RESOLUTION NO. _________

RESOLUTION OF THE BOARD OF SUPERVISORS OF SACRAMENTO COUNTY, STATE OF CALIFORNIA, TO ADOPT THE SACRAMENTO COUNTY INFILL PROGRAM UPDATE AND INITIATE IDENTIFIED IMPLEMENTATION ACTIONS

WHEREAS, the County of Sacramento (County) continues to face an unprecedented housing supply and affordability crisis, and the Board of Supervisors desires to positively affect new housing production to address these crises, meet the County's Regional Housing Needs Allocation (RHNA) obligations, and accommodate anticipated regional growth closer to urban core centers; and

WHEREAS, the Board of Supervisors approved an Infill Coordinator position in September 2007 and adopted the *Infill Program and Principles* (2008 Infill Program) in May 2008 recognizing the value of infill development; however, efforts to ensure the success of the program and continued implementation and management of the program did not occur due to budgetary impacts from the Great Recession; and

WHEREAS, upon authorization by the Board of Supervisors directing the Planning Director to submit an application for Local Early Action Plan (LEAP) grant funds administered by the California Department of Housing and Community Development (HCD), the County was awarded $369,725 on July 15, 2021 to update the County's 2008 Infill Program for the purposes of identifying barriers and developing a strategy to streamline infill development; and

WHEREAS, the Board of Supervisors on February 7, 2023, affirmed in Resolution No. 2023-0104 its support for development review process improvements while also acknowledging the unprecedented housing supply and affordability crisis and identifying the need to facilitate equitable investment in and economic development of existing communities, particularly within aging commercial corridors and Environmental Justice communities, and public improvements to help catalyze such investments; and

WHEREAS, the Board of Supervisors on June 4, 2024, affirmed in Resolution No. 2024-0394 direction for County staff to undertake related to process improvements, hearing body authority, regulatory and financial incentives to streamline development of housing in infill areas, and also directed staff to bring forth the Infill Program Update for consideration by the Board and supports the establishment of an Infill Coordinator position to support the program; and

WHEREAS, the *Sacramento Country Infill Program Update* (Infill Program Update) set forth in Exhibit "A," which is attached hereto and incorporated herein, is a roadmap to facilitate policy and procedural changes, as well as development review process improvements, to encourage infill development and to increase and accelerate housing production in the County; and

WHEREAS, the Infill Program Update identifies 7 barriers to infill development and an implementation program consisting of 13 implementation actions addressing said barriers to facilitate infill development; and 11 of the 13 implementation actions identified in the Infill Program Update are currently in progress as a result of Board direction affirmed in Resolutions No. 2023-0104 and 2024-0394.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby:

1. Adopt the Infill Program Update and directs affected County departments to comply with its directives; and
2. Direct County staff to make all necessary administrative changes to the Infill Program Update, including but not limited to correcting page, table, and image breaks; updating pagination and page references; correcting minor grammatical or other typographical errors; finalizing the document; and updating webpages; and

3. Direct County staff to:
   a. Continue implementation of ongoing and initiated implementation actions as set forth in Resolutions 2023-0104 and 2024-0394, and
   b. Advance Implementation Action #9 (establish mixed-use districts and objective standards) by initiating Zoning Code amendments to refine objective design standards for mixed-use development.

On a motion by Supervisor ______________, seconded by Supervisor ______________, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 20th day of August, 2024, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,
(PER POLITICAL REFORM ACT (§ 18702.5.)

____
Chair of the Board of Supervisors
of Sacramento County, California

ATTEST: ______________________________
Clerk, Board of Supervisors

EXHIBIT “A”
PLNP2020-00127 LEAP GRANT INFILL PROGRAM UPDATE
SACRAMENTO COUNTY INFILL PROGRAM UPDATE

SACRAMENTO COUNTY

Sacramento County Infill Program Update

May 2024

SACRAMENTO COUNTY

Sacramento County Infill Program Update

May 2024

Prepared By:

PlaceWorks

101 Parkshore Drive, Suite 200
Folsom, California 95630
t 916.245.7500

ORANGE COUNTY • BAY AREA • SACRAMENTO • CENTRAL COAST • LOS ANGELES • INLAND EMPIRE • SAN DIEGO

PlaceWorks.com

TABLE OF CONTENTS

APPENDICES

TABLES

FIGURES

This page intentionally left blank.

INTRODUCTION

Clear policies, procedures, and tools to prioritize infill projects are crucial to overcoming these barriers and to realize the potential for infill development in the county.

INFILL DEVELOPMENT

Key Features of Infill

Infill development refers to construction or redevelopment of vacant or underutilized sites in existing urban areas. In the county, this may look like new construction or adaptive reuse of existing buildings for housing, commercial, or mixed-uses, often in places where underused parking lots or vacant commercial spaces currently exist.

Infill development promotes compact construction near existing infrastructure, transportation, and services. Infill also often uses Smart Growth principles[1] to encourage more sustainable and livable communities, including:

- Efficient use of land and infrastructure through compact design;
- Mix of land uses;
- Variety of housing choices and opportunities;
- Balanced and multi-modal transportation system;
- Preservation or creation of a sense of place; and
- Citizen participation and planning processes that promote diversity and equity.

[1] https://www.planning.org/policy/guides/adopted/smartgrowth.htm

INFILL DEVELOPMENT GOALS AND BENEFITS	
Locate housing near jobs, transit, and services.	Improve regional air quality by reducing greenhouse gas (GHG) and vehicles miles traveled (VMT).
Support a mix of housing options for all income levels.	Help protect agricultural land, sensitive habitat, and open space from being converted to new development.
Foster distinctive and attractive communities with a sense of place.	Reduce costs to build and maintain expensive infrastructure.
Enhance cultural and economic vibrancy and the perception of safety.	Reduce storm-water runoff, flooding, and pollution of waterways.
Facilitate healthy and environmentally friendly active transportation (e.g., biking and walking).	

By locating residential and commercial development within the existing urban footprint, infill is often considered the opposite of "urban sprawl" or "greenfield development," which is new construction that expands into undeveloped lands (e.g., new growth areas). As opposed to infill, greenfield development is typically characterized by automobile-focused low-density residential that requires new infrastructure like roads, water and sewer utilities, parks, libraries, and fire and police services. When done correctly, infill can help move development pressure away from greenfield development or expansion into new growth areas.

Infill development is usually most successful when local agencies, developers, property owners, and the community work together to make an existing area more livable by strengthening and reactivating existing areas to better align with the community's needs. This form of development encourages new housing to be located near jobs, transit, and services, which can make active transportation (e.g., walking and biking) more feasible. In turn, this may help reduce driving times, along with air pollution and GHG emissions from vehicles. Infill also helps accommodate a variety of housing options for all income levels, including multi-family apartments or condos, and missing middle housing like townhomes, duplexes, or fourplexes. It can also help reduce development costs by optimizing existing infrastructure. Concentrating development in existing communities can ultimately help to create places that the community is proud of and where surrounding residents can gather to meet friends for eating, drinking, and shopping.

The County recognizes the importance of clearly defining a "quality infill project" for which the 2008 Infill Program (Program) defines as meeting two of the three tests below:

1. It is within one of the locations identified for such a project in the County (e.g., commercial corridors, transit area plans, transit-oriented development).
2. The project itself stimulates economic and social benefit to the community by providing new jobs and/or public amenities.
3. It is a "Quality" project. To be considered "Quality," the project must meet the following characteristics:
   - Development, redevelopment, or reuse of vacant or underutilized buildings and/or sites surrounded by urban uses. If present, it should eliminate blight and other conditions that deteriorate the neighborhoods.
   - Consistent with the County's design guidelines and Infill Program and Principles.
   - Enhances and makes a positive contribution to the surrounding neighborhood.
   - Consistent with the County General Plan.
   - Close to transit (within ½ mile) or designated by Regional Transit as having transit available within the near future.

While the above is a working draft of the "quality infill project" definition, additional refinement is needed. Infill Coordinator(s) are tasked with reviewing and refining this definition with increased specificity, as needed.

Barriers to Infill

The following summary of barriers to infill development below is informed by the 2008 Program and the associated *Infill Barrier Assessment*, the County 2021-2029 *Housing Element*, the 2022 report by Ray Kerridge, *Sacramento County Development Review Process: Assessment and Recommendations* report (Appendix A), and the 2022-2023 community engagement process for the Infill Program Update (Appendix B). The barriers identified here are also found to be consistent with studies and programs aimed at increasing infill and housing development in other jurisdictions. Clear policies, procedures, and tools to prioritize infill projects are crucial to overcoming these barriers and to realize the potential for infill development in the county.

NEW GROWTH AREAS. Greenfield development in new growth areas is often seen as being more cost-efficient and easier than acquiring and assembling land for the construction of infill development. The 2030 General Plan update established policies to allow development in new growth areas as well as in existing urbanized communities. Since both strategies (commercial corridor planning and new growth areas) require significant financial investment and staff resources, a balance needs to be achieved so that reinvestment through infill development is not overshadowed by greenfield development in new growth areas.

INFRASTRUCTURE. Many of the traditional commercial corridors in the county were built and designed for cars rather than people and have aging utility infrastructure that may not be equipped to handle new higher-density development. The lack of adequate existing infrastructure and the cost to upgrade it (usually paid through permit impact fees) can be a significant barrier for infill developers.

HIGH DEVELOPMENT COSTS. Another major barrier to infill can be the high costs associated with acquiring urbanized land, project application fees, and development impact fees for improvements in the public right of way. Often, the total cost of improvements and fees do not come to light until late in the review process. Sacramento County (County) prepared a residential fee comparison analysis for the 2021-2029 *Housing Element* update and found that County financing plan area fees for multi-family development are less than fees for areas such as Laguna Ridge in Elk Grove, Westpark Solaire in Roseville, and the Folsom Sphere of Influence. Established communities, like Carmichael and Elverta, also tend to have even lower fees than other areas in the analysis. However, some new development areas including Greenbriar in the City of Sacramento, have substantially lower fees for both single and multi-family development (see Figure 1).

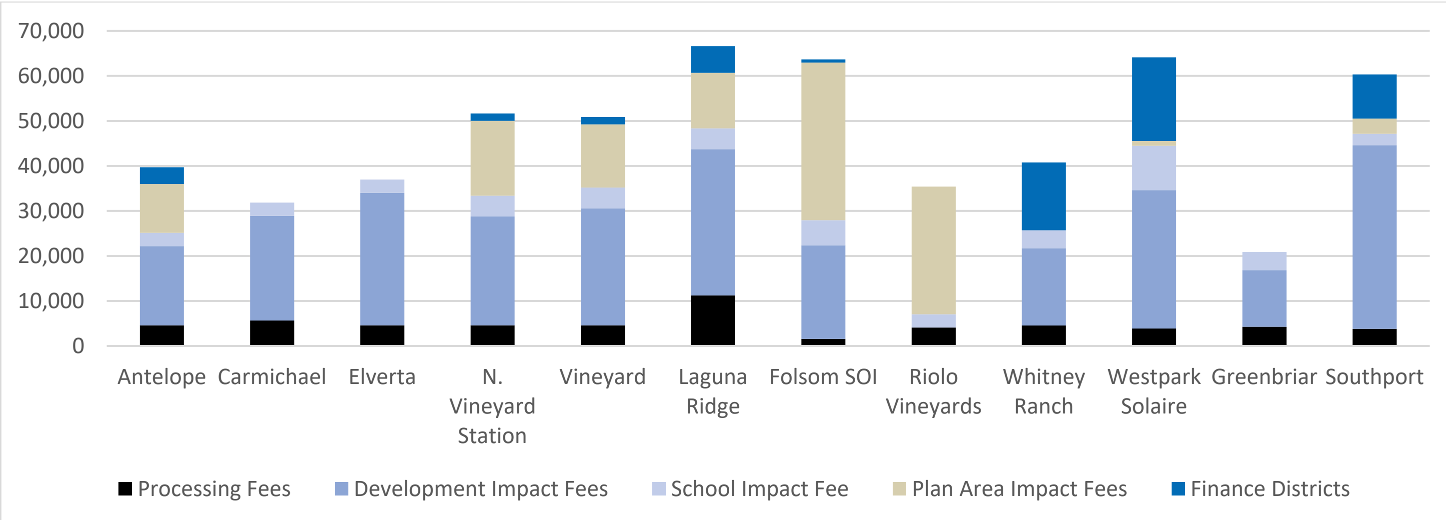
LOT SIZE AND PARCEL ASSEMBLY. It is common for parcels in already urbanized areas to be smaller than in areas designated for greenfield development. Due to smaller lot sizes, the process of acquiring and assembling parcels of sufficient size to attract developers can represent a significant development cost and often requires coordination among multiple property owners.

PERMITTING PROCESS. Longer and more difficult paths to approval can dramatically add to project costs and timelines. Stakeholders have expressed that the County review process is confusing and lacks clear direction for permit review criteria, steps, and timeline. Many property owners, business, owners, and developers are unfamiliar with the specific permitting process for each jurisdiction and say "red tape" is a barrier to development in the unincorporated county. The 2022 *Sacramento County Development Review Process: Assessment and Recommendations* (Appendix A) provides an analysis of the primary issues with the County's existing development review process and provides recommendations for improvements.

DEVELOPMENT REGULATIONS. Strict and complex zoning standards and design guidelines that do not allow for flexibility can present barriers to successful infill development. This may include requirements for minimum lot size or setbacks, height maximums, or standards for garages and landscaping.

COORDINATION. The number of departments and agencies in the County necessitates time-consuming coordination among internal departments and divisions (e.g., Building, Engineering) and external agencies (e.g., Sewer and Water Providers, Sacramento Area Council of Governments [SACOG], Sacramento Regional Transit, Capitol Corridor Joint Powers Authority, Sacramento Housing and Redevelopment Agency, and the Sacramento Metropolitan Fire District). Lack of coordination between departments and agencies can contribute to project delays, added costs, and confusion and frustration for infill developers.

FIGURE 1: MULTI-FAMILY DEVELOPMENT FEE COMPARISON



Source: Sacramento County Special Districts staff, 2019

INFILL PROGRAM UPDATE

Background

Sacramento County has long recognized the need for infill development in its urbanized areas to help revitalize the local economy, create more livable and walkable neighborhoods, support active forms of transportation, and encourage equitable development. The Sacramento County General Plan calls for investment and revitalization of existing communities, especially within the County's commercial corridors. Additionally, the County and local service provider agencies have established several programs to encourage development, including a Fast Track Permit Processing Program for commercial, industrial, and residential projects; Fee deferrals, waivers, or credits; and the Affordable Housing Incentive Program. In 2008, the County Board of Supervisors also approved the initial Infill Program. However, implementation and efforts to develop a more detailed and robust infill program have since lagged due to the nationwide recession, a shift in local project priorities, and the Covid-19 pandemic.

Current challenges facing the unincorporated County include not being seen as "development-friendly" or "attractive" for new commercial and residential development when compared to surrounding jurisdictions. Furthermore, some developers and property owners feel that developing in new growth areas of the County (e.g., greenfield development or sprawl) is easier or more feasible than developing in existing urbanized areas due in part to existing land use requirements, processes, fees, and infrastructure constraints. Nevertheless, the County is in a good position to address many of these concerns given the sizeable inventory of available vacant and underutilized urban land throughout the unincorporated county, General Plan policies that support infill development, and the 2022 State Local Early Action Planning (LEAP) Grant to establish programs and policies that accelerate housing production, including an update of the 2008 Infill Program.

PURPOSE AND GUIDING PRINCIPLES

The primary focus of this 2024 Infill Program Update is to accelerate the production of housing through development in key urbanized areas to encourage equitable and livable neighborhoods and active transportation. The Program Update builds off the 2008 Program and incorporates the following guiding principles adapted from the original Program:

GUIDING PRINCIPLE #1

Provide incentives informed by best practices to encourage equitable infill development projects that foster complete communities.

GUIDING PRINCIPLE #2

Create opportunities for neighborhood and community education and engagement.

GUIDING PRINCIPLE #3

Promote partnerships between agencies and with internal and external customers to help facilitate quality infill projects.

This update analyzes existing conditions of the County's commercial corridors, including barriers to infill development. It also includes a "toolkit" of potential incentives for Board of Supervisors consideration to further promote infill development in the unincorporated areas of the County. The recommended infill incentives are informed by best practices and engagement efforts in 2022 and 2023 (see Appendix B), including:

- Attendance at multiple community events (Farmer's market, Spring Extravaganza and Egg Hunt, and Earth Day).
- An online community workshop.
- Online stakeholder meetings with affordable housing developers, market-rate housing developers, business groups, community-based organizations and advocates, County staff, and local agencies.
- Community online engagement opportunities, including a countywide survey and project webpage (www.sacramentocountyinfill.com).

Relationship to Other County Regulations

The following describes how the Infill Program Update relates to and complies with related County regulations:

GENERAL PLAN

The General Plan serves as a blueprint for the future character and physical development of the unincorporated county through the year 2030. State law requires that the General Plan address issues of land use, open space, conservation, housing, circulation, safety, and noise, as well as environmental justice for certain jurisdictions. The Infill Program Update is consistent with the General Plan, which includes goals, policies, and objectives that call for reinvestment and revitalization of existing communities through strategic infill development.

CLIMATE ACTION PLAN

Once adopted, the County's Climate Action Plan (CAP) will detail measures to reduce GHG emissions in the unincorporated county and include an adaptation plan to reduce vulnerability to anticipated climate change impacts. The Infill Program Update aims to be consistent with the proposed CAP Community GHG Reduction Measures, which outline how high-quality infill development can assist with the County's GHG reduction goals.

ZONING CODE

The Zoning Code (Code) is the County's primary tool for implementing the General Plan. The Code regulates building structures and property uses within designated zoning districts by, for example, setting limits on building height, requiring setbacks, and landscaping. The Infill Program Update toolkit includes recommendations for potential amendments to certain sections of the Code to facilitate infill development in the unincorporated county.

COUNTYWIDE DESIGN GUIDELINES

The Design Guidelines are another means of General Plan implementation. They present design principles and recommendations to encourage high-quality and consistent development throughout the county. The Infill Program Update toolkit includes recommendations for potential amendments to certain sections of the Design Guidelines to further promote infill development in the unincorporated county.

COMMERCIAL CORRIDOR PLANS, SPECIAL PLANNING AREAS, AND NEIGHBORHOOD PRESERVATION AREAS

The County has several Commercial Corridor Plans (CCPs), Special Planning Areas (SPAs), and Neighborhood Preservation Areas (NPAs). CCPs provide guidance for corridor redevelopment that focuses on pedestrian-friendly, sustainable planning. SPAs allow uses, regulations, and standards that deviate from the Code to promote a mix of uses. NPAs protect and preserve the character of established neighborhoods when the countywide regulations alone are not adequate to accomplish that purpose. SPAs and NPAs are codified as Title V and Title VI of the Zoning Code, respectively. The Infill Program Update includes recommendations for analyzing the effectiveness of these plans.

Equity Considerations

Infill development can provide significant benefits related to economic revitalization, active transportation, and GHG reduction. However, the influx of new investment and improvements in a concentrated area can also contribute to gentrification and potential displacement of the existing residential and business community. The Infill Program Update recognizes that there is a delicate balance between promoting growth and revitalization and deterring gentrification and displacement. In an effort to achieve this balance, the Program Update is intended to:

- Foster meaningful engagement with traditionally underrepresented populations including renters, lower-income households, people who are experiencing homelessness, people of color, youth, and families.
- Support improved mobility for all through the creation of complete communities where housing is located near transit, jobs, goods, and services.
- Encourage an equity in all policies approach.
- Promote the County's existing anti-displacement goals and policies, such as implementing programs that increase the supply of affordable housing, especially for rental units; and reducing constraints to housing production.
- Prioritize Environmental Justice Communities when seeking planning and infrastructure grants, consistent with the County's Environmental Justice Element.

Gentrification can be defined as, "the form of neighborhood change characterized by the arrival of higher-income and often-time higher-educated residents, along with increasing rents, property values and cost-of-living, and decreasing non-white populations."

Source: Regional Plan Association of metropolitan New York

Rather than impeding positive growth and change, efforts to address gentrification can focus on addressing development and regulatory concerns through an equity lens. See Appendix C for additional best practices related to mitigating displacement.

INFILL IN SACRAMENTO COUNTY

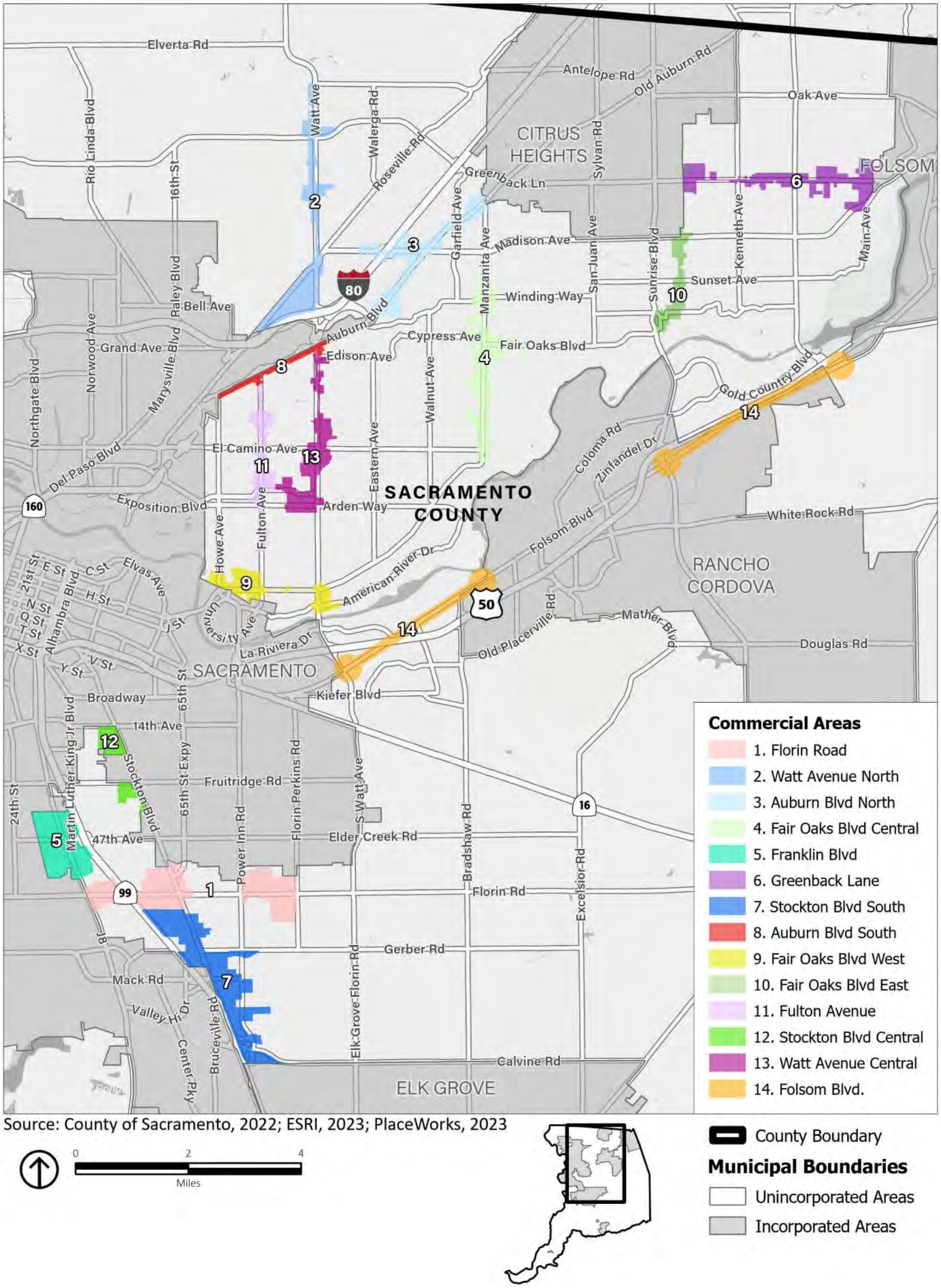
Geographic Information Systems (GIS) and County Assessor data were used to identify 299 potential infill sites totaling 306 acres in the unincorporated county that meet the infill feasibility criteria.

EXISTING CONDITIONS: COMMERCIAL CORRIDORS

The County 2030 General Plan establishes 16 commercial districts along key transportation corridors (Figure 2). These corridors are a key part of the County's urban framework to connect neighborhoods, business areas, and employment districts. The General Plan promotes revitalization of the corridors through infill development to enhance community image, support public transit, and to encourage economic and commercial development.

Many of the commercial corridors date back to the 1950s and are characterized by wide, multi-lane streets, high speed limits, long blocks, large street-facing surface parking lots, and incomplete or potentially unsafe walking and biking infrastructure. Existing uses include strip retail, auto dealerships, gas stations, restaurants, and large-format stores.

FIGURE 2: COMMERCIAL CORRIDOR AREAS



Source: County of Sacramento, 2022; ESRI, 2023; PlaceWorks, 2023

Several corridors function as community "main streets" that serve as centers of commerce and culture for County residents. However, others have not experienced the revitalization envisioned by the County Corridor Plan studies prepared in the early 2000s. Many of the struggling corridors lack a sense of place, feature a collection of underutilized or vacant parcels, and have lost economic vitality and development potential in recent decades as development in greenfield areas became more attractive. Furthermore, the age and capacity of existing infrastructure can present challenges to higher-intensity development in some commercial corridors.

Despite these challenges, commercial corridors can provide a significant opportunity for revitalization through infill development due to their highly visible and accessible locations near transit and existing services.

INFILL FEASIBILITY FACTORS AND INVENTORY OF COUNTY SITES

This Infill Program Update establishes criteria for determining whether a development site or area would be considered feasible for infill consistent with this Program, the County General Plan, best practices (Appendix C), and the likelihood of successful development. County staff may therefore prioritize these sites or areas when considering the infill incentives outlined in the Program toolkit, such as grant funding applications. Feasible infill sites and areas shall meet the following nine factors[2]:

1	Consistency with the County General Plan and the Infill Program Update.
2	Consistency with all applicable development regulations (e.g., Zoning Code, NPAs, SPAs, Corridor Plans, Countywide Design Guidelines).
3	Located on sites surrounded by existing urban uses.
4	Located within a commercial corridor.
5	Located in a County-identified Environmental Justice community[3]
6	Located within 1/4 mile of high-quality transit or an area designated by Regional Transit as having transit available within the near future.
7	Located in a moderate, high, or highest resource area[4]
8	Identified by the Sacramento Area Council of Governments (SACOG) as a "Green Means Go" site.
9	Are vacant or underutilized[5].

[2] The infill feasibility factors were informed by infill best practices, Sacramento County General Plan policies, and the Guiding Principles of this Program.

"Green Means Go" is a SACOG multi-year pilot program that aims to lower greenhouse gas emissions in the six-county Sacramento region by accelerating infill development and reducing vehicle trips. The program allocates State funding to projects that are located in locallynominated "Green Zones," create more infill housing, increase mobility, and reduce vehicle emissions. More information is available at: www.sacog.org/greenmeansgo.

Geographic Information Systems (GIS) and County Assessor data were used to identify 299 potential infill sites (Figure 3) totaling 306 acres in the unincorporated county that meet the infill feasibility factors.

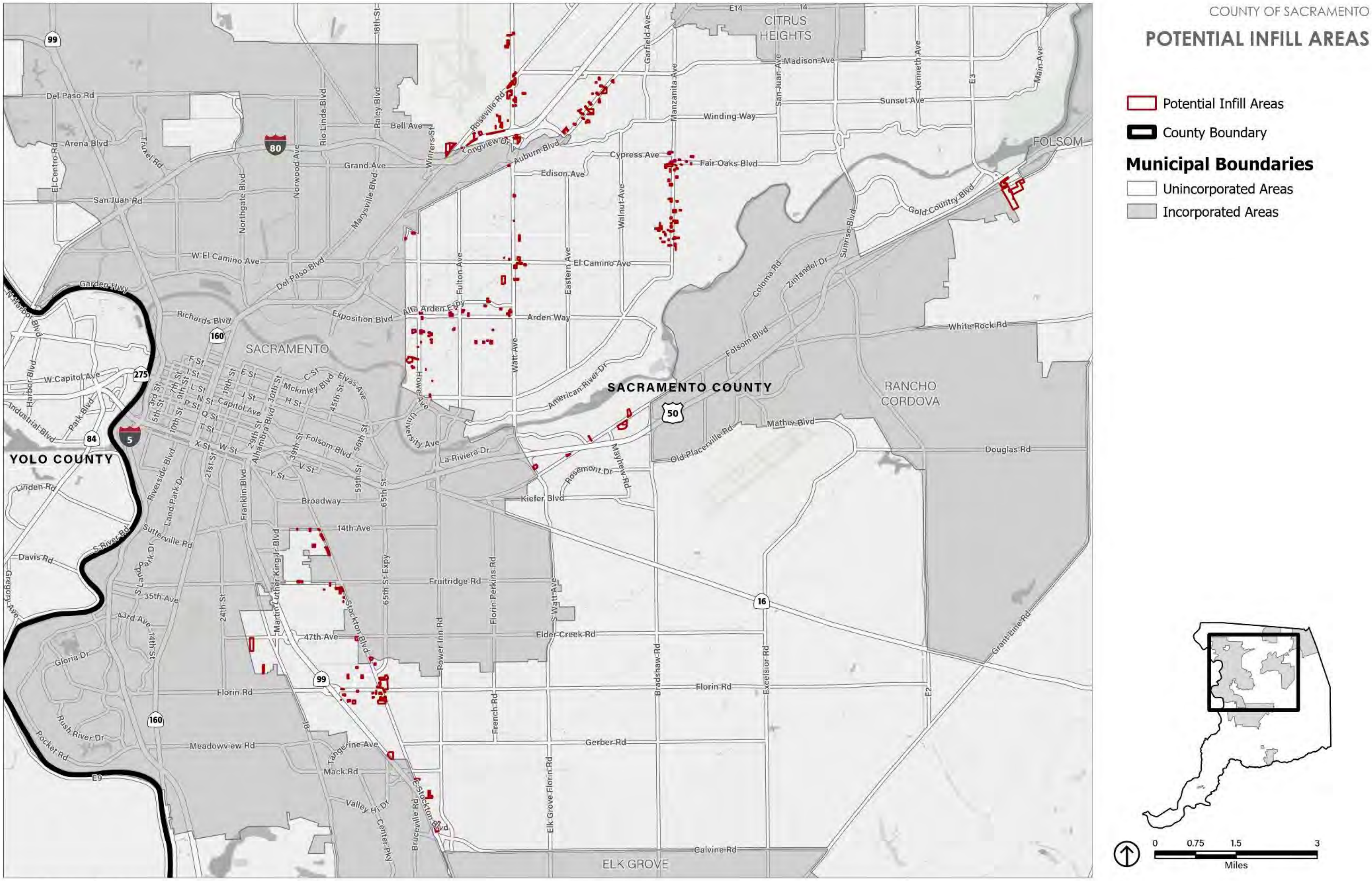
Using the factors above, County staff can use a matrix (Table 1) to determine the feasibility of infill development on individual project sites. Projects that are considered to be highly feasible for infill may be able to benefit from the infill incentives identified later in this program. The infill factors can also be applied on a larger scale to assess and rank the infill feasibility status of existing commercial corridors in the county. The tiered ranking system (Table 2) for the County's commercial corridors was developed by analyzing and scoring the number and acreage of potential infill parcels that meet the feasibility factors listed above, plus community input from the online survey and workshop and in-person outreach events. An average ranking for each commercial corridor was calculated with equal weight given to each factor. Commercial corridors with the highest average ranking of feasibility factors were assigned the highest level of Tier 1. Tier 1 areas are considered highly eligible for successful infill development. Tier 2 includes the next highest-scoring areas, with the remainder of infill areas in Tier 3 or Tier 4 based on the average score. The infill area feasibility ranking system can help inform County staff and decision makers regarding prioritization of investments, grant applications, and updates to existing SPAs, NPAs, and Corridor Plans.

[3] County map of identified Environmental Justice communities: https://planning.saccounty.gov/PlansandProjectsIn-Progress/Documents/Environmental%20Justice%20Element/EJ_Communities_NonEJ_Communities.pdf

[4] As identified by the California Tax Credit Allocation Committee. 2023 Opportunity Map can be accessed here: https://belonging.berkeley.edu/2023-ctcac-hcd-opportunity-map

[5] Underutilized sites are properties with an improvement value to land value (I/L) ratio of 0.2, which is consistent with industry standard practice.

FIGURE 3: POTENTIAL INFILL AREAS



Source: County of Sacramento, 2022; ESRI, 2023; PlaceWorks, 2023

TABLE 1. EXAMPLE INFILL FEASIBILITY SITE MATRIX

Infill Feasibility Factor	Site A	Site B
Consistent with General Plan and Infill Program Update	Y	Y
Consistent with Development Regulations	Y	Y
Surrounded by Existing Urban Uses	Y	Y
Located in a Commercial Corridor	Y	Y
Located in an Environmental Justice Community	Y	Y
Within ¼ mile of Transit	Y	Y
Located in a Moderate, High, or Highest Resource Area	Y	N
Green Means Go Site	Y	N
Vacant or Underutilized	Y	N
Feasible Infill Site?	**Y**	**N**

TABLE 2. INFILL AREA FEASIBILITY TIERS

Infill Area	Ranking	Tier
Florin Rd.	1	1
Fair Oaks Blvd. Central	2	1
Watt Ave. Central	3	1
Watt Ave. North	4	2
Stockton Blvd. Central	5	2
Folsom Blvd. Central	6	2
Folsom Blvd. East	7	2
Stockton Blvd. South	8	3
Franklin Blvd.	9	3
Auburn Blvd. North	10	3
Fair Oak Blvd. West	11	4
Fulton Ave.	12	4
Fair Oaks Blvd. East	13	4
Greenback Ln.	14	4
Auburn Blvd. South	15	4

COUNTY INFILL CASE SITES

The following are example infill case sites in each Supervisor District. Each site meets all of the required Infill Program feasibility factors.

<u>Site 1: 4100 Stockton Blvd.</u>

Site Address (APN)	4100 Stockton Blvd. (020-0171-038-0000)
County Supervisor District	District 1
Parcel Size	0.71 acres
General Plan Land Use	Commercial/Offices
Zoning	Special Planning Area (SPA)
Commercial Corridor Area	Stockton Blvd. Central
Maximum Allowed Density	30 dwelling units/acre
Maximum Residential Capacity	21 units by right
Current Use	Vacant

Source: County of Sacramento, 2022; ESRI, 2023; PlaceWorks, 2023.

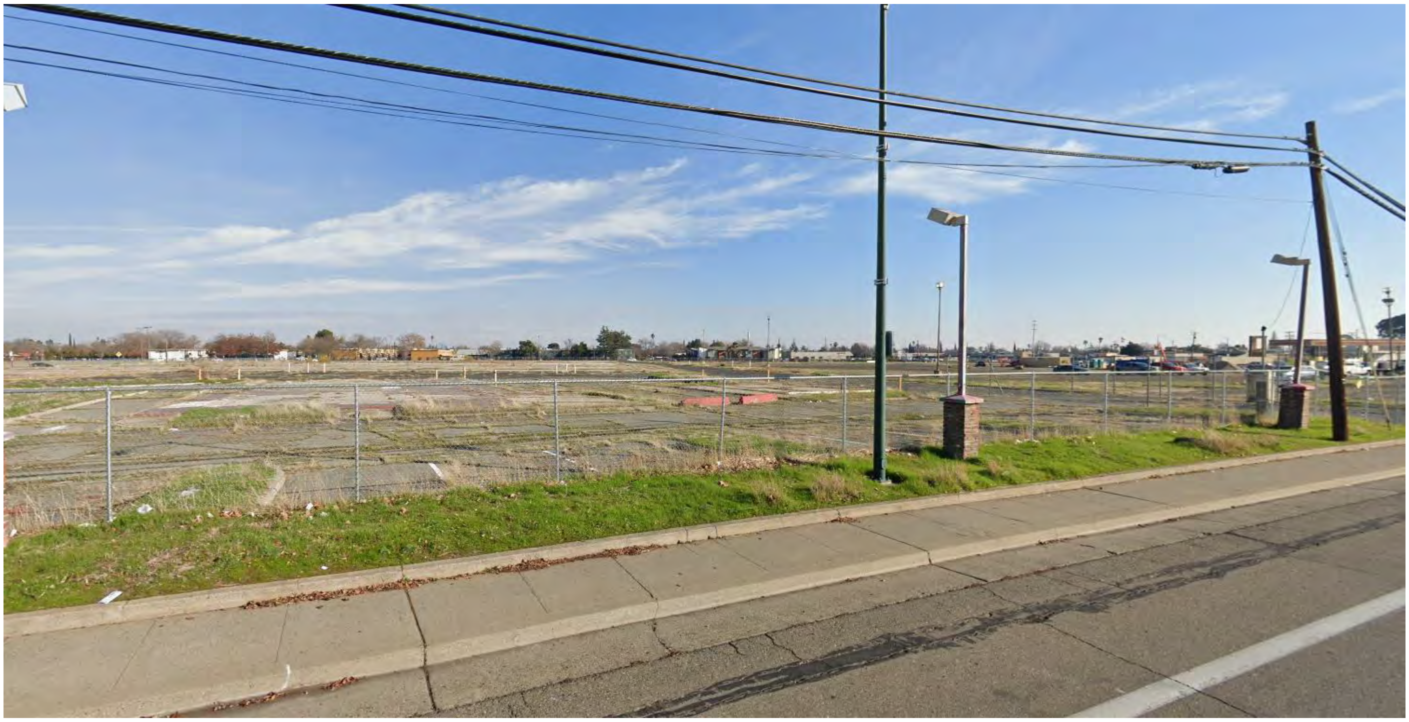
Source: Google, 2023; View from 16th Ave.

Source: Google, 2023; View from Stockton Blvd.

Site 2: 6525 Florin Rd.

Site Address (APN)	6525 Florin Rd. (043-0220-031-0000)
County Supervisor District	District 2
Parcel Size	14.49 acres
General Plan Land Use	Commercial/Offices
Zoning	Shopping Center (SC)
Commercial Corridor Area	Florin Rd.
Maximum Allowed Density	30 dwelling units/acre
Maximum Residential Capacity	150 units by right; Up to 434 units with entitlement(s)
Current Use	Vacant

Source: County of Sacramento, 2022; ESRI, 2023; PlaceWorks, 2023.



Source: Google, 2023; View from Stockton Blvd.

Source: Google, 2023; View from Lindale Dr.

Site 3: 6750 & 6740 Fair Oaks Blvd

Site Address (APN)	6750 Fair Oaks Blvd (273-0330-0160-000) 6740 Fair Oaks Blvd (273-0330-017-0000)
County Supervisor District	District 3
Parcel Size	1.97 acres total
General Plan Land Use	Transit-Oriented Development (TOD)
Zoning	Special Planning Area (SPA)
Commercial Corridor Area	Fair Oaks Boulevard Central
Maximum Allowed Density	50 dwelling units/acre
Maximum Residential Capacity	98 units
Current Use	Vacant

Source: County of Sacramento, 2022; ESRI, 2023; PlaceWorks, 2023.

6740 Fair Oaks Blvd. Source: Google, 2024; View from Fair Oaks Blvd.

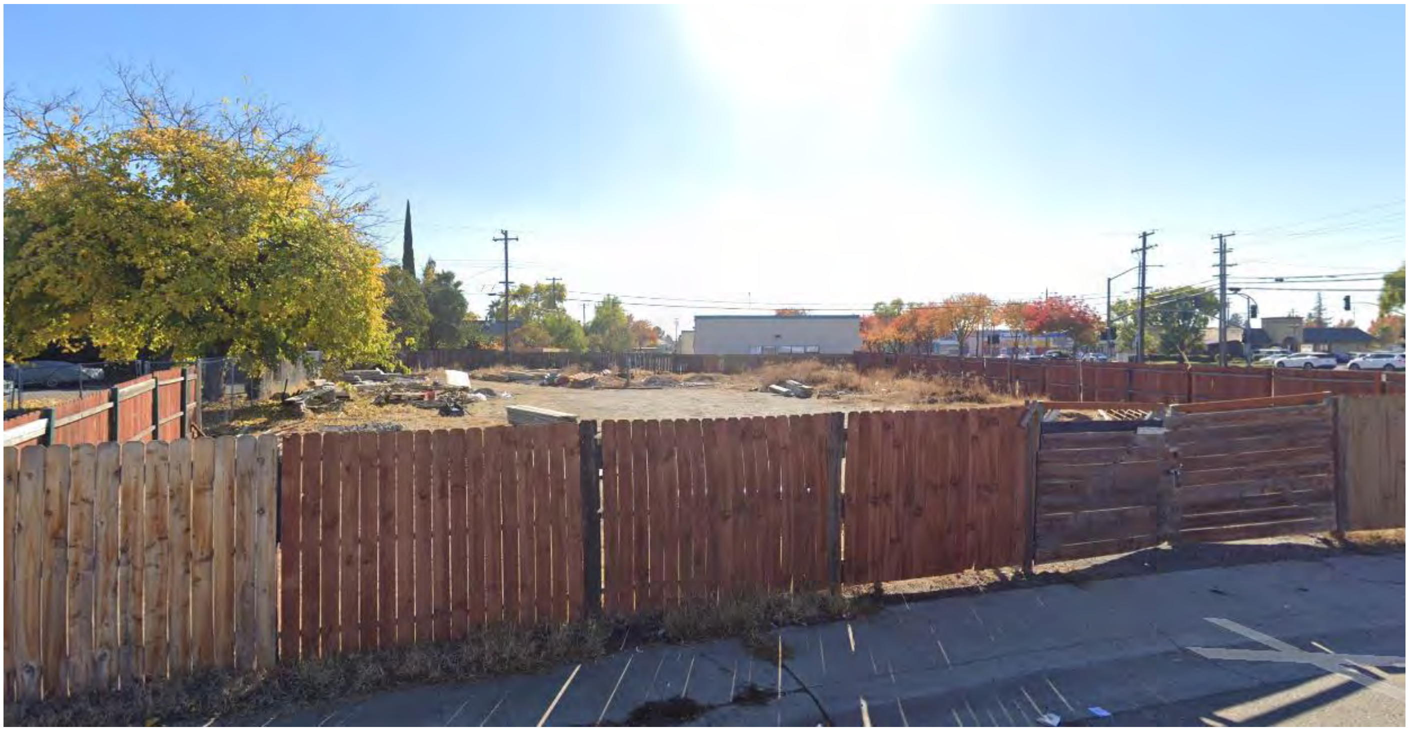
6750 Fair Oaks Blvd. Source: Google,2024; View from Fair Oaks Blvd.

Site 4: 5700 Karen Ln. and 5704 Karen Ln.

Site Address (APN)	5700 Karen Ln. (218-0151-008-0000) 5704 Karen Ln. (218-0151-009-0000)
County Supervisor District	District 4
Parcel Size	0.65 acres total
General Plan Land Use	Transit-Oriented Development (TOD)
Zoning	Special Planning Area (SPA)
Commercial Corridor Area	Watt Ave. North
Maximum Allowed Density	20 dwelling units/acre
Maximum Residential Capacity	13 units
Current Use	Vacant

Source: County of Sacramento, 2022; ESRI, 2023; PlaceWorks, 2023.

Parcel 21801510080000. Source: Google, 2023; View from Karen Ln.



Parcel 21801510090000. Source: Google, 2023; View from Karen Ln.

Site 5: Cal Center Dr.

Site Address (APN)	Cal Center Dr. (078-0450-023-0000)
County Supervisor District	District 5
Parcel Size	2.49 acres
General Plan Land Use	Transit Oriented Development (TOD)
Zoning	Light Commercial (LC)
Commercial Corridor Area	Folsom Blvd. Central
Maximum Allowed Density	30 dwelling units/acre
Maximum Residential Capacity	74 units
Current Use	Vacant

Source: County of Sacramento, 2022; ESRI, 2023; PlaceWorks, 2023.

Source: Google, 2023; View from Watt Ave.

Source: Google, 2023; View from Watt Ave.

INFILL INCENTIVES TOOLKIT

TOOLKIT PURPOSE

The goal of the toolkit is to incentivize equitable development and present infill as a feasible alternative to greenfield development by addressing the primary barriers of cost, process, and development regulations. While not all incentives may apply to every project, County staff can help developers and property owners determine the appropriate mix of tools to help lay the foundation for a successful project. The following summary of infill incentives was developed through research of best practices (Appendix C), interviews with stakeholders, and feedback from the community. Any combination of the recommended toolkit methods can be used for development on sites or areas that meet the infill feasibility factors of this program. See Next Steps for additional information regarding implementation timing and responsible parties.

While not all incentives may apply to every project, County staff can help developers and property owners determine the appropriate mix of tools to help lay the foundation for a successful project.

PERMITTING AND REVIEW COSTS

Most jurisdictions require permitting fees and development impact fees for new construction or redevelopment projects. Development impact fees are often required for new development projects to fund major public facilities like roads, transit, sewer, drainage, water supply, libraries, and parks that would be impacted by new construction. Permit and impact fees are established through feasibility studies and approved by each jurisdiction's elected body as part of its fee schedule. Project fees serve an important purpose to partially fund a jurisdiction and to ensure that public facilities and services can serve new development. However, when added up, they can also make some projects infeasible. This can be especially true for affordable housing projects, smaller-sized developments, and small businesses. To help lessen the financial barriers to development, the County has already established impact fee deferral programs for projects that encourage economic development, affordable housing projects (includes fee waivers), and market-rate residential developments. This section focuses on additional financial incentives that will help make infill development in the unincorporated county more feasible for developers while acknowledging that permit and development impact fees are important for maintaining the County's fiscal health.

Guided By:

- Guiding Principle #1: Provide incentives informed by best practices to encourage equitable infill development projects that foster complete communities.
- Guiding Principle #3: Promote partnerships between agencies and with internal and external customers to help facilitate quality infill projects.

Barriers Addressed:

- Lot Size and Parcel Assembly
- Development Regulations
- Coordination

Affordable Residential Projects

The Affordable Housing Fee Deferral and Waiver Program (Chapter 16.100 of the County's Municipal Code) was established in 1996 to encourage affordable housing by deferring and/or waiving development fees[6] for qualified projects. "Qualified Residential Development Projects" provide at least 10 percent very-low income[7] units, or at least 49 percent low-income[8] units. The program allows fees to be deferred through the close of escrow or 24 months, whichever is less. With the current program, fee waivers are capped annually at 200 dwelling units or five percent of the total number of building permits for residential new construction issued in the previous year, whichever is greater. Additionally, consistent with Measure B3 of the Housing Element, the County will explore creation of a formalized subsidy for pre-application meetings for affordable housing projects by June 2025.

This Program Update recommends that the County work with the Sacramento Housing and Redevelopment Agency (SHRA) to analyze and appropriately amend Chapter 16.100, *Deferral or Waiver of Certain Impact Fees for Affordable Housing Projects*, to increase the annual fee waiver cap for Qualified Residential Development Projects to further incentivize affordable housing production.

Market Rate Residential Projects

The Residential Fee Deferral Program (Chapter 16.120 of the County's Municipal Code) was established in 1997 to defer early payment of impact fees[9] for market rate residential projects. Fees for multi-family residential projects may be deferred to the close of permanent loan

[6] See Municipal Code Section 16.100.030 for a list of eligible fees that may be deferred or waived through the Affordable Housing Fee Deferral and Waiver Program.

[7] "Very Low Income Households" refers to the definition contained in California Health & Safety Code Section 50105, including but not limited to an income limit of 50% of area median income, adjusted for family size and revised annually.

[8] "Low Income Households" refers to the definition contained in California Health & Safety Code Section 50079.5, including but not limited to an income limit of 80% of area median income, adjusted for family size and revised annually.

[9] See Municipal Code Section 16.120.030 for a list of eligible fees that may be deferred through the Residential Fee Deferral Program.

financing or 15 months from the date of permit issuance, whichever is less. While the fees deferred are subject to rate changes adopted during the deferral period, interest does not apply unless deferred fees are not paid within the fee deferral period. The Infill Program Update does not recommend amendments to Chapter 16.120, *Deferral of Certain Impact Fees for Residential Projects.*

Non-Residential Projects

The Non-Residential Fee Deferral Program (Chapter 16.95 of the County's Municipal Code) was established in 1995 to stimulate and encourage economic development in the county, particularly projects that will result in creating jobs and providing economic stimuli for county residents. The Non-Residential Fee Deferral Program allows for fees[10] to be deferred until issuance of a certificate of occupancy, close of escrow or for a predetermined period, with interest accruing during this time. Interest on deferred amounts may be waived for targeted companies that will bring 50 or more full-time jobs to the area.

This Program Update recommends that the County analyze and appropriately amend *for* Chapter 16.95, *Deferral of Certain Impact Fees Nonresidential Projects*, to also allow infill projects to benefit from waived interest on deferred fees, regardless of the potential resulting number of full-time jobs.

Funding Opportunities – Affordable Housing Projects

Project funding is a key concern for property owners and developers. Funding opportunities for affordable housing projects are outlined in the 2021-2029 *Housing Element* update and includes funding sources such as Community Development Block Grants (CDBG), HOME Investment Partnerships Program (HOME), Housing Trust Funds, Mortgage Revenue Bonds, and Low-Income Housing Tax Credits. Additional funding sources are outlined in Appendix D.

This Program Update recommends that the County leverage its "Prohousing" designation for community development resources and funding to help accelerate housing production through the Prohousing Incentive Pilot (PiP) Program. Additionally, this Program recommends that the County continue to work with SHRA to determine how CDBG funds may be prioritized for affordable housing infill projects.

[10] See Municipal Code Section 16.95.030 for a list of eligible fees that may be deferred through the Non-Residential Fee Deferral Program.

Funding Opportunities - Infrastructure

The high cost associated with providing new or updated infrastructure for development at higher densities is a key barrier to infill development in many areas. The economic consulting firm Economic and Planning Systems, Inc. (EPS) prepared an overview (Appendix E) of potential funding sources and financing strategies, including the SACOG Green Means Go Program, Enhanced Infrastructure Finance Districts (EIFDs), and the State Infill Infrastructure Grant (IIG) Program. Improved coordination between County departments and agencies is also essential to securing funding for future Capital Improvement Plans (CIP) to support infill.

This Program Update recommends that the County: (1) Utilize the above-described infill feasibility factors methodology when prioritizing infrastructure improvements in the unincorporated county; (2) Continue to explore the feasibility of an infill fee for non-infill development, as is being considered as part of the update to the County's Climate Action Plan; and (3) Consider conducting market analyses or infrastructure studies to facilitate development in higher tier infill areas.

TRANSPARENT PROCESSES

Complicated and unclear permitting processes can lengthen project timelines and add to overall costs for property owners or developers. This section focuses on incentives that may help improve the plan review experience for applicants.

Guided By:

- Guiding Principle #1: Provide incentives informed by best practices to encourage equitable infill development projects that foster complete communities.
- Guiding Principle #3: Promote partnerships between agencies and with internal and external customers to help facilitate quality infill projects.

Barriers Addressed:

- Lot Size and Parcel Assembly
- Development Regulations
- Coordination

County Staffing

This Program Update recommends that the County consider hiring one or more Development Process Managers and/or Infill Coordinator(s). This recommendation is consistent with the County's fiscal year 2022-23 budget, the 2022 *Sacramento County Development Review Process: Assessment and Recommendations* report (Appendix A), and General Plan Land Use Implementation Measure-2. A Development Process Manager would help shepherd projects through the review process and would be the single point of contact between applicants and County plan reviewers. Additionally, this Program Update recommends that the County prioritize infill projects, especially those that provide housing, when assigning projects to Development Process Managers.

County General Plan (LU IM-2) also calls for a County Infill Coordinator position. The organizational placement and role of the Infill Coordinator position(s) are to be defined as an action of this program.

Fast Track Permit Processing Program

The County's existing Fast Track Permit Processing Program under the Economic Development Department aims to expedite the plan review process. Currently, projects meeting certain criteria standards such as providing employment opportunities, supporting affordable housing, or enhancing clean energy are eligible to apply for Fast Track status.

This Program Update recommends that the County consider expanding the Fast Track Permit Processing Program to also apply to feasible infill projects and to integrate Fast Track tasks into the Development Process Manger's roles and responsibilities.

Expedited Plan Review Consultants

Interviews with County staff and developers suggest that issues of long review times continue to exist even with the Fast Track Permit Processing Program. This is likely due in part to staff vacancies and workload imbalances highlighted in the 2022 *Sacramento County Development Review Process: Assessment and Recommendations* report (Appendix A).

This Program Update recommends that the County consider renewing and expanding the pool of pre-approved plan review consultants to assist County staff with expedited permit review under the Fast Track Permit Processing Program.

Applicant Resources

The permit review process can be difficult to navigate for property owners, developers, business owners, and the general public. Successful applicants must also understand the specific development standards for their property. In addition to the Zoning Code, the County has Countywide Design Guidelines, 21 Neighborhood Preservation Areas (NPAs), and 52 Special Planning Areas (SPAs) that regulate development. The large volume of available information can be burdensome and confusing. Fortunately, the County has a number of resources available to navigate the process including the Zoning Code User Guide, and the Breaking Ground Guide, which is in the process of being updated at the time of writing. This Program Update recommends that the County consider creating similar "walk through" guides for SPAs and NPAs, especially for those in the Tier 1 and Tier 2 infill feasibility areas. Furthermore, the County should continue to regularly update all existing and future guides and remove any outdated material or information that is publicly accessible. It is also recommended that the Development Process Manager and/or Infill Coordinator increase public knowledge of available applicant resources through improved advertising and marketing efforts.

FLEXIBLE DEVELOPMENT STANDARDS

Development standards are established by the Zoning Code, NPAs, and SPAs. Strict and complex development standards can make it difficult for developers to build feasible projects while meeting zoning requirements like setbacks, height, and landscaping. At the same time, standards that are too vague and subjective can cause confusion between staff and applicants, lead to lengthened review times, and be at odds with State legislation. This section focuses on incentives that may increase residential density and buildable area, provide objective standards where needed, and ease certain development standards that make construction more difficult.

Guided By:

- Guiding Principle #1: Provide incentives informed by best practices to encourage equitable infill development projects that foster complete communities.
- Guiding Principle #3: Promote partnerships between agencies and with internal and external customers to help facilitate quality infill projects.

Barriers Addressed:

- Lot Size and Parcel Assembly
- Development Regulations
- Coordination

Residential Density Minimums

The current County General Plan (Goal LU-5) requires residential projects involving ten or more units to have an average residential density of at least 75% of the zoned maximum for the zoning district. The County plans on codifying minimum density for the RD-30 and RD-40 zones in the Zoning Code, consistent with the County General Plan, of at least 75 percent of the zoned maximum when a project proposes three or more units. This Program Update recommends that the County consider increasing the minimum residential standard for infill areas to further encourage infill housing development.

Mixed-Use Development Zoning

There are currently a limited number of areas in the County with a mixed-use General Plan land use designation. While no properties in the County are yet zoned for mixed-use, some Special Planning Areas allow mixed-use development, such as the Newbridge Specific Plan (13.5 acres) and the Jackson Township Specific Plan (24 acres).

This Program Update recommends that the County analyze and identify existing areas within the Tier 1 and Tier 2 infill areas that can appropriately be re-zoned to a mixed-use zoning district through a zoning map amendment.

Mixed-Use Development Objective Design Standards

The Countywide Design Guidelines include design principles and guidelines for single-family residential, commercial, office, industrial, mixed-use development, and new communities. The document also contains objective design standards for multi-family residential development in the County.

This Program Update recommends replacing the mixed-use development design guidelines with objective design standards, such as the minimum number and size of street-level residential entries along street frontages or facing public rights of way. Easy to understand objective design standards help reduce uncertainty for developers and minimize barriers to the creation of mixed-use development that would be appropriate in many infill areas.

Lot Standards

Residential zoning requirements for large minimum lot size and widths can encourage large-lot single-family residential uses and limit the development potential of relatively small parcels that are often found in infill development areas. The County Zoning Code requires multi-family residential interior lots to be at least 5,200 square feet and 52 feet wide. Multi-family residential corner lots are required to be at least 6,200 square feet and 62 feet wide.

To account for varying lot sizes and encourage a variety of housing options (e.g., single-family, multi-family, townhome, duplex, or fourplex development), this Program Update recommends that the County analyze best practices from other jurisdictions with similar infill programs and/or infill development success and appropriately modify minimum lot size and width standards for infill areas.

The example shown in Table 3 compares the minimum lot size requirements for three sample jurisdictions: the County of Sacramento, the City of Sacramento, and the City of Tacoma, Washington. The City of Sacramento was selected as local example mentioned by stakeholders as having more "developer friendly" development standards. The City of Tacoma was selected as a best practice example for its 2020 Residential Infill Pilot Program.

Setbacks

Infill development best practices typically include removing or reducing minimum required building setbacks to accommodate higher density development. While some jurisdictions encourage setbacks for infill areas to match existing established development patterns of the surrounding area, this may not be appropriate for Sacramento County, where doing so would likely result in more automobile-centric development with parking lots and large front setbacks commonly seen along many existing commercial corridors. Such development patterns would not encourage walkable development consistent with infill development or the County's General Plan.

Accordingly, this Program Update recommends that the County analyze and appropriately modify Zoning Code and SPA/NPA setback requirements for infill areas to encourage pedestrian-friendly infill development while balancing the existing character of the area. Table 4 provides sample setback reductions for multi-family zoned infill project sites.

TABLE 3. MINIMUM LOT SIZE COMPARISON

Jurisdiction	Zoning District	Minimum Lot Area
County of Sacramento	Multi-Family Residential (15-40 units/acre)	5,200 sq. ft.
City of Sacramento	R3 Zone (up to 30 units/acre)	2,000 sq. ft.
City of Tacoma	R-3 Zone (14-36 units/acre)	3,500 sq. ft.
The average minimum lot size of the three examples shown above is 3,566 sq. ft. (5,200 sq. ft. + 2,000 sq. ft. + 3,500 sq. ft.)/3).		

TABLE 4. SAMPLE SETBACKS FOR MULTI-FAMILY ZONED INFILL PROJECT SITES

	Current Minimum Zoning Code Setback (Zoning Code Section 5.4.3.C)	Sample Minimum – Maximum Setback for Infill Areas
Front Yard	20′ (without a Public Utilities and Public Facilities [PUFP] easement) 26′ (with PUFP)	15′-20′ (without PUFP) 21′-26′ (with PUFP)
Street Side Yard	15′ (without PUFP) 21′ (with PUFP)	10′-15′ (without PUFP) 16′-21′ (with PUFP)
Interior Side Yard Not adjacent to or within low density residential zoning districts	10′ (1 and 2 story) 15′ (3+ story)	5′-10′ (1 and 2 story) 10′-15′ (3+ story)
Rear Yard Not adjacent to or within low density residential zoning districts	10′ (1 and 2 story) 15′ (3+ story)	10′-15′ (1-3+ story)
Interior Side and Rear Yards Adjacent to or within low density residential zoning districts	25′ (1 story) 50′ (2 story) 75′ (3 story) 75′ (4 story, when adjacent to collector/arterial, or approved by SPZ)	10′ (1 story) 10′ (2 story) 20′ (3 story) 30′ (4 story, when adjacent to collector/arterial, or approved by SPZ)

Height

Building height plays a large role in determining project feasibility, especially for projects on smaller lots. The Zoning Code currently allows up to 75-feet (six to seven stories) for the most intensive mixed-use districts. High-density multi-family residential properties (RD-30 and RD-40) are allowed a maximum height of 150-feet with no story limit. SPAs, NPAs, or Corridor Plans may also establish separate height restrictions for properties.

Mixed-use zoning districts and special planning areas were found to be the most restrictive in terms of building height. For example, the North Watt Avenue Corridor Plan limits buildings in the Residential Mixed-Use 1 (RMU-1) area to 45-feet (four stories). This Program Update recommends that the County analyze and appropriately modify the most restrictive height requirements to enable infill development that can more feasibly accommodate the residential density target for the assigned zoning district. The County may also consider amending the mixed-use zoning development standards for height to be more in line with multi-family standards.

Increased Flexibility

Additional requirements outlined in the Zoning Code and Multi-Family Design Standards such as common open space, private open space, and storage requirements may also create barriers for denser multi-family developments on smaller, more constrained lots (Table 5). This Program Update recommends that the County consider allowing flexibility by waiving and/or reducing requirements for common open space, private open space, and storage for infill projects.

TABLE 5. ADDITIONAL COUNTY REQUIREMENTS

Common Open Space
Multi-family residential projects are required to provide open space and landscaping covering at least 25 percent of the net lot area. Developments with 10 or more residential units must provide at least one common gathering space with a minimum of 400 square feet, plus 200 square feet for every five additional units. Common gathering space may be waived for projects located within a half-mile of a park.
Private Open Space
Multi-family developments must provide 40 square feet or more of private open space per dwelling unit. Affordable housing projects may be eligible for reduced minimum outdoor and/or private outdoor living area.
Storage
Multi-family developments must provide at least 80 cubic feet of personal storage. Bedroom closets in the residence shall not be used to satisfy the personal storage requirement.

This page intentionally left blank.

NEXT STEPS

IMPLEMENTATION PROGRAM

The incentives and proposed changes highlighted in the Infill Incentives Toolkit encompass policies and programs the County can implement to further encourage infill development. Actual policies, programs, and their timing will be based on budget, need, and priorities identified by the Board of Supervisors. The following sections identify the incentive action, responsible County party, and the appropriate timeframe for completion. These range from actions that can be taken immediately (near term) with completion of efforts estimated between one to two years, to more long-term actions anticipated for completion within the next four to six years, which have been designated as "ongoing".

Implementation Action	Time Frame
Increase Coordination with Residents, Community Groups, and Stakeholders *Responsible County Party:* Community Development	Ongoing
Increase Coordination and Partnerships with Agencies/Departments Involved in the Development Review Process *Responsible County Party:* Multiple County Departments	Ongoing
Amend Existing Fee Reduction and Waiver Programs *Responsible County Party:* Community Development, Economic Development	Mid Term (2-4 years)
Expand Other Financial Programs and Resources *Responsible County Party:* Community Development Economic Development	Ongoing
Hire Development Process Manager(s) *Responsible County Party:* Community Development	Near Term (1-2 years)
Define and Hire Infill Coordinator(s) *Responsible County Party: Community Development*	Mid Term (2-4 years)

Implementation Action		Time Frame
	Hire On-Call Consultant(s) *Responsible County Party:* Community Development	Near Term (1-2 years)
	Expand Fast Track Permit Processing Program *Responsible County Party:* Community Development Economic Development	Mid Term (2-4 years)
	Expand and Routinely Update Applicant Resources *Responsible County Party:* Community Development	Ongoing
	Analyze and Amend SPAs, NPAs, and Corridor Plans *Responsible County Party:* Community Development	Ongoing
	Establish Mixed-Use Zoning Districts and Objective Standards *Responsible County Party:* Community Development	Near Term (1-2 years)
	Update Zoning Code Development Standards *Responsible County Party:* Community Development	Mid-Term (2-4 years)
	Update County General Plan *Responsible County Party:* Community Development	Ongoing

IMPLEMENTATION ACTIONS

Increase Coordination with Residents, Community Groups, and Stakeholders

The County will develop additional citizen engagement strategies and processes to broaden engagement with traditionally underrepresented populations including renters, lower-income households, people who are experiencing homelessness, people of color, youth, individuals with disabilities, and families.

Increase Coordination and Partnerships with Agencies/Departments Involved in the Development Review Process

Improved coordination between County departments and agencies involved in the development review process translates to greater certainty and a smoother review process. This will be an ongoing action with potential implementation including coordinating regular meetings to share updates and learn about challenges that span multiple departments or agencies.

Amend Existing Fee Reduction and Waiver Programs

Analyzing and modification of the County's existing fee reduction and waiver programs for infill projects may help reduce the upfront fiscal burden for developers. Expanding the County's existing fee reduction and waiver program would require coordination with SHRA, a Zoning Code amendment to Chapters 16.100 and Chapter 16.95 of the County Municipal Code, approval from the Board of Supervisors, and implementation by the Economic Development and Community Development Departments. This is a mid-term goal with completion anticipated in the next two to four years.

Expand Other Financial Programs and Resources

Increasing funding opportunities for infill projects and connecting developers with funding resources will also help to address the financial barrier to development. Appendix D provides a summary of financial resources for housing development, including grant programs and other financing mechanisms. This information will be provided to potential infill housing developers as a resource to assist in their pursuit of funding for their projects. The Infrastructure Funding Options to Support Infill Development in Sacramento County (Appendix E) provides several financial programs and resources that will be evaluated and pursued by the Community Development Department as appropriate throughout the life of the program. One potential program is an infill fee which could be incorporated into the Climate Action Plan and applied to pending projects that are located outside of the Urban Policy Area (UPA). Revenue generated by the fee would be used by the County for the purpose of facilitating infill development.

Hire Development Process Manager(s)

The 2022 *Sacramento County Development Review Process: Assessment and Recommendations* report (Appendix A) supports the Program Update recommendation that the County hire one or more Development Process Manager(s). Hiring additional County staff would require budget approval from the Board of Supervisors and implementation by the Community Development Department. This is a near-term goal with completion expected in one to two years.

Define and Hire Infill Coordinator(s)

County General Plan (LU IM-2) calls for a County Infill Coordinator position. The organizational placement and role(s) of the Infill Coordinator position(s) are to be defined as an action of this program. The County will further define this position and hire staff to fill this position as funding allows, with completion of these actions anticipated in two to four years.

Hire On-call Consultant(s)

Hiring on-call consultants would help alleviate long review times for applicants, address short-term staffing shortages and workload imbalances. The 2022 *Sacramento County Development Review Process: Assessment and Recommendations* report (Appendix A) supports the Program Update recommendation for the County to expand its pool of pre-approved on-call plan review consultants. Hiring additional on-call staff would require budget approval from the Board of Supervisors and implementation by the Community Development Department for issuance of a Request for Proposals (RFP). This is a near-term goal with completion expected in one to two years.

Expand Fast Track Permit Processing Program

Lengthy plan review timelines can be addressed by expanding the County's existing Fast Track Permit Processing Program to apply to infill projects and integrating the Fast Track work into the Development Process Manger(s) roles and responsibilities. Expansion of the Fast Track program could be accomplished at the staff level without approval from the Board of Supervisors. Implementation would be led by the Economic Development Department as well as the Development Process Manager(s) and/or Infill Coordinator(s) for the Community Development Department. Success of the expanded Fast Track Permit Processing Program would also rely on the ability of on-call plan review consultants to provide additional staffing for the Fast Track program. This is a near-term goal with completion targeted in the next two to four years, after the County has hired Development Process Manager(s) and/or Infill Coordinator(s).

Expand and Routinely Update Applicant Resources

The County has a number of existing resources available to help property owners, developers, business owners, and the general public navigate the permit review process. Existing resources include the Zoning Code User Guide, and Breaking Ground Guide. This Program Update recommends that the County routinely update all existing and future applicant resources and remove any outdated or inaccurate material that is publicly accessible (e.g., County website). The County could also expand the number of available applicant resources by creating similar "walk through" guides for projects in SPAs and NPAs, especially for those in the Tier 1 and Tier 2 infill feasibility areas. County Development Process Manager(s) and/or Infill Coordinator(s) should aim to increase public knowledge of all available applicant resources through improved advertising and marketing efforts. The large volume of available information can be burdensome and confusing. Efforts to update, expand, and market applicant resources could be done at the staff level without approval from the Board of Supervisors. Implementation would be led by the Development Process Manager(s) and/or Infill Coordinator(s) for the Community Development Department and would involve coordination with inter- and intra-agency staff as well as potential guide users such as developers and PBIDs. This will be an ongoing goal with initial implementation beginning in the next one to two years.

Analyze and Amend NPAs, SPAs, and Corridor Plans

Amending the NPAs, SPAs, and Corridor Plans, may be needed to better facilitate infill development. Questions to consider while reviewing the plans include whether these plans are still relevant to the needs of the community and how they could be easier to implement for developers and staff. Due to the sheer volume of existing plans, it is recommended that the County prioritize plans that govern the Tier 1 and Tier 2 infill areas. Amending necessary NPAs, SPAs, and Corridor Plans would require approval from the Board of Supervisors and implementation led by the Community Development Department. Given the number of NPAs, SPAs, and Corridor Plans this will be an ongoing implementation effort. Plans are already being analyzed and will be updated as necessary and as County resources allow.

Establish Mixed-Use Districts and Objective Standards

Establishing mixed-use districts with clear and appropriate development and design standards would require an update to the General Plan Land Use and Zoning maps, an amendment to the Zoning Code, and an update to Chapter 6 of the Countywide Design Guidelines. Approval from the Board of Supervisors with implementation by the Community Development Department would also be needed. This is a near-term goal with implementation beginning with grant-funded pilot programs for Stockton Boulevard and N. Watt Avenue commercial corridors.

Update Zoning Code Development Standards

Zoning Code development standards should be objective, clear, and appropriate to facilitate infill development that provides a range of commercial opportunities and housing in the community. Efforts to comprehensively update County development standards including, but not limited to, lot size, setbacks, height, and parking regulations should be part of the work program for the future Zoning Code update. Implementation would be led by the Community Development Department with input from other County departments and stakeholders, specifically infill developers. This is a mid-term goal with completion expected within the next two to four years.

Update County General Plan

Several implementation actions presented in this program, including expansion of mixed-use districts and modification of residential minimums will require an update of the County's current General Plan. Updates will likely be concentrated in the Land Use Element and General Plan Land Use Map. However, this may also present an opportunity for the County to consider a comprehensive analysis and update of the full General Plan to ensure that all goals, policies, and actions support the County's current vision and guiding, including responsible infill development. Implementation of a targeted or comprehensive General Plan update would be led by the Community Development Department with input from other County departments and stakeholders, including infill developers.

This page intentionally left blank.

Appendix A -
Sacramento County Development Review Process: Assessment and Recommendations

September 2022

Prepared for

Sacramento County.

County Executive's Office.

Attn: Ann Edwards,
County Executive Officer.

700 H Street, Suite 7650

Sacramento,

CA 95814-1280

By

Ray Kerridge.

1510 SE Cutter Ln.

Vancouver, WA 98661

Tel. 916. 205. 4646

rayjak2013@gmail.com

Table of Contents

INTRODUCTION

The Board of Supervisors and the Chief Executive Officer continue to receive complaints about the County's Development Review Process (DRP). Stakeholders have expressed concerns and frustrations about the lack in timeliness of reviews, the unpredictability of the process, and the poor customer service delivered by some County staff. These experiences have led to a low level of customer satisfaction with the process.

A contract to carry out a general assessment of the DRP and make recommendations for improvements was approved in March of this year. An assessment of the system was completed at the end of June. This report incorporates the result of this assessment and recommendations going forward.

In the research phase of this project, stakeholders shared a number of negative experiences working with different elements of the development review processes. Whereas these are all worthy of acknowledgment, specifics related to these incidents have not been included in this report. Their true value is in illustrating certain types of system failures and helping to shine a light on elements of the DRP that are not working well. It is also likely that describing these in detail might actually be counter-productive to our ultimate goal of improving the system.

A number of negative experiences about the processes was also shared during interactions with certain County employees. Again, whereas these experiences are all worthy of acknowledgement, there is little to be gained by posting specific details. Their true value is in pointing to a culture that exists within elements of the DRP that is not beneficial to good customer service. If nothing else, they highlight the need for customer service training and increased supervisory and management oversight.

Similarly, statistics comparing the level of permit activity in the County with those of other counties or cities within the region are not included. Sacramento County is its own entity with its own unique demographics and varied communities. Consequently, any comparison with Placer County or El Dorado County is not going to provide much data useful to the purpose of this report. This applies even more so when it comes to comparing the County's performance with cities in the region. The County, unlike many cities in the region, is not a "full-service" provider, and as such is more dependent on the actions of regional partners. Consequently, the County has less direct control over elements of its development review.

It should be acknowledged that the CEO has already taken a number of positive steps to enhance the level of customer service provided by the DRP. Most important among these is that previously vacant leadership positions in the DRP have been filled. The officials now occupying these positions are all experienced and competent professionals. Their influence on the system is already being felt.

EXECUTIVE SUMMARY

This report is an assessment of the County's Development review Process (DRP). The services provided by the DRP are intended to achieve three goals. These are:

a) To ensure that proposed developments and building projects are consistent with current County and State regulations.
b) To help support the Board of Supervisors' goal of creating livable communities in the County.
c) To protect the health and safety of County residents in the built environment.

The assessment that follows is based on interviews with Development Review (DR) staff, three members of the Board of Supervisors, and representatives from the development industry. These included builders, architects and engineers, development consultants, land-use attorneys, and members of the North State Building Industry Association, and the Central Valley Chapter of the American Institute of Architects. Other valuable information was gathered from available DRP performance standards, computer reports, and other relevant plan review materials.

A. The first section of the report is the assessment. It identifies twelve key areas of concern on which the County's improvement efforts need to focus. These areas of concern are as follows:

1. Low customer satisfaction.
2. Timeliness, predictability, and consistency of reviews.
3. Management and coordination of the process.
4. Inadequate performance measures and reporting.
5. Lack of oversight.
6. Workload and staffing levels.
7. Quantity and complexity of regulations.
8. Reliability of staff responses.
9. Supervisory review and problem-solving.
10. Difficulty in navigating the system.
11. Under-utilization of the Accela computer system.
12. Negative corporate culture.

More detailed descriptions relating to each of these areas of concern are outlined in the assessment section of this report.

It should be noted that this report does not address questions related to cost-of-service or the County's development related fee structures, even though these both emerged as topics of concern for many stakeholders.

B. The second section in this report outlines 34 recommendations, all of which are aimed at addressing the areas of concern noted above and moving the system towards a better and more positive relationship with its customers. Many of these initiatives have been implemented in jurisdictions which have experienced customer service and customer satisfaction issues in the past.

The recommendations outlined in this report are not intended just as solutions to fix current problems. They are also intended to help put in place a framework for good decision making, and one flexible enough to accommodate changes in the future.

C. The third section includes a number of concepts for specialty permit programs that the County might consider for future implementation. Several of these are currently used in other jurisdictions.

It was observed during the research phase of this report that there are experienced and competent people currently working in the County's DRP. Many of the employees who were interviewed were aware of the criticisms and complaints that are being made about the process, but stated their willingness to participate in whatever way they could to help improve the system.

ASSESSMENT

This section of the report outlines key observations in each of the twelve areas of concern.

1. Low Customer Satisfaction

Interviews with stakeholders identified a number of issues with the performance of the DRP. The lack of timeliness and the unpredictability of reviews were by far the most often reported criticisms. These were closely followed by a general dissatisfaction with the number and complexity of County and State regulations, and the way an applicant's legitimate concerns over technical issues and problems are resolved.

An area of particular concern and dissatisfaction was the time, complexity, and lack of clarity implicit in the County's land-use entitlement and environmental processes. This is of particular concern regarding the level of detail being required for CEQA. Another area was the complexity and time it takes to get Department of Water Resources (DWR) approvals. Engineering consultants for the developers expressed concerns relating to level and detail of engineering studies being required by DWR, and the demand that all of these studies be submitted upfront.

Another problem reported by customers with regard to both of the above review areas was the perceived unfriendly and unhelpful attitude of some staff members.

The following observations are generalizations. But, if a broad characterization were to be applied to staff, it would be that of "risk averse." Another is that the primary focus of many DRP employees appears to be on ensuring that the regulations are being enforced. The risk aversion factor here is that of ensuring that they cannot be blamed for anything later on if something goes wrong. This plays out in the apparent rush to get to "no" rather than "yes" that is displayed by some reviewers. This is further evidenced by the little interest apparently taken by some staff in trying to find out what applicants are trying to achieve with the projects. It was noted that staff seem reluctant to use their experience to suggest alternatives or to offer up early assistance on problematic elements of a project.

Stakeholders also complain about a general lack of transparency and accountability inherent in DRP processes. Other than over-the-counter permits, applicants are seldom sure where their projects are in the system at any one time. Some stated that there is an "air of mystery" around how the County goes about making its technical and process related decisions.

Development industry representatives expressed dissatisfaction with the way staff deals with complaints and with solving technical problems that crop up during reviews. Consultants state they feel excluded from the decision-making process and that the responses they receive are not always consistent with previous responses to the same problems.

Also expressed by stakeholder was a level of skepticism about the County's ability to change things, as previous attempts to improve the DRP have been apparently either short-lived or largely unsuccessful.

However, there is one area of customer satisfaction that should be acknowledged. Those customers who had received "over-the-counter" (same day) permits for small projects, minor installations, or trade permits, tended to rate the customer service they received at the counter or on-line as high. In addition, positive feedback was also given about several County employees who were recognized for routinely going above and beyond to help resolve issues and keep applications moving along. These are positive building blocks for the future.

The remainder of this report focuses on identifying the reasons for the low level of customer satisfaction with the DRP, and to recommend the improvements necessary to raise confidence and customer satisfaction with the system. All of the areas outlined below overlap to some degree.

2. Timeliness, Predictability, and Consistency of Reviews

Concerns were often voiced about the timeliness, predictability, and consistency of the plan review processes. Not one stakeholder could say with any degree of certainty when his or her development application would be approved and permits issued.

Problems often begin at the start of the review process. DWR was cited as delaying project reviews through its policy of not accepting deferred submittals. The Department requires that all project studies, reports, and designs be submitted before an application will be deemed "complete" by staff. Stakeholders point out that some of these studies and designs have no applicability until much later on in the review process. The Planning Division also received criticism for delaying project reviews. An often-cited example is the length of time it takes for division staff to determine if a proposed development activity is or is not a "project" under CEQA. Both of these examples add time to the review process and cause extra expense for applicants.

At the other end of the process, during the construction phase, it has become more difficult to get required permit inspections carried out within reasonable timeframes. Rather than delivering same day service, inspections are now scheduled two to three days out.

The DRP has benchmarks for the timeliness of initial reviews and carrying out rechecks if corrections to plans are required. However, a review of available performance reports indicates that these benchmarks are not routinely adhered to. But once initial reviews are complete, the process is essentially open-ended from that point on. There are no other benchmarks. Timely rechecks are important because the progress of a review in one part of the process may be halted when a recheck in another is pending.

Managers point to several factors that affect the timeliness of plan reviews. These include the growing complexity and cumulative effect of Federal, State, and County regulations and the numerous policies that review staff are required to enforce. They also point to the increasing complexity of building designs. Their rationale being, the more complex the development or building design, the longer the review time. There is some validity to this.

Increased workload is another source of delay. At the time of writing, most DR sections are carrying a significant backlog of reviews. This means that a project cannot/will not get reviewed until the ones before it in the hopper are reviewed. This may partially explain applicants' perceptions that it has gotten harder to get projects accepted as complete, early on. Once applications are accepted into the system as complete, the clock starts to run on the initial plan review 'time-taken' benchmark.

Another factor affecting timeliness and predictability is that the County is not a "full-service" provider. Projects often require sign-offs from other regional partners or fire districts. Each of these outside agencies has its own timeframes and review requirements. Some fire districts are volunteer districts, and this adds another element of delay to the process. As a result, final County approval is often contingent on the time it takes these agencies to sign-off.

DR functions are carried out by several sections, many of which are housed in different locations. Coordination and communications are not well integrated between the various DR sections. There is no 'one' overarching management umbrella coordinating the reviews.

Also, time is sometimes lost as plans migrate through the system because no one is officially designated with the task of tracking projects. The recent change to locate all responsibility for the DRP under one Deputy CEO is a good move and will help improve coordination.

Lastly, it is important to acknowledge the recent service disruptions caused by the COVID-19 pandemic. Many key staff members had to transition to remote operations, or work from home. This has had an effect on both timeliness and productivity as well as entering an additional element of unpredictability to the DRP. Also, there is no indication of when, or even if, staff will be required to return to their previous workplaces.

3. Management and Coordination of the Process

Overall management and coordination of the system are two of the most important factors affecting the timeliness of reviews. Stakeholders are concerned and frustrated by an apparent leadership gap in the DRP. Managers see to their own areas of responsibility and are not likely to step outside their own boxes to help coordinate the process. This attitude is a consequence of the 'siloed' organizational structure of the DRP. Instead of having one integrated system, the County has a number of loosely connected mini-systems. Staff are not co-located; reviews are carried out in different departments, in different locations, and at different times in the process. With no one overarching management structure in place, coordination between reviewers is difficult and, in some cases, non-existent.

Having fully comprehensive inter-agency agreements between participating departments that clearly stipulate roles, responsibilities and performance expectations and standards is essential. The risks of operating without updated and fully comprehensive inter-agency agreements in place are a lack of accountability and less management coordination of the system.

Some utility/infrastructure managers appear to have their own hierarchy of priorities. Their first is the installation and maintenance of their infrastructure. Although lip service is paid to development review, it is clear that it is regarded as a second priority. There are anecdotes to suggest that some in the infrastructure departments consider that part of their role involves protecting "their" infrastructure from developers. If true, this attitude is contrary to the County's development and livability goals.

Stakeholders were very supportive of DR pre-application conferences. Staff meet with developers and their consultants at these conferences to identify minimum requirements and acceptance standards for the proposed project. Each DR section is supposed to bring its own checklist of requirements to the meeting. By complying with these checklists, applicants are meant to be assured that their application will be considered complete and ready for review. However, stakeholders have commented that despite the prior notification, some staff members come to the meeting unprepared, and that not all of the relevant DRP sections are represented at the meeting.

Specific examples were given in which, even after complying with the requirements of checklists and studies, application submission packages were eventually rejected by staff as being "incomplete." Stakeholder identify three reasons for this. First, checklists are overly long, often incomplete in themselves, or even out-of-date. Second, in the intervening period between the meeting and submission, a reviewer discovers an omission on the original list of requirements. Or, third, another reviewer is assigned to the project who has other ideas about the list of requirements. Whatever the reason, the review is put on hold until the additional information is submitted. This causes delays and at the same time, the section's timeline for completing its first plan review is stopped and the clock is reset back to zero.

Coordination issues have arisen due to a breakdown in plan distribution and circulation. These are usually due to a misfiling error at submission, or inaccurate data entry into Accela. Also, plan reviewers have been known to misplace or lose plans.

No department at the present time is assigned an overall coordinator role for the system. Whereas the Community Development Department (CDD) carries the bulk of DR plan review responsibilities and issuing permits, its authority is limited to on-property development. Other departments are in charge of infrastructure planning and approvals and right-of-way projects. Development related plan reviewers in these department are independent of CDD.

4. Inadequate Performance Measures and Reporting

Performance measurement starts with a statement from the Board of Supervisors outlining their vision and expectations regarding development in the County. This vision should then be reflected in the mission statements of the participating departments. Mission statements are operationalized in the departmental organizational goals, and performance measures put in place to measure progress towards the mission. Mission statements, organizational goals, and performance measures are all connected and reflect one another. None of this is happening in the County's DRP.

Departments with DR responsibilities do not reference organizational goals for the system on their web pages or in any of their budget documents. With no strong mission statements and organizational goals, and very few metrics tying performance back to the mission, there is little foundation for accountability and transparency in the DRP. Also, there is no overarching performance management system in place capable of measuring performance for consistency, efficiency, or effectiveness.

At the present time, the primary metric in use is the average time taken to do initial plan reviews and re-checks and each department has its own standards in this regard. The Planning Division has more timeline requirements than do other departments.

Time taken for first review and rechecks are obviously important measures; however, these alone cannot provide a comprehensive picture about the performance of the system. Whereas timeliness is important, it should not overshadow other metrics important to gauge the overall success of the DRP.

A more comprehensive and reliable set of performance measures for the DRP would provide a better and more accurate picture of the system's performance. As it is, current performance measures offer little opportunity for accountability and transparency to the general public.

Lastly, the County does not carry out formal annual telephone surveys with DRS customers to measure their level of customer satisfaction with the services provided and it does not track or analyze trends in respondents' attitudes towards the DRP.

5. Lack of Oversight

Without adequate metrics in place, it is difficult to determine the level of effective oversight on the DRP. In fact, at the moment, there is no way to exercise effective oversight on the system. Some managers and supervisors are engaged and take a more active role in monitoring the performance of their sections than do others. But this lack of effective oversight has led to the perception that requirements are not being applied consistently.

Lack of oversight and few written standards or operating procedures across the DRP was one of the major concerns expressed by development industry representatives. This was of particular concern in regard to the reviews being carried out in the Planning Division and in DWR.

Lack of oversight is also evident in that line level review staff routinely make high level decisions about reviews apparently without input or guidance from senior management. Some of these decisions recounted during interviews with stakeholders were, if accurate, arbitrary in retrospect, and resulted in additional work, additional costs, and delays for the applicant, with little overall benefit accruing to either the project or the County. Whereas it is important to empower staff with the authority to make decisions, it cannot be "free rein" without the necessary oversight or input.

6. Workload and Staffing Levels

When workload is driving the system, customer service levels inevitably suffer, and customer dissatisfaction goes up.

A workload/staffing imbalance exists across the DR sections. Many, if not all sections have open vacancies which they have found difficult to fill. Whereas much of this can be attributed to a lack of applicants due to the current hot job market, some managers point to the length of time it takes to get recruitments through the Human Resources (HR) process.

As a result, each section has an accumulation of backlog jamming up the system. This means that before new applications can be reviewed, the backlog already in the hopper will have to be cleared. Consequently, timeliness of reviews will continue to be a problem until this backlog is bought under control and a positive staff/workload balance is reestablished.

All departments have the ability to farm out excess workload to outside contractors. But unfortunately, some have been slow to expand their pool of contractors. CDD, for example, currently has only two on its approved list of fire and life safety plans examiners. At last hearing, all departments are now going through a process to expand their lists of contractors.

Managers also point out that HR's minimum qualifications for jobs are often out-of-date or too restrictive. Being able to increase the tradeoff between work experience and relevant educational achievements would help managers fill vacancies.

Another issue was identified as the difficulty of getting new position classifications through the County's Civil Service protocols.

Additionally, CDD inspectors are operating a 9/80 schedule. This, along with unfilled vacancies, illnesses, and vacations, have led to permit inspections being scheduled out two to three days ahead.

A further compounding element is that when DR staff do overtime to help relieve pressure on the system, they are paid in comp-time. This can only be redeemed by taking more vacation.

7. Quantity and Complexity of Regulations

DRP plan reviewers are responsible for enforcing a significant volume of County regulation. Managers point out that the number, scope, and complexity of development related regulations has increased and is now a primary cause of the timeliness issues within the DRP. State construction code requirements expand every code cycle, and though the County already has numerous planning and special districts, planning and environmental regulations continue to increase.

However, it is not only the scope and volume of regulations that is on the increase. The trend is towards more complex and sophisticated building and infrastructure designs. These are both valid observations.

Volume and complexity of the regulations was also a frequently mentioned topic of concern for stakeholders after the timeliness and predictability of DRP reviews. As mentioned earlier in this report, internally generated increases, especially in the level of detail for engineering studies in both DWR and the Planning Division, have also increased. Engineering consultants report that the level of detail now being required by these two County groups is more extensive than in other jurisdictions in the region.

It is also observed that the County does not have an ongoing regulatory improvement workplan initiative in place to review and evaluate proposed new regulations and their impacts on existing regulations and their overall impact on development in the County.

8. Reliability of Staff Responses

Stakeholders also reported frustration and concerns about an apparent lack of consistency in staff's responses to technical or process-related questions, and code interpretations. They state the answers they receive to these questions often vary depending on who the applicant is, or who the staff person is. But it was also stated that even in going through regular plan reviews, staff interpret the rules differently. Also, staff do not appear to communicate with each other over these issues. Anecdotes were relayed about different reviewers giving different answers to the same code or technical question at different times.

Examples were also presented of reviewers changing their minds later on in the review process. Also, that reviewers do not necessarily feel bound by responses that had previously been given by other reviewers in the same section. It is evident that information about decisions of this kind is not being passed on to other staff.

An often-expressed frustration was that reviewers do not adopt a collaborative approach with stakeholders to arrive at solutions. More often than not their response is to resort to rote answers without trying to properly understand the applicant's or the project's needs.

As noted earlier, there was general support among stakeholders for the County's pre-application conferences. However, only a smaller percentage were satisfied with the quality of information transmitted at these meetings. When they felt that enough information was provided about the process, DR staff were often defensive when asked to explain the meaning or intent behind specific requirements, or why and when a certain study, design, or entitlement was required.

Also, some applicants are aware that specific requirements being made of them exceeded both State minimums and what is being asked by surrounding jurisdictions. The response often given was that the County, being larger and more diverse, has conditions that do not exist elsewhere. This justification is unconvincing to many.

Staff are also reluctant to give time estimates for the completion of a review or the issuance of a permit. Stakeholders report that if an estimate was given, it was accurate only about 50 percent of the time.

A general observation is that whereas staff are knowledgeable about their own section reviews, they are very unfamiliar with what goes on in other sections. As a result, customers could not place any reliance on even the most general information they received from reviewers about another section's timeliness or review processes.

Another issue regarding staff responses is that architects report that during the course of scheduled inspections, some inspectors have rejected architectural details that were outlined on the County's "Approved" set of plans. In these instances, inspectors had required details that are different from those specified by the architect and also had not been approved by the County during the plan review process.

There are a number of formal appeals processes available to applicants, and these appear to work reasonably well. Someone wishing to use alternative methods of construction under the State building, electrical, mechanical, or plumbing codes can submit an appeal to the County's Building Official in CDD, or to the Code Appeals Board. Applicants may also appeal Zoning code requirements to the Zoning Administrator. Also, if an applicant disagrees with a decision related to water or drainage requirements, he or she has the option of submitting an appeal to the senior engineer.

Last, but no less important, is that staff do not appear to be updating Accela with all meeting notes and any informal code interpretations that are made.

9. Supervisory Review and Problem-Solving

First line section supervisors have an important leadership role in the DRP. They are responsible for all the review activities carried out in the sections. As the link between upper management and line staff they are also responsible for ensuring that process goals and system objectives are effectively communicated and carried out by staff. They are also responsible for the distribution of workload in the section and for ensuring that reviews or inspections are being carried out within prescribed timelines.

As previously noted, there are concerns about how problems and customer complaints are handled in the DRP. Supervisors have a direct responsibility here. However, the processes for resolving customer complaints or technical problems are not clearly defined. Because there are no clearly written protocols for how to deal with these issues, customers feel that supervisors should be a larger presence. In regard to problem-solving, it was stated by stakeholders that DR supervisors' default position is to automatically back-up the staff without proper investigation or giving adequate consideration to other possibly more adaptive or appropriate alternatives and solutions.

Also, not all supervisors appear to attach the same level of importance to making either themselves or their staff readily available to the public to answer questions. Some sections are more responsive to the public than are others, but customers complain that getting reviewers to just answer the phone is harder than it should be.

10. Difficulty in Navigating the System

Stakeholders report on the difficulty of moving projects through the DRP. Customers are frustrated because there is no single point of contact or someone they can talk to if they have concerns about the status of their projects. As a result, applicants feel that they have no other option than to take on the responsibility themselves to ensure their project continues to move through the system.

Although it is the County's own process, the DRP is not one system but essentially a series of loosely connected micro-systems. But no DRP employee understands the whole process from initial application through to Certificate of Occupancy. Essentially, the County is not in control of its own system, at the moment.

Adding to this difficulty is the fact that DR plan reviewers are spread out and that no one department carries overall responsibility for the entirety of the process. To navigate projects smoothly through the DRP depends on being able to coordinate all the DR sections through a centralized management system that crosses departmental boundaries.

11. Under-Utilization of the Accela Computer System

The County's Accela computer permit system should be the hub of the DRP. The system's ability to track and report on the status of projects is potentially the most powerful management tool available. The County has used the Accela system since 2007. The system has been upgraded several times over the years and the latest upgrade is due to go into operation at the end of this year. Accela is interfaced with the County Geographic Information Systems (GIS) and can provide an up-to-date history on any parcel. There is also a customer interface to enable applicants to track the status of their projects as they go through the review processes.

IT staff report that Accela is capable of generating numerous and varied reports relating to the ongoing performance of the DRP. However, even though staff has access to the system, some managers are using inhouse spreadsheets to track projects as they go through the review process in their sections.

Accela is only as good as the data that is input. Plan review approvals, inspection results, meeting notes, and other related project data are required input for the system. However, it is not at all certain that staff are inputting all relevant project data. Complete historical data are essential if a post mortem or an after-action review on a project is required for any reason.

Notwithstanding the tremendous capacity and potential of the system, a senior staff member in the Planning Division commented that Accela is not as useful as it could be to them, because it "does not match their business model."

Discussions with senior DR managers also disclosed that they are not reviewing Accela reports on a regular basis. Also, senior management does not meet on a scheduled basis with department heads or other senior staff to review DRP performance data.

12. Negative Corporate Culture

The corporate culture of the DRP is not perceived as a customer friendly one. In fact, it has a reputation of tending towards rigidity and a focus on enforcing the letter of the regulations, rather than their intent. Some have characterized staff as unhelpful, unfriendly, and in certain cases even hostile. This is evident when applicants challenge code interpretations or ask the justification for technical requirements. Absence of a customer-service based culture is at the core of customer dissatisfaction with the DRP.

Managers and supervisors can do more to model and reinforce a customer-service culture for their staff. However, this is not an across-the-board observation, as some managers, supervisors, and line staff were identified by customers as regularly going above and beyond to facilitate the process.

There may be historical reasons for the apparent inflexibility and bureaucracy displayed by some DRP staff. It was pointed out by long serving employees that risk taking and thinking outside the box to improve customer service was not as valued by previous administrations as much as it is by the current one. A particular incident was described in which staff made some technical decisions on a project, in good faith, and with the intent of the regulations in mind. However, when the project became a legal and political football, the staff felt that the then CEO hung several of them "out to dry." There was an imminent threat of significant personal financial liability left hanging over them for months on end. That this was allowed to happen in the first place still resonates across all sections, even among those who had no connection with the project. This incident has now taken root in County lore. As a result, restoring faith in senior management's ability and willingness to protect staff in the future, while at the same time trying to persuade them to adopt a more customer friendly culture has added to the challenge. Without restoring a level of staff trust and their commitment to the change process, any service innovations and improvements are going to have limited success.

The County does not have an ongoing customer service training program in place for DRP staff. No training is scheduled to help staff obtain a better understanding of customers needs. There are also no scheduled inter- or intra-departmental teambuilding exercises, or work/social opportunities to team-build and create partnerships with stakeholders.

As previously noted, there is no DRP mission statement or specific customer service goals outlined for the system. As a result, there is no solid foundation for any training in place at the moment.

Lastly, the County does not have a public information plan in place to promote the DRP or to inform staff and the public about ongoing efforts to change the culture.

RECOMMENDATIONS

These are grouped in order of priority starting with the first tier.

First Tier

It is recommended that the County:

1. Take immediate steps to eliminate the current plan review backlog of applications and reviews by:
   a. Filling all current vacancies, as quickly as possible. Recruit for good customer service skills or potential, as well as technical competence.
   b. Expanding the pool of pre-approved plan review contractors to pick up excess workload in all DR sections, as quickly as possible.
   c. Creating overtime opportunities for review and inspection staff.

2. Schedule an all-DRP staff kick-off meeting in which the CEO clarifies for staff the need for a new corporate culture, and 'officially' introduces the new Deputy CEO in charge of the system.

3. Draft a resolution for Board approval, in which the Board affirms its support and confidence in the new direction. It is critical for staff to know that the culture change and associated process improvements have the full support and backing of the Board.

4. Rebuild employee trust and confidence in County Administration and the Board through:
   a. Scheduling quarterly all DRP staff meetings with the CEO and Deputy to provide updates on the mission, goals, and service improvements. Time for staff Q & A should be a regular feature in the schedule.
   b. Generating a regular all-staff email/newsletter from the Deputy CEO updating on successes and upcoming changes.

c. CEO and Deputy CEO doing semi-regular "walk-arounds" to meet and greet DRS employees at their work stations.

Note: The following recommendation makes the case for an ongoing public information strategy. This needs to be considered in the following context: government is not known for touting its achievements. However, when attempting to change norms and implementing a new corporate culture, it is vital that the staff and public be kept informed at every step. Constant reinforcement of the message by whatever means, backed up by managers and supervisors modelling good customer service skills, is vital. If kept up, in time it will become a self-fulfilling prophecy. Also, messaging through media outreach is critical to changing public perceptions. All these, backed up by visible service improvements, are key to success.

5. It is recommended that the County PIO:

   a) Implement a strategy to launch the new DRP corporate culture to the staff and the public. The foundation of the new culture should be that of facilitation and problem solving, while emphasizing customer service, early assistance, and partnering with stakeholders.

   b) Develop a public information strategy to promote the culture change both internally and externally. The goal should be to help keep DR staff and the public informed about ongoing efforts to improve the process. The benefits to staff of a healthier corporate culture should also be emphasized. (See recommendation 12)

   c) Develop a strategy to market the new Deputy CEO as the 'face and voice' of the system. Schedule media interviews for the Deputy to talk up the changes.

   d) Create a marketing tag with which to brand the new cultural change and process improvements. It is suggested that the tag should capture the idea of "movement" and "new direction." The tag should be attached to all DRP literature and be printed on the back of employees' business cards.

6. Work with the HR Department to add flexibility to the hiring process by updating minimum qualifications on DR job classifications. By allowing a greater offset for relevant education achievement, the door will be open to allow recent university and community college graduates with limited job experience to compete for vacancies. Work with the Civil Service Commission to get approval for these changes.

7. Deputy CEO to convene regular monthly meetings with senior DRP managers to review previous months' performance reports. Any applications that are stalled in the system could be noted at that time, and causes of the delay analyzed.

8. Implement a policy requiring that representatives from all of the involved plan review sections are in attendance at scheduled pre-application meetings. In this way applicants will be provided with full information about what is required for "complete" applications.

   It is most important that in order for these meetings to be as efficient and productive as possible, that staff in attendance acquaint themselves with the project beforehand, and come fully prepared. A summary of the meeting and the decisions made should be input on Accela.

9. DRP managers and supervisors must create an environment in which staff feel some ownership and a stake in improving the process. Staff input on process changes should be welcomed, sought out, and acted on to the greatest degree possible. Once engaged, staff representatives should also be involved in working up the fixes.

10. Because of its unique position in the DRS compared to other departments, it is recommended that the Community Development Department (CDD) be assigned overall responsibility for supervising and coordinating all plan review activities in the system. This means that those DR plan reviewers working in other

departments would come under direct operational control and supervision of CDD for all DR purposes. However, to maintain continuity and technical proficiency in the sections, it is necessary that all DR positions remain within the budget of their parent department, and plan reviewers continue to attend departmental staff meetings.

11. Create a new employee classification of Development Process Manager. Process-management is an innovative program aimed at providing early assistance on large, complex, or otherwise important developments going through the DRP. Process managers help customers to navigate the permitting process. Their job is to shepherd assigned projects through the system from the pre-application stage to issuance of the certificate of occupancy. Development Process Managers work in partnership with applicants and the County's plan reviewers, and act as the single point of contact between them. Their job is also to advocate for the projects they are assigned. They work with applicants at the earliest stage to gain an understanding of the development and learn what they are trying to achieve in the project, and then help prepare a plan to achieve it. They are also responsible for bringing key players together to identify and resolve process related, or technical issues.

12. Contract with consultants who have expertise in culture-change management, customer service training, and leadership training. Customer service should become the cultural foundation for "how things get done" in the DRP.

    Currently, the culture in DRP is one that tends to support the enforcer/regulator mindset. It is suggested that a more appropriate culture is one that reinforces and rewards facilitation and problem solving. As noted above, it is critical to success that the staff be made aware of the benefits. These include;

    a. A more positive work environment.
    b. The opportunity for staff to use their experience and expertise to help applicants.

c. The recognition and appreciation that goes along with being perceived by customers as a problem-solver, rather than as a regulator of enforcer.
d. Less job stress; better overall performance.
e. More job satisfaction.

Awareness of these benefits should be reinforced through the training.

Training in leadership skills is essential because without effective leaders in key positions in the organization, the DRP's ability to make the changes sustainable will be compromised.

Customer service training needs to be a regular ongoing feature for DR staff, including managers and supervisors. The immediate need however, is to provide staff with additional tools to help improve their interactions with the public. An essential component of the training should be to educate staff in ways to help them establish what the applicant is trying to achieve. Once this is determined, reviewers will then be able to offer early assistance. Also, in situations where an applicant's expectations are not feasible, or not permitted, reviewers should feel free offer up alternatives. This will assist the applicant and get him or her as close as possible to the project vision while still staying within the regulatory framework of the County.

Another element that is lacking at the moment is <u>staff cohesion</u>. This can be achieved through inter-and intra-departmental team building training exercises, and by working together on project team reviews. (See Specialty Programs at the end of this report)

In addition, senior management should promote all opportunities for <u>team building and partnering with stakeholders.</u> This could be achieved through focus groups, or CEO hosted off-site, outside of hours, work/social events. At these gatherings, staff and stakeholders eat and mix socially beforehand, and then in representative groups, discuss their respective roles in the industry and talk about more positive ways to interact with each other. The introduction of a new program initiative will provide an ideal opportunity for this.

13. Create a Development Process Oversight Commission (DPOC), or Development Process Advisory Committee (DPAC). The commission option would require the membership to be appointed by the Board of Supervisors. Under the advisory committee, option appointments would be made by the CEO. As either of these options require DRP employees to provide the necessary administrative and technical support, there is a unique opportunity for teambuilding and partnering with the industry.

    DPOC/DPAC members should be industry leaders who can represent the interests of the development community and other users of the DRP. Membership positions should have specific designations covering the range of technical areas and project types reviewed by the DRP.

    The purpose of the commission/committee is to oversee the consistent and fair application of the County's development regulations, and to help add transparency and accountability to the system. In this respect, the DPOC/DPAC should be viewed as an adjunct to the process management proposal outlined above, and to the project-management team concept outlined later on in this report.

    The DROC/DPAC would provide oversight on the County's review processes. It would also be expected to provide input to the CEO on the impact of DR policies, procedures, and departmental budget proposals as they relate to the DRP. An important assignment for the commission would be to identify and provide industry feedback and recommendations to the CEO on DRP technical requirements that either appear to exceed State minimums, or appear to lack valid justification.

    The DROC/DRAC would also provide valuable input on the impact of potential new regulations, process streamlining efforts, new program initiatives, and customer service training programs and their anticipated expected outcomes.

    DPOC/DPAC should not be thought of as a permanent entity, as for example, the Planning Commission is. Rather, it is envisioned that it be in place for only as long as it takes to implement critical system improvements and raise the level of positive responses to the annual customer satisfaction survey outlined below. Its articles should therefore include a three-year sunset provision.

The commission/committee would also be required to submit an annual report of its activities to the Board of Supervisors.

14. DRP management to work with DPOC/DPAC to develop a mission statement, and compatible organizational goals and standards for the system.

15. Create a new position called Code Policy Officer (CPO). The primary tasks to be carried out by this position would be to draft internal Standard Operating Procedures for the DRP. The CPO would also be responsible for maintaining DRP Code Guides and clearly written technical standards to help ensure consistency and promote a common understanding among reviewers. The CPO would convene discussions with technical staff to resolve conflicts between proposed and existing regulations and policies.

    The CPO would draft protocols for resolving customer complaints and maintain a log recording the results. An annual report of complaints and their resolution status would be reviewed by the DPOC/DPAC, and then forwarded, with comments as necessary, to the CEO's office.

    The work of the Code Policy Officer would help provide a firmer and more transparent basis for staff decision making and interpretations. It will also provide clarity to the decision-making processes, and increase transparency.

16. Update all inter-agency agreements to clearly stipulate roles, responsibilities, performance expectations, and standards for participation in the DRP. Updating inter-agency agreements will promote accountability, and solidify coordination control over all DR reviewers under the Community Development Department Director.

17. Senior management to work with DPOC/DPAC and IT Department and Accela to develop meaningful, valid, and reliable quantitative and qualitative performance measures. Timeliness of reviews, and the percentage of reviews that hit benchmarks will always be primary metrics. However, use of qualitative metrics to measure consistency, efficiency, predictability, and level of customer service are equally important. Data gained from the annual telephone customer satisfaction surveys would be most helpful and informative in this regard (see next).

18. Contract with a consultant to conduct annual telephone customer satisfaction surveys. A statistically appropriate number of randomly selected DRP customers from the previous twelve months should be surveyed. It is recommended that the following survey anchors would illicit the kind of qualitative data important to establish the level of customer satisfaction:

    What was the overall quality of review services?

    Were reviews carried out in a timely fashion?

    Were time estimates given for all phases of the review?

    Were given time estimates accurate?

    What was the level of staff availability?

    - ditto - knowledgeability?

    - ditto - helpfulness?

    - ditto - fairness?

    Were issues/problems identified early?

    Were clear steps given to resolve problems?

    Was enough information provided on the project's approval status?

    - ditto - the process?

- ditto - what approvals were required?
- ditto - the regulations?
- ditto - the fees?

Was the staff coordinated?

Were code interpretations consistent?

Do you think the regulations support the County's livability goals?

Analysis of cross-tabulations should also be included as these might provide useful correlations not immediately apparent from these raw data. Results of the survey would also be useful in tracking changes in customer satisfaction ratings on a year-to-year basis. These data can also be used to identify phases of the DRP that merit more detailed review to improve the system.

19. Review **all** DRP plan-review checklists to ensure they are comprehensive and up-to-date.

20. Work with Accela and IT staff to provide reviewers with additional training in both the basic inputting and information retrieval protocols for the upgraded Accela permit tracking system. Also, provide additional training for managers and supervisors on how to access and interpret the advanced reporting functions available through the system.

21. Implement a policy reinforcing a requirement that all plan review check sheets notes and approvals, appeals data, code interpretations, and inspection results etc., are to be input on Accela.

22. Create a staff SWAT team with volunteers from each section to map, scrub down, identify bottlenecks, duplications, and streamline selected sections of the DRP. To be most successful in this, SWAT members should be given basic training in the

principles of work flow process mapping. The first streamlining efforts would need to be lesser or minor processes, until staff develop sufficient confidence in themselves to take on more significant elements of the system.

The County has implemented streamlining efforts in the past. Possibly, these can be revisited, and if deemed sufficient and appropriate to the current effort, be reintroduced, but under a new name.

23. Implementing an operational procedure validating the <u>use of concurrent plan reviews</u>. In this way if an application is logjammed, backlogged, awaiting review or recheck in one section, its progress through the other DR sections will not be impeded.

24. Reinforce a policy that all <u>incoming telephone calls and emails</u> to review or inspection staff must be responded to as soon as possible, but in no cases later than <u>24 hours</u>.

Second Tier

25. Include customer service and customer satisfaction goals for the DRP in the <u>County's annual budget</u>. As the County's principal policy document, these goals would be given added weight and importance.

26. Work with IT staff to create and on-line "<u>Permit Info-Board</u>." The purpose of the info-board is to increase transparency and accountability, and also help guide DRP improvements. The info-board should indicate the following types of information:
    a. The average first review turnaround times achieved for various types of residential and commercial building permit applications.
    b. The average time it is currently taking the County to issue the permits for these various types of projects.
    c. The average time it is currently taking to gain approval for all planning, zoning, and environmental reviews.

d. The average time it is currently taking to gain approval for all infrastructure and utility department reviews.

The Permit-Info-Board will aid transparency and inform senior management about month-by-month trends in DR reviews over a rolling twelve-month period.

27. Adopt a policy and procedure allowing a customer to <u>object to a plan review delay</u> if he or she believes the delay to be unwarranted. The policy should define who handles these delay complaints and should define escalation pathways for those that involve one or more DRP sections.

28. Create a <u>"Top Ten" Regulatory Review Initiative</u>. The purpose of this initiative is to identify ten regulations every year that are either out-of-date, in conflict with other regulations, or that no longer support the County's development and/or livability standards. The list would be taken to the Board for approval. The Top Ten report should be drafted by the Code Policy Officer based on input from the review staff, and the DPOC/DPAC.

29. Create an <u>In-House Compliance Auditor</u> position on the CEO's staff. The primary task of the auditor would be to carry out scheduled performance audits on DR sections. Each section should be audited at least once every three years. The purpose of the audits would be to check the level of compliance with DRP internal policies and procedures, including system performance benchmarks and standards.

    The auditor should also be available to carry out "spot" audits in other departments if and when required to do so by the CEO. The auditor should report directly to the CEO and must submit an annual report of audit activities over the previous twelve months to the CEO. Also, the auditor would submit to the CEO for approval, a schedule of proposed audits to be carried out in the next twelve months.

    An ongoing schedule of internal audits will enhance transparency and add accountability to the DRP.

30. Notwithstanding the County's current response to the COVID-19 pandemic which allows staff to work remotely, it is recommended that at the earliest possible time, all DRP plan reviewers be co-located in one central location. This is necessary if the effectiveness of the process-management proposal and the project team review program noted below are to be maximized.

31. Implement a procedure to empower a team of DRP managers to carry out post-mortems, or after-action reports on development projects that proved to be problematic while going through the system. The performance data, review status, and project decisions input on Accela would provide the basis for these reviews. Information obtained from the dissection would be helpful in pointing out system failures and create opportunities for making system improvements.

32. Include customer service objectives in all DR managers' annual performance evaluations.

33. Consider creating a DR labor/management committee. The purpose of the committee would be to focus on building trust and enhancing labor/management relations through team building and jointly solving workplace issues.

34. Conduct an analysis of the County's current land use regulations and requirements to determine the degree to which these regulations are still supporting the County's development and livability goals.

SPECIALTY PERMIT PROGRAMS

Specialty permits are niche programs designed to expedite the approval of specific types of construction projects. Projects can vary from commercial or industrial projects under significantly tight construction timelines, to maintenance installations that require permits, but seldom get them.

All of the required reviews and inspections are carried out in specialty permit programs, but not necessarily in the same order or the same way as normal processing. These programs are useful because they provide property owners with permit options that are specifically tailored to suit their business models and which are not available through the regular DRP.

With the notable exception of the Contractor concept at the end of this section, several of the programs described are in use in other jurisdictions. The outline of each program is general in nature but could readily be adapted to comply with the County and State regulatory framework. However, each program offers potential benefits and advantages to various stakeholder groups.

1. **Project Team Review**. This specialty program is a project-management based concept. Its use is recommended on important or high profile medium sized commercial projects and developments that due to circumstances may be under exceptionally tight timelines.

   At the earliest stage possible, a multi-disciplinary team of reviewers is assigned to the project and a pre-application conference is scheduled with the developer's design professionals. The team will include all the disciplines necessary for the review and approval of the project. It is important that to maximize coordination and communication, team members be physically located together in a dedicated team space. One of the reviewers is assigned as a team leader. The team leader assumes overall responsibility for coordinating the review of the project, convening progress meetings with the applicant, and acting as the single point of contact for the project. Plan reviews are carried out concurrently by the team in the team space. Communication and coordination of reviews is immediate. DR staff may be members of more than one team, and/or carry out routine plan review assignments, but the team project is given time priority. As the purpose of the program is to expedite the approval process, none of the regular DRP timelines and process sequences are applicable. Consequently, new performance metrics more suited for team reviews are required.

The concept as envisaged has many benefits for the DRP. First, it incorporates many of the advantages of process-management, but does not involve the use of an assigned process-manager. Second, team leaders are receiving training in process-management through their role in the projects. Third, as project review is a group activity, staff gain knowledge of the other specialties requirements. Fourth, the experience of working closely with other groups provides reviewers with a holistic understanding of the entire review process.

2. **Facilities Permit Program**. The Facilities Permit Program (FPP) is intended for <u>ongoing maintenance, and small construction projects</u> that are carried out 'inside' the envelope of_industrial and processing plants, commercial warehouses, and cookie-cutter upgrades that occur inside public facilities such as banks, and fast-food chains, etc. Adding square footage to the building is not permissible under the program.

The purpose of the program is to provide facility owners with an easier option to get their maintenance and small construction projects permitted and inspected. Because of the ongoing nature of this kind of work and the perceived delays involved in getting permits, much of this type of work is going unpermitted, and of course uninspected. This can create the potential for public safety hazards in the County.

The program is founded on the concept of property owners obtaining an annual permit for each building they register in the program. A flat annual permit fee to cover the administrative cost of setting up a file is charged for each building. The permit is renewed annually, and it authorizes a range of maintenance and new construction work.

Under the FPP, electrical and plumbing maintenance work must be carried out by appropriately licensed electricians and plumbers. Owners are required to keep a log of all maintenance work and upgrades carried out. Inspectors will visit the facility a minimum of once a quarter to inspect the work noted on the log.

A minimum amount of new construction within the building envelope is authorized under the FPP. The scope of this work includes projects such as the construction of a new office space, or work stations, etc., inside the building, but which does not involve the need for structural design or calculations.

FPP is an inspection-based program, and utilizes field inspectors who have been cross-trained, to do plan reviews. A feature of the program is that plan reviews may be carried out in the field or in the office, and depending on the project, approval to immediately start work may be authorized under the permit.

Any new construction that falls under the scope of the program would require plan review approval by the inspector and receive all of the code required inspections as work proceeds. Another feature of the program is the acceptance of 'as-built' plans submitted after construction, outlining any changes that may have occurred over the course of construction.

The cost of DRP services is covered by billing the property owner on a monthly basis for the inspection, plan review, supervision, and administrative staff time spent servicing the facility. The hourly rate charged would be the County's effective hourly labor for field inspectors.

As the FPP is separate from regular DRP permits, it will require its own dedicated staff. Experience with this program has shown that once fully operational it is 100% cost recoverable.

3. **Build By-Right Projects**. This program would authorize <u>projects that comply with the "by-right" standards</u> outlined in the Planning and Zoning code to bypass any separate land-use review and go straight to the building permit process for approval. A planner assigned to work alongside the fire and life safety plan

reviewers would carry out a summary review of the plans to ensure that the ‘by right’ standards are being adhered to. This will achieve faster County reviews.

4. **Use of State Professional Engineer license and Architect Registration as evidence of compliance.** Implement a policy specifying a <u>limited range of design elements</u> the County will automatically approve when designs bear the stamp and signature of a California State licensed professional engineer or registered architect of record, working within the scope of their licenses.

   Professional Engineers, Registered Architects, wishing to make use of this option will be required to sign a declaration holding the County harmless in the event of a future failure.

5. **Minor Label Program**. The program is based on the proven concept of maintaining quality control through random sampling. A minor label is a type of special permit to cover the <u>permitting of minor electrical, plumbing, and mechanical installations</u>. The scope of a minor label is strictly limited. Installations such as like-for-like water heaters replacements, push-and-pull air conditioning units, or the installations of minor plumbing appliances that require breaking the water seal, etc., are typical examples.

   Minor labels can only be purchased by licensed trade contractors. They would be sold by CDD in a single packet containing ten labels. The cost of a packet is the same as the effective hourly rate for the cost of one inspection plus the administrative costs involved in issuing the packet. Contractors are required to keep a written log of where each of the ten labels have been used. When all ten installations are completed, the log is then forwarded to the CDD.

   Upon receipt of the completed log, the district inspector randomly selects one of the installations for inspection. If this installation is in compliance, then the other nine are accepted as being in compliance. If the installation is not in compliance, the other nine installations are rejected. The other nine installations are then inspected and the contractor billed at the full hourly inspection rate for the time taken.

6. **Use of Contractors**. This program is a corollary to the Permit Info-Board recommendation outlined above, and is intended for projects such as new single-family dwellings and small commercial projects. The Permit Info-Board will provide applicants with current information about the average length of time the DRP is taking to review and approve project types.

Under this program, if the Info-Board indicates that the County is hitting its own timelines and performance standards for the construction type, the application will automatically be taken in and processed by the DRP. However, if the DRP is not hitting its own timelines and performance standards, the applicant would be given the option of going outside the system to have it plan checked by a County approved plan review contractor. If the applicant decides to go outside, the fee for the contractor's services would be subject to negotiation between the two parties. In the event, the County would delete the plan review portion of the permit fee but retain the remainder to cover all administrative costs, and the cost associated with making all the required permit and other inspections.

The County adheres to 71J requirements. In accordance with 71J, County staff must be given first right to review permit applications. But if the County is unable to complete the review within its own timelines and performance measures (as indicated on the Permit Info-Board), applicants would be authorized to have an "approved" outside plan reviewer do the review, if they so choose. The County would be required to set up the process, standards, and requirements for becoming an approved plan review contractor under this program.

Some may see this proposal as a radical departure from the norm. Consequently, if the County is interested, it is recommended that they first conduct a pilot program to test the concept.

CONCLUSION

The first section of this report has provided an assessment of the County's development review process. Some elements of the DRP are working well, and there are improvements underway, but it is evident that there is still much to do to reach the stakeholders' expectations of the process and raise customer satisfaction levels.

On the positive side, recent retirements and the appointment of a number of new senior managers has provided a unique opportunity for making improvements to DRP operations and change the corporate culture. Also, many staff members have expressed support for a new direction and are willing to assist in making the changes. These are all positive signs for the future.

The second section of the report includes a number of recommendations to improve the system, based on industry best practices. The recommendations have been aimed at enhancing the timeliness and predictability of the DR processes; implementing relevant performance measures; establishing pragmatic written operational standards; improving the consistency of reviews; and facilitating a productive working relationship with stakeholders. All of these improvements will increase the level of customer service provided, and raise the level of customer satisfaction with the DRP. Not all recommendations are of equal priority, however. Those in the first tier should be considered as the most urgent.

The third section outlines a number of program initiatives. These are ideas for future implementation. Consideration of them, or their variants, should be done once the DRP is fully staffed, the backlog eliminated, and the system is operating within performance metrics.

Appendix B: Engagement Summary

Engagement Overview:

The goal of the Infill Program Update is to accelerate the production of housing through development in key urbanized areas to encourage equitable and livable neighborhoods and active transportation. The Program Update aims to address known barriers to infill development, take advantage of the sizeable inventory of available vacant and underutilized urban land, and build on existing County policies that support infill development.

The Program Update was developed through thoughtful community engagement, which included:

- Attendance at multiple community events (Spring Community Yard Sale, Farmer's market, Spring Extravaganza and Egg Hunt, and Earth Day).
- An online community workshop.
- Online stakeholder meetings with affordable housing developers, market-rate housing developers, business groups, community-based organizations and advocates, County staff, and local agencies.
- Community online engagement opportunities, including a countywide survey and project webpage (www.sacramentocountyinfill.com).

Engagement Objectives and Goals:

The primary purpose of the engagement strategy was to cultivate strong and meaningful community and involvement for anyone who lives or works in unincorporated Sacramento County, with a particular goal of engaging community members who might not otherwise participate in civic engagement processes. We also engaged with stakeholders such as infill developers, property owners, business improvement districts, and environmental groups.

This was achieved by creating accessible and equitable opportunities for engagement with the community and stakeholders. Engagement objectives and goals included:

- Solicit input from stakeholders, decision makers, and a wide range of County community members about their preferences for infill development.
- Gather feedback about existing barriers to infill development within the County.
- Involve underrepresented and marginalized communities in the process.
- Utilize a variety of outreach tools to make it easy for community members to provide input.
- Share updates about the project with the community and stakeholders.

The following is an overview of the engagement process, including the types of events attended, community members and stakeholders reached, questions asked, and the results of those questions.

Community Pop-Up Events:

The Project Team attended a total of four "pop-up" events at various community activities. Pop-ups are meant to educate residents in a more informal setting and encourage community participation in locations where community members are already gathering. Each pop-up event was structured to allow people to stop by while attending the main event.

While visiting the pop-up station, community members were able to learn background information about the Program Update and share their feedback through a mapping exercise and survey. Participants also had the option to scan a QR Code for the project website. Materials were available in English and Spanish

PlaceWorks worked with County staff to determine which events would be best for outreach and attract as many segments of the community as possible. Pop-up occurred at the following events:

- Spring Cleaning Community Yard Sale: Saturday, March 18, 2023
- Carmichael Farmers' Market: Sunday, March 19, 2023
- Spring Extravaganza and Egg Hunt: Saturday, April 8, 2023
- Sacramento Earth Day: Sunday, April 23, 2023

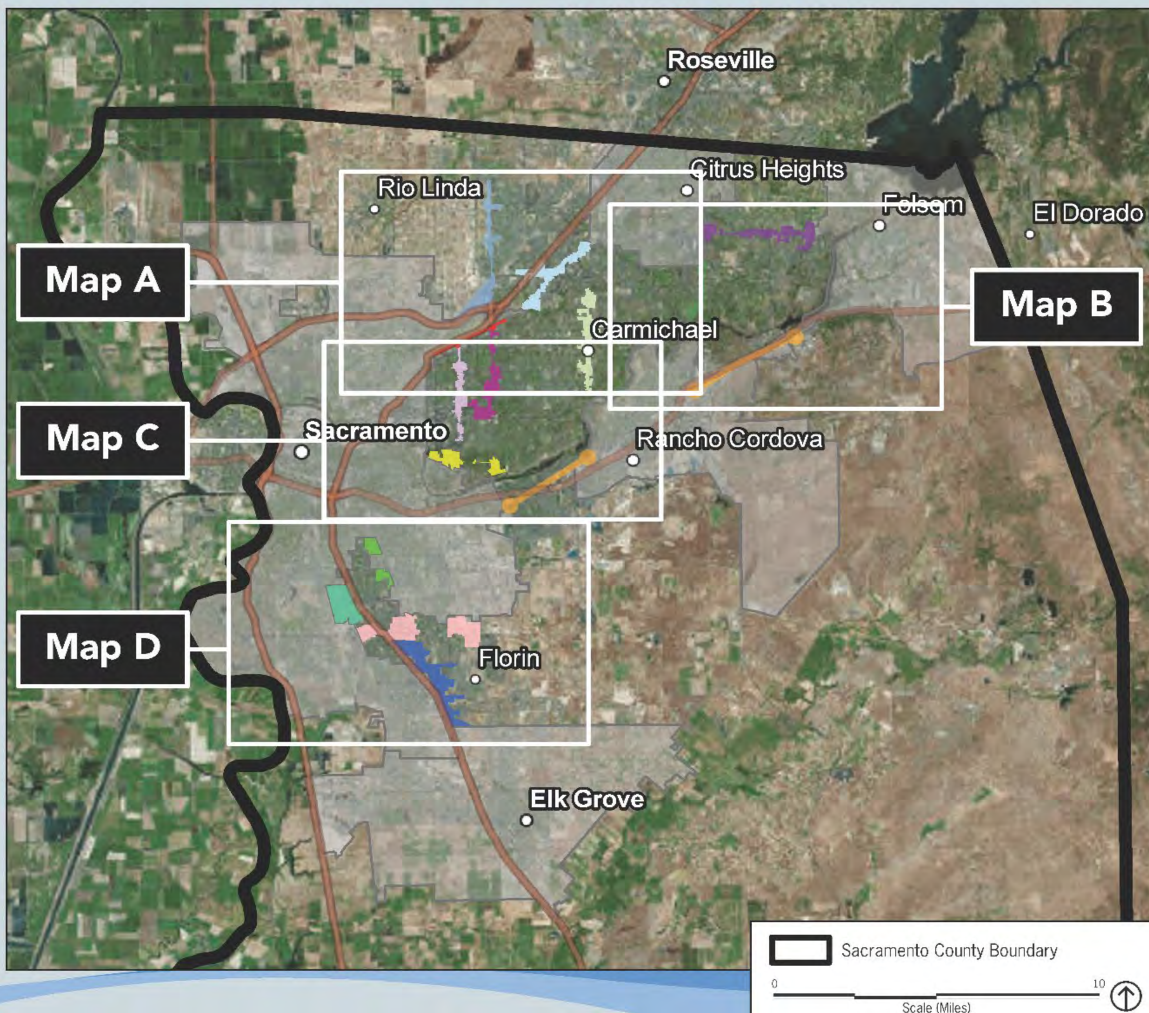
At these events, community members were able to provide input on potential priority areas through: (1) Infill Area Dot Surveys (see below), (2) Paper/Online Surveys, and (3) Comment Cards.

Where Should Infill Development Happen in The Future?

Help inform how and where to prioritize future infill development across the unincorporated county.

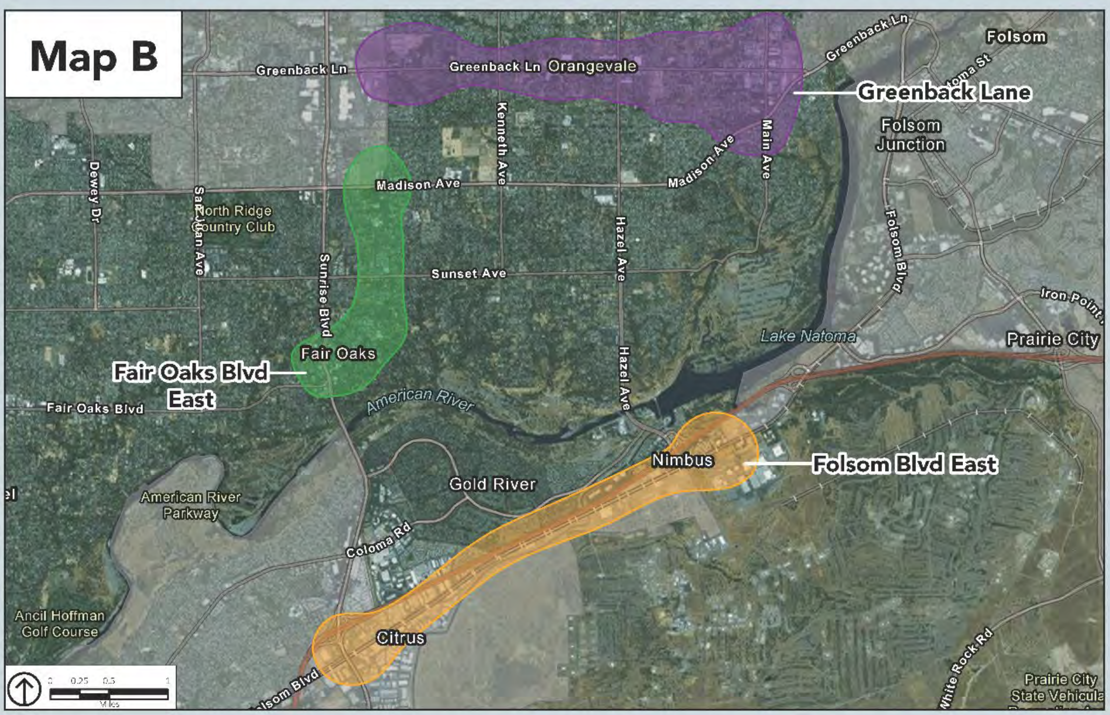
Please take **THREE BLUE** dots to indicate on the map your three **PREFFERED** infill areas. These blue dots may be placed on any of the corridors, outside the corridors, and/or both but please only select three areas on the total of Maps A, B, C, and D.

Countywide Map



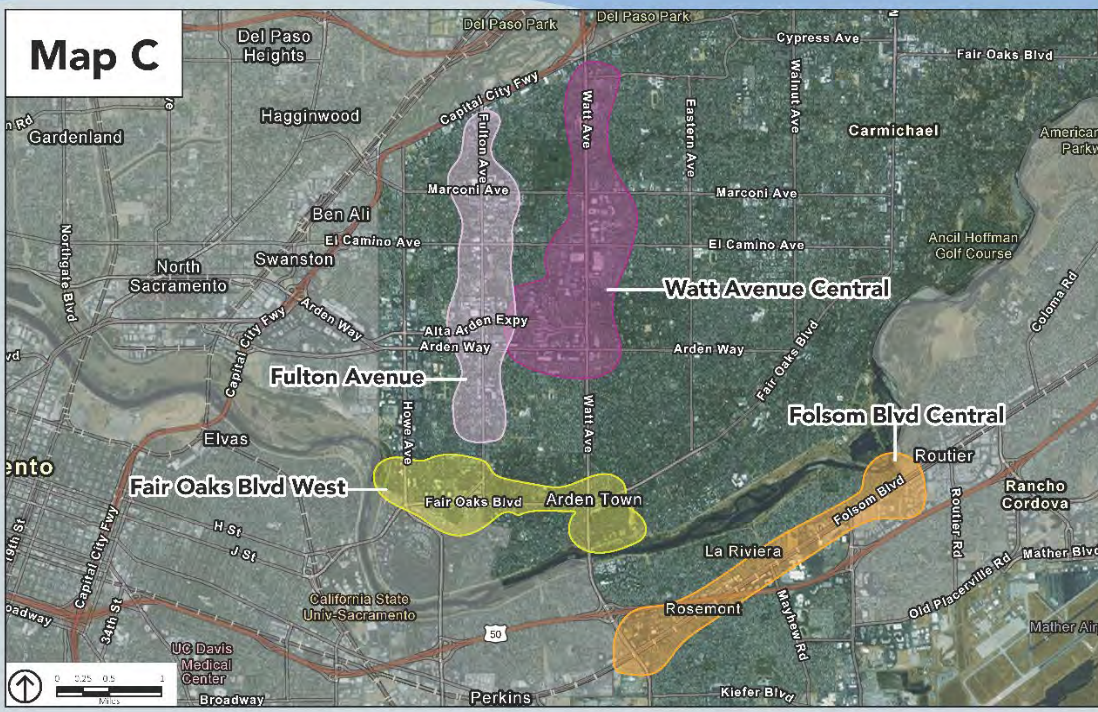
SACRAMENTO COUNTY

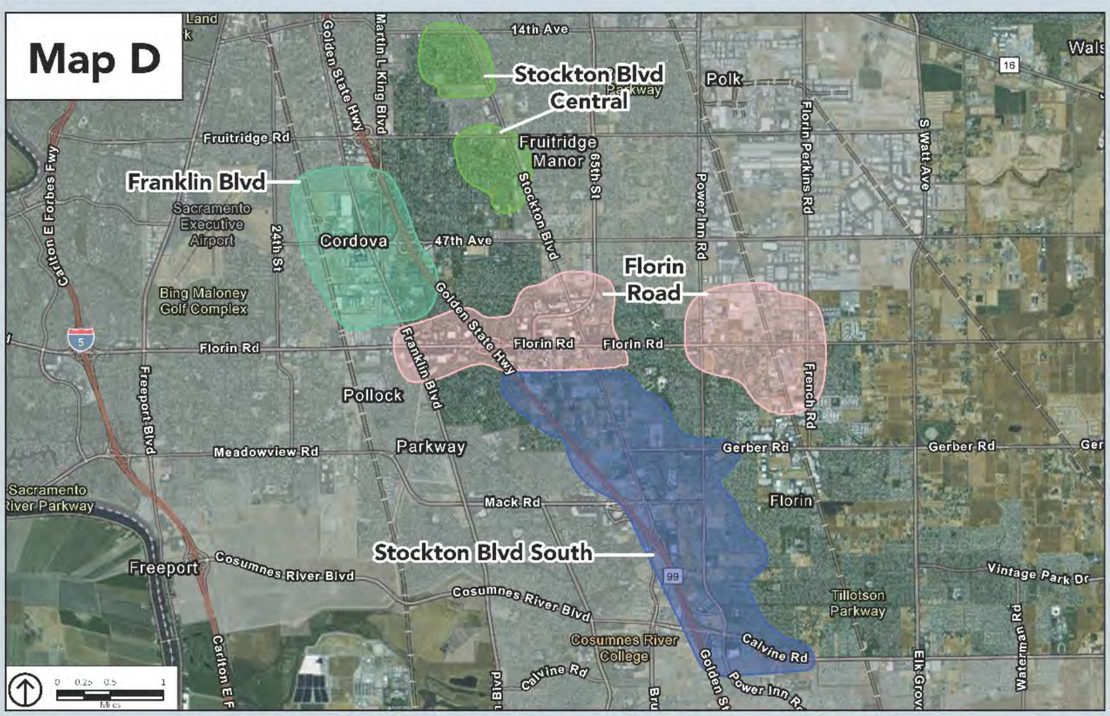
Infill Activity Maps



SACRAMENTO COUNTY

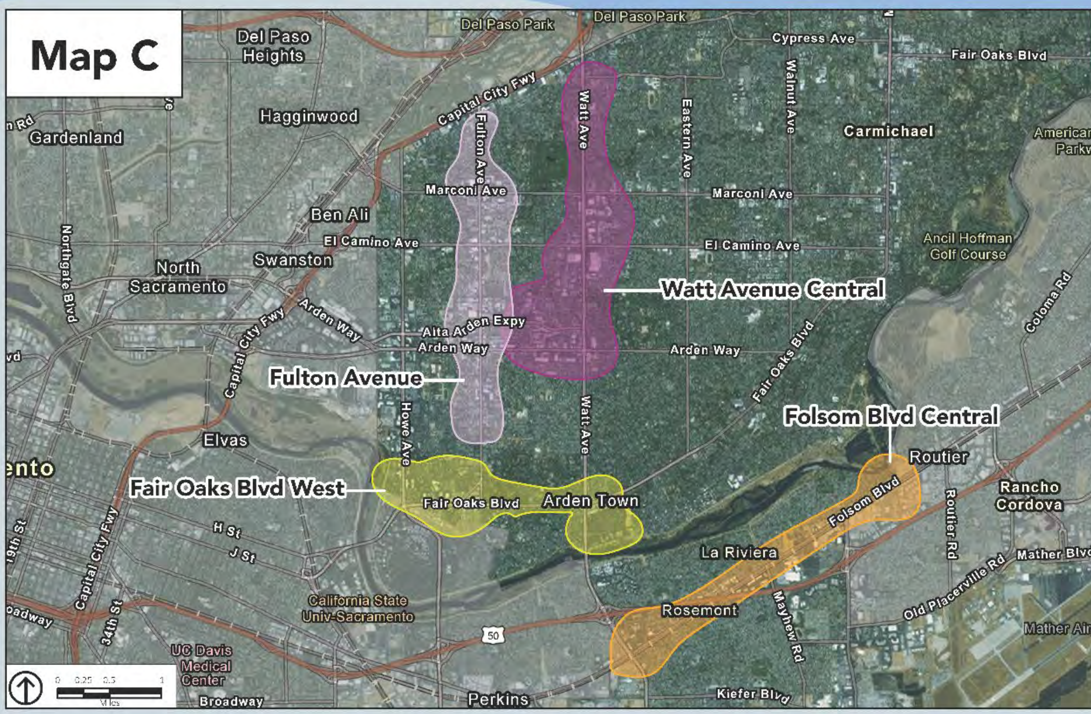
Infill Activity Maps

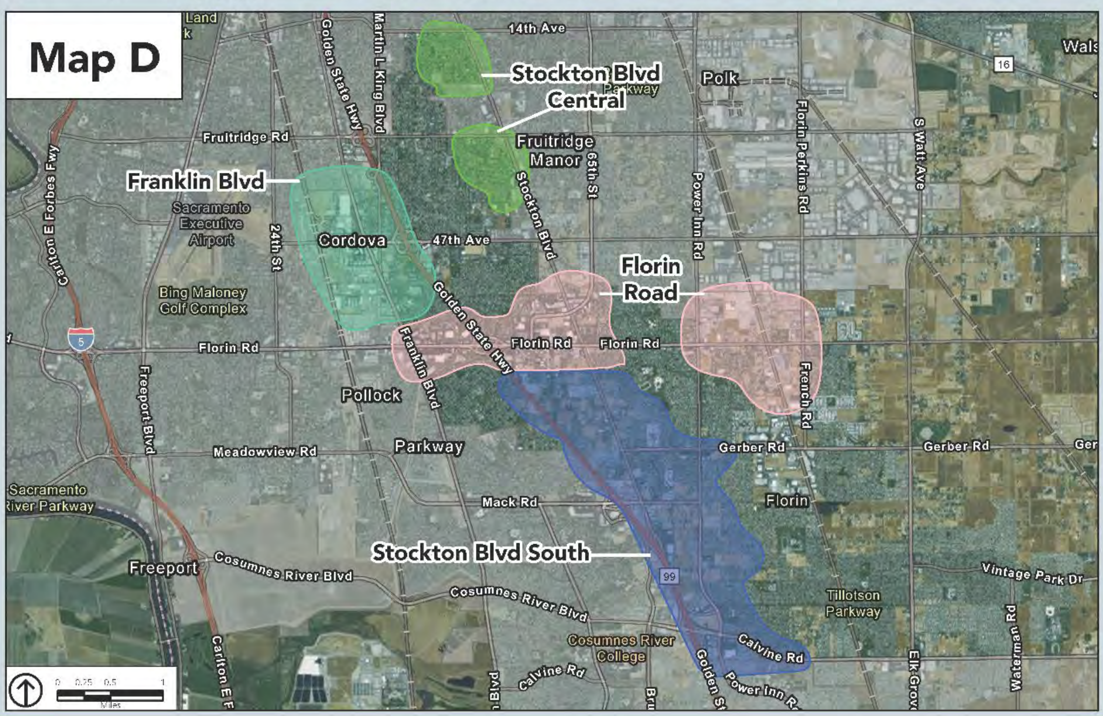




Sacramento County

Infill Activity Maps





Online Community Workshop:

The County conducted a virtual community workshop on Thursday, April 6, 2023, from 6:00 p.m. to 8:00 p.m. over Zoom. The primary objectives of the workshop were to introduce members of the community and stakeholders to the Infill Program Update; educate and inform the community about infill development and the identified commercial corridors; and gather community feedback on infill barriers, opportunities, and general community sentiment and development preferences. The County advertised the community workshop through flyers passed out at the community pop-up events, two e-blast notifications sent to over 2,000 GovDelivery subscribers, and information provided on the project webpage. Eight participants joined the virtual workshop.

After a presentation and Q&A about the Infill Program Update, community members participated in a poll to gain feedback on development preferences, infill barriers and incentive opportunities. Below are the results to the poll questions:

1) **What commercial corridor do you most frequently visit?**
   a. Franklin Boulevard
   b. Florin Road
   c. Fulton
   d. Watt Central
   e. Fair Oaks East
   f. Fair Oaks Central
   g. Greenback
   h. Auburn

2) **What kind of infill development do you want to see more of in the unincorporated County?**
   a. Option 1: Suburban shopping center with parking **– 0%**
   b. Option 2: Missing Middle townhomes **– 17%**
   c. Option 3: Lifestyle Center with outdoor amenities – **33%**
   d. Option 4: Vertical Mixed-use – **33%**
   e. Option 5: Drive through with parking – **0%**
   f. Option 6: Gated suburban apartment with parking – **17%**

3) **What do you think are the top three barriers to development in the unincorporated County?**
   a. Neighborhood opposition – **33%**
   b. Environmental review process – **17%**
   c. Permit review process – **17%**
   d. Construction costs – **17%**
   e. Permit costs and development fees- **17%**
   f. Zoning regulations – **0%**
   g. Other – **0%**

4) **What top three incentives do you think the County should work on to encourage infill?**
   a. Reduced/Waived fees (all infill development) – **33%**
   b. Reduced/Waived fees (affordable housing only) – **17%**

c. Streamlined environmental review – **0%**
d. Streamlined permit review – **0%**
e. Flexible development standards – **33%**
f. Other – **17%**

Community members then had the opportunity to split into smaller groups and provide specific feedback on areas where they would like to see infill in the unincorporated county. Feedback provided for each area is summarized in the bullets below.

Map A Breakout Room - What kind of development do you want to see more of in: Auburn Boulevard North commercial corridor, Watt Avenue North commercial corridor, Fair Oaks Boulevard Central commercial corridor, or Auburn Boulevard South commercial corridor?

- Need for places for families/youth to go to in their communities.
- Need healthcare facilities and grocery options.
- Need to help working class people thrive in these communities. Help them reduce travel expenses.
- How can the County get more people involved? Is 12 enough to represent the community's opinion?
- Neighbors want to know what is happening. They should be involved earlier in the process. For example, projects that come to CPACs are already too far along.
- Look beyond the commercial corridors. Lots of land is available for infill outside of the commercial corridors in the Arden area.
- Regulatory environment isn't conducive to infill happening (e.g., site improvement requirements/costs).
- Example of RD-30 site, half-acre, with single-family home:
  - Couldn't develop at full potential because of cost of infrastructure and site improvements.
  - New ADU laws helped create new units by cutting red-tape/costs that a larger project couldn't avoid. However, lost out on additional units that could have been built on RD-30 site.
  - Couldn't use SB-9 because lot wasn't single-family zoned.
- Want to see more efficiency in density and larger buildings.
  - Is RD-30 the highest density? There should be ways to allow more density.
  - Do affordable housing density bonuses allow for denser buildings in the County? It seems like affordable housing projects seem to be the most dense in the County.
- A lot of opposition to adding housing from NIMBYs who cite infrastructure concerns. The County needs to do a better job at educating that more housing will increase tax revenue to pay for infrastructure improvements.
- Asked about Sunrise Mall infill/redevelopment in the City of Citrus Heights. It is an example of putting housing in old dead malls.

Map B Breakout Room - What kind of development do you want to see more of in: Greenback Lane commercial corridor, Folsom Boulevard East commercial corridor, or Fair Oaks Boulevard East commercial corridor?

- Lots of large vacant lots around Carmichael and Fair Oaks. Some developers have started and then stalled/abandoned in these areas. It's important to look at these parcels first.
- Fair Oaks Blvd East corridor. But need to go in and find several small parcels that you could add something that blends with the surrounding neighborhood to actually "move the needle."
- Greenback Lane has older parcels – some nice, some not so nice.
- Need to work with the community for them to have some say and give input.
- There are lots of opportunity for development but it's difficult to identify when looking at a map. It's much easier to identify areas on the ground.
- Sacramento County "gem" is the variety in housing from multi-acre properties to townhomes and apartments. Need to continue allowing for housing variety in the community to allow residents to have a choice.
- Need to partner with sites to make it compatible with the surrounding area.

Map C Breakout Room - What kind of development do you want to see more of in: Watt Avenue Central commercial corridor, Folsom Boulevard Central commercial corridor, Fulton Avenue Central commercial corridor, or Fair Oaks Boulevard commercial corridor?

- Fulton Avenue commercial corridor:
  - Lots of under-utilized and vacant residential lots
  - RD 30 ½ acre County Site – Improvement costs are prohibitive to smaller developments.
  - Higher-density mixed-use like cities (e.g., Sacramento, Davis)
- Would like to see more mixed-use high-density and can blend in.
- Community engagement/buy-in is important to good project design.
- The County should look around the community (aka – things on the ground, not aerial maps).
- Variety of housing density and having housing options is important.
- It would be nice to see site improvements as street-wide, not as parcel-based.
- More options for fee waiver/deferral for smaller developments.
- Creating agreement/fee program/tax district for site improvements.

Map D Breakout Room - What kind of development do you want to see more of in: Stockton Boulevard Central commercial corridor, Franklin Boulevard commercial corridor, Florin Road commercial corridor, or Stockton Boulevard South commercial corridor?

- Stockton and Franklin commercial corridors.
- Reduce parking standards.
- Empty parking lots everywhere.
- Outside lifestyle venue is needed.
- Higher density and vertical mixed-use development in all corridors.
- Compatibility with the city development standards.
- Different neighborhoods/code issues- City v. County.
- Push for countywide mixed-use zones. There are lots of areas with empty parking lots – utilize this space.
- Need street engagement – connecting with the community – there are too large setbacks and no trees.
- Street trees.
- More green space.
- Community specific planning departments – as part of the mixed-use services government connection to the community.
- Community-oriented services assistance programs possible with mixed-use.
- Reduced development standards to help expedite development.
- Need more safe bike lanes.
- More grocery stores with healthy foods – no food deserts.
- Community gardens, farmers market, or grocery stores.

Stakeholder Meetings:

Between February and March 2023, PlaceWorks conducted a series of five virtual meetings with various stakeholders to gather input on barriers to infill development and explore opportunities to make it more feasible and attractive in the county. Stakeholders included:

- Affordable housing developers
- Market rate housing developers
- Business groups
- Local community-based organizations (CBOs)
- County staff and agencies

Barriers

Stakeholders raised several concerns regarding barriers to successful commercial and housing infill development. The primary barrier noted by all stakeholder groups was high development costs (e.g., permitting cost, development impact fees, construction costs, cost of land), which can impede the feasibility of infill projects. Affordable housing developers also expressed concerns about processes and requirements set by the County's affordable housing fund administrator, Sacramento Housing and Redevelopment Agency (SHRA). For example, they noted that affordable housing developers in the county are required to pay monitoring fees upfront, whereas the City of Sacramento has taken positive steps by implementing a first-come, first-served system that does not require SHRA approvals.

Stakeholders generally agreed that the Sacramento County permitting process is arduous to navigate and lacks clear instructions or transparency for permit review criteria, required steps, and timelines. Individual property owners and applicants often struggle with the process and may require more hands-on assistance from County staff. Affordable housing developers, CBOs, and market-rate housing developers also cited coordination with the County, both with stakeholders and between departments, as a barrier to infill. Establishing a single point of contact or infill liaison could help to address these issues.

Business groups, CBOs, and County staff noted that developers often find it more advantageous to invest in new growth areas, which hampers the progress of infill development. Stakeholders emphasized the need for the County to simplify the infill process to prioritize it over greenfield development. Additionally, stakeholders recommend reducing the number of approved applications for New Growth Area projects and prioritizing the projects within the Urban Policy Area (UPA).

Affordable housing developers and CBOs discussed how existing infrastructure such as sewer and water lines can pose a challenge, particularly in historically underinvested neighborhoods. Upgrading or establishing utility infrastructure can be challenging and can lead to high development impact costs, project delays, and difficulties in recouping investments. Lastly, stakeholders mentioned that the generally smaller lot sizes of infill properties and required parcel assembly can act as barriers to infill.

Incentives

Stakeholders identified several key incentives that could effectively support infill projects and promote economic growth in the county. All stakeholder groups emphasized the importance of addressing permitting and review costs, establishing a transparent process, and implementing flexible development standards for encouraging infill development. The stakeholder groups discussed incentives like waiving development fees for infill projects, promoting affordable development in high resource areas for additional funding from the State, and utilizing the Infill Infrastructure Grant to help cover additional and unexpected expenses like right of way improvements. Stakeholders also pointed out that the City of Sacramento waives impact fees for affordable housing developments and suggested that the County also adopt this practice.

CBOs, business groups, County staff, and market rate housing developers, highlighted the importance of a transparent entitlement process with clear timelines and performance expectations for staff and applicants. One stakeholder from the market rate housing group suggested taking inspiration from the City of Sacramento's ministerial housing process as it could serve as a valuable template. Stakeholders also suggested offering a free "pre-development" meeting, which could help save time and money for applicants and move good projects forward. Lastly, stakeholders from all groups, excluding CBOs, suggested that flexible development standards, such as floor area ratio, lot coverage and height requirements, can contribute to successful infill development. These groups noted that jurisdictions with less red tape are able to be more nimble and flexible and support good development.

Stakeholder Meeting - Agenda & Questions

1. **Welcome and Introductions**
2. **Infill Program Overview**
3. **Stakeholder Feedback:**

Community Based Organization Questions:

a. How do you think infill development for commercial and housing can be most easily achieved in Sacramento County?
b. What are some of the primary barriers to successful infill development that you have seen or experienced?
    i. Are any of these barriers specific to development in Sacramento County?
c. What types of incentives do you believe could best facilitate successful infill projects in Sacramento County?
d. Could your organization help support and promote infill development in the county?
e. The following areas (screenshare map) are being considered as possible infill priority areas.
    i. Please share your thoughts on how the County should prioritize areas for infill.
    ii. Please identify which of these areas (or others) should be considered for infill.

County Staff and Agencies Questions:

a. What are some of the primary barriers to successful commercial or housing infill development that you have seen or experienced? Are any of these barriers specific to development in Sacramento County?
b. If the Board of Supervisors were to fully support and provide funding for any policy or change, what would be your top priority to incentivize infill, especially for housing? In other words, what would help development in Sacramento County be more attractive than other jurisdictions or in the New Growth Areas in the county?
c. What incentives would not be feasible for the county, and why?

The following corridors in the county (screenshare map) are being considered as possible infill development priority areas. Please share your thoughts on these areas and identify if any other corridors or areas should also be considered.

Affordable Housing and Market Rate Developer Questions:

a. What are some of the primary barriers to successful commercial or housing infill development that you have seen or experienced?

    i. Are any of these barriers specific to development in Sacramento County?

b. What type of incentives, if any, does your organization/company need or look for when determining the feasibility or success of a project?

c. What potential incentives could make infill in Sacramento County more attractive than in other areas?

d. Do you have any additional recommendations for best practices that may better achieve infill development, especially for housing?

e. The following areas (screenshare map) are being considered as possible infill priority areas.
    i. Please share your thoughts on how the County should prioritize areas for infill.
    ii. Please identify which of these areas (or others) should be considered for infill.

Business Group Questions:

a. What is your organization's experience with infill development in Sacramento County? And how might this compare to your general sense of the community's attitude about commercial and housing infill?

b. What are some of the primary barriers to successful infill development that you have seen for developers or groups who work with infill projects? Are these barriers specific to commercial or housing development in Sacramento County?

c. What types of incentives for property owners or developers do you believe could be most successful to support infill projects and economic growth in Sacramento County?

d. Could your organization play a stronger role in supporting and promoting future infill development for commercial uses and housing in the county? If so, how?

e. Do you have any additional recommendations for infill development best practices in Sacramento County?

4. Next Steps + Meeting Close Out

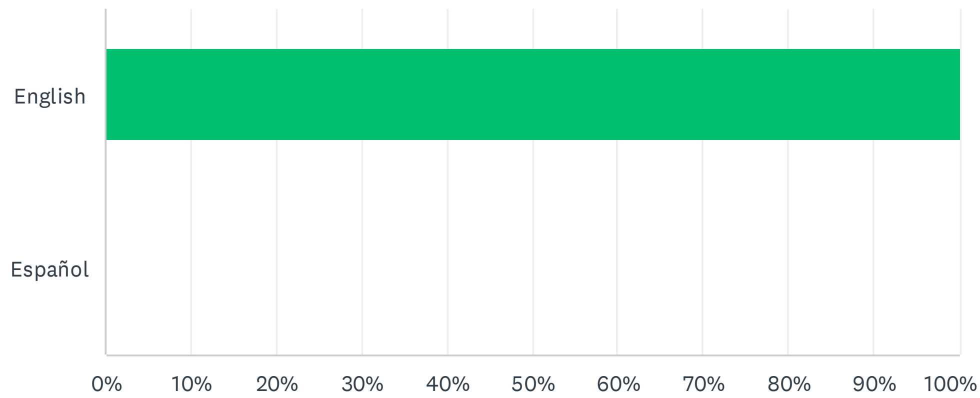
Community Online Engagement:

A new project website (www.sacramentocountyinfill.com) for the Program Update to provide background information, project updates, and engagement opportunities. The Project Team also created an online survey that was available from March 6, 2023 through April 10, 2023. The survey was available in English and Spanish and allowed community members to share feedback on how and where to prioritize future infill development in the county. The survey was publicized on the project webpage, via two Couty e-blast notifications sent to over 2,000 GovDelivery subscribers, and through in-person flyers and paper versions of the surveys passed out at pop-up events.

A total of 296 surveys were submitted. The survey results showed that a majority of participants believe that infill development in Sacramento County could provide various benefits such as, a mix of housing options, more housing affordability and housing development, and increased commercial development and economic revitalization. However, community members were evenly split in their responses and did not exhibit a clear preference regarding the specific ways in which they could benefit. When asked about the potential negative impact of infill on their community, respondents expressed concerns about increased traffic resulting from new developments, a decrease in street parking availability, and challenges in maintaining neighborhood affordability. Furthermore, survey participants had the opportunity to indicate the corridors where they would prefer to see more housing and commercial development. The findings indicate that Stockton Boulevard Central emerged as the most favored choice, followed by Franklin Boulevard, and Watt Avenue Central. Please see below for a more detailed report of the online survey.

Q1 Please select your preferred language:Seleccione su idioma preferido:

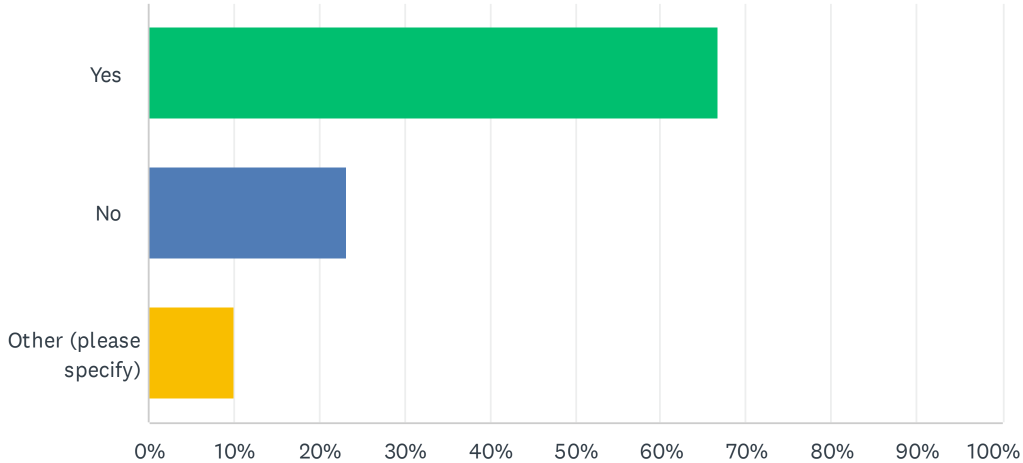
Answered: 296   Skipped: 0



ANSWER CHOICES	RESPONSES	
English	100.00%	296
Español	0.00%	0
TOTAL		296

Q2 Do you think infill develop in Sacramento County could benefit you?

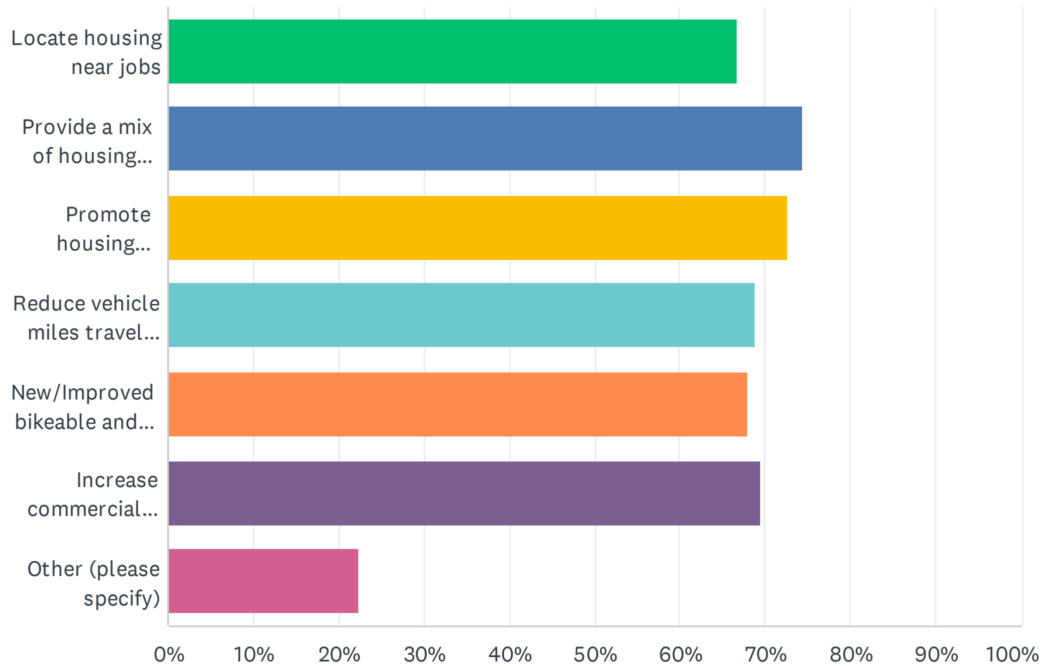
Answered: 229   Skipped: 67



ANSWER CHOICES	RESPONSES	
Yes	66.81%	153
No	23.14%	53
Other (please specify)	10.04%	23
TOTAL		229

Q3 Do you think infill development could benefit your community, and in which ways? (select all that apply)

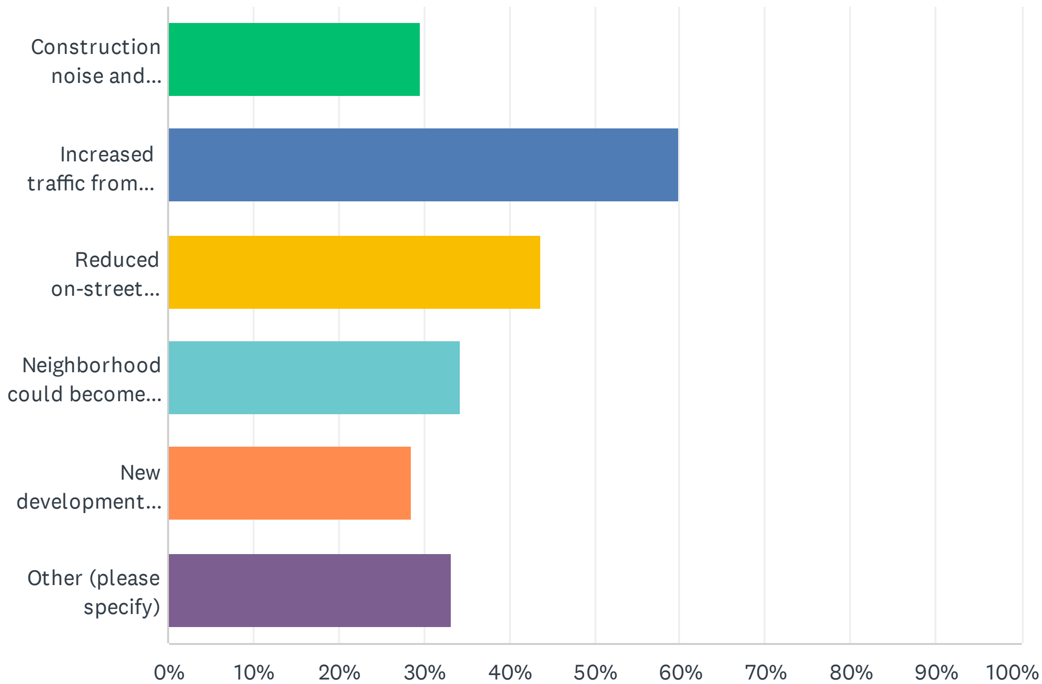
Answered: 219   Skipped: 77



ANSWER CHOICES	RESPONSES	
Locate housing near jobs	66.67%	146
Provide a mix of housing options (single-family homes, apartments, condos, townhomes, etc.)	74.43%	163
Promote housing affordability and housing development	72.60%	159
Reduce vehicle miles traveled (VMT) & greenhouse gas (GHG) emissions	68.95%	151
New/Improved bikeable and walkable streets	68.04%	149
Increase commercial development and economic revitalization	69.41%	152
Other (please specify)	22.37%	49
Total Respondents: 219		

Q4 Do you think infill development could negatively impact your community, and in which ways? (select all that apply)

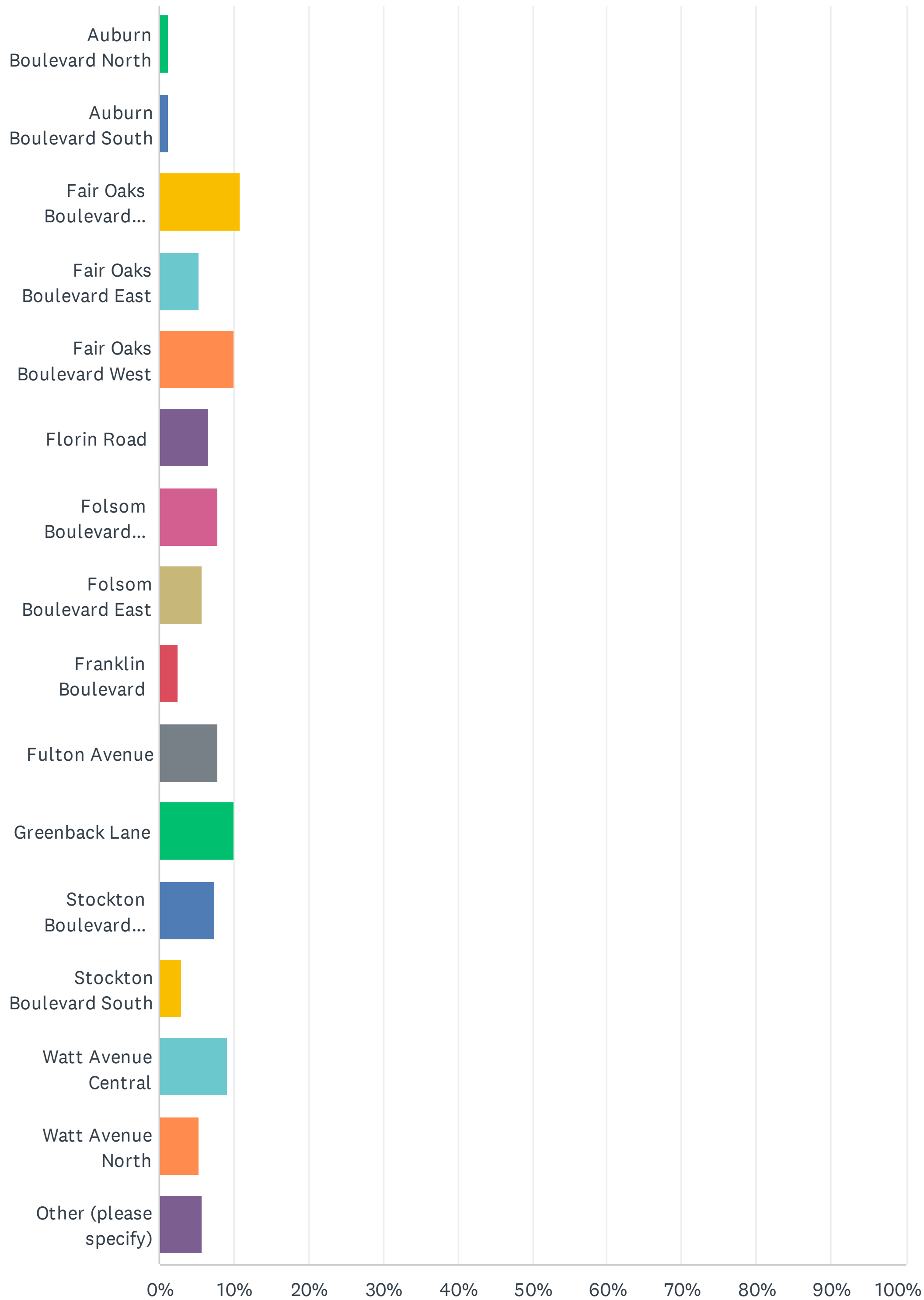
Answered: 192   Skipped: 104



ANSWER CHOICES	RESPONSES	
Construction noise and disruptions	29.69%	57
Increased traffic from new development	59.90%	115
Reduced on-street parking from new development	43.75%	84
Neighborhood could become less affordable	34.38%	66
New development would not have the same look or feel of the existing community	28.65%	55
Other (please specify)	33.33%	64
Total Respondents: 192		

Q5 What commercial corridor do you most often visit in Sacramento County? (choose from the list below)

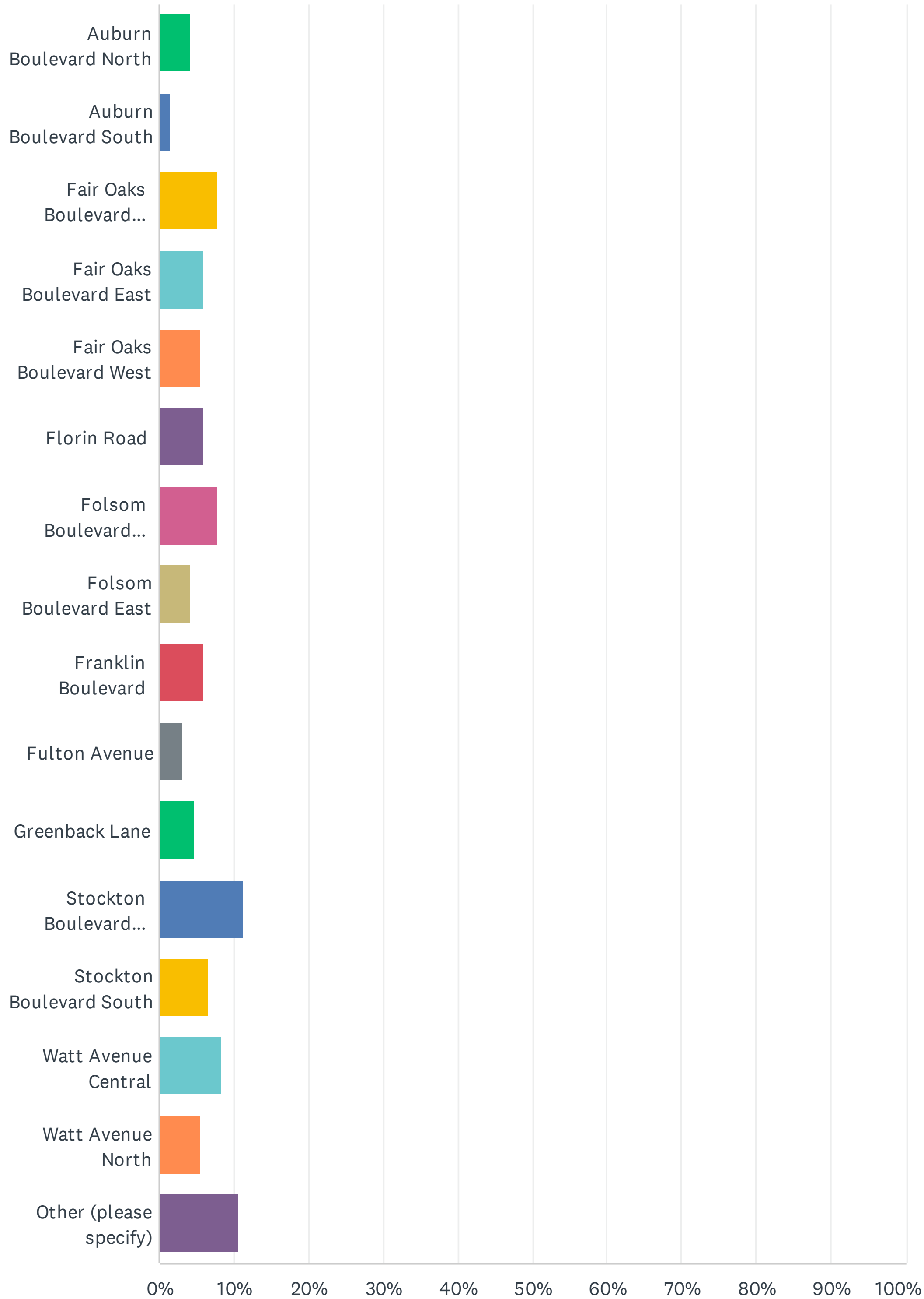
Answered: 229 Skipped: 67



ANSWER CHOICES	RESPONSES	
Auburn Boulevard North	1.31%	3
Auburn Boulevard South	1.31%	3
Fair Oaks Boulevard Central	10.92%	25
Fair Oaks Boulevard East	5.24%	12
Fair Oaks Boulevard West	10.04%	23
Florin Road	6.55%	15
Folsom Boulevard Central	7.86%	18
Folsom Boulevard East	5.68%	13
Franklin Boulevard	2.62%	6
Fulton Avenue	7.86%	18
Greenback Lane	10.04%	23
Stockton Boulevard Central	7.42%	17
Stockton Boulevard South	3.06%	7
Watt Avenue Central	9.17%	21
Watt Avenue North	5.24%	12
Other (please specify)	5.68%	13
TOTAL		229

Q6 (Choice #1) Using the map above, please tell us which commercial corridors, or other area, you would like to see more housing and commercial development. (choose from the list below)

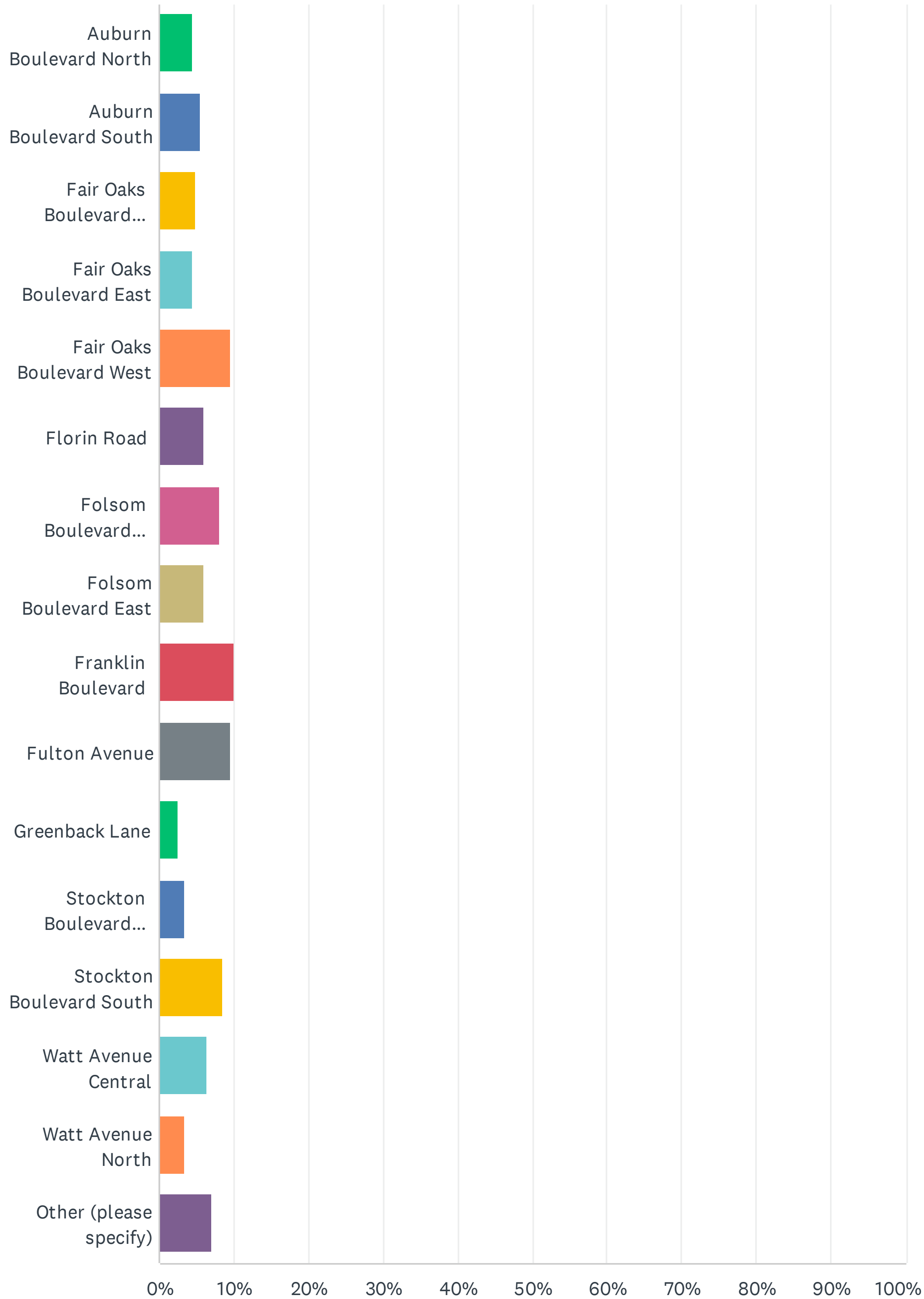
Answered: 214   Skipped: 82



ANSWER CHOICES	RESPONSES	
Auburn Boulevard North	4.21%	9
Auburn Boulevard South	1.40%	3
Fair Oaks Boulevard Central	7.94%	17
Fair Oaks Boulevard East	6.07%	13
Fair Oaks Boulevard West	5.61%	12
Florin Road	6.07%	13
Folsom Boulevard Central	7.94%	17
Folsom Boulevard East	4.21%	9
Franklin Boulevard	6.07%	13
Fulton Avenue	3.27%	7
Greenback Lane	4.67%	10
Stockton Boulevard Central	11.21%	24
Stockton Boulevard South	6.54%	14
Watt Avenue Central	8.41%	18
Watt Avenue North	5.61%	12
Other (please specify)	10.75%	23
TOTAL		214

Q7 (Choice #2) Using the map above, please tell us which commercial corridor, or other area, you would like to see more housing and commercial development. (choose from the list below)

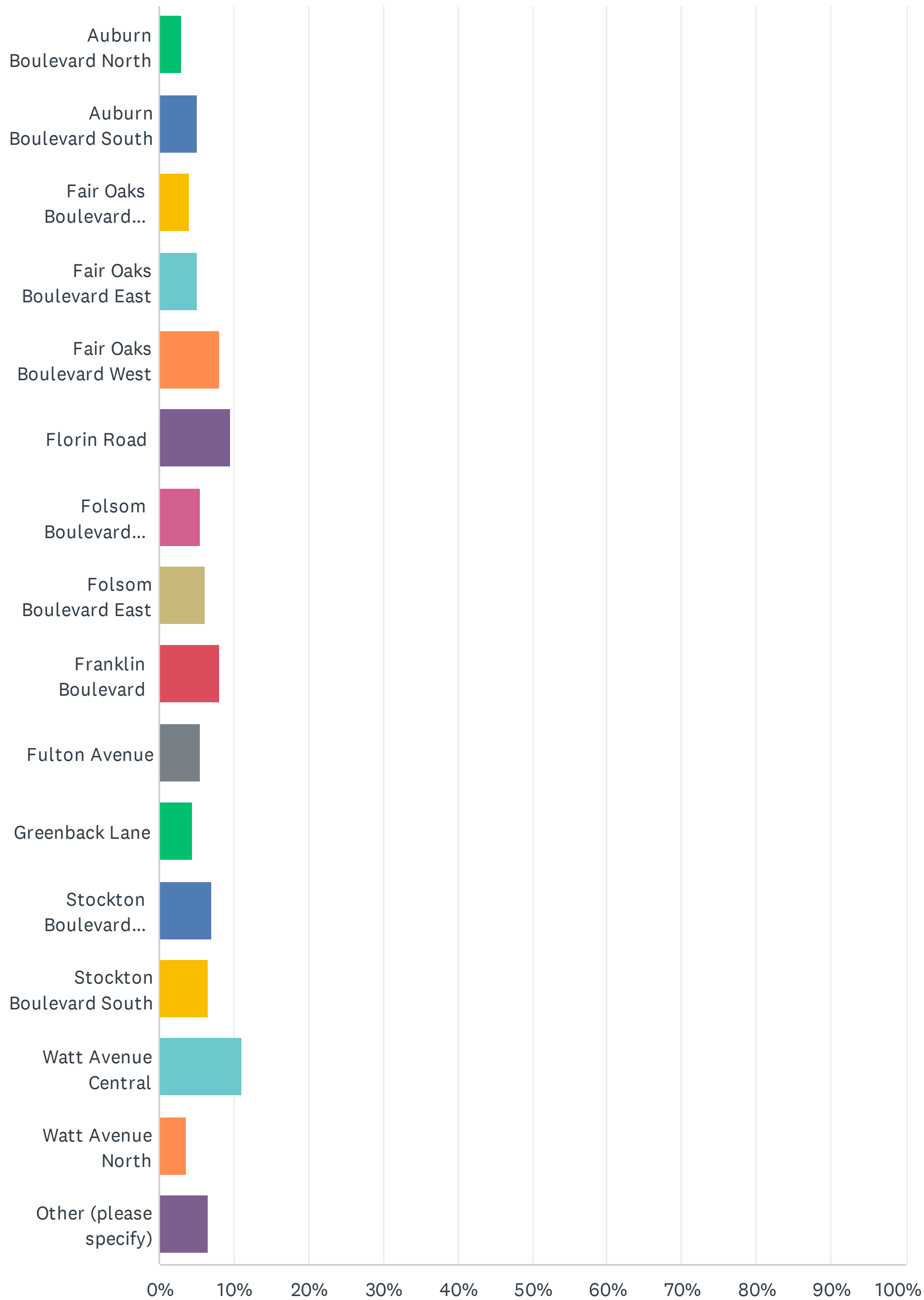
Answered: 200   Skipped: 96



ANSWER CHOICES	RESPONSES	
Auburn Boulevard North	4.50%	9
Auburn Boulevard South	5.50%	11
Fair Oaks Boulevard Central	5.00%	10
Fair Oaks Boulevard East	4.50%	9
Fair Oaks Boulevard West	9.50%	19
Florin Road	6.00%	12
Folsom Boulevard Central	8.00%	16
Folsom Boulevard East	6.00%	12
Franklin Boulevard	10.00%	20
Fulton Avenue	9.50%	19
Greenback Lane	2.50%	5
Stockton Boulevard Central	3.50%	7
Stockton Boulevard South	8.50%	17
Watt Avenue Central	6.50%	13
Watt Avenue North	3.50%	7
Other (please specify)	7.00%	14
TOTAL		200

Q8 (Choice #3) Using the map above, please tell us which commercial corridor, or other area, you would like to see more housing and commercial development. (choose from the list below)

Answered: 197   Skipped: 99



ANSWER CHOICES	RESPONSES	
Auburn Boulevard North	3.05%	6
Auburn Boulevard South	5.08%	10
Fair Oaks Boulevard Central	4.06%	8
Fair Oaks Boulevard East	5.08%	10
Fair Oaks Boulevard West	8.12%	16
Florin Road	9.64%	19
Folsom Boulevard Central	5.58%	11
Folsom Boulevard East	6.09%	12
Franklin Boulevard	8.12%	16
Fulton Avenue	5.58%	11
Greenback Lane	4.57%	9
Stockton Boulevard Central	7.11%	14
Stockton Boulevard South	6.60%	13
Watt Avenue Central	11.17%	22
Watt Avenue North	3.55%	7
Other (please specify)	6.60%	13
TOTAL		197

Q9 Are there any other areas in the unincorporated Sacramento County where you would like to see infill development? If so, please share them below:

Answered: 72   Skipped: 224

Q10 If you would like to receive updates about this project, please provide your email address below:

Answered: 99   Skipped: 197

Q11 ¿Cree que el desarrollo de relleno podría beneficiar a usted?

Answered: 0   Skipped: 296

No matching responses.

ANSWER CHOICES	RESPONSES	
Si	0.00%	0
No	0.00%	0
Otro (especifique)	0.00%	0
Total Respondents: 0		

Q12 ¿Cree que el desarrollo de relleno podría beneficiar a su comunidad? ¿De qué manera? (seleccione todas las opciones que correspondan)

Answered: 0   Skipped: 296

No matching responses.

ANSWER CHOICES	RESPONSES	
Ubicar las viviendas cerca de los lugares de trabajo	0.00%	0
Ofrecer diversas opciones de vivienda (casas unifamiliares, departamentos, condominios, casas adosadas, etc.)	0.00%	0
Fomentar la asequibilidad de la vivienda y el desarrollo de viviendas	0.00%	0
Reducir las millas recorridas con vehículos (VMT) y las emisiones de gases de efecto invernadero (GEI)	0.00%	0
Nuevas/y mejoradas calles transitables en bicicleta y a pie	0.00%	0
Aumentar el desarrollo comercial y la reactivación económica	0.00%	0
Otro (especifique)	0.00%	0
Total Respondents: 0		

Q13 ¿Crees que el desarrollo de relleno podría afectar negativamente a tu comunidad y de qué manera? (seleccione todas las que correspondan)

Answered: 0 Skipped: 296

No matching responses.

ANSWER CHOICES	RESPONSES	
Ruido e interrupciones en la construcción	0.00%	0
Aumento del tráfico de nuevos desarrollos	0.00%	0
Estacionamiento reducido en la calle de nuevo desarrollo	0.00%	0
El vecindario podría volverse menos asequible	0.00%	0
El nuevo desarrollo no tendría la misma apariencia de la comunidad existente.	0.00%	0
Otro (especifique)	0.00%	0
Total Respondents: 0		

Q14 ¿Qué corredor comercial visita con más frecuencia en el condado de Sacramento? (elija de la lista a continuación)

Answered: 0 Skipped: 296

No matching responses.

ANSWER CHOICES	RESPONSES	
Auburn Boulevard North	0.00%	0
Auburn Boulevard South	0.00%	0
Fair Oaks Boulevard Central	0.00%	0
Fair Oaks Boulevard East	0.00%	0
Fair Oaks Boulevard West	0.00%	0
Florin Road	0.00%	0
Folsom Boulevard Central	0.00%	0
Folsom Boulevard East	0.00%	0
Franklin Boulevard	0.00%	0
Fulton Avenue	0.00%	0
Greenback Lane	0.00%	0
Stockton Boulevard Central	0.00%	0
Stockton Boulevard South	0.00%	0
Watt Avenue Central	0.00%	0
Watt Avenue North	0.00%	0
Other (please specify)	0.00%	0
TOTAL		0

Q15 Opción # 1: Usando el mapa de arriba, díganos qué corredor comercial, u otra área, le gustaría ver más viviendas y desarrollo comercial. (elija de la lista a continuación)

Answered: 0   Skipped: 296

⚠ No matching responses.

ANSWER CHOICES	RESPONSES	
Auburn Boulevard North	0.00%	0
Auburn Boulevard South	0.00%	0
Fair Oaks Boulevard Central	0.00%	0
Fair Oaks Boulevard East	0.00%	0
Fair Oaks Boulevard West	0.00%	0
Florin Road	0.00%	0
Folsom Boulevard Central	0.00%	0
Folsom Boulevard East	0.00%	0
Franklin Boulevard	0.00%	0
Fulton Avenue	0.00%	0
Greenback Lane	0.00%	0
Stockton Boulevard Central	0.00%	0
Stockton Boulevard South	0.00%	0
Watt Avenue Central	0.00%	0
Watt Avenue North	0.00%	0
Other (please specify)	0.00%	0
TOTAL		0

Q16 Opción # 2: Usando el mapa de arriba, díganos qué corredor comercial, u otra área, le gustaría ver más viviendas y desarrollo comercial. (elija de la lista a continuación)

Answered: 0   Skipped: 296

No matching responses.

ANSWER CHOICES	RESPONSES	
Auburn Boulevard North	0.00%	0
Auburn Boulevard South	0.00%	0
Fair Oaks Boulevard Central	0.00%	0
Fair Oaks Boulevard East	0.00%	0
Fair Oaks Boulevard West	0.00%	0
Florin Road	0.00%	0
Folsom Boulevard Central	0.00%	0
Folsom Boulevard East	0.00%	0
Franklin Boulevard	0.00%	0
Fulton Avenue	0.00%	0
Greenback Lane	0.00%	0
Stockton Boulevard Central	0.00%	0
Stockton Boulevard South	0.00%	0
Watt Avenue Central	0.00%	0
Watt Avenue North	0.00%	0
Other (please specify)	0.00%	0
TOTAL		0

Q17 Opción # 3: Usando el mapa de arriba, díganos qué corredor comercial, u otra área, le gustaría ver más viviendas y desarrollo comercial. (elija de la lista a continuación)

Answered: 0   Skipped: 296

No matching responses.

ANSWER CHOICES	RESPONSES	
Auburn Boulevard North	0.00%	0
Auburn Boulevard South	0.00%	0
Fair Oaks Boulevard Central	0.00%	0
Fair Oaks Boulevard East	0.00%	0
Fair Oaks Boulevard West	0.00%	0
Florin Road	0.00%	0
Folsom Boulevard Central	0.00%	0
Folsom Boulevard East	0.00%	0
Franklin Boulevard	0.00%	0
Fulton Avenue	0.00%	0
Greenback Lane	0.00%	0
Stockton Boulevard Central	0.00%	0
Stockton Boulevard South	0.00%	0
Watt Avenue Central	0.00%	0
Watt Avenue North	0.00%	0
Other (please specify)	0.00%	0
TOTAL		0

Q18 ¿Hay alguna otra área en las zonas no incorporadas del condado de Sacramento en la que le gustaría ver desarrollo de relleno? Si es así, indíquela a continuación:

Answered: 0 Skipped: 296

Q19 Si desea recibir actualizaciones sobre este proyecto, proporcione su dirección de correo electrónico a continuación:

Answered: 0 Skipped: 296

Appendix C – Best Practices: Infill Development and Incentives

Category	Policy	Plan/Program
CEQA Streamlining	Develop policies to streamline the CEQA process for infill projects. Take advantage of CEQAs tiering provision by preparing programmatic documents. The key element is to have a complete master plan EIR that has considered all these logical infill options to reduce the chance of a developer having to do advanced CEQA work.	Fresno Infill Development Act
	Explore the potential for specific plans with form-based or otherwise objective design standards that allow for CEQA tiering and nondiscretionary project approval.	SACOG Commercial Corridors Toolkit
	Explore opportunities for full CEQA exemptions and make potential housing developers aware of the suite of CEQA streamlining opportunities (like SB 226, SB 375, SB 743) by providing information on websites and proactively seeking them out for potential projects.	SACOG Commercial Corridors Toolkit
Density Bonus	Density bonus policies must set a level that provides infill projects a competitive edge over traditional projects. Density bonuses should not result in projects out of scale and character with existing neighborhoods.	Fresno Infill Development Act
	Jurisdictions may offer additional bonuses beyond what is required by California law.	SACOG Commercial Corridors Toolkit
Development Standards: Lot Coverage & Lot Size	Remove or reduce lot coverage.	SACOG Commercial Corridors Toolkit
	Overall lot widths should be minimized.	Fresno Infill Development Act
Development Standards: Residential Density	Do not establish a maximum residential density standard. Instead, allow residential density to be naturally restricted through other development standards, such as building height and Building Code requirements for minimum unit size.	City of Arcata Gateway Area Plan
	Establish a minimum residential density standard in each of these land use regulations, with exceptions established for some use types (such as theaters) and some building types (such as historically significant structures and the adaptive reuse of existing buildings).	City of Arcata Gateway Area Plan
	Require that all new development provides at least some minimum quantity of housing units by establishing a minimum residential density (number of units per acre). Projects that do not provide the designated minimum residential density will need a use permit demonstrating they support the Gateway Area objectives.	City of Arcata Gateway Area Plan
	Support TOD in high frequency transit areas by zoning for multi-family and mixed use of at least 40 units/acre and minimizing single-family zoning.	SACOG Commercial Corridors Toolkit

Appendix B – Best Practices: Infill Development and Incentives

Development Standards: Height & Setbacks	Minimum Height: To find the financial incentives to enable developers to build more residential units on a smaller lot, the zoning will need to be upgraded and higher densities allowed. Requiring minimum height levels that are not cost-efficient will deter potential developers.	Fresno Infill Development Act
	Setback requirements for infill projects should be modified to accommodate a higher density development. All setback requirements should be modified in infill areas including: 1) Front setbacks to conform to existing building lines and limitations established to prevent from being set back too far and 2) Side setbacks should be reduced to as far as zero lot lines.	Fresno Infill Development Act
	Remove or reduce setbacks.	SACOG Commercial Corridors Toolkit
Development Standards: Parking	Maintain standards in the Municipal Code that allow flexibility for parking reductions and parking in shared lots.	Chico Land Use Element
	Standard parking ratios should be relaxed on infill developments. Parking should be encouraged in the rear of buildings. Parking standards should be minimized to prevent too much land being used for parking.	Fresno Infill Development Act
	Remove or reduce parking minimums: A requirement of two parking spaces per unit can directly add $80,000 to the price of building a home. One of the most effective ways local agencies can reduce the cost to produce housing is to reduce or remove parking requirements.	SACOG Commercial Corridors Toolkit
	In areas with high frequency transit and multimodal options, consider unbundling parking.	SACOG Commercial Corridors Toolkit
Displacement	Develop a baseline understanding of the community. Once the assessment is done, policymakers should work with the community and experts, through transparent and authentic engagement, to create policy plans that support local organizations, create partnerships with the public and private sectors, and are creative and strategic.	SACOG Commercial Corridors Toolkit
	Incentivize affordable housing.	SACOG Commercial Corridors Toolkit
	Protect natural affordability, and provide tenant protections through: -Condominium conversion restrictions/Ordinance -Single Room Occupancy (SRO) Preservation Ordinance -Tenant-based assistance program (e.g., multilingual tenant legal counseling program) -Rent stabilization or rent control ordinance -Just cause eviction ordinance -Foreclosure assistance program	SACOG Commercial Corridors Toolkit

Appendix B – Best Practices: Infill Development and Incentives

Displacement Cont.	Minimize Commercial Displacement and Incentivize Small and Local Businesses through: -Economic Development Focused on Targeted Income Groups -Local business/services preference programs -Create and maintain a small business alliance -Establish a small business advocate office and single point of contact for every small business owner -Form a program to ensure that some fraction of a jurisdiction's purchases of goods and services come from local businesses	SACOG Commercial Corridors Toolkit
Fees: Deferral/Waiver	To support desired development patterns and economic development opportunities, continue the use of, and expand as appropriate, City incentives related to deferral of development impact or permit fees.	Chico Land Use Element
	Fee Deferral or Elimination for Affordable Units.	SACOG Commercial Corridors Toolkit
Fees: Restructuring	Adoption of a tiered development fee program that varies fees by development type, such as infill and newly annexed areas, recognizing that different types of development have different impacts on services and infrastructure needs.	Chico Land Use Element
	Local leaders can reform fee structures to more accurately incorporate both the impacts and benefits of infill. They can begin by recalibrating infill fees, such as basing them on bedrooms rather than units. They can also adjust the fees to reflect the actual infrastructure demand, which could be lower in infill areas.	Council of Infill Builders - San Joaquin Valley
	Eliminate road-based fees for infill projects. Capital facilities fees are often levied to fund roadway improvements, expansion or maintenance.	Council of Infill Builders - San Joaquin Valley
	Targeted infill areas shall have reduced impact fees and waivers for infrastructure hookup fees.	Fresno Infill Development Act
	Consider changing how and what impact fees are assessed, including moving from per unit to per square foot metrics for assessing fees.	SACOG Commercial Corridors Toolkit
	Structure fees by location to be lower for projects in infill and established communities. Or consider a pilot program that reduces fees for certain types of housing, or in a certain area, or a certain timeframe.	SACOG Commercial Corridors Toolkit
Financing Incentives	- Property Tax Exemption/Abatement - Development Impact Fees: Offer abatement, discounting and deferral of development impact fees as an incentive for infill projects exceeding current policies.	Fresno Infill Development Act

	- Tax Increment Financing District: Some jurisdictions have created Tax Increment Financing Districts (TIF) where property tax revenue can be directed to fund infrastructure and other improvements. - Land Value Tax: Some jurisdictions discourage holding of unimproved property using a "Land Value Tax" that taxes the land and not the improvements. The Land Value Tax incentivizes property improvements and will discourage land speculation. - HUD Section 108 loan program: The Section 108 Loan Guarantee Program is a source of financing allotted for the economic development, housing rehabilitation, public facilities rehab, construction or installation for the benefit of low-to moderate-income persons, or to aid in the prevention of slums. - HUD Section 223 (f) loan program: This federally insured loan program is designated for purchases of multifamily projects and for refinancing existing projects.	
Funding: Affordable Housing	Housing Trust Fund Ordinance: Housing trust funds provide a designated source of public funds to create affordable housing and can be matched with State funding. In some funding programs, local trust funds are required to apply. These trust funds may be funded through any of the below direct funding options: -General Obligation Bond -Sales Tax -Progressive Rel Estate Transfer Fee -Community Land Trusts/Land Banking Programs	SACOG Commercial Corridors Toolkit
Funding: Infrastructure	Businesses that meet the City's program eligibility requirements related to residential and/or commercial development, project location, capital investment amount, and infrastructure improvement amount may be reimbursed up to $900,000 annually.	City of Stockton Downtown Infrastructure Infill Incentive Program
	Develop infrastructure finance districts in key infill areas. Enhanced infrastructure finance districts (EIFD) or infill community facilities districts can be launched (with a two-thirds vote of property owners in the case of communities facilities districts but not EIFDs) to help finance upgrades to infrastructure, through property tax assessments that can spur bond sales.	Council of Infill Builders - San Joaquin Valley
	Explore Enhanced Infrastructure Finance Districts (EIFDs), Community Revitalization and Investment Authorities (CRIAs), and Infrastructure and Revitalization Districts (IRFDs).	SACOG Commercial Corridors Toolkit
	Create a predictable environment with an established fee structure. Develop a finance plan to provide a framework on how infrastructure would be phased, and	SACOG Commercial Corridors Toolkit

	what funding sources would be obtained to pay for the identified improvements.	
Inclusionary Housing	Inclusionary zoning ordinances can add low-income housing stock by requiring builders to lease or sell a share of their new homes at below market prices to lower income households…Jurisdictions can conduct a nexus study to measure the financial feasibility of different inclusionary percentages to ensure that the program does not severely hinder multifamily housing production.	SACOG Commercial Corridors Toolkit
Infrastructure	Prioritize infrastructure investment in infill areas that can support sustainable development, including water, sewer, dry utilities, storm drains, and road improvements. Infrastructure incentives are a key component in reducing infill costs.	Fresno Infill Development Act
	Analyze all infrastructure needs (streetlights, wastewater, storm drainage, water supply, natural gas, electric systems, telecommunications) and prioritize infrastructure improvements that provide infrastructure to serve the most amount of development for the least cost.	SACOG Commercial Corridors Toolkit
	Conduct a biking and walking audit to understand the user experience to inform what improvements are needed to facilitate more walking and biking options.	SACOG Commercial Corridors Toolkit
	Implement techniques such as mobility hubs for bike/scooter share, EV car share, and micro transit, to center user experience in the planning and design.	SACOG Commercial Corridors Toolkit
Parcel Acquisition	Implement land banking for housing and provide funding to enable competitive offers. Land banking involves public sector purchase (such as through local agencies involved in land use) of available parcels to assemble them for eventual purchase and development by private parties	Council of Infill Builders - San Joaquin Valley
Permit Streamlining	To support desired development patterns and economic development opportunities, continue the use of, and expand as appropriate, City incentives related to priority project processing.	Chico Land Use Element
	Establish ministerial permitting options and streamlined development processes for housing projects that provide designated community amenities or otherwise facilitate the guiding principles.	City of Arcata Gateway Area Plan
	Variances or permits for nonconforming development may be necessary for infill parcel development. Avoid variances by effectively using zoning codes and or master plan that should address most infill problems and deal with them without cumbersome variance processing.	Fresno Infill Development Act
	Variances or permits for nonconforming development may be necessary for infill parcel development. Avoid variances by effectively using zoning codes and or master plan that should address most infill problems and deal with them without cumbersome variance processing.	Fresno Infill Development Act
	Remove discretionary review processes from otherwise zoning-compliant multifamily	SACOG Commercial

	housing projects and institute by-right approvals.	Corridors Toolkit
Permit Streamlining Cont.	Allow missing middle housing by-right in nearby residentially zoned land to increase the housing adjacent to the corridor.	SACOG Commercial Corridors Toolkit
	Allow for attached residential in commercial zones by right.	SACOG Commercial Corridors Toolkit
Zoning	Reform infill zoning through overlay zoning, ending exclusionary zoning, form-based codes, and reduced minimum parking requirements for ministerial permitting.	Council of Infill Builders - San Joaquin Valley

Appendix D -Summary of Financial Resources for Housing Development

Program Name	Application Information	Description	Assistance Type	Loan/Grant Amount	Eligibility	Notes
Affordable Housing and Sustainable Communities Program (AHSC)	Current NOFA issued January 30, 202. Due April 4, 2023.	The AHSC Program will assist project areas by providing grants and/or loans, or any combination thereof, that will achieve GHG emissions reductions and benefit disadvantaged communities through increasing accessibility of affordable housing, employment centers, and key destinations via low-carbon transportation resulting in fewer vehicle miles traveled (VMT) through shortened or reduced trip length or mode shift from Single Occupancy Vehicle (SOV) use to transit, bicycling, or walking.	Project Area types: 1. Transit Oriented Development (TOD) 2. Integrated Connectivity Project (ICP) 3. Rural Innovation Project Areas (RIPA) Eligible Activities include: ▪ Affordable Housing Developments** ▪ Housing-Related Infrastructure ▪ Sustainable Transportation Infrastructure ▪ Transportation-Related Amenities ▪ Program Costs (including active transportation, transit ridership, and workforce development partnerships) **includes new construction, acquisition, and substantial rehabilitation, including preservation of affordable housing at risk, or conversion of one or more nonresidential structures to residential dwelling units	The assistance terms and limits include, but are not limited to, the following requirements: ▪ The maximum AHSC Program loan or grant award or combination thereof is $50 million with a minimum award of at least $10 million in all Project Area types. ▪ A single developer may receive no more than $100 million per NOFA funding cycle.* *These limitations may be waived if necessary to meet statutorily required Affordable Housing and Disadvantaged Community set-asides.	Eligible applicants include: ▪ A locality, public housing authority, redevelopment successor agency, transit agency or transit operator, Regional Transportation Planning Agency (RTPA), local Transportation Commissions, Congestion Management Agencies, Joint Powers Authority (JPA), school district, facilities district, university or community college district ▪ A developer or program operator ▪ A Federally Recognized Indian Tribe	If a public agency has a financial or real property interest in the proposed project, the application must either include the public agency as a co-applicant or otherwise include a commitment to enter into a contractual agreement to develop the project, if it is awarded.
Golden State Acquisition Fund (GSAF)		The Golden State Acquisition Fund (GSAF) is a $93 million flexible, low- cost financing program aimed at supporting the creation and preservation of affordable housing throughout the State of California. Financing is available for rental housing and homeownership opportunities in urban and rural communities.	Loans to developers for acquisition or preservation of affordable housing. Project Eligibility is based on the following: ▪ Uses: Acquisition of vacant land or existing properties for rental or homeownership development ▪ Geography: Must be located in the State of California ▪ Rental Housing: 100% of units restricted to 60% or below AMI (or meet mixed- income rules below) ▪ Homeownership: Restricted to households at or below 80% AMI ▪ Mixed-Use: Minimum 75% of total square footage will be developed as affordable housing to receive full loan; if less than 75%, project loan amount will be adjusted ▪ Mixed-Income: Minimum 75% of residential units developed as affordable housing to receive full loan; if less than 75%, project loan amount will be adjusted	Loans are up to five years and a maximum of $13,950,000.	Eligible applicants include: ▪ Nonprofit developers ▪ For-profit developers ▪ Cities, counties, and other public agencies within California ▪ Joint ventures comprised of such entities, with a track record of developing affordable housing	
HOME Investment Partnerships Program (HOME)	Last NOFA closed March 30, 2022.	The HOME program assists cities, counties, developers, including Native American Entities, and nonprofit Community Housing Development Organizations (CHDOs)	Eligible activities include: ▪ Housing rehabilitation, new construction, and acquisition and rehabilitation, for multifamily projects ▪ New construction and down payment assistance for single-family projects		Eligible applicants include: ▪ Cities and counties that do not receive HOME funds directly from the federal Department of Housing and Urban Development (HUD)	All activities must benefit low-income renters, homebuyers or homeowners.

		to create and retain affordable housing. The program provides grants to cities and counties and low-interest loans to developers, including Native American Entities and state-certified CHDOs operating in State-eligible jurisdictions.	▪ First-Time Homebuyer down payment assistance ▪ Owner-Occupied Rehabilitation ▪ Tenant-Based Rental Assistance programs ▪ Predevelopment loans to CHDOs		▪ Developers, including Native American Entities, and prospective HCD- certified nonprofit Community Housing Development Organizations (CHDOs) proposing activities in eligible communities	
Infill Infrastructure Grant (IIG) Program	Phase I of the last NOFA closed December 29, 2022. Upcoming NOFA anticipated April 2023 with applications due June 2023.	The objective of the IIG program is to promote infill housing development by providing financial assistance for Capital Improvement Projects that are an integral part of, or necessary to facilitate the development of affordable and mixed income housing.	Under the Program, grants are available as gap funding for infrastructure improvements necessary for specific residential or mixed-use infill development.		See NOFA for eligibility requirements. To be eligible for funding, a Capital Improvement Project must be an integral part of, or necessary for the development of housing in a designated area. Eligible costs include the construction, rehabilitation, demolition, relocation, preservation, acquisition, or other physical improvements of a capital asset that is an integral part of, or necessary to facilitate the development housing.	
Local Housing Trust Fund (LHTF) Program	Last NOFA closed April 26, 2022.	The LHTF program provides matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing and emergency shelters.	Matching grants (dollar for dollar) to local housing trust funds that are funded on an ongoing basis from both private and public contributions or public sources. Local funding sources may not otherwise be restricted in use under federal or state law or rules for use in housing programs. Loans for acquisition, predevelopment expenses and development of affordable rental housing projects, transitional housing projects, emergency shelters and homeownership projects, including down payment assistance to qualified first-time homebuyers, and for rehabilitation of homes owned by income-eligible homeowners. No more than 20 percent of each allocation may assist moderate-income households, and at least 30 percent of each allocation is required to assist extremely low-income households.		A Local or Regional Housing Trust Fund is required to be a public, joint public and private, or charitable nonprofit organization organized under Section 501(c)(3) of the Internal Revenue Code, which was established by legislation, ordinance, resolution (including nonprofit articles of incorporation), or a public-private partnership organized to receive specific public, or public and private, revenue to address local housing needs. The key characteristic of a Local Housing Trust Fund is that it receives Ongoing Revenues from Dedicated Sources of funding sufficient to permit the Local Housing Trust Fund to comply with the requirements of the Program. Local and Regional Housing Trust Funds must comply with requirements set forth in the regulations and guidelines in order to be eligible to submit an application.	Loans for multifamily rental housing projects require tenant income and rent restrictions imposed through a regulatory agreement for 55 years. When program funds are used to make loans for homeownership projects or units within a homeownership project, the Local Housing Trust is required to record a deed restriction in compliance with Health and Safety Code Section 50843.5(d)(3).
Multifamily Housing Program (MHP)	Last NOFA closed July 12, 2022. Upcoming NOFA anticipated April 2023 with applications due June 2023.	The MHP provides low-interest, long-term deferred payment loans for new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households.	Project Types: ▪ Large Family ▪ Special Needs ▪ Senior ▪ Supportive Housing ▪ At High Risk		Sponsors/applicants or their principals must have successfully developed at least one affordable housing project: ▪ Individual ▪ Joint Venture ▪ Partnership ▪ Limited Partnership ▪ Trust ▪ Corporation ▪ Limited Liability Company ▪ Local Public Entity ▪ Duly constituted governing body of an	

					Indian reservation or Rancheria, or ▪ Other legal entity ▪ Organized on a for-profit, including limited profit, or nonprofit basis	
Permanent Local Housing Allocation (PLHA)	Last NOFA closed November 30, 2022. Award announcement will be ongoing through February 2023.	The PLHA program is funded through SB 2 real estate transaction fee collections. Funding will help cities and counties: increase the supply of housing for households at or below 60% of area median income; increase assistance to affordable owner-occupied workforce housing; assist persons experiencing or at risk of homelessness; facilitate housing affordability, particularly for lower- and moderate-income households; promote projects and programs to meet the local government's unmet share of regional housing needs allocation; and ensure geographic equity in the distribution of the funds.	Affordable housing construction, affordable ADU construction, homelessness services— activities do NOT have to advance RHNA progress	Sacramento County was allocated $4,229,006 for 2020 and $4,653,890 for 2021.	An Applicant must be an Entitlement Local government, a Non-Entitlement Local government, or a Local or Regional Housing Trust Fund delegated by the Local government pursuant to Guidelines Section 300.	All applicants are required to demonstrate a fully compliant Housing Element no later than February 28, 2023, to receive an award of funds.
Predevelopment Loan Program (PDLP)		The PDLP provides short-term loans to finance predevelopment costs to preserve, construct, rehabilitate or convert assisted housing for low-income households.	Three percent simple annual interest short- term loans for up to two years. Maximum loan amount for purposes other than site option or site purchase is $100,000. Eligible activities include predevelopment costs of projects to construct, rehabilitate, convert, or preserve assisted housing, including manufactured housing and mobilehome parks. Eligible costs include but are not limited to site control, site acquisition for future low-income housing development, engineering studies, architectural plans, application fees, legal services, permits, bonding, and site preparation. Priority will be given to developments which are rural, located in the public transit corridors, or which preserve and acquire existing government-assisted rental housing at risk of conversion to market rents.	The maximum amount committed to any one borrower at any point in time is announced in each NOFA.	Eligible applicants are local government agencies, nonprofit corporations, cooperative housing corporations, and limited partnerships or limited liability companies where all the general partners are nonprofit mutual or public benefit corporations.	

Appendix E-

MEMORANDUM

To: Sacramento County

From: Amy Lapin

Subject: Infrastructure Funding Options to Support Infill Development in Sacramento County; EPS #222082

Date: May 30, 2023

The Economics of Land Use

Economic & Planning Systems, Inc. (EPS), as a subconsultant to PlaceWorks, is assisting the County of Sacramento (County) with an update to its 2008 Infill Program (Program Update). The Program Update is funded through the State of California (State) Department of Housing and Community Development (HCD) Local Early Action Planning (LEAP) Grant program to encourage infill development in the county. The objective of the Program Update is to accelerate the production of housing, while limiting the impacts of gentrification and fostering equitable, long-term economic sustainability. The Program Update will focus on creating more livable and walkable neighborhoods, supporting transit, minimizing residents' need to drive, and preserving undeveloped lands from future urbanization.

As an initial step in addressing one of the primary barriers to infill development, EPS has prepared an overview of potential funding sources and financing strategies to fund infrastructure. This memorandum provides a brief overview of funding sources and an initial assessment of the suitability of each source for funding infrastructure to support infill development.

Infill Development Context

With the adoption of its 2008 Infill Program, the County acknowledged the value of infill development in meeting State environmental goals while benefitting existing neighborhoods and communities with high quality development. The Infill Program is also aligned with the objectives of the Sacramento region's Sustainable Community Strategy prepared by the Sacramento Area Council of Governments (SACOG), as mandated by Senate Bill 375 (SB 375).

Economic & Planning Systems, Inc.
455 Capitol Mall, Suite 701
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax

Oakland
Sacramento
Denver
Los Angeles

www.epsys.com

In some areas of the State, these regional plans are well-supported by the existing urban fabric and current market conditions. However, outside of high-value coastal urban centers, a variety of factors are affecting the production of infill housing and commercial land uses. Notable infill development constraints include market conditions, physical conditions, infrastructure (e.g., sewer, water, streets), and other community conditions (e.g., schools, public facilities).
In places where market demand, physical conditions, existing infrastructure, and community conditions are problematic, current funding and financing options are commonly inadequate, which hinders local and regional agencies' ability to implement infill development plans. Identifying funds and financing tools that address the challenges of funding infrastructure to support infill development is the focus of this memorandum.

Funding Strategy Overview

Infrastructure needed to serve new development in priority infill locations will require a combination of public and private funding sources to ultimately fund Project construction. The infrastructure and development funding and financing options currently available to State jurisdictions fall into the following general categories:

- Developer-Based Funding
- Local and Regional Funding
- State and Federal Funding

The following sections describe each of the funding sources and financing mechanisms that fall under these general categories. Since the end of the State's redevelopment program, developer-based funding, including citywide and area development impact fees, project-specific exactions, private financing, and land-secured taxes and debt, are the primary tools for funding new development-required infrastructure. These sources may be augmented with local sources that offer "bridge" financing or provide funding for specific infrastructure projects.

Developer-Based Funding

Development Impact Fees

Private development projects in infill locations in the county may be subject to applicable, existing County, plan area, and other agency development impact fees in place at the time of acceptance of the building permit application. Revenues generated through existing fee programs may be available to directly fund backbone infrastructure and public facilities identified that support infill development, to the extent these improvements have been or will be identified in the capital improvement programs (CIPs) of the existing fee programs.

Development impact fees constitute a one-time fee on new development designed to cover a “proportional-share” of the total capital cost of necessary infrastructure. Assembly Bill (AB) 1600, known as the Mitigation Fee Act, is codified in California Government Code Section 66000 and allows a levy of one-time fees to be charged on new development to cover the cost of constructing public facilities needed to serve the demands of new development. To the extent that required infrastructure improvements are necessary to address both existing deficiencies and increased demand from new growth, only the portion of costs attributable to new development can be included in the fee.

<u>Proposed New Climate Action Plan Infill Fee</u>

As part of the County’s August 2022 Final Climate Action Plan, one community Greenhouse Gas Reduction (GHG) measure includes incentivizing infill development through adoption of an Infill Fee for approved and pending projects that are located outside of the County’s Urban Policy Area (UPA) or Urban Services Boundary (USB), which have been determined to contribute to increased vehicle miles traveled (VMT) and associated GHG emissions. Revenues from the fee are proposed to be used by the County for the purpose of facilitating infill development or redevelopment in the urban, unincorporated portion of the county in locations targeted for infill development or redevelopment, including but not limited to Green Zones (through the SACOG Green Means Go program), commercial corridors, environmental justice communities, and other locations within one-half mile of existing transit. Activities that may facilitate infill development or redevelopment include but are not limited to: design assistance; fee deferrals; application fee waivers; staff support for Property Business Improvement District (PBID) formation and capacity building; water, sewer, and other necessary infrastructure upgrades; electric vehicle charging facilities and other mobility hub infrastructure; and code amendments that may be necessary for conversion of existing commercial or office buildings to residential uses.[1]

The County will continue to explore an appropriate nexus to require designated projects listed in the Final Climate Action Plan, and any future master plans yet to be initiated, to pay an Infill Fee. The Infill Fee shall not be paid for any unit constructed on any parcel dedicated to the Sacramento Housing and Redevelopment Agency (SHRA) pursuant to an applicable Affordable Housing Strategy. In the absence of an approved nexus study, the County shall continue to advocate for master plans to include the Infill Fee as part of their proposed project through a Development Agreement (DA).

Viability Assessment: Development projects with new affordable and market-rate dwelling units and certain nonresidential development may qualify for fee deferrals or waivers under certain County, plan area, and other agency fee

[1] Sacramento County Final Climate Action Plan, August 2022.

programs. While development impact fees are necessary to support public infrastructure, payment of development impact fees may constitute a financial barrier for some development projects.

In addition, a key limitation of development impact fees is the timing of funding. Infrastructure is often needed "up front," while fees are paid over time as development occurs. This means that other funding or financing methods are needed to close the timing gap. Fees also are irregular, as they depend on development activity that varies with economic conditions. The timing of fee revenues that flow as development occurs often over many years is often not consistent with the timing of needed infrastructure improvements. Fees also require ongoing management including annual review, fund accounting, and updating to assure the efficacy and transparency of the fee program.

Private Financing, Agreements, and Partnerships

Developers commonly fund infrastructure requirements privately. Private funding includes capital provided by private developers through debt financing, equity, or a combination of both. In some cases, area-serving infrastructure (not fully the responsibility of a particular developer) can be privately financed. These cooperative arrangements are typically structured in development agreements or reimbursement agreements. This upfront infrastructure development may be fully or partially refunded, using subsequently collected development impact fees, special tax bond proceeds, or other city or county funding sources. These arrangements tend to be available during times of strong market performance. In weaker markets or locales, it may be difficult to obtain such private financing.

Specific examples of private financing arrangements are provided below:

- ***Developer (Project-Specific) Conditions and Exactions.*** Before the advent of ordinance-based development impact fees, it was common for infrastructure to be funded by project-specific "exactions," payments or construction of infrastructure required as a condition of subdivision or project approval. While development impact fees have reduced the use of exactions, exactions remain an important part of development-based infrastructure financing as there are often infrastructure requirements of a new project that are not included in the applicable fee programs. Determination of the need for such additional infrastructure is based on "rough proportionality" (i.e., nexus) with the development itself and is often derived from CEQA-based mitigation measures.
- ***Development Agreements.*** A DA is a legally binding agreement between a local government and developer authorized by State statute (Government Code Section 65864 et seq.). A DA is a means for a developer to secure a development entitlement for a particular development project for an agreed upon period (often long-term approvals) in exchange for special considerations for the city or county, generally including infrastructure improvements or amenities or other community benefits that cannot be

obtained through the normal conditions applicable to the project. DAs are entirely discretionary on the part of local government (there is no nexus requirement) and must be individually adopted by local ordinance. Jurisdictions often establish their own policies and procedures for considering development agreements.

- ***Developer Funding Secured with Fee Credits and Reimbursements.*** Pursuant to terms of a development impact fee, a specific development exaction, or a development agreement, a developer may build or directly fund infrastructure improvements and receive a credit against any formal fees or charges otherwise due. A developer also may receive reimbursement when the amount expended exceeds any fees or charges otherwise due. Such agreements effectively make use of private credit available to the developer to fund municipal infrastructure, subject to repayment from one or another municipal source of funding. Typically, repayment of reimbursable investments made by a developer is derived from future development impact fee revenue paid by other benefitting landowners or developers.
- ***EB-5 Funding.*** In infill development locations with strong opportunities to create new jobs it may be possible to attract EB-5 investment from immigrants. EB-5 (i.e., the Immigrant Investor Program) was created by Congress in 1990 to stimulate the US economy through job creation and capital investment by foreign investors. Under the program, US visas are set aside for investors that support projects to promote economic growth.
- ***Incentive Zoning*****.** Land use regulations can be configured in a manner that can provide incentives for additional private investments in local infrastructure and community benefits beyond that obtainable through the normal regulatory procedures. Transfer of development rights and density bonus provisions are examples of such programs.

Viability Assessment: *Implementing successful arrangements between the County and private sector will require creativity and patience. Key ingredients include creating a shared vision, assembling the right public and private teams, using proactive predevelopment to prepare for an agreement, establishing working relationships with private-sector owners and developers, demonstrating that the arrangement is fair and beneficial to all parties, including the community, and managing risks.*[2]

---

[2] "Successful Public Private Partnerships: From Principals to Practices." Urban Land Institute. https://uli.org/wp-content/uploads/ULI-Documents/Successful-Public-Private-Partnerships.pdf. Accessed December 2022.

Land-Secured Funding and Financing

There is a long history in California and elsewhere in the United States of using land-secured financing methods to fund local infrastructure or provide services that benefit a particular area (ranging from an entire jurisdiction to sub-areas of all sizes), including special benefit assessment districts and Mello-Roos Community Facilities Districts (CFD).

Special Benefit Assessment District

Special benefit assessment districts are a way of creating a property-based assessment upon properties that benefit from a specific public improvement. The formation of assessment districts requires majority approval of the affected property owners. Benefit assessments can fund a wide range of infrastructure improvements so long as a direct and measurable benefit can be identified for the benefitting properties. There are numerous forms of special benefit assessments in the California statutes, including the Municipal Improvement Act of 1913, Lighting and Landscape Maintenance Districts, and others. In 1996, Proposition 218 effectively eliminated the use of Assessment Districts in California by limiting the methods by which local governments may exact revenue from taxpayers without their consent. In addition, recent court rulings (Silicon Valley Taxpayers' Assn., Inc. v. Santa Clara County Open Space Authority, 44 Cal. 4th 431 (Cal. 2008)) have tightened the requirements for demonstration of "special benefit" thus further reducing the flexibility and utility of assessment districts. Most recent land-secured financings have been Mello-Roos CFDs.

Mello-Roos Community Facilities District

The Mello-Roos Community Facilities Act of 1982 *(authorized by Section 53311 et seq. of the Government Code)* enables the formation of a CFD by local agencies, with two-thirds voter approval (or landowner approval in when there are fewer than 12 registered voters in the proposed district), for the purpose of imposing special taxes on property owners. The resulting special tax revenue can be used to fund capital costs or operations and maintenance expenses directly, or they may be used to secure a bond issuance, the proceeds of which are used to fund capital costs. Because the levy is a tax rather than an assessment, the standard for demonstrating the benefit received is lower, thus creating more flexibility. CFDs have become the most common form of land-secured financing in California.

As special taxes and tax overrides approach or exceed ½ percent of assessed value annually, on top of the basic one percent property tax rate, there is a heightened risk of value impacts shifting to home and land prices (which offsets benefits associated with the additional special taxes). Cities or counties using CFDs often adopt policies that regulate how they are used and the various limits and considerations to be applied in creating CFDs.

Viability Assessment: *Both benefit assessment districts and CFDs provide a well-established method of securing relatively low-cost tax-exempt, long-term, fixed-rate, fully assumable debt financing. However, there can be challenges associated with establishing measurable and specific benefits to particular properties, as required by the legislation that enables these districts. Districts require (resident) voter or landowner approval. In the case of assessment districts, majority landowner approval is typically required. In the case of a CFD, a two-thirds voter approval is needed in areas that have more than 12 residents (landowners can approve special taxes in areas with 12 or fewer residents). Land-secured financing adds financing costs such as the cost of issuance and program administration. Further, the financing capacity of a district may be limited related to the amount of total development. These considerations likely preclude land secured financing from being a viable source, although this finding may vary based on the characteristics of the infill area being evaluated.*

Local and Regional Funding

New Sales Tax Measure

Under California Sales and Use Tax Law, State and local sales taxes are imposed on retailers—and typically passed along to the consumer—for the privilege of selling tangible personal property in the State. The authority to levy local sales taxes was established through the Bradley-Burns Uniform Sales and Use Tax Law (Bradley-Burns) passed by the State legislature in 1955 (taking effect January 1, 1956).[3] The Bradley-Burns law created a uniform local sales tax rate of 1.25 percent among cities and counties choosing to levy the tax and required that sales taxes be collected by the State and distributed on a situs basis. As of January 2022, the State imposes a combined State and local sales tax rate of 7.25 percent and allows municipalities and districts to assess an additional local tax rate of up to 3.0 percent (for a total tax rate of 10.25 percent).

The County's sales tax rate is 7.75 percent. The County may consider a countywide sales tax rate increase (typically 0.25 percent to 0.50 percent) to fund infill development-specific infrastructure. Because the sales tax revenues would be used to fund specific projects, this would be considered a special tax and would require two-thirds voter approval. If a sales tax measure is approved, funding can be used to fund infrastructure using a "pay-as-you-go" approach, as a source of reimbursement, or to support a municipal bond issue.

---

[3] For statutory provisions regarding the *Bradley-Burns Uniform Local Sales and Use Tax Law*, refer to Revenue and Taxation Code §7200 et seq.; for the provisions regarding State sales and use taxes, refer to Revenue and Taxation Code §6001 et seq.

Viability Assessment: *The County has additional capacity to increase their sales tax rate. The process of determining revenue potential, assessing voter sentiment, and attaining voter approval will take time and funding resources and requires further discussion and analysis to determine viability.*

General Obligation Bond

A general obligation (GO) bond is a type of municipal bond that is secured by a state or local government's pledge to use legally available resources, most typically including property tax revenues, to repay bond holders. General obligation bonds are restricted to defined capital improvements. Because property owners are usually reluctant to risk losses because of unpaid property tax bills, credit rating agencies often consider a general obligation pledge to have very strong credit quality and frequently assign them investment grade ratings. If local property owners do not pay their property taxes on time in any given year, a government entity is required to increase its property tax rate by as much as is legally allowable in a following year to make up for delinquencies. In the interim between the taxpayer delinquency and the higher property tax rate in the following year, the general obligation pledge requires the local government to pay debt service coming due with its available resources. In California, cities or counties must secure a two-thirds voter approval to issue general obligation bonds.

Viability Assessment: *The process of determining revenue potential, assessing voter sentiment, and attaining voter approval will take time and funding resources and requires further discussion and analysis to determine viability.*

Revenue Bond

Revenue bonds are payable solely from net or gross non-ad valorem tax revenues derived from General Fund revenues, tax increment revenues, rates or tolls, fees or charges, or rents paid by users of the facility constructed with the proceeds of the bond issue. However, it should be noted that governments typically pay higher rates when they borrow through revenue bonds rather than general obligation bonds.

Viability Assessment: *The process of determining revenue potential, assessing voter sentiment, and attaining voter approval will take time and funding resources and requires further discussion and analysis to determine viability. If a bond issuance appears to be a viable option, the lower interest rates available through GO bonds make revenue bonds an unlikely financing mechanism.*

Parcel Tax

Parcel taxes are a form of property tax, which must be paid by the owners of parcels of real estate. However, unlike standard property taxes, which are based on the value of the property, a parcel tax is an assessment based on the characteristics of the parcel. Taxing districts have created assessments that range from flat amounts per parcel to assessments based on parcel lot square footage or building square foot. Some taxing districts have assessed residential parcels using one method and nonresidential using another method.

Based on Proposition 218 (approved by State voters in 1996), local taxing districts can levy this type of non-ad valorem tax if a super majority of two-thirds of the voters approve.[4] If a parcel tax is approved, a GO bond could be issued against the future revenue stream to generate upfront funding.

Viability Assessment: *The process of determining revenue potential, assessing voter sentiment, and attaining voter approval will take time and funding resources and requires further discussion and analysis to determine viability.*

Capitalizing Leases

Capitalizing leases, most commonly referred to as Certificates of Participation (COP), are typically used by government agencies for construction or improvement of public facilities. By use of a lease-type repayment structure, the monies needed to fund these building projects do not (by California State law) constitute public debt and do not require voter approval. Usually, a public entity enters into a tax-exempt lease-purchase with a lessor and the lessor provides the agreed-upon the public facility. As new financing needs emerge and market conditions change, government agencies often find that their leasing powers provide more expedient access to the capital markets than the more restricted powers to incur debt. Cities or counties can use capitalizing leases to provide upfront funding for projects needed to facilitate economic development, for example providing “bridge” financing for an infrastructure project, through the issuance of tax-exempt bonds.

Viability Assessment: *Based on the arrangement present in COPs between a public entity and a lessor providing a public facility, as well as the complexity and higher interest rate and issuance costs relative to a GO bond, this funding source is likely not viable but requires further discussion and information to determine viability.*

Enhanced Infrastructure Finance District

Senate Bill 628 (2014) created the ability for jurisdictions to form Enhanced Infrastructure Districts (EIFDs), and it is the most used form of tax increment financing (TIF) in California. The EIFD bill expanded the scope of eligible uses of funds considerably and lowered the voter/landowner threshold to pass a bond from two-thirds to 55 percent. More recently, legislation streamlined the process for issuing bonds by removing the 55 percent vote initially required of EIFDs

[4] A non-ad valorem tax is one that is not based on the value of the property that is being taxed.

(AB 116 2019). Other legislative amendments have improved EIFDs, including AB 733 (2017), which allows EIFDs to fund climate change adaptation projects, and Senate Bill 1145 (2018), which allows EIFDs to fund infrastructure maintenance costs.

EIFDs may be initiated by any affected taxing authority, including a city, county, or special district, and are governed by an Infrastructure Financing Plan (IFP). Taxing authorities can devote a portion of their share of property tax, as well as property tax received in lieu of vehicle license fees (VLF). EIFDs may be used for the purchase, construction, or improvement of any real property with a useful life of at least 15 years inside or outside the district. Eligible uses of EIFD funding must be public capital facilities or other specified projects of “communitywide significance” that provide significant benefits to the district or the surrounding community. Allowable projects may include:

- Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.
- Sewage treatment and water reclamation plants and interceptor pipes.
- Facilities for the collection and treatment of water for urban uses.
- Flood control levees and dams, retention basins, and drainage channels.
- Childcare facilities, libraries, parks, recreational facilities, and open space.
- Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.
- Brownfield restoration and other environmental mitigation.
- Acquisition, construction, or rehabilitation of housing for persons of low and moderate income.
- Acquisition, construction, or repair of industrial structures for private use.

In 2018, the State passed amending legislation to also allow ongoing maintenance costs to be funded with EIFDs. Senate Bill 1145 (2018) authorizes a district to finance the ongoing or capitalized costs to maintain public capital facilities financed in whole or in part by the district but prohibits the use of proceeds of bonds issued to finance maintenance (i.e., maintenance if funded pay-as-you-go). In addition, a district may not finance the costs of an ongoing operation or provision of services of any kind.

Viability Assessment: *If future development projected in infill locations in the county is substantial enough, an EIFD may present a viable option for funding necessary infrastructure.*

SACOG Green Means Go Program

Green Means Go is a multi-year pilot program that aims to lower greenhouse gas emissions in the Sacramento region by accelerating infill development and reducing and electrifying vehicle trips. It allocates State funding to projects that create more infill housing, increase mobility, and reduce vehicle emissions. This program offers $21.3 million to $26.3 million in funding for non-transportation (defined as water, wastewater, stormwater, dry utilities, or broadband) infrastructure investments that accelerate infill housing development (and improve housing affordability) in locally adopted Green Zones. *Several corridors in the county are designated as Green Means Go zones, including North Watt corridor, Arden Way corridor, South Sacramento-Stockton Boulevard-14th Avenue to Mack Road, and the Butterfield Regional Transit (RT) Station.* Applications for Planning and Capital project funding were due in October 2022 for this round of funding, but additional funding opportunities may be available in coming years.

Viability Assessment: *Unless the County submitted an application for the current round of funding, this funding source is not available, and the County will need to wait for additional funding opportunities.*

State and Federal Funding

State Sources

<u>County's Prohousing Designation</u>

In February 2023, the California State Department of Housing and Community Development (HCD) announced that the County earned the state's Prohousing Designation. The County was recognized for its commitment to policies that increase housing supply such as accelerating production, promoting equitable and sustainable zoning and land use, reducing development costs, and providing financial subsidies.

The County is also now eligible for the Prohousing Incentive Pilot (PIP) Program that rewards Prohousing communities for such commitments. Communities that earn the Prohousing Designation receive incentives in the form of additional points or other preferences in the scoring of competitive housing, community development and infrastructure funding programs administered by HCD. Prohousing jurisdictions are also eligible for community development resources through the new PIP Program. The competitive program has $25.7 million in additional flexible funding available to help accelerate housing production and expand the preservation of affordable housing.

Infill Infrastructure Grant Program

The Infill Infrastructure Grant (IIG) Program promotes infill housing development by providing financial assistance for Capital Improvement Projects that are necessary to facilitate the development of affordable and mixed income housing.[5] The 2022-23 State budget provides HCD with $425 million over two years ($200 million in 2022-23 and $225 million in 2023-24) for the IIG Program. The IIG Program provides funding for infrastructure that supports higher-density affordable and mixed-use housing in locations designated as infill. Under the program, developers and local governments can partner to apply for infrastructure funding for the construction, rehabilitation, demolition, relocation, preservation, acquisition, or other physical improvements that are necessary to facilitate the development of an infill project. For example, development or rehabilitation of parks or open space; water, sewer, or other utility service improvements; streets; roads; sidewalks; and environmental remediation.[6] HCD is requesting Concept Proposals for funding under the Infill Infrastructure Grant Catalytic Qualifying Infill Area program, with an opportunity to submit between December 29, 2022, and January 31, 2023.

Transformative Climate Communities Program

The State Strategic Growth Council (SGC) coordinates the Transformative Climate Communities (TCC) Program, funded through proceeds from the State's Cap-and-Trade program. The TCC Program funds community-led development and infrastructure projects that achieve major environmental, health, and economic benefits in California's most disadvantaged communities. SGC has awarded TCC implementation grants between $9 million and $66.5 million to neighborhoods throughout California. TCC also funds planning grants to help communities prepare for implementation. TCC's unique, place-based strategy for reducing greenhouse gas emissions is designed to catalyze collective impact through a combination of community-driven climate projects in a single neighborhood.

Projects must reduce greenhouse gas emissions significantly over time, leverage additional funding sources, and provide health, environmental, and economic benefits to the community. Project examples may include affordable and sustainable housing developments, transit stations and facilities, electric bicycle and car share programs, solar installation and energy efficiency, water-energy efficiency installations, urban greening and green infrastructure, bicycle and

[5] California Department of Housing and Community Development. Infill Infrastructure Grant Program. www.hcd.ca.gov/grants-and-funding/programs-active/infill-infrastructure-grant. Accessed December 2022.

[6] "The 2022-23 California Spending Plan on Housing and Homelessness." California Legislative Analyst's Office, Budget and Policy Post, September 16, 2022. https://lao.ca.gov/Publications/Report/4622. Accessed December 2022.

pedestrian facilities, recycling and waste management, and health and well-being projects.

The SGC has released draft versions of the Round 5 TCC Program Guidelines and the TCC Mapping Tool. The Final Round 5 Guidelines, Notice of Funding Availability, and Applications are expected to be released in February and March 2023.[7]

State Transportation Improvement Program

State Transportation Improvement Program (STIP) funds are derived from a combination of federal and State sources, including taxes and fees. These funds are divided into two programs: the Interregional Transportation Improvement Program (ITIP) and the Regional Transportation Improvement Program (RTIP). To be eligible for RTIP funding, projects must be included in the transportation improvement plan prepared by the regional agency (SACOG), which is submitted to the California Transportation Commission every other December (odd years). RTIP funding, which represents 75 percent of total STIP funding, goes to local regions through a formulaic process. Based on the STIP guidelines, The County will receive a maximum of $26.5 million in new programming capacity through Fiscal Year (FY) 2027-28.

California Transportation Commission Local Programs

California Senate Bill 1 (SB 1), enacted in 2017, created several programs for the distribution of funds raised by the imposition of new gas and diesel taxes and vehicle registration fees. Now that SB 1 funding sources have been fully implemented (as of July 1, 2020), approximately $1.5 billion per year in new revenue is earmarked for local streets and roads maintenance and rehabilitation and other eligible uses, including complete streets projects, traffic signals, and drainage improvements. California's counties will share about $750 million annually, and the same amount will be allocated to cities. In addition to formula funding, county roads will be eligible to compete for additional funding for active transportation and complete streets projects, congested corridor projects, goods movement improvements, and additional State matching funds for self-help counties that pass sales taxes or impose comprehensive development fees to fund transportation.[8] Based on recent estimates, as of May 2022, the County is estimated to receive $65.6 million in total SB 1 revenue for FY 2022-23.

[7] California Strategic Growth Council, Transformative Climate Communities Resources. https://sgc.ca.gov/programs/tcc/resources/. Accessed December 2022.

[8] SB 1: The Road Repair and Accountability Act of 2017. California State Association of Counties. www.counties.org/post/sb-1-road-repair-and-accountability-act-2017. Accessed December 2022.

Viability Assessment: *Infrastructure funding through State grant funding sources described above will require an assessment of staff capacity to pursue and implement funding from these sources. The County's recent Prohousing Designation should offer additional funding opportunities for HCD funding for housing, community development, and infrastructure improvements.*

<u>State Infrastructure Bank</u>

The I-Bank was created in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities. The I-Bank operates pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (Government Code Sections 63000 et seq.). The I-Bank is administered by the Governor's Office of Business and Economic Development and is governed by a five-member Board of Directors. Since its inception, the I-Bank has financed more than $32 billion in infrastructure and economic development projects around the State.

The I-Bank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and federal funds. The I-Bank's current programs include the Infrastructure State Revolving Fund (ISRF) Program, 501(c)(3) Revenue Bond Program, Industrial Development Revenue Bond Program, Exempt Facility Revenue Bond Program and Governmental Bond Program. The ISRF Program provides very low-interest rate loans up to $25 million (per applicant) to municipal governments for a wide variety of municipal infrastructure, including infrastructure needed to serve new development. An application is required for these loans, and loans require a stable and reliable source of repayment. If approved, loan repayment can be funded through a commitment of general fund revenues or a pledge of a particular revenue source, including a tax, land secured assessment, or special tax levied on a particular area.

Viability Assessment: *Common criticisms of the I-Bank ISRF Program have included its cumbersome program application process, its strict credit standards and related risk aversion, and its limited financial incentive to participate. However, recent changes to the program may increase I-Bank lending to jurisdictions without other credit options. Pursuing further opportunities to modify or expand the program, or to create an entirely new program, could make State-sponsored lending a useful tool for assisting and incentivizing infill development. Project funding through the I-Bank to be determined through additional discussions with County staff.*

Federal Sources

Infrastructure Investment and Jobs Act

Since 2015, one of the primary federal sources of surface transportation funding has been the Fixing America's Surface Transportation (FAST) Act, which provided surface transportation funding for FY 2016 through FY 2020. The FAST Act was extended through September 30, 2021, but expired at that date. On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Bill, was signed into law, which includes funding for surface transportation. Congress passed an updated transportation bill on November 8, 2021, which both secured funding for continuing existing programs and created dozens of new grant programs:

- **Safe Streets and Roads for All.** This program provides $200 million annually through 2026 for projects aimed at preventing transportation-related deaths and injuries. Eligible projects must be identified in a jurisdiction's "comprehensive safety action plan". Applications are expected to open in April 2023.[9]

- **Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Projects (PROTECT).** This program provides $1.4 billion in competitive grants through the US Department of Transportation for projects that increase the surface transportation network's resiliency to natural disasters such as storms, flooding, and wildfire. Projects funded through this program would require only a 20 percent local match. Applications are expected to open in the winter/spring of 2023.[10]

- **Rebuilding American Infrastructure with Sustainability and Equity (RAISE).** This program provides approximately $1.5 billion through a competitive grant program for surface transportation projects that have significant regional or local impact, with a maximum award size of $25 million. Additionally, no more than 15 percent ($225 million) may be allocated to a single state. The federal maximum share of project costs for projects funded under this program is 80 percent. Applications are currently open, with a deadline of February 28, 2023.[11]

---

[9] U.S. Department of Transportation, Key Notices of Funding Opportunity. www.transportation.gov/bipartisan-infrastructure-law/key-notices-funding-opportunity. Accessed January 2023.

[10] Ibid.

[11] U.S. Department of Transportation, RAISE Discretionary Grants. www.transportation.gov/RAISEgrants. Accessed January 2023.

- **Active Transportation Infrastructure Investment Program.** This program provides $200 million annually through 2026 for a competitive grant program to fund active transportation projects, including trails. Projects funded through this program would require a 20 percent local match. *This program was authorized under the Infrastructure Investment and Jobs Act but has not yet been funded.*

Viability Assessment: *While the Bipartisan Infrastructure Bill could provide significant funding opportunities, the County would need to identify sufficient staff capacity to pursue and implement federal grants. These programs often require extensive effort to compile application materials, require significant evidence or progress towards project readiness, and have complex reporting requirements.*

Inflation Reduction Act

The historic climate bill, known as the Inflation Reduction Act, was signed into law in August 2022. Along with tax reforms and investments in healthcare, the law provides $369 billion to confront the climate crisis by expanding tax credits for clean energy and electric vehicles, boosting energy efficiency, establishing a national climate bank, supporting climate-smart agriculture, bolstering production of sustainable aviation fuel, reducing air pollution at ports, and much more.[12] The Inflation Reduction Act contains $3 billion to fund Neighborhood Access and Equity Grants, a new program that aims to rework overbuilt arterial roads and make them safer and more accessible for various modes of transportation. The new grants can be used to build connections across highways and railroads, and to redesign roads that are dangerous to cross. The funding will flow through the Federal Highway Administration and can go to state, local and tribal governments. The Neighborhood Access and Equity Grants can be used, for example, to cover a highway or convert it into a boulevard, add bike lanes or sound barriers, provide better connections to transit, build “green” stormwater infrastructure, add new safety features and more. Unlike IIJA money, the IRA funds cannot be used to build single-occupant car lanes. About a third of the money is set aside for projects in low-income communities that have an anti-displacement policy, community benefits agreement and local hiring plan.[13]

[12] Bertrand, Savannah. “How the Inflation Reduction Act and Bipartisan Infrastructure Law Work Together to Advance Climate Action.” Environmental and Energy Study Institute, www.eesi.org. Accessed December 2022.

[13] Strupp, Julie. “Inflation Reduction Act includes $3B to improve roads.” Construction Dive, www.constructiondive.com. Accessed December 2022.

Community Development Block Grant

Community Development Block Grant (CDBG) funds are distributed by the Department of Housing and Urban Development (HUD). For FY 2020-21, the County received a CDBG grant of about $5.8 million. Although most of the funding is reserved for the acquisition and rehabilitation of affordable housing in the county, some funding is available for public improvements (i.e., roads). As funds are available, SHRA releases Notices of Funding Availability (NOFAs) to solicit applications for CDBG funded public improvement projects within the City and County of Sacramento. Funding requests can range between $5,000 and $100,000 and must be for specific eligible activities which include the improvement, construction, rehabilitation, reconstruction, or installation of public facilities. Acquisition of real property may also be eligible. The project must benefit low- and moderate-income persons.

Viability Assessment: *The County can identify projects in which to respond to NOFAs for CDBG funds to fund priority infrastructure improvements that meet eligibility requirements, but these funds are limited.*

Key Findings and Next Steps

This memorandum constitutes an initial step in an iterative process towards identifying a collection of existing and new funding sources and financing mechanisms that will ultimately fund infrastructure to support infill development in the county. A review of potential new funding sources reveals there is not a "silver bullet" solution. Additional analysis and discussions among the appropriate County departments, local agencies, and applicants will be necessary to determine next steps.

Based on EPS's initial viability assessment of potential new funding sources, EPS recommends engaging in a conversation with County staff to discuss the findings identified herein, including bolstering staff capacity to pursue and implement State and Federal grant funding sources, organizing a working group with private real estate developers familiar with infill development in the Sacramento region to discuss opportunities and challenges, and preparing estimates of potential revenue and associated bonding capacity for the most viable funding sources, including a new local sales tax and an EIFD.

SACRAMENTO
COUNTY

PLACEWORKS

101 Parkshore Drive, Suite 200
Folsom, California 95630
t 916.245.7500

PlaceWorks.com