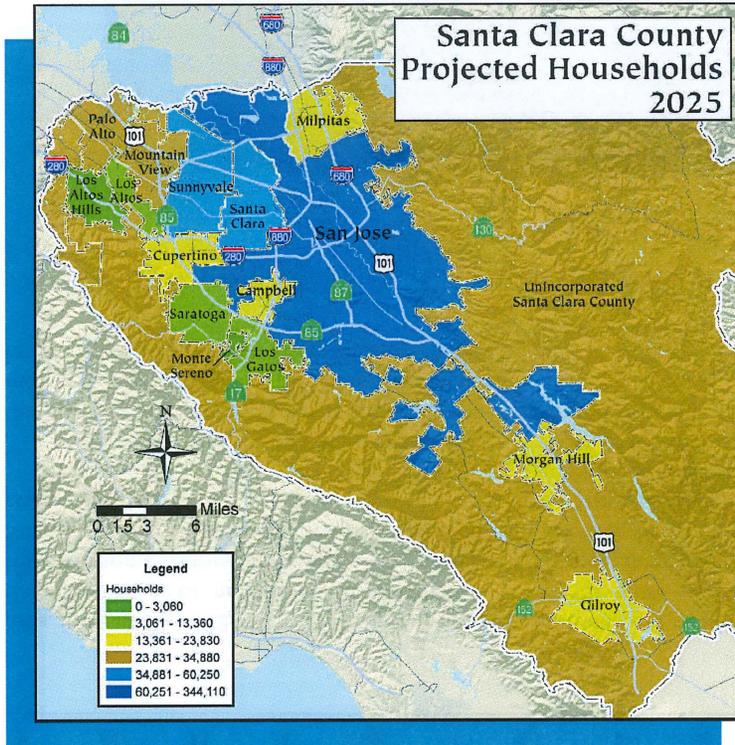


Population & Residential Growth

Santa Clara County is the most populous county in the IRP region. The county population was 1,682,585 in 2000, and by 2025, it is expected to reach over 2,064,000. Within the county and the IRP area, San Jose is by far the

most populous jurisdiction. In 2000, San Jose’s population was 894,943 or 53 percent of the county’s total. San Jose has about seven times the population of Sunnyvale, the county’s second largest city (population 131,760). In 2025, San Jose’s share of the county’s population will remain at approximately 53 percent.

San Jose will also capture 58 percent of Santa Clara County’s household growth between 2000 and 2010 (35,512 households) and 47 percent of the household growth between 2010 and 2025 (32,000 households). Gilroy and Santa Clara follow San Jose, with expected household increases of 3,661 and 4,824 respectively from 2000 to 2010. (Source: *Projections 2002*, Association of Bay Area Governments)



Between 1990 and 2000, Santa Clara County added about 45,683 households, reflecting a 9 percent increase. This numerical increase is the largest of the Bay Area IRP counties. During the 2000-2025 period, Santa Clara County can expect a population increase of about 381,615 persons and 129,307 households. Over half (52 percent) of the county’s household growth will occur in San Jose. San Jose will outstrip all the IRP counties in terms of absolute growth, expanding by 201,257 people and 67,512 households.

Job Growth

In the 1980s, Santa Clara County added many new jobs. Electronics companies, defense contractors, and the increases in manufacturing facilities created extensive economic growth. However, the recession of the early 1990s was particularly evident in Santa Clara County. Slowing in the electronics industry, the end of the defense build up, and the conversion of military bases all affected the county’s economy.

The end of the 1990s saw tremendous growth in Santa Clara County as Silicon Valley became the embodiment of the “New Economy” driven by the efficiencies from computers, communications and the use of the internet. During the 1990s, the county added 201,400 jobs. Traditionally a center for manufacturing, the county actually lost jobs in that sector. Service jobs, particularly business services

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jobs, increased by 152,750, accounting for more than 75 percent of new jobs. Job growth continued in some sectors throughout 2000, even as the news media reported the demise of dot-com companies.

In many ways, companies that provided the services and materials for internet companies eventually accounted for most of the job losses. Expectations for the expansion of the

internet and telecommunications caused a variety of more established companies to expand to meet demand and to insure that they had developed the latest technology. When those expectations changed, it was companies that made equipment and provided business services, not the pure internet companies, that really caused a shift in the county's economic fortunes.

Santa Clara County is projected to see limited job growth in the first ten years of the forecast period, with a little less than 124,000 new jobs. While the technology sector is expected to grow again and to remain a critical part of the economy, service jobs will account for about 38 percent of new jobs in the county during the next ten years. These 47,320 new service jobs will represent the sector with the largest numeri-

SANTA CLARA COUNTY PROJECTIONS

| | 2000 | 2005 | 2010 | 2015 | 2020 | 2025 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Jobs | 1,092,330 | 1,130,860 | 1,216,200 | 1,288,800 | 1,341,430 | 1,395,830 |
| Population | 1,682,585 | 1,788,300 | 1,879,700 | 1,949,500 | 2,007,500 | 2,064,200 |
| Households | 565,863 | 596,760 | 626,730 | 652,470 | 674,410 | 695,170 |
| Jobs/Housing Ratio | 1.93 | 1.89 | 1.94 | 1.98 | 1.99 | 2.01 |

cal increase, but it is not anticipated that there will be a return to a situation like the late 1990s, either in growth of high technology jobs or the growth in jobs in general.

Over the entire forecast period, Santa Clara County is expected to add 303,500 jobs, more than any other county in the IRP region. In percentage terms, Santa Clara County will see an 28 percent increase in total jobs. Service jobs will represent 37 percent of the county's new jobs growth, continuing the trend toward more balanced growth.

As the largest city in the county, San Jose will add 126,770 jobs, followed by Sunnyvale with 36,950 additional jobs and Santa Clara with 34,300 jobs. In percentage terms, Gilroy will see the largest growth at 87 percent, followed by Morgan Hill with 71 percent. Job growth is expected to move farther south in the county over time. For example, San Jose has been discussing the development of Coyote Valley. While immediate plans for development in that area have been scaled back, it is expected to eventually be developed. (Source: *Projections 2002*, Association of Bay Area Governments)

Jobs/Housing Balance

Jobs/housing balance issues are especially evident in Santa Clara County. Of the IRP counties, Santa Clara County is on average the least "balanced." Currently, Santa Clara County

HOUSING SURPLUSES AND SHORTFALLS

| | 2000 Housing Surplus/Shortfall | 2025 Housing Surplus/Shortfall | 2000-2025 Percent Change |
|---------------------------|--------------------------------|--------------------------------|--------------------------|
| Campbell | -1,747 | -3,990 | 128 % |
| Cupertino | -11,983 | -15,003 | 25 % |
| Gilroy | -1,138 | -3,810 | 235 % |
| Los Altos | 2,782 | 2,277 | -18 % |
| Los Altos Hills | 927 | 1,133 | 22 % |
| Los Gatos | -985 | -3,120 | 217 % |
| Milpitas | -16,388 | -22,530 | 37 % |
| Monte Sereno | 684 | 963 | 41 % |
| Morgan Hill | 1,646 | 1,157 | -30 % |
| Mountain View | -19,005 | -26,700 | 40 % |
| Palo Alto | -44,044 | -50,553 | 15 % |
| San Jose | -8,515 | -25,517 | 200 % |
| Santa Clara | -52,114 | -62,707 | 20 % |
| Saratoga | 5,490 | 5,633 | 3 % |
| Sunnyvale | -30,488 | -47,410 | 56 % |
| Remainder | 12,520 | 14,793 | 18 % |
| Santa Clara County | -162,357 | -235,383 | 45 % |

| JOBS/ HOUSING BALANCE | | | |
|---------------------------|-------------------------------|-------------------------------|-----------------------------|
| | 2000 Jobs/Housing Ratio | 2025 Jobs/Housing Ratio | 2000-2025 Percent Change |
| Campbell | 1.66 | 1.85 | 11 % |
| Cupertino | 2.49 | 2.47 | -1 % |
| Gilroy | 1.64 | 1.78 | 8 % |
| Los Altos | 1.10 | 1.20 | 9 % |
| Los Altos Hills | .99 | .94 | -5 % |
| Los Gatos | 1.62 | 1.85 | 14 % |
| Milpitas | 2.93 | 2.92 | -1 % |
| Monte Sereno | .65 | .57 | -13 % |
| Morgan Hill | 1.27 | 1.40 | 10 % |
| Mountain View | 2.41 | 2.65 | 10 % |
| Palo Alto | 4.12 | 4.19 | 2 % |
| San Jose | 1.55 | 1.61 | 4 % |
| Santa Clara | 3.53 | 3.35 | -5 % |
| Saratoga | .71 | .79 | 11 % |
| Sunnyvale | 2.37 | 2.68 | 13 % |
| Remainder | .89 | .85 | -5 % |
| Santa Clara County | 1.93 | 2.01 | 4 % |

has a jobs/housing balance of 1.93, meaning there are 1.93 jobs for every household. Over time, however, the county will see an increase in the number of jobs available, without the commensurate amount of housing units. By 2025, 2.01 jobs will be available per household. This represents a 4 percent increase in the number of jobs available per household in the county.

Most of Santa Clara County lies in the heart of the Silicon Valley. Over the last decade, Silicon Valley has experienced tremendous employment growth. In most Santa Clara County jurisdictions, housing production did not keep pace with the development of jobs. As a result, most communities in the county have jobs/housing imbalances. This imbalance translates into major existing and projected housing shortfalls. Essentially, not enough housing units will be built to house new workers filling the additional 303,500 jobs that will be created in Santa Clara County. Ideally, by 2025 the county should have 930,553 housing units to meet the demands of all their workers. However by 2025, only 129,307 new homes will be built in the county, amounting to a total shortfall of 235,383 units.

Housing shortfalls are projected to be most significant in the cities of Santa Clara, Palo Alto, and Sunnyvale. The City of Santa Clara is projected to see its current high housing short-

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fall of 52,114 units increase to 62,707 in the next 20 years. Based on the ideal jobs/housing balance of 1.5, Palo Alto should have a total of 78,693 housing units by 2025 to house its workers. It is projected that Palo Alto will fall short of this by over 50,550 units. The City of Sunnyvale will have over 47,000 units less than what is needed by 2025 to house workers and their families.

The cities of Mountain View, San Jose, and Milpitas are also experiencing housing development that has not kept pace with the development of new jobs. By 2025, Mountain View will see its housing shortfall increase from its current high of 19,005 to 26,700 units, bringing it to a jobs/housing ratio of 2.65.

Although San Jose has a relatively balanced jobs/housing ratio at 1.55, that figure is projected to increase to 1.61 by 2025. Because the number of jobs and housing units is so high

in San Jose, this seemingly small imbalance actually translates into a shortfall of 25,500 housing units.

In ratio terms, the city of Milpitas will see a slight improvement in its jobs/housing balance from 2000 to 2025. In absolute terms, Milpitas will see an increase in the number of housing units, however they will be short in achieving a jobs/housing balance. In 2000, Milpitas under-produced housing, in relationship to their job development, by 16,388 units. By 2025, that figure will reach 22,530 units.

Not all cities in Santa Clara are projected to produce less housing than their job figures would indicate are needed. Saratoga, Morgan Hill, Los Altos, Los Altos Hills, and Monte Sereno, and the unincorporated communities of the county each have housing “surpluses,” for they are providing more housing than jobs for residents. Paradoxically, these areas are also the highest income communities in Santa Clara County, therefore, most housing, however abundant, is unaffordable to the many Santa Clara County workers.

In most Santa Clara County jurisdictions, housing production did not keep pace with the development of jobs. As a result, most communities in the county have jobs/housing imbalances.

TOTAL POPULATION

| | 2000 | 2005 | 2010 | 2015 | 2020 | 2025 |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Campbell | 38,138 | 39,100 | 40,000 | 40,700 | 41,200 | 41,700 |
| Cupertino | 50,546 | 54,900 | 58,100 | 60,800 | 62,700 | 64,500 |
| Gilroy | 41,464 | 47,900 | 54,900 | 60,400 | 65,900 | 71,300 |
| Los Altos | 27,693 | 28,300 | 28,600 | 28,900 | 29,300 | 29,700 |
| Los Altos Hills | 7,902 | 8,300 | 8,500 | 8,600 | 8,700 | 8,900 |
| Los Gatos | 28,592 | 29,700 | 30,700 | 31,600 | 32,000 | 32,500 |
| Milpitas | 62,698 | 68,300 | 72,400 | 77,500 | 82,000 | 86,200 |
| Monte Sereno | 3,483 | 3,800 | 4,000 | 4,100 | 4,200 | 4,400 |
| Morgan Hill | 33,556 | 38,500 | 42,100 | 45,900 | 49,500 | 52,400 |
| Mountain View | 70,708 | 73,100 | 75,200 | 77,900 | 79,700 | 80,700 |
| Palo Alto | 58,598 | 61,200 | 63,000 | 64,800 | 66,500 | 67,500 |
| San Jose | 894,943 | 956,800 | 1,010,700 | 1,044,300 | 1,069,200 | 1,096,200 |
| Santa Clara | 102,361 | 108,600 | 115,700 | 122,000 | 128,300 | 134,000 |
| Saratoga | 29,843 | 31,000 | 31,500 | 32,100 | 32,900 | 33,600 |
| Sunnyvale | 131,760 | 136,200 | 139,300 | 142,700 | 146,400 | 150,100 |
| Remainder | 100,300 | 102,600 | 105,000 | 107,200 | 109,000 | 110,500 |
| Santa Clara County | 1,682,585 | 1,788,300 | 1,879,700 | 1,949,500 | 2,007,500 | 2,064,200 |

TOTAL HOUSEHOLDS

| | 2000 | 2005 | 2010 | 2015 | 2020 | 2025 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Campbell | 15,920 | 16,220 | 16,480 | 16,820 | 17,080 | 17,330 |
| Cupertino | 18,204 | 19,700 | 20,650 | 21,740 | 22,490 | 23,190 |
| Gilroy | 11,869 | 13,590 | 15,530 | 17,170 | 18,830 | 20,510 |
| Los Altos | 10,462 | 10,580 | 10,680 | 10,860 | 11,030 | 11,210 |
| Los Altos Hills | 2,740 | 2,830 | 2,890 | 2,940 | 3,000 | 3,060 |
| Los Gatos | 11,988 | 12,230 | 12,520 | 12,820 | 13,090 | 13,360 |
| Milpitas | 17,132 | 18,690 | 19,840 | 21,220 | 22,610 | 23,830 |
| Monte Sereno | 1,211 | 1,300 | 1,350 | 1,400 | 1,470 | 1,550 |
| Morgan Hill | 10,846 | 12,130 | 13,410 | 14,690 | 15,910 | 16,890 |
| Mountain View | 31,242 | 32,060 | 32,810 | 33,610 | 34,340 | 34,880 |
| Palo Alto | 25,216 | 25,980 | 26,500 | 27,060 | 27,630 | 28,140 |
| San Jose | 276,598 | 294,450 | 312,110 | 325,140 | 334,700 | 344,110 |
| Santa Clara | 38,526 | 40,660 | 43,350 | 45,910 | 48,480 | 50,800 |
| Saratoga | 10,450 | 10,720 | 10,970 | 11,220 | 11,530 | 11,880 |
| Sunnyvale | 52,539 | 54,070 | 55,380 | 56,960 | 58,630 | 60,250 |
| Remainder | 30,920 | 31,550 | 32,260 | 32,910 | 33,590 | 34,180 |
| Santa Clara County | 565,863 | 596,760 | 626,730 | 652,470 | 674,410 | 695,170 |