

**City-County Affordable Housing Plan**

**Report**

**for**

**May 2024 to April 2025**

**Sacramento Housing and Redevelopment Agency**

**May 2025**

## **CITY-COUNTY AFFORDABLE HOUSING REPORT**

The County and City of Sacramento entered into a partnership agreement in 2022 to increase housing options for permanent supportive housing (PSH) production and re-housing (RH) efforts for people experiencing homelessness. The agreement required the preparation of an Affordable Housing Plan (AHP) to analyze the issue and set goals. SHRA was the lead entity on the development of the AHP in 2023 with community, Board, and Council input. The AHP was approved by the County Board of Supervisors and City Council on October 24, 2023. In 2024, the City and County, along with the Sacramento Continuum of Care (CoC) adopted a Regionally Coordinated Homelessness Action Plan (RCHAP) with eight solution areas, including both Rehousing Assistance and Permanent Supportive Housing. This document further expands the City and County's commitment to the collaborative AHP. Below is a summary of progress made to date.

### **Affordable Housing Plan - Permanent Supportive Housing Goals**

#	Activity	Lead Entity	Initial Action	Due Date	Current Status
1	Complete a zoning code amendment to eliminate zoning barriers to permanent supportive housing. Develop a compatible plan check process for permanent supportive housing projects in alignment with the City of Sacramento's process.	County	Receive Board of Supervisors approval of a zoning code amendment. Initiate an updated Plan Check Process to define space/programming requirements for permanent supportive housing.	2024	This Zoning Code Amendment was approved on May 7, 2024. Review of Plan check process underway.
2	Facilitate the development of additional affordable housing units by amending the current program or creating a new affordable housing fee deferral or waiver program.	County	Explore options for the adoption of additional fee waiver or deferral programs.	2024	County adopted three-year pilot development impact fee offset program in January 2025. The County also adopted ordinance amendments in March 2025 to allow deferred development impact fee payments until the first certificate of occupancy for affordable housing projects.

3	Develop partnerships with new affordable housing developers to increase permanent supportive housing production.	SHRA	Identify and work with potential new affordable housing developers.	2026	Continuing discussions with new development partners. Worked with new developers on River City Apartments and Shilo Arms.
4	Encourage the development of publicly owned parcels (both state and local) that might be suitable for permanent supportive housing development.	SHRA	Review the inventory of parcels owned by the State of California and/or the City/County of Sacramento and SHRA and determine which ones are best suited for development. Prioritize sites that are near transit and employment centers and that are in high-opportunity areas. Pursue land assembly as funds are available.	2025	The City has recently declared two properties surplus, one on Colfax and one in North Natomas. The City has entered into an exclusive right-to-negotiate agreement with EAH Housing, Inc. for the property in North Natomas, and continues to market the Colfax property for housing development. SHRA has completed development funding to dispose of two vacant lots for affordable housing. San Juan Phase 2 and Donner Field. SHRA collaborating with the City of Sacramento to market SHRA and City owned property in the Del Paso Nuevo area for housing development.
5	Establish a tracking process that monitors the production of new permanent supportive housing units.	SHRA	Develop a matrix and determine a process for annual updates.	2024	Complete and posted to SHRA websites. Updates are completed twice a year or as needed.
6	Coordinate the timing of funding competitions amongst partners to the greatest extent feasible.	SHRA	Evaluate existing competitive funding competitions and make recommendations to governing boards for consolidation or timing changes if needed.	2025	Conducting background research on this item.

7	Investigate a Cooperation Agreement with neighboring counties to discuss advocacy for changes to the Tax Credit Allocation Committee and the California Debt Limit Allocation Committee policies and other state legislation. For example, discussion of current statewide prioritization of sites in high opportunity areas which present a disadvantage to established urban areas.	SHRA	Assemble meetings of interested jurisdictions to discuss the feasibility of an agreement and proposed policy changes.	2024	Survey completed of neighboring cities and counties in early 2024. Some interest at this time in a cooperation agreement. Continuing to meet interjurisdictionally on issues as appropriate.
8	Construct or convert a minimum of 300 permanent supportive housing units and 100 affordable housing units annually. Consider the prioritization of efficiency units, particularly in the downtown core. Units will be developed utilizing the current allocation process, adopted guidelines, and anticipated current revenue.	SHRA	Initial Action - Endeavor to ensure that a pipeline of projects exists to meet this goal and that funding is secured.	Annual	<p><b><u>2023 New Units Completed</u></b>  <b>372</b> Permanent Supportive Housing (PSH) completed (Goal 300)  <b>262</b> Affordable Units Completed (Goal 100)</p> <p><b><u>2024 New Units Completed</u></b>  <b>303</b> Permanent Supportive Housing (PSH) Units completed (Goal 300)  <b>1102</b> Affordable Units (Goal 100)</p> <p><b><u>Units in Pipeline (in development and under construction)</u></b>  <b>649</b> Permanent Supportive Housing (PSH) in pipeline  <b>1004</b> Affordable Units in pipeline</p> <p>Refer to <b>Exhibit A</b> for details on units in development and completed.</p>

9	Review options for establishing a fund with contributions from both the City and the County for the development of permanent supportive housing.	SHRA	Review funding sources to which the City and County have access that could be used for this purpose and review with governing boards.	2026	pending
10	Explore new state and local legislation (including replacement for redevelopment funding and other funding opportunities) and bond initiatives for increased funding. Identify and pursue additional federal funding opportunities such as community project funding (earmarks) to develop and construct affordable housing.	SHRA	Conduct an analysis of redevelopment alternatives and report back to the Board of Supervisors and City Council as appropriate. Explore and support other legislation to increase available funds for development.	2025	<u>2024 activities</u> -Mixed Income Housing Ordinance Update (City of Sacramento) -Monitored State Legislation -Advocated for Federal Project Funding -Analyzed options for new funding strategies
11	Explore the adoption of a vacant property tax.	City	Continue the City staff's process of reviews with the City's Law and Legislation Committee and City Council to determine support for a tax.	2024	Per the direction of the City's Law and Legislation committee, polling was conducted in the Spring of 2024 to gauge the feasibility of including the adoption of a vacant property tax on the November 2024 ballot. It was determined that there was inadequate support to achieve a 2/3 voter approval for a parcel tax

**Affordable Housing Plan - Rehousing Goals**

#	Activity	Lead Entity	Initial Action	Due Date	Current Status
1	Develop a full landscape analysis of both current rehousing capacity and future need.	SSF	Use landscape analysis to determine ongoing funding needs for rehousing and programmatic improvements to improve efficacy of existing programs. Create an integrated process for referring clients to services. Identify and conduct outreach to non-“homeless” rehousing providers to connect them into the Coordinated Access System.	2025	In 2025, SSF completed a Gaps Analysis, which identified an opportunity to improve shelter outcomes by combining short-term rental subsidies with rehousing support. An estimated additional investment of \$29 million annually is needed to close the rapid rehousing gap.
2	Develop systemwide rehousing service standards and performance metrics.	County/SSF	Develop a universal definition of rehousing and establish minimum level of support services and access standards for all rehousing activities.  Conduct outreach to people with lived experience to identify barriers, needs, and opportunities. Update coordinated access workflows, written protocols, and tools for screening, assessment, triage, and referral to rehousing assistance. Establish routine reporting standards for clients receiving rehousing assistance.	2024	Rehousing standards were completed in October 2023 and adopted by the CoC Board. These standards were passed by the City Council and Board of Supervisors in April 2024, as part of the RCHAP  In 2024, the CoC co-developed a new assessment tool to replace the VI-SPDAT, utilizing the expertise of individuals with lived experience in homelessness. The CoC adopted the Housing Conversation Tool and updated policies to improve referrals to services.

3	Develop partnerships with organizations outside of the public homeless response system to increase system capacity for the provision of rehousing services.	County/SSF/ City	Recruit and provide training to new rehousing service providers with the goal of expanding and diversifying those providing rehousing assistance.	2025	<p>The City was awarded Encampment Resolution Funds (ERF) in September 2024 to pilot a “street to housing program”, which is a rapid rehousing program moving people from encampments to housing. The City issued an RFQ in November 2024 and the City Council approved contracts to Community HealthWorks and Housing Connector in January 2025. The program kicked off in February 2025.</p> <p>The County continues to provide support to re-housing partners, including bringing in external consulting support for the Landlord Engagement and Assistance Program (LEAP) and the Housing for Healthy California (HHC) re-housing programs. The County is also engaged in early planning to develop and manage a Flexible Housing Pool inclusive of local funded re-housing programs to overlay with the 2026 Flexible Rent benefit of CalAIM.</p>
4	Identify and develop ongoing funding sources to expand rehousing capacity and provide ongoing rental assistance funding.	City/County/ SSF	Identify and allocate funding for 29 full-time equivalent staff to provide rehousing case management at an average caseload of 22 per employee. Identify and allocate funding for at least 220 new rapid rehousing case slots annually.	2026	<p>Lack of funding continues to be an issue. The City continues to explore options, including applying for State grants. The recent ERF grant the City received for Street to Housing will provide 100 households with new rapid rehousing case slots.</p> <p>Similar to the City, the County does not have new funding for this activity. However, most County funded shelters have on-staff</p>

					<p>re-housing support, and some have additional flex dollars to support transitions out of shelters. Additionally, the County administers the LEAP and the Housing for Health California re-housing programs, both which offer short term case management and tenancy supports for clients (in addition to short term rental subsidies). The County is leading an effort to develop a flexible housing pool to centralize re-housing efforts, and to allow maximum use of the CalAIM ‘housing trio’ services and forthcoming transitional rent benefit.</p> <p>In 2025, SSF issued a request for proposals for a family-focused rehousing program, aiming to provide at least 150 rehousing case slots.</p>
5	Design and pilot a new system-level shared housing program.	SSF/ City/ County	Identify funding and initial program design. Provide education and technical assistance to providers to expand rehousing opportunities with shared housing. Examine ways to facilitate shared housing.	2025	Project is on hold.
6	Lobby for additional funding at the state and federal level for ongoing rental assistance funding.	SSF/ SHRA	Convene a stakeholder group and develop a strategy to seek rental assistance funding.	2025	To be included in Cap-to-Cap discussions in April. SSF has participated in efforts to expand the Homeless Housing, Assistance, and Prevention (HHAP) funding to become a permanent and ongoing source of support.



