

January 13, 2009

Housing Element | Citywide Mixed-Income Ordinance

Summary: The 2008-2013 City of Sacramento draft Housing Element includes a recommendation to expand the existing mixed-income ordinance from existing new growth areas to citywide.

Issues: Mixed-income residential opportunities have historically been one of DSP's highest priorities for downtown. According to the DSP's five-year Strategic Action Plan the priority of "making downtown an attractive place to live, providing an array of housing types and costs for residents with a wide range of income levels and needs" is front and center.

An Inclusionary Ordinance is a local zoning ordinance or land use policy which either mandates or encourages developers of housing to include a specified percentage of housing that is affordable to lower and/or moderate income households. Currently, Sacramento has a mixed-income ordinance for certain new growth areas, including both Railyards redevelopment areas. Mixed income ordinances can add significant costs to projects, especially within the urban core where difficulties of infill development often make projects cost prohibitive. Especially for smaller residential projects, the ability to move forward is significantly diminished.

Currently, SHRA is working on an economic impact analysis (EIA) that will assist in quantifying project impacts in expanding the ordinance.

During Council discussion on May 27, Council continued the item pending other concerns related to the housing element. Council consensus was that it does not make sense to move forward on the mixed-income ordinance, expansion or any broad policy, until the completion of the EIA.

Status: Draft Housing Element approval is scheduled for October. State law requires the Housing Element to be submitted to The California Department of Housing and Community Development by June 30th Finishing report on economic impact analysis; SHRA will conduct informational hearings for City Council as well as outreach to community organizations on impacts and possible changes to the ordinance citywide. SHRA will present at DSP's SDTF and BOD in November.

Position: DSP is concerned that expanding the mixed-income ordinance will have negative impacts on downtown residential opportunities and further impede downtown revitalization. DSP continues to have concerns regarding citywide expansion; the EIA made it very clear that projects are not feasible at this time.

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