



## **R Street Sacramento Partnership**

Board of Directors Meeting

Thursday, September 28, 2017 @ 9a

HGA Architects| 1200 R Street, Suite 100| Sacramento, CA 95811

### **NOTICE TO PUBLIC**

You are welcome and encouraged to participate in this meeting. Public comment is taken (3 minutes maximum per person) on items listed on the agenda when they are called. Public Comment on items not listed on the agenda will be heard at the meeting as noted on the agenda. Comments on controversial items may be limited and large groups are encouraged to select one or two speakers to represent the opinion of the group. The order of the Agenda items is listed for reference and may be taken in any order deemed appropriate by the Board of Directors. The Agenda provides a general description and staff recommendations; however, the board of Directors may take action other than what is recommended.

### **AGENDA**

- |   |                  |
|---|------------------|
| 1. Call to Order and Establishment of Quorum                              | Miry             |
| 2. Introductions and Public Comment – Items Not on the Agenda             | Miry             |
| 3. Sac PD Update  | Cpt. Ecklund     |
| 4. Central City Workforce Housing Demand Analysis                         | Saunders         |
| 5. Consent Calendar   | Miry             |
| I. Approval of Meeting Minutes from August 24, 2017 Meeting <sup>A*</sup> |                  |
| II. Receive and File of Monthly Financials (August 2017)*                 |                  |
| 6. Committee Updates  |                  |
| I. Maintenance/ Promotions Committee                                      | Leon             |
| II. Budget Ad Hoc Committee   | Miry             |
| i. Proposals Due 9/29   |                  |
| III. Advocacy Development Committee                                       | Youssefi/Johns   |
| i. 10 <sup>th</sup> and S Monopole Update                                 |                  |
| ii. Homeless Issues/Ongoing Discussions                                   | Brattmiller      |
| iii. Wind Youth Services  | Heller           |
| iv. Verizon Kiosks  | Leon/Brattmiller |
| 7. New Business   |                  |

8. Update from Council Member Hansen's Office

Read

9. Adjournment

Next Meeting: October 26, 2017 @ 9a

**ADDRESS FOR THE R STREET SACRAMENTO PARTNERSHIP**

R Street Sacramento Partnership

P.O. Box 162337

Sacramento, CA 95816

**BROWN ACT NOTICE**

*Government Code 54950* (The Brown Act) requires that a brief description of each item to be transacted or discussed be posted at least 72 hours prior to a regular meeting. Action may not be taken on items not posted on the agenda.

**ADA NOTICE**

Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Michelle Brattmiller at 916.479.3687 at least 48 hours prior to the meeting.

\*Attachments

^Action Item



bae urban economics

# SACRAMENTO CENTRAL CITY WORKFORCE HOUSING DEMAND

Capitol Area Development  
Authority (CADA)  
&  
City of Sacramento

September 8, 2017

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# OVERVIEW AND INTENT

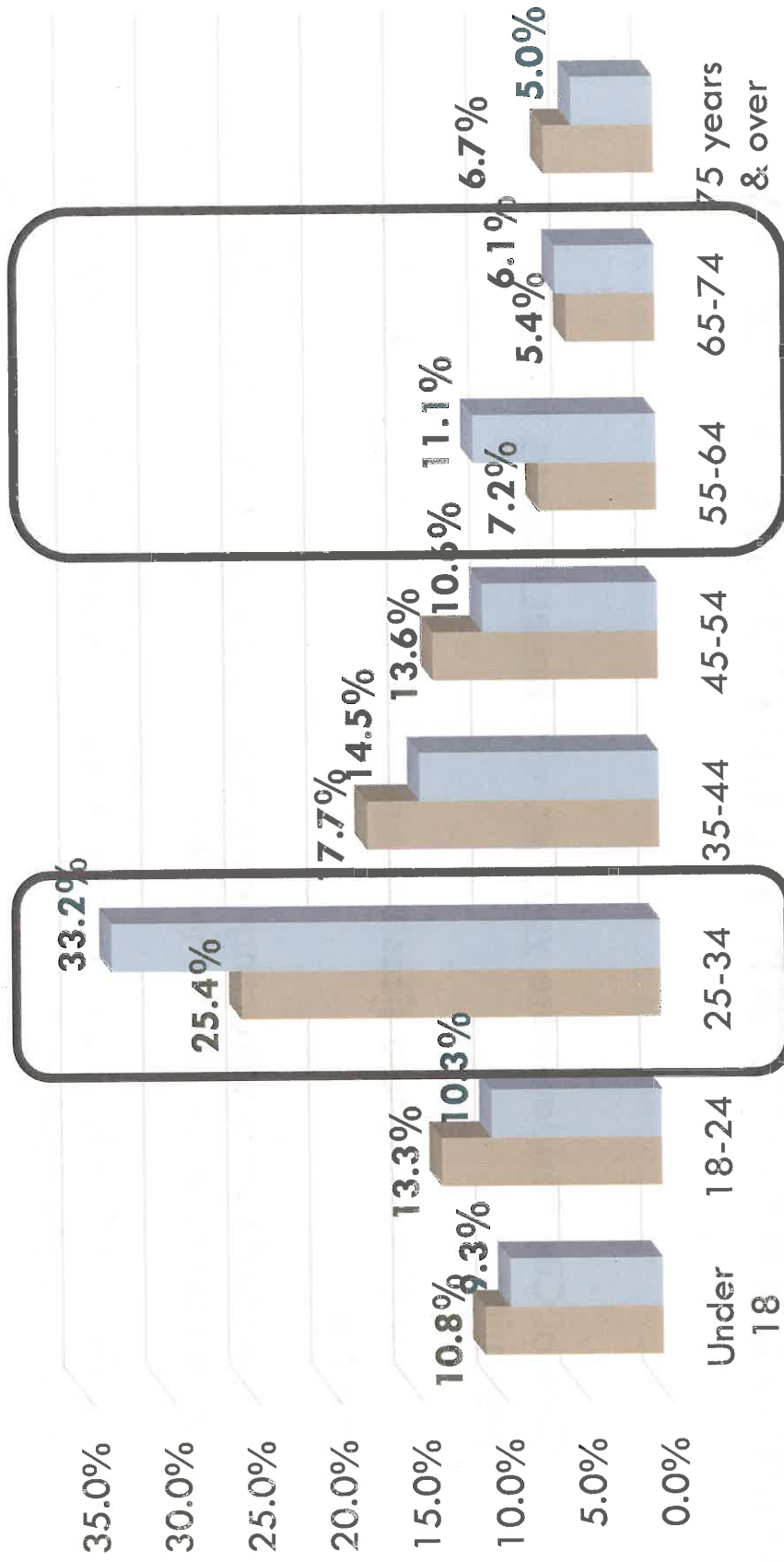
- Only 4% of Central City workers live in the Central City – Is it possible to capture some of the 96%?
- Significant new multifamily development taking place. How does that match up with Central City worker needs?
- Which segments of the market are not being addressed?
- What role do Class B and C properties play in terms of meeting Central City worker needs?

# DEMOGRAPHIC AND ECONOMIC TRENDS

- Central City Residents are younger, with lower incomes, but more education
- Central City household sizes are smaller, with very few families and children
- The Central City is attracting more highly educated residents, at a faster rate than the City or the MSA
- The Central City is also attracting empty nesters at a faster rate than the City or the MSA
- The Central City is largely composed of renters



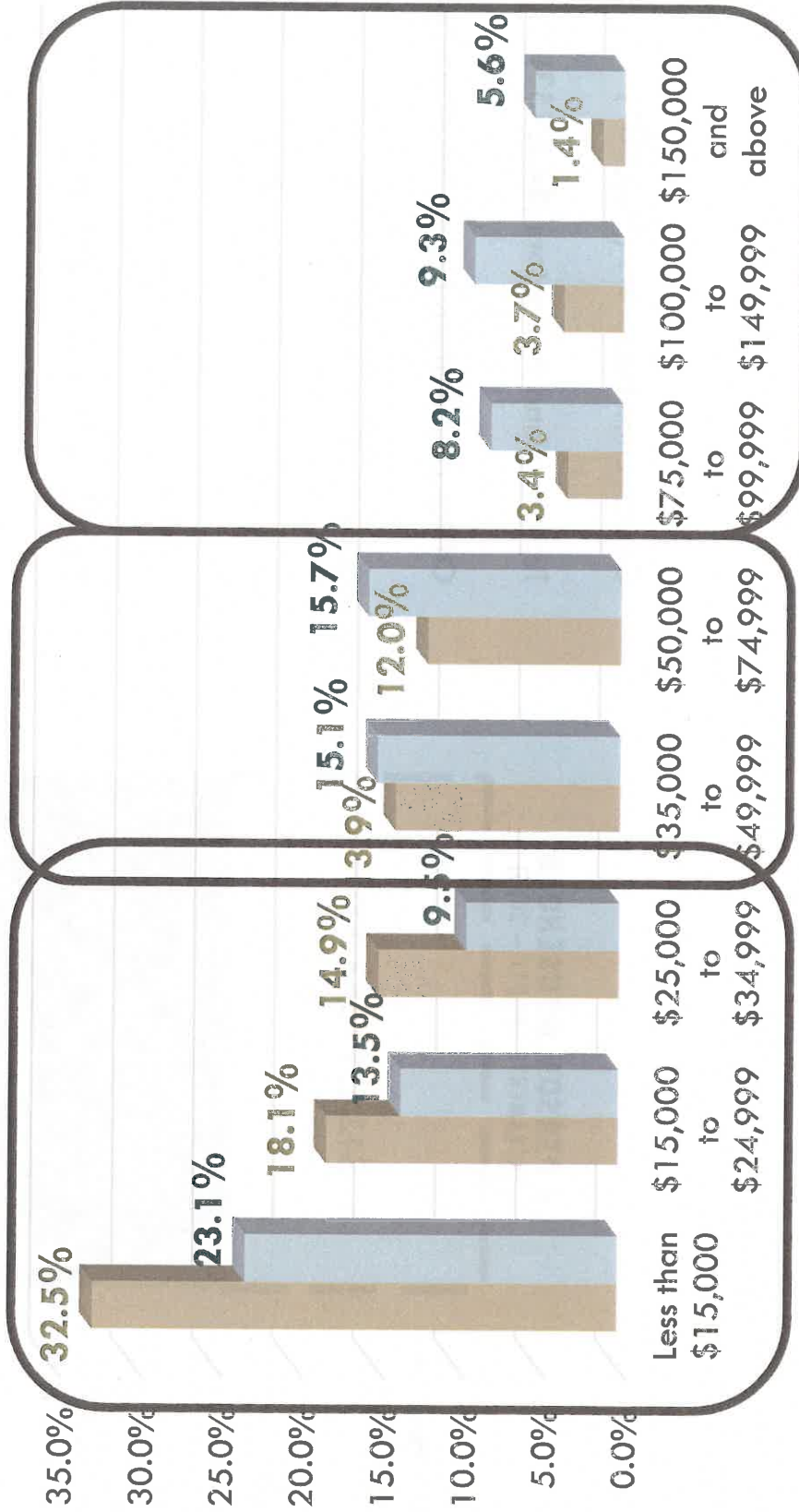
# AGE DISTRIBUTION



■ 2000 ■ 2010-2014

Sources: U.S. Census Bureau, Census 2000, Summary File 1, 2016; U.S. Census Bureau, 2010-2014 American Community Survey, 2016; BAE, 2016.

# INCOME DISTRIBUTION



■ 1999 ■ 2010-2014

Sources: U.S. Census Bureau, Census 2000, Summary File 1, 2016; U.S. Census Bureau, 2010-2014 American Community Survey, 2016; BAE, 2016.

# SACRAMENTO AVERAGE ANNUAL SALARY EXAMPLES

Construction Laborers (\$43,687)
Teachers and Instructors (\$43,953)
Office and Administrative Workers (\$39,700)
Security Guards (\$27,099)
Retail Salespersons (\$27,883)
Janitors and Cleaners (\$27,447)
Childcare Workers (\$24,300)
Food Preparation and Serving (\$23,543)
Fast Food Employees (\$20,999)

**1 PERSON HOUSEHOLD**  
(SACRAMENTO COUNTY - 2016)

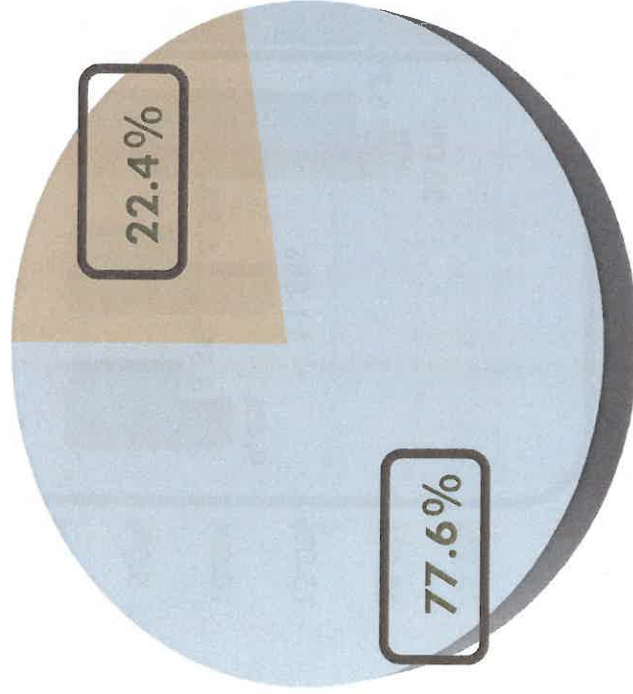


SOURCE: SACRAMENTO BEE

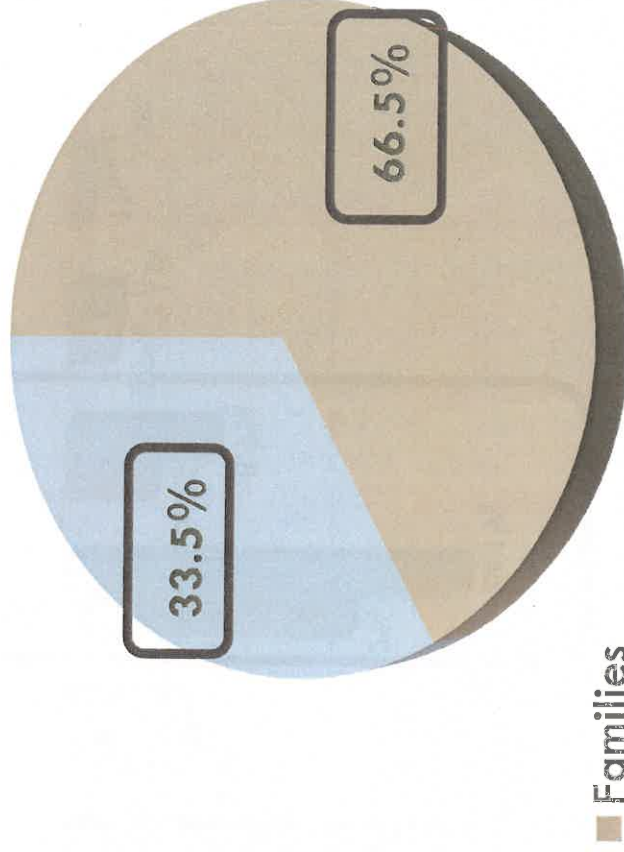


# HOUSEHOLD COMPOSITION (2010-2014)

Central City Households



Sacramento MSA Households



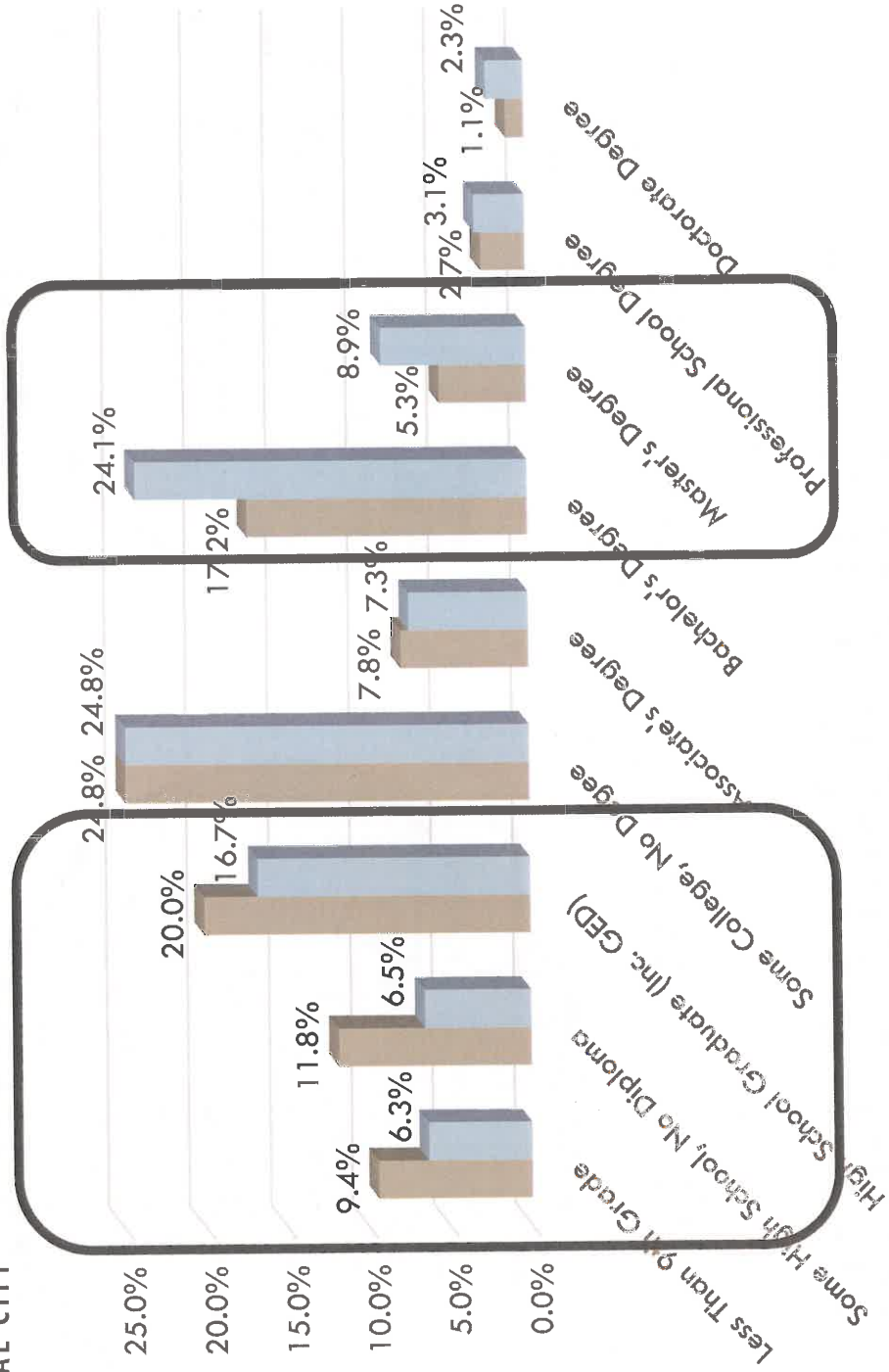
■ Families

■ Non-Families

Sources: U.S. Census Bureau, 2010-2014 American Community Survey, 2016; BAE, 2016.

# EDUCATIONAL ATTAINMENT

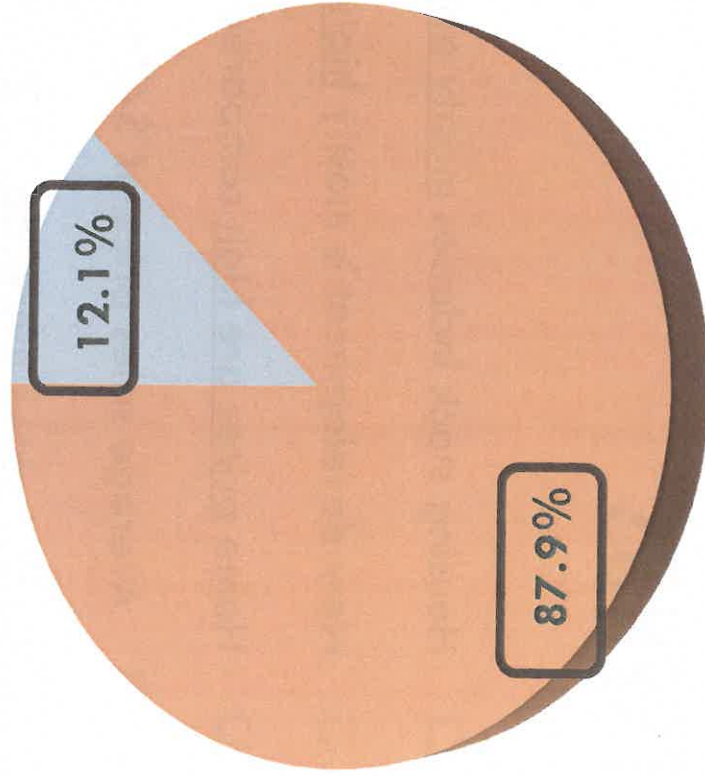
CENTRAL CITY



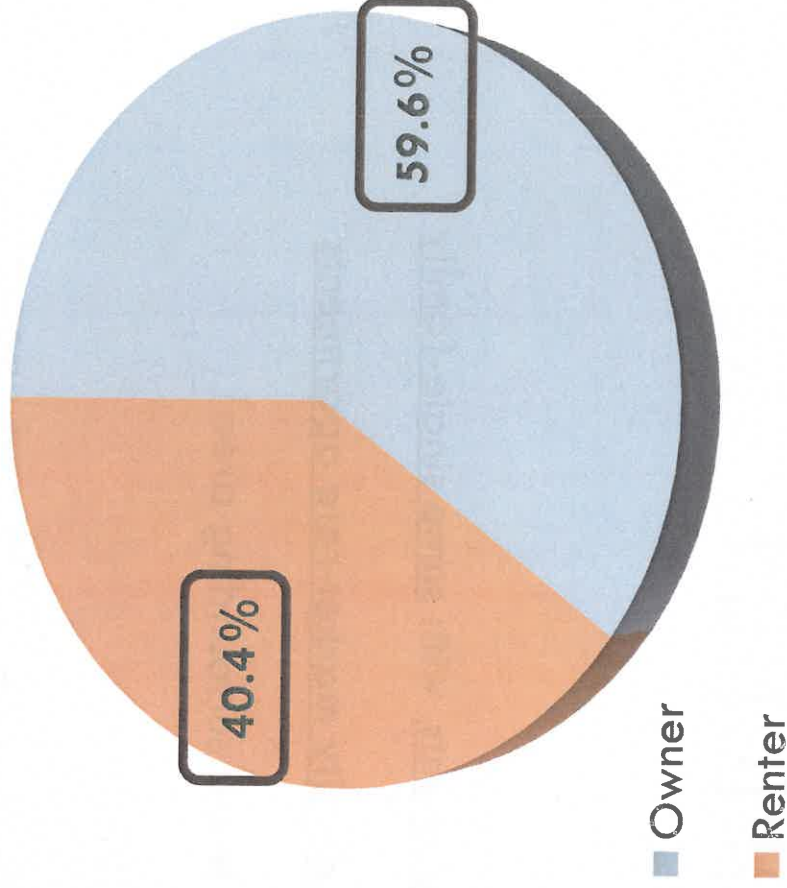
■ 2000 ■ 2010-2014

# HOME OWNERSHIP VS RENTAL (2010-2014)

Central City Households



Sacramento MSA Households



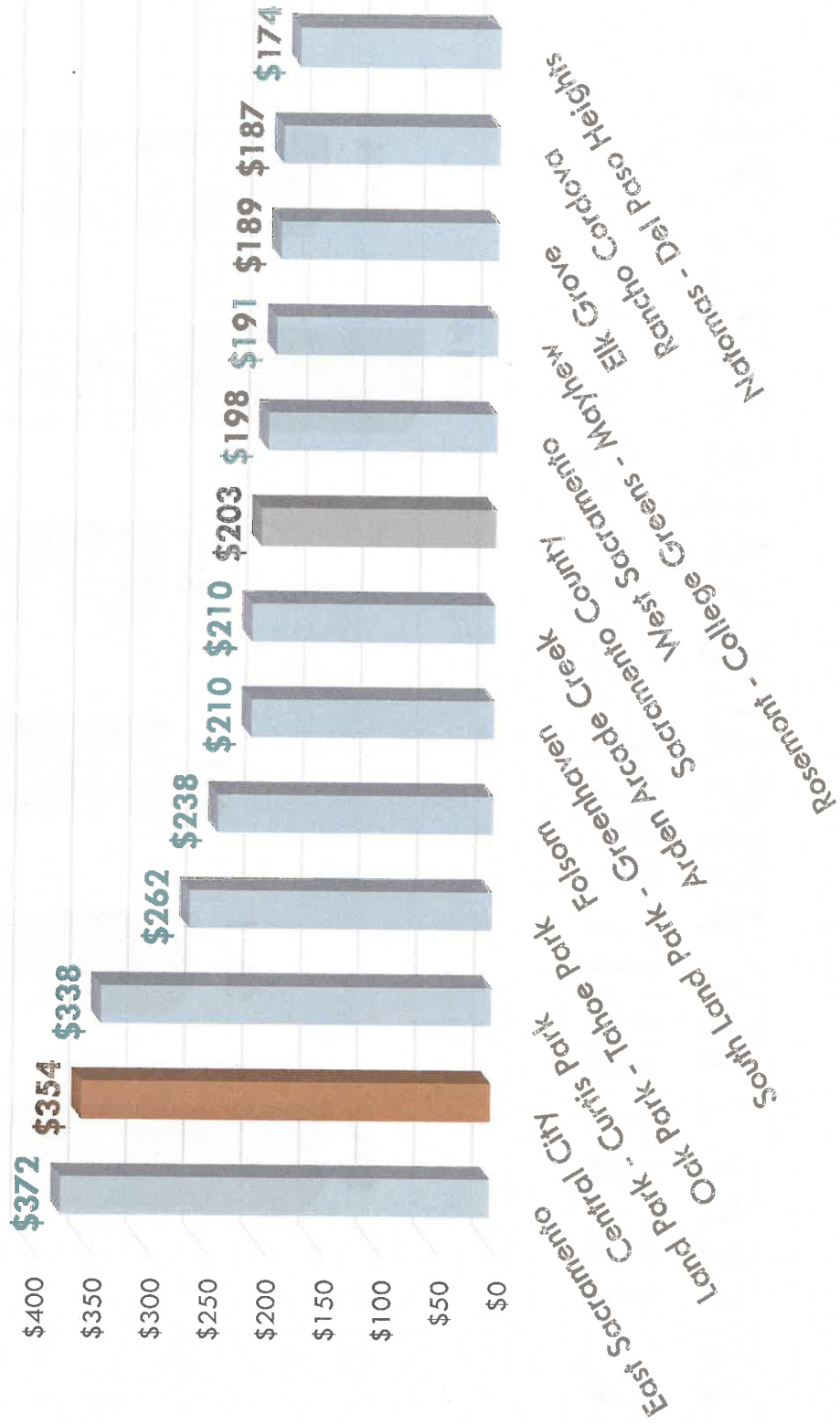
Sources: U.S. Census Bureau, 2010-2014 American Community Survey, 2016; BAE, 2016.

# HOUSING MARKET CONDITIONS AND TRENDS

- Housing stock includes mostly apartments, with some single-family
- New development is mostly high-density market-rate apartments
- Home prices are high compared to the surrounding area
- Average sales price of \$476,250
- Rental rates increased 32 percent since 2008 and vacancy rates are very low
- Market wide average of \$1,737
- Market wide vacancy rate of 3.2%

# AVERAGE SALE PRICE PER SQUARE FOOT BY SACRAMENTO NEIGHBORHOOD

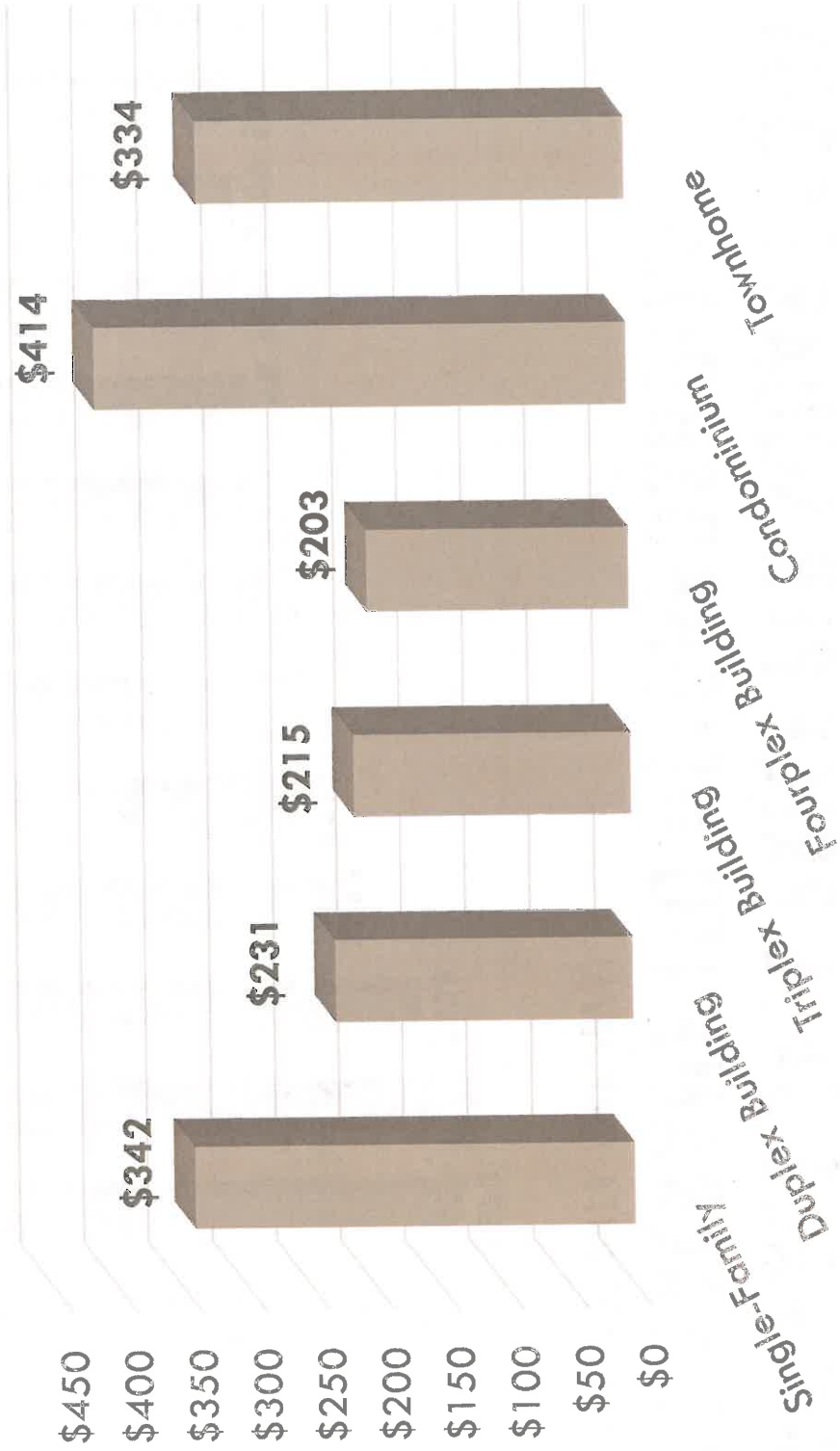
(FEBRUARY 2016-JULY 2016)



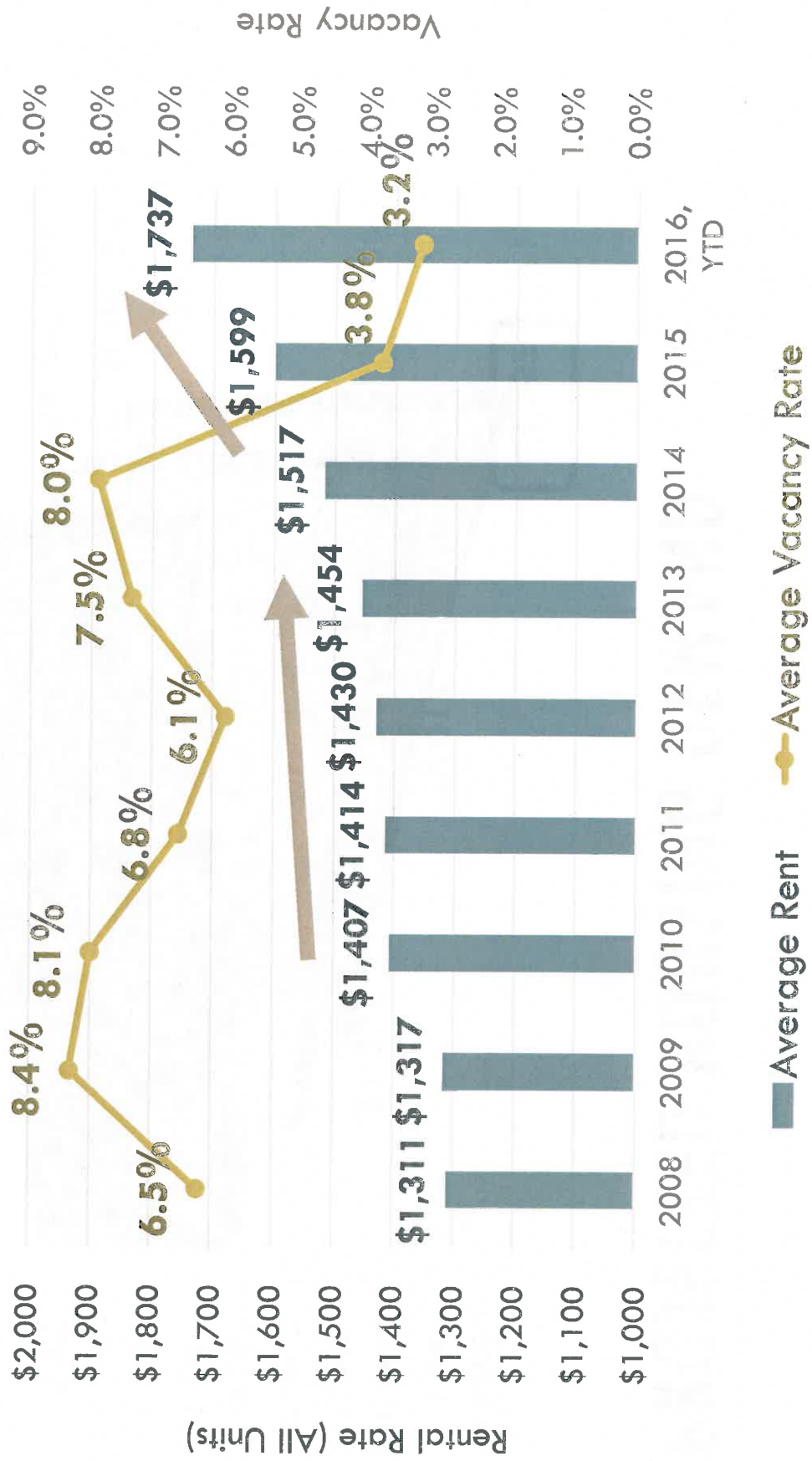


# CENTRAL CITY AVERAGE SALE PRICE PER SQ. FT. BY UNIT TYPE

(JULY 2015-JULY 2016)

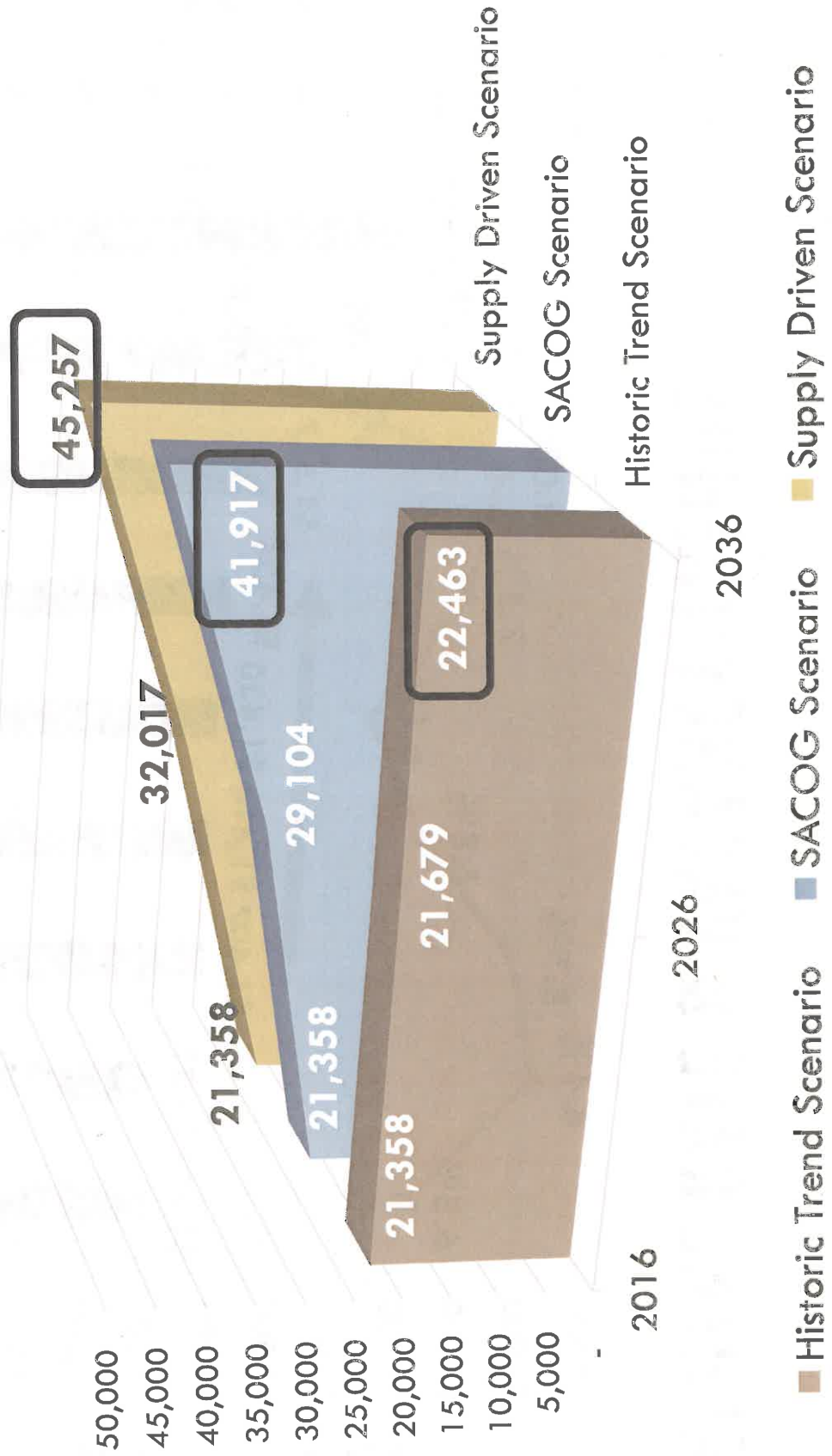


# RENTAL RATE & VACANCY TRENDS



Sources: RealAnswers, 2016; BAE, 2016.

# PROJECTED HOUSING DEMAND



Sources: SACOG, 2016; U.S. Census Bureau, 2016; SHRA, 2016; Downtown Sacramento Partnership, 2016; BAE, 2016.

# ADDITIONAL QUESTIONS

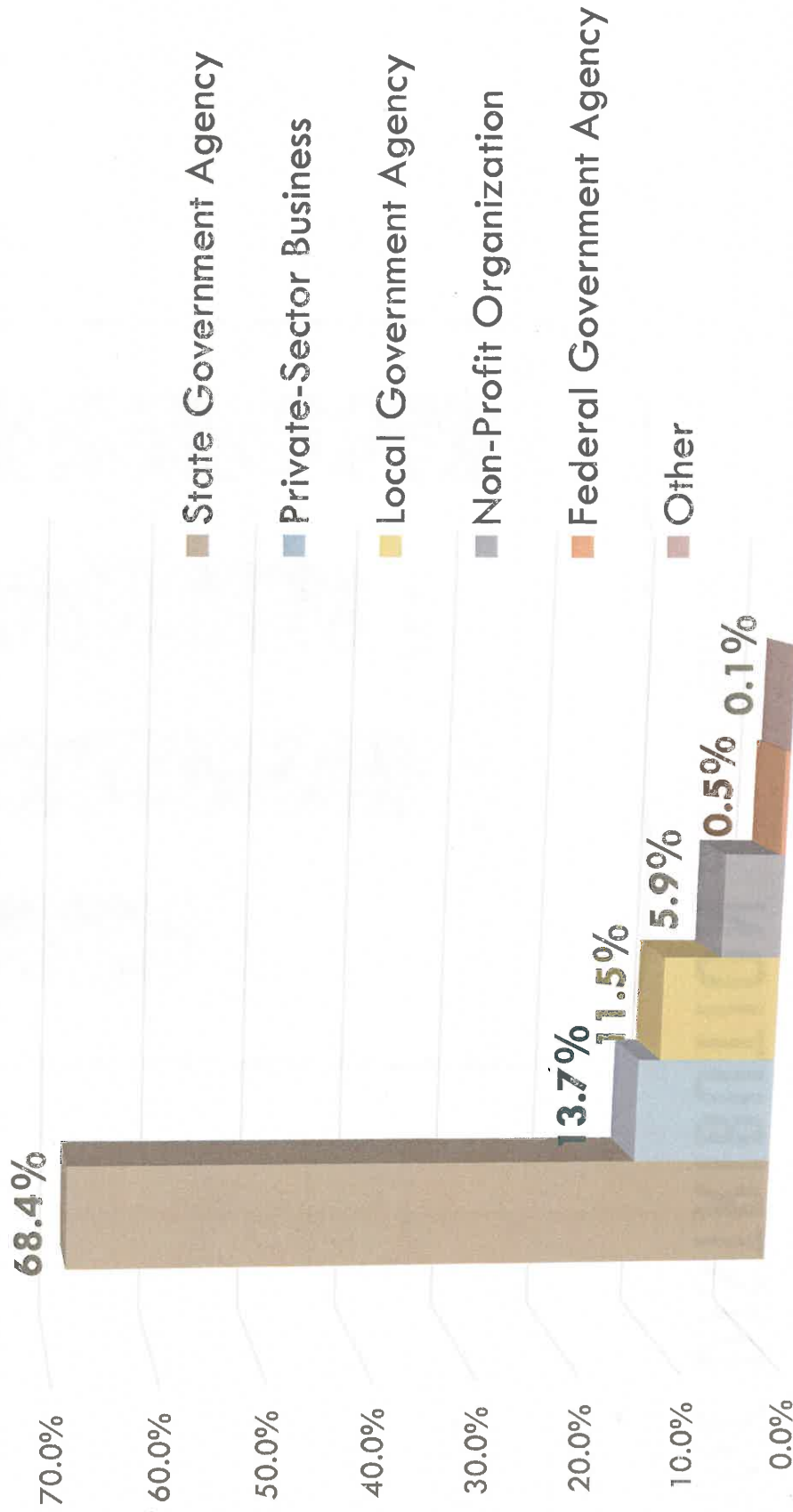
- Which of the forecast scenarios is more likely to bear out?
- Would in-commuters actually be interested in living here?
- If so, who and where are they?*
- What kind of housing do they want/need?*
- What kind of amenities do they want/need?*
- What can they afford to spend on housing?*

# CENTRAL CITY WORKER SURVEY

- Assess the housing preferences of existing workers
- Surveyed using the SurveyMonkey online platform
- Conducted between April 2<sup>rd</sup> and May 15<sup>th</sup>, 2017
- Received 4,279 responses, including 3,664 Central City workers
- Divided respondents into three main groups:
  - All Central City Workers
  - Central City Residents
  - Non-Central City Residents

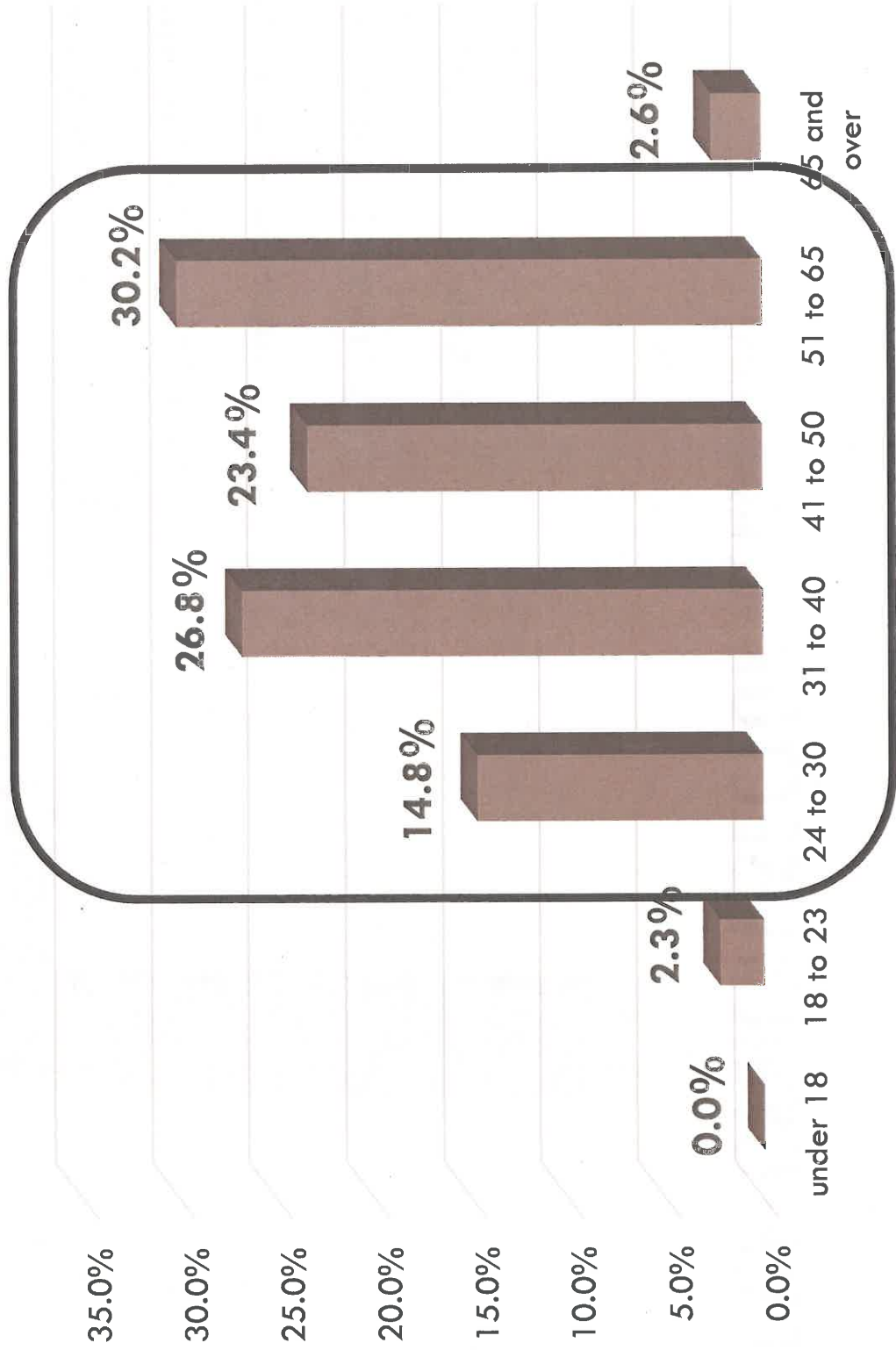


# EMPLOYMENT SECTOR (ALL RESPONDENTS)



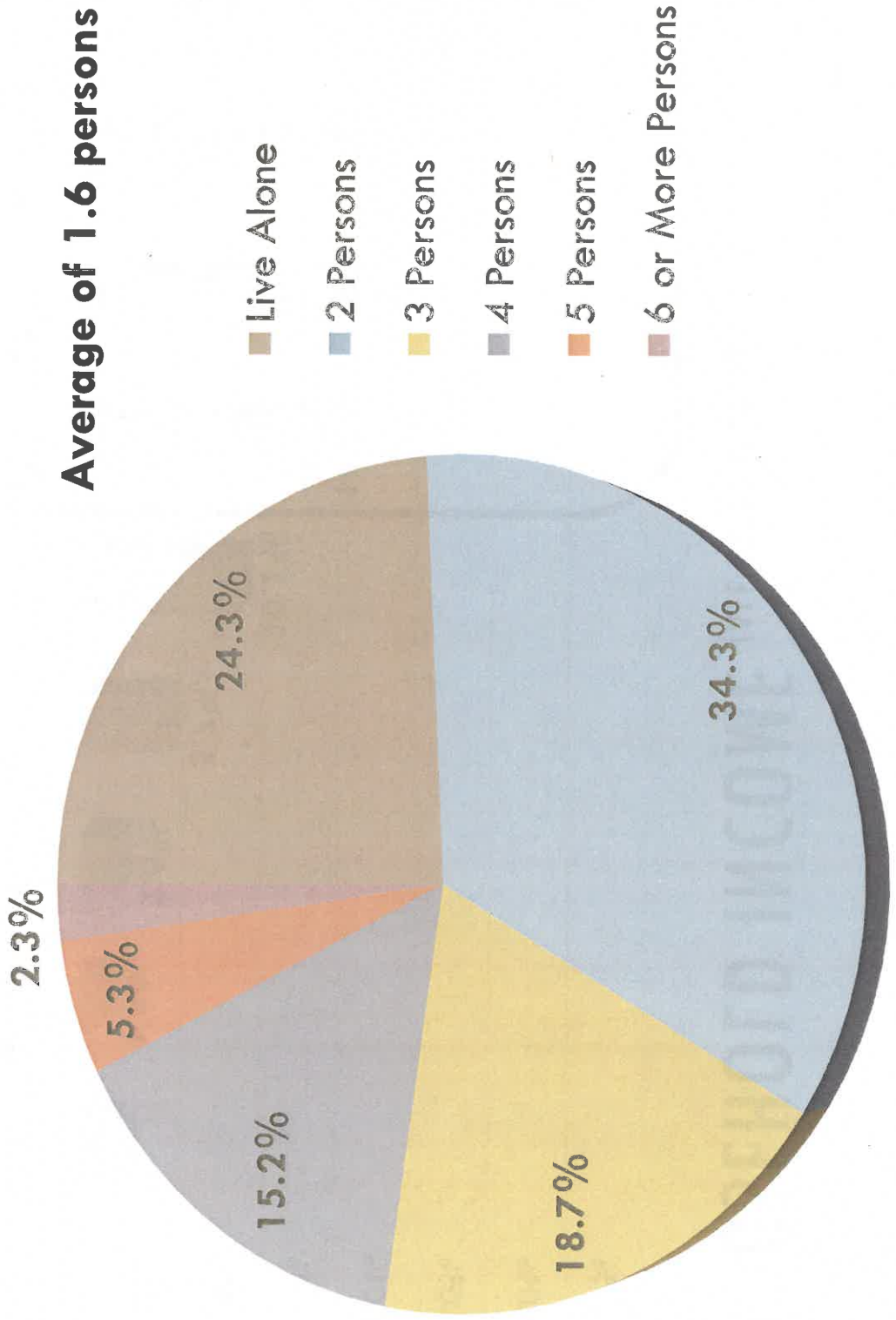
Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

# AGE DISTRIBUTION (ALL RESPONDENTS)



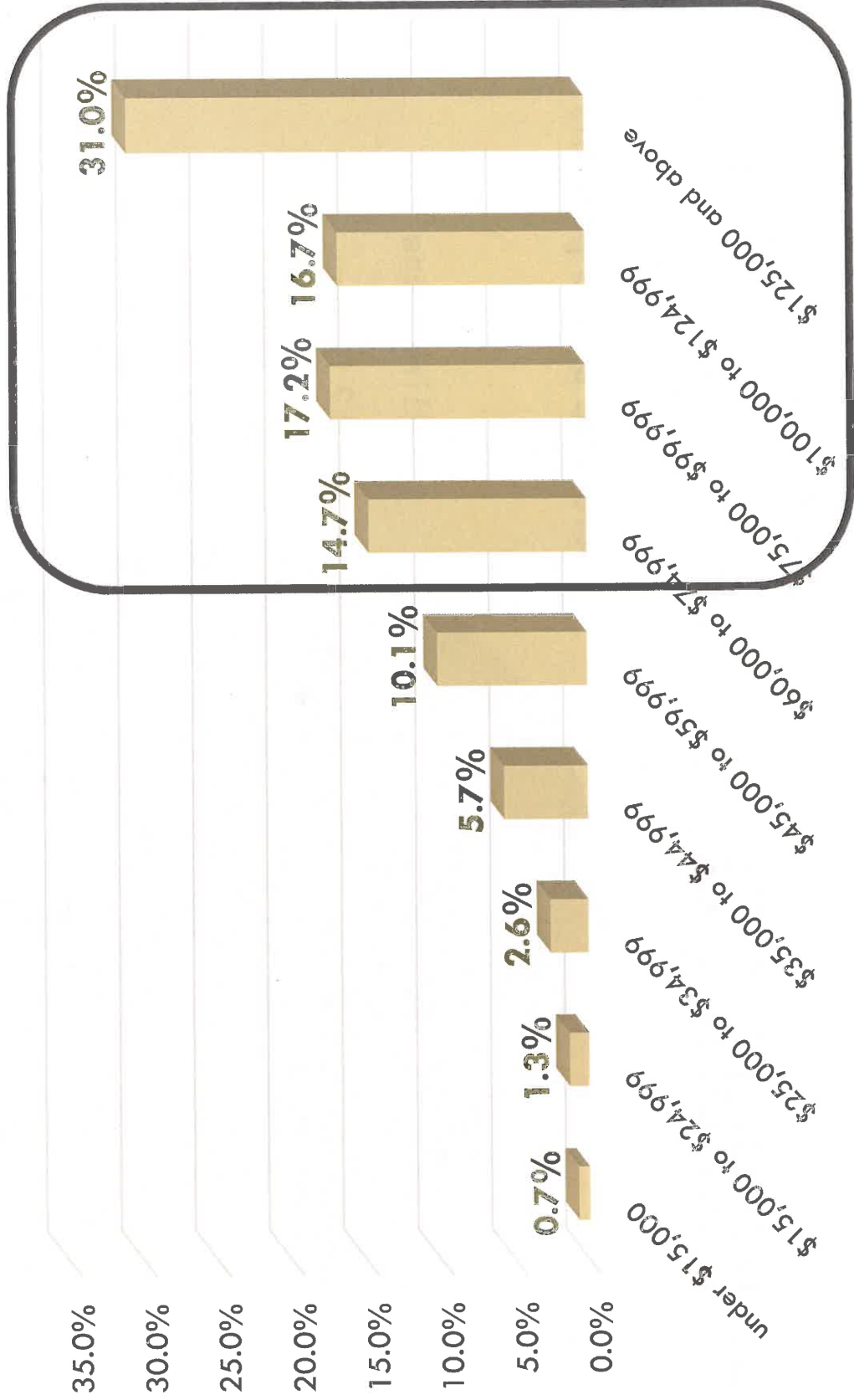
Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

# HOUSEHOLD SIZE (ALL RESPONDENTS)



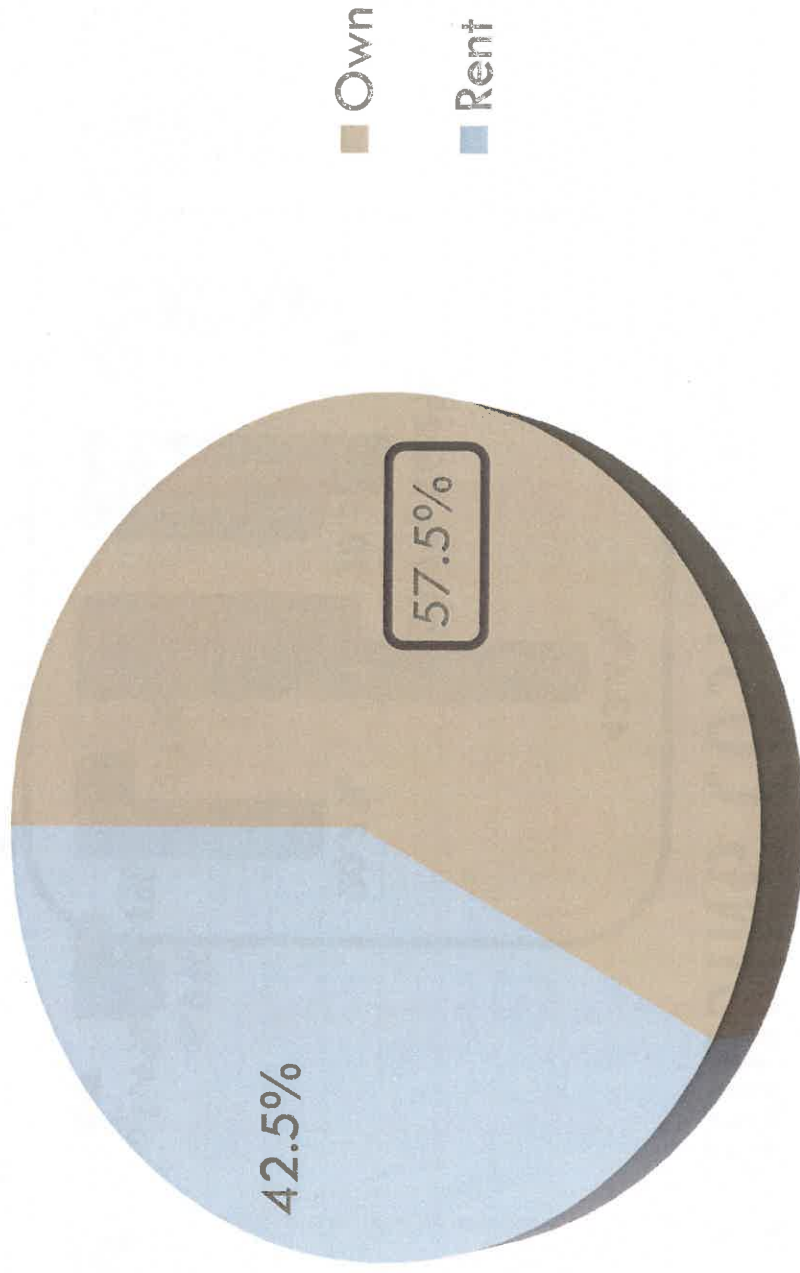
Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

# HOUSEHOLD INCOME (ALL RESPONDENTS)



Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

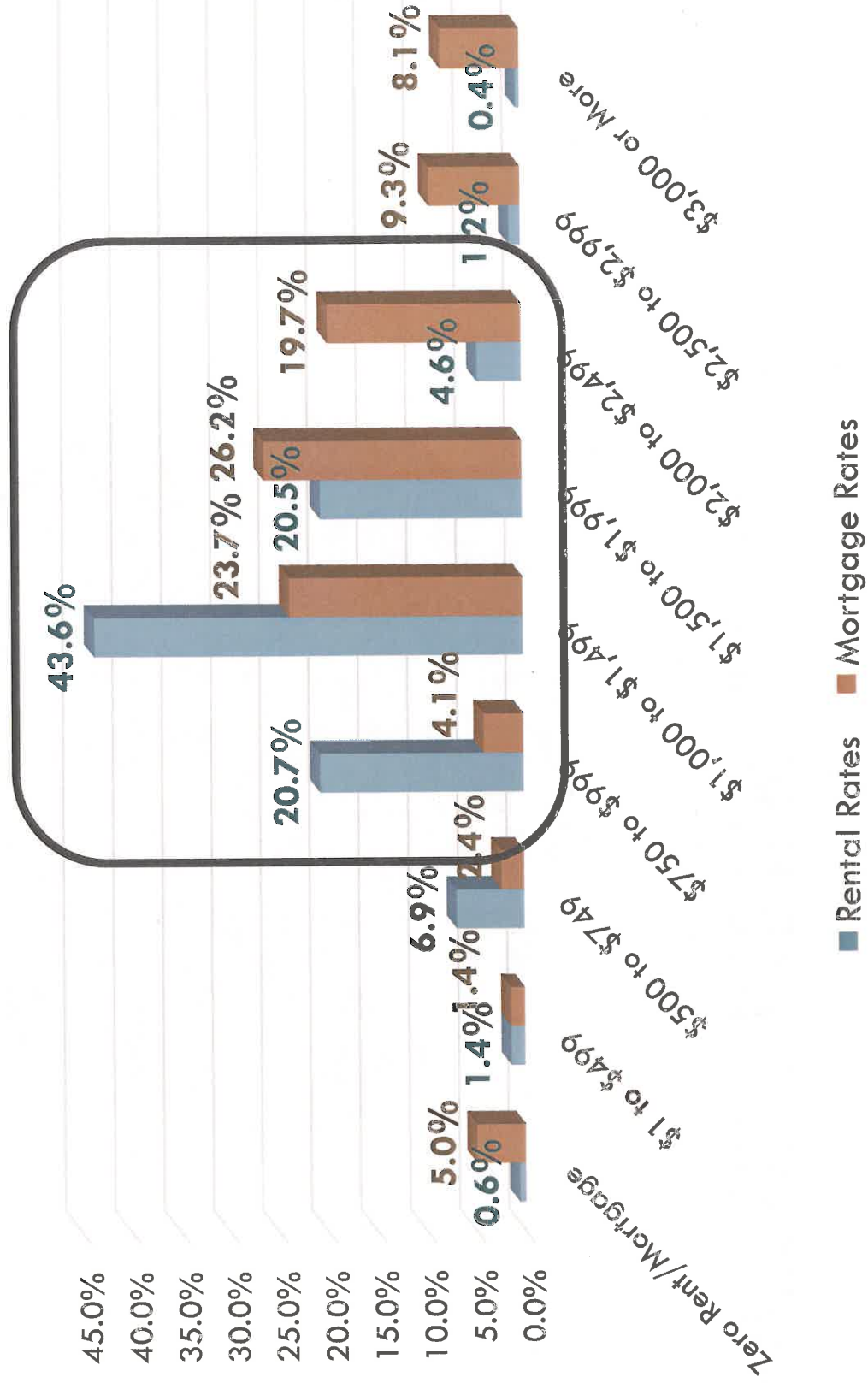
# HOUSEHOLD TENURE (ALL RESPONDENTS)



Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

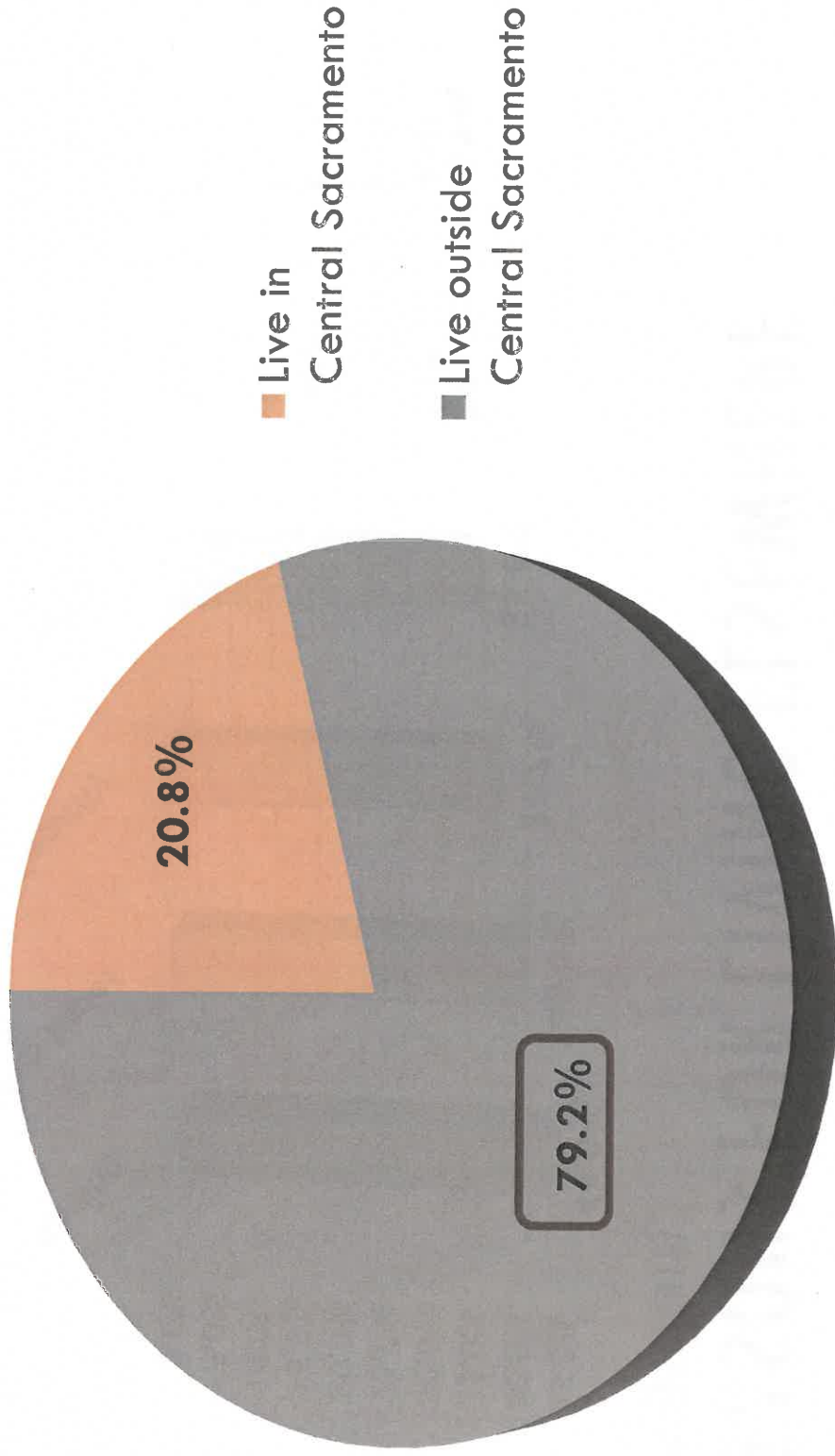


# MONTHLY HOUSING COSTS (ALL RESPONDENTS)



Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

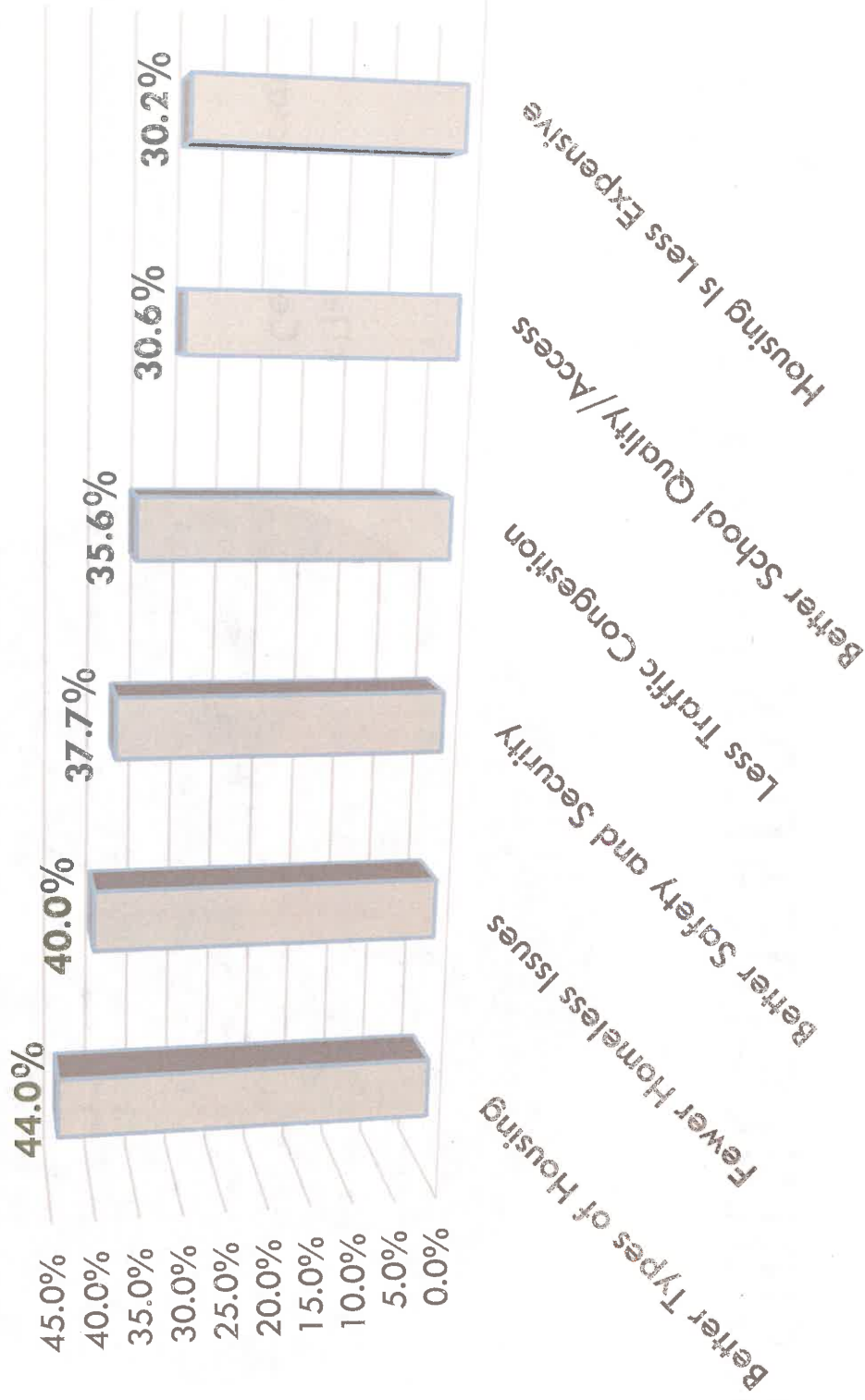
# RESIDENCE LOCATION (ALL RESPONDENTS)



Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

# REASONS FOR LIVING ELSEWHERE

(NON-RESIDENTS)



Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

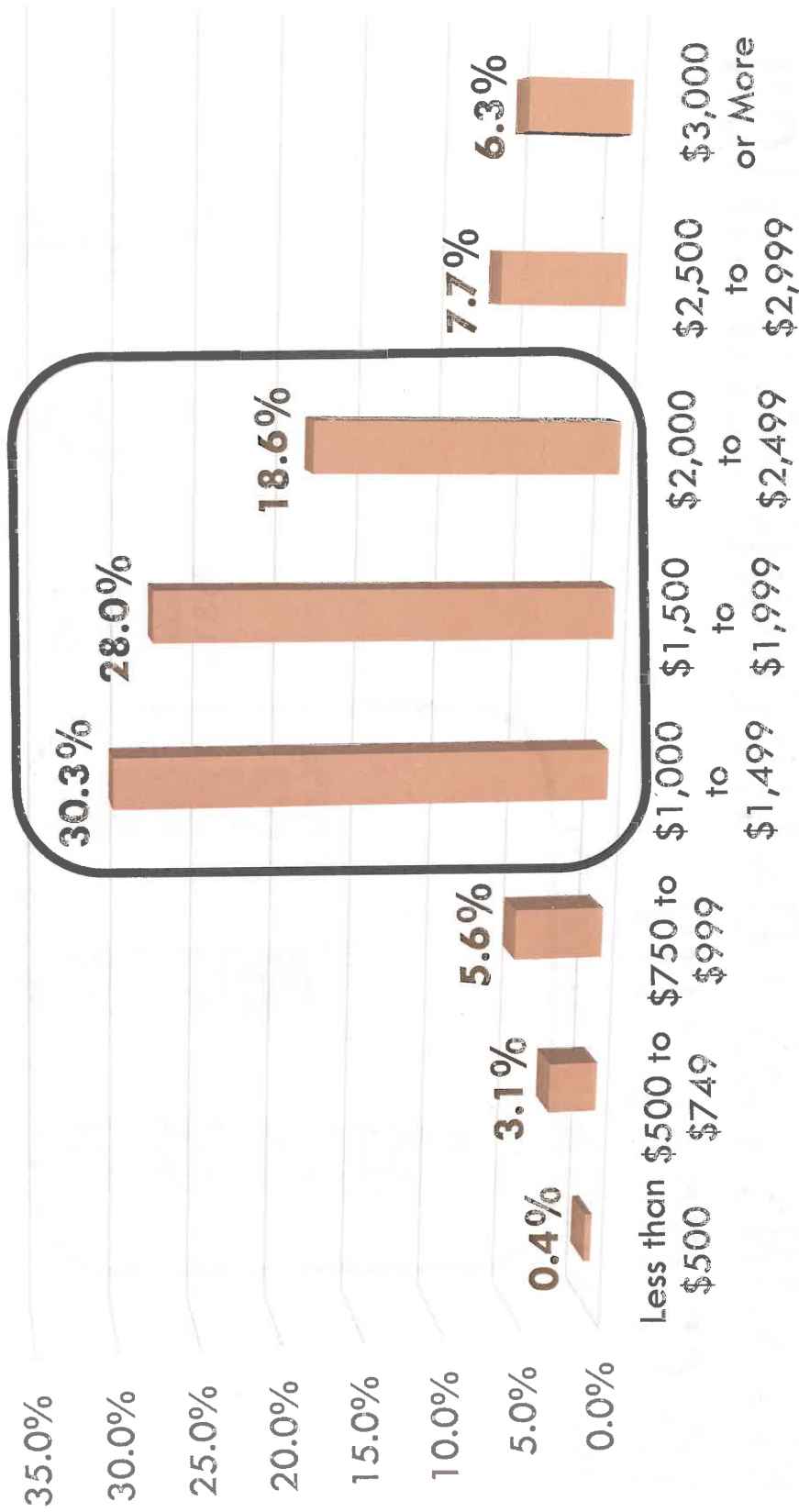
# REASONS FOR CONSIDERING RELOCATION TO CENTRAL CITY

(NON-RESIDENTS INTERESTED IN RELOCATION)



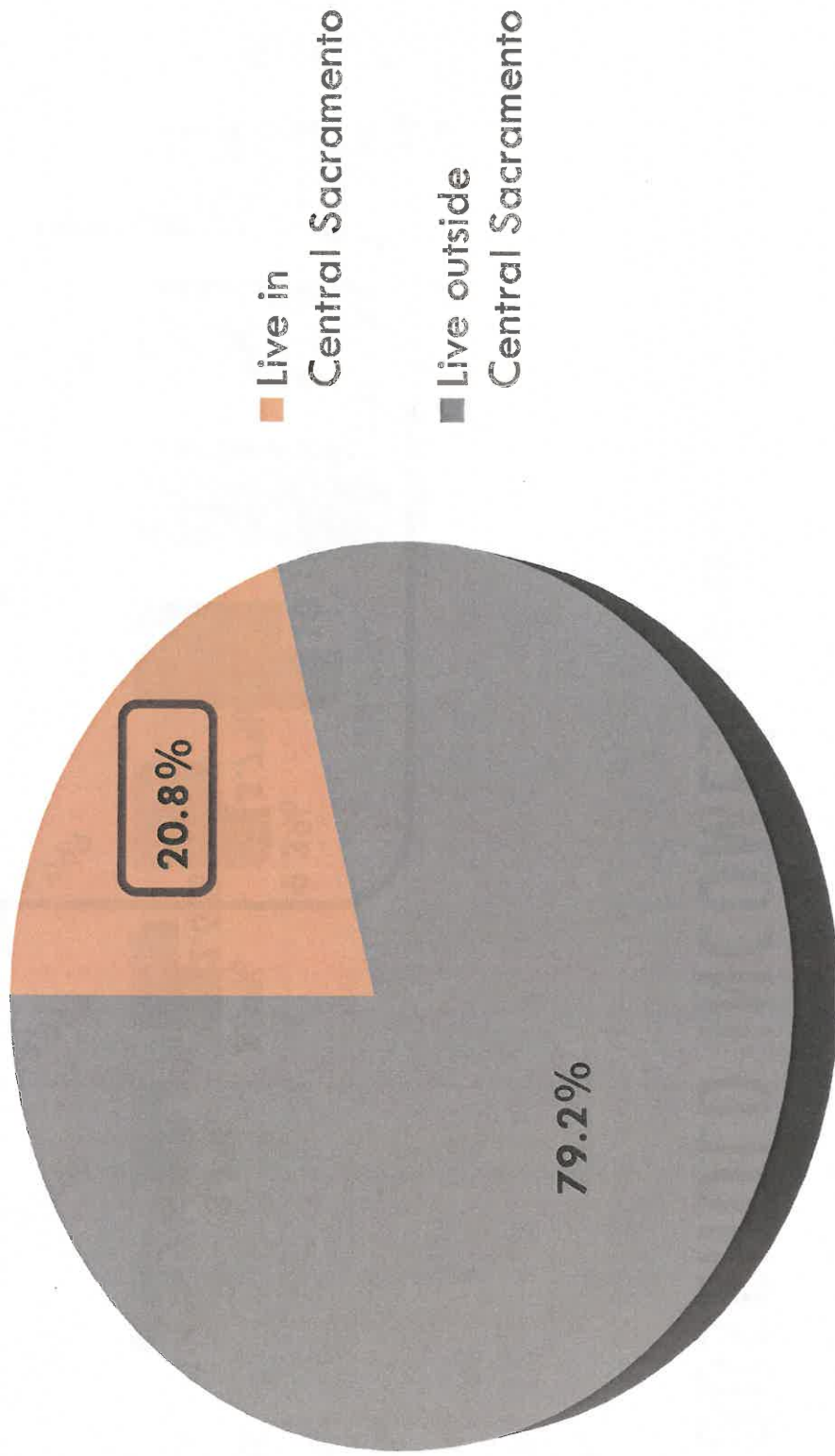
# MONTHLY BUDGET FOR HOUSING

(NON-RESIDENTS INTERESTED IN RELOCATION)



Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

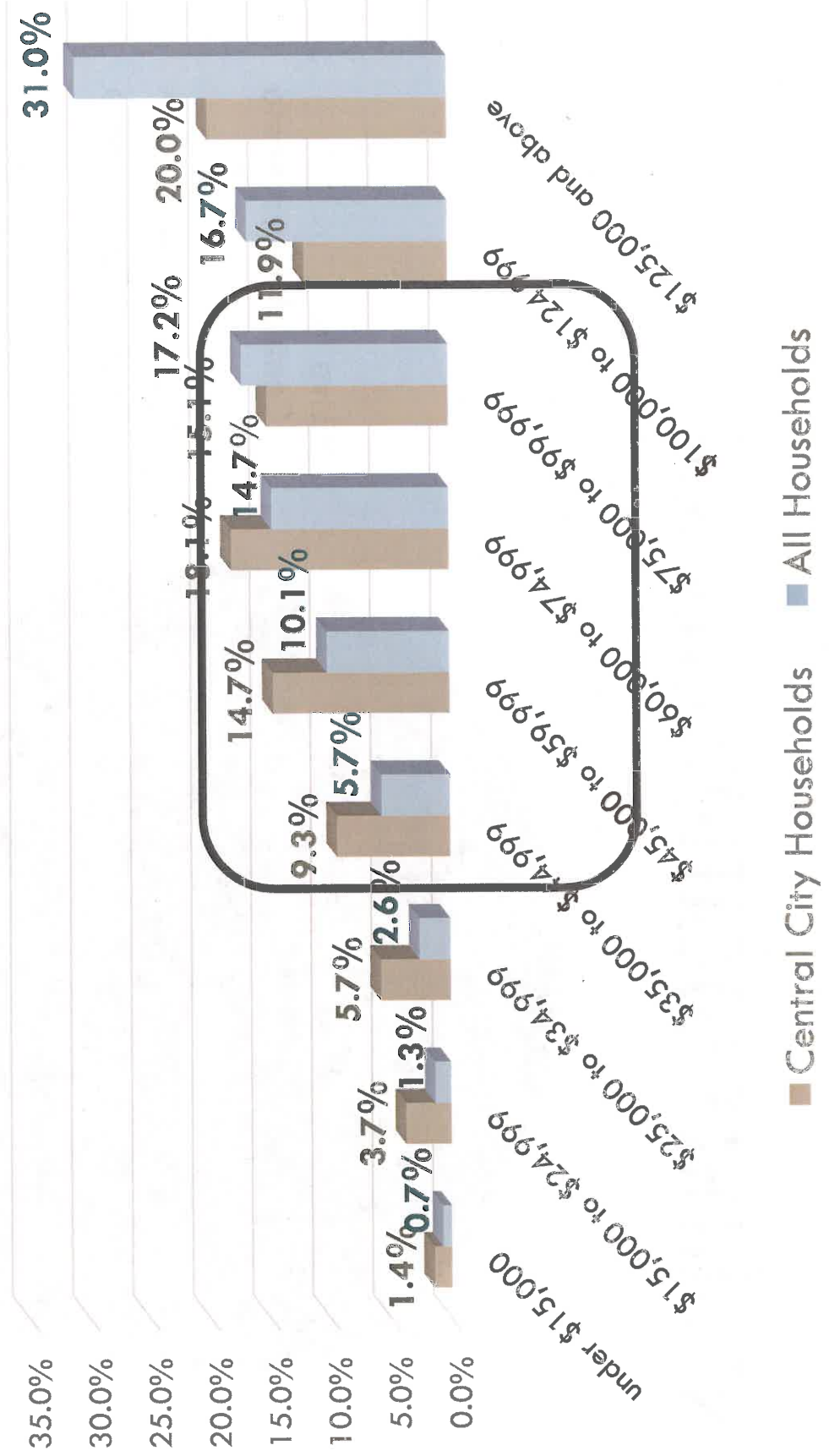
# RESIDENCE LOCATION (ALL RESPONDENTS)



Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

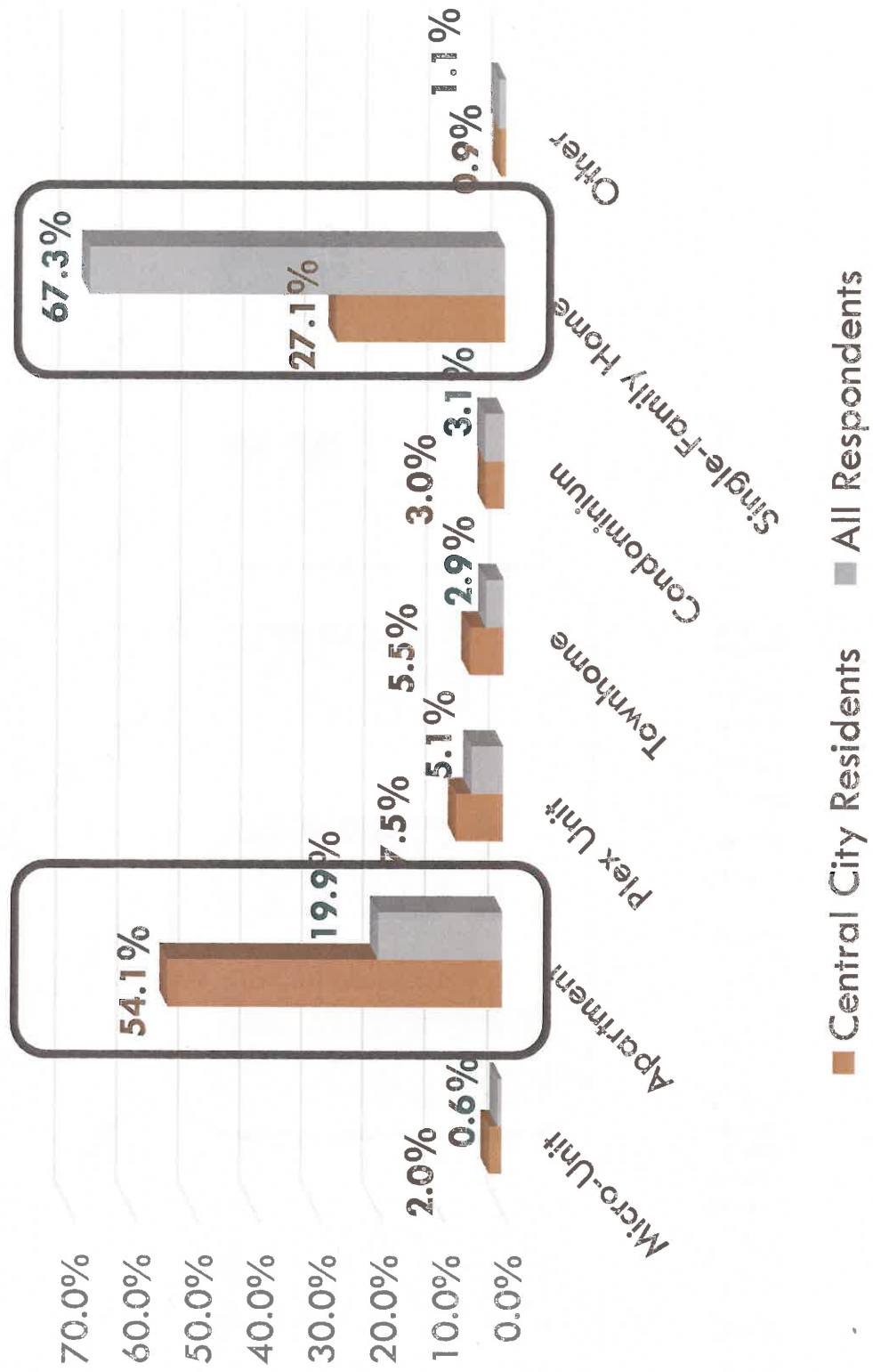


# HOUSEHOLD INCOMES (RESIDENTS)



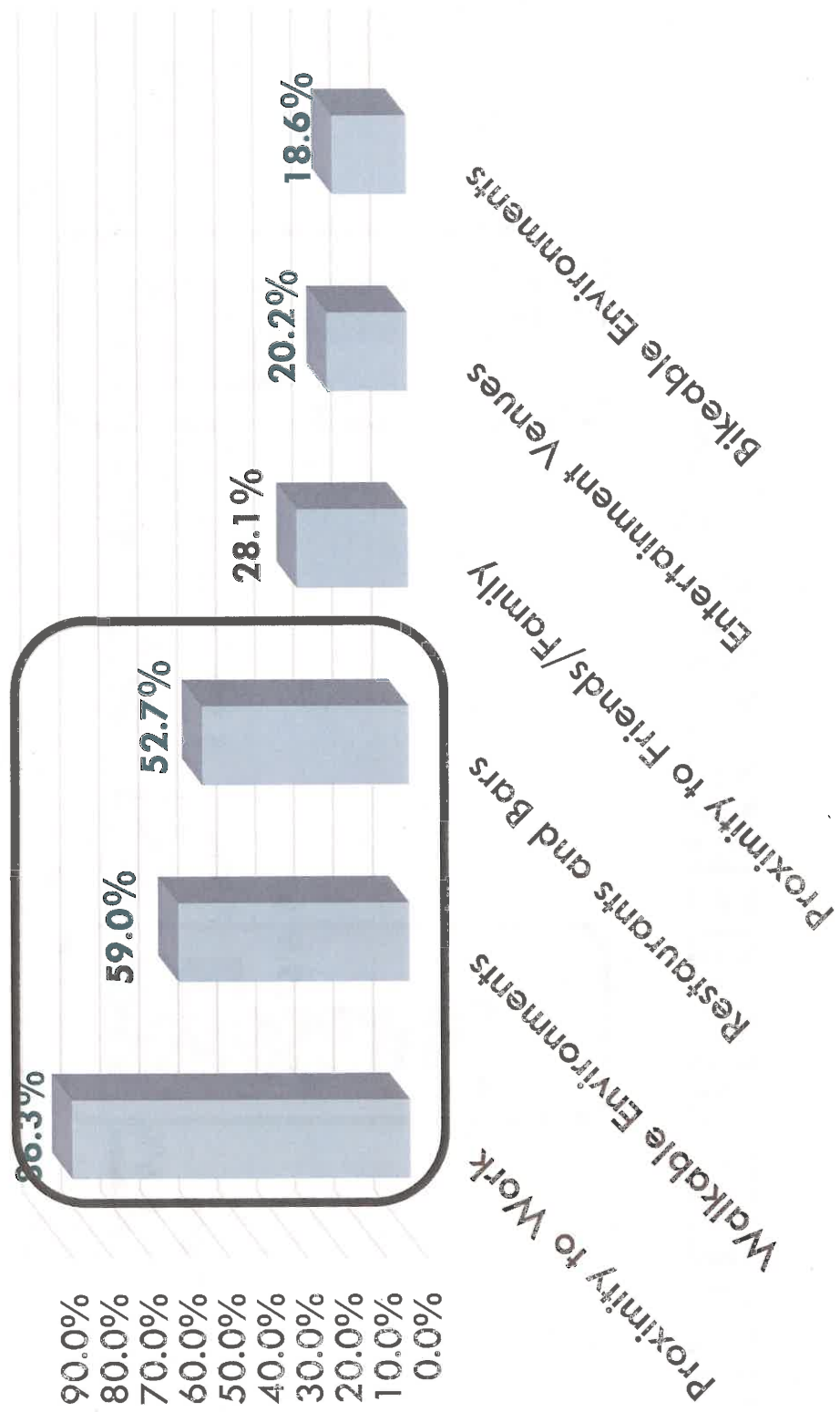
Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

# CURRENT RESIDENCE TYPE (RESIDENTS)



Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

# REASONS FOR STAYING (RESIDENTS)

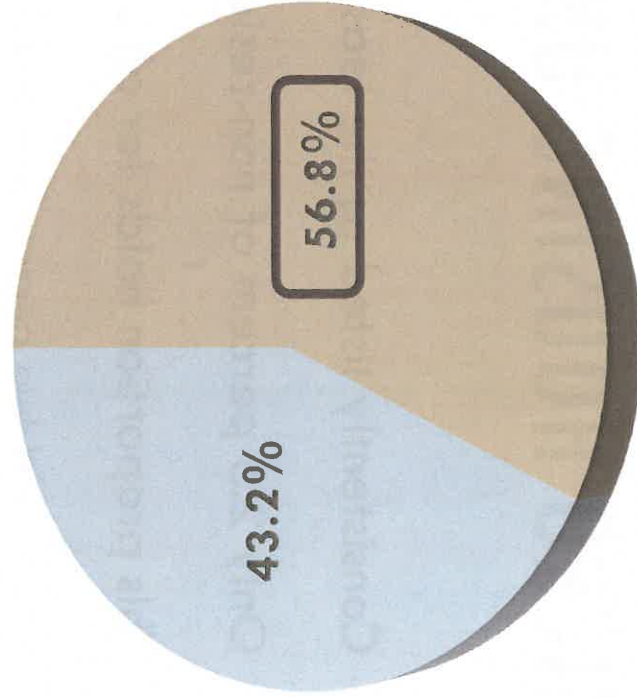


Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.

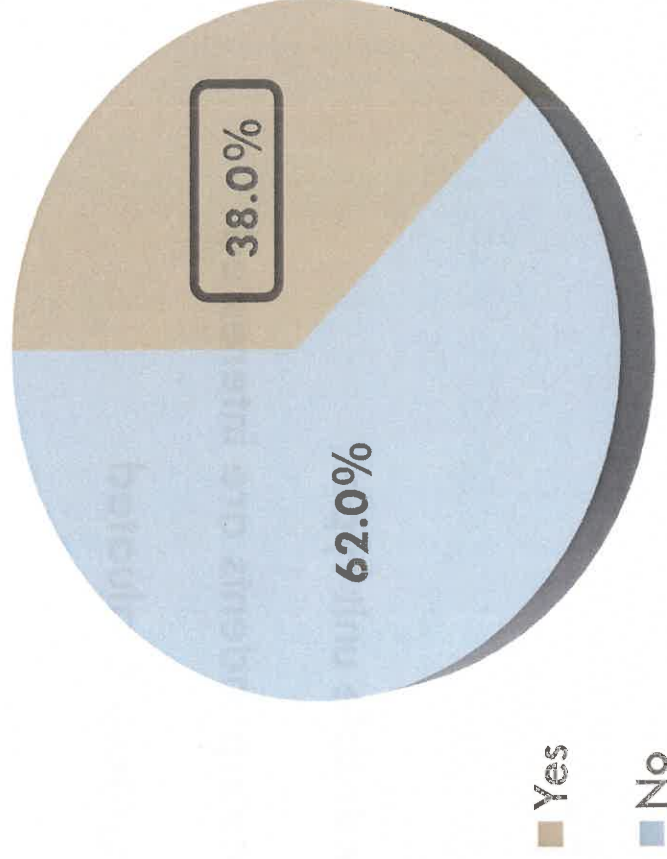
# FUTURE PRIVATE VEHICLE OWNERSHIP

(WILLINGNESS TO FOREGO PERSONAL VEHICLE OWNERSHIP)

Central City Residents  
(Remaining in Central City)



Non-Central City Residents  
(Interested in Relocating)



# MICRO HOUSING UNITS

- Consistently listed as the least desirable unit type
- Only 2.5 percent of non-resident respondents are interested
- This proportion holds for all sub-groups evaluated
  - One and two person households*
  - Low-income households*
  - Retail and service workers*
  - Younger households*
- Some noted desire for income-restricted micro units

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# STAKEHOLDER INTERVIEWS

- Newly constructed rental properties (Class A)
- Existing older rental properties (Class B/C)
- Newly constructed for-sale housing

# NEW RENTAL HOUSING (CLASS A)

- Strong demand, little difficulty in leasing
- Exceeding target occupancy rates of 96 to 97 percent
- Characteristics of new renters
  - College educated professionals in their 20s and 30s
  - Even split between full-time and part-time residents
  - Empty nesters are a small, but notable, market segment
  - In most cases, amenities trump affordability in this market
  - Location is a key, as well as in-unit laundry, HVAC, and parking



# EXISTING RENTAL HOUSING (CLASS B/C)

- ❑ Current vacancy rate between 2.0 and 2.5 percent
- ❑ Lowest cost units are in highest demand
- ❑ Rents have increased 20-30 percent over past 2-3 years
- ❑ Property owners becoming wary of rent control push
- ❑ Properties serve two separate market segments
- ❑ Young Professionals – Similar to new Class A tenants
- ❑ Rent by Necessity – Lower income and more price sensitive

# EXISTING RENTAL HOUSING (CLASS B/C)

- Class B/C property owners typically have low basis
- Provides flexibility when maintenance/renovation is needed
- Owners sensitive to tenant affordability and value stability over rent maximization
- Most price increases are among a subset of property owners
- Need for more robust code enforcement to encourage maintenance of the existing Class B/C housing stock

# NEW FOR-SALE HOUSING

- New attached and detached housing developers
- Included the Mill at Broadway, McKinley Village, and Blackstone
- Projects reflect a wide variety of product types and prices
- Primarily targeting young professionals and empty nesters
- Younger professionals are primarily first time buyers
- Looking for well designed units at affordable prices
- ~\$400,000 is around the maximum; many lack down payments
- Looking at both rental and for-sale housing options
- May soon relocate to suburban locations to start families

# NEW FOR-SALE HOUSING

- Primarily targeting young professionals and empty nesters
- Empty nesters are mostly retirees and mid-career professionals
- Empty nesters are looking for urban amenities and “lock and leave”
- Covering units of 1,500 sq. ft. and up, priced between \$400k-\$800k
- Sale price is less of a concern since most have equity
- Many want to downsize and save some equity for other uses

# UNMET HOUSING DEMAND

- Intent was to identify the order of magnitude of unmet Central City worker demand for Central City housing
- Adjusted to identify workforce households who might relocate
  - Non-resident survey respondents interested in relocation
  - Non-resident survey respondents interested in something other than single-family detached housing
- BAE estimates 19,432 workers may be interested in relocation

# UNMET HOUSING DEMAND

- ❑ Reduced the worker estimate based on the average number of workers per household among survey respondents
- ❑ ~11,700 worker households may be interested in relocation
- ❑ Distributed households by income category based on the distribution of survey respondent households
  - ❑ 1,851 low-income households
  - ❑ 2,591 moderate-income households
  - ❑ 7,264 above moderate income households

# UNMET HOUSING DEMAND

Persons per Household (b)	Income Category (a)				Total, All Incomes	Percent of Total	
	Extremely Low (30% MFI)	Very Low-Income (50% FMI)	Low-Income (80% FMI)	Moderate Income (120% FMI)			Above Moderate Income (>120%)
1 Person	42	61	312	713	1,481	2,609	22.3%
2 Person	66	92	432	888	2,515	3,993	34.1%
3 Person	15	112	250	499	1,539	2,415	20.6%
4 Person	0	12	315	365	1,081	1,773	15.1%
5+ Person	0	21	120	127	649	916	7.8%
<b>Total, All Sizes</b>	<b>123</b>	<b>299</b>	<b>1,429</b>	<b>2,591</b>	<b>7,264</b>	<b>11,706</b>	<b>100%</b>
<i>Percent of Total</i>	<i>1.1%</i>	<i>2.6%</i>	<i>12.2%</i>	<i>22.1%</i>	<i>62.1%</i>	<i>100%</i>	

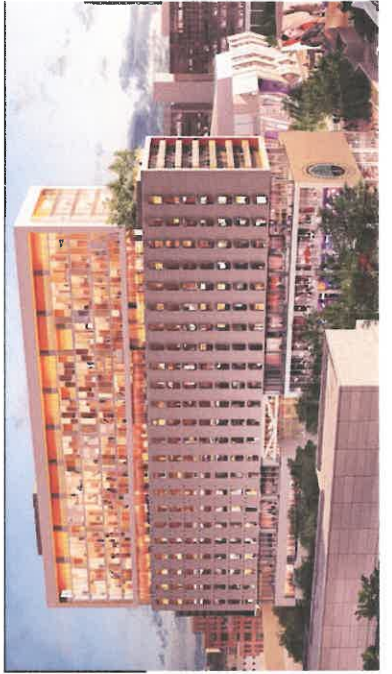
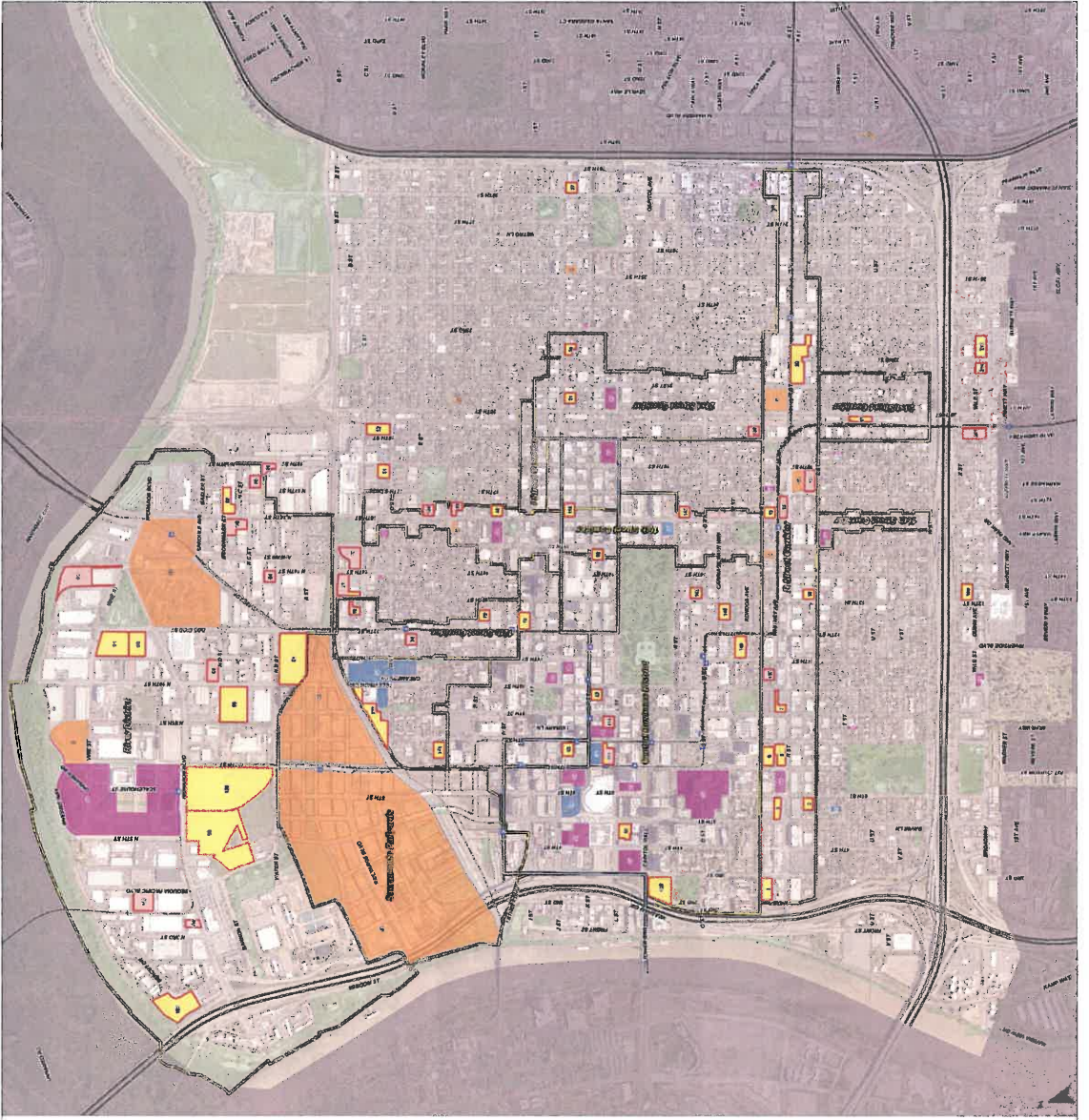
(a) Based on a comparison between the reported income levels of Central City Employee Survey respondents and the FY2016 HCD Income Limits for Sacramento County

(b) Based on the distribution of Central City Employee Survey respondents by household size.

Sources: Central Sacramento Employee Housing Survey, 2017; BAE, 2017.



# PIPELINE AFFORDABILITY



# PIPELINE AFFORDABILITY

	Income Category (a)					Target Income Level	Total
	Extremely Low (30% MFI)	Very Low-Income (50% FMI)	Low-Income (80% FMI)	Moderate Income (120% FMI)	Above Moderate Income (>120%)		
# of Units	226	384	321	26	3,796	7,899	12,394
% of Total	1.8%	3.1%	2.6%	0.2%	30.6%	63.7%	100%
Unmet Demand						94.4%	
# of Units	123	299	1,429	2,591	7,264	n.a.	11,706
% of Total	1.1%	2.6%	12.2%	22.1%	62.1%	n.a.	100%

(a) Based on a comparison of reported sale and rental prices and HCD Income Limits for.

Sources: City of Sacramento, 2016; SHRA, 2017; CADA, 2017; Downtown Sacramento Partnership, 2016; Project Representative Interviews, 2017; BAE, 2017.



# RECOMMENDED CADA POLICIES

- Policy Mandates Differ by Organization
- CADA must set aside 25% of all housing for low- and very-low
- City of Sacramento Housing Element and RHNA obligations
- Other are concerned with worker recruitment/retention, and want a vibrant and balanced business environment
- Downtown Sac Partnership; Midtown Association; R Street Partnership

# RECOMMENDED CADA POLICIES

- Within this context, BAE recommends the following:
- Incentivize and/or facilitate development of rental housing at or below 120 percent of AMI;
- Incentivize and/or facilitate development of for-sale housing options equal to 80 percent of AMI or more;
- Identify housing types and construction methods that can produce units at affordable price points (e.g., 19J, Mill at Broadway, etc.);

# RECOMMENDED CADA POLICIES

- Work with developers to efficiently redesign projects, as necessary, to better align with worker housing needs;
- Intensify residential code enforcement to identify and remediate problem rental properties and improve the housing quality;
- Identify opportunities for CADA to acquire existing class B/C rental properties to help preserve the existing lower cost housing.

# QUESTIONS OR COMMENTS?

**BAE Urban Economics**

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**Aaron Nousaine, Vice President**

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## **R Street Sacramento Partnership**

Board of Directors Meeting Minutes

Thursday, August 24, 2017 @ 9a

HGA Architects| 1200 R Street, Suite 100| Sacramento, CA 95811

### **MEETING MINUTES**

Board Members Present: Bay Miry, Wes Davis, Todd Leon, Allyson Dalton, Jim Cordano, Adele Glaviano, Tim Spangler, John Dangberg, Bree Taylor, Mike Heller, Jess Berkey

Absent: Ali Youssefi

Guests:) Justin Eklund (Sac PD), Matt Read (Council Member Hansen), Jen Lewis (Café Bernardo), Richard Abrusci (Goodwill Industries), Suzi Dotson (Wind Youth Services), Carlin Naify (Beers Books), Erica McBride (Arch|Nexus), Lisa Hinz (Sac PD/RT), Wendy Nelson

Administrators: Michelle Smira-Brattmiller, Marilyn Wright

Meeting called to order by Chair Miry at 9:00 am.

2. Introductions were made – No public comment
3. New RT Police Captain Introduction – Cpt. Lisa Hinz introduced herself to the board and relayed that she is the new RT Police Captain. Cpt. Hinz reported that the window wrap on the building at the 16<sup>th</sup> & R Street station will be unveiled on September 14, 2017. She also reported that a new PA system was installed in mid-July at the 16<sup>th</sup> & R Street location, and will be installed in all 52 stations by the end of the year. Lastly, Cpt. Hinz reported that train videos have started to go live and are under 24-hour watch.
4. Sac PD update – Cpt. Ecklund reported that an officer has been assigned to oversee a deployment model that has been rolled out to specifically work in the core of the city and closely with the Pbids to handle the problems created by the homeless population. Cpt. Ecklund also reported on the City Council's Law and Leg Committee, which discussed the 6 proposed solicitation and noise ordinances. Cpt. Ecklund relayed that 3 of the ordinances will go forward for further discussion.
5. Consent Calendar – The June 22, 2017 Board meeting minutes and monthly financials were approved; Chair Miry moved and Director Leon seconded. Motion passed unanimously.
6. Presentation from Wind Youth Services/Goodwill Industries - Suzi Dotson and Richard Abrusci provided an overview of the services and hours of operation of the facility, which will be located at 815 S Street. The facility was leased for the purposes of centralizing all processes for services provided. The facility is not a shelter nor will it provide any overnight services. It will be used when needed if there is a crisis as a "meet-

up location" to transport an individual to a safe environment. The facility provides job training, counseling among other services. Wind Youth Services has received additional funding via grants and partnerships that will provide for security and maintenance services. The facility will have onsite security throughout the day and patrol during off hours and weekends, as well as security cameras around the perimeter.

There was a lot of discussion on what changes will be made and implemented so that the same issues that occurred at the J Street facility do not occur at the S Street location. The board asked for an enforceable document, such as a "Good Neighbor" agreement from Wind that outlines conditions and ramifications should problems arise at the facility. Wind agreed to work with RSSP to craft something that would address the RSSP concerns.

## 7. Committee Updates

### I. Maintenance/Promotions Committee

- i. Smira-Brattmiller – There was no August meeting.

- II. Budget Ad Hoc Committee - RFPs for maintenance, graffiti removal, pressure washing and security were reviewed by the committee and committee recommended to the board to release the RFP's. The board reviewed RFPs and a motion to release RFPs was made by Chair Miry and seconded by Director Taylor. Motion passed unanimously.

### III. Advocacy Committee

- i. 10<sup>th</sup> & S Street Monopole - Smira-Brattmiller relayed that she is continuing to work with city staff on small cell sites.
- ii. Homeless Issues/Ongoing Discussion – Smira-Brattmiller reported that the Pbids are meeting regularly in an effort to find solutions on how to handle the increasing homeless population in the districts. Smira-Brattmiller also reported on the status of the solicitation and noise ordinances. Revised language will be sent out on three of the six ordinances. Labor and homeless advocate groups are pushing back on the city. Sac PD is pushing the charge to give PD more authority.

## 8. New Business

- I. Traffic Signs in the district. Chair Miry reported that he reached out to the City Transportation Department to request stop signs on R and 15<sup>th</sup> and 16<sup>th</sup> locations. MMS to follow up with the Department.

9. Update from Council Member Hansen's office – Matt Read reported that the new tree ordinance for tree removal authorization will be noticed on August 25, 2017, and before City Council on September 12<sup>th</sup>.

10. Meeting Adjourned at 10:43a

9:25 AM

09/20/17

## R Street Sacramento Partnership Reconciliation Detail

R Street Sacramento Partnership, Period Ending 08/31/2017

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						51,243.41
<b>Cleared Transactions</b>						
<b>Checks and Payments - 2 Items</b>						
Check	07/09/2017	1187	MMS Strategies	X	-4,056.00	-4,056.00
Check	07/09/2017	1185	Position Interactive	X	-299.00	-4,355.00
Total Checks and Payments					-4,355.00	-4,355.00
Total Cleared Transactions					-4,355.00	-4,355.00
Cleared Balance					-4,355.00	46,888.41
<b>Uncleared Transactions</b>						
<b>Checks and Payments - 2 Items</b>						
Check	08/15/2016	1119	AG Registry of Chari...		-50.00	-50.00
Check	06/05/2017	1181	Registry of Charitabl...		-50.00	-100.00
Total Checks and Payments					-100.00	-100.00
Total Uncleared Transactions					-100.00	-100.00
Register Balance as of 08/31/2017					-4,455.00	46,788.41
<b>New Transactions</b>						
<b>Checks and Payments - 4 Items</b>						
Check	09/04/2017	1191	GDI Services Inc.		-7,500.00	-7,500.00
Check	09/04/2017	1192	MMS Strategies		-7,065.48	-14,565.48
Check	09/04/2017	1190	Lyons Security Servi...		-3,300.00	-17,865.48
Check	09/04/2017	1189	Position Interactive		-598.00	-18,463.48
Total Checks and Payments					-18,463.48	-18,463.48
Total New Transactions					-18,463.48	-18,463.48
<b>Ending Balance</b>					<b>-22,918.48</b>	<b>28,324.93</b>

