EIFDs are also authorized to combine tax increment funding with other permitted funding sources, including bond issuance.

The creation of an EIFD will enhance the Downtown Housing Initiative by providing access to a broader range of financing options than was once available to redevelopment agencies.

3. Review and Update Current Ordinances

MIXED INCOME HOUSING ORDINANCE:

The Mixed Income Housing Ordinance, also known as the Inclusionary Ordinance, originally required that residential developers in the so-called "new growth" areas of the City (generally, North Natomas, North Sacramento, Meadowview/Cosumnes River College area, the Curtis Park Railyards and the Downtown Railyards) include 15 percent of their housing at levels affordable to low and very low income families.

On December 17, 2013 the City Council updated the Housing Element of the city's General Plan. The new Housing Element includes a policy to expand the current Mixed Income Housing Ordinance (Chapter 17.712 of City Code) citywide and to require developers to contribute to the production of affordable housing.

With the input of more than two years of outreach, staff has developed a draft Mixed Income Housing Ordinance that will be reviewed by the City Council in September 2015. The new ordinance, which is sensitive to the challenges of urban infill development, is expected to generate over \$100 million that will be used to leverage affordable housing development throughout the City.

HOUSING PRESERVATION ORDINANCE:

The Housing Preservation Ordinance (2003-04) requires owners of projects that have received prior federal assistance to notify the Sacramento Housing and Redevelopment Agency (SHRA) of any plans to terminate the project's federal subsidies. The Agency is then required to distribute this information to a pre-qualified group of affordable housing developers. The purpose of the ordinance is to inform the affordable housing community about at-risk projects so they can work to acquire and preserve the projects. This ordinance will be reviewed and updated as needed to be consistent with the housing initiative.

SRO ORDINANCE:

Adopted in 2006, City Code Chapter 18.20 (Relocation Benefits Pertaining to Residential Hotel Unit Conversion or Demolition) and City Ordinance 2006-056 require that 712 residential hotel or comparable units be maintained within the City of Sacramento.

Single Room Occupancy (SRO) residential hotels play a vital role in providing affordable housing to the city's most vulnerable residents. The number of available SRO units in the downtown area decreased by 301 units between 1986 and 2006. The key is to preserve downtown SRO housing and to replace units lost through conversion or demolition.

Pursuant to the Ordinance, SHRA is required to provide an annual report to the Sacramento Housing and Redevelopment Commission and the City Council on the number of residential hotel units withdrawn, the number of new units expected based on approved replacement housing plans, and the number of units constructed in anticipation of conversions or withdrawals. The ordinance currently pertains to nine residential hotels located in downtown Sacramento.

This ordinance will be reviewed and updated as needed in accordance with not only the housing initiative, but also in light of new funding realities.

HOUSING TRUST FUND ORDINANCE:

The City Housing Trust Fund ordinance was adopted in 1989 to provide local financing for affordable housing near employment centers. Fees on non-residential development generate revenue that has helped build 3,409 affordable housing units over the past 25 years. SHRA administers the fund's expenditures.

The City and SHRA are currently working on revising the ordinance, which, among other things, will apply the fees equally throughout the City and modify some aspects of the ordinance to reach optimal productivity.

VACANCY ASSESSMENT ORDINANCE:

Vacancy ordinances serve a dual purpose. They are an instrument for tracking vacant buildings and holding property owners accountable for the condition. They also provide the opportunity for the City to recoup some of the expense associated with the building, including inspections and police and fire protection. SHRA, working with the City and other organizations, will explore the creation of a Vacancy Assessment Ordinance as a tool to reduce blight and serve as a catalyst for redevelopment.

4. Create Housing Conversion Pilot Program

Downtown Sacramento has a wealth of housing conversion opportunities in the form of obsolete and/or blighted buildings. The City of Sacramento will develop a housing conversion pilot program consistent with the best practices in housing conversion (adaptive re-use). The pilot will provide assistance to developers converting vacant and obsolete buildings using best practices in the following core areas:

- **ENERGY EFFICIENCY** – having a low impact on the energy grid, energy independent
- **SUSTAINABILITY** – utilizing durable materials, extending the life-cycle of existing structures
- **MULTI-MODALITY** – bike and pedestrian friendly, TOD
- **COMMUNITY-CENTRIC** – Inclusive of current residents, considerate of neighborhood characteristics and culturally astute starting with pre-design through completion
- **GREEN** – low production of greenhouse gases, conserves land
- **HISTORICALLY MINDFUL** – maintaining and accentuating the historic character of the structural as it relates to the community, improving on accessibility and diversifying use

5. Create Downtown Parking Strategy

As Downtown development opportunities expand, there will be a growing need for new parking management options to accommodate the expected increase in retail and residential traffic. The City will implement creative solutions such as shared parking agreements to manage private parking garages; dynamic meter pricing; and multi-modal bike, car and streetcar transportation systems.

6. Support Financing Incentives for Developers and Home Buyers (Teachers, Nurses, Public Safety Officers)

Workforce housing is a crucial part of the Downtown Housing Initiative. Providing opportunities and incentives for moderate- and low-wage workers to move downtown is paramount to the success of the plan. Incentives for teachers, nurses, and public safety officers are especially important. The City of Sacramento along with SHRA will seek to build public-private funding partnerships to raise financial incentives for first-time homebuyers and/or households that relocate to the Downtown target area when their employment location is within the zone.

7. Focus on Re-opening Schools and Funding the Development of Open Space and Parks

The Community Development Department will work with the Parks and Recreation Department and the Sacramento City Unified School District to support community schools and neighborhood amenities. Creative use of space and coordination of resources will allow for greater impact.

8. Encourage a Diversity of Housing Types in Opportunity Zones Based on Market Demographics

The goal of developing 10,000 places to live anticipates a variety of housing options based on market demand and demographics. The Downtown Housing Initiative will create housing for singles, couples, growing families and empty nesters. Housing options will range from micro-unit apartments to two- and three-bedroom homes. We expect to see townhomes, apartments, condos and lofts all developed within the Downtown target area.

9. Facilitate Article 34 of the California Constitution (affordable housing cap)

The Article 34 Ballot Initiative was created to monitor the number of affordable housing units developed in the City of Sacramento. A cap on the number of units that can be developed was established by a vote of the residents of the City. As the number of affordable units approaches the current cap, the opportunity to establish a new cap on the number of additional units will need to be approved by voters.

[PROCESSES – RECOMMENDATIONS]

1. Streamline the Planning/Building Review Process

The City will simplify the process by which developers receive approvals and permits for their projects. An online toolkit will be developed (see “Resources” below) to consolidate information and application procedures required to plan and complete a project. At a project’s inception, prior to engaging with the City, a developer’s design team will also be able to access a Downtown Specific Plan, which will assist developers in locating projects.

For major projects, a project manager will be assigned to navigate the developer through planning entitlement and building permit phases, significantly reducing the logjams that have traditionally slowed projects’ progress.

2. Complete the Comprehensive Fee Study

The City has been conducting a comprehensive review of Development Impact Fees to analyze how to meet the City’s infrastructure needs and support future development. The Citywide Development Impact Fee Study includes a review of the Utilities, Parks, Public Works and public facilities infrastructure costs thru build out of the 2035 General Plan.

3. Create Consistency in the Interpretation and Implementation of Policies, Building Codes and Design Review Process

Improvements will be made in the consistency with which projects are reviewed, including regular, weekly, staff meetings to discuss processes and best practices. The fee and counter procedures manual will be continuously updated. Established turnaround times for plan check and other project milestones will be met 90% of the time or better.

4. Tracking System

A tracking system will store all City staff correspondence and approvals during the life of a project. The project tracking system will be fully implemented to incorporate room for staff comments, notes, and approvals. Third-party plan check personnel, when contracted by the City, will work within the same tracking system. All City staff correspondence and approvals will be tracked during the life of a project.

5. Periodic Interdisciplinary Process Review Meetings

City departments and outside agencies will host periodic interdisciplinary process review meetings necessary for all project phases from concept to completion. The meetings will be held as often as deemed necessary to reach consensus on project requirements, permits and approvals.

6. Develop a Lobby Management System

Customers seeking services will have a single point of entry to access information and assistance through the permit and approval process.

7. Provide Pre-Submission Review

Rehabilitation projects pose a great deal of unknowns during the development process. On-site pre-submission reviews by skilled City planners and building inspectors will give developers the opportunity to present their ideas, ask questions and clarify project requirements.

8. Information and Education Training

An online training program will be created to assist customers with varying levels of knowledge and experience in project development.

9. Customer Service Experience

City staff will participate in training programs designed to foster a “can do” culture, providing customers with a positive experience at every level of engagement.

10. Historic Preservation

For federally funded projects, SHRA, in consultation with the City, will update its programmatic agreement with the State Historic Preservation Office (SHPO) relative to federal Section 106 reviews in an effort to proactively streamline the development process in the boundaries of the Downtown Housing Initiative. The programmatic agreement will detail the process with defined timelines by which SHRA may clear or consult with SHPO regarding projects that lie in an Area of Potential Effect (APE) of a historic resource(s). Furthermore, the programmatic agreement will instruct and clarify timelines pertaining to Section 106 of the National Historic Preservation Act and related requirements for the National Environmental Protection Act (NEPA).

For all other projects, the City will continue to survey sites to help developers understand where the historically or archaeologically significant properties are located. This will help to avoid surprises during the planning phases of a project. Additionally, the City will develop a list of existing incentives and programs that encourage the adaptive reuse of existing structures. New regulatory incentives for adaptive reuse will be considered as well.

11. Review and Update Existing Infrastructure Plans

The City’s downtown infrastructure is undergoing incremental change, which requires the prioritization and modernization of facilities in those areas where the need is greatest. In an effort to focus as many resources as possible on the key corridors of planned development in the Downtown target area, a thorough review and update of existing infrastructure plans will be conducted.

Through the Downtown Specific Plan, the City will develop a workable plan for accelerating the modernization of Downtown infrastructure, including public utilities like water and sewer systems, gas and electric services, high-speed data lines, and roads and sidewalks.

[RESOURCES – RECOMMENDATIONS]

1. Pursue Funding Opportunities

The Downtown Housing Initiative team and partners will aggressively pursue funding opportunities with the greatest impact on funding housing that will help us achieve the goal of developing 10,000 places to live Downtown in the next ten years. Funding opportunities identified include:

Choice Neighborhoods Initiative (CNI):

CNI provides funding for the redevelopment of public housing sites into mixed income communities. Former isolated public housing developments and the residents who live there will be able to live in economically integrated communities. The redevelopment funds provided through the CNI program are administered through the U.S. Department of Housing and Urban Development (HUD). Private investments are leveraged and partnerships are formed to bring community stakeholders into partnerships that further expand the impact of the investment.

Cap & Trade Funding:

This is a method of redistributing resources based on the limited amount of emissions a company is allowed each year. Companies or “emitters” who exceed the maximum level of pollution they are allowed on an annual basis may bid to purchase the allowances of other companies. Companies who do not reach their limits may sell their allowances. This is a resource that will provide a significant influx of funds for housing development in California. Such funding will support TOD and sustainable communities.

Infrastructure Finance Districts (IFD) (Cal. Gov. Code § 53395):

IFDs create a new opportunity for infrastructure funding using proceeds from the growth in property tax revenue within a limited district.

2. Leverage Underutilized State Land

State land has been made available for redevelopment through the Capitol Area Development Authority (CADA), a quasi-redevelopment agency responsible for developing new commercial projects and managing state-owned rental housing on the south side of Downtown Sacramento. The City will work with CADA to identify strategic parcels for housing development that support the goals of the Downtown Housing Initiative.

3. Create Transit Oriented Development (TOD)

TOD aligns housing and transportation resources to create a living environment that is sustainable, environmentally sound and convenient. SHRA will partner with the Regional Transit District to identify development opportunities along bus and light rail routes. They will also explore housing development opportunities on land owned by the Regional Transit District.

4. Develop Legislative Platform to support Downtown Housing Initiative

The elimination of redevelopment funds has significantly reduced the financial resources available to develop housing. To accomplish the goal of 10,000 places to live in 10 years, there must be additional forms of funding available to support housing development and preservation. An aggressive plan to advocate for the creation and passing of legislative bills that provide resources for housing development is an essential element of achieving the housing goals.

5. Prioritize Continuum of Care (CoC) homeless funding resources to support the goals of rapid re-housing.

The Continuum of Care program is designed to promote a community-wide commitment to the goal of ending homelessness. It works to provide funding to efforts by nonprofit providers and state and local governments to help quickly rehouse homeless individuals and families. Financial resources and support services will be coordinated to maximize the impact on addressing homelessness Downtown.

INCENTIVES

1. Financial

Financial incentives included in the plan consist of developing a program of fee deferrals and a review of fee rates for affordable housing in the Downtown target area. A fee study will be completed before the end of 2015 looking at ways to incentivize development. Information on existing financing options will be provided, additional financial tools explored, and development fees reviewed.

2. Infrastructure

The City will work with local utilities to identify ways to reduce infrastructure costs for housing development. In addition to working with Utilities and Fire, the City of Sacramento will study the capacity of existing infrastructure and identify improvements.

DEVELOPMENT TOOLKIT

The Downtown Housing Initiative Toolkit will contain information and direction for developers, residents and public officials and act as a blueprint for implementing the goals described in this plan.

Development Toolkit Blueprint

PHASE I - BACKGROUND AND CURRENT APPLICABILITY

- Overview of Downtown Housing Initiative
- Eligibility and applicable guidelines
- Application and submission requirements
- Information on reduced parking requirements
- Shared parking agreements permit procedure
- Certification program for expedited building permit review
- Information on consistency in the interpretation and implementation of policies, building codes and design review
- Permit tracking system
- Lobby management system
- Information about pre-submission review for rehab projects on-site

PHASE II - 2 YEAR PLANNING

- Target Area driven incentives
- Streamlined planning/building review/approval process with measurable performance goals
- Programmatic EIR
- Infrastructure enhancements
- Housing conversion pilot program that rewards adaptive reuse
- Information on third-party plan checks
- Overview of customer service training
- Programmatic Agreement with HUD and SHPO

PHASE III - LONG TERM PLANNING

- Reduced parking requirements through implementation of streetcar, bike share and car share
- Long-term financing incentives
- Transit infrastructure support
- Information and training program designed to assist different customers
- Other resident benefits - dining, entertainment, parks, etc.

[CONCLUSION]

At his January 2015 State of the City address, Mayor Kevin Johnson announced a new era for Sacramento – Sacramento 3.0 – as the City becomes a hub of innovation, entrepreneurship and technology. Our path into this new era depends on 3 I's: innovation, infrastructure, and inclusion. The Downtown Housing Initiative represents all three I's.

As described in this plan, the Downtown Housing Initiative is innovative, including a new “smart housing” strategy. It focuses on the infrastructure needed to support new residential growth. And it is inclusive, with a balance of market-rate and affordable housing as well as rapid rehousing to serve our most vulnerable population.

Together, Mayor Kevin Johnson, the City of Sacramento, SHRA, and other partners and stakeholders will strive to create 10,000 places to live in Downtown Sacramento over the next ten years, thereby strengthening the economic core of our great region.

[POLICY MATRIX]

RECOMMENDATIONS: POLICIES	Responsible Entity	Short-term (1 year)	Medium-term (1-3 years)	Long-term (4-10 years)
1. Develop Downtown Master Plan(s) supported by a Programmatic EIR	CDD		X	
2. Create Enhanced Infrastructure Finance Districts (EIFDs)	EDD		X	
3. Review and update current ordinances to maximize the benefit of the Downtown Housing Initiative. <ul style="list-style-type: none"> · Mixed Income Housing Ordinance · Preservation Ordinance · SRO Ordinance · Vacancy Assessment Ordinance (new) 	CDD SHRA SHRA SHRA	X X X	X	
4. Create housing conversion pilot program that provides benefits for adaptive re-use	CDD		X	
5. Create a downtown parking strategy <ul style="list-style-type: none"> · Created shared parking agreements · Reduce parking requirements thru implementation of streetcar, bike share and car share 	PW CDD	X		
6. Support financing incentives for developers and home buyers (teachers, nurses, public safety officers)	SHRA	Mkt existing process		X
7. Focus on reopening schools and funding applicable spaces for the development of open space and dog parks	CDD			X
8. Encourage a diversity of housing types in opportunity zones based on market demographics	CDD			X
9. Facilitate Article 34 ballot initiative (affordable housing cap)	SHRA			X

[PROCESS MATRIX]

RECOMMENDATIONS: PROCESSES	Responsible Entity	Short-term (1 year)	Medium-term (1-3 years)	Long-term (4-10 years)
1. Streamlining the planning/building review/approval process with specific measureable performance outcomes. <ul style="list-style-type: none"> · Offer a certification program for expedited review. · Institute a program for third party plan checks. 	CDD CDD	X	X	
2. Review and update existing infrastructure plans. <ul style="list-style-type: none"> · Identify gaps, establish priorities, create incentives 	CDD		X	
3. Complete the comprehensive fee study and make recommendations by the end of the year.	CDD	X		
4. Create consistency in the interpretation and implementation of policies, building codes and design review process. <ul style="list-style-type: none"> · Policies for plan review. · Focus groups to explore the problems. 	CDD	Mkt existing process	X	
5. Develop a tracking system that provides detailed staff comments, notes, and approvals regarding project status to ensure continuity of information.	CDD	Mkt existing process		
6. Institute periodic interdisciplinary process review meetings (Fire, Engineering, etc.) to provide continuity and reduce silos within departments.	CDD	X		
7. Develop a lobby management system that provides a guided point of entry for customers to access information and assistance through the permit and approval process.	CDD	X		
8. Provide pre-submission review for rehab projects on-site to clarify project requirements.	CDD	Mkt existing process		
9. Create an information and education training program designed to assist different customers.	CDD			X
10. Create a training module that addresses a positive customer service experience and “can do” attitude.	CDD	Mkt existing process	X	
11. Update agreement with State Historic Preservation Office (SHPO) to reflect impacts of housing conversion and new construction anticipated to occur as part of the Downtown Housing Initiative.	CDD		X	

[RESOURCE MATRIX]

RECOMMENDATIONS: RESOURCES	Responsible Entity	Short-term (1 year)	Medium-term (1-3 years)	Long-term (4-10 years)
1. Aggressively pursue funding opportunities with greatest impact on funding homes to meet the 10k goal. <ul style="list-style-type: none"> • Choice Neighborhoods Initiative • Cap & Trade Funding. • Infrastructure Finance Districts. 	SHRA SHRA EDD	X	X X	X
2. Leverage underutilized State land.	CADA		X	
3. Create Transit Oriented Development (TOD) loan fund.	SHRA		X	
4. Develop legislative platform to support Downtown Housing Initiative.	CMO	X		
5. Prioritize Continuum of Care (CoC) homeless funding resources to support the goals of rapid re-housing.	SHRA			

[INCENTIVE MATRIX]

RECOMMENDATIONS: INCENTIVES	Responsible Entity	Short-term (1 year)	Medium-term (1-3 years)	Long-term (4-10 years)
1. Develop a toolkit for developers that identifies application requirements, incentives and guaranteed permit turnaround times.	CDD	X		

Downtown Specific Plan

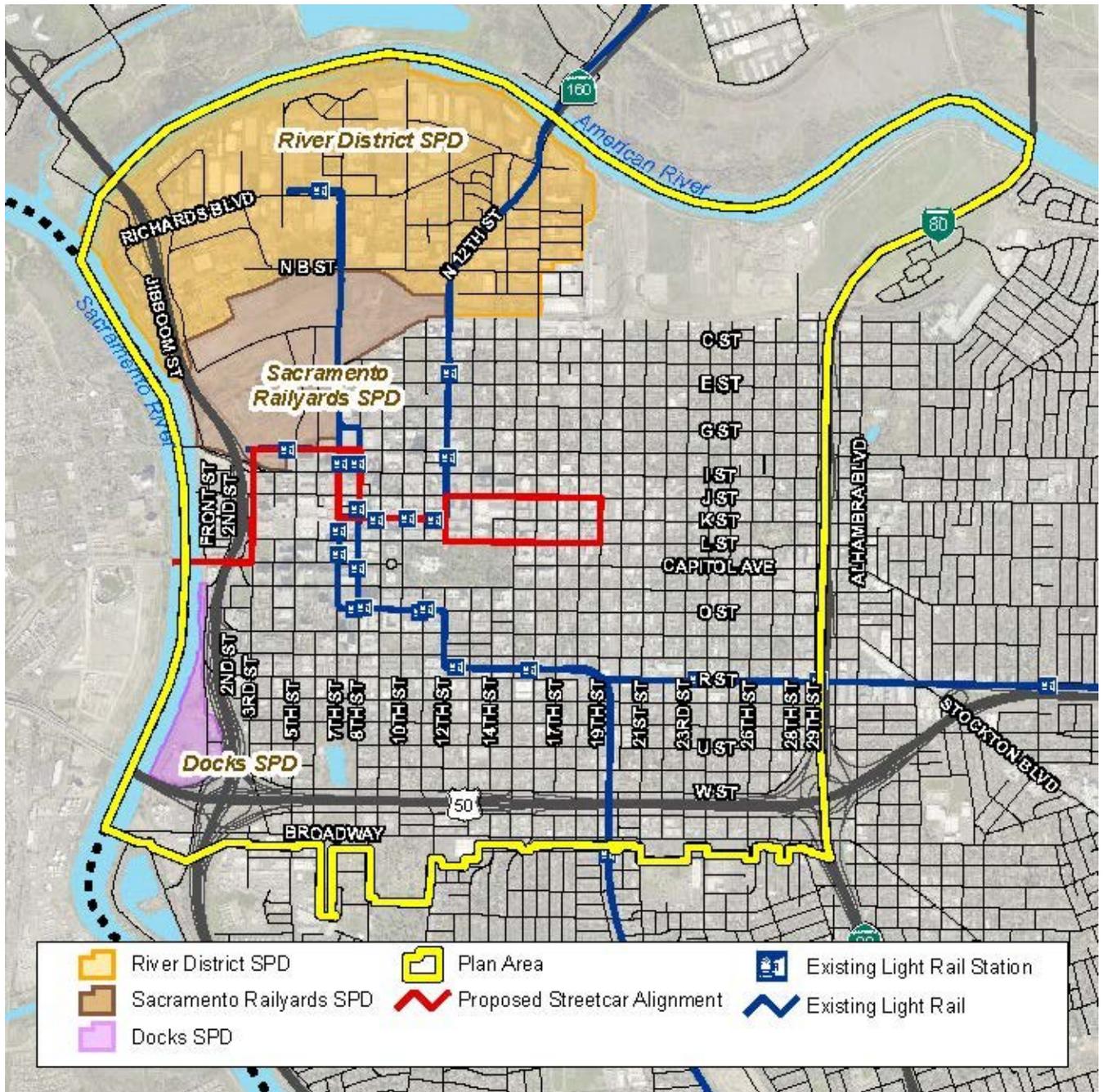
Objective: Create a predictable and welcome environment to build housing in the job and transit center of the Sacramento Region through CEQA and regulatory streamlining combined with market, infrastructure, and historic resources analysis.

Key Tasks:

1. Engage the public in a visioning process for downtown housing development and build support for appropriate infill development;
2. Identify CEQA streamlining including:
 - a. Circumstances that would afford subsequent projects to be exempt per the Specific Plan.
 - b. Whether City can develop a list of specific activities that are found to be within the categorical exemptions in CEQA guidelines.
 - c. Any other applicable CEQA streamlining measures.
3. Remove any unnecessary regulatory obstacles and determine ways to reduce discretionary review time.
4. Adjust zoning, development standards, and design guidelines for transit oriented development along the streetcar corridor and the plan area.
5. Engage developers and property owners to identify vacant and underutilized sites to determine where development is most likely to occur.
6. Perform a market study to determine what development types to expect in the next 10 years and where in the Central City that development might occur (i.e., low rise vs. high rise).
7. Perform a comprehensive infrastructure analysis to ascertain:
 - a. Areas with the least infrastructure deficiencies.
 - b. Priority infrastructure improvements to support catalytic development.
 - c. Unforeseen costs borne by future residential development.
8. Develop a strategy to cost effectively finance downtown infrastructure utilizing all available financing options.
9. Incorporate the Downtown Transportation Study (Grid 3.0) to develop a circulation system that will accommodate a growing downtown population.
10. Identify amenities (parks, museums, schools etc.) to attract new residents and increase the livability of downtown.

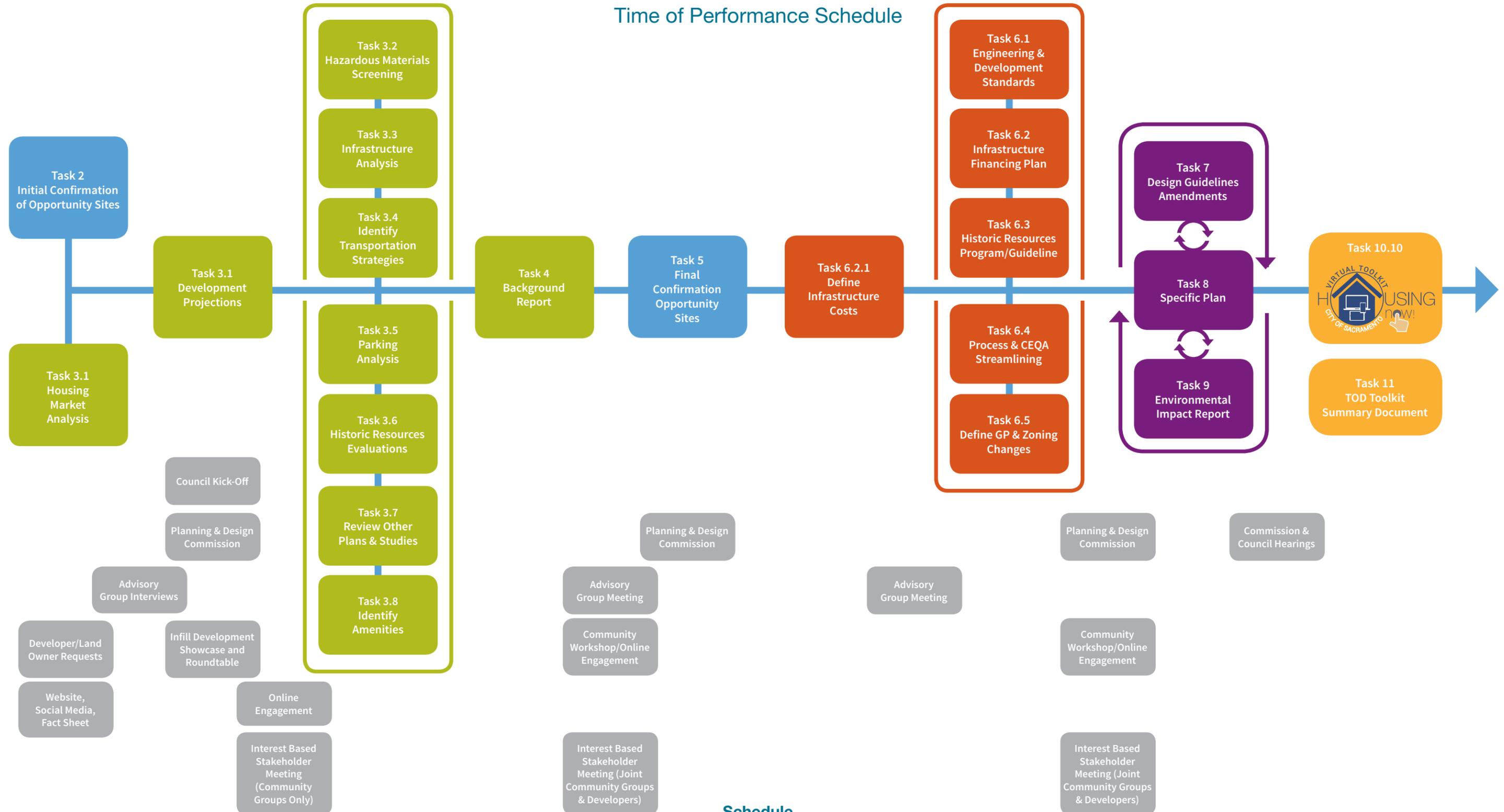
11. Survey historic resources in opportunity sites and in the public right of way to identify areas that would require preservation review action.
12. Create a vision for public art downtown, which will identify locations for public art, art goals for each site, as well as design guidelines.

Project Boundaries:



Sacramento Downtown Specific Plan

Time of Performance Schedule



Schedule

Summer 2016 Fall 2016 Fall 2016 - Spring 2017 Late Spring 2017 Later Spring 2017 Early Summer 2017 Early Summer 2017 - Fall 2017 Late Summer 2016 - Spring 2018

Opportunity Sites Selection Process

The opportunity sites that are selected for the Downtown Specific Plan will play a critical role of identifying where the growth will occur in the next 10 years. For the past year, City staff has been analyzing sites and receiving input from a variety of agencies and stakeholders. By knowing approximately where the growth will likely occur, the City will be able to prioritize infrastructure investment as well as point private investment towards sites that have been vetted for infrastructure capacity, presence of historic structures, past contamination, neighborhood compatibility and design considerations, and proximity to transit and amenities. Below is the methodology staff and the consultants have used to identify the opportunity sites.

Site Selection:

- Single or aggregate parcels that are a 1/3 acre or more.
- Sites containing Historic Landmarks, outside the project area, environmental constraint, and/or a General Plan designation of Traditional Neighborhood Low or Medium Density were generally excluded from the potential site list.
- Sites with active uses or other features that were unlikely in the next 10 years were put in a second category called Tier II.

Underutilized sites, defined by any of the following:

- Value of structure is less than the assessed value.
- Use of site is inconsistent or incompatible with surrounding uses and/or General Plan.
- Signs of long term vacancy.
- Building is in disrepair.

Vacant sites, defined by any of the following:

- Based on county land use code.
- No building or structure.
- Building or structure valued at less than \$50,000.
- Parking lot paid or unpaid on its own parcel with a consolidated acreage greater than 0.25 acres.

Agencies Consulted

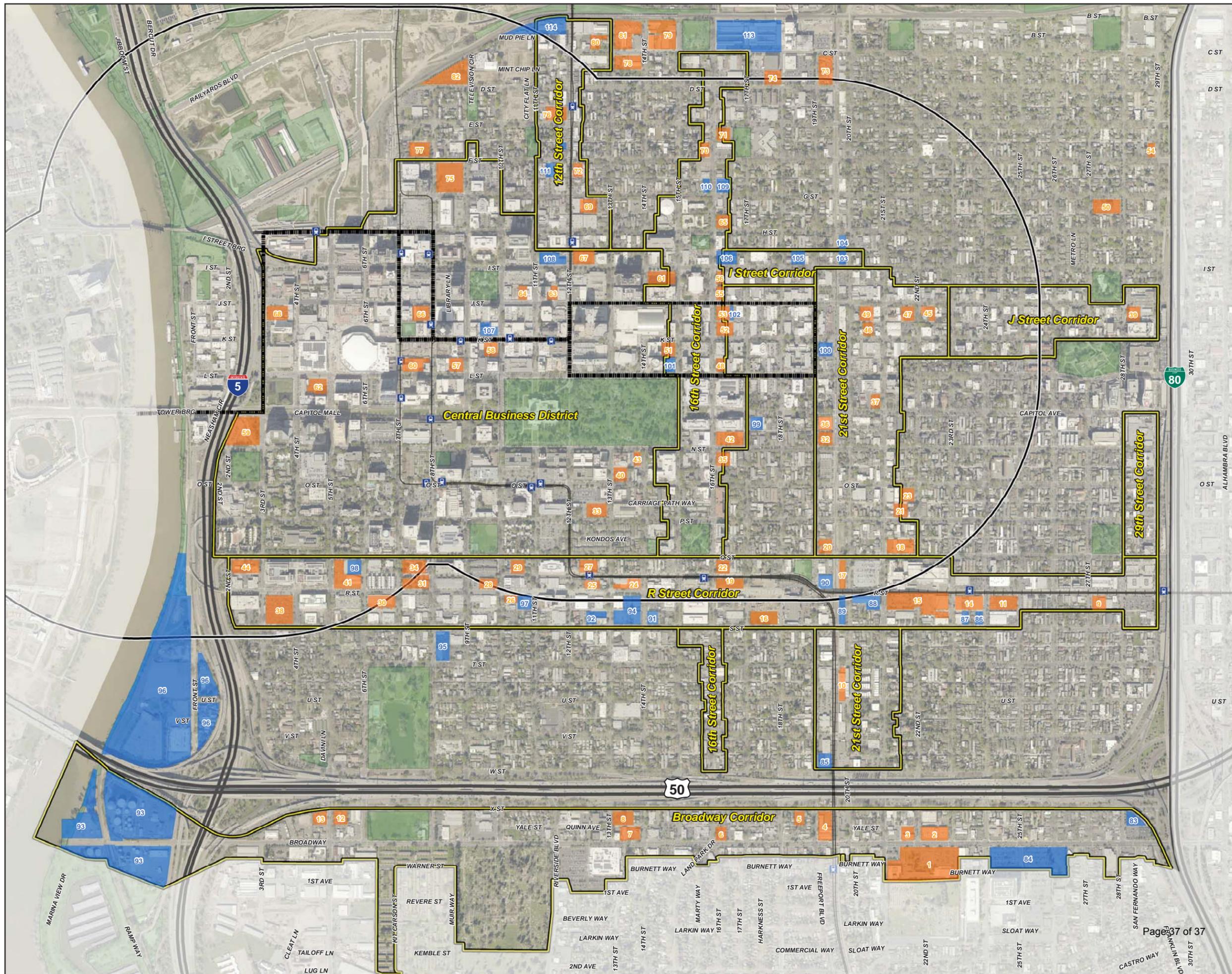
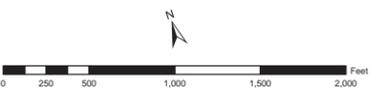
- Capitol Area Development Authority (CADA)
- Sacramento Housing and Redevelopment Authority (SHRA)
- Regional Transit
- Economic Development Department
- Sacramento Municipal Utility District (SMUD)

Developer/Landowner Input

- Letters were sent to 261 property owners in the Central City asking them to participate in our online survey.
- Twenty-nine emails were sent to developers asking them to participate in our online survey.
- The City received 29 responses from stakeholders that were interested in having their properties included in the opportunity sites list.
- The 10 question online survey was open from August 10, 2016 through September 10, 2016.

Downtown Specific Plan Opportunity Sites

- Opportunity Sites**
- Tier 1
 - Tier 2
 - Districts/Corridors
 - Parks
 - LightRail Stations
 - Lightrail
 - Proposed Streetcar
 - Half Mile Around Street Car



Map Last Update: 10/11/2016