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FOR IMMEDIATE RELEASE

Date: June 4, 2021
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First Affordable Housing Under Newsom “State Sites” Executive Order Breaks Ground

Downtown Sacramento leads pack of 11 awarded new housing developments on excess property across California, HCD announces 4 new sites available

SACRAMENTO – Fifty-eight apartments for Sacramento residents earning less than \$36,000 a year are now under construction on state-owned land just blocks from the Capitol. The new homes are scheduled to be ready to rent at the end of 2022.

[Sonrisa](#) at 1322 O Street, developed by Capital Area Development Authority (CADA), is the first project to break ground under Governor Gavin Newsom’s [Executive Order \(EO\) N-06-19](#), which prioritizes affordable housing development on excess state property using sustainable, innovative, and cost-effective construction methods. Sonrisa will be a 100 percent affordable, accessible to people with disabilities, and powered by onsite renewable energy (zero net energy), keeping utility bills low for residents. The ground floor will include commercial space for conveniently located shops and services.

“You proved the concept that government can remove one of the barriers to creating affordable homes, which is access to inexpensive land located close to basic necessities. Here, the state provided this underutilized lot to make life better for people who are priced out of the rental market,” Gustavo Velasquez, director of the California Department of Housing and Community Development (HCD), said.

HCD provided \$10 million for the \$20.4 million development through its Transit-Oriented Development program, which had run out of funds in 2014 until voters approved Proposition 1 in 2018, replenishing a variety of state housing programs. HCD also provided nearly \$2 million in additional Transit-Oriented Development funds to Sacramento Regional Transit District for upgrades to two neighboring light rail stations.

Additional funding for apartment construction came from CADA; the California Housing Financing Agency; the California Tax Credit Allocation Committee; the California Debt Limit Allocation Committee; WNC & Associates, Inc; and JPMorgan Chase Bank.

Velasquez encouraged other communities to take advantage of the opportunity to create new housing on public lands, noting that the Governor and legislative leaders are indicating a desire to scale up with the potential for more funding in the next state budget.

“There are 11 active, excess state sites under development right now and 4 more are in the early stages of soliciting developers, which can provide homes for more than 1,300 families in less than two years. And in the years to come, so many more homes will be created as local governments join in to provide safe, stable places to call home for families in their communities,” Velasquez said.

In partnership with the Department of General Services, HCD continues to identify state-owned properties suitable for housing. Last month, they announced four additional sites, located in Sacramento, Gilroy, Atascadero, and Montebello. The sites include former armories and an underutilized state warehouse building.

Developers interested in learning more and submitting proposals for development are invited to review the [Request for Qualifications](#).

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The California Department of Housing and Community Development is dedicated to the preservation and expansion of safe and affordable housing, so more Californians have a place to call home. Our team works to ensure an adequate supply of housing for Californians and promotes the growth of strong communities through its leadership, policy and program development. For more information, please visit www.hcd.ca.gov and follow us on Twitter, @California_HCD; Facebook, @CaliforniaHCD; and LinkedIn.