

# City of Sacramento

## Legislation Text

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**File #:** 2018-01468, **Version:** 1

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**Title:**

**Development Streamlining Opportunities to Address Sacramento's Housing Crisis**

File ID: 2018-01468

**Location:** Citywide

**Recommendation:**

Receive and file.

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**Attachments:**

1-Description/Analysis

2-Overview of Sacramento Housing

### Description/Analysis

**Issue Detail:** There is an insufficient supply of affordable housing and rents have been rising at dramatic rates, making it increasingly difficult for residents to find housing they can afford. Furthermore, median income is stagnant at the same time rents are increasing, and homelessness has increased 30 percent from 2015 to 2017.

Tackling Sacramento's housing affordability challenge will require a multi-prong approach. On August 14<sup>th</sup> the Council discuss funding concepts to promote housing development. This workshop is intended discuss what policies should be prioritized to streamline housing development.

To maximize the limited funding resources for housing, the City needs to ensure it is doing everything possible to reduce the time and costs of development and support a range of different housing opportunities. To that end, this discussion will raise for consideration several policy concepts to streamline development and increase housing opportunities. These policies include:

- Prepare additional plans for commercial corridors and infill neighborhoods to ensure the right zoning, provide necessary infrastructure and reduce environmental review.
- Proactively identify infrastructure needs and costs to fund infrastructure ahead of development.
- Streamline mapping process for infill condominiums.
- Continue to strengthen streamlining efforts for City permitting to reduce building permit timelines.
- Create a by right administrative checklist for design review for mixed-income and affordable projects.
- Work with other agencies to reduce fees for affordable housing.
- Reduce parking requirements near transit stations.
- Promote development of accessory dwelling units and junior units.
- Evaluate the potential to create higher residential densities Citywide to allow smaller, more affordable units.
- Encourage housing development on vacant land including publicly-owned land.
- Propose changes to facilitate development of “bungalow courts” that once were built in the City.
- Establish a process for construction of alternative housing types such as tiny homes.
- Work with lenders and partners to expand options for financing.
- Advocate for State legislative changes that can create more housing opportunities, such as:
  - Exempt broader categories of housing from CEQA.
  - Promote passage of state-wide bonds for housing.
  - Increase flexibility in disposing of former redevelopment properties.
  - Seek to refine grant programs based on need rather than match.
  - Develop additional permanent housing financing options..
  - Promote reestablishment of “redevelopment-type” mechanism for affordable housing

On August 14, 2018, the Council adopted a policy to reduce plan review time by 25% for housing developments of 25 units or more. Tonight, under a separate item, the City Council will consider a resolution reducing City development impact fees for affordable housing to \$0.

**Policy Considerations:** On August 25, 2015, the City Council approved the recommendations for a Downtown Housing Initiative. This initiative was limited to the downtown and given the dramatic need for enhanced housing production, a more intensified focus is needed to meet Sacramento’s current housing challenges. This is in keeping with the City’s goals and policies as established in the 2035 General Plan such as:

LU 1.1.4. Leading Infill Growth. The City shall facilitate infill development through active leadership

and the strategic provision of infrastructure and services and supporting land uses.

LU 1.1. 5 Infill Development. The City shall promote and provide incentives 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 vitality.

**Economic Impacts:** A strong and affordable housing environment is critical to the economic well-being and growth of Sacramento and its residents.

**Environmental Considerations:** None.

**Sustainability:** Increasing housing production and affordability will assist in creating a sustainable Sacramento and provide a platform for sustainable economic growth.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The housing challenges facing Sacramento are not unique but are felt in many cities across the country. The information contained in the attached Overview of the Sacramento's Housing Environment highlight a few of the stark realities facing Sacramento residents. Median incomes have been relatively flat since 2011 while median housing prices have increased from \$208,000 in 2011 to \$339,000 in 2017. Homeownership rates have been slowing slipping with rates near 47%. Rents have risen even more dramatically with sources such as Apartment List stating that Sacramento experienced the highest rent increases in the nation in 2017.

These statistics exemplify why a more comprehensive look at Sacramento's housing environment and development of specific actions to address the needs is warranted.

**Financial Considerations:** None.

**Local Business Enterprise (LBE):** None.