



## I. Introduction

This document is the 2015-2023 Housing Element. It updates the City's 2009 Housing Element, which covered the period from 2009 to 2014. The guiding principle for Housing in the City's General Plan states:

*"Walnut Creek supports housing of various types, densities, and prices to meet the needs of current and prospective residents of all income levels and ages. The City will promote opportunities for housing and will strive to meet the State-mandated regional fair-share numbers. The City encourages housing along transit corridors, housing for the local workforce, and housing that is attainable by and suitable for the diverse populations that call Walnut Creek home."*

The City of Walnut Creek, which lies approximately 23 miles east of San Francisco at the foot of Mt. Diablo, is a thriving regional economic and cultural center. The city's growth throughout the 1960s and 1970s was predominately residential. A commercial development boom followed in the 1980s and 1990s. Since 1990, Walnut Creek has grown more slowly than the county or region, increasing from 60,423 residents in 1990 to an estimated 65,684 in 2013, an average annual growth rate of approximately 0.36 percent. By comparison, Contra Costa County and the Bay Area have grown more rapidly during the same period, at annual average growth rates of 1.3 and 0.8 percent, respectively.

Since 1990, Walnut Creek has seen the percentage of family households, as compared to non-family households, decrease from 75 percent to 53 percent.<sup>1</sup> However, the average household size has decreased only slightly, from 2.11 in 1990 to 2.08 in 2010.

Single-family homes constitute approximately half of the dwelling units in Walnut Creek, and from 1990 to 2010 the number of single-family homes in Walnut Creek increased at about the same rate as multifamily housing units (roughly 0.4 percent). However, during the past few years between 2010 and 2013, there has been a change in the nature of new residential development, with nearly 95 percent of new residential development occurring in the form of multifamily housing.

The nation saw an unprecedented boom in housing prices that began in 1998 and continued until 2006. However, by 2008, the national economy and the housing market across the United States had undergone a dramatic turnaround. Due to the accessibility of credit and risky mortgage lending practices during the housing boom, the country saw insupportable home price inflation, and, subsequently, a rise in mortgage defaults and foreclosures nationwide, which led to an excess of available properties and a tightening of the credit market.

The housing crisis reached its bottom in 2009 and Walnut Creek, as well as the United States, experienced an uneven recovery through 2013. While housing prices are increasing, they have not yet reached their previous highs before the crisis. Throughout this period, lenders restricted access to affordable mortgage rates to all but those with extremely high credit scores and a 20 percent down payment. In 2013, these restrictions began to loosen and this trend is projected to continue providing more ownership opportunities as the housing recovery continues.

It is projected that Bay Area home prices will appreciate rapidly in 2013 and 2014, faster than projected national growth. Contra Costa County was harder hit by the recession than counties closer to San Francisco and Silicon Valley, but strong demand for housing is expected to lead to rapid appreciation in the Walnut Creek area. The 2013 unemployment rate in Walnut Creek was 4.7 percent, below the national average but still above the pre-crisis low of 2.6 percent. With housing prices increasing and unemployment still relatively high, moderate income residents (those earning less than 120 percent of the area median income) may find affordable housing even scarcer than before the housing crisis.

The following sections provide the community context for planning of housing, describing the purpose and content of the Housing Element, and summarizing the public participation process undertaken during the update of the Housing Element.

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<sup>1</sup> According to the U.S. Census, a family consists of two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit.

## A. Community Context for Housing Planning

The original economic base for Walnut Creek was agriculture, but when the Caldecott Tunnel was completed in 1937, Walnut Creek soon became a suburban community for Bay Area workers. In 1971 the City adopted its first General Plan. The General Plan emphasized development of the city as a sub-regional retail and employment center and encouraged expansion of commercial areas, while also emphasizing creation of an open space system. Both of these goals were accomplished, which brought benefits but also led to concerns about the impacts of growth and development, particularly that of traffic congestion.

In 1989, the General Plan was revised to set a variety of goals and standards and proposed a number of special planning studies to be performed over a 20-year period. Many of these goals focused on developing and reinvigorating the Core Area and Downtown. In 1993, the City adopted a Growth Limitation Plan and subsequently revised the Zoning Ordinance in 1996.

A series of Specific Plans were adopted from 1996 through 2002, which included the East Mt. Diablo Boulevard, Geary/Road and North Main Street, Locust Street Extension, and the North Main Street/Ygnacio Valley Road areas.

The preparation of the current General Plan, *General Plan 2025*, began in 2003 and was completed in 2006.

This Housing Element is an update of the adopted and certified 2009 Housing Element. It is intended that this Element retain consistency with *General Plan 2025*, while also being updated to reflect current demographic conditions, to accommodate regional housing “fair share” needs, and to revise housing policies and programs, as needed, to ensure effectiveness.

## B. Role and Content of Housing Element and Relationship to General Plan

The State of California has declared that the availability of housing is of vital statewide importance, and that decent housing and a suitable living environment is a priority of the highest order. State law requires that each city and county in California prepare a housing element, with a prescribed content and upon a prescribed schedule. Bay Area cities and counties are required to adopt an updated Housing Element by January 31, 2015.

This Housing Element is a statement of the community’s housing needs, resources, constraints, and opportunities. It is an element of the City’s General Plan, and is therefore part of the City’s “constitution” for development. It must be consistent with the other elements of the adopted General Plan, which include the Land Use Element, Circulation Element, Conservation Element, Open Space Element, Safety Element, and Noise Element and Growth Management Element.

The Housing Element includes the following major chapters:

- **Chapter I. Introduction:** An introduction, reviewing the purpose and scope of the Housing Element;
- **Chapter II. Housing Needs Assessment:** An analysis of the city’s demographic profile, housing characteristics, and existing and future housing needs;
- **Chapter III. Housing Constraints:** An analysis of market, governmental, and non-governmental constraints affecting the production of housing;
- **Chapter IV. Housing Resources:** An evaluation of the land, financial, and organizational resources available to address the city’s identified housing needs and goals;
- **Chapter V. Housing Accomplishments:** An evaluation of accomplishments under the 2009 Housing Element; and
- **Chapter VI. Housing Plan:** A statement of the Housing Plan to address the city’s identified housing needs, including housing goals, policies, and programs.

The State of California and the Association of Bay Area Governments (ABAG) conduct a process to establish quantitative “fair share housing” allocations for creation of housing units, including affordable units under various income categories. These quantified numbers are known as the Regional Housing Needs Assessment (RHNA). The RHNA for the City of Walnut Creek is listed in Table I-1 for the identified income categories. The RHNA projection period is January 1, 2014 through October 31, 2022.

<b>TABLE I-1                      REGIONAL HOUSING NEEDS ALLOCATION BY INCOME CATEGORY                      CITY OF WALNUT CREEK                      JANUARY 1, 2014 – OCTOBER 31, 2022</b>					
<b>Total Allocation</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Average Annual Need</b>
<b>2,235</b>	604	355	381	895	227
<b>% of Total</b>	27%	16%	17%	40%	-

Source: Final Regional Housing Need Plan For the San Francisco Bay Area: 2014-2022

The Housing Element must assess both current and future housing needs and constraints in meeting these needs. The Element must provide a strategy that establishes housing goals, policies, and programs to address the needs, including the above “fair share” needs by income category.

Planning for projected housing needs, and providing for affordable housing within the community, can assist with maintaining or achieving economic health and quality of life, including but not limited to the following factors:

- Community workforce is able to live close to jobs;
- Efficient use of roadways and reduced traffic congestion;
- Diversity of population within a variety of housing types;
- Local businesses are able to hire and retain employees; and
- Efficient use of land and public infrastructure.

## C. Public Participation

The City of Walnut Creek has encouraged and provided opportunities for public participation in the process of identifying housing needs and formulating housing policies and programs. The City's objectives for the public participation process in the Housing Element update were as follows:

- To inform the public of the purpose of the Housing Element;
- To present information regarding the City's housing needs and current programs;
- To gather information about housing needs and ideas for addressing those needs;
- To learn from housing professionals who have experience developing housing in Walnut Creek or other Bay Area jurisdictions; and
- To gather comments and feedback on updated programs and policies.

The City provided several opportunities for public involvement. The following section summarizes public outreach conducted by the City of Walnut Creek. Appendix B contains a detailed summary of all the public comments received through the public participation process.

### **Stakeholder Workshop, September 4, 2013**

On September 4, 2013 the City of Walnut Creek conducted a Stakeholder Workshop on the Housing Element Update. To advertise the workshop, the City sent an email notice to nearly 100 local agencies, community organizations, and stakeholders in the city. The City also posted an advertisement in the City newsletter, *In a Nutshell*, and provided a press release to the Contra Costa Times inviting the broader community to attend the workshop. The meeting was also highlighted on the City's website. Approximately 30 people attended the Stakeholder Workshop.

At the workshop, City staff and the Housing Element consulting firm, Mintier Harnish, presented a brief overview of the Housing Element Update and facilitated an interactive discussion to solicit ideas from participants about the most critical housing issues facing Walnut Creek residents and new ways the City and community might address these issues. Appendix B contains a summary of the issues and ideas discussed at the workshop. The input provided at the workshop was used to shape the Housing Element policies and programs.

### **Community Workshop, December 11, 2013**

On December 11, 2013 the City of Walnut Creek conducted a Community Workshop on the Housing Element. The City advertised the workshop through an email sent to 135 contacts, asking them to attend and help spread the word about the workshop. The City posted an advertisement in the City newsletter, provided a press release to the Contra Costa Times, and highlighted the workshop on the City's website. The press release was picked up by several local news sources, including the Walnut Creek Patch. Approximately 20 people attended the Community Workshop. Workshop attendees heard a presentation on the housing element process, Walnut Creek's housing needs, and an overview of existing programs. After the presentation, participants engaged in a workshop activity that asked them to identify housing issues, propose solutions to the top issues, and brainstorm other big ideas. A full summary of the discussion is contained in Appendix B.

### **Housing Needs Survey**

The City created a Housing Needs Survey on Open Town Hall (the City's on-line public participation forum) to help the City better understand the housing needs and preferences of local residents. The Housing Survey included 11 questions that asked respondents about their current housing situation as well as their views on Walnut Creek's housing issues more generally. As of January 2014, the survey had 154 responses.

The high cost of housing was a common response for many of the questions. Thirty percent of respondents identified "lower cost of rent/house payment" as the factor that would most improve their current housing situation. Sixty-three percent of respondents identified the cost of rent/house payments as the most significant housing problem in Walnut Creek. The second highest answer to that question was the lack of affordable housing, at 45 percent (respondents could choose more than one of 10 possible responses). The top response to the question, "What would make the biggest improvement to housing in Walnut Creek?" was consistent with previous responses: "More affordable single family houses for sale." When asked, "Due to population growth, Walnut Creek must add 2,200 new housing units over the next nine years. With this in mind, please identify your preferred housing growth scenario," respondents chose "promote mixed use housing in specific parts of Walnut Creek" and "focus on single-family housing on vacant and under-utilized land" as their top responses, at 27 percent each. Only 20 percent of respondents had children under the age of 18 at home; most respondents either had grown children or no children.

Respondents were given a chance to give written comments on the state of Walnut Creek's housing, and many were worried about increasing the number of housing units in the city and subsequent strain on city services, such as schools, police, and roads. Three quarters of survey respondents owned their home, and a majority spent less than 30 percent of their income on housing costs.

The results of the Housing Needs Survey are contained in Appendix B.

## **Summary of Public Comments**

Public participants from the stakeholder workshop and community workshop raised issues that can be grouped into a number of themes; affordability concerns, land use concerns and design concerns, and financial policies. Many of these concerns are being addressed by the existing and new policies and programs in this Housing Element, as well as other city programs and policies. Below is a representative sample of some of the concerns that were addressed in each category:

### **Concerns:**

Residents pointed out that affordable housing is scarce in Walnut Creek. Affordable housing for young people, first-time homebuyers, empty nesters, and the elderly was seen as especially scarce. Despite this need for affordable housing, residents were concerned about the prospects for new affordable housing development. Residents believed that the public would oppose new housing development in the planning process because affordable housing tends to be stigmatized. Residents also shared concerns about the impacts of new housing, such as the traffic and parking impacts.

Members of the development community (including representatives from MidPen, East Bay Housing Organizations, AGS Engineering, Eden Housing, Satellite Affordable Housing Associates, and Building Industry Association - Bay Area) expressed concerns about the difficulty of assembling all of the financing for completing affordable housing projects. In addition to the funding difficulties, affordable housing can be more expensive due to the additional labor costs associated with Federally-funded projects. The loss of redevelopment funds will also hinder the development of new affordable housing.

### **Solutions:**

Members of the public also shared ideas for improving the housing issues facing Walnut Creek. Residents believed that downtown Walnut Creek and the areas around the BART station were good places for new high-density housing.

At the stakeholder workshop, members of the development community suggested funding and programmatic improvements that include: a land value recapture program, City-facilitated collaboration between nonprofit and for-profit developers, and City fee waivers.

Participants at the community workshop proposed a variety of solutions that included finding more funding and land for housing, providing more resources for non-profit housing developers, and mitigating the impacts of new housing and development.

## D. Consistency with the General Plan

The 2015-2023 Housing Element is one of the elements of *General Plan 2025*, first adopted in 2006 and amended several times since then. The Housing Element is an integral component of the General Plan and is consistent with the goals and policies established in the various elements. The Housing Element goals should be interpreted and implemented in a manner that is consistent with the goals contained in other elements. Table I-2 demonstrates the consistency between the Housing Element goals and related goals in other General Plan elements. The City will maintain consistency as future General Plan amendments are processed by evaluating proposed amendments for consistency with all elements of the General Plan.

<b>TABLE I-2 HOUSING RELATED GOALS BY ELEMENT CITY OF WALNUT CREEK</b>	
<b>Housing Element Goals</b>	<b>Related Goals</b>
<p><b>Goal H-1: New Housing Development</b></p> <p>To provide adequate housing sites and encourage the availability of housing types for all economic segments of the community consistent with the infrastructure and service capacities of the city.</p>	<p><b>Built Environment</b></p> <p>Citywide Goals, Policies, and Actions Goal 2: Encourage housing development that helps to reduce the increase in traffic congestion.</p> <p>Citywide Goals, Policies, and Actions Goal 3: Encourage housing and commercial mixed-use development in selected locations that enhances pedestrian access and reduces traffic.</p> <p>Citywide Goals, Policies, and Actions Goal 5: Require that infill development is compatible with its surroundings.</p> <p>Growth Management Goal 10: Coordinate the location, intensity, and mix of land uses with transportation resources.</p> <p>Urban Design Goal 15: Enhance connectivity and mobility throughout the city.</p>
<p><b>Goal H-2: Affordable Housing</b></p> <p>To facilitate affordable housing opportunities.</p>	<p><b>Quality of Life</b></p> <p>Community Services Goal 8: Make Walnut Creek a community accessible to all.</p>



**TABLE I-2  
HOUSING RELATED GOALS BY ELEMENT  
CITY OF WALNUT CREEK**

<b>Housing Element Goals</b>	<b>Related Goals</b>
<p><b>Goal H-3: Special Needs Housing</b></p> <p>To provide a range of housing services for Walnut Creek residents with special needs, including seniors, persons with disabilities, single female-headed households with children, large families, the homeless, and residents with extremely low incomes.</p>	<p><b>Quality of Life</b></p> <p>Community Services Goal 7: Promote strong community support systems for families and individuals of all ages.</p> <p>Community Services Goal 8: Make Walnut Creek a community accessible to all.</p>
<p><b>Goal H-4: Removal of Government Constraints</b></p> <p>Minimize the impact of potential governmental constraints on the maintenance, improvement, and development of housing.</p>	<p><b>Governance</b></p> <p>Local Leadership Goal 3: In areas where changes are proposed, encourage collaboration among the public, property owners, neighborhood associations, and the City.</p>
<p><b>Goal H-5: Housing Preservation</b></p> <p>To protect and conserve the existing housing stock where possible and appropriate.</p>	<p><b>Quality of Life</b></p> <p>Neighborhoods and Residential Areas Goal 1: Protect and enhance the quality of life in the city's residential neighborhoods.</p>
<p><b>Goal H-6: Fair Housing</b></p> <p>To ensure equal housing opportunities for all Walnut Creek residents regardless race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.</p>	<p><b>Quality of Life</b></p> <p>Community Services Goal 7: Promote strong community support systems for families and individuals of all ages.</p> <p>Community Services Goal 8: Make Walnut Creek a community accessible to all.</p>

<b>TABLE I-2 HOUSING RELATED GOALS BY ELEMENT CITY OF WALNUT CREEK</b>	
<b>Housing Element Goals</b>	<b>Related Goals</b>
<p><b>Goal H-7: Energy Conservation and Sustainable Development</b></p> <p>To encourage energy conservation and green building policies and practices in residential development</p>	<p><b>Built Environment</b></p> <p>Growth Management Goal 10: Coordinate the location, intensity, and mix of land uses with transportation resources.</p> <p>Growth Management Goal 12: Make more efficient use of the regional and subregional transportation system.</p> <p>Environmental Integrity Goal 26: Develop a comprehensive integrated plan to preserve the natural environment in the built environment.</p> <p>Sustainability Goal 27: Promote “green” development and redevelopment.</p> <p>Conservation Goal 28: Promote energy conservation.</p> <p>Waste Reduction Goal 30: Meet or exceed State goals for source reduction and waste diversion.</p>