



Report 3:

Displacement Assessment Toolkit

City of Sacramento
**Missing Middle
Housing Study**

April 2024



MISSING MIDDLE HOUSING
SACRAMENTO



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Executive Summary

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1.1 What is the Missing Middle Housing Study?

Increasing access to more attainable, lower-cost housing has become a priority for many cities across the US, including Sacramento. This study is part of a broader effort to address this urgent housing problem and explore potential solutions.

The Missing Middle Housing (MMH)* study is an effort to examine how MMH could be implemented in Sacramento through thoughtful development and design regulations. The study's findings will help the city to respond to the growing demand for housing choices, walkable living, and the growing need for attainable housing at all income thresholds.

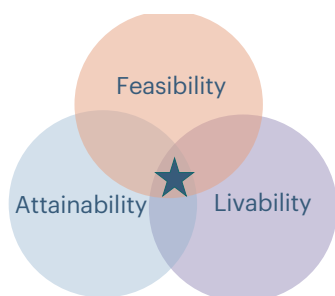
MMH is not a new concept. These small-scale, multi-family housing types were common in many American towns and cities before the 1940's. Sacramento too has a wide range

of MMH types within its housing stock, including approximately 3,560 duplexes, triplexes and fourplexes, in addition to cottage courts, small courtyard buildings, live-work and many others.

By encouraging MMH citywide, Sacramento can expand housing choice and attainability to meet the current and future needs of its residents.

Key criteria to assess MMH

are attainability, livability, and market feasibility. The success of MMH depends on all three being met.



*Note:

For purposes of brevity, this report uses "MMH" as an abbreviation for Missing Middle Housing.

Q CLOSER LOOK

What Is Missing Middle Housing?

Missing Middle Housing is a range of house-scale building types that contain more than one housing unit, have small building footprints, and are typically no more than two and a half stories in height.

MMH types are "middle" in form and scale between that of small single-family houses and larger apartment buildings, enabling them to blend into existing residential neighborhoods.

With smaller units, MMH can provide housing at price points attainable to many middle-income households.

MMH types have important design characteristics, such as building orientation, small unit sizes, shared open spaces, and active frontages, that differentiate these types from other small multi-family development. For more information, refer to Report 1: Missing Middle Housing Informational Report.

Why is the MMH study being done?

- **To advance City Council-approved 2040 General Plan key policies.** The City of Sacramento's 2040 General Plan and Climate Action and Adaptation Plan promote the development of a greater variety of housing types and sizes in all existing and new growth communities. The MMH study was initiated to gain a better understanding of the benefits and challenges of allowing a greater array of housing types, conduct technical analysis and in-depth community outreach to craft recommendations for the citywide implementation of MMH.
- **Develop Sacramento-specific solutions.** The MMH study aims to understand existing conditions and research case studies and best practices to recommend solutions that are Sacramento-specific. The study's focus is on MMH but should be considered as part of a broader community discussion on housing solutions and other housing-focused strategies and planning efforts by the City of Sacramento (City) to deliver more housing choices.
- **Provide more local control over outcomes.** Recent policy direction and legislation from the state focuses on meeting long-term goals such as increasing housing supply and affordability across jurisdictions. State laws often enable local jurisdictions to respond with local as well as supplementary policies to achieve these housing goals. As long as minimum requirements are met, local regulations help to achieve statewide objectives while still allowing the policies and process to be informed by the local context and community input. Sacramento's MMH strategy is an opportunity for a collaborative process between the City and residents to shape a local MMH option, tailored specifically for Sacramento's existing conditions and context.

The City shall promote the development of a greater variety of housing types and sizes in all existing and new growth communities to meet the needs of future demographics and changing household sizes.

LUP-6.3 Variety of Housing Types, 2040 General Plan
Sacramento City Council, February 27, 2024

Study Methodology

The MMH study follows a sequence of analysis steps to provide context-sensitive recommendations for enabling MMH citywide. Analysis findings and recommendations will be shared through four key reports:

- **Report 1: Missing Middle Housing Informational Report**
- **Report 2: Missing Middle Housing Attainability + Livability Analysis**
- **Report 3: Displacement Risk Toolkit** (this document)
- **Report 4: Missing Middle Housing Zoning, Design, & Policy Recommendations**

Desired Outcomes

The desired outcomes of the MMH study are aligned to meet these City objectives:

- **Increase housing supply and choice,**
- **Provide attainable housing options,**
- **Allow small-scale, incremental local housing development that can be financed by the average homeowner,**
- **Provide economic opportunity for passive retirement income,**
- **Create opportunities to house inter-generational households,**
- **Reduce racial and socioeconomic disparities reinforced by single-unit zoning, and**
- **Allow the housing market to respond to the downward trend in average household size.**

For more information visit:
<https://www.cityofsacramento.gov/community-development/planning/housing/missing-middle-housing>

1.2 How This Report Informs the MMH Study

This report, the third of four reports that are key deliverables of the MMH study, summarizes a displacement vulnerability analysis conducted for Sacramento. The analysis findings will inform the zoning, design and policy recommendations in Report Four of the study.

The Missing Middle Housing (MMH) Study is one of many efforts the City of Sacramento is undertaking to address its housing crisis. The Study's final recommendations are intended to encourage development of more diverse and attainable housing types. While these regulatory changes are necessary to expand housing options and supply, they also have the potential to increase displacement pressure on the most vulnerable communities if they are not thoughtfully implemented.

Therefore, the Displacement Assessment Toolkit (DAT) is a critical piece of the MMH Study. The purpose of the toolkit is to help the City understand where existing residents are most vulnerable to displacement, where displacement is already occurring, and how to enable MMH in a way that maximizes its benefits

while minimizing potential harm. The DAT uses local data coupled with academic research about the risk factors for displacement to map vulnerability, demographic and market change, and access to opportunity in every neighborhood in Sacramento. These factors are then used to create a “strategy typology” that will help the City understand where anti-displacement strategies may be needed.

Finally, the toolkit presents a menu of anti-displacement strategies gathered from academic research and other jurisdictions, some of which are already in use by the City. This menu also includes some guidance on where certain strategies may be appropriate and how they can be used to minimize potential harm and maximize the community benefits of pro-housing policies.



Sacramento's neighborhoods are diverse.

In order to maximize benefits and minimize potential harm associated with pro-housing policies, one must first understand what makes each of Sacramento's neighborhoods unique.

What we found

The DAT includes data, maps, and a framework for how to implement pro-housing policies with an anti-displacement lens. Key findings from the analysis are included below:

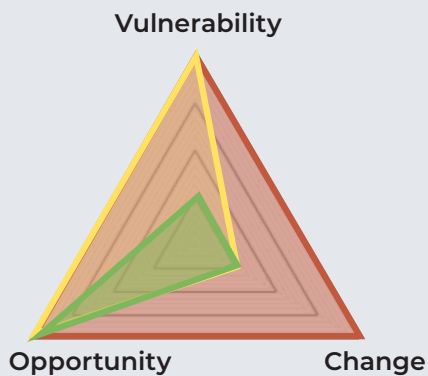
- **Risk factors for vulnerability are concentrated in certain areas of Sacramento.** This indicates historic patterns of segregation.
- **Market pressure is high and increasing** throughout most of Sacramento and many neighborhoods are actively experiencing gentrification today.
- Numerous Sacramento neighborhoods **have the amenities to support MMH and have low vulnerability to displacement.**
- Academic research suggests that pro-housing policies (like allowing MMH) could help bring down housing costs city-wide.
- Research also suggests that broader geographic application of pro-housing policies reduces hyper-local displacement pressure.

Strategy Typology

The Strategy Typology combines three components of displacement risk - vulnerability, change, and opportunity - to form a picture of

how gentrification is impacting Sacramento neighborhoods in different ways.

<p>High Vulnerability, Low Change</p> <p>Neighborhoods with a high proportion of residents vulnerable to displacement, but not yet experiencing gentrification.</p>	<p>High Opportunity, Low Vulnerability</p> <p>Neighborhoods with a low proportion of vulnerable residents and high quality urban amenities.</p>	<p>High Vulnerability, High Change</p> <p>Neighborhoods with high proportions of vulnerable residents who are actively experiencing gentrification.</p>
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Three types of neighborhoods in Sacramento.

The Displacement Assessment Toolkit identifies three distinct neighborhood typologies that will inform the implementation approach of MMH in Sacramento.

1.3 How the Toolkit is Organized

This document provides an overview of the findings from the Displacement Assessment Toolkit (DAT) as well as guidance for how to use it to evaluate housing policy proposals.

The DAT includes three components: displacement vulnerability, demographic and market change, and access to opportunity. Together, these

analyses form a “strategy typology” that can be used to evaluate proposed Missing Middle Housing and anti-displacement policies.

Ch. 2 - DAT Components

2A: Displacement Vulnerability: *Where might residents be at risk of displacement if investments or policy changes occur?*

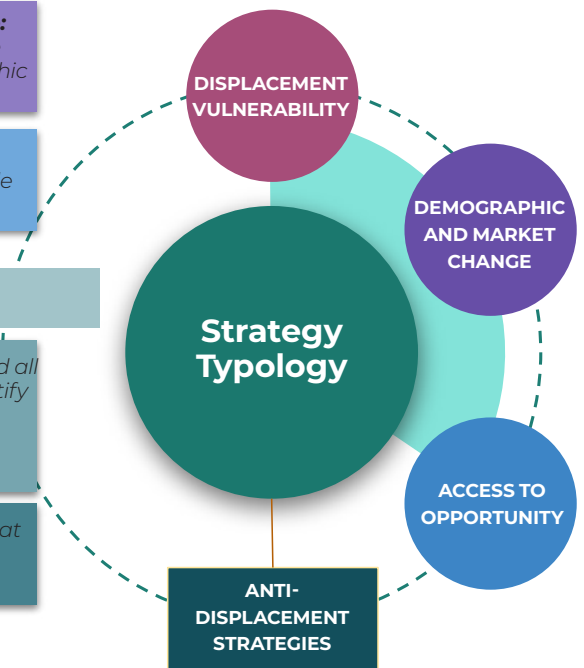
2B: Demographic and Market Change: *Are market pressures increasing and are we observing changes to the demographic makeup of neighborhoods?*

2C: Access to Opportunity: *What opportunities do certain locations provide to current and future residents?*

Ch. 3 - Strategies

3A: Strategy Typology: *If we understand all three of these components, we can identify areas that are appropriate for middle housing, and where anti-displacement strategies may be recommended.*

3B: Anti-Displacement Strategies: *What can we do to maximize benefits and minimize harm?*



Key Terms and Definitions

Demographic Change:

Gentrification-related demographic change often describes the out-migration of long-term residents due to the in-migration of more affluent, more educated residents that increase demand for housing and ultimately raise housing costs.

Housing Market Appreciation:

Refers to a housing market trend where property values have increased over time.

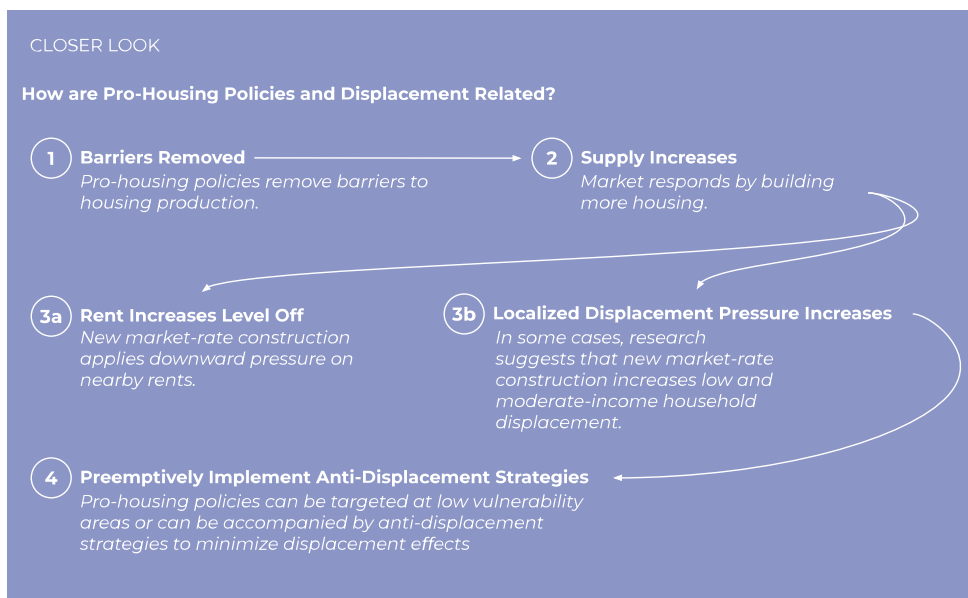
Housing Tenure: Refers to whether a household owns or rents the unit they live in.

Median Family Income: Median income estimate, \$65,847, produced by HUD for Sacramento County, adjusted to a four-person family size.

Gentrification: A process of neighborhood change that includes economic change in a historically disinvested neighborhood —by means of increased market pressure and new higher-income residents moving in—and typically threatens the displacement of existing residents.

Displacement: Gentrification-related displacement that occurs when residents can no longer afford to remain in their homes due to eviction or rising housing costs.

Pro-Housing Policy: A policy designed to accelerate, streamline, or encourage housing production.







Displacement Assessment Toolkit Methodology

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2.1 Displacement Vulnerability

Where might residents be at risk of displacement if investments or policy changes occur? Displacement vulnerability is a measure of the potential of a household to be displaced if housing prices and rents appreciate. It is not a measure of gentrification, but rather the potential for displacement if gentrification were to occur.

By measuring displacement risk, it is possible to identify areas where market pressure has not started displacing residents, but where residents are susceptible to gentrification.

The methodology was adapted from 2013 and 2018 studies by Dr. Lisa Bates for the City of Portland, Oregon's Comprehensive Plan. Bates' risk assessment is a sophisticated multi-part analysis assessing the susceptibility or risk of gentrification for different neighborhoods.

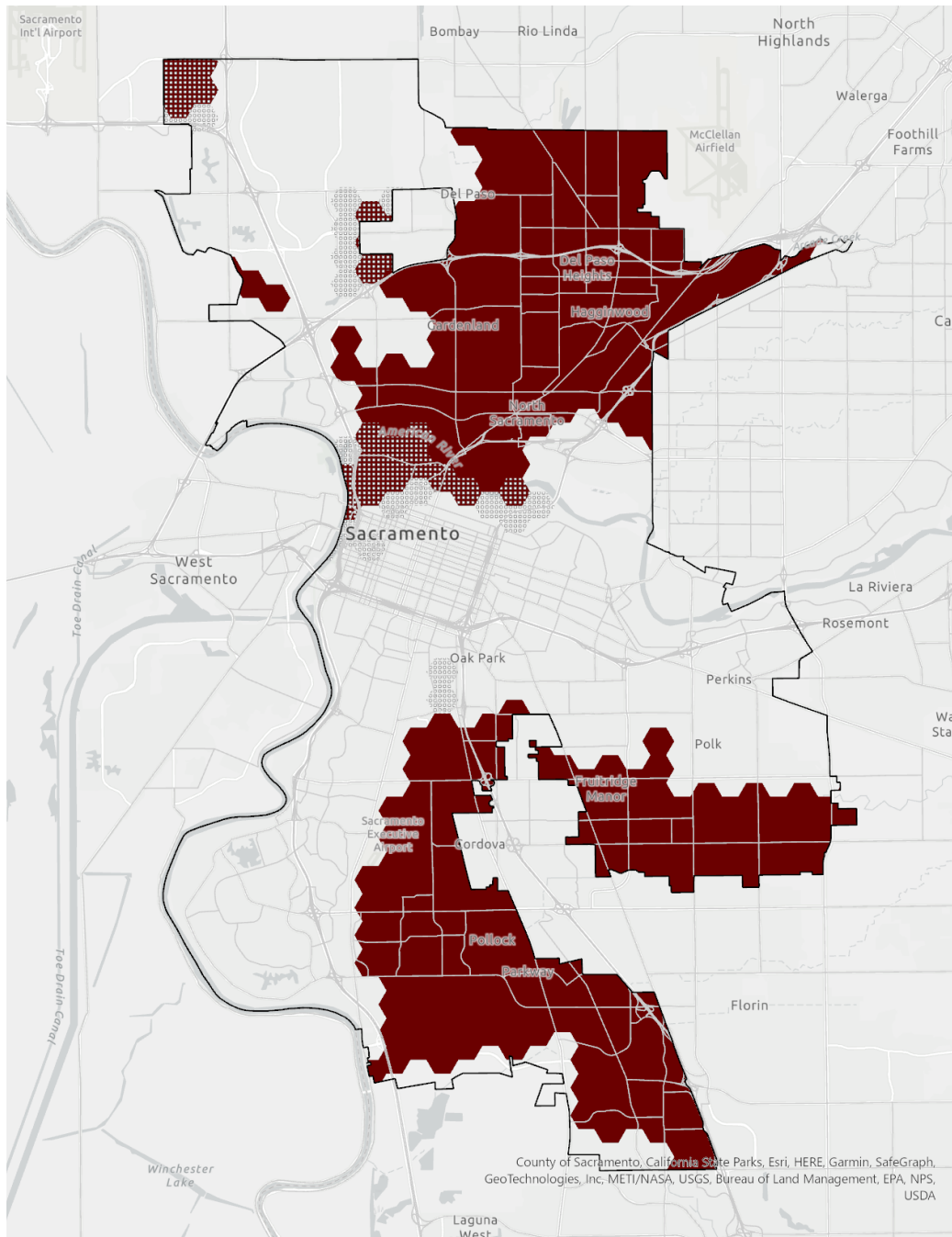
The Displacement Vulnerability Index measures high concentrations of four demographic variables known to be risk factors for displacement because they signal a reduced ability to withstand housing price increases¹. They are summarized in the table below. For each variable, areas are identified as vulnerable if they have risk factor rates greater than the City of Sacramento as a whole.

Factor/ Indicator	Description	Census Variable	Year
Educational Attainment	% of population age 25+ with less than bachelor's degree	Educational Attainment (S1501)	2016 - 2020 (5-Year Estimates)
Household Income	% of population with income less than 80% of median household income (\$65,847)	Median Household Income (B19013)	
Housing Tenure	% of households that rent their home	Housing Tenure (B25003)	
Race & Ethnicity	% of residents who are of a non-white race or ethnicity	Race & Ethnicity (DP05)	

¹ Portland Bureau of Planning and Sustainability. (2013). *Gentrification and Displacement Study*. <https://www.portland.gov/bps/adap/documents/2013-gentrification-and-displacement-study/>

Note: All data was summarized at the census tract scale and converted to 100 Acre hexagons in the following maps. This was done to allow for comparison across multiple decennial censuses. 80% median household income calculation uses ACS income ranges to approximate 80% MFI.

Map 1: Displacement Vulnerability Index: Educational Attainment - Vulnerable Tracts

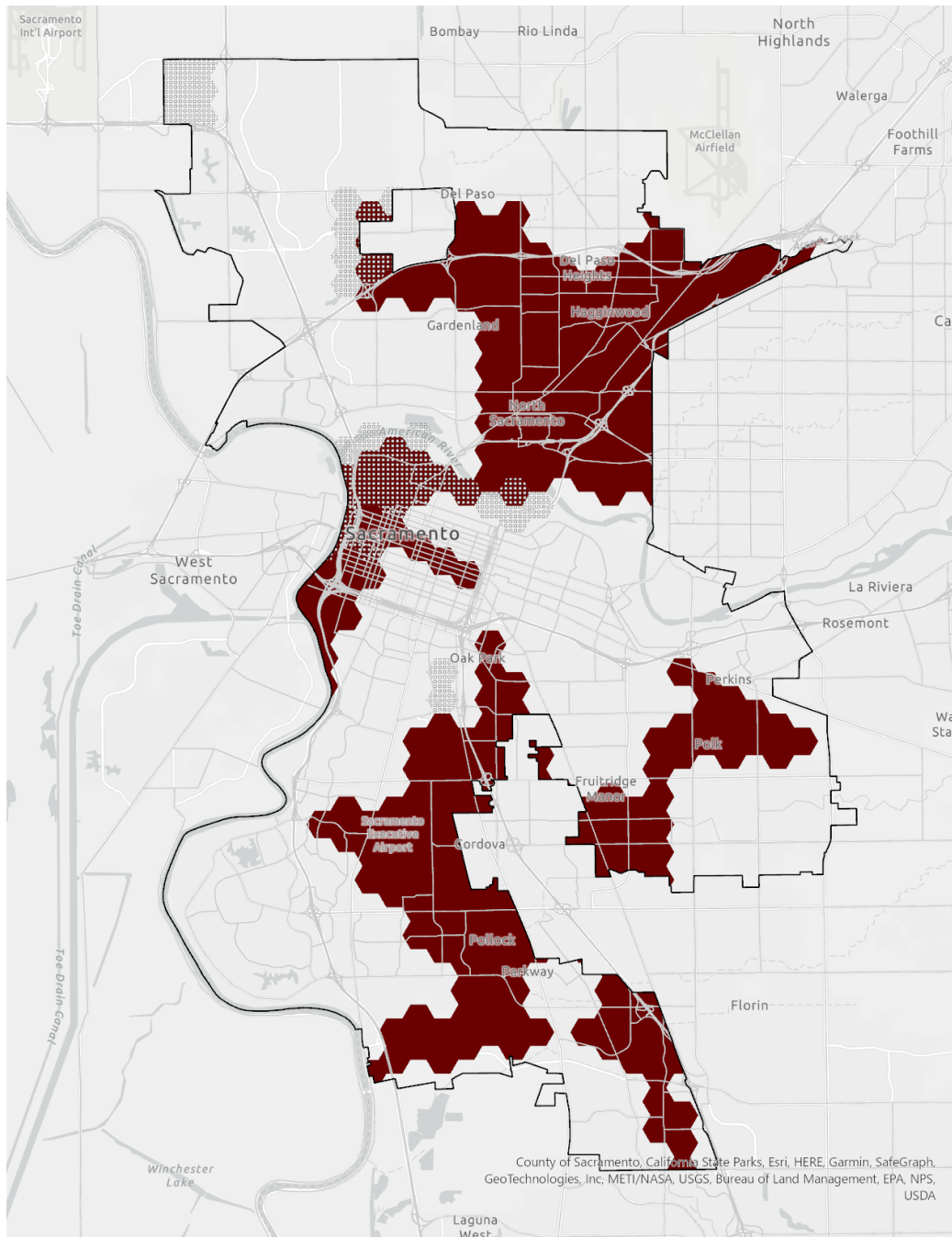


Attainment of a bachelor's degree is a major determinant of income and financial stability. This map shows areas with higher than average rates of education attainment below a bachelor's degree.

- Census tracts with higher than the city's share (66%) of residents who lack a bachelor's degree
- Tract population less than 2,000 in 2010

Source: Census American Community Survey, 2016-2020 5-Year Estimates (Table S1501)

**Map 2: Displacement Vulnerability Index:
Household Income - Vulnerable Tracts**

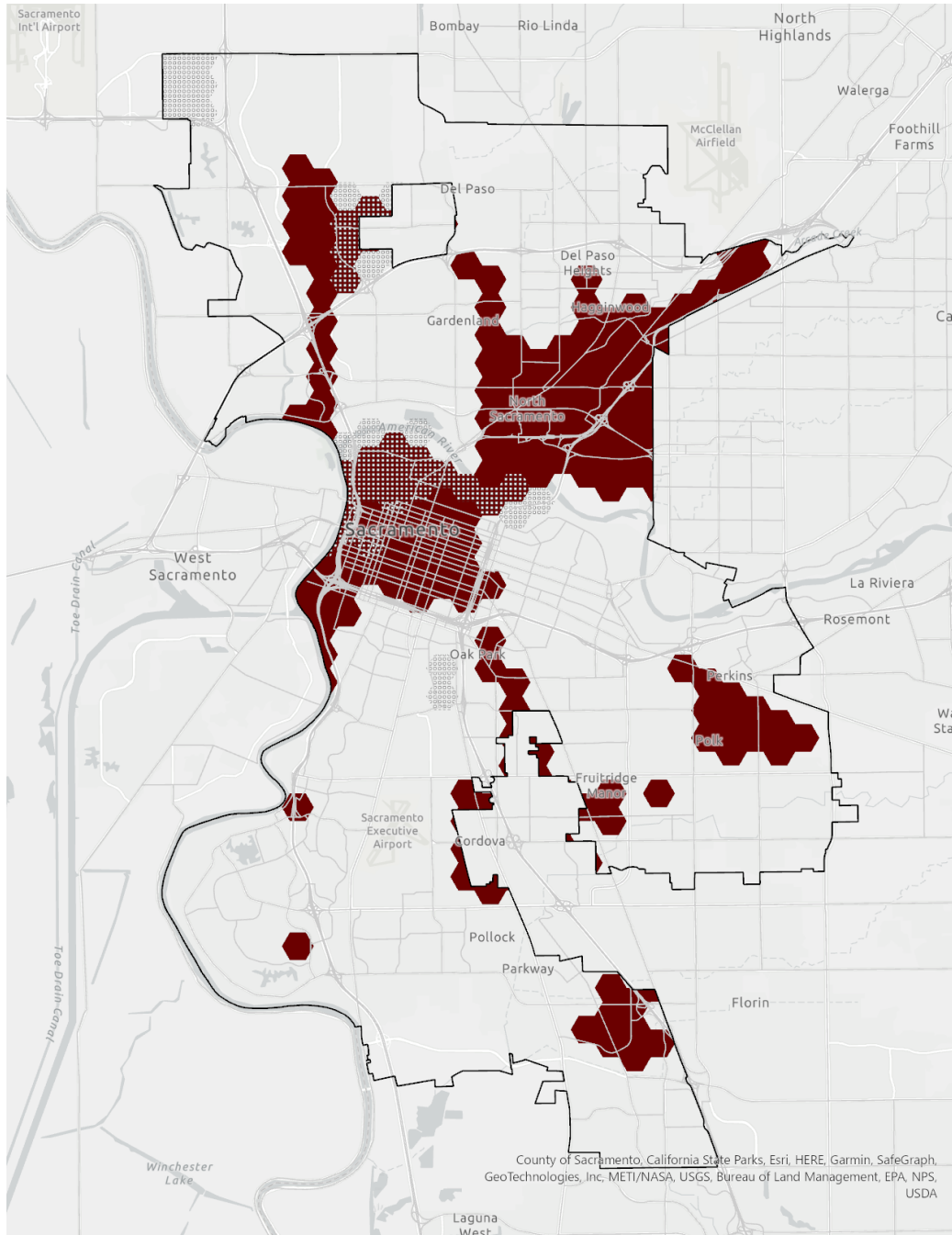


Lower income households are more susceptible to displacement from increases in housing prices / rents. This map shows areas with higher rates of households with incomes at or below 80% of Sacramento's median household income (\$65,847).

- Census tracts with higher than the city's share (52%) of households with incomes below 80% of the median
- Tract population less than 2,000 in 2010

Source: Census American Community Survey, 2016-2020 5-Year Estimates (Table B19013)

Map 3: Displacement Vulnerability Index: Housing Tenure - Vulnerable Tracts

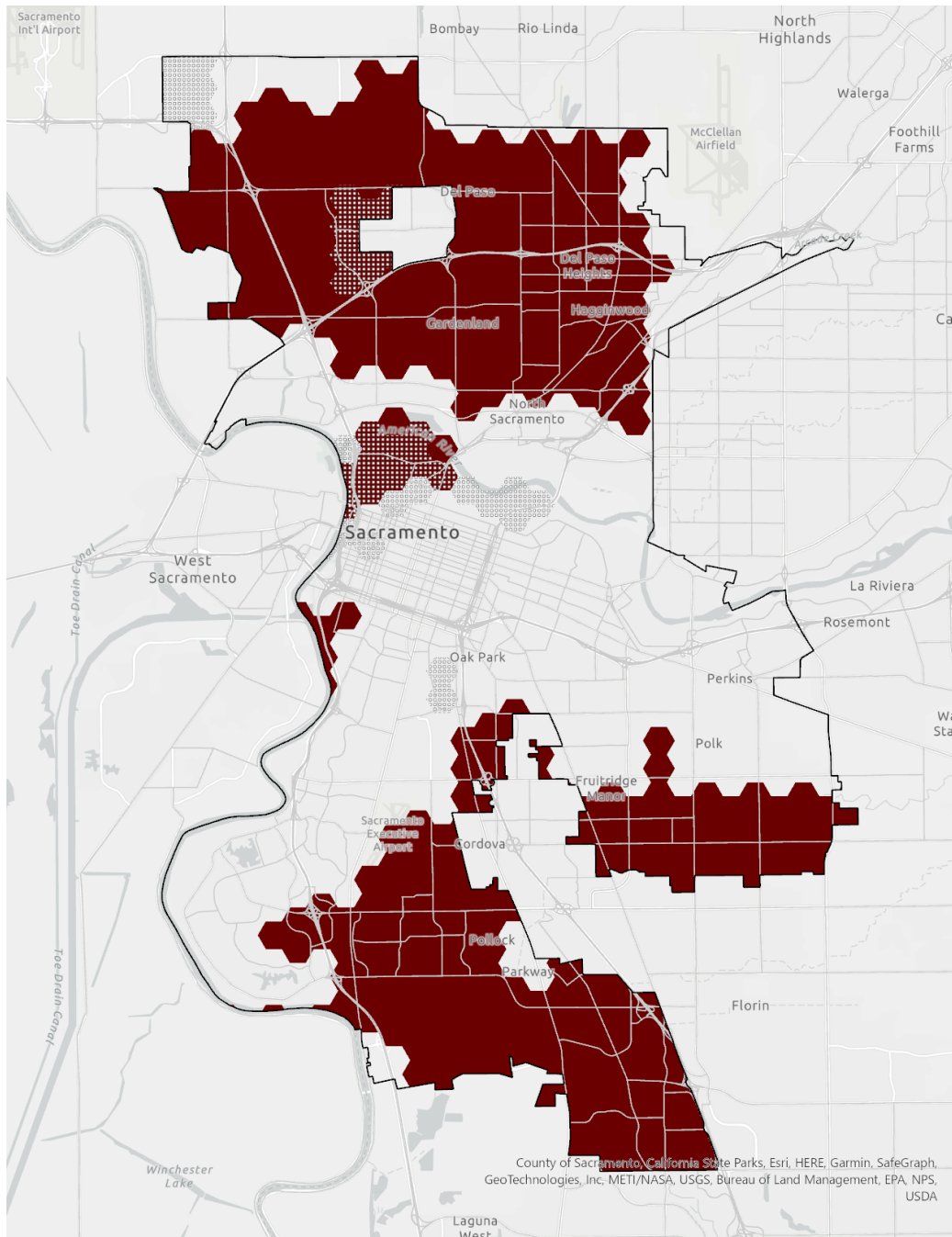


Renters are at greater risk of displacement due to rent increases and the potential for the homes they rent to be bought and sold. This map shows areas where the share of renter households is greater than the citywide average.

-  Census tracts with higher than the city's share (50%) of residents who rent their home
-  Tract population less than 2,000 in 2010

Source: Census American Community Survey, 2016-2020 5-Year Estimates (Table B25003)

**Map 4: Displacement Vulnerability Index:
Race and Ethnicity - Vulnerable Tracts**

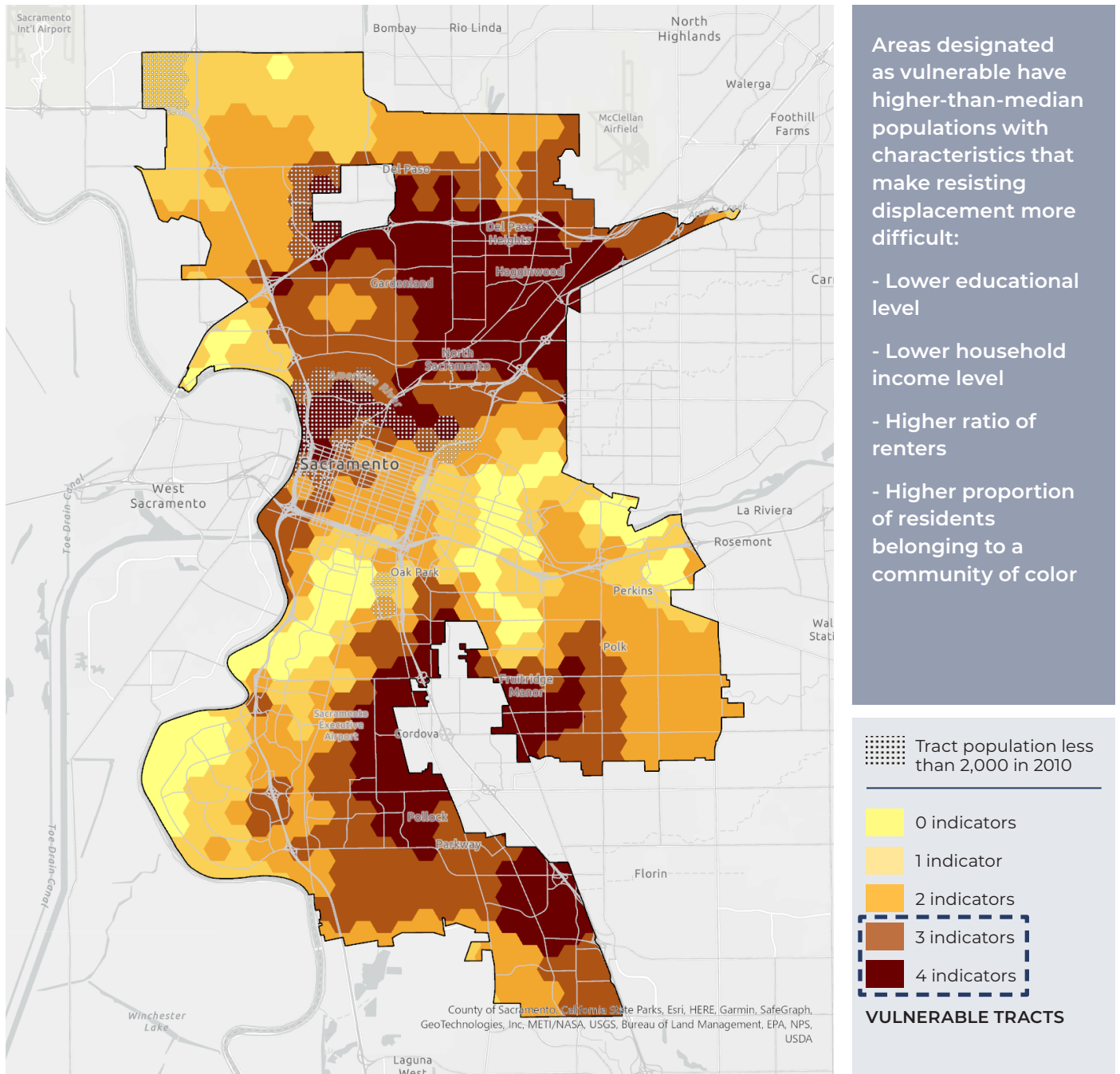


Being part of a community of color is correlated with a greater likelihood of experiencing structural bias and lack of economic opportunities that limit socioeconomic stability and prosperity. This map shows areas with higher than average rates of people who are part of a community of color.

-  Census tracts with higher than the city's share (68%) of residents who belong to a community of color
-  Tract population less than 2,000 in 2010

Source: Census American Community Survey, 2016-2020 5-Year Estimates (Table DP05)

**Map 5: Component One: Displacement Vulnerability Index:
Overlapping the Four Vulnerability Factors**



Source: Census American Community Survey, 2016-2020 5-Year Estimates

2.2 Demographic + Market Change

Are market pressures increasing and are we observing changes to the demographic makeup of neighborhoods? The Displacement Vulnerability Index described in Section 2.1 identifies areas of Sacramento where a high proportion of residents experience three or four factors that make them susceptible to displacement. The Demographic and Market Change Composite Index uses many of the same variables but tracks them over a period of time to understand whether gentrification-related change is occurring.

The index combines two separate analyses of change: demographic change and housing cost change between 2010 and 2020. Areas with high rates of change are likely experiencing some stage of gentrification.

Demographic Change Index

Measures change over time (2010-2020) in the four vulnerability indicators used in the Displacement Vulnerability Index. Areas with higher shifts than

the City of Sacramento as a whole are considered to be experiencing high rates of demographic change.

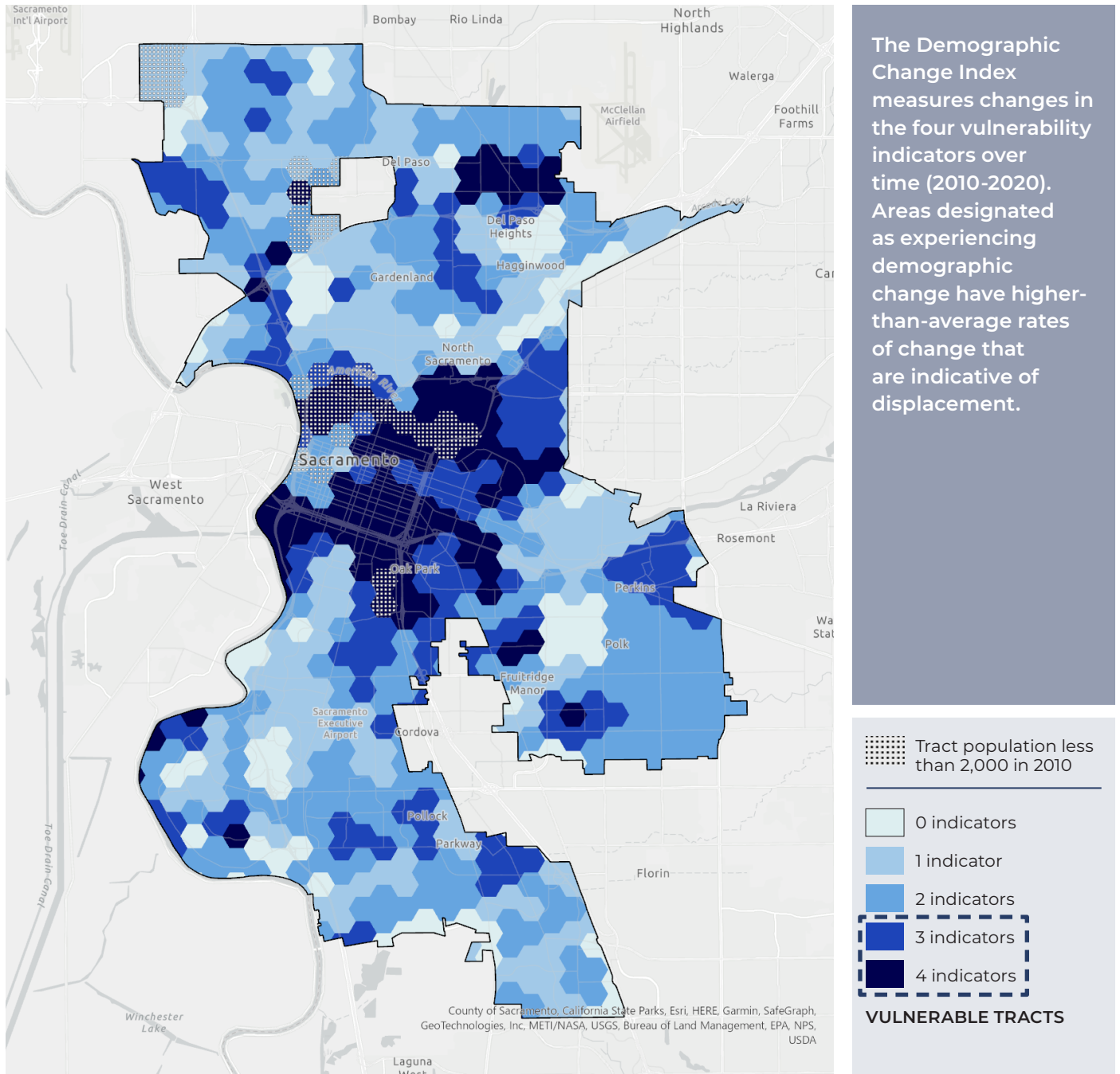
Housing Market Change Index

Measures change in home prices and rents over time (2010 - 2020). Areas with higher rates of change than the City of Sacramento as a whole are considered to be experiencing high rates of housing market change.

Index	Factor	Description	Census Variable
Demographic Change Index	See Section 2A for details on the four vulnerability indicators	Change in demographic variables (2010 - 2020)	See Displacement Vulnerability Index
Housing Market Change Index	Median Home Value	Change in median home value by census tract (2010 - 2020)	Median Value (B25077)
	Median Rent	Change in median rent by census tract (2010 - 2020)	Median Gross Rent (B25064)

Note: Housing cost variables are inflation-adjusted to 2020 dollars. This yields higher inflation-adjusted 2010 median home values (\$371,324) than 2020 values (\$361,300). As a result, tract-level values are compared against a citywide decrease in home values between 2010 and 2020.

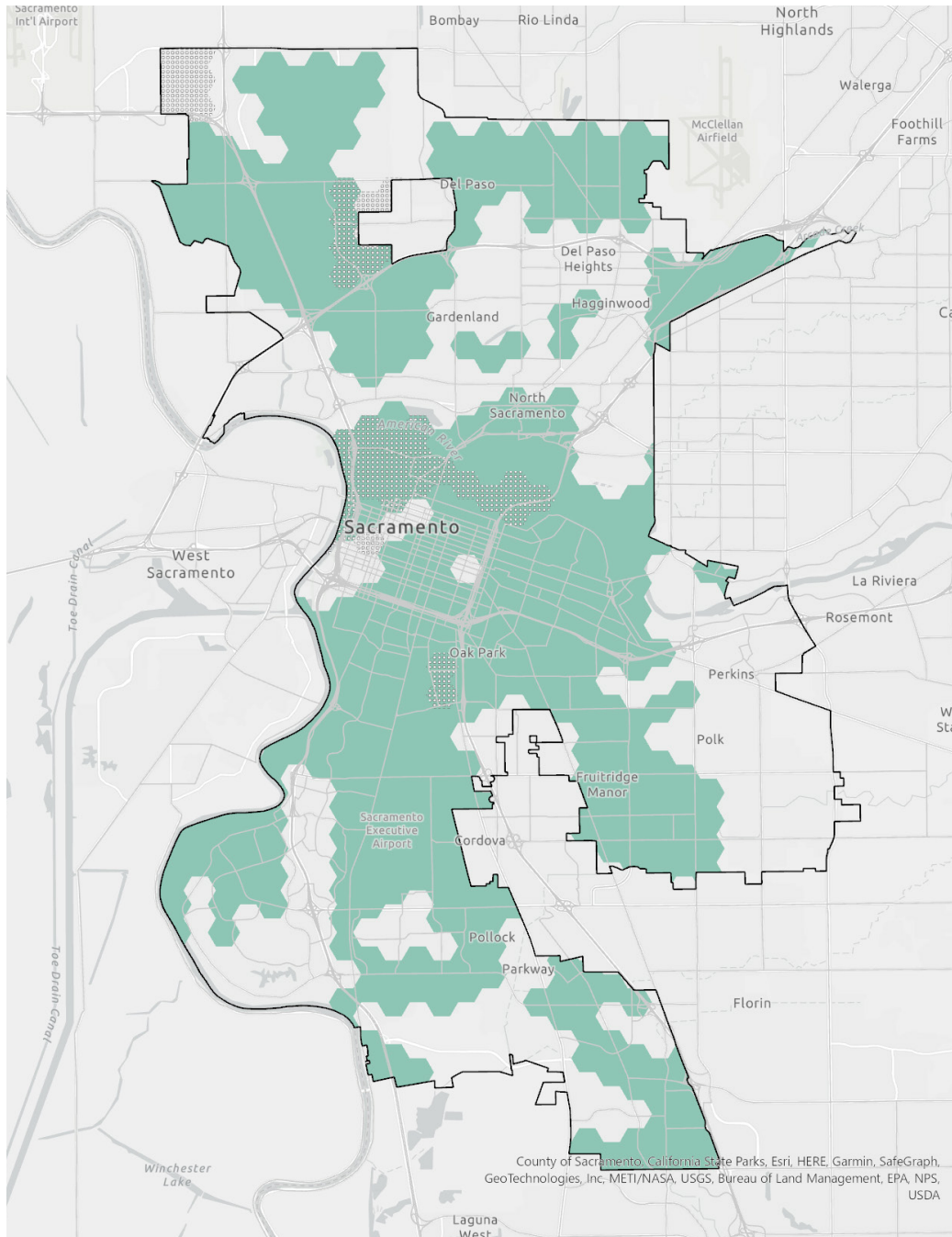
**Map 6: Demographic and Market Change Composite Index:
Demographic Change Index***



*See Section 2.1 Displacement Vulnerability Index for details on the four vulnerability indicators.

Source: Census American Community Survey, 2006-2010 and 2016-2020 5-Year Estimates

**Map 7: Demographic and Market Change Composite Index:
Median Home Value - Rapidly Appreciating Census Tracts**



Highlighted cells on the map show areas where median home values have decreased at a slower rate or increased more rapidly than the City as a whole.

Inflation-Adjusted Values:

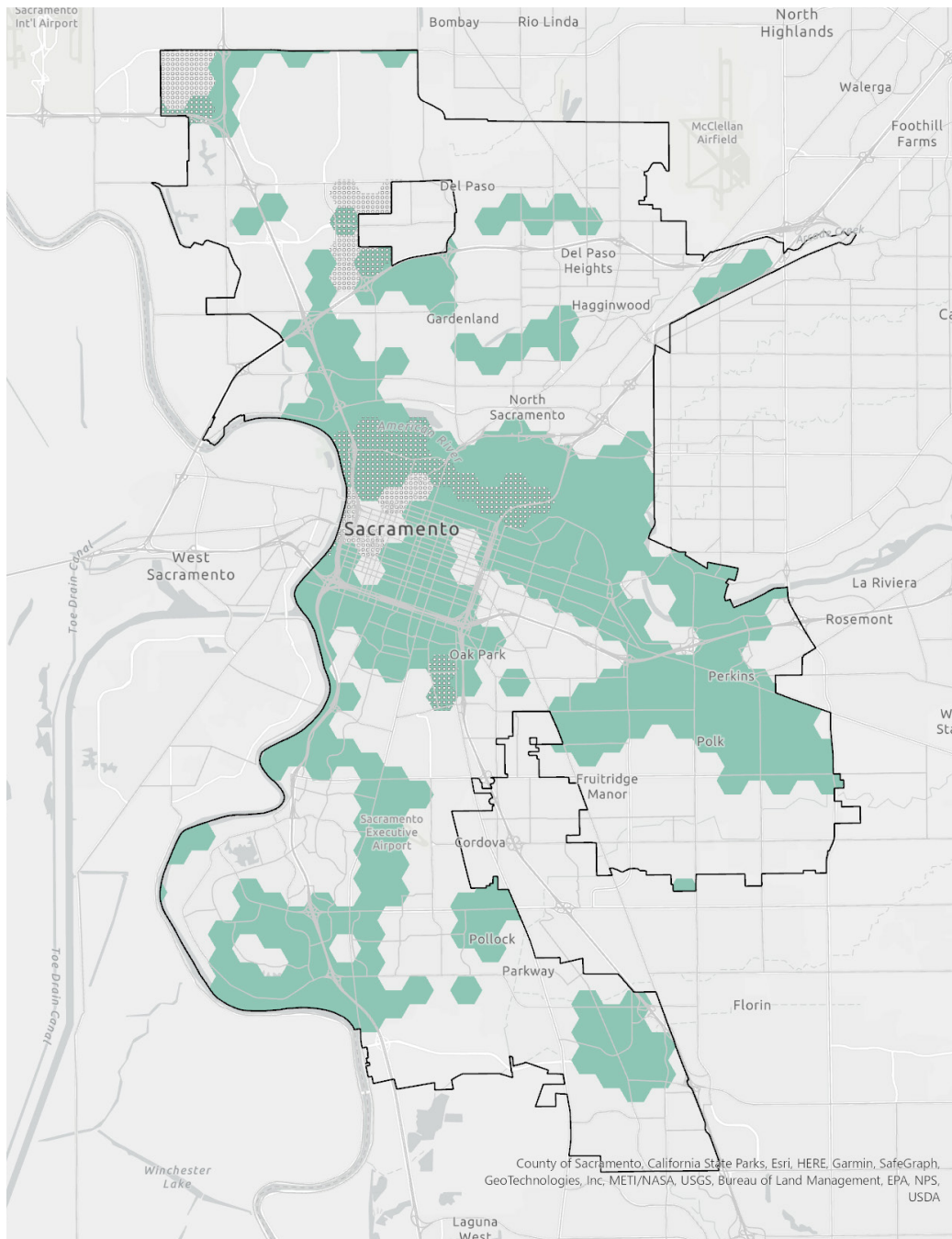
2010: \$371,324

2020: \$361,300

- Census tracts with above average housing cost increases (2010-2020)
- Tract population less than 2,000 in 2010

Source: Census American Community Survey, 2006-2010 and 2016-2020 5-Year Estimates

Map 8: Demographic and Market Change Composite Index: Median Rent - Rapidly Appreciating Census Tracts



Highlighted cells on the map show areas where median residential rents have increased more rapidly than the City as a whole.

Inflation-Adjusted Values:

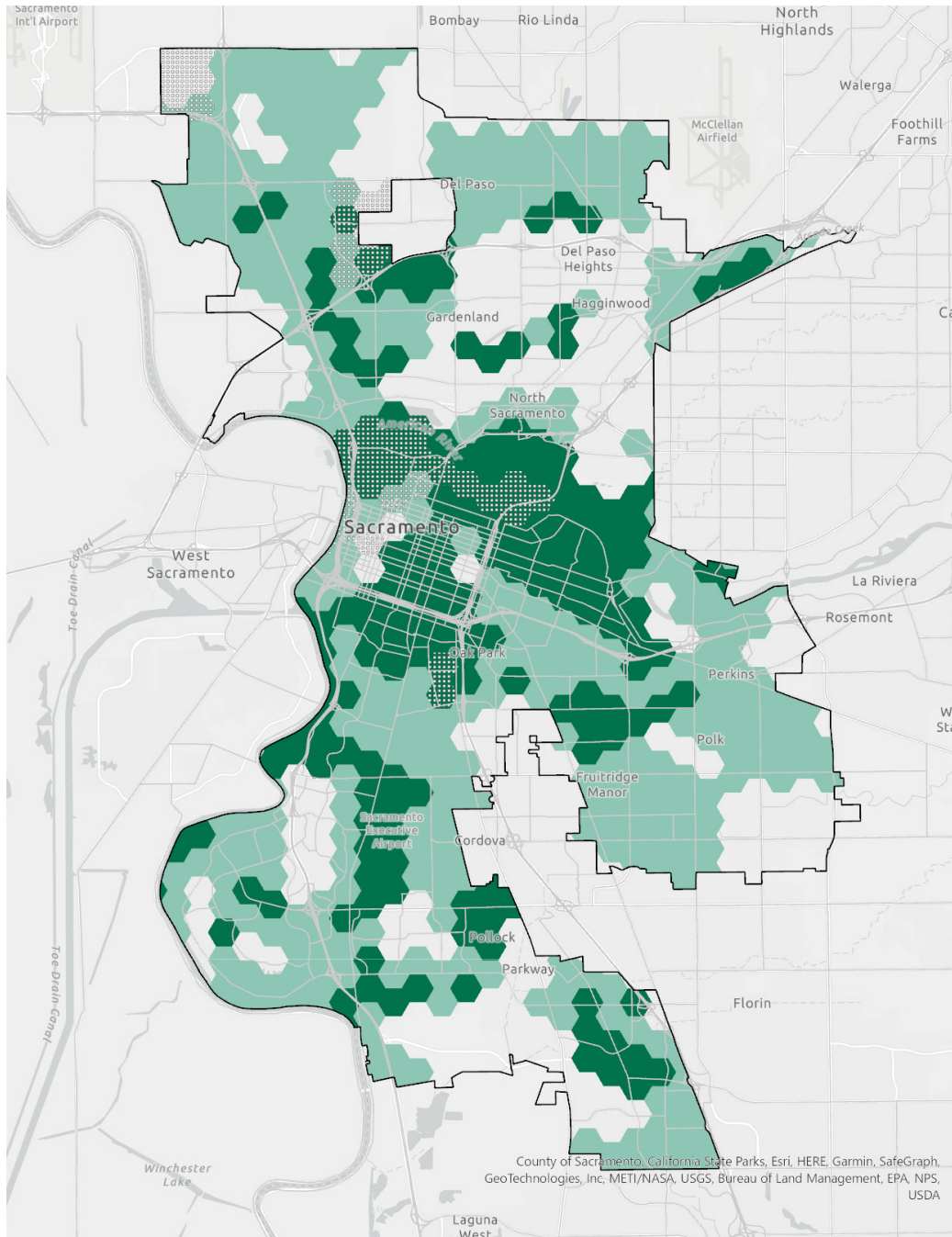
2010: \$1,138

2020: \$1,328

- Census tracts with above average rent increases (2010-2020)
- Tract population less than 2,000 in 2010


Source: Census American Community Survey, 2006-2010 and 2016-2020 5-Year Estimates



Map 9: Demographic and Market Change Composite Index: Housing Market Change Index (Median Home Value + Median Rent)



The housing market change index identifies areas where the housing market has changed faster than the city overall. Darker areas indicate rapidly increasing rents and home sale prices

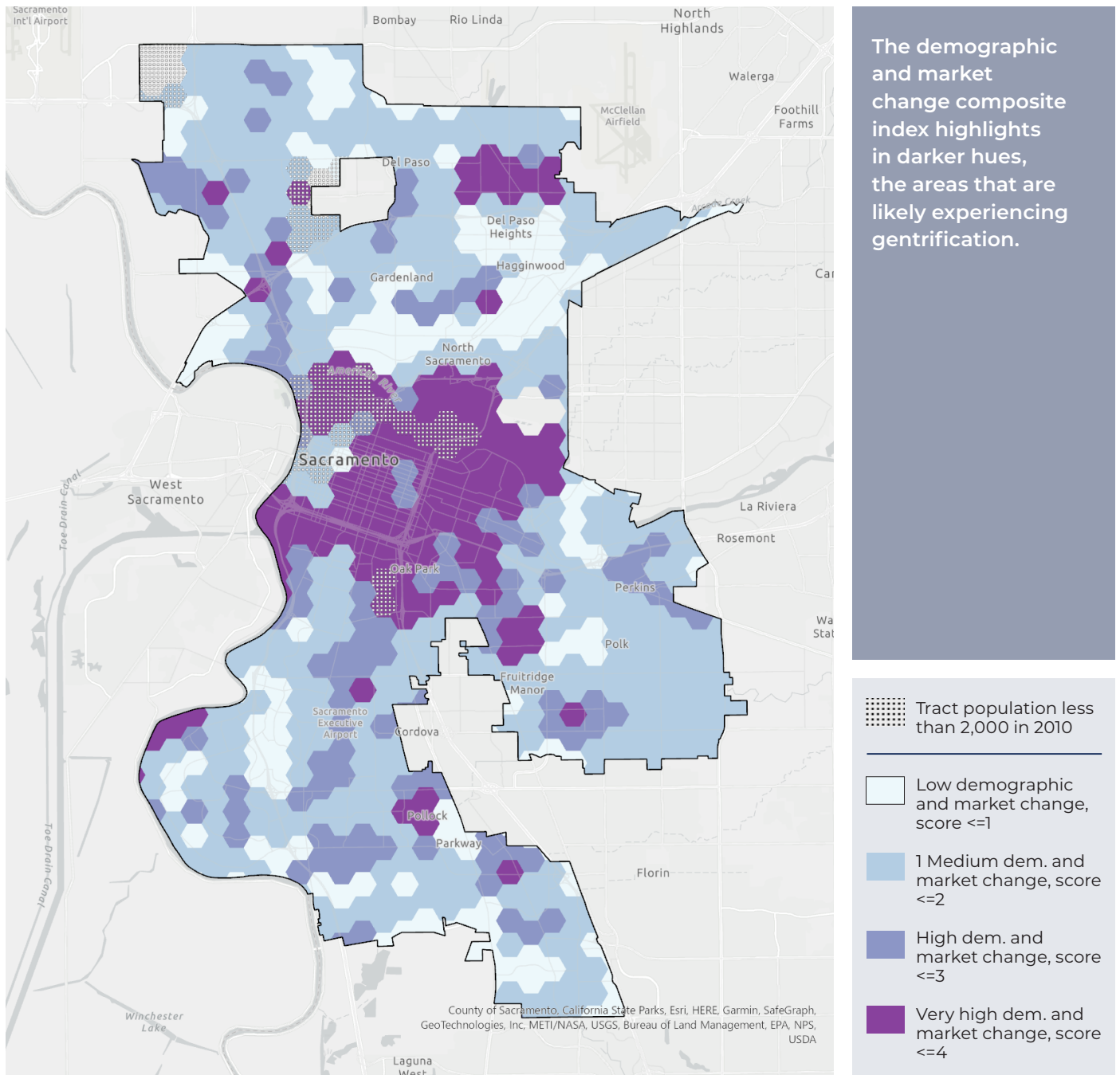
Note: In the Railyards Specific Plan Area, there has been substantial change in value, but relatively few residents lived in the area during the period of observed change.

-  Tract population less than 2,000 in 2010

-  Only one market rapidly increasing
-  Both housing values **and** rental costs rapidly increasing

Source: Census American Community Survey, 2006-2010 and 2016-2020 5-Year Estimates

**Map 10: Component Two: Demographic and Market Change Composite Index:
Demographic and Housing Market Change from 2010-2020**



Source: Census American Community Survey, 2006-2010 and 2016-2020 5-Year Estimates

2.3 Access to Opportunity

What opportunities do certain locations provide to current and future residents? The third component of the Displacement Assessment Toolkit is the Access to Opportunity Index. Unlike the vulnerability and market/demographic change components, which focus on which communities may experience higher displacement risk, Access to Opportunity focuses on areas where existing conditions are favorable for MMH and other pro-housing policies.

The Access to Opportunity Index identifies areas with access to existing infrastructure and resources that can support existing and future residents. These areas have above-average levels of urban amenities such as transit access, walkable destinations, high quality schools, and clean air and water.

Together, these factors identify areas where current and future residents are most likely to have access to resources that have been shown to produce positive health and economic

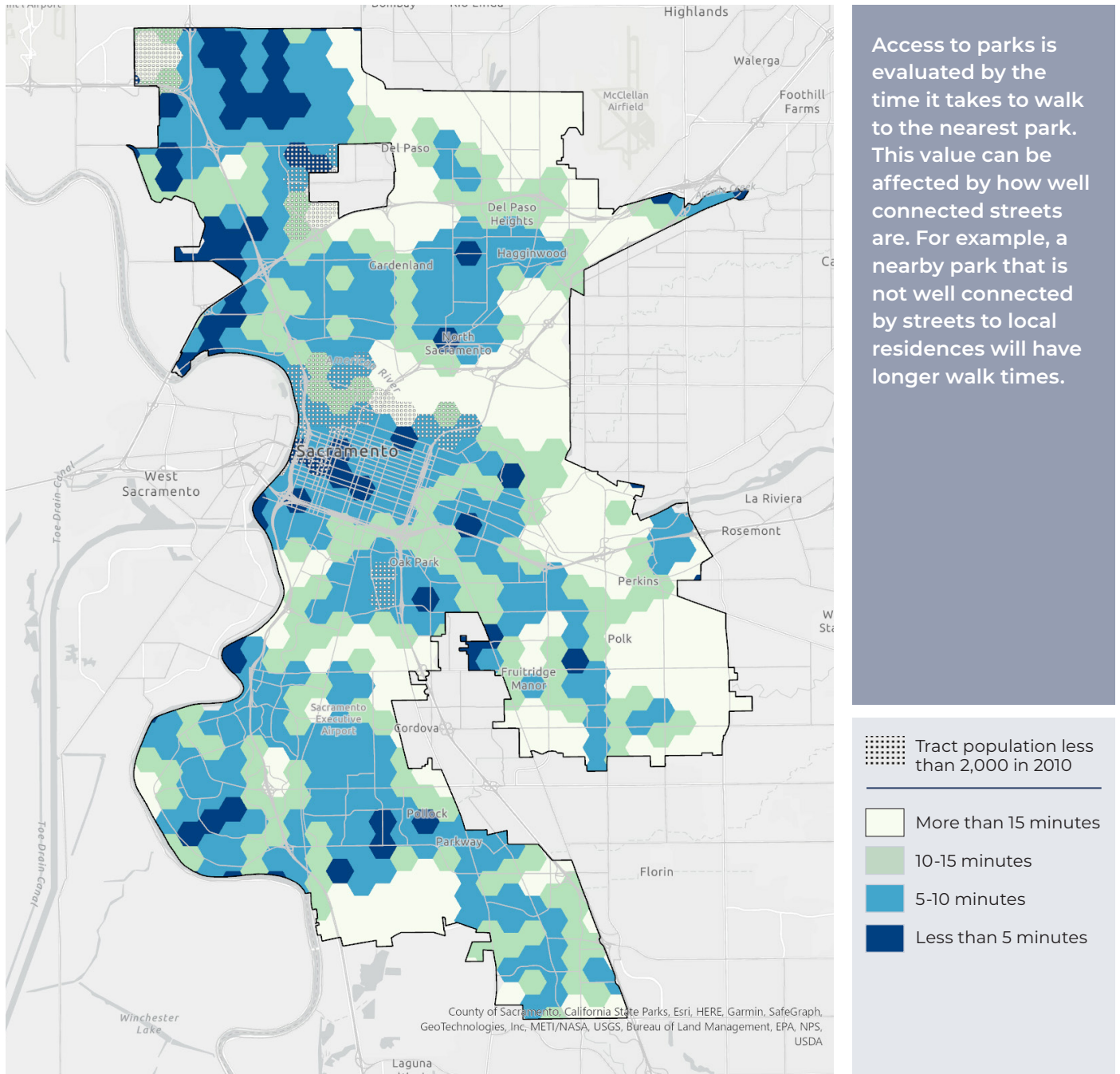
prosperity outcomes. The factors used in the index are:

- Walk Access to Parks
- Mobility Options
- Transit Access to Jobs
- Access to Resources (TCAC)

Note: The first three factors were produced using UrbanFootprint, a scenario planning and data analytics platform that is capable of analyzing a range of built environment variables.

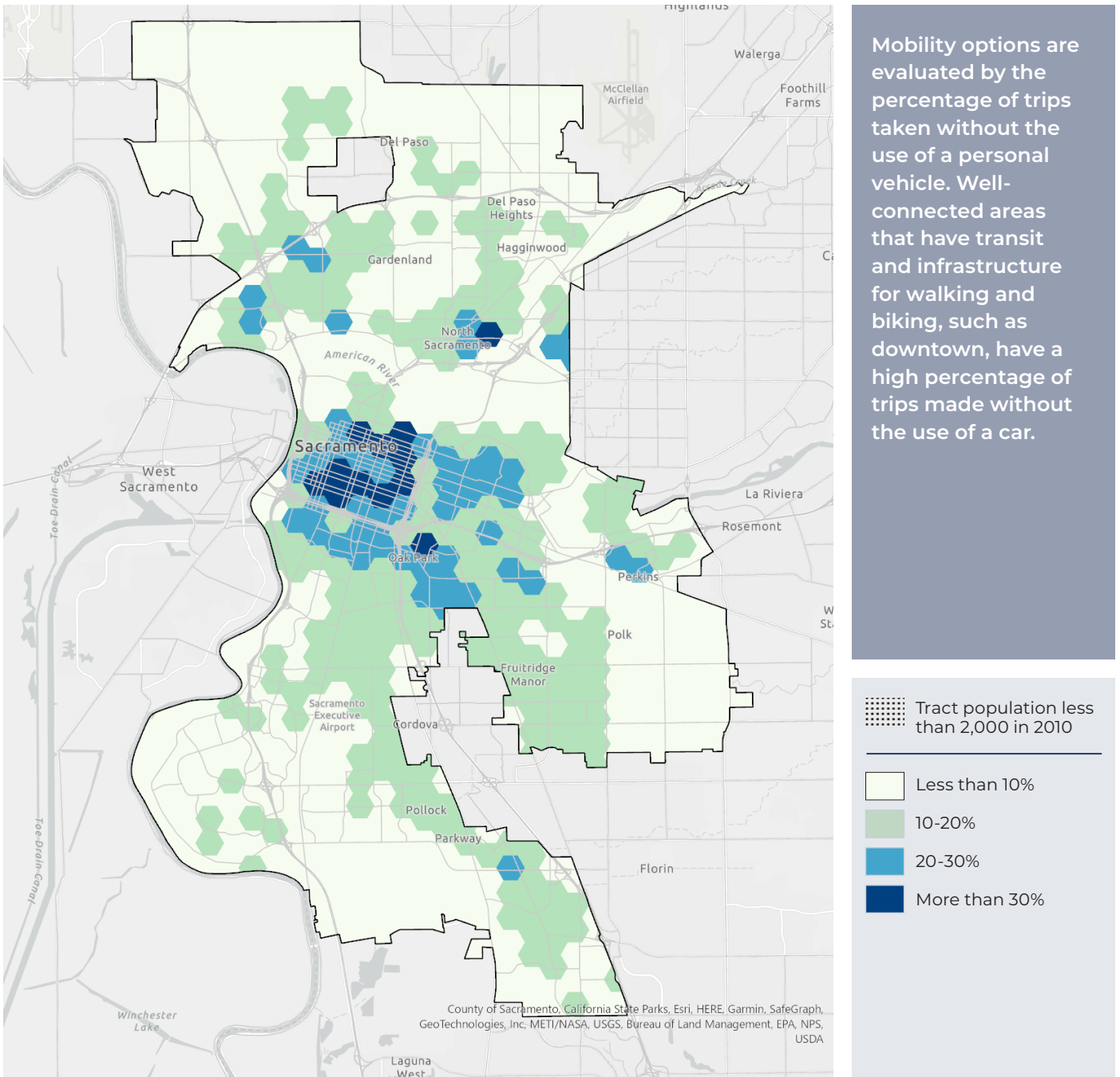
Factor	Description	Source
Walk Access to Parks	The time to it takes to walk to the nearest park using the street network and identified trails.	UrbanFootprint / City of Sacramento
Mobility Options: Bike, Walk, and Transit Trips As a Share of All Trips	The percentage of trips made by walking, biking or using transit.	UrbanFootprint
Transit Access to Jobs Within 30 Minutes	The number of jobs that can be accessed within a 30-minute transit ride.	
Access to Resources: TCAC Opportunity Areas	Areas identified by the level of access to critical resources for education and economic opportunity. The multi-factor analysis also considers the impacts from pollution and poverty.	California Tax Credit Allocation Committee (TCAC)

Map 11: Access to Opportunity Index: Walk Access to Parks



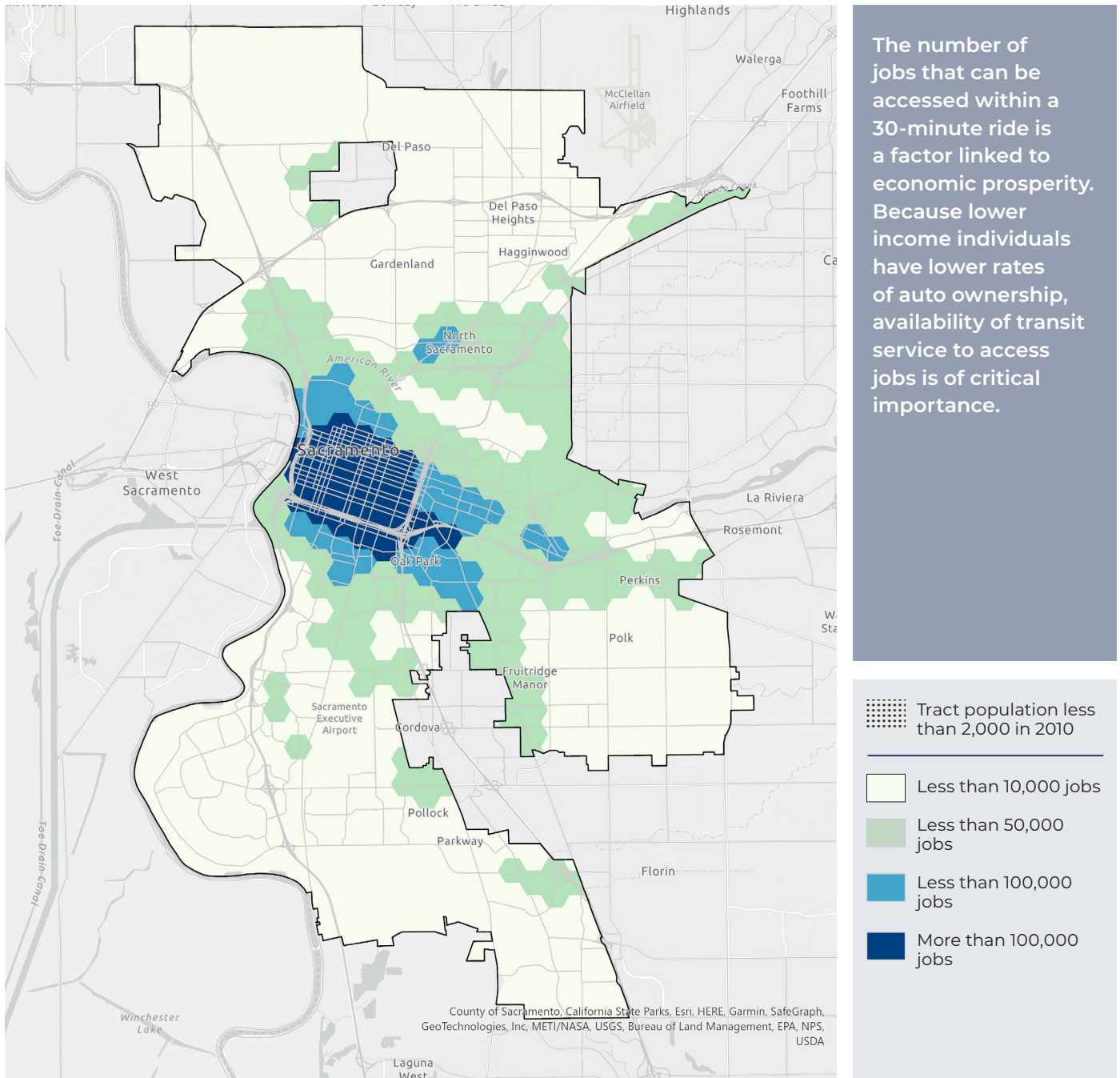
Data Source: City of Sacramento Open Data Portal, Parks, Retrieved 2023

**Map 12: Access to Opportunity Index:
Mobility Options - Percentage of Non-Auto Trips**



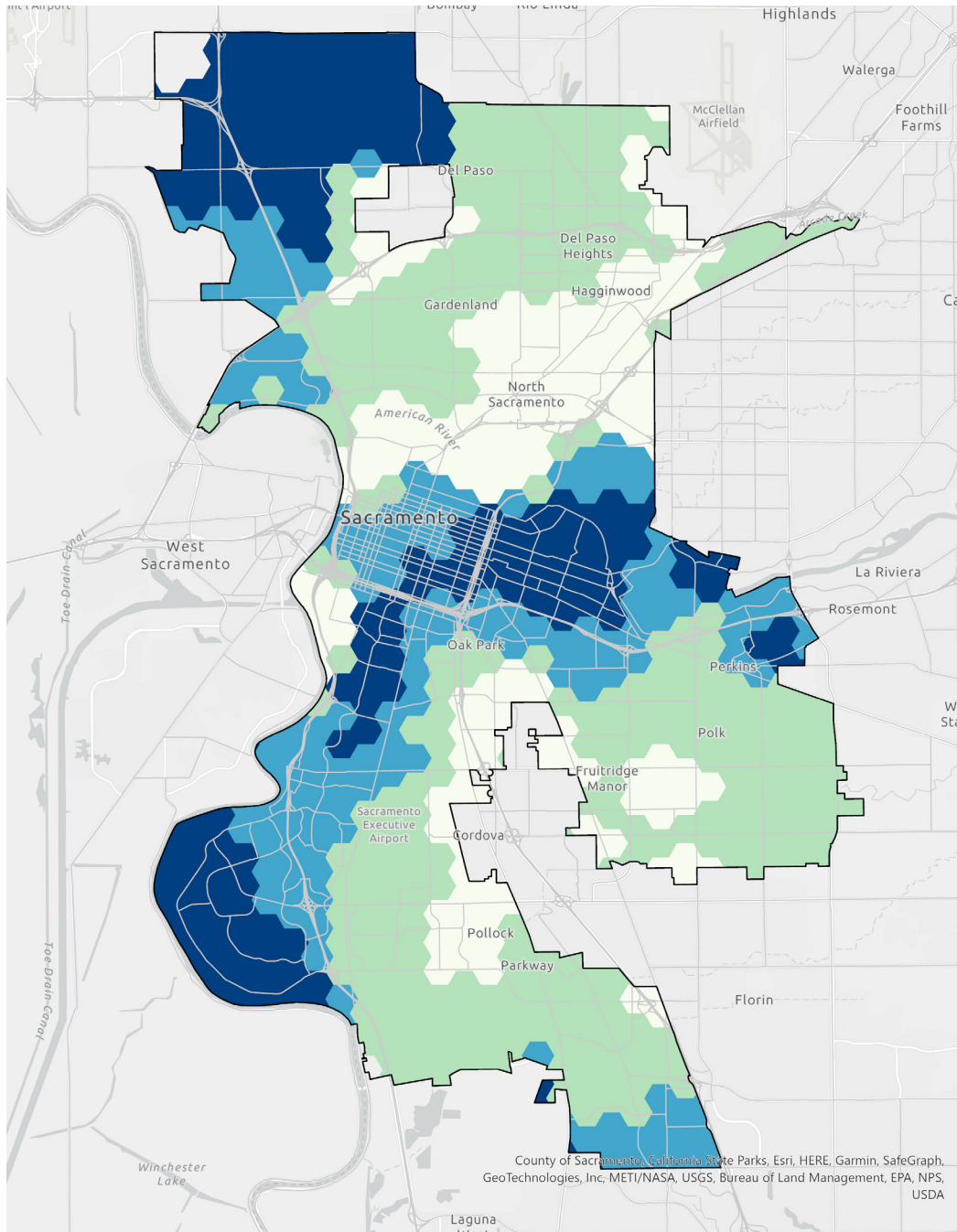
Data Source: UrbanFootprint Transport Module, Retrieved 2023

**Map 13: Access to Opportunity Index:
Transit Access to Jobs**



Data Source: UrbanFootprint Transit Access Module, Retrieved 2023

**Map 14: Access to Opportunity Index:
Access to Resources - TCAC Opportunity Areas**



The TCAC Opportunity Area maps track factors that offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.

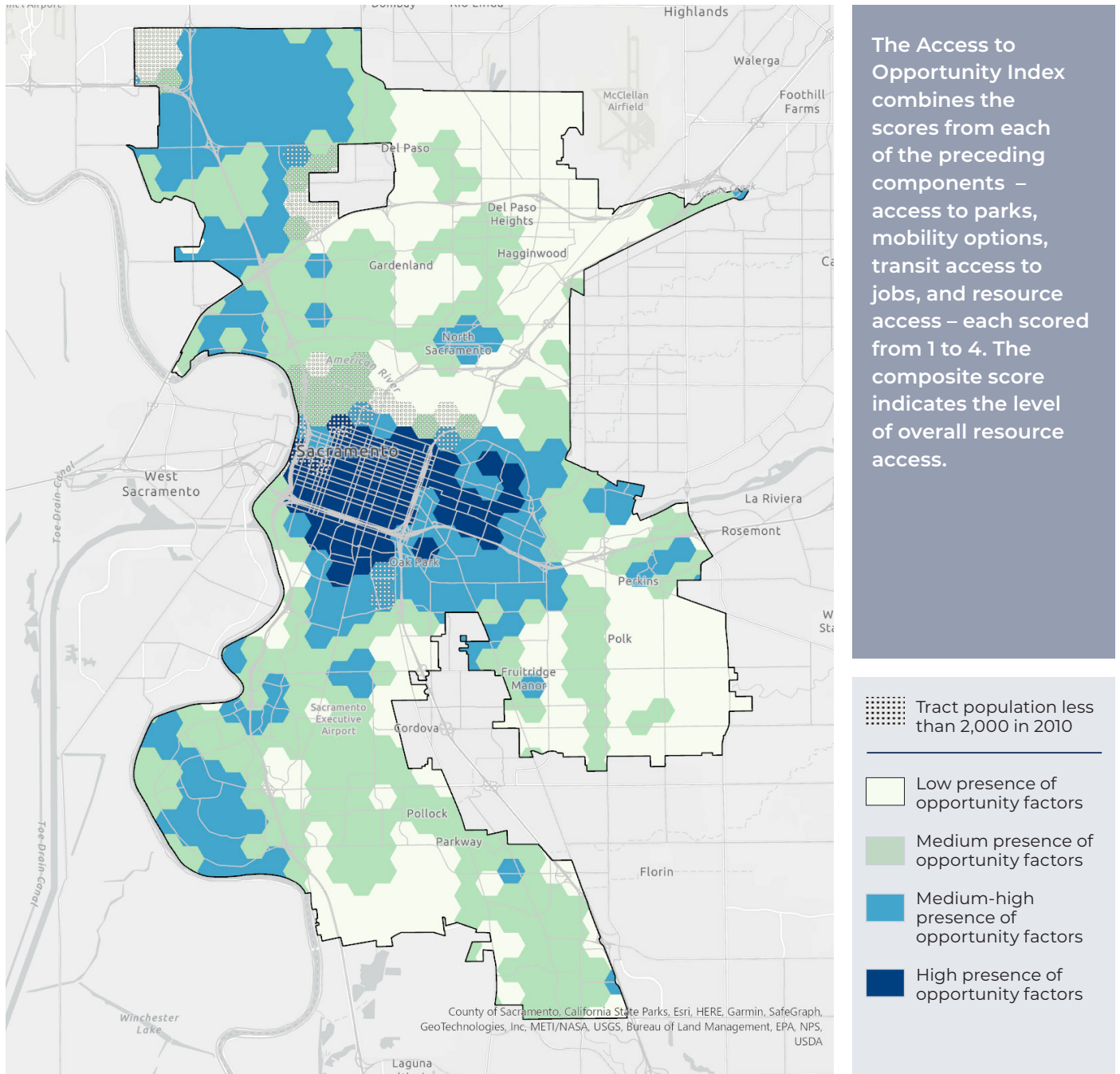
For more information on the TCAC Opportunity Areas, please visit <https://www.treasurer.ca.gov/ctcac/opportunity.asp>

-  Tract population less than 2,000 in 2010

-  High segregation and poverty
-  Low resource
-  Medium resource
-  High resource

Data Source: TCAC Opportunity Area Maps (2022)

**Map 15: Component Three: Access to Opportunity Index
Overlapping the Four Opportunity Factors**



Data Source: TCAC Opportunity Area Maps (2022)





Anti-Displacement Strategies

CHAPTER
3

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3.1 Strategy Typology

The DAT Strategy Typology combines three components of displacement risk — vulnerability to displacement, recent change in demographics or markets, and access to opportunity — to form a picture of how gentrification is impacting Sacramento neighborhoods in different ways.

It is a proactive decision-making tool that will help the City of Sacramento understand how proposed policy changes to encourage Missing Middle Housing (MMH) might impact existing and future residents. In addition, it is linked to guidance for anti-displacement strategies that can help maximize the benefits and minimize potential displacement impacts of encouraging MMH.

Strategy Typology One: High Opportunity, Low Vulnerability

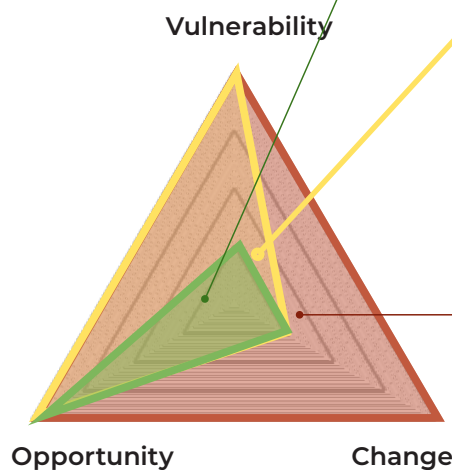
Areas with low vulnerability and high opportunity have already gentrified or have populations with few or no displacement risk factors. They are areas that have good access to schools, parks, jobs, and transit. In short, these are areas where more housing makes the most sense.

Strategy Typology Two: High Vulnerability, Low Change

In areas of high vulnerability and low change, gentrification has not yet occurred, but would be very likely to displace residents if it did. These are areas where proactive anti-displacement measures can maximize the benefits of Missing Middle Housing while minimizing displacement risk.

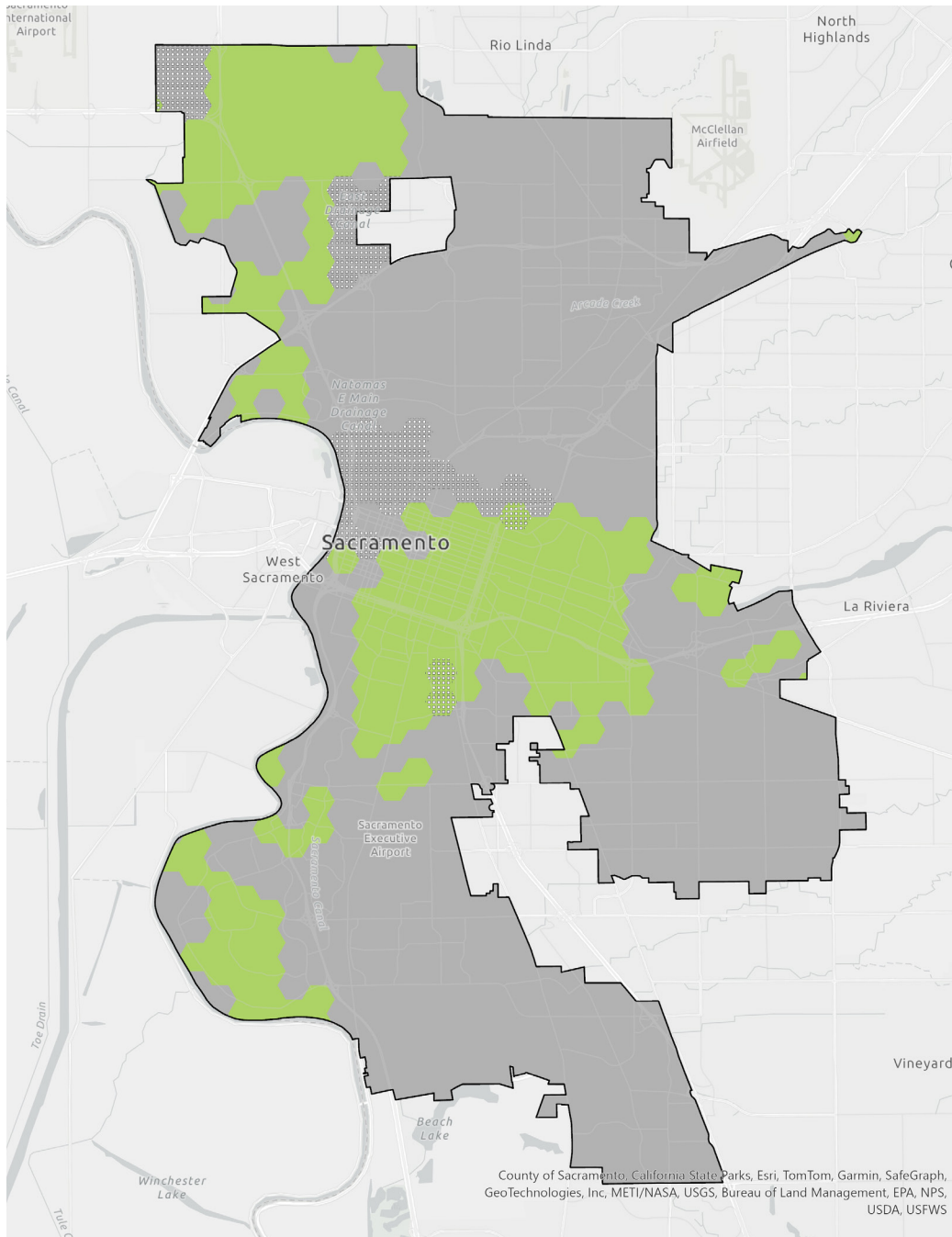
Strategy Typology Three: High Vulnerability, High Change

Gentrification is already occurring in high vulnerability, high change areas. These are areas where major demographic changes have occurred. In these areas, policy changes should be paired with anti-displacement strategies that keep residents in their homes and allow them to benefit from positive changes in their neighborhood.





The Displacement Assessment Toolkit identifies three distinct strategy typologies that will inform the implementation approach of MMH in Sacramento.

**Map 16: Strategy Typology One:
High Opportunity, Low Vulnerability**



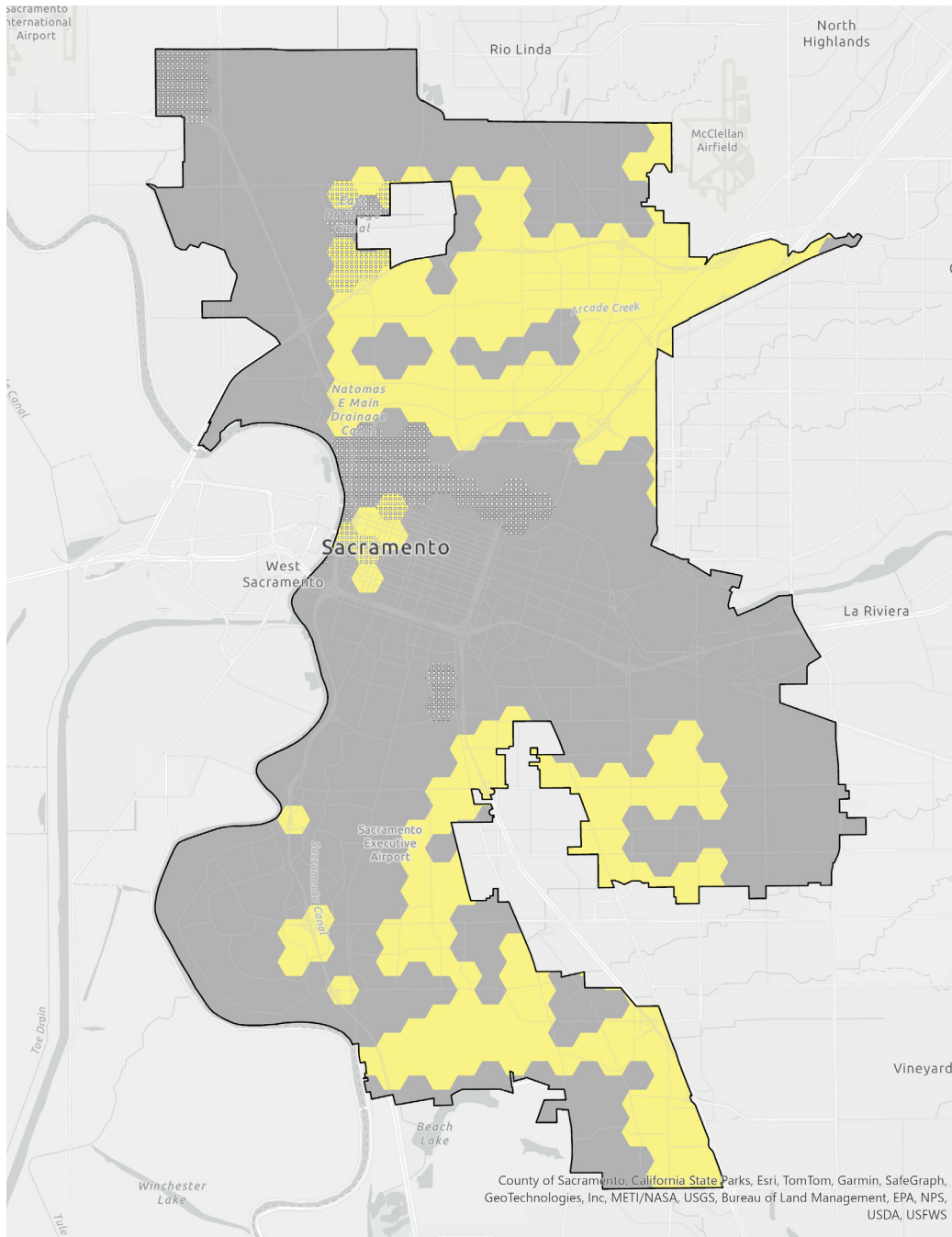
Areas with *low vulnerability and high opportunity* have high quality existing infrastructure and resources with relatively low proportions of residents at risk of displacement. In these areas, pro-housing policies can be implemented with less concern of displacement impacts.

-  Tract population less than 2,000 in 2010

-  Areas of high vulnerability and high rates of change
-  Areas of high vulnerability and low rates of change
-  Area with low vulnerability and high opportunity

County of Sacramento, California State Parks, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA, USFWS

**Map 17: Strategy Typology Two:
High Vulnerability, Low Change**



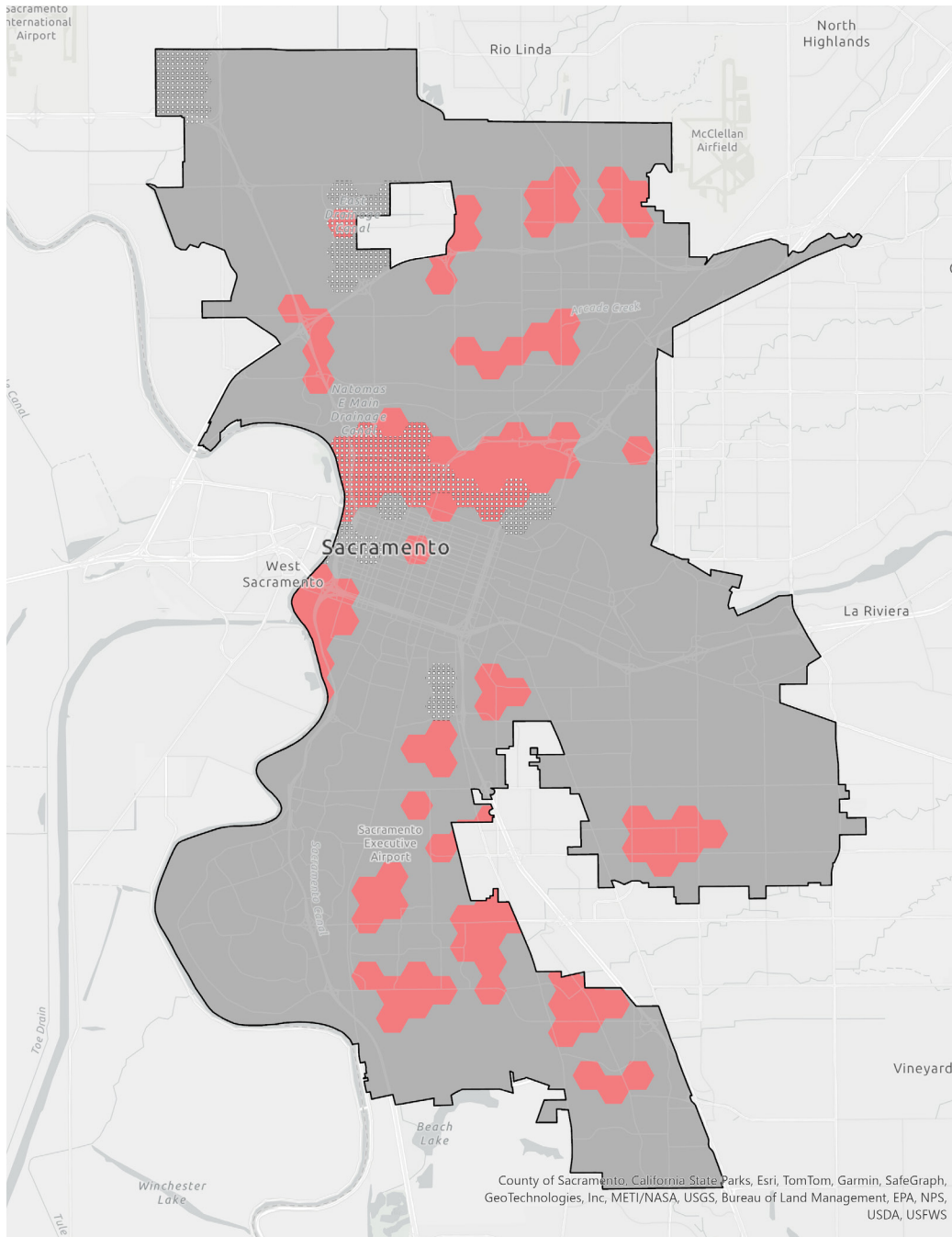
Areas with *high vulnerability and low change* indicate that gentrification has not yet occurred to a large degree, but that if it did, residents would be at risk of displacement.

These are areas where pro-housing policies should be paired with preventative anti-displacement measures.

-  Tract population less than 2,000 in 2010

-  Areas of high vulnerability and high rates of change
-  Areas of high vulnerability and low rates of change
-  Area with low vulnerability and high opportunity

**Map 18: Strategy Typology Three:
High Vulnerability, High Change**

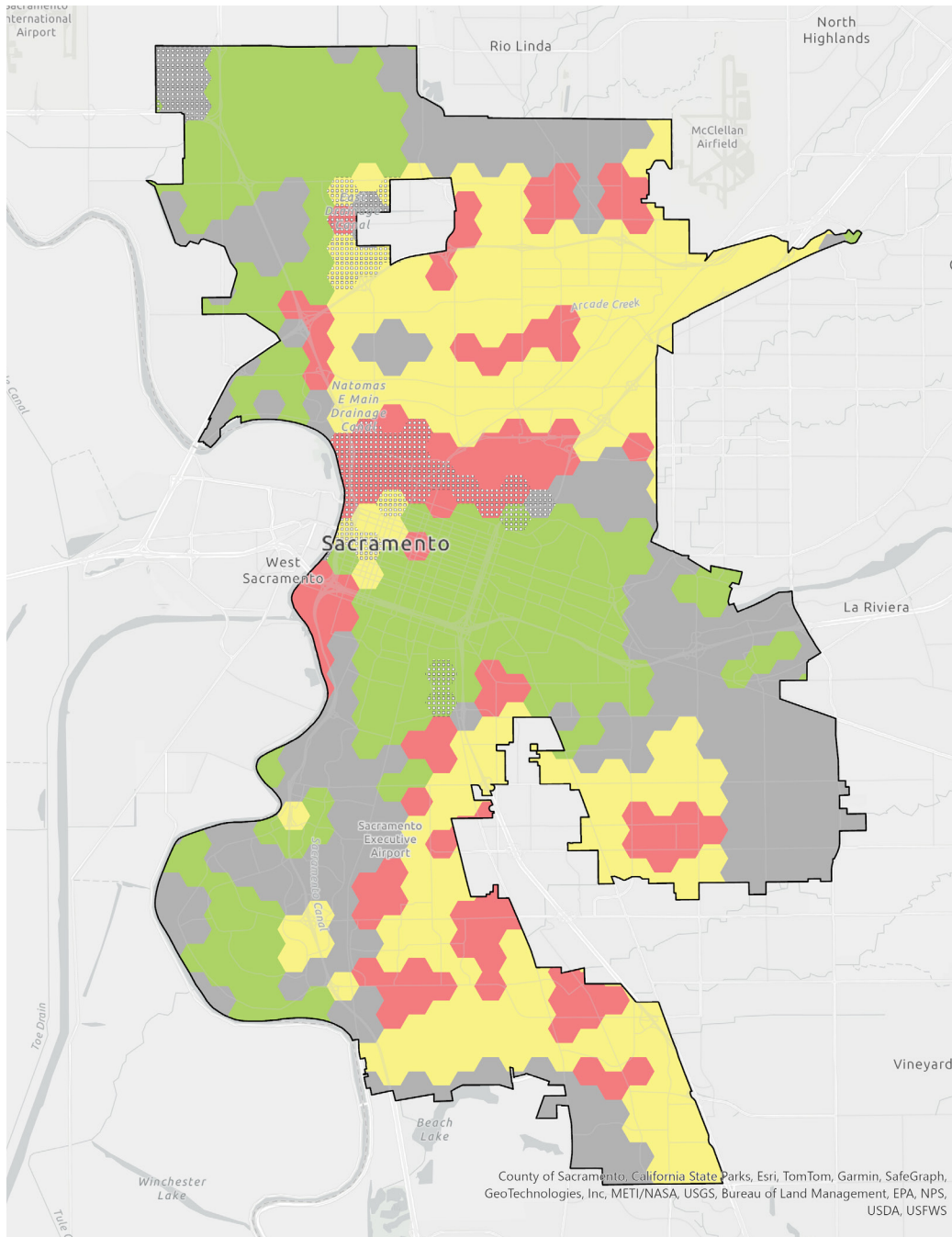


In areas of *high vulnerability and change*, gentrification is already occurring. Pro-housing policies should be implemented thoughtfully in order to minimize acceleration of gentrification.


-  Tract population less than 2,000 in 2010


-  Areas of high vulnerability and high rates of change
-  Areas of high vulnerability and low rates of change
-  Area with low vulnerability and high opportunity

Map 19: Strategy Typologies Map



Three general typologies identify where opportunity areas intersect with areas of vulnerability and change, suggesting different approaches to address displacement.

-  Tract population less than 2,000 in 2010

-  Areas of high vulnerability and high rates of change
-  Areas of high vulnerability and low rates of change
-  Area with low vulnerability and high opportunity

3.2 Anti-Displacement Strategies

Anti-displacement strategies are wide-ranging and can apply across a jurisdiction or to very specific areas or groups. They also function on different timelines to prevent displacement. Missing Middle Housing is a citywide, long-term anti-displacement strategy that helps relieve market pressure by producing housing.

Other anti-displacement strategies may focus on funding or building new affordable housing by requiring fees or reducing barriers to construction. Some strategies aim to preserve existing affordable housing by assisting low-income residents or disincentivizing replacement housing or other uses. Still others may combine both goals by reducing barriers to new construction while protecting existing affordable housing.

Strategies can vary in the way they are structured, requiring funding and some level of administration while

others may be regulation-based. All can have varying levels of effectiveness at minimizing displacement of vulnerable populations. That effectiveness may depend on the context of their application – whether it’s an area already experiencing change or not yet changing but at risk, for example.

Sacramento already has in place a number of anti-displacement strategies that range from the more general, regulation-based to targeted preservation programs that require funding and administration. Descriptions of these strategies are included in the table on the next page.



Existing City of Sacramento Anti-Displacement Strategies

Strategy	Description
Mixed Income Housing Ordinance (2015)	New market rate housing must pay an affordable housing impact fee that depends on the location and type of residential project. The Housing Incentive Zone has reduced fees and high density housing developments with income-restricted units receive a zero-dollar rate for several development impact fees..
Reduced Impact Fee for Affordable Dwelling Unit program (2018)	Housing projects don't pay City-controlled impact fees for deed-restricted affordable units, thereby reducing the cost of constructing affordable housing.
Ministerial Approval of 2 Dwelling Units and Urban Lot Splits (SB 9)	Requires two-dwelling units to be approved ministerially and allows urban lot splits if owner-occupied for at least 3 years. Demolition or alterations not permitted on existing affordable housing, rent-controlled houses, housing withdrawn from the rental market in the last 15 years, and housing occupied by a tenant in the last 3 years.
Ministerial Approval of Infill Housing (city version of SB 35)	Allows infill housing without discretionary approval. If altering existing housing, the project can not result in a reduced number of housing units. Prohibits the demolition of multi-unit dwelling (3+) occupied by tenants within the last year, or if the units are subject to an affordable housing regulatory agreement.
Tenant Protection and Relief Ordinance (2019)	Applies to multi-family units built before 1996. Limits annual rent increases and requires “just cause” reasons to terminate a lease.
Short-term Rental Permitting (2016)	Requires permits for short-term rentals for units that are not the owner’s primary residence and are rented for more than 90 days per year.
Community Benefits Ordinance (~2023)	Provides a framework for community benefits agreements for large public-private projects, including requirements to provide support to small businesses, anti-displacement strategies, affordable dwelling units, transportation initiatives.
Community Benefits Agreement	Part of the UC Davis' Aggie Square Development, it directs up to \$30 million of local taxes toward infrastructure; 20% is dedicated to affordable housing in the surrounding neighborhood.
Renter's Helpline	Telephone and internet-based helpline that provides counseling, dispute resolution and fair housing services for Sacramento County residents.
211 Resource Center	Provides referrals to more than 1,600 community services in the Sacramento area, including: senior services, employment and training, housing information, financial assistance, children's services, food programs, health care services, and more.
Rental Home inspection program	Proactive program that protects renters by requiring landlords to maintain their buildings up to code rather than relying on complaints from tenants.
First-time Homebuyer Assistance programs	Administered by SHRA based on available funding, and includes the Mortgage Credit Certificate program, the CalHome First-Time Homebuyer Mortgage Assistance Program, and several affordable home purchase opportunities.
Housing Element Policy H-6.5 No Net Loss of Housing Stock	The City shall ensure that sites being redeveloped for housing do not result in a net reduction in housing units.
Housing Element Policy H-5.7 Prioritize Affordable Housing Financing in Areas at Risk of Gentrification	The City and SHRA shall prioritize the financing of affordable housing in areas at risk of gentrification to provide options for low-income residents to remain in their neighborhoods.
Housing Bonus Program	The City has a density bonus program that implements state law, which permits additional units beyond a zone's limit when those units meet affordability requirements..
Condominium Conversion Restrictions	When rental units are converted into condominiums for ownership, low- and moderate-income tenants can be more severely affected. The city restricts this process to mitigate impact, requiring that qualifying tenants be offered ownership and leasing opportunities.

Understanding the Menu of Additional Anti-Displacement Strategies

The tables on the next two pages include additional strategies that could be considered to minimize the displacement of vulnerable populations. The strategies most suited to Sacramento will require a deeper study.

Table Categories Defined

Regulatory Strategy	Description	Precision	Housing Production Constraint	Anti-Displacement Efficacy
<p>Strategies are considered regulatory or programmatic</p> <p>Regulatory: Rule-based strategies. These are part of a zone or ordinance.</p> <p>Programmatic: Strategies that must be administered because funds must be managed and/or eligibility requirements must be tracked.</p>	<p>General description of strategy</p>	<p>Indicates how closely a strategy targets areas or residents at risk for displacement.</p>	<p>Indicates the degree to which a strategy may constrain housing production. Housing production is an important tool to reduce regional displacement but can contribute to localized displacement pressure in the short term.</p>	<p>Indicates the degree to which a strategy has demonstrated effectiveness in reducing displacement in research studies. Source: Chapple, Loukaitou-Sideris. Anti-Displacement Strategy Effectiveness 2021.</p>

Menu of Additional Regulatory Anti-Displacement Strategies

Regulatory Strategy	Description	Precision	Housing Production Constraint	Anti-Displacement Efficacy ¹
Housing Overlay Zones	May apply only to specific districts within a jurisdiction and also offer incentives to developers such as density bonuses, relaxed development standards, and streamlined permits or environmental review for projects in return for the provision of a certain amount of below market housing.	Moderate	Low	Moderate
Broaden Definition of Housing Type / Allow SRO in Residential	Broaden the definition of “housing unit” to allow for more flexibility across use types. Single Room Occupancy (SRO) – a building with single rooms for rent – are not always allowed in certain residential zones.	High	Low	Not Evaluated in reference study
City and Tenant Right-to-Purchase Preservation Program	Develop a right-of-first-refusal or tenant-opportunity-to-purchase policy, which provides tenant groups the right to purchase an apartment unit that is being put up for sale or being transformed into a condo by the owner before being put on the market.	High	Moderate	Moderate
Home Deconstruction Requirements	Requires projects seeking demolition permits to be fully deconstructed, by a certified contractor, as opposed to mechanically demolished. This serves as a disincentive to demolitions, potentially saving some existing housing stock.	Low	Moderate	Not Evaluated in reference study
Housing Rehabilitation Codes	Codes designed to reduce the costs of renovating and rehabilitating existing buildings, thereby facilitating the continued availability and habitability of older rental housing and owner-occupied homes.	Moderate	Low	Low*
Manufactured Housing Community Preservation Zone	Create a manufactured housing park zone and re-zone existing manufactured housing communities to the preservation zone. The purpose is to prohibit the redevelopment of manufactured housing communities.	High	Low	Not Evaluated in reference study
Separate Ownership of ADUs (AB 1033)	Opt-in to the 2023 state law that allows Accessory Dwelling Units (ADUs) to be sold separately from the primary residence under condominium rules, thereby increasing home ownership opportunities for these typically smaller more affordable units.	Moderate	Low	Moderate ²
Minimum Density Standards	Update development codes to prohibit new single-family detached housing in high density zones, and allow single-family homes in medium density zones only if they meet minimum density or maximum lot size requirements.	Low	Low	Not Evaluated in reference study
Reduce Minimum Lot Size Requirements	Reduce minimum lot size requirements to encourage more owner-occupied housing. Because lot sizes impact a home's sale price, smaller lots can make home ownership more attainable.	Low	Low	Not Evaluated in reference study
Sliding FAR Scale	Implement a sliding FAR (floor-to-area ratio) scale in residential zones. A sliding FAR scale allows increased FAR, effectively building area, with additional units. This encourages more and smaller units, which are generally more affordable. Design standards typically continue to apply to ensure neighborhood compatibility.	Low	Low	Not Evaluated in reference study

¹Reference Study: Chapple, Loukaitou-Sideris. Anti-Displacement Strategy Effectiveness 2021

²While ADU ownership was not specifically evaluated in the reference study, the production of ADUs in general were evaluated to have a moderate anti-displacement effect.

*Strict policies need to be incorporated to prevent displacement (Source: Chapple. Anti-Displacement Strategy Effectiveness. p. 12

Other Sources: Oregon Housing Production Strategy Program - List of Tools, Actions, and Policies. 2022. Portland Deconstruction Requirements.

Menu of Additional Programmatic Anti-Displacement Strategies

Regulatory Strategy	Description	Precision	Housing Production Constraint	Anti-Displacement Efficacy ¹
Affordable Housing Preservation Inventory	Prepare an inventory of subsidized and naturally occurring affordable housing to support proactive policies intended to preserve the affordable housing stock.	Moderate	Low	High
Foreclosure Assistance	Assist homeowners by offering them different means of financial and non-financial (counseling) support to avoid displacement.	High	Low	High
Homebuyer Opportunity Limited Tax Exemption Program (HOLTE)	Under the HOLTE Program, single-unit homes receive a ten-year property tax exemption on structural improvements to a new single-family home, townhome, or condominium as long as the property and owner remain eligible per program requirements, which include income limits.	High	Low	Not Evaluated in reference study
Preserving Low-Cost Rental Housing to Mitigate Displacement	Prevent displacement and preserving "naturally occurring" affordable housing through acquisition, low-interest loans/ revolving loan fund for preservation, and/or code enforcement.	High	Low	High
Property Tax Exemption for Affordable Housing	Create a Property Tax Exemption for affordable housing that is tied to level of affordability instead of the ownership structure.	High	Low	Not Evaluated in reference study
Property Tax Relief for Income-Qualified Homeowners	Provide income-qualified homeowners with tax relief in some cases by capping the amount of property tax as a share of a home-owner's income Lower-income renters may also get tax relief by treating some portion of their rent as attributable to property taxes and then providing an income tax credit to offset taxes increases.	High	Low	Not Evaluated in reference study
Weatherization Funds through Community Action Agencies	Use weatherization funds administered by statewide network of Community Action Agencies to preserve aging housing stock occupied by income-qualified residents.	High	Low	Not Evaluated in reference study
Community Control of Land	Support the creation or expansion of Community Land Trusts (CLT) and similar policies that give tenants control of the land they reside upon and offer collective ownership. Abandoned or tax delinquent properties can be acquired for CLTs to develop affordable housing on those properties.	High	Low	High

¹ Reference Study: Chapple, Loukaitou-Sideris. Anti-Displacement Strategy Effectiveness 2021
 Other Sources: Chapple, Loukaitou-Sideris. Anti-Displacement Strategy Effectiveness. 2021; Oregon Housing Production Strategy Program - List of Tools, Actions, and Policies. 2022.

Application of Anti-Displacement Strategies to Strategy Typologies

Anti-displacement strategies can be more effective and more appropriate for a specific strategy typology. A strategy marked with an “x” below indicates that the strategy is more likely to prevent displacement in areas identified with the corresponding typology (see Map 19).

Strategy	High Vulnerability, High Change	High Vulnerability, Low Change	Low Vulnerability, High Opportunity
Housing Overlay Zones	X		X
Broaden Definition of Housing Type / Allow SRO in Residential	X	X	X
City and Tenant Right-to-Purchase Preservation Program (Tenant Opportunity to Purchase or TOPA)	X	X	X
Home Deconstruction Requirements	X		X
Housing Rehabilitation Codes			X
Manufactured Housing Community Preservation Zone	X	X	
Separate Ownership of ADUs (AB 1033)	X	X	X
Minimum Density Standards	X	X	X
Reduce Minimum Lot Size Standards	X	X	X
Sliding FAR Scale	X	X	X
Affordable Housing Preservation Inventory	X	X	X
Foreclosure Assistance	X	X	X
Homebuyer Opportunity Limited Tax Exemption Program (HOLTE)		X	
Preserving Low-Cost Rental Housing to Mitigate Displacement	X	X	
Property Tax Exemption for Affordable Housing Tied to Level of Affordability	X	X ¹	X
Property Tax Relief for Income-Qualified Homeowners	X	X	X
Weatherization Funds through Community Action Agencies	X	X	
Community Control of Land	X	X	X

¹This strategy should be accompanied by homeowner financial education, particularly in this typology area where residents may be pressured to sell or refinance.

The Oregon Housing Production Strategy Program - List of Tools, Actions, and Policies document provided guidance, along with staff input, in identifying where the strategies would be most appropriate according to strategy typology.

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