

4.12 POPULATION, HOUSING, AND EMPLOYMENT

This section provides existing population, housing, and employment characteristics of the City of Newport Beach (City) and addresses potential population and housing impacts created by the proposed project. Sources of demographic information consulted include agencies such as the Orange County Council of Governments (OCCOG), the Southern California Association of Governments (SCAG), the State of California Department of Finance, the United States (U.S.) Bureau of the Census (U.S. Census Bureau), and the City's own records.

Scoping Process

During the Initial Study (IS) process, it was determined that the proposed project would potentially result in impacts associated with one of the three criteria for determining significance related to population and housing. Specifically, the proposed project may result in population growth associated with new business opportunities on the existing City Hall site. There is no temporary or permanent housing on the proposed or existing City Hall site or people that would be displaced by project implementation, and construction of replacement housing would not be necessary. Therefore, issues related to the displacement of housing and people are not included in the detailed analysis presented in this Environmental Impact Report (EIR). Refer to Appendix A, IS/Notice of Preparation (NOP), for additional discussion.

4.12.1 Methodology

The effects of the proposed project are evaluated below to determine whether they will result in a significant adverse impact on the environment. Using demographic information provided by agencies such as SCAG, the State of California Department of Finance, the U.S. Census Bureau, the U.S. Department of Labor, and the City, this section compares existing population, employment, and housing characteristics, goals, and projections to the potential impacts of the proposed project and evaluates consistency with agency information and requirements. Although socioeconomic information and impact analysis play a role in environmental impact assessment under the California Environmental Quality Act (CEQA), social and economic changes resulting from a project are not treated as significant effects on the environment (State CEQA Guidelines Section 15064[e]). Socioeconomic data have four principal uses under CEQA:

- When a physical change is caused by economic or social effects of a project, the physical change may be regarded as a significant effect in the same manner as any other physical change resulting from the project. In such cases, the environmental analysis must include a discussion of economic and social changes, but only in sufficient detail to illuminate the chain of cause and effect, with the focus of the analysis being on the physical changes occurring at the end of the process.
- If a proposed project's physical changes in turn cause social or economic changes, then the magnitude of the social or economic changes can be used to determine the significance of the physical changes.
- In determining the feasibility of the proposed measures to mitigate significant effects identified in an EIR, the lead agency must consider social, economic, and housing factors along with technical and environmental factors. If this information is not entered into the public record in some other manner, it can be included in an EIR.

- CEQA allows economic or social information to be included in an EIR or another form. Such information can be related directly to the uses described in the previous three bullet points.

4.12.2 Existing Environmental Setting

Population, Employment, and Housing Trends in the City and County. The project site is located in the City in southern Orange County (County). The City is approximately 40 square miles and is almost fully developed, consisting primarily of residential coastal communities.

In its existing condition, the proposed project site has no housing. The northern and the central parcels both are currently vacant. The southern parcel is occupied by the existing Newport Beach Central Library (Library), which is located at 1000 Avocado Avenue; the Library would remain after project implementation.

The existing City Hall site is currently occupied by over 47,809 gross square feet (sf) of floor area in five buildings and five temporary buildings (trailers), including offices for the City Attorney and City Clerk, and workstations for other City administrative and operation staff. Of that square footage, approximately 3,417 sf is occupied by the Newport Beach Fire Station No. 2, which would remain after project implementation.

Demographic statistics and projections are formulated by a variety of sources, including the U.S. Census Bureau, SCAG, and the State Department of Finance. County jurisdictions and public agencies develop demographic estimates and projections to provide a common foundation for regional and local planning, policymaking, and infrastructure provision. County agencies have executed a Memorandum of Understanding with the OCCOG to contract with the Center for Demographic Research at California State University, Fullerton, to develop and periodically update demographic projections for the County. Orange County Projections 2006 (OCP-2006) was adopted in November 2006 by the OCCOG, and is used as a reference point for discussing population, housing, and employment growth throughout this EIR. Population, housing, and employment data has been projected through 2035 in 5-year increments using 2003 as the base year, consistent with the 2003 base year established for regional plans. Growth projections for the baseline and horizon years and each decade, as well as 2015 (closest reported information to project build out), as included in the OCP-2006 for the City and the County, are provided in Table 4.12.A.

Population. The City is one of 33 cities in the County. The County is anticipated to experience nearly 60 percent of the population growth projected in OCP-2006 between 2005 and 2015, and while the County's population is expected to grow beyond 2015, it will be at a diminishing pace. OCP-2006 projects that the County's population will grow by an average of 11 percent between 2003 and 2010, 7 percent between 2010 and 2020, 3 percent between 2020 and 2030, and 1 percent between 2030 and 2035. The City will also follow a similar decline in population growth rate. Between 2003 and 2010, the City is expected to experience an 8 percent increase in population, followed by a 6 percent increase between 2010 and 2020, a 4 percent increase between 2020 and 2030, and a 1 percent increase between 2030 and 2035. The lower growth rates from 2020 to 2030 and 2030 to 2035 are the result of the increasingly scarce land for residential development and a decrease in migration from other counties or areas outside the City.

Table 4.12.A: OCP-2006 Projections: City of Newport Beach and Orange County

	2003	2010	Change 2003–2010	% Change 2003–2010	2015	Change 2010–2015	% Change 2010–2015	2020	Change 2015–2020	% Change 2015–2020	2030	Change 2020–2030	% Change 2020–2030	2035	Change 2030–2035	% Change 2030–2035
Total Population																
Newport Beach	81,738	88,340	6,602	8	91,321	2,981	3	93,195	1,874	2	96,892	3,697	4	97,766	874	1
Orange County	2,999,319	3,314,948	315,629	11	3,451,757	136,809	4	3,533,935	82,178	2	3,629,540	95,605	3	3,653,988	24,448	1
Total Dwelling Units																
Newport Beach	42,013	43,706	1,693	4	44,837	1,131	3	45,456	619	1	47,073	1,617	4	47,570	497	1
Orange County	977,614	1,073,751	96,137	10	1,106,607	32,856	3	1,122,905	16,298	1	1,144,314	21,409	2	1,151,587	7,273	1
Total Employment																
Newport Beach	74,898	77,319	2,421	3	77,940	621	1	78,198	258	0.3	78,824	626	1	78,979	155	0.2
Orange County	1,568,407	1,755,167	186,760	12	1,837,771	82,604	5	1,897,352	59,581	3	1,960,633	63,281	3	1,981,901	21,268	1

Source: OCP-2006, Orange County Council of Governments, 2006.

OCP = Orange County Projections

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Housing. Although housing unit growth has not kept pace with population growth, OCP-2006 projects a decline in housing growth that is similar to the one anticipated for population growth. OCP-2006 projects that the County’s housing stock will increase by 77,836 housing units between 2003 and 2035. Most of this growth is anticipated to take place between 2003 and 2020, with a 10 and 5 percent growth rate for 2003 to 2010 and 2010 to 2020, respectively. After 2020, the County is expected to increase by 2 and 1 percent from 2020 to 2030 and from 2030 to 2035, respectively. The City is expected to follow a similar growth pattern for housing, with a steady 4 percent growth rate from 2003 to 2030 and a 1 percent growth rate between 2030 and 2035.

Housing Stock Characteristics. According to OCP-2006, in 2003 there were 42,013 housing units in the City. The City’s housing stock has continued to grow, and as mentioned above, is expected to experience a steady 4 percent growth in housing units between 2003 and 2030. Table 4.12.B shows the housing breakdown in the City in 2005, including single-family homes, multifamily homes, and mobile homes. In addition, according to the City’s Housing Element (2006), City staff concluded that the condition of housing in the City is considered to be very good and substandard housing does not appear to be a problem.

Table 4.12.B: Housing Unit Mix in 2005

Type	Number	Percent
Single-family, detached	18,918	44.9
Single-family, attached	7,166	17.0
Duplex to fourplex	5,475	13.0
Multifamily	9,721	23.1
Mobile homes, other	863	2.0
Total	42,143	100.0

Source: City of Newport Beach (2006). Housing Element.

Employment. OCP-2006 projects that between 2003 and 2035 employment in the City and County is expected to increase 5 and 26 percent, respectively, or an average of 127 and 12,922 jobs per year. However, much of this increase is expected to occur between 2003 and 2015. From 2003 to 2010 and 2010 to 2015, employment in the City is expected to increase by 3 and 1 percent, respectively, and by only 0.3, 1, and 0.2 percent from 2015 to 2020, 2020 to 2030, and 2030 to 2035, respectively. County employment is expected to increase by 12 and 5 percent from 2003 to 2010 and 2010 to 2015, respectively, and by only 3, 3, and 1 percent from 2015 to 2020, 2020 to 2030, and 2030 to 2035, respectively. OCP-2006 reports that most of the projected employment growth will occur in the existing and currently planned employment centers. National and international trends, as well as a combination of structural changes occurring in the local economy, will impact the County’s forecast employment growth.

4.12.3 Regulatory Setting

Regional Housing Needs Assessment. Local jurisdictions are required by State law (Government Code Section 65580 et seq.) to plan for their fair share of projected housing construction needs in

their region. Housing unit construction goals are set by the State Department of Housing and Community Development (HCD) and allocated to cities through regional planning agencies such as SCAG. This is called the Regional Housing Needs Assessment (RHNA). Future housing need refers to the proportion of the region’s future housing needs allocated to a community. Each jurisdiction’s future housing need is calculated in terms of four factors: (1) the number of units needed to accommodate forecast global household growth; (2) the number of units needed to replace demolition due to attrition in the housing stock (i.e., fire damage, obsolescence, redevelopment, and conversion to nonhousing uses); (3) maintenance of an ideal vacancy rate for a well-functioning housing market; and (4) an adjustment to avoid an overconcentration of lower-income households in any one jurisdiction.

The RHNA prepared by SCAG defines the housing unit construction goals for the region. The City’s fair share for the planning period between January 1, 2006, and June 30, 2014, the last adopted RHNA period, was established by SCAG at 1,784 units. The RHNA target number was based on projected household growth and the resultant need for construction of additional housing units allocated over a 5- to 7-year planning period (2006–2014). This 1,784-unit share was divided into the following income groups according to median family income (MFI):

Very Low Income	0–50 percent of Area MFI	392 units
Low Income	51–80 percent of Area MFI	322 units
Moderate Income	81–120 percent of Area MFI	362 units
Upper Income	> 120 percent of Area MFI	708 units

As of 2008, the City had issued 28 permits for Upper Income units. A total of 1,756 units are still required to meet the City’s 2006–2014 RHNA target.

City of Newport Beach Housing Element. The City is currently in the process of updating the Housing Element for the 2008–2014 planning period to account for updated RHNA allocation for 2008–2014; however, this document has not yet been approved. Therefore, for the purposes of this EIR, the City’s current adopted Housing Element for the 2000–2008 planning period will be used.

The City’s Housing Element reflects the State’s housing unit construction goals as allocated by SCAG in the RHNA for 1998–2008. The Housing Element analyzes current housing needs, estimates future housing needs, considers potential sites for additional housing, and establishes goals, policies, and programs in response to both current and future housing needs. The following housing goals are found in the City’s Housing Element:

- **H 1:** Quality residential development and preservation, conservation, and appropriate redevelopment of housing stock
- **H 2:** A balanced residential community, comprised of a variety of housing types, designs, and opportunities for all social and economic segments
- **H 3:** Housing opportunities for as many renter and owner occupied households as possible in response to the demand for housing in the city

- **H 4:** Preservation and increased affordability of the City's housing stock for very low-, low-, and moderate-income households
- **H 5:** Housing opportunities for special needs populations
- **H 6:** Equal housing opportunities for all residents
- **H 7:** Effective and responsive housing programs and policies

The goals or policies in the City's Housing Element are not applicable to the proposed project but were provided above for information purposes. No housing currently exists on the existing City Hall site or the proposed project site, and no housing is proposed as part of the project.

Regional Comprehensive Plan. The Regional Comprehensive Plan (RCP) assembles all of the planning and policy work produced by SCAG into a usable reference document for local planners, businesspeople, and other individuals whose work affects the future built environment in Southern California. The current RCP is built around the SCAG Compass Growth Vision and the 2% Strategy (described below) adopted by the Regional Council in April 2008. The recommendations made in the RCP call for infrastructure and resource activities consistent with the envisioned growth pattern. The policies in the RCP attempt to reduce emissions and increase mobility through strategic land use changes.

The Land Use Chapter in the RCP recommends actions for cities and counties to implement, given the specific growth opportunities that have been identified in the community. The City has been identified as an opportunity area for priority residential in-fill areas. No housing currently exists on the existing City Hall site or the proposed project site, and no housing is proposed as part of the project.

SCAG Compass Blueprint. SCAG has been working with local governments and subregions to develop a growth visioning process called Compass Blueprint, which provides the voluntary framework to help local jurisdictions address growth management for the Southern California region. Driven by four key principles—mobility, livability, prosperity, and sustainability—the Compass Blueprint vision emphasizes the following strategies to better coordinate land use and transportation decision making:

- Focus growth in existing and emerging centers and along major transportation corridors.
- Create significant areas of mixed-use development and walkable communities.
- Target growth around existing and planned transit stations.
- Preserve existing open space and stable residential areas.

In order to implement the Compass Blueprint and growth vision for the region, SCAG has also prepared the Compass 2% Strategy, which serves as a guideline to how the region can achieve the growth vision.

Compass 2% Strategy. SCAG has identified 2% Strategy Opportunity Areas in each jurisdiction it finds critical to the region's growth and development. The 2% Strategy Opportunity Areas are made up of metro centers, city centers, rail transit stops, bus rapid transit corridors, airports, ports and industrial centers, priority residential in-fill areas, and Compass Blueprint Priority Communities.

Opportunity areas are identified to increase the region's mobility, livability, prosperity, and sustainability by identifying new employment centers or new neighborhoods near major transit systems; balancing growth with a variety of employment and housing; redeveloping old buildings or housing; designing safe, attractive transit centers, plazas, and communities that people enjoy using; preserving neighborhoods and natural open and green spaces; and creating these minicommunities around transit stations to focus future growth in urban centers and existing cities to reduce vehicle miles traveled and preserve rural and other natural areas.

SCAG jurisdictions are urged to take all necessary steps to maximize the opportunity for the envisioned growth to occur. As previously stated, the City has been identified as having opportunity areas for priority residential in-fill.¹ These are areas that have the potential to absorb a fair share of projected regional residential growth and to provide regional and subregional transportation benefits. No housing currently exists on the existing City Hall site or the proposed project site, and no housing is proposed as part of the project.

4.12.4 Thresholds of Significance

The thresholds for population and housing impacts used in this analysis are consistent with Appendix G of the State CEQA Guidelines. The effects of the project on population, housing, and employment are considered to be significant if the proposed project:

- Threshold 4.12.1** Induces 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)
- Threshold 4.12.2** Displaces substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere
- Threshold 4.12.3** Displaces substantial numbers of people, necessitating the construction of replacement housing elsewhere

The IS, included as Appendix A, substantiates that impacts associated with the following thresholds would be less than significant: 4.12.2 and 4.12.3. These thresholds will not be addressed in the following analysis.

¹ http://www.compassblueprint.org/files/opportunity_report.pdf.

4.12.5 Project Impacts

Threshold 4.12.1 **Would the project 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)**

The proposed project would result in the relocation of City Hall (with the exception of the Fire Department), including all City employees and functions, from the existing City Hall site to the proposed project site. The proposed City Hall building could accommodate up to 295 employees. The existing City Hall building is occupied by 257 employees.¹

Construction of the proposed project would create a number of jobs over an approximately 24–30 month period. Many of the construction jobs would be temporary or seasonal and would be specific to the variety of construction activities. This workforce would include a variety of craftspeople, such as cement finishers, ironworkers, welders, carpenters, electricians, painters, and laborers. The entire construction force is expected to be drawn from the construction labor pool available in the County and the region beyond. The SCAG region has a labor force of approximately 8.3 million,² and it is likely construction crew members would commute from their homes in the County or Riverside, Los Angeles, or San Bernardino Counties. The potential impacts associated with construction traffic are addressed in Section 4.2 of this EIR.

After completion of the proposed project, all 257 employees from the existing City Hall site would relocate to the new facility. At this time, it is assumed that the City would use the facility for other public facility uses once the new facility is completed and occupied. It is also assumed for the purposes of this analysis that the existing City Hall would be reoccupied at the same density (e.g. 257 employees) as in the existing condition. Therefore, with the reoccupation of City Hall structures with public facility uses and occupation of the proposed City Hall structures, the proposed project has the potential to increase employment in the City by 295 employees and to result in a proportional increase in population.

It should be noted that this is a worst-case/conservative assumption in that: (1) no new employees are planned, nor are these positions funded; and (2) it is unlikely that a private company or government entity would occupy the existing City Hall site at its current density (e.g., 257 employees at 235 workstations).

¹ Employee count does not include Fire Department personnel who will remain at 3300 Newport Boulevard after project implementation.

² SCAG Region Labor Force, Employment, Unemployment and Unemployment by City, Subregion, and County - 2000 Annual Average.

Table 4.12.C: Projected Growth for 2012

	2010	2012	Change 2010–2012	2015	Change 2012–2015
Total Population					
Newport Beach	88,340	89,532	1,192	91,321	1,789
Orange County	3,314,948	3,369,672	54,724	3,451,757	82,085
Total Dwelling Units					
Newport Beach	43,706	44,158	452	44,837	679
Orange County	1,073,751	1,086,893	13,142	1,106,607	19,714
Total Employment					
Newport Beach	77,319	77,567	248	77,940	373
Orange County	1,755,167	1,788,209	33,042	1,837,771	49,562

As shown in Table 4.12.A, OCCOG estimates the total employment in the City and County in 2003 was 74,898 and 1,568,407 jobs, respectively. OCCOG projects employment would grow to 77,940 and 1,837,771 jobs in the City and County, respectively, by 2015. Construction of the proposed City Hall is expected to be complete by summer 2012; therefore, Table 4.12.C provides the projected growth for 2012¹ based on data extrapolated from the OCP-2006 information. As stated above, the proposed project has the potential to increase employment in the City by 295 employees, which, as shown in Table 4.12.C, would be less than 1 percent more than the total employment projected for the City and County in 2012 and would not result in a change in the percentage of growth anticipated between 2010 and 2012.

Based on zip code surveys of existing City Hall employees, 87 percent live outside of the City. It is assumed in this analysis and the traffic analyses completed for the proposed City Hall (refer to Section 4.2 of this EIR) that the same percentage/distribution would apply to any new employees resulting from the proposed project. Nevertheless, even if all 295 employees were new residents to the City, this would be less than one percent growth over the population projection for 2012. Housing in the City and County was recorded at 42,013 and 977,614 dwelling units, respectively, in 2003 and is projected to increase to 44,158 and 1,086,893 dwelling units, respectively, by 2012. The City's housing vacancy is estimated at 6,005 dwelling units, approximately 14 percent of the total housing in the City.² The County's vacancy is estimated at 51,154 dwelling units, approximately 5 percent of the total housing in the County.³ Existing City and County vacancy rates suggest that sufficient housing would be available to accommodate (without new construction) a potential increase in population as a result of employment growth from the proposed project. In addition, the City's average unemployment rate between 2000 and 2008 was estimated at 2.6 percent and the County's

¹ OCP-2006 data is modeled based on regional plans, and growth projected in the model is not linear. The data used in Table 4.12.C was calculated by averaging the OCP-2006 projections for growth for the 5-year period and applying the same growth to each year. This is for information purposes only and should not be construed as a formal growth projection for 2012.

² 2005–2007 American Community Survey – Newport Beach.

³ 2005–2007 American Community Survey – Orange County.

unemployment rate between 1990 and 2009 was estimated to be 4.4 percent, suggesting that some additional employees may be pulled from the existing local workforce without resulting in population growth.^{1,2}

Therefore, due to the availability of housing, available workforce, and relatively small percentage of population growth represented by the proposed project, the proposed project would result in a less than significant increase in population in the City and County, and no mitigation is required. In addition, the potential social and economic changes that may result from the proposed project (i.e., increased employment opportunities and population growth) would not result in a significant physical change to the environment, and no mitigation is required.

4.12.6 Cumulative Impacts

The purpose of this section is to evaluate any additional incremental impact that the proposed project is likely to cause over and above the combined impacts of recently approved and proposed projects in the City. The geographic context for the cumulative impacts analysis associated with population and housing issues is the County of Orange because City employees (existing and future) and future employees at the existing City Hall site may live outside the City's jurisdictional boundaries.

As shown in Table 4.12.A, OCCOG projects the City population and employment will increase to 97,766 persons (20 percent growth from 2003) and 78,979 jobs (5 percent growth from 2003) by 2035. The County population and employment will also increase to 3,653,988 persons (a 22 percent increase from 2003) and 1,981,901 jobs (a 26 percent increase from 2003). As discussed earlier in this section, the proposed project would potentially increase employment in the City and County by 295 employees. In the cumulative context of the City and County, this would be an increase of less than one percent over the total projected employment in 2035 and less than 1 percent population growth in 2035.

In addition, as stated above, the City's average unemployment rate between 2000 and 2009 was estimated to be 2.6 percent and the County unemployment rate between 1990 and 2009 was estimated to be 4.4 percent, suggesting that additional employees may be culled from the existing local workforce. It is also unlikely that increased employment on the proposed project site would require additional housing construction in either the City or County because housing vacancy rates are estimated to be 14 and 5 percent for the City and County, respectively.

The proposed project would not result in substantial employment growth beyond projections and would not induce significant population or housing growth, either directly or indirectly. Moreover, due to the availability of housing, available workforce, and relatively small percentage of growth represented by the proposed project, the project's contribution to cumulative population growth in the City and County would be less than significant, and no mitigation is required. In addition, the project's contribution to potential cumulative social and economic changes that may result from the proposed project (i.e., increased employment opportunities and population growth) would not be significant, and no mitigation is required.

¹ United States Department of Labor, Bureau of Labor Statistics. Labor Force Data by County, 1999–2009.

² California Employment Development Department. Historical Data for Unemployment Rate and Labor Force (Not Seasonally Adjusted) in Orange County and the City of Newport Beach, May 2009.

4.12.7 Level of Significance before Mitigation

No potentially significant impacts related to housing, population, and employment have been identified.

4.12.8 Mitigation Measures

There are no potentially significant impacts related to housing, population, and employment, and no mitigation is required.

4.12.9 Level of Significance after Mitigation

There are no potentially significant impacts related to housing, population, and employment.