

VICTORIANS: VICTIMS OR VICTORS

They were the Victorians. They were glamorous. The new houses of their day, constructed in a Gothic and grand style with cornices, dormers, the elegant high ceiling design and were located walking distance from those centers of commerce and activity located in an emerging Sacramento Valley trading center. They were built by patient craftsmen for the well to do, each expressing a pride of construction and ownership which is fundamental to housing advocates. Labor was cheap and abundant. By today's housing standards, they were neither considered affordable housing nor were they built to today's entitlement standards.

Some of Sacramento's Victorians are run-down, having sheltered diverse households and tenants. They are still located near the centers of Sacramento Valley commerce, and now even more privileged to be located near the State Capitol building itself. The less fortunate structures barely pass habitability standards while others are the toast of enthusiastic residents; homeowners who realized their artistic dreams of architectural renovation.

According to Metro scan some (1902 residential properties in Sacramento's Downtown were built during the Victorian era (Map 1). A percentage endure magnificently while others suffer the ravages of time and weather, almost like a piece of elegant furniture. Given the region's increasing housing shortage and central city housing demand, decision time is fast approaching for these properties.

On the one hand, the locational economics make the land under these properties very valuable. Design preferences among 21st Century homebuyers mark these homes as major fixer uppers multiplying costs, especially if the design plan includes restoration. Housing replacement parts have come a long way, to say nothing about the respect that must be given to these fainted ladies, as they are called in the Sacramento Housing & Redvelopment's restoration program.

Note: The Fainted Ladies program is designed to provide low-interest financing for historically valuable homes in the central city of Sacramento in a severe state of deterioration and/or threatened by demolition

Paul Schmidt, veteran architect for the Capitol Area Development Authority pointed out the interest in Victorian restorations began in earnest during the 1970's when a generation of new urban home buyers moved into dilapidated central city housing and patiently undertook the labor intensive task of rehabilitation. Using three percent interest rate Federal Section 312 loans, homebuyers restored elegant homes such as those located along Capitol Avenue and L Street, major streets where Victorian architecture made a community statement.

Given market forces centrally located Victorians have not remained as the elegant domiciles of the well to do. Rather a growing number of houses have been snatched up by commercial interests and converted offices, mostly for professional activities and services.

For those properties with a facelift and a future, asking prices for central locations range in the \$300,000-\$400,000 with an occasional Victorian on the market for over one million dollars. These are the jewels, but what about the marginal structures, the ones that wholesale for \$200,000 and need at least that much painstaking and patient work.

These may be marked houses, ones that may have to give way to another generation of homebuyers, less steeped in the tradition of stately elegance, and perhaps more concerned with function, modern design and location. The new urbanists, in many household formations, may relocate to the central city demanding a more urbane and industrial design concept, one that is less elegant, easier to maintain, and a model where replacement parts can be purchased at the local home building outlet. The stage is set for a collision of market forces and traditional values.

Increased traffic congestion, lifestyle changes, and the popular trend for the new urbanism has forced a re-analysis of the role of the classic Victorian in a central city housing stock. Employment concentration as evidenced by the creation of Sacramento's East End State Office complex has bolstered housing demand to levels not seen in the region, with prices escalating at 24 percent per year, appreciation rates not seen since the housing bubble of the late 1980's.

Clearly the forces of demand and supply require the creation of additional central city housing opportunities, by some estimation, 5,000 new units by year 2010. Accommodating this amount of new housing requires more land than is available in the central city.

To create housing in the central city for the well to do, as it was in during the Victorian era, likely requires the stacking of higher end units into some configuration of tower units, the so called point tower residential projects mentioned by architect Schmidt. Sacramento has seen this revised approach to new housing at a considerable price. Remember, Victorian housing in Sacramento was constructed for the wealthy. To bring back the economic splendor of the Sacramento Victorian community the new paradigm requires the development of higher end housing product.

But the development of higher end housing creates a degree of unavoidable gentrification of the housing stock. The central city housing stock serves the downtown employment center with the labor required to staff restaurants, entertainment venues, and the variety of retail establishments that serve the

region. Too much concentration on bringing back the past will increase rents for these tenants. Increased rents will push up wages which will cause a reduction in the number of persons employed in the central business district, putting a damper on regional growth in a metroplex heavily dependent upon the stimulus of basic state government. In this context, the marginal Victorian may be transitioned from of its configuration or function.

To recreate the Victorian era in year 2002, then, the troublesome reality is that new housing must be built for the well to do, as it was in the early days, Sacramento's downtown, and Sacramento's public leadership wants more housing downtown, planning for the 24-hour city with all the benefits of a thriving cultural and entertainment complex.

A major problem, according to John Dangberg, the Capitol Area Development Authority (CADA) director and tireless advocate of central city housing development, is parcel assembly. The collection of sufficient parcel adequate to support the construction economics of higher density urban development continues to be a daunting task, especially in those established and history-laden neighborhoods in the downtown.

Recently, the CADA annexed additional area to complement its original 42-block service core. This area includes the R street corridor, a section of town identified as the central city urban frontier.

To the housing advocate all the pieces exist: employment centers, light rail access, cultural centers, reasonable access to Downtown Plaza shopping and potentially available space after some demolition and building transition.

Discussions with CADA staff were encouraging and discouraging. According to John Dangberg, "Overall the demand is there. The market is going in a direction that should promote economic feasibility." With all the market demand, with all the interest, with all the political desire and all the low interest mortgage money looking for projects, the cost issues continue to stymie the prospects for a new urban Victorian approach to central city housing stock development. "Costs remain higher than market value for both rental and ownership housing", continued the director despite the healthiest downtown market he could recall.

Development models consulted in connection with this analysis showed that construction costs of \$200 per square foot dimmed the prospects for unsubsidized central city housing. Interestingly, the benefits from subsidies have been distorted by a maze of well-intentioned regulatory constraints and interests to circumvent demand and supply.

Economic reality suggests that it is in the developer's interest to ask for the highest possible subsidy when partnering with the public sector for housing projects. The public subsidies seem to come in two sizes: hardly any at all or the

massive amounts funneled to recent projects. The fact is that the minute public agencies offer assistance, land write downs as an example, institutional prevailing wage requirements are triggered adding to cost and the project immediately requires a whole lot of public assistance, process and consensus. Moreover, prevailing wage guidelines do not distinguish between commercial and residential rates, as is true in the real-life. Institutional constraints and regulation seemingly have disconnected and disabled rational market forces in the supply of housing, an unintended consequence.

In the housing policy sense, requisite sales prices for new units cannot be considered “affordable” given their cost. The truth is that downtown housing development will favor the well to do, much like the Victorian times, when the well to do simply built their homes.

As a final thought, John Dangberg approached a large aerial photograph of the Central City and pointed to the last remaining residential parcel in the downtown. That site at 14th and O Street has been the object of development interest for years. “There are no owner occupied housing units adjacent to Sacramento’s Capitol Park” suggested John Dangberg, considered for discussion purposes as the regions equivalent to New York’s Central Park.

When the highest and best use of this parcel was considered many years ago by university consultants, the finding was that “Murphy Brown” would be quite disappointed had she considered relocating to our government town on the “left coast.” Perhaps she could find an old Victorian, or purchase a prime residence along Capitol Park, where she could ply her political instincts on California’s ultimate political stage. This option is fantasy, of course, but a redefined new Victorian urban architecture could bring back memories of old Victorian tradition.