

Supplemental Information – Sacramento CIRM Proposal

Cost of Living/Cost of Housing

As reported by Sperling's Best Places, Sacramento's overall cost of living index is 112.3 (national average = 100.0). This compares favorably to overall indexes of 209.5 for San Francisco and 136.4 for San Diego. With respect to housing specifically, Sperling reported an index of 110.8 for Sacramento, 366.8 for San Francisco and 179.4 in San Diego. Comparisons of median home prices in the Sacramento area, relative to other regions being considered, were distributed at the Sacramento site visit. The source of that data was the California Association of Realtors. The average market rent for the Sacramento area as April, 2005 was \$916 a month, according to RealFacts of Novato.

Sacramento's housing affordability is augmented by several programs offered through the Sacramento Housing and Redevelopment Agency (SHRA). These include a recently-adopted mixed income housing ordinance which requires new residential developments within the City to provide 15% of their housing units to be leased or sold at an affordable rent or housing price to below-median income households. Qualified homebuyers in Sacramento are also aided in by way of 5 separate down payment assistance programs and the Mortgage Credit Certificate Program, which provides a tax credit of 15% of annual mortgage interest paid. The Sacramento area's rate of homeownership among households was 65.3% in 2003, as reported by the U.S. Census Bureau. The national homeownership rate for that period was 68.3%.

These local SHRA programs are offered in Sacramento in addition to below-market-rate homeownership programs administered by the California Housing Finance Agency (CalHFA). The current purchase price limits applicable to the CalHFA programs are well above current Sacramento median home prices. Thus, CalHFA programs that may not be available in other areas due to high median prices remain viable in Sacramento.

SHRA's multi-family housing programs subsidize development of affordable rental units through use of funding derived from several federal and local sources. These include the federal Home Investment Partnership (HOME) and Community Development Block Grant (CDBG) Programs and local Housing Trust Fund and redevelopment area tax increment funds. These direct housing subsidy programs have been coupled with the use of tax-exempt mortgage bonds and fee waivers/deferrals. Collectively, these programs have financed 130 separate multi-family housing projects in the City and County of Sacramento containing more than 10,000 assisted affordable rental units.

The Capitol Area Development Authority (CADA) is a joint powers authority between the City of Sacramento and the State of California. CADA owns and manages 752 rental units in downtown Sacramento, one third of which are leased at affordable rents.

Electrical power in the Sacramento area is provided by the Sacramento Municipal Utility District at rates which are 23% or more below those of investor-owned utilities serving the other areas under consideration.