4.13 POPULATION AND HOUSING

This section describes the existing population and housing characteristics of Lake Forest and Orange County and evaluates the potential impacts of the proposed Nakase Nursery/Toll Brothers Project (proposed project) on population, housing, and employment growth. This section is based on sources of demographic information provided by various agencies, including the Southern California Association of Governments (SCAG), the City of Lake Forest (City) General Plan's Housing Element (2014), the California Department of Finance, and the United States Census Bureau.

Lake Forest and Orange County demographic information was used to describe the existing population, housing, and employment characteristics in Lake Forest and Orange County. SCAG projections for these topics were identified for the existing conditions and project build out. City of Lake Forest (City) goals and policies regarding population and housing were used to evaluate potential impacts that could result from implementation of the proposed Project.

4.13.1 Scoping Process

The City received 28 comment letters during the public review period of the Initial Study/Notice of Preparation (IS/NOP). (For copies of the IS/NOP comment letters, refer to Appendix A of this Environmental Impact Report [EIR].) Two comment letters included comments related to population and housing.

The letter from SCAG (dated August 15, 2018) expressed concern with including appropriate demographics and growth forecast data. The letter from Judy Esposito (dated August 6, 2018) expressed concern regarding the potential population increase in Lake Forest due to the proposed Project.

4.13.2 Existing Environmental Setting

4.13.2.1 Population, Housing, and Employment Trends in the City and County

Lake Forest is characterized by urban areas, including single-family, multifamily, and mobile home residential uses and concentrations of commercial, office, and industrial uses. Lake Forest also contains several regional and community parks and open space.

In its existing condition, the 122-acre (ac) Project site is currently operating as the Nakase Brothers Wholesale Nurseries, an agricultural wholesale plant nursery that employs 100 to 249 employees.[1] The project site does not contain any residential uses and therefore does not contain any population or housing.

Lake Forest and Orange County are located within the SCAG planning area, which encompasses a population exceeding 19 million residents in an area of more than 38,000 square miles. SCAG is a

[1] California Employment Development Department. Employer Details, Nakase Brothers Wholesale Nursery. Website: https://www.labormarketinfo.edd.ca.gov/aspdotnet/databrowsing/empDetails.aspx?menuChoice=emp&empid=980686893&geogArea=0604000059 (accessed June 6, 2019).

federally designated Metropolitan Planning Organization (MPO)[1] encompassing six counties (i.e., Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties) and 191 cities. In 2016, the SCAG Regional Council adopted the 2016–2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Final Growth Forecast by Jurisdiction (SCAG 2016b) to predict the most likely growth scenario for the Southern California region in the future. The SCAG RTP/SCS Growth Forecast is meant to provide a common foundation for regional and local planning, policymaking, and infrastructure provisions within the SCAG region.

The growth forecast for Orange County and Lake Forest in the SCAG RTP/SCS Growth Forecast is provided in Tables 4.13.A and 4.13.B. These projections are used as a reference point for discussing population and housing growth throughout this section.

Table 4.13.A: SCAG Population, Households, and Employment Forecasts for Orange County (2012–2040)

Year	Population	Households	Employment
2012	3,071,600	999,500	1,526,500
2020	3,271,100	1,074,700	1,730,400
Percent Change (2012–2020)	**6.5%**	**7.5%**	**13.4%**
2035	3,431,200	1,135,300	1,870,500
Percent Change (2012–2035)	**11.7%**	**13.6%**	**22.5%**
2040	3,461,500	1,152,300	1,898,900
Percent Change (2012–2040)	**12.7%**	**15.3%**	**24.4%**

Source: 2016–2040 RTP/SCS Final Growth Forecast by Jurisdiction (SCAG 2016b). Website: http://www.scag.ca.gov/Documents/2016_2040RTPSCS_FinalGrowthForecastbyJurisdiction.pdf (accessed May 15, 2019).
RTP = Regional Transportation Plan SCS = Sustainable Community Strategy
SCAG = Southern California Association of Governments

Table 4.13.B: SCAG Population, Households, and Employment Forecasts for Lake Forest (2012–2040)

Year	Population	Households	Employment
2012	78,500	26,300	39,200
2020	90,700	30,300	44,700
Percent Change (2012–2020)	**15.5%**	**15.2%**	**14.0%**
2035	90,800	30,400	48,700
Percent Change (2012–2035)	**15.7%**	**15.6%**	**24.2%**
2040	90,700	30,500	49,000
Percent Change (2012–2040)	**15.5%**	**16.0%**	**25.0%**

Source: 2016–2040 RTP/SCS Final Growth Forecast by Jurisdiction (SCAG 2016b). Website: http://www.scag.ca.gov/Documents/2016_2040RTPSCS_FinalGrowthForecastbyJurisdiction.pdf (accessed May 15, 2019).
RTP = Regional Transportation Plan SCS = Sustainable Community Strategy
SCAG = Southern California Association of Governments

[1] An MPO is a federally mandated and federally funded transportation policymaking organization that is made up of representatives from local government and governmental transportation authorities. In 1962, the United States Congress passed legislation that required the formation of an MPO for any urbanized area with a population greater than 50,000.

Population. As shown in Tables 4.13.A and 4.13.B, according to the 2016–2040 RTP/SCS Final Growth Forecast by Jurisdiction (SCAG 2016b), the Lake Forest's population is anticipated to grow by approximately 15.5 percent between 2012 and 2020, and Orange County's population is expected to grow by 6.5 percent between 2012 and 2020 (approximately 0.8 percent and 1.9 percent per year, respectively). Lake Forest's population is anticipated to increase by approximately 15.7 percent by 2035 and 15.5 percent by 2040 from the 2012 population of 78,500 persons. This indicates that the population in Lake Forest is anticipated to decline slightly from 2035 to 2040. Orange County's population is anticipated to increase by approximately 11.7 percent by 2035 and 12.7 percent by 2040 from the County's 2012 population of 3,071,600 persons, thereby showing an anticipated steady increase in population from the base year.

Age Characteristics. A city's age distribution often shapes its housing demand. According to the City of Lake Forest General Plan Housing Element (2014), different age groups require different accommodations based on lifestyle, family type, income level, and housing preference. Table 4.13.C provides a comparison of Lake Forest's and Orange County's population by age group using data from the 2013–2017 American Community Survey (ACS) 5-year estimate. As shown in Table 4.13.C, Lake Forest and Orange County have similar proportions of residents in each age group. The largest difference between Lake Forest and Orange County is in the 45 to 64 years age group (29.6 percent and 26.4 percent, respectively). The largest portion of the population for Lake Forest belongs in the 45 to 64 years age group, and the largest portion of the population for Orange County belongs in the 25 to 44 years age group. The median age of Lake Forest is also about 1.5 years higher than that of Orange County, suggesting that the population of Lake Forest is slightly older overall than that of Orange County.

Table 4.13.C: Lake Forest and Orange County Age Characteristics

Age Group	Lake Forest		Orange County	
	Persons	Percentage	Persons	Percentage
Under 18 Years	18,144	22.2%	716,767	22.7%
18 to 24 Years	6,831	8.3%	306,891	9.7%
25 to 44 Years	22,533	27.5%	869,275	27.6%
45 to 64 Years	24,137	29.6%	836,438	26.4%
65 and Over	10,167	12.4%	426,445	13.5%
Total	**81,812**	**100.0%**	**3,155,816**	**100.0%**
Median Age	39.0		37.5	

Source: United States Census Bureau. Table S0101, American Community Survey 2013–2017 5-Year Estimate. Website: https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_S0101&prodType=table (accessed May 21, 2019).

Households.[1] As shown in Tables 4.13.A and 4.13.B, Lake Forest's number of households is anticipated to grow by 15.2 percent and Orange County's number of households is anticipated to grow by 7.5 percent between 2012 and 2020 (approximately 1.9 percent and 0.9 percent per year,

[1] The Southern California Association of Governments forecasts "households" not housing units. As defined by the United States Census Bureau, "households" are equivalent to occupied housing units.

respectively). Lake Forest's number of households is anticipated to increase by approximately 15.6 percent by 2035 and 16.0 percent by 2040 from the 2012 number of households of 26,300. Orange County's number of households is anticipated to increase by approximately 13.6 percent by 2035 and 15.3 percent by 2040 from the 2012 number of 999,500 households.

Employment. As shown in Tables 4.13.A and 4.13.B, according to the 2016–2040 RTP/SCS Final Growth Forecast by Jurisdiction (SCAG 2016b), employment in Lake Forest is anticipated to grow by approximately 14 percent between 2012 and 2020, and employment in Orange County is expected to grow by 13.4 percent between 2012 and 2020, representing an increase of approximately 1.7 percent per year for both. The employment in Lake Forest is anticipated to increase by approximately 24.2 percent by 2035 and 25.0 percent by 2040 from the 2012 estimated employment of 39,200 employees. Orange County's estimated employment is anticipated to increase by approximately 22.5 percent by 2035 and 24.4 percent by 2040 from the County's 2012 employment of 1,526,500 employees. These growth projections suggest that employment is expected to grow steadily from 2012 to 2040 in both Lake Forest and Orange County.

As of April 2019, Lake Forest had a labor force of 48,000, and Orange County had a labor force of 1,605,600, with approximately 1,200 and 41,600 people unemployed, respectively.[1] The April 2019 unemployment rate was 2.4 percent for Lake Forest and 2.6 percent for Orange County.[2] As of April 2019, construction employment in Orange County was 104,200. This is similar to construction employment in recent years (105,300 employees in April 2018 and 105,400 employees in April 2017).[3] Construction in Orange County is approximately 13 percent above Orange County's 10-year construction employment average from April 2009 to April 2019 (90,486 construction jobs).[4]

Jobs/Housing Balance. Jobs/housing balance is a regional concept that encourages the designation and zoning of sufficient vacant land for residential uses with appropriate standards to ensure that adequate housing is available to serve the needs derived from the local employment base. The jobs-to-housing ratio can be used as the general measure of balance between a community's employment opportunities and the housing needs of its residents. Theoretically, a city's jobs/employment ratio (jobs to employed residents) would be 1:1 if the number of jobs in the city equaled the number of employed residents. However, assuming a simple ratio of one job to one household is inappropriate in modern economies that have many households with more than one person in the workforce. According to SCAG's The New Economy and Jobs/Housing Balance in Southern California (2001), a balance between jobs and housing in a metropolitan region can more appropriately be defined as a provision of an adequate supply of housing to house workers employed in a defined area (i.e., subregion or community)..

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1 Monthly Labor Force Data for Cities and Census Designated Places, Orange County, April (California Employment Development Department 2019b). Website: https://www.labormarketinfo.edd.ca.gov/data/labor-force-and-unemployment-for-cities-and-census-areas.html#CCD (accessed June 6, 2019).

2 Ibid.

3 California Employment Development Department. 2019a. Industry Employment—Official Estimates, Anaheim-Santa Ana-Irvine Metropolitan Division (Orange County), 2000–Present. Website: https://www.labormarketinfo.edd.ca.gov/data/employment-by-industry.html (accessed June 6, 2019).

4 Ibid.

The City of Lake Forest General Plan Public Facilities/Growth Management Element (1994a) outlines the need to improve the jobs/housing balance as one of nine major issues to be addressed by the goals and policies contained therein. The City has been developed primarily with residential uses and some commercial and service sector uses. Lake Forest and the surrounding subregions are considered "housing rich," and many residents drive to other parts of Orange County or neighboring counties for employment.

SCAG applies the jobs-to-housing ratio at the regional and subregional level as a tool for analyzing the fit between jobs, housing, and infrastructure. The American Planning Association (APA) is an authoritative resource for community-planning best practices, including recommendations for assessing jobs-to-housing ratios. The APA recognizes that an ideal jobs-to-housing ratio will vary from jurisdiction to jurisdiction. In general, the recommended target for an appropriate jobs-to-housing ratio is 1.5, with a recommended range of 1.3 to 1.7 (Weitz 2003).

Lake Forest is currently within the jobs-to-housing ratio range recommended by the APA. According to the 2016–2040 RTP/SCS Final Growth Forecast by Jurisdiction (SCAG 2016b), Lake Forest had a jobs-to-housing ratio of 1.5 in 2012 and is projected to have a jobs-to-housing ratio of 1.5 in 2020 and 1.6 in 2035 through 2040. The increase in the jobs-to-housing ratio suggests that the job growth expected in the region will be larger than the expected growth in housing.

4.13.3 Regulatory Setting

4.13.3.1 Regional Regulations

Southern California Association of Governments. As the designated MPO for the six-county subregion that includes Orange County, SCAG prepares several plans to address regional growth, including the RTP/SCS. The regional growth forecasts undertaken by SCAG are developed for three planning horizons: 2020, 2035, and 2040. SCAG is mandated by federal and State law to research and draw up plans for transportation, growth management, hazardous waste management, and a regional growth forecast that is the foundation for these plans and regional air quality plans developed by the South Coast Air Quality Management District (SCAQMD). SCAG prepares several plans to address regional growth, including the Regional Comprehensive Plan and Guide, Regional Housing Needs Assessment (RHNA), the Regional Transportation Plan (RTP), the Regional Transportation Improvement Program (RTIP), and the annual State of the Region reports to measure progress toward achieving regional planning goals and policies.

Regional Comprehensive Plan. The Regional Comprehensive Plan (RCP), prepared by SCAG to address regional growth, was adopted in 2008 by the member agencies of SCAG. The RCP sets broad goals for the Southern California region and identifies strategies for local and regional agencies to guide their decision-making process. The RCP provides strategies for local governments to address issues related to future growth within a regional context. The RCP is provided to local governments for their voluntary use when preparing local plans and handling local issues of regional importance.

The current RCP incorporates and summarizes the SCAG Compass Growth Vision and the 2% Strategy adopted by the Regional Council in April 2008. The recommendations made in the RCP call

for infrastructure and resource activities consistent with the envisioned growth pattern. The policies in the RCP attempt to reduce emissions and increase mobility through strategic land use changes.

The majority of the RCP goals and policies are applicable to SCAG and the local governments and are not applicable at the individual project level. However, the following RCP/Compass Blueprint land use and housing strategies are applicable to the proposed Project:

- Focusing growth in existing and emerging centers and along major transportation corridors
- Injecting new life into underused areas by creating vibrant new business districts, redeveloping old buildings, and building new businesses and housing on vacant lots

Regional Transportation Plan/Sustainable Communities Strategy. The 2013–2035 RTP/SCS was adopted on April 7, 2016. The Plan is a long-range visioning plan that balances future mobility and housing needs with economic, environmental, and public health goals. The Plan charts a course for closely integrating land use and transportation so that the region can grow smartly and sustainably. The long-term vision will address regional transportation and land use challenges and opportunities.

The RTP/SCS includes:

- Visions, policies, and performance measures
- Forecasts (e.g., population, households, employment, land use, and housing needs)
- A financial plan
- A list of projects (to be initiated and/or completed by 2040)
- An analysis of priority focus areas (e.g., goods movement and active transportation)

Regional Growth Forecast. The regional growth forecasts undertaken by SCAG are developed in 5-year increments through 2040. The projected growth in population, household, and employment is the data relied upon during development of SCAG's RTP, Sustainable Communities Strategy (SCS), and RHNA. Consistency with the growth forecast at the subregional level is one criterion that SCAG uses in exercising its federal mandate to review "regionally significant" development projects for conformity with regional plans.

Regional Housing Needs Assessment. Local jurisdictions are required by State law (Government Code Section 65580 et seq.) to plan for their fair share of projected housing construction needs in their region. Housing unit construction goals are set by the State Department of Housing and Community Development and allocated to cities through regional planning agencies such as SCAG. This is called the RHNA. Future housing need refers to the proportion of the region's future housing needs allocated to a community. Each jurisdiction's future housing need is calculated in terms of four factors: (1) the number of units needed to accommodate forecast global household growth; (2) the number of units needed to replace demolition due to attrition in the housing stock (i.e., fire damage, obsolescence, redevelopment, and conversion to nonhousing uses); (3) maintenance of an ideal vacancy rate for a well-functioning housing market; and (4) an adjustment to avoid an overconcentration of lower-income households in any one jurisdiction.

The RHNA prepared by SCAG defines the housing unit construction goals for the region. The City's fair share for the planning period between January 1, 2014, and October 1, 2021, (the last adopted RHNA period) was established by SCAG at 2,727 units. The RHNA target number was based on projected household growth and the resulting need for construction of additional housing units allocated over a 5- to 7-year planning period (2014–2021). This 2,727-unit share was divided into the following income groups according to median family income (MFI):

Income Level	Percentage of Area MFI	No. of Units
Very Low	0–50%	647
Low	51–80%	450
Moderate	81–120%	497
Upper	>120%	1,133

MFI = median family income

Each jurisdiction is required to create an annual report on the status and progress in implementing the housing element of its general plan using forms and definitions adopted by the California Department of Housing and Community Development (HCD). The most recent, available Annual Progress Report (APR) summary for Lake Forest is the 2017 APR. As of December 2017, 2,588 units had been permitted in Lake Forest, which reduced the RHNA unit requirement to 1,393 overall. Table 4.13.D shows a summary of the 5th Cycle APR data received by the HCD up to the 2017 APR. As shown in Table 4.13.D, although 2,588 housing units were permitted, 1,133 units were in excess of RHNA requirements in the Above Moderate-Income category. There have been no Very Low-Income or Low-Income housing units permitted in the 2014–2021 planning period.

Table 4.13.D: Remaining Regional Housing Needs in the City of Lake Forest

	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total
Fair Share Housing Allocation	647	450	497	1,133	2,727
Building Permits	0	0	201	2,387	2,588
Remaining Units	647	450	296	0	1,393

Source: California Department of Housing and Community Development. Annual Progress Report Permit Summary—Pivot Table with 5th Cycle Summary Data. Website: http://www.hcd.ca.gov/community-development/housing-element/docs/Annual_Progress_Report_Permit_Summary.xls (accessed December 2018).

4.13.3.2 Local Regulations

City of Lake Forest General Plan Housing Element. The Housing Element is required by California State law to be a component of every city's General Plan because housing needs are recognized as a statewide concern. As such, the Housing Element of a jurisdiction's General Plan is the only element that is subject to approval by the State. Pursuant to State law, the Housing Element must identify the city's housing needs, the sites that can accommodate these needs, and the policies and programs to assure that the housing units necessary to meet these needs can be provided. The primary goal of the Housing Element is to provide a range of housing opportunities for all income groups.

In January 2014, the 2013–2021 Housing Element was adopted as a guide for housing within Lake Forest. The Housing Element provides an indication of the need for housing in the community in terms of housing affordability, availability, adequacy, and accessibility. The Housing Element also provides a strategy to address housing needs and identifies a series of specific housing programs to meet community needs. The following goals are found in the City's Housing Element:

- **Goal 1.0:** Adequate housing to meet the existing and future needs of Lake Forest residents
- **Goal 2.0:** Maintenance and enhancement of the quality of existing residential neighborhoods.
- **Goal 3.0:** Increased opportunities for home ownership.
- **Goal 4.0:** Promote equal opportunity for all residents to reside in housing of their choice.

The Housing Element also contains objectives, policies, and programs that are intended to formulate the City's approach to pursuing the production, preservation, and rehabilitation of housing units and to meeting its goals outlined above.

4.13.4 Methodology

Although the City of Lake Forest's 2017 *Local Guidelines for Implementing the California Environmental Quality Act* (CEQA) and 2009 *CEQA Significance Thresholds Guide* do not outline requirements specific to the Population and Housing section analysis of an EIR, the City of Lake Forest 2017 CEQA Guidelines states that EIRs must contain the following:

- A description of the direct and indirect significant environmental impacts of the proposed project explaining which, if any, can be avoided or mitigated to a level of insignificance, indicating reasons that various possible significant effects were determined not to be significant and denoting any significant effects which are unavoidable or could not be mitigated to a level of insignificance. Direct and indirect significant effects shall be clearly identified and described, giving due consideration to both short-term and long-term effects.

- An analysis of the growth-inducing impacts of the proposed action. The discussion should include ways in which the project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment.

- A discussion of any significant, reasonably anticipated future developments and the cumulative effects of all proposed and anticipated action.

- A discussion of any economic or social effects, to the extent that they cause or may be used to determine significant environmental impacts.

- A statement briefly indicating the reasons that various possible significant effects of a project were determined not to be significant and, therefore, were not discussed in the EIR.

These requirements are relevant for the purposes of this analysis.

Population and housing growth are examples of economic and social changes. Although socioeconomic information and impact analysis play a role in environmental impact assessment

under CEQA, social and economic changes resulting from a project are not treated as significant effects on the environment (*State CEQA Guidelines* Section 15064e). Pursuant to Section 15064e, socioeconomic data have four principal uses under CEQA:

- Where a physical change is caused by economic or social effects of a project, the physical change may be regarded as a significant effect in the same manner as any other physical change resulting from the project. Alternatively, economic and social effects of a physical change may be used to determine that the physical change is a significant effect on the environment.

- If the physical change causes adverse economic or social effects on people, those adverse effects may be used as a factor in determining whether the physical change is significant.

- Evidence of economic and social impacts that do not contribute to or are not caused by physical changes in the environment is not substantial evidence that the project may have a significant effect on the environment.

Lake Forest and Orange County demographic information was used to describe the existing population, housing, and employment characteristics in Lake Forest and Orange County. SCAG projections for these topics were identified for the existing conditions and project built out. City goals and policies regarding population and housing were used to evaluate potential impacts that could result from implementation of the proposed Project.

4.13.5 Thresholds of Significance

The thresholds for population and housing impacts used in this analysis are consistent with Appendix G of the *State CEQA Guidelines*. The proposed Project may be deemed to have a significant impact with respect to population and housing if it would do the following:

Threshold 4.13.1: Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)

Threshold 4.13.2: Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere

The Initial Study, included as Appendix A, substantiates that there would be no impacts associated with Threshold 4.13.2. These thresholds will not be addressed in the following analysis.

4.13.6 Project Impacts

Threshold 4.13.1: Would the Project induce substantial unplanned 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)?

Less than Significant Impact.

Direct Growth. The proposed Project involves a General Plan Amendment and Zone Change to establish the Nakase Property Area Plan. The proposed Project includes the development of up to 675 single-family residential units and up to 101 senior affordable-housing units on the Project site. Because the Project site was previously designated by the City's General Plan as Business Park and Business Development Overlay (BDO), residential uses were not envisioned on the Project site. Therefore, any population and housing growth anticipated as a result of the Project is not previously assumed in the City's General Plan.

The 2010 United States Census estimates that the average household size in Lake Forest was 2.93 persons per household.[1] Based on that estimate, the proposed 101 senior affordable-housing units of the senior residential community and the 675 single-family residential units would generate a total of approximately 2,274 residents.

As shown in Table 4.13.B, SCAG projects that Lake Forest's population will increase by 12,200 from 2012 to 2020, by 12,300 by 2035, and by 12,200 by 2040, and the number of households will increase by 4,000 from 2012 to 2020, by 4,100 by 2035, and by 4,200 by 2040. Because housing was not anticipated on the Project site, the proposed Project would increase the population by approximately 2,274 net new residents and the number of housing units by 776 net new dwelling units not previously assumed in the 2012 SCAG projections. The estimated increase in population from the proposed Project accounts for a 2.5 percent increase over Lake Forest's projected population growth through 2040 and a 2.5-percent increase over the Lake Forest's household growth through 2040.

According to the California Department of Finance Demographic Research Unit (May 2019), Lake Forest's estimated population was 86,346 in January 2019; the addition of 2,274 residents represents an increase of approximately 2.6 percent. The estimated number of households in the Lake Forest was 30,035 in January 2019, and the addition of 776 housing units would represent an increase of approximately 2.6 percent. Therefore, while the proposed Project would result in population growth, the growth attributable to the proposed Project would not be substantial in relation to the current conditions in Lake Forest or the projected conditions of Lake Forest.

The addition of new affordable-housing units also supports the affordable-housing goals of the City. Policy 1.8 of the City's General Plan Housing Element encourages residential developments to incorporate a minimum of 15 percent affordable units, including units affordable to extremely low-income households. The City implements this policy by requiring the preparation of an Affordable Housing Implementation Plan (AHIP). The AHIP, which is included in the Development Agreement between the Applicant and the City, must demonstrate how the project complies with the City's Affordable Housing Point System by meeting certain affordable-housing production requirements. The Affordable Housing Point System awards "points" for each affordable unit provided on site. Additional points are awarded if the units are made available as rental units for very low- or low-income households (points are weighted toward

[1] US Census Bureau, (2010) 2010 Demographic Profile Data. Table DP-1

production of very low-income units). Two-bedroom and second units receive additional points. Based on the total number of market rate housing units proposed for the Project site (675), the Applicant will be required to achieve 101 points (an amount equal to 15 percent of the total number of market-rate units approved as part of the Project) under the City's Affordable Housing Point System. The production of affordable housing units pursuant to the AHIP process will help the City meet its RHNA requirements. As shown in Table 4.13.D, there is a need for more very low-income, low-income, and moderate-income housing units in Lake Forest to meet the fair share housing allocations under the RHNA 5th Cycle (2014–2021). The 101 senior affordable-housing units proposed as part of this project will help the City meet requirements in the Very Low-Income and Low-Income categories.

Therefore, the proposed Project's direct impact on population growth would be less than significant, and no mitigation would be required.

Indirect Growth.

Construction. Commencement of construction activities on the Project site would require that nursery operations on the Project site cease, which would result in the displacement of up to 249 employees currently employed by the Nakase Brothers Wholesale Nursery. Given the low unemployment rate in the region (as of April 2019, the County's unemployment rate was 2.6 percent), it is anticipated that workers would find employment elsewhere.[1]

Construction of the proposed Project would provide short-term jobs over an estimated period of 67 months (approximately 5.5 years). Construction activities required include demolition and site preparation, grading, paving and infrastructure, and building construction. Many of the construction jobs would be temporary or seasonal and would be specific to the variety of construction activities. This workforce would include a variety of craftspeople, such as cement finishers, ironworkers, welders, carpenters, electricians, painters, and laborers. Although the proposed Project would increase the number of employees at the Project site, none of these construction employees are expected to relocate, thereby creating a permanent increase in population or an increased demand for housing in the vicinity of the Project site. Permanent population and housing growth is not anticipated as a result of construction of the proposed Project because of the following:

- The work requirements of most construction projects are highly specialized, so construction workers remain at a job site only for the time frame in which their specific skills are needed to complete a particular phase of the construction process. For this reason, construction workers typically commute to individual job sites that may change several times a year.

- The supply of general construction labor in the region has been stable over recent years and is 13 percent above the County's 10-year average, suggesting a well-functioning

[1] Labor Force Data for Cities and Census Designated Places, Orange County, April 2019 (California Employment Development Department 2019b). Website: https://www.labormarketinfo.edd.ca.gov/data/labor-force-and-unemployment-for-cities-and-census-areas.html#CCD (accessed June 6, 2019).

construction job market and available regional labor pool. Therefore, it is expected that local and regional construction workers would be available to serve the proposed Project.

Project-related construction workers would not be expected to relocate their household's place of residence as a consequence of working on the proposed Project; therefore, the proposed Project would not be expected to induce substantial population growth or demand for housing through increased construction employment.

Operation. An elementary school is proposed on the Project site, which would accommodate up to 1,000 students from kindergarten through sixth grade. The proposed school is expected to employ 60 workers. Due to the limited number of jobs induced and the available labor pool within Lake Forest and the region, the proposed Project would cause few, if any, people to move or relocate to the area solely for the purpose of being close to the Project site for employment. Therefore, although the proposed Project would provide employment opportunities, the proposed Project would not result in substantial indirect growth or create a significant demand for housing in the Project site vicinity.

Furthermore, the proposed Project would be located within a developed area of Lake Forest that is already served by all utilities. The proposed Project would include some roadway widening and the construction of collector streets, as well as infrastructure improvements (e.g. water, sewer service, utilities, and drainage system) to and within the project site (see sections 4.16, Transportation, and 4.18, Utilities). However, these roadway and other infrastructure improvements would not induce additional population growth because they would only serve Project residents, visitors, and employees and would not provide additional infrastructure capacity for other projects.

As a result, the development of the proposed Project would not indirectly induce substantial population growth, and the indirect impact would be less than significant. No mitigation would be required.

Jobs/Housing Balance. The proposed Project would result in the construction of 776 housing units and the generation of approximately 60 jobs on the Project site. As discussed above, the SCAG forecasts show the jobs-to-housing ratio in Lake Forest was approximately 1.5 in 2012 and that it is expected to increase to 1.6 in 2035 and 2040. The 776 housing units proposed by the Project would result in a 2.5 percent increase over SCAG's projected housing growth in Lake Forest. The proposed Project would cause nursery operations on the Project site to cease, which would result in the displacement of up to 249 employees currently employed by the Nakase Brothers Wholesale Nursery. Given the region's low unemployment rate, it is anticipated that workers would find employment elsewhere. Therefore, although the Project may negatively affect the City's jobs-to-housing ratio by adding a greater number of residential units than job opportunities, the change would not be significant because Lake Forest is situated in a job-rich region and is located adjacent to Irvine, which has an especially high jobs-to-housing ratio of

2.48.[1] Impacts resulting from the proposed Project related to the job-housing balance would be less than significant, and no mitigation would be required.

4.13.7 Cumulative Impacts

The purpose of this section is to evaluate any additional incremental impact that the proposed Project is likely to cause over and above the combined impacts of recently approved and proposed projects in Lake Forest and its sphere of influence. The impact area used to assess potential cumulative population and housing impacts is Lake Forest because the proposed project would affect population, housing, and employment within Lake Forest. The implementation of the proposed Project in conjunction with the 11 proposed projects identified in Table 4.13.E below would contribute to population and housing growth in the project vicinity. The related projects include 908 residential units that would all be constructed in Lake Forest. The US Census estimates the average housing size in Lake Forest to be 2.93 persons per household. Based on Lake Forest's average household size, the combined construction of the proposed residential units and related residential units would yield a total of approximately 4,934 new residents (2,274 residents [proposed Project] + 2,660 residents [related projects]) and a total of approximately 1,684 new housing units (776 units [proposed Project] + 908 units [related projects]).

Table 4.13.E: City of Lake Forest Related Projects Population and Employment Projections

Related Project No.	Land Use	Size	Generation Rate	Total Population	Total Employees
1	Private Recreation	2 ac	8.25 empl/ac	-	17
2	Commercial	Remodeling of existing 1.027 ac	-	-	-
3	Single-Family	93 du	2.93 persons/du	272	-
4	Animal Hospital	0.092 ac	28.39 empl/ac	-	3
5	Religious Facility	2.121 ac	11.20 empl/ac	-	31
	Classroom	0.389 sf			
6	Single-Family	101 du	2.93 persons/du	296	-
7	Townhome Condominium Duplexes	108 du	2.93 persons/du	316	-
8	Single-Family Detached Homes	85 du	2.93 persons/du	249	-
9	Restaurant	0.039 ac	112 empl/ac	-	4
10	Condominium/ Single-Family	521 du	2.93 persons/du	1,527	-
11	Religious Facility	0.152 ac	11.20 empl/ac	-	2
	TOTAL	**908 du**		**2,660**	**57**

Note: Generation rates from nonresidential projects were obtained from the Employment Density Summary Report prepared for SCAG by the Natelson Company.
ac = acres empl/ac = employees per acre
du = dwelling units sf = square feet

[1] University of California, Irvine, School of Social Ecology. 2017. *Metropolitan Futures Initiative (MFI) Quarterly Report: Jobs-Housing Balance in Egohoods in Southern California*. Website: https://mfi.soceco.uci.edu/files/2017/01/UCi16_MFI_Report4_Jobs-Housing-Balance.pdf (accessed August 12, 2019).

If the proposed Project and all 908 of the related residential units were constructed, the cumulative population increase of 4,934 new residents in Lake Forest would not be considerable compared to SCAG's forecast increase of 12,200 people between 2012 and 2040, as shown in Table 4.13.B. Therefore, the proposed Project's contribution to cumulative impacts associated with population growth would be less than significant, and no mitigation would be required.

4.13.8 Level of Significance Prior to Mitigation

The proposed Project would not result in potentially significant impacts related to population, housing, or employment growth.

4.13.9 Regulatory Compliance Measures and Mitigation Measures

The proposed Project would not result in potentially significant impacts related to population, housing, or employment growth, and no mitigation would be required.

4.13.10 Level of Significance after Mitigation

The proposed Project would not result in potentially significant impacts related to population, housing, or employment growth.

If all 908 of the related residential units were constructed, the cumulative increase of 1,684 housing units would not be considerable compared to SCAG's projected Lake Forest housing increase of 4,200 units between 2012 and 2014, as shown in in Table 4.13.B. Therefore, the proposed Project's contribution to cumulative impacts associated with direct housing growth would be less than significant, and no mitigation would be required.

In total, the related projects would have the potential to result in 57 additional employees in Lake Forest. The combined construction of the related employee-generating projects and the proposed Project would yield approximately 117 new employees. (60 employees [proposed Project] + 57 employees [related projects]). The 117 new employees would also be relatively few compared to SCAG's forecasted employment increase of 9,800 employees between 2012 and 2040 in Lake Forest as shown in in Table 4.13.B. Construction of the related projects would result in increased temporary (short-term) employment opportunities. Although the related projects would increase the number of available construction jobs, none of these employees are expected to relocate, thereby creating a permanent increase in population or an increased demand for housing in the Project area. Therefore, cumulative impacts relating to population and housing growth due to job growth would be less than significant, and no mitigation would be required.

The related projects include a variety of residential, commercial, and recreational uses. Some of these related projects may include the extension of roads or infrastructure. However, it is expected that those infrastructure improvements would only serve the applicable related projects. Therefore, it is not anticipated that the related projects would extend roads or other infrastructure into previously undeveloped areas that would be available for future development.

Based on the analysis above, the proposed Project in combination with the related projects would not result in a significant impact on population or housing because the increase in population,

housing, and employment that would be generated by the proposed Project and the related projects would not be considerable compared to the growth expected under these forecasts. In addition, roadways and other infrastructure are not anticipated to be extended into previously undeveloped areas that would but available for future development. Therefore, the cumulative impact of the proposed Project and the related projects on population growth would not be significant, and no mitigation would be required.

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