

II. Housing Needs Assessment

To address the current and future housing needs of Walnut Creek residents, a comprehensive assessment of the housing needs must be conducted. Chapter II presents and analyzes the demographic, socioeconomic, and housing characteristics that affect housing needs in the City. An understanding of housing needs helps formulate an appropriate and adequate housing plan for the City.



The Housing Needs Assessment is developed using a variety of information sources. The American Community Survey (ACS)¹ conducted by the U.S. Census Bureau prepares annual updates to key census variables based on a sampling of households. In 2008, the ACS released its first multi-year estimates based on data averaged over the 2005-2007 period, and provides the basis for much of the demographic and household information in the Needs Assessment. In addition, data from the 1990 and 2000 Census on population and housing is used for evaluating change over the period and a comparison of trends on the County-wide level. Additional data sources used in the Needs Assessment include:

- Population and housing unit counts are updated by the State Department of Finance and school enrollment data from State Department of Education;
- Housing market information, such as home sales and rents, is updated through newspaper and internet rent surveys and DataQuick sales transactions;
- Public and non-profit agencies are consulted for data on special needs groups, the services available to them, and gaps in the system;
- Lending patterns for home purchase and home improvement loans are provided through the Home Mortgage Disclosure Act (HMDA) database;
- Major Employers are provided by the City of Walnut Creek;
- Association of Bay Area Governments (ABAG) Projections 2007 and ABAG's Regional Housing Needs Determination (May 15, 2008) provides demographic projections and information on future housing needs; and
- The Comprehensive Housing Affordability Strategy provides comparative data for income levels of various groups, 1990 and 2000.

A. Demographic Profile

The type and amount of housing need in a community is largely determined by population growth and various demographic characteristics. Factors such as age, race/ethnicity, occupation, and income level combine to influence the type of housing needed and the ability to afford housing. This section addresses population, age, race/ethnicity, and employment of Walnut Creek's residents.

¹ Similar to the Census short form, the data from the American Community Survey is based on a sample and is subject to sample variability. The degree of uncertainty for an estimate is indicated by a margin of error. Use of the ACS data for the 2005-07 three year average results in a margin of error within acceptable levels.

1. Population Trends

Walnut Creek is the fourth largest city in Contra Costa County with a 2009 population of 65,860. Table II-1 presents population growth trends in Walnut Creek from 1990-2009. In the years from 1990-2000, Walnut Creek’s population increased by a modest seven percent, less than half the growth rate of the County as a whole. From 2000-2009, the City increased in population by just one percent, similar to the adjacent cities of Concord, Lafayette, and Pleasant Hill, yet in contrast to the more robust 12 percent population growth evidenced Countywide.

**Table II-1:
Population Growth Trends**

Jurisdiction	1990	2000	2009	Percent Change	
				1990 – 2000	2000 - 2009
Concord	111,348	121,710	124,599	9%	2%
Lafayette	23,501	23,463	24,087	0%	3%
Martinez	32,038	36,167	36,348	13%	1%
Pleasant Hill	31,585	32,847	33,547	4%	2%
Walnut Creek	60,569	64,583	65,306	7%	1%
Contra Costa County	803,732	948,816	1,060,435	18%	12%

Sources: 1990, 2000 Census; State Department of Finance 2009 - Population and Housing Estimates

The Association of Bay Area Governments (ABAG) produces population estimates as part of its program to project future growth in the Bay Area. The latest projections series, *Projections 2007*, estimated Walnut Creek’s 2005 population at 66,200 and projects a constant two to three percent increase in population in each of the 2005-2015 and 2015-2025 periods, resulting in an estimated 2025 population of 73,300. Countywide population projections are all projected at a higher rate of growth than Walnut Creek, with a steady four percent increase projected during 2005-2025.

2. Age Characteristics

A community’s housing needs are determined in part by the age of its residents. Each age group has distinct lifestyles, family type and size, income levels, and housing preferences. As people move through each stage of their life, their housing needs and preferences also change. Therefore, evaluating the age characteristics of a community will help to identify the housing needs of its residents.

Table II-2 summarizes the age characteristics of Walnut Creek residents in 1990 and 2005-2007 and compares this with the County as a whole. Like many communities nationwide, Walnut Creek’s population is aging. The City’s median age was 45.1 in 2000 and had increased to 48.1 years by 2005-07. This is in contrast to the significantly lower Countywide median age of 37.7 (2005-07). Factors contributing to this shift in the City’s age structure include an aging in place of young adults into the middle age bracket, a dramatic

increase in the number of seniors, and a decline in the number of new young adults and families moving into the community.

**Table II-2:
Age Characteristics and Trends**

Age Groups	1990		2005-2007		Contra Costa County (2005-07)
	Persons	Percent	Persons	Percent	
Preschool Age (Ages 0-4)	2,629	4%	2,388	4%	6%
School Age (5-17)	7,314	12%	8,010	12%	18%
College Age (18-24)	4,513	8%	4,883	8%	9%
Young Adults (25-44)	18,493	32%	14,505	22%	27%
Middle Age (45-64)	13,804	24%	18,912	29%	27%
Senior Adults (65+)	11,823	20%	16,370	25%	12%
Total	58,576	100%	65,068	100%	100%

Sources: 1990 Census, 2005-2007 American Community Survey

In the years from 1990 to 2005-07, the number of middle age adults (45 to 64) in Walnut Creek increased by 37 percent, becoming the largest segment (29%) of the City’s population. The City also experienced a significant 38 percent increase in its senior population during this period, with one-quarter of City residents now over the age of 65. In contrast, the City has seen a sizable decline in the number of young adults (25 to 44) over the past 15 years, decreasing from 32 to 22 percent of the population.

These trends in the age structure of Walnut Creek’s population have several implications for housing. As the children of middle age adults leave home, many of these people may begin to consider moving into smaller dwellings, such as townhomes, with more limited maintenance requirements. The need for specialized senior housing, such as active adult communities and assisted living facilities, will increase with the continued growth in the City’s senior and “frail elderly” population (age 75+). And if the City wants to ensure new young families can move into the community, additional affordable housing opportunities for families will be critical.

3. Race and Ethnicity

The Bay Area has been gradually changing in the racial and ethnic composition of its population. These changes have implications for housing needs to the extent that different groups may have different household characteristics, income levels, and cultural backgrounds that may affect their needs and preferences for housing.

Walnut Creek, like most Bay Area communities, has also experienced gradual changes in its racial make-up. While White residents continue to comprise the largest racial/ethnic group at 77 percent, their share of the population has decreased steadily over the past two decades, while the other racial groups have grown in both size and proportion. Among the four major

race/ethnic groups, the largest percentage increase in population from 1990 to 2005/07 was attributable to Asians (65%), followed by Hispanics (32%). As shown in Chart II-3, the Asian share of the population increased from 9% to 14%, and the Hispanic share grew from 11% to 13%. The number of residents in the “Other Race” category grew dramatically in large part because, unlike prior census efforts, the 2000 Census allowed respondents to identify themselves as members of more than one racial group. Despite Walnut Creek’s increasing diversity, the City remains far less ethnically diverse than the County as a whole.

**Table II-3:
Race and Ethnic Composition**

Race / Ethnicity	1990		2005-2007		Contra Costa County (2005-2007)
	Persons	Percent	Persons	Percent	
White	52,938	87%	50,111	77%	52%
Asian/Pacific Islander	3,980	7%	7,784	12%	13%
Hispanic	2,869	5%	4,730	7%	22%
Black	618	1%	1,122	2%	9%
Other Race *	164	<1%	1,321	2%	4%
Total	60,569	100%	65,068	100%	100%

Sources: 1990 Census, 2005-2007 American Community Survey.

*The “other race” category includes two or more races.

The student population in Walnut Creek has diversified as well. An examination of recent enrollment data for local schools in the Walnut Creek Elementary School District indicates that minorities comprise a growing portion of the student population.² In academic year 2007/08, a total of 22 percent of the student population in Walnut Creek was comprised of Asians (10%), Hispanics (9%), and Blacks (3%), similar to the incidence of these racial/ethnic groups in the City’s population as a whole. In contrast, minorities comprise 48 percent of the student population Countywide.

4. Employment Characteristics

Resident Employment

Education and employment also have an important impact on housing needs to the extent that different jobs and income levels determine the type and size of housing that a household can afford. The State Employment Development Department estimates that as of December 2008, 35,400 Walnut Creek residents were in the labor force, with 5.1 percent unemployment, compared to a countywide unemployment rate of 7.6 percent and a statewide rate of 9.1 percent. California’s unemployment has risen 3.2 percentage points from one year ago, reflective of the current economic recession.

² Data was compiled from the Education Data Partnership website (<http://www.ed-data.k12.ca.us/>)

In general, Walnut Creek residents are highly educated; over half of the residents have a college or graduate degree while one-quarter have at least some college education (Figure II-1). The occupations held by Walnut Creek residents also reflect the highly skilled, educated population.

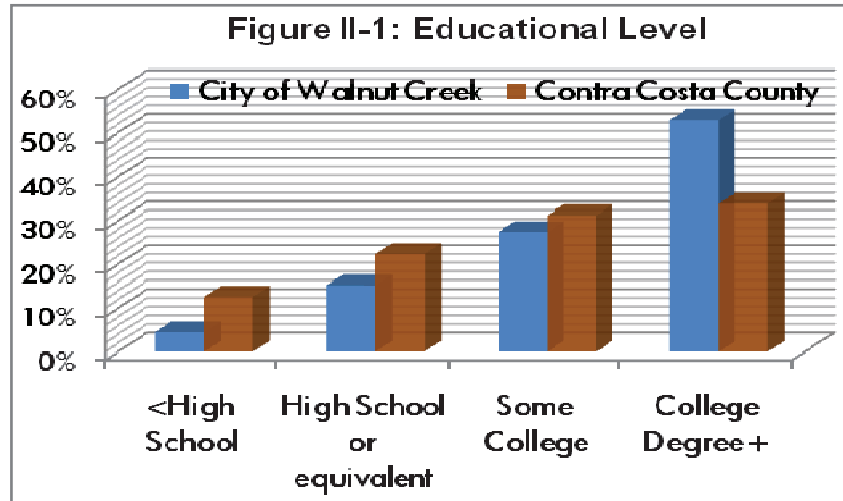


Table II-4 describes the types of occupations held by Walnut Creek residents. Approximately 85 percent of residents are employed in either managerial/professional occupations (56%), or sales/technical/administrative occupations (28%). Relatively higher paying jobs are in both categories, except for certain sales positions, translating into higher incomes for the residents engaged in these activities. The number of residents employed in managerial/professional positions increased by 20 percent from 1990 to 2005-07. In contrast, there were noticeable declines in the number of residents engaged in the occupational categories of sales/technical/administration and production/ transportation/repair.

**Table II-4:
Employment Profile**

Occupations of Residents	1990		2005-2007	
	Persons	Percent	Persons	Percent
Managerial / Professional	14,093	45%	16,878	56%
Sales, Technical, Admin.	11,147	36%	8,393	28%
Service Occupations	2,419	8%	2,748	9%
Production/ Transportation/ Repair	1,852	6%	1,093	3%
Construction/ Extraction/ Maintenance	1,353	4%	1,257	4%
Farming, Forestry, Fishing	199	1%	17	<1%
Total	31,063	100%	30,386	100%

Sources: 1990 Census, 2005-2007 American Community Survey.

City Employment Base

Walnut Creek serves as a major employment center for Contra Costa County and the San Francisco Bay Area. ABAG estimates Walnut Creek’s 2005 employment at 54,830 jobs. Financial and Professional Service jobs along with Health, Education and Recreational Service industries comprise 68 percent of the City’s jobs, followed by Retail (13%) and Manufacturing/ Wholesale/ Transportation (8%).

In 2007, ABAG projected Walnut Creek’s employment to grow to 58,410 by 2015, reflecting a seven percent increase from 2005-2015, about half the increase in jobs projected Countywide. However, the lasting impacts of the current economic recession have not been factored into these projections and remain to be seen over the next several years.

Despite the strength of Walnut Creek’s professional and health care sector, many of the workers who make up the diversity of Walnut Creek’s workforce earn limited incomes and are priced out of the local housing market. Based on 2008 Occupational Wage data for Contra Costa County, occupations earning very low, low, and moderate incomes include key members of the Walnut Creek community, such as the example occupations presented in Table II-5. Traditionally, moderate-income professions have included teachers, police officers, fire fighters, and nurses. Because of high housing prices in Walnut Creek and surrounding areas, many of these professionals must live farther away where homes are less costly and with longer commute distances to their place of work.

**Table II-5:
Employment Profile**

Very Low Income Occupations (<\$30,150 annual wage)	
➤ Home Health Aides	➤ Security Guards
➤ Childcare Workers	➤ Waiters/Waitresses
➤ Paramedics	➤ Retail Salesperson
➤ Cashiers	➤ Hairstylists
➤ Janitors	➤ Ambulance Drivers
Low Income Occupations (\$30,150 - \$46,350 annual wage)	
➤ Preschool Teachers	➤ Office & Administrative Support
➤ Postal Mail Carriers	➤ Machinists
➤ Bookkeeping, Accounting Clerks	➤ Chemical Technicians
➤ Bus Drivers	➤ Electronic Engineering Technicians
➤ Reporters	➤ Clerks
Median Income Occupations (\$46,350 - \$60,300 annual wage)	
➤ Family/School Social Workers	➤ Social Workers
➤ Kindergarten Teachers	➤ Post Secondary Teachers
➤ Paralegals/Legal Assistants	➤ Graphic Designers
➤ Biological Technicians	➤ Advertising Sales Agents
➤ Real Estate Sales Agents	➤ Carpenters

Source: Occupational Employment Statistics (2008 – 1st Quarter), www.labormarketinfo.edd.ca.gov

Employment trends affect planning for housing. If a city does not have enough housing units to house the workers employed in the city, the cost of housing is increased as people compete for the limited number of units. Workers who lose out in that competition must find housing elsewhere and commute to work, increasing traffic congestion on major freeways and arterials, and contributing to air quality degradation. As a means of mitigating the impact of job growth on the demand for affordable housing, Walnut Creek has adopted a commercial

linkage fee. Fees that are collected are held in a housing fund and are used to subsidize the new development of low or very low income rental housing.

Jobs/housing balance is defined as the ratio of number of jobs to number of housing units in a given area. Although the term “jobs/housing balance” is still often used, the more precise relationship is between jobs and the number of employed residents (because some households have no workers, while others have multiple workers).

Jobs and housing are considered to be balanced when there are an equal number of employed residents and jobs within a given area, with a ratio of approximately 1.0. Balancing jobs and housing should result in a reduction in commuting, as well as achieving a number of other related goals, including reduced traffic congestion on major freeways and arterials, improved regional air quality conditions, and an enhanced community economic base. The balance between jobs and housing is an important consideration in establishing housing production and affordability goals. Based on ABAG’s estimates for 2005, Walnut Creek has a jobs-to-employed residents ratio of 1.63, indicating the City is jobs-rich, and reliant on importing workers from outside its jurisdiction. As evidenced in Table II-6, Walnut Creek is the least “balanced” community in Central Contra Costa County.

**Table II-6:
Jobs to Employed Residents Ratio (2005)**

City	Jobs/Employed Residents
Concord	1.13
Lafayette	0.95
Martinez	1.02
Pleasant Hill	0.88
Walnut Creek	1.63
Contra Costa County	0.82

Source: ABAG Projections 2007

B. Household Characteristics

Household type and size, income levels, the presence of special needs populations, and other household characteristics determine the type of housing needed by residents. This chapter details the various household characteristics affecting housing needs.

1. Household Type

The Census defines a “household” as any group of people occupying a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons who share living quarters. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households. Household characteristics are important indicators of the type and size of housing needed in a community.

According to the 2005-2007 American Community Survey, Walnut Creek is home to 30,700 households, of which 44 percent are families. Families are comprised of families with or without children as well as other family types, such as female-headed households with children. Non-families, including singles, and other households, make up 56 percent of