CHAPTER 4: EVALUATION OF PRIOR ACHIEVEMENTS

A critical part of the County’s housing strategy is to assess and evaluate the achievements of the 2008 Housing Element in relation to its goals and objectives. The purpose of this assessment is to determine the effectiveness of current housing policies and programs and whether modifications are appropriate. This evaluation also provides valuable information on how successful these programs have been in achieving stated objectives and addressing local needs.

As required by State Housing Element law (California Government Code Section 65588) the housing program assessment must specifically address the following:

1. The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the State housing goal;

2. The effectiveness of the Housing Element in attainment of the community’s housing goals and objectives; and

3. The progress of the County in implementation of the Housing Element.

SUMMARY OF PROGRAM ACHIEVEMENTS

The following is a summary of the County’s achievements under the 2008 Housing Element. Shortcomings in implementation are also summarized, many of which were due to reduced funding and staffing shortfalls. A more detailed evaluation of the effectiveness of each of the programs is located in Appendix B. The previous element contained seven “Housing Strategies” that address: 1) an adequate supply of land for housing; 2) reduction in constraints to housing production; 3) conservation and rehabilitation of existing housing and neighborhoods; 4) improvement of housing opportunities for special needs groups; 5) preservation of existing affordable housing stock and provision of affordable housing; and 6) promote the health and safety of all residents. Working in partnership, Sacramento County) and the Sacramento Housing and Redevelopment Agency (SHRA) have achieved many key objectives of the existing Housing Element.

HOUSING STRATEGY I: ADEQUATE SUPPLY OF LAND FOR HOUSING

Elements of this strategy include:

■ Ensure an adequate supply of land for housing.

■ Preserve the supply of sites for multifamily housing.

■ Use of infill and underutilized sites.

The intent of the “Adequate Supply” strategy is to ensure the availability of a sufficient supply of suitable and appropriately zoned sites for future housing
Sacramento County precludes/prohibits multifamily zoned land from being developed with other land uses unless a finding can be made that such land is not needed to accommodate the remaining SACOG’s Regional Housing Needs Allocation (RHNA) for very-low and low-income households. The County remains committed to implementing this requirement through the next planning period.

Sacramento County General Plan policy requires that new master plans accommodate at least 90 percent of the obligation per the Regional Housing Needs Allocation (RHNA) for very low- and low-income households. This requirement has been applied to the proposed Cordova Hills master plan.

Both the Infill Response Team and Infill Council have been established to facilitate the development of quality infill projects. The County also created an infill program. The type and amount of financial incentives for infill projects have increased during the 2008-2011 period. These incentives include:

- The provision of sewer and drainage studies for the North Watt Avenue and Fair Oaks Boulevard commercial corridors at County expense. These studies are normally provided/funded by the developer.
- The development of predesigned house construction plans at discounted rates to those who build on infill parcels. These plans can be easily accessed via the Department of Community Development website.
- The provision of funding for the construction of upgraded water and sewer lines for Freedom Park Drive (west of the former McClellan AFB), which is the main road for the North Highlands Town Center, a major infill project.
- Received a grant for infrastructure studies for Transit Oriented Development (TOD) areas.

Shortcomings in implementation include:

- The County had difficulty in conducting inventory and monitoring activities due to reduced funding and staffing. The biannual monitoring of vacant residential sites was discontinued and the inventory of surplus County land was not conducted. Despite continuing staff shortages, the County intends to monitor vacant multifamily land on a biennial basis rather than biannual. Also, given that there is sufficient supply of privately owned vacant...
multifamily zoned land, an inventory of surplus County owned land is not necessary.

- Two of the Alternative Adequate Sites, Summerset and Greystone Apartments, were never rehabilitated. Due to the poor economy along with the challenging neighborhoods, the Sacramento Housing and Redevelopment Agency could not attract tax credit investors or lenders. These projects were to provide 60 units affordable to very low-income families and 178 units affordable to low-income families. However, even without these affordable units, within the County's land inventory for the 2008 Housing Element, there was a 458-unit surplus in the very low-income category and a 244-unit surplus in the low-income category.

HOUSING STRATEGY II: REDUCTION OF CONSTRAINTS TO HOUSING PRODUCTION

Elements of this strategy include:

- Reduction in permit processing times.
- Review of development standards.
- Review of residential development and permit fees.

Program accomplishments achieved under the “Constraints Reduction” strategy have helped in reducing those constraints associated with permit processing times, development standards, and fees. More specifically, these include the following:

- The County has implemented a new streamlining process. The cornerstone of this permit streamlining is the Project Review Committee (PRC) review process. The PRC administers a 3-stage process (i.e., Initial review, Condition review, and Trouble-shooting) that has increased the level of certainty and predictability of the land use entitlement process. This process has reduced the average processing time by 60 days.

- The County has adopted the Multifamily Residential Design Guidelines. These guidelines provide more flexibility for multifamily projects than the Zoning Code and emphasize quality design instead of strict development standards. Parking and setback requirements have been reduced for certain projects. The Guidelines supersede the standards in the Zoning Code.

- The County waives development fees for very low-income units in residential developments in which at least 10 percent of the units are affordable to very low-income households. During 2008 to 2012, 9 multifamily projects with affordable units have or will receive the fee waiver.
The County defers certain fees, such as roadway and transit fees and the Antelope Community Plan Area fees, for projects in planned communities that were certified by SHRA to have at least 10 percent of units available for very-low income households or 49 percent of units available for low income households.

The County Board of Supervisors approved amendments to the Affordable Housing Fee Deferral Program. One amendment increased the deferral period from 15 to 24 months recognizing that the time to construct most of the projects in the Program is typically more than 15 months. Given the severe economic/land development downturn, this action proved to be very beneficial to the development community.

The County has prepared master Environmental Impact Reports (EIRs) for commercial corridor plans. These master plans will reduce environmental review requirements and timelines for projects within the commercial corridors.

Shortcomings in implementation include:

- An important component of the County’s development streamlining process is the update of the current Zoning Code. While the County did secure the services of a consultant to assist with process, detailed staff-level work on the Code was discontinued because of budgetary constraints and resulting staff shortages. Ultimately, the updated Zoning Code will provide more flexibility in development standards such as increasing allowed densities in multifamily zones and reducing on-site parking requirements. The County will make the adoption of the updated Zoning Code a high priority during the planning period of this Housing Element.

HOUSING STRATEGY III: CONSERVATION AND REHABILITATION OF EXISTING HOUSING AND NEIGHBORHOODS

Elements of this strategy include:

- Establishment and maintenance of programs for rental housing rehabilitation.
- Maintenance of programs for owner-occupied housing rehabilitation.
- Rehabilitation of older motels serving as transitional or permanent housing.
- Conserve the quality of residential neighborhoods through zoning enforcement and code enforcement.
- Support efforts to alleviate the individual and community problems associated with mortgage default and foreclosures.
- Conservation of residential neighborhood quality through zoning and code enforcement.
Revitalization of deteriorated neighborhoods through public facility improvements.

Local/private sector investment for neighborhood revitalization.

Reduce loss of housing caused by demolition activities.

Implement Design Review

The following programs assisted in the conserving and improving of the condition of existing affordable housing stock, as specified in Government Code 65583(c)(4). These programs also assisted in the conserving and improving the conditions of neighborhoods. Specific program accomplishments include:

- During 2008-2011, 385 single family homes were repaired and/or retrofitted through Emergency Repair Grants and Retrofit Assistance Grants.

- SHRA financed three rehabilitation projects in the County. The projects included the renovation of two four-plex neighborhoods (Lerwick and Norcade) and a multifamily apartment complex (Shiloh Arms Apartments). The projects resulted in the retention of 186 affordable units.

- The County and SHRA have taken action in meeting problems associated with mortgage default and foreclosures.
  - SHRA administered an $18 million grant from HUD under the Neighborhood Stabilization Program (NSP). The program is designed to eliminate neighborhood blight resulting from vacant foreclosed homes.
  - SHRA continued to support HUD Approved Counseling Agencies in providing homebuyer education, counseling and post purchase counseling.
  - Code Enforcement has implemented the Vacant, Open and Accessible (VOA) program. This program allows the County’s Code Enforcement Division to send notices to property owners if the property is being accessed by unauthorized persons. If there is no response, Code Enforcement has the authority to secure the premises. Code Enforcement is also proactive in enforcing the landscaping code if a vacant building is not being maintained and the grass/weeds exceed 12 inches. This program has helped in preserving neighborhood identity and maintaining a sense of pride.

- The Design Review Administrator and an Administrative Design Review Advisory Committee reviewed commercial (includes multifamily) and mixed use projects for Design Review conformance. Project review includes compatibility with existing neighborhoods. As a result of this process, there
are several new examples of high quality and well designed projects throughout the County.

- The County completed an exterior housing survey. Staff surveyed sample sites in selected census tracts and tabulated the data. A report with maps has been prepared and is available at the Planning and Environmental Review Division website. Staff is planning to distribute brochures on the Create a Loan Rehabilitation Program and the CalHome Rehabilitation Program at public places (County Service Centers, libraries) at or near census tracts that have higher levels of distressed residential properties.

Shortcomings in implementation include:

- An important strategy in preventing blight in established and new neighborhoods was the Crime Free Certification Program for Apartments. Landlord training, review of physical security measures on site by the Sheriff’s Department and annual tenant meetings were required for certification. Crime Free Certification would be required as a condition of approval for new multifamily projects. This program was eliminated because of staffing and budget reductions in the Sheriff’s Department.

**HOUSING STRATEGY IV: IMPROVEMENT OF HOUSING OPPORTUNITIES FOR SPECIAL NEEDS GROUPS**

Elements of this strategy include:

- Housing for persons with disabilities.
- Housing for seniors.
- Farmworker housing.
- Housing for homeless people.
- Enforcement of anti-discrimination programs.
- Housing needs of female heads-of-household.
- Housing needs of large households.
- Increase in the supply of affordable rental housing for special needs groups.

These programs promote equal housing opportunities (Government Code 65583(c)(5)), as well as supporting homeless shelters, transitional housing, and farmworker housing (Government Code 65583(c)(1). Program accomplishments include:

- The Homeless Prevention and Rapid Rehousing Program began on October 1, 2009, and currently serves homeless households. As of October 2011,
1,418 homeless households (families/nonfamilies) were identified and assessed as needing services; 581 households were housed.

- During 2008-2009, 2009-2010 and 2010-2011, over 1,600 individuals (over 500 a year) were served through the Winter Shelter Program, which provides emergency housing for the homeless.

- The Planning and Environmental Review Division prepared a brochure on Universal Design features. The brochures are available at the Division’s information and plan check counters and the Building Inspection and Permitting Division’s Downtown Permit Center. As of May 2012, 219 brochures were taken by the public.

- During 2008-2011, 3,350 individuals (an average of 838 a year) were served through the Shelter Plus Care Program, which provides supportive housing for disabled individuals and families.

- Sacramento County annually inspects 22 farm labor camps to ensure safe and suitable living conditions.

- Two projects for extremely low income households, VOA Living Center and Mutual at Highlands, were constructed. These projects have a total of 104 affordable units.

Shortcomings in implementation include:

- Due to decreased staffing levels, the Planning and Environmental Review Division staff was unable to organize meetings with farmworker housing advocates. The Department has historically worked with other advocacy groups such as those represented the disabled or the homeless, but has not worked with advocates for farmworker housing. During the next housing element planning period, the Planning and Environmental Review Division will make a diligent and special effort to meet with farmworker groups to ascertain their housing needs.

**HOUSING STRATEGY V: PRESERVATION OF EXISTING AFFORDABLE HOUSING STOCK AND PROVISION OF AFFORDABLE HOUSING**

Elements of this strategy include:

- Preservation of existing affordable housing stock.

- Utilization of Federal, State, and local programs for the provision of affordable housing.

- Density bonuses for affordable housing.

- Mixed use development.
The programs implemented under the “Affordable Housing Preservation” strategy include providing regulatory concessions, incentives, and financing to assist in the development of adequate housing to meet the needs to low- and moderate-income households, as specified in Government Code 65583(c)(2). The County’s efforts to preserve existing affordable units as risk of conversion (Government Code 65583(c)(6)(D)) are also detailed in programs under this Strategy. Specific program accomplishments include:

- During 2008-2011, 23 projects were approved with requisite Affordable Housing Plans. Ten projects opted for the in-lieu fee option, twelve projects opted to construct affordable units on site, and one project opted to purchase unit credits. If all of these projects move forward to be constructed, they will result in $2,089,000 of in lieu fees and 412 affordable units.

- SHRA provided mortgage assistance to 518 homebuyers (average 130 a year) during 2008-2011.

- SHRA provided financing for construction of a total of 890 new multifamily units during 2008-2011. In 2010, SHRA secured financing for $1.5 million to preserve Shiloh Apartments for affordable housing.

- In 2010, SHRA was awarded $2 million in Local Housing Trust Fund Match Funds that will be used to finance an affordable project.

**Evaluation of the Affordable Housing Ordinance (AHO)**

Three key factors have emerged since 2004 that have prompted the County to reevaluate the AHO: a) recent State court decisions; b) the economic downturn, and; c) complexity of implementing the current AHO.

A. **Recent State Court Decisions**

Two recent court decisions (Palmer v. the City of Los Angeles, and The Central California BIA v. the City of Patterson) may have significant implications for all inclusionary housing ordinances in the State, including the County’s AHO:
Palmer: the Court of Appeal found that inclusionary ordinances violate the Costa-Hawkins Act when they require affordable housing in rental developments. As a result, inclusionary ordinances may be prohibited from limiting/restricting rental rates unless public assistance is provided to the project.

Patterson: the decision suggests that inclusionary ordinances may be viewed as "exactions" that must be justified by nexus studies which show there is a reasonable relationship between the affordable housing requirement(s) and the impact of the development. Staff is reviewing the outcomes of these court decisions and their potential impacts on the County's AHO. Additionally, staff is in the final stages of securing a consultant to conduct a residential nexus study to inform any amendments to the AHO (an outcome of the Patterson court case). The nexus study is expected to be completed in spring 2013.

Economic Downturn: Since adoption of the AHO, the housing market experienced an unprecedented economic downturn which exposed two weaknesses in the AHO:

1. The AHO is entirely dependent on continued market rate residential development. If market rate development is not occurring, fees are not being generated and land is not being dedicated to support production of affordable housing. Economic fluctuations and uncertainty in the housing market make it difficult to predict how many affordable units will be built and what fees will be collected pursuant to the AHO. However, the need for additional affordable housing remains (and may even increase) during economic downturns as memorialized in HCD's recently released technical assistance paper titled, "State of Housing in California 2012: Affordability Worsens, Supply Problem Remain". This disconnect is of great concern and is currently being analyzed by the four State housing agencies/departments as part of the "2012 Affordable Housing Cost Study". Findings and outcomes of this study are scheduled to be released in mid-2013.

2. Increased development costs associated with the AHO (required affordability fees, land dedication, and/or construction of affordable units) could impact project feasibility in the current and projected future market through 2021. The County recently conducted a multi-year effort to review all fees, costs and standards associated with market rate development to reduce the overall cost burden for projects. The review of the AHO was postponed to coincide with the Housing Element Update.

B. Complexity of Implementing Current AHO:

The AHO as currently written is very complex. This complexity has made it difficult for County and SHRA staff to implement the AHO and has caused confusion in the market due to lack of certainty. Reducing complexity and
providing more certainty will be a goal for any future amendment to the AHO.

The County is committed to addressing the housing needs for the lower income households even though State housing law does not require a jurisdiction to have an affordable housing program or ordinance. In light of the recent court cases, coupled with current and projected economic conditions through 2021, the current Affordable Ordinance needs to be amended. The County will conduct a comprehensive and thoughtful analysis of the Ordinance to determine how it could be revised to be a more viable affordable housing tool. The County will take a strategic and common sense look at various housing practices being successfully implemented in other jurisdictions around the State. Any subsequent amendments to the Affordable Ordinance should provide both for-and non-profit housing developers with a realistic and reasonable affordability framework that will encourage and facilitate the production of housing affordable to lower income households.

**HOUSING STRATEGY VI: PROMOTE THE HEALTH AND SAFETY OF ALL RESIDENTS**

Elements of this strategy include:

- Promote healthier communities and neighborhoods through the implementation of high quality and collaborative community design.
- Promote safety through community design.

The built environment can influence public health and safety. The pattern of community development can either promote or discourage physical activity, nutritious food choices, and street safety. It is the intent of programs under Strategy VI to promote a built environment that supports community health and safety. Program accomplishments include:

- The Planning and Environmental Review Division of the Department of Community Development completed a study that determined which low-income areas are underserved by grocery markets. A report with maps has been produced and put on the Division’s website. An email blast was sent out regarding the study. The study was also presented to the appropriate Community Planning Advisory Committees and the Planning Commission.

- The County approved new improvement standards that require separated sidewalks on all four and six lane roadways.

Shortcomings in implementation include:

- Most of the programs included under this strategy were not implemented or were only partially implemented because of department budget cuts and reduction of staff. For example, the Air Quality Management District (AQMD) had a staff person to review development plans with the goal of
promoting community health. Because of staffing reductions, the reviewing of development plans by AQMD ended in 2010. Also, the Sheriff’s department discontinued their review of development projects because of funding reductions. Finally, an incentive program for providers of fresh produce to locate near or in food desert areas was never developed, largely an outcome of reduced staff in the Planning and Environmental Review Division. Budgetary issues and reduced staffing levels have continued in these agencies.

HOUSING STRATEGY VII: PROMOTE THE EFFICIENT USE OF ENERGY AND IMPROVE THE AIR QUALITY OF SACRAMENTO COUNTY

Elements of this strategy include:

- Promote the efficient use of energy and reduce the long-term operational cost of housing.

Programs implemented under the “Energy Efficiency” Strategy seek to maximize energy efficiency by promoting the incorporation of energy conservation, green building features and sustainable community design into residences and neighborhoods. Program accomplishments include:

- Sacramento Municipal Utility District (SMUD) officials regularly participate in the Project Review Committee (PRC) process which provides an opportunity to identify potential opportunities and problems in projects early in the development process.

- The Planning and Environmental Review Division provides brochures on energy conservation at its public counters and at the Downtown Building Department counter.

- Energy efficiency has been incorporated into the Easton Master Plan project.

A program by program evaluation of the 2008 Housing Element programs is located in Appendix B.