

City of
SACRAMENTO
Office of the City Manager

Christopher Conlin
Assistant City Manager

City Hall
915 I Street, Fifth Floor
Sacramento, CA 95814-2604
916-808-5704

December 28, 2020

Honorable Russell L. Hom, Presiding Judge
Department 47
Sacramento County Superior Court
720 9th Street
Sacramento, CA 95814

**RE: SACRAMENTO COUNTY GRAND JURY REPORT – IMPACT OF
GENTRIFICATION AND NEIGHBORHOOD REVITALIZATION ON THE
DISPLACEMENT OF RESIDENTS (CITY OF SACRAMENTO –
RESPONSE)**

Dear Hon. Russell L. Hom:

Pursuant to California Penal Code sections 933 and 933.05, the following specific responses are submitted to you regarding the 2019-2020 Grand Jury Findings and Recommendations on *Impact of Gentrification and Neighborhood Revitalization on the Displacement of Residents*.

Finding 1: Clear lines of responsibility regarding relocation of Single Room Occupancy (SRO) clients have been difficult to determine. Opinions from interviewees indicate the agencies were not always working collaboratively, sharing information and consistently messaging.

Response to Finding 1: The City of Sacramento agrees with the finding.

The Sacramento Housing and Redevelopment Agency (SHRA) is the organization responsible for administering relocation efforts on behalf of the City of Sacramento under Chapter 18.20 of the Sacramento City Code. "The director . . . report[s] annually to the Sacramento housing and redevelopment commission and city council on the number of residential hotel units withdrawn, the number of new units expected based on approved replacement housing plans, and units constructed in anticipation of conversions or

withdrawals.” (Sac. City Code, § 18.20.160(F).) The City of Sacramento is in favor of greater collaboration, sharing of information, and consistent messaging with SHRA on this important issue.

Finding 2: The Grand Jury found no evidence that a study of best practices from other cities has been performed or communicated.

Response to Finding 2: The City of Sacramento disagrees with the finding.

During the Central City Specific Plan process and the study of the potential streetcar, City of Sacramento staff reviewed the potential for transit-oriented development to cause gentrification and displacement. Their findings were published in the *Anti-Displacement/Gentrification Study* of May 24, 2018 (https://www.cityofsacramento.org/-/media/Corporate/Files/CDD/Planning/Long-Range/Gentrification-Displacement-Whitepaper_5_24_18_.pdf?la=en). They also worked in partnership with the City of West Sacramento and the Sacramento Area Council of Governments to develop the *Transit-Oriented Development Toolkit*, which reviewed existing and potential new programs to address potential displacement (https://www.sacog.org/sites/main/files/file-attachments/2019-06-13_tod_toolkit_web.pdf).

City of Sacramento staff are reviewing the city’s current anti-displacement actions in addition to performing a broader analysis of other policies, programs, and initiatives that could be adopted from a review of best practices from studies and other jurisdictions. This work is detailed in the attached document.

The City of Sacramento is also currently updating the Housing Element for the 2021 – 2029 planning period. As part of the Housing Element update, city staff and consulting firm Ascent hosted two virtual focus group sessions to gather input from various stakeholders on key housing issues. The following focus group sessions were held on Tuesday, August 4, 2020 using Zoom:

- Focus Group 1: Anti-Displacement and Tenant Protections
- Focus Group 2: The City’s Affordable Housing Requirements

Each group session began with a brief presentation, providing background on the housing-element process and

information on current city programs and requirements that relate to the two group topics. The consulting team then facilitated a discussion in which participants were asked for input on each group discussion topic. Representatives from non-profit organizations, neighborhood associations, advocacy groups and public agencies provided feedback on their experiences and offered suggestions for policy improvements related to anti-displacement.

Finding 3: The Grand Jury found that the conversions of The Berry, The Capitol Park and the Shasta facilities appear to have been well-planned and meet the intent of the law and the needs of the community.

Response to Finding 3: The City of Sacramento agrees with the finding.

Finding 4: Sacramento Housing and Redevelopment Agency (SHRA) did not provide the Grand Jury information on reporting or tracking individual residents of SROs who were displaced. Therefore, it could not be determined whether those occupants who may have been compensated have relocated, whether the relocation was successful or, worst case, if the resident spent the money and may now be homeless.

Response to Finding 4: The City of Sacramento agrees with the finding.

While the City does not have direct knowledge of what information was provided to the Grand Jury, SHRA maintains records regarding each individual displaced person. The personal information of displaced residents is confidential; nonetheless, the Grand Jury can request data from SHRA regarding how many persons have been displaced and how many persons have received benefits. SHRA has compiled and released regular reports with congregate data on the relocation and rehousing of individuals who were residents at Capitol Park Hotel.

Finding 5: The Grand Jury Report for 2018-2019 recommended seeking assistance to look at the actions and coordination of the stakeholders. As a result of those recommendations, The Sacramento Homeless Policy Council (SHPC) was formed which will impact future relocated tenants.

Response to Finding 5: The City of Sacramento disagrees with the finding.

Per its mission, SHPC is concerned with addressing homelessness. On page 44, the Grand Jury Report itself acknowledges that SHRA provides relocation benefits with respect to the Capitol Park Hotel as also stated in SHRA's

Update at a Glance: Week of April 24, 2020
(<https://www.shra.org/wp-content/uploads/2020/04/Weekly-Update-April-24th-2020.pdf>). Some tenants do leave of their own volition; however, the Grand Jury should not presume, without evidence, that departing tenants are or became homeless instead of finding other housing or choosing to live with friends, family, etc. Given the robust relocation efforts of SHRA in preventing tenants from exiting to homelessness, it is far from certain that SHPC will encounter or need to impact future relocated tenants.

Finding 6: Kaiser Permanente is funding support to help SHPC develop oversight, stronger collaboration and a coordinated plan.

Response to Finding 6: The City of Sacramento agrees with the finding.

Kaiser Permanente has committed to funding SHPC, though Kaiser Permanente has not yet distributed the funds.

Finding 7: While SHRA has the legal mandate for housing individuals displaced by gentrification, several initiatives and/or agencies including Sacramento Steps Forward (SSF), Volunteers of America, and Continuum of Care are involved in various aspects. It is not clear which entity makes the final decision, which initiates policy and which manages implementation regarding development of plans and re-housing those impacted by gentrification.

Response to Finding 7: The City of Sacramento disagrees with the finding.

SHRA administers relocation under Chapter 18.20 of the Sacramento City Code, but SHRA's legal mandate does not extend to "housing individuals displaced by gentrification." Furthermore, SSF, Volunteers of America and the Continuum of Care have no such legal mandate.

Finding 8: The Joint Powers Agency (JPA) members - Sacramento City, Sacramento County and SHRA -are making efforts to work more collaboratively along with Sacramento Steps Forward and the newly formed Sacramento Homeless Policy Council along with Community Solutions.

Response to Finding 8: The City of Sacramento agrees with the finding.

Finding 9: Sacramento City Code mandates a minimum of 712 SRO rooms must remain available at all times. As of July 3, 2019, the City had 762 rooms including those at the new complex at 7th & H which indicates they are maintaining the mandated levels. The question remains whether that is an adequate number today.

Response to Finding 9: The City of Sacramento disagrees with the finding.

On July 3, 2019, the City of Sacramento had 764 rooms (2 more than found by the Grand Jury) available.

Recommendation 1: The Joint Powers Authority along with Sacramento Steps Forward and Sacramento Homeless Policy Council should collaboratively develop a single uniform plan relating to SRO displacement that would improve transparency, coordination, accountability and reduce duplication of efforts between the stakeholders by June 30, 2021.

Response to Recommendation 1: The City of Sacramento disagrees with the recommendation.

With Sacramento City Code section 18.20.120, the City of Sacramento has already determined that SHRA is and should be the sole organization responsible for replacement housing plans related to SRO displacement. Developers of other projects that trigger relocation are responsible for its completion.

Recommendation 2: The Joint Powers Authority and Sacramento Steps Forward should develop a task force, utilizing the Sacramento Homeless Policy Council, to include representatives of all agencies involved in plans for gentrification throughout the County of Sacramento and especially Downtown Sacramento. This task force should research best practices of other jurisdictions to learn how they manage their efforts to protect residents of housing slated for gentrification and issue a report of findings by June 30, 2021.

Response to Recommendation 2: The City of Sacramento disagrees with the recommendation.

Community development is an essential function of the City of Sacramento. The city does not “plan for gentrification.” City staff holistically consider and implement an array of “anti-displacement” measures as reflected in the attached *Sacramento Anti-Displacement Initiatives* summary of September 21, 2020.

Recommendation 3: The current mandate of maintaining 712 SRO units may not be an adequate number. SHPC should study the number of SRO units needed in 2020 and beyond and provide a report of findings by March 31, 2021.

Response to Recommendation 3: The City of Sacramento disagrees with the recommendation.

The State of California and the City of Sacramento are responsible for determining housing needs in the city—not SHPC. The City of Sacramento is responsible for issuing its General Plan, which includes the Housing Element that plans for the quantity, affordability, and type of housing units needed in the city based on a thorough analysis.

Recommendation 4: Placements for residents of all SROs being repurposed or revitalized need to be monitored and publicly reported. To facilitate greater understanding and ensure improved transparency of the placement process, the SHRA website could be utilized to contain reports similar to the Capitol Park Hotel Resident Relocation Report for all SRO property renovations. SHRA should provide the elements and timeline of these reports by March 31, 2021.

Response to Recommendation 4: The City of Sacramento agrees with the recommendation.

Thank you for the opportunity to provide these responses to the Grand Jury Report.

Sincerely,


Christopher C Conlin (Dec 28, 2020 13:48 PST)

Christopher Conlin

Assistant City Manager