

**Sacramento County Affordable Housing Ordinance**  
**Annual Report**  
**for**  
**January 1, 2023 to December 31, 2023**

**Sacramento Housing and Redevelopment Agency**  
**June 2024**

**AFFORDABLE HOUSING ORDINANCE ANNUAL REPORT FOR 2023**

On February 25, 2014, the Sacramento County Board of Supervisors (Board) repealed Chapter 22.35 of the County Code known as the County's Affordable Housing Ordinance (Repealed Ordinance) and adopted a revised Ordinance (Ordinance) on March 26, 2014. The revised Ordinance creates a standard affordable housing fee accessible to all developers (with limited exceptions) and also provides a variety of other options an applicant/developer may choose to satisfy a development project's affordable housing obligations. As part of this revision, the County contracted with a consultant to perform a residential nexus analysis that demonstrates the relationship between the development of market rate residential units and the need for additional affordable housing. In order to implement the Ordinance, the County and SHRA prepared the Affordable Housing Program Guidelines (Guidelines) and the County approved the Guidelines on June 9, 2015.

Ordinance Section 22.35.060 (D) calls for biennial reports to monitor the performance of the affordable housing program, including the number of units produced, the amount of land dedicated and purchased, the amount of funds collected and expended and the level of affordability of units constructed. Though the Ordinance requires a biennial report, SHRA is electing to report on the Ordinance annually to align with the Housing Trust Fund report. This annual report quantifies affordable housing production since the adoption of the revised Ordinance during the reporting period encompassing calendar year 2023.

Under the new Ordinance, new residential development projects have the following options to comply with the affordable housing requirement:

- Pay an affordability fee on all newly constructed market-rate units;
- Comply with the development project's approved affordable housing plan if one exists under the repealed ordinance; or
- Enter into a development agreement or other form of agreement with the County, which provides for a fee credit for land dedication, construction of affordable housing units, or other mechanism that leads to the production of affordable housing in an amount at least equivalent to the affordability fee.
- Purchase Unit Credits for affordable housing units banked with SHRA.

**Current Fee Schedule**

Prior to March 27, 2023, the affordability fee was equal to \$3.66 per habitable square foot of each market rate residential. The current fee is \$3.75 per habitable square foot of each market rate unit and is paid concurrently with payments for building permit fees for the development project. The fee is adjusted annually based on the Building Cost Index 20-City Average published by Engineer News-Record/McGraw Hill.

**2023 COUNTY AFFORDABLE HOUSING PROGRAM FINANCIAL INFORMATION**

<b>Beginning Balance</b>	
<b>\$8,693,797</b>	

<b>Income</b>	
Fees Collected	\$4,043,949
Interest	\$282,753
Loan Repayment/Adjustments	\$1,819,151
<b>Total Income</b>	<b>\$6,145,853</b>

<b>Balance and Total Income</b>	
<b>\$14,839,650</b>	

<b>Expense</b>	
Projects	\$564,792
Operations	\$102,160
<b>Total Expense</b>	<b>\$666,952</b>

<b>Ending Balance</b>	
Remaining Project Balances (committed)	\$8,833,413
Balance Available for Projects (uncommitted)	\$ 5,339,286
<b>Ending Balance</b>	<b>\$14,172,699</b>

At least 10 percent of the affordability fees collected are to be utilized to generate extremely low-income units by buying down affordability in very low-income units constructed as a result of the ordinance or constructed on dedicated sites.

At least fifty percent of the affordability fees collected must be used to produce affordable housing in large development projects consisting of at least 750 residential units. To fulfill the intent of the Ordinance, the County and SHRA are recommending large development projects comply with the affordable housing requirement through a combination of land dedication and affordability fee payment. Strategies will be determined on a project by project basis.

**2023 County Affordable Housing Ordinance Expenditures**

<b>Project</b>	<b>Address</b>	<b>AHO Units</b>	<b>Total Units</b>	<b>Total AHO Budgeted</b>	<b>2023 AHO Expenditure</b>	<b>Remaining Balance</b>	<b>Loan Maturity Date</b>
Saybrook Apartments	4390 47 <sup>th</sup> Avenue	5	88	\$950,000	\$0	\$335,000	5/1/2079
Cornerstone South	4550 LeDonne	29	60	\$6,432,000	\$0	\$631,200	2/1/2079
Cornerstone Habitat	46 <sup>th</sup> & Lang	18	18	\$1,175,000	\$564,792	\$202,213	5/1/2026
San Juan	5700 Stockton Blvd.	21	113	\$5,200,000	\$0	\$5,200,000	6/1/2079
Beech Hill Apartments	8789 Greenback Lane	11	29	\$2,465,000	\$0	\$2,465,000	TBD
<b>TOTAL</b>		<b>84</b>	<b>308</b>	<b>\$16,222,000</b>	<b>\$564,792</b>	<b>\$8,833,413</b>	

**County Affordable Housing Fund January - May 2024 Commitments**

<b>Project</b>	<b>Address</b>	<b>Total Units</b>	<b>Amount Committed</b>	<b>Date Committed</b>
Terracina at Wildhawk	9756 Gerber Road	145	\$4,100,000	4/9/2024
Cornerstone North	4550 Le Donne Dr.	48	\$600,000	4/23/2024
<b>TOTAL</b>		<b>174</b>	<b>\$4,700,000</b>	

**2005-2013 Old Ordinance Income Report**

<b>Year</b>	<b>Fees</b>	<b>Interest</b>	<b>Income</b>	<b>Total Income</b>
2005	\$66,700	(\$506)	-	\$66,194
2006	\$231,725	\$444	-	\$ 232,169
2007	\$ 884,525	\$17,384	-	\$901,909
2008	\$453,100	\$32,165	-	\$485,265
2009	\$142,237	\$18,558	-	\$160,795
2010	\$502,900	\$15,146	\$1,115,250	\$1,633,296
2011	\$259,375	\$13,417	-	\$ 272,792
2012	\$112,800	\$14,962	\$118,023	\$245,785
2013	\$690,651	\$10,226	-	\$700,877
<b>TOTAL</b>	<b>\$3,344,013</b>	<b>\$121,796</b>	<b>\$1,233,273</b>	<b>\$4,699,082</b>

### 2014- 2023 County Affordable Housing Ordinance Income Report

Year	Fees	Interest	Income/Adjustment	Total Income
2014	\$409,946	\$12,132	\$6,623	\$428,700
2015	\$1,709,997	\$17,235	(\$6,873)	\$1,720,360
2016	\$1,813,392	\$30,383	\$16,532	\$1,860,307
2017	\$1,193,116	\$49,087		\$1,242,203
2018	\$3,234,916	\$70,682		\$3,305,599
2019	\$2,113,733	\$101,032		\$2,214,766
2020	\$1,815,042	\$94,551		\$1,909,593
2021	\$3,973,216	\$64,337		\$4,037,553
2022	\$3,340,203	\$138,308		\$3,478,511
2023	\$4,043,949	\$282,753	\$1,819,151	\$6,145,853
<b>TOTAL</b>	<b>\$23,647,510</b>	<b>\$860,500</b>	<b>\$1,835,433</b>	<b>\$26,343,445</b>

#### Other Development Options

Compliance with the revised Ordinance requires coordination among the project sponsor/developer, SHRA staff and County staff. If a developer enters into a development agreement, a project's application for entitlements includes preparation of an Affordable Housing Strategy which details how the affordable obligation will be met. The strategy is approved by the County Board of Supervisors concurrently with the project's first legislative entitlements. An Affordable Housing Regulatory Agreement is then executed between the Developer and SHRA concurrently with the final map for the project.

#### Production Accomplished

The Unit Production table identifies all affordable units constructed under the Repealed Ordinance and the Revised Ordinance.

The Regulatory Agreement is recorded on the property's Title and remains in effect for either 30 years (for-sale units) or 55 years (rental units), during which rents remain affordable. Completed projects are monitored by SHRA's Portfolio Management Department for the duration of the Regulatory Agreement.

**2023 AFFORDABLE HOUSING PROGRAM UNIT PRODUCTION\*****REVISED ORDINANCE**

2014 - 2023	Units Constructed			Total Units**
	ELI	VLI	LI	
Courtyard Inn (adaptive re-use)	0	7	7	92
Southwind Court	1	3	0	88
Cornerstone South	0	29	0	60
Cornerstone Habitat	0	5	13	18
Saybrook Apartments	0	1	4	88
<b>Total</b>	<b>1</b>	<b>45</b>	<b>24</b>	<b>180</b>

\*Includes rehabilitation as well as new construction.

\*\*Total includes all restricted, unrestricted, and management units.

**REPEALED ORDINANCE**

2004-2013	Units Constructed		
	ELI	VLI	LI
Glenwood #5 Subdivision (Single Family)	0	0	4
<b>2009-2010</b>			
Arbor Creek Family (Multi-family)	41	41	19
Arbor Creek Senior (Multi-family)	7	32	20
Corsair Park Senior Apartments (Multi-family)	0	11	6
Norden Terrace Apartments (Multi-family)	0	20	10
Varenna Senior (Multi-family)	0	13	6
<b>2007-2008</b>			
Vineyard Creek/Vineyard Pointe (Multi-family)	35	71	70
Sierra Sunrise II (Multi-family)	0	2	1
Colonia San Martin (Multi-family)	0	6	3
Robbin's Nest (Single Family)	0	0	1
Foothill Farms Senior (Multi-family)	0	17	8
Mutual Housing at the Highlands (Multi-family)	0	8	4
<b>2005-2006</b>			
Walerga Road Apartments (Multi-family)	0	0	26
<b>Total Units Constructed by Affordability</b>	<b>83</b>	<b>221</b>	<b>178</b>
<b>Total Units Constructed</b>	<b>482</b>		

Land Dedication

No transfer of dedicated land or land purchase has occurred.

Unit Purchase Program

No unit credits were purchased.

