

3.9 POPULATION AND HOUSING

This section of the Environmental Impact Report (EIR) describes the existing and future population and housing status in the City of Fountain Valley (City). It summarizes regulations related to population and housing, and assesses the potential effects of the Fountain Valley Crossings Specific Plan (FVCSP) Project (Project) on population and housing, including effects on City-wide cumulative population and housing growth. To provide regional context for the Project, this section reviews population and housing trends within the City, and the County of Orange as a whole.

Assessment of issues associated with population and housing involves analyzing the population, housing, and jobs growth. The potential for construction of new housing directly increases resident population, which often generates new economic development that can in-turn stimulate population growth through new job creation. Population and employment growth in and of itself does not necessarily create environmental impacts of concern under the California Environmental Quality Act (CEQA), but may generate secondary environmental impacts, such as increased demands for public services, surpassing of infrastructure capacities, or increased traffic congestion and resulting air pollutant emissions. These environmental effects related to population growth are addressed in the applicable sections of this EIR. Economic and housing growth also relate to sustainable community development issues that may be of concern, such as maintaining or improving the City-wide and regional jobs-housing balance; providing affordable and workforce housing to maintain social and economic diversity; and minimizing or reducing vehicle miles traveled and associated energy demand, air pollution, and greenhouse gas emissions. This section of the Recirculated Draft EIR has been revised to include additional information on efforts to secure affordable housing within the City to address public comments and concerns that were raised following release of the pre-recirculation Final EIR in Section 3.9.1, *Environmental Setting*.

3.9.1 Environmental Setting

The Project area occupies 162 acres and currently supports a mix of one- and two-story light industrial and commercial manufacturing buildings, with no residential uses. The Project area is bisected by I-405 and roughly bounded by 4- to 6-lane-wide roads. The Project area is a mature industrial community with generally older, low profile buildings. These buildings have historically supported non-residential uses, including commercial and light industrial. As discussed further below, the City currently supports approximately 143,752 square feet (sf) of community retail, 1.44 million sf of warehouse commercial, and 1.39 million sf of office and industrial development. Office and industrial land uses comprise general office, industrial park, and auto retail. These uses support 28,869 jobs and 55,313 residents (City of Fountain Valley 2016a). Given the commercial nature of this community, daytime weekday populations increase as a result of employees and customers that frequent establishments in the area.

3.9 Population and Housing

The following analysis includes a discussion of the existing residential population, housing units, and employment for the City and the County of Orange.

3.9.1.1 Population

The U. S. Census Bureau and Southern California Association of Governments (SCAG) provide population estimates and projections for the City, County of Orange, and California. The U.S. Census Bureau provides official population and housing counts every 10 years, which are often used by other agencies to develop their own estimates and projections. The most recent decennial Census (U.S. Census) was published in 2010. As part of its long range planning, SCAG projects anticipated population, household, and employment growth for each jurisdiction in their planning region. The most recent projections were released in the agency's 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Growth Forecast, of which is based on 2010 U.S. Census data.

United States Census

The U.S. Census Bureau publishes population and housing statistics based on the U.S. Census and the American Community Survey (ACS). The U.S. Census published every 10 years includes population and housing data for the entire country. U.S. Census data represents the official count of the entire U.S. population and is used as the baseline from which most demographic projections are calculated. The ACS, on the other hand, is conducted every year for a small sample of the population to provide current information about various social and economic characteristics of communities, including housing, education, jobs, and more. The ACS includes statistics that are not included as part of the U.S. Census.

According to the U.S. Census, the City has grown at a slower rate than the County of Orange over the last 10 years (see Table 3.9-1). In the 2010 U.S. Census, the population of Fountain Valley was approximately 55,313 people out of a countywide population of 3,010,232. The City experienced a 0.6 percent increase in population between 2000 and 2010; growing by 335 residents. Orange County, on the other hand, experienced 5.8 percent increased growth from 2000 to 2010 (U.S. Census Bureau 2010).

Table 3.9-1. U.S. Census Total Population in 2000-2010

| | | 2000 | 2010 |
|--------------------------------|-----------------------------|-----------|-----------|
| City of Fountain Valley | Total Population | 54,978 | 55,313 |
| | Growth in previous 10 years | 0% | +0.6% |
| County of Orange | Total Population | 2,846,289 | 3,010,232 |
| | Growth in previous 10-years | 0% | +5.8% |

Source: U.S. Census Bureau 2010.

Although the City is located within the County of Orange and accounts for approximately 1.8 percent of the County's 2010 population, growth patterns in the City tend to be independent from the County, as evidenced in Table 3.9-1.

Southern California Association of Governments

SCAG is the federally designated metropolitan planning organization for the Southern California region, which covers six counties: Los Angeles, Orange, Riverside, San Bernardino, Imperial, and Ventura. Furthermore, the City and the rest of Orange County are represented by the Orange County Council of Governments (OCCOG), which is a voluntary agency established to serve as a subregional organization to SCAG.

SCAG develops socioeconomic estimates and growth projections including population, households, and employment for cities in the SCAG region through enhanced forecasting methods and interactive public outreach. These estimates and projections provide the analytical foundations for SCAG’s transportation planning and other programs at the regional and small geographic area level, including the Regional Housing Needs Assessment (RHNA). In April 2016, SCAG released their 2016-2040 RTP/SCS *Towards a Sustainable Future* for public comment, which includes SCAG’s most recent regional Integrated Growth Forecast (Growth Forecast). The Growth Forecast represents the most likely growth scenario for the Southern California region in the future, taking into account a combination of recent and past trends, reasonable technical assumptions, and local or regional growth policies utilizing 2012 as the baseline year for these projections. SCAG seeks input from local cities, including the City, to prepare the RTP/SCS and Growth Forecast. As previously stated, the 2016 Growth Forecast provides growth projections based on the 2010 U.S. Census.

According to SCAG’s 2016 Growth Forecast, the population of the City is projected to increase by 5.8 percent from 2012 to 2040, for a total 2040 population of 59,300, while the population of County of Orange is projected to grow by 12.6 percent over the same period, for a total 2040 population of 3,461,500 (see Table 3.9-2). Similarly, the number of households is projected to increase by 6.4 percent (1,200 units) in the City and 15.2 percent (152,800 units) in Orange County, and employment is projected to increase by 14.8 percent (4,500 jobs) in the City and 24.4 percent (372,400 jobs) in Orange County. As seen, growth for all three categories—population, households, and employment—is projected to increase at a lower rate in the City than in Orange County.

Table 3.9-2. SCAG Projected Population, Households, and Employment in 2020 and 2040

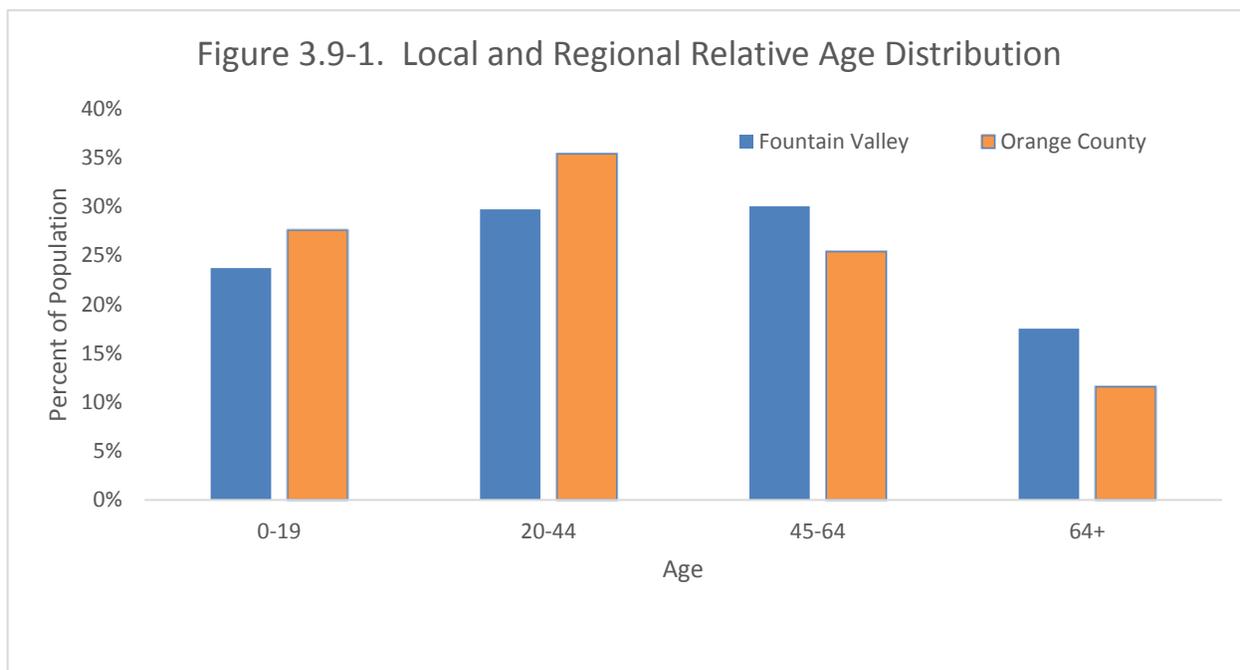
| | | 2012 | 2020 | 2040 | Change (2012-2040) |
|--------------------------------|------------|-----------|-----------|-----------|--------------------|
| City of Fountain Valley | Population | 56,000 | 57,800 | 59,300 | 5.8% |
| | Households | 18,700 | 19,300 | 19,900 | 6.4% |
| | Employment | 30,400 | 33,300 | 34,900 | 14.8% |
| County of Orange | Population | 3,071,600 | 3,271,100 | 3,461,500 | 12.6% |
| | Households | 999,500 | 1,074,700 | 1,152,300 | 15.2% |
| | Employment | 1,526,500 | 1,730,400 | 1,898,900 | 24.4% |

Source: SCAG 2016.

City of Fountain Valley Population Demographics

Age Distribution

Based on the City's Housing Element data, the City has a lower percentage of residents under 44 and higher percentage of residents over 45 compared to County of Orange (Figure 3.9-1). As a trend, Fountain Valley is a maturing community which has experienced an out-migration of young adults and an aging of Baby Boom generation residents. From 2000 to 2010, the City's median age increased from 38.1 to 42.6 years old, which is older and has a greater percent increase when compared to Orange County's median age jump from 33.3 to 35.2 years old over the same period (City of Fountain Valley 2014).



Race and Ethnicity

The 2010 U.S. Census reported that 56.5 percent of Fountain Valley's population is White, comparatively lower than Orange County (60.8 percent) and the state (57.6 percent). The second largest racial demographic in the City was reported as Asian residents, which comprise 33.3 percent of the population, higher than Orange County (17.9 percent) and the state (13 percent). Approximately 13 percent was reported as Hispanic or Latino, lower than the County (33.7 percent) and the state (37.6 percent). The percentage of the City's population reported as Black or African American (0.9 percent) is lower than that of the County's population (1.7 percent) and statewide population (6.2 percent). American Indian or Alaskan Native and Native Hawaiian or other Pacific Islander populations comprised 0.7 percent of the City's population. Approximately 4.4 percent of the City's residents indicated that they are of "some other race" (City of Fountain Valley 2016b).

3.9.1.2 Housing

U.S. Census

According to the 2010 U.S. Census, the City had a housing stock of 19,164 units. This represents an increase of 691 housing units or 3.7 percent from the 2000 housing stock of 18,473 units (Table 3.9-3).

Table 3.9-3. Housing Stock in 2000 and 2010

| | 2000 | 2010 | Change (2000-2010) |
|--------------------------------|---------|-----------|--------------------|
| City of Fountain Valley | 18,473 | 19,164 | 3.7% |
| Orange County | 969,484 | 1,048,907 | 8.2% |

Source: U.S. Census Bureau 2010.

The increase in housing units in the City between 2000 and 2010 (691 housing units) accounts for the comparable amount of population growth (0.6 percent) that occurred in the City during this time .

The U.S. Census Bureau also tracks the number of households, which is different from the number of housing units that counts both occupied and vacant units. A household is defined by the U.S. Census Bureau as a group of people who occupy a housing unit. Table 3.9-4 shows housing and household characteristics for the City for the years 2000 and 2010.

Table 3.9-4. City of Fountain Valley Housing and Households

| Year | Housing Units | Households (Occupied Housing Units) | Vacancy Rate | Population | Average Persons per Household |
|-------------|---------------|-------------------------------------|--------------|------------|-------------------------------|
| 2000 | 18,473 | 18,162 | 1.6% | 54,978 | 3.04 |
| 2010 | 19,164 | 18,777 | 2.0% | 55,313 | 2.95 |

Source: U.S. Census Bureau 2010.

As shown in Table 3.9-4, the U.S. Census Bureau reported that the City had 18,777 total households (occupied housing units) in 2010. This represents an increase of 615 households or 3.3 percent from 2000. The number of households in the City is directly related to the number of vacant housing units. The City’s vacancy rate in 2010 was 2.0 percent, while in 2000 the vacancy rate was slightly lower at 1.6 percent. In 2010, the City had an average household size of approximately 2.95 people per household (pph). The average household size in 2010 remains nearly unchanged compared to the average household size of 3.02 in 2000 and continues to be relatively equivalent to the 3.04 average for Orange County. Refer to Table 3.9-4 for a breakdown of the number of households, population, and average persons per household in the City for both 2000 and 2010.

Southern California Association of Governments

As discussed above, SCAG has provided projections for the expected number of households in the City up to 2040 using a base year of 2012. According to their projections for the City, the number of households is expected to grow to 18,700 in 2020 and 19,900 in 2040. This represents 6.4 percent growth from 2012 to 2040 (see Table 3.9-2 above). SCAG uses these projections to forecast the number of housing units that will be needed for the region.

SCAG determines the housing growth needs for municipalities within its jurisdiction, which includes the City, and publishes these determinations in their RHNA. The RHNA does not necessarily encourage or promote growth, nor does it require the City to build the number of housing units that it projects (although sufficient opportunity to do so must be provided). Its purpose is to anticipate population growth, so that collectively the region and subregion will produce sufficient housing to meet population needs and address social equity, with each jurisdiction providing its fair share housing needs.

SCAG allocated 358 housing units to the City for the 2014-2021 RHNA planning period, of which 57.8 percent are designated as units for households with extremely low to moderate income levels. The City's 2014-2021 Housing Element includes an analysis of its capacity to accommodate the recommendations provided by SCAG's RHNA.

City of Fountain Valley Housing Element

California's Housing Element Law requires that each city and county, when preparing its state-mandated Housing Element of a General Plan, develops local housing programs designed to meet its "fair share" of existing and future housing needs for all income groups. This "fair share" allocation concept seeks to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but also for those households who might reasonably be expected to reside within the jurisdiction, particularly lower-income households.

The City's Housing Element reinforces the City's strong commitment to providing a range of housing types as well as affordable and workforce housing. The adopted Housing Element (certified by the state on February 4, 2014) meets the requirement to provide suitable sites consistent with the RHNA; however, for the 2014 to 2021 planning period, the City's proposed quantified objective of 273 new units is lower than the RHNA advised 358 units. Although short of RHNA recommendation, the Housing Element provides 76.5 percent of its residential buildout capacity to affordable housing units which exceeds the RHNA recommendations of 57.8 percent (Table 3.9-5). Further, the City has two properties that are identified for rezoning from A-1 (Agricultural) to R-1 (Single-Family Residential). This rezoning provides for an additional 22 acres of single-family residential development and a total of approximately 114 units.

Table 3.9-5. 2014-2021 Regional Housing Needs Assessment and the 2014-2021 Housing Element Quantified Objective for New Housing Units/Dwelling Units

| Type of Unit (Percent of Area Medium Income) | RHNA- Identified Need (2014-2021) | Projects in the Pipeline ¹ | Vacant/ Underutilized Land | Total ² | RHNA Needed Minus Total |
|--|---|--|----------------------------------|--------------------|-------------------------------|
| Extremely Low Income (0-30%) | 42 | 128 | 69 | 209 | (2) |
| Very Low Income (31-50%) | 83 | | | | |
| Low Income (51-80%) | 59 | | | | |
| Moderate Income (81- 120%) | 65 | | 12 | | |
| Market Rate (120%+) | 151 | 25 | 39 | 64 | 87 |
| Total | 358 | 153 | 120 | 273 | 85 |
| Percent Affordable³ | 57.8% | 83.6% | 69.1% | 76.6% | 100% |

¹ Approved housing units currently underway.

² The quantified objective represents a level that the City projects for the 2014-2021 planning period.

³ Includes housing for extremely low through moderate income households.

Source: City of Fountain Valley 2014.

Since the City Council's adoption, and California Department of Housing and Community Development's (HCD's) certification, of the City's 2014-2021 Housing Element in 2014, a 128-unit affordable housing project on a 3.96-acre site owned by the Fountain Valley Housing Authority that was listed in the "Projects in the Pipeline" calculation was cancelled due to a private land use restriction that requires the land be used only for senior assisted living, not affordable housing. However, another site in the City and an experienced affordable housing developer have been identified. The Housing Authority and developer are in the early stages of due diligence and negotiations regarding development of this project. As part of this effort, staff is preparing for presentation to the City Council an amendment of the current zoning that would allow up to 194 units of affordable housing on the identified site and adjacent parcels, albeit no action of the City Council related to the proposed zoning change is intended to be prejudged or predetermined.

The City's quantified objective is based on an evaluation of available resources and represents a level that the City believes is reasonable given the uncertainty of available resources from the state and other sources. The Housing Element includes programs that prioritize efforts to generate new funding sources from local, state, and federal opportunities. The City's policies and programs, including zoning regulations and the Affordable Housing Production Program, already promote the development of extremely low income, very low income, low income, and moderate income units. While portions of the Project area and City are identified as low-income

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communities, no areas of the City meet the criteria of a disadvantaged community (California Air Resources Board [CARB] 2017).¹

The average household size in the Project vicinity is similar to that for the City as a whole and that of Orange County. This can be attributed to the high amount of family households (76.2 percent) relative to nonfamily households (5.3 percent) compared to Orange County (71.4 percent family and 7.7 percent nonfamily households).

Vacancy

The residential vacancy rate, a translation of the number of unoccupied housing units on the market, is a good indicator of the balance between housing supply and demand in a community. When the demand for housing exceeds the available supply, the vacancy rate will be low. Concurrently, a low vacancy rate drives the cost of housing upward to the disadvantage of prospective buyers or renters. In a healthy housing market, the vacancy rate would be between 5.0 and 8.0 percent. These vacant units should be distributed across a variety of housing types, sizes, price ranges and locations within the City. This allows adequate selection opportunities for households seeking new residences. The overall City vacancy rate was 2.69 as of January 2012. These rates indicate that the housing market is very tight with little room for buyers or renters to find a suitable unit or negotiate a lower purchase or rental price (City of Fountain Valley 2014).

Table 3.9-6. 2010 Local and Regional Household and Family Characteristics

| Type of Household | City of Fountain Valley | | Orange County | |
|-------------------------------|-------------------------|------------|----------------------|------------|
| | Number of Households | % of Total | Number of Households | % of Total |
| Singles | 3,451 | 18.5 | 207,849 | 20.9 |
| Family household | 14,214 | 76.2 | 708,491 | 71.4 |
| Nonfamily Households | 983 | 5.3 | 76,441 | 7.7 |
| Total Households | 18,648 | 100 | 992,781 | 100 |
| Average Household Size | 2.95 | -- | 3.02 | -- |
| Average Family Size | 3.34 | -- | 3.47 | -- |

Source: City of Fountain Valley 2014.

3.9.1.3 Employment

According to the 2008-2010 ACS, in 2010 the City's labor force was 28,869. Of the labor force, 26,571 persons (92 percent) were employed and 2,298 persons (8 percent) were unemployed (City of Fountain Valley 2016a). Occupations of employed persons vary; 43.4 percent were employed in management, business, science, and arts occupations; 31.1 percent were in sales

¹ A disadvantaged community is defined as a community with a median household income of less than 80 percent of the statewide average annual income.

and office occupations; 11.7 percent in service occupations; and the balance were in natural resources, construction, and maintenance occupations or production, transportation, and material moving occupations. Major employers in the City include Fountain Valley Memorial Hospital & Medical Center, Hyundai Motor America, Orange Coast Memorial Hospital, Kingston Technology Company, and Surefire, LLC (City of Fountain Valley 2014).

Jobs-to-Housing Ratio

The jobs-to-housing ratio in a jurisdiction is an overall indicator of both availability of jobs within an area, providing residents with an opportunity to work locally, and availability of housing, providing employees with adequate housing opportunities. Jobs/housing balance can be defined as a provision of an adequate supply of housing to workers employed in a defined area (SCAG 2001). There is considered to be adequate housing to accommodate the labor market in a city when the jobs-to-housing ratio is close to 1.0. The jobs to housing ratio is a planning tool used by a jurisdiction to achieve an appropriate balance of jobs to housing. The City is relatively job-rich, with 1.5 jobs for every employed resident, which is comparable to the ratio for Orange County. The 2007-2011 ACS estimates that 18.0 percent of City residents work within the City. An estimated 84.1 percent of City residents work within Orange County. On average, City residents travel 25 miles each way to get to their place of employment (City of Fountain Valley 2014). While the 1.5 jobs-to-housing ratio indicates that the City is a net importer of labor, it should be noted that housing supply also exists in nearby surrounding communities such as Huntington Beach, Costa Mesa, and Westminster.

3.9.2 Regulatory Setting

3.9.2.1 Federal Regulations

There are no federal planning regulations that apply to population, housing, and employment.

3.9.2.2 State Regulations

State Housing Element Law

State law (Government Code Sections 65580-6589.8) recognizes the vital role local governments play in the supply and affordability of housing. Local governments in California are required to adopt a comprehensive, long-term general plan for the physical development of the jurisdiction, including a Housing Element. Housing Element law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law acknowledges that, in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development. Housing Element law also requires the ~~California Department of Housing and Community Development~~ (HCD) to review local Housing Elements for compliance with state law and to report its written findings to the local government.

3.9.2.3 Regional Policies and Regulations

Southern California Association of Governments

SCAG determines regional housing needs and the share of the regional needs to be addressed by Orange County and its constituent cities. SCAG is a Joint Powers Agency and is the designated Council of Governments, Regional Transportation Planning Agency (RTPA), and Metropolitan Planning Organization for the six-county region of Orange, Los Angeles, Ventura, San Bernardino, Riverside, and Imperial counties. SCAG's RTP/SCS and RHNA are tools for coordinating regional planning and housing development strategies in southern California.

Regional Housing Needs Assessment

Under State Housing Element law, local governments, such as the City, and Councils of Governments, such as SCAG, determine the specific housing needs within their jurisdictions and prepare a RHNA. SCAG prepares the RHNA for Orange County, of which the City is a part. The housing needs identified for a particular city are based on four income categories: very low income, low income, moderate income and above moderate income households. Construction of new housing is not mandated by state law or by the RHNA. Rather, the RHNA is intended as a planning tool and a guide to an equitable distribution of housing; the implementing jurisdiction typically involves significant private-sector investment, planning, and construction to address state housing requirements.

3.9.2.4 Local Policies and Regulations

City of Fountain Valley Land Use Element

The Land Use Element contains the broadest scope of all components within the General Plan. It includes a number of goals and policies relating to population, housing, and economy/employment, some of which are listed below:

Goal 2.0 Maintain and enhance high quality development throughout the City.

Policy 2.1.1 Maintain and continue to enhance high quality mixed use development throughout the City.

Policy 2.1.2 Encourage variety, quality, consistency, and innovation in land use practice.

Goal 2.6 Improve architectural quality of development within Fountain Valley.

Policy 2.6.1 Promote residential, commercial and industrial development which achieves harmony without monotony in the built environment.

Policy 2.6.2 Encourage planning and design which is people oriented, sensitive to the needs of visitors and residents and functionally efficient for its purpose.

City of Fountain 2014-2021 Housing Element

The Housing Element is mandated by Section 65580 to 65589 of the Government Code. State Housing Element law requires that each city and county identify and analyze existing and projected housing needs within its jurisdiction and prepare goals, policies, programs and quantified objectives to further the development, improvement, and preservation of housing. The 2014-2021 Housing Element adopts a range of housing goals, policies and programs for the City of Fountain Valley, including the following:

Goal 2.0 Promote and encourage the development of a variety of housing opportunities to accommodate current and projected households.

Policy 2.a Promote the construction of additional dwelling units to accommodate Fountain Valley's share of regional housing needs in accordance with adopted land use policies.

Policy 2.b Promote in fill housing development on vacant land within existing neighborhoods and recycling of underutilized non-residential parcels.

Policy 2.c Promote and encourage the use of innovative construction methods, design standards, lot configurations, and energy conservation techniques which will facilitate the production of quality, affordable and attractive new housing which varies in type, design, form of ownership, and size, and is compatible with abutting development.

Policy 2.d Encourage new housing construction for homeownership in a mixture of price ranges.

Policy 2.e Promote development of compatible mixed-use projects with residential components at medium to high densities within commercial designations, where determined appropriate.

Policy 2.f Continue to utilize Planned Community districts or Specific Plans to allow and promote a variety of lot sizes and housing types in new development.

Goal 3.0 Conserve and support affordable housing opportunities in the City.

Policy 3.a Promote and expand affordable home ownership opportunities for lower and moderate income households in the City.

Policy 3.b Pursue available housing funds provided by Federal, State, private and/or local sources to preserve affordable housing.

Policy 3.e Conserve the existing stock of rental housing. Limit the proportion of multifamily housing units permitted to convert to owner-occupied status.

Policy 3.f Provide regulatory incentives to encourage the development of affordable housing.

Program 3.d Promotion of Affordable Housing – The City will continue to support and encourage the development of housing affordable to lower and moderate income households through incentives such as density bonuses and expedited processing. The City may also assist with permitting, offsite improvements, assist with securing federal or state housing financing resources or other forms of assistance to private developers who propose new construction, mixed-use and infill projects with affordability components.

3.9.3 Impact Assessment and Methodology

3.9.3.1 Thresholds for Determining Significance

The following thresholds of significance are based on Appendix G of the 2016 CEQA Guidelines. For purposes of this EIR, implementation of the Project may have a significant adverse impact on population and housing if it would:

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);
2. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere; or
3. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

3.9.3.2 Methodology

Data for this section was taken from the U.S. Census Bureau, the City, and SCAG. Demographic and socioeconomic data from these sources are relatively consistent; however, since each of these organizations uses different methods of data collection and analysis, data do not always have the same results and may not represent the same data year. Accordingly, the population, housing, and employment numbers used in this analysis may vary somewhat, depending upon the source cited. Despite the variances, the data used represent the best available data sources and provide a meaningful description of the population and housing characteristics of the City.



The Project would implement a core activity center in proximity to potential residential areas, serving residents and workers as a gathering place in a new 'downtown area'.

This analysis reviews potential land use changes occurring under the Project and considers whether these changes would result in substantial population, household, and employment growth particularly in relation to existing conditions and to cumulative growth. The analysis also addresses the Project's potential inducement of substantial growth beyond that projected or currently planned. The EIR also considers potential for changes in population of displacement of existing housing or residents and the general effect on the City's jobs-housing balance. Potential related impacts of population and employment growth on issues such as transportation, public services, and other issues are addressed throughout the remaining sections of this EIR.

3.9.4 Project Impacts and Mitigation Measures

Impact POP-1 Description

POP-1 Land use changes occurring under the Project would result in an increase in population, employment, and visitation to the Project Area. However, this impact is *less than significant*.

The Project would guide future land use changes occurring within the Project area through adoption of development standards and policies, including provisions for new housing and employment opportunities. The Project would ensure that new development integrates transit-oriented mixed land uses, in order to promote sustainable development that supports complementary population and employment growth with local-serving commercial and housing uses. The Project would fully implement the adopted Housing Element goal to focus new housing opportunities and job creation in the City, revitalizing industrial development and incorporating new development such as affordable and workforce housing, in proximity to a new activity center, which would provide more safe and sustainable connectivity between land uses for workers and families who would reside in the future development area. It is projected that the Project would facilitate approximately 258,011 sf of net new development, in addition to 491 new housing units within the Project Area.

Housing

Consistent with the City's Housing Element policies and goals, the Project proposes to continue the City's commitment to providing adequate housing for families and individuals of all economic levels. To meet the needs of the Project area's future community, new residential units are needed to accommodate a variety of residents, such as workers, small families, professionals, and seniors. The Project encourages infill development of new housing within the Project area, which is currently an industrial-heavy community. The Project also promotes engaging in early opportunities to partner with local employers in order to build workforce housing so that employees can live where they work.

As of 2010, there are 18,648 existing housing units in the City (City of Fountain Valley 2016b). Additionally, there are 153 residential units currently under construction. Land use changes occurring under the Project would result in the addition of approximately 491 new housing units.

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Combining the housing units currently under construction and the housing units proposed within the Project Area, this growth would represent an increase in housing of approximately 3.45 percent in the City from its existing levels of 18,648 housing units. The projected increase in housing would result in a total of approximately 19,292 units, which would be incremental relative to the existing housing stock in the City (Table 3.9-7).

Table 3.9-7. Housing Production with Implementation of the Project

| Existing Units | Under Construction | Net New Units from FVCSP | Total Units with Current Construction & FVCSP |
|----------------|--------------------|--------------------------|---|
| 18,648 | 153 | 491 | 19,292 |

Source: City of Fountain Valley 2014.

An objective of the Project is to accommodate new housing that helps meet the demand from seniors, young workers, and small families looking for compact and convenient living in close proximity to work, shopping, dining, and entertainment. Providing increased housing in the Project area is also consistent with sustainability policies and strategies set forth in SCAG's RTP/SCS to reduce vehicle miles traveled and associated greenhouse gas emissions. As new mixed-use development within the Project Area evolves, housing demand is also anticipated to grow due to increased activity and demand for services.

Consistent with the goals and policies of the General Plan and the adopted Housing Element, projected housing development within the Project Area contributes to creating more housing opportunities for community functioning and minimizing impacts to existing neighborhoods.

Therefore, because the estimated increase in housing would be insignificant relative to the existing number of housing units in the City and would adhere to City policies to provide adequate housing, housing impacts would be considered *less than significant*.

Population

By locating residents in proximity to existing areas within the City, the Project would be consistent with sustainability policies and strategies set forth in SCAG's RTP/SCS to reduce vehicle miles traveled and associated greenhouse gas emissions. Additionally, the increase in population that could potentially occur under the Project is anticipated relative to the existing population in the Project area. As noted above, the City has an existing population of 55,313 residents and an average household size of approximately 2.95. When the residential units currently under construction are completed, this residential population is estimated to increase by 452 residents to a total of approximately 55,765 within the City.

As identified previously, land use changes occurring under the Project could result in the construction of up to approximately 491 net residential units. This increase in housing would result in a net increase in population by approximately 1,444 residents to a total of 57,209 residents (including units under construction). This growth would represent an increase in population of approximately 3.43 percent in the City from its existing levels of 55,313 residents. The increase in population growth would be incremental relative to the existing population in the

Project area. As noted above, a key objective of the Project is to accommodate new housing in proximity to transit, retail, dining, and entertainment. In particular, the Project would help meet the high demand for housing and services generated by residents and workers in the area. Additionally, the housing demand is anticipated to grow further with increased development and demand for services within the Project area, therefore new housing in the Project area would be essential to expanding housing options. Locating residents adjacent to the type of development proposed within the Project area would align the Project with SCAG's RTP/SCS sustainability goals.

It should also be noted that the environmental impacts (e.g., traffic congestion, public services demand) associated with the increase in residential and non-residential population have been fully addressed in this EIR. Since the estimated increase in population that could potentially occur for the Project would be insignificant relative to the existing population in the Project area, population impacts would be considered *less than significant*.

Employment

Fountain Valley is a suburb city where most of its residents commute to work in other urban areas. However, in recent years, the City has experienced an increase in commercial jobs with growth of commercial centers. In 2010, the average time it took City residents to travel to work was 25.1 minutes (City of Fountain Valley 2016a). With no current supply of residential development within the Project area and the need to address high demand for housing within the Project vicinity with future development of mixed land uses, the Project aims to expand housing options to adequately provide space for workers and families who would be centrally located in the Project area. The Project would result in the addition of approximately 258,011 sf of transit-oriented light industrial, office, retail, and warehouse commercial uses which would contribute to employment growth in the Project Area. The City currently supports approximately 28,869 jobs.

Projected employment growth is typically a factor of the related land use in terms of required square footage per employee. As an example, retail businesses would have different numbers of employees per square footage than general offices and industrial park. Employment growth in the Project Area is quantified based on the Institute of Transportation Engineers Generation Factors for community retail (383 sf per employee), warehouse commercial (781 sf per employee), general office (304 sf per employee), and industrial park uses (500 sf per employee). As stated earlier, the City currently supports approximately 143,752 sf of community retail, 1.44 million sf of warehouse commercial, and 1.39 million sf of office and industrial development. Office and industrial land uses comprise general office, industrial park, and auto retail. There are approximately 2,063 jobs that are projected to result from the Project (Table 3.9-8). When combined with the existing 28,869 jobs in the City, the Project would result in a total of 30,932 jobs. Such employment growth would be consistent with the Project's goals to create a sustainable economy through development of a broad mix of retail, entertainment, office, and light industrial uses in the Project area.

Table 3.9-8. Estimated Change in Employment and Population within Project Area

| Land Use | Projected Change in Development Land Uses (sf) | Generation Rate ¹ (sf / employee) | Estimated Change in Workforce/ Population |
|----------------------|--|--|---|
| Community Retail | +134,010 | 383 | +350 |
| Warehouse Commercial | -318,369 | 781 | -408 |
| Auto Retail | -103,537 | 383 | -207 |
| Office General | +785,532 | 304 | +2,584 |
| Industrial Park | -127,783 | 500 | -256 |
| Total | +369,853 | -- | +2,063 |

Note: sf = square feet

¹Generation rates were obtained from the Institute of Transportation Engineers 2008.

Additionally, it should be noted that the environmental impacts (e.g., traffic congestion, public services demand) associated with increase in residential and non-residential population have been fully addressed in this EIR. The Project would be considered beneficial relative to the overall economic health of the Project area and the City. Potential impacts to employment are therefore *less than significant*.

Jobs-to-Housing Ratio

Residential and non-residential development under the Project would result in a City-wide jobs-to-housing ratio of 1.6 jobs per housing unit, compared to the City’s existing jobs-to-housing ratio of 1.5 jobs per unit. From a City-wide perspective, the balance of residential and non-residential growth permitted would only incrementally affect the existing City-wide jobs-housing balance, with new development under the Project adversely affecting the City’s jobs-housing balance. However, the effect would be nominal and, therefore, less than significant.

Mitigation Measures

No mitigation required.

Impact POP-2 Description

POP-2 Implementation of the Project would not displace substantial numbers of existing housing or people. Therefore, this impact is *less than significant*.

Based on a review of existing development in the Project Area and the lack of existing residential uses, it is anticipated that land use changes occurring in Project area would have no impact on existing housing or people. The Project area is fully developed and much of the proposed land use changes would be integrated within the currently industrial-heavy community as relatively concentrated new development. No demolition of residential uses is anticipated under the Project, and the overall housing stock of the City would increase with implementation of the Project. Because the Project does not identify land uses changes in residential areas or

the conversion of residential neighborhoods to non-residential uses, it is not anticipated that housing or people would be displaced, and impacts would be *less than significant*.

Mitigation Measures

No mitigation required.

3.9.4.1 Cumulative Impacts

Determination of potential cumulative impacts to population and housing includes review of the contribution of projected growth within the Project area compared to the projected growth under SCAG's RTP/SCS and the City's Housing Element, through the year 2035, which is the planning horizon for the Project (see Table 3.9-2).

Land use changes occurring under the Project would result in up to approximately 491 net new housing units by 2035. Currently there are no other residential projects planned for the City; however, when the Project is combined with the 153 housing units that are already under construction outside of the Project area, the net increase in housing is 644 units, which would bring the total quantity of housing units in the City to 19,292 units. With the projected housing increase in the Project Area, the population is estimated to increase by approximately 1,444 residents by 2035. Population increases from the Project, in addition to the residential units currently under construction are projected to increase the total City population to 57,209 residents. The estimated increases in housing and population in the Project area by 2035 would both fall within range of the growth projected for the City by 2040 (see Table 3.9-6). Additionally, City-wide employment growth resulting from cumulative development projects and the Project would not exceed RTP/SCS employment projections.

In terms of regional population growth, cumulative growth in population, housing, and employment, the Project represents a small portion of the growth anticipated in Orange County by the year 2040. Projected population, housing, and employment growth under the Project through 2035 would be in proportion to rates of growth projected within the City for 2040 by the SCAG RTP/SCS. Additionally, implementation of the Project would not have a cumulatively considerable contribution to loss of housing or displacement of residents. Thus, the incremental impact of the Project on County and City-wide cumulative growth would be *less than significant*.

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