

DOWNTOWN
SACRAMENTO

DOWNTOWN SACRAMENTO

LIVABILITY STRATEGY



SACRAMENTO'S STRATEGY FOR A MORE LIVABLE DOWNTOWN

SIX URGENT PRIORITIES TO ACHIEVE A LIVABLE DOWNTOWN NEIGHBORHOOD

The moment is now to accelerate downtown's trajectory towards becoming a high-quality, amenity-driven, vibrant urban neighborhood that supports and strengthens the greater Sacramento region.



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PART ONE

A NEW ERA OF OPPORTUNITY — A LIVABLE AND LOVABLE DOWNTOWN

“Never underestimate the power of a small group of committed people to change the world. In fact, it is the only thing that ever has.”

Margaret Mead

INTRODUCTION

For the better part of the century, downtown Sacramento served largely as the employment center for the greater Sacramento region, with less of an emphasis on downtown as a non-work destination, and even less on downtown as a neighborhood to live in. Despite some notable strategic moves that teased that downtown could be “something more,” its primary focus as the government center for the State of California, as well as the city and county, made it hard to shake the sense that downtown was mostly a “9-to-5” district.

That is, until a decade or so ago, when a group of committed Sacramentans collaborated to do something that seemed impossible: they made a strategic investment in a world-class sports and entertainment facility in the heart of downtown to keep the Sacramento Kings NBA team from moving to Seattle. In doing so, they changed the trajectory of our downtown, city and region for the foreseeable future. The Golden 1 Center represented the type of centrally-located grand civic amenity that this region had long dreamed of, but never could quite accomplish... until now.

Since that investment, the deal has lived up to and surpassed nearly every metric of success. Golden 1 Center jump-started thousands of jobs and brought internationally-recognized performances, games, and speakers downtown, growing Sacramento’s reputation as a destination for leisure travel, and creating a focal point for civic pride and social connections. The “Here We Stay” moment for our region’s beloved professional basketball franchise had translated into seemingly unstoppable momentum for our city, and especially our downtown.

Despite the wave of social economy that downtown Sacramento was riding following the opening of Golden 1 Center, **a fundamental element of a healthy and successful urban place was still largely lacking, and thus, the efforts put into realigning the district and transforming Sacramento have fallen short.**

Downtown housing was still largely missing. That’s why this specific strategy is needed.

This **Downtown Sacramento Livability Strategy** will focus new, unprecedented energy into realizing a downtown that, on top of the many successes it has achieved, is also a livable, lovable urban neighborhood to live in. In doing so, this strategy will strongly support every element of a diverse downtown ecosystem and a more successful city-region.

Why Worry How Downtown Is Doing?

“The downtown is the only part of the city that belongs to everybody. It doesn’t matter where you may find your home; the downtown is yours, too. Investing in the downtown of a city is the only place-based way to benefit all of its citizens at once.”

Jeff Speck, *Walkable City*

Downtown is the primary economic engine and “success catalyst” for the city as a whole. There’s no part of the city that provides a higher return on public investment to the city’s general fund than downtown. It’s not even close. Such investment in the downtown is an investment that’s felt city and region-wide. Downtown is a value creator, and a talent and investment attractor. Programs, strategies, and efforts to address any number of public goals are funded in good part by the economic opportunity that the downtown generates. Everyone in the city and region substantially benefits from a strong, successful downtown, whether they ever go downtown, or even think about downtown.

A person’s impression of Sacramento as a whole, whether it is their hometown, their current home, or if they are visiting or investing from afar, is largely shaped by the appearance, experience, and success of downtown. A city’s downtown is the basis and bedrock of its identity, reputation, and brand. Important decisions, which ultimately impact all residents, are made every day based upon the observable health and vibrancy of downtown.



“You can’t rely on bringing people downtown, you have to put them there.”

Jane Jacobs,
The Death and Life of Great American Cities

Why More Downtown Housing?

Downtowns are highly complex places with many important supporting elements, so there’s really no such thing as a “silver bullet” for downtown success. But if there were, the closest thing to such a silver bullet is likely successful downtown housing.

Housing strongly supports, and is strongly supported by downtown employment. It supports a “24 hour, 7 day a week, 4 season” downtown. It improves public safety in both perception and reality. It adds constant street life and vitality. It provides stable, predictable support for every other element of the downtown ecosystem without the need for expensive transportation infrastructure because the people that a downtown needs already live there. For all these reasons and more, virtually every smart downtown in North America is striving to increase its resident population as a key element, if not the key element, of their downtown strengthening efforts.

Downtown Sacramento has seen a level of success in building more housing in recent years, even though the pandemic represented a setback in many ways. There have been many factors fueling this achievement, including smart, supportive actions/decisions around permissive land use regulations and processes, and the 2040 General Plan update.

The vast majority of new downtown housing has been rental tenure. Although new purpose-built rental housing (both market and below-market) is highly sought after for its relative affordability, the almost total absence of ownership apartments downtown (aka “condominium” apartments) has limited housing diversity with various strategic implications. It is also one significant reason why more housing hasn’t been built downtown, both overall and in the context of individual home-building decisions on specific sites by developers/builders.

Although ownership apartments should be enabled as an option through strategic actions (reviewed later in this strategy), the intent wouldn’t be to encourage such apartments instead of rental apartments, but rather to encourage more overall downtown housing to be built, year over year, on individual development sites. In other words, it isn’t either/or, but rather more of both.







Why Care About Creating a Great Downtown Neighborhood?

“Amongst the many successes downtown must be, it must also be a great urban neighborhood.”

Brent Toderian,
2023 State of Downtown
Sacramento Address

Attractive home options are obviously a prerequisite for downtown living. However, experience from cities that have succeeded in building significant downtown residential populations, combined with experience from cities that have failed in such attempts, shows that well-designed new homes are just the start. In short: people won't necessarily choose to live downtown over other options just because we have built more homes downtown.

In order for people to choose downtown living over other attractive options across the region, downtown must live up to what Livability Strategy co-author and urban expert Brent Toderian calls “The Urban Contract.” Essentially, experience suggests that people will be willing to choose a downtown apartment over a larger home elsewhere in the city or suburbs, even one with a generous backyard and garage, if this “Contract” is upheld.

The Contract's commitments include that urban residents will be able to:

- ✓ Walk/roll to work and enjoy life with no or few household-owned cars
- ✓ Enjoy great public places, streets, and “third places” that offset their smaller living space
- ✓ Easily access many of their common or “ordinary” wants and needs in or around downtown. Key accessible offerings include schools/daycare, entertainment, restaurants and cafes, and perhaps most importantly, “ordinary” shopping

Too many downtowns have focused on specialty shopping as a way of differentiating downtown from malls as a destination shopping experience. However to attract downtown residents, walkable shopping needs to include the basics: groceries/fresh food, drug store goods, hardware, clothing, and other “DSTM” (department-store type merchandise) as defined in the retail world. Simple services are also key, including dry cleaning/laundry, tailors, medical, and so on. These are the most basic needs of a livable neighborhood, and are so obvious that we too often don't discuss them when describing urban “amenities.”

Cities that have managed to achieve some new housing downtown, but have not provided the people-oriented amenities, streets, and places expected in The Urban Contract, have still experienced a level of success, albeit one that is more car-dependent and less walkable. But by “breaking the contract,” they won't achieve the type or magnitude of significant market



success that's truly possible, either in terms of the number of people willing to choose to live downtown, or the number of developers choosing to confidently invest in building downtown housing.

Over the past decade, downtown Sacramento has been successful in building a world-class sports and entertainment arena in the Golden 1 Center, and an expanded convention center and performing arts theater district in the SAFE Credit Union Complex. These have proven to be great drivers for regional visitation and strong economic multipliers for downtown. Large-scale, highly specialized destination amenities such as these have many benefits, including fueling interest in downtown living. However they alone clearly do not constitute “the basic livable amenities” – the ability to walk to/easily access groceries and other goods each week; walk to restaurants, cafes, services, etc. on your block or nearby; and walk your kids to childcare or school each day. These basics are the bedrocks of The Urban Contract for livable downtowns and urban places.

While the principles and priorities contained in this strategy may seem rather intuitive, the transition of downtown Sacramento from the region's one-dimensional office center to a multi-purpose central neighborhood will require a significant mindset shift for many of us who call Sacramento home. The separation of uses through long-time zoning practices and automobile-first prioritization has led us to lose much of our understanding of the idea of livable urban neighborhoods being compatible with employment areas where you can easily commute to (or, dare we say, walk to) an abundance of well-paying job opportunities and daily necessities such as grocery and drug stores, schools, child care centers, and safe, outdoor recreational spaces.

We need to rebuild that understanding, realize that reality, and uphold our part of the Urban Contract.



“We’ll never get the residential density downtown that we need to support a grocery store.”

Urban Neighborhood Skeptic

What Does a Great Downtown Neighborhood Need?

The strategic connection between downtown housing and downtown amenities can be a chicken-and-egg relationship. For example, it’s correct to say that downtown Sacramento, as it currently stands, would be unlikely to attract a viable, walkable urban grocery store – at least a full-sized one. On the other hand, without at least one local downtown grocery store, it’s difficult to successfully market downtown housing as an enticing urban option that can compete with other locations around the city, or initially entice builders to take the risk on building more ambitious amounts of new housing.

When identifying the elements of a livable downtown housing strategy, the following must be included, either within downtown or a close walk to:



Well-designed and vibrant people-places and parks.



Public amenities that support families, such as childcare facilities and schools, community/civic/recreation centers, library branches, etc.



Great streets and street-touching architecture that prioritize the enjoyment of people walking and lingering, rather than the convenience of cars moving as quickly as possible through the downtown.*



Specific **multi-modal and active transport infrastructure** to support the connecting of the downtown to the rest of the city and vice versa, without the need for privately-owned automobiles. This includes a minimum network of protected bike lanes; comfortable and convenient public transit infrastructure; wide, comfortable and safe sidewalks, intersections, and street furniture for pedestrians that work for all ages and abilities; facilities and street furniture for generous bike parking, including weather protected parking, secure parking options to limit bike theft, parking for larger bikes/cargo-bikes and carriages, and charging for e-bikes; and common, convenient locations for carshare services.



Commercial amenities such as street-fronting shops, commercial services, restaurants and cafes (including associated street seating/patios) that support convenience for downtown residents, as well as employees, and visitors. Essentials in this category include downtown grocery stores and other “livability basics,” as opposed to just the kind of specialized retailing that is largely geared to visitors/tourists/regional populations.

*This includes smart horizontal and vertical elements of street/building design; lower speed limits; and a strong preference for two-way streets and lower design speeds rather than wide, fast one-way streets.



“The developers in Sacramento are just risk averse.”

Common Misconception

We Thought We Knew What Developers Needed... Then We Talked to Developers

Early on in our thinking for this strategy, we assumed that in order to convince developers to build more downtown housing faster, we would need to concentrate primarily on removing legal, regulatory, and financial barriers. This would especially be true when it comes to building ownership apartments, which, for significant reasons discussed later in this strategy, weren't being built at all. Indeed, actions in those categories will clearly and obviously be necessary.

At the same time, we knew from experience in successful cities that providing the kinds of amenities and elements that make downtown housing truly livable and lovable would be necessary to succeed in achieving a successful downtown neighborhood. But frankly, we didn't think we would hear a lot about that from local developers.

We were wrong about that.

As we started to ask experienced local developers why they didn't build more housing on a particular site, and why when they did build, it was only rental apartments, we learned that there were indeed legal and financial barriers standing in the way of more ambitious downtown home-building. In particular, the paralyzing legal and financial challenges in California (as well as some other states) with building ownership housing were discussed extensively.

We heard frequently that regulatory barriers weren't particularly an issue, as City Hall had done a good job putting in place enabling zoning, and removing debilitating requirements. It was really important to confirm that zoning wasn't preventing homebuilders from building more homes downtown, and neither was what is often the most impactful municipal regulation – required parking minimums, which City Hall had removed.





But knowledgeable developers told us that the lack of public and private sector amenities to support livability and people-oriented “public street and public space” designs, along with the ongoing challenges relating to public health concerns such as homelessness, mental health, and addiction and how they are managed downtown, made it hard for them to have sufficient faith in the strength and depth of the downtown housing market. In many ways, they confirmed our own observation that downtown needed to be marketable for the private sector as a great urban neighborhood as a whole, rather than as a series of apartment buildings.

This need was true for rental apartment construction, as they had to be concerned with the ability to keep apartment buildings rented. It was also particularly true for ownership apartments, where buyers were perceived to be taking a bigger risk “gambling” on the longer-term livability of the downtown. We were told, somewhat surprisingly, that even if the legal and financial barriers we were discussing were removed, many builders would probably still be reluctant to build more rental on a particular site, or take the greater chance on building a condominium ownership project downtown.

As one developer we spoke to put it, **we would need to improve things on both the supply side, and the demand side of downtown housing**. It has to be a lot easier to provide housing supply, and the immediate and long term demand for downtown housing has to be boosted in a big way.

All of this significantly influenced our perspective on downtown development, and developers. We had heard from some commentators that Sacramento downtown developers were just “risk averse.” However, through our extensive interviews and observations, we concluded that wasn’t accurate, fair, or constructive. Local builders/developers understood well the risks, challenges, opportunities, and preconditions for new rental and ownership housing downtown, and wanted to build much more. But for any home builder to be willing and able to build the homes we need downtown, conditions on both the supply and demand side need to change.





PART TWO

FIVE BIG “ELEPHANTS IN THE ROOM” THAT NEED OUR ATTENTION!

As we dug more deeply into the creation of this strategy, there were a handful of critical questions and problems we kept running into that, if left unaddressed, would significantly hinder our success. We began calling them the five big “elephants in the room” because they were so obviously present and impactful but were too often being avoided. Proactively tackling these five here is key to clearing the way for a focused approach to our “Six Urgent Priorities” to come.

1. A BIG TENSION BETWEEN SUPPLY-SIDE AND DEMAND-SIDE TOOLS AND PRIORITIES

There’s a major challenge that, if unaddressed before the strategy launches, risks paralyzing key decision-making around the best ways to successfully move forward. **It’s the perception, and in some cases the reality, that certain key tools that strengthen the demand side of housing, can potentially weaken the supply side of housing, and vice versa.**

On one hand, on the supply side, there’s an obvious interest in facilitating the rapid design and construction of more downtown housing, and to support the realization of more housing density on the finite number of housing development sites downtown. Recent housing projects downtown have tended to be in the range of 6 to 8 stories in height, often not as tall or dense as the non-residential buildings around them, despite the legal ability to build more in existing zoning. City Hall has largely removed density/height limitations and parking minimums in the downtown, allowing developers to generally build the number of floors, apartments, and parking they wish. These are positive supply-side moves. But larger housing projects have not resulted, possibly suggesting that the main supply-side issues aren’t one of City Hall permissions.

It would appear that other factors, including development costs, fees, and charges that are used to pay for amenities and other quality-adding features, possibly represent financial barriers to more housing being built. As well, some may argue that high urban design expectations at City Hall make it harder to realize individual projects. An obvious response from a supply perspective would be to reduce or waive such charges and fees, and potentially lower urban design expectations, in order to assist with the green-lighting of projects facing challenging financial conditions.

On the other hand, on the demand side, we know from cities and downtowns that have successfully built and grown downtown residential neighborhoods, that providing strategic amenities and urban quality that support livability is critical to the creation of strong and sustained demand for downtown housing.

Having a clear, consistent, and strategic expectation from City Hall for urban design and architectural quality of housing projects (especially at the street and sidewalk level) is very important for supporting a strong housing market of buyers and renters over time. It should be noted that some urban quality expectations in cities have been appropriately challenged in recent years, such as “angle-of-daylight” architectural requirements given their effects on project viability and affordability. Others though, such as the expectation for a consistent provision of active uses and visually interesting design at the sidewalk edge at street-level, have been shown to consistently add public and private value.



Common financial tools such as fees and development charges, as well as less common density-related financial tools such as tax increment financing, value capture, or density bonusing, can play an important role in funding the kind of amenities that are hard for cities to keep up with, but strongly support livability, lovability, and marketability.

This strategy also supports the strategic, short term (with a clearly-defined “sunset clause”) **freezing or reducing of development fees/charges for downtown housing construction**, in a way that incentivizes quick action on timely housing projects without increasing the value of downtown land in the medium to long term to absorb the value of the waived charges.

“The complexity of the downtown ecosystem demands complex strategies that embrace the old adage used in improvisation – always answer with “yes, and...”

So here’s the point: If amenity-related charges and fees and quality-related design expectations are reduced in order to assist with the supply side of the goal of achieving more downtown housing, such moves can easily weaken the demand side of the same goal through the realization of a less livable and attractive downtown neighborhood.

So how can both demand-side and supply-side considerations be achieved in the realization of this strategy? “Balance” may not necessarily be the appropriate answer, given that in different cases, different strategic priorities may need to be chosen. What strategies have the best public interest outcomes?

In consideration of the many related factors and conditions in downtown Sacramento specifically, this strategy supports City Hall’s decisions to improve the flexibility, ease, and predictability of more housing density in zoning for downtown housing developers. When it comes to urban design quality to support a livable and vibrant downtown neighborhood, this strategy specifically supports the consistent and predictable promotion of vibrant, engaging uses/ designs at-grade to support walkability.

It is recognized that if we choose to forgo revenue that is needed to fund smart investments in livable amenities, this puts pressure on City Hall to prioritize the funding and realization of such downtown amenities through capital budgets to successfully realize this strategy. It also pressures state and federal funding to do more to fill the gaps. If both of these things don’t happen, we may get more housing, but we won’t get a livable urban neighborhood.

The intention is to strategically align the supply and demand-related strategies to best “thread the needle” on ways to achieve both the housing AND the amenities we need, avoiding a simplistic “either/ or” narrative. The complexity of the downtown ecosystem demands complex strategies that embrace the old adage used in improvisation – always answer with “yes, and...”

The good news is that, given the downtown is a massive net positive generator of taxes/revenue, the addition of more downtown housing and the spin-off effects to other land uses downtown will significantly financially benefit the city and the county. Thus, prioritizing downtown amenities will result in spin-off revenue that will more than pay for itself.





2. SOME IMPORTANT CANDOR ABOUT HOMELESSNESS

One of the most significant challenges facing the region, city, and downtown are the intractable public health, economic, safety, and social issues surrounding the unhoused crisis (aka homelessness), and its broader relationship with affordability and systemic poverty, mental illness, addiction, racism, and more. Although it is a regional-scale challenge, it is one that too commonly lands primarily in and around downtown, with significant implications for the downtown's ability to play its unique role in achieving and supporting many public interests.

In fact, the unhoused crisis has been the first and most significant issue brought up by builders when discussing the confidence and risks associated with building more downtown housing, and similar concerns would likely be expressed by downtown office providers and retailers. Given the role of the downtown as the economic (and taxation) engine for the city, it is noted that an economically weakened downtown as a result of the homelessness concentration financially affects the entire city and all its citizens, and the city's financial ability to address every public interest that involves public money.

Overlapping challenges with poverty, homelessness, addiction, and mental health in and around the downtown should be managed in a way that embraces local and best-practice experience, and evidence-based decision-making, for safe and respectful support of our most vulnerable citizens. Such management approaches however, should also ensure that homelessness does not unnecessarily impede the general success of downtown and its ability to financially support the achievement of many public goals, including the provision of programs, housing, and other supports for those most in need. BOTH of these imperatives must shape any management approach.

The project team for this strategy recognizes our limitations with regard to the homelessness challenge in our city. We are not homelessness experts, and thus will avoid proposing specific actions or solutions to “solve” homelessness when we do not understand it well enough to do so. However, we strongly support regional-scale solutions to what will always be a regional-scale challenge. We strongly support investing in the construction of supportive housing and services in the central city and city-wide, as the “bedrock” for any real solution; and we strongly support strategic approaches that recognize a need to support a successful downtown that is able to act as the economic engine to financially power programs for all sorts of public interests, including addressing homelessness and sustainable supportive services.



3. DO WE WANT HOUSEHOLDS WITH CHILDREN DOWNTOWN? (ACTUALLY, IT'S NOT THAT SIMPLE...)

In creating this strategy, there have been many conversations (built on years of local discussion) surrounding the specific role of housing for families downtown. In short, should Sacramento specifically seek to achieve families with children living downtown? This has been a somewhat superficial consideration, with a typical response being an assumed “yes,” but with little attention given to what it would take to actually realize that goal. Experience across North America has shown that only cities with a specific vision, realized consistently through action and decision-making over time, have been successful in achieving downtown households with children.

It is challenging to create a livable downtown for people, but it's even harder to create a livable downtown for families with kids. It doesn't happen unless there are specific interventions in the market and with public priorities to make it happen. So if a city wants it to happen, a city has to make it happen.

To properly answer the question, it needs to be further broken down, based on the very specific answer to these progressively more challenging sub-questions:

- ✓ Do we want households with YOUNG children (pre-elementary school)?
- ✓ Do we want households with multiple, and potentially older children?
- ✓ Do we want households that can accommodate high school aged children?

It comes down to how many, how old, and how “big” the kids need to get before a family decides they need to seek a larger home outside of the downtown. This answer is highly affected by the local psychology of dense urban living, which evolves over time as the concept of families with kids living downtown “matures,” along with the quality and proximity of supporting amenities that are seen as an offset to the increasingly tight conditions in the home.

In many downtowns, expectant parents plan to leave as soon as a first child is on the way because there are only studio or one-bedroom apartments, and no local daycare/amenities around them. In others, it may be when the first child is approaching kindergarten age, because there is local daycare but no local elementary schools, or when the second or even third child is on the way and apartments with more bedrooms and more space aren't available. Such downtowns may be content to have no families with children, and indeed many downtowns in North America have been planned in a way that virtually repels such families.



For cities that do want to attract/retain families, including larger families as they age and even multi-generational households, the three primary elements of a necessary strategy (in order of importance) are as follows:

1. Apartment size/number of bedrooms: Cities usually have to mandate a certain percentage of 2 and 3 bedroom apartments to ensure that they are built. Although this affects affordability and project profit, it is a “deal breaker” for families, as downtowns with only studios and 1-bedroom apartments generally don’t accommodate them.
2. Daycare and schools: Downtowns that can support a sufficient number of daycare spaces can attract/retain starting families. Downtowns with elementary schools can keep families with children much longer, and local/nearby high schools even longer still.
3. Kid-friendly places, services, and streets: This includes generous urban playgrounds, parks, community facilities, “hang-outs,” and streets/sidewalks that are specifically designed to be kid-friendly. If streets work for children, they work for everyone.

When it comes to families downtown, there are practical realities to consider. In Sacramento, there are currently limited primary schools in the downtown area, and no high schools. A strategy that was serious about including families within downtown population growth would have to be serious about ensuring the ability to achieve such families, such that reasonably firm plans could be made to achieve the (preferably proactive) construction of new schools.

Through discussions in 2023 with City Hall leadership, it is understood that the goal is indeed to include families in our downtown and central area population growth. It is unclear how much specific strategy, and what specific tools/approaches, would be brought to bear to position such a goal for success. We would recommend, and would look forward to actively participating in, the further definition of that goal considering the many factors above, and the development of a specific strategy to achieve and retain a specific age/size of families, likely in the context of the new downtown plan intended to be created in the next few years.

THE DOWNTOWN SEATTLE AND VANCOUVER EXPERIENCES

Although alike in many ways, Seattle, Washington and Vancouver, British Columbia have seen very different results in their downtown housing. Both cities early on confirmed a wish to include families in their downtown housing growth. Instead of intervening in market decisions relating to the kinds of housing being built, Seattle encouraged family housing through investments in kid-friendly public realm improvements, while Vancouver, BC used regulations and tools to achieve family-sized apartments, daycare, school sites, and kid-friendly places and streets downtown. While Seattle has recently messaged that they are no longer aspiring to attract families downtown (having achieved few), Vancouver, BC is the North American leader in downtown family population growth, with many thousands of kids downtown.



4. WHAT ABOUT ALL THE CARS? “BUT WHERE WILL WE PARK?!?”

The biggest elephant in the room when it comes to making any downtown (and certainly Sacramento's downtown) more livable and lovable as a place to live, are cars. To be more specific, by cars we increasingly mean large SUVs and pickup trucks, which are a growing challenge for downtowns everywhere. Sacramento, like most downtowns in America, has been prioritizing cars for decades, based on the assumption that doing so would be good for downtown's success. The truth about that assumption is more complicated.

Outside of education, access to reliable and affordable transportation options is arguably the single most significant factor in upward economic and social mobility. Not only is downtown Sacramento the hub of the region's transportation network – which ranges from Sacramento Regional Transit's light rail and bus systems, to Amtrak's interstate rail system, to a growing active transportation network – but it's also the area with the highest potential for changing the transportation relationship between where we live and where we work as it relates to car use and dependency.

Cities are in an era where our assumptions about urban mobility are shifting quickly, and possibly by a lot. Most recently, the pandemic, and the corresponding explosive growth of work-from-home culture and the many changes that came with it, has been a turning point and a moment of existential challenge for North American downtowns. While the productivity and efficiency of fully remote or hybrid work models are still being debated, and will likely vary greatly based on the context, industry, and individual, a common denominator is the retaliation against unreasonable daily commutes and an increasingly out-of-whack work/life balance.

At the same time, the growth in electric cars and trucks, and the even bigger growth in urban biking and e-bikes in particular (along with cargo/carrier bikes and micro-mobility in cities with supporting infrastructure), represents the biggest cumulative changes in urban transportation in generations. Meanwhile, public transit ridership took a significant hit during the pandemic, but has been recovering (or has fully recovered) in many cities where the quality of the transit service has been prioritized.

All of this change is affecting, in some cases permanently, the way people get downtown, and indeed how many people will want to get downtown – all with big implications for downtown health and the strategies we will need to strengthen it. We can expect that change in transportation will continue, in ways we cannot fully predict today, with the pace of change continuing to speed up.

One thing we know for sure, however, is that the more people that choose to come downtown without the need for a personal vehicle, the better it is for everyone, including drivers. Ensuring our downtown is truly multi-modal will continue to be a critical component of success, especially where it supports the creation of a livable, lovable downtown neighborhood for people.

A downtown where everyone has come from somewhere else is fundamentally limited by how easily people from elsewhere can get there. We can and should work hard to reduce the assumption that we need to drive downtown (and thus will need to park somewhere). However, that will depend on the existence and attractiveness of smart transportation alternatives. The public financial, environmental,

“Ensuring our downtown is truly multi-modal will continue to be a critical component of success”



health, and economic development benefits of shifting travel trips from car trips to transit, biking, and walking trips are well documented, as are the urban space advantages, and the significant connections to the housing affordability and climate crisis. But experience shows that understanding those connections and consequences won't be enough to change the transportation choices we're making if there aren't viable alternatives provided, including effective public transit connecting the downtown to the broader region, and safe infrastructure for biking and other forms of active transport/micro-mobility.

Regardless of the level of our success in building new downtown housing, we will still have a huge number of people coming downtown from elsewhere for work, for entertainment and tourism, and more. That is beneficial for the downtown (and thus the broader city/region), although it is in our interest to have as many of those people from elsewhere choosing to come downtown by means other than a car. The more who come by public transit, biking, walking, etc., the lower the public infrastructure costs for transportation that we all pay, the lower the climate change-related emissions and health-affecting pollution, the better our activity-related public health, and the more we are able to rethink car-related space for the kind of uses and amenities that support a livable and lovable downtown neighborhood.

Electric cars and other technological improvements are expected to help with some of these car-related issues, particularly urban noise and its effects on livability, and a portion of climate-related emissions. However it is well established that conversion of private vehicles to electric won't go far enough on many key issues such as climate

change mitigation and air pollution, and won't help other important issues such as space at all – and may actually induce even more car ownership and driving. In general, technological changes to cars do not replace the compelling need for significant transformation around more attractive public transit and active transport in and to our downtown.

So far we've focused largely on how people get downtown – but one of the biggest advantages of building much more housing in and around the downtown is that it creates a population who are essentially already there, or within a walkable/accessible distance. If we are successful in ensuring that there are many daily needs within walking distance of downtown homes, residents will feel less need to own more, or even one, household vehicle, reducing the need for (and the costs/consequences of) on-site parking.

A key intent of this strategy has to be to significantly reduce the need for car use downtown, while allowing for increased overall trips including those that don't involve cars. This includes accessing the downtown from elsewhere, and accessing daily needs from downtown residences. It involves reprioritizing excessive space currently surrendered to car use for other strategic purposes that support a more livable, lovable downtown urban neighborhood. Cars will continue to play an important role in downtown success, and will continue to be present and planned for, but will exist in the context of a true multi-modal and highly walkable downtown that provides many attractive choices in how to get to and around downtown.

5. DO WE WANT HOUSING, OR JUST “AFFORDABLE HOUSING?”

Part of making it clear that we want a lot more housing downtown a lot more quickly is the need to clarify what kind of housing. Specifically, there can be considerable tension between the notion that downtowns should have a broad diversity of housing choices – rental and ownership, market and below-market, family-sized, etc. – and the notion that we should be specifically prioritizing below-market “affordable housing.”

Housing affordability is obviously highly relative and contextual, and is usually considered across an “affordability continuum” or spectrum of types and tenures. In professional and government circles, the term “affordable housing” usually references below-market homes that are geared to specific income levels. Terms such as “more affordable” or “relatively affordable” are commonly used to address this relativity. “Low income,” “middle income,” and “workforce” housing are terms used in an effort to be more specific, with varying clarity around what some such terms really mean. “Attainable housing” and “suitable housing” have become more common in recent years, referencing the inability in some places to find housing at any price.

Affordability should also be considered in its totality, not just in the context of housing costs. For example, the affordability of downtown vs. suburban housing should also factor in not only housing costs, but transportation and other costs as well. Downtown living has significant baseline potential to be inherently more affordable than other options across the city and region, due to generally smaller home sizes and lower transportation costs. Of course, in downtowns with low

apartment supply and high demand, housing costs can be high, but when combined with transportation costs are often at least comparable if not more affordable.

There are many obvious benefits to Sacramento striving for diverse housing downtown, not the least of which is that it is far more likely that we would achieve more housing downtown more quickly if we are welcoming of housing diversity. Cities that have sought to limit housing construction, except for affordable housing, have often exacerbated a lack of new housing supply that has actually fueled broader affordability challenges (as well as the other public consequences that come with a lack of downtown housing referenced throughout this strategy). Experience also shows that failing to address specific price points in housing supply can lead wealthier buyers/renters to take over lower cost housing.

There is clear public benefit in ensuring that new downtown housing specifically includes affordable housing, as well as public housing with support services for those that would otherwise be homeless (in concert with such housing/services across the city and region, recognizing the regional nature of the homelessness challenge). But it would be counterproductive from an affordability and broader public policy perspective to focus on such housing only, or mostly, at the expense of a broad diversity of downtown types, price points, and tenures, supporting a diverse and broadly livable urban neighborhood, and a strong economic engine for the broader city-region. ALL housing supply benefits housing affordability.



HOTEL BERRY

CORNER HOUSE
Boutique

NO PARKING
ANY
TIME





PART THREE

SIX URGENT PRIORITIES FOR DOWNTOWN LIVABILITY

1. Achieve Livable, Lovable Amenities Fast!

WHAT WE NEED

For downtown housing to be livable, lovable, and successful for both the private and public sectors, downtown needs significantly more urban amenities. Achieving this critical need should emphasize public and private sector “basic” or “ordinary” amenities, such as private sector local shopping and services, and public sector livability supports such as daycare, schools, parks/playgrounds, and people-minded places, community/recreation centers, libraries, and more. Large-scale, regional amenities such as Golden 1 Center and similar destinations with specialty shopping also support livability and lovability, as they can enhance the downtown living experience, but they can never replace the need to address “the basics” that support every day living in a downtown neighborhood.

WHAT NEEDS TO CHANGE

1. The realization of livable amenities must be positioned as **a top policy and priority** for every level of government. Investments in such amenities should not be considered costs, but rather smart investments that will support cost savings and revenue generation that will in reality pay for themselves.
2. The City’s General Plan should reflect this priority for downtown amenities.
3. The Central City Specific Plan should reflect this priority with a corresponding Downtown Amenity Strategy.
4. All public policies, strategies, regulations, standards, and programs at City Hall should reflect this priority and support the realization of the amenities the downtown core and central city need.
5. Local capital budgets, state and federal funding sources, and financial and/or regulatory tools should be used and aligned to achieve this priority.
6. State-level initiatives for new housing creation, including the current processes to convert former government office space to new affordable homes, should include clear expectations and requirements around smart, strategic amenities that are built in to support livability.
7. Private sector housing projects should be designed to strategically integrate viable ground-level retail and services that serve as local amenities, while also activating the streets and sidewalks.
8. City Hall and the private sector should collaborate to develop a multi-faceted strategy to achieve and support downtown space and tenants for local, walkable shopping and services that represent the “basics” for downtown livability as the downtown residential population grows. Simply requiring retail space at grade in new buildings will not be enough to actually achieve and sustain the necessary diversity of uses.



2. Achieve Vibrant, Lovable Streets for People!

WHAT WE NEED

As the primary downtown public space, downtown streets are the single biggest opportunity for enhancing livability through smart placemaking.

However, as stated previously in this strategy, our streets reflect the priority – arguably the single priority – to move cars quickly through downtown. The streets are wide, fast, and often one-way. In a successful downtown neighborhood, however, streets serve multiple purposes and contribute to vibrant urban life in different ways. To realize these better kinds of streets, street use, design, and space prioritization will all need to be reconsidered. Cars will continue to be a necessary and practical part of downtown, but downtown streets **need to become the most common and omni-present urban amenity in the downtown neighborhood – multifaceted, vibrant places for people.**

WHAT NEEDS TO CHANGE

1. The repositioning of downtown streets as places for both multi-modal mobility AND amenity supporting urban livability must be positioned as **a top policy and implementation priority** for every level of government.
2. Investments in the transformation of streets as amenities should not be considered “costs,” but rather smart investments that will support cost savings and revenue generation that will more than pay for themselves.
3. The City’s General Plan should reflect this reprioritization of downtown streets.
4. The Central City Specific Plan should reflect this reprioritization of downtown streets with a corresponding Downtown Street Amenity Strategy.
5. All public policies, strategies, regulations, standards, and programs at City Hall should reflect this downtown street reprioritization.
6. Local capital budgets, state and federal funding sources, and financial and/or regulatory tools should be used and aligned to achieve this downtown street reprioritization.
7. Private and public sector developments downtown should be designed to enhance the quality of sidewalks and streets as amenities and vibrant places for people, through active building uses at-grade, ample space for vibrant sidewalk uses, etc.
8. The public and private sectors should continue to collaborate on Al Fresco dining and a street patio strategy to take full advantage of existing and potential outdoor restaurant and cafe patio space, reconsidering traffic lanes, on-street parking, and sidewalk space in a way that prioritizes pedestrian and seating comfort.
9. The public and private sectors should collaborate on a downtown “Open Streets/Open Blocks” strategy that identifies well-positioned blocks to close to car traffic and replace with creative amenity/people-place uses, on a seasonal or permanent basis. Temporary pilots may be used to test (and prove) approaches initially.
10. Traffic speed limits and corresponding street design speeds should be reassessed to prioritize livability, safety, and pedestrian/multi-modal comfort, and the success of vibrant sidewalk uses such as patios.
11. Existing fast and wide one-way streets should be reconsidered based on a reprioritization from fast car movement through the downtown, to legible, flexible access through the downtown and pedestrian comfort, safety, and street retail success.

3. Make Downtown Multi-Modal and Exceptionally Walkable!

WHAT WE NEED

Sacramento's downtown needs to be able to attract more people and more transportation trips, while accommodating fewer personal vehicles. In particular, public transit connections to downtown, along with urban biking/active mobility connections to downtown, need to be significantly expanded and improved as a high priority. Further, movement within and around the downtown needs to specifically prioritize walking/accessibility, through space allocation and street design choices that result in an exceptionally walkable downtown. This will allow downtown residents to access the downtown without car trips, and allow downtown to be transformed in ways that support a livable, lovable urban neighborhood.

WHAT NEEDS TO CHANGE

1. The ability to access downtown reasonably easily from across the region without a car must be positioned as **a top policy and implementation priority** for every level of government.
2. All decisions regarding infrastructure and design that support movement within and around the downtown/central area should prioritize walking, biking, and public transit as a specific public policy. Investments in mobility choices to access downtown without a car should not be considered costs, but rather smart investments that will support cost savings and revenue generation that will pay for themselves.
3. The City's General Plan and Transportation Plan should reflect this transportation priority, and the City should prioritize the creation and implementation of an ambitious public transit expansion plan that considers light rail, bus rapid transit (BRT), and other opportunities, including those which specifically can be implemented quickly.
4. The City should create and rapidly implement a strategic and pragmatic inner city bike/active transport infrastructure network, emphasizing all ages and abilities in its design, potentially using a temporary "complete network" pilot program initially, that creates safe, separated/protected, active transport lanes as opposed to painted lanes or sharrows.
5. City regulations and capital projects should emphasize the achievement of ample, convenient, well located and secure bike parking for all bike types and sizes/accessories, including electric bikes.
6. Bike share and other micro-mobility sharing solutions should continue to be supported and facilitated.
7. One or more well-distributed and convenient carshare programs/services should be accommodated and facilitated to support the reduction of downtown car ownership, aligned with parking space regulations and strategies.
8. The Central City Specific Plan should reflect this transportation priority, and should specifically prioritize the achievement of an exceptionally walkable downtown, with a corresponding Walkable Downtown Strategy.
9. Local capital budgets, state and federal funding sources, and financial and/or regulatory tools should be used and aligned to achieve this transportation approach.

4. Remove the Large Liability Barriers to Downtown Ownership Housing!

WHAT WE NEED

One of the biggest current limitations on the amount of housing being built downtown is that all of the homes being built downtown are rental apartments. No ownership housing, such as condominium apartments, is being built. Although rental housing has many public benefits and plays an important role in the city's more affordable housing supply, home builders are generally cautious to "overbuild" the amount of rental supply, as long term stable/predictable rents are needed in order to "green light" project construction. More housing could be, and likely would be, built downtown and in the central city in general, if ownership housing was also considered a viable additional housing option as it is in other jurisdictions. Downtown Sacramento is missing out on a large part of the 'supply' side of the equation and the opportunity to provide options for those who want to build equity and remain invested in the neighborhood for the long run. This is because of the specific approach in California to enable 10-year construction deficiencies, and the resulting liability insurance requirements, which have made the construction of ownership apartments an essentially non-viable option. Comparable contexts (noted below) in North America regularly see the supply of ownership apartment housing being built, significantly raising the overall amount of housing constructed in downtowns and urban areas. This is because their construction levels are not tied specifically to the perceived depth (or lack thereof) of the rental apartment market, as they are in Sacramento. For comparison, the Province of British Columbia on Canada's West Coast has a highly successful "better practice" legislative framework for ownership apartments (with a 2 year time frame for deficiencies) that has fueled Vancouver's decades-old "Living First" success story in Downtown Vancouver and across the Province. In order to increase the supply of new homes built in and around the downtown, both rental AND ownership apartments should be built at much greater numbers.

WHAT NEEDS TO CHANGE

1. State and local-level leaders should initiate an immediate review of legislative barriers to the achievement of ownership apartment housing construction, including reviewing better practice approaches (such as British Columbia's), with the goal of urgently removing such barriers as soon as possible. This specifically includes the current 10 year deficiency time period, which will require State-level leadership and action, championed by local-level leaders. State-level legislative change is expected to be required, and should be expedited.
2. As part of the work towards realization of (1) above, explore the adoption of a pilot program in Sacramento that would allow for the city's building inspectors to be involved in the post-construction defect process to efficiently identify and validate alleged construction defects (i.e. violations of California Civil Code Section 896). Such a program could provide reasonable protections for would-be homebuyers and homebuilders while offsetting considerable condo defect liability.

CHANGES IN WASHINGTON STATE LAW LIKELY TO LOWER COSTS AND INCREASE CONDO PRODUCTION

In 2023, the State of Washington passed a series of laws aimed at lowering the cost of housing production and lowering barriers for home buyers and investment capital. Specifically related to addressing challenges with defect liability issues for condominiums, the changes more narrowly define what constitutes a defect under the implied warranty. This seemingly subtle change is expected to have significant ramifications, allowing for more builders of efficient housing product types to deliver inventory to the market by removing high insurance costs which have been necessary to offset against extensive barriers facing developers and contractors due to disproportionately high legal liabilities. While still in its early stages, the sweeping legal reforms at the state level should be studied and strongly considered in California to create more predictable pathways toward condominium apartment development and apartment conversions to ownership product, where applicable.

5. Support Strategic Office Space to Housing Conversions!

WHAT WE NEED

As work from home and other factors transform conditions for office space downtown, a significant opportunity exists for converting or replacing existing poorly-positioned office space to residential apartments. This process has started in downtown Sacramento with the State's initiatives to reconsider government office space, but it also reflects many changes and evolutions in the state and nature of downtowns across North America. To be clear, many office buildings are not easily or appropriately convertible to residential homes, although some may be. Thus, the idea should be carefully considered as part of a broader housing strategy. Other cities are well ahead in this strategic thinking, in both private and public sector office space. Office space and housing are both key components of a successful downtown ecosystem, and in fact are strongly synergistic. Office space can and should continue to play its key role, however a rebalancing of work and living would support a stronger and more resilient downtown. Either conversion or replacement may be appropriate in different circumstances; thus, we should remain open-minded as to which may be better on a case-by-case basis. Policies/strategies that support office space conversion to housing should consider both well-suited building types and strategic geographic/locational elements, recognizing that some areas of the downtown may be better positioned for transformation into a livable residential neighborhood than others.

WHAT NEEDS TO CHANGE

1. The Central City Specific Plan should develop an office/residential conversion strategy, ensuring government barriers are removed and implementation challenges are proactively addressed and mitigated.
2. A building-type and location strategy for such conversions should be developed as part of the Plan to address strategic public interest benefits of implementation in certain areas and with certain building types downtown. The pros and cons of a blanket approach vs. a location-specific approach should be carefully considered.
3. The strategy should also consider the specific ability to achieve and integrate livable amenities and urban design quality improvements in the context of such conversions, as such are commonly missing in existing office areas.



6. Launch an Immediate Downtown Housing Incentive Initiative!

WHAT WE NEED

Downtown requires an urgent and immediate “jolt” to the supply-side market perception for downtown housing construction in order to address current economic challenges to downtown apartment construction. This should be in the form of the strategic waiving or reduction of government/municipal charges or fees (or the delay in implementation of proposed new changes for the downtown/central city area specifically) on a clear and strict time-limited basis. This allows timely construction to be encouraged, while not affecting medium to long-term land value in a way that negatively affects land transactions. As discussed earlier in this strategy, government charges can be very important for the funding of amenities and services that downtown housing needs in order to be livable, and lowering/ waiving such public charges can simply end up adding to the perceived value of land, with limited or no benefit to the viability of projects in the longer term. Thus, the pros and cons of waiving such charges should always be considered carefully. The use of a clear time limit/“sunset clause” would mitigate the risk of land value increases, and the short-term loss of revenue can be considered a reasonable trade-off given the many public interest benefits (including significant financial benefits) of timely new housing construction in the downtown and central area specifically.

WHAT NEEDS TO CHANGE

1. A review of all existing municipal fees and charges related to downtown housing construction should be immediately undertaken, and an analysis conducted to identify the most strategically effective way to incentivize more rapid downtown housing construction in the short term. This might include reductions, full waiving, or “phase-in” approaches to charges, and should be considered on a charge-by-charge basis. Once the best package of charge adjustments is identified, a time limit/sunset clause of between 2-5 years should be put in place (with the number of years depending on the perceived time needed for timely action on the part of the private sector, factoring in the intention to NOT affect land values for necessary land transitions). This could be tied to initiation of construction, occupancy, or other time-points.
2. Any new proposed charges or charge increases relative to housing construction should be frozen immediately for the downtown and Central City Specific Plan area specifically, allowing time for such changes to be included in the time-limited approach discussed in the previous recommendation.
3. Any forgone revenue from the waiving or reducing of charges to incentivize rapid new downtown and central area housing construction specifically should not be considered a cost, but rather a smart investment that will support cost savings and revenue generation. Public infrastructure and/or amenities usually funded by such fees/charges and needed to support new downtown housing should still be funded by other government funding sources on the same expected timelines, in order to realize the beneficial public revenue.



“Call me cynical, but Sacramento and SACOG are famous for bringing in innovative and inspirational speakers, and then continuing to do exactly what they have always done.”

X (Formerly Twitter) User

A Final Word About Leadership, Action, and Doing the Impossible.

There will be many that will read this strategy and its actions and say it isn't possible. They may put great effort into the excuses for why they think that is – political, legal or regulatory excuses, cultural excuses, or just a lack of will or leadership. Others may applaud and even celebrate this strategy, but when it comes time to implement its actions, there won't be enough budget, or it won't be the right time, or it may just feel too hard or politically dangerous.

Ultimately, strategies like this don't succeed or fail based on how smart, or easy, the ideas are. Shelves are full of strategies crammed with good ideas that are only succeeding at collecting dust.

Strategies like this succeed if there are passionate people—especially bold leaders—who are inspired by them, actually work hard to keep them front and center, and use them to influence every decision. They succeed if they create such a profound change in every relevant conversation and decision that it's almost impossible for things not to get better.

That's what this strategy is for. Whether or not it succeeds is in our hands.

“The intent of this strategy is to be a transformational turning point for downtown. Anything less than that should be considered a failure.”

Brent Toderian

Livability Strategy co-author, during initial brainstorming

"Here We Stay" moment – A grass-roots effort led by Sacramento Kings' fans to prevent the team from relocating out of market

ACKNOWLEDGMENTS

Brent Toderian is a highly respected global practitioner and advisor on urban planning, downtown strengthening, and more successful city-building. He's the former Chief City Planner for Vancouver, BC, and an influential thought-leader on building better cities.

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The co-authors of this strategy would like to acknowledge the many stakeholders and community members who participated in conversations during the research phase of the project. In addition to sources previously referenced, Toderian UrbanWORKS and Downtown Sacramento Partnership would like to acknowledge William Burg, Jennifer Donlon Wyatt, Bruce Inman, Thom Mahler, Leslie Fritzsche, Greg Sandland, Matt Hertel, Karlo Felix, Valerie Mamone, Tom Pace, Danielle Foster, Nikki Mohanna, Deana Ellis, John Vignocchi, Eric Carlson, Liz Lorand Williams, Annie Keys, Michael Ault, Danielle Biller, Madelyn Bussola, Austin Kloch, and many others who have contributed to the content and towards building a more livable urban neighborhood.





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