AGENDA OVERVIEW

- Goals & Objectives
- Opportunity Sites
- Market Analysis
- Next Steps
GOALS & OBJECTIVES

- Create a Specific Plan that paves the way for at least 10,000 places to live in the next 10 years
- Develop a varied housing stock that reflects the diversity of Sacramento
- Incentivize Transit-Oriented Development throughout downtown Sacramento including along the streetcar corridor
- Remove barriers to housing development by streamlining the development and environmental review process
- Maintain the quality of life central city residents experience and further neighborhood livability by including supporting amenities along with housing
OPPORTUNITY SITE CRITERIA

- Vacant and under utilized sites
- Location in established corridors and CBD as identified in the 2035 GP for growth
- ¼ acre in size
- Considered community context
- Considered State ownership of land
DEMOGRAPHIC TRENDS

- Very little growth since 2000
- Different household characteristics
  - Mostly smaller (1.6 persons avg.)
  - Non-family and single person
  - 25-34 and 55-75 age groups
- Lower income, with less equity
  - Younger than average
  - More single-earner households
DEMOGRAPHIC TRENDS

- Positioned for Long-term income growth
  - High educational attainment
  - Inflation adjusted income growth
  - Age driven household formation

- Difficult to gauge depth of demand
  - Low historic population growth
  - Lack of new housing supply
DEMOGRAPHIC TRENDS

- Demand for low-cost rentals
  - Smaller household sizes
  - Lower incomes with less equity

- Up-market and for-sale units
  - Demand from 55-75 age group
  - Move-ups for 25-34 age group
  - Household formation and relocation?
ECONOMIC TRENDS

- Region’s most important job center
- 2 out of 3 jobs in Government
- Employment starting to diversify
  - Business Management; Education and Healthcare; Entertainment & Recreation
  - Mostly “white collar” occupations
  - Management, Financial, Education, Legal, Community Service, Arts, and Media
ECONOMIC TRENDS

- **Imbalanced commute shed**
  - 94% of workers commute in
  - 64% of residents commute out

HOUSING SUPPLY AND AFFORDABILITY

- Mostly older multifamily buildings
  - Duplex, triplex, and small apartments
  - Shift to higher densities since 2010
  - Less than 10% built since 2000

- Highest prices in the city/region
  - Rapid appreciation since 2008
  - Good design commands a premium
  - Rents up to 2x market average
Median Sale Price by Neighborhood, February 2016 to July 2016

Historic Rent and Vacancy Rate, DSP area, 2008 to 2016 YTD

Average Rent and Average Vacancy Rate

HOUSING SUPPLY AND AFFORDABILITY

- Market rates affordable only at the higher income levels
- Market is targeting young professionals and empty nesters
  - “Urban experience”
  - “Lock and leave convenience”
  - Absence of families with children
Housing Supply and Affordability

- High risk of displacement
  - 53% low income
  - Excessive cost burdens

- Need to provide a variety of housing options/types
  - Affordable at all income levels
  - Construction cost constraints
FUTURE DEVELOPMENT

- Pipeline exceeds 2026 projections
  - Almost 13,500 new units
  - Mostly market rate/mixed-use

- Units in adjacent neighborhoods
  - Offering greater affordability
  - Limits to market rate affordability

- Mixed-income strategies for Township 9 and the Railyards
CHALLENGES TO INFILL DEVELOPMENT

- More complex, time consuming, and expensive than greenfield
  - Higher prices needed to offset costs

- Prices dictated by local market; costs have regional influences
  - Competition with Bay Area for labor
  - Infrastructure can be a constraint

- Home prices don’t justify for-sale
Denver; Long Beach; Minneapolis; Nashville; and Portland

Demand driven by job growth
- Small studios and one-bedrooms
- High-end rentals with amenities

Gentrification and displacement
- Loss of market rate affordable
- High transportation costs
PEER CITY RESEARCH

- Coordinate with regional planning
- Focus demand with growth controls
- Innovative regulatory frameworks
  - Height and density bonuses
  - Design oriented regulations
  - Inclusionary housing requirements
- Amenities and cultural assets
- Invest in local and regional transit
STRATEGIC NEEDS

- Diverse housing types affordable to all incomes
  - Draw demand from a broad base

- Develop amenities, including recreation and cultural venues
  - Add value for residents and businesses

- Mitigate infrastructure constraints

- Ensure permitting capacity
  - Provide certainty and efficiency
NEXT STEPS

- Technical Analysis
- Second Stakeholder Meetings/Online Engagement
- Spring 2017 – Commission/Council Workshops
- Plan Adoption (early 2018)
For more information …

WWW.DOWNTOWNSPECIFICPLAN.COM