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## Housing projects perk up Sacramento's central city

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A modest building boom is taking place in Sacramento's central city.

Work is under way on at least a half-dozen projects that will bring more than 250 housing units and thousands of square feet of retail to the grid, even as the market in the rest of the region remains stagnant.

Development in midtown and downtown Sacramento includes a large housing and retail complex along one of the grid's busiest thoroughfares, renewed action at a complex of brownstone-style homes in midtown and an affordable housing complex next to the La Valentina light-rail station on 12th Street.

"We're all looking for good signs," said Councilman Rob Fong, who represents the central city, "and I think that's a good sign."

The growth in midtown is driving a gain in construction activity across the city, officials said. The total value of new construction projects rose 36 percent from 2010 to 2011, said Ryan DeVore, the city's chief building official.

While officials are embracing the improvement, the \$385 million in new construction last year was far below the peak from a few years ago, when new activity accounted for over \$1 billion annually, DeVore said. Still, the jump last year "did surprise us a little bit," he said, and will mean more revenue for the cash-strapped city.

There are a handful of explanations for the new activity in the central city.

Some developers said they are seeing interest from people emerging from housing market "cocoon," those who have wanted to move closer to downtown but had put off the decision until the market stabilized.

Others point to the growth of health care facilities near the central city – including expansions at Sutter General Hospital, various Mercy facilities and the UC Davis Medical Center – as driving forces behind the expansion.

"That's a lot of good-paying jobs," said developer John Mansfield, who is building nine Craftsman-style homes on S Street between 20th and 21st. "And if you believe what everybody says, people want to live near downtown and midtown."

One block away from Mansfield's development, the Tapestri Square complex has gone through a sudden re-emergence. Construction picked up last year after a long stall, and roughly two dozen of the 58 planned brownstones are up or are being built.

Kevin Noell of Metro Nova development, the firm behind the project, said the company has "been clicking along at about one (new home) a month." And the homes are being built only after a buyer is in place, not on spec.

Noell said most of his buyers are older couples who had been putting off moving to midtown until their children were grown and the market improved.

"They're people who are making a lifestyle decision and want a little more freedom," he said. "People kind of went into a cocoon land (when the market tanked) and the general consensus is that they are more optimistic about the market."

The two largest developments in the midtown and downtown area are under way along two busy arteries.

An affordable-housing project at the La Valentina light-rail station on 12th Street in Mansion Flats is a few months from completion. Springing up along the busy thoroughfare that serves as an entryway to downtown are 81 housing units and ground-floor retail.

The site used to be an auto repair shop but has stood vacant for 20 years.

Farther into the grid, officials held a groundbreaking ceremony last week for 84 apartments and 13,000 square feet of retail at the East End Gateway. Two Spanish-style buildings are under construction at the site, which spreads over two blocks at 16th and O streets.

The project is expected to be finished by next summer.

"It's a perfect project," said Rep. Doris Matsui, D-Sacramento, adding that it will create "an area where we can live, work and play."