Land Use, Housing, and Housing Density

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Southern California & the American Dream
Getting away from the city. . . .
... means that the countryside becomes the city.
Low density development pattern + **LOW FUEL COST** + affordable auto loan financing + **LONG DISTANCES BETWEEN HOME AND WORK** + limited land for expansion + **POPULATION GROWTH** = **TRAFFIC GRIDLOCK**
“Like adding two Chicagos. . . .”

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2030</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>16.8</td>
<td>22.9</td>
<td>37%</td>
</tr>
<tr>
<td>Employment</td>
<td>6.8</td>
<td>10.5</td>
<td>54%</td>
</tr>
</tbody>
</table>

[SCAG Region 2030 Forecast Population & Employment Growth (Millions)]
Inland Empire expected to continue to lead California population growth, with Riverside County growing from 2 million to 4.73 million by 2050 and San Bernardino County growing from 2.5 million to 3.66 million.
Riverside and San Bernardino Counties named “most sprawling metro area” in U.S. (2002)

- More than 66% of the population lives over 10 miles from a central business district
- Only 28 percent of Riverside residents live within one half block of any business or institution
- Less than one percent of Riverside’s population lives in a community with enough density to be effectively served by transit
- Over 70 percent of Riverside blocks are larger than traditional urban block size.
Change in SCAG Region Population 2005-2025

- NH White: -0.5
- Black: 0.2
- Asian: 0.6
- Hispanic: 3.7
Aging Boomers Replaced by Immigrants and Their Children in the Region’s Population and Workforce

- Growth concentrated in Hispanic population
- Growth concentrated in 15-34 and 55+ ages
- Immigrants and their children and grandchildren replace boomers in the 35-54 age groups
- The future for aging boomers and younger immigrants and their children is linked

Demographic data and analysis provided courtesy Frank Wen, SCAG
Change in SCAG Region Households by Age 2005-2025

Demographic data and analysis provided courtesy Frank Wen, SCAG
Huge Shift in Age of Population Growth

1975 - 2000

- Under 20: 27.5%
- 21-64: 61.4%
- 65+: 11.1%

2000 - 2025

- Under 20: 31.4%
- 21-64: 38.9%
- 65+: 29.7%

Demographic data and analysis provided courtesy Frank Wen, SCAG
Change in Population by Age Group 2005-2025

Demographic data and analysis provided courtesy Frank Wen, SCAG
Household Growth 2000-2040

<table>
<thead>
<tr>
<th>US HH Type</th>
<th>Growth</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>With children</td>
<td>7M</td>
<td>14%</td>
</tr>
<tr>
<td>Without children</td>
<td>47M</td>
<td>86%</td>
</tr>
<tr>
<td>Single/Other*</td>
<td>16M</td>
<td>30%</td>
</tr>
</tbody>
</table>

HH Growth 54M

*New single-person HHs double new HHs with children.

Households are Changing

<table>
<thead>
<tr>
<th>Household Type</th>
<th>1960</th>
<th>2005</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>HH with Children</td>
<td>48%</td>
<td>32%</td>
<td>26%</td>
</tr>
<tr>
<td>HH without Children</td>
<td>52%</td>
<td>68%</td>
<td>74%</td>
</tr>
<tr>
<td>Single/Other HH</td>
<td>13%</td>
<td>31%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research, University of Utah
Professor Arthur Nelson, Director of Metropolitan Research at the University of Utah:

The U.S. will have a likely surplus of 22 million large-lot homes—that’s houses built on a sixth of an acre or more—by 2025.

That's roughly 40 percent of the large-lot houses in existence today. Our housing policy has to be amended to reflect our changing preferences.
Rising demand for new housing types

- More demand for small-lot detached and attached residences
- Declining demand for large-lot detached houses
- Trend towards compaction of non-residential uses driven by increasing transport costs
In 2008, Inland Empire’s first job loss in over 45 years occurred, down \(-48,650\).
In Feb-2009, the Inland Empire’s unemployment was **12.2%**, second to Detroit (13.6%) nationally. U.S. was 8.5%, CA was 10.9%.

Inland Empire’s population in-migration from coastal counties fell from over 80,000 in 2003-2005 to **under 5,000** in 2008.

*Source: CA Department of Finance, Demographic Research Unit*
Growth fell despite Inland Empire’s much lower home prices

**Home Price Advantage, So. California Markets**
Median Priced New & Existing Home, 4th Quarter 2008

- **Inland Empire**: $212,000 (Median All Home Price), $136,000 (Inland Empire Advantage)
- **Los Angeles**: $348,000 (Median All Home Price), $136,000 (Inland Empire Advantage)
- **San Diego**: $359,000 (Median All Home Price), $147,000 (Inland Empire Advantage)
- **Orange**: $455,000 (Median All Home Price), $243,000 (Inland Empire Advantage)

Source: Dataquick
Blue Collar Forecast

From 2005-2008, Inland Empire single family home permits fell -87.5%.

Note: 4th quarter 2008 estimated based on recent patterns
Source: Construction Industry Research Board, Economics & Politics, Inc.
Construction Has Crashed!

59,200 workers have lost jobs (-44.6%)

Exhibit 2.-Total Building Permit Valuation Inland Empire, 1990-2008 (billions)
359,000 of 1,071,071 Inland Homes Upside Down On Mortgages (33.5%)
HIGH-END/OFFICE JOB FORECAST

Well Educated Workers Were Migrating Inland

BA Or Higher Education
Adults 25 & Up, Inland Empire, 2000-2007

Source: 2000 Census & 2007 American Community Survey
Normally, Huge Share Of So. California Home Sales in the Inland Empire

Source: Dataquick
Housing Density
Dwelling Units Per Acre (du/ac)

Single Family Homes
(4-10 du/ac)

Townhomes
(20-40 du/ac)

Apartments
(50-100 du/ac)
Building Envelope

- Maximum Building Height
- Property line
- Yard Setback
- Rear Yard Setback
- Front Yard Setback
- Street

Maximum Lot Coverage
What does density look like?

20 – 40 dwelling units/acre
What does density look like?

40 – 60 dwelling units/acre
What does density look like?

60 – 80 dwelling units/acre
What does density look like?

80 - 100 dwelling units/acre
California’s leadership role on climate policy (AB 32 & SB 375)
Attacking the #1 source of greenhouse gas emissions

• AB 32 commits California to rolling back GHG emissions to 1990 levels by the year 2020
• Cars and light trucks are the largest single source of GHG emissions (38 – 40% of statewide total)
• SB 375 sets process for “ambitious yet achievable” regional targets to be defined in Sept. 2010
Local land use and transport strategies to combat global warming

• Reducing commuting distance by putting housing closer to jobs and transit
• In-fill, transit-oriented development projects
• Decoupling off-street parking from land use entitlements
• Car-sharing
• Congestion pricing
• “Casual car-pooling” linked to HOV lanes
• Rights of way for bicycles and pedestrians
CALCULATING THE ECONOMIC COST OF PROTECTING THE ENVIRONMENT

• Economic impacts need to be factored in to any discussion of sustainability

• Short-term fears of losing construction and industrial jobs (business relocation) during an economic downturn

• Strong majority of Californians (66%) favor aggressive climate action (July 2009), but down from 73% in 2008 and 78% in 2007

• Market-based approaches (cap-and-trade) versus sector-specific, “command-and-control” approaches

• The concept of “co-benefits” (green jobs, public health)

• The cost of “doing nothing” (status quo): climate change could cost California $2.5 – 15 billion by 2050