

County of Sacramento

**DRAFT Application for the U.S. Department of Housing and Urban Development's FY 24
Pathways to Removing Obstacles to Housing Funding Opportunity**

Funding Opportunity Number: FR-6800-N-98

TABLE OF CONTENTS

Narrative Exhibits

EXHIBIT A Executive Summary	3
EXHIBIT B Threshold Requirements and Other Submission Requirements.....	5
EXHIBIT C Need	7
EXHIBIT D Soundness of Approach	14
EXHIBIT E Capacity	33
EXHIBIT F Leverage	37
EXHIBIT G Long-Term Effect	39

Attachments

ATTACHMENT A Summary of Comments Received on Published Application	
ATTACHMENT B Public Participation Certification of Compliance	
ATTACHMENT C Advancing Racial Equity Narrative	
ATTACHMENT D Affirmative Marketing and Outreach Narrative	
ATTACHMENT E Experience Promoting Racial Equity Narrative	

Forms

Application for Federal Assistance (SF-424)	
Applicant and Recipient Assurances and Certifications (HUD 424-B)	
Applicant/Recipient Disclosure/Update Report (HUD 2880)	
Disclosure of Lobbying Activities (SF-LLL)	
Certification Regarding Lobbying Activities	
Federal Assistance Representations and Certifications (via sam.gov)	
Grant Application Detailed Budget Worksheet (HUD-424-CBW)	
PRO Housing Certifications	

County of Sacramento
Exhibit A: Executive Summary

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The County of Sacramento (County) is 8th largest county (of 58 counties) in California by population. The County is a priority geography with acute affordable housing needs in the housing problems factor which is defined as cost burdens of at least 50 percent, overcrowding, or substandard housing. This, coupled with the limited number of housing units reported in the County's annual Housing Element progress reports that have not kept up with regional housing needs allocation (RHNA) obligations, signifies the County's acute need for affordable housing.

The vision for the County's proposal for the U.S. Department of Housing and Urban Development's (HUD's) FY 24 Pathways to Removing Obstacles to Housing (PRO Housing) funding opportunity is to enable the increase in production and preservation of affordable housing across both a broad geographic area as well as in strategic plan areas to sustain long-term effects. Proposed activities include:

- **Comprehensive Corridor Planning** builds upon the modernization of land use planning documents for both the Stockton Boulevard and North Watt Avenue commercial corridors, and will entail: a) infrastructure need and priority phasing assessments (for sewer, transportation facilities, water, stormwater, dry utilities, recreational and open space, and other infrastructure) which is a significant opportunity to support affordable housing and other development created in these corridors, and b) affordable housing policy action plans to explore establishing financing districts that would earmark a percentage of funds specifically for affordable housing development and related infrastructure needs in these corridor and identification of necessary resources to support positive outcomes for lower-income households. The plans will also explore a minimum affordable housing requirement or set-asides for development in the corridor planning areas.
- **Affordable Housing in Planned Communities** which rezones properties in comprehensively-planned communities with substantial residential development interest (i.e., Florin Vineyard Community Plan, North Vineyard Station Specific Plan, and Vineyard Springs Comprehensive Plan in the Vineyard community, and East Antelope Specific Plan in the Antelope community) for the lower-income inventory which will allow by-right development on these properties if at least 20 percent of units are affordable to lower-income households.
- **Adaptive Reuse Ordinance and Affordable Housing Streamlining in Special Planning Areas (SPAs)** to allow a) by-right adaptive residential reuse of structures in commercial zones along with a critical assessment of objective development/design standards and development review agency requirements to eliminate barriers to said reuse, and b) remove discretionary requirements for affordable housing projects in SPAs, including Neighborhood Preservation Areas (NPAs). The former will also explore a minimum affordable housing requirements or set-asides for adaptive residential reuse.

The County is requesting \$2.7 million in PRO Housing funding and is committed to matching \$1.3 million in County funds. Implementation of the above-identified activities will permanently remove key barriers and ensure the production and preservation of affordable housing units in the County long after the grant's period of performance.

County of Sacramento

Exhibit B: Threshold Requirements and Other Submission Requirements

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The County meets all threshold eligibility requirements outlined in Section III.D and other submission requirements outlined in Section IV.B.2 of the PRO Housing Notice of Funding Opportunity (NOFO). By submitting this application, the County certifies as follows:

Threshold Eligibility Requirements

- **Outstanding Civil Rights Matters to Be Resolved:** None
- **Timely Submission of Application:** The County provided 15 days for public comment on the application draft (beginning September 24, 2024) and allowed for time to address and public comments. The draft application was considered by the Sacramento County Board of Supervisors (Board) on October 8, 2024. Comments received, and responses to said comments, are included in Attachment A.
- **Eligible Applicant:** The County is a county government and therefore eligible to submit this grant proposal in accordance with Section III.A of the PRO Housing Grant NOFO.
- **Number of Applications:** This is the only application submitted by the County.

Other Submission Requirements

- **Standard Application, Assurances, Certifications, and Disclosures:** The County has completed all required forms and are included with the County's application as outlined in the NOFO.
- **Code of Conduct:** The County has a Code of Conduct that complies with the requirements included in the "Conducting Business in Accordance with Ethical Standards" section of the Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards – 2024 and has included a copy with this application.
- **Affirmatively Further Fair Housing:** The proposed activities are consistent with the 2019 Analysis of Impediments to Fair Housing Choice prepared by the Sacramento Valley Fair Housing Collaborative.
- **Access to Information:** The County will ensure that all information related to the application and proposed activities will be available to the public, including persons with disability and persons with limited English proficiency and in appropriate languages for the effected unincorporated areas of Sacramento County.
- **Physical Accessibility:** The County is committed to providing access to all County programs and services to all persons and will provide accommodation to persons with disabilities to attend and fully participate in all meetings concerning the proposed activities.
- **Environmental Review:** The County will comply with all applicable environmental requirements including the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) as needed.
- **Federal Assistance Assurances:** The County has completed the Federal Representations and Certifications section of Sam.gov.

County of Sacramento

Exhibit C: Need

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C.i. Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations.

The County has made significant strides in the past few years to identify and remove barriers to affordable housing production. The County has long-standing zoning and development regulations catered to single-family and semi-rural development dating back to the County's first zoning code adopted in the 1940s. However, the County's unincorporated area has greatly diversified since that time. Many of the County's communities, although once rolling fields for farming and grazing, are now dense urban corridors starved for housing, amenities, and transit.

The one-size-fits-all approach of the County's zoning code, and the outdated policies of the *Sacramento County General Plan of 2005-2030 (General Plan)* (which has not seen a comprehensive update since the early 1990s) has stagnated the immense potential for denser and more affordable housing in all areas of the County.

This trend began to shift in 2018 as the call to reform housing policy in the County took root at the Board of Supervisors' behest and the community at large. It was also around this time that the County was awarded several grants from the California Department of Housing and Community Development (HCD) to initiate a multi-pronged approach to streamlining housing production. Though these efforts have just recently concluded, and we have not yet been able to fully quantify their effect, the County is looking to build upon these efforts to further satisfy the housing needs of all residents of the County.

These policy efforts include:

- Accessory Dwelling Unit (ADU) Ordinance Updates – adopted April 11, 2018; amended December 15, 2020 and August 9, 2022:
 - Removal of additional entitlements and permitting, making ADUs by-right
 - Relaxing development standards for ADUs including increasing maximum size
- Affordable Housing Incentive Program – adopted August 9, 2022
Zoning Code amendment to streamline affordable housing projects and grant various density bonuses, incentives, and waivers by right
- Housing Production Streamlining – adopted August 9, 2022
Zoning Code amendments to facilitate and streamline market rate and affordable multifamily housing including:
 - Established objective multifamily design standards to decrease processing times for multifamily housing projects
 - Allowed duplexes to be permitted by right in a greater number of single-family zones
 - Lowered entitlement thresholds for multifamily development in office zones
 - Created a new minor entitlement allowing for multifamily development and ADUs to deviate from development standards through a much speedier review process
- Supportive Housing and Group Living Ordinance – adopted May 7, 2024
 - Permitted supportive and transitional housing by right
 - Modernized various definitions and standards for group living uses

- Expanded the County’s farmworker ordinance to increase housing opportunities for farm and migrant workers on all agricultural lands in the County (adopted)
- Shelf-Ready ADUs – effective June 2024
Full architectural and construction plan sets for five pre-approved ADU floor plans that meet all 2022 California Residential building code requirements including electrical, mechanical, plumbing, and net energy efficiency resulting in a streamlined permit process and significant savings for homeowners.
- Infill Program Update – adopted August 20, 2024
 - Update to the County Infill Program identifying key barriers to infill development and establishing an Incentive Toolkit and Implementation Program to increasing infill and housing development in the County
- Countywide Rezone Program – adopted August 20, 2024
Rezoning of 236 acres of land to higher-density residential zones to increase lower income development capacity by 3,857 units

Although these laws and programs are recently enacted, we have already seen progress:

- In 2017, the year before the County’s first major update to its ADU Ordinance, a total of 12 ADUs were permitted. Since 2018, the number of ADUs constructed per year has increased with 162 ADUs permitted in 2023.
- Over a four-year span prior to the adoption of the Affordable Housing Incentive Program in 2022, the County had processed five density bonus projects. In just two years since program adoption, the County has processed eight density bonus projects.

While the County is proud of the progress we have made, there is still much work to be done to overcome long-standing barriers to affordable housing.

C.ii. Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know?

HUD designated Sacramento County as a priority geography, which thus demonstrates an acute need for affordable housing for households that make below 100 percent of the Area Median Income (AMI). While the County was given this designation due to meeting the thresholds for widespread housing cost burden or substandard housing, other important factors also highlight the need for more affordable housing in the County’s unincorporated areas. Historical development trends and data within the current Housing Element of the General Plan further show the remaining affordable housing needs that the County has yet to meet.

According to the current Housing Element, the County faces widespread housing cost burden as home values and rents have increased. 60 percent of all low-income owners and 73.3 percent of low-income renters pay more than 30 percent of their income for housing, with a large proportion (33 and 42 percent, respectively) paying more than 50% of their income. Additionally, 62 percent of owners and 74 percent of renters for extremely low-income households are severely overpaying for housing. This burden is especially disproportionate among the County’s four Environmental Justice (EJ) Communities, which are considered disadvantaged compared to other parts of the unincorporated County due to intersecting environmental, racial, and income factors. Each EJ Community faces a higher percentage of cost-burdened households compared to the rest of the County.

The County also faces issues with overcrowding: Since the 2005-2009 American Community Survey, the percentage of overcrowded rental units (i.e. those containing more than 1.0 person per room) increased from 7.4 to 8.6 percent, while overcrowded owner-occupied units increased from 2.3 to 2.5 percent. Overcrowding is especially an issue for EJ Communities; while most EJ Communities already have higher percentages of overcrowding compared to the rest of the County, the EJ community of South Sacramento has the highest concentration of overcrowded households (14.1 percent) overall. These trends highlight a need for affordable housing that can accommodate larger families and units that individuals can afford on their own.

Additionally, according to the 2024 Point-in-Time Homeless Count conducted by Sacramento Steps Forward, an estimated 561 unsheltered individuals were experiencing homelessness during the night of the count. 61.7 percent of the individuals who were surveyed for the entire County (incorporated cities included) stated that they had either originated from the County or had been lifelong residents.

Each of these issues could be addressed with the provision of more affordable housing, though historical development patterns have not met this need. As part of its Regional Housing Needs RHNA inventory, the County anticipates requiring housing sites that could provide 7,158 units designated for lower-income households (in other words, those that are extremely low, very low, and low income) to meet future demand. A table outlining the County’s RHNA needs is provided below.

Income Level	RHNA (2021-2029)
Very Low	4,466
Low	2,692
Moderate	4,186
Above Moderate	9,928
Total	21,272

Building patterns in the County show the demand for housing construction and act as indicators for whether housing supply is meeting current demand. In compliance with regulations set by the Governor’s Office of Planning and Research (OPR) and HCD, the County produces an annual Housing Element Progress Report that shows the building permits issued for that reporting year compared to the County’s RHNA. For the previous Housing Element cycle (for years 2012-2021), only 290 low and very low-income units were issued permits compared to the 5,357 lower-income RHNA allocation (5.4% overall). For the current Housing Element cycle (years 2021-2029), there have been a total of 454 building permits issued for lower-income units, or 6.3% of the RHNA total. Meanwhile, no permits have yet been issued to meet the County’s allocation for 2,233 extremely low-income units.

The following population trends highlight the vulnerability of certain residents within the County and would also need to be considered for future affordable housing needs:

- As the County is home to a large amount of agricultural land, the number of agricultural workers is anticipated to increase from 5,440 in 2016 to 5,670 in 2026. The hourly median wage of a farm worker in the Sacramento-Roseville-Arden-Arcade Metropolitan Statistical Area is between \$11.56 and \$11.71, or between \$24,062 and \$24,357 annually, which falls below the Extremely Low-Income level of \$25,900 for a family of four.
- 21 percent of the unincorporated County's total population have some sort of disability. Of the 38,824 people with a disability between the ages of 18 and 64, 41 percent experience difficulty with independent living, indicating a potential need for special housing accommodations, financial assistance programs, or services.
- When comparing the 2010-2014 and 2014-2018 American Community Surveys, the population of seniors (65 and above) experienced a higher percentage increase than that of the total population (13.5 versus 3.3 percent, respectively). 10.4 percent of seniors in the unincorporated County are living below the federal poverty level.
- 20.9 percent of the County's population (including incorporated cities) is foreign born. According to interviews with service providers, among the primary housing barriers that immigrants and refugees face in the County are rental requirements, a lack of units with three or more bedrooms for large families, and a lack of naturally occurring affordable housing.

C.iii. What key barriers still exist and need to be addressed to produce and preserve more affordable housing?

Despite significant strides to remove barriers to affordable housing in Sacramento County, there is still much work to be done to increase affordable housing production in all areas of the County.

Lack of affordable housing opportunity in planned communities

The County just completed its largest Countywide Rezone to-date as 236 acres of land were rezoned to high-density residential to increase lower income development capacity by 3,857 units. However, this effort was limited due to the outdated policies and documents of the County's planned communities.

The County has various master plans and specific plans that guide development in new growth areas. These areas of the County contain the greatest volume of vacant land and represent the greatest potential for residential development in the short-term. However, many of these plans were adopted over 20 years ago and planned almost solely for single-family residential development. Where the plans do plan for multifamily residential development, often the maximum density permitted by right is only 20 dwelling units per acre. Per the RHNA for Sacramento County, this density is most likely to produce housing for moderate-income families.

Not only do the land use plans themselves only zone for low-density residential development, but the environmental documents approved for the plans also provide very little capacity to increase residential development intensity within the plan areas. This leaves these areas without

any meaningful path to providing a healthy mix of housing to lower, moderate, and above moderate-income households needed to establish a strong and thriving community.

The Countywide Rezone targeted nearly 150 acres for rezone within these planned communities but had to remove the sites from consideration due to the complexity of the plans and environmental clearances necessary to rezone the sites.

Inadequate infrastructure within commercial corridors

While the County's planned new growth areas largely do not account for high density and affordable housing, the County's commercial corridors attempt to streamline and incentivize high-density housing and mixed-use development, but often fall far short of those goals.

The General Plan identified 13 commercial corridors that have enormous opportunity to accommodate future residential and commercial growth in compact, mixed-use developments. These corridors would also offer access to commercial and retail establishments, public transit, recreation facilities, and employment centers all in close proximity to high-density residential development. As a result of the General Plan, the County then adopted various corridor plans and SPAs to serve as zoning for these corridor areas, mainly so these areas could utilize alternative use and development standards to incentivize the type of high-intensity development most suited to these areas.

However, implementation of these corridor plans has proven to be one of the greatest barriers to affordable housing in the County. Many, if not all, of the corridor plans require intensive infrastructure improvements to accommodate the type of high-density development the plans call for. While the corridor plans outlined the necessity for infrastructure improvements, steps were never taken to definitively identify what those improvements are or how to finance them. The lack of adequate infrastructure renders high-density development nearly impossible in these corridors without public investment.

As there is very little interest in building high-density residential and commercial projects in these corridors due to infrastructure deficiency, and the plans themselves in many cases do not allow for lower-intensity residential and commercial uses, key commercial corridors in the County have remained vacant.

Legacy Zoning Code Regulations

The Sacramento County Zoning Code remains a key barrier to affordable housing production throughout the County. The Zoning Code was initially adopted in 1948, and while updated periodically throughout its history, the key concepts and priorities of the Zoning Code have remained unchanged. The Zoning Code overwhelmingly prioritizes single-family residential development while enshrining significant barriers to multifamily development.

While single-family development is relatively straightforward, streamlined, and easily implementable, multifamily development is burdened with onerous development standards and restrictive zoning requirements. Immense progress was made in 2022 when the County adopted objective multifamily design standards; however, amendments made to multifamily development standards (such as setbacks, height, etc.) were limited. As the County looks for innovative ways to increase affordable housing stock, the extensive list of requirements for multifamily housing

renders development concepts, such as adaptive reuse, nearly impossible as the time and cost to modify an existing office building to meet current standards is prohibitive.

In extension of the Zoning Code are the County's 68 Special Planning Areas (SPAs) and Neighborhood Preservation Areas (NPA). SPAs are special zoning districts providing unique zoning regulations and design standards for designated geographic areas, while NPAs provide development restrictions on all non-single-family development in order to preserve the large lot, low density, residential zoning of designated neighborhoods. Each of the SPAs and NPAs were developed independently and provide their own individual set of development requirements. These special zoning districts encompass large portions of the developed areas of the County, and in many cases, provide additional public review and hearing requirements for multifamily development beyond what is required by the standard Zoning Code. This has proven to be a major barrier to affordable housing production in the County as projects that otherwise would be permitted by right under California State Law, must still undergo rigorous public review to comply with the respective SPA and NPA. The County has had great difficulty in amending the SPAs and NPAs as they must be amended individually and require considerable time and fiscal resources to do so.

County of Sacramento
Exhibit D: Soundness of Approach

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D.i. What is your vision?

The vision for Sacramento County’s proposal is to enable increased production and preservation of affordable housing countywide and in targeted planned areas through five key activities: (1) Comprehensive Corridor Planning, (2) Affordable Housing in Planned Communities, (3) Adaptive Reuse Ordinance, and (4) Streamlining Affordable Housing in Special Planning Areas. The proposed activities are identified in the General Plan, which was adopted by the County Board of Supervisors (Board) in November 2011; and in the Housing Element of the General Plan, which was adopted by the Board in March 2022 and certified by the California Department of Housing and Community Development (HCD). These activities were identified via an extensive and engaging public process over the past two decades which includes public workshops, meetings, pop-up events, and public hearings.

The benefits of these activities will be realized in the short and long term. All activities will work in tandem with other ongoing affordable housing efforts in the County including the establishment of a countywide Infill Program and hiring of an Infill Coordinator to identify additional barriers to housing development in the County’s infill corridors; the initiation of an update to the County’s Affordable Housing Ordinance – a key financing mechanism for affordable housing in the County; the establishment of an Enhanced Infrastructure Financing District (EIFD) to finance infrastructure improvements and housing within the Stockton Boulevard Corridor; a comprehensive update to the land use objectives and implementation of the North Watt Avenue Corridor Plan; and a myriad of other targeted Zoning Code amendments and financing programs to produce and preserve affordable housing.

These activities are especially timely in that the County has ample land and opportunity for affordable housing development in its planned communities and commercial corridors, and vigor for adaptive reuse has never been higher in the County. All that is needed is public investment to unlock this potential and open the gateways for housing production in the County.

Comprehensive Corridor Planning

As the County desires and needs to incorporate affordable housing into each of its growth strategies, this proposed activity targets barriers to housing in two key commercial corridors:

- Lack of adequate infrastructure to support high density housing and infill development, and
- Lack of an effective affordable housing strategy to better facilitate affordable housing in the corridors.

The activity will complete Infrastructure Needs and Priority Phasing Assessments, Affordable Housing Action Plans, and other necessary activities unique to each of the two target corridors: Stockton Boulevard Corridor and North Watt Avenue Corridor.

Various corridor plans were adopted over the past 20 years with the goal of facilitating infill and mixed-use development, but this goal never came to fruition. Much of the County’s corridors never experienced the envisioned redevelopment and much of the land once deemed with high potential remains vacant. The County has taken on multiple efforts in the past several years to revitalize Stockton Boulevard and North Watt Avenue. The County secured funding from HCD

to modernize the corridor plans for Stockton Boulevard and North Watt Avenue (the Stockton Boulevard effort is coming to a close on October 1, while the North Watt Avenue effort just kicked off this summer). The County has further shown its commitment to revitalizing these two corridors by designating both areas as Green Zones as part of the Sacramento Area Council of Governments (SACOG) Green Means Go program. The Green Means Go program is a multi-year pilot program established by SACOG, the Sacramento region's Metropolitan Planning Organization (MPO). The program aims to accelerate housing production and lower greenhouse gas emissions by accelerating infill development, reducing vehicle trips, and promoting clean mobility options in designated areas called Green Zones. The designation of Stockton Boulevard and North Watt Avenue as Green Zones shows a commitment to this development strategy and makes the corridors eligible for state and federal funding supporting housing and infill development.

As the County uses these funding sources to revamp and revitalize the land use plans for these corridors, a key barrier to development and affordable housing production is inadequate infrastructure. This shortfall is acknowledged in the initial planning processes for these corridors, but funding was previously unavailable to complete the necessary studies to specifically identify needs, phasing, and resources to support the infrastructure required for the corridor plans to materialize.

The proposed activity seeks funding to complete the necessary Infrastructure Needs and Priority Phasing Assessment for both the Stockton Boulevard and North Watt Avenue Corridors. The proposed infrastructure planning activities will not only incentivize affordable housing production but will also streamline the development process and lead to greater investment in these corridor plan areas.

Additionally, effective affordable housing strategies and financing will be essential to attracting affordable housing in these corridors. As part of this activity, the County will also develop comprehensive Affordable Housing Action Plans unique to each corridor to tackle barriers to housing unique to each community.

The proposed activity addresses the national objective of expanding housing stock for low- and moderate- income households [§101(c)(3) of the Housing and Community Development Act of 1974] and is an eligible activity under Section III.F.2.c.i.A and S by updating community development plans, zoning, and land use policies to encourage multifamily development and connecting infrastructure with area plans, Section III.F.2.c.iii.A and E by installing new utilities and infrastructure improvements necessary for the development and preservation of affordable housing and investing in neighborhood amenities that benefit low- and moderate-income residents.

Stockton Boulevard Corridor

There are three subtasks related to the Stockton Boulevard Corridor for the proposed activity:

1. Infrastructure Needs and Priority Phasing Assessment
2. Affordable Housing Action Plan
3. Stockton Boulevard Special Planning Area Boundary Expansion

Infrastructure Needs and Priority Phasing Assessment

Engagement with the affordable housing and development community has consistently resulted in the same feedback: infrastructure on Stockton Boulevard is inadequate to accommodate high density and affordable housing. The County has already taken steps to address this barrier by exploring the feasibility of an EIFD to publicly finance infrastructure improvement projects via property tax revenue. However, an updated, conclusive assessment of the most pressing infrastructure needs is necessary to ensure those public dollars are spent most efficiently. Subtask 1 of the proposed activity is to complete an Infrastructure Needs and Priority Phasing Assessment to identify what capital improvements are necessary to support affordable housing and amenities in the corridor, and to develop an implementation plan for those improvements.

Affordable Housing Action Plan

With the necessary infrastructure identified, the County would also develop an Affordable Housing Action Plan specifically for Stockton Boulevard to identify key policy initiatives and supporting resources to bring affordable housing to the corridor. The County will explore establishing a tax-increment financing district that would earmark a percentage of funds specifically for affordable housing development and related infrastructure needs, which meets the eligible criteria of Section III.F.c.iii.C. The Affordable Housing Action Plan will also establish priorities for public investment including neighborhood amenities that benefit low- and moderate-income residents such as parks, community centers and public transit. The plans will also explore a minimum affordable housing requirement or set-asides for development in the corridor.

Stockton Boulevard Special Planning Area Boundary Expansion

Lastly, the County will also look to expand the boundaries of the Stockton Boulevard Special Planning Area (SPA), which is the planning tool used to provide unique zoning regulations and development standards for Stockton Boulevard compared to the rest of the County. The boundaries of the SPA are currently limited, and expansion of the SPA further south creates a more cohesive corridor that can take full advantage of the resources planned from the EIFD and Affordable Housing Action Plan.

The County recently completed the performance period of the Regional Early Action Planning (REAP) Grant administered by HCD. The goal of the County's grant project was to increase residential density, implement measures to intensify land use patterns in strategic locations near transit, jobs, and other amenities, and lastly, to facilitate objective design standards to help incentivize housing for persons of all incomes. Through this grant program, the County produced a draft update to the Stockton Boulevard SPA that significantly reduces development requirements such as parking, setbacks, and height restrictions and heavily encourages mixed-use and high-density development. The Stockton Boulevard SPA will serve as the pilot program for mixed-use development in the County. The proposed activity seeks to expand that pilot program to encompass all of the Stockton Boulevard Corridor and to plan for the infrastructure needed to ensure the revitalized Stockton Boulevard Corridor Plan succeeds.

Additionally, the County Department of Transportation is in the process of testing feasibility and designing transportation infrastructure improvements to provide alternative modes of transportation including improved bike lanes and bus rapid transit.

Other recent successes on Stockton Boulevard include the groundbreaking for a new affordable housing development, the San Juan Apartments, which will bring 160 affordable units to the corridor. This is an area with significant need for affordable housing, and developers are waiting to answer the call.

The proposed activity to plan for necessary infrastructure and develop an Affordable Housing Action Plan County's combined with the County's current efforts to densify Stockton Boulevard and improve multimodal transportation will result in a connected and resilient urban corridor providing housing options and amenities to all persons, especially those with lower income.

North Watt Avenue Corridor

There are two subtasks related to the North Watt Avenue Corridor for the proposed activity:

1. Infrastructure Needs and Priority Phasing Assessment
2. Affordable Housing Action Plan

Like the Stockton Boulevard Corridor, North Watt Avenue has suffered from deficient infrastructure for decades. The North Watt Avenue Corridor Plan was adopted in August 2012 with the goal of bringing high-density, mixed-use development to a commercial corridor that serves as a gateway from the suburbs of Placer County to the urban core of Sacramento. While the goals of the plan were admirable, it was mired by complicated regulations and severe wet infrastructure deficiencies that could not support the planned increase in density.

The County is currently in the process of revising the land use plan for the North Watt Corridor through the SACOG Green Means Go program. The goal of this effort is to transform the corridor into a vibrant, economically healthy corridor that enhances the quality of life in surrounding neighborhoods and the greater Sacramento region by providing a range of housing types at densities that support transit through the redevelopment of vacant and underutilized sites. The project will remove the complexities in regulation of the Corridor Plan, focus on vacant and underutilized parcels and sites near transit, job centers, and other amenities, and streamline the project review process by increasing the amount of ministerial, by-right approvals.

Infrastructure Needs and Priority Phasing Assessment

With a revamped and modernized land use plan in place for the North Watt Avenue Corridor, significant infrastructure improvements are necessary to effectuate the plan, specifically water and sewer. The existing wet infrastructure on North Watt Avenue cannot support multifamily housing, requiring housing developers to install the infrastructure themselves to serve their development. This has proven to be cost prohibitive for most residential and commercial developers on North Watt Avenue. The Infrastructure Needs Assessment and Phasing Plan will definitively identify the necessary infrastructure to support the revitalized land use plan and provide a pathway to improving that infrastructure, unlocking the immense potential for this corridor.

Affordable Housing Action Plan

Furthermore, an Affordable Housing Action Plan for North Watt Avenue will establish policy priorities and recommendations for affordable housing incentives and financing to bring affordable housing comes to North Watt Avenue, ensuring that the Corridor is developed with housing for a mix of incomes, preventing displacement and gentrification. Similar to Stockton Boulevard, the Affordable Housing Action Plan will explore establishing tax-increment financing districts that would earmark a percentage of funds specifically for affordable housing development and related infrastructure needs in the corridor.

The most significant environmental risk from these efforts in the Stockton Boulevard and North Watt Avenue Corridors is the increase in greenhouse gas emissions from increased vehicle miles traveled as a result of the increased number of residential units. However, the proposed activity directly addresses this as improved infrastructure will allow for denser housing and greater concentration of commercial uses and amenities to be located within walking or biking distance or easily accessible by public transit planned for the corridor in the form of bus rapid transit and light rail.

Affordable Housing in Planned Communities

The County just completed the largest Countywide Rezone in its history rezoning over 236 acres of land to increase lower income development potential by 3,847 units. The Rezone was adopted by the Board on August 20, 2024. While ambitious, additional communities were targeted for rezoning but were removed from consideration due to barriers presented by restrictive specific and community plans and limitations of the plan's respective environmental documents. These plans include the Antelope – East Antelope Specific Plan, Vineyard – Florin Community Plan, North Vineyard Station Specific Plan, and Vineyard Springs Comprehensive Plan.

Each of these plan areas are currently under development and contribute to the “Planned Communities” growth strategy identified in the Land Use Element of the General Plan. The County's planned communities currently see the highest rate of growth throughout the county, mostly via single-family subdivisions. As these plans were adopted over 20 years ago, multifamily development and affordable housing were low priority and are not featured prominently in the plans. For example, of the 1,596 acres encompassed by the North Vineyard Station Specific Plan, only 65 acres are designated for multifamily development. Furthermore, the sparse land available for multifamily development in this plan is capped at a density range of 12-22 dwelling units per acre. Housing developed at this density range would most likely result in dwelling units for moderate to above moderate-income households (120% AMI and above).

The proposed activity is to continue where the first phase of the Countywide Rezone ended: updating the four identified planned communities to allow for the rezoning of an additional 143 acres of land to increase by-right lower income (80% AMI) capacity by 2,665 units. The updating and upzoning of these plans ensure that densification of housing in the County is equitable and spread throughout all growth areas in the County, not just urban infill areas.

This activity would also lay the groundwork for prospective affordable housing developers by bringing all development review agencies together to provide a complete set of conditions and

requirements on a site-by-site basis. This gives a housing developer the road map for what will be required to develop each of the prospective housing sites, significantly reducing pre-application time and costs for housing developers.

This activity addresses the national objective of expanding housing stock for low and moderate income households [§101(c)(3) of the Housing and Community Development Act of 1974] and is an eligible activity under Section III.F.2.c.i.A. of the NOFO by updating community development plans, zoning, and land use policies to encourage multifamily development.

To complete the rezone within these planned areas, extensive environmental review is required to update the respective Environmental Impact Reports (EIR) that accompany these plan areas. For most of these plans, the EIRs completed an impact analysis using a hard-capped development capacity. The upzoning of land currently zoned for single-family and medium-density housing would push the plans over their analyzed development caps. This proved to be the most significant barrier to rezoning these sites during the first phase of the Countywide Rezone. Much of the work for this activity would be to update the respective EIRs to analyze the impacts of a greater capacity within these plan areas and ensure that new housing is accessible while not creating a strain on local ecosystems and resources.

Adaptive Reuse Ordinance

This proposed activity contains the following primary components:

1. Adopt an Adaptive Reuse Ordinance to facilitate the conversion of existing office and other non-residential structures into multifamily and affordable housing;
2. Prepare and publish the applicable environmental document to fully analyze the impact of by-right housing in the office zone, facilitating the adoption of the Adaptive Reuse Ordinance and streamlining future environmental review for adaptive reuse projects;
3. Coordinate with other development review agencies to eliminate other barriers to adaptive reuse such as overbearing site improvement requirements; and
4. Robust marketing and community outreach effort to raise awareness of the ordinance, provide information materials and walkthrough guides for adaptive reuse projects, and conduct trainings for developers, property owners, and all stakeholders on adaptive reuse process and requirements.

The Zoning Code overwhelmingly prioritizes single-family residential development providing streamlined development standards and review processes. Multifamily development is burdened with numerous development regulations and review processes that significantly restrict innovative project design and slow down project review. Great effort has been made in the past five years to modernize the Zoning Code and break down barriers for multifamily development including modification to development standards, adoption of objective design standards, and removing entitlement requirements for small and medium scale multifamily development. However, many of the most restrictive and burdensome requirements of multifamily development remain. While it is not realistic at this time, due to the scale of amendments needed and lack of resources available, to start the Zoning Code from scratch; there are meaningful steps that can be taken to facilitate multifamily development in more zones and in more communities within the County.

Demand for adaptive reuse is growing in Sacramento as more and more developers are interested in converting existing office spaces and vacant commercial buildings into housing. This has only been amplified after the COVID-19 pandemic ushered in work-from-home for many white-collar workers. Office and commercial conversions have the potential to efficiently create affordable housing in more areas of the County, but the Zoning Code and associated environmental documents used to adopt the current Zoning Code and General Plan provide major hurdles to making that a reality.

Zoning Code Amendments

The Zoning Code currently requires a discretionary entitlement for all housing projects in the Business-Professional Office (BP) zoning district. If the housing project proposes more than 10 units, that discretionary entitlement also requires a public hearing. Additionally, residential projects are still subject to all applicable multifamily development standards related to height, setbacks, parking, and landscaping. This is prohibitive for many housing developers looking to convert an existing office structure as they are not able to comply with the myriad requirements without requesting deviations, which triggers another entitlement and public hearing.

This activity would amend the Zoning Code to achieve the following:

- Remove the requirement for discretionary entitlement and reviews for all housing projects in the BP office zoning district;
- Relax development and design standards for conversion of office and commercial structures to residential uses to facilitate the adaptive reuse of vacant and underutilized properties; and
- Provide additional incentives within the Affordable Housing Incentive Program for adaptive reuse projects that set-aside a percentage of units for lower income households (80% AMI).

Environmental Review

The environmental document for the current Zoning Code and General Plan did not analyze the impacts of by-right housing in the BP zone, therefore requiring all residential projects to complete a discretionary entitlement and accompanying environmental assessment. Previous attempts to remove entitlement requirements for housing in this zone have stalled due to the lack of resources it would take to fully analyze the environmental impact of the increased housing capacity and propose a satisfactory solution.

This activity would complete this environmental assessment, in conjunction with the specific Zoning Code amendments, to ensure that impacts from the Adaptive Reuse Ordinance are satisfactorily mitigated, properly analyzed, and addressed in compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).

Agency Coordination and Streamlining

Another hurdle to adaptive reuse in the County is the on-site improvements required by other development review agencies in the County related to drive aisle standards and fire access. The

current County Improvement Standards and conditions of approval issued by the Sacramento Metropolitan Fire District are rigid in their application and often render adaptive reuse projects infeasible. To accommodate the access required by the local regulations, many adaptive reuse projects would need to demolish portions or all of the existing structure to comply, which defeats the purpose of adaptive reuse.

As part of this activity, the County would coordinate with internal development review agencies and external development review partners to reexamine and potentially modify on-site improvement requirements to find a practical solution that meets all applicable fire, health, and safety requirements while still providing flexibility to facilitate adaptive reuse projects.

Marketing and Community Outreach

The final component of this activity is a robust marketing and community outreach campaign to highlight the Adaptive Reuse Ordinance and the potential it brings for affordable housing developers. Outreach may include, but is not limited to:

- Informational guides and handouts to raise awareness of the program to local developers, property owners, and residents;
- Project walkthrough guides for developers that explain the development review process for adaptive reuse projects;
- Trainings for developers to explain the process for adaptive reuse, the flexibility of the ordinance, and potential roadblocks so developers and County staff can communicate early in the pre-development process.

The proposed activity addresses the national objective of expanding housing stock for low- and moderate- income households [§101(c)(3) of the Housing and Community Development Act of 1974] and is an eligible activity under Section III.F.2.c.i.A, C, F, and G of the NOFO by updating zoning and land use policies to encourage multifamily development; developing new by-right permitting procedures for adaptive reuse projects and multifamily development in office zones; reducing or eliminating development requirements, and establishing flexibilities to enable and promote the adaptive reuse of vacant and underutilized parcels for housing development.

This activity would have immediate impacts Countywide as all office and commercial uses would be eligible to utilize the flexible standards proposed in the ordinance and nearly 750 acres of land within the BP office zone would immediately become eligible for by-right housing development creating capacity for up to 15,000 new dwelling units.

This is a new and innovative proposal for Sacramento County, and that serves as the most significant roadblock. Historically, the County has favored small, targeted updates to its zoning ordinances to patch up deficiencies as they come about. However, new programs that could be on the forefront of development is new territory for the County. While translating this effort into a benefit for the community could serve as a challenge, never has the County had more support from its elected officials and senior leadership to propose bold ideas to solve our housing crisis. The Board in April 2024 adopted a resolution affirming their commitment to improving the County development process and streamlining affordable housing. While this may be new

ground, the County has never been more united in its determination to bring affordable housing to Sacramento.

Streamlining Affordable Housing in SPAs and NPAs

This activity would amend various SPA and NPA ordinances to make housing projects, when at least 20 percent of units are reserved for low-income households, by-right and subject to streamlined, non-discretionary review.

The proposed activity addresses the national objective of expanding housing stock for low- and moderate-income households [§101(c)(3) of the Housing and Community Development Act of 1974] and is an eligible activity under Section III.F.2.c.i.A, B, C, E, and K by updating zoning and land use overlays to increase access to affordable housing and streamline development review; remove discretionary approvals for affordable housing in designated plan areas, expand existing affordable housing incentive programs to wider geographies, including high-opportunity neighborhoods, and develop proposals to expedite affordable housing development approvals that meet certain criteria.

In 2022, the Board adopted the Affordable Housing Incentive Program (AHIP) to implement the California State Density Bonus Law. The AHIP identified key incentives for affordable housing projects including density bonuses, development standard concessions, and waived specific discretionary entitlements in specific zoning districts. The program has proved effective in facilitating several affordable housing projects, but has been limited by extraneous discretionary entitlements required by the County's 68 SPAs and NPAs.

The SPAs and NPAs of the County are extensions of the Zoning Code, operating as independent zoning ordinances that supersede the Zoning Code when there are conflicting development and review requirements. Due to this hierarchy of regulation, the exemption from discretionary review did not extend to parcels located within these special zoning areas. Affordable projects that otherwise would have been subject only to non-discretionary review were required to undergo lengthy public review processes.

This activity would identify those SPAs and NPAs that have discretionary requirements applicable to affordable housing projects and amend them so that all housing projects that provide at least 20 percent of units to lower income households (80% AMI) would be exempt from discretionary review and would be subject to the much speedier by-right, non-discretionary review process.

The effects of this activity would be felt immediately as many of the developed areas and infill corridors within the County are encompassed by the County's SPAs and NPAs. This activity would immediately allow affordable housing by-right in the areas of the County where it is most needed.

This effort would work in conjunction with the County's current Affordable Housing Incentive Program and build on the efforts of the Countywide Rezone just completed by the County wherein similar amendments were made to five SPAs and NPAs. In order to comply with California State requirements, the County ensured that affordable housing projects on rezone sites are permitted by right. This necessitated amendments to five SPAs and NPAs to remove

discretionary entitlements. The County already has the blueprint for this effort and is ready to expand it Countywide.

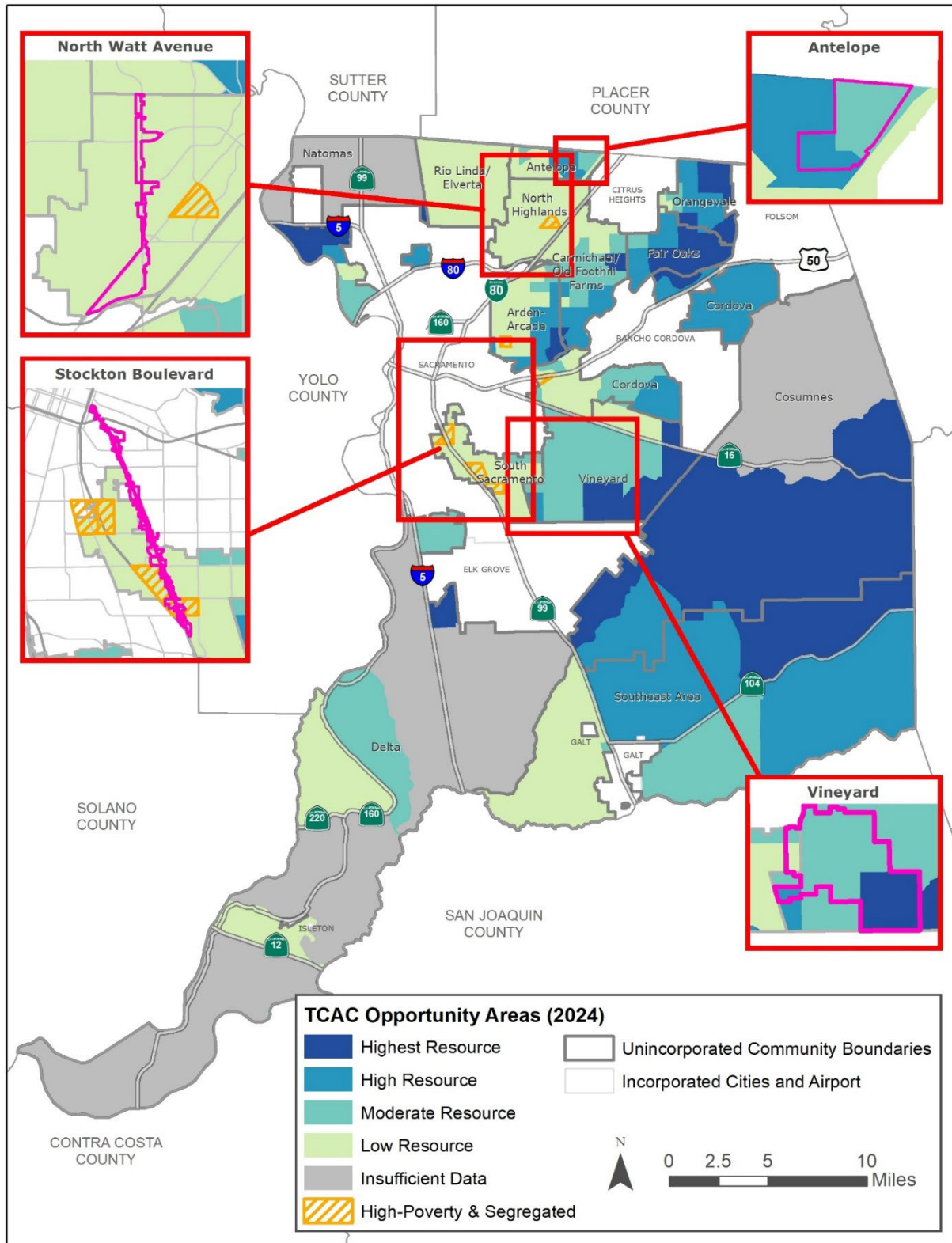
D.ii. What is your geographic scope?

The County of Sacramento is responsible for land use planning in the unincorporated County, which comprises approximately 965 square miles or 81 percent of the land area of the entire County (remaining 19 percent of the County consists of 7 incorporated cities). The County is the 8th largest county (of 58 counties) in California by population. As shown in Figure 1, the unincorporated County is divided into 14 communities which is home to approximately 600,000 residents. For most counties within California, most residents live within the boundaries of incorporated cities; however, the County is unique in that a large percentage of residents live outside the incorporated city boundaries within the unincorporated County area. As a result, the built environment of some unincorporated communities is highly urbanized and resemble the core typical of incorporated cities.

This proposal includes activities that apply to the unincorporated areas countywide and those that focus on two key commercial corridors (Stockton Boulevard and North Watt Avenue) and two comprehensively-planned emerging communities (Vineyard and Antelope communities) in the unincorporated County. These targeted locations are prime for development and the proposed activities would ensure that affordable housing opportunities are identified and planned for in these areas of high development interest.

The unincorporated County comprises the full range of neighborhood opportunity resource area designations (low, moderate, high, and highest resources) as defined by the California Tax Credit Allocation Committee (CTCAC) and HCD. These designations identify the level of characteristics associated with positive economic, educational, and health outcomes for low-income families – particularly long-term outcomes for children. As shown in Figure 1, the Vineyard and Antelope communities are designated as moderate resource areas and although the Stockton Boulevard and North Watt Avenue corridors are both designated low resource opportunity areas, the County is currently undertaking a modernization of these land use plans with the goal of expanding opportunities in these underserved corridors. Given both the broad scale and targeted locations of this proposal, there are opportunities to preserve and create housing units in areas in high-opportunity areas and expand opportunity in underserved communities.

Figure 1. Sacramento County – Geographic Scope of Proposed Activities



D.iii. Who are your key stakeholders? How are you engaging them?

The County will work to engage with stakeholders, including hard-to-reach community members, as part of the proposed activities. In addition to what is required in the County's review process, outreach for these activities will build upon the prior efforts undertaken to create the current Housing Element, which included collecting community feedback from online surveys, focus group meetings, informational and interactive webinars, virtual public workshops, meetings with individuals from 5 different organizations, and additional meetings with other interested parties upon request. County staff also met with all 14 Community Planning Advisory Councils (CPACs) during October and November of 2020 to provide CPAC members and the public an opportunity review the proposed Housing Element programs.

The County's work for these activities will also draw upon the policies and objectives set by the Environmental Justice Element, which utilized feedback collected from operating pop-up booths at community events, a web survey, community workshops, meetings with community "hub" groups (i.e. those that have a network of other community groups within a designated EJ Community), and meetings with business, health, and human services groups. The Environmental Justice Element includes specific policies and implementation measures related to civil engagement, specifically with the purpose of supporting an equitable approach to civic engagement and public outreach on all aspects of County governance and delivery of services. For the communities that are located near the proposed activities, the County will strive to include families and individuals who have difficulty obtaining critical information due to accessibility needs, linguistic isolation, and other potential barriers to effective community engagement. As part of Environmental Justice Element Implementation Measure IM-1, a Countywide Community Outreach Strategy is also currently in progress and is intended to ensure meaningful two-way communication with the public on all aspects of County governance and delivery of services. Upon its completion, staff will make sure to utilize this strategy to ensure effective engagement for the proposed activities.

At minimum, any County public review process requires meeting with all CPACs that are affected by the proposed activities, as well as providing required noticing to all affected property owners. As an added effort, County staff also proposes to conduct additional outreach to different stakeholders and interest groups. The full list of stakeholders will include the following:

- Community Planning Advisory Councils (CPACs) - CPACs are 14 individual advisory bodies composed of members appointed by County Supervisors to represent the planning-related interests of their communities. As part of the regular planning process, Sacramento County Department of Planning and Environmental Review (PER) staff already present projects that are located in CPAC boundaries or apply countywide (such as amendments to the Zoning Code). While CPAC members vote to recommend approval or denial of these projects, these meetings are also operated as a forum for both the CPAC and community members to ask questions and express concerns about these projects. PER staff will fully leverage these official gatherings as a way to collect from both CPAC and community members who wish to comment on the proposed activities as

necessary. As part of added engagement, County staff will hold workshops with CPAC members for more focused feedback during key milestones of each project.

- County Commissions - The County is home to a number of commissions and affiliated organizations – such as the County Planning Commission – that provide advisory recommendations to the Board and would have specific interests related to the reduction of barriers to affordable housing. County staff will keep abreast of commission meeting dates and will inform commissions of different developments for the proposed activities as needed.
- County Departments – Staff will keep and maintain a list of representatives from multiple County departments so that they would be able to provide their input and experience at all stages of the proposed activities. Planning staff will establish an advisory network that includes staff from Public Health, Economic Development, the Sheriff's Department, Department of Transportation, and other applicable agencies. PER staff will hold quarterly meetings with these representatives to solicit for input that draws upon their expertise so that the intended benefits of the proposed activities are effectively realized and adhere to County regulations.
- Community-Based Organizations (CBOs) - CBOs have historically been a vital resource that contributed to the creation of different County policies and programs. The County will utilize existing connections with CBOs who engage with and serve unincorporated communities and will work with trusted CBO leaders to effectively gather feedback that would possibly be overlooked as part of more systematic or conventional outreach processes. As many of these CBOs provide needed assistance that close service gaps, the County will also use its connections with CBOs to seek input from residents with specific needs so that it may gauge the effectiveness of existing programs and understand what other needs could be met through the proposed activities. As opportunities arise, the County will also engage with coalitions who act as “hubs” for other nonprofit organizations and further expand its outreach efforts.
- Affordable Housing Developers and Owners – On a regular basis, PER staff already meet with the Sacramento Housing and Redevelopment Agency (SHRA), the public agency in the Sacramento area responsible for administering affordable housing financing and incentive programs. The County will expand on these efforts by holding regular meetings with affordable housing developers in the area and will incorporate progress reports for the proposed activities into the regular meeting agenda. These discussions will help keep planning staff informed of any potential obstacles towards facilitating affordable housing construction and utilize the experience and expertise from both affordable housing developers and owners to understand the effectiveness or ineffectiveness of previous affordable housing efforts. As a product of these discussions, staff will build a list of key considerations and best practices to ensure that the proposed activities will be effective.
- County Residents with Diverse Housing Needs - Input from residents during key phases of each activity will be integral to their development, especially when gauging the effectiveness of these activities and understanding how community members will benefit. The County will build from and expand on existing outreach methodologies to ensure that feedback is heard from the most vulnerable residents, including those who

experience homelessness, face housing insecurity, have language barriers, or have accessibility needs. The County will utilize the extensive outreach network established from the creation of the Environmental Justice Element to connect to these individuals and continue the outreach strategy of meeting community members at gathering places that have already been established by residents and community groups.

D.iv. How does your proposal align with requirements to affirmatively further fair housing?

The County's proposal aligns with Housing Element Goal HE 7 to promote and affirmatively further fair housing choice for all residents of Sacramento County, regardless of race, color, national origin, religion, sex, sexual orientation, gender identity and expression, marital status, source of income, disability, or familial status. The Analysis of Impediments to Fair Housing Choice (AI), prepared and submitted by SHRA, contains a list of action items that staff will use to ensure that the proposed activities affirmatively further fair housing. This list includes the review and consideration of updates to the Affordable Housing Ordinance, reviewing density bonus and other applicable sections of planning documents to determine if revisions or updates are needed, and prioritizing EJ Communities when seeking planning and infrastructure grants.

County staff will utilize a variety of equity-based resources to guide each activity's development and assess their effectiveness. One of the primary tools is the designated EJ Communities, many of which overlap with the Comprehensive Corridor Planning and much of the Countywide Rezone proposed activities. These geographic areas of overlap will include:

- South Sacramento (Stockton Boulevard Corridor),
- North Highlands/Foothill Farms (North Watt Avenue Corridor), and
- North Vineyard (Countywide Rezone, specifically at Vineyard-Florin Community Plan and North Vineyard Station Specific Plan)

EJ Communities were selected based on the geographic intersection of CalEnviroscreen 3.0 from the California Office of Environmental Health Hazard Assessment (OEHHA) and Low-Income High Minority (LIHM) data from SACOG's Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). CalEnviroscreen utilizes a combination of data that includes sensitive populations (such as individuals with asthma, low birth weight, and cardiovascular disease), exposure to toxic substances, and socioeconomic factors (such as education, linguistic isolation and race/ethnicity) to create a percentile score of census tracts across the state of California. SACOG's LIHM data is derived from 2010 Census Block Group data from the American Community survey to identify areas with high populations of minority households, those that are low income, or both. This data was combined to identify areas that are considered disadvantaged compared to other parts of the unincorporated County. These communities also include Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs), primarily in South Sacramento.

While the majority of the County is Non-Hispanic White, there are still significant populations of Hispanic (20.9 percent), Asian (11.3 percent), and Black (8.3 percent) residents. Based on data within the Environmental Justice Element, the South Sacramento EJ Community is home to the

largest non-White majority population (78%) in the County, with 34 percent being Hispanic or Latino, 23 percent being Asian, and 15 percent being Black. While the North Vineyard and North Highlands/Foothill Farms communities have a majority White population, they are still areas with large concentrations of disadvantaged households.

During a survey conducted to inform the Housing Element, 224 respondents who resided in the unincorporated county described issues related to housing challenges, displacement experience, and experience with housing discrimination. 28 percent reported as being displaced from a housing situation in the County in the past five years before the survey was administered. African American, Hispanic, and Native American respondents, as well as large families, households with children, and respondents whose household includes a member with a disability, experienced higher displacement rates than the other respondents. Overall, 17 percent of respondents stated that they experienced discrimination, citing race/ethnicity, income, age, familial status/having children, and disability status as the top five reasons for discrimination.

Like many areas in the nation, the County also has a history of systemic segregation and exclusion in housing that include mortgage redlining, racially restrictive covenants on housing developments, and urban renewal programs aimed at redeveloping “blighted” areas or those primarily inhabited by people of color. While these discriminatory practices occurred in the past, they still have lasting effects on residential patterns throughout the County. Today, the unincorporated areas in which people of color are increasing (namely Arden Arcade, South Sacramento, and North Highlands/Foothill Farms) are those that did not have racially restrictive covenants while portions of suburban areas of the County with a higher White population (such as Orangevale, Carmichael/Old Foothill Farms, Fair Oaks, Southeast, and Cosumnes) historically had racially restrictive covenants. Activities within this proposal will adhere to policies that affirmatively further fair housing to help disrupt this pattern and ensure that housing with a diversity of affordability types will be located closer to critical resources.

The County has existing policies, namely under Housing Element Goal HE 7, to affirmatively further fair housing. The planned activities will align with these policies by encouraging the development of new affordable housing in areas of opportunity, or areas offering low-income families the best chance at economic advancement, high educational attainment, and good physical and mental health. More specifically, Countywide Rezone intends to bring more affordable housing to the Vineyard and Antelope areas, both of which contain Moderate to Highest-Resource areas based on data from the 2024 CTCAC Opportunity Areas map while bringing more opportunities for multifamily development and affordable housing to areas that historically have had more single-family land use patterns. The Affordable Housing Action Plans for both Comprehensive Corridor Planning activities will also ensure that critical community amenities are located near affordable housing through public investment.

To ensure that vulnerable residents in communities of color will not be displaced after the activities are implemented, staff will align the proposed activities with Housing Element policy HE 7.1.5 to minimize the involuntary displacement of vulnerable populations, including low-income households, people of color, seniors, and people with disabilities. The County will take the appropriate meaningful actions listed within the Housing Element to prevent the

displacement of vulnerable communities, including supporting affordable housing construction to break the patterns of segregation perpetuated by R/ECAPs. The County also aims to increase affordable housing opportunities by improving progress in meeting the RHNA while encouraging residential infill. The exploration of mandatory set-asides for lower-income households within both the Stockton Boulevard and North Watt Avenue corridors will be the first step towards meet this policy requirement.

The proposed activities will also address housing needs for people with disabilities by expanding the spectrum of affordable housing options that are accessible to people with mobility and/or sensory disabilities. Additionally, the proposed activities will aim to increase housing units that are located of housing along transit corridors, addressing the needs of people with mobility issues and those without access to a vehicle. In ensuring compliance with the Americans with Disabilities Act (ADA), the proposed activities will support efforts to improve accessibility for both dwelling units and residential neighborhoods to meet the special needs of persons with disabilities per Housing Element policy HE 4.1.1.

County staff will track the progress and evaluate the effectiveness of the proposed activities by analyzing permit application and distribution records as part of an annual report, utilizing a combination of application records and cross-referencing them with the County’s Parcel Viewer online mapping tool. The County can also track progress among residents within unincorporated areas through surveys so that staff will be able to learn whether community members are experiencing the intended benefits of these programs.

D.v. What are your budget and timeline proposals?

Budget

As summarized in Table 1, the County is requesting \$2,718,235 in PRO Housing funding and is committed to matching \$1,359,117 in County funds. A detailed budget is provided in *Grant Application Detailed Budget Worksheet (HUD 424-CBW)* attached.

Table 1. Sacramento County – PRO Housing Funds Proposed Budget

Item	Hours	Rate (per hour)	Total	PRO Housing Funds	County Leverage
<i>1a. Comprehensive Corridor Planning – Stockton Boulevard</i>					
Planning Director	72	\$305	\$21,960	\$13,153	\$8,807
Principal Planner	448	\$253	\$113,344	\$58,243	\$55,101
Senior Planner	1,040	\$233	\$242,320	\$114,504	\$127,816
Associate Planner	1,760	\$211	\$371,360	\$155,469	\$215,891
Consultant (Planning)	--	--	\$55,000	\$55,000	--
Consultant (Environmental)	--	--	\$350,000	\$350,000	--
<i>Subtotal</i>			<i>\$1,153,984</i>	<i>\$746,369</i>	<i>\$407,615</i>
<i>1b. Comprehensive Corridor Planning – North Watt Avenue</i>					
Planning Director	16	\$305	\$4,880	\$2,923	\$1,957

Principal Planner	64	\$253	\$16,192	\$8,363	\$7,829
Senior Planner	160	\$233	\$37,280	\$17,708	\$19,572
Associate Planner	320	\$211	\$67,520	\$28,376	\$39,144
Consultant (Planning)	--	--	\$75,000	\$75,000	--
<i>Subtotal</i>			\$200,872	\$132,370	\$68,502
2. Affordable Housing in Planned Communities					
Planning Director	48	\$305	\$14,640	\$8,520	\$6,120
Principal Planner	640	\$253	\$161,920	\$79,854	\$82,066
Senior Planner	1,280	\$233	\$298,240	\$134,107	\$164,133
Associate Planner	480	\$211	\$101,280	\$40,083	\$61,197
Consultant (Environmental)	--	--	\$450,000	\$450,000	--
<i>Subtotal</i>			\$1,026,080	\$712,564	\$313,516
3. Adaptive Reuse Ordinance					
Planning Director	64	\$305	\$19,520	\$11,691	\$7,829
Principal Planner	288	\$253	\$72,864	\$37,459	\$35,405
Senior Planner	960	\$233	\$223,680	\$104,498	\$119,182
Associate Planner	1,280	\$211	\$270,080	\$113,503	\$156,577
Consultant (Environmental)	--	--	\$500,000	\$500,000	--
<i>Subtotal</i>			\$1,086,144	\$767,151	\$318,993
4. Affordable Housing Streamlining in SPAs					
Planning Director	48	\$305	\$14,640	\$8,768	\$5,872
Principal Planner	224	\$253	\$56,672	\$29,096	\$27,576
Senior Planner	800	\$233	\$186,400	\$86,790	\$99,610
Associate Planner	960	\$211	\$202,560	\$85,127	\$117,433
Consultant (Environmental)	--	--	\$150,000	\$150,000	--
<i>Subtotal</i>			\$610,272	\$359,781	\$250,491
		TOTAL	\$4,077,352	\$2,718,235	\$1,359,117

The budget for each activity is determined based on the geographic scale of the activity and level of expected controversy over planning issues, in addition to previous experience with similar activities and associated environmental analyses (CEQA). All costs align with industry standards, are cost-effective, and are appropriate for the scope of proposed activities. Staff rates include indirect, administrative, and overhead costs. Consultant costs were estimated based on the County's recent experience working with consultants on similar activities.

It should be noted that the modernization of the land use planning document for North Watt Avenue under the Comprehensive Corridor Planning activity is funded by California's REAP 2.0 Grant administered through SACOG's Green Means Go funding program. The County was awarded \$609,000 for this non-competitive grant which will occur parallel to and reciprocate with the tasks identified for North Watt Avenue (infrastructure needs and phasing assessment and affordable housing action plan) under the PRO Housing funding opportunity.

If HUD awards the County an amount less than requested, the County will prioritize fully funding proposed activities that would have the most impact at a geographic scale from identifying and removing barriers to affordable housing production and preservation. For the four identified activities, the County would prioritize: 1) Comprehensive Corridor Planning, 2) Affordable Housing in Planned Communities, 3) Adaptive Reuse Ordinance, and 4) Affordable Housing Streamlining in SPAs. For the unfunded activities, the County would continue to pursue alternative funding sources including County general funds or other grant opportunities. A minimum award amount of \$1 million would allow the County to carry out at least one of the four activities proposed to completion. Should HUD grant 50 percent of the requested amount, the County would be able to carry out two of the four activities proposed to completion and the County would delay the unfunded two activities until alternative funding sources are identified. As for geographic scope affected if funds are not granted, the necessary policies and processes required to remove barriers to affordable housing production and preservation in these geographies (whether it be Countywide or specific communities) would be delayed until funding is secured as the County remains committed to these four activities.

Schedule

Table 2 provides an overview of the proposed schedule for the County’s activities, including the start and completion dates and significant milestones. The schedule is based on staff availability and assumes ongoing community engagement during the development of each activity, environmental review, and through the public hearing process.

Table 2. Sacramento County – PRO Housing Funds Proposed Schedule

Start	Project Development/ Environmental Review	County Planning Commission Hearing	County Board of Supervisors Hearing	Completion
<i>1. Adaptive Reuse Ordinance</i>				
2026 Q1	2026 Q1 – 2027 Q4	2027 Q4	2028 Q1	2028 Q2
<i>2. Affordable Housing Streamlining in SPAs</i>				
2025 Q3	2025 Q3 – 2026 Q4	2026 Q4	2027 Q1	2027 Q2
<i>3a. Comprehensive Corridor Planning – Stockton Boulevard</i>				
2025 Q2	2025 Q2 – 2027 Q4	2027 Q4	2028 Q1	2028 Q2
<i>3b. Comprehensive Corridor Planning – North Watt Avenue</i>				
2025 Q2	2025 Q2 – 2026 Q1	2026 Q1	2026 Q2	2026 Q3
<i>4. Affordable Housing in Planned Communities</i>				
2025 Q2	2025 Q2 – 2027 Q2	2027 Q2	2027 Q3	2027 Q4

County of Sacramento

Exhibit E: Capacity

DRAFT

E.i. What capacity do you and your Partner(s) have? What is your staffing plan?

The Planning and Environmental Review Division (PER) in the Community Development Department has extensive experience managing large, complex projects funded by grants and has the depth and experience to meet all grant obligations. Over the past 6 years, specifically for planning efforts, PER has received over \$2,325,000 in grant funds from various sources including from the California Department of Housing and Community Development (HCD) and the Sacramento Area Council of Governments (SACOG). These grants were for long-range planning studies, transit-oriented development, and zoning code amendments to accelerate the production of housing to address the State's housing crisis. All grants were successfully completed on time and within budget. PER also serves as a pass-through entity for HCD's Permanent Local Housing Allocation (PLHA) program funds for the Sacramento Housing and Redevelopment Agency (SHRA) and other jurisdictions within the County for housing-related projects and programs that assist in addressing the unmet housing needs of local communities.

PER will be the County's lead internal agency implementing this grant. Although no formal partners are identified, as with any planning endeavors, PER will closely collaborate with all pertinent departments and agencies involved in the development review process including the County's Department of Transportation, Engineering, Water Resources, and service/utility providers. PER regularly contracts with professional consultants and technical experts in planning, land use, environmental review clearance (CEQA and NEPA). For environmental review, PER acts as the Lead Agency under CEQA for development projects.

As a full-service planning department, PER consists of over 50 staff in 4 sections: Zoning Administration, Environmental Review, Long Range Planning, and Current Planning. PER has the relevant project management, quality assurance, financial and procurement, and internal control capacity to quickly launch and implement major efforts. PER will rely on three sections within its organizational structure to undertake the activities identified in this grant: Zoning Administration for the Adaptive Reuse Ordinance and Affordable Housing Streamlining in SPAs; Long Range Planning for Comprehensive Corridor Planning and Affordable Housing in Planned Communities, and Environmental Review to support the environmental review of these activities and management of environmental consultants. The Zoning Administration section regularly writes and processes zoning code amendments related to housing to reflect the current state of development in the County. The Long Range Planning section regularly performs project management on highly complex land use planning documents and projects that span Countywide or targeted areas. Figure 2 depicts the staffing plan for the PRO Housing grant.

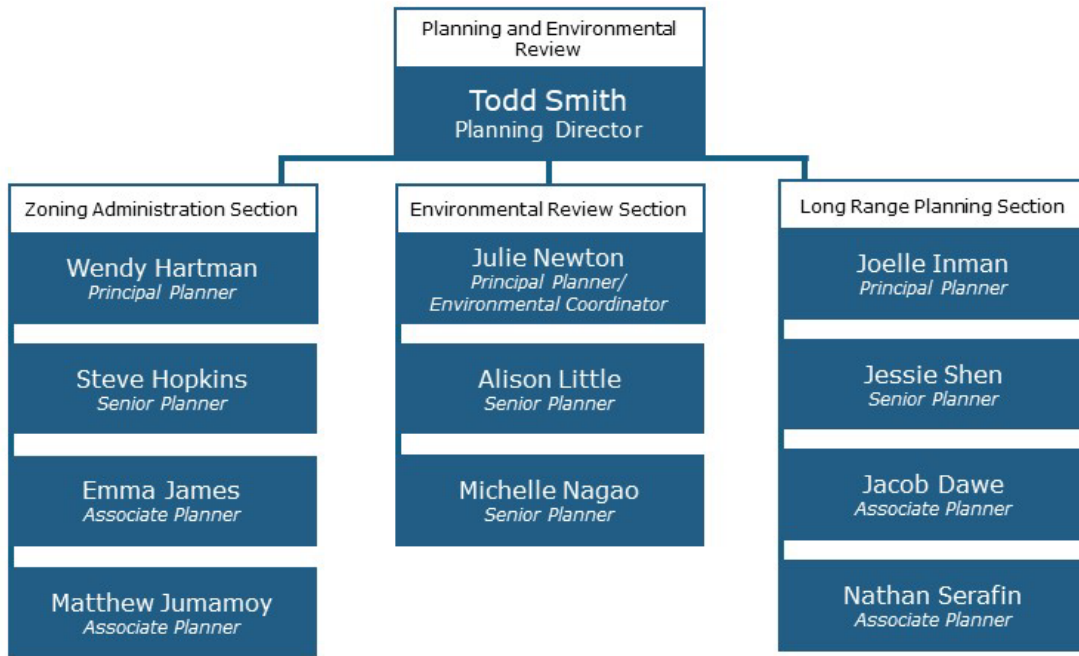
Planning and land use functions are governed by Title 7 Division 1 of the California Government Code (CA GOV). CA GOV Section 65300 requires each jurisdiction to prepare comprehensive plans and authorizes jurisdictions to adopt zoning codes. For the unincorporated County, the Board of Supervisors established the County Planning Commission in accordance with CA GOV Section 65100. Preparation of comprehensive plans and zoning code amendments lies with PER. These plans and ordinances are reviewed by the County Planning Commission and approved by the Board prior to taking effect. As such, PER through its existing function has the legal authority to effectively implement all of the proposed activities.

The County is committed to furthering fair housing efforts by promoting fair and equal housing opportunities for its residents. The County provides services without regard to race, color, ancestry, religion, national origin, age, gender, marital status, familial status, source of income, sexual orientation, or disability. This commitment extends to all grant-funded housing programs. Under direction of HUD for this grant, the County has a responsibility to continue to affirmatively further fair housing within its jurisdiction.

PER wrote this grant exclusively, without the use of professional or technical consultants or grant writers. Primary authors include Joelle Inman, Principal Planner; Jessie Shen, Senior Planner; Jacob Dawe, Associate Planner; and Nathan Serafin, Associate Planner in the Long Range Planning section. Technical assistance for budgeting was provided by internal staff including Jeni Ramirez, Chief Departmental Administrative Services; Belinda Wekesa-Batts, Accounting Manager; and Joy Oler, Administrative Services Officer.

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Figure 2. Sacramento County – PRO Housing Grant Staffing Plan



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County of Sacramento

Exhibit F: Leverage

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F.i. Are you leveraging other funding or non-financial contributions?

The Planning and Environmental Review Division (PER) in the Community Development Department will be the lead for this effort on behalf of the County. PER is firmly committed to dedicating at least 5,995 hours, or \$1,359,117 in staff time in kind (50% of grant funds requested), to support project management, manage consultants, coordinate with other agencies/departments, conduct and facilitate community and stakeholder engagement, and provide research and technical analyses to ensure completion of proposed activities. See *Commitment Letter* signed by Todd Smith, Planning Director, attached.

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County of Sacramento
Exhibit G: Long-Term Effect

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G.i What permanent, long-term effects will your proposal have? What outcomes do you expect?

Upon completion of the activities designed to remove barriers and increase the production and preservation of affordable housing across both a broad geographic area as well as in strategic plan areas in the County, the County will have implemented programs and projects that will have a permanent effect on streamlining housing development, with an emphasis on affordable housing. Specifically:

- The **Adaptive Reuse Ordinance** activity will result in amendments to the Zoning Code that may unlock up to 15,000 new residential units in the County by allowing by-right adaptive residential reuse of structures in commercial zones. A percentage of these new residential units created by this activity may be set aside for affordable housing. Future properties rezoned to commercial zoning districts will also benefit from these Zoning Code changes and continue to supply lands for residential uses in the County.
- The **Affordable Housing Streamlining in Special Planning Areas (SPAs)** would remove procedural barriers to allow by-right affordable housing projects in SPAs. The number of units created with this activity has not been quantified; however, this activity is most anticipated to affirmatively further fair housing as the County's SPAs are generally in high resource areas. By reducing barriers in these SPAs, the County would incentivize developers to propose affordable housing projects in these areas of high opportunity.
- **Comprehensive Corridor Planning** would identify and prioritize the required infrastructure to support the densification of the Stockton Boulevard and North Watt Avenue commercial corridors, with an emphasis on the required resources to support positive outcomes for lower-income households. It is anticipated that these corridors could unlock the potential of up to 2,000 new residential units. This activity would also allow the County to further pursue grants and funding for the construction of said infrastructure to support development along these corridors, priming the County to be competitive in these grant considerations.
- **Affordable Housing in Planned Communities** which rezones properties in comprehensively-planned communities with substantial residential development interest for the lower-income inventory which will allow by-right development on these properties if at least 20 percent of units are affordable to lower-income households and has the potential to unlock up to 2,500 new residential units in these planned communities.

Not only can the County's activities be a model for other communities, but it can also catalyze other pro-housing efforts within the County itself – for instance, targeting one of the other 16 key commercial corridors for the purposes of accelerating housing and resources to support affordable housing. Other corridors in the County targeted for similar treatment of the activity proposed can replicate the proposal and modify with lessons learned. Success at the end of the grant's performance period is an increase of at least 25 percent in residential units produced from

2023's units (855 units), with more than half identified for low- or moderate- income households.

Of note, the long-term effects of the County's proposal will not only allow for the increased production of housing Countywide, but also ensure that the appropriate resources and infrastructure are in place to support all housing for all income levels, especially those in underserved communities. Because the County's proposal couples the acceleration and preservation of affordable housing along with the identification of resources and opportunities to support these communities, the long-term benefits to the community will span decades beyond the grant's performance period serving as the potential catalyst needed to begin revitalization of these areas.

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