

City of Sacramento

Legislation Details (With Text)

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Title:
2018 Housing Element Annual Progress Report and Downtown Housing Initiative

File ID: 2019-00717

Location: Citywide

Recommendation:
Receive and file.

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Presenter: None

Attachments:
1-Description/Analysis
2-2018 Housing Element Annual Progress Report (Table B and Table D)
3-Progress towards 10,000 Places to Live

Description/Analysis

Issue Detail: Pursuant to state law, the City's planning agency provides to the City Council, the Governor's Office of Planning and Research, and the State Department of Housing and Community Development an annual report on the General Plan's Housing Element. (Gov. Code § 65400.) The City's 2013-2021 Housing Element, adopted on December 17, 2013, is the City's strategic housing

plan and reflects the 2035 General Plan sustainable vision for growth over the next 20 years. The Housing Element identifies programs to increase the City's housing stock and assist with the development of affordable housing for households of all income levels.

The annual report details the progress made during the prior year in meeting Housing Element goals. The contents of the report are specified in state law. The 2018 Housing Element Annual Progress Report (Table B and Table D) can be found in Attachment 2. Staff met with members of the Sacramento Housing Alliance on May 14, 2019 to discuss the City's progress towards implementing the goals and policies in the 2013-2021 Housing Element.

In 2015, the City launched the Downtown Housing Initiative with the goal of delivering 10,000 places to live in Downtown over the next ten years. Attachment 3 provides an update on the City's progress towards creating 10,000 places to live.

Policy Considerations: The Housing Element Annual Progress Report reports on the progress of the 2013-2021 Housing Element's goal of addressing the housing needs of all households in Sacramento through policies and programs.

On August 25, 2015, the City Council approved the recommendations in the Downtown Housing Initiative. The Downtown Housing Initiative is consistent with the City's goals and policies established in the 2035 General Plan, including:

Housing (H) 1.3.4 A Range of Housing Opportunities. The City shall encourage a range of housing opportunities for all segments of the community.

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

Economic Impacts: Access to affordable housing improves community members' ability to improve their economic status, reduces poverty and homelessness, and promotes social integration.

Environmental Considerations: The Housing Element Annual Progress Report and Downtown Housing Initiative update are covered under the California Environmental Quality Act (CEQA Guidelines Section 15378 (b)(2) as continuing administrative activities of the City that do not constitute a project and are not subject to CEQA review (CEQA Guidelines Section 15060(c)(3)). Any actions that could result in a physical change in the environment would be identified as projects and would be subject to CEQA review.

Sustainability: A sustainable community includes housing for current and future households of all income levels. The City's Housing Element establishes goals, policies, and programs to encourage housing opportunities for all residents.

Commission/Committee Action: On June 13, 2019 staff will present the 2018 Housing Element Annual Progress Report to the City's Planning and Design Commission.

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

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

Background: Under State law (Government Code Section 65400(a)), the City is required to prepare an annual report each year detailing the progress it has made during the prior year in meeting its Housing Element goals.

The following sections summarize the City's progress toward meeting its regional housing needs allocation (RHNA) and highlights accomplishments in both facilitating and removing governmental constraints to housing development or preservation. More detailed information on the City's housing production and implementation programs can be found in Attachment 2.

1. Program Implementation Status

The Housing Element was adopted in December 17, 2013. The City and the Sacramento Housing Redevelopment Agency (SHRA) are making progress implementing Housing Element programs. Major successes in 2018 include:

- Extending the Fee Deferral Ordinance that was adopted in 2017 for an additional two years and expanding the scope to include commercial projects with a project valuation of \$1 million or more, helping to save upfront costs and encourage more housing development.
- Collecting \$657,167 in Housing Impact Fees from the City Mixed Income Housing Ordinance.
- Collecting \$2,228,811 in Housing Trust Fund fees.
- Continuing to complete the multi-jurisdictional Analysis of Impediments to Fair Housing Choice (AI) which included substantial community outreach and hundreds of completed housing-related surveys. The result will be a far more robust AI that will meet the requirements of the Assessment of Fair Housing if federal regulations change again.

- Adopting the Central City Specific Plan which included an Environmental Impact Report and an infrastructure analysis and financing plan to reduce barriers for development and ensure adequate infrastructure for higher density uses.
- Beginning construction on improvements to Nielsen, Camellia, and Woodlake parks as a result of the Housing-Related Parks Program funding acquired in 2018.
- Committing Low Income Housing Tax Credit (LIHTC) funds to Victory Townhomes (21 units), Dixianne Apartments (55 units) and Norwood Annex (15 units) to recapitalize and prolong the useful life of these affordable housing developments.
- Adopting a transit-oriented development ordinance to preserve TOD development opportunities citywide.
- Providing rapid re-housing services to 114 households.
- Performing a total of 2,510 inspections in 2018 under the City's Rental Housing Inspection Program.
- Being awarded \$23 Million in State funding to support the Twin Rivers Transit Oriented Development project, which will be used to complete a new light rail station and the first phase of public housing replacement at the Twin Rivers community directly across the street from the planned light rail station.

2. *Regional Housing Needs Allocation Progress*

The California Department of Housing and Community Development establishes the RHNA for each jurisdiction. The RHNA identifies the number of additional housing units needed by income level, to accommodate projected household growth during the eight-year housing element period. The City's RHNA for the 2013-2021 planning period is 24,101 housing units, of which 8,411 must be affordable to lower-income households.

In 2018, the City issued building permits for 2,378 housing units, including 80 lower income housing units and 2,298 moderate and above moderate units.

Between October 31, 2013 and December 31, 2018, the City issued building permits for 635 lower income housing units and 7,984 moderate or above moderate units, for a total of 8,619 housing units. This equates to 8% of the lower income and 51% of the moderate and above moderate RHNA allocation for 2013-2021 planning period.

Although the housing market has been trending upwards, overall housing production is not keeping

up with increasing demand and population. Statewide, low housing inventory, due to the lack of new construction, has resulted in increasing housing prices and rents, with fewer moderate and low-income families being able to afford housing near where they work. The City continues to look at ways of reducing regulatory barriers and costs for new development, while pursuing new sources of local and state affordable housing subsidies, in order to create more affordable housing opportunities.

Attachment 2 includes the following tables from the 2018 Housing Element Progress Report:

- The overall progress toward the City's regional housing needs allocation by affordability (Table B); and
- The status of each Housing Element implementation program (Table D).