



II. Housing Needs Assessment

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 Walnut Creek. The main sources of information for the Housing Needs Assessment are the 2000 and 2010 U.S. Census and the 2009-2011 American Community Survey conducted by the U.S. Census Bureau based on a sampling of households.¹ Additional data sources used in the Housing Needs Assessment include:

- Population and housing unit counts by the State Department of Finance (DOF);
- Housing market information, such as home sales and rents from Zillow.com and DataQuick sales transactions;
- Public and non-profit agencies were consulted for data on special needs groups, the services available to them, and gaps in the system;

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 2009-2011 three year average results in a margin of error within acceptable levels.

- Lending patterns for home purchase and home improvement loans are provided through the Home Mortgage Disclosure Act (HMDA) database;
- Association of Bay Area Governments (ABAG) Forecast of Jobs, Population, and Housing Projections and ABAG's Regional Housing Needs Determination (July 18, 2013) provides demographic projections and information on future housing needs; and
- The U.S. Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy provides comparative data for income levels of various groups, 2000 and 2006-2010.

A. Demographic Profile

This section addresses population numbers, age, race/ethnicity, and employment of Walnut Creek's residents. In a broad sense, 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, jobs, income level, household type, desirability of community, taxes, fees and other costs combine to influence the type of housing needed and the ability to afford housing.

Population Trends

Walnut Creek is the fifth largest city in Contra Costa County with a population of 65,684 in 2013. Table II-1 presents population growth trends in Walnut Creek from 1990 to 2013. 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 to 2010, the population of the city actually decreased by one percent, similar to the adjacent cities of Concord (zero percent increase) and Martinez (one percent decrease), yet in contrast to the more robust 11 percent population growth evidenced countywide. The population of other surrounding cities (i.e., Lafayette and Pleasant Hill) only increased by one or two percent. Walnut Creek's population increased by two percent from 2010 to 2013, similar to surrounding cities and the county.

TABLE II-1 POPULATION GROWTH TRENDS CITY OF WALNUT CREEK 1990-2013							
Jurisdiction	1990	2000	2010	2013	Percent Change		
					1990-2000	2000-2010	2010-2013
Concord	111,348	121,710	122,067	123,812	9%	0%	1%
Lafayette	23,501	23,463	23,893	24,312	0%	2%	2%
Martinez	32,038	36,167	35,824	36,578	13%	-1%	2%
Pleasant Hill	31,585	32,847	33,152	33,633	4%	1%	1%
Walnut Creek	60,569	64,583	64,173	65,684	7%	-1%	2%
Contra Costa County	803,732	948,816	1,049,025	1,074,702	18%	11%	2%

Sources: 1990, 2000, 2010 Census; State Department of Finance 2013 - 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, *Projections 2013*, estimated Walnut Creek’s 2010 population at 64,173 and project a 2020 population of 69,900 and a 2030 population of 76,100. The countywide projected growth rate between 2010 and 2020 (7.1 percent) is slightly less than Walnut Creek’s, at 8.9 percent, which is projected to continue at roughly the same rate, 8.9 percent, between 2020 and 2030.

Age Characteristics

A community’s housing needs are determined in part by the age of its residents. Each age group typically 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 2000 and 2010 and compares this with the county as a whole. Walnut Creek has a higher than average median age, and like many communities nationwide, Walnut Creek’s population is aging. The City’s median age was 45.1 in 2000 and had increased to 47.9 years by 2010. This is in contrast to the significantly lower countywide median age of 38.5 and statewide average of 35.2 in 2010. Factors contributing to this shift in the city’s age structure include an aging in place of young adults into the middle age bracket, an increase in the number of seniors, and a decline in the number of new young adults and families, as well as the presence of a large senior-only housing area, Rossmoor, which accounts for 21 percent of the total housing stock in the city.

TABLE II-2 AGE CHARACTERICS AND TRENDS CITY OF WALNUT CREEK 2000 AND 2010					
Age Groups	2000		2010		Contra Costa County 2010
	Persons	Percent	Persons	Percent	
Preschool Age (Ages 0-4)	2,305	4%	2,633	4%	6%
School Age (5-17)	8,455	14%	8,086	13%	18%
College Age (18-24)	3,351	5%	3,599	6%	8%
Young Adults (25-44)	17,394	27%	15,137	24%	27%
Middle Age (45-64)	15,961	25%	17,653	28%	28%
Senior Adults (65+)	16,281	25%	17,065	27%	12%
Total	64,296	100%	64,173	100%	100%

Sources: 2000, 2010 Census.

In the years from 2000 to 2010, the number of middle age adults (45 to 64) in Walnut Creek increased by 11 percent, becoming the largest segment (28 percent) of the City's population. The City also experienced a 5 percent increase in its senior population during this period, with 27 percent of City residents now over the age of 65. In contrast, the City has seen a 1.3 percent decline in the number of young adults (25 to 44) over the past 10 years, decreasing from 27 to 24 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 apartments and 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 older). And if the City wants to ensure new young families can move into the community, additional affordable housing opportunities for families will be critical.

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 73 percent in 2010), their share of the population has decreased steadily over the past two decades (from 81% in 2000), while the other racial groups have grown in both size and proportion. As shown in Table II-3, the Asian/Pacific Islanders share of the population

increased the most by 2,000 persons from 9 percent of the population in 2000 to 13 percent in 2010, and the Hispanic share of the population increased by 1,700 from 6 percent to 9 percent of the total. 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 CITY OF WALNUT CREEK 2000 AND 2010					
Race/Ethnicity	2000		2010		Contra Costa County (2010)
	Persons	Percent	Persons	Percent	
White	51,834	81%	47,170	73%	48%
Asian/Pacific Islander	6,059	9%	8,068	13%	15%
Native American	148	0%	99	0%	0%
Hispanic	3,851	6%	5,540	9%	24%
African American	666	1%	996	2%	9%
Other Race*	1,738	3%	2,300	3%	4%
Total	64,296	100%	64,173	100%	100%

Sources: 2000, 2010 Census.

Note: 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 2012/2013, a total of 30 percent of the elementary student population in Walnut Creek was comprised of Asians (13 percent), Hispanics (14 percent), and Blacks (three percent), slightly higher than the incidence of these racial/ethnic groups in the city’s population as a whole. In contrast, minorities comprise 64 percent of the student population countywide.

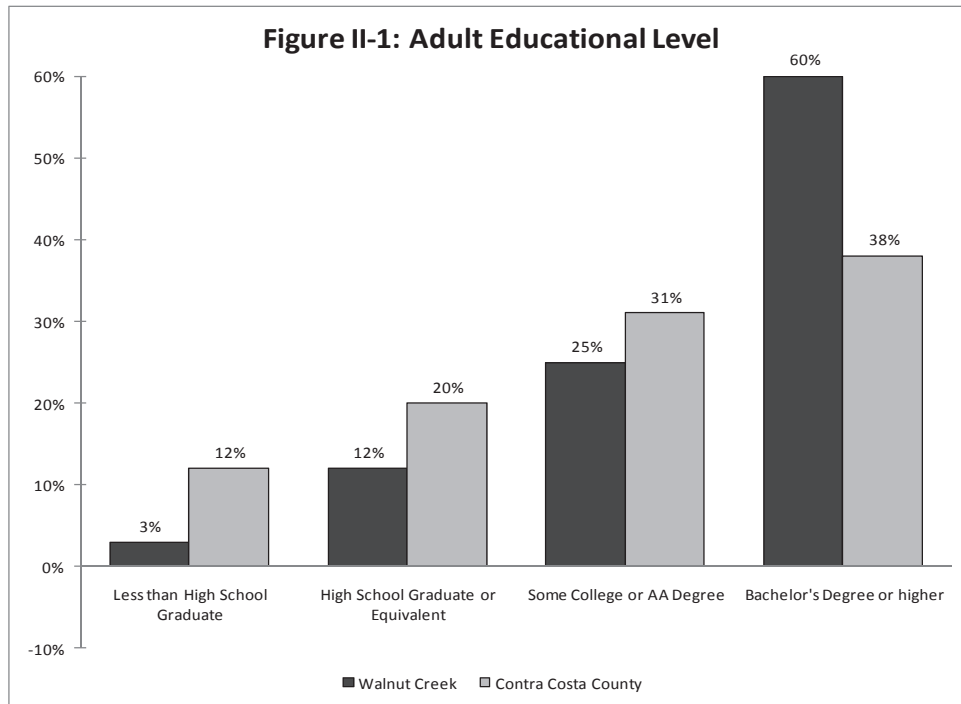
Employment Characteristics

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 (EDD) estimates that as of June 2013, 35,400 Walnut Creek residents were in the labor force, with 4.9 percent unemployment, compared to a countywide unemployment rate of 7.3 percent and a statewide rate of 8.8 percent. California’s unemployment has decreased almost two percentage points from one year ago, reflective of the recovering economy.

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; about 60 percent of adult residents have a college or graduate degree while one-quarter have at least some college education (Figure II-1). In the county, 38 percent of residents have a college or graduate degree and 32 percent have high school diploma or less. The occupations held by Walnut Creek residents also reflect the highly skilled, educated population.



Source: 2007-2011 American Community Survey.

Table II-4 describes the types of occupations held by Walnut Creek residents. Approximately 82 percent of residents are employed in either managerial/professional occupations (59 percent) or sales and office occupations (23 percent). 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 9 percent from 2000 to 2011. In contrast, there were noticeable declines (5 percent decrease) in the number of residents engaged in the sales and office occupational category.

TABLE II-4 EMPLOYMENT PROFILE CITY OF WALNUT CREEK 2000 AND 2011				
Occupations of Residents	2000		2011	
	Persons	Percent	Persons	Percent
Managerial / Professional	16,878	56%	18,320	59%
Sales and Office	8,393	28%	7,103	23%
Service Occupations	2,748	9%	3,662	13%
Production/ Transportation/ Repair	1,093	4%	987	3%
Construction/ Extraction/ Maintenance; Farming, Forestry, Fishing	1,274	4%	1,057	3%
Total	30,386	100%	31,129	100%

Sources: 2000 U.S. Census, 2011 American Community Survey.

City Employment Base

The city’s employment base counts all the people who work in Walnut Creek and is different than the previous statistics that counted the employment of the people who live in Walnut Creek. Walnut Creek serves as a major employment center for Contra Costa County and the San Francisco Bay Area. ABAG estimates Walnut Creek’s 2010 employment at 30,443 jobs. Financial and Professional Service jobs along with Health, Education, Government, and Recreational Service industries comprise 71 percent of the City’s jobs, followed by Retail (13 percent) and Manufacturing/ Wholesale/ Transportation (8 percent).

In 2013, ABAG projected Walnut Creek’s employment to grow to 33,130 by 2020 and 38,520 by 2040, reflecting a 7.6 percent growth rate from 2010 to 2040. Walnut Creek’s projected growth is slightly more than Contra Costa County’s growth rate of 7.3 percent from 2010 to 2040.

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 the 2013 HUD Income Limits for the Oakland-Fremont Metropolitan Statistical Area, 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, auto mechanics, fire fighters, and dental assistants. 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 CITY OF WALNUT CREEK 2013	
Very Low Income Occupations (less than \$31,251 annual wage)	
<ul style="list-style-type: none"> ➤ Home Health Aides ➤ Childcare Workers ➤ Tellers ➤ Cashiers ➤ Maids/Housecleaners 	<ul style="list-style-type: none"> ➤ Telemarketers ➤ Waiters/Waitresses ➤ Retail Salesperson ➤ Hairstylists ➤ Ambulance Drivers
Low Income Occupations (\$31,251 - \$45,100 annual wage)	
<ul style="list-style-type: none"> ➤ Preschool Teachers ➤ Truck Drivers ➤ Paramedics ➤ Bus Drivers ➤ Security Guard 	<ul style="list-style-type: none"> ➤ Office & Administrative Support ➤ Janitors ➤ Medical Assistants ➤ Farm Equipment Mechanics ➤ Clerks
Moderate/Median Income Occupations (\$45,101 - \$89,200 annual wage)	
<ul style="list-style-type: none"> ➤ Family/School Social Workers ➤ Kindergarten Teachers ➤ Paralegals/Legal Assistants ➤ Biological Technicians ➤ Real Estate Brokers 	<ul style="list-style-type: none"> ➤ Social Workers ➤ Post Secondary Teachers ➤ Graphic Designers ➤ Advertising Sales Agents ➤ Carpenters

Source: Occupational Employment Statistics (2013 – 1st Quarter) for the Oakland-Fremont Metropolitan Statistical Area (Alameda and Contra Costa Counties), www.labormarketinfo.edd.ca.gov; HUD 2013 Income Limits.

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 may increase 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 development of new low- or very low-income rental housing, first-time homebuyer loans, and other assistance.

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). The jobs/housing balance is a simple ratio, other considerations on whether housing meets the needs of the local workforce include the wages earned and cost of housing in the jurisdiction, as well as household size and housing unit size, described in more detail below.

TABLE II-6 JOBS TO EMPLOYED RESIDENTS RATIO CITY OF WALNUT CREEK 2010	
City	Jobs/Employed Residents
Concord	1.01
Lafayette	1.10
Martinez	1.22
Pleasant Hill	1.21
Walnut Creek	1.27
Contra Costa County	0.86

Source: ABAG Jobs-Housing Connection Strategy, May 16, 2012.

Note: Ratio of jobs to housing units, assuming 1.5 employed residents per housing unit.

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 2010, Walnut Creek has a jobs-to-employed residents ratio of 1.27, 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.

B. Household Characteristics

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

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 2010 Census, Walnut Creek is home to 30,433 households, of which 53 percent are families. Families, defined as persons related through marriage or blood, are comprised of families with or without related children as well as other family types, such as

female-headed households with children. Non-families, including singles, and other households, make up 47 percent of households in Walnut Creek. According to the Department of Finance, there are currently (2013) 64,682 people living in households in Walnut Creek.

TABLE II-7 HOUSEHOLD CHARACTERISTICS CITY OF WALNUT CREEK 2000 AND 2010				
Household Type	2000		2010	
	Number	Percent	Number	Percent
Households	30,301	100%	30,433	100%
Families	16,551	55%	16,220	53%
With Children	6,652	22%	6,310	21%
Without Children	9,899	33%	9,910	33%
Singles	11,509	38%	11,884	39%
Other	2,241	7%	2,329	8%

Sources: 2000, 2010 Census.

Even though there have been slight increases numerically, the percentage of households by composition has remained relatively stable since 2000, as shown in Table II-7. Since household composition has generally remained constant, the average household size was also similar with 2.09 persons per household in 2000 to 2.08 persons per household in 2010. Current (2013) estimates from the Department of Finance report that the average household size in Walnut Creek is 2.11 persons per household.

Household Income

Household income is a key factor affecting housing opportunity, determining a household's ability to balance housing costs with other basic necessities. Income levels can vary considerably among households based upon tenure, household type, location of residence, and race/ethnicity, among other factors.

Income Definitions

The State and Federal government classify household income into several groupings based upon the relationship to the county-area median income (AMI), adjusted for household size. The State of California uses the income groups presented in Table II-8. However, Federal housing programs use slightly different income groupings and definitions, with the highest income category generally defined as 95 percent of AMI or greater. For purposes of the Housing Element, the State income definitions are used throughout, except for the data that have been compiled by the Federal Department of Housing and Urban Development (HUD) and is specifically noted.

TABLE II-8 STATE INCOME CATEGORIES	
Income Category	% of County Area Median Income (AMI)
Extremely Low	0-30% AMI
Very Low	31-50% AMI
Low	51-80% AMI
Moderate	81-120% AMI
Above Moderate	120% AMI or greater

Source: Section 50093 of the California Health and Safety Code.

Based on information from the 2007-2011 American Community Survey for the year 2010, the median household income of Walnut Creek residents was \$84,722. As seen in Figure II-2, the median household income in Walnut Creek was comparable to that in the neighboring cities of Martinez and Pleasant Hill, but well below that in Lafayette. The 2010 countywide median household income was \$79,135, 7 percent below that of Walnut Creek.

Evaluating Walnut Creek’s income level by household income category from 2000 to 2010 illustrates that lower income households (less than 80 percent AMI) increased only slightly from 28 to 29 percent of the city’s total households. As depicted in Table II-9, the city experienced the most significant growth in extremely low income households (31 percent).

Extremely low income-households – those earning less than 30 percent of area median income – face the most significant housing needs. Over 60 percent of Walnut Creek’s 3,070 extremely low-income households are senior citizens. As seniors are typically on fixed incomes, an increase in rents can have a considerable impact on extremely low-income senior renters. Senior homeowners with extremely low incomes also face significant needs related to maintaining their homes. Note: income as defined does not include other assets.

TABLE II-9 HOUSEHOLD INCOME LEVELS CITY OF WALNUT CREEK 2000 AND 2006-2010				
Income Level	2000		2010	
	Households	Percent	Households	Percent
Extremely Low Income (<30% AMI)	2,336	8%	3,070	10%
Very Low Income (31-50% AMI)	2,710	9%	2,810	9%
Low Income (51-80% AMI)	3,509	11%	2,955	10%
Moderate Income and above (>80% AMI)	21,837	72%	21,250	71%
Total	30,392	100%	30,085	100%

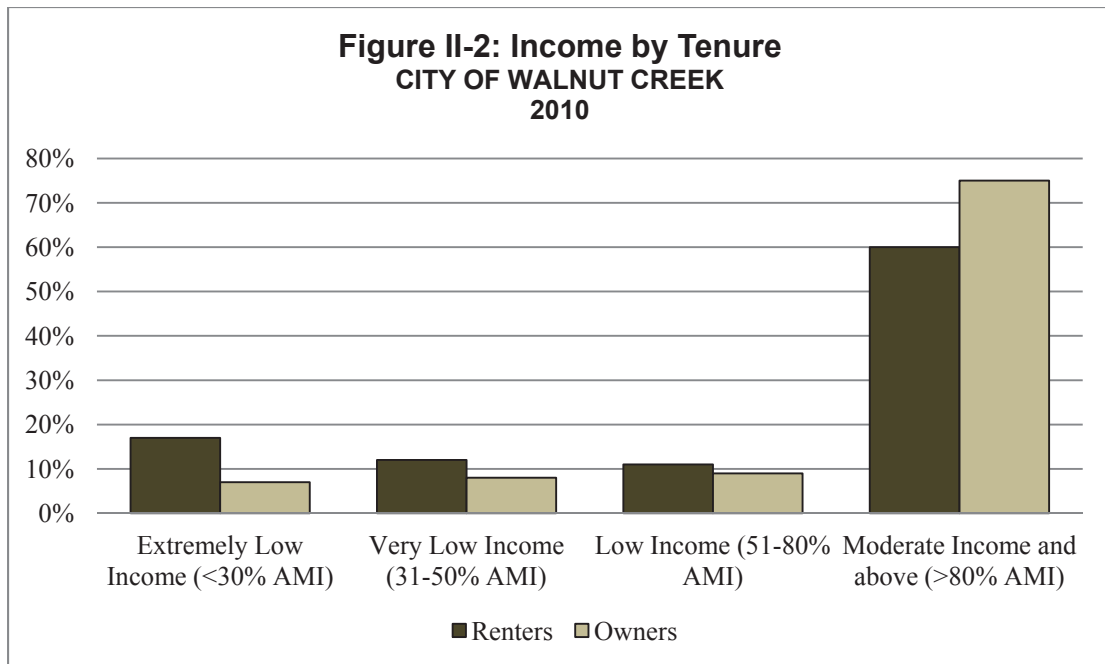
Source: Comprehensive Housing Affordability Strategy, 2000 and 2006-2010.

Income by Household Tenure

Table II-10 and Figure II-2 show the income level of Walnut Creek residents by household tenure. A significantly higher percentage of renter households (40 percent) had lower incomes (less than 80 percent AMI), compared to residents who owned their homes (24 percent). The presence of approximately 2,600 extremely low- and very low-income renter households is of particular significance as market rents in Walnut Creek exceed the level of affordability for these households (discussed in greater detail in the Housing Affordability section later in Section D, Housing Stock Characteristics). A high level of housing overpayment is verified by the 2006-2010 Comprehensive Housing Affordability Strategy (CHAS) which identifies 40 percent of extremely low- and very low-income Walnut Creek renters as spending greater than 30 percent of their income on housing.

TABLE II-10 INCOME BY OWNER/RENTER TENURE CITY OF WALNUT CREEK 2006-2010				
Income Level	Renters		Owners	
	Households	Percent	Households	Percent
Extremely Low Income (<30% AMI)	1,540	17%	1,530	7%
Very Low Income (31-50% AMI)	1,090	12%	1,720	8%
Low Income (51-80% AMI)	1,045	11%	1,910	9%
Moderate Income and above (>80% AMI)	5,455	60%	15,795	75%
Total	9,130	100%	20,955	100%

Source: Comprehensive Housing Affordability Strategy, 2006-2010.



Source: 2010 Census

Income by Household Type

While renters were more likely to have lower incomes than owners, there is also significant variation in income levels by household type, as shown in Table II-11. Almost half (44 percent) of elderly households in Walnut Creek are lower income, with 16 percent extremely low income. In contrast, 27 percent of other households, 16 percent of large families, and 12 percent of small families have lower incomes.

Income Level	Elderly	Small Family	Large Family	Other
Extremely Low Income (<30% AMI)	16%	5%	5%	11%
Very Low Income (31-50% AMI)	15%	4%	4%	8%
Low Income (51-80% AMI)	13%	7%	3%	8%
Moderate Income and above (>80% AMI)	57%	85%	88%	72%
Total	11,925	10,000	910	7,160

Source: Comprehensive Housing Affordability Strategy, 2006-2010.

Housing Needs of Extremely Low Income Households

As described above, a significant number Walnut Creek's households meet the definition of extremely low income (i.e., households with incomes under 30 percent of a county's median income. In Walnut Creek, a four-person household with an income of \$26,750 in 2013 would qualify as an extremely low-income household. Extremely low-income households typically consist of minimum wage workers, seniors on fixed incomes, and persons with disabilities.

Extremely low-income households are more likely to live in overcrowded and substandard housing conditions. HUD defines households with "any housing problem" as those with a housing cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities. Table II-12 compares the number of extremely low-income households in Walnut Creek with those in Contra Costa County and the State of California. Walnut Creek has a lower percentage of extremely low-income households (8.7 percent) than Contra Costa County (11.3 percent) and California (14.1 percent). However, 82 percent of Walnut Creek households are cost-burdened, a rate higher than both Contra Costa County and California. Nearly 79 percent of Walnut Creek Households are severely cost-burdened. In comparison, 66.7 percent of Contra Costa County households and 66.8 percent of California households are severely cost-burdened.

TABLE II-12
HOUSING COST BURDEN OF EXTREMELY LOW-INCOME HOUSEHOLDS
CITY OF WALNUT CREEK, CONTRA COSTA COUNTY, STATE OF CALIFORNIA
2010

	Walnut Creek			Contra Costa County			California		
	Owners	Renters	Total	Owners	Renters	Total	Owners	Renters	Total
Number of Extremely Low-Income Households	1,245	1,400	2,645	15,285	26,365	41,650	482,570	1,260,320	1,742,890
Percent of Total Households	5.9%	15.1%	8.7%	6.0%	23.5%	11.3%	6.8%	23.9%	14.1%
Number w/ cost burden > 30%	995	1,175	2,170	11,835	20,840	32,675	357,025	1,027,880	1,384,905
Percent w/ cost burden > 30%	79.9%	83.9%	82.0%	77.4%	79.0%	78.5%	74.0%	81.6%	79.5%
Number w/ cost burden > 50%	955	1,130	2,085	9,925	17,790	27,715	293,485	870,555	1,164,040
Percent w/ cost burden > 50%	76.7%	80.7%	78.8%	64.9%	67.5%	66.5%	60.8%	69.1%	66.8%

Source: HUD SOCDS, Comprehensive Housing Affordability Strategy (CHAS) Database, 2009

Extremely low-income households typically consist of minimum wage workers, seniors on fixed incomes, persons with disabilities, and farmworkers. Housing types that are needed to provide adequate housing for these households include single-room occupancy units, supportive housing, transitional housing, and other affordable or non-traditional housing types. Government Code Section 65583(a)(1) states:

“Local agencies shall calculate the subset of very low-income households allotted under Section 65584 that qualify as extremely low-income households. The local agency may either use available census data to calculate the percentage of very low-income households that qualify as extremely low-income households or presume that 50 percent of the very low-income households qualify as extremely low-income households. The number of extremely low-income households and very low-income households shall equal the jurisdiction's allocation of very low-income households pursuant to Section 65584.”

Based on Walnut Creek’s 2014-2022 RHNA, there is a projected need for 302 extremely low-income housing units (which assumes 50 percent of the very low-income allocation) within the city.

C. Special Needs Groups

Certain groups have greater difficulty in finding decent, affordable housing due to their special circumstances. Special circumstances may be related to one’s employment and income, family characteristics, disabilities, and household characteristics, among others. As a result, certain segments of Walnut Creek residents may experience a higher prevalence of lower income, overpayment, overcrowding, housing cost burden, or other housing problems.

State Housing Element law identifies the following “special needs” groups: senior households, disabled persons including those with developmental disabilities, large families, female-headed households, families and persons in need of emergency shelter, and agricultural workers. Table II-13 summarizes the special needs populations in Walnut Creek. This section provides a detailed discussion of the housing needs of each particular group as well as the major programs and services available to address their housing and supportive service needs. This section also summarizes the housing needs of extremely low-income households, which includes many of the populations identified as special needs groups.

TABLE II-13 SPECIAL NEEDS GROUPS CITY OF WALNUT CREEK 2009-2011			
Special Needs Groups	Persons	Households	Percent ¹
Seniors (65+)	16,550	--	26%
With a disability ²	6,048	--	(36%)
Senior Households	--	11,073	37%
Renter	--	2,005	(18%)
Owner	--	9,068	(82%)
Seniors living alone	--	6,097	(55%)
Persons with Disability ²	7,665	--	12%
With a developmental disability	3,793 ³	--	--
Female-headed Households	--	1,871	6%
With own children	--	794	(42%)
Large Households	--	1,127	4%
Renter	--	273	(24%)
Owner	--	854	(76%)
Agricultural Workers ⁴	129	--	<1%
Homeless ⁵	28	--	--
Total Persons / Household	64,168	30,018	--

Source: 2007-2011 American Community Survey (unless otherwise noted).

¹ Numbers in (parenthesis) reflect the percentage of the special needs group, and not the percentage of the City Population / Households. For example, of the City's Senior households, 18 percent are renters and 82 percent are owners.

² Source: 2009-2011 American Community Survey.

³ Source: California Department of Developmental Services

⁴ Persons employed in the agriculture, forestry, fishing and hunting, and mining industries.

⁵ 2013 Contra Costa County Homeless Count, Contra Costa County Inter-jurisdictional Council on Homelessness).

Senior Households

Senior households typically have special housing needs due to three primary concerns – income, housing and health care costs, and physical disabilities. According to the 2007-2011 American Community Survey, seniors (age 65 and older) make up about 37 percent of Walnut Creek households. Some of the special needs of seniors are as follows:

- **Disabilities:** About 36 percent of Walnut Creek's seniors have a disability.
- **Limited Income:** About 36 percent of senior renter households and 12 percent of senior homeowners in Walnut Creek earn extremely low incomes (less than 30 percent AMI).

- **Overpayment:** One-third of Walnut Creek’s seniors spend greater than 30 percent of their incomes on housing costs, considered “housing overpayment.” Overpayment is particularly prevalent among senior renters, with over three quarters overpaying.

The vast majority (84 percent) of the senior households in Walnut Creek own their own home. Senior homeowners, particularly elderly women, may require assistance in performing regular home maintenance or repair activities due to physical limitations.

The special needs of seniors can be met through a range of services, including congregate care, rent subsidies, shared housing, and housing rehabilitation assistance. For the frail or disabled elderly, housing with architectural design features that accommodate disabilities helps ensure continued independent living. Elderly persons with disabilities also benefit from transportation alternatives and shared housing options. Senior housing with supportive services can be provided to assist with independent living.

Social and supportive services are available in Walnut Creek and neighboring cities through various agencies and organizations, including (but not limited to): the County Area Agency on Aging, John Muir Volunteer Caregivers Program, Older Adults Clinics, Alzheimer’s Disease Research Center, and Health Insurance Counseling and Advocacy Program. The County Area Agency on Aging, in particular, offers information services for seniors on a variety of topics including: health, housing, nutrition, activities, in-home help, employment, legal matters, transportation, financial or personal problems, paralegal advice, day activities for the disabled, and health screening. The Walnut Creek Seniors’ Club also provides information on housing, transportation, medical care, and other senior services.

Approximately 50 percent of Walnut Creek’s 65 and older population lives in Rossmore which is a senior adult community. This 2,400 acre golf-course community provides 6,700 units for seniors age 55 and above, including a mix of cooperatives, condominiums, and single-family homes. Prices range from \$100,000 for cooperatives to over \$1,000,000 for a single-family home.

Persons with Disabilities

Physical, mental, and/or developmental disabilities may prevent a person from working, may restrict one’s mobility, or make it difficult to care for oneself. Therefore, disabled persons often have special housing needs related to their potentially limited income-earning capacity, a lack of accessible and affordable housing, and the higher health costs associated with their disability. Some residents suffer from disabilities that require living in a supportive or institutional setting. Disabilities are defined as mental, physical, or health conditions that last over six months. The Census tracks the following disabilities:

- **Sensory Disability:** Conditions that include blindness, deafness, or a severe vision or hearing impairment.

- **Physical Disability:** Conditions that substantially limit one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying.
- **Mental Disability:** Because of a physical, mental, or emotional condition, a person has difficulty learning, remembering or concentrating.
- **Self-care Disability:** Because of a physical, mental, or emotional condition, a person has difficulty dressing, bathing, or getting around inside the home.
- **Go-outside-home Disability:** Because of a physical, mental, or emotional condition, a person has difficulty going outside the home alone to shop or visit a doctor's office.
- **Employment Disability:** Because of a physical, mental, or emotional condition, a person has difficulty working at a job or business.

Almost 7,700 residents in Walnut Creek have some form of disability, representing about 12 percent of the city’s population. A large of number of disabled persons either do not work, or are only marginally employed, resulting in a significant segment of the disabled population relying primarily on public assistance, equivalent to an extremely low income level. The U.S. Census estimates that there are 521 persons with a disability living below the poverty line in Walnut Creek. Such households are particularly vulnerable to increasing housing costs and can easily become homeless without the necessary support services in place.

The living arrangement of disabled persons depends on the severity of the disability. Many persons live at home in an independent fashion or with other family members. To maintain independent living, disabled persons may need special assistance. This can include special housing design features, income support for those who are unable to work, and in-home supportive services, among others.

TABLE II-14 LICENSED COMMUNITY CARE FACILITIES CITY OF WALNUT CREEK 2013		
Type of Facility	Facilities	Capacity (beds)
Adult Residential ¹	5	30
Elderly Residential ²	83	1,442
Adult Day Care	0	0
Total	88	1,472

Source: State of California Department of Social Services, Community Care Licensing Division, October 2013.

¹ Adult residential facilities provide care for adults with various disabilities and disorders.

² Elderly residential facilities provide care for persons age 60 and above.

Community care facilities are one housing option for persons with developmental, mental, and/or physical disabilities. As shown in Table II-14, 88 licensed community care facilities are located in Walnut Creek, including five adult residential facilities and 84 elderly residential facilities. Most of these care facilities are for the elderly, reflecting the special needs of senior residents, especially those with disabilities.

Independent Living Resource (ILR), a non-profit organization with an office in Concord, provides information and referral, attendant referral, advocacy, housing assistance, and peer counseling services for persons with disabilities. ILR also offers advocacy services and advises clients regarding their rights under Section 504 of the federal Rehabilitation Act of 1972 for disabled individuals. ILR's housing referral services assist clients by maintaining a registry of accessible, adaptable, affordable apartments and houses, information on how to adapt a living environment to a disabled individual's needs, and assistance with obtaining a low-income housing subsidy.

Additional resources and information for the disabled are available through Contra Costa ARC (formerly Association for Retarded Citizens). Contra Costa ARC, located north of the city in Martinez, provides a variety of services and resources to persons with developmental disabilities. Access for Disabled Americans in Walnut Creek offers additional resources and services for disabled individuals.

Transportation service for persons with disabilities is available through County Connection LINK made available by the Central Contra Costa Transit Authority. Under this program door-to-door, dial-a-ride paratransit services are offered to individuals with disabilities.

Developmental Disabilities

SB 812, which took effect January 2011, amended State housing element law to require an evaluation of the special housing needs of persons with developmental disabilities. A "developmental disability" is defined as a disability that originates before an individual becomes 18 years old, continues or can be expected to continue indefinitely, and constitutes a substantial disability for that individual. This includes Mental Retardation, Cerebral Palsy, Epilepsy, and Autism.

According to the California Department of Developmental Services, during Fiscal Year 2011/12 the Regional Center of the East Bay served 3,793 residents with developmental disabilities in the region (see Table II-15). Of the regional total, 27 percent of disabled persons are ages 0-14, 18 percent are ages 15-22, 42 percent are ages 23-54, 9 percent are ages 55-64, and 4 percent are ages 65 or over. The Agnews Developmental Center in San Jose, which also served residents from the region, closed in 2009. Most developmentally-disabled residents in the region (68.7 percent) have an intellectual disability.

Few developmentally-disabled individuals receiving services from the Regional Center of the East Bay lived in a group home facility (16 percent). Most developmentally-disabled individuals receiving services from the Regional Center of the East Bay lived at home (66

percent). Many developmentally-disabled persons are able to live and work independently. However, more severely disabled individuals require a group living environment with supervision, or an institutional environment with medical attention and physical therapy. Additionally, many (roughly 45 percent) developmentally-disabled individuals are under the age of 23. Because developmental disabilities exist before adulthood, the first housing issue for the developmentally-disabled is the transition from living with a parent/guardian as a child to an appropriate level of independence as an adult.

TABLE II-15 DEVELOPMENTAL DISABILITY BY TYPE CITY OF WALNUT CREEK 2011-2012		
Disability Type	Number	Percent¹
Total	3,793	100.0%
Autism	861	22.7%
Epilepsy	707	18.6%
Cerebral Palsy	643	17.0%
Intellectual Disability	2,605	68.7%
Other Diagnosis	576	15.2%

Source: California Department of Developmental Service, July 1, 2012.

¹ Individuals may experience more than one developmental disability.

The City of Walnut Creek has several residential care facilities to serve disabled residents. The California Community Care Licensing Division provides reports on the number of facilities and number of beds available, which are displayed in Table II-15.

Female-Headed Households

Walnut Creek is home to an estimated 1,871 female-headed households, or six percent of the city’s households. Almost half of these households also have children under 18 years old. Single-parent households are usually one-income households and are therefore more likely to have difficulty finding affordable, decent, and safe housing. These households often require special consideration and assistance because of their greater need for affordable housing, accessible day care/childcare, health care, and other supportive services. Female-headed families with children are an especially vulnerable group since they must balance the needs of their children with work responsibilities, often with only one source of income.

For battered women and their children, STAND! For Families Free of Violence (formerly Battered Women’s Alternatives) in Pleasant Hill offers a variety of services to victims of domestic violence, including a 24-bed emergency shelter, a transitional housing center, a 24-hour crisis line, legal advocacy, employment assistance, and a treatment program for battered women.

Large Households

Large households are defined as households with five or more members. These households constitute a special need group because there is often a limited supply of adequately-sized, affordable housing units in a community.

Walnut Creek is home to 1,127 large households representing just four percent of total households in the city. Of these large households, 24 percent (273) are renter households. Based on the CHAS (Comprehensive Housing Affordability Strategy) Data prepared by HUD, 47 percent of Walnut Creek's large renter households suffer from one or more housing problems, including housing overpayment, overcrowding, and/or substandard housing conditions, and 30 percent of large households earn lower incomes.

Many rental units have one or two bedrooms, and affordability for the few larger rental units has remained a special area of concern for the city. The rents associated with most of the large rental units are well beyond the reach of many lower-income large renter households. The need for larger units coupled with lower rents is reflected in the city's higher overcrowding rate for large renter households (discussed later in this chapter).

Homeless Persons

In January 2013, the Contra Costa Homeless Program, the staff of various homeless services programs, and more than 120 volunteers conducted a point-in-time count of homeless in Contra Costa County. The *2013 Contra Costa Homeless Count* included both unsheltered homeless (those living on the streets and in open spaces in the county) and sheltered homeless (those receiving temporary shelter or services). Key findings of the homeless count include:

- The number of unsheltered homeless identified was 1,350 individuals, a nine percent decrease from the 2011 count.
- The number of homeless staying in shelters, transitional housing, or receiving services was identified as 2,448 persons, a significant 12 percent decrease since 2011. Part of this decrease is due to differences in the number of sheltered homeless persons reported by supportive service only programs, as well as a decrease in the number of sheltered homeless children reported by the school districts.
- 858 families with children and 11 unaccompanied homeless youth were identified during the count.
- In total, there was an 11 percent decline in the number of homeless counted from 2011 to 2013 for a total of 3,798 individuals.

Within the city of Walnut Creek, the 2013 Homeless Count identified 28 unsheltered homeless people. These 28 homeless in Walnut Creek represent two percent of the total 1,350 unsheltered homeless counted countywide. The 2013 count is a significant drop from

the 77 homeless people counted in Walnut Creek in 2011. Despite the decrease in the Homeless Count, service providers in Walnut Creek are seeing an increase in the number of homeless individuals using drop-in services. Trinity Center, a homeless drop-in center located in downtown Walnut Creek, served 168 homeless persons in the first six months of 2013, which is 68 percent higher than their annual projection. Through the County's Project HOPE (Homeless Outreach Project to Encampments) homeless outreach project, each month an average of 40 to 50 unsheltered homeless in Walnut Creek were provided with integrated health, mental health, and substance abuse services during 2013.

Three major types of facilities provide shelter for homeless individuals and families: emergency shelters, transitional housing, and permanent housing.

- **Emergency Shelter:** A facility that provides overnight shelter and fulfills a client's basic needs (i.e., food, clothing, and medical care) either on-site or through off-site services. The permitted length of stay can vary from one day at a time to three months. While two agencies (Fresh Start Program and Northern California Family Center) located in Walnut Creek provide services to the homeless, no emergency shelter is located in the city. The closest shelters are in Concord and Martinez. In addition, a battered women's shelter is located near the city.
- **Transitional Housing:** A residence that provides housing for up to two years. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Services may include substance abuse treatment, mental and physical health care interventions, job training and employment services, individual and group counseling and life skills training.
- **Permanent Housing:** Affordable permanent housing or service-enriched permanent housing that is linked with supportive services (on-site or off-site) and designed to allow formerly homeless clients to live at the facility on an indefinite basis. No affordable permanent housing with supportive services for homeless individuals or families is available in Walnut Creek, though the city does have affordable housing for extremely low-income seniors.

Table II-16 lists the major housing facilities for the homeless located near Walnut Creek in central Contra Costa County. These facilities serve a variety of homeless persons, including battered women and children, mentally and/or physically disabled persons, individuals recovering from substance abuse, and needy families.

TABLE II-16 MAJOR HOMELESS FACILITIES NEAR WALNUT CREEK CITY OF WALNUT CREEK 2013			
Facility	Beds	Clients	Regional Location
Emergency Shelter			
STAND For Families Free of Violence	24	Battered women & children	Central County
Central County Adult Interim Housing Program	75	Single men & women	Concord
Shennum Center	8	Alcohol detox men	Concord
N. California Family Center Shelter	25	Runaway & homeless youth	Martinez
Transitional Housing			
Diablo Valley Ranch	66	Recovering substance abuse men	Clayton
Discovery House	40	Recovering substance abuse men	Martinez
Mi Casa	6	Transition-age youth	Concord
Mountain View House	30	Families	Martinez

Source: Contact with facility operators and facility websites.

On October 31, 2012, Fresh Start, a local homeless multi-service center ceased its operations. Fresh Start operated in partnership with St. Paul’s Episcopal Church in Walnut Creek. St. Paul’s, committed to maintaining services to the local homeless community, reopened the center as Trinity Center. Trinity Center officially opened its doors on November 1, 2013 offering a safety net for the local homeless population by providing hot meals, clothing, phone and mail access, laundry and shower facilities, and case management services three days a week. The center also offers homeless prevention services to residents at risk of becoming homeless by providing on-time rent and utility assistance, short-term rent subsidies, and case management services. Long term plans for the Center include expanding hours of operations to five days a week, facility improvements and upgrades, and increased service provision.

The City commits significant Community Development Block Grant (CDBG) and Community Service Grant (CSG) funds to provide shelter and services to the homeless and persons at risk of homelessness. The City commits CDBG and local CSG funds to the Emergency Shelter for Single Adults; for HOPE Plus, an outreach project that will provide integrated health, mental health and substance abuse services to homeless; and to Shelter, Inc.’s Emergency Housing and Homeless Services program that provides one-time financial assistance to residents for move-in costs, past due rent, or mortgage payments. CDBG and CSG funds are also granted to Trinity Center.

In 2004, the City of Walnut Creek, as part of the County Consortium, adopted a plan to end homelessness in 10 years. The City of Walnut Creek participates in quarterly meetings with the Contra Costa Interagency Council on Homelessness (CCICH), the body responsible for coordinating implementation of the County's *Ten Year Plan to End Chronic Homelessness*. The Interagency Council serves as an effective forum for attracting additional funding sources and creating affordable housing for homeless and persons at risk of homelessness. CCICH is in the beginning stages of developing the next Ten Year Plan. In November 2013, the City hosted a community meeting on the topic of homelessness. The City will convene ongoing stakeholder meetings beginning in January 2014 to discuss the issues and develop short, medium, and long term solutions to the problem.

Agricultural Workers

Agricultural Workers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural labor. They have special housing needs because of their relatively low income and the unstable nature of their job (i.e., having to move throughout the year from one harvest to the next).

Walnut Creek is an urban community located in the center of Contra Costa County. The community is built out and does not have any areas for commercial agricultural production. Agricultural and farming activities are primarily located in the eastern portion of the county near the Delta. According to the 2007-2011 American Community Survey, there were 129 Walnut Creek residents employed in farming, forestry, and fishing and hunting occupations. These individuals accounted for less than one percent of the city's total employed residents. Given that there are so few persons employed in agricultural-related industries, the City can address their housing needs through its overall housing programs.

D. Housing Stock Characteristics

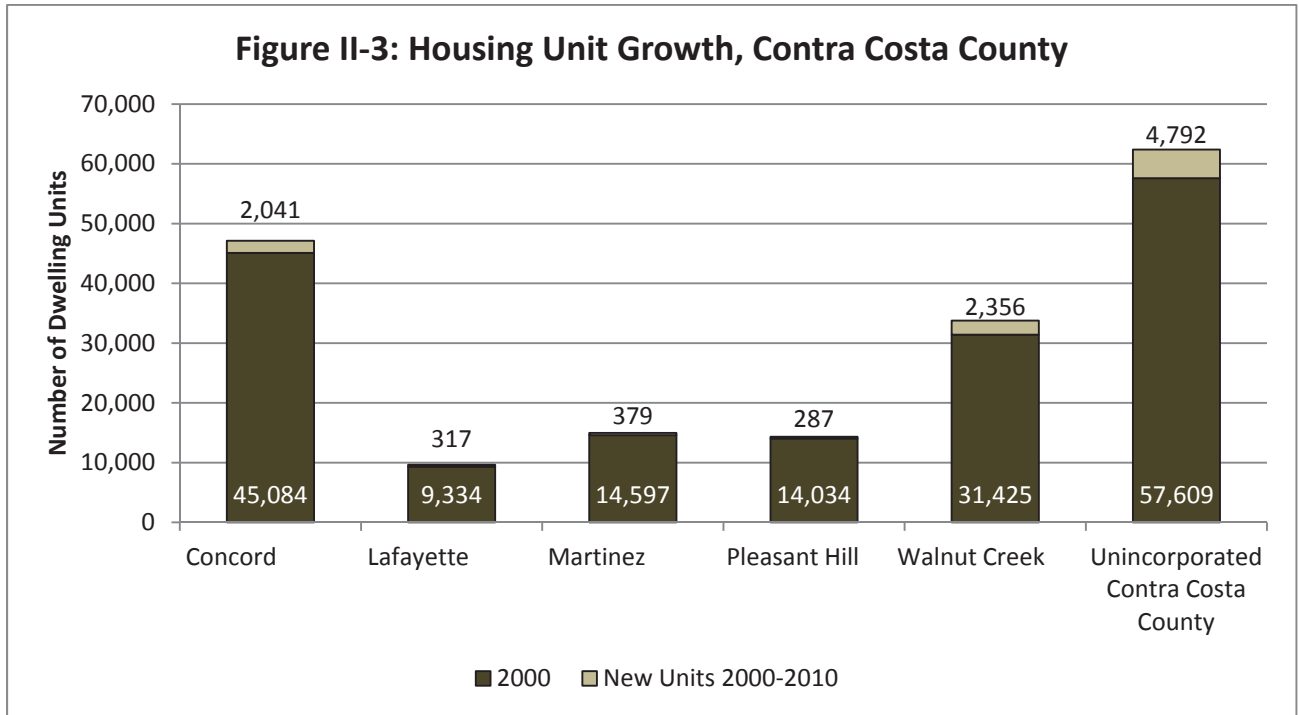
This section of the Housing Element addresses various housing characteristics and conditions that affect the quality of life for city residents. Housing factors evaluated include: housing stock and growth, tenure and vacancy rates, age and condition, housing costs, and affordability, among others.

Housing Growth

Walnut Creek has a current (2013) housing stock of 32,984 units, representing an increase of 303 new units since 2010. From 2000 to 2010, Walnut Creek added 1,256 units to its housing stock.

Figure II-3 compares Walnut Creek's housing growth during the past decade with nearby communities and the county as a whole. As shown, housing growth rates in Walnut Creek, Martinez, Pleasant Hill, Lafayette, and even Concord have been minimal in the current decade at under five percent. Unincorporated Contra Costa County experienced the highest growth rates, at about 8 percent, followed by Concord at about 5 percent. Walnut Creek's

growth rate between 2010 and 2013 is about 1 percent, about average compared to other cities in the county. ABAG anticipates that this central area of the county³ will absorb additional housing growth over the next five years as redevelopment occurs in commercial and other activity centers. This includes new developments at both the Walnut Creek and Pleasant Hill BART Stations.



Source: California Department of Finance Population and Housing Estimates, 2000 and 2010.

Housing Type and Tenure

Table II-17 shows the composition of the city’s housing types. The city is neatly split between single-family and multi-family units. The proportion of single-family and multi-family units has remained relatively stable since 2000. With the exception of mobile homes, all types of housing increased over the past years, in particular, the number of multi-family units increased by six percent since 2000. The vacancy rate increased from 3.6 percent in 2000 to 6.8 percent in 2010. This vacancy rate is somewhat higher than the ideal vacancy rate of 5 percent.

³ ABAG defines central Contra Costa County to include the communities of Orinda, Moraga, Pleasant Hill, Martinez, Concord, Walnut Creek, Clayton, Alamo-Blackhawk, Danville, and San Ramon.

TABLE II-17 HOUSING TYPE CITY OF WALNUT CREEK 2000, 2010, AND 2013						
Housing Type	2000		2010		2013	
	Units	Percent	Units	Percent	Units	Percent
Single-Family	16,823	54%	17,488	54%	17,503	53%
Detached	--	--	12,461	(71%)	12,473	(71%)
Attached	--	--	5,027	(29%)	5,030	(29%)
Multi Family	14,554	46%	15,193	46%	15,481	47%
2-4 Units	--	--	4,360	(29%)	4,370	(28%)
5+ Units	--	--	10,833	(71%)	11,111	(72%)
Mobile Homes	48	0%	0	0%	0	0%
Total Units	31,425	100%	32,681	100%	32,984	100%

Source: State Department of Finance 2013 and 2000 - Population and Housing Estimates.

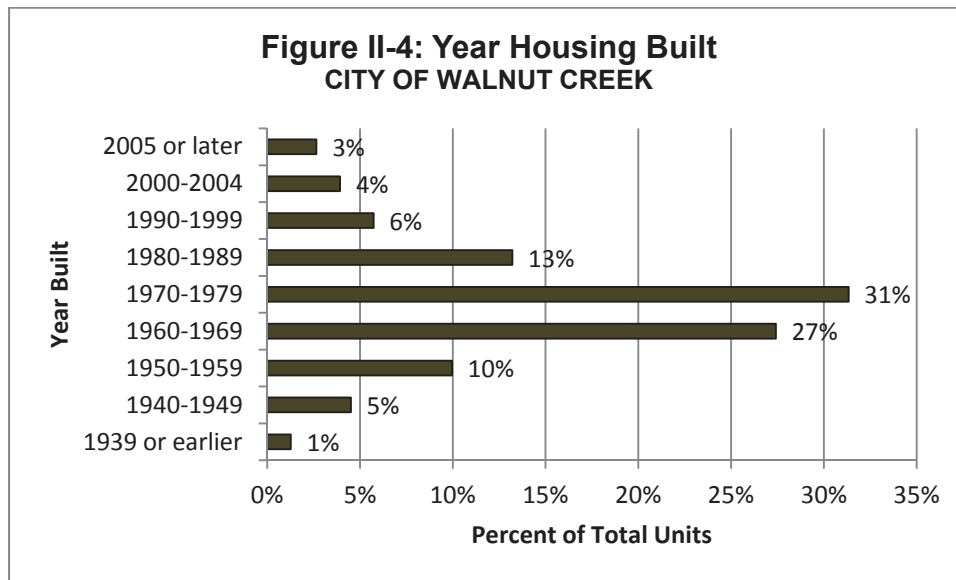
Housing tenure refers to whether a housing unit is owned, rented, or is vacant. Tenure is an important indicator of the housing climate of a community, reflecting the relative cost of housing opportunities, and the ability of residents to afford housing. Tenure also influences residential mobility, with ownership units generally experiencing lower turnover rates than rental housing. The rate of homeownership has decreased in Walnut Creek, shrinking from 68.3 percent in 2000 to 66.6 percent in 2010 (see Table II-18).

TABLE II-18 HOUSING TENURE CITY OF WALNUT CREEK 2000 AND 2010				
Occupied Housing Units	2000		2010	
	Units	Percent	Units	Percent
Renter	9,593	31.7%	10,181	33.4%
Owner	20,708	68.3%	20,262	66.6%
Total	30,301	100.0%	30,443	100.0%

Source: 2000 and 2010 Census.

Housing Age and Condition

Housing age is an important indicator of housing condition within a community. Housing is subject to gradual deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighboring property values, and eventually impact the quality of life in a neighborhood. Maintaining and improving housing quality is an important goal for the City.



Source: 2009-2011 American Community Survey

Figure II-4 provides a breakdown of the housing stock by the year built (2009-2011 American Community Survey). As of 2011, 44 percent of the total 32,543 housing units in Walnut Creek are over 43 years old. Most of the housing stock (62 percent) was built between 1960 and 1980. A general rule in the housing industry is that structures older than 30 years begin to show signs of deterioration and require reinvestment to maintain their quality. Unless properly maintained, homes older than 50 years require major renovations to remain in good working order.

Areas Requiring Rehabilitation

As part of the 2009 Housing Element, a Housing Conditions Survey was conducted in January 2009 to assess the magnitude of housing rehabilitation needs in the community. Based on input from City staff, the survey focused on multi-family areas that are known to have housing maintenance issues and have higher concentrations of code violations. On that basis, six neighborhoods were identified for the survey, which collectively consist of approximately 2,400 housing units.

Residential structures in the selected areas were evaluated on the basis of their exterior condition. This is typically referred to as a windshield survey. Specifically, surveyors

identified structures with sagging roofs, worn and/or cracked siding, broken windows, peeling paint, ill-maintained yards, and other similar signs of aging, neglect, or deterioration. The general location and boundaries of the neighborhoods surveyed are indicated in Figure II-5. Key observations about these neighborhoods are summarized below:

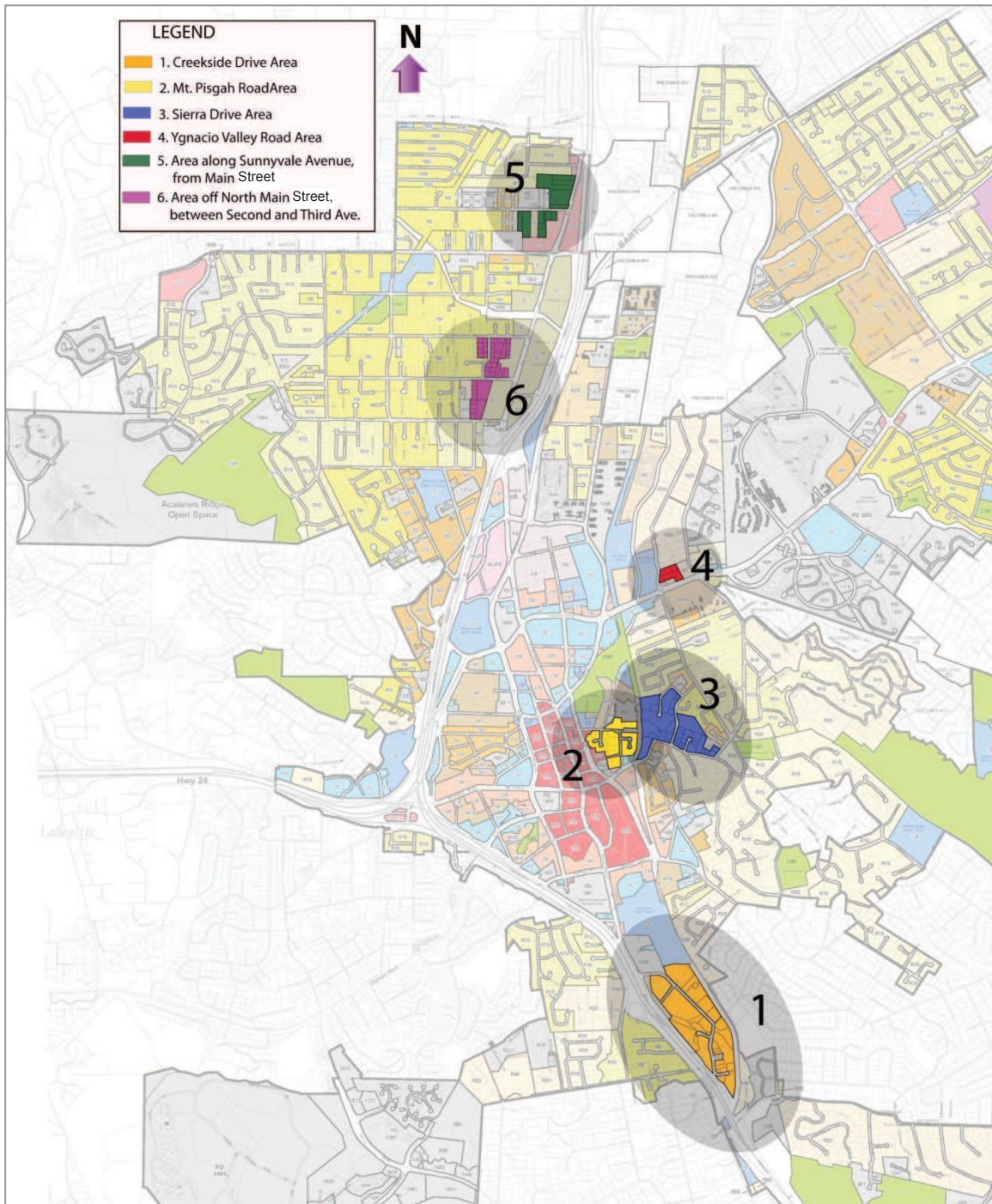
1. **Creekside Drive:** This is a predominantly multi-family neighborhood. Located east of the Interstate 680 freeway, most apartment complexes here were built between the 1950s and 1970s. The larger complexes are in good physical condition, whereas many of the smaller complexes exhibit signs of deferred maintenance, with peeling paint and ill-maintained landscaping as the most prevalent problems. Some buildings show indications of a failing structure, as seen by exterior seismic upgrading. This area has poor site access and street presence. On average, 25 percent of the apartment units along Creekside Drive are estimated to require some level of rehabilitation.
2. **Mt. Pisgah Road:** This area contains numerous apartment complexes, most of which were built in the 1950s to 1970s. Located downtown, the apartments vary from acceptable to good physical condition. The greatest deterioration observed in this area is along Lincoln Avenue where structures require significant repairs, including foundation work, as confirmed by code enforcement reports. In this area, 25 percent of these affected apartment units appear to require rehabilitation.
3. **Sierra Drive:** This area is generally characterized by well maintained, higher density apartment complexes, most of which were built in the 1960s and 1970s. A few complexes on Sharene Lane require minor rehabilitation to the stucco and exhibit deferred maintenance. An estimated 10 percent of the total units in the Sierra Drive area require rehabilitation.
4. **Ygnacio Valley Road:** Built in the early 1960s, the apartment complexes on Ygnacio Valley Road are primarily well maintained with few incidents of code violations reported. An estimated 10 percent of all units in Ygnacio Road are estimated to require some level of rehabilitation.
5. **Sunnyvale Avenue:** Primarily a street lined with numerous apartment complexes built in the early 1960s, Sunnyvale Avenue west of North Main Street receives many complaints regarding code violations. There are several signs of recent rehabilitation improvements, including construction of newer carports. While there is no evidence of structural issues, several apartments show signs of missing or broken windows and doors and other minor maintenance issues. An estimated 25 percent of apartment units in this area require rehabilitation.
6. **Second and Third Avenue:** Code enforcement staff receives a high volume of complaints from this area. Several apartment complexes appear to have significant

foundation problems. One apartment building in particular on Second Avenue is in need of substantial maintenance repairs. An estimated 80 percent of the units in this area appear to require some level of rehabilitation.

The City's Code Enforcement Officers help to preserve and maintain the livability and quality of Walnut Creek's neighborhoods. According to the City's Code Enforcement staff, the vast majority of the city's single-family housing is in good condition. Older single-family homes are located in the northwestern portion of Walnut Creek. Though even here, the majority of the housing is well maintained. Only a few individual properties have problems associated with age and lack of proper maintenance.

For low- and moderate-income residents who may have difficulty affording necessary health and safety improvements to their homes, the City offers a Homeowner Rehabilitation Loan and Emergency Grant Program. The program provides loans of up to \$60,000 for home rehabilitation and grants of up to \$10,000 for emergency repairs. City Housing staff work with staff from the Code Enforcement Section and the Building Division to ensure that lower income residents with an identified need for emergency repairs are made aware of these programs. The City also provides funding assistance for the acquisition and substantial rehabilitation of existing multi-family developments, primarily in the Core Area near downtown.

**Figure II-5:
Map of Housing Conditions Survey Areas, City of Walnut Creek**



Housing Costs and Affordability

If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of overpayment and overcrowding. This section summarizes the cost and affordability of the housing stock to Walnut Creek residents.

Sales and Rental Survey

Due to its desirable location, quality of life, and strong employment base, Walnut Creek has higher housing prices than many other areas of Contra Costa County. Table II-19 provides information from the real estate website Zillow.com on all sales of existing and new single-family homes and condominiums within Walnut Creek from October 2012 to September 2013. A total of 1,495 single-family home and condominium sales were recorded during this period, with three and four bedroom units comprising just over half of all units sold. Average sales prices ranged from \$207,275 (one-bedroom) to \$1,042,450 (five-bedrooms or more), with prices varying significantly based on location. The overall median price as of November 2013 was \$556,250.

TABLE II-19 HOME AND CONDOMINIUM SALE PRICES CITY OF WALNUT CREEK AND CONTRA COSTA COUNTY 2012- 2013		
1 Bedroom	Average Sale Price	Total Sold
Contra Costa County	\$213,000	484
Walnut Creek	\$207,275	145
2 Bedrooms		
Contra Costa County	\$312,700	3204
Walnut Creek	\$414,000	543
3 Bedrooms		
Contra Costa County	\$407,800	7506
Walnut Creek	\$680,800	467
4 Bedrooms		
Contra Costa County	\$558,800	5206
Walnut Creek	\$813,700	308
5+ Bedrooms		
Contra Costa County	\$628,200	1543
Walnut Creek	\$1,042,450	32

Source: Zillow.com (http://www.zillow.com/local-info/CA-Walnut-Creek/r_34637/).

During 2012, 58 percent of units sold in Walnut Creek were condominiums. The average price for a condominium in 2012 was \$310,000, up from \$299,000 in 2011. Condominiums are helping to fill a need for less expensive ownership housing in the city.

TABLE II-20 AVERAGE LISTED RENTAL PRICE BY BEDROOMS CITY OF WALNUT CREEK 2012	
Bedrooms	Average listed rental price
Studio	\$ 1,357.00
One bedroom	\$ 1,647.00
Two bedrooms	\$ 1,913.00
Three bedrooms	\$ 2,856.00
Four bedrooms	\$ 3,233.00

Source: Zillow.com.

Table II-20 shows the average listed rental prices for units in the city. The average rents for apartment units in Walnut Creek are \$1,357 for a studio, \$1,647 for a one-bedroom unit, \$1,913 for a two-bedroom unit, \$2,856 for a three-bedroom unit, and \$3,233 for four-bedroom units

Housing Affordability

Housing affordability can be inferred by comparing the cost of renting or owning a home in Walnut Creek with the presumed maximum affordable housing costs for households at different income levels while leaving sufficient income for other necessary expenses. Taken together, this information can provide a picture of who can afford what size and type of housing. It can also indicate the type of households that would likely experience overcrowding or overpayment. Table II-21 shows the cost limits for affordable owner and rental housing by income limit as defined by the California Health and Safety Code.⁴

TABLE II-21 HOUSING COST LIMITS BY AREA MEDIAN INCOME LEVEL			
Income Level	Income Range	For Sale Limit	Rental Limit
Extremely Low	0-30% AMI	30% of 30% of AMI	30% of 30% of AMI
Very Low	31-50% AMI	30% of 50% of AMI	30% of 50% of AMI
Low	51-80% AMI	30% of 70% of AMI	30% of 70% of AMI
Moderate	81-120% AMI	35% of 110% of AMI	30% of 110% of AMI

⁴ Health and Safety Code Section 50052.5 establishes affordable housing cost, and Section 50053 – establishes affordable rents.

- **Rental:** An affordable rental price (including rent and utilities) is generally equal to no more than 30 percent of a household's monthly gross income.
- **Ownership:** An affordable home price (including downpayment, interest rate, private mortgage insurance, homeowners insurance, homeowner association fees, and utility allowance) is generally equal to no more than 30 percent of a household's monthly gross income (35 percent for moderate income).

Based on these definitions of income and affordable housing cost, Table II-22 presents the maximum affordable purchase price for lower- and moderate-income households, and compares this with market sales prices for single-family homes and condominiums in Walnut Creek, as previously documented in Table II-19. As illustrated, median single-family home and condominium prices in Walnut Creek are beyond the level of affordability anybody except for moderate-income households seeking a one bedroom unit. Low-income households who need a one bedroom unit have incomes close to the average home price, as do moderate-income households in need of a two bedroom unit. By in large, though, housing in Walnut Creek is expensive for low- and moderate-income households. The maximum affordable purchase price for a median income four person household is \$383,634, whereas the median home price in Walnut Creek is \$556,250, an affordability gap of \$172,616. The maximum monthly gross rent for a four person household is \$2,338 per month, whereas the average rental price is \$2,856 per month, an affordability gap of \$518 per month.

TABLE II-22				
ABILITY TO PAY FOR HOUSING BASED ON HCD INCOME LIMITS				
CONTRA COSTA COUNTY				
2013				
Extremely Low-Income Households at 50% of 2013 Median Household Income				
Number of Persons	1	2	3	4
Income Level	\$19,650	\$22,450	\$25,250	\$28,050
Max. Monthly Gross Rent ¹	\$491	\$561	\$631	\$701
Max. Monthly Purchase Price ²	\$80,625	\$92,113	\$103,602	\$115,090
Very Low-Income Households at 50% of 2013 Median Household Income				
Number of Persons	1	2	3	4
Income Level	\$32,750	\$37,400	\$42,100	\$46,750
Max. Monthly Gross Rent ¹	\$819	\$935	\$1,053	\$1,169
Max. Purchase Price ²	\$134,374	\$153,453	\$172,738	\$191,817
Low-Income Households at 70% of 2013 Median Household Income				
Number of Persons	1	2	3	4
Income Level	\$46,350	\$53,000	\$59,600	\$66,250
Max. Monthly Gross Rent ¹	\$1,159	\$1,325	\$1,490	\$1,656
Max. Purchase Price ²	\$190,176	\$217,461	\$244,541	\$271,826
Median-Income Households at 100% of 2013 Median Household Income				
Number of Persons	1	2	3	4
Income Level	\$65,450	\$74,800	\$84,150	\$93,500
Max. Monthly Gross Rent ¹	\$1,636	\$1,870	\$2,104	\$2,338
Max. Purchase Price ²	\$268,544	\$306,907	\$345,270	\$383,634
Moderate-Income Households at 120% of 2013 Median Household Income				
Number of Persons	1	2	3	4
Income Level	\$78,550	\$89,750	\$101,000	\$112,200
Max. Monthly Gross Rent/Payments ¹	\$1,964	\$2,244	\$2,525	\$2,805
Max. Purchase Price ²	\$322,293	\$368,247	\$414,406	\$460,360

Source: California Department of Housing and Community Development, 2013

¹ Assumes that 30% of income (or 35 percent for moderate-income owners) is available for either: monthly rent, including utilities; or mortgage payment, taxes, mortgage insurance, and homeowners insurance.

² Assumes 95% loan at 5 percent annual interest rate and 30-year term with taxes, mortgage insurance, and homeowners insurance as 21 percent of total payments.

Another approach to considering affordability is provided by HUD. Table II-23 presents the HUD Fair Market Rents (FMRs) by unit size, compared with median apartment rents in Walnut Creek, previously documented in Table II-19. FMRs are rent estimates HUD develops and updates primarily to determine payment amounts for its housing voucher program, but are useful to any housing study or plan. HUD uses the Census and other surveys to gather the information for the FMRs. As the table below indicates, citywide median rents are above the level of affordability for very low- and low-income households,

with the affordability gap ranging from \$465 to \$955 per month depending on household size. As the household size increases, so does the affordability gap. Households earning moderate incomes are able to afford market rents in Walnut Creek.

TABLE II-23 FAIR MARKET AND ACTUAL RENTS CONTRA COSTA COUNTY 2013				
Income Level	Studio (1 person)	1 Bedroom (2 person)	2 Bedroom (3 person)	3 Bedroom (4 person)
Fair Market Rent	\$892	\$1,082	\$1,361	\$1,901
Walnut Creek Average Listed Rental Prices	\$1,357	\$1,647	\$1,913	\$2,856

Source: HUD 2013 and Zillow.com.

Finally, for comparison, the California Association of Realtors maintains housing indices to measure the percentage of households that can afford to purchase a median priced home and an entry level home. Table II-24 summarizes the data for Contra Costa County and shows that only 18 percent of county households can afford a home at the county's median price. Thirty-nine percent of first time buyers looking for an entry level home can afford one, but the minimum qualifying income is \$96,720. This is higher than average for most low- to moderate-income households.

TABLE II-24 HOUSING AFFORDABILITY INDICES CONTRA COSTA COUNTY 2013			
	Households who can afford to own	Median Home Price	Minimum Qualifying Income
Median Priced Home	18%	\$789,360	\$162,0001
Entry Level Home ²	39%	\$670,000	\$96,720

Source: California Association of Realtors, 2013.

¹ The minimum qualifying income is greater for a Median Priced Home because it assumes the buyer can afford a 20 percent down payment. In addition, median-priced homes are more expensive than an entry-level home.

² An entry-level home is defined as one priced equal to 85 percent of the prevailing median price for existing homes and is considered affordable to first-time homebuyers.

Availability of Home Financing

The availability of financing in a community depends on a number of factors, including the type of lending institutions active in the community, lending practices, rates and fees charged, laws and regulations governing financial institutions, and equal access to those institutions. Through analysis of Home Mortgage Disclosure Act (HMDA) data on the disposition of residential loan applications, an assessment can be made of the availability of residential financing within a community.

Table II-25 summarizes HMDA data for both Walnut Creek and Contra Costa County, providing information on the approval status of all home purchase and home improvement loan applications during 2012. Of the total of 1,227 applications for conventional home purchase loans in Walnut Creek, 58 percent were approved, 17 percent denied, and 25 percent withdrawn or incomplete. In comparison to the county average, mortgage loan approval rates were slightly higher in Walnut Creek (58 percent), than the county (54 percent). Approval rates for home improvement loans were also higher in Walnut Creek than the county, at 58 percent compared to only 49 percent in the county.

TABLE II-25 HOME PURCHASE AND IMPROVEMENT LOANS (HMDA) CITY OF WALNUT CREEK CONTRA AND COSTA COUNTY 2012							
Loan Type	# Loan Applications in Walnut Creek	% Loans Approved		% Loans Denied		% Loans Withdrawn/Incomplete	
		Walnut Creek	Contra Costa County	Walnut Creek	Contra Costa County	Walnut Creek	Contra Costa County
Home Purchase	1,227	58%	54%	17%	14%	25%	32%
Home Improvement	176	58%	49%	24%	33%	18%	18%

Source: Home Mortgage Disclosure Act (HMDA) data, 2012.

Note: The MSA includes Contra Costa and Alameda counties.

The availability of financing affects a person’s ability to purchase or improve a home. To address potential constraints and expand homeownership and home improvement opportunities, the City of Walnut Creek offers and/or participates in a variety of programs. These include the City’s First-Time Homebuyer Assistance Program and Home Rehabilitation Loan and Emergency Grant Program. Such programs assist lower- and moderate-income residents by increasing access to favorable loan terms to purchase or improve their homes. The Housing Plan provides more detailed information on the type and extent of programs available.

Assisted Housing At-Risk of Conversion

Governmental-assisted housing is often a significant source of affordable housing in many communities. This section identifies publicly assisted rental housing in Walnut Creek, evaluates their potential to convert to market rate units during the 10-year period between 2015 and 2025, and analyzes the cost to preserve those units. Resources for the preservation/replacement of the at-risk affordable units are described in Chapter IV of the Element and housing programs to address preservation of these units are provided in Chapter VI.

Assisted Housing Inventory

Table II-26 provides an inventory of assisted rental projects in Walnut Creek. Assisted projects are those that receive some subsidy to fund construction, including tax credits and grants. A total of 431 affordable units are provided in nine developments. Villa Vasconcellos, another City funded affordable project, opened its doors in 2008, providing 70 units with supportive services for extremely low- and low-income seniors. As evidenced by the City's assisted housing inventory, Walnut Creek supports the provision of affordable housing using a variety of local, State, and Federal and private funds, and works extensively with non-profit developers in the ownership and management of affordable housing.

In addition to the assisted housing identified in Table II-26, in 2004 the City adopted an Inclusionary Housing Ordinance to expand the supply of affordable housing in conjunction with market-rate development. In 2009 and 2010 the City adopted revisions to the Inclusionary Housing Ordinance that addressed issues raised through two court hearings. The current ordinance requires all rental development projects to pay a housing impact fee, and all ownership projects of two or more units to either pay a housing impact fee or provide affordable units onsite. Fees are due at issuance of building permit. From 2005 to 2012, over \$2.3 million in fees were collected. The Inclusionary Housing Ordinance subsidized 50 below-market rate sales and 17 below-market-rate rentals, with 40 units under agreement to be constructed.

TABLE II-26 INVENTORY OF ASSISTED RENTAL HOUSING CITY OF WALNUT CREEK 2013					
Project Name	Total Units	Afford. Units	Type	Funding Source(s)	Expiration of Affordability
Casa Montego I (Non-profit owned)	80	79	Senior/ Disabled	Section 8	2030
				HUD 202	2029
Casa Montego II (Non-profit owned)	33	33	Senior	Section 8	2030
				HUD 202; City loan; Co. HOME; HCD grant	2064
Four Seasons	176	36	Family	Multi-Family Mortgage Bonds	2027
Ivy Hill Apartments	116	47	Family	CFD bonds; Tax Credits; City loan	2055
Acalanes Court (Non-profit owned)	17	17	Family	Tax Credits; City loan; Co. HOME	2060
The Oaks (Non-profit owned)	36	35	Family	City loan; Tax credits	2049
Sierra Gardens (Non-profit owned)	28	24	Family	City loan and grant; Co. HOME	2051
Tice Oaks (Non-profit owned)	91	90	Senior	Section 8	2031
				CHFA loans; Tax Credits; City loan	2056
Villa Vasconcellos (Non-profit owned)	70	70	Senior	City loan, HOME, MHSA	2063
TOTAL		431			

Source: City of Walnut Creek, 2013 and HUD Section 8 Database, 2013.

At-Risk Units

As shown in the table above, there are no affordable units in Walnut Creek at risk of converting to market rate within the 10-year period of 2015 to 2025.

The City has a successful record of preserving at-risk units. When Tice Oaks Apartments was previously at risk of conversion, the City worked with Mid-Peninsula Housing Coalition to acquire and rehabilitate Tice Oaks Apartments, extending the affordability restrictions until 2056. Similarly, the City helped refinance the mortgage revenue bonds on the Four Seasons Apartments and extend the affordability restrictions to 2027.

Risk of Displacement in the West Downtown Specific Plan Area

The City of Walnut Creek is preparing the West Downtown Specific Plan (Specific Plan) for the area surrounding the City's Bay Area Rapid Transit (BART) Station, located to the east of Interstate Highway 680. This Specific Plan covers a subset of the area designated as a Priority Development Area (PDA) by the Association of Bay Area Governments (ABAG), which overlaps with the City's Downtown Core Area. As a PDA, the area has been

identified as an infill development opportunity site where there is both a local and regional commitment to developing more housing along with amenities and services to meet the day-to-day needs of residents in a pedestrian-friendly environment served by transit.

A concern that was brought up during the stakeholder workshop and community workshop and echoed during public comment at the Planning Commission and City Council study sessions on the Housing Element was the potential displacement of residents in market-rate multifamily housing within the West Downtown Specific Plan area. According to the 2007-2011 ACS, 90 percent of housing units in the Plan Area were located in multifamily structures, over half of which were located in buildings with 50 units or more; 74 percent of the households were renters. The risk of displacement of existing residents tends to be higher in areas that have a large number of households in rental housing units that are not deed-restricted for designated affordability levels, and can therefore experience upward pressure on rents as demand for housing increases.

The preferred alternative for the Plan Area would accommodate 2,800 units at buildout, and has the potential to displace 400 existing units, resulting in a net increase of 2,400 units. Because the Specific Plan will not require demolition or redevelopment of any properties, the extent to which existing units are removed will depend on each property owner's interest in redevelopment. The 400 units are spread over more than a dozen separate developments located throughout the Plan Area, and range in size from small four-plexes to a 50+ unit building. Redevelopment of these properties may occur at various times throughout the planning period to 2040, and some portion of these units may never redevelop due to owners' unwillingness to trade certain current income for the substantial risks associated with development of their property into a larger project (including loss of income during the development period).

The City is in the process of developing an Affordable Housing and Anti-Displacement Strategy for the West Downtown Specific Plan. The City recognizes that a potential unintended consequence of station area planning could include the displacement of existing residents and a lack of workforce housing affordable to lower-income households, including households with workers employed in Walnut Creek in the health care, education, retail, services, or government sectors. The City implements a number of programs to prevent displacement of existing residents in market-rate housing. These include regulations on the conversion of rental units to condominiums, providing assistance to homeowners at risk of foreclosure, and providing residential rehabilitation loans. The City requires that new multifamily residential projects involving the demolition of residential units less than 30 years old that are affordable to low- and moderate-income households include an equivalent number of new affordable units. In addition, Walnut Creek requires that developers provide relocation assistance to low- and moderate-income households living in properties that are redeveloped through the private market.

E. Regional Housing Needs

State law requires as a regional council of governments, the Association of Bay Area Governments (ABAG) to determine the existing and projected housing need for its region (Government Code Section 65580 et. seq.) and determine the portion allocated to each jurisdiction within the ABAG region. This is called the Regional Housing Needs Assessment (RHNA) process.

Existing Housing Needs

A continuing priority of communities is enhancing or maintaining the quality of life. A key measure of quality of life is the extent of “housing problems.” The Federal Department of Housing and Urban Development (HUD) defines housing needs based on the number and percentage of households earning lower incomes, living in overcrowded conditions, or overpaying for housing (experiencing a cost burden). These conditions or housing problems are defined as follows:

- **Lower income:** Refers to a household earning less than 80 percent of the county median family income, as adjusted by household size. For a four-person household, the income limit to qualify as a low-income household in the Oakland-Fremont Metropolitan Area was \$64,400 in 2013.
- **Overcrowding:** Refers to a housing unit that is occupied by more than one person per room, excluding kitchens, bathrooms, hallways, and porches, as defined by HUD (i.e. including bedrooms, dens, living and dining rooms).
- **Cost Burden:** Refers to a household paying more than 30 percent of its gross income for housing (either mortgage or rent), including costs for utilities, property insurance, and real estate taxes.

Tables II-25 and II-26 in the following sections document the prevalence of overcrowding and overpayment among all households in Walnut Creek, including low income.

Overcrowding

Overcrowding occurs when housing costs are so high relative to income that families move into smaller apartments with fewer bedrooms, or multiple families share a housing unit to better afford housing in the community. Overcrowding also tends to result in accelerated deterioration of homes, a shortage of street parking, and additional traffic. Therefore, maintaining a reasonable level of occupancy and alleviating overcrowding are critical to enhancing the quality of life in the community.

The Census defines overcrowding as an average of more than one person per room in a housing unit (excluding kitchens, porches, and hallways); severe overcrowding is defined as greater than 1.5 persons per room. The incidence of overcrowded housing is a general

measure of whether there is an available supply of adequately sized housing units. Table II-27 shows the incidence of overcrowding in Walnut Creek by tenure, as measured by the 2007-2011 American Community Survey.

TABLE II-27 OVERCROWDED HOUSEHOLDS CITY OF WALNUT CREEK 2007-2011				
Overcrowding	Walnut Creek		Contra Costa County	
	Households	Percent	Households	Percent
Owners				
Overcrowding	98	<1%	4,351	2%
Severe Overcrowding	0	0%	1,178	<1%
Renters				
Overcrowding	178	2%	7,600	6%
Severe Overcrowding	93	1%	1,946	2%
Total Overcrowding	369	1%	15,075	4%

Source: 2007-2011 American Community Survey.

In 2007-2011, there were 369 households living in overcrowded conditions in Walnut Creek, representing about 1 percent of all households. Approximately 2 percent of renter households were overcrowded; a significant decrease from 2000 levels when 8 percent of Walnut Creek renters were overcrowded. Household overcrowding has decreased across all measures from 2000 levels and remains lower than overcrowding in Contra Costa County.

Overpayment

Housing overpayment refers to spending more than 30 percent of income on housing; severe overpayment is spending greater than 50 percent. As is the case in throughout the Bay Area, it is not uncommon for Walnut Creek residents to overpay for housing. However to the extent that overpayment is often disproportionately concentrated among the most vulnerable members of the community, maintaining a reasonable level of housing cost burden is an important contributor to quality of life. Table II-28 shows the incidence of overpayment for households in the city.

TABLE II-28 HOUSING OVERPAYMENT CITY OF WALNUT CREEK AND CONTRA COSTA COUNTY 2006-2010				
Household by Tenure	Walnut Creek		Contra Costa County	
	Households	Percent	Households	Percent
Owner Households				
Overpayment (>30% income on housing)	7,355	35%	108,875	43%
Severe Overpayment (>50% income on housing)	3,195	15%	45,400	18%
Overpayment by lower-income households	3,140	61%	40,670	66%
Renter Households				
Overpayment (>30% income on housing)	3,840	42%	56,640	50%
Severe Overpayment (>50% income on housing)	2,045	22%	28,910	26%
Overpayment by lower-income households	3,055	83%	49,535	75%
Total Overpayment	11,195	37%	165,515	45%

Sources: Comprehensive Housing Affordability Strategy, 2006-2010.

Note: Percentage lower income overpayment reflects the percentage of total lower income households spending more than 30 percent of their income on housing. Severe Overpayment is a subset of Overpayment.

According to the 2006-2010 CHAS Reports, 42 percent of renters and 35 percent of homeowners in Walnut Creek were overpaying for housing, significantly lower than the overpayment rate countywide. Severe overpayment impacts 22 percent of the city's renters. In terms of lower income (less than 80 percent of AMI) households overpaying, 3,055 lower-income renters and 3,140 lower-income homeowners were faced with overpayment in Walnut Creek, indicating that almost 80 percent of overpaying renters earned lower incomes. Of these lower-income households facing overpayment, 1,325 renters (43 percent) and 1,165 owners (37 percent) earned extremely low incomes (less than 30 percent of AMI).

Table II-29 provides a more detailed review of households that experienced severe housing overpayment. Among renters, the elderly were most impacted by severe overpayment, with over one half of the city's 1,856 elderly renters spending more than half their income on rent. Among homeowners, non-elderly, small family, and large family households experienced a higher level of cost burden and severe cost burden.

TABLE II-29 SEVERE HOUSING OVERPAYMENT BY TYPE AND TENURE CITY OF WALNUT CREEK 2006-2010					
Household by Tenure	Elderly	Small Family	Large Family	Other	Total
Renter Households					
Total # by household type	1,655	3,075	170	4390	9,290
Overpayment (>30%)	78%	40%	38%	31%	43%
Severe Overpayment (>50%)	52%	16%	9%	15%	22%
Owner Households					
Total # by household type	10,665	6,825	825	2,705	21,020
Overpayment (>30%)	28%	34%	35%	48%	33%
Severe overpayment (>50%)	17%	12%	16%	23%	16%

Source: Comprehensive Housing Affordability Strategy, 2006-2010.

Future Housing Needs

California’s Housing Element law requires that each city and county develop local housing programs to meet its “fair share” of existing and future housing needs for all income groups, as determined by the jurisdiction’s Council of Governments. This “fair share” allocation concept seeks to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but also for the jurisdiction’s projected share of regional housing growth across all income categories. Regional growth needs are defined as the number of units that would have to be added in each jurisdiction to accommodate the forecasted number of households, as well as the number of units that would have to be added to compensate for anticipated demolitions and changes to achieve an “ideal” vacancy rate. The State’s Department Housing and Community Development (HCD) works with each region to identify their total housing need.

In the Bay Area region, the agency responsible for assigning these regional housing needs to each jurisdiction is the Association of Bay Area Governments (ABAG). ABAG and HCD identified a need for 187,990 housing units in the Bay Area during the 2014-2022 period. ABAG then develops a methodology to distribute this need to local governments; this allocation is called a Regional Housing Needs Assessment (RHNA). Table II-30 shows Walnut Creek’s total RHNA allocation, by income category.

In 2008, the California Legislature passed the Sustainable Communities and Climate Protection Act (also known as SB 375). This law requires regions to think cohesively about land use, transportation, and housing by drafting a document called a Sustainable Communities Strategy (SCS). Unlike previous RHNA cycles, the RHNA methodology for this cycle was required to consider the land use and transportation patterns specified in the SCS and the Regional Transportation Plan.

One of the ways ABAG’s SCS integrates land use, transportation, and housing is through Priority Development Areas (PDAs). PDAs are locally designated areas within existing communities that have been identified and approved by local cities or counties for future growth. These areas are typically accessible to transit, jobs, shopping, and other services. Over 70 local governments have voluntarily designated approximately 170 PDAs, which are proposed to absorb about 80 percent of new housing and over 60 percent of new jobs on less than 5 percent of the land in the Bay Area land. The result is a locally supported, compact and efficient growth pattern that meets State greenhouse gas reduction targets and provides adequate housing for the Bay Area’s growing population.

The City of Walnut Creek has one designated PDA that includes the BART station and about 150 acres to the south. Many of the opportunity sites for new residential development, described in Chapter 4: Housing Resources, are located in this area. This PDA is well-connected by transit and features a compact development pattern that will be further enhanced by a pending Specific Plan (in process with CEQA review underway).

TABLE II-30 REGIONAL HOUSING NEEDS ALLOCATION CITY OF WALNUT CREEK 2014-2022				
Income Level	Percent of AMI	Income Threshold for 4-person Household (2013)¹	RHNA Allocation	Percent of Total RHNA Allocation
Extremely Low ²	0-30%	\$26,750	302	14%
Very Low	31-50%	\$44,600	302	14%
Low	51-80%	\$64,400	355	16%
Moderate	81-120%	\$89,200	381	17%
Above Moderate	120% or more	> \$89,200	895	40%
Total			2,235	100%³

Source: Association of Bay Area Governments, Regional Housing Needs Allocation (July 18, 2013).

¹ Department of Housing and Community Development, Official State Income Limits for 2013.

² While the RHNA did not separately define housing needs for extremely low income households, the very low-income allocation can be split evenly between very low- and extremely low-income households. The City’s 604 very low income RHNA has been allocated accordingly.

³ Total may not add up to 100 percent due to rounding.