

**City of Rancho Cordova
Special Meeting of the City Council
Wednesday, March 16, 2005**

MINUTES

CALL TO ORDER

The meeting was called to order at 5:40 p.m. by Mayor Cooley.

ROLL CALL

Present: Council Members: Budge, Skoglund and Vice Mayor McGarvey
Planning Commissioners: Burke, Savorn, Vance, Wentz,
and Chair Smith

General Plan Advisory Committee (GPAC): Cummings

Absent: Council Member David Sander*

Staff Present: Abhar, Butler, Carney, Gaebler, Haven, Hare, Howard, Junker, Johns,
McMahon

*Council Member Sander joined the meeting at 5:46 p.m.

ORAL COMMUNICATIONS

1. Public Comment

None.

STUDY SESSION

2. **Subject:** General Plan – Housing Element Policy Development, Options, and Discussion. City staff will present information about the development of the housing element; preliminary housing needs data, and options for future housing policies. The Housing Element will incorporate the City's desires for a range of housing choices.
Recommendation: No formal action on the Housing Element is requested at this time. Rather, staff is asking for initial comments, feedback, and input so that we can proceed with drafting the Housing Element policies.

The following individuals made presentations to the Council (presentations attached):

Jennifer Gastelum of Pacific Municipal Consultants
Beth Thompson of Pacific Municipal Consultants
Libby Seifel, Principal of Seifel Consulting
Rex Albright, representing the Housing Task Force of the Chamber of Commerce

OUTCOME: Discussion item only; no action was taken.

ADJOURNMENT

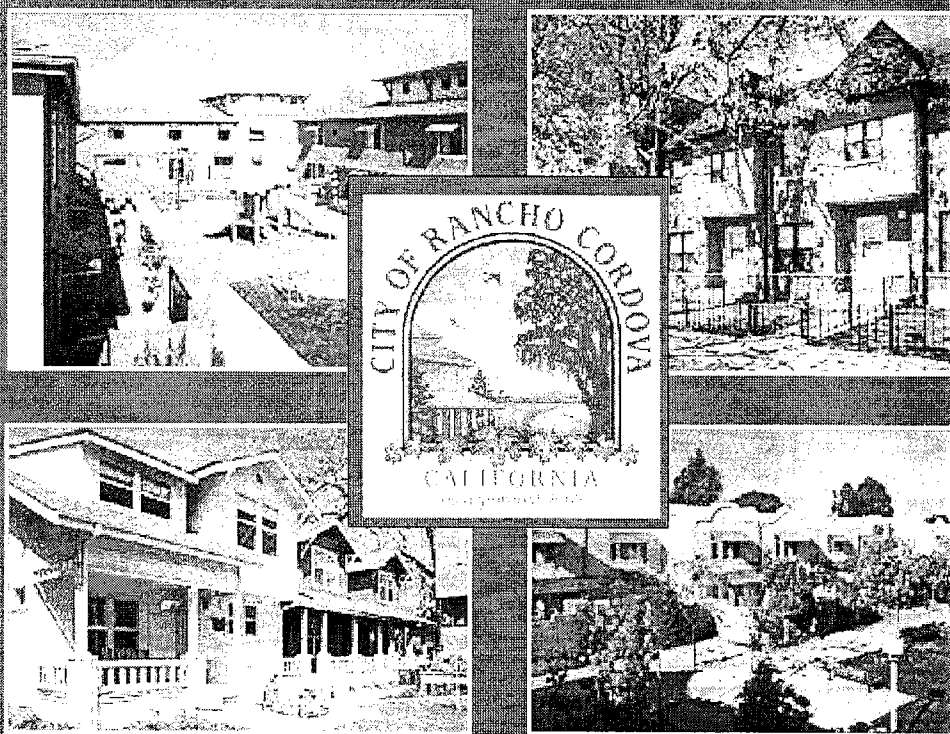
The meeting adjourned at 9:23 p.m.

Respectfully submitted,



Carolyn Butler, Deputy City Clerk

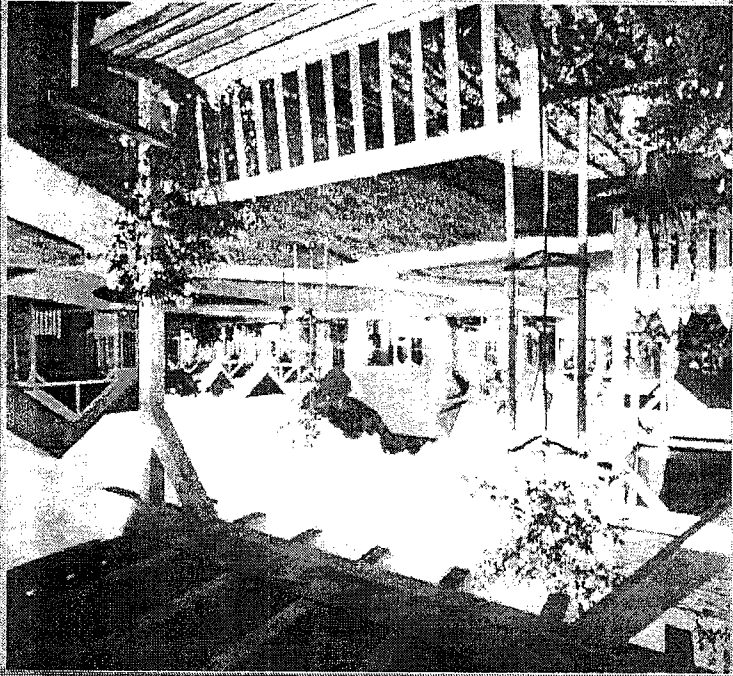
Joint City Council-GPAC Housing Workshop



March 16, 2005

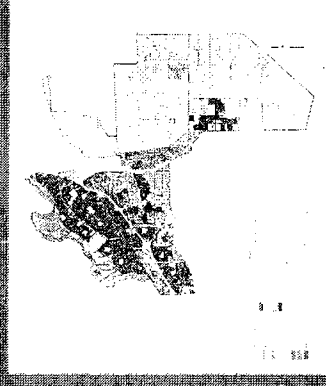
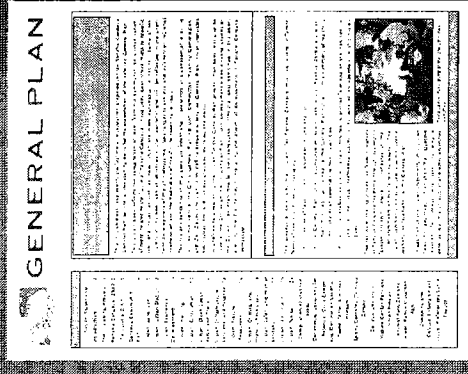
Overview

- State Housing Element Requirements
 - Process
 - Consequences
 - RHNA
- City Demographics
- Issues Identified by GPAC
- Housing Goals and Policies



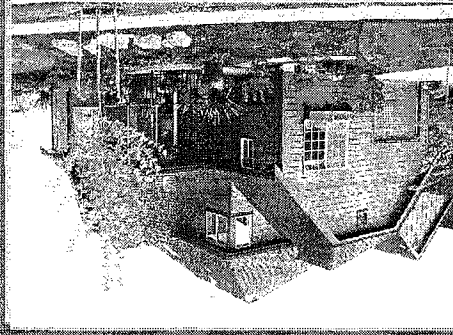
Background

- One of seven required elements of the City General Plan
- Only element that requires review by State agency (Housing and Community Development)
- Housing Element includes only City limits
- Purpose – to encourage attainment of decent housing and suitable living environment for all.



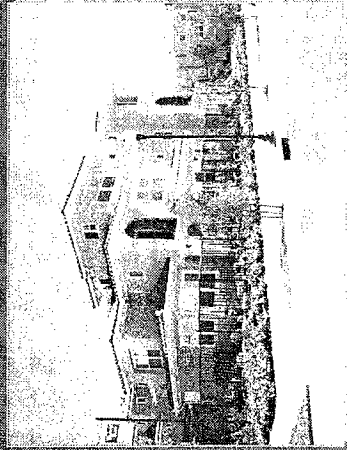
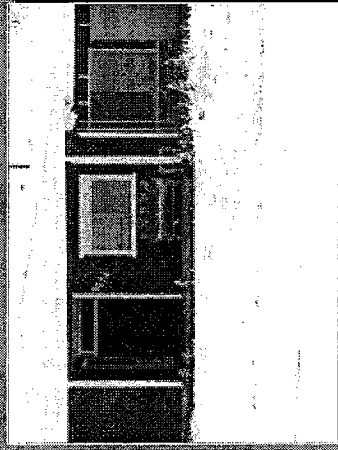
Housing Element Process

- Prepare Housing Element (public involvement)
- Submit Draft Housing Element to HCD
- HCD Review period (60 days)
- Revise/Adopt Final Housing Element
- Submit to HCD for Certification (90 days)



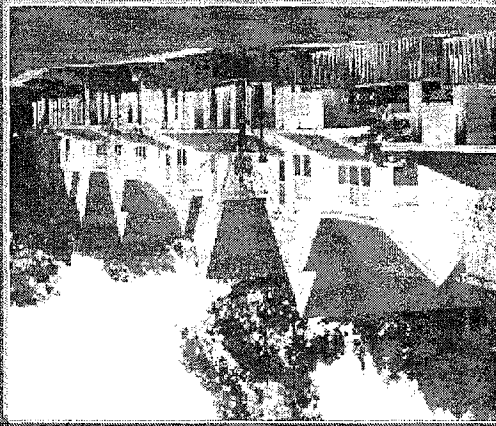
Housing Element Contents

- Government Code §§65580 – 65589 mandate that a Housing Element include:
 - Housing Needs Assessment
 - Inventory of Resources and Constraints to Meeting Needs
 - Statement of Goals, Policies, and Program
 - 5-Year Housing Program



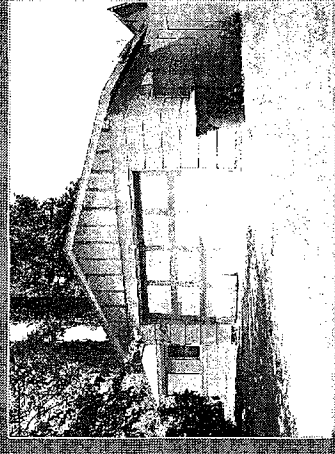
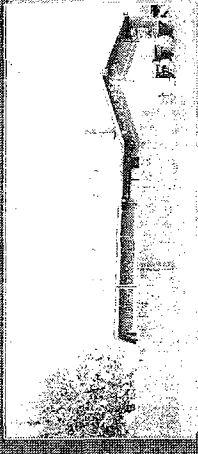
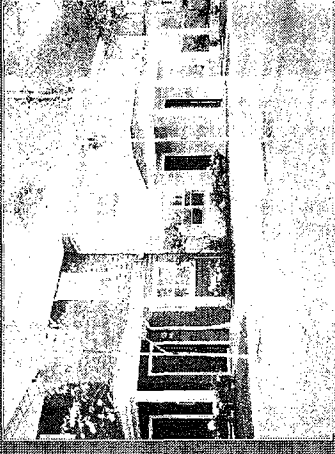
City Responsibilities

- Identify Adequate Sites
- Assist in the Development of Affordable Housing
- Address and Remove Governmental Constraints
- Conserve and Improve the Condition of Affordable Housing Stock
- Promote Fair Housing
- Preserve Assisted Housing



Consequences of Non-Certification

- Legally inadequate General Plan, if challenged in court
- Freeze on building permit issuance
- Ineligible for many State housing funds
- Potential financial penalties from future Housing Element legislation



What is the Regional Housing Needs Plan?

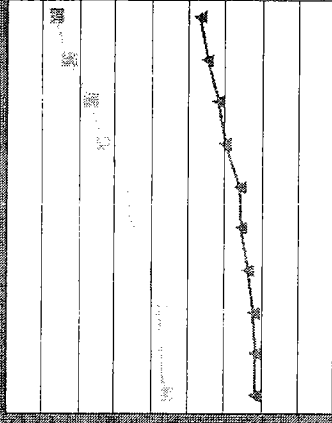
- State law (GC § 65583(a)(1)) requires every city to plan for its fair share of the region's housing need



- Assigned by SACOG to each jurisdiction

- Broken down by income level
- Addresses over and under concentration of low-income housing throughout the region
- Plans for future residential development by affordability of units

- Allocation targets are NOT building requirements, but goals for each community



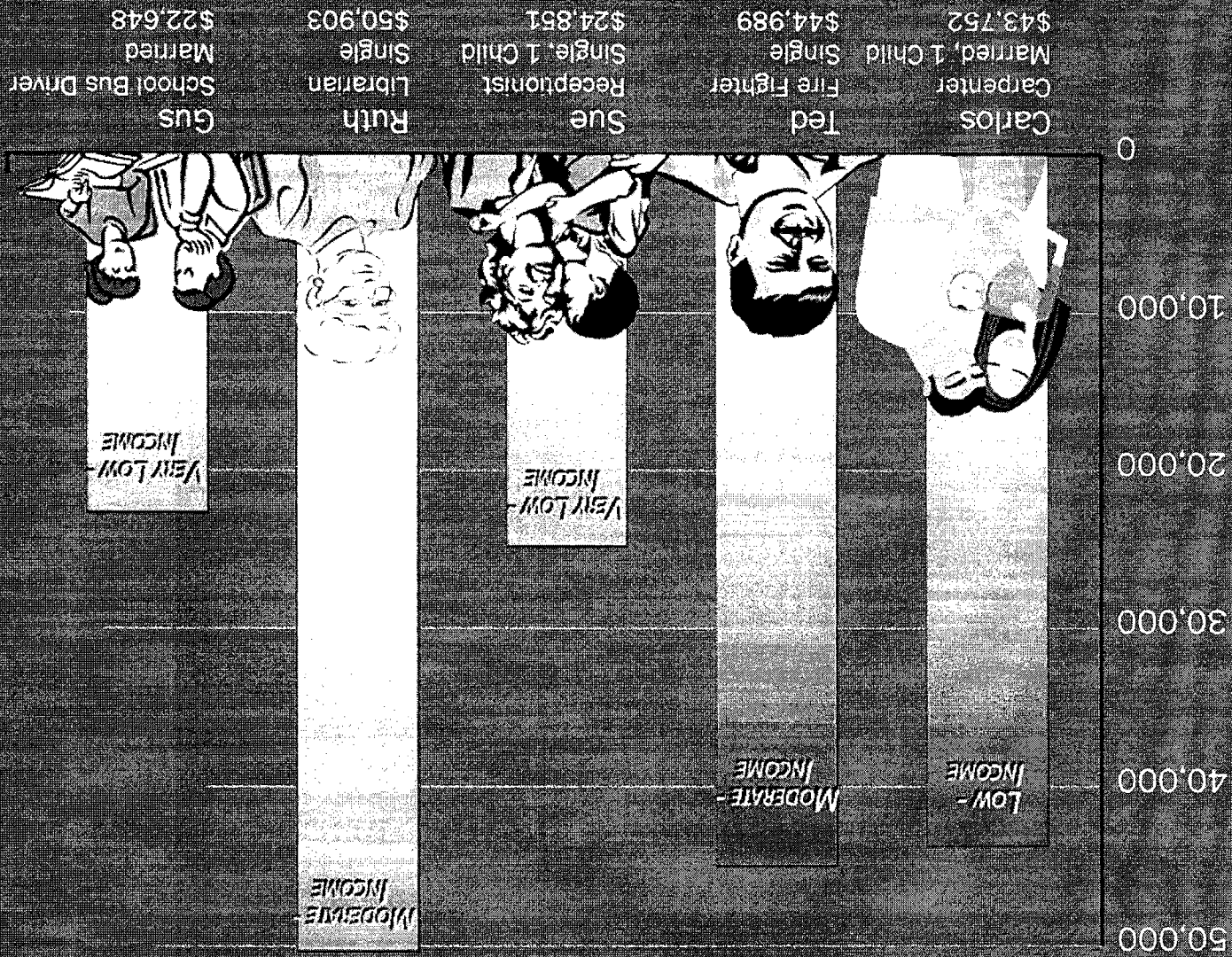
SACOG's Allocation 2000-2007

Area	Total	Very Low	Low	Moderate	Above Mod.
Rancho Cordova	2,811	20%	14%	18%	48%
Citrus Heights	973	30%	17%	7%	46%
Folsom	6,315	27%	19%	22%	32%
Sacramento	19,313	5%	14%	24%	57%
Unincorporated Co.	19,465	26%	18%	18%	38%
Sacramento County	64,128	19%	17%	22%	42%

Rancho Cordova 2000 Median Income: \$49,890

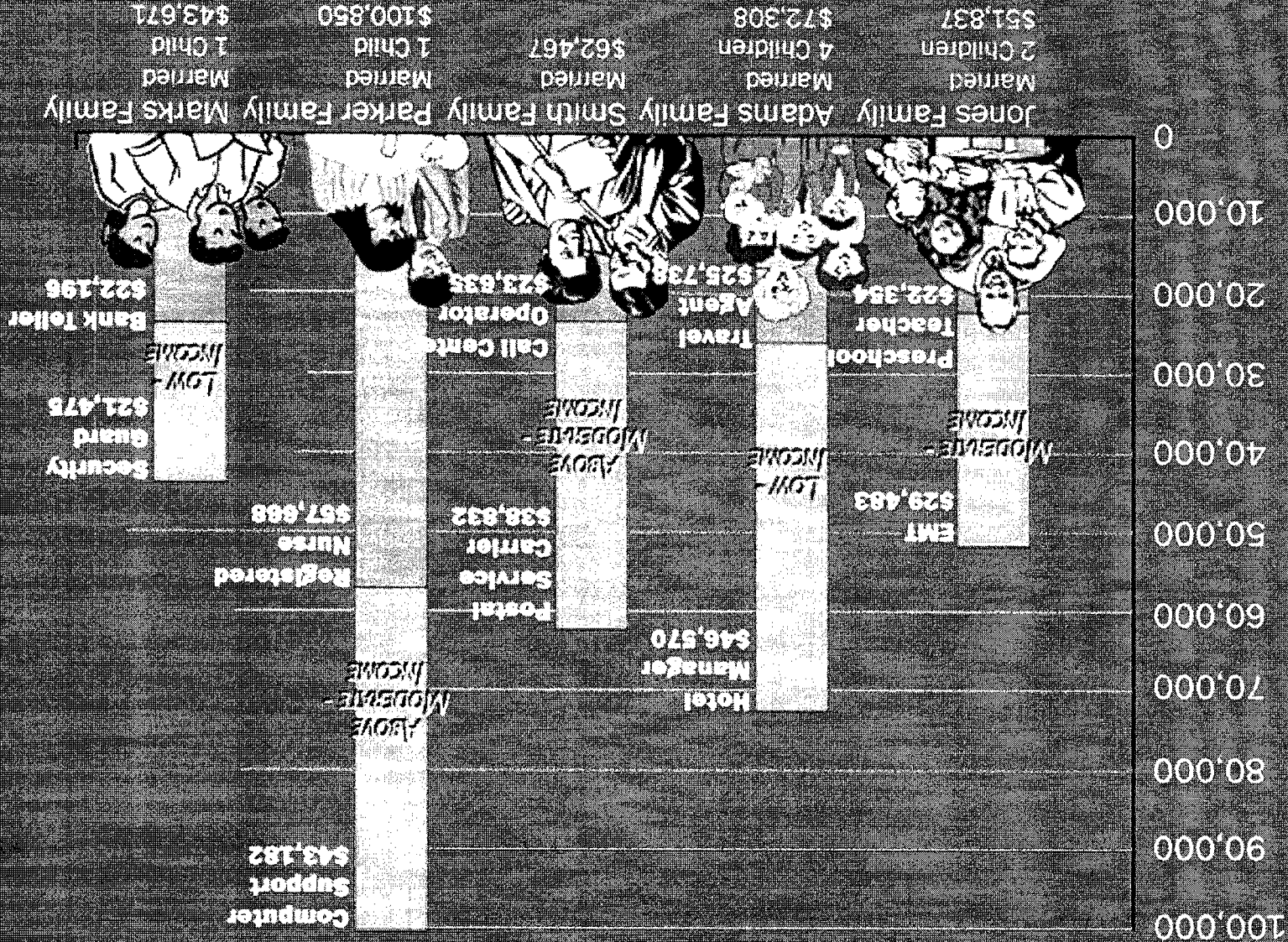
Rancho Cordova 2000 Median Income:

Typical Jobs Held by 1-Income Households Sacramento County Median Income (Family of 4) \$64,100



Source: 2004 Sacramento Metropolitan Statistical Area wage, which includes El Dorado, Placer and Sacramento counties.

Typical Jobs Held by 2-Income Households Sacramento County Median Income (Family of 4) \$64,100



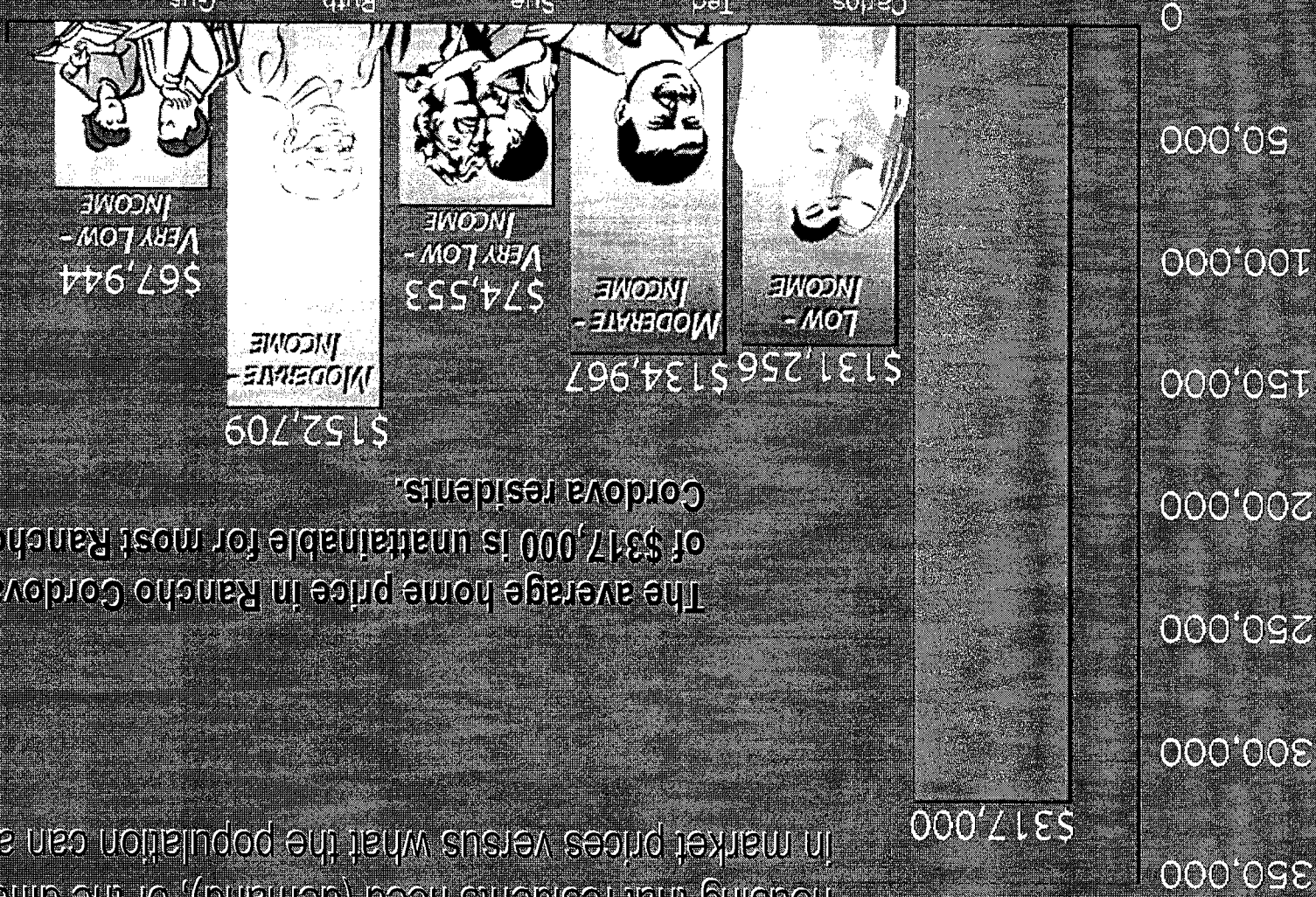
Source: 2004 Sacramento Metropolitan Statistical Area wage, which includes El Dorado, Placer, and Sacramento counties



Housing Gap

A housing gap is the difference between the housing that is available (supply) and the housing that residents need (demand), or the difference in market prices versus what the population can afford.

The average home price in Rancho Cordova of \$317,000 is unattainable for most Rancho Cordova residents.

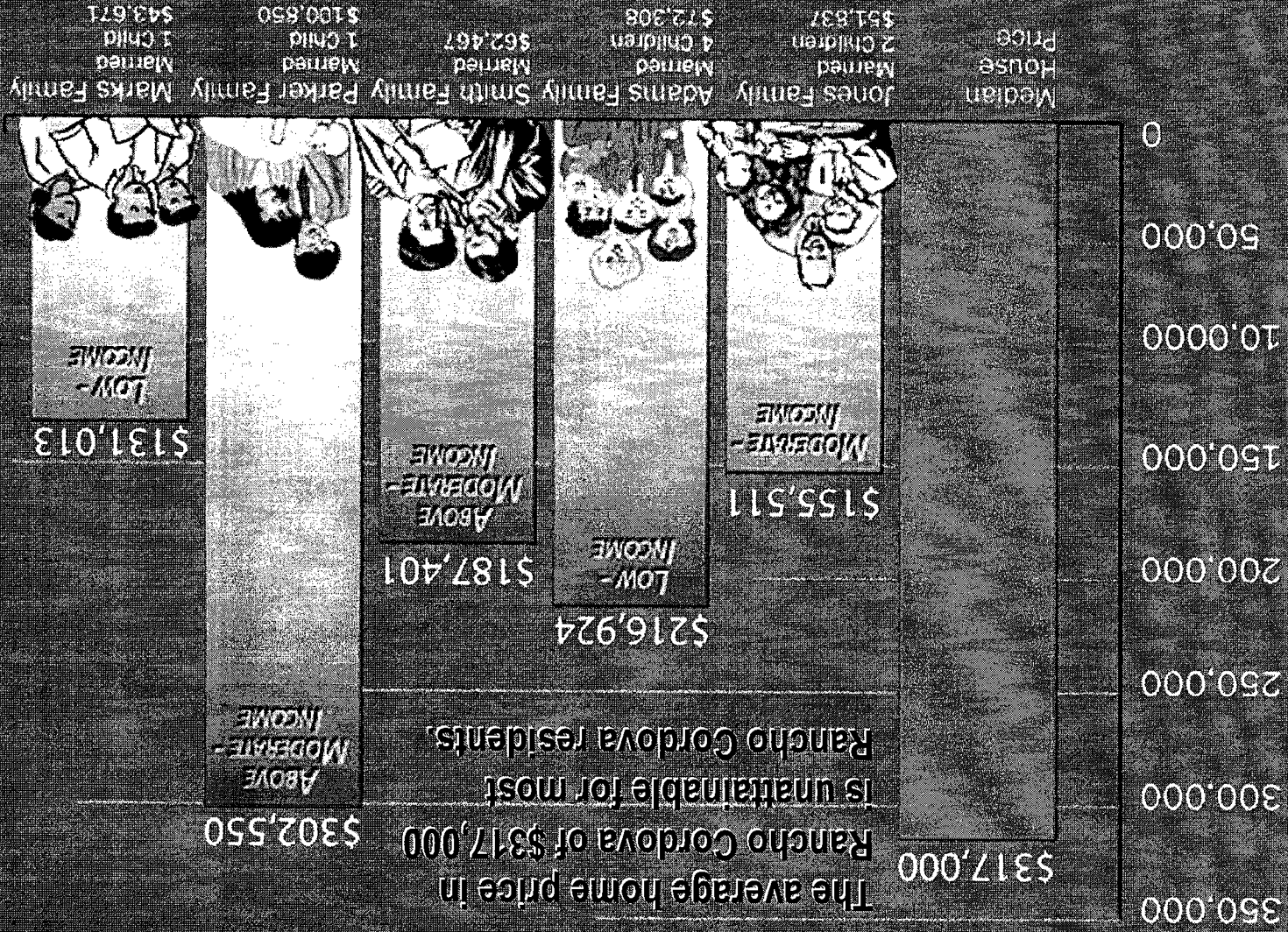


Carlos	Fire Fighter	\$44,989
Ted	Fire Fighter	\$44,989
Sue	Fire Fighter	\$44,989
Ruth	Fire Fighter	\$44,989
Gus	Fire Fighter	\$44,989
Carlos	Fire Fighter	\$44,989
Ted	Fire Fighter	\$44,989
Sue	Fire Fighter	\$44,989
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Source: Sacramento Metropolitan Statistical Area wages, which includes Rancho Cordova January 2005. Home price for Rancho Cordova January 2005.

Housing Gap

A housing gap is the difference between the housing that is available (supply) and the housing that residents need (demand), or the difference in market prices versus what the population can afford.



Source: Sacramento Metropolitan Statistical Area wages, which includes Rancho Cordova, placed and Sacramento counties and the Association of Realtors' Median House Price for Rancho Cordova January 2005.

Rental Affordability for a Family of Four in Rancho Cordova

	Income	Max Rent	Market Rents	
Very Low-Income Family	\$32,050	\$890	Studio	\$540
Low-Income Family	\$51,280	\$1,424	1-bedroom	\$646
Moderate-Income Family	\$76,920	\$2,136	2-bedroom	\$772
			3-bedroom	\$878

*702 units are deed restricted within
the City limits as of 12/04/05*

Source: HUD 2004 Area Median Income for a family of four in Sacramento County and 2004 Rancho Cordova Code Enforcement Survey, 1,775 multi-family units surveyed.

Demographics

	Rancho Cordova	Sacramento County
Population	53,718	453,602
Median Age	31.9	33.8
Households	19,918	453,602
Average Household Size	2.73	2.64
Overcrowded Households	11%	9%

Demographics

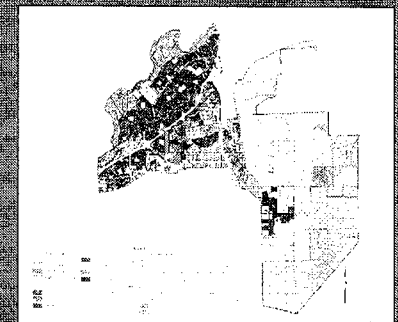
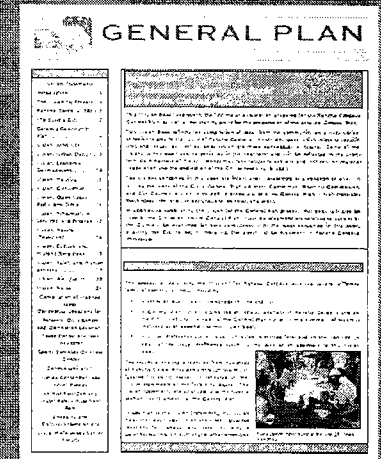
	Rancho Cordova	Sacramento County
Total Housing Units	20,926	474,814
Owner	49%	58%
Renter	51%	42%
Median Year Structure Built	1973	1974
% of Population Below Poverty	16%	14%

Demographics

Sacramento County	Rancho Cordova	Total Housing Units	
		1-unit	2-units
		3 or 4 units	5 to 9 units
		10 to 19 units	20 or more units
		Mobile homes	
69%	59%	3%	7%
2%	3%	6%	5%
5%	5%	14%	6%
5%	5%	4%	4%
474,814	20,926		

Results for the GPAC Visioning

- Mix of housing choices (type of housing and affordability)
 - Senior Housing
 - Live-Work housing
 - Work-force housing
- Jobs-housing balance
- Rehabilitation or conversion of existing housing stock
- Increased homeownership
- Higher end homes/communities
- Overcrowded households



Cont. Results for the GPAC Visioning



- Provide transit in close proximity to affordable units
- Match housing to "household" needs
- Improve air quality by locating housing near jobs
- Condominium Conversion
- Encourage lease-to-own programs
- Maintain long-term affordability (balance this with desire to gain equity)

Housing Element Five-Year Housing Program

- Housing Production and Diversity – Assist in the development and provision of adequate housing stock to meet the needs of all households and special needs groups.
- Neighborhood Preservation and Rehabilitation – Encourage the improvement, rehabilitation, and reuse of the City's existing housing stock and residential neighborhoods.
- Balance Employment and Housing – Seek a balance of housing opportunities appropriate for the range of jobs available and planned in the City.

■ Housing Assistance – Assist in the provision of housing opportunities for all segments of the population, with an emphasis on increased homeownership.

Housing Element Programs

Goal: Housing Production and Diversity

Policy: Provide a Range of Housing Types

Appropriate for a Variety of Households.

- Mixed-Use/Mixed Income
- Inclusionary Housing
- Senior Housing
- Executive Housing
- Work-Force Housing
- Live-Work Housing
- Shared Housing (seniors)
- Second Units

Housing Element Programs

Goal: Housing Production and Diversity

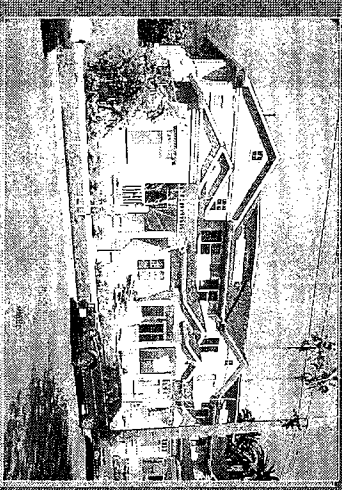
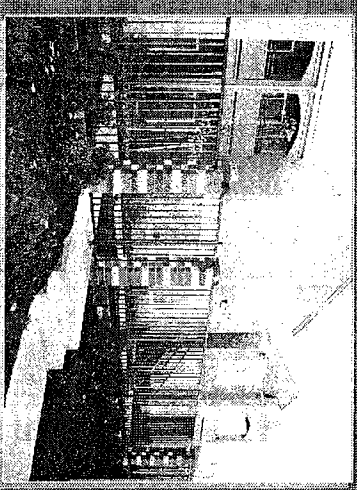
 Policy: Identify and Maintain Adequate Sites for City's Projected Housing Needs.

- Higher density to accommodate RHNA

- Medium density to accommodate RHNA

- Lower density for executive housing

 Policy: Eligible Projects shall receive Density Bonuses.

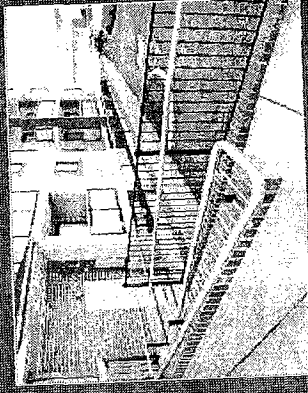


Housing Element Programs

Goal: Housing Production and Diversity

Policy: Provide Housing for the Special Needs Populations.

- Senior Housing
 - Shared Housing
 - Independent living
 - Assisted Living
 - Convert Existing Apartment Complexes
 - Skilled Nursing
- Housing accessible for person with disabilities
- Large Households
- Homeless
- Single-parent Households



Housing Element Programs

Goal: Rehabilitation and

Neighborhood Preservation

Policy: Provide Neighborhood Revitalization in Existing Areas.

- Housing Rehabilitation – owner and renter units
- Infill

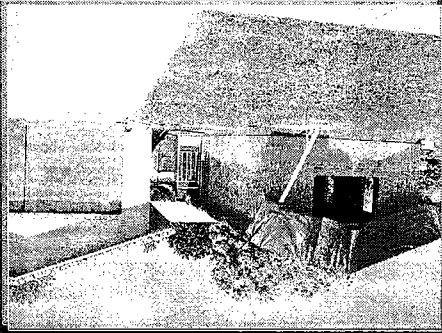
• Reuse/Conversion

• Redevelopment

• Code Enforcement

• Condominium Conversion

Policy: Preserve Units at risk of Losing Affordability.



Housing Element Programs

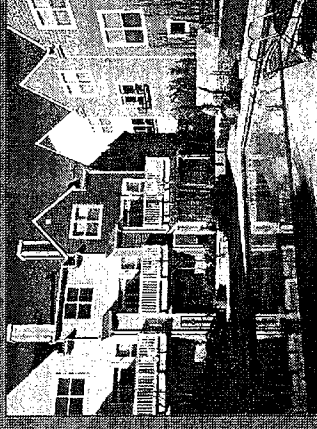
Goal: Balance of Employment and Housing

Policy: Improve the City's Jobs-Housing Balance.

- Mixed Use Developments
- Track Housing versus Job Creation

Policy: Promote affordable housing in close proximity to transit and appropriate services.

- Transit Oriented Development
- Locate Housing Near Employment Centers.

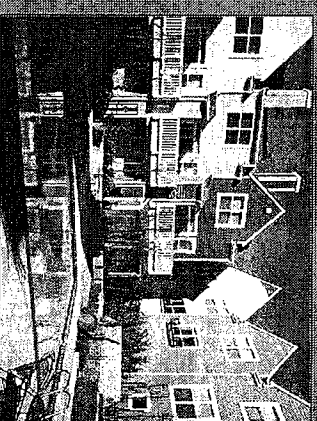
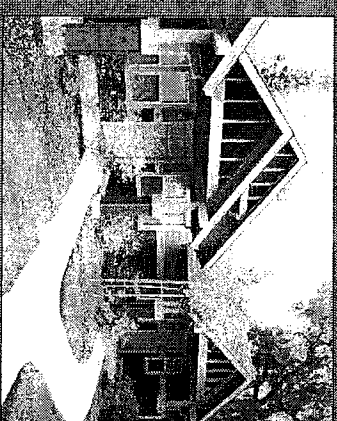


Housing Element Programs

Goal: Housing Assistance

 Policy: Develop Homeownership Programs.

- First-time Homebuyer Program
- Downpayment Assistance
- Lease-to-Own
- Mortgage Credit Certificates
- Police-Fire-Teacher Program
- Condominium Conversion

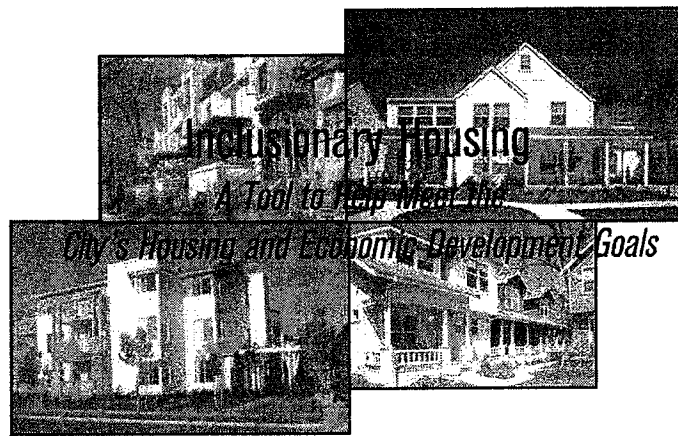


Housing Element Programs

Goal: Housing Assistance

 Policy: Assist with Development of Affordable Housing.

- Housing Trust Fund
- Redevelopment Set-Aside
- Seek State and Federal Funding



Rancho Cordova City Council and General Plan Advisory Committee
(GPAC) Study Session

Elizabeth (Libby) Seifel
Seifel Consulting Inc.

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Overview of Presentation

- ☐ Presentation Overview
- ☐ What is an Inclusionary Housing (IH) Program?
- ☐ How Could an IH Program Work Effectively with the City's Redevelopment Program?
- ☐ Why Consider Adopting an IH Program?
- ☐ California's Experience with IH Programs
- ☐ Inclusionary Housing Policy Considerations
- ☐ Additional Discussion

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A. What is an Inclusionary Housing Program?

A housing program, typically adopted as part of the zoning ordinance, that requires developers to dedicate a certain percentage of new homes to qualifying households at affordable housing cost for a specified duration of time.

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B. How Could an IH Program Work Effectively with the City's Redevelopment Program?

- Redevelopment is a powerful tool to achieve the City's economic development and housing goals.
- Redevelopment has specific requirements with respect to housing, including an IH requirement.
- Redevelopment will help produce affordable housing, but it works best when leveraged with other City programs.

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Summary of Redevelopment Housing Requirements

- 20% of tax increment dedicated to affordable housing preservation, development and rehabilitation (Housing Set-Aside)
- Replacement of housing at affordable cost to occupants affected by redevelopment actions
- At least 15% of all new or substantial rehabilitated housing affordable to households at or below moderate income (Inclusionary Housing)

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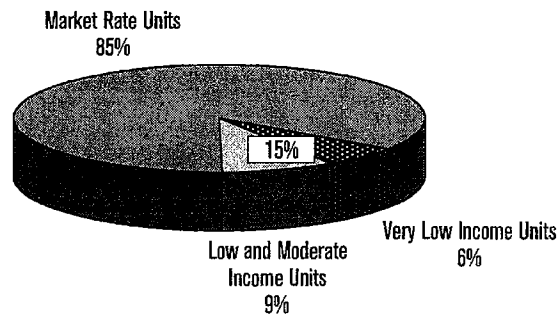
Redevelopment IH Requirement

Specified percentages of all new or substantially rehabilitated housing in a Project Area must be affordable to persons at targeted income levels depending upon who develops housing

- Non-Agency Developed Housing
- Agency Developed Housing

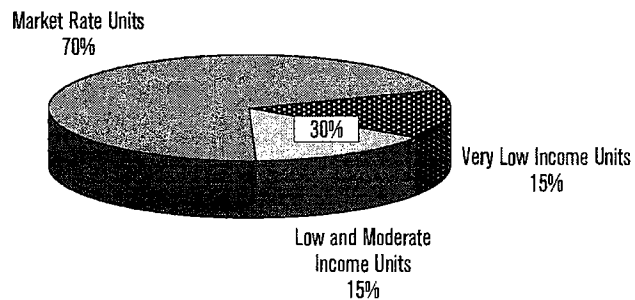
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Housing Production Requirement (Non-Agency Developed)



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Housing Production Requirement (Agency Developed)



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C. Why Consider Adopting an Inclusionary Housing Program?

To help meet the City's Housing Goals, specifically:

- Satisfy City's need for housing
- Offer full range of housing choices (throughout the City)
- Increase homeownership
- Promote neighborhood revitalization and housing rehabilitation
- Improve air quality by locating housing near jobs

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An IH Program Can Help Create a Wide Variety of Housing Options to Help Meet the City's Needs

- 55,000 new jobs in the next 10 years
- Over 37,000 new homes in Stone Creek and Sun Ridge/Sunrise Douglas areas
- Need for housing affordable to persons working and living in the City of Rancho Cordova
- Most of this need is for households earning at or below moderate income

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Greatest Job Growth and Current Mean Wages (Sacramento County)

Job Classification	Mean Annual Wage 2004	Job Growth 2001-2008	Total Jobs 2008	Income Level
Cashiers	\$21,954	3,210	17,020	Very Low
Retail Salespersons	\$24,343	3,060	19,470	Very Low
Customer Service Representatives	\$31,849	2,790	13,450	Very Low
Combined Food Preparation and Serving Workers, Including Fast Food	\$17,381	2,650	11,630	Very Low
Office Clerks, General	\$26,368	2,620	25,210	Very Low
Security Guards	\$21,475	2,390	10,160	Very Low
Laborers and Freight, Stock, and Material Movers, Hand	\$22,297	1,920	9,880	Very Low
Registered Nurses	\$57,668	1,800	10,460	Moderate
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$22,031	1,790	9,080	Very Low
Waiters and Waitresses	\$17,656	1,720	8,640	Very Low

Sources: State of California Employment Development Department, Occupational Employment Statistics Survey, released December 2003, and Occupation Employment (2003) & Wage (2004) Data, released June 2004.

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Rancho Cordova 2004-2007 Housing Need

Income Level	Income	Units	Percent
Very Low 0-50% AMI	\$0 - 32,050	559	20%
Low 51-80% AMI	\$32,051 - 51,280	407	14%
Moderate 81-120% AMI	\$51,281 - 76,920	506	18%
Above Moderate >121% AMI	\$76,921 +	1,339	48%

Sacramento County 2004 Median Income: \$64,100
Rancho Cordova 2000 Median Income: \$49,890

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D. California's Experience with IH Programs

- Inclusionary housing (IH) programs have been adopted in about 20 percent of California's communities. (Over 110 cities and counties have IH programs.)
- Some cities have 25+ years experience.
- Mandatory programs are most effective.

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Typical IH Requirements in California

<u>Requirement</u>	<u>Range</u>
Percent of Units	10%-30%
Typical Target Income Levels	
Renter	50% to 80% of median income
Owner	50% to 120% of median income
Unit Threshold	3-15 Units
Covenant	20 Years to Permanent
In-Lieu Fees	No Fee to 5% of Sale Price

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Inclusionary Housing Has a Successful Track Record

- Inclusionary housing programs have been successfully implemented in California's communities without rendering development economically infeasible.

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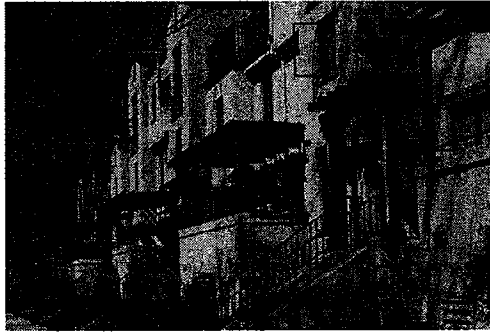
Southside Housing Park, Co-Housing, Sacramento, CA



- 25 total units
- Ranging from 1 to 4 bedrooms, 640 SF to 1,423 SF
- For sale flats and townhomes for low, moderate and market rate incomes
- Prices ranged from \$88,000 to \$151,000

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St. Francis, Sacramento, CA



- Rental Apartments, 36 units per acre
- 100% Affordable

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The Farm, Santa Cruz, CA



- 11.5 acre site
- First major new rental housing built for low income families since 1989
- 45 units in total, 39 affordable rental units
- Primarily 2 and 3 bedroom townhomes
- Developed by Mid-Peninsula Housing Coalition in partnership with Green Farm Limited Partners

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Rich Sorro Commons, Mission Bay, San Francisco, CA



- 100 Affordable Rental Apartments - Fully Leased
- Developed by Mission Bay Housing Corporation

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Signature Homes, East Palo Alto, CA



- 221 Single Family Homes, Including 22 Affordable
- Developed by Signature Homes

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City Walk, Brea, CA

- 24 units per acre
- For Sale Row Housing
- 50% Affordable



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E. Key Policy Considerations for Rancho Cordova

- What would be the primary goals of an IH program?
- How will it address your City's housing needs and redevelopment obligations?
- How will the IH program work in relationship to other City requirements and programs?
- Will the IH program be mandatory or voluntary?
- Will all new developments need to include affordable units on-site, or will the program allow alternative means of compliance?

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Economic Principles for IH Programs

1. Target IH units to those most in need while assuring that new development is still financially feasible.
2. Consider depth of income targeting and percentage of IH units together, because there is an inherent financial trade-off between them.
3. Consider allowing a phase-in period for the IH requirement.

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Principles (Cont.)

4. Incorporate affordability standards that are consistent with redevelopment standards.
5. Record long term affordability covenants on IH units in order to benefit future households (e.g. 45 years for sale; 55 years for rental per redevelopment law).
6. Confirm that the restricted sales prices and rents of IH units are sufficiently below those of market rate units to generate demand.

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Principles (Cont.)

7. Consider allowing alternative ways for the development community to meet the IH requirement if these alternatives are economically equivalent to the on-site requirement.
8. Consider exempting small developments from the on-site requirement or allow them to pay a fee in-lieu of providing the units on-site.
9. Provide incentives to developers to enhance the overall financial feasibility of future development.

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Economic Impacts of IH Program

- An IH program is a land use regulation that affects how land can be developed in a community.
- Depending upon how it is designed and how other development regulations are imposed in a community, it can have a variable effect on real estate pricing, development potential, and land prices.

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IH Program May Be Readily Absorbed

- The costs of the IH program may be readily absorbed in the overall pricing of the development.

As home prices and apartment rents are established based on a regional marketplace, there may be no direct effect on the economics of future development if the developer can continue to sell or rent housing and make a profit (return) while providing the required IH units.

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Pricing of Land Eventually Incorporates IH Program

- Over time, as the IH program is implemented, land will be priced to account for the requirements imposed by the IH program.

Developers pay for land based on a residual land value given a set of assumed entitlements, market pricing, and development costs. An IH program, like any other land use or development regulation, will be factored into the developer's financial feasibility and land residual analysis.

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Techniques to Offset Economic Impacts

- Developers may receive a lower return once an IH program is adopted, particularly if it is imposed after development entitlements have been received, and the developer has already purchased the land.
- As long as the IH program allows a developer to receive a sufficient return (profit) in relationship to risk then development will occur.
- A jurisdiction can help offset lowered returns by providing expedited processing, increased density, and/or the provision of BMR units that are comparable, but smaller in size, than market-rate units.

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Developer Incentives Used in CA

- Density Bonus
- Fast Track Processing
- Design standards reduction
- Fee Reduction or Deferral
- Fee Waiver
- Growth control exemption
- Tax abatement

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Alternative Ways to Meet Requirement

- Many communities allow alternative ways for developers to meet their IH requirement under certain conditions.
- Alternatives can produce a greater number of units at deeper income targeting due to leverage of public funding.
- Alternatives should be designed to create an equal or greater affordable housing benefit.

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Alternative Ways to Meet Inclusionary Requirements

1. On-site Inclusionary Requirement
2. Land Dedication Option
3. In-Lieu Fee Option
4. Substantial Rehabilitation Option
5. Nonprofit Development of Offsite BMR Units for BMR Credit

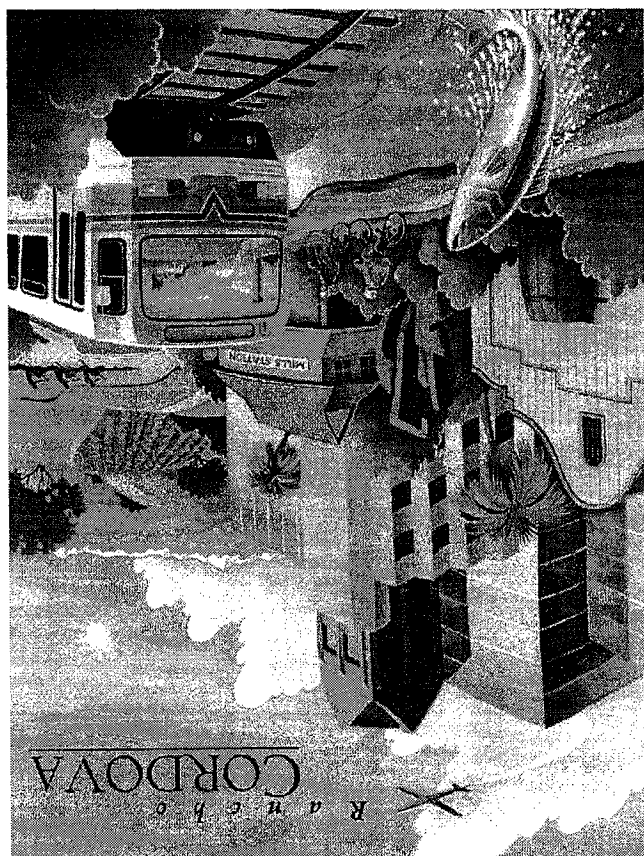
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F. Additional Discussion

- What would be the primary goals of an IH program in Rancho Cordova?
- How could it address your City's housing needs and redevelopment obligations?
- How could an IH program help meet the City's objectives regarding the integration of affordable housing within all areas of the community?
- Would all new developments need to include affordable units on-site, or would the program allow alternative means of compliance?

Additional Discussion re: Alternatives

- Will the alternative yield equivalent "value" in affordable housing?
- Does Rancho Cordova have the capacity to assure that an off-site alternative is carried out?
- How long will it take for the alternative units to be available?
- If land is dedicated, will other necessary resources be available to complete the units?



X R a n c h o CORDOVA

Report and Recommendations of the Rancho Cordova Chamber of Commerce's Ad Hoc Housing Task Force

August 2004

Participants

Rex Albright-Rancho Chamber

Gail Allen-VSP

Eric Almquist-R.C. Econ Dev Corp

Leeana Anderson-Black and Veatch

Lise Bingham-Caldwell Banker

Todd Chambers-Richland Communities

Ross Cheairs-Morrison Homes

Brian Cooley-BIA

Brian Cunha-Rancho Chamber

Michael Curtin-Summit

Russ Davis-Elliott Homes

Joe Debbs-J. Taylor and Associates

Alan Driscoll-Forsgren Association

Greg Foell-Cordova RPD

Holger Fuerst-MacKay and Soms

Jim Galovan-Woodside Homes

Brian Gavin-SureWest Communications

Adam Gryzbicki-SBC

Steve Habbs-VSP

Carol Hill-Beazer Homes

Brian Holloway-HRM

Bruce Houdesheldt-Alliance Title

Bob House-Forecast Homes

Paul Junker-City of R.C.

Bron Leatham-Woodside Homes

Dorian McCoy-First American Title

Tony Meyers-Morton and Pitalo

Steve Miller-Dunsmore Homes

Cindy Mills-Old Republic Title

Jack Nealon-Avant Garde

Jay Pawlik-Pulte Homes

Dennis Rogers-BIA

Mike Sargent-Laborers Local 185

Jack Sevey-Lennar Communities

Bob Shaftuck-Lennar Communities

Rebecca Sloan-FCUSD

Gail Stalick-R.C./Gold River

Community News

Mike Steiner-Centrex Homes

Jerry Steinke-Cordova RPD

Thom Urle-D.R. Horton

Ardie Zahedani-BIA

Executive Summary

- Duration: September 2003-August 2004
- Purpose: Examine Key Elements of Housing Development
- Subjects:
 - Regional and Local Planning Efforts
 - Infrastructure Needs
 - Funding Mechanisms

Ratio of Jobs to Households

Currently out of balance at 3:1. Ideal 1.5:1.

Recommendations:

- ✓ *Increased production*
- ✓ *Enact policies to encourage diversity of housing types and densities*
- ✓ *Provide incentives for infill development*
- ✓ *Reject inclusionary zoning*
- ✓ *Adopt policies and set goals for all levels of market rate housing*
 - ✓ *Executive; Workforce; Entry Level*

Infrastructure and Funding Mechansims

- ✓ Build backbone in timely manner
- ✓ Encourage regional approach
- ✓ Include all Major Stakeholders within the Eastern portion of Highway 50 Corridor
- ✓ Capital Improvement & funding program to keep transportation projects at pace with growth

City Identity

City Council is encouraged to continue efforts to provide identity via:

- Urban design guidelines at macro level
- Micro guidelines flexible allowing private sector to respond to changing market

Background

- Sept 2003 Housing Task Force established
- Diversity in Membership, nondevelopment Chamber Members encouraged to participate
- First meeting Oct 14, 2003, 12+ since
- Participation has steadily increased
- BIA participation

PURPOSE

- Provide educational forum for non-development members
- Prepare a set of recommended housing policies
- Identify key housing issues

Issues Discussion

- **Experts invited to explore various housing issues**
- **Contributors included:**
 - City and County Staff Members
 - Private Sector Practitioners
 - Elected Officials

Topics

- ✓ **Blueprint Project-SACOG:** Project to project housing and transportation needs through 2050, make recommendations housing, infill development, mixed use development, etc. Project is being considered in development of City's General Plan
- ✓ **General Plan**-"Vision Book" as interim General Plan incorporates preferred land use concept of Blueprint Project, required by law to guide city development for the next 10 years. **Aerojet/McDonnell-Douglas agreement**
- ✓ **Infrastructure Needs**
 - ✓ **Transportation/Circulation**-"Mobility Study", Highway 50 Corridor, Alta-Sunrise Corridor (construction 2008-12); improved east-west circulation within city
 - ✓ **Utilities**-3 Purveyors, County & East Bay Municipal Utility District jointly funding new surface treatment plant providing 85,000 acre feet per year, online by 2010
 - ✓ **Sewer**-Two rate structures: infill development & new development; build-out of USB, SRCSD Interceptor System Master Plan 2000" includes interceptor through Mather Field northerly paralleling Sunrise Blvd connecting to Folsom Blvd (completed 2005-06); funding via user and development fees

Topics (Continued)

✓ Community Services

- ✓ **Schools**-Projected \$77 million in new local bonds needed to match State funds and developer fees (possible annexation of Sunrise-Douglas project not included in estimate)
- ✓ **Parks**-Under jurisdiction of Cordova Parks and Rec Dept, independent from City and City Council; parks funded by fees from new developments, maintained by assessment district; District currently preparing new Master Plan for City
- ✓ **Public Safety**-Fire Service: Sac Metro Fire Dist. Police services contracted with Sac Co Sheriff's Dep; City Council imposing "police tax" on new development (over & above traditional funding sources); both Fire and Police designing new projects to increase public safety

Infrastructure Funding

After Proposition 13 was passed, public infrastructure was funded by new development rather than local benefit assessment districts.

Impact fees and assessment districts (such as Mello-Roos) are commonly used, sales tax & State funds are rarely used due to other budget priorities.

Workforce Housing/ Inclusionary Zoning

The Rancho Cordova imbalance of jobs to housing (3:1) is even more out of balance than that of the entire State, which is experienced as a severe imbalance.

- > Blue Print Project suggests that the city has a responsibility to coordinate with the state to create a workforce housing program.

Affordability of Housing

- ❑ Lack of supply/shortage of entitled land increases economic pressure on housing prices
- ❑ State law requires City General Plan to include Housing Element that provides housing for all income levels

INCLUSIONARY ZONING

- ❑ Mandate by local jurisdiction requiring a percentage of housing be priced for certain income levels
- ❑ Mandate doesn't provide any subsidies; market rate buyers pay higher price to subsidize mandate
- ❑ Inclusionary zoning result is to drive housing prices higher, making housing less affordable for all (April 2004 study released by the Reason Public Policy Institute)

FINDINGS AND RECOMMENDATIONS

- **Finding:** Ratio of jobs and household units severely imbalanced
- **Recommendation:** Urge City Council to aggressively facilitate development and production of increased supply via the Housing Element
- **Finding:** Need for a more diverse supply of housing, particularly workforce and executive
- **Recommendation:** Encourage City Council to adopt policies/guidelines that support diversity of housing types and densities to enable the market place to respond to the largest segment; consider providing incentives for infill development
- **Finding:** Inclusionary zoning has demonstrated to be a failed public policy and counter productive to producing affordable housing
- **Recommendation:** Advocate that City Council facilitate policies encouraging all levels of market-rate housing, establish goals for the various levels, utilize planning and entitlement tools to facilitate actual production. Focus on cooperative partnerships between City and developers versus mandated regulatory policies
- **Finding :** Backbone infrastructure that keeps pace with new development critical to orderly development that minimizes negative impact of growth
- **Recommendation:** Urge City Council to provide for timely construction, particularly roads, sewer, water, parks and schools via:
 1. Collaborative Regional Approach
 2. Capital Improvement Program
 3. Develop funding program that identifies all sources of funds on regional basis (public and private) for timely construction of roadway network
- **Finding:** Rancho Cordova should be more cognizant of urban design issues
- **Recommendation:** Encourage City Council to continue to pursue definition of identity begun via “Visioning” meetings via macro urban design, while allowing micro urban design to retain flexibility necessary for private sector to respond to changing marketing conditions.