

Background

Housing continues to be one of the biggest challenges in Sacramento and throughout California.

With housing prices increasing and a supply of housing that does not match demand, Sacramento is facing a housing crisis. This crisis is making it harder for residents, especially low- and middle-income families and individuals to afford housing and live here, all while homelessness rates continue to increase. The City has taken a number of actions to accelerate the production of housing and address the housing issues of current residents, but a more holistic plan is needed to address this complex issue.

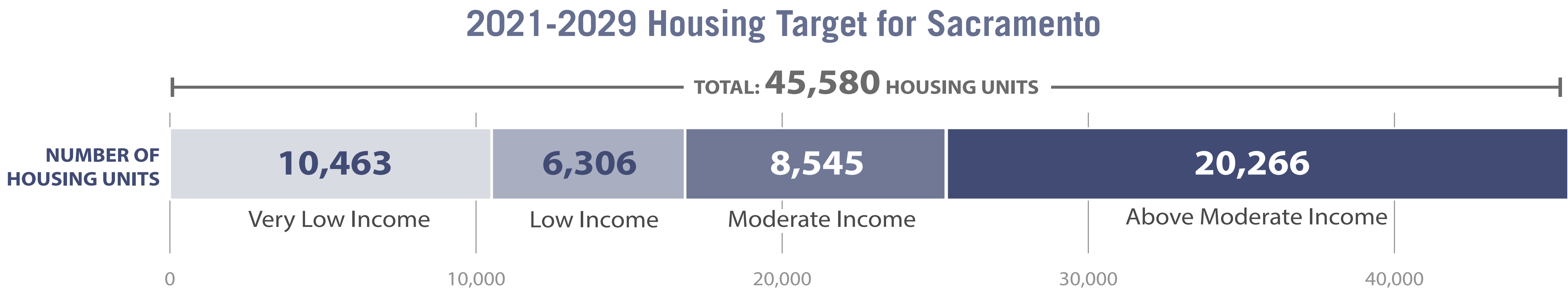
The City is in the process of updating its Housing Element, which is the City’s 8-year housing strategy for how it will meet the housing needs of everyone in the community. The plan is mandated by State law and is part of the City’s General Plan. This housing strategy will contain policies and actions that will help address the housing crisis in Sacramento.

2021-2029 Housing Element: An 8-Year Housing Strategy

How much new housing do we need to plan for?

California law requires that every city and county address a portion of the current and projected statewide housing need. A key component of the Housing Element is the City’s Regional Housing Needs Allocation (RHNA), which is the City’s assigned “fair share” of the region’s housing need. This allocation is broken down by four income categories: very low Income, low income, moderate income, and above moderate income.

As shown below, Sacramento has been allocated a total of 45,580 new housing units for the next eight years. The City must show in the Housing Element how it plans to accommodate this amount of new housing.



What does this mean?

- The City has to ensure there is enough land zoned for residential development to accommodate a total of **45,580 housing units** over the next eight years.
- The allocation is equivalent to producing **5,698 housing units** annually for the next eight years. To put this into perspective, in the last seven years, the City constructed an average of **1,670 housing units** per year.
- **37% of the housing units** allocated need to be affordable to Very Low-Income and Low-Income households.

Meeting this housing target has its challenges, but the City is not alone in this struggle; 95% of jurisdictions in California, including all jurisdictions within our region, are not meeting their current eight year allocation. It is now more important than ever that the City create a plan to increase the production of housing and to provide a variety of housing types for all income levels.



## We Need Your Help!

Before we develop the specific policies and actions that will shape the City's housing strategy, we need your help. We've included topics based on the input we'd like to gather during this Virtual Community Plan Area Workshop. For each topic, we want to know:

1. What do you believe are the top three most effective actions for each topic?
2. What other potential actions should we be considering as part of this Housing Element Update?

## Draft Housing Strategy Framework

The City has developed a draft framework for how to organize the goals, policies, and actions in the Housing Element. The framework outlines the City's overall housing strategy, expresses the City's goals, and provides clear implementation tactics to realize our housing goals.

### We will be asking for your input on these four areas during the Community Plan Area Workshops

- Increasing Overall Housing Production
- Increasing Affordable Housing Production
- Advancing Equity and Inclusion
- Protecting Residents from Displacement
- Housing for People Experiencing Homelessness
- Preserving the Existing Housing Stock
- Increasing Accessible Housing
- Moving Towards Carbon-Zero Housing





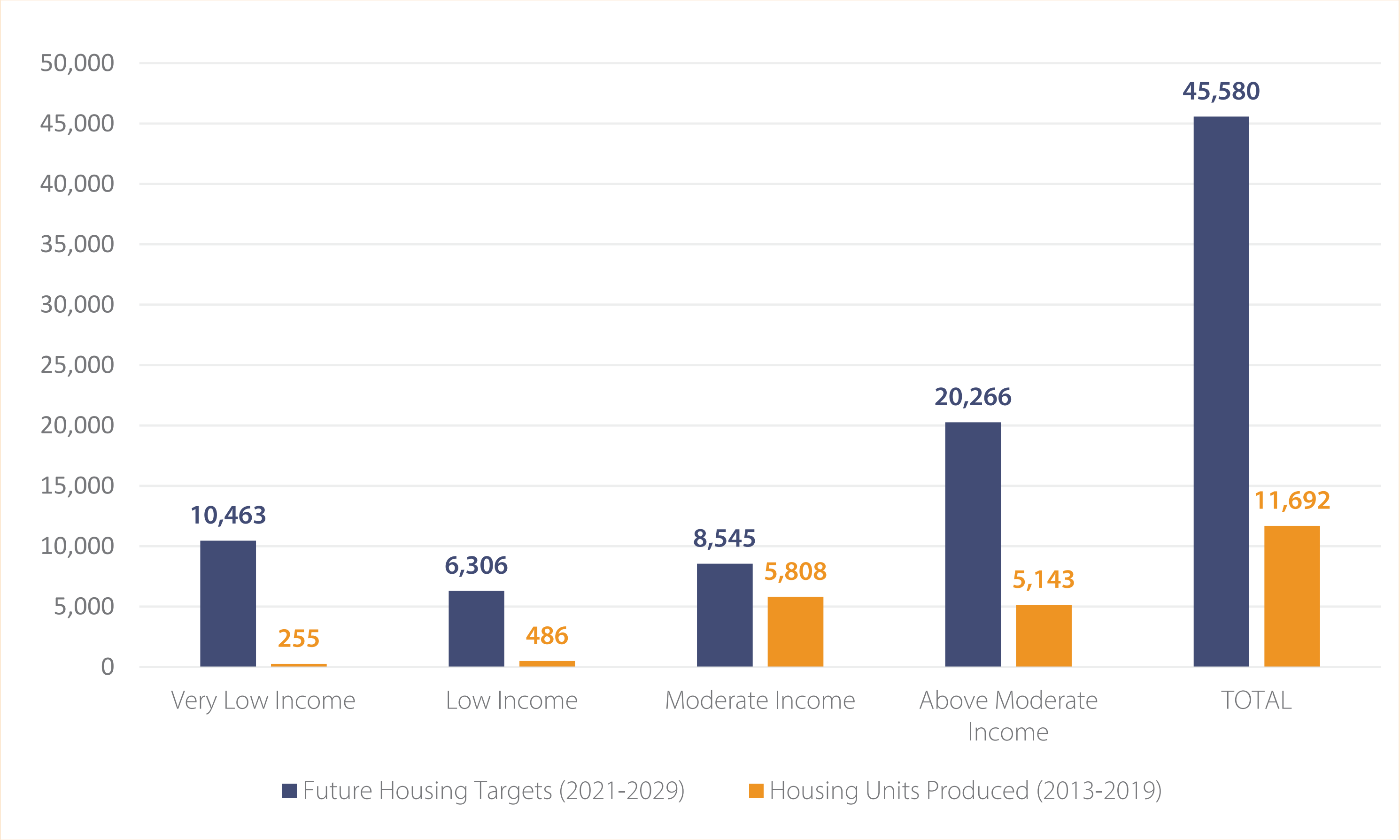
Background

Sacramento, like most communities in California, is facing a housing crisis.

Housing demand continues to outpace supply. This lack of supply drives up housing costs, greatly impacting affordability. Through the Housing Element update process, every city and county in the state is given a target number of housing units it must plan to accommodate, called the Regional Housing Needs Allocation (RHNA). **The City's target for this Housing Element is 45,580 units over the next eight years, an average of about 5,700 units annually.**

Recent housing construction has fallen far below this target. The diagram below shows the number of housing units by income level that were built over the last seven years (2013-2019) compared to the City's newest eight-year housing target.

Past Housing Production (2013-2019)  
Compared to Future Housing Targets (2021-2029)



Increasing Overall Housing Production

**Goal: Facilitate the construction of 45,580 new housing units by 2029 (assigned by State).**





Background (Continued)

Meeting this housing target will be challenging. For one, the City doesn’t build housing – the private and nonprofit sectors do. Cities also don’t control local market realities, or the availability of state and federal funding needed to support the development of housing. However, the City can help by ensuring that enough land is zoned for residential development to accommodate this large number of housing units.

The City can also make it easier and cheaper to build housing. The City has made it a priority to streamline the approval and increase the production of housing through a number of actions with the goals of expediting the planning approval process, reducing housing project costs, and reducing development risk. Some of the recent actions the City has taken include:

- **Allowing** for **checklist planning approval** of qualifying infill housing (**Sacramento is the first City in California to offer this**);
- **Amending** the City’s **accessory dwelling unit ordinance** to encourage these smaller and more affordable units throughout the City; and
- **Establishing** a **Transit Oriented Development (TOD)** ordinance to incentivize and protect areas near light-rail stations for housing.

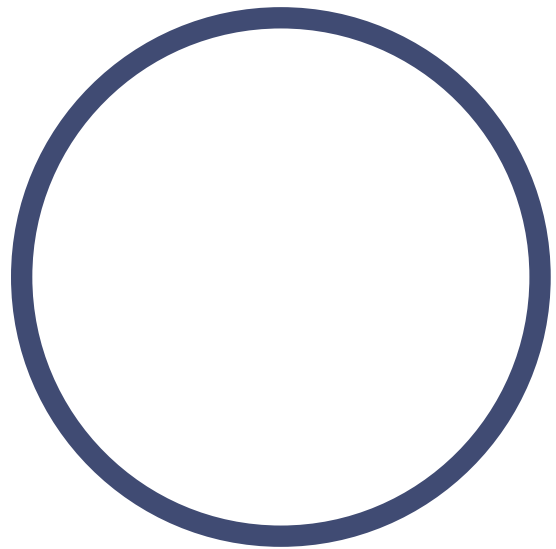
These are good steps, but more needs to be done. The Housing Element Update presents an opportunity to develop additional actions to increase the production of housing and to provide a variety of housing types for all income levels.

Increasing Overall Housing Production

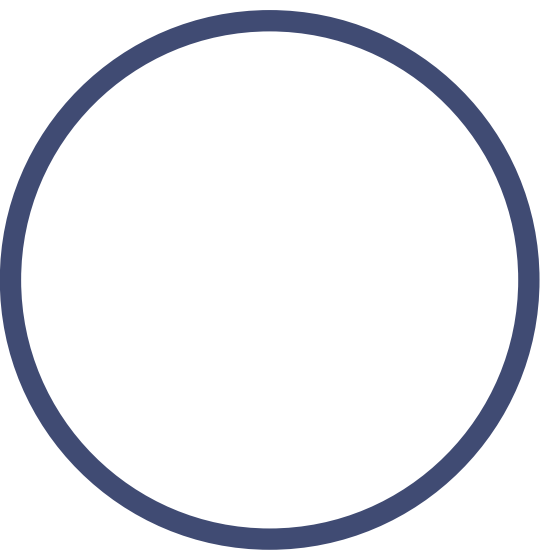
Goal: Facilitate the construction of 45,580 new housing units by 2029 (assigned by State).

Potential Actions

1. Streamline the planning approval and building permit process.
2. Train and expand the construction labor force.
3. Allow a diverse variety of housing in all neighborhoods.
4. Promote the adaptive reuse of commercial and office buildings for housing.
5. Improve infrastructure (i.e. water, sewer, drainage) in older neighborhoods to support housing.
6. Promote the development of accessory dwelling units.
7. Encourage infill housing development along commercial corridors, near employment centers, and near high-frequency transit.



Which actions should we prioritize?



What other actions should be considered to **increase overall housing production**?



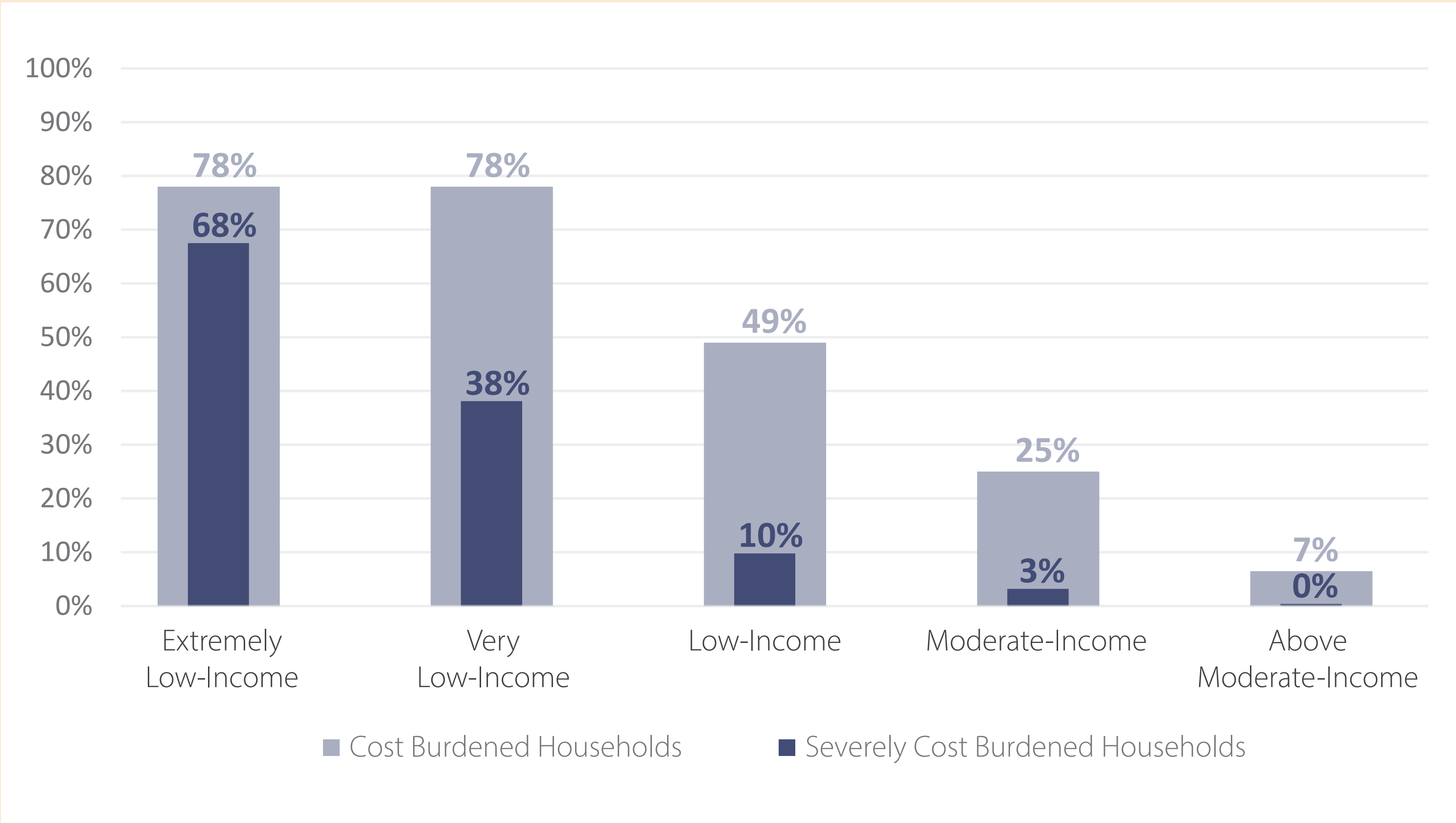
Background

Housing costs in Sacramento have skyrocketed in recent years, making it especially hard for lower income households to afford housing.

Many low-income families must choose between paying rent or paying for other basic needs. Others are forced into overcrowded or substandard housing conditions or join the increasingly large population of people experiencing homelessness.

Housing is considered “affordable” if no more than 30% of a household’s monthly income is spent on rent and utilities. Households are considered “cost burdened” if they spend more than 30% of their income on housing costs, and “severely cost burdened” if they spend more than 50%. When households have to pay more than that for housing, it becomes harder for them to afford basic needs like healthcare, food, and transportation.

Cost Burdened Households in Sacramento, 2011-2015



Increasing Affordable Housing Production

Goal: Support the production of 16,769 new lower-income housing units by 2029 (assigned by State).





Background (Continued)

The private market has largely been unable to produce homes affordable to lower-income households, since affordable rents do not cover the cost to construct these housing units. Building affordable housing for lower-income households requires public funding.

There are a number of barriers to developing affordable housing in Sacramento and in California. A historical focus on building single family homes and neighborhoods has made it harder to build housing for lower income households throughout the city. That, coupled with high construction and land costs and the severe disinvestment in affordable housing subsidies from the state and federal governments, has created quite the challenge to provide affordable housing. However, the City can play a part in supporting the production of more affordable housing units.

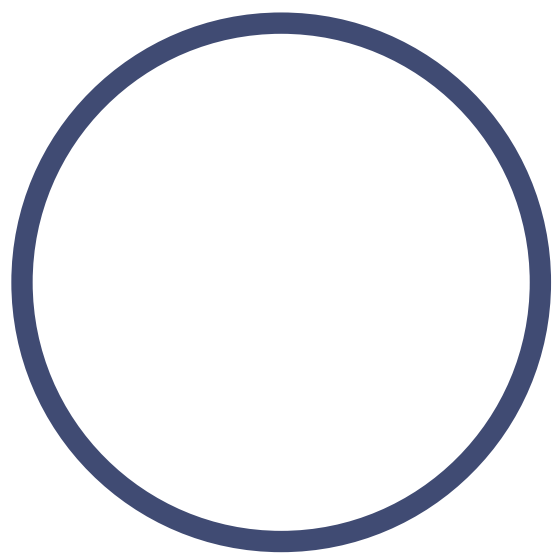
The Housing Element Update presents an opportunity to develop additional actions that will support the increased production of affordable housing in the City.

Increasing Affordable Housing Production

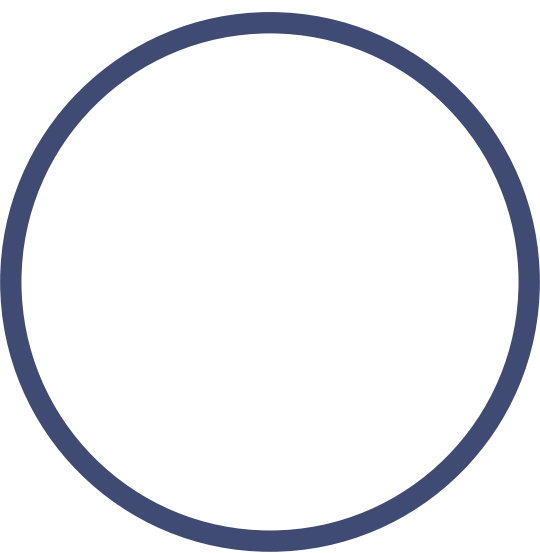
Goal: Support the production of 16,769 new lower-income housing units by 2029 (assigned by State).

Potential Actions

- 1. Use public properties that are no longer needed for public purpose for affordable housing projects.
- 2. Continue to reduce City development impact fees for new affordable housing construction.
- 3. Provide additional planning incentives for affordable housing by relaxing developments standards such as the allowed number of housing units and the height of the building.
- 4. Increase community awareness and support for affordable housing through public information.
- 5. Advocate for additional funding from State and Federal government.
- 6. Consider adopting inclusionary housing requirements that would require a certain percentage of affordable units as part of new market rate developments.
- 7. Explore the feasibility of a new local affordable housing funding sources such as a bond that would provide a funding source to be paid back with future City revenue.



Which actions should we prioritize?



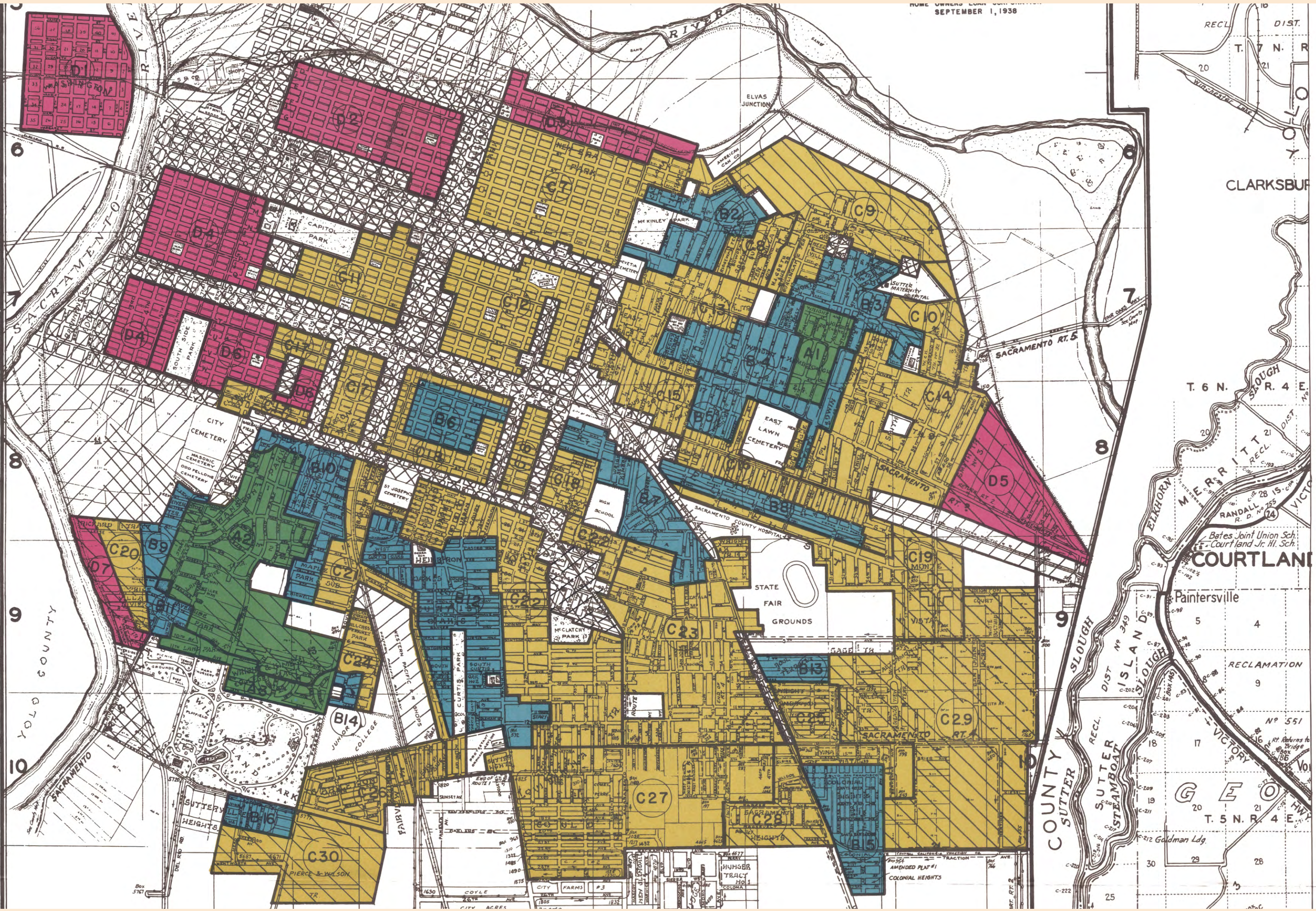
What other actions should be considered to increase affordable housing production?



## Background

### Historic Redlining in Sacramento

Throughout the country, including here in Sacramento, “redlining” maps were used by financial institutions to assess the level of risk for making home loans. Red areas on the map were described as “racial hazards” where “infiltration of subversive races has occurred.” Yellow areas were seen to be “declining” for having multifamily housing and existing minority populations. In this way, minority groups were not granted government-backed home loans with favorable terms in their own neighborhoods but were also prohibited from moving to many of the “best” and “still desirable” green and blue neighborhoods through racial restrictive covenants<sup>1</sup>.



<sup>1</sup>SACOG. 2020. Housing Policy Toolkit, Appendix: History and Context.

Photo Source: Sacramento Home Owners' Loan Corporation, 1937.

## Advancing Equity and Inclusion

**Goal: Create more equitable and inclusive neighborhoods by addressing the remnant forces of government policies of exclusion and racial segregation.**

**Where we live directly impacts our health and our ability to achieve our full potential.** Equitable housing must be more than affordable; it must also connect residents to the jobs, schools, services, and community assets that will enable them to thrive and be healthy.

Many Black, Hispanic, and other minority populations live in neighborhoods that either lack amenities for upward mobility, or face gentrification pressures and the associated danger of displacement from rising rents just when the amenities do arrive. This is largely in part due to past nationwide practices of racial segregation and exclusion through redlining, lending biases, and other discriminatory policies.

While the Fair Housing Act of 1968 outlawed racially restrictive covenants and government-sponsored redlining, the effects of past systematic segregation and exclusion in housing still persists in many areas of Sacramento today. Part of why some neighborhoods remain predominately white in their racial composition is because the “desirable” neighborhoods remain zoned exclusively for single family homes. The exclusion of lower cost housing types (e.g. duplexes, triplexes, and fourplexes) now prevents lower-income families from moving to these neighborhoods.

These past discriminatory practices have created barriers to homeownership and intergenerational wealth-building for many minority families, and subsequent single-family zoning in high opportunity neighborhoods has reinforced it.



Background (Continued)

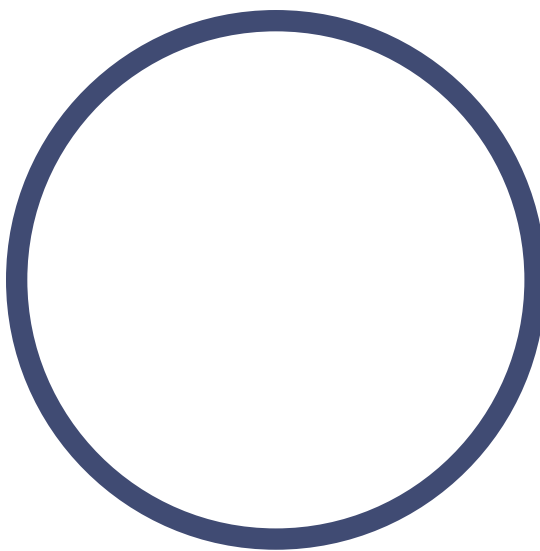
This Housing Element Update and the 2040 General Plan present opportunities to address persisting practices of exclusion and racial segregation through the development of additional actions to create more equitable and inclusive neighborhoods.

Advancing Equity and Inclusion

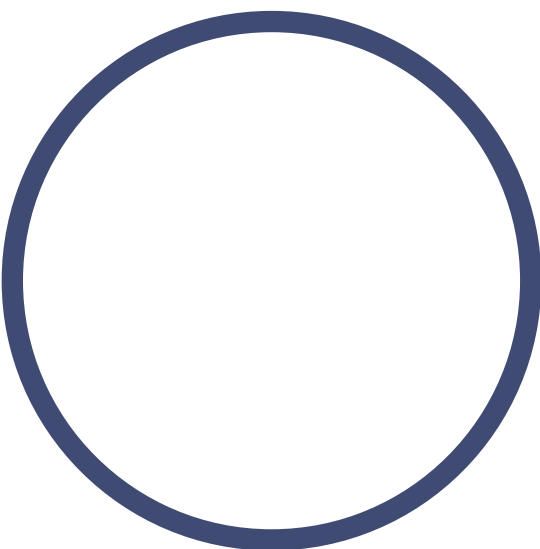
Goal: Create more equitable and inclusive neighborhoods by addressing the remnant forces of government policies of exclusion and racial segregation.

Potential Actions

- 1. Provide opportunities for affordable housing and rental housing in high resource areas of the City.
- 2. Allow a greater variety of housing types such as duplexes, triplexes, and fourplexes in traditionally single-unit zones.
- 3. Provide homeowner down payment assistance programs in neighborhoods with low homeownership rates.
- 4. Connect residents with job opportunities and workforce training.
- 5. Improve infrastructure, public transit, and essential services in underserved communities.
- 6. Adopt Citywide affirmative marketing policies to market homeownership and rental opportunities to those that might not otherwise apply or be considered because of past discrimination in housing choice.



Which actions should we prioritize?



What other actions should be considered to create more equitable and inclusive neighborhoods?



# Protecting Residents from Displacement

**Goal: Protect residents at-risk of displacement from their homes and their communities.**

## Background

### What is Displacement?

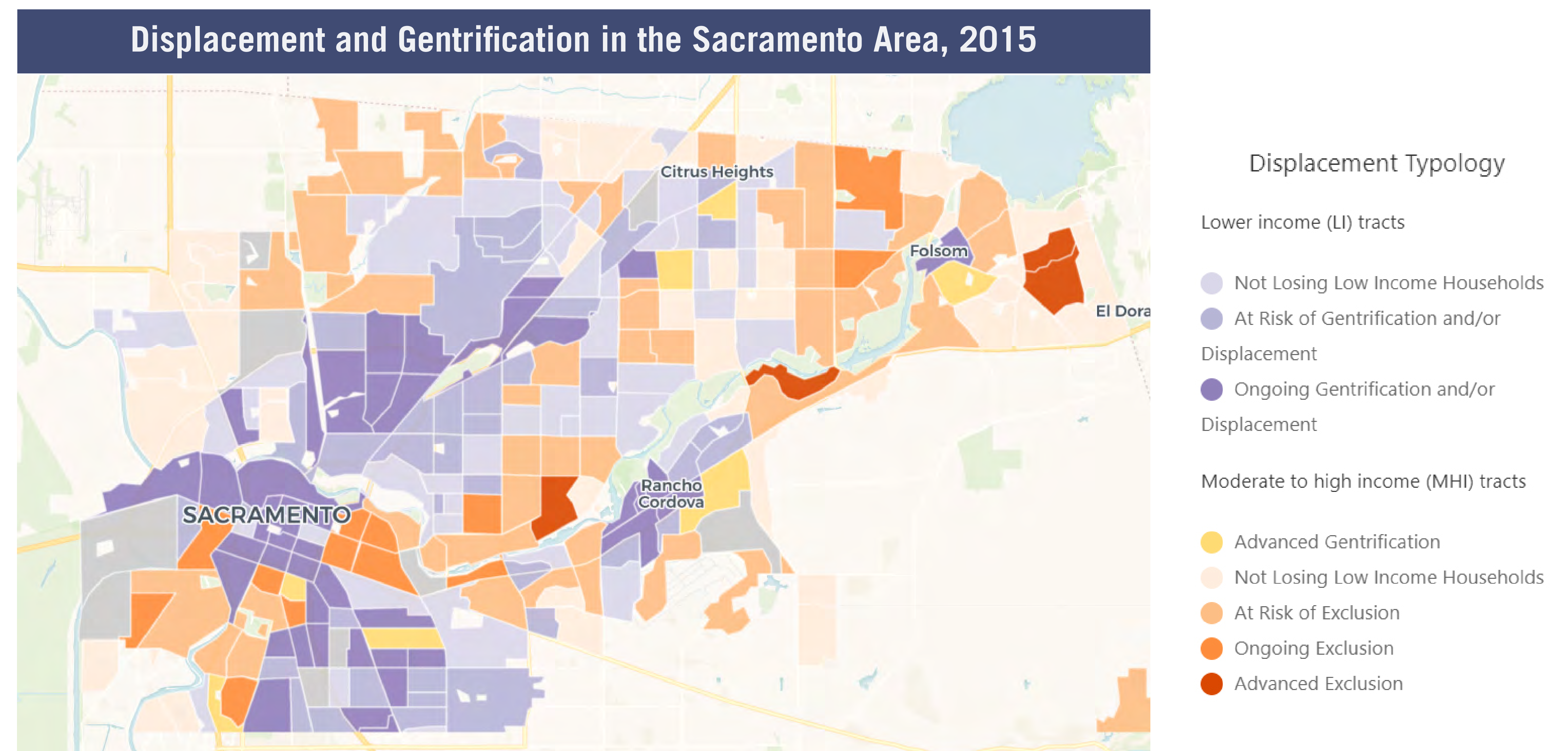
Displacement occurs when certain groups of individuals or households (often low-income) are forced to move from neighborhoods as a result of rising housing costs and neighborhood conditions associated with new investments in those neighborhoods.

### What is Gentrification?

Gentrification is the process by which higher income households displace lower income residents of a neighborhood, changing the essential character and flavor of that neighborhood. Often, though not always, gentrification has a very clear racial component, as higher income white households replace lower income minority households.

**There are a variety of factors that make it more likely that displacement will occur in a given neighborhood.**

Renter occupancy and high rent burdens are the most common reasons since renters may not be able to afford to stay in their unit as rents increase. Sacramento has seen some of the highest increases in rent in recent years. In 2017, the median rent increased by 8.2%, the highest in the nation for a metropolitan area, and over half of renters paid more than 30% of their income on housing. As rents increase and access to affordable housing decreases, low income residents are disproportionately at risk of displacement. As shown in the map below, the communities that are most at risk or are already experiencing gentrification and/or displacement (dark purple) are concentrated in the Central City and parts of North and South Sacramento. When renters are displaced due to excessive rent increases, there is a corresponding increase in the number of people experiencing homelessness.



Source: Zuk, M., & Chapple, K. (2015). Urban Displacement Project.



## Background (Continued)

Anti-displacement is about how we keep people in their homes and in their communities in the face of increasing rents and economic pressures. Some anti-displacement strategies are currently being implemented in Sacramento, including tenant protections, preserving existing affordable housing, creating more homeownership, and conducting neighborhood-level planning.

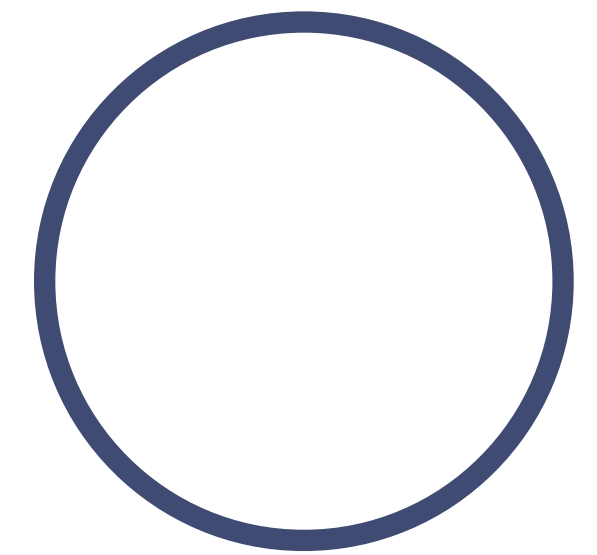
**This Housing Element Update presents an opportunity to develop additional actions to protect existing residents and establish protections for the culture of the community.**

# Protecting Residents from Displacement

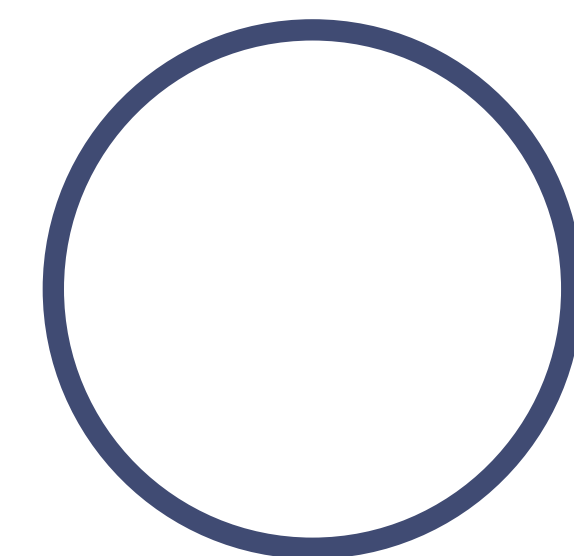
**Goal: Protect residents at-risk of displacement from their homes and their communities.**

## Potential Actions

1. Continue to implement and enhance rent stabilization and tenant eviction protection measures.
2. Explore programs to protect homeowners from foreclosure and renters of those homes from displacement.
3. Fund rental and mortgage assistance programs for low-income residents.
4. Expand home repair programs for low-income households.
5. Continue to provide and enhance educational activities on fair housing and tenant rights/protections.
6. Support Community Land Trusts, co-housing, cooperatives, and other forms of community ownership to reduce displacement risks and ensure the long-term affordability of housing.
7. Conduct neighborhood-level outreach and planning with area residents to support the community's vision and develop customized anti-displacement solutions.



Which actions should we prioritize?



What other actions should be considered to **protect residents from displacement**?



## How can I continue to participate in the process?

The Public Review Draft Housing Element will be available online to review and provide feedback on. We will also be hosting a Citywide Community Workshop in early 2021 to get your comments and thoughts.

Visit the  
[project website](#)  
for more details!

## Thank you for your feedback!

### What's Next?

Your feedback will help us formulate the policies and actions that will make up the Housing Element. We plan to release a public review draft of the Housing Element by the end of this year.

The full Housing Element schedule is provided below:

