

5. Environmental Analysis

5.9 POPULATION AND HOUSING

This section of the Draft Supplemental Environmental Impact Report (SEIR) evaluates potential impacts to population, employment, and housing in areas proposed for land use changes under the Newport Beach General Plan LUE Amendment.

5.9.1 Environmental Setting

The City's demographics are best examined in the context of existing and projected population for the Orange County region and Newport Beach. Information on population, housing, and employment for the City is available from several sources.

Population

Existing

The United States Bureau of the Census publishes population and household data gathered through the decennial census. This data provides a record of historic growth rates in the County of Orange and the City of Newport Beach. Table 5.9-1 shows the growth rates of Orange County's population and households between 2000 and 2010 based on the most recent census conducted in 2010. As shown, the growth rates of population and households in Newport Beach between 2000 and 2010 were substantially higher than the corresponding rates for Orange County as a whole. The annexation of the Newport Coast area by the City of Newport Beach in 2002 contributed to the population increase in the City in that decade.

Table 5.9-1 Newport Beach and Orange County Population, 2000–2010, US Census Counts

	2000	2010	Change, 2000–2010	Percent Change, 2000–2010
Newport Beach	70,032	85,186	15,154	21.6%
Orange County	2,846,289	3,010,232	163,943	5.8%

Source: 2010 U.S. Census.

In January 2013, the California Department of Finance (DOF) estimated the population of Newport Beach at 86,436, and of Orange County as 3,081,084 (DOF 2013).

Forecasts

Forecasts of population, housing units, and employment for the City and Orange County were obtained from the Southern California Association of Governments (SCAG) and the Center for Demographic Research (CDR) at California State University, Fullerton (Orange County Projections 2010 Modified [OCP 2010]). As shown in Table 5.9-2, the City's population is forecast to grow by 7.2 percent during the 2008 to 2035 period—half of the growth percentage anticipated for the County (14.4 percent)

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Table 5.9-2 Population Forecast for Orange County and the City of Newport Beach, 2008–2035

	2008	2020	2035	Change, 2008–2035	
				Total	Percent
Orange County	2,989,000	3,266,000	3,421,000	432,000	14.4%
City of Newport Beach	84,200	88,700	90,300	6,100	7.2%

Source: SCAG 2012.

Housing

Housing units and households in Newport Beach and Orange County in January 2013 as estimated by the DOF are shown in Table 5.9-3. The estimated average household size in January 2013 in Newport Beach was 2.22 persons, compared to 3.03 persons in Orange County (DOF 2013).

Table 5.9-3 Housing Units and Households, Newport Beach and Orange County, 2013, DOF Estimate

	Single-Family Detached	Single-Family Attached	Multifamily, 2 to 4 units per structure	Multifamily, 5+ units per structure	Mobile Homes	Total	Occupied	Vacancy Rate
Newport Beach	20,146	7,010	5,114	10,777	1,174	44,221	38,775	12.3%
Orange County	536,562	127,833	92,145	266,124	33,531	1,056,195	999,552	5.4%

Source: DOF 2013.

The numbers of housing units in Newport Beach and Orange County over the 2010–2035 period forecast by the DOF are shown in Table 5.9-4. The number of housing units in the City is forecast to grow by 2,300 units, or 6.0 percent, between 2010 and 2035, and the number of units in the county by 138,000 units, or 14.0 percent, over the same period.

Table 5.9-4 Housing Units and Households Projections, 2008–2035

	2008	2020	2035	Change, 2008–2035	Percent Change, 2008–2035
Housing Units					
Newport Beach	44,085	44,826	45,997	1,912	4.3%
Orange County	1,041,122	1,105,238	1,180,929	139,807	13.4%
Households					
Newport Beach	38,400	39,500	40,700	2,300	6.0%
Orange County	987,000	1,049,000	1,125,000	138,000	14.0%

Sources: CDR 2012; SCAG 2012.

Employment

In 2010 there were an estimated 70,326 jobs in Newport Beach, and Newport Beach residents held an estimated 31,926 jobs. Employment by industrial sector in Newport Beach and for City residents is shown in

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Table 5.9-5. There were an estimated 1,433,661 jobs in Orange County in 2010, and Orange County residents were estimated to hold 1,293,523 jobs that year (USCB 2013).

Table 5.9-5 Employment by Industrial Sector, Newport Beach, 2010

Industrial Sector	Jobs in Newport Beach		Jobs of Newport Beach Residents	
	Jobs	Percent of Total Jobs	Jobs	Percent of Total Jobs
Agriculture, Mining, Oil and Gas Extraction	54	0.1%	215	0.7%
Manufacturing, Construction, and Utilities	7,047	10.0%	3,825	11.9%
Wholesale Trade, Retail Trade, Transportation and Warehousing	7,846	11.2%	5,804	18.2%
Information, Finance and Insurance, and Real Estate	13,268	18.9%	4,449	14.0%
Professional, Scientific, and Technical Services	7,832	11.1%	3,800	11.9%
Management of Companies; and Administration & Support, Waste Management and Remediation	5,710	19.2%	2,660	8.4%
Educational Services, Health Care, and Social Assistance	13,023	24.9%	5,779	18.1%
Arts, Entertainment, and Recreation; Accommodation and Food Services; and Other Services	14,430	20.6%	4,663	14.6%
Public Administration	1,116	1.6%	731	2.3%
Total	70,326	100%	31,926	100%

Source: US Census.

Employment in the City is forecast to decline from 82,500 in 2008 to 77,000 in 2020 and 2035, as shown in Table 5.9-6.

Table 5.9-6 Employment Projections, 2008-2035

	2008	2020	2035	Change, 2008-2035	Percent Change, 2008-2035
Newport Beach	82,526	76,999	77,665	-4,861	-5.9%
Orange County	1,624,061	1,625,805	1,778,845	154,784	9.5%

Source: CDR 2012.

Jobs-Housing Ratio

The jobs-housing ratio is a general measure of the total number of jobs and number of housing units in a defined geographic area, without regard to economic constraints or individual preferences. The balance of jobs and housing in an area, in terms of the total number of jobs and housing units as well as the type of jobs versus the price of housing, has implications for mobility, air quality, and the distribution of tax revenues. The jobs-housing ratio is one indicator of a project's effect on growth and quality of life in the project area. SCAG applies the jobs-housing ratio at the regional and subregional levels to analyze the fit

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between jobs, housing, and infrastructure. A major focus of SCAG’s regional planning efforts has been to improve this balance. SCAG defines the jobs-housing balance as follows:

Jobs and housing are in balance when an area has enough employment opportunities for most of the people who live there and enough housing opportunities for most of the people who work there. The region as a whole is, by definition, balanced.... Job-rich subregions have ratios greater than the regional average; housing-rich subregions have ratios lower than the regional average.

Ideally, job-housing balance would... assure not only a numerical match of jobs and housing but also an economic match in type of jobs and housing. (SCAG 1989, 1997)

Jobs-housing goals and ratios are advisory only. No ideal jobs-housing ratio is adopted in state, regional, or city policies. However, SCAG considers an area balanced when the jobs-housing ratio is 1.36; communities with more than 1.36 jobs per dwelling unit are considered jobs-rich, and those with fewer than 1.36 are housing-rich (SCAG 2004). A job-housing imbalance is an indication of potential air quality and traffic problems associated with commuting.

As shown below in Table 5.9-7, the jobs-housing balance in Newport Beach is forecast to decrease from 1.87 to 1.67 between 2008 and 2035; both figures are jobs-rich. The jobs-housing balance in Orange County is estimated to decrease slightly from 1.56 to 1.51 during the same period; both figures are slightly jobs-rich compared to SCAG’s suggested 1.36 jobs-housing balance.

Table 5.9-7 Jobs-Housing Balance

		Employment	Housing Units	Jobs-Housing Ratio
Newport Beach	2008	82,500	44,197	1.87
	2020	77,000	44,826	1.72
	2035	77,000	45,997	1.67
Orange County	2008	1,624,000	1,041,122	1.56
	2020	1,626,000	1,105,238	1.47
	2035	1,779,000	1,180,292	1.51

Source: SCAG 2012; CDR 2012.

5.9.2 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).

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- 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: Thresholds P-2 and P-3.

These impacts will not be addressed in the following analysis.

5.9.3 Environmental Impacts

2006 General Plan

Population

The 2006 General Plan EIR projected that buildout of the 2006 General Plan update would add 31,131 residents and 14,215 residential units to the City—at buildout the population would be 103,753 and the number of residential units 54,394. The City was forecast to have 94,167 residents and 43,100 residential units in regional projections by SCAG in 2004. General Plan buildout would add 8,192 more residents and 8,810 more households to the City than the regional forecasts for 2030. Implementation of the 2006 General Plan was therefore concluded to result in a significant population growth impact. No mitigation measures were identified to reduce or eliminate this significant impact.

General Plan LUE Amendment (Proposed Project)

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.

Impact 5.9-1: Buildout of the General Plan LUE Amendment would directly result in an estimated population increase of up to 3,838 more persons than buildout of the 2006 General Plan (approximately 3.7 percent increase). This increase would exceed the SCAG population projections for the City, but slightly improve the jobs/housing balance. [Threshold P-1]

Impact Analysis:

Population and Housing

As detailed in Chapter 3, *Project Description*, buildout of the General Plan LUE Amendment would result in up to 1,729 more residential units in the City. This total assumes that the maximum units are developed, including the potential for density bonus units. Based on the 2013 average household of 2.22 for the City, this would result in an additional 3,838 persons in the City and a total population of 106,197.¹ This population

¹ Derived by adding 3,838 to the 2006 General Plan buildout population of 102,359, as shown in Table 3-2.

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would exceed the 2035 SCAG population projection for the City of 90,030 by 16,167 persons (approximately 18 percent).

Employment

Implementation of the General Plan LUE Amendment would result in a net increase of 388 employees in comparison to buildout of the 2006 General Plan. Estimated employment at buildout with the General Plan LUE Amendment is 85,905.

Jobs-Housing Ratio

Table 5.9-8, *Projected Jobs-Housing Ratio*, compares the resultant jobs-housing balance between buildout of the 2006 General Plan and the General Plan LUE Amendment. Implementation of the LUE Amendment would result in the jobs-housing ratio reduction of 0.07, from 1.83 to 1.76 (a 3.8 percent reduction). Since the City is jobs-rich, this reduction would be a beneficial impact of the proposed project.

Table 5.9-8 Projected Jobs-Housing Ratio

	2006 General Plan Buildout	General Plan LUE Amendment Buildout	Change	Percent Change
Total Employees	85517	85,905	388	0.04%
Housing Units	46,601	48,330	1729	3.7%
Jobs/Housing Ratio	1.84	1.78	-0.06	-3.2%

5.9.4 Relevant General Plan Policies

Existing Policies

Land Use Element (LU)

Goal LU 4: Management of growth and change to protect and enhance the livability of neighborhoods and achieve distinct and economically vital business and employment districts, which are correlated with supporting infrastructure and public services and sustain Newport Beach’s natural setting.

- LU 4.2 - Prohibition of New Residential Subdivisions:** Prohibit new residential subdivisions that would result in additional dwelling units unless authorized by an amendment of the General Plan (GPA). Lots that have been legally merged through the Subdivision Map Act and City Subdivision Code approvals are exempt from the GPA requirements and may be re-subdivided to the original underlying legal lots. This policy is applicable to all Single Unit, Two Unit, and Multiple Unit Residential land use categories.

Housing Element (H)

Goal H 1: Quality residential development and preservation, conservation, and appropriate redevelopment of housing stock.

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- **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.

Goal H 2: A balanced residential community, comprised of a variety of housing types, designs, and opportunities for all social and economic segments.

- **H 2.1:** Encourage preservation of existing and provision of new housing affordable to extremely low-, very low-, low-, and moderate-income households.
- **H 2.2:** Encourage the housing development industry to respond to existing and future housing needs of the community and to the demand for housing as perceived by the industry.

Goal 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 3.1:** Mitigate potential governmental constraints to housing production and affordability by increasing the City of Newport Beach role in facilitating construction of affordable housing for all income groups.
- **H 3.2:** Enable construction of new housing units sufficient to meet City quantified goals by identifying adequate sites for their construction. Development of new housing will not be allowed within the John Wayne Airport (JWA) 65 dB CNEL contour, no larger than shown on the 1985 JWA Master Plan.

New and/or Modified Policies

The proposed General Plan LUE Amendment includes the following new and/or revised policies that are relevant to cultural resources. The proposed changes are shown in underlined/~~strikeout~~ for new and eliminated text, respectively. The goal for a revised policy is provided, even if the goal itself is unchanged.

Goal LU 1: A unique, primarily residential community with diverse coastal and upland neighborhoods, which values its colorful past, high quality of life, and community bonds, and balances the needs of residents, businesses, and visitors ~~through the recognition that Newport Beach is primarily a residential community.~~

- **LU 1.4 - Growth Management:** Implement a ~~conservative~~ growth strategy that enhances the quality of life of residents and balances the needs of all constituencies with the preservation of designated open space and natural resources.

Goal LU 2: A living, active, and diverse environment that complements all lifestyles and enhances neighborhoods, without compromising the valued resources that make Newport Beach unique. It contains a diversity of uses that support the needs of residents, sustain and enhance the economy, provide job opportunities, serve visitors that enjoy the City's diverse recreational amenities, promote public health, and protect its important environmental setting, resources, and quality of life.

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- **LU 2.1 - Resident-Serving Land Uses:** Accommodate uses that support the needs of Newport Beach's residents including housing, retail, services, employment, recreation, education, culture, entertainment, medical and health facilities, civic engagement, and social and spiritual activity that are in balance with community natural resources and open spaces.
- **LU 2.2 - ~~Economically Sustainable and Complete Community~~:** Emphasize the development of uses that enable Newport Beach to continue as an economically self-sustaining community and minimize the need for residents to travel outside of the community for retail, goods and services, and employment.
- **LU 2.4 - Economic Development:** Accommodate uses that maintain or enhance Newport Beach's fiscal health and account for market demands, while maintaining ~~or~~ improving the quality of life for current and future residents.

Goal LU 6.2: Residential neighborhoods that contain a diversity of housing types and supporting uses to meet the needs of Newport Beach's residents and are designed to sustain livability and a high quality of life.

- **LU 6.2.3 - Residential Affordability:** Encourage the development of the types of residential units that are consistent with the Housing Element ~~affordable for those employed in the City~~.

Goal LU 6.15: A mixed-use community that provides jobs, residential, and supporting services in close proximity, with pedestrian-oriented amenities that facilitate walking and enhance livability.

- **LU 6.15.6 - Size of Residential Villages:** Allow development of mixed-use residential villages, each containing a minimum of 10 acres and centered on a neighborhood park and other amenities (as conceptually illustrated in Figure LU23). The first phase of residential development in each village shall encompass at least 5 gross acres of land, exclusive of existing rights-of-way. This acreage may include multiple parcels provided that they are contiguous or face one another across an existing street. At the discretion of the City, this acreage may also include part of a contiguous property in a different land use category, if the City finds that a sufficient portion of the contiguous property is used to provide functionally proximate parking, open space, or other amenity. The area depicted in the "Airport Area Residential Villages Illustrative Concept Diagram Area" ~~area~~ shown on Figure LU23 shall be exempt from the 5-acre minimum, but a conceptual development plan described in Policy LU 6.15.11 shall be required.
- **LU 6.15.6X - Affordable Housing Projects:** Permit housing projects that include a minimum of 30 percent of the total units for affordable to lower income households and are developed at a minimum density of 30 units per acre to be constructed on parcels of 5 acres or greater as an exception from Residential Village requirements for a minimum 10 acres in lot size and phasing described in Policy LU 6.15.6 to facilitate the development of affordable housing consistent with the Housing Element.

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5.9.5 Existing Regulations

State

- California Government Code, Article 10.6, Housing Elements (Sections 65580–65589.8.)

City of Newport Beach

- City of Newport Beach Municipal Code Title 19, Subdivisions, Chapter 19.54, Inclusionary Housing
- City of Newport Beach Municipal Code Title 20, Planning and Zoning, Chapter 20.32, Density Bonus

5.9.6 Level of Significance Before Mitigation

Without mitigation, the following impact would be significant:

- Impact 5.9-1 Buildout of the General Plan LUE Amendment would directly result in an estimated population increase of up to 3,838 persons in comparison to buildout of the 2006 General Plan (approximately 3.7 percent increase). This increase would exceed the 2035 SCAG population projections for the City by almost 18 percent, but slightly improve the jobs-housing balance.

5.9.7 Mitigation Measures

No mitigation measures are available.

5.9.8 Level of Significance After Mitigation

Impacts would be significant and unavoidable.

5.9.9 References

Center for Demographic Research (CDR), California State University Fullerton. 2012, August 24. Orange County Projections 2010 Modified. <http://www.fullerton.edu/cdr/products/ocp.asp>.

Southern California Association of Governments (SCAG). 2012, April 19. Integrated Growth Forecast. <http://www.scag.ca.gov/forecast/index.htm>.

US Census Bureau (USCB). 2013, December 12. Interactive Population Map. <http://www.census.gov/2010census/popmap/>.

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