

SECTION 2.0 REGIONAL POPULATION AND GROWTH

2.1 Population and Housing

The western Coachella Valley is a high growth area, with some of the highest projected growth rates within Riverside County. The population is expected to increase by 220,000 residents over the next 25 years. This anticipated growth builds on the significant growth that has already occurred over the past five to ten years. Cities and unincorporated communities have experienced unprecedented increases in property values which have spurred development and economic growth. The desirability of the region is further enhanced by the continued availability of affordable property. Although there is still a considerable influx of seasonal residents, the region has developed to meet the needs of permanent residents with a broad range of amenities, public facilities and programs.

2.1.a SCAG 2004 Projections

The projected population growth and housing projections shown below are based on the SCAG 2004 Growth Forecast. *Table 2.1, Projected Population Growth*, reflects the anticipated growth within each of the cities in the study area, the unincorporated area and the entire Coachella Valley.

**Table 2.1
Projected Population Growth**

Area	2005	2010	2015	2020	2025	2030	Avg. Annual Growth Rate
Cathedral City	52,019	59,707	69,007	78,177	86,970	95,397	3.3%
Desert Hot Springs	21,192	27,708	34,400	41,000	47,325	53,394	6.1%
Indian Wells	4,732	5,278	6,786	8,273	9,698	11,065	5.4%
Palm Desert	47,987	54,600	56,893	59,155	61,322	63,402	1.3%
Palm Springs	44,822	46,175	49,997	53,766	57,378	60,839	1.4%
Rancho Mirage	15,955	17,560	20,457	23,313	26,049	28,675	3.2%
Unincorporated Coachella Vly	90,668	103,079	126,925	149,159	169,437	187,870	4.3%
Coachella Valley	419,338	470,827	540,105	607,149	670,378	730,001	3.0%

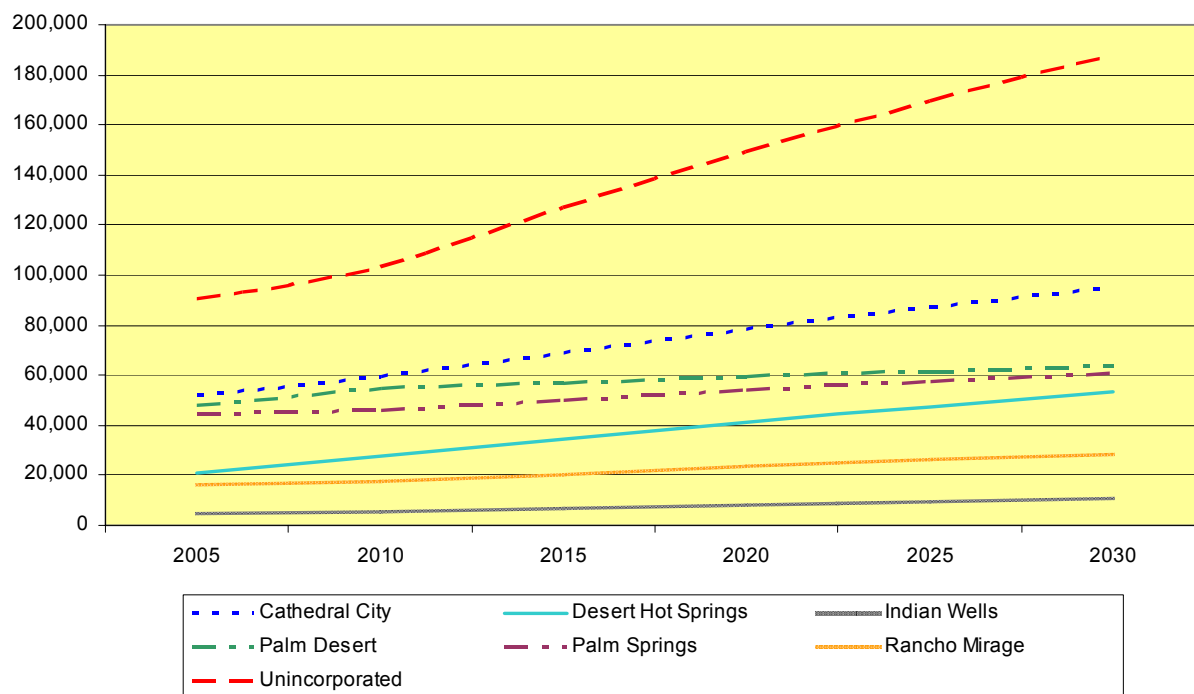
Source: SCAG 2004 Growth Forecast

As shown above, projected growth rates vary across the study area, and not all communities are anticipating significant growth. Growth within Palm Springs and Palm Desert is expected to occur at a rate that is less than half that of the Coachella Valley as a whole. Growth generates an increased demand for municipal services, and development patterns can significantly affect the cost and efficiency of providing those services. In areas where development includes low density or outlying communities, existing services can be impacted to a greater degree than if development occurs within a core service area. *Figure 2.1, Future Population Growth within Western Coachella Valley* indicates that the majority

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of growth is projected to occur in unincorporated areas, which has implications for the facilities and services provided by the County.

Figure 2.1
Future Population Growth within Western Coachella Valley



Housing projections are another factor indicative of future growth. As shown below in *Table 2.2, Housing Projections*, the average annual growth rate for housing is fairly consistent with the anticipated growth in population.

Table 2.2
Housing Projections

Area	2005	2010	2015	2020	2025	2030	Avg. Annual Growth Rate
Cathedral City	16,522	19,718	22,977	26,276	29,529	32,754	3.9%
Desert Hot Springs	7,033	9,789	12,186	14,606	16,994	19,356	7.0%
Indian Wells	2,428	2,900	3,675	4,458	5,229	5,991	5.9%
Palm Desert	21,760	25,735	27,488	29,019	30,521	31,998	1.9%
Palm Springs	21,102	22,022	24,204	26,416	28,606	30,780	1.8%
Rancho Mirage	7,913	9,185	10,873	12,583	14,270	15,939	4.1%
Unincorporated Coachella Vly	26,827	31,367	39,785	48,269	56,666	65,006	5.7%
Coachella Valley	141,452	164,169	190,221	216,311	242,071	267,612	3.6%

Source: SCAG 2004 Growth Forecast

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The largest difference is in the unincorporated areas, where the average annual increase in housing is 1.4 percent higher than population growth. This may be a factor of affordability as well as the emerging market for second and partial year homes. Those owners, although living in the area for a portion of the year and using municipal services, are not considered residents for statistical purposes. For Indian Wells, the projections reflect an increase in multi-family development that will include second homes; the Department of Finance estimates that approximately 48 percent of the housing units in the city are considered vacant for statistical purposes.

2.1.b CVAG Projections

In preparation for the Regional Housing Needs Assessment update being prepared by SCAG, cities within the Coachella Valley worked with the Riverside County Center for Demographic Research to develop locally generated population and housing projections. These projections were adopted by CVAG in January 2007 and reflect the current planning projections for each of the cities and unincorporated area.

Table 2.3
Locally Generated Population Projections

Area	2005	2010	2015	2020	2025	2030	Avg. Annual Growth Rate
Cathedral City	51,302	55,746	60,293	65,221	69,431	74,052	1.8%
Desert Hot Springs	20,874	39,539	50,835	55,894	60,816	65,722	8.6%
Indian Wells	4,864	5,309	5,708	6,026	6,311	6,524	1.4%
Palm Desert	49,842	54,437	59,588	64,860	67,204	70,303	1.6%
Palm Springs	46,474	49,241	51,756	56,287	60,499	65,402	1.6%
Rancho Mirage	16,686	18,984	22,585	26,764	32,096	32,541	3.8%
Unincorporated Coachella Vly	70,069	84,478	110,641	180,131	247,644	306,742	13.5%
Coachella Valley	422,675	501,075	583,272	702,659	814,882	915,311	4.7%

Source: CVAG, January 29, 2007

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Table 2.4
Locally Generated Housing Projections

Area	2005	2010	2015	2020	2025	2030	Avg. Annual Growth Rate
Cathedral City	20,842	23,162	25,226	27,062	28,635	30,855	1.9%
Desert Hot Springs	8,601	16,593	21,488	23,569	25,650	27,731	8.9%
Indian Wells	4,746	5,012	5,277	5,454	5,630	5,686	0.8%
Palm Desert	32,928	36,686	40,533	43,348	44,485	46,291	1.6%
Palm Springs	32,457	34,620	36,183	39,546	42,308	45,656	1.6%
Rancho Mirage	14,131	16,997	20,187	23,796	28,476	28,761	4.1%
Unincorporated Coachella Vly	31,752	38,437	49,187	68,115	94,508	115,631	10.6%
Coachella Valley	199,339	237,121	273,064	313,481	359,117	396,713	4.0%

Source: CVAG, January 29, 2007

2.1.c Comparison of Projections

The following *Table 2.5* compares the SCAG 2004 projections to the locally generated projections:

Table 2.5
SCAG 2004 vs. Locally Generated Projections (2007)

Area	Net Population Growth – 2005 to 2030			Net Housing Increase – 2005 to 2030		
	SCAG	Local	Diff.	SCAG	Local	Diff.
Cathedral City	43,378	22,750	(20,628)	16,232	10,013	(6,219)
Desert Hot Springs	32,202	44,848	12,646	12,323	19,130	6,807
Indian Wells	6,333	1,660	(4,673)	3,563	940	(2,623)
Palm Desert	15,415	20,461	5,046	10,238	13,363	3,125
Palm Springs	16,017	18,928	2,911	9,678	13,199	3,521
Rancho Mirage	12,720	15,855	3,135	8,026	14,630	6,604
Unincorporated Coachella Vly	126,065	124,502	(1,563)	38,179	83,879	45,700
Coachella Valley	97,202	236,673	139,471	126,160	197,374	71,214

Source: SCAG 2004 Growth Forecast; CVAG – Locally Generated Projections January 2007

As shown above, the major differences between the SCAG 2004 projections and the locally generated projections are a decrease in population and housing for Cathedral City and Indian Wells and a significant increase for Desert Hot Springs and Palm Desert. Although the population projections for the unincorporated area are relatively similar, the locally generated projections indicate a significant increase in the number of housing units.

2.2 Demographics

Demographics associated with growth are an important consideration. The western Coachella Valley experiences a significant influx of seasonal residents, and the period of time for this part-time residency is lengthening. There is also a declining trend in the number of persons per household over the next 25 years, which is consistent with other areas in Riverside County. An aging population increases the demand for emergency medical services and certain types of recreational facilities and programs. Communities with younger families will have greater demand for active sports areas. Communities that have full-service HOAs may have their own recreational amenities, decreasing demand for municipal services. The demographics within the study area are shown below in *Table 2.6, Western Coachella Valley Demographics*.

Table 2.6
Western Coachella Valley Demographics

Area	Median Age	Median Household Income	Persons per HH 2005	Persons per HH 2030	% Change
Cathedral City	32.0	\$38,887	3.15	2.91	(8.1%)
Desert Hot Springs	30.1	\$25,987	3.01	2.76	(9.2%)
Indian Wells	63.4	\$93,986	1.95	1.85	(5.5%)
Palm Desert	48.0	\$48,316	2.21	1.98	(11.3%)
Palm Springs	46.9	\$35,973	2.12	1.98	(7.5%)
Rancho Mirage	61.3	\$59,826	2.02	1.80	(12.1%)
Unincorporated Coachella Vly			3.38	2.89	(16.9%)
Coachella Valley			2.96	2.73	(8.7%)

Source: SCAG 2004 Growth Forecast, 2000 US Census Data

2.3 Jobs – Housing Balance

The jobs/housing balance is an important municipal indicator, not only as a means to evaluate whether housing will be adequate for projected growth, but also in evaluating an agency’s progress in developing a community where economic development has kept pace with residential development. All cities within the study area rely on sales tax revenue as a critical source of funding for municipal services. Because of this, there is value in capturing commercial activity generated by residents. Secondly, a jobs/housing imbalance will have other effects that impact municipal services, such as increased traffic congestion and decreased air quality. A study completed by SCAG in 2001 projects that there will be a significant gain in housing in the western Coachella Valley through 2025; this area is already consider housing rich and jobs poor. *Table 2.7, Jobs/Housing Balance* includes the projections for the area, by jurisdiction. A ratio of 1.0 indicates a balance; less than 1.0 is housing rich and jobs poor, and greater than 1.0 is jobs rich.

Table 2.7
Jobs/Housing Balance

Area	2005	2030
Cathedral City	1.0	1.2
Desert Hot Springs	0.8	0.5
Indian Wells	0.9	0.7
Palm Desert	1.6	1.5
Palm Springs	1.7	1.8
Rancho Mirage	1.2	0.9
Unincorporated Coachella Vly	0.4	0.3
Coachella Valley	1.1	1.0

Source: SCAG 2004 Growth Forecast.