REPORT TO COUNCIL
City of Sacramento

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Information
February 6, 2007

Honorable Mayor and
Members of the City Council

Title: 2005 Housing Element Annual Report

Location/Council District: Citywide/All

Recommendation: Receive and file.

Contact: Desmond Parrington, Interim Senior Planner, 808-5044; Thomas S. Pace, Long Range Planning Manager, 808-6848

Presenters: Not applicable

Department: Planning

Division: Long Range Planning

Organization No: 4912

Description/Analysis

Issue: City staff recently completed the 2005 Housing Element Annual Report (refer to Attachment 1). Under State law the City is required to prepare an annual report detailing the progress it has made during the prior year in meeting its Housing Element goals. The report is submitted in October based on the accomplishments from the preceding year. This report must be submitted each year to the state department of Housing and Community Development (HCD) and to the Governor's Office of Planning and Research (OPR). The report includes information from the Planning, Development Services, Economic Development, Police, Code Enforcement, and Utilities departments as well as information from the Sacramento Housing and Redevelopment Agency (SHRA). As discussed in the Housing Element Annual Report, the City has implemented a wide variety of policies and programs over the years in order to address the challenge of providing affordable housing. These include:

- First-time homebuyer programs;
- Housing Trust Fund;
- Mixed-Income Ordinance;
- Redevelopment programs;
- Rehabilitation programs; and
- Affordable housing preservation, financing, and acquisition.

The City has made substantial progress not only in meeting our share of the regional housing need, but also in providing a wide variety of housing types to serve different ages, households, lifestyles, and income levels. Since 2000, the City has added over 21,800 housing units to our inventory, including approximately 8,200 units affordable to low- and moderate-income households as a result of new development. Another 1,500 units have been improved through substantial rehabilitation. Yet, despite these programs, affordability remains a significant challenge, not only for Sacramento, but also for every city and county in our region and in our state.

Unlike at the start of this Housing Element in 2000, the market now rarely provides for housing for low-income households. As a result, housing for this segment of the population is increasingly dependent on programs such as the City's Mixed Income Ordinance, the Housing Trust Fund, and first-time homebuyer programs to provide more housing options. Home purchase options for moderate income households have also been an issue as prices climbed over the last seven years. In response, developers have increased the number of lower priced condominiums, small-lot single-family homes and townhomes to meet the demand from this segment. Furthermore, a variety of housing finance tools, such as adjustable rate mortgages, has made it easier for moderate-income households to afford a home. Currently, housing price increases have slowed and in some cases slightly declined as the inventory of unsold homes has grown. Based on estimates from housing market analysts, the local housing market is expected to return to a more normal market in 2007/2008 with typical annual single-digit price appreciation. City staff is closely monitoring the housing market and the affordability issue.

Next Steps

The Housing Element is the primary chapter of the General Plan that focuses on housing needs in Sacramento and how the City will address the challenge of affordable housing given expected population growth over the next few years. The Housing Element establishes key housing goals and policies for the City and includes implementation actions to make these a reality.

The City's current Housing Element is for the period from 2002 to 2007. Due to the requirements of State law, the next Housing Element is due to the State on June 30, 2008 and the document takes approximately a year to a year and a half to prepare given the amount of information required and the need for effective community outreach.

Council has allocated $200,000 for the preparation of a new Housing Element, the development of an affordable housing strategy as part of the Element and assistance in implementing housing programs. City staff prepared a Request for Proposals (RFP) for consultant assistance with these tasks and released it on January 25, 2007. Staff expects to begin the new Housing Element in February 2007. The information, goals, and policies in the new Housing Element will be coordinated closely with other relevant policies in the General Plan.

Policy Considerations: This report is consistent with the City's Strategic Plan goal of providing safe and affordable housing for all Sacramento residents.

Commission/Committee Action: The 2005 Housing Element Annual Report was presented as an informational item to the City's Planning Commission on December 7, 2006. The Commission mentioned that this was a very useful report with good information on the City's progress.

Environmental Considerations: There are no environmental considerations associated with this report. (Not a project under Section 21065 of CEQA and CEQA Guidelines Section 15378 (b)(4)).

Rationale for Recommendation: This report is required by the State of California to be completed on an annual basis. This is an informational item. No Council action is necessary.

Financial Considerations: None.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

Respectfully Submitted by: _____
Thomas S. Pace, Manager
Long Range Planning Division

Approved by: _____
Carol Shearly, Director
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Approved by: _____
Robert G. Overstreet II
Strategic Projects Executive

Recommendation Approved:

_____
for RAY KERRIDGE
City Manager

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Attachment 1

City of Sacramento
Annual Progress Report
On Implementation of the Housing Element

Jurisdiction: City of Sacramento

Address: 915 I Street, New City Hall, Sacramento, CA 95814

Contact: Thomas S. Pace **Title:** Long Range Planning Division Manager

Phone: (916) 808-6848

Report Period: January 1, 2005 **To:** December 31, 2005

A. Progress in meeting Regional Housing Need

The following discussion provides the total number of building permits issued during calendar year 2005, the affordability of those units, and a comparison of the City's regional housing needs allocation (RHNA) to the housing units developed in 2005.

1. Total Number of Housing Permits Issued

For the 2000-2007 Housing Element cycle, the City of Sacramento was assigned by SACOG its share of the regional housing needs allocation or RHNA. Under the Housing Element requirements, the City needs to identify sufficient sites for, and encourage the production of, 19,313 housing units by 2007 as shown in Table 1. Between 2000 and 2001, the City issued building permits for the development of 4,612 housing units, which were subtracted from the City's overall RHNA. As a result, the remaining RHNA during the preparation and adoption of the City's Housing Element was 14,701 units.

TABLE 1
2000-2007 REGIONAL HOUSING NEED

Income Level	2000-2007 Need	2000-2001 Units Produced[1]	Remaining Units Needed (2002-2007)
Very Low	772 units	194 units	578 units
Low	2,791 units	55 units	2,736 units
Moderate	4,714 units	1,789 units	2,925 units
Above Moderate	11,036 units	2,574 units	8,462 units
TOTAL	19,313 units	4,612 units	14,701 units

Note: 1. While the RHNA covers the period from June 2000 to 2007, the 2002-2007 Housing Element was due to the state Housing and Community Development Department (HCD) in 2002. Thus, housing units produced from June 1, 2000 until December 31, 2001 were subtracted from the City's 2000-2007 RHNA.

Between January 1, 2005 and December 31, 2005, the City of Sacramento issued building permits for 3,847 housing units (refer to Table 2). This represents approximately 26 percent of the City's remaining need (i.e., the regional housing needs allocation less the units constructed in 2000 and 2001).

Of those 3,847 permits, 2,496 were for single-family homes, while 1,351 were for multi-family units (refer to Table 2). Of the multi-family units, 90 percent of the permits issued were for units in projects with five or more units. During the same 12-month period, 31 single-family homes were demolished. Based on the location of 31 of the single-family units that were demolished, these were likely affordable to above moderate residents. None of the demolished units were income-restricted.

TABLE 2
BUILDING PERMITS ISSUED BY HOUSING TYPE - 2005

Housing Type	Permits Issued	Demolitions
Single-Family	2,496	31
Multi-Family 2-4 units	133	0
Multi-Family 5+ units	1,218	0
Mobile Home	0	0
TOTAL	3,847	31

Source: City of Sacramento, Permits Plus, September 2006.

2. *Affordability of Housing Units*

The following table shows the total number of housing units by income level that received some type of public assistance from the City of Sacramento and the Sacramento Housing and Redevelopment Agency (SHRA) in 2005. The type of public assistance provided may have included Community Development Block Grant (CDBG) funds, HOME funds, housing trust fund monies, redevelopment set-aside funds, tax credit allocations, mortgage revenue bonds, fee waivers, or other types of assistance. A substantial portion of the assistance went to support new construction or substantial rehabilitation. All of the very low, low, and moderate-income units were deed-restricted. Only those identified in the row labeled "Other Non-Restricted Units" did not have some type of deed or income restriction.

TABLE 3
SUMMARY OF PUBLICLY ASSISTED HOUSING UNITS - 2005

Income Category	Total	New Construction	Substantial Rehabilitation	Owner Assistance
Very Low-income Units	867	333	403	131
Low-income Units	798	246	489	63
Moderate-income	79	30	37	12
Other Non-Restricted Units	41	34	7	0
TOTAL	1,785	643	936	206

Note 1: Owner assistance refers to down payment assistance and minor rehabilitation aid.
Source: Sacramento Housing and Redevelopment Agency (SHRA), September 2006.

3. Comparison with Regional Housing Needs Allocation

In terms of meeting the City's share of its remaining regional housing needs allocation for the 2002-2007 period, Table 4 identifies the City's allocation, the number of units built, rehabilitated and demolished in 2002, 2003, 2004, and 2005. The income category assigned to each unit was based on whether the unit had a deed restriction or not. If it did not then the building permit valuation and location information was used to determine its affordability. For rental units, rental rate information for 2005 was derived from several sources including the Sacramento Bee classifieds, Rentclicks, and ForRent.com. Demolished units are added back to the City's regional housing needs allocation. The income category of the demolished unit was determined by building valuation and location.

The "Remaining RHNA" is the remaining units that need to be built in order to meet the City's share of its regional housing need by December 31, 2007. The "percent completed" column shows the percent of the regional housing needs allocation (RHNA) that the City achieved in 2002, 2003, 2004, and 2005.

TABLE 4
COMPARISON WITH REGIONAL HOUSING NEEDS ALLOCATION (RHNA)

Income Category	2002-2007 RHNA[2]	Units Built					Substantial Rehab[3]					Demolitions					Remaining RHNA[4]	% Complete
		2002	2003	2004	2005	Total	2002	2003	2004	2005	Total	2002	2003	2004	2005	Total		
Very Low (0-50% AMI[1])	578	260	263	153	333	1009	398	17	18	403	836	(0)	(0)	(0)	(0)	(0)	0 (Surplus)[5]	100%+
Low (51-80% AMI)	2736	196	106	102	246	650	2	66	64	489	553	(59)	(5)	(3)	(2)	(69)	267	90%
Moderate (81-120% AMI)	2925	1423	1707	950	436	4516	6	5	4	37	52	(17)	(16)	(79)	(1)	(113)	0 (Surplus)[5]	100%+
Above Moderate (120%+ AMI)	8462	1409	2856	3953	2382	10600	5	1	2	7	15	(8)	(6)	(22)	(28)	(64)	0	100%+
Total	14701	3288	4932	5158	3847	16775	411	89	88	936	1456	(84)	(27)	(104)	(31)	(246)	267	98%

Note: 1) AMI = Area Median Income. 2) Reflects 2000-2007 allocation, minus units constructed in 2000 and 2001. Refer to Table 4-10 in the 2002-2007 Housing Element. 3) These units qualify under Gov't Code Section 65583.1 and may be subtracted from the RHNA. 4) Remaining Regional Housing Needs subtracting units built and rehab, and adding in housing unit demolitions (demos). 5) There were 1,267 units affordable to very-low income households that are in excess of the City's RHNA target. Since these are also affordable to low-income households, they have been credited to the City's low-income portion of the RHNA and were subtracted from the 2,736 allocation. Similarly, the excess of moderate-income units has been credited toward the City's above-moderate allocation since these units are affordable to that income group.

Source: City of Sacramento, 2006 and SHRA, 2006.

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During 2005, the City made significant progress in meeting the needs of very low-, moderate-, and above moderate or upper-income households, as shown in Table 4. Based on City staff analysis, the City has already achieved its share of the regional allocation for very low-, moderate-, and above moderate or upper-income households. The City is also making good progress in meeting its share of regional housing needs in the category of housing for low-income households or those earning between 51 and 80 percent of the median area income (AMI). Similar to 2004, the majority of the apartment complexes built in Sacramento in 2005 were built in North Natomas. While many of the units were built at the target densities established for the area, most of the units had rents in excess of $1,000. With the exception of those units created for low-income households through the City's Mixed Income Ordinance, most of these units were not affordable to low-income households. Based on conversations with SHRA and City Development Services staff, in 2005 several other projects are in the pipeline that will provide several hundred additional affordable housing units in the City's new growth areas. In 2005, affordability was a challenge citywide. Home prices peaked during this period and according to a study by the National Association of Home Builders only 10 percent of households in the greater Sacramento region could afford the median priced home in 2005.

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives

The City has continued to make progress in attaining the goals and objectives set forth in its 2002-2007 Housing Element. The following provides a program-by-program report on the status of the City's efforts as well as an overall assessment of those efforts. In addition, this section contains an evaluation of the City's progress in meeting its quantified objectives.

1. Housing Program Status Report

The following is a program-by-program review of the status of housing programs identified in the City's 2002-2007 Housing Element. These programs are organized by related housing goal. The status of each program is identified in **bold** text.

Housing Supply

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

Development or Reuse include the Railyards/Richards area, Curtis Park Railyards, and R Street Corridor.

Responsible Entity: City Planning/City Council/ Downtown Department/SHRA

Time frame: On-going. Jacinto Creek, Railyards/Richards Boulevard Area, North Natomas and R Street Corridor plans adopted.

Desired Result: Create planned opportunities for an additional 10,000 new housing units.

Status: **Currently, the City is comprehensively updating its General Plan as well as the South Area Community Plan. (The new South Area Community Plan combines the Airport-Meadowview area with the western portion of the South Sacramento area.) In both these plans, the City is looking at expanding and enhancing opportunities for residential development, including affordable housing opportunities. Many of the new land use designations that the City is considering for the new General Plan and South Area Plan are mixed-use designations which will allow housing with other uses in many more areas of Sacramento. Furthermore, the City received a development proposal for the Railyards area that includes approximately 10,000 residential units, which will be required to comply with the Mixed Income Ordinance. The City is also looking at other redevelopment areas as well as the City's commercial corridors. For example, on November 4, 2003, Council adopted the Commercial Corridor Revitalization Strategy, which included zoning code amendments to encourage housing on commercially zoned properties. In addition, City staff worked with landowners to rezone properties in the Northgate Commercial Corridor to Residential Mixed-Use (RMX) to encourage housing close to services. This strategy was adopted by Council in spring 2006.**

1.2 Apply location, site, and design criteria for the evaluation of suitable sites for medium to high-density residential development. The City should seek to optimize multi family opportunities on sites meeting the following criteria: (a) proximity to public transit or bus service (b) proximity to commercial and social services (c) parcel size and configuration which enhances the feasibility of development (d) lack of physical constraints (noise, wetlands) (e) provision for a

variety of housing types and affordable housing opportunities and (f) other criteria deemed appropriate including integration of multi family units within the larger adjacent neighborhood. Apply the criteria to evaluate rezoning proposals involving multi-family development.

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

Status: **The City continues to review multi-family site criteria when identifying suitable sites for higher density development. The City has done this as part of its planning efforts at light rail stations and is using such criteria as part of the development of the General Plan land use diagram. For example, the City created a Transit Overlay Zone to encourage higher-density housing and other appropriate uses within ¼ mile of transit stations in Sacramento. The City also adopted a Light Rail Station Ordinance, which encourages transit-supportive uses, including high-density housing and residential mixed-use, while restricting non-transit supportive uses. The Ordinance made housing easier near light rail stations including allowing housing in light industrial zones.**

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

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

Status: **The City attempted to annex the Freeport area in 2005, but the voters in that area rejected this. The Panhandle annexation in the north will likely be completed in 2007. All of these sites are expected to provide substantial opportunities for additional housing development. The City is currently involved in the annexation of the Greenbriar area, which is immediately adjacent to the North Natomas Community Plan area. When developed, this area will likely include 3,500 residential units at densities ranging from 7 du/ac to 29 du/ac. The average density for the project is over 14 du/ac.**

This will help facilitate the construction of a range of housing types in these areas, including affordable housing since all these areas are subject to the City's Mixed Income Ordinance.

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

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

Status: **The Planning Department regularly tracks vacant and surplus land as part of its Housing and Population Report. This analysis is done using GIS. The report tracks vacant land and surplus land as well as near-term development (i.e., applications in the pipeline). The Planning Department provides a semi-annual report on land and development. In addition, the City completed an assessment of available of surplus land for residential use in 2005 as part of the preparation of the Land Use Element for the General Plan update.**

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

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

Status: **On August 2, 2005, the City updated and amended the financing plan for North Natomas to ensure that infrastructure is in place to facilitate development. The financing plan for the Railyards will be done in coordination with Railyards specific planning In addition, as part of the General Plan update, the City is preparing an infrastructure and financing plan that will evaluate ways to provide financing to provide and improve infrastructure citywide. This plan is expected to**

be completed in 2007. The City is also working on a focused Capital Improvement Plan (CIP) to better coordinate and focus funding in key infill areas.

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

Responsible Entity: City Development Services, Environmental Division
Time frame: Ongoing
Desired Result: Implement standard noise mitigation measures to streamline environmental review process.
Status: **The noise mitigation measures have been implemented and are used by the City's environmental services section to streamline environmental review during the development application process.**

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

Responsible Entity: City Planning/City Council
Time frame: Fall 2002
Desired Result: Amend zoning code to allow more flexibility in the type of Live/Work housing.
Status: **Due to current staff workload, these amendments are not expected to be completed until 2007. However, changes were made in 2005 to the City's zoning code to encourage the development of second units and setbacks were reduced to encourage residential infill development. Review in PUD districts was streamlined to promote live/work unit development in these areas. Finally, home occupation permits are now issued concurrently with business licenses to facilitate live/work uses.**

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

Responsible Entity: City Planning/City Council
Time frame: Fall 2002 – Fall 2005

Desired Result: Plan amendments and rezoning to increase residential holding capacity by approximately 14,500-22,000 new units.

Status: **The City has developed a work plan for all its light rail stations. This plan addresses land use, infrastructure, and urban design among others. The City is now in the process of implementing the TLC Recommendations at several light rail stations, including the 65th Street Station area and at the Swanston Station. In addition, all four of the stations on the South Line are being analyzed as part of the South Area Community Plan update. Through the Community Plan update, the City will be evaluating land use, infrastructure, and urban design at these stations and will be developing policies to promote residential mixed-use development at these four South Line stations as well as at other stations in the City. Land use changes and rezonings are expected to be complete by 2007. The City also recently received grant funding from Caltrans to develop urban design plans for light rail station areas on the northeast line, which should facilitate the development of housing near light rail stations.**

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

Responsible Entity: City Planning /City Council

Time frame: Contingent upon rezoning requests or in conjunction with community plan/general plan amendments

Desired Result: Application of EC land use in appropriate locations near future transit stations and transportation corridors to integrate residential projects with large employment uses.

Status: **As part of the General Plan update, the City is looking at extending the EC designation or a similar mixed-use designation that includes residential in combination with office uses throughout the City. This land use designation and zone will be extended as part of the Land Use Element and subsequent zoning code update. These will likely be extended Citywide in 2007.**

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

Responsible Entity: City Planning Department
Time frame: On-going.
Desired Result: Administration of mobile home park regulations.
Status: **The City has continued to administer its mobile home regulations. However, the City is reviewing its mobile home park regulations including conversion issues and may be presenting this issue along with others in an affordable housing workshop with City Council in 2006/2007.**

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

Responsible Entity: City Planning and SHRA
Time frame: As needed.
Desired Result: Coordinated replacement-housing requirements for displaced mobile home tenants.
Status: **The City continues to coordinate with SHRA on a regular basis regarding housing, mobile home parks, and replacement requirements. As noted above, the City is reviewing the need for a Mobile Home Park Conversion Ordinance.**

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

Responsible Entity: City Planning
Time frame: On-going existing program.
Desired Result: Allow some conversion of apartments to condos in the Central City Community Plan Area and update vacancy rates. Maintain a reasonable balance of rental vs. ownership housing opportunities in multi-family housing.
Status: **Beginning in 2005, City staff began a series of workshops on the Condominium Conversion Ordinance and how it works. Based on feedback from Development Oversight Commission, Planning Commission and Council, staff may begin revisions to the ordinance to improve the process, but also to ensure that the City maintains a balance of rental and ownership opportunities. Furthermore, the City has**

completed vacancy rate reports for 2004 and 2005, which are a requirement of the Condominium Conversion Ordinance.

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

Responsible Entity: City Planning
Time frame: Summer 2004.
Desired Result: Ensure the Emergency Shelter Site Inventory contains sites that are developable.
Status: **As part of the General Plan update, particularly in our Land Use and Housing Element updates, the City will assess the adequacy of our emergency shelter site inventory.**

Housing Affordability

2.1 Participate in the Sacramento County Regional Sanitation Board's fee waiver and deferral program to reduce impact fees for very low and low-income housing developments and request waiver of fees for 200 very low-income units per fiscal year in the City and County of Sacramento or 5% of the residential building permits issued in the unincorporated County in the prior fiscal year, whichever is greater, and an extension from June 1, 2000 thru June 2002. There is no cap on deferrals.

Responsible Entity: SHRA/City Council
Time frame: MOU approved in 1998; Extension Fall 2002
Desired Result: Fee reductions for the development up to 200 qualified affordable housing units per year in the City and County.
Status: **Through the Regional Sanitation Board's fee waiver and deferral program, SHRA provided fee waivers and deferrals to 100 affordable units in 2005. Typically, every year SHRA uses all fee waivers allocated to it by the Regional Sanitation Board.**

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

Responsible Entity: Budget/City Planning/City Council
Time Frame: On-going

Desired Result: Fee reductions for up to 200 affordable housing units per year.

Status: **The City budgets $500,000 annually for the Affordable Housing Fee Reduction Program. This program is used in conjunction with the City's Mixed Income Ordinance. The accomplishments of the Mixed Income Ordinance are described later in this report.**

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

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

Status: **The City adopted the Infill Fee Reduction program that provides fee reductions and other incentives for infill development. Developments can receive up to a maximum of $5,000 in reduced fees. As a result of the prevailing wage laws (SB 975 of 2001 and Senate Concurrent Resolution No. 49 of 2003), concern has been raised that the fee reduction may trigger prevailing wages for infill projects that might not normally be required to provide prevailing wages. As a result, there has been little interest by developers for such fee reductions from the City.**

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

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

Status: **The City is currently providing sewer credits through this program. In 2005, the City provided sewer credits to assist the development of approximately 125 units.**

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

Responsible Entity: City Planning/Utilities
Time frame: Ongoing

Desired Result: Distribute fee waivers for 50-100 Units annually.
Status: **The City provided water development fee waivers to approximately 235 infill housing units in 2005.**

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

Responsible Entity: SHRA and Community Services Planning Council
Time frame: On-going existing program known as the Community Information Center (CIC)
Desired Result: Consolidated "one stop" information center for housing information regarding housing availability, programs and services.
Status: **SHRA has developed the multi-family rental resource on the web that provides people who are looking for affordable rental housing with a one-stop center for housing information (Go to: http://www.shra.org/Content/Housing/AffordableHousingSite/AffHousingTOC.htm). Similarly, the Community Services Planning Council has operated Infoline, a phone referral system for many years and has initiated Beehive, an online information and referral service for social services and housing. (Go to: http://www.thebeehive.org/Templates/Housing/Level3NoRight.aspx?PageId=1.886&LC=40&LG=1). Sacramento Self Help Housing provides another valuable housing referral resource online with emphasis on housing resources for very low-income persons. (Go to: http://www.sacselfhelp.org/).**

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

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: SHRA will continue to participate in the financing of housing for emancipated foster youth, AIDS/HIV, & other persons with special needs.
Status: **SHRA provides Community Development Block Grant funds to Mercy Housing who provides technical assistance to social service providers that wish to develop supportive housing for special needs groups such as emancipated youths, persons with HIV/AIDS, etc. This funding**

has proven to be effective in enhancing the capacity of service providers to own, manage and develop permanent supportive housing.

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

Responsible Entity: SHRA
Time frame: Ongoing
Desired Result: Innovative approaches will be pursued to protect the financial viability and management of public housing, including modernization and substantial rehabilitation of 120 units and the sale of 60 single-family properties to existing tenants and work incentive programs.
Status: **SHRA rehabilitated and sold 14 housing authority-owned single family homes to low income buyers in 2005.**

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

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: Authorize 1-2 awards per year to corporations to support vital projects particularly for housing for persons with special needs.
Status: **Through Mercy Housing's technical assistance grant, assistance was provided to the multiple providers with potential developments throughout the City and County, including AIDS Housing Alliance, Transitional Living and Community Support, Cottages, Volunteers of America and numerous faith based organizations.**

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

Responsible Entity: SHRA
Time frame: Annual
Desired Result: New community needs assessment to guide program funding.
Status: **SHRA worked extensively with the community during the update of its 2003-2007 Consolidated**

Plan and One-Year Action Plan. This update included a new community needs assessment as well as a strategic plan which will guide the expenditure of CDBG, HOME, Emergency Shelter Grant (ESG) funds, and other funds during the 2003-2007 time frame. SHRA staff is currently updating the Consolidated Plan and will be doing public outreach for that. In addition, City staff held workshops on key policy issues associated with affordable housing in the City in 2006. These workshops included public involvement and outreach on a variety of housing policy issues as well as preparation for the Housing Element update.

2.11 Maintain and enforce the City Preservation Ordinance as well as maintain financing opportunities for potential purchasers to preserve federally assisted housing with expiring Sec. 8 subsidies.

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

Status: **In 2004, the City Council approved a Housing Preservation Ordinance aimed at preserving federally subsidized affordable units. SHRA has been the lead agency responsible for ordinance implementation. In 2005, SHRA provided financing to five projects with expiring Section 8 subsidies. Of these, three were in the City and two were in the County. Cumulatively, this financing preserved a total of 520 project-based Section 8 units. These units typically serve extremely low-income people, many of whom are disabled.**

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

Responsible Entities: SHRA and local lenders
Time frame: On-going
Desired Result: Increase affordable housing lending through marketing efforts with regulated financial institutions and equity investors.

Status: **SHRA has continued to work to promote partnerships among investors and developers to facilitate the development of affordable housing. SHRA markets and offers a number of assistance programs for developers of affordable housing. These include: Multi-Family Mortgage Revenue Bond (MRB) Program, Multi-Family Housing Lending Program Direct Loan Program, and the Investment Property Program, among others. SHRA also provides guides to developers on existing City and SHRA programs to help them with affordable development. In addition to printed materials, this information is made available on SHRA's website (www.shra.org).**

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

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

Status: **As shown in the Tables earlier in this document, SHRA has used redevelopment set-aside funds in combination with other funding sources to assist in the construction or substantial rehabilitation of 1,471 low and very low-income units.**

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

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

Status: **SHRA received three HELP grants from CalHFA. One was for $2 million and was to be used to address code violations and other nuisances at problem properties in the County. The other two**

grants were to the City for $1.5 million and $1 million respectively. The City grant funds all have been used for Phoenix Park. Both phases of that 360-unit acquisition/rehabilitation project have been completed and the project is fully occupied.

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

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

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

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

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

Responsible Entity:	SHRA, City Planning, and City Council
Time Frame:	Adopted Oct. 2001 (Amendments in Summer 2003), Implementation
Desired Result:	900 very low and low-income units by 2007
Status:	**Since adoption of the Mixed Income Ordinance 26 city inclusionary housing plans have been approved, requiring a total of 1,177 units. Fourteen of those plans were approved in 2005 requiring a total of 664 units.**

In November 2004 and again in January 2005, the City Council approved amendments to the Mixed Income Ordinance to encourage a variety of housing types within new growth residential projects. These changes included an alternative for "small" single family developments under five gross acres, an alternative for condominium developments of 200 units or less and provisions to encourage alternate housing types by allowing inclusionary units to be built to R1-A standards in the R-1 zone without a rezone. The City has also developed several fee waiver and infill incentive programs designed to assist infill and affordable development in the City. These are also described in this report.

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

Responsible Entity:	SHRA and SVRHA
Time Frame:	On-going
Desired Result:	Effective marketing of Section 8 program with landlords
Status:	**Although there have been significant federal funding reductions for the Section 8 program, SHRA is actively monitoring and pulling from its waiting list as tenant-based vouchers become available.**

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

Responsible Entity:	SHRA, City Planning
Time Frame:	Summer/Fall 2003
Desired Result:	Maintain the effectiveness of the Housing Trust Ordinance to develop housing for lower income workers employed in new nonresidential development projects.
Status:	**In October 2004, City Council approved an increase in the Housing Trust Fund fee, which resulted in a significant addition of funding available for affordable workforce housing. Furthermore, the fee is now updated annually based on the San Francisco Construction Cost**

Index (the standard construction index used for City development fees). In April 2006, a new nexus for the Housing Trust Fund was prepared and presented to Council. City staff is currently working with neighboring jurisdictions to coordinate adjustments to the fee level. In addition, in the spring of 2007, staff will be bringing forward some technical fixes to make the ordinance easier to understand and administer.

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

Responsible Entity: City Planning, SHRA
Time frame: Summer 2004.
Desired Result: Develop polices and programs that address the needs of extremely low-income households.
Status: **The City is currently reviewing options to address the housing needs of extremely low-income households. This issue will be part of the affordable housing policy workshop which staff will hold with Council and the public in spring 2007 in preparation for the Housing Element update.**

Housing Mix, Balance, and Neighborhood Compatibility

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

Responsible Entity: City Planning (lead) with assistance, SHRA and City Utilities
Time frame: Ordinance adopted Oct. 2001, Ongoing through inclusionary housing plans.
Desired Result: Many neighborhood areas of Sacramento are predominantly low-income. Equally important to the concept of fair share distribution of low-income housing is economic diversification and stabilization of low-income areas. Through actions of SHRA and the

City in coordination with lenders and developers, efforts should be made to provide opportunities for step-up housing whenever possible in low-income neighborhoods.

Status: **In November 2004 and January 2005, the City adopted three major changes to the Mixed Income Ordinance. Two of the three major changes promote homeownership opportunities for low- and very low-income households by allowing a different mix of inclusionary units for some smaller projects that provide their affordable units on-site and for-sale. The changes were approved because they encourage homeownership opportunities for lower-income households and also address the needs of smaller developers.**

The City's ordinance originally required 15% of a residential development in a new growth area must be affordable to very low- and low-income households. Ten percent (10%) had to be affordable to very low-income households, while fiver percent (5%) were for low-income households. For small projects, especially smaller condominium complexes, the 10% very low-income requirements created a significant challenge for these developers due to higher infill and condo construction costs. As a result, this requirement hampered the development of these types of projects and thus the development of the inclusionary (affordable) units.

To address this, the first change involved requiring 10% of the total units for low-income households and 5% for very low-income households in small condo projects. The second change allowed small single-family developments of less than five acres to meet their 15% inclusionary requirement exclusively with low-income units. Again, this was done to encourage infill development given the higher costs associated with this type of development. The third change allowed developers in R-1 zones to build their inclusionary housing units to R-1A standards, which gives them greater flexibility in meeting development standards, while at the same time providing affordable units.

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

Responsible Entity: City Planning/City Council
Time Frame: Conducted workshops in Fall 2002
Desired Result: Conduct workshops to identify incentives on promoting Medium Density multiple housing type Housing Developments in North Natomas Community Plan and other areas.

Status: **In 2003, the City hired Criterion, a consulting firm, to assist staff with an analysis of the effectiveness of the requirements in the North Natomas Community Plan. Using the Index modeling system, staff analyzed the balance of housing types and tenure as well as their proximity to transit, parks, and other amenities. The results of the analysis revealed that the City had been successful in creating a mix of housing types throughout the Community Plan area and in neighborhoods. Furthermore, residential developers have generally achieved target densities for development in this area, particularly in the Medium Density Residential (MDR) land use category. As a result, residential densities for the Natomas area have been consistent with the Community Plan goals. Development in this area has generated a significant amount of affordable housing throughout the community since it is subject to the City's Mixed Income Ordinance. The Ordinance requires that 15% of the units in new residential projects are affordable to very low and low-income households.**

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

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: Increase owner-occupancy for 2,400 qualified low and moderate-income households.

Status: **The City and SHRA have continued to support home ownership assistance programs. During 2005, SHRA provided first-time homebuyer assistance to 45 low-income households. Additional low and moderate-income households have been assisted through the 25 Mortgage Credit Certificates (MCCs) that were issued in 2005 to households in the City.**

Mitigate Governmental and Non-Governmental Constraints in the Development of Housing

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

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

Status: **The City continues to use the preliminary review process. City staff will meet and advise applicants prior to application submittal in order to provide technical assistance and help ensure that the process is smooth and timely.**

The City has instituted a new pilot program called the MATRIX, which is designed to streamline the entire permitting process. Initially, the MATRIX was used for the Central City/East Sacramento area, but was expanded citywide on January 1, 2007. MATRIX brings together City staff from all disciplines to provide early feedback to the applicant and to ensure that issues are resolved in an expedient manner. The MATRIX also offers and encourages pre-application meetings with staff and the pilot program utilizes an early notification system to identify community issues early in the process.

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

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

Status: **Through the work of planning staff, the community is regularly involved in land use decisions. Staff also notifies residents of planning entitlement applications. Staff consistently encourages communication between the developer and community residents regarding planned developments. The General Plan update effort also incorporates extensive community involvement in citywide land use decisions. The City also instituted a new process called early notification, whereby the public is given advanced notice of projects and offered the opportunity to provide comments on these before regular hearings in order to avoid problems or concerns later in the process.**

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

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

Status: **City staff has continued to coordinate the early review of projects through the Technical Review Committee, which is held with key departments involved in the development application process. The Subdivision Review Committee serves a similar function for tentative maps for subdivisions. As noted earlier, the City has initiated the MATRIX program and handles coordinated review through the Matrix Review Committee (MRC). The City will also be implementing a new permit tracking system called Accela. This will replace APS and will be better**

integrated with other City programs. It should be better able to track projects through the process and have greater functionality than the current system.

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

Responsible Entity: City Manager's Office, Public Works Department, SAFCA and Army Corps of Engineers.

Time frame: On-going.

Desired Result: Folsom Dam interim re-operation is in place. Work continues on improvements to levees and modifications to Folsom Dam.

Status: **Substantial flood control improvement work has been accomplished on Sacramento River, American River and Morrison Creek / Beach Lake levees. The U.S. Army Corps of Engineers certified nearly all of the American River levees and Sacramento River levee from American River to the Pocket area as providing 100-year level of flood protection, and new flood insurance rate maps for large portions of Sacramento were issued in February 2005, thereby providing some flood insurance relief to those areas. Some portions of southern Sacramento remain in the 100-year flood plain until additional work is accomplished on the Sacramento River Pocket area levee and Morrison Creek levee. Completion of this work, scheduled for late 2006, will lead to flood insurance certification of those levees and allow for flood insurance remapping of large portions of southern Sacramento, thereby providing some flood insurance relief to those areas as well.**

Additional levee work on Natomas and American River levees is being planned consistent with prior authorizations and plans for flood releases from a modified Folsom Dam. The extent of

further levee underseepage work on levees protecting Natomas has been evaluated by the Sacramento Area Flood Control Agency (SAFCA). Study findings suggest the risk of failure of levees around Natomas is greater than was previously thought. There are several at-risk erosion sites totaling over two miles in length. Almost 20 of 26 miles of levee are susceptible to underseepage at the 200-year flood stage, and at several locations this susceptibility also occurs at the 100-year flood stage. Preliminary estimates indicate the cost of improvements needed is approximately $400 million. SAFCA is proceeding with a Natomas Levee Improvement Plan (NLIP) with a goal of attaining 200-year protection within 5 years. Initial funding of $10 million is being arranged via sale of Bond Anticipation Notes to Sacramento City and County ($5 million each). Further funding is anticipated from State bonds, a new SAFCA benefit assessment district, and subsequent Federal reimbursement / crediting.

The levee protecting portions of north Sacramento were certified in 1998 as providing flood protection for flood insurance purposes. FEMA is updating flood insurance rate maps as part of their map modernization program. This program will develop digital flood insurance rate maps (DFIRMS). As part of this program, FEMA will require up-to-date certification of levees as providing protection from the one-percent-annual chance flood for levees to be recognized in the remapping effort. Preliminary maps for the Sacramento area are tentatively scheduled to be available in next several years.

Increased urbanization over the past 50 years has resulted in frequent flooding in the Magpie Creek area. Magpie and Don Julio Creeks overtop their banks, floodwaters overtop Raley Boulevard, and floodwaters exceed the Magpie Creek Diversion Channel capacity. The existing flood control project does not provide protection to historic Magpie Creek from a one-percent-annual chance flood. The Corps of Engineers, State Reclamation Board, Sacramento Area Flood Control Agency,

and American River Flood Control District have identified a plan for modifying the existing project involving a natural flood detention basin and levee improvement work. These agencies are pursuing more favorable cost sharing of the project with the Corps of Engineers. Pending agreement on cost sharing and implementation of the proposed plan, areas upstream and downstream of the Magpie Creek Diversion Channel continue to be subject to flooding. Implementation of the proposed plan will involve acquisition of floodplain lands upstream of the diversion channel and east of Raley Blvd. Until implementation of the proposed plan or some other flood control improvement plan, development of parcels in and adjacent to the flood plain are required not to reduce the floodplain conveyance capacity or floodplain storage volume.

Congress and the State of California have authorized improvements to Folsom Dam to further increase the level of flood protection to the Sacramento area. Because of potential cost increases for the Folsom Dam work, the U.S. Army Corps of Engineers, U.S. Bureau of Reclamation (USBR), State Reclamation Board, and Sacramento Area Flood Control Agency, of which the City of Sacramento is a member, conducted a Project Alternatives Solutions Study to look at alternatives to improve flood protection and provide an adequate spillway for passing Probable Maximum Flood for Dam Safety purposes. Alternatives would meet the objectives of Folsom Dam Modifications, Folsom Dam Raise project, and Folsom Dam Safety spillway adequacy. An alternative for a new auxiliary spillway southeast of the existing main dam is one alternative developed. The Probable Cost range is $1.2 billion to $1.8 billion. The project partners are now optimizing an Integrated Federal Alternative and are developing a Folsom Dam Joint Federal Project plan. USBR is proceeding with Dam Safety work that may be accomplished within USBR's current authority and funding. The Corps of Engineers is preparing a report to

recommend Congressional authorization of the modified plan at the higher cost.

4.5 Implement City's Development Oversight Commission Recommendations related to improving coordination, information, and streamlining development processes.

Responsible Entity: City Planning and Building, Public Works, Utilities, and Fire Department,
Time frame: Dec. 2002 - 2005
Desired Result: Staffing assistance information handouts and service improvements, revised zoning and development processes.
Status: **City staff has completed implementation of most of the DOC recommendations. The City developed special teams to assess and re-engineer development review processes to make them more streamlined. Other examples of process improvements include: creation of the Citywide MATRIX program; the creation of special project managers for complex projects; the establishment of the Development Services Cabinet composed of all the managers of the disciplines involved in the development process; development of a new permit tracking system (Accela); work on the consolidation of all development service fee collections and the provision of comprehensive fee information on the City website and in pamphlet form, etc.**

4.6 Develop effective infill programs that address the regulatory process, including a streamlined process with reduced levels of review and more flexible regulatory requirements including building code and infrastructure standards and different regulatory requirement for infill development, particularly for traffic levels of service, street standards, and parking.

Responsible Entity: City Planning and Building, Public Works, Utilities, and Fire Department,
Time frame: Hire Infill Coordinator Summer 2003, On-going
Desired Result: Provide flexibility in development standards so that new subdivisions are compatible with existing neighborhood conditions. Also provide flexibility in the types of infrastructure improvements necessary. For example, flexibility in roadway widths would, in some instances, reduce costs and allow a more intimate neighborhood environment.

Status: **City planning staff has been working closely with City utilities and transportation departments to reduce street widths and provide flexibility for necessary infrastructure improvements. For example, in 2003, the City adopted pedestrian-friendly street standards. These issues are being further assessed on a citywide basis in the General Plan update. The City also hired an Infill Coordinator in 2003 and has established several programs (described later in this report) to promote infill development.**

4.7 Establish Planning Director's Plan Review (PDPR) process for review and approval of smaller multi-family developments. Currently all multi-family proposals require R-review and approval by the Planning Commission, unless the project is located within a design review district or PUD, which creates additional processing times and costs. The PDPR process would utilize the Multi-Family Design Guidelines to assure compliance with minimum design standards. The streamlined process shall provide for notice and community review of proposed projects for City Council review of individual projects. Appropriate maintenance and management requirements should be established to promote the proper operation of rental units.

Responsible Entity: City Planning/City Council
Time Frame: Spring/Summer 2003
Desired Result: Zoning Ordinance Amendments to Multi-family R Review
Status: **An ordinance establishing Planning Director's Plan Review for multi-family projects with 100 units or less citywide or 200 units or less in a PUD district was adopted by City Council on May 8, 2003.**

4.8 Work with the Building Industry Association and other stakeholders to consider state legislation to change or modify the Subdivision Map Act to address the issue of condominium construction and liability insurance.

Responsible Entity: City Planning
Time frame: 2003-2004
Desired Result: Modification of the Subdivision Map Act to encourage the production of condominium housing units.
Status: **The City continues to work with the BIA and the State legislature to address the condominium construction and construction defect liability issues.**

Housing Quality and Neighborhood Improvement

5.1 The City shall continue to expand and improve the Design Review program of the City. In particular, the City shall adopt Design Guidelines for single-family uses to help standardize design expectations and shall investigate alternative administrative processes for small project design review. Additionally, the City has adopted an administrative (staff level) design review process for the north area of Sacramento (north of the American River). This eliminates the need for full Design Review Board review for small projects or projects which reasonably conform to design guidelines. In all these efforts, the City is seeking to streamline the process without sacrificing good quality design and community acceptance.

Responsible Entity:	City Planning
Time frame:	Checklist adopted Fall 2002, Implementation Ongoing
Desired Result:	Adopt and Implement Single-family Design Checklist and other Design Review programs.
Status:	**The City adopted citywide Single-Family Design Principles in 2000 and a single-family residential design checklist was adopted in 2003.**

5.2 Implement Infill Strategy and implementing ordinances that provide incentives to encourage development that is appropriate for the neighborhood. Accomplish the following objectives:

- Add policy language and the incentives to promote a quality project that compliments the neighborhood. Quality should be exhibited in product design, type and variety of materials and orientation to the street.
- Provide increased flexibility within the Zoning Ordinance to develop in a manner consistent with the surrounding neighborhood. For example, offer flexibility by modification of setback, lot size and lot coverage development standards.
- Add the ability to offer a streamlined process for infill projects that are compatible with the neighborhood setting.
- Appoint a new Citywide Infill Coordinator to coordinate and promote the program.
- Provide updated information about the inventory location of infill areas and targeted infill development sites.
- In addition to existing fee waiver and reduction programs, investigate other City and non-City financial incentives for the program such as a reduction in the Quimby Fee Ordinance.

- Implement Pre-Approved House Plan Program

Responsible Entity: City Planning Department
Time frame: Spring 2004, Implementation on-going
Desired Result: Update and adopt infill housing policies, ordinances and incentives that streamline the development process and resolve neighborhood concerns regarding infill housing.

Status: **In conjunction with the City's adopted Smart Growth Principles, the City is working to provide greater flexibility in its Zoning Code to support infill development. Changes were made in 2005 to the City's zoning code to encourage the development of second units and setbacks were reduced to encourage residential infill development. Review in PUD districts was streamlined to promote development in these areas.**

As of 2005, the City implemented the new MATRIX pilot program that streamlines the development review process. The program has been successful in reducing review times and streamlining the development review process. Initially, the MATRIX program covered the Central City and East Sacramento Community Plan areas, but was expanded citywide on January 1, 2007.

The City also developed an infill strategy and appointed an Infill Coordinator in 2003.

The City has implemented several fee waiver and incentive programs to encourage affordable housing and infill development. These include the Infill Fee Reduction Program, the Affordable Housing Fee Reduction Program, and the Infill Incentive Fund.

As part of the Population and Housing Report and the General Plan update, City staff monitors and maintains the City's supply of vacant land suitable for development.

City planning staff is currently completing the final ordinance changes and modifications to the

draft Pre-Approved House Plan Program. The program has been approved and it started in the summer of 2006.

5.3 Consider amendments to Central City Quimby exactions to facilitate condominium and ownership housing.

Responsible Entity: City Parks and Recreation, City Planning
Time frame: Summer 2003
Desired Result: Fee reductions to promote Central City ownership housing.
Status: **While the City recently increased park development impact fees, it provided a reduced fee for infill development. In addition, in the City's new 2005-2010 Parks Master Plan, the City has adopted urban park standards for smaller parks such as "pocket parks" to facilitate the use of urban parks close to residential development in infill areas.**

5.4 Implement the Citywide Infill Strategy to encourage compatible residential infill development. Create additional incentives for residential infill development, including but not limited to, regulatory concessions and streamlining the permit approval process for quality-designed development that is appropriate for the neighborhood. Pursue funding through the State Jobs Housing Balance Grant.

Responsible Entity: City Planning/City Council
Time frame: Summer 2003
Desired Result: Develop Streamlining Ordinance by Fall 2003. Create Infill Incentive Fund and Infrastructure Assistance Program by Fall 2003
Status: **Rather than a streamlining ordinance, the City has enacted a major overhaul of its development review process. This was done as part of the DOC recommendations and included a complete evaluation and re-engineering of the City's development review process. Furthermore, the City has taken additional steps to streamline the development review process.**

As noted earlier, the City formed to MATRIX pilot program, which brings together representatives from all City departments and divisions that are normally involved in the review of a project. Working as a team, these groups provide a comprehensive review of projects at once rather

than have the project go from department to department. In order to maximize efficient and utilize appropriate staff expertise, there are teams for each major type of development (i.e., commercial, office, residential, etc.). In effect since July 2005, the MATRIX program has already made substantial progress in streamlining project review, thus reducing time and costs for developers.

The City adopted its Infill Strategy in 2002. The City has developed an Infill Incentive Fund and has allocated $700,000 to this fund. The City is in the process of developing guidelines for the use of the Fund. The guidelines are expected to be complete in 2007. This incentive fund will also be used for infrastructure improvements in infill areas rather than establishing a separate infill assistance program.

The City secured $2.4 million in grant funds through HCD's Job-Housing Balance Incentive Program and constructed infrastructure and facility improvements to enhance existing areas and support infill development. The City completed streetscape enhancements and streetlight installations in the 65th Street Transit Village, Del Paso Boulevard, Midtown, the Tahoe Park neighborhood, developed new parks in South Natomas and improved water conservation at 16 existing parks, and expanded sewer capacity to support new development in the R Street corridor. These improvements were completed by June 2006.

In addition, the City pursued two rounds of grant funding through HCD's Workforce Housing Grant program, for a combined total of $1.8 million. These grant funds were applied to park acquisition and development in the R Street corridor to support new development and for infrastructure improvements to support the Globe Mills very low income housing project. These projects will be completed by June 2008.

5.5 Implement the Citywide Infill Strategy to encourage targeted single-family housing within residential neighborhoods.

Responsible Entity: City Planning/City Council/ Utilities
Time Frame: On-going
Desired Result: Addition of 30 - 80 units per year.
Status: **Implementation of the Citywide Infill Strategy and market conditions have resulted in levels of single family development exceeding targeted levels.**

The City adopted its pilot Infill Housing Plan program with pre-approved model house plans for use in infill neighborhoods, expediting the issuance of permits and reducing costs.

5.6 Implement Downtown Redevelopment and Citywide Infill Strategy to encourage opportunities for additional housing and reuse in the Central City.

Responsible Entity: City Planning, Economic Development, SHRA, CADA, and Utilities
Time Frame: On-going
Desired Result 500 units per year
Status: **Refer to status of Program/Action 5.5**

5.7 Implement the Citywide Infill Strategy to encourage Transit Oriented Development that provides additional housing within a 1/4-mile radius of transit stations.

Responsible Entity: City Planning, Regional Transit, SHRA
Time Frame: On-going
Desired Result 100-200 units annually
Status: **This is an ongoing program, which has been quite successful in encouraging higher density housing near light rail stations. Several recent projects include 9 units in a mixed-use project near the 65th Street Light Rail Station; 142 units planned for 2006 at a second site in the 65th Street Station area; 102 units in the Capitol lofts project planned near the light rail station on R Street; 60 units in Erika's Village planned for the Florin station. As the City's work plan is fully implemented with the accompanying land use and zoning changes, the number of housing units in proximity to transit stations is expected to increase.**

5.8 Implement current infill incentives and continue to study potential fee reductions of permit fees to remedy smaller residential project inequities.

Responsible Entity: Utilities Departments
Time frame: On-going.
Desired Result: In coordination with the Utilities Department review fees associated with smaller projects, particularly infill projects. Reduce any excesses, and where possible provide fee waivers or incentives for projects which meet the goals of the Housing Element or conform to infill development design criteria. Encourage 30-50 infill units annually in small housing projects.

Status: **The City has addressed the inequities faced by smaller infill projects through the use of the City's Infill Fee Reduction program, which is described in more detailed in this report. However, as noted above, the prevailing wage requirements associated with the receipt of public funds has limited the attractiveness of this program to developers. Despite this issue, many of the projects developed in the city's residential infill areas have included smaller residential or mixed-use developments that are less than 50 units.**

5.9 Investigate the City of Sacramento's use of property liens to increase the production of infill housing development.

Responsible Entity: City Planning /City Council
Time frame: Fall 2003
Desired Result: Consider modifications to the City's use of liens to provide an incentive for infill property owners to utilize their properties for development or to sell their property to an outside party who will use the property.

Status: **With the increase in land costs and housing prices, property liens in infill areas has become less of an issue and is no longer considered an impediment. The market has essentially addressed this issue and City action is no longer considered a high priority.**

5.10 Implement the City's Multifamily Development Guidelines to address site planning, building design and architectural issues.

Responsible Entity: City Planning /City Council
Time frame: Ongoing

Desired Result: Multi-Family Design Guidelines implemented in conjunction with action 4.7

Status: **These have been implemented in conjunction with Action 4.7.**

5.11 Continue to implement the Problem-Oriented Policing (POP) Program, a multi-departmental effort to improve city neighborhoods and abate various code violations.

Responsible Entity: City Police Department and Neighborhood Services Department.

Time frame: On-going

Desired Result: Early and efficient resolution of problem property cases such as drug houses and health and safety violations.

Status: **As in 2003 and 2004, Problem Oriented Police (POP) officers partnered with apartment owners, managers, and community residents to address problems with calls for service resulting from poor tenant screening and management. POP officers attended neighborhood watch and association meetings to identify resident problems such as drug-related activities.**

According to the Police Department's 2005 Annual Report, POP officers facilitated a crime prevention strategy through the Project Safe Neighborhood Community Engagement Forum that involved residents, Sacramento Housing and Redevelopment Agency (SHRA), Morrison Creek Estates Home Owners Association, and Sacramento Municipal Utility District (SMUD). The strategy involved SMUD conducting a lighting survey of the area and purchasing lights to improve visibility. The new strategy resulted in a decrease in crime and more thorough screening of tenant applicants.

5.12 Continue to implement the Neighborhood Reclamation and Protection Plan (NRPP), a multi-departmental program designed to control and rid targeted neighborhoods of gangs and drugs.

Responsible Entity: SHRA and Neighborhood Services Department

Time frame: Ongoing

Desired Result: Strengthen existing troubled neighborhoods through weeding out of problems and development of positive neighborhood capacities and assets.

Status: **The City's Police Department handles this program and works to address gangs and other crime-related issues in local neighborhoods. Code enforcement is brought in by the Police Department to handle code violations. Also, refer to the earlier description under the POP Program.**

5.13 Implement neighborhood revitalization and preservation recommendations for the Central City.

Responsible Entity: City Planning
Time frame: 2003-2004
Desired Result: Implement phase III of the Central City Housing Strategy.
Finance and complete at least seven central city mixed income housing projects.

Status: **The City rezoned property in two phases in the Central City to encourage housing development. There are several projects underway that are expected to be complete by 2006. These include 65 mixed income units at 21st and L Streets, 175 mixed income units at 18th & L Streets, 117 mixed income units in the Fremont Mews projects, and 225 at 800 J Street. Approximately 102 mixed income units at the Capitol Lofts project and 143 mixed income units at Globe Mills project are planned for 2007. Several others are in the development application process.**

5.14 Continue systematic building code enforcement through Code Action Team (CAT) to preserve and restore housing and thereby help strengthen residential neighborhoods and link to the SHRA boarded and vacant program.

Responsible Entity: City Building Division
Time frame: On-going.
Desired Result: Proactive and systematic inspections and enforcement of basic health and safety codes and zoning ordinance to preserve housing and prevent neighborhood decline.

Status: **This program is an on-going City program. Each year SHRA provides City code enforcement staff a grid showing target areas where staff can concentrate efforts. Code Action Team (CAT) and**

the Housing and Dangerous Buildings Team target particular neighborhoods throughout the year to address health and safety and zoning violations. Staff performs pro-active and systemic inspections in this area. Staff also provides quarterly reports to SHRA.

5.15 Where needed, implement the Rent Escrow Account Program (REAP) that would enable tenants to voluntarily place rent in an escrow account in the event identified code violations are not resolved by the landlord.

Responsible Entity: Neighborhood Services Department, SHRA,
Time frame: On-going.
Desired Result: Empower tenants to take immediate action to correct health and safety violations.
Status: **Staff investigated the feasibility of continuing this program; however, it was determined that the program was no longer feasible for a variety of reasons and was discontinued. Code enforcement has instead pursued aggressive and proactive inspections of multi-family projects to identify and help address code violations.**

5.16 Del Paso Nuevo; maintain high priority assistance and coordination for the development of Del Paso Nuevo - a 154 acre new town in the Del Paso Heights Redevelopment Area.

Responsible Entity: SHRA in partnership with the City of Sacramento Utilities, Parks
Time Frame: 1999-2006
Desired Result: 300 new homes, 2 parks, commercial development and infrastructure development by 2006.
Status: **As of October 2005, 77 homes have been completed and two tentative subdivision maps have been approved that will result in construction of 176 additional homes. Infrastructure is in place throughout the site and both parks have been completed. A Request for Proposals has been issued for commercial development and SHRA is beginning negotiations on a development agreement. The entire project is expected to be complete in 2009.**

5.17 The City, County, and SHRA will allocate some portion of McClellan AFB redevelopment area revenues and city housing funds to correct infrastructure and housing deficiencies at the Parker Homes project. These homes were

originally constructed, by the federal government in 1942 as off-base military housing for McClellan AFB, in a manner that fell well short of basic infrastructure and building code requirements.

Responsible Entity: SHRA, and Utilities
Time Frame: 2007
Desired Result: Housing rehabilitation and adequate infrastructure development
Status: **SHRA has formed a team to address this issue. The agency has set aside tax increment funds for Parker Homes. The area under study has been expanded to include not only Parker Homes, but the West McClellan area as well. The team has initiated an infrastructure study to identify needs and an assessment of potential land use changes (e.g., industrial to residential). The draft infrastructure study is complete with a final report expected to be completed by December 2006.**

5.18 Continue City's efforts to work with concerned stakeholders and community leaders to revitalize distressed neighborhoods. City programs and planning efforts include:

- Gardenland Neighborhood Infill Strategic Plan
- Weed and Seed Program
- Oak Park Renaissance Plan
- Dixie Anne Neighborhood Plan

Responsible Entity: City Planning, SHRA, and Neighborhood Services
Time Frame: On-going
Desired Result: Infill Development and Neighborhood Revitalization
Status: **This is an ongoing program. The City and SHRA work with the Redevelopment Advisory Committees, neighborhood groups, business groups, and other community leaders to revitalize neighborhoods.**

5.19 Develop, adopt, and implement neo-traditional neighborhood design guidelines to address the planning, building, and architectural design issues associated with development on a larger neighborhood scale.

Responsible Entity: City Planning
Time Frame: Fall 2004
Desired Result: Adoption and implementation of Neighborhood Design Guidelines.
Status: **Staff has developed additional comprehensive neighborhood guidelines and is in the process of**

getting City Council approval of guidelines for various neighborhoods. Staff is also looking into a more comprehensive checklist process for single family home designs that are tailored to the neighborhood style and architectural aesthetic.

Conserve Sacramento Neighborhoods and Rehabilitate Affordable Housing

6.1 Continue the use of the SHRA Boarded/Vacant Home program, which provides incentives to contractors to purchase these properties, rehabilitate them, and sell them to low and moderate-income homebuyers.

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: 120 units eliminated from the City's dangerous and substandard building list, rehabilitated, and sold to first time homebuyers.
Status: **The strong housing market of the last few years has provided incentives to small contractors and developers to purchase and rehabilitate boarded and vacant homes. SHRA provided no incentives in 2005 to developers of boarded and vacant homes. SHRA has provided incentives for rehab of 46 Boarded and Vacant homes over the life of the Program.**

6.2 Develop and expand successful incentive programs to improve management and maintenance of privately owned rental housing, particularly among four-plex housing and apartments, within older neighborhoods and commercial corridors. Program elements may include improved coordination with neighborhood code enforcement, problem-oriented policing efforts, property management districts and other proactive efforts along commercial corridors in affiliation with business and neighborhood associations.

Responsible Entity: SHRA, SVAOA
Time Frame: Summer 2002
Desired Result: Adopt Program
Status: **SHRA formed a team to focus on improvements to smaller rental housing projects. SHRA staff revised their multi-family loan program to provide better financial terms and incentives for better property management. These changes were approved by City Council in July 2004.**

6.3 Continue to finance the rehabilitation of owner-occupied homes through CDBG, HOME, tax increment, and other sources of funds.

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: 250 low and very low-income homeowners will be able to maintain their homes through attractive financing options, ranging from emergency grants to amortized loans.

Status: **During 2005, SHRA financed the rehabilitation of 148 owner-occupied housing units through the Single Family Rehabilitation Program (17 units), the Single Family Emergency Repair Program (95 Units), and the Single Family Retrofit Program (36 units).**

6.4 Maintain active financing program for acquisition and rehabilitation of multi-family properties to assist in the revitalization of neighborhoods and provide affordable housing. Continue to explore additional funding sources to expand activity.

Responsible Entity: SHRA
Time Frame: On-going
Desired Result: Add 300 units to very low and low-income affordable housing supply while removing blighting properties from neighborhoods.

Status: **In 2005, SHRA financed the substantial rehabilitation of 936 rental-housing units. The agency is continuing to pursue a variety of funding sources to support such acquisition/rehab activities.**

6.5 Adopt a proactive rental inspection program to ensure rental housing maintenance. This may require a fee to support inspection services. Careful consideration of the fee structure should be given to avoid increasing the costs of rental housing. Also, consider a "self-certification" program for landlords that participate in a maintenance/management training program.

Responsible Entity: City Council, SHRA, Neighborhood Services
Time frame: Summer 2003
Desired Result: Maintain the quality of existing multi-family units and avoid deferred maintenance.

Status: **After extensive research, City staff has prepared a pilot program for residential rental inspections for properties in focused problem areas. In June 2006, City Council adopted criteria for identifying problem areas which include housing and dangerous building cases, neighborhood code enforcement areas, rental properties, calls for service for Police and Fire. This program will be**

built upon current code enforcement processes and staff will conduct necessary outreach to inform the community of the program. Results from the pilot program will be evaluated and reported back to Council in summer 2007.

6.6 Preserve privately owned HUD-financed low-income housing projects that are at risk of conversion to market rate housing through the enforcement of the City Housing Preservation Ordinance and through the provision of low-cost financing.

Responsible Entity: SHRA
Time frame: On-going
Desired Result: Preserve 100 units annually through restructuring programs; preserve affordability of 100 units annually (and Section 8 assistance) through sales to priority purchasers; and provide enhanced Section 8 vouchers to 85 percent of residents in opt-out projects (estimate 200 units prepaid)
Status: **In 2004 the City Council adopted a Housing Preservation Ordinance aimed at preserving federally subsidized projects at-risk of conversion to market rate. SHRA has been the lead Agency implementing the ordinance. In addition, the Agency has provided low-cost financing to preserve a number of at-risk projects. Two at-risk projects in the County and three in the City were preserved with SHRA financing in 2005**

6.7 Preserve affordable units in mortgage revenue bond projects with expiring regulatory agreements through financial incentives including refinancing and issuance of new bonds for acquisition/rehabilitation.

Responsible Entity: SHRA
Time frame: On-going
Desired Result: Preservation of 100 affordable units in expiring mortgage revenue bond projects
Status: **No mortgage revenue bond projects with expiring regulatory agreements were re-financed in 2005. Re-funding and issuing new bonds is an on-going part of SHRA's business and has preserved affordability on hundreds of units.**

6.8 Introduce ordinance to enforce noticing requirements of owners of HUD-subsidized project to give affordable housing developers the opportunity to purchase these units and maintain their affordability.

Responsible Entity: SHRA
Time Frame: Summer 2003
Desired Result: Maintain affordability of HUD-subsidized projects.
Status: The City adopted this ordinance in early 2004.

6.9 Amend the zoning ordinance to comply with the residential hotel new construction standards

Responsible Entity: City Planning/City Council
Time Frame: Summer 2005
Desired Result: Zoning Ordinance amendment to facilitate the production of affordable living spaces for very low-income people that provide privacy and foster self-sufficiency.
Status: SHRA is currently working with City staff to provide efficiency apartments rather than traditional SRO in new SRO developments. These units are similar to studio apartments and offer greater privacy to residents.

6.10 Fund and Support Sacramento Heritage Trust Fund

Responsible Entity: SHRA/City Development Services, Preservation Office
Time Frame: On-going
Desired Result: Sacramento Heritage Program
Status: In 2005, the City established the Historic Places Revolving Fund, which is a revolving fund to support the restoration of historic places, such as Memorial Auditorium, throughout Sacramento. In conjunction with Sacramento Heritage and the City Treasurer's Office, staff is developing guidelines for the use of the fund. Staff anticipates a proposal to City Council for action by early 2007. In addition, staff has begun a City Historic Rehabilitation Incentive program. Consultant work is complete and the next steps include community outreach to help develop a program for City Council action.

6.11 Implement Historic Preservation Element of the General Plan which includes an inventory of historic preservation resources, policies and programs.

Responsible Entity: City Planning
Time frame: Fall 2002

Desired Result: Historic Preservation Inventory
Status: **The Historic Preservation Element was completed in 1997 and was adopted by Council. City preservation staff maintains the Sacramento Register of designated historic places. This was last updated in March 2005 and staff will be completing the next update by late 2006/early 2007. City staff is currently working on expanding historic survey areas throughout the city.**

6.12 Continue to implement the Neighborhood Paint Program.

Responsible Entity: SHRA, Neighborhood Housing Services, Business Association
Time frame: Ongoing
Desired Result: Affordable means for low and very low-income persons to weatherize and improve their homes.
Status: **SHRA no longer funds this program. The program is being administered by Neighborhood Housing Services (NHS) without Agency funds.**

6.13 Implement the Franklin Villa Revitalization Plan (Phoenix Park Project) to restore neighborhood vitality and safety through various financing initiatives.

Responsible Entity: SHRA, NPDSD and Police Departments
Time Frame: Acquired +/- 250 properties, Fall 2003
Desired Result: Acquire +/- 600 privately held properties, rehabilitate and manage them; expand services of Franklin Villa Resource Center and increase educational resources for Parkway Elementary School.
Status: **Phases 1 and 2 of the Phoenix Park project are complete and fully occupied. The project includes 360 housing units and a resource center as well as other amenities and services.**

Preserve and Develop Housing Opportunities for Persons with Special Needs

7.1 Continue to provide assistance to emergency shelter facilities for the homeless population, including alcohol and drug recovery programs, through the County Department of Human Assistance (DHA) and their non-profit service providers. Expand and reinforce linkages between shelters, providers of transitional housing, and other social service agencies through computerized case management.

Responsible Entity: DHA
Time Frame: On-going

Desired Result: Maintain an inventory of the existing network of emergency shelters linked with service providers to provide a secure living environment free from domestic violence, and to stabilize living conditions for homeless children.

Status: **This is an ongoing effort by the County's Department of Housing Assistance (DHA). DHA is working with Volunteers of America, Lutheran Social Services, and other non-profit service providers to provide counseling and shelter to homeless persons in the City and County. These include the Winter Shelter Program and other emergency shelters, which served 3,609 homeless persons in 2005.**

7.2 Support transitional and permanent housing programs that enable homeless persons to deal with the issues that led to homelessness and to move toward self-sufficiency.

Responsible Entity: SHRA, DHA, nonprofit service providers
Time Frame: On-going
Desired Results: Purchase and or rehabilitate 80-100 units to house homeless persons in well-managed transitional and permanent housing facilities.

Status: **SHRA assisted four permanent supportive housing projects in the County. These included McClellan Cottages, Mather Community Campus, Bell Street Apartments and the Saybrook project. SHRA and DHA continue to support approximately 18 transitional facilities and 18 permanent supportive housing developments or programs in the City and County.**

7.3 Review and adopt, as needed, specific recommendations of the Five Year Plan of the Board on Homelessness of the Cities and County of Sacramento. Recommendations include the expansion of permanent housing opportunities for formerly homeless persons in well-managed facilities with supportive services so that progress toward self-sufficiency is maintained.

Responsible Entity: City Council, SHRA
Time Frame: 2002-2007
Desired Result: Continued funding and operation of effective permanent supportive housing programs.

Status: **In June 2004, the City Council adopted a resolution in support of developing a Ten-Year Plan to End Chronic Homelessness in**

Sacramento. In 2005 Mayor Heather Fargo and County Supervisor Roger Dickinson convened a group of community leaders, local officials and representatives of the business, philanthropic and public sectors to oversee development of the Plan. Over the course of six months, this group and a technical working group met to review local, state, and national data, research and best practices related to addressing the challenges faced by chronically homeless persons and the communities in which they live. In December 2005, the draft Plan presented a conceptual approach with "housing first" or "housing plus" as the centerpiece strategy. Drawing upon successful local efforts in Sacramento with service-enriched housing programs, this approach strives to get individuals off the streets and out of shelters as quickly as possible and into permanent housing, providing case management and other support services as needed. Other key strategies of the Plan include prevention through effective discharge planning and an ongoing leadership structure to oversee implementation of the Plan, as well as to help ensure that services for non-chronic homeless individuals and families are effective and well coordinated. Both the City Council and the Board of Supervisors expressed support for the conceptual approach and agreed to have the group continue to work on an implementation framework.

7.4 Continue to implement the strategies of the SHRA's Consolidated Plan for Housing and Community Development. The "Consolidated Plan" discusses several housing initiatives for special needs populations including the development of housing for the homeless, the mentally ill and persons with AIDS. SHRA is actively pursuing funding and programs for these special needs populations.

Responsible Entity:	SHRA and affiliated non-profit sponsors
Time frame:	On-going
Desired Result:	Provide financing and technical assistance to non-profit service providers to create two additional developments for persons with special needs.
Status:	**SHRA is pursuing financing and providing technical assistance to non-profits to support efforts to create developments for special needs**

populations. SHRA is currently funding Mercy Housing to provide technical assistance to service agencies that wish to develop supportive housing for special needs populations in the City and County. Through Mercy Housing's technical assistance grant, assistance was provided to multiple providers with potential developments throughout the City and County, including AIDS Housing Alliance (AHA), Transitional Living and Community Support (TLCS), Volunteers of America and numerous faith based organizations. For example, the Martin Luther King project located in the County will house approximately 80 mentally disabled chronically homeless adults in permanent supportive housing. This project will be under construction in late 2006/early 2007.

7.5 Consider adopting a reasonable accommodations process to provide housing opportunities for the disabled. Consider a streamlined approval process for residential facilities which accommodate 6 to 12 individuals and review entitlement processes to achieve the more efficient conversion of motels and other suitable buildings for permanent housing.

Responsible Entity:	SHRA, City Planning, City Council
Time Frame:	Spring 2004
Desired Result:	Amendments to the zoning code to provide reasonable accommodations for the disabled
Status:	**The City has not yet adopted amendments to the zoning code to provide a reasonable accommodations process. Staff is currently researching this issue.**

7.6 Change SHRA's multifamily lending policies to include the right of borrowers to allow weekly tenancies, so that weekly rental payments could be accepted.

Responsible Entity:	SHRA, City Council
Time Frame:	Fall 2003 or Winter 2004
Desired Result:	Increase the number of units accessible and affordable to SRO residents.
Status:	**While several policies were made to update SHRA's multi-family lending policies, the change that would allow weekly tenancies was not made. Staff investigated the feasibility of this option; however, weekly tenancies conflict with non-Agency funding sources. In addition, 30-day**

tenancies are covered by state landlord-tenant law, which offers more protection to tenants than weekly tenancies. Instead, SHRA is planning to finance more permanent supportive housing units, as mentioned in the Ten-Year Plan to End Chronic Homelessness (refer to Program 7.3).

7.7 Implement the recommendations of the SRO Task Force to investigate boarding homes as an alternative to new construction of residential hotels.

Responsible Entity: City Planning
Time Frame: Spring 2004
Desired Result: Develop guidelines for the operation of boarding homes for tenants typical of SRO residents.
Status: **City and SHRA staff have been meeting with the SRO Task Force, the Downtown Partnership, and others to address the issues and recommendations related to SROs. SHRA has released a request for applications under its supportive housing lending program for SRO rehabilitation and development of new efficiency apartments.**

7.8 Promote and encourage a variety of housing types for senior housing including "age in place" housing complexes, independent and assisted living projects.

Responsible Entity: City Planning, SHRA
Time Frame: On-going
Desired Result: Provide more adequate housing units available and affordable to the growing senior population.
Status: **City staff has been working with developers to encourage a range of housing types in developments including housing types that would benefit an aging population, such as condos, duplexes, and smaller homes. In 2005, SHRA assisted with the development of five affordable independent living senior housing complexes. These projects included a total of 821 affordable units.**

Energy Conservation

8.1 Support SMUD's Energy Efficient New Construction Program which provides financial incentives to builders to exceed minimum energy efficiency standards.

Responsible Entity: SMUD
Time frame: On-going (existing program)
Desired Result: Implementation of new conservation and alternative energy programs to reduce energy costs of new residential buildings.
Status: This is an ongoing SMUD program. Staff refers builders to SMUD for more information on this program.

8.2 Support SMUD and PG&E's program to retrofit existing housing for energy efficiency.

Responsible Entity: SMUD, PG& E and SHRA
Time frame: On-going (existing programs)
Desired Result: Reduce household energy costs through a variety of insulation, system update and weatherization programs.
Status: The City and SHRA provide referrals and information about these programs to residents.

8.3 Continue to administer the Tree Planting Program to provide shade and to help with neighborhood revitalization and beautification.

Responsible Entity: SHRA, SMUD and Tree Foundation
Time frame: On-going (existing program)
Desired Result: Provide strategically located shade trees to reduce air conditioning costs.
Status: This is an ongoing SMUD program. SMUD distributes about 50,000 trees to 15,000-20,000 utility customers every year. City and SHRA provide referrals to residents for this program.

Promote Equal Housing Opportunity

9.1 Continue to support enforcement practices of the Human Rights/Fair Housing Commission addressing discrimination against households with special needs, and fair housing education programs offered by other organizations such as the Apartment Owner's Association and the Board of Realtors. Provide for fair-housing information in appropriate public locations and disseminate such information in different languages.

Responsible Entity: Human Rights Fair Housing Commission (lead)/ City Planning
Time frame: On-going (existing program)

Desired Result: Provide mediation, education and referrals to the State Office of Fair Housing or legal aid centers for cases of housing discrimination or other forms of discrimination in Spanish and other languages by disseminating information through brochures at city public counters.

Status: **City staff provides referrals to the Human Rights Fair Housing Commission to persons who have fair housing questions or concerns. The Human Rights Fair Housing Commission provides direct assistance to persons who have faced housing or other forms of discrimination and refers those complaints either to legal aid centers (e.g., Legal Services of Northern California) or to the federal Housing and Urban Development Department (HUD) or to the state Department of Fair Employment and Housing (DFEH). In 2005, Human Rights Fair Housing Commission received 100 discrimination complaints and investigated all of those.**

In 2004, SHRA completed its Analysis of Impediments (AI) to Fair Housing Choice for the City and County of Sacramento. Deficiencies in fair housing services, including enforcement, education and outreach were identified. SHRA, Human Rights Fair Housing Commission, and Sacramento Housing Alliance staff worked throughout 2005 to alleviate these impediments. This is no longer an impediment.

9.2 Ensure that residential projects comply with the American with Disabilities Act. To the extent feasible, finance and support public improvements, including curb cuts, sidewalks and traffic signals that provide public access for the disabled.

Responsible Entity: Public Works and Building Division
Time frame: On-going (existing program)
Desired Result: Ensure positive recourse and corrective action to prevent discrimination against persons with disabilities.

Status: **The City has undertaken major street and sidewalk improvements to comply with the Americans with Disabilities Act and to ensure safe streets and sidewalks for persons with disabilities. Pursuant to a settlement agreement,**

the City sets aside 20 percent of transportation funds annually for such infrastructure improvements. This amounts to approximately $5.5 to $5.7 million per year. These funds are used for improvements to sidewalks, curbs, gutters, and curb ramps, among others. In addition, the City spends additional funds to improve ADA access to City buildings and facilities.

9.3 Support neighborhood efforts to resolve tenant complaints.

Responsible Entity:	Sacramento Mediation Center
Time frame:	On-going (existing program)
Desired Result:	Continue to provide alternative dispute resolutions methods for landlord tenant and neighborhood conflicts.
Status:	**City staff provides referrals to residents to the Sacramento Mediation Center to resolve conflicts/disputes.**

9.4 Consider a program, in consultation with the Building Industry Association, which would incorporate housing visitability standards (including the installation of interior modifications) in newly constructed single-family homes. Include guidelines for exterior and interior modifications including, but not limited to no step entrances and 36-inch wide entries into bathrooms.

Responsible Entity:	City Planning, SHRA
Time Frame:	State Model Ordinance for Universal Access anticipated in 2004
Desired Result:	Voluntary compliance through the Single-family Design Checklist for universal access to improve accessibility for persons with physical disabilities in single-family developments.
Status:	**The State Model Ordinance for Universal Access was published in November 2005, City planning staff is currently reviewing this and hopes to prepare an ordinance for the City in the near future.**

Monitoring and Coordination of Housing Performance

10.1 Prepare an annual monitoring report to the City Council on implementation of the city housing programs.

Responsible Entity: SHRA, City Planning
Time frame: Annually starting in July 2003
Desired Result: Annual report on new construction, rehabilitation, location and other assistance by income group and special need group served all sources of funds.
Status: **The report was prepared in 2004 and the most recent report was completed in late 2005. The reports were presented to Council in a special workshop on housing issues on February 28, 2006.**

10.2 Monitor and publish an annual report on compliance with the jobs to housing balance, housing type and affordability objectives in the North Natomas Community Plan.

Responsible Entity: City Planning
Time Frame: Annually starting in 2003
Desired Result: Annual reports to City Planning Commission and City Council
Status: **Staff completed the initial analysis of housing issues in the North Natomas Community Plan area. This study was made available to the public in 2005. The analysis found that the Community Plan had achieved a balance of housing types by neighborhood and that it had achieved its affordability objectives. While the jobs-housing balance was slightly lower than the goal identified in the plan, more recent office and commercial development in the area has improved the balance.**

10.3 Promote policies and programs by county and regional decision making bodies to promote the equitable distribution of affordable housing.

Responsible Entity: City Planning, SHRA, SACOG
Time Frame: Ongoing
Desired Result: Consortium of cities and counties to implement region wide affordable housing programs and objectives.
Status: **Staff has been working with the County and SACOG on this issue. The City adopted the SACOG regional compact for affordable housing in July 2004 to promote the production of affordable housing regionwide. The City and SHRA is also working with the County and other neighboring jurisdictions on the update of their Housing Trust Fund fees.**

2. Program Assessment

The City continues to make substantial progress implementing its Housing Element programs. Major successes in 2005 include preservation of 3 housing projects at risk of conversion to market rate, substantially rehabilitating 936 affordable multi-family housing units, and approval of 14 inclusionary housing plans for a total of 664 units. Other accomplishments include completion of the entire Phoenix Park project in south Sacramento, increased infill development especially in North Sacramento and the Central City, and securing approximately $1.8 million in 2005 and 2006 from the Workforce Housing Grant Program. More recently in 2006, the City also approved a new SRO program to preserve and build new SRO units throughout the City.

Table 5 provides a summary of the City's progress in 2002, 2003, 2004, and 2005 toward meeting its quantified objective targets for the 2002-2007 period. As shown in this table, specific targets have been identified by income level for rehabilitation and new construction over the five and a half year period (from January 2002 to June 2007).

As of 2005, the City has exceeded its targets for very low, low -, and above moderate-income households. The City has yet to meet its targets for moderate-income households. While these targets may be met in the remaining year and a half, the City has targeted most of its efforts at those most in need (very low and low-income households), while the market has taken care of above moderate income housing needs.

TABLE 5
SUMMARY OF QUANTIFIED HOUSING UNIT OBJECTIVES
BY INCOME CLASSIFICATION 2002-2007

Income Category (% AMI)	Totals					Rehabilitation*					New Construction**				
	Target	2002	2003	2004	2005	Target	2002	2003	2004	2005	Target	2002	2003	2004	2005
Very Low (0-50%)	1,130	661	280	180	736	433	401	17	27	403	697	260	263	153	333
Low (51-80%)	923	201	199	175	735	225	5	93	73	489	698	196	106	102	246
Moderate (81-120%)	6,492	1,436	1,713	957	473	145	13	6	7	37	6,347	1,423	1,707	950	436
Above Moderate (120+%)	6,623	1,414	2,856	3,955	2,389	0	5	0	2	7	6,623	1,409	2,856	3,953	2,382
TOTAL	15,168	3,712	5,048	5,267	4,783	803	424	116	109	936	14,365	3,288	4,932	5,158	3,847

Notes: *Includes major rehabilitation projects, which encompasses both substantial rehabilitation as defined under Gov't Code Section 65583.1, the Single Family Rehabilitation Program, and other major multi-family rehab efforts. Does not include minor rehabilitation efforts such as the Emergency Repair Program or the Single Family Retrofit Program. **New construction represents building permits issued each year between 2002 and 2007. Sources: City of Sacramento, Development Services and Planning Departments, and SHRA, 2005.

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Other noteworthy implementation efforts include the creation of a web-based affordable rental housing search service. SHRA and Community Services Planning Council have created one-stop centers to assist those in search of affordable housing options. The City and SHRA continue to support home ownership assistance programs and provided assistance to 45 low-income households in 2005. The Sacramento Police Department, in conjunction with Sacramento Municipal Utility District, conducted lighting surveys in various neighborhoods in order to improve visibility and safety for Sacramento residents.

In addition to the programs and totals above, the City and SHRA provided assistance to 95 very low-income households in 2005 through the Single Family Emergency Repair Program and an additional 36 very-low and low-income households were assisted through the Single Family Retrofit Program in 2005. Additional low and moderate-income households were provided assistance through 25 Mortgage Credit Certificates issued in 2005.

Despite the City's progress implementing the Housing Element programs, providing affordable housing to keep up with demand remains difficult. Given increases in construction costs, labor costs, and land costs, assisting with the development of affordable housing is a significant challenge. The City has met its share of the regional housing need for very low-income, moderate, and above moderate-income households, but addressing housing needs of all low-income households continues to be a challenge. In the past, the market had provided more housing that was affordable to low-income households, but with rising rents this is no longer the case in most areas. Even ensuring an adequate supply of housing affordable to moderate-income households has become more challenging as market rate housing prices continued to escalate in 2005. The City has responded to the low and very low-income housing need by increasing the Housing Trust Fund fee, revising the zoning ordinance to ease some of the standards for residential construction, and has actively sought funding (e.g., HELP funds, Workforce Housing Grants, etc.), to assist with the provision of affordable housing or infrastructure necessary to support housing. The City and SHRA have also provided mortgage credit certificates and first-time homebuyer programs to assist low and moderate-income households.

C. Progress toward mitigating governmental constraints identified in the housing element

There were three broad areas identified in the City's 2002-2007 Housing Element where constraints were present and needed to be addressed. These included: 1) development processing; 2) financing, fees, and infrastructure provision; and 3) housing affordability.

The City has made important progress in streamlining the development process. The City has implemented most of the recommendations of the City's Development Oversight Commission, which are aimed at creating a more predictable and streamlined process. The City reorganized the Planning & Building Department into the Development Services Department and through special teams re-engineered the

development review process significantly reducing processing times for development. Furthermore, in 2005 the City planned and initiated a new Pilot Program called MATRIX. MATRIX is a new approach to processing at the City, which brings together all the City departments and divisions involved in project review in order to create a more seamless process. The MATRIX is currently being used for the Central City/East Sacramento area, but will be expanded citywide on January 1, 2007. City staff also started using the early notification process to identify issues or concerns early on. This allowed the public to have early input on development projects, but also allowed the applicant time to address these concerns rather than later in the process, when it is more costly. As part of the General Plan update and subsequent zoning code update, the City is looking at a variety of ways to provide greater flexibility for development, to encourage infill and innovative types of development, and to lessen the costs of development.

The City has continued to make improvements to infrastructure, facilities, and services. The City secured $1.8 million in state Workforce Housing grants, which were used for facility and infrastructure improvements. The City has also made improvements to its levee system in order to provide 100-year flood protection to much of the City. Additional improvements have been made by the City's Utilities Department to the City's infrastructure including water and sewer line improvements, fixes to the combined sewer system, and others. In 2007, the City will begin the development of a comprehensive citywide infrastructure financing plan. This plan will be prepared as part of the General Plan update and will analyze ways of funding the necessary infrastructure, improvements, and maintenance necessary for both infill and greenfield development.

The third category of constraints that the City faces is the continued escalation of land and housing costs in the Sacramento region. In order to ensure that the City has an adequate supply of affordable housing, the City has taken several steps to address affordability. These steps include increases in the Housing Trust Fund fee, changes to the Mixed Income Ordinance to foster affordable condominium development, and the support of regional efforts at promoting affordable housing, including adoption of the SACOG regional housing compact.