



Date: January 15, 2003
To: Inter-Regional Partnership
From: IRP Staff
RE: IRP Regional Projections

Background

At the November IRP meeting, members requested that staff draft a document summarizing the five IRP county's projected growth. Members were interested in seeing population, employment and housing growth for the IRP region through 2025. Also requested, as part of this document was the State Department of Housing and Community Development's Regional Housing Need Allocation for each jurisdiction in the IRP. This staff report summarizes the data that has been collected thus far and presents a status report of the document.

Discussion

The attached draft document summarizes population, housing and job growth trends through 2025 for the entire IRP region. The full document, to be presented at the March IRP meeting, will include similar data and text for all of the IRP counties and the cities therein. Much of the data and text will come directly from the individual COGs, as each COG has developed a complete set of projections for their own use. In addition, because jobs/housing balance relationships has been identified as a key goal for the IRP, an emphasis has been placed on the trends in job growth and the relationship to housing in the region and in the individual counties.

Below is a detailed list of the data presented in the attached draft document (regional totals only) as well as what will be included in the final report (regional, county and city data):

- 2000 through 2025 population forecasts (in five year increments) for the region, counties and cities
- 2000 through 2025 household forecasts (in five year increments) for the region, counties and cities
- 2000 through 2025 employment forecasts (in five year increments) for the region, counties and cities
- Regional Housing Needs Allocation for region, counties, unincorporated areas and cities
- 2000 and 2025 jobs/housing ratios for region, counties and cities
- 2000 and 2025 housing surplus/shortfall and percent change for region, counties and cities

Graphs, charts and maps are provided in the draft document as data synopsis and to visually depict the anticipated growth over the next 25 years in this dynamic and diverse region. Similar graphs, charts and maps will be provided with the detailed county data to be presented in the full document. That document will be presented for the IRP's review and comment at the March 19, 2003 IRP meeting.

Recommended Actions

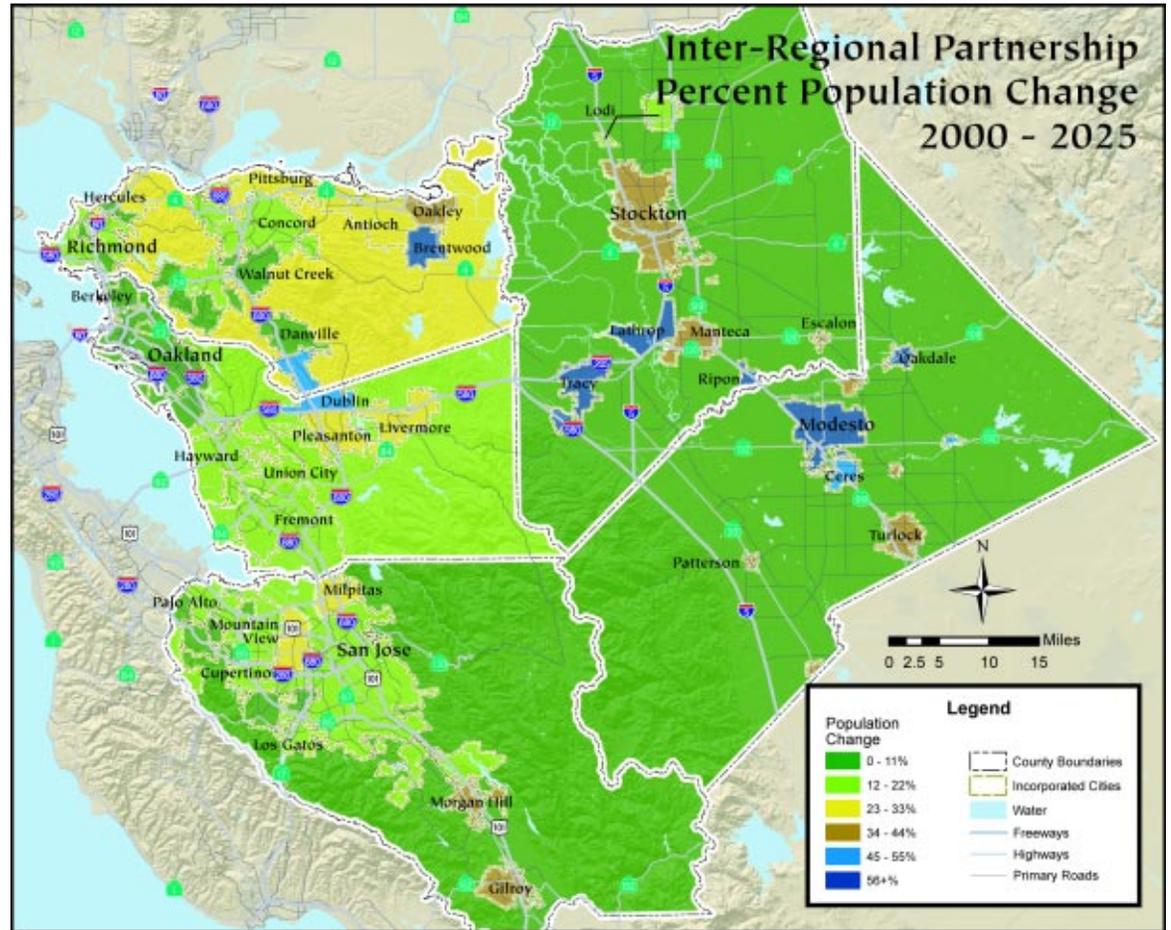
Staff requests that the IRP members review the draft summary projections document and provide comment as necessary.

IRP Region Demographic and Economic Forecasts: Population, Residential, and Job Growth in the San Francisco Bay Area–Central Valley Region

This document examines the growth trends of the five counties that make up the San Francisco Bay Area–Central Valley Inter-Regional Partnership (IRP). The Inter-Regional Partnership was formed in 1998 as a partnership between fifteen elected officials representing five counties—Alameda, Contra Costa, San Joaquin, Santa Clara, and Stanislaus. Through the IRP, local representatives work to bridge jurisdictional boundaries to forge cooperative solutions to shared problems. These problems include the geographic separation of housing and employment; mounting traffic and air pollution; and unbalanced growth. Three councils of governments (COGs)—the Association of Bay Area Governments, the San Joaquin Council of Governments, and the Stanislaus Council of Governments—provide staffing, financial support and regional expertise to the IRP.

In this document, population, housing and job growth trends through 2025 are summarized for the entire IRP region and the counties therein. The data for the counties and much of the text comes directly from the individual COGs, as each COG has developed a complete set of projections for their own use. In addition, jobs/housing balance relationships has been identified as a key goal for the IRP. Therefore, an emphasis has been placed on the trends in job growth and the relationship to housing in the region and in the individual counties.

Graphs, charts and maps are provided as data synopsis and to visually depict the anticipated growth over the next 25 years in this dynamic and diverse region.



2025 Population by Jurisdiction in Five County IRP Region, ABAG GIS

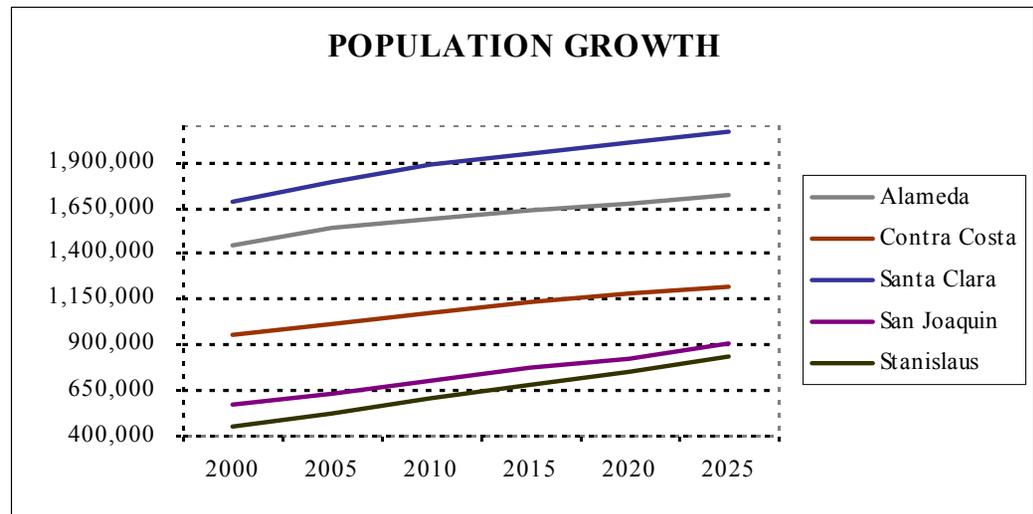
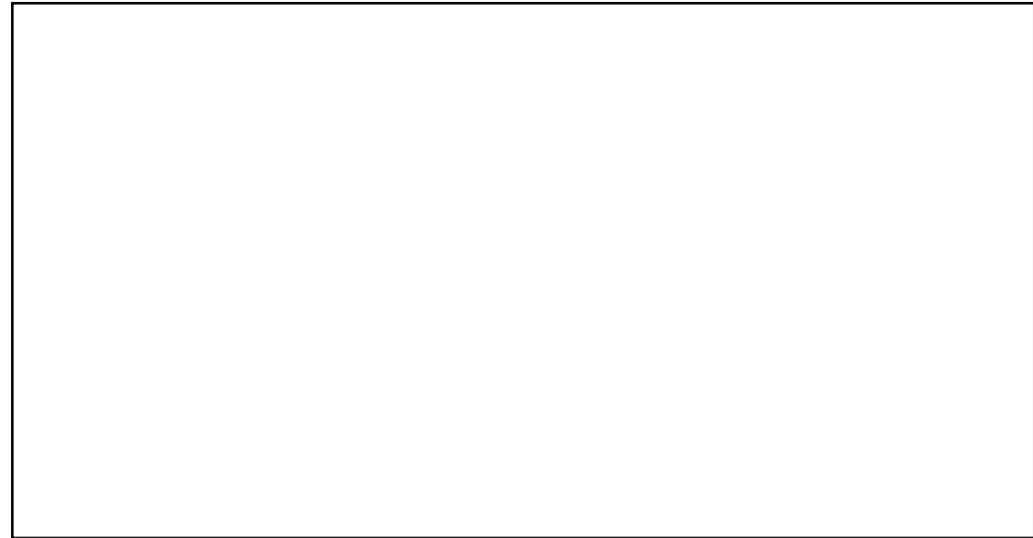
IRP REGION

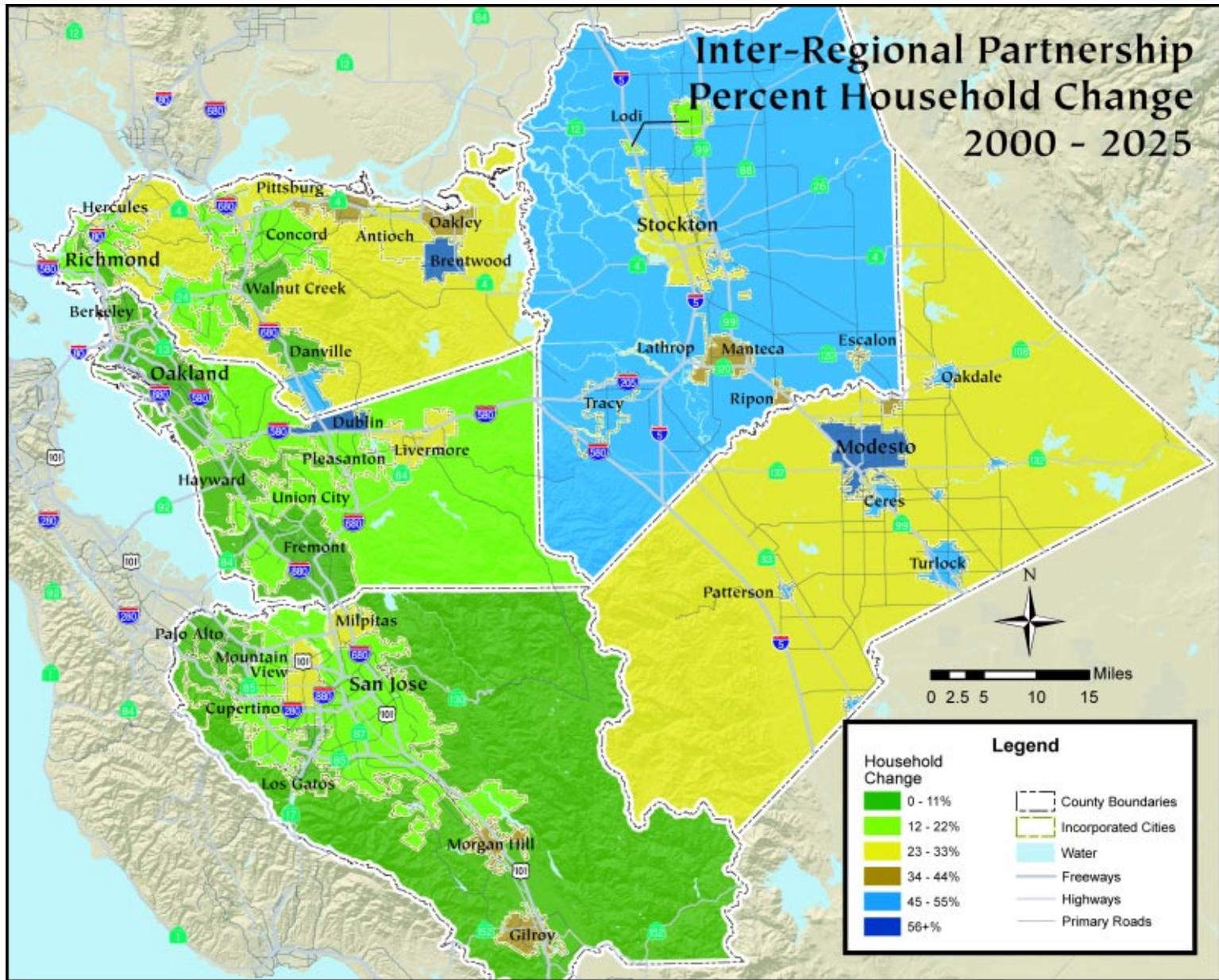
Population Growth

Over the next 25 years the population of the five counties of the San Francisco Bay Area - Central Valley Inter-Regional Partnership, including Alameda, Contra Costa, San Joaquin, Santa Clara and Stanislaus will grow by over 32 percent, to over 6.7 million people.

The Bay Area counties of Alameda, Contra Costa and Santa Clara will continue to be more populous than their rural neighboring counties with a 2025 projected combined population of nearly 5 million people. Santa Clara County is projected to continue to be the most populous of the Bay Area IRP counties, with well over 2 million people by 2025. Contra Costa county, while the least populous of the Bay Area counties, will experience the greatest rate of growth at 27 percent from 2000 to 2025.

The Central Valley counties of Stanislaus and San Joaquin will continue to be significantly less urban than the Bay Area IRP counties. However, both counties are projected to experience tremendous rates of growth in the next 25 years. Stanislaus County's population is expected to grow by 91 percent over the next 25 years to over 826,00 residents. San Joaquin County's population will grow by 59 percent, from a current population of 566,600 to well over 900,000 individuals. On average, the Bay Area counties of the IRP will grow by only 22 percent over the same period.





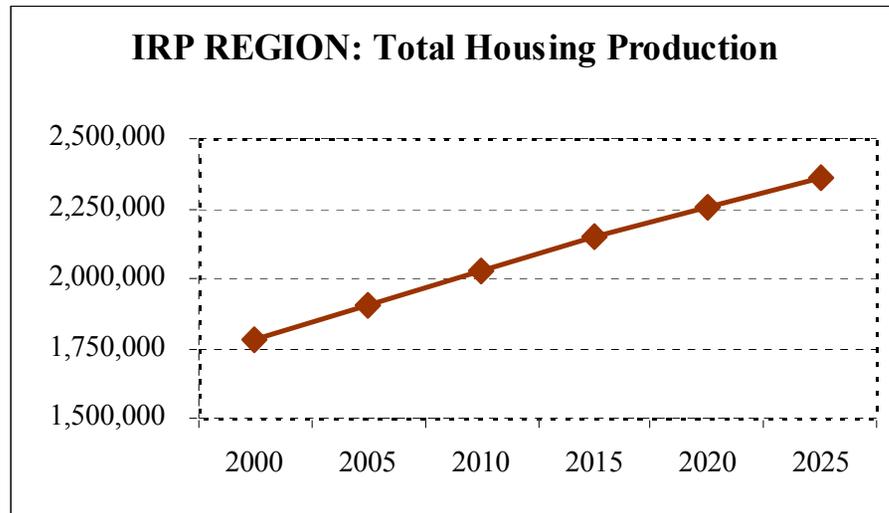
Residential Growth

The five counties that make up the IRP Region will add over a half of a million households for a total of over 2.3 million by 2025. This figure represents a 32 percent growth over current levels. Household growth is projected to be the strongest in the rural counties of San Joaquin and Stanislaus and be slow, yet steady, in the more urban Bay Area counties.

The Bay Area counties of Alameda, Contra Costa and Santa Clara will each see the slowest growth rates in households. Combined, these counties will add a little over 317,000 housing units to today’s amount. The Bay Area county of Alameda, also the most urban of the five counties, will see the slowest household growth. Alameda will add only a little over 88,000 units in the next 25 years or 17 percent over 2000 figures. Sanata Clara County will add over 129,000 units, or 23 percent over current levels. Of the Bay Area Counties, Contra Costa is projected to experience the highest rate of growth, 29 percent in the next couple of decades.

The Central Valley counties of Stanislaus and San Joaquin are projected to add a tremendous amount of housing to their existing stocks. Stanislaus County is expected to add over 140,000 units, or 91 percent over the next 22 years. San Joaquin County’s households will grow by 56 percent, from the current 202,320 to well over 300,000 units.

HOUSEHOLDS						
	2000	2005	2010	2015	2020	2025
Alameda	523,366	543,400	562,010	578,540	595,400	611,680
Contra Costa	344,129	364,910	387,960	408,870	428,870	443,510
San Joaquin	202,320	225,185	248,094	270,994	293,903	316,768
Santa Clara	565,863	596,760	626,730	625,470	674,410	695,170
Stanislaus	145,146	175,379	205,612	235,846	266,079	296,312
IRP Region	1,780,824	1,905,634	2,030,406	2,146,720	2,258,662	2,363,440



Regional Housing Needs Allocation

The Regional Housing Needs Determination (RHND) process is a State mandate, devised to address the need for and planning of housing across a range of affordability and in all communities throughout the State. Each jurisdiction within the Bay Area and the Central Valley is given a share of the anticipated regional housing need. The regional housing need is specified by the California State Department of Housing and Community Development

(HCD) and finalized through negotiations with the local Council of Governments (COGs). In drafting the regional housing needs numbers, HCD utilizes population and employment projections as developed by the COGs and the State Department of Finance.

The COGs are responsible for allocating the regional numbers, as assigned by HCD to its individual jurisdictions by income category. This section presents the official regional housing needs for each county in the IRP

Region. City level data can be found in the detailed county sections.

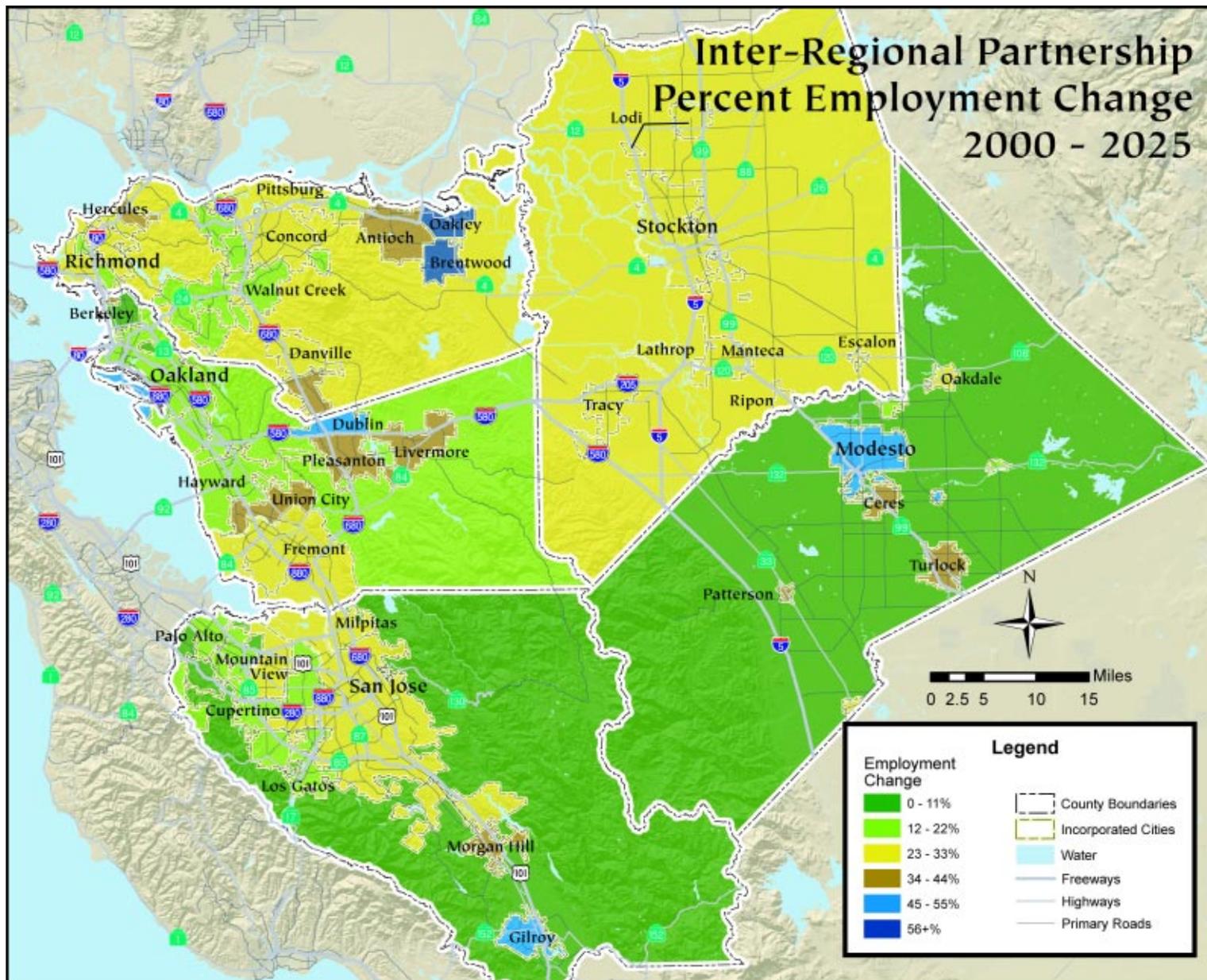
More detailed information on the Regional Housing Needs Allocation process can be obtained by each COG serving the IRP. Bay Area RHND information can be obtained on the web at www.abag.ca.gov. San Joaquin RHND information can be obtained from San Joaquin COG staff at 209-468-3913. Stanislaus Council of Governments is still in the process of developing their regional housing allocations.

Regional Housing Needs Allocation								
	Total Projected Need	Uninc/SOI Need	Jurisdiction Need	Very Low	Low	Moderate	Above Moderate	Average Yearly Need
Alameda ¹	46,793	1,848	44,280	9,910	5,138	12,476	19,269	6,239
Contra Costa	34,710	1,109	33,604	6,683	3,782	8,596	15,649	4,628
San Joaquin ²	39,569	4,455	35,114	9,497	6,331	7,122	16,619	4,946
Santa Clara	57,991	1,238	56,753	11,424	5,173	15,659	25,735	7,732
Stanislaus								
Total Need								

Notes:

1. Data for Alameda, Contra Costa and Santa Clara is for 1999-2006.

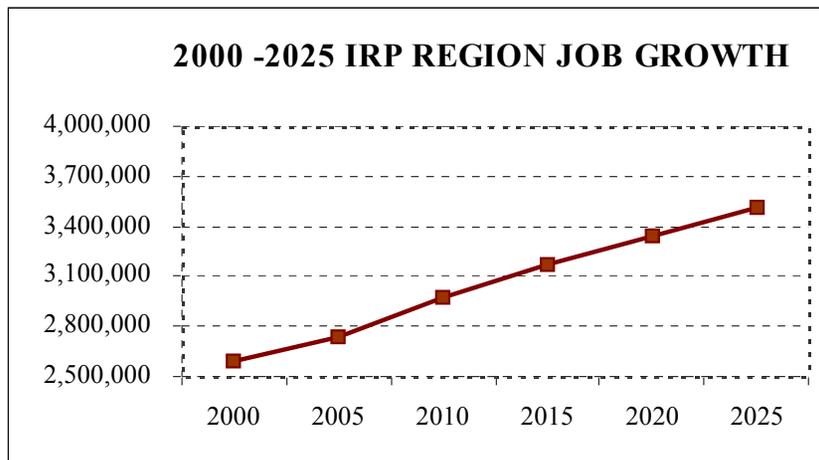
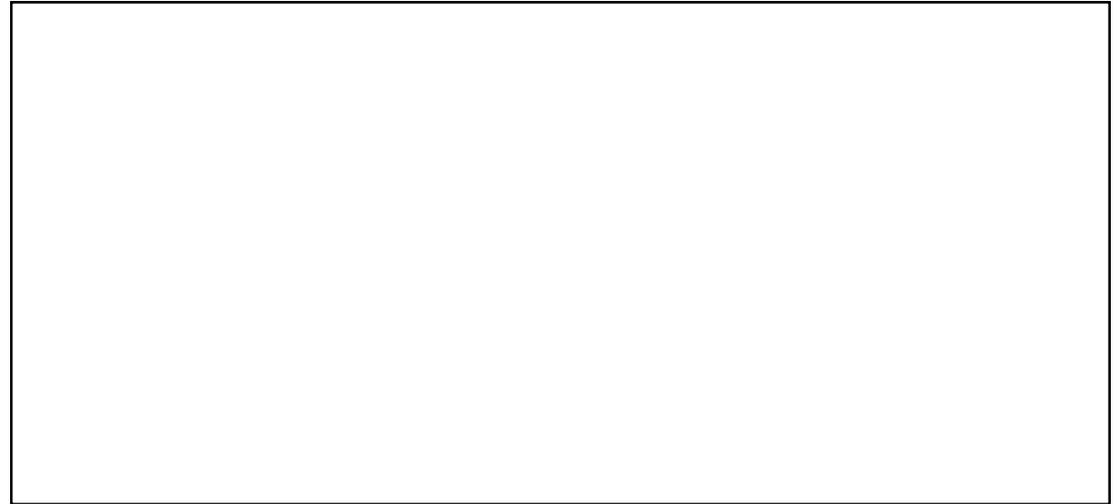
2. Data for San Joaquin County is for 2001-2008



Job Growth

With the dot-com bubble burst in 2000 and 2001, the IRP Region, along with the rest of the nation entered into a recession. Although the near term job opportunities in the IRP counties will continue to be impacted by the effects of this recession, the long-term prospects of the Bay Area and Central Valley economies are optimistic.

By 2025, over 3.5 million jobs will be generated in the five IRP counties, a 36 percent increase over current levels. In the next five to ten years, however, job growth will remain stable at 14.5 percent.



In the Bay Area counties of the IRP, growth in the number of jobs in the short term is expected to be limited. The long-term forecast, however, show's significant change. The Bay Area has an unusually high concentration of computer electronics, telecommunications, and computer software jobs. In addition, the Bay Area is one of the leading regions for biomedical research and development. Some of the nation's top universities and research institutes nurture and support these industries. A varied economy that includes finance, tourism, and government completes the picture. (*Projections 2002, Association of Bay Area Governments*).

Jobs/Housing Balance

Not surprisingly, jobs and housing in the IRP Region, as a whole, is a relatively balanced. The current jobs/housing balance figure for the region is at 1.46. This ratio is only projected to increase by 2 percent to a near perfect 1.49 by 2025. This balance is quite deceptive. Although the region is balanced, as a whole, there is an inherent problem in how that jobs/housing balance is achieved.

The IRP region achieves its seemingly reassuring jobs/housing balance because there is so much imbalance in the individual counties that make up the region. The Bay Area counties of Santa Clara and Alameda each have significant housing shortfalls, where they are producing far fewer homes than jobs. Santa Clara County has a jobs/housing ratio of 1.93. That figure will increase to 2.01 by 2025. These jobs/

housing ratios translate into over 235,300 housing units that in theory should be built in the county by 2025.

Like Santa Clara County, Alameda County will also see a significant housing shortfall by 2025. Over 64,440 housing units are needed to house all the new workers that are projected to come to the County for employment by 2025. Instead, Alameda will see its jobs/housing ratio increase from 1.43 to 1.66 by 2025, indicating that job development will outpace housing development in the next 20 years.

JOBS/HOUSING BALANCE			
	2000 J/H Ratio	2025 J/H Ratio	2000 -2025 Percent Change
Alameda	1.43	1.66	16 %
Contra Costa	1.04	1.12	7 %
San Joaquin	1.00	0.89	-11 %
Santa Clara	1.93	2.01	4 %
Stanislaus	1.28	1.09	-15 %
IRP Region	1.46	1.49	2 %

In contrast, the Central Valley counties of San Joaquin and Stanislaus and eastern Contra Costa County are producing a tremendous amount of housing. San Joaquin County alone will produce an excess of 127,700 housing units then needed to house its own workers. Stanislaus County will see a remarkable 285% increase in its current housing “surplus” of 20,990. By 2025, Stanislaus County will be producing over 80,790 housing units more than it needs to achieve a jobs/housing balance.

Housing production in San Joaquin, Stanislaus and eastern Contra Costa County offsets the job production in the inner Bay Area, creating a perfectly balanced region that is in reality highly unbalanced. In total, these areas of the IRP region are producing over 321,700 housing units to essentially house inner Bay Area workers.

JOBS/HOUSING BALANCE			
	2000 Housing Surplus/Shortfall	2025 Housing Surplus/Shortfall	2000 -2025 Percent Change
Alameda	22,246	-64,446	-390 %
Contra Costa	103,389	113,203	10 %
San Joaquin	67,873	127,722	-88 %
Santa Clara	-162,357	-235,383	46 %
Stanislaus	20,990	80,792	285 %
IRP Region	52,140	22,068	-58 %