

5. Environmental Analysis

5.10 POPULATION AND HOUSING

This section of the Draft Environmental Impact Report (DEIR) examines the potential socioeconomic effects of the Proposed Project, including changes in population, employment generation, and demand for housing, including housing within price ranges defined as “affordable.” This section evaluates the Proposed Project’s relationship to regional housing and jobs policies of the Southern California Association of Governments (SCAG) and the adopted General Plan for the City of Anaheim, with a particular emphasis on jobs-housing relationships in the City and County.

5.10.1 Environmental Setting

Regional and Local Planning Projections

The Project Area’s demographics are best examined in the context of existing and projected population for the Orange County region and the City of Anaheim. Information on population, housing, and employment is available from the US Census Bureau and the Center for Demographic Research, discussed below.

US Census Data

The United States Bureau of the Census publishes population, household, and employment data gathered through the decennial census, which provides a record of historical growth rates in Orange County and the City of Anaheim. The most recent census was in 2010 (2010 Census), and these data are used, when available, for analysis in this section of the DEIR. Data from the 2000 Census were also used for historical reference in evaluating demographic trends.

Orange County Projections

Orange County jurisdictions and public agencies develop demographic estimates and projections to provide a common foundation for regional and local planning, policymaking, and infrastructure provision. Orange County agencies have executed a Memorandum of Understanding with the Orange County Council of Governments (OCCOG) to contract with the Center for Demographic Research at California State University, Fullerton, to develop and periodically update demographic projections for Orange County.

OCCOG approved the most recent update to the Orange County projections (OCP-2014 Modified) on June 23, 2016. OCP-2014 Modified growth projections present the most updated demographic projections for Orange County cities and unincorporated areas, from 2012 through 2040. Table 5.10-1 provides a summary of the forecasts for population, housing, and employment for Orange County and the City of Anaheim between 2015 (the most recent year for which data are available) and 2040.

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Table 5.10-1 OCP-2014 Modified Projections for Orange County and the City of Anaheim, 2015–2040

	2015	2040	Change, 2015–2040	Percent Change, 2015–2040
Total Population				
Orange County	3,153,190	3,461,453	308,263	9.8
City of Anaheim	349,132	403,442	54,310	15.6
Total Housing Units				
Orange County	1,082,882	1,204,150	121,268	11.2
City of Anaheim	106,840	127,918	21,078	19.7
Total Employment				
Orange County	1,623,643	1,898,952	275,309	17.0
City of Anaheim	193,238	245,554	52,316	27.1

Source: Center for Demographic Research 2016.

As shown in Table 5.10-1, the population of Anaheim is projected to increase by approximately 54,310 persons, or about 15.6 percent above its 2015 population, between 2015 and 2040. The number of residential units is forecast to increase by 21,078 units, or approximately 19.7 percent. Employment in the City is projected to increase by approximately 52,316 jobs, or approximately 27.1 percent.

Population: Historical Trends, Existing Population, and Current Projections

Orange County Population

Population growth in Orange County has experienced a strong but diminishing pace in recent decades. From 1990 to 2000, Orange County's population increased by 18.1 percent, or 1.8 percent per year. From 2000 to 2010, Orange County's population increased by only 5.8 percent, or 0.6 percent per year. The OCP-2014 Modified projected population for Orange County in 2015 was 4.7 percent higher than the 2010 population estimate of 3,010,232 calculated during the 2010 Census. Although Orange County's population is growing, OCP-2014 Modified forecasts that the rate of population growth will slow considerably over time. From 2015 through 2040, OCP-2014 Modified projects that Orange County's population will grow by an average of 12,331 people per year, which is approximately 0.39 percent per year.

City of Anaheim Population

According to census data for the years 1990 and 2000, the City's population grew by approximately 23 percent, from 266,406 to 328,014. Between 2000 and 2010, the City's population increased by approximately 2.5 percent. Based on OCP-2014 Modified projections, the population of Anaheim was 349,132 in 2015 and is forecast to be 403,442 by 2040, an increase of about 15.6 percent above its 2015 population. Therefore, the City's average population increase is forecast to be approximately 2,137 people per year during this period. The US Census Bureau estimates that the City's population was 351,043 in 2016 (US Census 2017).

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Housing: Historical Trends, Existing Housing, and Current Projections

Orange County Housing

From 2000 to 2010, countywide households increased approximately 6.1 percent, from 935,287 to 992,781, and housing units increased 8.2 percent, from 969,484 to 1,048,907 (US Census 2010). However, housing growth in Orange County has not matched the pace of the county's population growth. According to the 2010 Census, Orange County had a vacancy rate of 5.4 percent. According to the Department of Finance demographic projections for the City and county by housing type, Orange County had 1,083,563 housing units as of January 1, 2017, and the vacancy rate was 4.9 percent. As shown in Table 5.10-2, single-family housing units (both detached and attached) compose approximately 62.5 percent of housing stock in the County.

Table 5.10-2 Housing Units in Orange County and the City of Anaheim, 2017

Unit/Building Type	Orange County		Anaheim	
	Number of Units	Percent	Number of Units	Percent
1 unit detached	547,063	50.5	45,011	41.8
1 unit attached	129,668	12.0	9,228	8.6
2 to 4 units	93,319	8.6	11,395	10.6
5 + units	280,005	25.8	37,238	34.6
Mobile homes, etc.	33,502	3.1	4,685	4.4
Total	1,083,563	100	107,557	100

Source: DOF 2017.

Notes: 2017 Average Household Size: Orange County = 3.05; City of Anaheim = 3.45 2017 Vacancy Rate: Orange County = 4.9%; City of Anaheim = 4.4%

As shown in Table 5.10-1, OCP-2014 Modified projections estimate that the county's housing stock will increase to 1,204,150 units by 2040.

City of Anaheim Housing

The Department of Finance estimates that there were approximately 107,557 housing units in Anaheim in 2017. This is an increase of 3.1 percent from the 104,237 housing units reported by the 2010 Census, or an average increase of 474 units per year. As shown in Table 5.10-2, single-family housing units (both detached and attached) account for about half (approximately 50.4 percent) of the housing stock in Anaheim. As of 2017, the City has a vacancy rate of 4.4 percent, which is noticeably lower than the rate of 5.7 percent reported by the 2010 Census. A low vacancy rate often means that households are having difficulty finding housing for purchase within their price range; a high vacancy rate may indicate either a high number of desired units or simply an oversupply of units. The City's current vacancy rate is also lower than the county's vacancy rate of 4.9 percent.

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Employment: Historical Trends, Existing Employment, and Current Projections

Orange County Employment

OCP-2014 Modified projections estimate that the number of jobs in the County will increase from approximately 1,623,643 jobs in 2015 to 1,898,952 jobs in 2040 (CDR 2016). This represents an increase of 275,309 jobs, or 17 percent. Distributed over 25 years, this is approximately 11,012 jobs added per year. The unemployment rate as of August 2017 was 4.2 percent (EDD 2017). Note that the California Employment Development Department (EDD) estimates that the number of employees in the county as of August 2017 was approximately 1,519,700 (EDD 2017), which is slightly less than the OCP-2014 estimate for 2015.

City of Anaheim Employment

Anaheim is known for its large cluster of hospitality and retail uses centered on the Disneyland Resort. However, the City has a diverse economy, and its employment base ranges from small service-oriented businesses to large-scale industrial and research/development uses. According to 2011–2015 American Community Survey estimates from the US Census (the most recent available), Anaheim employed a civilian labor force (16 years and older) of 163,591 (US Census 2016a). The largest occupational category is management, business, science, and arts occupations, which employ approximately 29.2 percent of the workforce, followed by sales and office occupations, which employ 25 percent of the workforce (US Census 2016a). As of the 2011–2015 time period, the leading industry sector for Anaheim residents was education services and health care and social assistance with 18.2 percent, followed by manufacturing with 13.8 percent. Other major industries includes arts, entertainment, and recreation and accommodation and food services (12.9 percent); professional, scientific, and management, and administrative and waste management services (12.3 percent); and retail trade (11.2 percent). During the same time period, Anaheim's workforce made up approximately 10.8 percent of the County's workforce (US Census 2016b). The unemployment rate for August 2017 was 5.4 percent (EDD 2017).

OCP-2014 Modified projections estimate that employment in Anaheim will grow from 193,238 jobs in 2015 to 245,554 jobs in 2040. This represents a total increase of 52,316 jobs and a growth of 27.1 percent or approximately 2,4093 jobs per year. Note that EDD estimates that the number of employees in Anaheim as of 2017 is approximately 160,900 (EDD 2017), which is less than the OCP-2014 estimate for 2015.

Jobs-Housing Ratio

The jobs-housing ratio is a general measure of the balance between the number of jobs and number of housing units in a geographic area, without regard to economic constraints or individual preferences. Jobs-housing ratio is one indicator of a project's effect on growth and quality of life in the project area. No ideal jobs-housing ratio has been adopted in state, regional, or city policies; any jobs-housing ratios are considered advisory only and fluctuate based on the types of jobs and populations in an area. SCAG applies the jobs-housing ratio at the regional and subregional level as a tool for analyzing the fit between jobs, housing, and infrastructure.

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The American Planning Association (APA) is an authoritative resource for community planning best practices, including recommendations for assessing jobs-housing ratios. Although the APA recognizes that an ideal jobs-housing ratio varies from jurisdiction to jurisdiction, its recommended target for an appropriate jobs-housing ratio is 1.5, with a recommended range of 1.3 to 1.7 (Weltz 2003).

Table 5.10-3 shows the growth forecast for the City and the County without the Proposed Project. By 2040, the City is projected to grow by approximately 9.8 percent in population, 17.0 percent in employment, and 11.2 percent in housing. With notably stronger growth in the number of jobs than in the number of housing units, the forecast shows the City becoming slightly imbalanced with time, from a 1.81 jobs-housing ratio in 2015 to 1.92 by 2040. However, Orange County as a region is considered relatively balanced and is projected to have a jobs-housing ratio of 1.58 in 2040 (CDR 2016).

Table 5.10-3 2015–2040 Growth Forecast

	2015	2020	2025	2030	2035	2040	Growth (Percent) 2015–2040
Orange County							
Population	3,153,190	3,271,008	3,350,900	3,397,663	3,431,390	3,461,453	9.8
Employment	1,623,643	1,730,352	1,792,051	1,836,464	1,870,292	1,898,952	17.0
Housing Units	1,082,882	1,133,109	1,162,917	1,178,131	1,192,142	1,204,150	11.2
Jobs-Housing Ratio	1.50	1.53	1.54	1.56	1.57	1.58	—
City of Anaheim							
Population	349,132	358,586	367,390	373,704	381,992	403,442	15.6
Employment	193,238	207,007	217,822	227,937	235,978	245,554	27.1
Housing	106,840	110,639	113,975	116,396	119,923	127,918	19.7
Jobs-Housing Ratio	1.81	1.87	1.91	1.96	1.97	1.92	—

Source: CDR 2016.

Related Planning Programs

Regional Growth Management Policies

SCAG is recognized by the state and federal governments as the regional planning agency for the six-county south coastal region that includes Orange County. In 2016, SCAG’s Regional Council adopted the 2016–2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) to increase mobility for the region’s residents and visitors (SCAG 2016). Furthermore, the 2016–2040 RTP/SCS commits to reducing emissions from transportation sources to comply with SB 375, improve public health, and meet the National and California Ambient Air Quality Standards. The SCS envisions combining transportation and land use elements in order to achieve emissions reduction targets set by the California Air Resources Board (SCAG 2016).

Note that the 2016–2040 RTP/SCS’s projections for growth in Orange County and Anaheim are rounded versions of the projections identified above in Table 5.10-3.

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Regional Housing Needs Assessment

SCAG has prepared the final Regional Housing Needs Assessment (RHNA) for the planning period of January 1, 2014, to October 1, 2021. The RHNA prepared by SCAG defines the housing-unit construction goals for the region, including Anaheim. For the planning period 2014 through 2021, Anaheim was allocated a total of 5,702 units, 56.1 percent of which are very low, low, or moderate-income units. The proposed distribution of all units across various income categories is shown in Table 5.10-4.

Table 5.10-4 City of Anaheim RHNA Target (2014–2021)

Household Income Category	Target (units)
Very Low Income ¹	1,256
Low Income ²	907
Moderate Income ³	1,038
Upper Income ⁴	2,501
Total	5,702

Source: SCAG 5th Cycle RHNA Final Allocation Plan (1/1/2014–10/1/2021).

¹ 0–50 percent of County Area Median Family Income (AMI)

² 51–80 percent of AMI

³ 81–120 percent of AMI

⁴ Greater than 120 percent of AMI

City of Anaheim Housing Element

The City of Anaheim General Plan provides information on growth and development within the City's corporate boundaries and sphere of influence. The Housing Element is a required component of the General Plan that addresses how the City will provide adequate housing opportunities for present and future Anaheim residents through 2021. It provides the primary policy guidance for local decision making related to housing. On February 4, 2014, the Anaheim City Council adopted a General Plan Amendment to update the City's Housing Element for the 2014–2021 planning period. It is the only General Plan Element that requires review and certification by the California Department of Housing and Community Development. Anaheim's Housing Element was certified on March 17, 2014.

Anaheim's Housing Element provides a detailed analysis of the city's demographic, economic, and housing characteristics—as required by California Government Code Sections 65583 et. seq. It also provides a comprehensive evaluation of the City's progress in implementing the past policy and action programs related to housing production, preservation, and conservation. Based on the community's existing housing needs, available resources, constraints and opportunities for housing production, and preservation and past performance, the element identifies goals, objectives, and action programs that address the housing needs of present and future residents. In addition, the City identified potential development sites to meet its share of the RHNA. The City is required to identify sites to accommodate the RHNA targets, but is not required to construct the units.

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Housing Affordability

Housing affordability is achieved if a household spends no more than 30 percent of its gross income on housing, including utilities. Household income is determined by household size based on the area median income (AMI). The 2016 Orange County AMI for a family of four is \$88,000. Based on the AMI, the income limits are: \$31,300 for extremely-low income, \$52,150 for very-low income; \$83,450 for low income; and \$105,600 for moderate income (HCD 2017). Therefore, a monthly housing expense of \$783 would be affordable for extremely-low income households, \$1,304 for very-low income households, \$2,086 for low income households, and \$2,640 for moderate income households. The income limits for household sizes other than four persons are calculated using the four-person income limit as the base.

5.10.2 Thresholds of Significance

According to Appendix G of the CEQA Guidelines, a project would normally have a significant effect on the environment if the project would:

- P-1 Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).
- P-2 Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.
- P-3 Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

The Initial Study, included as Appendix A, substantiates that impacts associated with the following thresholds would be less than significant:

- Threshold P-2
- Threshold P-3

These impacts will not be addressed in the following analysis.

5.10.3 Environmental Impacts

The following impact analysis addresses thresholds of significance for which the Initial Study disclosed potentially significant impacts. The applicable thresholds are identified in brackets after the impact statement.

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Impact 5.10-1: The Proposed Project would directly result in population growth in the Project Area. [Threshold P-1]

Impact Analysis: The Proposed Project would directly induce population growth by allowing additional residential development and indirectly by allowing additional nonresidential development in the Project Area. Table 5.10-5 shows existing population, housing, and employment data for the Project Area as well as corresponding estimates for buildout of the Proposed Project. The number of housing units in the Project Area would increase from 1,477 to 5,128, an increase of 3,651 units, or more than 247 percent, from the existing housing stock. Based on the existing 1,477 residential units in the Project Area and assuming an average of 3.44 residents per unit,¹ the population in the Project Area would also increase by more than 215 percent from 5,139 to 16,669 residents. With the increase of 907,321 square feet of nonresidential space in the Project Area, the Proposed Project would add approximately 3,895 new jobs, which represents an increase of more than 239 percent from existing conditions.

Table 5.10-5 Projected Growth, Project Area

	Existing	Buildout of Proposed Project	Change
Residential			
Housing Units	1,477	5,128	3,651
Population ¹	5,139 ²	16,669	11,530
Nonresidential			
Nonresidential Square Feet	1,282,124	2,189,445	907,321
Employment ³	1,627	5,522	3,895
Jobs-Housing Ratio	1.10	1.08	-0.02

¹ Population estimates are based on a citywide 3.44 persons per household factor and a vacancy rate of 5.5 percent published by the City of Anaheim in the 2014–2021 Housing Element.

² Under existing conditions, nursing home and assisted living uses contribute 338 residents to the Project Area's population but are not considered housing units.

³ Employment estimates are City of Anaheim General Plan employment generation rates of 400 SF per employee for Commercial uses, 285 SF per employee for Office uses, and 400 per employee for Mixed-Use uses.

Although jobs-housing goals and ratios are advisory only, a range of 1.3 to 1.7 is recognized by the APA as being balanced and is used in this analysis as a guideline. As shown on Table 5.10-5, the existing jobs-housing ratio in the Project Area is 1.10; at buildout, the Project Area would have a ratio of 1.08. Therefore, the Proposed Project would create roughly the same balance in the Project Area.

Table 5.10-6 shows the Proposed Project's impact on the jobs-housing balance for Orange County and Anaheim at years 2020, 2030, and 2040. As shown, the Proposed Project would have no effect on Orange County's long-term jobs-housing ratio. With or without the Proposed Project, Orange County is expected to become slightly more jobs-rich.

¹ A Citywide household size of 3.44 was the most accurate estimate available in 2016, when buildout of the Proposed Project was calculated. As noted earlier in this section, the City's average household size in 2017 is 3.45 (DOF 2017).

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Table 5.10-6 Projected Growth, Orange County and Anaheim

	BBSP ¹	2020		2030		2040	
		Without BBSP	With BBSP	Without BBSP	With BBSP	Without BBSP	With BBSP
Orange County							
Population	11,027	3,271,008	3,282,035	3,397,663	3,408,690	3,461,453	3,472,480
Employment	3,895	1,730,352	1,734,247	1,836,464	1,840,359	1,898,952	1,902,847
Housing Units	3,651	1,133,109	1,136,760	1,178,131	1,181,782	1,204,150	1,207,801
Jobs-Housing Ratio	—	1.53	1.53	1.56	1.56	1.58	1.58
City of Anaheim							
Population	11,027	358,586	369,613	373,704	384,731	403,442	414,469
Employment	3,895	207,007	210,902	227,937	231,832	245,554	249,449
Housing	3,651	110,639	114,290	116,396	120,047	127,918	131,569
Jobs-Housing Ratio	—	1.87	1.85	1.96	1.93	1.92	1.90

Source: CDR 2016.

BBSP = Beach Boulevard Specific Plan/Proposed Project

¹ Net change upon buildout of the Proposed Project.

As shown in Table 5.10-6, the City of Anaheim is also projected to become more jobs-rich, with jobs-housing ratios of 1.87 in 2020, 1.96 in 2030, and 1.92 in 2040. Implementation and buildout of the Proposed Project would result in a slightly more balanced ratio of 1.90 in 2040, compared to citywide growth without the Proposed Project.

Therefore, although the Proposed Project would result in direct and indirect growth in the area, the Proposed Project would be generally consistent with SCAG’s growth management policies that aim to better coordinate infrastructure development with projected population, housing, and employment growth. The Proposed Project would also present opportunities for the City to meet its RHNA allocation and better house the substantial amount of people working in the City. In addition, the Proposed Project would not exceed the APA’s recommended target range for jobs-housing ratios at the county level. Therefore, no significant impact is anticipated.

5.10.4 Cumulative Impacts

Approximately 1,627 of the current jobs in Anaheim (approximately 163,591 jobs total; see above) are in the Project Area, which represents 1 percent of jobs in the City. The Project Area has 1,477, or 1.4 percent, of the City’s 107,557 housing units. The Project Area has 5,139, or 1.5 percent, of the City’s approximately 351,043 residents.

As discussed in Impact 10-1, the Proposed Project would result in direct and indirect population, employment, and housing growth in Anaheim. Cumulative development elsewhere in Anaheim and Orange County would substantially increase both employment and housing opportunities in Orange County as a whole. At buildout, land uses in the Project Area would generate approximately 2.2 percent of the jobs in the City, 3.9 percent of its housing units, and 4.0 percent of its total population. As discussed in the impact analysis above, these increased shares of the City’s jobs, housing, and residents would contribute to a stronger jobs-housing balance in the City. Furthermore, the Proposed Project would locate these additional housing

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units and jobs in a multimodal transportation corridor (automotive, bus transit, bike, and pedestrian), which is compatible with adopted regional growth policies that support sustainable growth and reduction of vehicle miles traveled. For these reasons, implementation of the Proposed Project would not generate adverse cumulative impacts.

5.10.5 Existing Regulations and Standard Conditions

There are no existing regulations and standard conditions related to population and housing.

5.10.6 Level of Significance Before Mitigation

Upon implementation of regulatory requirements and standard conditions of approval, Impact 5.10-1 would be less than significant.

5.10.7 Mitigation Measures

Because impacts would be less than significant, no mitigation is required.

5.10.8 Level of Significance After Mitigation

Impacts would be less than significant, and no significant and unavoidable impact would occur.

5.10.9 References

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