

Exhibit A Executive Summary
Sacramento Area Council of Governments

Growing Fast, But Mostly Outward

The Sacramento region is the fastest growing region in California and is one of the few regions in the State that continued to grow since the pandemic. It's a region that has long led the rest of the state in attracting new housing through forward-looking housing policy in stark contrast to its coastal counterparts. With no physical or topographic constraints, that growth has historically occurred through outward expansion of the existing urban footprint. In the last two decades, there is a growing understanding that realizing our ambitious climate goals, improving affordability, and breaking down past patterns of segregation will require a fundamentally different regional growth model—one that prioritizes smaller lot and attached housing in infill communities near existing jobs and services. SACOG has been at the forefront of facilitating that transition with the nationally renowned Blueprint project, which was a smart growth vision for the region that integrates land use and transportation planning to curb sprawl, cut down on vehicle emissions and congestion, provide more housing options, and improve the quality of life for residents of the region.

Green Means Go: SACOG's Regional Housing Strategy

If the Blueprint is the vision, Green Means Go is the implementation strategy. This groundbreaking program is a multi-year pilot that aims to remove barriers to affordable housing production in locally adopted infill [Green Zones](#). Through a seed investment from the State of California, Green Means Go has funded over \$30 million to date for planning and capital investments that affirmatively further fair housing and revitalize underserved existing communities. The funding program drew on a Community Based working group to ensure program objectives met goals to foster inclusive communities.

Green Means Go is informed by several years of ongoing engagement with builders, housing and community groups and local jurisdictions to identify the most promising approaches to accelerate infill housing. All 28 jurisdictions in the SACOG region have formally endorsed Green Means Go, while the program has also received support from numerous labor, business, community and environmental groups within the Sacramento region. This is a bottom up, regional solution with formal endorsements from the Sacramento Central Labor Council, AFL-CIO, and CA State Council of Laborers, as well as both the Black and Hispanic Chambers of Commerce.

Green Means Go incentivizes and scales successful local policy commitments. To be adopted as a regional Green Zone, the local jurisdiction needs to show evidence of infill capacity as well as progress in the local policy environment to overcome barriers to housing. Twenty-six of the 28 local jurisdictions in the Sacramento region have adopted Green Zones through Green Means Go, demonstrating the extent of local government housing policy commitments region wide. Further, SACOG has directly funded \$11 million to local governments to leverage these policy commitments, which are discussed further in the Need exhibit.

Creating Pathways to More Affordable Homeownership Opportunities

Green Means Go has been incredibly effective at funding catalytic infrastructure investments and policy changes aimed at multifamily rental housing, but it has yet to explicitly address homeownership. One of the key competitive advantages of the SACOG region has been the existence of more affordable homeownership opportunities than our coastal counterparts. Unfortunately, that advantage has eroded in recent years with the median value of homes in the Sacramento MSA increasing 30% since the pandemic. Only around 1/3 of households could afford the mortgage for the median-priced home in the Sacramento Region in 2022, down from over 50% just 10 years ago.

This reality has created a trend towards smaller single family homes for new construction in greenfield areas, but there is still tremendous demand for middle class households and first time home buyers for more affordable homeownership opportunities beyond the traditional greenfield model. In particular, more townhomes, condos, and small lot subdivisions in infill areas are needed to meet increasing demand for more walkable neighborhoods closer to jobs and services. Said another way, the region cannot accomplish our climate, affordability, and fair housing goals if all new ownership housing is occurring through large lot single family homes on the periphery. This will require breaking down regulatory barriers specific to more affordable homeownership opportunities and building a culture of yes around a new development ecosystem.

As part of the PRO Housing Grant, SACOG will transition the Green Means Go program from a pilot to a sustained strategy targeting pathways to more affordable homeownership by:

- 1) Clearing the regulatory path for for-sale missing middle builders through housing policy implementation; and*
- 2) Fostering an ecosystem of yes by building capacity and coordination in the development community, local government planning and building departments, and special service districts.*

1. Housing Policy Implementation

SACOG and its Grant Partners will work directly with local governments to make policy and process changes that facilitate the construction of more small lot and attached ownership housing products. This could include:

- Changes to local zoning codes to allow for ministerial approvals (with no discretionary review or hearing) of infill subdivisions within 60 days as a means of significantly reducing the approval timelines for small scale ownership products. These changes will be targeted at smaller scale, more affordable homes in higher opportunity infill neighborhoods as a means of affirmatively furthering fair housing. Common “gentle density” housing types created through this policy could include townhomes, cottage courts, and pocket neighborhoods.

- Changes to local zoning codes to allow ADUs to be sold separately as condos. This will create a new class of ownership options that are well below the price point of the neighborhood due to the size of ADUs (must be under 1,200 square feet and frequently under 750 square feet).
- Reducing minimum lot sizes to as low as 1,200 sqft, which will facilitate more townhome and cottage court developments aimed at first time homebuyers and lower to moderate income households.
- Paring back other form standards that preclude missing middle ownership products like setbacks, height, open space requirements, buffers restricting multifamily products within a certain distance of single family homes, etc.

In addition to direct changes to local regulatory frameworks, SACOG and its Grant Partners will launch a regional clearinghouse that will house:

- Preapproved design plans for missing middle housing ownership products like Accessory Dwelling Units (ADUs) and small lot subdivisions
- Guidebooks/and FAQs for builders looking to explore the middle housing ownership space, walking through the regional regulatory environment, available streamlining opportunities, what housing types are allowed where throughout the region, etc.
- Implementation guides for planning and building departments aimed at creating a cohesive regional regulatory environment for more affordable homeownership opportunities

2. Building an Ecosystem of Yes

Creating a new regional growth paradigm will require more than simple changes to zoning codes—it also means catalyzing a new development model for builders and creating a culture of “yes” within the public sector, service providers, and elected officials. To meet this challenge, SACOG would convene a three-part incubator, bringing together missing middle builders, local government planning and building department staff, elected officials, and special service districts to build an ecosystem of yes around affordable homeownership products. Components would include three groups:

- *Build the Middle.* This group will be a free academy oriented towards existing and aspiring for-sale missing middle and ADU builders/contractors across the region. This will dramatically scale up an existing “small developer boot camp incubator program” being developed by the City of Sacramento, expected to begin in 2025. The academy will build capacity among new builders for a development type that largely does not exist yet in our region.
- *Coordinate the Public Sector.* This working group, made up of builders, local government staff, and special service districts, will be focused on coalescing around a coordinated, regional strategy for how small lot subdivisions will work, how

infrastructure will be addressed, and what the approval process will be like. A key outcome of this group will be to work towards a future where a small developer can approach any jurisdiction in the region with a missing middle ownership proposal (like a 8 unit townhome project) and have confidence of what the rules are, what the timeline is, and that they have a willing public sector partners to get to a completed project.

- *Create Housing Champions.* A changing built environment requires new housing champions. This group will gather elected officials from around the region for facilitated conversations about how to be the most effective champions for new pathways to affordable homeownership opportunities, and how to educate the general public about issues of race and equity in housing policy. In addition, this group will explore the potential for housing stakeholders to be added to SACOG's Land Use and Natural Resources Committee.