

4.10 POPULATION AND HOUSING

This chapter describes the population and housing characteristics of Walnut Creek, including the Project site, and evaluates the potential impacts related to population and housing that could result from development of the Project.

4.10.1 ENVIRONMENTAL SETTING

4.10.1.1 REGULATORY FRAMEWORK

The regulatory framework related to population and housing is described below.

Walnut Creek General Plan 2025

General Plan 2025 outlines a vision for Walnut Creek that includes support for a variety of neighborhoods with housing of various types, densities, and prices, accommodating all income levels and ages, as well as blending new development successfully into existing neighborhoods. Table 4.10-1, below, enumerates the goals and policies related to population, employment, and housing contained in the General Plan 2025.

City of Walnut Creek 2009–2014 Housing Element

The City's Housing Element describes how Walnut Creek plans to meet the projected housing needs of all economic segments of the community and the City's fair share allocation of regional housing needs. Additionally, the Housing Element contains policies and programs that pertain to high density urban infill housing, similar to the proposed Project. Table 4.10-2, below, illustrates these goals, policies, and programs. The City is currently in the process of updating its Housing Element for the 2015-2022 planning period. The adoption hearing for this Housing Element is expected to occur in September of 2014.

City of Walnut Creek Inclusionary Housing Ordinance

The City of Walnut Creek enacted an Inclusionary Housing Ordinance in 2004 to provide additional means to facilitate affordable housing and revised the ordinance in 2010 and performed a nexus study to determine the impact of residential development on affordable housing.¹ The standards for inclusionary housing are set forth in Title 10, Planning and Zoning, of the City's Municipal Code under Chapter 2, Zoning, Article 9, Inclusionary Housing. As stated in Section 10-2.3.901 the purpose of Article 9 is to facilitate the development and availability of housing affordable to a broad range of households with varying income levels in the city. It is intended in part to implement State policy that declares that local governments have a responsibility to exercise their powers to

¹ City Council Agenda Report, Housing Policy Guidelines, pages 2, June 4, 2013.

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facilitate the development of housing to adequately provide for the housing needs of all economic segments of the community, as stated in Government Code Section 65580.

It is also intended to implement the Housing Element of the General Plan which calls for the adoption of an inclusionary housing program to require either production of affordable housing at moderate-, low-, and very-low-income levels or payment of in-lieu and/or impact fees, where applicable, toward affordable housing development. In addition to the allocation of fees, the Inclusionary Housing Ordinance allows for land dedication as an alternative to payment of fees. The goal of this Article is, to the extent legally permissible, to have a minimum percentage of very-low-, low- and/or moderate-income units built within each new residential development or to provide funding for new development of housing affordable to very low, low and moderate income households.

In addition to the fees generated from the Inclusionary Housing Ordinance, the City also receives funding for affordable housing from the following sources:²

- Community Development Block Grant (CDBG) Funds
- Commercial Linkage Fees
- Housing Successor Agency loan repayments
- Other City or CDBG housing loan repayments
- Other Grant funds that may be awarded to the City

City of Walnut Creek Relocation Assistance Ordinance

The standards for relocation assistance are set forth in Title 9, Building and Regulation, of the City's Municipal Code under Chapter 15, Relocation Assistance. Per Section 9-15.03, Chapter 15 applies to any development project that will result in displaced persons, but does not apply to any condominium conversion subject to Title 10, Planning and Zoning Chapter 1, Subdivisions, Article, Common Interest Development (Condominium) Conversion or to any other development project that is subject to a legal requirement for the provision of relocation assistance under any provision of law other than Chapter 15. As stated in Section 9-15.02 the purpose of the City's Relocation Assistance Ordinance is to mitigate the impact of development projects which displace Low-Income Tenants from their residences by requiring applicants to provide certain limited relocation assistance to such tenants.

4.10.1.2 EXISTING CONDITIONS

This section describes existing conditions related to population, housing, and employment in Walnut Creek. The US Census Bureau's 2010 Census data presents the most up-to-date demographic profile available for Walnut Creek; however, regional planning initiatives, including Regional Housing Needs Assessment (RHNA), are based on Association of Bay Area Government's (ABAG's) Projections 2009. Therefore, both these sets of population and housing data are described below.

² City Council Agenda Report, Housing Policy Guidelines, pages 2 - 3, June 4, 2013.

TABLE 4.10-1 GOALS AND POLICIES OF THE WALNUT CREEK GENERAL PLAN 2025

Goal/Policy Number	Goal/Policy Text
Chapter 4 Built Environment	
<i>Goal 1</i>	<i>Maintain the balance of open space and public and private land uses existing in Walnut Creek in 2005.</i>
Policy 1.2	Work to balance the number and types of jobs and the amount and kind of housing available in Walnut Creek.
<i>Goal 3</i>	<i>Encourage housing and commercial mixed-use development in selected locations that enhances pedestrian access and reduces traffic.</i>
Policy 3.1	Create opportunities for mixed-use developments.
<i>Goal 5</i>	<i>Require that infill development is compatible with its surroundings.</i>
Policy 5.1	Require infill development to be compatible with adjacent and nearby uses.
<i>Goal 8</i>	<i>Allow development consistent with the density ranges of the General Plan 2025 land use map.</i>
Policy 8.1	Require that residential projects be developed within the established minimum and maximum density ranges.
<i>Goal 9</i>	<i>Manage the community's orderly growth.</i>
Policy 9.3	Establish a housing cap consistent with the Regional Housing Needs Determination allocation assigned to the City of Walnut Creek and exempt affordable units and density bonus units from the cap. Review the cap every 5 years for its adequacy in meeting the City's regional housing needs allocation.
<i>Goal 10</i>	<i>Coordinate the location, intensity, and mix of land uses with transportation resources.</i>
Policy 10.1	Support the development of medium- and high-density office, residential, and local serving retail near and around the Walnut Creek and Pleasant Hill BART stations (Core Area).
<i>Goal 12</i>	<i>Make more efficient use of the regional and sub-regional transportation system.</i>
Policy 12.2	Support infill and redevelopment in existing urban areas.

Source: Walnut Creek General Plan 2025.

Population

The third largest city in Contra Costa County, Walnut Creek had a population of 64,173 in 2010, according to US Census Bureau data.³ Census data indicate that Walnut Creek's population declined from 64,296 in 2000 to 64,173 in 2010. With a somewhat more affluent and older population as compared to the rest of Contra Costa County and the region, Walnut Creek including the area that makes up the City's sphere of influence had an average household size which was a relatively low 2.09 persons per household in 2010, compared to 2.75 for Contra Costa

³ US Census Bureau, 2010, Table DP-1, Profile of General Population and Housing Characteristics: 2010, Geography: City of Walnut Creek, California.

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TABLE 4.10-2 GOALS AND POLICIES OF THE WALNUT CREEK 2009–2014 HOUSING ELEMENT

Goal/Policy Number	Goal/Policy Text
Goal 1	<i>To promote the availability of housing types for all economic segments of the community consistent with the infrastructure and service capacities of the City.</i>
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.
Goal 3	<i>Strive to meet Walnut Creek's regional housing needs.</i>
Policy 20	Strive to meet Walnut Creek's share of regional housing needs.

Source: Walnut Creek 2009–2014 Housing Element.

County as a whole.⁴ In 2010, 53.3 percent of households in Walnut Creek were family households, while 46.7 were non-family households, including 39 percent of households composed of individuals living alone.

As shown in Table 4.10-3, ABAG 2009 population, housing, and employment projections, Walnut Creek's population is projected to grow at a modest rate, to a total of 77,400 by 2030.⁵ ABAG projects that household size will decrease a small amount (0.5 percent) between 2010 and 2030. As ABAG 2009 projections are used in regional planning efforts, the ABAG numbers are used for the purpose of evaluating environmental impacts in this Draft EIR.

Housing

The 2010 Census data indicates that there were 32,681 housing units in Walnut Creek in 2010.⁶ Other recent data points indicate that multiple-family unit construction has increased more rapidly than single-family construction. From 2000 to 2013, multiple-family unit construction increased 6 percent, compared to a 4 percent increase in single-family home construction in Walnut Creek over the same period.^{7,8} Most of the multiple-family units built

⁴ Association of Bay Area Governments (ABAG). *Projections and Priorities 2009: Building Momentum*, Projections through 2035, Subregional Study Area Table.

⁵ Association of Bay Area Governments (ABAG). *Projections and Priorities 2009: Building Momentum*, Projections through 2035, Jurisdictional Boundary Table.

⁶ US Census Bureau, 2010, Table DP-1, Profile of General Population and Housing Characteristics: 2010, Geography: City of Walnut Creek, California.

⁷ State of California, Department of Finance, E-8 Historical Population and Housing Estimates for Cities, Counties, and the State, 2000-2010. Sacramento, California, November 2012

⁸ State of California, Department of Finance, Report E-5, Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011-2013, with 2010 Benchmark.

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TABLE 4.10-3 ABAG PROJECTIONS 2009 POPULATION, HOUSEHOLDS, AND EMPLOYMENT FORECASTS FOR WALNUT CREEK

	2000	2005	2010	2025	Change 2010–2030		
					2030	Number	Percent
Population	64,296	66,200	68,300	75,400	77,400	9,100	13.3
Households	30,301	31,050	32,230	35,310	36,450	4220	13.1
Household Size ^a	2.10	2.11	2.09	2.10	2.08	-0.01	-0.5
Jobs ^a	62,040	62,140	62,080	70,160	74,070	11,990	19.3
Employed Residents ^a	39,139	38,020	39,890	51,140	54,320	14,430	36.2
Jobs/Employed Residents Ratio ^a	1.59	1.63	1.56	1.37	1.36	-0.2	-12.8

a. Household size, jobs, employed residents, and jobs/employed residents ratio are reported for the city’s Sphere of Influence; other characteristics are for the city limits. Source: ABAG, Projections and Priorities 2009: Building Momentum, Projections through 2035.

are located in the Core Area of the city. In 2000, the City of Walnut Creek contained 14,554 multiple-family units. That number increased to 15,481 in 2013.⁹

The City is currently experiencing a surge in development applications for new market rate apartment complexes. The rental vacancy rate has been approximately 3 percent and rents have increased by more than 10 percent over the past year in Walnut Creek. This, combined with the changes in the availability and financing of condominium and ownership units, has led to an increased demand for affordable rental housing. New residential rental developments are required to pay in-lieu housing fees pursuant to the City’s Inclusionary Zoning Ordinance, described above under Section 4.10.1.1, these fees must be utilized to develop new affordable housing; however, the increase in rental housing development means that fewer vacant or underutilized sites are available for affordable housing opportunities in Walnut Creek.

Current market rents are affordable to Above Moderate income levels.¹⁰

Employment

Walnut Creek serves as an important employment center for Contra Costa County and the San Francisco Bay Area. Walnut Creek has a concentration of health care and office jobs. In 2008, Walnut Creek’s major employment sectors were service (43.30 percent), finance (24.16 percent), and retail (19.14 percent).¹¹ The top employers in Walnut Creek are: John Muir Medical Center, Kaiser Permanente Medical Center, Bank of the West, Central Garden and Pet, City of Walnut Creek, Contra Costa Times, Manor Care Health Services, Target, and The PMI

⁹ State of California, Department of Finance, Report E-5, Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011–2013, with 2010 Benchmark.

¹⁰ City Council Agenda Report, 2013, *Housing Policy Guidelines*, page 3, June 4.

¹¹ EDAW | AECOM, 2009, *Draft Walnut Creek Transit Village Market Study*, January, page 11.

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Group, Inc.¹² Detailed employment data from the 2010 Census were not available at the time this Draft EIR was prepared; however, analysis of available employment data from the US census indicates that approximately 54,512 people work in the city of Walnut creek as of 2011.¹³ Among them, 30.6 percent worked in health care and social assistance sectors and 13.2 percent worked in professional, scientific, and technical services sectors.

Walnut Creek's employment base grew 68.1 percent in the 1990's and 2000's, from a total of 36,929 jobs in 1991 to 62,080 jobs in 2010.^{14,15} The ABAG projects continued employment growth in Walnut Creek. As shown in Table 4.10-3, the ABAG projects the City will have 74,070 jobs by 2030, which would be an increase of 11,990 positions over the ABAG's projected 2010 employment level. According to a recent market study, over 12.5 percent of the jobs in Walnut Creek are expected to be retail positions by 2015.¹⁶

Walnut Creek is relatively "jobs rich," with a high number of jobs compared to employed residents, relative to the county. The city including its sphere of influence had a ratio of 1.63 jobs to employed residents in 2005, as compared to 0.82 for Contra Costa County.¹⁷ As shown in Table 4.10-3, Walnut Creek's jobs-to-employed-residents ratio is forecast to decline slightly from 1.56 in 2010 to 1.36 in 2030.

4.10.2 STANDARDS OF SIGNIFICANCE

An Initial Study was prepared for the proposed Project (see Appendix A of this Draft EIR). Based on the analysis contained in the Initial Study it was determined that development of the proposed Project would not result in significant environmental impacts per the following significance standard and therefore, is not discussed in this chapter.

- Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

Based on the Initial Study it was determined that the proposed Project would result in a significant impact to population and housing if it would:

1. Displace substantial numbers of existing housing units, necessitating the construction of replacement housing elsewhere.
2. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

¹² City of Walnut Creek website, http://www.walnut-creek.org/about/community_profile/demographic_information.asp, accessed October 24, 2013.

¹³ U.S. Census Bureau, Center for Economic Studies, Work Area Profile Report, OnTheMap Application, <http://lehdmap.ces.census.gov>, accessed October 24, 2013.

¹⁴ Association of Bay Area Governments (ABAG). *Projections and Priorities 2009: Building Momentum*, Projections through 2035, Subregional Study Area Table.

¹⁵ City of Walnut Creek, 2005, General Plan EIR, page 55.

¹⁶ EDAAW | AECOM, 2009, *Draft Walnut Creek Transit Village Market Study*.

¹⁷ Association of Bay Area Governments (ABAG). *Projections and Priorities 2009: Building Momentum*, Projections through 2035, Subregional Study Area Table.

4.10.3 IMPACT DISCUSSION

This section analyzes potential Project-specific and cumulative impacts to population and housing.

POP-1 **The proposed Project would not displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.**

The proposed Project would involve the removal of all existing uses on the Project site, including a 10-unit apartment complex, three duplexes (6 units) and four single-family dwelling units for a total of 20 residential units. This represents less than one percent of the housing stock in Walnut Creek and therefore would not constitute a substantial amount of housing. Nonetheless, the removal of on-site housing would result in a decrease of housing units in Walnut Creek and the displacement of over 30, individuals from relatively affordable housing stock, and could require the construction of replacement housing elsewhere.

The proposed Project would result in 178 market-rate rental apartments in the Multi-Family Special High land use designation, which allows up to 50.1 to 100 dwelling units per acre (du/ac). Accordingly, the Project would result in a net increase of 158 dwelling units on the Project site. However, the Project would not include any below market-rate units on-site. Therefore, consistent with the City's Inclusionary Housing Ordinance, the Project Applicant would pay the City's established Affordable Housing Impact Fee upon issuance of the building permit for each dwelling or dedicate land for affordable housing as an alternative to payment of fees. The Project Applicant would also be required to provide relocation assistance to households displaced as a result of the Project pursuant to Section 9-15.05 of the Walnut Creek Municipal Code.

Given the payment of the Affordable Housing Impact Fee and the net increase in housing units, combined with the relatively small amount of housing being displaced compared to the overall housing stock in Walnut Creek, no housing would be displaced that would necessitate the construction of replacement housing elsewhere. Therefore, Project impacts on the displacement of housing would be *less than significant* and no mitigation measures would be required.

Significance Without Mitigation: Less than significant.

POP-2 **The proposed Project would not displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.**

As discussed in Impact POP-1, the proposed Project would involve the removal of all existing uses on the Project site, including the 20 residential dwelling units. Based on a rate of 2.14 persons per household,¹⁸ the 20 existing residential units are estimated to house approximately 43 residents. This represents less than one tenth of a percent of the population of Walnut Creek and therefore, does not constitute a substantial number of people.

¹⁸ This analysis is based on the Association of Bay Area Governments (ABAG) projections of the average household size of 2.14 persons for Walnut Creek in 2025. This is the standard approach for population and housing analysis in Walnut Creek.

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While all of the units proposed as a part of the Project will be market-rate apartments, as described in Impact POP-1, the Project would result in a net increase of 158 dwelling units on the Project site. Furthermore, the Project Applicant would pay the City's established Affordable Housing Impact Fee upon issuance of the building permit for each dwelling unit. Given the payment of the Affordable Housing Impact Fee or the dedication of land and the Project's net increase in housing units combined with the relatively small amount of housing being displaced compared to the housing stock in Walnut Creek, no people would be displaced that would necessitate the construction of replacement housing elsewhere. Therefore, Project impacts on the displacement of people would be *less than significant* and no mitigation measures would be required.

Significance Without Mitigation: Less than significant.

4.10.4 CUMULATIVE IMPACTS

POP-3	The proposed Project, in combination with past, present and reasonably foreseeable projects, would result in less than significant cumulative impacts with respect to population and housing.
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This section analyzes potential impacts to population and housing that could occur from a combination of the Project and other reasonably foreseeable projects in the surrounding area. The geographic scope of this analysis is taken as the City of Walnut Creek. A cumulative impact would be considered significant if the proposed Project, taken together with past, present, and reasonably foreseeable projects in the city of Walnut Creek, would result in the displacement of either people or housing units. Impacts resulting from the displacement of both people and housing necessitating the construction of replacement housing elsewhere are site-specific and are assessed on a site-by-site basis. The significance of the impacts would depend largely on what, if any, existing housing and residents occur on or near the sites of the related projects identified in Table 4.2-1 in Chapter 4.2, Cumulative Impact Analysis, of this Draft EIR. As shown on Table 4.2-1, with buildout of the related projects a total of 1,661 new residential units would be constructed in Walnut Creek by 2030. Similar to the proposed Project, the determination for the displacement of a substantial number of people and housing would be made on a case-by-case basis and, if necessary, the applicants of the related projects would be required to comply with the City's Inclusionary Housing Ordinance through either the payment of Affordable Housing Impact Fees, the provision of affordable housing units or dedication of land for affordable housing. In addition, future applicants would also be required to provide relocation assistance to households displaced as a result of their project pursuant to Section 9-15.05 of the Walnut Creek Municipal Code. Thus, given that the proposed Project's impacts regarding the displacement of housing and people are less than significant, the proposed Project's impacts in this regard would not be cumulatively considerable. Therefore, cumulative impacts to population and housing would be *less than significant* and no mitigation measures are required.

Significance Without Mitigation: Less than significant.

4.10.5 SUMMARY OF SIGNIFICANT IMPACTS AND MITIGATION MEASURES

The Project would not result in any significant project-specific or cumulative impacts to Population and Housing and, therefore, no mitigation measures are required.

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