

4. ENVIRONMENTAL IMPACT ANALYSIS

K. POPULATION, HOUSING, AND EMPLOYMENT

1. INTRODUCTION

This section addresses the potential population, housing, and employment effects of the proposed project (as well as indirect population growth from employment) in the context of the local area (City of Newport Beach), the Orange County subregion, and the Southern California Association of Governments (SCAG) regional area of the proposed project. The analysis evaluates the proposed project's population, housing, and employment effects in relation to adopted growth forecasts and relevant policies and programs. Demographic data and projections presented in this section are primarily based on SCAG forecasts contained in the SCAG 2012 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), which was adopted in April 2012. The Housing Element of the City's General Plan, adopted in 2011, includes the City's goals, policies, and programs to address housing needs in the City. A discussion of the proposed project's consistency with the applicable policies and programs of the Housing Element is also provided in this section.

2. ENVIRONMENTAL SETTING

a. Regulatory Framework

(1) State Level

The California Coastal Act of 1976 (California Public Resources Code Section 30000 et seq.) establishes policies guiding development and conservation along the California coast. Consistent with Section 30001 and the basic goals of Section 30001.5, and except as may be otherwise specifically noted in the Coastal Act, the policies of Section 30200 of the Coastal Act constitute the standards by which the adequacy of local coastal programs and the permissibility of proposed developments subject to these provisions are determined.

(2) Regional Level

The proposed project is located within the jurisdiction of the Southern California Association of Governments (SCAG). SCAG is a Joint Powers Agency established under California Government Code Section 6502 et seq. Pursuant to federal and state law, SCAG serves as a Council of Governments, a Regional Transportation Planning Agency, and the Metropolitan Planning Organization (MPO) for Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial counties. SCAG's mandated responsibilities include developing plans and policies with respect to the region's population growth, transportation programs, air quality, housing, and economic development. Specifically, SCAG is responsible for preparing the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and Regional Housing Needs Assessment (RHNA), in coordination with other state and local agencies. These documents include population, employment, and housing projections for the region and 14 subregions. The project site is located within the Orange County Council of Governments (OCCOG) subregion (Orange County subregion).

(a) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)

On April 4, 2012, SCAG adopted the 2012-2035 RTP/SCS: Towards a Sustainable Future. The 2012-2035 RTP/SCS is a long-range regional transportation plan that provides a blueprint to help achieve a coordinated

and balanced regional transportation system in the SCAG region, which is composed of six counties: Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura. The RTP/SCS is the culmination of a multi-year effort involving stakeholders from across the SCAG Region, and includes short- and long-range population, housing, and employment projections for local, subregional, and regional geographies that are utilized for regional planning efforts.

(b) Compass Growth Vision

The Compass Growth Vision Report presents the comprehensive Growth Vision for the six-county SCAG region and presents the achievements of the Compass process. It details the evolution of the draft's vision from the study of emerging growth trends to the effects of different growth patterns of land consumption, transportation systems, and other factors. The report concentrates on the physical aspects of regional growth (where people and jobs are located, the type and quantity of buildings that may be constructed, and how people and goods move in the region). The Growth Vision is driven by four key principles:

- **Mobility:** Getting where we want to go;
- **Livability:** Creating positive communities;
- **Prosperity:** Long-term health for the region; and
- **Sustainability:** Promoting efficient use of natural resources.

To realize these principles on the ground, the Growth Vision encourages (1) focusing growth in existing and emerging centers and along major transportation corridors; (2) creating significant areas of mixed-use development and walkable communities; (3) targeting growth around existing and planned transit stations; and (4) preserving existing open space and stable residential areas.

The Compass Blueprint 2% Strategy is a guideline for how and where SCAG's Growth Vision for Southern California's future can be implemented. It calls for changes to current land use and transportation trends that make up approximately two percent of the land area of the region: the 2% Strategy Opportunity Areas. SCAG's planning efforts and resources invested according to the 2% Strategy would help meet the region's goals of improved livability, prosperity, mobility, and sustainability for local neighborhoods and their residents. The project is not located within a SCAG targeted 2% Strategy Opportunity Area.

(c) Regional Housing Needs Assessment (RHNA)

A Regional Housing Needs Assessment (RHNA) for the SCAG region, most recently adopted and approved by the SCAG Regional Council on July 12, 2007 for the 2006-2014 time frame, and on October 4, 2012 for the 2014-2021 time period, includes an assessment of regional housing needs for very low income, low income, moderate income, and above moderate income groups for the respective planning period.¹⁵ The RHNA is used by local communities to address land use planning, prioritize local resource allocation, and decide how to address identified existing and future housing needs resulting from population, employment, and household growth. According to the RHNA, the housing needs for the City of Newport Beach for the period between 2006 and 2014 include a total of 1,784 dwelling units, of which 392 will be very low income, 322

¹⁵ *Southern California Association of Governments website:*
http://www.scag.ca.gov/Housing/pdfs/rhna/RHNA_FinalAllocationPlan071207.pdf
<http://rtpscsc.scag.ca.gov/Documents/rhna/5thCyclePFinalRHNAplan.pdf> Accessed August 2013.

and

low income, 362 moderate income, and 708 above moderate income housing. However, the City’s housing needs for the period between 2014 and 2021 include a total of only five dwelling units, of which one will be very low income, one low income, one moderate income, and two above moderate income housing. Refer to **Table 4.K-1, Regional Housing Growth Needs of the City of Newport Beach.**

Table 4.K-1

Regional Housing Growth Needs of the City of Newport Beach

Very Low Income Households	Low Income Households	Moderate Income Households	Above Moderate Income Households	Total Households
2006-2014 RHNA Allocation				
392	322	362	708	1,784
22.0%	18.0%	20.3%	39.7%	100%
2014-2021 RHNA Allocation				
1	1	1	2	5
20.0%	20.0%	20.0%	40.0%	100.0%

Source: Southern California Association of Governments Website: http://www.scag.ca.gov/Housing/pdfs/rhna/RHNA_FinalAllocationPlan071207.pdf and <http://rtpscs.scag.ca.gov/Documents/rhna/5thCyclePFinalRHNAplan.pdf>.

(3) Subregional Level

The project site is located within the Orange County subregion. The OCCOG is a joint powers agency comprised of 39 dues-paying agencies in Orange County. Membership in OCCOG is voluntary. OCCOG member agencies include 33 Orange County cities, the County of Orange, the Transportation Corridor Agencies (TCA), the Orange County Transportation Authority (OCTA), the Orange County Sanitation District (OCSD), and the Independent Special Districts of Orange County. Currently, OCCOG operations are administered through an administrative agreement between the OCTA and OCCOG, whereby OCTA is responsible for all administrative functions of the OCCOG. The OCCOG focuses on regional planning, transportation, RHNA, and air quality issues. OCCOG assists SCAG in the review of regionally significant development within the County and prepares growth projections in population, households, and employment.

(4) Local Level

(a) City of Newport Beach General Plan Housing Element (Adopted November 22, 2011)

The City of Newport Beach General Plan Housing Element details the City’s strategy for enhancing and preserving the community’s character, identifies strategies for expanding housing opportunities and services for all household types and income groups, and provides the primary policy guidance for local decision-making related to housing. The Housing Element provides in-depth analysis of the City’s population, economic, and housing stock characteristics as well as a comprehensive evaluation of programs and regulations related to housing. Through the evaluation and analysis, the City has identified priority goals, policies, and programs that directly address the housing needs of current and future residents of the City.

The City completed a comprehensive update of its General Plan in 2006. As part of the comprehensive General Plan update, the 2000-2005 Housing Element was reviewed for consistency and updated to reflect land use changes and new residential opportunities identified as part of the General Plan update. The 2008-2014 Housing Element is an update and revision of the 2006 Housing Element and consists of updated policies and programs and new technical data. The land use opportunities areas developed as part of the General Plan have remained the same. The Housing Element also addresses meeting the RHNA for the planning period of January 1, 2006, through June 30, 2014, and is consistent with recent revisions to the State Housing Element Law.

The City accepted and committed to providing sites to accommodate its 2006-2014 RHNA allocation of 1,784 housing units. Combining the unaccommodated portion of the 2000-2005 RHNA allocation with the City's 2006-2014 RHNA allocation results in a total housing need of 1,914 dwellings, including 770 dwelling units affordable to lower-income households. Through the General Plan update process, several key areas in the City were identified as ideal locations for future housing opportunities. Key sites for future development include the Airport Area, Newport Center, Banning Ranch, Newport Mesa, and the Balboa Peninsula area. These sites provide the opportunity to create approximately 4,612 new housing units in the community, significantly exceeding the combined future housing need of 1,914 dwellings. On September 24, 2013 the City adopted the 2014-2021 Housing Element Update, which maintains the housing opportunity areas described above, implementation of which will meet or exceed the City's RHNA housing allocation.

b. Existing Conditions

(1) Existing On-Site Conditions and Surrounding Land Uses

The proposed project would utilize existing surplus residential density within Parcels 1 and 2 of Parcel Map 93-111 to allow a transfer of 49 dwelling units to Parcel 3 of Parcel Map 93-111 (the project site); Parcels 1, 2, and 3 of Parcel Map 93-111 are all located within Statistical Area K-1. The transfer of existing density within Parcel Map 93-111 would allow for the future development of a mixed-use project on the project site that would achieve vehicle trip reductions through the placement of complementary land uses (residential, commercial retail, restaurant, recreational, marine-related office, etc.) at the same location. The proposed project would be consistent with the scale and character of surrounding development, does not conflict with General Plan policies related to community character and design, and would not degrade local traffic conditions or environmental quality.

The larger 31.431-acre Parcel 3 consists of five Planning Areas. Existing uses within Planning Area 1 include outside storage space for RV's and small boats on trailers; Bayside Marina parking and restrooms; kayak and standup paddle board (SUP) rentals and launch area; parking and access to Pearson's Port, a floating fish market in the County tidelands/Upper Newport Bay Channel; marine service equipment storage under the Coast Highway Bridge; and Bayside Village Mobile Home Park guest parking. Adjoining the southwest portion of the site is the over 45-year-old OCSD pump station. Existing uses within Planning Area 2 include marine office and service and an unpaved parking lot under the bridge and storage and launch area for the rowing club south of the bridge. Existing uses of Planning Area 3 include a narrow strip of fully paved, private walkway and sand beach area located between the Bayside Village Mobile Home Park to the south and Bayside Marina to the north which provides lessee access to private boat slips and docks and is available for mobile home park resident use. This area is adjacent to the northern boundary of the existing Bayside Village Mobile Home Park. Existing uses within Planning Area 4 include a narrow strip of paved parking area currently improved with 45 commercial storage units and parking spaces, available to marina and mobile

home park tenants and off-site users. Planning Area 5 is a fee-owned submerged land bordered by the earthen, De Anza Bayside Marsh Peninsula.

(2) Demographic Analysis of the Areas

The project area is located within the regional area of SCAG, the subregional area of Orange County, and the local area of the City of Newport Beach demographic areas. The largest area is the regional area of SCAG, which includes 14 subregions, including Orange County. The Orange County subregion consists of 33 Orange County cities, the County of Orange, the TCA, the OCTA, the OCSD, and the Independent Special Districts of Orange County. The local area boundary of the project area is the City of Newport Beach. **Table 4.K-2, Existing Population, Housing, and Employment Summary**, below, discusses the population, housing, and employment numbers for the local, subregion, and regional areas for the year 2008 based on SCAG’s most recent data.

**Table 4.K-2
Existing Population, Housing, and Employment Summary**

	Total Population	Total Households ^a	Total Employment
Local Area			
Newport Beach	84,200	38,400	82,500
Subregional Area			
Orange County	2,989,000	987,000	1,624,000
Regional Area			
SCAG	17,895,000	5,814,000	7,738,000

^a SCAG’s growth forecasts reflect the number of households present within an area rather than the number of housing units.

Source: PCR Services Corporation based on data presented in Table 18 of the SCAG 2012 RTP/SCS projections, April 2012.

As shown in Table 4.K-2 and according to the data contained in the 2012 SCAG RTP/SCS, for 2008 the City of Newport Beach has an estimated population of approximately 84,200 residents, approximately 38,400 households, and 82,500 employees. The Orange County subregional area has a residential population of approximately 2,989,000 residents, a household total of approximately 987,000 households, and approximately 1,624,000 employees. The SCAG regional area has a total residential population of 17,895,000 residents, approximately 5,814,000 households, and approximately 7,738,000 employees.

The 2012 RTP/SCS provides data on projected population, housing, and employment at various geographical levels within the SCAG region. The following analysis will provide an overview of the projections and trends anticipated for population, housing, and employment in relation to the proposed project as provided by SCAG. The SCAG projection data for population, housing, and employment are shown in **Table 4.K-3, Population, Housing, and Employment Projections**, below. In correlation with each trend, population and housing within the City are anticipated to increase while employment is anticipated to decrease through the year 2035. Job/housing ratio projections are provided in **Table 4.K-4, Job/Housing Ratio Projections**.

Table 4.K-3

Population, Housing, and Employment Projections

Geographic Zone	Actual 2008	Projected 2020	Projected 2035	2008-2035	
				Growth ^a	Percentage Change (%)
Population					
Local Area	84,200	88,700	90,300	6,100	+7.24
Subregional Area	2,989,000	3,266,000	3,421,000	432,000	+14.45
Regional Area	17,895,000	19,663,000	22,091,000	4,196,000	+23.45
Housing					
Local Area	38,400	39,500	40,700	2,300	+5.99
Subregional Area	987,000	1,049,000	1,125,000	138,000	+13.98
Regional Area	5,814,000	6,458,000	7,325,000	1,511,000	+25.99
Employment					
Local Area	82,500	77,000	77,700	-4,800	-5.82
Subregional Area	1,624,000	1,626,000	1,779,000	155,000	+9.54
Regional Area	7,738,000	8,414,000	9,441,000	1,703,000	+22.01

^a 2008-2035 growth was calculated by taking the difference between Projected 2035 and actual 2008.

Source: PCR Services Corporation based on data presented in Table 18 of the SCAG 2012 RTP/SCS projections, April 2012.

Table 4.K-4

Job/Housing Ratio Projections^a

Geographic Zone	2008	Projected	Projected
		2020	2035
Local Area	2.15	1.95	1.91
Subregional Area	1.65	1.55	1.58
Regional Area	1.33	1.30	1.29

^a Job/Housing Ratio is calculated by dividing the employment and housing forecasted number.

Source: PCR Services Corporation based on data presented in Table 18 of the SCAG 2012 RTP/SCS projections, April 2012.

c. Projections and Trends

(1) Population

According to SCAG's regional forecast, the population will increase in all geographic zones during the years between 2008 and 2035. In the local area of City of Newport Beach, the percentage growth is an approximate 7.24 percent increase between the years 2008 and 2035. During the same time period, the population growth in the subregional area of Orange County is forecasted to have a percentage increase of 14.45 percent, and an approximate percentage increase of 23.45 percent for the regional area of SCAG.

(2) Housing

The SCAG housing forecasts indicate that the housing growth in the local area of the City of Newport Beach is projected to increase by approximately 5.99 percent between the years of 2008 and 2035. During the same time period, the housing growth for the subregional area of Orange County is forecasted to be approximately 13.98 percent. The housing forecast for the regional area of SCAG is estimated to experience an increase of 25.99 percent. The large increase in housing within the subregional and regional areas can be attributed to the County's growing population and residential development to accommodate it.

(3) Employment

According to SCAG, the local area of the City of Newport Beach will have an employment percent decrease of approximately 5.82 percent between the years of 2008 and 2035 mostly due to economic and demographic forces. Employment in the subregional area of Orange County is projected to increase by 9.54 percent while the regional area of SCAG is projected to increase 22.01 percent, during the same time period.

(4) Job/Housing Ratio

A jobs-housing balance is the distribution of employment relative to the distribution of workers within a given geographic area. A job/housing ratio of 1:1 indicates that there is a job for every one household. As such, for ratios below 1.0, those areas are considered to have jobs deficit and housing surplus, or "housing-rich". For ratios above 1.0, those areas are considered to have a job surplus, or "job-rich" and a housing deficit. As identified by SCAG, the ideal average job/housing ratio in the SCAG region is 1.25.

As shown above for the year 2008, the local area of the City of Newport Beach has a job/housing ratio of 2.15, the subregional area of Orange County has a ratio of 1.65, and the regional area of SCAG has a ratio of 1.33. Within the local area, the job/housing ratio is expected to decrease from 2.15 to 1.91 between 2008 and 2035. The subregional area's job/housing ratio is also expected to decrease from 2008 to 2035 with a job/housing ratio of 1.65 to 1.58. The job/housing ratio for the SCAG regional area will also decrease, but remains close to the ideal SCAG ratio of 1.25. All three geographic zones will be considered "job rich" with a housing deficit and will not meet the ideal 1.25 job/housing ratio. As population continues to increase in the City of Newport Beach and Orange County, employment demands will be met as there will be a job surplus, but new houses will need to be built to meet the future housing demands and meet the ideal average job/housing ratio of 1.25 as identified by SCAG. The proposed project would introduce up to 49 residential units, which would be able to provide housing for residents and help make up for the high job/housing ratio within the City.

3. PROJECT IMPACTS

a. Methodology

The population, housing, and employment analysis consists of a comparison of the project's proposed development and estimated population, housing, and employment to the expected forecasted SCAG projections for the years 2008 through 2035 for the three geographic areas. The analysis addresses impacts at the local (City of Newport Beach), subregional (Orange County), and regional (SCAG) areas. The analysis also evaluates the project's estimated population, housing, and employment and its compatibility with SCAG projections and related policies applicable to the project area.

b. Significance Thresholds

Appendix G of the *CEQA Guidelines* provides a checklist of questions to assist in determining whether a proposed project would have a significant impact related to various environmental issues including population, housing, and employment. Based on the following issue areas identified in Appendix G of the *CEQA Guidelines*, a significant impact to population, housing, and employment would occur if the proposed project would result in one or more of the following:

- Threshold 1: Induce substantial population growth in an area, either directly (e.g. by proposing new homes and businesses) or indirectly (e.g. through extension of roads or other infrastructure) (refer to Impact Statement 4.K-1);
- Threshold 2: Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere (refer to Chapter 6, *Other Mandatory CEQA Considerations*, and the Initial Study contained in Appendix A. No impact would occur in this regard.); or
- Threshold 3: Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere (refer to Chapter 6, *Other Mandatory CEQA Considerations*, and the Initial Study contained in Appendix A. No impact would occur in this regard.).
- Threshold 4: Comply with any applicable plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan and municipal code) adopted for the purpose of avoiding or mitigating an environmental effect (refer to Impact Statement 4.K-2 below).

c. Project Design Features

The proposed project would introduce 85,644 square feet of residential uses (up to 49 residential units) and up to 94,034 square feet of visitor-serving commercial/marine-related uses and storage. The proposed project would provide new housing opportunities to the local, subregional and regional areas, which would help alleviate project population growth to the geographic areas. In addition, the proposed project would provide new employment opportunities to the project area.

d. Analysis of Project Impacts

Threshold	Would the project induce substantial population growth in an area, either directly (e.g. by proposing new homes and businesses) or indirectly (e.g. through extension of roads or other infrastructure)?
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Impact 4.K-1 Implementation of the proposed project would not induce substantial population, housing, or employment growth in the project area beyond that anticipated by SCAG projections. This impact is considered less than significant.

(1) Construction Impacts

The proposed project would generate construction workers during the demolition, grading and excavation, and building construction and finishing phases. However, project construction would not necessarily generate new employment within the region. Rather, construction workers move from project to project and are somewhat mobile. To the extent that proposed project would support and contribute to the pool of construction workers, the overall impacts of project implementation would be considered beneficial. Since construction activities related to the proposed project would not exceed expected growth nor alter the location, distribution, density, or growth rate of construction employment through the local, subregional, and regional area, construction-related employment impacts would be less than significant.

(2) Operational Impacts

(a) Population Growth

The proposed project would introduce 85,644 square feet of residential uses (up to 49 residential units) that would generate a new direct residential population of approximately 107 persons¹⁶ and 94,034 square feet of visitor-serving commercial/marine-related uses and storage that would indirectly increase the population by approximately 120 persons¹⁷ in the project area both on- and off-site for a total of 227 persons¹⁸. As discussed under Existing Conditions, the proposed project would utilize existing surplus residential density within Parcels 1 and 2 of Parcel Map 93-111 to allow a transfer of 49 dwelling units to Parcel 3 of Parcel Map 93-111 (the project site); Parcels 1, 2, and 3 of Parcel Map 93-111 are all located within Statistical Area K-1. The transfer of existing density within Parcel Map 93-111 would allow for the future development of a mixed-use project on the project site that would achieve vehicle trip reductions through the placement of complementary land uses (residential, commercial retail, restaurant, recreational, marine-related office, etc.) at the same location. Therefore, although the proposed project would generate new population to the project site where none currently exists, the residential population associated with this future project was already accounted for in the unused residential density from Parcels 1 and 2 assumed in the General Plan for Statistical Area K-1.

The residential population increase to the City associated with the proposed project is compared to the expected population increase for the years between 2008 and 2035 in the local, subregional, and regional areas. **Table 4.K-5, Proposed Project Population, Household, and Employment Impacts Between the Years of 2008 and 2035**, below, shows the project's population increase in relation to the three geographic areas. The project-related direct and indirect increase of 227 residents to the City would represent a total of 3.721 percent, 0.053 percent, and 0.005 percent of the population growth projected by SCAG for the local, subregional, and regional areas, respectively, between the years of 2008 and 2035.

As shown below, these percent increases do not exceed the forecasted growth set forth by SCAG. In addition, the project population growth would not substantially alter the location or growth rate of the population projected and forecasted for the City of Newport Beach, the Orange County subregion, and SCAG region. Hence, the proposed project would not result in a significant population impact.

¹⁶ 49 residential units X 2.19 persons = 107.31 direct residents (per the average household size of 2.19 persons/household for the City of Newport Beach, U.S. Census Bureau, 2010 Census).

¹⁷ 219 employees X .25 X 2.19 = 120 indirect residents. Indirect residents is one-quarter of the employees multiplied by 2.19 persons per household.

¹⁸ Total residents = 107 direct residents + 120 indirect residents = 227.

Table 4.K-5

**Proposed Project Population, Household, and Employment Impacts
Between the Years of 2008 and 2035**

	Population^a	Project Percent of Growth^b (%)	Household^a	Project Percent of Growth^b (%)	Employment^a	Project Percent of Growth^b (%)
Net New from Proposed Project ^c	227 ^d		49 ^e		219 ^f	
Local Area	6,100	+ 3.721	2,300	+2.130	-4,800	- 4.563
Subregional Area	432,000	+ 0.053	138,000	+0.036	155,000	+ 0.141
Regional Area	4,196,000	+ 0.005	1,511,000	+0.003	1,703,000	+ 0.013

^a The local, subregional, and regional area numbers represent the 2008-2035 growth projections as provided in Table 4.K-3 above.

^b Percent difference calculated by dividing the project's net new growth by the 2008-2035 growth projections.

^c Project-related growth is based on 500 square feet/employee for retail uses; 250 square feet/employee for office/professional uses; and 525 square feet/employee for industrial uses per the City of Newport Beach Municipal Code, Chapter 20.44, Transportation Demand Management Requirements, Section 20.44.040, Employment Generation Factors.

^d 49 residential units X 2.19 persons = 107.31 direct residents (per the average household size of 2.19 persons/household for the City of Newport Beach, U.S. Census Bureau, 2010 Census). Indirect population growth is one-quarter of projected employment multiplied by 2.19 persons per household, or 219 employees X 0.25 X 2.19 = 120 indirect residents. Total residents = 107 direct residents + 120 indirect residents = 227.

^e The proposed project would introduce up to 49 residential units. Project implementation would result in the removal of existing residential units (i.e., three mobile homes within the proposed LLA area). However, it would not displace substantial numbers of existing housing or people, since such removal would be limited to three housing units that would be offset by the future provision of up to 49 dwelling units on-site.

^f 40,459 square feet of retail/restaurant divided by 500 square feet/employee = 81 employees. (Please note: retail factor of 500 square feet/employee of Section 20.44.040 of the Municipal Code was applied to the 40,459 square feet of retail/restaurant).
17,075 square feet of office divided by 250 square feet/employee = 68 employees. (Please note: office/professional factor of 250 square feet/employee of Section 20.44.040 of the Municipal Code was applied to the 17,075 square feet of office).
36,500 square feet of storage divided by 525 square feet/employee = 70 employees. (Please note: industrial factor of 525 square feet/employee of Section 20.44.040 of the Municipal Code was applied to the 36,500 square feet of storage).

Source: PCR Services Corporation, 2013; SCAG, 2012; and The Natelson Company, 2001.

(b) Household Growth

The proposed project would generate up to 49 new residential dwelling units. Although project implementation would result in the removal of existing residential units (i.e., three mobile homes within the proposed LLA area), it would not displace substantial numbers of existing housing or people, since such removal would be limited to three housing units that would be offset by the future provision of up to 49 dwelling units on-site. As presented in Table 4.K-5, the proposed project would represent 2.130 percent, 0.036 percent, and 0.003 percent of the household growth projected by SCAG for the local, subregional, and regional areas between the years of 2008 and 2035, respectively. As shown in Table 4.K-5, the addition of new housing units are well within the SCAG housing growth projections for the City of Newport Beach, the Orange County subregion, and the SCAG region. By creating new housing units within the project area, the proposed project would support applicable housing policies of SCAG's RTP/SCS and housing allocation goals of the RHNA, and would substantially help meet the housing demands of the growing population of the City.

Furthermore, the development of new visitor-serving commercial/marine-related uses to the project area would also increase the amount of indirect residents that may potentially move to the area due to

employment, thus increasing the need for housing units in the area. Lastly, the project site is located in an urban area already served by existing infrastructure and an established transportation system, whereby the proposed mix of uses would help provide a balance of jobs and housing.

New housing numbers proposed by the project are well within official SCAG forecasted estimates through 2035, and the addition of new housing to the area is considered a beneficial impact according to regional and local housing policies. As such, impacts related to housing growth would be considered less than significant.

(c) Employment Growth

The proposed project would generate new job opportunities to the City that would increase the amount of employment within the project area. Specifically, implementation of the proposed project would generate an estimated 81 employees from retail/restaurant use, 68 employees from office use, and 70 employees from the enclosed dry-stack boat storage/storage area, for a total net employment increase of 219 jobs within the project area. As shown in Table 4.K-5, this would be a decrease of -4.563 percent, an increase of 0.141 percent, and 0.013 percent of the projected SCAG employment growth estimated between the years 2008 and 2035. This employment increase to the area is due to the development of new job opportunities within the project area. The increase of employment would be incremental and would not significantly contribute to the SCAG employment forecasts for the local, subregional, and regional area.

As shown above in Table 4.K-4, the local area, subregional area, and regional area would be considered “job rich” with a housing deficits that would not meet the ideal 1.25 job/housing ratio. As population continues to increase in the City of Newport Beach and Orange County, employment demands would be met as there would be a job surplus, but new houses would need to be built to meet the future housing demands and meet the ideal average job/housing ratio of 1.25 as identified by SCAG. The proposed project would introduce up to 49 residential units, which would be able to provide housing for residents and help make up for the high job/housing ration within the City. Further, the net increase of employment within the local, subregional, and regional area would still be within the SCAG forecasted employment growth projections and would still provide new employment to the City. As such, impacts associated with employment growth would be less than significant.

(3) Consistency With Regulatory Framework

Threshold	Would the project conflict with any applicable plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan and municipal code) adopted for the purpose of avoiding or mitigating an environmental effect?
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Impact 4.K-2 Implementation of the proposed project would not conflict with any applicable plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the General Plan and Municipal Code). This impact is considered less than significant.

(a) State Level

The California Coastal Act includes several policies that relate to housing. An analysis of the proposed project’s consistency with each of the applicable policies contained in the California Coastal Act is presented below in **Table 4.K-6, California Coastal Act Consistency Analysis**. As indicated in Table 4.K-6, the proposed project would be consistent with the applicable policies of the California Coastal Act with respect to population, housing, and employment. As such, impacts in this regard would be less than significant.

Table 4.K-6

California Coastal Act Consistency Analysis

Applicable Goals/Policies/Programs	Project Consistency Statement
Development	
<p>Section 30250 Location; existing developed area.</p> <p>a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.</p> <p>c) Visitor-serving facilities that cannot feasibly be located in existing developed areas shall be located in existing isolated developments or at selected points of attraction for visitors.</p>	<p>Consistent. The proposed project is located near and/or adjacent to several existing residential communities as well as areas that are already developed for commercial and industrial purposes. The majority of the project area is located immediately north of East Coast Highway between Bayside Drive and the Bayside Marina adjacent to the Upper Newport Bay. The larger 31.431-acre Parcel 3 consists of five Planning Areas. Existing uses within Planning Area 1 include outside storage space for RV's and small boats on trailers; Bayside Marina parking and restrooms; kayak and standup paddle board (SUP) rentals and launch area; parking and access to Pearson's Port, a floating fish market in the County tidelands/Upper Newport Bay Channel; marine service equipment storage and parking under the Coast Highway Bridge; and Bayside Village Mobile Home Park guest parking. Adjoining the southwest portion of the site is the over 45-year-old OCSD pump station. Existing uses within Planning Area 2 include marine office and service and an unpaved parking lot under the bridge and storage and launch area for the rowing club south of the bridge. Existing uses of Planning Area 3 include a narrow strip of fully paved, private walkway and sand beach area located between the Bayside Village Mobile Home Park to the south and Bayside Marina to the north which provides lessee access to private boat slips and docks and is available for mobile home park resident use. This area is adjacent to the northern boundary of the existing Bayside Village Mobile Home Park. Existing uses within Planning Area 4 include a narrow strip of paved parking area currently improved with 45 commercial storage units and parking spaces, available to marina and mobile home park tenants and off-site users. Planning Area 5 is a fee-owned submerged land bordered by the earthen, De Anza Bayside Marsh Peninsula. Adequate public service (e.g., sewer, water, utilities) can be extended to the project site and are sufficient to serve the new development.</p> <p>The proposed project proposes a mixed-use bayfront village that would introduce 85,644 square feet of residential uses (up to 49 residential units) and 94,034 square feet of visitor-serving commercial/marine-related uses and storage. The proposed project requires a village orientation designed not only to attract visitors to the mixed-use waterfront village, but also to encourage significant new public waterfront access to and along the bayfront, between Balboa Marina to the</p>

Table 4.K-6 (Continued)

California Coastal Act Consistency Analysis

Applicable Goals/Policies/Programs	Project Consistency Statement
	south and Newport Dunes and the regional trail system to the east.

Source: PCR Services Corporation, 2013.

(b) Regional Level

The goals, policies, and objectives in the various plans described above address two aims that are applicable to the proposed project. The first aim is to support housing and employment needs at the local, subregional, and regional levels. The intent is to meet all future needs in a manner that is consistent with expected projections. The second aim is to broaden the extent of housing and employment opportunities to a broad array of populations. The following discussion addresses the project’s relationship to these two aims.

As the proposed project would not exceed forecasted housing projections, the project’s net increase of residential units would make a contribution to the creation of needed housing stock, and would thus support SCAG policies and projections. Furthermore, the housing projections and needs identified in the RTP/SCS and the RHNA, respectively, both identify considerable amounts of new housing that is needed in order to meet the growing population needs of the three demographic areas analyzed. The proposed project would generate 49 residential units to the general housing supply and would contribute to housing availability and opportunity in the area. According to the RHNA, the City of Newport Beach within the Orange County subregion is in need of a total of 1,784 dwelling units of which 392 would be very low income housing, 322 low income, 362 moderate income, and 708 above moderate income housing, refer to Table 4.K-1. Hence, the proposed project’s overall contribution to the housing stock would be beneficial, and its development would not have adverse affects on the existing or future availability of housing for other sectors. As such, the proposed project would be consistent with applicable SCAG policies regarding population, housing, and employment, and therefore, impacts would be less than significant. An analysis of the proposed project’s consistency with each of the applicable SCAG policies is presented below in **Table 4.K-7, SCAG Consistency Analysis**.

(c) Local Level

The City of Newport Beach General Plan includes several policies and programs within the Housing Element that relate to housing. An analysis of the proposed project’s consistency with each of the applicable policies and programs contained in the Housing Element is presented below in **Table 4.K-8, General Plan Consistency Analysis**. As indicated in Table 4.K-8, the proposed project would be consistent with the applicable policies and programs of the General Plan Housing Element with respect to population, housing, and employment. As such, impacts in this regard would be less than significant.

Table 4.K-7

SCAG Consistency Analysis

Applicable Goals/Policies/Programs	Project Consistency Statement
<p>Principle 3: Enable prosperity for all people.</p> <p>GV P3.1: Provide, in each community, a variety of housing types to meet the housing needs of all income levels.</p> <p>GV P3.2: Support educational opportunities that promote balanced growth.</p> <p>GV PS.3: Ensure environmental justice regardless of race, ethnicity, or income class.</p> <p>GV PS.4: Support local and state fiscal policies that encourage balanced growth.</p> <p>GV PS.5: Encourage civic engagement.</p>	<p>Consistent. The proposed project proposes a mixed-use bayfront village that would introduce up to 49 residential units and 94,034 square feet of visitor-serving commercial/marine-related uses and storage. The proposed project would contribute to balanced housing, population, and employment growth on a Citywide basis. The proposed project would provide housing opportunities for employees for a City that is projected to continue to be jobs-rich in the future.</p>

Source: PCR Services Corporation, 2013.

Table 4.K-8

General Plan Consistency Analysis

Applicable Policies and Programs	Project Consistency Statement
Land Use Element	
Role and Character of Newport Beach ("Who We Are")	
<p>Policy LU1.5: Economic Health. Encourage a local economy that provides adequate commercial, office, industrial, and marine-oriented opportunities that provide employment and revenue to support high-quality community services.</p>	<p>Consistent. Consistent. The proposed project proposes a mixed-use bayfront village that would introduce 85,644 square feet of residential uses (up to 49 residential units) and 94,034 square feet of visitor-serving commercial/marine-related uses and storage. The proposed project requires a village orientation designed not only to attract visitors to the mixed-use waterfront village, but also to encourage significant new public waterfront access to and along the bayfront, between Balboa Marina to the south and Newport Dunes and the regional trail system to the east. Specifically, implementation of the proposed project would generate an estimated 81 employees from retail/restaurant use, 68 employees from office use, and 70 employees from the enclosed dry-stack boat storage/storage area, for a total net employment increase of 219 jobs within the project area.</p>

Table 4.K-8 (Continued)

General Plan Consistency Analysis

Applicable Policies and Programs	Project Consistency Statement
Uses to Be Accommodated (“What Uses Contribute to Our Community?”)	
<p>Policy LU2.1: Resident-Serving Land Uses. Accommodate uses that support the needs of Newport Beach’s residents including housing, retail, services, employment, recreation, education, culture, entertainment, civic engagement, and social and spiritual activity that are in balance with community natural resources and open spaces.</p>	<p>Consistent. Refer to response for Policy LU1.5.</p>
<p>Policy LU2.6: Visitor Serving Uses. Provide uses that serve visitors to Newport Beach’s ocean, harbor, open spaces, and other recreational assets, while integrating them to protect neighborhoods and residents.</p>	<p>Consistent. Refer to response for Policy LU1.5.</p>
<i>Housing Element</i>	
Conservation and Improvement of Housing	
<p>Policy H 1.1: Support all reasonable efforts to preserve, maintain, and improve availability and quality of existing housing and residential neighborhoods, and ensure full utilization of existing City housing resources for as long into the future as physically and economically feasible.</p>	<p>Consistent. The proposed project would be able to develop a maximum of 49 new residential dwelling units. Although project implementation would result in the removal of existing residential units (i.e., three mobile homes within the proposed LLA area), it would not displace substantial numbers of existing housing or people, since such removal would be limited to three housing units that would be offset by the future provision of up to 49 dwelling units on-site. Further, elimination of the mobile homes is required to provide adequate vehicular access.</p>
Variety of Housing Opportunities	
<p>Policy H2.1: Encourage preservation of existing and provision of new housing affordable to extremely low-, very low-, low-, and moderate-income households.</p>	<p>Consistent. The proposed project would be able to develop a maximum of 49 new residential dwelling units. Although project implementation would result in the removal of existing residential units (i.e., three mobile homes within the proposed LLA area), it would not displace substantial numbers of existing housing or people, since such removal would be limited to three housing units that would be offset by the future provision of up to 49 dwelling units on-site. Further, elimination of the mobile homes is required to provide adequate vehicular access.</p>
<p>Policy H2.2: Encourage the housing development industry to respond to housing needs of the community and to the demand for housing as perceived by the industry, with the intent of achieving the Regional Housing Needs Assessment construction goals within six years.</p>	<p>Consistent. According to the RHNA, the City of Newport Beach within the Orange County subregion is in need of a total of 1,784 dwelling units for the City’s 2006-2014 allocation and 5 dwelling units for the 2014-2021 allocation. Hence, the proposed project’s overall contribution to the housing stock (up to 49 dwelling</p>

Table 4.K-8 (Continued)

General Plan Consistency Analysis

Applicable Policies and Programs	Project Consistency Statement
	units) would be beneficial, and its development would not have adverse affects on the existing or future availability of housing for other sectors.
<p>Housing Program 2.2.5: For new developments proposed in the Coastal Zone areas of the City, the City shall follow Government Code Section 65590 and Title 20. <i>(Imp 5.1)</i></p>	<p>Consistent. Per Municipal Code Chapter 20.34, Conversion or Demolition of Affordable Housing, this does not apply as it doesn't involve the demolition or conversion of 11 units located in two or more structures.</p>
<p>Policy H2.3: Approve, wherever feasible and appropriate, mixed residential and commercial use developments that improve that balance between housing and jobs.</p>	<p>Consistent. The project proposes a mixed-use bayfront village that would introduce 85,644 square feet of residential uses (up to 49 residential units) and 94,034 square feet of visitor-serving commercial/marine-related uses and storage. Specifically, implementation of the proposed project would generate an estimated 81 employees from retail/restaurant use, 70 employees from office use, and 70 employees from the enclosed dry-stack boat storage/storage area, for a total net employment increase of 219 jobs within the project area. The proposed 49 residential units would be able to provide housing for residents and help make up for the high job/housing ratio within the City.</p>
<p>Housing Program 2.3.1: Study housing impacts of proposed major commercial/industrial projects during the development review process. Prior to project approval, a housing impact assessment shall be developed by the City with the active involvement of the developer. Such assessment shall indicate the magnitude of jobs to be created by the project, where housing opportunities are expected to be available, and what measures (public and private) are requisite, if any, to ensure an adequate supply of housing for the projected labor force of the project and for any restrictions on development due to the "Charter Section 423" initiative. <i>(Imp 25.1)</i></p>	<p>Consistent. The project proposes a mixed-use bayfront village that would introduce 85,644 square feet of residential uses (up to 49 residential units) and 94,034 square feet of visitor-serving commercial/marine-related uses and storage. Specifically, implementation of the proposed project would generate an estimated 16 employees from retail/restaurant use and 10 employees from the enclosed dry-stack boat storage/storage area, for a total net employment increase of 43 jobs within the project area. The proposed 49 residential units would be able to provide housing for residents and help make up for the high job/housing ratio within the City.</p>

Source: PCR Services Corporation, 2013.

4. CUMULATIVE IMPACTS

Implementation of the proposed project would result in a net increase in the City's residential population by approximately 227 residents and housing stock by up to 49 residential units. The proposed project would generate an estimated employment increase of 219 jobs within the project area. The proposed project, in

combination with other cumulative development within the project vicinity would result in a cumulative increase in population, housing, and employment.

Achieving the remaining RHNA units is expected through the future redevelopment of the key housing opportunity areas identified through the General Plan update process

Chapter 3, *Basis for Cumulative Analysis*, of this Draft EIR provides a list of projects that are planned or are under construction in the proposed project study area and would potentially contribute to a cumulative population, housing, and employment impact when combined with the proposed project. **Table 4.K-9, *Cumulative Population, Housing, and Employment Generation***, below, summarizes the cumulative growth associated with implementation of the proposed project and related projects.

As shown in Table 4.K-9, the cumulative population, housing, and employment projections total 10,934 residents, 4,994 housing units, and 1,646 employees, respectively. Relative to SCAG growth projections at the local, subregional, and regional levels for the 2008 to 2035 timeframe, this represents 179.25, 2.53, and 0.26 percent of overall population growth; 217.13, 3.62, and 0.33 percent of overall housing growth; and -34.29, 1.06, and 0.10 percent of overall employment growth, respectively (employment in the local area is projected to decrease by 4,800 jobs between 2008 and 2035, and therefore growth is represented by a negative percentage). As such, cumulative growth associated with the proposed project and related cumulative development in the project area is within SCAG's 2008-2035 growth projections at the local, subregional, and regional levels, and would also contribute to meeting the City's RHNA requirements.

The analysis above provides an assessment of project population, housing, and employment in comparison with local, subregional, and regional growth forecasts, which also accounts for planned or reasonably foreseeable development within each jurisdiction in the local area, subregional area, and regional area. Therefore, the analysis is both a project-level and cumulative analysis. As stated above, the increase of population, housing, and employment associated with the proposed project would be with the forecasted population, housing, and employment projections for the local area of City of Newport Beach, Orange County subregional area, and SCAG region. Furthermore, cumulative development, similar to the proposed project, would also be required to support applicable policies provided by SCAG and the City of Newport Beach General Plan. As such, implementation of the proposed project would not result in significant cumulative impacts associated with population, housing, and employment and no mitigation measures are required.

5. MITIGATION MEASURES

All impacts related to population, housing, and employment would be less than significant; as such, no mitigation measures are required.

6. LEVEL OF SIGNIFICANCE AFTER MITIGATION

Project-related and cumulative impacts associated with population, housing, and employment growth would be less than significant.

Table 4.K-9

Cumulative Population, Housing, and Employment Generation

Related Project	Residential (units)	Hotels (rooms)	Office (square feet)	Commercial/ Retail/ Restaurant (square feet)	Park/ Recreation (acres)	Warehouse/Storage (square feet)	Cumulative Total
Balboa Marina Expansion	-	-	-	35,000	-	-	
Mariner's Medical Arts	-	-	12,763	-	-	-	
919 Bayside Drive	17	-	-	-	-	-	
Hyatt Regency Newport Beach Expansion	-	88 ^a	-	24,387	-	-	
Newport Beach Country Club	-	-	-	-	1.18	-	
Golf Realty Tennis Club	5	27 ^b	-	-	0.89	-	
AERIE	8	-	-	-	-	-	
Megonigal Residence	1	-	-	-	-	-	
Old City Hall Complex Redevelopment	99	-	-	120,000	-	-	
Lido Villas (DART)	23	-	-	-	-	-	
Sunset Ridge Park	-	-	-	-	13.67	-	
Banning Ranch	1,375	75 ^c	-	75,000	51.40	-	
Marina Park	-	-	-	-	10.45	-	
Newport Harbor Yacht Club	-	-	-	23,163	-	-	
Beauchamp	5	-	-	-	-	-	
Plaza Corona del Mar	6	-	1,750	-	-	-	
LDS Rectory	1	-	-	-	-	-	
Newport Coast – TAZ 1	450	-	-	-	-	-	
Newport Coast – TAZ 2	493	-	-	-	0.06	-	
Newport Coast – TAZ 3	254	-	-	-	-	-	
Newport Coast – TAZ 4	291	-	-	-	-	-	
PRES Office Building B	-	-	11,544	-	-	-	
Uptown Newport Mixed Use Development	1,244	-	-	11,500	-	-	
Koll Mixed Use Development	260	-	-	-	-	-	
Newport Business	-	-	46,044	-	-	-	

Table 4.K-9 (Continued)

Cumulative Population, Housing, and Employment Generation

Related Project	Residential (units)	Hotels (rooms)	Office (square feet)	Commercial/ Retail/ Restaurant (square feet)	Park/ Recreation (acres)	Warehouse/Storage (square feet)	Cumulative Total
Plaza							
<i>Subtotal Related Projects</i>	4,532	190	72,101	289,050	77.65		
Proposed Project	49	-	17,075	40,459	-	36,500	
TOTAL	4,581	190	89,176	329,509	77.65	36,500	
Cumulative Growth Estimate							Total
Population (residents)	10,032 ^e	104 ^f	195 ^f	361 ^f	203 ^f	39 ^f	10,934
Housing (units)	4,581	48 ^f	89 ^f	165 ^f	93 ^f	18 ^f	4,994
Employment (employees)	-	190 ^g	357 ^g	659 ^g	370 ^g	70 ^g	1,646

^a The average hotel room at the Hyatt Regency Newport Beach is 385 square feet per <http://www.newportbeach.hyatt.com/en/hotel/rooms.html>. Therefore, it is assumed that 88 rooms x 385 square feet = 33,880 total square feet.

^b According to the Golf Realty Tennis Club CCC Application: <http://documents.coastal.ca.gov/reports/2013/4/W18b-4-2013.pdf>, the 27 visitor-serving bungalows vary in size from 570 square feet to 2,485 square feet. For a conservative approach, we assume all 27 visitor-serving bungalows are 2,485 square feet. Therefore, it is assumed that 27 bungalows x 2,485 square feet = 67,095 square feet.

^c The Banning Ranch project proposes a 75-room small resort inn. 1.95 rooms per 1,000 square foot per https://www.energystar.gov/istar/pmpam/help/Hotel_Motel_Space_Use_Information.htm. Therefore, 75 rooms/1.95 rooms = 38.46 rooms X 1,000 square feet = 38,462 square feet.

^d The 190 total hotel rooms = 33,880 square feet(Hyatt) + 67,095 square feet(Golf Realty) + 38,462(Banning) = 139,437 square feet of hotel rooms or 3.20 acres.

^e 4,581 residential units X 2.19 persons per household = 10,032 residents (based on the average household size of 2.19 persons for the City of Newport Beach per the U.S. Census Bureau, 2010 Census).

^f Indirect housing growth is assumed to be one-quarter (25%) of employment growth, while indirect population growth is assumed to be one-quarter (25%) of employment multiplied by 2.19 persons per household.

^g Project-related growth is based on 500 square feet/employee for retail uses; 250 square feet/employee for office/professional uses; 525 square feet/employee for industrial uses; and 1.0 employee per room per the City of Newport Beach Municipal Code, Chapter 20.44, Transportation Demand Management Requirements, Section 20.44.040, Employment Generation Factors and 4.77 employees per acre of local parks and recreation per data presented in Table B-1 of the "Employment Density Study Summary Report", prepared for SCAG by The Natelson Company (October 2001) for Orange County.

Sources:

Back Bay Landing Traffic Impact Analysis, prepared by Kunzman Associates, Inc., dated February 27, 2013.

Table B-1 of the "Employment Density Study Summary Report", prepared for SCAG by The Natelson Company (October 2001).

PCR Services Corporation, 2013.