

4.2 POPULATION, HOUSING, AND EMPLOYMENT

INTRODUCTION

The Population, Housing, and Employment section of the EIR describes existing and projected population, housing, and employment conditions in the City of Davis. Primary documents and information sources referenced to prepare this section include the *City of Davis General Plan*,¹ the *Program EIR for the City of Davis General Plan Update and Project EIR for the Establishment of a New Junior High School (General Plan Update EIR)*,² Sacramento Area Council of Government (SACOG),³ the City of Davis website,⁴ the California Department of Finance (DOF),⁵ the *Davis General Plan Housing Element Update Needs Assessment Background Report (Housing Element Background Report)*,⁶ and estimates and projections of the 1990 and 2000 Census reports modeled through MapInfo based software developed by AnySite Technologies.⁷

ENVIRONMENTAL SETTING

The following setting information provides an overview of the existing population, housing supply, and employment characteristics in the City of Davis in Yolo County. In addition, the regulatory agencies and policies associated with population, housing, and employment are described.

Current Population

According to the California Department of Finance, the population of the City of Davis as of January 1, 2008 was estimated to be 65,814. As can be seen in Table 4.2-1 below, the population of the City of Davis has increased by over 5,000 residents in the past eight years; however, the growth has moderated over the past three years.

Population projections based on information from SACOG and the Housing Element Background Report indicate a larger population of approximately 66,356 residents, as shown below in Table 4.2-2. Therefore, the analysis contained in this section of the DEIR will use the DOF and SACOG as the lower and upper bounds of the current City of Davis population, respectively.

Growth Rates

As indicated in the Housing Element Background Report, the City of Davis population increased by 7.1 percent between 2000 and 2006, or 1.2 percent annually. Growth is expected to slow to approximately 0.6 percent annually between 2005 and 2013.

| As of January 1 | Estimated Population |
|------------------------|-----------------------------|
| 2008 | 65,814 |
| 2007 | 64,938 |
| 2006 | 64,638 |
| 2005 | 64,350 |
| 2004 | 64,545 |
| 2003 | 63,853 |
| 2002 | 63,357 |
| 2001 | 61,856 |
| 2000 | 60,308 |

Source: California Department of Finance, E-1 Population Estimates for Cities and Counties, 2008; and E-5 Population Estimates for Cities, Counties, and State, 2001-2008 with 2000 DRU Benchmark; accessed at www.dof.ca.gov, December 2008. The 2000 through 2007 figures are year end adjusted or revised figures by DOF, while the 2008 is not.

| | 2005 | 2009* | 2010 | 2013 | 2015 | 2035 |
|-------------------------|-------------|--------------|-------------|-------------|-------------|-------------|
| Total Population | 65,176 | 66,754 | 67,382 | 68,271 | 68,863 | 77,560 |

*Projection based on 0.6 percent annual growth rate.

Sources: Bay Area Economics, Davis General Plan Housing Element Update Needs Assessment Report, September 28, 2007, http://www.city.davis.ca.us/cdd/GPUUpdate/pdfs/20071011/Davis_Housing_Needs_Final_10-3-2007.pdf, January 2008. SACOG DRAFT 2035 Projections for Households and Population by Housing Type and Employment by Sector, <http://www.sacog.org>, September 2007.

Relevant Population Growth Actions in General Plan

Since UC Davis became a general campus of the University of California in the early 1950s, Davis’ average growth rate has been among the highest in the Sacramento Metropolitan Area. Concern about this growth rate was expressed by the electorate in June 1986, when 58 percent of those voting approved an advisory measure calling for Davis “to grow as slow as legally possible.”

The size of the City has been a major policy issue throughout the recent history of Davis. The Land Use and Growth Management Chapter of the 2001 Davis General Plan includes more than one “Action” pertaining to the limiting of Davis’ population. The most specific standard is contained in “Action e” of Land Use Policy 1.1, which is described below.

Create and maintain an effective growth management system designed to keep the population of the City below 64,000 and the number of single-family dwellings below 15,500 in 2010, which corresponds to a sustained 1.81 percent annually-compounded growth rate from January 1, 1988 to January 1, 2010 and a sustained

1.4331 percent annually-compounded growth rate from January 1, 1996 to January 1, 2010 due to “front loading.”

As indicated above, the current lower and upper population estimates for the City of Davis exceed the target population for 2010 established by General Plan Action “e.”

Current Housing

Table 4.2-3 shows the amount of housing units per housing type within the City of Davis as of January 1, 2008.

| Table 4.2-3 Davis Housing Units (as of January 1, 2008) | |
|--|------------------------|
| Unit Type | Number of Units |
| Single Family | 13,968 |
| Multiple Family | 11,523 |
| Mobile Homes | 385 |
| Total | 25,876 |
| <i>Source: California Department of Finance, E-5 City/County Population and Housing Estimates, 2001-2008; accessed on www.dof.ca.gov, December 2008.</i> | |

The Housing Element Background Report identifies a total of 25,269 dwelling units within the City of Davis in 2006. Therefore, the larger DOF figure of 25,876 will be used to conservatively analyze the potential impacts to housing in the City of Davis.

Future Housing Projections

The SACOG Regional Housing Needs Allocation (RHNA) for the City of Davis from January 2006 to June 2013 is 498 dwelling units. The City of Davis is currently updating the General Plan Housing Element, as well as other elements of the General Plan, to ensure that the City has sufficient land designated for residential development to meet the RHNA requirements.

Housing Tenure

Demographic data provided by the AnySite modeling program indicates that 46.0 percent of the housing stock is owner-occupied while 54.0 percent of the stock is renter-occupied.

As of January 2008, the DOF total vacancy rate was 2.18 percent. Vacancy rates in the 4 to 6 percent range generally indicate a healthy housing market where new housing is being absorbed efficiently by the market. The City’s vacancy rate reflects an undersupply of housing resulting in an imbalance between housing demand and supply (Davis General Plan Update EIR, p. 5B-4).

Household Income

Table 4.2-4 shows the projected incomes of households in Davis in 2008. The median household income in 2008 was \$60,669 and the average household income was \$87,579.

| Households | Number | |
|---|-----------------|--------------------|
| | Davis | Yolo County |
| Less than \$10,000 | 1,931 | 4,249 |
| \$10,000 to \$14,999 | 1,185 | 3,240 |
| \$15,000 to \$19,999 | 1,159 | 3,529 |
| \$20,000 to \$24,999 | 1,442 | 3,961 |
| \$25,000 to \$29,999 | 1,210 | 3,385 |
| \$30,000 to \$34,999 | 1,056 | 3,601 |
| \$35,000 to \$39,999 | 927 | 3,457 |
| \$40,000 to \$44,999 | 875 | 3,745 |
| \$45,000 to \$49,999 | 875 | 3,817 |
| \$50,000 to \$59,999 | 2,034 | 7,706 |
| \$60,000 to \$74,999 | 3,476 | 12,315 |
| \$75,000 to \$99,999 | 4,892 | 10,587 |
| \$100,000 to \$124,999 | 1,699 | 3,601 |
| \$125,000 to \$149,999 | 1,184 | 2,017 |
| \$150,000 to \$199,999 | 927 | 1,584 |
| \$200,000 or more | 824 | 1,296 |
| Median Household Income (dollars) | \$60,669 | \$53,931 |
| Average Household Income (dollars) | \$87,579 | \$76,560 |
| <i>Source: AnySite, 2008.</i> | | |

Very-low-income households are defined as earning a gross income of less than 50 percent of the median income of Yolo County (as determined by the U.S. Department of Housing and Urban Development) (General Plan, p. 166). Low-income households are defined as earning a gross income of more than 50 percent and less than 80 percent of the median income for Yolo County. Moderate-income households are defined as earning a gross income of more than 80 percent and less than 121 percent of the median income for Yolo County. Therefore, a moderate-income household in Yolo County is one that earns between \$43,145 and \$64,717 per year, which would include approximately 23.3 percent of the households in the City of Davis.

Employment

Table 4.2-5 contains the SACOG projections for employment within the City of Davis. Assuming a linear increase in employment, the current number of people employed within the City of Davis and UC Davis would be 28,216. Therefore, the current jobs-to-housing balance would be approximately 1.09:1, which is within the acceptable range of 0.8:1 and 1.2:1 identified in the General Plan Update EIR.

| Table 4.2-5 Employment in the City of Davis | | | | |
|--|-------------|-------------|-------------|-------------|
| | 2005 | 2013 | 2018 | 2035 |
| Davis | 15,828 | 16,969 | 17,222 | 19,160 |
| UC Davis | 11,103 | 15,101 | 15,775 | 15,775 |
| Total | 26,931 | 32,070 | 32,997 | 34,935 |

Source: SACOG, www.sacog.org; September 2007.

REGULATORY CONTEXT

The following regulations apply to population, housing, and employment issues associated with the Wildhorse Ranch project.

State Regulations

Regional Housing Needs Plan

California General Plan law requires each city and county to have land zoned to accommodate a fair share of the regional housing need. The share is known as the Regional Housing Needs Allocation (RHNA) and is based on a Regional Housing Needs Plan (RHNP) developed by councils of government. SACOG is the lead agency for developing the RHNP for a six county area that includes Yolo County and the City of Davis. The latest housing allocation covers the 7.5 year period from January 1, 2006 through June 30, 2013. The jurisdiction is not required to make development occur; however, the jurisdiction must facilitate housing production by ensuring that land is available and that unnecessary development constraints have been removed.

As mentioned above, the City of Davis is currently updating the Housing Element and other portions of the General Plan. The Housing Element will provide for the provision of the RHNA that has been assigned to the City of Davis. On November 5, 2008, the City Council adopted a resolution to approve an EIR Addendum and to direct staff to implement, with modifications, the recommendations of the Steering Committee. In addition on April 1, 2008 the City Council directed staff to submit the Draft Housing Element to the State Department of Housing and Community Development; however the Housing Element has not been adopted.

Local Regulations

The following are applicable goals and policies from the Land Use and Growth Management Element of the City of Davis General Plan related to population, housing, and employment:

- | | |
|---------------|---|
| Goal LU 1 | Maintain Davis as a small, University-oriented city surrounded by and containing farmland, greenbelt, and natural habitats and reserves. |
| Policy LU 1.1 | Recognize that the edge of the urbanized area of the city depicted on the land use map under this General Plan represents the maximum extent of |

urbanization through 2010, unless modified through the Measure J process.

The following are applicable goals and policies from the Housing Element of the City of Davis General Plan related to population, housing, and employment:

- Goal HOUSING 1 Promote adequate housing opportunities for people of all ages, incomes, lifestyles and types of households.
 - Policy HOUSING 1.1 Encourage a variety of housing types that meet the housing needs of an economically and socially diverse Davis.
 - Policy HOUSING 1.2 Strive to maintain an adequate supply of rental housing in Davis to meet the needs of all renters, including students.
 - Policy HOUSING 1.3 Encourage the construction of housing to meet the needs of single persons and households with children with extremely low, very low, and low incomes.
 - Policy HOUSING 1.4 Encourage a variety of housing types and care choices for disabled persons.
 - Policy HOUSING 1.6 Include students from low-income families within the targeted population for affordable housing opportunities.
 - Policy HOUSING 1.7 Analyze the models and options to promote housing for local employees.
 - Policy HOUSING 1.8 Encourage a variety of housing types and care choices, as well as housing innovation, for seniors.
 - Policy HOUSING 1.9 Encourage construction of housing to meet the needs of farmworkers.
- Goal HOUSING 2 Provide housing that is affordable for residents with low paying jobs, fixed incomes and pensions.
 - Policy HOUSING 2.1 Strive to meet the identified current and projected local need for housing and of housing affordable to extremely low, very low, low, and moderate

income households including provision of Davis' five-year fair share of regional housing need.

Goal HOUSING 3 Increase Equal Housing opportunities for all persons and households in Davis.

Policy HOUSING 3.1 Affirmatively further fair housing opportunities for all persons regardless of race, color, religion, sex, national origin, familial status, disability, age, marital status, sexual orientation, source of income, and receipt of Section 8 or other subsidized rental.

Policy HOUSING 3.2 Strive to ensure that required affordable housing is occupied by those of the greatest need.

Policy HOUSING 3.4 Strive to assure that all new subsidized affordable housing and the land on which it is located remain affordable permanently. In a case in which that is infeasible, assure affordability for the longest feasible time and recapture of the local subsidies. Also, should economic circumstances, or state and federal subsidies dictate that permanent affordability requirement be released for a specific development project, then appropriate recapture mechanisms for the subsidies and owner occupancy for the longest period feasible shall be imposed. Specific findings for release of the permanent affordability requirement shall be established in the Affordable Housing Ordinance.

Goal HOUSING 4 Disperse affordable and rental housing fairly throughout the City.

Policy HOUSING 4.1 Maintain and periodically review the Affordable Housing Ordinance to require the inclusion of affordable housing in all new development areas to the extent feasible.

Policy HOUSING 4.2 Provide housing opportunities for the local workforce in the Davis Area.

Policy HOUSING 4.3 Promote a linkage between new ownership housing and the local workforce.

Policy HOUSING 4.4 Encourage senior housing in all parts of Davis and near neighborhood centers, shopping centers,

public transportation, and/or parks and greenbelts where compatible with existing uses.

Policy HOUSING 4.6 The City will develop procedures and criteria to clarify the types of modifications or changes that are and are not subject to addition voter approval. The procedures and criteria will be consistent with the general parameters contained in measure J. The procedures will establish an expeditious process for changing or establishing project components such that any project and/or land use entitlement implanting the Measure J approval does not have to undergo additional approval by the local electorate. Features of such projects not subject to additional voter approval will likely include, but are not limited to, building setbacks and height; building façade design including materials, colors and roof pitch; on-site landscaping layout, and on-site parking and internal circulation designs.

Goal HOUSING 5 Disperse affordable and rental housing fairly throughout the City.

The following are applicable goals and policies from the Economic and Business Development Element of the City of Davis General Plan related to population, housing, and employment:

Goal ED 3 Retain existing businesses and encourage new ones as means to increase higher paying jobs, create greater job diversification, and create a more balanced economy for all economic segments of the community, while also maintaining the City's fiscal and environmental integrity.

Policy ED 3.1 Adopt policies that make Davis a more business-friendly community and eliminate unnecessary barriers to business.

Policy ED 3.2 Encourage new businesses to locate in Davis, targeting business which improve the city's fiscal base, are consistent with the City's values and identity, and match the employment skills of the population, such as those in the emerging technology and knowledge-based industries.

Policy ED 3.3 Work with other organizations to identify needs and develop work force and training opportunities in areas identified as needed by the Davis business community.

Davis Affordable Housing Ordinance – Section 18.05 of the Municipal Code

The City's existing affordable housing ordinance establishes requirements for the development of both for-sale and rental housing projects. The developer of residential for-sale units must make the equivalent of 25 percent of the units affordable to very low, low, and moderate-income households. The standard method of meeting this requirement includes a mix of the construction of for-sale affordable units; the dedication of land suitable for the purpose of developing affordable units; and the provision of lots to allow for the construction of self-help housing.

The developer of a multi-family rental development must make at least 25 percent of the units affordable to low-income households and at least 10 percent of the units affordable to very low-income households. As an alternative to requirements, a developer may submit for approval a project individualized plan that generates the same or more affordable housing units.

In accordance with requirements of state law, the City's affordable housing ordinance provides a 25 percent density bonus for the provisions of required affordable units. The density bonus may be market-priced units.

IMPACTS AND MITIGATION MEASURES

Standards of Significance

For the purposes of this EIR, an impact is considered potentially significant if the proposed project would:

- Provide less-than 25 percent of dwelling units as affordable rental or ownership units to very-low, low, and moderate income households;
- Contribute to population growth that causes the annual compounded growth rate to exceed 1.81 percent;
- Substantially affect existing housing or create a demand for additional housing;
- Conflict with the acceptable jobs/housing ratio specified in the General Plan Update EIR, which ranges between 0.8:1 to 1.2:1; or
- Conflict with housing and population projections and policies set forth in Davis' General Plan.

Methods of Analysis

The following section evaluates the impacts of the proposed project on the existing population, housing, and employment that would occur if the project as currently proposed is developed. Impact significance is determined by comparing project conditions to the existing conditions. The existing conditions and growth projects are based on research conducted through the DOF, SACOG, and City of Davis using publicly available documents. In addition, demographic modeling software developed by AnySite Technologies (AnySite Version 8.7) was also used to complement the information provided by public agencies.

Project Impacts and Mitigation Measures

4.2-1 Inconsistency with City of Davis affordable housing policies and Affordable Housing Ordinance.

Standard “a.” under Policy HOUSING 4.1 of the General Plan, states “Twenty-five percent of all proposed new for-sale residential units should be affordable to very low, low, and moderate income households. The units should be as affordable rental or ownership.”

The City of Davis Affordable Housing Ordinance reiterates the above requirement regarding single-family housing and also states that the developer of a multi-family rental development must make at least 25 percent of the units affordable to low-income households and at least 10 percent of the units affordable to very low-income households.

Forty (40) percent of the project’s housing would be affordable to very low and low as well as middle-income housing provided in accordance with the City’s specifications and definitions of affordable and middle income housing. The affordable housing would be composed of 36 units of attached for-sale middle-income units, and 1.92 acres of land designated for the development of affordable housing. The City’s Social Services Commission, Planning Commission, and City Council are in the process of reviewing reduction of required middle-income housing units for projects such as this, given the current market conditions. The outcome could be a reduction in the number of required middle-income housing units for this project. The affordable housing site would likely be dedicated to the City. The affordable housing site density, if intended to be dedicated, would be based on 21 units per acre. As previously noted, the Affordable Housing Ordinance (AHO) requires 15 units per acre. This proposal is inconsistent with this requirement; however, a Project Individual Affordable Housing Plan (PIP) is being proposed to address the difference. This plan will be submitted at the time of Tentative Map submittal, at which time it will be reviewed by the Community Development Director. If the PIP is found not to comply with the AHO, then the PIP shall be revised accordingly. This land dedication would fulfill the City’s 25 percent very-low, low, and moderate income affordability requirement for the project, with the inclusion of a density bonus for the project’s affordability provision.

The middle income units would be located within the townhome areas and mixed within buildings to create a seamless look. These units would be designed to look architecturally and structurally similar to surrounding units, although potentially varying in size. Locations and interior features would be the basis for price differentiation within the types of units. The leasing or sale of the affordable units, if developed as a for-sale product, and sales of the middle-income units would be completed in accordance with the City’s Buyer/Tenant Selection Guidelines and under the City’s supervision.

The proposed project would comply with the City’s Affordable Housing Ordinance; therefore, the proposed project would have a *less-than-significant* impact on affordable housing.

Mitigation Measure(s)

None required.

4.2-2 Inconsistency with Growth Management Action “e” of the Davis General Plan.

As stated above, Action “e” of the General Plan (under Goal LU 1, Policy LU 1) states:

Create and maintain an effective growth management system designed to keep the population of the City below 64,000 and the number of single-family dwellings below 15,500 in 2010, which corresponds to a sustained 1.81 percent annually-compounded growth rate from January 1, 1988 to January 1, 2010 and a sustained 1.4331 percent annually-compounded growth rate from January 1, 1996 to January 1, 2010 due to ‘front loading.’

Table 4.2-6 details the estimated population that would be generated by the Wildhorse Ranch Project. As can be seen in the table, the proposed project would be expected to result in the construction of 191 housing units. According to Table 5B-2 of the Davis General Plan Update EIR, full buildout of General Plan Alternative 3 (the alternative approved by the City of Davis) would result in an estimated total of 25,486 housing units and a total population of 62,073 residents. The project site is designated for agricultural use; therefore, the additional 191 units proposed for the Wildhorse Ranch project site would increase the projected General Plan buildout population by 474 residents. However, as indicated above in Tables 4.2-1 and 4.2-2, the population of Davis has already exceeded 64,000 residents; therefore, the General Plan buildout population and the Action “e” target population have already been exceeded. The current number of housing units according to DOF is 25,816 with 13,968 of the units being single-family. Of the proposed project’s 191 units, 151 would be single-family. Therefore the total number of single-family units with the proposed project and approved projects would be 14,243. The Action “e” target for single-family residences has not been exceeded, as the current number of single-family units is approximately 1,500 units less-than the 15,500 identified as the maximum allowable, and an annually-compounded growth rate in excess of 2.5 percent per year would be required to reach the 15,500 mark by 2010. The estimated City of Davis population

| Table 4.2-6 Projected Population Growth Generated by the Wildhorse Ranch Project | | | |
|---|---------------------------|------------------------------|-----------------------------|
| Housing Type | Population Density | Total Number of Units | Estimated Population |
| Detached Single-Family For Sale | 2.48 per unit | 73 | 181 |
| Attached/Detached Single Family For Sale | 2.48 per unit | 78 | 194 |
| Apartments | 2.48 per unit | 40 | 99 |
| TOTAL | | 191 | 474 |

In February 2008, the Davis City Council adopted a resolution directing staff to prepare amendments that implement an annual growth guideline of one percent. However, permanently very low, low, and moderate income households would be exempt from the one percent grow limits. In addition, in November 2008, the City Council adopted overarching goals and principles for growth. The City Council recognizes the need for affordable housing to meet the Regional Housing Needs Assessment (RHNA). Therefore, as the proposed project would be consistent with the current General Plan policy because it does not exceed the number of single family dwellings or the growth rate, and the proposed project is consistent with the proposed City Council growth limits, a *less-than-significant* impact would result.

Mitigation Measure(s)

None required.

4.2-3 Impacts to employment and housing.

Based on a linear projection of the employment data contained in Table 4.2-5 and the housing units in Table 4.2-3, the current jobs/housing balance in the City of Davis is approximately 1.09:1 (28,216 jobs ÷ 25,876 housing units = 1.09). The General Plan Update EIR (Page 5B-15) states that a jobs/housing ratio of between 0.8:1 and 1.2:1 is determined to be acceptable.

The proposed project would not create jobs beyond the construction phase, and would construct 191 residential units (See Table 4.2-6). Therefore, the total number of jobs in Davis would remain at approximately 28,216 and the total housing unit number would increase to approximately 26,067. The resulting jobs/housing balance with the proposed project would be approximately 1.08:1 (28,216 ÷ 26,067 = 1.08).

The proposed project would not substantially alter the jobs/housing balance, and the ratio would remain within the acceptable range identified in the Davis General Plan Update EIR. Therefore, the proposed project would have a *less-than-significant* impact to the jobs/housing balance within the City of Davis.

Mitigation Measure(s)

None required.

Cumulative Impacts and Mitigation Measures

4.2-4 Long-term impacts to population, housing, and employment from the proposed project in combination with existing and future developments in the Davis area.

The proposed project is identified in the City of Davis General Plan EIR Addendum as a yellow light project. The addendum identifies that with buildout of all currently zoned and “green light” projects (includes, but not limited to, buildout of the Verona, Chiles Ranch also known as Simmons, and Grande sites) by June 2013 the total single-family

residences within the City would be approximately 15,291, remaining below the anticipated 15,500. Development of the proposed project would result in the construction of up to 191 residential units, 151 of which are single family residences. Therefore, with buildout of the proposed project, the total single family residences would be 15,442, below the Growth Management Action “e” and a *less-than-significant* impact would result.

Mitigation Measure(s)

None required.

Endnotes

¹ City of Davis, *City of Davis General Plan*, May 2001.

² *Program EIR for the City of Davis General Plan Update and Project EIR for the Establishment of a New Junior High School*, January 2000.

³ <http://www.sacog.org>; September, 2007.

⁴ <http://www.city.davis.ca.us>; September, 2007.

⁵ California Department of Finance, E-1: City/County Population Estimates with Annual Percent Change January 1, 2006 and 2007; www.dof.ca.gov; September 2007.

⁶ Bay Area Economics, *Davis General Plan Housing Element Update Needs Assessment Background Report*, September 28, 2007.

⁷ AnySite Version 8.7, computer model run on January 7, 2008.