



# CITY OF SACRAMENTO

## DEPARTMENT OF PLANNING AND DEVELOPMENT

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April 15, 1987

Transportation and Community Development Committee  
Sacramento, California

Honorable Members in Session:

Subject: Departmental Responses to the Housing Task Force  
Recommendation (M85-061)

### SUMMARY

This is the third report on the efforts of the Housing Element Task Force pursuant to your directions at the February meeting. The Task Force recommendations were sent to the appropriate City departments for analysis and implementation refinements. This report describes these responses from the City departments.

### BACKGROUND

As part of this 1985 Housing Element approval process, the City Council directed Planning Staff to set up a Housing Element Task Force which would examine fifteen programs and submit progress reports to the City Council. The Task Force presented its final recommendations report in February 1987. At the February 1987 meeting, the Committee suggested that a process be set up to go through the recommendations:

1. The recommendations made by the Task Force were to go to the various affected City departments for review and refinement, including a financial assessment;
2. The Task Force would then review the comments made by the City departments;
3. The City departments and the Task Force would meet and go through the programs and priorities, and make appropriate changes;
4. The T & CD Committee would hold a public hearing exclusively to consider the final recommendations;
5. The T & CD Committee recommendations would then go before the full Council for consideration and action.

The City departments and Task Force reports follow this cover letter. It should be noted that both entities, after close review of each others comments, generally felt that the housing needs of the low income, homeless and other special groups would not be fully provided for should the programs be implemented.

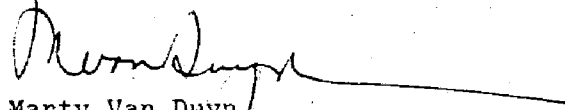
Financial Implication

In their review and refinement of the programs which affected them, the various City departments stated what the financial implications would be. Those statements are included.

Recommendation

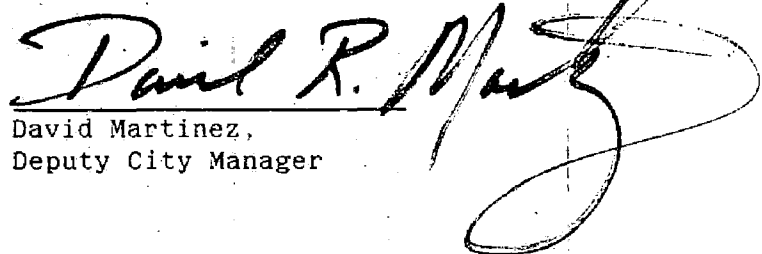
The Planning and Development Department recommends that the Transportation and Community Development Committee review the responses by the City departments and Task Force, make its findings, and present those findings to the City Council.

Respectfully submitted,

  
Marty Van Duyn  
Planning Director

MVD:AG:tc

Recommendation Approved

  
David Martinez,  
Deputy City Manager

HOUSING ELEMENT TASK FORCE RECOMMENDATIONS WITH CITY DEPARTMENTAL  
RESPONSES AND FINANCIAL IMPLICATIONS

The City Council, in approving the 1985 Housing Element, identified sixteen new programs it wanted the appointed Housing Element Task Force to examine and make recommendations on. The list of the sixteen programs is identified below, along with the recommendations or action requested by the Housing Element Task Force.

The affected City departments for each program are identified beside each program, along with a summary of their responses.

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HSG & REDEVEL New Program 1: A central housing information center or  
LIBRARY individual to disseminate information to City and County  
PLANNING housing providers and users (builders, developers,  
landlords, renters, purchasers). Emphasis should be  
directed at improving the distribution of information on  
available housing programs and funding sources with  
particular emphasis on low and moderate housing  
assistance programs.

Recommendation: This is recommended to be done by the  
City/County Library, SHRA, and the City Planning  
Division.

Departmental Response:

SHRA has established a housing referral clearing house within the Community Information Center. In addition, a Housing Development Unit is being organized within the Agency to provide assistance and information to builders, developers and investors on available programs and funding sources.

LIBRARY: A special level of service for low and moderate housing information and referrals should be established for this program to work. Funding would need to be provided on a per unit estimated cost, including follow up. Three Full Time Equivalence (FTEs) are needed to staff telephones and two FTEs' to perform follow up.

PLANNING: The Current Planning Section does provide assistance to anyone interested in knowing what incentives are available.

FINAL COST: There would be Library and SHRA costs but no additional costs to Planning. These have not been estimated.

FINANCIAL RESOURCE: General Fund, SHRA

STAFF INCREASE: Library - Five FTEs.  
SHRA: Not determined yet  
Planning: None.

ADDITIONAL STEPS NEEDED:

SHRA: Estimate staff and funding amounts, appropriate same.  
PLANNING: None.  
LIBRARY: Estimate staff costs, appropriate same.

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POLICE            New Program 2: Suitable method for resolving landlord  
FINANCE           tenant problems, especially for low income and minority  
HSG & REDEVEL individuals or households.

Recommendation: This would be accomplished through the  
proposed Community Mediation Boards which are currently  
being considered by the City Council.

Departmental Response:

POLICE: The Police Department has been involved in setting up this  
program. Mediation Boards would not have any direct influence on  
reducing police calls for service.

FINANCE: If City funds were used, a budget request should be made to  
the Budget Office.

SHRA: SHRA has not been directly involved in discussions on Community  
Mediation Boards, however, it funds the Human Rights - Fair Housing  
Commission to perform very similar functions and strongly suggests that  
any additional entities set up for this purpose be closely coordinated  
with the Commission.

The following figures are based on information received from the newly  
formed Sacramento Neighborhood Mediation Center.

FINAL COST:                    \$130,052.00 first year.

FINANCIAL RESOURCE:           Assessing a fee of up to \$3.00 per case filed  
in Municipal or Superior Courts. Additional  
funding in 1989 from Sacramento County.

STAFF INCREASE:                Three full time staff, five interns, training  
costs for 152 volunteers.

ADDITIONAL STEPS NEEDED: City Council endorsement and review of pilot  
program.

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NO SPECIFIC DEPTS New Program 3: A program for increasing the supply of limited equity ownership housing.

Recommendation: This was not considered to be a feasible program.

Departmental Response: None

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FINANCE BLDG INSPECT New Program 4: Examination of new ways to reduce housing costs. Efforts in this area should focus on Building and Housing Code reforms that lessen housing costs for low and moderate income households by January 1987.

Recommendation: No modification of the existing building code is recommended at this time. An enterprise type system which would allow the Building Division to keep the fees that come into the Division is recommended.

Department Response

FINANCE: The Finance Department recommends against the setting up of an enterprise system to cover building activities. Finance would recommend against any further General Fund subsidy which would raise questions as to how various other sections i.e. Housing and Dangerous Building section would be included.

BUILDING INSPECTIONS: The enterprise system has been discussed by the City staff and a representative from the Building Exchange. Fees generated by the Division fell short of supporting the Division in 1980 and 1981. More realistic revenues have been realized since then. The building industry expects the City to provide reasonable services for fees collected. The services include trained personnel, timely inspections, and a reasonable turn around time in plan checking.

PLANNING AND DEVELOPMENT ADMINISTRATION: Recommends against a separate fund.

FINAL COST: None for implementing the enterprise system.  
FINANCIAL RESOURCE: Building and Plan check fees.

STAFF INCREASES: None anticipated.

ADDITIONAL STEPS: This program is not recommended by departmental staff. Codes do not impact costs. In addition, an enterprise system would increase costs.

Task Force Comment:

The Task Force would like to see evidence that an enterprise system would increase costs to the construction of low income housing.

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NO SPECIFIC  
DEPTS

New Program 5: A program offering cooperative housing ventures to qualified low income households in return for occupancy and improvement loan guarantees to landlords of rental complexes. This would meet low income renter needs and fill anticipated vacancies created if move-ups occur through increased apartment construction.

Recommendation: This program would not be feasible because of finance insurance and labor union issues.

Departmental Response: None.

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HSG & REDEVEL

New Program 6: A feasibility study to determine if the City or non-profit organization could back-up lower interest improvement loans to landlords of substandard apartment complexes. This would eliminate costly abatement proceedings by increasing the availability of low interest improvement loans as an alternative.

Recommendation: SHRA is doing this now. It is recommended that City Council instruct SHRA to continue exploring new programs in this area.

Departmental Response

SHRA: The agency is presently doing this, but the present funding sources are being eliminated and new sources of funds will need to be found to continue the program.

FINAL COST: Dependent upon finding additional sources.

FINANCIAL RESOURCE: Presently Tax Increment, CDBG, Federal and State funds have funded the program. Future funding will need to come from possible Tax Exempt Bond issue, or a locally derived source such as a Housing Trust Fund.

STAFF INCREASES: None needed at this time.

ADDITIONAL STEPS: Continue to have SHRA explore and implement new funding sources.

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FINANCE            New Program 7: Examination of City land banking or  
REAL ESTATE       similar mechanisms to assure lower cost housing in  
HSG & REDEVEL    select areas where economic forces would otherwise  
ATTORNEYS        preclude such housing. The Downtown redevelopment area,  
in particular, should be addressed with this in mind,  
thereby achieving the goal of a Downtown commercial  
center whose success in part resets with close-by  
affordable housing.

Recommendation: This will be recommended in the form of  
landbanking and non-profit corporation recommendations.

Departmental Response:

FINANCE: The Finance Department questions the feasibility of  
allocating \$250,000 per year to help support a non-profit housing  
corporation which would develop and build low cost housing. In regards  
to landbanking, the City would lose property tax revenue from parcels  
purchased by the City, and there would be a cost related to purchasing  
the land.

REAL ESTATE: In regards to landbanking, the City previously provided  
landbanking services by picking up parcels at tax sales in  
redevelopment areas. The City Council, however, specifically directed  
the staff to rid itself of these parcels and to cease the landbanking  
activity.

SHRA: SHRA has implemented a successful landbanking program in four  
redevelopment target areas. Expansion of this program would require  
additional Tax Increment funds. The implementation of a City wide  
landbanking program would require a substantial amount of locally  
derived public funds. In regards to the Non-Profit Corporation  
recommendation, a commitment of \$250,000 a year is not possible from  
SHRA, nor is it possible to commit staff for such a program.

ATTORNEYS: No comment

FINAL COST:        Dependent upon scope of area.

FINANCIAL RESOURCE: Additional locally derived funds such as a Housing  
Trust Fund.

STAFF INCREASE:    None if implemented through SHRA.

ADDITIONAL STEPS: Additional locally derived funds found, approved by City Council, develop implementing strategy.

Task Force Comment:

The Task Force recognized that the previous landbanked parcels were not specifically landbanked for low income housing.

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BLDG INSPEC     New Program 8: Provide fee reduction incentives for  
PKS & COM SERV the construction of special needs housing, such as  
REVENUE            senior citizen and single parent housing for very low  
                     income.

PUBLIC WORKS

Recommendation: This will be accomplished by recommending that the Quimby and Bedroom fees associated with new construction be removed in all SHRA target areas.

Departmental Response:

BUILDING INSPECTIONS: Fee reductions can be achieved by removal of Quimby and bedroom fees. Other fee reduction possibilities are residential plan check fee reduction for special needs housing, major street construction tax, and school impact fees. The latter may be accomplished by the City's support on pending legislation that will eliminate school impact fees on additional residences.

PARKS AND COMMUNITY SERVICES: Parks and Community Services is against this recommendation. The Quimby fees are used to rehabilitate and improve the parks within the target areas. There are seventeen parks within the SHRA target areas. Without the Quimby fee resource these parks could not be improved at their present level, thereby adding more blight to the neighborhood. A total of \$1,342.00 is accumulated for seventeen parks. The department has received requests amounting to \$305,000 for various improvements to the parks.

REVENUE (FINANCE): Need to assess the revenue loss and any resulting budget impact.

PUBLIC WORKS: No response.

SHRA: SHRA supports fee reduction for low income housing. The Agency is pursuing State legislation to exempt low-income housing from all fees. Fee reductions would be a valuable adjunct to direct financial assistance from the City.

FINAL COST:            None.

FINANCIAL RESOURCE: None.



STAFF INCREASE: None.

ADDITIONAL STEPS: This is not recommended by departmental staff because it does not constitute the major funding source for housing. Fee reductions are a way of reducing direct subsidies for very low income housing. If program pursued, however, both revenue loss and budget impacts would require assessment.

Task Force Comment:

The Task Force felt that any and all fee reducing opportunities that would be generated for the construction of low income housing should be considered by the City.

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NO SPECIFIC DEPTS New Program 9: Examine housing trust funds, renter insurance pools and landbanking as a way of addressing low income renter needs. With regard to landbanking, refer to Program 7.

Recommendation: This task was accomplished. Landbanking is recommended, Housing Trust Funds are being looked at further by SHRA and the Planning Division. Renter insurance pools were not considered feasible.

Departmental Response

ATTORNEYS: No response.

SHRA: SHRA finds this to be the most crucial recommendation. The other programs are contingent on a locally derived source of funds. A City/County Housing Finance Task Force is presently investigating various financial strategies and the Housing Trust Fund is central to their deliberations. A recommendation from this Task Force is due by July 1, 1987.

PLANNING: The City is pursuing the establishment of a housing trust fund with the purpose of providing moderate priced housing in North Sacramento.

FINAL COST: This would depend on the scope of the landbanking and Housing Trust Fund programs. In any event, several million dollars would be needed.

FINANCIAL RESOURCES: There are several sources that could be used. One source for the Housing Trust Fund could be an additional fee on commercial and office building permits.

STAFF INCREASE: If this program were implemented through the SHRA, very minimal additional staff, if any, would be needed.

ADDITIONAL STEPS: Review the City/County Housing Finance Task Force recommendations when they are available in July. The City Council can then decide whether or not it wants to implement a landbanking and/or Housing Trust Fund based on the perceived financial commitment and agreed upon source of money.

NO SPECIFIC  
DEPTS

New Program 10: Solicit from the Human Rights Commission ways to improve the enforcement of anti-discrimination laws, including discrimination based on income source and methods for resolving just cause eviction. The Human Rights Commission shall report its findings to the City Council.

Recommendation: The Task Force recommends that the City Council not adopt the proposed Just Cause Eviction Ordinance as presently recommended by the Human Rights Commission. This recommendation was reached with much difficulty and a number of Task Force members feel strongly that the City should adopt a Just Cause Eviction Ordinance.

Departmental Response: Not applicable.

ATTORNEY  
DANGEROUS  
BUILDINGS  
SECTION -  
BUILDING  
INSPECTIONS

New Program 11: Examine the feasibility of using Section 17299 of the California Revenue and Taxation Code or other means to abate substandard multiple family rental housing.

Recommendation: This was accomplished and is recommended. The City is scheduled to consider an ordinance on this program in January 1987.

Departmental Response:

ATTORNEY: No response.

DANGEROUS BUILDINGS: The Dangerous Buildings Section has set in place the provisions for using the California Revenue and Taxation Code Section 17249 in the abatement of substandard until housing.

FINAL COST: This has not been determined.

FINANCIAL RESOURCE: California Franchise Tax Board turns over impounded funds to the City.

STAFF INCREASE: None needed.

ADDITIONAL STEPS: Determine the work load needed to carry out the provisions of the Ordinance and funding level.

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NO SPECIFIC DEPTS New Program 12: Examine the feasibility of using City pension funds, umbrella bonds, revolving funds, or other temporarily idle funds and gap financing mechanisms to deliver low cost housing.

Recommendation: These funding methods were found not to be feasible at this time based on testimony from appropriate City officials.

Departmental Response: Not applicable.

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BUILDING INSPECTIONS ATTORNEYS New Program 13: Examine the feasibility of strengthening the City's substandard housing enforcement programs, especially targeting lower income housing.

Recommendation: This is recommended using Receivership Power and filing Order to Repair notices with the County Recorder.

Departmental Response:

BUILDING INSPECTION: Refer to Dangerous Building response to Program 15.

ATTORNEY: No response.

FINAL COST: None.

FINANCIAL RESOURCE: General Fund.

STAFF INCREASE: Potential exists.

ADDITIONAL STEPS: The City Council must first consider the recommendation and then funding and staffing can be defined if appropriate.

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FINANCE            New Program 14: Examine the feasibility of implementing  
HSG &                "self help" or "sweat equity" rehabilitation and new  
REDEVEL             construction housing programs.

Recommendation: This was accomplished. Existing SHRA programs as well as a new Non-Profit Housing Corporation are recommended to do this as well as other existing and new (NHS) non-profit organizations in the City.

Departmental Response:

FINANCE: Please refer back to Program 7 for staff comments.

SHRA: SHRA has initiated this program through a collaborative effort between the Agency and the Rural California Housing Corporation. The Agency is working on the establishment of a non-profit City/County Housing Development Corporation to implement such programs. A specific proposal for such a corporation will be presented to the City Council in July, 1987. The Council should be advised, however, that under no circumstance will SHRA be able to support staff for a non-profit entity other than its own currently existing housing development and production staff.

FINAL COST:            If a non-profit housing corporation was formed, it would cost approximately \$250,000 per year with a five year minimum financial support program until the corporation could obtain funds and/or become self sufficient.

FINANCIAL RESOURCE: City funds, State funds.

STAFF INCREASE:      A non-profit housing corporation would initially require two to four staff members.

ADDITIONAL STEPS:    Determine whether or not to form a Non-profit Housing Corporation, select the form this corporation takes, identify additional funds, and set up implementing steps.

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BUILDING            New Program 15: Examine the feasibility of establishing  
INSPECTIONS        a voluntary compliance program for fix-up or demolition  
DANG BUILDING      of rental apartments in redevelopment areas.  
HSG & REDEVEL

Recommendation: This was accomplished. It is recommended, however, that SHRA should explore alternative incentives which enhance voluntary compliance. Non-profit corporations in cooperation with local governments should continue to explore ways to accomplish this.

Departmental Response:

BUILDING INSPECTIONS: See Dangerous Building response.

DANGEROUS BUILDINGS: The ability to effectively correct a large number of multiple residential unit deficiencies has not been set in place yet. There is not enough staff at this time, however, to correct more than vacant and abandoned structures.

HOUSING AND REDEVELOPMENT: No response.

FINAL COST: This has not been determined.

FINANCIAL RESOURCE: Not fiscally feasible at this time.

STAFF INCREASE: A minimum increase of five staff is needed.

ADDITIONAL STEPS: Determine the work load, provide the necessary funding, develop a program, identify structures and establish a fee to fund the program.