

4.11 Population, Housing and Employment

This section evaluates the population, employment and housing-related effects of the Broadway Plaza Long Range Master Plan (Project). Potential impacts that would result from implementation of the Project are identified. This section also contains a discussion of the consistency of the Project with relevant housing and land use policies.¹

4.11.1 Environmental Setting

The following setting identifies existing conditions and projected future trends for the Project, the City of Walnut Creek and Contra Costa County. The citywide and regional context for population, employment, and housing is also presented, along with identification of the relationship between jobs and housing. Association of Bay Area Governments (ABAG) is the regional planning agency for the nine counties and 101 cities and towns of the San Francisco Bay region. ABAG data is the primary data source for the environmental setting. In addition, supplemental data from the United States Census (U.S. Census) is also provided. While U.S. Census data provides the baseline statistical data, information for communities such as Walnut Creek is only collected during the nationwide Census performed every ten years. As a result, the most current actual Census count data is for 2010.

Population and other demographic estimates used by California agencies frequently differ slightly due to their specific date as well as the jurisdiction or population they may represent. In addition, differences in the methodology and purpose for the estimates can result in minor variances in their estimates. ABAG data is used as the primary data source since it provides the future demographic and economic projections for the entire Bay Area that are most consistent and applicable for evaluating the City's currently expected future socioeconomic conditions. This chapter uses most recent data growth projections by ABAG in its Projections 2009 report (ABAG, 2009).

The Project is located within the City of Walnut Creek in Contra Costa County. Walnut Creek is situated approximately 17 miles east of Oakland, about 23 miles east of San Francisco, and approximately 49 miles north of San Jose. Located near the base of Mount Diablo within central Contra Costa County, the city limits comprise of 19.77 square miles and included within these city-controlled limits is the community of Rossmoor, a gated senior community of approximately 8,200 people, 6,700 dwelling units, and about 2,700 acres of privately-owned open space. The City is generally bounded by local communities and open space lands throughout Contra Costa County, including Pleasant Hill and Clayton to the north, Alamo to the south, Lafayette to the west, and Mount Diablo State Park to the east.

In addition, several unincorporated areas adjoining the City are recognized as being within Walnut Creek's sphere of influence (SOI) and as such are included in the City's General Plan. In California, SOI has a legal meaning as a plan for the probable physical boundaries and service area of a local agency. Spheres of influence at California local agencies are regulated by Local

¹ Policy conflicts only constitute a significant environmental impact if they would result in physical impacts.

Agency Formation Commissions (LAFCO) and as such recognize the unincorporated communities that would be best and most likely served by the city agencies and hence, represent areas with the greater potential for annexation by the City. According to the General Plan Amendment adopted in 2008 (Resolution 08-53), Walnut Creek's SOI includes lands outside the City that can be serviced by the City and are within a probable future city limit, totaling approximately 4.1 square miles (City of Walnut Creek, 2008a). Furthermore, as stated in the General Plan and in accordance with State law (Government Code §65301), the City considers any territory outside its boundaries as "lands of interest" that form its "Planning Area Boundary" (California Government Code, 2011). As such, the City Planning Area, which encompasses the City, its SOI, and 4.4 square miles of "lands of interest", totals approximately 28.47 square miles (City of Walnut Creek, 2006).

The Project Site is located in the Broadway Plaza Shopping Center within the City's downtown core. It is bounded by local streets including Mt. Diablo Boulevard to the north, Newell Avenue to the south, South Broadway to the east, and South Main Street to the west.

Population

Key demographic data and projections for Walnut Creek, Contra Costa County, and the Bay Area Region are presented in **Table 4.11-1**. The information in the table is from the ABAG Projections 2009. Population and number of households are based on Walnut Creek's jurisdictional boundaries (e.g., within city limits) and does not include the City's SOI area. According to ABAG projections, the City of Walnut Creek was estimated to have had a population of 64,296 in 2000, and its 2010 population was estimated to be 68,300. The California Department of Finance's most recent population data estimates that the City of Walnut Creek's jurisdictional population was 66,584 in September 2011. ABAG projects a 16.1 percent increase in the City's population between 2010 and 2035 (an increase of approximately 11,000 people). During this same period, the Contra Costa County's population is expected to grow 21.3 percent while the entire Bay Area region population is projected to increase by 23.4 percent.

Household size, mean household income, jobs, employed residents, and jobs-to-employed residents ratios are based on the City's jurisdictional boundaries plus its SOI area (City/SOI). In 2010, City/SOI's average household size was estimated to have been approximately 2.09 persons, which was considerably smaller than the county average of 2.75 persons per household. The City/SOI average household size in 2035 is projected to be 2.07 persons per household and the county average is estimated to be 2.73 persons per household in 2035. Lower household sizes are typically representative of more affluent and established residential communities and City/SOI's average household size is the lowest within Contra Costa County. Given the City/SOI's older and more affluent population with a lower number of children per household, the City/SOI's household size is expected to remain relatively unchanged for the foreseeable future.

**TABLE 4.11-1
KEY POPULATION, EMPLOYMENT AND HOUSING CHARACTERISTICS FOR WALNUT CREEK AND CONTRA COSTA COUNTY: 2010-2035**

	2010	2015	2020	2025	2030	2035	2010-2035	
							Change	%
Total Population								
Walnut Creek ^a	68,300	70,500	72,900	75,400	77,400	79,300	11,000	16.1%
Contra Costa County	1,090,300	1,130,700	1,177,400	1,225,500	1,273,700	1,322,900	232,600	21.3%
Total Bay Area^c	7,341,700	7,677,500	8,018,000	8,364,900	8,719,300	9,073,700	1,732,000	23.6%
Households								
Walnut Creek ^a	32,230	33,110	34,160	35,310	36,450	37,750	5,520	17.1%
Contra Costa County	392,680	407,250	424,340	442,330	461,330	480,480	87,800	22.4%
Total Bay Area^c	2,667,340	2,784,690	2,911,000	3,039,910	3,171,940	3,302,780	635,440	23.8%
Household Size								
Walnut Creek ^b	2.09	2.10	2.10	2.10	2.08	2.07	--	--
Contra Costa County	2.75	2.75	2.75	2.74	2.73	2.73	--	--
Total Bay Area^c	2.70	2.70	2.70	2.70	2.70	2.70	--	--
Mean Household Income (in 2005 \$ Dollars)								
Walnut Creek ^b	101,500	106,700	111,800	117,800	123,700	129,700	28,200	27.8%
Contra Costa County	102,000	107,500	113,500	119,700	126,200	133,200	31,200	30.6%
Total Bay Area^c	102,000	107,600	113,600	119,800	126,400	133,400	31,400	30.8%
Jobs								
Walnut Creek ^b	62,080	63,380	65,960	70,160	74,070	78,470	16,390	26.4%
Contra Costa County	376,820	409,650	445,550	479,350	516,910	555,650	178,830	47.5%
Total Bay Area^c	3,475,840	3,734,590	4,040,690	4,379,900	4,738,730	5,107,390	1,631,550	46.9%
Employed Residents								
Walnut Creek ^b	39,890	43,000	47,600	51,140	54,320	57,750	17,860	44.8%
Contra Costa County	490,200	528,000	586,200	631,700	674,900	718,700	228,500	46.6%
Total Bay Area^c	3,410,300	3,633,700	3,962,800	4,264,600	4,547,100	4,835,300	1,425,000	41.8%
Ratio Jobs-to-Employed Residents								
Walnut Creek ^b	1.56:1	1.47:1	1.39:1	1.37:1	1.36:1	1.36:1	--	--
Contra Costa County	0.77:1	0.78:1	0.76:1	0.76:1	0.77:1	0.77:1	--	--
Total Bay Area^c	1.02:1	1.03:1	1.02:1	1.03:1	1.04:1	1.06:1	--	--

TABLE 4.11-1 (Continued)
KEY POPULATION, EMPLOYMENT AND HOUSING CHARACTERISTICS FOR WALNUT CREEK AND CONTRA COSTA COUNTY: 2010-2035

	2010	2015	2020	2025	2030	2035	2010-2035	
							Change	%
Employed Residents as Percent of Population								
Walnut Creek ^b	58.4%	61.0%	65.3%	67.8%	70.2%	72.8%	--	--
Contra Costa County	45.0%	46.7%	49.8%	51.5%	53.0%	54.3%	--	--
Total Bay Area^c	46.5%	47.3%	49.4%	51.0%	52.1%	53.3%	--	--

^a Total population and housing information is for Walnut Creek City Limits and does not include sphere of influence area.

^b Household size, Mean household income, jobs, employed residents, and jobs/employed residents ratio are reported for Walnut Creek and it's sphere of influence which includes unincorporated areas of Contra Costa County adjoining its municipal jurisdiction.

^c Total Bay Area includes all nine Bay Area Counties (i.e., Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma Counties).

SOURCES: Association of Bay Area Governments (ABAG), *Projections 2009*, December, 2009; ESA, October 2011.

Employment

Employment data and projections for City/SOI, Contra Costa County and the Bay Area Region are also presented in Table 4.11-1, above. Walnut Creek is located within Central Contra Costa County, and serves as a major employment center for the County as well as the entire Bay Area. As a result, during the early 1990s to early 2000s, the City enjoyed major growth in high technology, scientific services, and financial sector jobs. During that period, both Contra Costa County and the Bay Area experienced a period of high employment and real wage growth. Although in the past decade, there were major downturns in employment throughout the entire region, Walnut Creek's employment and number of jobs have continued to modestly grow primarily due to its large commercial development projects, and its steady concentration of jobs within the health care, office, retail, professional services, and financial industries.

Current projections by ABAG foresee gradual employment growth for both the City/SOI and Contra Costa County. The City/SOI's future job growth is projected to be just over one percent per year (from 2010 to 2035). The County's future job growth is expected to occur at a comparable rate of approximately two percent per year and the Bay Area's annual job growth rate is expected to be two percent.

In 2002, the health care/social assistance, retail trade, professional/scientific, and financial/insurance services industries were the largest employment sector within Walnut Creek and provided approximately 53 percent of the City/SOI's jobs (City of Walnut Creek, 2006). In comparing ABAG projections from 2010 to 2035 by employment industry, the financial/professional and healthcare services sectors will remain the City/SOI's largest employment sector. Manufacturing, wholesale and transportation employment in Walnut Creek is projected to marginally increase by nearly one percent by 2035; whereas retail trade employment is estimated to decrease by 1.4 percent by 2035. Overall, by 2035, future job growth in the City/SOI is expected to add 16,390 new jobs locally, resulting in projected total employment levels of 78,470. This job growth would represent an increase of approximately 26 percent to the City/SOI's 2010 employment conditions.

Table 4.11-2 presents the job projections by industry for the City of Walnut Creek and its SOI.

While the employment data identifies the number of people employed within the City/SOI, the "employed residents" category in Table 4.11-1 represents the number of city residents that have jobs, although residents may work at a location outside of the City. Demographic data indicates that as of 2000, 28.5 percent of the City's employed residents worked in Walnut Creek; whereas less than 20 percent of the County's employed residents worked within the County. Based on these findings, approximately 71.5 percent of City's residents commute out of the City for work; however, the capture rate of residents that work locally is greater than most communities within the County (City of Walnut Creek, 2006).

The jobs-housing balance generally represents the ratio of number of jobs to number of employed residents within a specified area. Essentially, an adequate jobs-housing balance is achieved when there are an equal number of employed residents and jobs within a specified area, with a ratio of approximately 1.0. Regional planning efforts in the Bay Area seek to "balance" the number of

**TABLE 4.11-2
 EMPLOYMENT (JOBS) PROJECTIONS BY INDUSTRY FOR CITY OF WALNUT CREEK**

Industry	2010	2015	2020	2025	2030	2035	Change (2010-2035)	%
Agriculture/Natural Resources	150	130	120	130	130	130	-20	-13.3
Manufacturing, Wholesale/ Transportation	5,400	5,500	5,600	6,020	6,520	7,510	2,110	39.1
Retail	7,280	8,150	8,570	9,270	8,800	8,090	810	11.1
Financial/Professional Service	20,530	20,580	22,270	23,910	26,090	26,810	6,280	30.6
Health, Educational/ Recreational Service	22,450	22,570	23,240	24,480	25,710	28,730	6,280	30.0
Other ^a	6,270	6,450	6,160	6,410	6,820	7,200	930	14.8
Total Jobs^b	62,080	63,380	65,960	70,160	74,070	78,470	16,390	26.4

^a "Other" category includes government and construction-related jobs.

^b Employment data is for Walnut Creek and its Sphere of Influence (SOI) area.

SOURCES: Association of Bay Area Governments (ABAG), Projections 2009, December, 2009; ESA, October 2011.

jobs and the number of employed residents, or to improve existing imbalances, for purposes of achieving goals related to improved housing availability and affordability, commute distances, congestion, and air quality. While a balance of jobs and housing does not guarantee that local residents will be employed in local jobs, such a balance offers more of an opportunity for reduced commuting requirements. As shown in Table 4.11-1, ABAG estimates that 39,890 Walnut Creek residents had jobs in 2010, which was approximately 58.4 percent of the total population. Future job growth and demographic changes are expected to increase the proportion of employed residents in Walnut Creek to nearly 73 percent by 2035. In addition, as shown in Table 4.11-1, the City had a high number of jobs compared to employed residents, as the City had a ratio of 1.56 jobs to employed residents in 2010; whereas the County had a ratio of 0.77 jobs to employed residents. According to ABAG projections, the City's jobs-to-employed-residents ratio would decline to 1.36 by 2035; however the County's ratio would remain at 0.77 by 2035. Overall, based on current and projected jobs to employed residents, the City of Walnut Creek would continue to be "jobs-rich" relative to employed residents.

According to ABAG, and as presented in Table 4.11-1, Walnut Creek residents' average household income in the City averaged \$101,500 in 2010. By comparison, average household incomes for Contra Costa County residents were marginally higher, at \$102,000.

Housing

The 2010 U.S. Census identified 64,173 people living within Walnut Creek and 32,681 housing units within the City (see **Table 4.11-3**). Of the occupied housing units (30,443), 67 percent were owner-occupied and 33 percent renter-occupied.

**TABLE 4.11-3
 HOUSING STOCK IN WALNUT CREEK, 2010**

	2010	%
Total Housing Units	32,681	
Occupied Housing Units	30,443	93.2%
Vacant Housing Units	2,238	6.8%
Owner-occupied Housing	20,262	66.6%
Renter-occupied Housing	10,181	33.4%

NOTES: Housing data for City of Walnut Creek not including unincorporated areas within the Walnut Creek sphere of influence

SOURCE: U.S. Census, 2010.

According to ABAG estimates, and as shown in Table 4.11-1, there were 32,230 occupied housing units within the City of Walnut Creek in 2010 and there will be an additional 5,520 new homes by 2035 resulting in a total housing supply of 37,750 (a 17.1 percent increase). The marginal difference between the numbers presented by the U.S. Census 2010 and ABAG Projections 2009 are due to both the different years on which the data is based and the exclusion of the sphere of influence in the U.S. Census data and its inclusion in the ABAG data. Overall, the future housing/household growth rate for Walnut Creek is expected to be lower than the 22.4 percent growth projected countywide in Contra Costa County and the 23.8 percent for the entire Bay Area region.

Housing prices in the Bay Area are among the highest in the country and Contra Costa County has several expensive residential communities in the Bay Area. Walnut Creek, given its location, local economy, quality of schools and employment centers is a desirable community within the County, and as a result, home prices exceed the county levels. According to the City of Walnut Creek *Housing Element 2009-2014*, the median home price within the City in 2008 was \$749,000 for single-family homes and \$399,000 for condominiums (City of Walnut Creek, 2009); whereas median home prices within Contra Costa County in 2008 were \$619,000, according to Contra Costa County *2009 Housing Element* (Contra Costa County, 2009).

4.11.2 Regulatory Setting

This section discusses the local policies relevant to population and housing. In addition, applicable plans and polices related to land use, transportation and circulation, and other environmental categories are discussed in other relevant sections of this Draft EIR.

Walnut Creek General Plan

The General Plan, adopted by the City on April 4, 2006, establishes comprehensive, long-term land use policies for the City. The Housing Element was adopted in 2009 under a separate update process and was certified by the California Department of Housing and Community Development in 2010. Several goals and policies in the General Plan apply broadly to development and land

use across the City. In addition, the land use and housing element goals and policies specifically relevant to population and housing for the Project are discussed below.

The *Quality of Life* Chapter of the City of Walnut Creek General Plan contains the following goals, policies, and actions that are applicable to the Project (Walnut Creek, 2006):

- **Goal 2:** Sustain the community's quality of life with a vigorous and diverse economy.
 - *Policy 2.5:* Retain and encourage the revitalization of local-serving neighborhood shopping centers.
 - *Policy 2.6:* For areas designated for commercial or business use, plan for adequate sites that allow for expansion of local businesses.
 - *Policy 2.8:* Maintain a range of high-quality housing and affordable workforce housing options.

The *Built Environment* Chapter of the General Plan contains the following applicable goals and policies with regard to population and housing.

Residential

- **Goal 1:** Maintain the balance of open space and public and private land uses existing in Walnut Creek in 2005.
 - *Policy 1.1:* Strive to maintain the balance of housing, commerce, and open space in the community.
 - *Policy 1.2:* Work to balance the number and types of jobs and the amount and kind of housing available in Walnut Creek.
- **Goal 2:** Encourage housing development that helps to reduce the increase in traffic congestion.
- **Goal 3:** Encourage housing and commercial mixed-use development in selected locations that enhances pedestrian access and reduced traffic.
 - *Policy 3.1:* Create opportunities for mixed-use developments.

Commercial

- **Goal 6:** Maintain and enhance Walnut Creek's thriving Core Area, while keeping the Pedestrian Retail District lively and walkable.
 - *Policy 6.1:* Retain and encourage a balance of local- and regional-serving retail businesses in the Core Area.
- **Goal 7:** Provide adequate location and expansion opportunities for businesses that serve and employ Walnut Creek residents.
 - *Policy 7.1:* Maintain and enhance shopping centers in neighborhood areas as local serving retail centers.

Housing Element

The following relevant goals and policies are included in the City of Walnut Creek 2009-2014 *Housing Element* (City of Walnut Creek, 2009):

- **Goal 1:** To promote the availability of housing types for all economic segments of the community consistent with the infrastructure and service capacities of the City.
 - *Policy 1:* Encourage a mix of land uses and residential densities in the downtown Core Area to increase the supply of housing.
 - *Policy 3:* Encourage housing and commercial mixed-use development in selected locations that enhances pedestrian access and reduces traffic, particularly in the Core Area, and near public transit.
 - *Policy 8:* Encourage innovative housing approaches in the design and ownership of units to increase the availability of affordable housing.
 - *Policy 10:* Provide an adequate supply of residentially zoned land at sufficient densities to accommodate existing and future housing needs.
 - *Policy 12:* Give high priority to housing that is affordable to Walnut Creek workers, first-time buyers, and renters of all income levels.
 - *Policy 17:* Promote fair housing opportunities for all people.
- **Goal 3:** Strive to meet Walnut Creek’s regional housing needs.
 - *Policy 20:* Strive to meet Walnut Creek’s share of regional housing needs.

Municipal Code

According to Municipal Code 10-13.101, the City of Walnut Creek imposes a housing impact fee on commercial development that is charged on a square foot basis for all net new gross floor area. The housing impact fee is enforced by resolution of the City Council and the current impact fee for commercial development is five dollars per gross square foot of development. Although the housing impact fee is imposed on all commercial development within the City, the fee may be adjusted or waived if the developer demonstrates that an insufficient nexus between the planned development and the housing impact fee exists. In addition, the commercial development may be exempt from the housing impact fee if 65 percent or more of the total square footage is residential (City of Walnut Creek, 2011).² Overall, the fee on new commercial development partially funds the need for affordable housing that is created by the workforce of any new development, and to encourage new residents to move to the City. The housing impact fee program is also incorporated in the *Housing Element*, as a “Commercial Linkage Fee” (City of Walnut Creek, 2009).

² Square footage dedicated to inclusionary units (i.e. non-market-rate units) may be multiplied by a factor of three to calculate the percentage required to meet this exemption (City of Walnut Creek, 2011).

4.11.3 Impacts and Mitigation Measures

Significance Criteria

The Project would have a significant impact with regard to population, housing and employment if it were to:

1. Induce substantial unexpected population growth, or growth for which inadequate planning has occurred, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).
2. Displace substantial numbers of existing housing units, necessitating the construction of replacement housing elsewhere.
3. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

Approach to Analysis

As stated in Chapter 3, *Project Description*, the Project would include up to 300,000 square feet of net new commercial development, or up to 400,000 square feet of net new mixed use development, within Broadway Plaza. As such, the Project would either include all commercial uses or a mix of commercial and residential uses.

For purposes of the analysis, the following includes a detailed evaluation of the Project under two scenarios: 1) a Maximum Commercial Scenario that includes a maximum net increase of 300,000 gross square feet of commercial uses; and a 2) Maximum Mixed-Use Scenario, which includes a mixed-use development of up to 400,000 gross square feet of mixed uses, with residential uses limited to 200,000 gross square feet and 200 housing units. Because the Project would include two distinct types of development based on varying types of uses and intensities, the following discussion includes an evaluation of each project scenario on an individual basis, and identifies the extent to which each project scenario would adversely affect current and future population, housing, and employment conditions.

Impacts by Project Scenario

Each impact for population and housing are analyzed for both project scenarios.

Impacts

The Project would not induce unexpected population growth, or growth for which inadequate planning has occurred, either directly or indirectly (Criterion 1). (Less than Significant)

Maximum Commercial Scenario. Under this scenario, the Project would not induce any unexpected growth in population or induce growth for which inadequate planning has occurred. The Project would be located within the Broadway Plaza Area, a burgeoning commercial center in the

Downtown Core of Walnut Creek. The planned development of 300,000 net new square feet of commercial use would reinforce the existing characteristic and appeal of the Downtown Core, as these new uses would be compatible with other neighboring commercial uses (e.g., multiple retail shops and restaurant establishments). Furthermore, the Project would be in compliance with current commercial development goals and policies for the City's Downtown Core, as established in the General Plan.

The Maximum Commercial Scenario would create approximately 670 net new jobs, assuming an employment generation rate for commercial uses of 450 square feet per employee.³ This scenario would not include residential units and therefore would not directly generate any additional residents; the Project would result in an indirect growth in population, as new commercial development would create new jobs resulting in an additional demand for housing.

According to ABAG projections, between 2010 and 2020, the number of jobs in the City of Walnut Creek would increase approximately 6.3 percent and the number of jobs would increase approximately 26.4 percent, between 2010 and 2035. The estimated increase in jobs associated with the Project would represent approximately 17 percent of the anticipated employment growth in Walnut Creek over the next ten years and represent approximately four percent of employment growth over the next 25 years. Given the location of the Project, with easy access to major arterials and regional highways, it is likely that employees would travel to work at the Project Site from municipalities in the surrounding region, as well as from Walnut Creek. The Project would be expected to employ workers primarily already living in the Bay Area, although it may indirectly increase population by attracting new employees to the area.

Pursuant to Section 10.13-101 of the Municipal Code, the Project Applicant would be required to pay the City of Walnut Creek's Housing Impact Fee for new commercial development. Fees collected would be used for housing projects and programs for low- and moderate-income households. As such, the Project would pay an estimated \$1,500,000 in housing impact fees to the City, which would offset potential indirect impacts of the Project on housing needs and jobs-housing balance. Furthermore, the Project is located in a developed urban area with access to required infrastructure and utility services. Therefore, it would not require the construction of oversized new infrastructure that would indirectly allow for future population growth.

Based on the above-mentioned findings, potential growth inducement impacts under the Maximum Commercial Scenario would be less than significant and no mitigation measures are required. The Project under this scenario would result in an increase of approximately 670 net new jobs to the Downtown Core Area and to the local economy, while also promoting the goals and policies outlined in the General Plan.

Maximum Mixed-Use Scenario. Under this scenario, the Project would include up to 200,000 net new square feet of residential uses could be substituted for 100,000 square feet of the net new

³ Average employment density rate (one employee per 450 square feet of commercial development) assumes an employment generation for retail uses, including eating and drinking places. Density rate derived from *Broadway Plaza Retail Project Final EIR* and rate was applied to the analysis under authorization of City of Walnut Creek (Smith, 2011).

commercial uses, leaving up to 200,000 square feet of net new commercial uses under this Scenario. As stated in Chapter 3, *Project Description*, the amount of space dedicated to residential use would be limited to 200 units, comprised of studios, one-bedroom, two-bedroom, and/or three-bedroom units. This scenario would include a mixed-use development layout, as the commercial use would be located on the first-floor, ground-level, and the residential units would be located on the second, third, and fourth stories above the ground-floor.

Under the Maximum Mixed-Use Scenario, the Project would directly generate growth in population, as the new development would include 200 residential units. In addition, the Project would result in an indirect growth in population, as new commercial development would create additional jobs; therefore resulting in an additional demand for housing. Assuming an employment generation rate of 450 square feet per employee for commercial uses, the Project would create approximately 448 net new jobs under this scenario.

According to ABAG projections, between 2010 and 2020, the number of residents in the City of Walnut Creek would increase approximately 6.7 percent, and the number of residents would increase approximately 16.1 percent, between 2010 and 2035. Based on the current average household size of residences within the City (2.09 persons per household), the Maximum Mixed-Use Scenario would create approximately 418 net new residents (assuming full-occupancy) at the Project Site. This estimated increase in residents associated with the Project would represent approximately nine percent of the anticipated population growth in Walnut Creek over the next ten years, and about four percent of growth over the next 25 years. Similarly, ABAG projections indicate a 6.3 percent increase in the number of jobs in the City, between 2010 and 2020, and a 26.4 percent increase in jobs between 2010 and 2035. Under the Maximum Mixed-Use Scenario, the estimated increase in jobs would represent approximately 12 percent of the expected employment growth in the City over the next ten years, and would represent approximately three percent of employment growth over the next 25 years. Although the Project would be expected to employ workers already living in Walnut Creek and surrounding communities, and considering the likelihood employees would travel to the Project Site via nearby regional freeways and highways, the Project may indirectly increase population by attracting new employees to the area.

Because the development capacity of the Maximum Mixed-Use Scenario includes commercial (retail-oriented) uses, the Project Applicant would be required to pay the City's Housing Impact Fee (per Section 10.13-101 of the Municipal Code). Although the Project would include up to 200 residential units, the Project Applicant would not be eligible for a fee reduction, as no Inclusionary Units are planned. As such, the development of 200,000 net new square feet of commercial use would result in an estimated fee of \$1,000,000. This payment would offset potential indirect impacts of the Project on housing needs and jobs-housing balance.

The Maximum Mixed-Use Scenario would comply with current General Plan goals and policies, as the Plan addresses the jobs-housing balance within the City, and the necessary measures to encourage housing development within the Downtown Core Area. In addition, the Plan encourages mixed-use development to reduce traffic congestion and improve pedestrian access throughout downtown, while also balancing local- and regional-serving commercial businesses in the

Downtown Core Area. Furthermore, this scenario would implement the goals and policies of the City's *Housing Element*, as the City encourages the mix of residential and other land use densities within the Downtown Core Area, in order to increase the supply of housing while reducing traffic levels and improving pedestrian accessibility. The Project is located in an established urban, downtown area with access to required infrastructure and utility services. Therefore, it would not require the construction of new oversized infrastructure that could indirectly allow for future population growth. All other impacts of the population growth are addressed throughout this EIR.

Based on the characteristics of the Project, and the above-mentioned findings, potential growth inducement impacts under the Maximum Mixed-Use Scenario would be less than significant and no mitigation measures are required. Conversely, the Project under this scenario would result in an increase of 448 net new jobs and 418 net new residents to the Downtown Core Area and would implement the goals and policies established in the General Plan and Housing Element.

Mitigation: None required.

The Project would not displace substantial numbers of existing housing units, necessitating the construction of replacement housing elsewhere (Criterion 2). (Less than Significant)

Because there are no existing housing units within Broadway Plaza, the Project under both analysis scenarios, would have no impacts related to the displacement of substantial numbers of existing housing units. Therefore, the second significance criterion listed above would not apply to the Project and no additional analysis related to this criterion is required. Due to the nature of the Project, there would be no impacts related to this criterion.

Mitigation: None required.

The Project would not displace substantial numbers of people, necessitating the construction of replacement housing elsewhere (Criterion 3). (Less than Significant)

Because the Project Site currently includes no housing, the Project would have no impact related to the displacement of people.

Mitigation: None required.

Cumulative Impacts

Geographic Context

The cumulative geographic context includes the Project Site and the City of Walnut Creek. Cumulative development includes existing development, and approved and pending projects included in Appendix B of this Draft EIR.

The Project, in conjunction with past, present and reasonably foreseeable future projects, would not have a significant cumulative population-inducing impact (Criteria 1, 2, and 3). (Less than Significant)

The City of Walnut Creek has pending and approved projects which if constructed would be expected to add approximately 1,300 net new housing units and over 420,000 net new square feet of commercial space in different parts of Walnut Creek, mostly in the Core Area (see Appendix B). Commercial space includes retail stores, a car dealership, and a grocery store. Assuming an average of 2.09 residents per unit (consistent with the City's current average household size) and an average of an employment generation rate of 450 square feet per employee for commercial uses, future additional population growth of up to 2,759 new residents and up to 936 net new jobs may be expected.

Maximum Commercial Scenario. The total net new commercial square footage (which includes retail and many other uses) of the various approved/pending commercial development projects within Walnut Creek would equate to approximately 420,000 gross square feet in addition to this Project. Applying an employment density rate of 450 square feet per employee, it is estimated that proposed commercial projects would create approximately 936 additional jobs within the City. Future employment growth associated with the Project, under the Maximum Commercial Scenario, is estimated to be up to 670 jobs resulting in a combined 1,606 net new jobs estimated for the cumulative scenario. As shown in Table 4.11-1, by 2035, the City/SOI employment is projected to be 78,470 jobs—an increase of 16,390 from its current 2010 employment levels. The cumulative scenario job growth represents 9.8 percent of the City's anticipated job growth through 2035. Furthermore, this anticipated growth in employment and jobs would comply with General Plan goals and policies regarding future commercial development within the City and Downtown Core Area. Therefore, the Project, under this scenario, would not result in substantial unanticipated indirect population growth from increased local employment. Based on these findings, the cumulative growth inducement impacts would be less than significant. Moreover, the anticipated net increase in 1,606 new jobs associated with the Project and approved/pending projects would further strengthen the local economy and reinforce the City's economic growth policies; therefore this anticipated increase in jobs would be considered a beneficial impact.

Maximum Mixed-Use Scenario. As discussed above under Criterion 1, the future residential population growth by the Project is estimated to be approximately 418 net new residents. Therefore, combined with the 2,759 new future residents currently expected to live in approved or proposed residential projects, development of the cumulative scenario would generate up to 3,177 net new residents. As shown in Table 4.11-1, in 2035, the City population is projected to be

79,300, an increase of 11,000 from the current 2010 population. In which case, the cumulative growth of the Project and other foreseeable projects of 3,177 new residents would represent approximately 28.8 percent of the City's expected future population growth. Such growth is consistent with the most recent ABAG projections and the projected population growth would be in compliance with the General Plan goals and policies regarding the integration of residential units through mixed-use development in the Downtown Core Area. Consequently, the Project projected housing development would not result directly in substantial unanticipated population growth.

As discussed, there are other commercial development projects approved/pending within Walnut Creek. The total net new commercial square footage for these various projects is approximately 421,423 gross square feet. Applying an employment density factor of 450 square feet per employee, it is estimated that proposed commercial projects would create approximately 936 additional jobs within the City if they are all built out. Future employment growth associated with the Project, under the Maximum Mixed-Use Scenario is estimated to be up to 448 jobs. As shown in Table 4.11-1, City/SOI employment is projected to be 78,470 jobs, an increase of 16,390 from its current 2010 employment levels. The cumulative scenario job growth would be 1,385 net new jobs and would represent 8.4 percent of the City's anticipated job growth through 2035. As with housing, future commercial growth within the Project Site and surroundings would be consistent with General Plan goals for the Downtown Core Area and would not exceed ABAG's projections. Accordingly, the Project under this scenario would not be expected to result in substantial unanticipated indirect population growth from increased local employment. Therefore, the cumulative impact of the Project would result in a less-than-significant impact on the City of Walnut Creek's population and housing. Furthermore, the net increase in 1,385 new jobs and 3,177 residents associated with the Project and approved/pending projects would further support the City's economic growth initiatives and bolster the jobs-housing balance within the local environment. Therefore, this anticipated increase in jobs and housing would be considered a beneficial impact.

Mitigation: None required.

4.11.4 References

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