

## **5.0 POPULATION AND HOUSING**

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### INTRODUCTION

The purpose of this chapter is to identify, estimate, and evaluate population and housing changes that would be caused by development of the proposed project. This chapter also describes the existing population and housing levels in the City of Sacramento, Sacramento County, and the Old Sacramento, Alkali Flat, and Richards Boulevard Area neighborhoods adjacent to the Specific Plan Area.

This chapter also summarizes City plans and policies pertaining to housing and commercial/office uses, including affordable housing policies and policies related to the maintenance of a jobs/housing balance. Potential inconsistencies with adopted City plans or policies are identified.

No comments were received in response to the NOP relating to population or housing issues.

Sources used in the preparation of this section include:<sup>1</sup>

- U.S. Census (2000);
- Sacramento Area Council of Governments (SACOG);
- California Department of Finance (DOF); and
- City of Sacramento Planning Department (market-based population, employment, and housing projections).

The information contained in this chapter is used as a basis for analysis of project and cumulative impacts in the technical sections of this EIR. However, changes in population and housing, in and of themselves, are generally characterized as social and economic effects, not physical effects on the environment. CEQA provides that economic or social effects are not considered significant effects on the environment unless the social and/or economic effects are connected to physical environmental effects. A social or economic change related to a physical change may be considered in determining whether the physical change is significant (CEQA Guidelines Section 15382). The direction for treatment of economic and social effects is stated in Section 15131(a) of the CEQA Guidelines:

Economic or social effects of a project shall not be treated as significant effects on the environment. An EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on physical changes.

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1 As shown above, this chapter contains information from a variety of sources. Each of these sources uses different modeling and different assumptions to project growth, resulting in different results. While there are differences in the numbers, however, the growth trend demonstrated by each of these sources is consistent.

## ENVIRONMENTAL SETTING

### Population

#### Regional Population

According to SACOG, the greater Sacramento area, including the counties of Sacramento, Placer, El Dorado, Yolo, Sutter, and Yuba, experienced high population growth between 1990 and 2000. The area had a regional population of approximately 1,565,600 in 1990 and 1,922,600 in 2000, an increase of approximately 23 percent, making it one of the fastest growing areas in the State.<sup>2</sup> Current trends in population growth are expected to continue, with regional population projected to reach 2,677,831 by 2020.<sup>3</sup>

#### City of Sacramento Population

Between 1980 and 2000, the City of Sacramento experienced a 47.6 percent change in population. According to the U.S. Census, the City's population was 275,741 in 1980 and 407,018 in 2000.<sup>4</sup> By 2004, the City's population was 458,342, an increase of 12.6 percent over the City's population in 2000.<sup>5</sup> The City's share of the total county population has decreased since 1980, from 35.2 percent to 33.4 percent in 2000, while the City's share of the state population has remained relatively constant (1.1 to 1.2 percent). DOF estimates Sacramento's January 1, 2004, population at 444,005 and January 1, 2006, population at 457,514, an increase of 13,509 or 3 percent.<sup>6</sup> SACOG's population projections for the City of Sacramento project a population of 473,125 in 2010, and up to 517,035 by 2020, an increase of 43,910, or 9 percent.<sup>7</sup>

The current population of the Central City area was approximately 48,980 in 2006.<sup>8</sup> The Central City includes the area between the Sacramento River on the west, the American River to the north, Sutter's Landing and Alhambra Boulevard to the east, and Broadway to the south.

To the north of the Specific Plan Area is the Richards Boulevard Area, which consists primarily of industrial and office uses, along with highway commercial near I-5, a limited amount of housing, and a variety of social services. To the southeast of the Specific Plan Area lies the Alkali Flat historic residential neighborhood, and directly to the south of the Specific Plan Area lie Old Sacramento and the downtown area. These neighboring districts and the downtown street grid would be connected with the Specific Plan Area by extending 5<sup>th</sup> and 6<sup>th</sup> streets, widening 7<sup>th</sup> Street, and by creating Railyards Boulevard, which would run west-east from 12<sup>th</sup> Street to Jibboom Street.

#### Alkali Flat

The approximately 79-acre Alkali Flat residential neighborhood is located to the southeast of the Specific Plan Area. Alkali Flat is the oldest remaining residential neighborhood in Sacramento.<sup>9</sup> The

2 Sacramento Area Council of Governments, *Demographics*, [www.sacog.org/demographics/pophs/coci.cfm](http://www.sacog.org/demographics/pophs/coci.cfm), accessed July 11, 2006.

3 Sacramento Area Council of Governments, Projection Data, 12-16-04, <http://www.sacog.org>, accessed June 16, 2006.

4 U.S. Census, Abstract of the United States, 2003, No. HS-7. Population of the Largest 75 Cities: 1960 to 2000, Statistical <http://www.census.gov>, accessed May 30, 2007.

5 U.S. Census, American FactFinder, <http://www.factfinder.census.gov>, accessed July 11, 2006.

6 California Department of Finance, Demographic Research Unit, <http://www.dof.ca.gov>, accessed June 16, 2006.

7 Sacramento Area Council of Governments, Projection Data, 12-16-04, <http://www.sacog.org>, accessed June 26, 2006.

8 Carlos Porras, City of Sacramento Planning Department, personal communication, July 7, 2006.

9 Sacramento Housing and Redevelopment Agency, <http://www.shra.org/Content/CommunityDevelopment/AlkaliFlat/EconHist.pdf>, accessed June 28, 2006.

neighborhood currently houses approximately 2,296 residents, and contains low-, moderate-, and high-income housing interspersed with commercial uses and office buildings.<sup>10</sup>

### Richards Boulevard Area

The Richards Boulevard Area is comprised of approximately 1,050 acres of land located north of the Specific Plan Area within the City of Sacramento. The land is divided into approximately 700 separate parcels held by over 200 property owners. Most of the development is concentrated in the western two-thirds of the planning area (generally west of the Union Pacific Railroad tracks), while the eastern one-third of the planning area (a former landfill site) is largely undeveloped. The U.S. Census estimated that the area had a population of approximately 1,579 residents in 2000.<sup>11</sup>

## **Housing**

### **Regional Housing Supply**

Although housing sales in the Sacramento region have slowed from record levels in 2004, homebuilders are continuing to add to the region's housing supply, albeit at reduced levels. In 2005, new home sales dropped to 14,094 in the six-county Sacramento region, down 18 percent from the record 17,155 in 2004.<sup>12</sup> The housing market has slowed considerably recently due to several factors including higher interest rates and economic uncertainty.

### **City of Sacramento Housing Supply**

The City of Sacramento had a total of 182,045 housing units in 2005, of which 168,782 were occupied units, and 13,263 were vacant.<sup>13</sup> SACOG projects that Sacramento will reach 207,910 housing units by 2025.<sup>14</sup> Since 1999, approximately 87 percent of the constructed units were single-family units, 12.5 percent were multi-family units, and less than one percent were mobile homes.

### **Alkali Flat Housing Supply**

A Redevelopment Implementation Plan is currently underway for the Alkali Flat neighborhood. The current Implementation Plan for this project area began in 2005 and extends to 2009. The housing compliance aspect of the plan (for affordable housing program planning) covers a 10-year period from 2000 and extends to 2009. One of the key purposes of the Implementation Plan is to provide safe housing through the development and rehabilitation of a mixture of housing types for all income groups. Two new buildings are under construction on the Globe Mills site, a designated City Historic Landmark located one block north of the Alkali Flat North National Historic District. The buildings will contain enough units to house 110 low-income seniors. The existing historic mill buildings located on the Globe Mills site will be renovated and converted to 31 market-rate one- and two-bedroom apartments.<sup>15</sup> Another proposed housing project in the Alkali Flat neighborhood includes the 524 Building Preservation, a project to rehabilitate an existing structure on 12<sup>th</sup> Street to a mixed-use

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10 Sacramento Housing and Redevelopment Agency, *Sacramento Revitalization, Alkali Flat Implementation Plan*, 2005.

11 U.S. Census Bureau, American Fact Finder, <http://factfinder.census.gov>, accessed June 22, 2007.

12 Sacramento Business Journal, *Homebuilders Cut Staff as Sales Slow*, August 28, 2006, <<http://sacramento.bizjournals.com/>> (October 24, 2006).

13 U.S. Census, American FactFinder, Selected Housing Characteristics, <http://www.factfinder.census.gov>, accessed May 30, 2007.

14 Sacramento Area Council of Governments, SACOG Projections, City of Sacramento, 3/15/01, <http://www.sacog.org>, accessed May 30, 2007.

15 Sacramento Housing and Redevelopment Agency, Alkali Flat Projects, <http://www.shra.org/Content/CommunityDevelopment/AlkaliFlat/AFProjects.htm>, accessed June 28, 2006.

project, which would include six one bedroom apartments and one studio.<sup>16</sup> Additional housing is also proposed on currently vacant land along 10<sup>th</sup> Street.

### Richards Boulevard Housing Supply

According to the Richards Boulevard Area Plan, there are a minimum of 150 acres of land that could be used for the development of approximately 3,900 residential units, assuming an average density of 26 dwelling units (du) per acre. The plan also states that the land north of Richards Boulevard would be most suitable for residential development, while office development would be concentrated south of Richards Boulevard.<sup>17</sup>

The Richards Boulevard Area Plan also calls for construction and rehabilitation of existing units in the Dos Rios and Dreher-Basler areas. Within these areas, there is an opportunity for alternative housing, such as live/work, single room occupancy, and transitional cottage housing, which could serve low and very low income populations.<sup>18</sup>

Also planned in the Richards Boulevard Area Plan is the Township 9 development. The Township 9 project would be a mixed-use development located on approximately 65 acres, with commercial office and retail uses, and between 2,350 and 2,981 residential units.<sup>19</sup>

### Jobs-Housing Balance

The concept of jobs/housing balance refers to the relationship of residences to jobs in a given community or area. Assuming a reasonable match between the affordability of housing and the incomes of jobs in the local market, if the number and proximity of residences is proportionate to the number and proximity of jobs, the majority of the employees would have the opportunity to work and reside in the same community. A well-balanced ratio of jobs and housing can contribute to reductions in the number of vehicle trips resulting from commuting due to employment opportunities in closer proximity to residential areas. Such a reduction in vehicle trips would necessarily result in lower levels of air pollutant emissions and less regional congestion on area roadways and intersections. As noted above, another important consideration in evaluating the jobs/housing balance is whether housing in the community is affordable to local employees. The availability of an adequate housing supply, presenting various price levels including those that are reasonably available to those holding jobs that are offered in the community, provides the potential to reduce the length of commutes between residences and work sites.

In 2005, the City of Sacramento had an employment base of 214,267, with a total of 182,045 housing units. Of these housing units, 168,782 were occupied, and 13,263 were vacant.<sup>20</sup> Based on the number of occupied housing units, the employee per housing unit ratio was 1.3.<sup>21</sup> Another estimate by SACOG indicates an employee per housing unit ratio of 1.78 in 2005.<sup>22</sup> Ratios exceeding 1.0 indicate that many jobs are filled by employees not residing within the City, who likely commute greater distances from their homes to their jobs. The extent to which this occurs depends on a variety of factors related not only to employment and housing in the City, but economic factors

16 Sacramento Housing and Redevelopment Agency, Alkali Flat Projects, <http://www.shra.org/Content/CommunityDevelopment/AlkaliFlat/AFProjects.htm>, accessed June 28, 2006.

17 ROMA Design Group, *Richards Boulevard Area Plan*, June 1992, p. 41.

18 ROMA Design Group, *Richards Boulevard Area Plan*, June 1992, p. 41.

19 City of Sacramento, *Township 9 DEIR*, February 2007, p. 2-6.

20 U.S. Census American Fact Finder, Sacramento city, California, 2005 American Community Survey Data Profile Highlights, <http://factfinder.census.gov>, accessed May 30, 2007.

21 An employee per unit ratio that exceeds 1.0 reflects the fact that there are more jobs than housing units within the City. An employee per unit ratio of 1.0 would mean that there is one job per housing unit.

22 Sacramento Area Council of Governments, SACOG Projections, City of Sacramento, 3/15/01, <http://www.sacog.org>, accessed May 30, 2007.

affecting the City and region, including, importantly, the affordability of housing. Greater commuting distances could result in greater regional traffic congestion and increased impacts to the physical environmental, such as air quality.

## **REGULATORY SETTING**

### **Federal**

There are no specific federal regulations pertaining to population that address environmental impacts associated with the Specific Plan Area.

### **State**

There are no specific State regulations pertaining to population that address environmental impacts associated with the Specific Plan Area.

### **Local**

#### City of Sacramento General Plan

The various goals, policies, and implementation programs of the City of Sacramento General Plan seek to minimize population-related impacts by providing a comprehensive framework for the preparation of individual specific plans that ensure that local and regional concerns are adequately addressed in the planning of major new growth areas and that such areas are planned to avoid adverse economic impacts on existing urban centers. The following are applicable goals and policies relating to employment and housing issues from the adopted City of Sacramento General Plan Housing Element (2003).

#### HOUSING SUPPLY

**Goal 1 Provide adequate housing sites and opportunities for all households.**

##### Policies

- 1.E. The City shall continue to promote appropriate and compatible infill housing.
- 1.F. The City shall continue to develop and support transit oriented residential development along transit corridors.

**Goal 3 Housing Mix, Balance, and Neighborhood Compatibility: Promote a variety of housing types within neighborhoods to encourage economic diversity and housing choice.**

##### Policy

- 3.B. The City shall encourage the development of a variety of housing styles and lot sizes to accommodate residents who wish to “move up” within their community plan area.

**Goal 5 Housing Quality and Neighborhood Improvement**

##### Policies

- 5.B. The City shall continue to work with neighborhood residents in ensuring that all our neighborhoods are safe, decent, and pleasant places to live and work. This includes working with schools, community oriented policing, addressing problem properties, and ensuring new development is compatible with existing neighborhoods.
- 5.D. Promote quality residential infill development in infill areas or designated infill sites through flexible development standards.

**Goal 8 Energy Conservation**

##### Policy

- 8.A. Wherever possible, develop, incorporate, and support energy conserving programs in the production and rehabilitation of housing to improve the environment and reduce household energy costs.

## Affordable Housing Requirements

### *Sacramento Zoning Code*

Chapter 17.190 in the City-Wide Programs Division of the City of Sacramento Zoning Code (the Code) provides direction for the provision of affordable housing in residential projects. The ordinance specifically addresses the provision of inclusionary components for very low and low-income households in all residential development projects that are not otherwise exempt. A low-income household is defined as one whose income does not exceed 80 percent of the median Sacramento County income, while a very-low-income household is one that is defined as one whose income does not exceed 50 percent of the median Sacramento County income. The ordinance requires that 15 percent of all residential units within a project are affordable, with 10 percent affordable to very-low-income households and 5 percent affordable to low-income households. Residential development that is exempted from the provision of affordable housing as well as alternatives to the Standard Inclusionary Housing Component regulations are defined in the Code.

### *SACOG Affordable Housing Compact*

In addition to its Inclusionary Housing Ordinance requirements, the Railyards Specific Plan Area is part of a redevelopment project area, and therefore subject to state redevelopment law requirements for affordable housing. State law requires the redevelopment agency to ensure that 15 percent of all housing units newly constructed or substantially rehabilitated in the redevelopment project area must be affordable and targeted to low and moderate income households and at least 40 percent of these units must be targeted to very low income households.

The City of Sacramento has voluntarily joined the SACOG Compact, which provides the following voluntary average jurisdiction-wide production goals for participating jurisdictions:

- At least four percent of all new housing construction will be affordable to very low-income families.
- At least four percent of all new housing construction will be affordable to low-income families.
- Up to two percent of the 10 percent goal could be met by housing affordable to moderate-income families.

The compact goals are not considered mandatory standards for each particular development project.

## Project Components

The proposed project would develop up to approximately 12,500 residences within the Central City, which would generate an estimated population of up to 26,252 new residents at the Specific Plan Area. The proposed project would also develop up to approximately 2.8 million square feet (msf) of office space, 1.4 msf of retail space, 1,100 hotel rooms, and 485,390 sf of historical/cultural uses, all of which would generate employment within the City. Housing developed within the Specific Plan Area would help to address the City's shortage of housing in the Central City area and bring more population to the area. Additional employment opportunities in the Specific Plan Area would help to reinforce the downtown area as the primary employment center in the region. The following proposed project goals and policies address housing and employment within the City:

Community Character

**Goal CC-1 Create a mixed-use urban environment that will become an integral part of the Central City.**

Policies

- CC-1.5. Create a high density, predominantly residential neighborhood with a strong mix of neighborhood amenities (eg. local retail services), as planned in the East End District.
- CC-1.6. Encourage a mixture of high density government and commercial office uses in close proximity to the existing Central Business District and the planned SITF.

Housing

- Goal HO-1 Provide for a range of residential types that address the housing needs of a diverse population.**
- Goal HO-2 Provide housing affordable to a range of income groups.**
- Goal HO-3 Create a cohesive neighborhood that is well integrated in terms of housing type, tenure and cost.**

Policies

- HO-1.1. Encourage a wide diversity of multi-family housing types and a mixture of rental and ownership housing.
- HO-2.1. Ensure long-term affordability of low and moderate income housing.
- HO-2.2. Ensure that affordable units are built in a manner that maintains the high quality design of the community.
- HO-3.1. Encourage elderly housing and a mixture of low and moderate income housing that is well integrated with market-rate housing.
- HO-3.2. Phase new housing in consideration of market forces and funding availability.
- HO-3.3. Make maximum use of available city, county, state and federal programs which support affordable housing.
- HO-3.4. Encourage, where possible, vertical mixed integration of housing and other uses.
- HO-3.5. Promote housing types that have potentially less significant impacts on the environment such as senior housing, assisted living housing and special needs housing.

## **PROPOSED PROJECT SETTING AND ANALYSIS**

The proposed project seeks approval from the City of Sacramento for entitlements to develop the 244-acre Specific Plan Area, which would permit a mixed-use development consisting of high-density housing, complemented by cultural, office, hotel, and retail uses surrounding parks and open space. The proposed project includes an overlay zone, which could potentially be developed as a sports and entertainment facility, reducing the total number of residential units and/or commercial and retail space. The proposed project would increase the number of residents living in downtown Sacramento by creating an urban village that provides a mixture of residential units, including affordable housing. The residential component of the proposed project would be incorporated throughout the Specific Plan Area with a focus on creating an amenitized residential neighborhood in the northeast portion of the Specific Plan Area, within the East End District. Office uses would be located throughout the Specific Plan Area.

Currently, the proposed project site contains the historic Depot, Union Pacific mainlines for freight and passenger trains, Sims Metal, and vacant buildings known as the Central Shops. The Central Shops area was previously the location of rail equipment production and maintenance. Currently, the California State Railroad Museum leases two of these buildings to repair and maintain its historic train stock. There are no existing residential uses within the Specific Plan Area. The Specific Plan Area currently contains vacant office uses in the Depot building.

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## **Changes in Population and Housing**

### **Proposed Project Population**

The proposed project would construct between 10,000 and to approximately 12,500 high-density residential units, which would include town homes, apartments, rental and for-sale condominiums, and affordable housing. Assuming an average household size of 2.1 persons, based on population factors used in the Urban Decay Assessment prepared for the proposed project (see Appendix N), this would result in a projected population increase ranging from 21,000 to as many as 26,252. A factor of 2.1 persons per unit was used to determine population of the proposed project, rather than the average household size of 2.57 used by the U.S. Census Bureau for the City of Sacramento. This is due to the Specific Plan Area's location near the downtown area of the City. Downtown households tend to comprise of singles, childless couples, and empty nesters, and are therefore generally smaller than households in other areas of the City. As stated above, increases in population are not, in and of themselves, considered physical environmental effects. Potential physical environmental effects resulting from the Specific Plan Area's population growth are analyzed in the appropriate technical sections of this EIR.

### **Proposed Project Housing Supply**

The proposed project would construct a minimum of 10,000 and up to as many as approximately 12,500 residential units in the Specific Plan Area. The proposed project includes high-density residential uses incorporated throughout the Specific Plan Area. The final number of units constructed would be determined by market forces, and would be in part dependant on the amount of office developed and whether a sports arena is developed in the Specific Plan Area.

### **Proposed Project Affordable Housing Component**

The precise details regarding the provision of affordable housing units in the Specific Plan Area will be developed in the preparation of an inclusionary housing plan between the City and the private developers of the proposed project. At a minimum, the development of the Specific Plan Area will conform to the affordability standards of the Community Redevelopment Law.

### **Proposed Project Jobs/Housing**

The proposed project includes approximately 244 acres of transportation, office, residential, retail, public, hospitality, open space, and parking uses. Transportation-, hospitality-, office-, retail-, and public-related uses would all generate significant staff employment, providing a wide variety of jobs such as hotel staff, municipal employee, retail worker, etc. Because the proposed project includes a substantial amount of mixed-use designations, it is not possible to precisely predict the exact number of housing units or jobs that will be created in the Specific Plan Area. As stated above, the number of residential units developed by the proposed project could range from 10,000 to approximately 12,500. If the maximum number of residential units is constructed, it would result in less office space. Depending on how the mixed-use component of the Specific Plan Area is developed, office space could vary between approximately 2.3 msf to 2.8 msf square feet. More office space would result in more jobs created within the Specific Plan Area; however, this would result in fewer residential units. Similarly, if the event/sports area is developed within the possible Sports and Entertainment Facility Overlay, more jobs would be created by that use, but fewer residential units would be developed.

Employment estimates for the proposed project are based on an employee ratio assumption of one employee for every 300 sf of commercial space and one employee per 400 sf of retail space.<sup>23</sup> The 1,100 hotel rooms would generate approximately 1,100 employees, based on one employee per

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23 Tom Kear, Dowling Associates, written communication, June 28, 2006.

room.<sup>24</sup> Based on this assumption, the number of jobs available within the Specific Plan Area would range from approximately 12,400 to 15,200, assuming the retail employee ratio for the Central Shops. To the extent that housing is increased in the Specific Plan Area, employment would decrease; conversely, the lower amount of housing, there would be a higher amount of employment within the Specific Plan Area.

Based on these estimates, the ratio of jobs to housing within the Specific Plan Area would range from as low as 0.9:1 to as high as 1.41:1 (see Table 5-1). This is based on the assumption that the scenario in which the maximum number of dwelling units is developed (approximately 12,500) would result in the least amount of jobs (12,400), while the scenario in which the minimum number of residential units is developed (10,000) would result in the greatest number of jobs (15,200). The first scenario would contain more housing units than jobs, which may help to bring the jobs to housing unit ratio into balance throughout the City. The second scenario would be similar to the City's current jobs to housing unit ratio and would not aid in bringing the ratio closer to 1.0. The development of more housing units within the Specific Plan Area would aid in creating housing near employment centers, thereby meeting the project's objective to bring the jobs to housing unit ratio into closer balance and cut down on commuting. By creating more jobs and less housing within the Specific Plan Area, the jobs to housing units ratio would remain the same.

	<b>Minimum Housing</b>	<b>Maximum</b>
Residential Population	21,000	26,252
Housing Units	10,000	12,500
Employment	15,200	12,400
Jobs/Housing Ratio	1.52:1	0.99:1

Source: Thomas Enterprises, 2007; PBS&J/EIP, 2007.

### **Sports and Entertainment Facility Overlay**

In the event that the Sports and Entertainment Facility Overlay is implemented, portions of the Plan Specific Plan Area (Parcels 48, 47a, and a portion of 49a) would be developed as an event/sports arena, rather than mixed-use containing residential, office, and retail uses. This could result in the development of fewer dwelling units and less office and retail space, resulting in fewer new residents and fewer jobs in the Specific Plan Area. The reduction of residents and jobs in the Specific Plan Area could create less demand for services and public utilities, and result fewer impacts on traffic congestion, air quality, noise, and other areas. However, the development of an event/sports arena could replace those demands and impacts generated by residents and employees with different demands and impacts resulting from arena patrons and employees instead. Each technical section of this EIR provides a qualitative analysis of the potential physical impacts that could result if the Sports and Entertainment Facility Overlay is approved.

24 City of Sacramento, Railyards Specific Plan/Richards Boulevard Area Plan Draft Environmental Impact Report, June 10, 1992, page 4.7-40, Table 4.7-24.