

IV. Environmental Impact Analysis

I. Population and Housing

1. Introduction

This section analyzes the potential effects of the Project's contribution to population and housing growth within the geographical boundaries of the City of Los Angeles (City), taking into account population and housing policies established in the Central City North Community Plan (Community Plan). Project effects on these demographic characteristics are compared to adopted and growth forecasts and relevant policies and programs regarding planning for future development to determine whether the Project would be inconsistent with adopted growth forecasts in a way that could result in negative environmental effects associated with unplanned growth. Supporting documentation including calculations of cumulative population and housing growth is provided in **Appendix J** of this Draft EIR. To evaluate impacts related to population and housing associated with construction and operation of the Project, information from the U.S. Census Bureau's American Community Survey (ACS) and the Southern California Association of Governments (SCAG)'s population, housing, and employment growth forecasts for the City were used. Potential growth-inducing impacts of the Project are further addressed in **Chapter V, Other CEQA Considerations**, of this Draft EIR.

2. Environmental Setting

a) Regulatory Framework

There are several plans, policies, and programs regarding Population and Housing at the state, regional, and local levels. Described below, these include:

- Housing Element Law: California Government Code Section 65583 and 65584(a)(1)
- The Sustainable Communities and Climate Protection Act of 2008 (Senate Bill [SB] 375, Steinberg)
- Housing Crisis Act of 2019 – (SB 330, Skinner)
- Fair Employment and Housing Act
- The Unruh Civil Rights Act
- Southern California Association of Governments
- Regional Transportation Plan/Sustainable Communities Strategy
- Regional Housing Needs Assessment
- City of Los Angeles General Plan, including:
 - Framework Element
 - Housing Element

- Community Plan
 - Green New Deal
 - Los Angeles Municipal Code
 - Affordable Housing and Labor Standards Initiative (Proposition JJJ)
 - Transit Oriented Communities Affordable Housing Incentive Program
 - Affordable Housing Linkage Fee (AHLF) Ordinance
 - Affordable Housing Trust Fund
 - Density Bonus Ordinance
 - Homelessness Reduction and Prevention, Housing, and Facilities Bond (Proposition HHH)
 - Residential Hotel Unit Conversion and Demolition Ordinance
 - Rent Stabilization Ordinance (RSO)

(1) State

(a) *Housing Element Law: California Government Code Section 65583 and 65584(a)(1) (AB-2158)*

Section 65583 of the California Government Code requires cities and counties to prepare a housing element, as one of the state-mandated elements of the General Plan, with specific direction on its content. Pursuant to Section 65584(a)(1) the California Department of Housing and Community Development (HCD) is responsible for determining the regional housing needs assessment (segmented by income levels) for each region’s planning body known as a “council of governments” (COG), SCAG being the COG serving the Southern California area. HCD prepares an initial housing needs assessment and then coordinates with each COG in order to arrive at the final regional housing needs assessment. To date, there have been four previous housing element update “cycles.” California is now in its fifth “housing-element update cycle.” SCAG’s RHNA and the City’s General Plan Housing Element are discussed further below.

(b) *The Sustainable Communities and Climate Protection Act of 2008 (SB 375, Steinberg)*

SB 375 focuses on aligning transportation, housing, and other land uses to achieve regional greenhouse gas (GHG) emission reduction targets established under the California Global Warming Solutions Act, also known as Assembly Bill (AB) 32. SB 375 requires Metropolitan Planning Organizations (MPO) to develop a Sustainable Communities Strategy (SCS) as part of the Regional Transportation Plan (RTP), with the purpose of identifying policies and strategies to reduce per capita passenger vehicle-generated GHG emissions. As set forth in SB 375, the SCS must: (1) identify the general location of land uses, residential densities, and building intensities within the region; (2) identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period; (3) identify areas within the region sufficient to house an eight-year projection of the regional housing need; (4) identify a transportation network to service the regional transportation needs; (5) gather and consider the best practically available scientific information regarding resource areas and farmland in the region; (6) consider the state housing goals; (7) establish the land use

development pattern for the region that, when integrated with the transportation network and other transportation measures and policies, will reduce GHG emissions from automobiles and light-duty trucks to achieve GHG emission reduction targets set by the California Air Resources Board (CARB), if there is a feasible way to do so; and (8) comply with air quality requirements established under the Clean Air Act.

Existing law requires local governments to adopt a housing element as part of their general plan and update the housing element as frequently as needed and no less than every five years. Under SB 375, this time period has been lengthened to eight years and timed so that the housing element period begins no less than 18 months after adoption of the RTP, to encourage closer coordination between housing and transportation planning. SB 375 also changes the implementation schedule required in each housing element. Previous law required the housing element to contain a program that set forth a five-year schedule to implement the goals and objectives of the housing element. The new law instead requires this schedule of actions to occur during the eight-year housing element planning period, and requires that each action have a timetable for implementation. SB 375 also requires that the schedules for the RTP and RHNA processes be synchronized and requires the RHNA to allocate housing units within the region in a manner consistent with the development pattern adopted by the SCS.

As discussed further below, on September 3, 2020, SCAG adopted its Connect SoCal: The 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (2020-2045 RTP/SCS), which is an update to the previous 2016-2040 RTP/SCS.¹ Using growth forecasts and economic trends, the 2020-2040 RTP/SCS provides a vision for transportation throughout the region for the next 25 years that achieves the statewide reduction targets; and in so doing identifies the amount and location of growth expected to occur within the region.

(c) *Housing Crisis Act of 2019 – (SB 330, Skinner)*

On October 9, 2019, Governor Newsom signed into law the Housing Crisis Act of 2019 (SB 330). SB 330 seeks to speed up housing production in the next half decade by eliminating some of the most common entitlement impediments to the creation of new housing, including delays in the local permitting process and cities enacting new requirements after an application is complete and undergoing local review—both of which can exacerbate the cost and uncertainty that sponsors of housing projects face. In addition to speeding up the timeline to obtain building permits, the bill prohibits local governments from reducing the number of homes that can be built through down-planning or down-zoning or the introduction of new discretionary design guidelines. The bill is in effect as of January 1, 2020, but is temporary in nature as the bill's provisions expire on January 1, 2025.

¹ Southern California Association of Governments, 2020-2045 RTP/SCS.

(d) Fair Employment and Housing Act

The Fair Employment and Housing Act (FEHA) of 1959 (Government Code Section 12900 et seq.) prohibits housing discrimination on the basis of race, color, religion, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.

(e) The Unruh Civil Rights Act

The Unruh Civil Rights Act of 1959 (Civil Code Section 51) prohibits discrimination in “all business establishments of every kind whatsoever.” The provision has been interpreted to include businesses and persons engaged in the sale or rental of housing accommodations.

(2) Regional*(a) Southern California Association of Governments*

The City of Los Angeles is located within the jurisdiction of SCAG, a Joint Powers Agency established under California Government Code Section 6502 et seq. Pursuant to federal and State law, as discussed above, SCAG serves as a Council of Governments, a Regional Transportation Planning Agency, and the Metropolitan Planning Organization (MPO) for Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial Counties. SCAG’s mandated responsibilities include developing plans and policies with respect to the region’s population growth, transportation programs, air quality, housing, and economic development. Specifically, SCAG is responsible for preparing the RTP/SCS and RHNA, in coordination with other State and local agencies. These documents include population, employment, and housing projections for the region and its 15 subregions. The City of Los Angeles is located within the Los Angeles Subregion.

SCAG is tasked with providing demographic projections for use by local agencies and public service and utility agencies in determining future service demands. Projections in the SCAG RTP/SCS serve as the basis for demographic estimates in this analysis of Project consistency with growth projections. The findings regarding growth in the region are consistent with the methodologies prescribed by SCAG and reflect SCAG goals and procedures.

SCAG data is periodically updated to reflect changes in development activity and actions of local jurisdictions (e.g. zoning changes). Through these updates, public agencies have advance information regarding changes in growth that must be addressed in planning for their provision of services. Changes in the growth rates are reflected in the new projections for service and utilities planning through the long-term time horizon.

(b) Regional Transportation Plan/Sustainable Communities Strategy

Pursuant to Government Code Section 65080(b)(2)(B), SCAG must prepare a RTP/SCS which (1) identifies the general location of uses, residential densities, and building intensities within the region; (2) identify areas within the region sufficient to house all the population of the region over the course of the planning period of the regional transportation plan taking into account net

migration into the region, population growth, household formation and employment growth; (3) identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Government Code Section 65584; (4) identify a transportation network to service the transportation needs of the region; (5) gather and consider the best practically available scientific information regarding resource areas and farmland in the region; and (6) consider the state housing goals specified in Sections 65580 and 65581, (7) set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the GHG emissions from automobiles and light trucks to achieve the GHG reduction targets approved by the state board, and (8) allow the RTP to comply with air quality conformity requirements under the federal Clean Air Act.

On September 3, 2020, SCAG's Regional Council adopted the Connect SoCal 2020–2045 RTP/SCS. On October 30, 2020, CARB accepted SCAG's determination that the SCS would achieve GHG emission reduction targets. The 2020-2045 RTP/SCS meets federal and state requirements and is a long-range visioning plan that balances future mobility and housing needs with economic, environmental, and public health goals. The RTP/SCS contains baseline socioeconomic projections that serve as the basis for SCAG's transportation planning. It includes projections of population, households, and employment forecasted for the years 2020, 2030, 2035, and 2045 at the regional, county, and local jurisdictional levels, and Traffic Analysis Zones (TAZ) that provide small area data for transportation modeling.² However, TAZ-level projections are utilized by SCAG for regional modeling purposes and are not adopted as part of Connect SoCal nor included as part of the Forecasted Regional Development Pattern.³

(c) *Regional Housing Needs Assessment*

SCAG prepares the RHNA mandated by State law so that local jurisdictions can use this information during their periodic update of the General Plan Housing Element. The RHNA identifies the housing needs for very low income, low income, moderate income, and above moderate-income groups, and allocates these targets among the local jurisdictions that comprise SCAG. The RHNA addresses existing and future housing needs. The existing need for housing is determined using data from the most recent U.S. Census. The future need for housing is determined using data on forecasted household growth, historical growth patterns, job creation, household formation rates, and other factors. The need for new housing is distributed among income groups so that each community moves closer to the regional average income distribution. The most recent RHNA allocation, the "6th Cycle RHNA Allocation Plan," was approved by the State Department of Housing and Community Development on March 22, 2021.⁴ The City of Los Angeles was assigned a RHNA of 456,643 units for the 2021 to 2029 planning period. This

² Southern California Association of Governments, 2020-2045 RTP/SCS, Demographics & Growth Forecast Appendix, available at: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf, accessed August 23, 2022.

³ Southern California Association of Governments, 2020-2045 RTP/SCS, Demographics & Growth Forecast Appendix, page 27, available at: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf, accessed August 23, 2022.

⁴ Southern California Association of Governments, Regional Housing Needs Assessment, 2021, available at: <https://scag.ca.gov/rhna>, accessed August 23, 2022.

allocation identifies housing needs for the planning period between October 2021 through October 2029. Local jurisdictions are required by State law to update their General Plan Housing Elements based on the most recently adopted RHNA allocation.

(3) Local

(a) *City of Los Angeles General Plan*

The City General Plan was prepared pursuant to State law to guide future development and to identify the community’s environmental, social, and economic goals. The General Plan sets forth goals, objectives, and programs to provide a guideline for day-to-day land use policies and to meet the existing and future needs and desires of the community, while at the same time integrating a range of State-mandated elements including Transportation, Noise, Safety, Housing, Open Space/Conservation, and Environmental Justice. The General Plan also includes the General Plan Framework Element (General Plan Framework), discussed below, and the Community Plan, which guides land use at the level of the community plan area.

(i) *General Plan Framework*

The General Plan Framework (Framework Element) sets forth a Citywide comprehensive long-range growth strategy and defines Citywide policies regarding land use, housing, urban form, neighborhood design, open space and conservation, economic development, transportation, infrastructure, and public services.⁵ General Plan Framework land use policies are implemented at the community level through the City’s Community Plans and Specific Plans.

The General Plan Framework also includes population, housing, and employment projections to guide future Community Plan amendments. However, the General Plan Framework makes clear that its population forecasts are estimates for guiding amendments: “... it [Framework Element] is not dependent upon these population levels or distributions for its implementation. It does not mandate specific levels of growth for any specific area (neither minimums nor caps).”⁶

The General Plan Framework housing chapter states that housing production has not kept pace with the demand for housing. According to the General Plan Framework, the City has insufficient vacant properties to accommodate the projected population growth and the supply of land zoned for residential development is constrained.⁷ The Housing Chapter states that new residential development will require the recycling and/or intensification of existing developed properties.⁸ The General Plan Framework states that the City must strive to meet the housing needs of the population in a manner that contributes to stable, safe, and livable neighborhoods, reduces conditions of overcrowding, and improves access to jobs and neighborhood services, particularly by encouraging future housing development near transit corridors and stations.⁹ The Housing

⁵ City of Los Angeles, The Citywide General Plan Framework, An Element of the City of Los Angeles General Plan, 1995, <http://cityplanning.lacity.org/cwd/framwk/contents.htm>, accessed August 23, 2022.

⁶ City of Los Angeles, The Citywide General Plan Framework, page 2-2.

⁷ City of Los Angeles, The Citywide General Plan Framework, Housing Chapter, page 4-1.

⁸ City of Los Angeles, The Citywide General Plan Framework, Housing Chapter, page 4-1.

⁹ City of Los Angeles, The Citywide General Plan Framework, Housing Chapter, page 4-2.

Chapter includes goals, objectives and policies to guide future development.¹⁰ In particular, Policy 4.1.1 states that the City should “[p]rovide sufficient land use and density to accommodate an adequate supply of housing units by type and cost within each City subregion to meet the 20-year projections of housing needs.” Objective 4.2 “[e]ncourage[s] the location of new multi-family housing development to occur in proximity to transit stations, along some transit corridors, and within some high activity areas with adequate transitions and buffers between higher-density developments and surrounding lower-density residential neighborhoods.”

(ii) *General Plan Housing Element*

The General Plan Housing Element (Housing Element) is prepared pursuant to State law and provides planning guidance in meeting the housing needs identified in SCAG’s RHNA. The Housing Element identifies the City’s housing conditions and needs, establishes the goals, objectives, and policies that are the foundation of the City’s housing and growth strategy, and provides the array of programs the City intends to implement to create sustainable, mixed-income neighborhoods. The 2021-2029 Housing Element, an update to the previous 2013-2021 Housing Element that is based on the updated 2021 RHNA, was adopted by the City Council on November 24, 2021.¹¹ Policies to note include Policy 1.2.2 that states the City should “[f]acilitate the construction of a range of different housing types that addresses the particular needs of the city’s diverse households.”¹² Also, Policy 1.1.2 states that the City should “[p]lan for appropriate land use designations and density to accommodate an ample supply of housing units by type, cost, and size within the City to meet housing needs, according to Citywide Housing Priorities and the City’s General Plan.”¹³ The Housing Element carries forward the goals of the Framework Element Housing chapter to encourage the development of livable neighborhoods and preservation of the housing supply.

Further, Chapter 1, Housing Needs Assessment, identifies the City’s share of the housing needs established in the RHNA. In particular, Table 1.27, Regional Housing Needs Assessment, indicates that the City’s needs assessment allocation includes 456,643 housing units.¹⁴ The identified housing needs represent targets to be met and do not establish development caps. The allocation of 456,643 housing units represents more than one-third of the total need of 1,341,827 housing units identified for the six-county SCAG region. The percentage increased from the previous housing needs cycle and City proportion, which was one-fifth of the regional need for the same types of units.

¹⁰ City of Los Angeles, The Citywide General Plan Framework, Housing Chapter, pages 4-4 and 4-6.

¹¹ City of Los Angeles, Housing Element 2021-2029, Executive Summary.

¹² City of Los Angeles, Housing Element 2021-2029, Chapter 6, page 247.

¹³ City of Los Angeles, Housing Element 2021-2029, Chapter 6, page 246.

¹⁴ City of Los Angeles, Housing Element 2021-2029, Chapter 1, page 98.

The Housing Element also establishes quantifiable objectives regarding the number of new housing units it anticipates being constructed. The Housing Element's objective for new housing is 310,000 units.¹⁵

(iii) Community Plan

The Land Use Element of the City's General Plan includes 35 community plans. Community plans are intended to provide an official guide for future development and propose approximate locations and dimensions for land use. The community plans establish standards and criteria for the development of housing, commercial uses, and industrial uses, as well as circulation and service systems. The community plans implement the City's General Plan Framework at the local level. The community plans consist of both text and an accompanying generalized land use map. The community plans' texts express goals, objectives, policies, and programs to address growth in the community. The community plans' maps depict the desired arrangement of land uses as well as street classifications and the locations and characteristics of public service facilities. Per State law, each community plan must be consistent with the other elements and components of the General Plan and, thus, incorporates information from these plans. The Community Plan includes residential, commercial, and industrial objectives and policies that establish a development concept for its neighborhoods and districts.

(iv) Community Plan Update

The Department of City Planning is in the process of drafting updates to the 35 Community Plans, which provide a collective vision for each Community Plan Area. Although a Community Plan Update may not be formally adopted by the City Council it nonetheless discussed here to inform the public regarding future plans for the Community Plan Area. Once adopted, a Community Plan Update will supersede the existing Community Plan for the respective Community Plan Area. Until adopted, the existing Community Plan continues to represent the applicable land use element of the City's General Plan, including for purposes of a project's impact analysis.

(b) Green New Deal

In April 2019, Mayor Eric Garcetti released the Green New Deal (Sustainable City pLAN 2019), a program of actions designed to create sustainability-based performance targets through 2050 in order to advance economic, environmental, and equity objectives.¹⁶ The Green New Deal is a mayoral initiative rather than an adopted plan and is the first four-year update to the City's first Sustainable City pLAN that was released in 2015. It augments, expands, and elaborates in even more detail the City's vision for a sustainable future and it tackles the climate emergency with accelerated targets and new aggressive goals. The Housing & Development chapter of the Green New Deal includes the following targets for the number of new housing units to be provided within the City:

¹⁵ City of Los Angeles, Housing Element 2021-2029, Chapter 1: Housing Needs Assessment, page 100, [https://planning.lacity.org/odocument/bde50bc0-5f1f-4e88-a5cf-06a12e1d8078/Chapter_1_-_Housing_Needs_Assessment_\(Adopted\).pdf](https://planning.lacity.org/odocument/bde50bc0-5f1f-4e88-a5cf-06a12e1d8078/Chapter_1_-_Housing_Needs_Assessment_(Adopted).pdf), accessed: August 23, 2022.

¹⁶ City of Los Angeles, LA's Green New Deal, 2019.

- Ensure 57 percent of new housing units are built within 1,500 feet of transit by 2025; and 75 percent by 2035.
- Increase cumulative new housing unit construction to 150,000 by 2025; and 275,000 units by 2035.
- Create or preserve 50,000 income-restricted affordable housing units by 2035 and increase stability for renters.

(c) *Los Angeles Municipal Code*

Zoning regulations provide for the types and densities of commercial, institutional, industrial, and residential uses permitted in each of the City's zones. Zoning in the City establishes the maximum allowable development in a zone. Zoning also includes height limitations and other development standards which together regulate setbacks, building heights, floor area ratios (FAR), open space and parking for each parcel within the City, as applicable.

The Los Angeles Municipal Code (LAMC) is currently undergoing a comprehensive update to all Zoning Code sections as part of the re:code LA effort. re:code LA, which started in 2013, will update the Zoning Code to make the Code more streamlined, visual, and easy to use. The existing Zoning Code will continue to be located in Chapter 1 of the LAMC, while the New Zoning Code will be located in a new Chapter 1A of the LAMC.

(d) *Affordable Housing Linkage Fee Ordinance*

The City Council adopted the Affordable Housing Linkage Fee (AHLF) Ordinance on December 13, 2017 and became effective on February 17, 2018, with a phased-in fee structure. The AHLF Ordinance places a fee on certain new market-rate residential and commercial developments to generate local funding for affordable housing. The fee amount is based on the fee schedule in effect at the time the building permit for a project is issued, and the market area within which it is located. Fees will be adjusted annually for inflation beginning July 1, 2019 using the Consumer Price Index (CPIU). The market areas may be updated by City Council every five years beginning July 1, 2023.

(e) *Affordable Housing Trust Fund*

The City created and administers the Affordable Housing Trust Fund (Fund), which is codified in the LAMC. The Fund establishes a special fund for the purposes of receiving and disbursing monies to address the affordable housing needs of the City. The Fund requires 25 percent of the received initial and continuing net revenue of the 2001 business tax and payroll expense tax amnesty program and the revenue program of the Revenue and Taxation Code Section 1955.1 (AB 63) be allocated to the Fund.

(f) *Density Bonus Ordinance*

The purpose of the City's Density Bonus Ordinance, codified as LAMC Section 12.22 A.25, is to establish procedures for implementing State Density Bonus requirements, as set forth in

California Government Code Sections 65915-65918, and to increase the production of affordable housing, consistent with City policies. Subject to the provisions of LAMC Section 12.22 A.25, housing development projects that include an affordable housing component and senior citizen housing development projects may be granted a density bonus, allowing for a density increase over the otherwise maximum allowable residential density under the applicable zoning ordinance and/or specific plan. The density bonus is determined based on the percentage and type of restricted affordable housing units provided and shall not exceed 35 percent. The amount of parking required for these projects may also be reduced. In addition, a housing development project that qualifies for a density bonus may be granted incentives set forth in the ordinance that allow for modification to a City development standard or requirement.

(g) Homelessness Reduction and Prevention, Housing, and Facilities Bond (Proposition HHH)

Proposition HHH, approved on November 8, 2016, is a \$1.2 billion general obligation bond to finance the construction of supportive and affordable housing for homeless people in the City. The purpose of the bond is to provide safe, clean affordable housing for the homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors, foster youth, and the disabled; and provide facilities to increase access to mental health care, drug and alcohol treatment, and other services.

(h) Residential Hotel Unit Conversion and Demolition Ordinance

Per LAMC 47.71, the Residential Hotel Unit Conversion and Demolition Ordinance (RHO) prohibits conversion or demolition of dwelling units in a residential hotel without approval from the Housing + Community Investment Department (HCIDLA). The ordinance adds Article 7.1 to Chapter IV of the LAMC and amends Sections 91.106.4.1, 151.06, and 151.09. The ordinance seeks to preserve dwelling units provided by residential hotels, which often serve as affordable housing for the very low income, elderly, and disabled.

(i) Rent Stabilization Ordinance

The City's Rent Stabilization Ordinance (RSO) was established in response to the shortage of affordable housing in Los Angeles and went into effect May 1, 1979. The RSO's purpose is to regulate rents so as to safeguard tenants from excessive rent increases, while at the same time providing landlords with just and reasonable returns from their rental units. The RSO addresses allowable rent increases, the registration of rental units, legal reasons for eviction, and the causes for eviction requiring relocation assistance payment to the tenant. Properties subject to the RSO are those that are within the City limits, contain two or more units, and have a Certificate of Occupancy prior to October 1, 1978, as well as replacement units under LAMC Section 151.28. A complaint can be filed by any tenant who believes that an owner, manager, or agent has committed a violation of the RSO. The Housing and Community Investment Department oversees and enforces the RSO. The RSO comprises Chapter XV of the LAMC.

In 2017, two ordinances amending the RSO went into effect. The "Ellis Amendments" (Ordinance No. 184873) amended the RSO requirements for demolition or permanent withdrawal of RSO

units. The amendments provide clarification on the applicability of RSO to both vacant and occupied units, the unit withdrawal process, and relocation service requirements. In addition, the amendments require that property owners file annual status reports on withdrawn properties and allow landlords to qualify for an exemption on newly constructed units where RSO units are demolished by providing a certain amount of affordable housing. The second amendment (Ordinance No. 184822) addresses relocation assistance for unpermitted rental units and requires that eviction notices must list one of the permitted RSO eviction reasons.

b) Existing Conditions

(1) Existing and Forecasted Population, Housing, and Employment Estimates for the City of Los Angeles

The Project Site is located within the Central City North Community Plan Area of the City. Project impacts at the citywide level are analyzed in this section with current and future projected population, housing, and employment estimates based on data included in the 2020-2045 RTP/SCS. The 2020-2045 RTP/SCS prepares growth projections for populations, households, and employment for county, regional, local jurisdictional areas, and transportation analysis zones (TAZs), which is a geographic unit for inventorying demographic data. The 2020-2045 RTP/SCS reports the demographic data for years 2016 and 2045. The 2020-2045 RTP/SCS forecasts represent the likely growth scenario for the Southern California region in the future, accounting for recent and past trends, reasonable key technical assumptions, and local or regional growth policies. The 2018 baseline population and the growth projections for 2025 (Project buildout year) and 2045 (SCAG projection horizon year) are shown in **Table IV.I-1, Population, Housing, and Employment Forecasts for the City of Los Angeles Subregion**, and discussed below.

(a) Population

As indicated in **Table IV.I-1**, the City population is expected to grow beyond its estimated 2018 population of 4,059,665 people by approximately 173,609 people (or 4.3 percent) by Project buildout in 2025. By 2045, the horizon year of SCAG projections, the City population is expected to grow by 711,635 people (or 17.5 percent) over 2018 baseline estimates.

(b) Housing

As indicated in **Table IV.I-1**, the number of housing units in the City is expected to grow beyond its estimated 2018 supply of 1,480,426 housing units by approximately 75,380 housing units (or 5.1 percent) by Project buildout in 2025. By 2045, the number of housing units in the City is expected to grow by 312,574 housing units (or 21.1 percent) over the 2018 baseline estimates.

**Table IV.I-1
Population, Housing and Employment Forecasts
for the City of Los Angeles Subregion**

Area	Population	Housing Units	Employment
City of Los Angeles			
SCAG Forecasts			
2018 ^a	4,059,665	1,480,426	1,868,214
2025 ^b	4,233,274	1,555,806	1,934,210
2045 ^c	4,771,300	1,793,000	2,135,900
Change [Percent Change]			
2018 to 2025	173,609 [+4.3%]	75,380 [+5.1%]	65,996 [+3.5%]
2018 to 2045	711,635 [+17.5%]	312,574 [+21.1%]	267,686 [+14.3%]
^a Project baseline year values source: Southern California Association of Governments, <i>Local Profiles Report 2018, Profile of the City of Los Angeles, May 2019, page 3</i> . Note that the Local Profiles Report value for employment is for 2017. Accordingly, the 2018 value was interpolated according to the compound growth rate described below in footnote b. ^b Project buildout year values were interpolated from the difference between the baseline year values and the SCAG projection horizon year values using a compound growth rate of 0.60 percent for population, 0.71 percent for housing, and 0.50 percent for employment. ¹⁷ ^c SCAG projections horizon year values source: Southern California Association of Governments, <i>2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, Adopted September 3, 2020, Demographics & Growth Forecast Appendix, Table 14: Jurisdictional-Level Growth Forecast, pages 33 to 40</i> . Source (table): EcoTierra Consulting, 2021.			

(c) Employment

As indicated in **Table IV.I-1**, the number of jobs in the City is expected to grow beyond its estimated 2018 supply of 1,868,214 jobs by approximately 65,996 jobs (or 3.5 percent) by Project buildout in 2025. By 2045, the number of jobs in the City is expected to grow by 267,686 (or 14.3 percent) over the 2018 baseline estimates.

(2) Project Site

Currently the approximate 1.2-acre Project Site is developed with three vacant single-story industrial warehouses that occupy approximately 35,445 square feet of floor area, and an associated surface parking lot. The existing on-site uses at the Project Site are currently vacant and there is no generation of permanent population, housing units, or employees.

¹⁷ Formula for determining compound annual growth rate is $CAGR = ((V_{final} / V_{begin}) ^ {1/t}) - 1$; where CAGR = compound growth rate, V_{final} = the final value, V_{begin} = the beginning value, and t = the time between the beginning and final values. So, in the 2018-2045 population example above: $((4,771,300 \text{ people} / 4,059,665 \text{ people}) ^ {1/27 \text{ years}}) - 1 = 0.60 \text{ percent yearly population growth}$.

3. Project Impacts

a) Thresholds of Significance

In accordance with the State CEQA Guidelines Appendix G (Appendix G), the Project would have a significant impact related to aesthetics if it would:

Threshold (a): *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 (b): *Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere.*

The *L.A. CEQA Thresholds Guide* identifies the following criteria to evaluate population and housing impacts:

(1) Population and Housing Growth

- *The degree to which the project would cause growth (i.e., new housing or employment generators) or accelerate development in an undeveloped area that exceeds projected/ planned levels for the year of project occupancy/buildout, and that would result in an adverse physical change in the environment; or*
- *Whether the project would introduce unplanned infrastructure that was not previously evaluated in the adopted Community Plan or General Plan; and*
- *The extent to which growth would occur without implementation of the project.*

(2) Population and Housing Displacement

- *The total number of residential units to be demolished, converted to market rate, or removed through other means as a result of the proposed project, in terms of net loss of market-rate and affordable units; or*
- *The current and anticipated housing demand and supply of market rate and affordable housing units in the project area; or*
- *The land use and demographic characteristics of the project area and the appropriateness of housing in the area; and*
- *Whether the project is consistent with adopted City and regional housing policies such as the Framework and Housing Elements, HUD Consolidated Plan and CHAS policies, redevelopment plan, Rent Stabilization Ordinance, and the Regional Comprehensive Plan and Guide (RCP&G).*

The potential for the Project to result in impacts related to population and housing is based on the State CEQA Guidelines Appendix G thresholds and criteria identified in the *Thresholds Guide* that provide supplemental analysis to the Appendix G thresholds, where applicable. The City's threshold criteria above are considerations that were made as part of the analysis of the Appendix G thresholds for population and housing.

b) Methodology

The analysis of population, housing, and employment impacts compares the Project's contribution to population, housing, and employment growth to citywide projections and policies regarding future development. The environmental impacts of the Project are based on whether the Project would cause growth exceeding that which is projected or planned for the Project area either directly through the provision of housing and employment or indirectly through the creation or expansion of infrastructure.

The Project's residential population was calculated based on the City's VMT Calculator background data of approximately 2.25 persons per multi-family residential unit and 3.14 persons per affordable housing – family unit.¹⁸ The number of employees was calculated based on the City's VMT Calculator background data of 2.0 employees/1,000 square-feet of commercial and art production space and 4.0 employees/1,000 square-feet of office space.¹⁹

The projections of future population, housing, and employment in this section are based on interpolation of data provided in SCAG's 2020-2045 RTP/SCS.²⁰ The 2020-2045 RTP/SCS forecasts represent the likely growth scenario for the Southern California region in the future, accounting for recent and past trends, key demographic and economic assumptions,²¹ and local or regional growth policies.

¹⁸ City of Los Angeles, Department of Transportation and Department of City Planning, City of Los Angeles VMT Calculator Documentation, Version 1.3, Table 1: Land Use and Trip Generation Base Assumptions, pages 10-11, available at:

https://ladot.lacity.org/sites/default/files/documents/vmt_calculator_documentation-2020.05.18.pdf, accessed August 23, 2022. The Multi-Family Residential rate was used for the proposed market rate units and the Affordable Housing – Family rate was used for the proposed Very Low Income units.

¹⁹ City of Los Angeles, Department of Transportation and Department of City Planning, City of Los Angeles VMT Calculator Documentation, Version 1.3, Table 1: Land Use and Trip Generation Base Assumptions, pages 10-11, available at:

https://ladot.lacity.org/sites/default/files/documents/vmt_calculator_documentation-2020.05.18.pdf, accessed August 23, 2022. The General Retail rate was used for the proposed commercial and art production use of the Project and the General Office rate was used for the proposed office space use of the Project.

²⁰ Southern California Association of Governments, 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, Adopted September 3, 2020, Demographics & Growth Forecast Appendix, Table 14: Jurisdictional-Level Growth Forecast, pages 33 to 40. https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579, accessed August 23, 2022.

²¹ Detailed technical assumptions can be found in: Southern California Association of Governments, 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, Adopted September 3, 2020, Demographics & Growth Forecast Appendix. <https://scag.ca.gov/sites/main/files/file->

With respect to employment, the focus of environmental analysis prepared under CEQA is a project's potential to cause effects on the *physical* environment.²² Accordingly, the CEQA Guidelines state that while economic or social information may be included in an EIR, or may be presented in whatever form(s) the lead agency desires, social and economic effects shall not be treated as significant effects on the environment.²³ The CEQA Guidelines are very clear in that there must be a physical change resulting from the project directly or indirectly for an impact to be considered significant.²⁴

However, social and economic effects, including employment, are relevant CEQA issues to the extent that anticipated social and economic changes arising from a proposed project may result in physical changes.²⁵ Additionally, if a project's physical impacts would cause social or economic effects, the magnitude of the social or economic effects may be relevant in determining whether a physical impact is "significant."²⁶ If the physical change causes adverse economic or social effects on people, those adverse effects may be used as the basis for determining that the physical change is significant.²⁷

The Project's generation of population, housing, and employment were compared to the growth projections in SCAG's 2020-2045 RTP/SCS for the City that were presented above in **Table IV.I-1, Population, Housing, and Employment Forecasts for the City of Los Angeles Subregion.**

c) Project Design Features

Construction and operation of the Project would be implemented in accordance with applicable regulatory and code requirements related to population and housing. No specific Project Design Features are proposed with regard to population and housing.

d) Analysis of Project Impacts

As compared to the Project, the Flexibility Option would change a portion of the use of the second floor from residential to commercial, and would not otherwise change the Project's land uses or size. The overall commercial square footage provided would be increased by 17,765 square feet to 64,313 square feet and, in turn, there would be a reduction in the number of live/work units from 220 to 200 units. The overall building parameters would remain unchanged and the design,

[attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579](#), accessed August 23, 2022.

²² "Environment" means the physical conditions which exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, and objects of historic or aesthetic significance (Public Resources Code Section 21060.5).

²³ CEQA Guidelines Sections 15131(a) and 15064(f); see also Pub. Resources Code §§ 21100 and 21151. "Significant effect on the environment" means a substantial, or potentially substantial adverse change in the environment (Public Resources Code Section 21068).

²⁴ See discussion following CEQA Guidelines Section 15131.

²⁵ CEQA Guidelines Sections 15131(a) and 15064(f).

²⁶ CEQA Guidelines Section 15131(b). For example, a project's direct and indirect population can be used to estimate the amount of natural resources, energy resources, and public services that might be consumed as a result of the project, and whether the resulting scale of use is "significant."

²⁷ CEQA Guidelines Section 15064(f).

configuration, and operation of the Flexibility Option would be comparable to the Project. In the analysis of impacts presented below, where numerical differences exist because of the differences in project parameters between the Project and Flexibility Option, the analysis is presented separately. In addition, as discussed below, for certain thresholds, the impacts of the Project were addressed in the Initial Study (see **Appendix A.2** of this Draft EIR) and were determined to be less than significant, with no further analysis required. However, since the Flexibility Option was not specifically addressed in the Initial Study, the analysis of the Flexibility Option is presented in this section for those thresholds.

Threshold (a): 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)?

Numerical differences exist for this threshold because of the differences in project parameters between the Project and Flexibility Option, therefore these analyses are presented separately.

(1) Impact Analysis

(a) Project

(i) Construction

Construction of the Project would result in increased employment opportunities in the construction field, which could potentially result in increased permanent population and demand for housing in the vicinity of the Project Site. However, the employment patterns of construction workers in Southern California are such that it is not likely that they would relocate their households as a consequence of the construction employment associated with the Project. The construction industry differs from most other sectors in several ways:

- There is no regular place of work. Construction workers regularly commute to job sites that change many times over the course of a year. Their sometimes-lengthy daily commutes are facilitated by the off-peak starting and ending times of the typical construction workday.
- Many construction workers are highly specialized (e.g., crane operators, steel workers, masons) and move from job site to job site as dictated by the demand for their skills; and
- The work requirements of most construction projects are highly specialized. 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.

As a result, it is likely that the skilled workers anticipated to work on the Project already reside within the region and would not need to relocate as a result of employment. Furthermore, construction activity associated with the Project would not cause growth (i.e., new housing or employment generators) or accelerate development in an undeveloped area that exceeds projected/planned levels for the year of project occupancy/buildout not result in an adverse

physical change in the environment. **Therefore, construction of the Project would not directly or indirectly induce substantial unplanned population growth and impacts would be less than significant.**

With regard to employment, Project development would generate construction workers on-site during the demolition, grading and excavation, and building construction and finishing phases. However, individual construction projects generally do not generate new permanent employment within the region. Rather, there is a pool of construction workers who move from project to project as work is available. The Project would, therefore, support the regional pool of construction workers and also support indirect jobs in a wide range of industries throughout the region resulting from purchases of construction-related supplies, goods and services, and household expenditures by direct and indirect employees. **Overall, since construction employment related to the Project would be temporary and would not exceed expected growth, construction-related employment impacts would be less than significant.**

(ii) Operation

The Project would replace the existing warehouses and surface parking lot with a 249,758-square-foot mixed-use building including up to 220 live/work units, 25 of which would be deed-restricted for Very Low Income households, and 46,548 square feet of commercial uses. In order to provide the most conservative estimate of employment generation for the Project, consistent with the traffic study assumptions, 4,350 square feet of the live/work units was designated as office space and included in the employment calculations. Development of the Project would create new housing and generate employees and residents in the area. The Project's estimated contributions to the residential population, housing supply, and employment are summarized below in **Table IV.I-2, Project Generation of Population, Housing, and Employment**. The projected Project-related increases are compared to growth projections in the SCAG 2020-2045 RTP/SCS for the City in **Table IV.I-3, Project Population, Housing, and Employment Impacts for the City of Los Angeles**.

a. Direct Population Impacts

As shown in **Table IV.I-2**, the Project would create 195 new market-rate housing units and 25 new Very Low Income housing units, which, based on the City's average household size of 2.25 persons per multi-family residential unit and 3.14 persons per affordable housing – family unit,²⁸ would generate an estimated 518 residents. As shown in **Table IV.I-3**, based on SCAG's projected growth for the City, the Project's population growth of 518 residents would represent approximately 0.3 percent of the short-term population growth projections and 0.1 percent of the long-term population growth projections for the City. Furthermore, the 518 persons generated by the Project would represent approximately 0.4 percent of the population growth projected in

²⁸ City of Los Angeles, Department of Transportation and Department of City Planning, City of Los Angeles VMT User Guide, Version 1.3, Table 1: Land Use and Trip Generation Base Assumptions, pages 10-11. https://ladot.lacity.org/sites/default/files/documents/vmt_calculator_documentation-2020.05.18.pdf, accessed August 23, 2022.

Downtown by the Draft Downtown Community Plan through 2040.²⁹ As such, the 518 new residents generated by the Project would be well within SCAG and City growth forecasts, constituting an extremely small percentage of projected Citywide and local community growth. **Therefore, the Project would not directly induce substantial unplanned population growth in the area during operation, and impacts related to direct population growth would be less than significant.**

**Table IV.I-2
Project Generation of Population, Housing, and Employment**

Population and Housing			
Housing Units		Average Household Size^a	Total Population
195 Market Rate		2.25	439
25 Very Low Income		3.14	79
Total Residential Population Generated by Project			518
Employees			
Proposed Uses	Amount	Employment Generation Factor (per sf)^b	Number of Employees
Live/Work Units	220 units	--	<10 ^c
Commercial and Art Production Space	46,548 sf	2.0/employees/1,000 sf	93
Office Space ^d	4,350 sf	4.0/employees/1,000 sf	17
<i>Projected Employees Generated by Project</i>			<i>120</i>
Existing Uses	Amount	Employment Generation Factor (per sf)	Number of Employees
Warehouse	26,740 sf	--	0 ^e
Net New Employees Generated by Project			120
<i>Notes: sf = square feet</i>			
<i>a City of Los Angeles, Department of Transportation and Department of City Planning, City of Los Angeles VMT User Guide, Version 1.3, Table 1: Land Use and Trip Generation Base Assumptions, pages 10-11. The Multi-Family Residential rate was used for the proposed market rate units and the Affordable Housing – Family rate was used for the proposed Very Low Income units.</i>			
<i>b City of Los Angeles, Department of Transportation and Department of City Planning, City of Los Angeles VMT User Guide, Version 1.3, Table 1: Land Use and Trip Generation Base Assumptions, pages 10-11. The General Retail rate was used for the proposed commercial and art production use of the Project and the General Office rate was used for the proposed office space use of the Project.</i>			
<i>c The VMT User Guide does not include employee generation factors for multi-family residential uses. The small number of employees (estimated at less than 10) was assumed to be required to provide management and maintenance for the residential uses (e.g., day porters, parking garage personnel, leasing office, janitorial, etc.).</i>			
<i>d In order to provide the most conservative estimate of employment generation for the Project, consistent with the traffic study assumptions, 4,350 square feet of the live/work units was designated as office space and included in the employment calculations.</i>			
<i>e Existing uses are vacant and do not generate employees.</i>			
<i>Source (table): EcoTierra Consulting, 2021.</i>			

²⁹ The Department of City Planning is currently updating the Central City Community Plan in conjunction with the Central City North Community Plan, whose areas together make up Downtown Los Angeles, in a combined planning process referred to as the Draft Downtown Community Plan. Because the Draft Downtown Community Plan has not yet been adopted, the information about this plan is provided for informational purposes only. According to the Draft Downtown Community Plan projection, an additional 125,000 people, 70,000 housing units, and 55,000 jobs will be added to the Downtown area by the year 2040. Source: City of Los Angeles, Draft Downtown Community Plan, About This Project, <https://planning.lacity.org/plans-policies/community-plan-update/downtown-los-angeles-community-plan-update>, accessed August 23, 2022.

**Table IV.I-3
Project Population, Housing, and Employment Impacts
for the City of Los Angeles**

	Project Increase ^a	SCAG Projected Growth ^b	Project Percentage of Growth
Population			
2018 – 2025 Buildout	518	173,609	0.3
2018 – 2040 Projection Horizon	518	711,635	0.1
Housing Units			
2018 – 2025 Buildout	220	75,380	0.3
2018 – 2040 Projection Horizon	220	312,574	0.1
Employment			
2018 – 2025 Buildout	120	65,996	0.2
2018 – 2040 Projection Horizon	120	267,686	<0.1
<i>a From Table IV.I-2.</i>			
<i>b From Table IV.I-1.</i>			
<i>Source (table): EcoTierra Consulting, 2021.</i>			

b. Direct Housing Impacts

As stated in many adopted regional and local planning documents, including the City's 2021-2029 Housing Element, the City remains in need of new dwelling units to serve both current and projected populations. While the Project would not eliminate the housing shortage in the City, it would incrementally advance the goal of generating more housing for the region in a developed, transit-oriented, infill location. As shown in **Table IV.I-3**, the Project's 220 residential dwelling units would represent approximately 0.3 percent of the short-term housing growth projections and 0.1 percent of the long-term housing growth projections for the City. Furthermore, the 220 residential dwelling units generated by the Project would represent approximately 0.3 percent of the growth in the number of residential dwelling units (approximately 70,000 units) projected in Downtown by the Draft Downtown Community Plan through 2040.

These new units would help the City meet its fair share of the regional housing demand identified by SCAG's RHNA, which is reflected in the Housing Element. The current Housing Element reflects the City's fair share of the regional housing demand that was identified in the 5th Cycle RHNA (82,002 units for the years 2014 to 2021 or an average of approximately 10,250 units per year).³⁰ According to the City's 2021 Annual Progress Report for Housing Element implementation³¹ (the latest available), the City has constructed 132,703 total housing units, exceeding the fair share assessment. The Project would not be built by 2021, however, pursuant to California's Housing Element Law, jurisdictions are required to update their housing elements every eight years to demonstrate sufficient zoned capacity for housing to accommodate the

³⁰ Pursuant to California's Housing Element Law, jurisdictions are not required to physically construct the number of units identified for their jurisdiction in the Regional Housing Needs Assessment, they are merely required to demonstrate sufficient zoned capacity for housing to accommodate the number of units identified.

³¹ City of Los Angeles, 2021 Annual Progress Report for Housing Element Implementation, https://planning.lacity.org/odocument/e7ecf035-0003-4474-995b-b7a1a9f3cef8/Los_Angeles_2021_APR_-_Summary.pdf, accessed August 23, 2022.

number of units identified for their jurisdiction in the latest RHNA (SCAG's 6th Cycle RHNA). The current Housing Element guides the creation and implementation of the City's housing policy from 2021 to 2029, inclusive of the fair share allocation identified in the 6th Cycle RHNA. According to the 6th Cycle RHNA, the City's fair share allocation of housing is 456,643 total housing units.³² The Project's 220 units would help the City meet this housing demand. In addition, the Project would help the City meet its fair share of affordable housing demand as 11 percent (25 units) of the proposed 220 units would be deed restricted for Very Low Income households.

Based on the above, the direct housing growth generated by the Project would not exceed SCAG and City growth projections for the City or local community and would serve to help the City meet its fair share of housing demand. **Therefore, the Project would not directly induce substantial unplanned housing growth in the area during operation, and impacts related to housing growth would be less than significant.**

c. Direct Employment Impacts

As shown in **Table IV.I-2**, development of the Project would result in an estimated 120 employment positions on the Project Site. As shown on **Table IV.I-3**, these additional 120 employees would represent approximately 0.2 percent of the short-term employment growth projections and less than 0.1 percent of the long-term employment growth projections for the City. Furthermore, the 120 jobs generated by the Project would represent approximately 0.2 percent of the growth in the number of jobs (approximately 55,000 jobs) projected in Downtown by the Draft Downtown Community Plan through 2040. Accordingly, the Project's direct growth in the City would not be substantial and would be within SCAG and the City's planning projections for the City and local community. **Therefore, the Project would not directly induce substantial unplanned employment growth in the area during operation, and impacts related to employment growth would be less than significant.**

d. Indirect Population and Housing Impacts

With regard to indirect population impacts, employment opportunities can attract new residents to an area to fill such employment positions. However, given the Project's Downtown location and the types of jobs to be created (e.g., residential support staff and general retail, restaurant, and art production staff), it is anticipated that the majority of these jobs would be filled by persons already residing in the vicinity who would not relocate their households for such employment opportunities, and by persons who would commute to the Project Site from other communities in and outside of the City. Furthermore, as discussed above, the Project's estimate employment generation of 157 jobs would be within SCAG's planning projections for the City. As such, the Project's anticipated employment generation would not induce substantial indirect population growth that would exceed SCAG and City projections for the City.

With regard to indirect housing impacts, any indirect demand for housing would be fulfilled by a combination of the Project's new dwelling units, vacancies in the surrounding housing market,

³² Southern California Association of Governments, 6th Cycle Final RHNA Allocation Plan, approved on March 22, 2021. <https://scag.ca.gov/sites/main/files/file-attachments/6th-cycle-rhna-final-allocation-plan.pdf?1616462966>, accessed August 23, 2022.

and from other new units in the vicinity of the Project Site, such as those associated with the 27 Related Projects identified in **Section III, Environmental Setting**, of this Draft EIR. As such, the Project's indirect housing demand would not be substantial or cause housing growth to exceed SCAG and City projections for the City.

Furthermore, as discussed in **Section IV.M, Utility and Service Systems**, of this Draft EIR, the Project would involve development on an infill site in an urban area, with an established infrastructure system and would not require additional infrastructure related to water, wastewater, or solid waste. The proposed uses are compatible with the land uses within the Arts District community and within the Central City North Community Plan area and the Project. In addition, all circulation improvements planned for the Project are intended to improve circulation flows and safety throughout the Project Site and vicinity and the Project would not involve the extension of roadways. Furthermore, the Project would be consistent with the Draft 2040 DTLA Community Plan designation of Hybrid Industrial, which, envisions a careful introduction of live-work uses.

Based on the above, the Project would not induce substantial indirect population or housing growth. **Accordingly, impacts related to indirect population growth under the Project would be less than significant.**

(b) Flexibility Option

Under the Flexibility Option, the commercial square footage provided would be increased to 64,313 square feet within the same building parameters and, in turn, there would be a reduction in the overall number of live/work units for a total of 200 units (Flexibility Option). Overall, the design, configuration, and operation of the Flexibility Option would be comparable to the Project.

(i) Construction

Similar to the Project, during construction of the Flexibility Option, there would be no direct impacts on population growth; however, construction activities would create short-term employment opportunities in the construction field, which could indirectly increase the population and demand for housing in the vicinity of the Project Site. However, as explained above, it is likely that the skilled workers anticipated to work on the Flexibility Option already reside within the region and would not need to relocate as a result of employment. As such, construction activity associated with the Flexibility Option would not cause growth (i.e., new housing or employment generators) or accelerate development in an undeveloped area that exceeds projected/planned levels for the year of project occupancy/buildout not result in an adverse physical change in the environment; and would not introduce unplanned infrastructure that was not previously evaluated in the adopted City General Plan. Furthermore, as with the Project, construction of the Flexibility Option would not generate new permanent employment within the region and would, instead, support the regional pool of construction workers. **Therefore, construction of the Flexibility Option would not directly or indirectly induce substantial unplanned population or employment growth and impacts would be less than significant.**

(ii) Operation

As with the Project, in order to provide the most conservative estimate of employment generation for the Flexibility Option, consistent with the traffic study assumptions, 4,050 square feet of the live/work units was designated as office space and included in the employment calculations. Development of the Flexibility Option would create new housing and generate employees and residents in the area. The Flexibility Option's estimated contributions to the residential population, housing supply, and employment are summarized below in **Table IV.I-4, Flexibility Option Generation of Population, Housing, and Employment**. The projected Flexibility Option-related increases are compared to growth projections in the SCAG 2020-2045 RTP/SCS for the City in **Table IV.I-5, Flexibility Option Population, Housing, and Employment Impacts for the City of Los Angeles**.

**Table IV.I-4
Flexibility Option Generation of Population, Housing, and Employment**

Population and Housing			
Total Housing Units		Average Household Size^a	Total Population
178 Market Rate		2.25	401
22 Very Low Income		3.14	69
Total Residential Population Generated by Flexibility Option			470
Employees			
Proposed Uses	Amount	Employment Generation Factor (per sf)^b	Number of Employees
Live/Work Units	200 units	--	<10 ^c
Commercial and Art Production Space	64,313 sf	2.0/employees/1,000 sf	129
Office Space ^d	4,050 sf	4.0/employees/1,000 sf	16
<i>Projected Employees Generated by Flexibility Option</i>			<i>145</i>
Existing Uses	Amount	Employment Generation Factor (per sf)	Number of Employees
Warehouse	26,740 sf	--	0 ^e
Net New Employees Generated by Flexibility Option			145
<i>Notes: sf = square feet</i>			
<i>a City of Los Angeles, Department of Transportation and Department of City Planning, City of Los Angeles VMT User Guide, Version 1.3, Table 1: Land Use and Trip Generation Base Assumptions, pages 10-11. The Multi-Family Residential rate was used for the proposed market rate units and the Affordable Housing – Family rate was used for the proposed Very Low Income units.</i>			
<i>b City of Los Angeles, Department of Transportation and Department of City Planning, City of Los Angeles VMT User Guide, Version 1.3, Table 1: Land Use and Trip Generation Base Assumptions, pages 10-11. The General Retail rate was used for the proposed commercial and art production use of the Project and the General Office rate was used for the proposed office space use of the Project.</i>			
<i>c The VMT User Guide does not include employee generation factors for multi-family residential uses. The small number of employees (estimated at less than 10) was assumed to be required to provide management and maintenance for the residential uses (e.g., day porters, parking garage personnel, leasing office, janitorial, etc.).</i>			
<i>d In order to provide the most conservative estimate of employment generation for the Project, consistent with the traffic study assumptions, 4,050 square feet of the live/work units was designated as office space and included in the employment calculations.</i>			
<i>e Existing uses are vacant and do not generate employees.</i>			
<i>Source (table): EcoTierra Consulting, 2021.</i>			

**Table IV.I-5
Flexibility Option Population, Housing, and Employment Impacts
for the City of Los Angeles**

	Project Increase ^a	SCAG Projected Growth ^b	Project Percentage of Growth
Population			
2018 – 2025 Buildout	470	173,609	0.3
2018 – 2040 Projection Horizon	470	711,635	0.1
Housing Units			
2018 – 2025 Buildout	200	75,380	0.3
2018 – 2040 Projection Horizon	200	312,574	0.1
Employment			
2018 – 2025 Buildout	145	65,996	0.2
2018 – 2040 Projection Horizon	145	267,686	0.1
<i>a From Table IV.I-4.</i>			
<i>b From Table IV.I-1.</i>			
<i>Source (table): EcoTierra Consulting, 2021.</i>			

a. Direct Population Impacts

As shown in **Table IV.I-4**, the Flexibility Option would create 178 new market-rate housing units and 22 new Very Low Income housing units, which, based on the City's average household size of 2.25 persons per multi-family residential unit and 3.14 persons per affordable housing – family unit,³³ would generate an estimated 470 residents. As shown in **Table IV.I-5**, based on SCAG's projected growth for the City, the Flexibility Option's population growth of 470 residents would represent approximately 0.3 percent of the short-term population growth projections and 0.1 percent of the long-term population growth projections for the City. Furthermore, the 470 persons generated by the Flexibility Option would represent approximately 0.4 percent of the population growth projected in Downtown by the Draft Downtown Community Plan through 2040.³⁴ As such, the 470 new residents generated by the Flexibility Option would be well within SCAG and City growth forecasts, constituting an extremely small percentage of projected Citywide and local community growth. **Therefore, the Flexibility Option would not directly induce substantial unplanned population growth in the area during operation, and impacts related to direct population growth would be less than significant.**

³³ City of Los Angeles, Department of Transportation and Department of City Planning, City of Los Angeles VMT User Guide, Version 1.3, Table 1: Land Use and Trip Generation Base Assumptions, pages 10-11. https://ladot.lacity.org/sites/default/files/documents/vmt_calculator_documentation-2020.05.18.pdf, accessed August 23, 2022.

³⁴ The Department of City Planning is currently updating the Central City Community Plan in conjunction with the Central City North Community Plan, whose areas together make up Downtown Los Angeles, in a combined planning process referred to as the Draft Downtown Community Plan. Because the Draft Downtown Community Plan has not yet been adopted, the information about this plan is provided for informational purposes only. According to the Draft Downtown Community Plan projection, an additional 125,000 people, 70,000 housing units, and 55,000 jobs will be added to the Downtown area by the year 2040. Source: City of Los Angeles, Draft Downtown Community Plan, About This Project, <https://planning.lacity.org/plans-policies/community-plan-update/downtown-los-angeles-community-plan-update>, accessed August 23, 2022.

b. Direct Housing Impacts

As stated in many adopted regional and local planning documents, including the City's 2021-2029 Housing Element, the City remains in need of new dwelling units to serve both current and projected populations. While the Flexibility Option would not eliminate the housing shortage in the City, it would incrementally advance the goal of generating more housing for the region in a developed, transit-oriented, infill location. As shown in **Table IV.I-5**, the Flexibility Option's housing growth of 200 housing units would represent approximately 0.3 percent of the short-term housing growth projections and 0.1 percent of the long-term housing growth projections for the City. Furthermore, the 200 residential dwelling units generated by the Flexibility Option would represent approximately 0.3 percent of the growth in the number of residential dwelling units (approximately 70,000 units) projected in Downtown by the Draft Downtown Community Plan through 2040.

These new units would help the City meet its fair share of the regional housing demand identified by SCAG's RHNA, which is reflected in the Housing Element. As with the Project, the Flexibility Option would not be constructed by 2021 (the current Housing Element's horizon year); however, as detailed above for the Project, the current Housing Element reflects its fair share of regional housing needs as determined by SCAG's 6th Cycle RHNA. According to the 6th Cycle RHNA, the City's fair share allocation of housing is 456,643 total housing units.³⁵ The Flexibility Option's 200 units would help the City meet this housing demand. In addition, the Flexibility Option would help the City meet its fair share of affordable housing demand as 11 percent (22 units) of the proposed 200 units would be deed restricted for Very Low Income households.

Based on the above, the direct housing growth generated by the Flexibility Option would not exceed SCAG and City growth projections for the City or local community and would serve to help the City meet its fair share of housing demand. **Therefore, the Flexibility Option would not directly induce substantial unplanned housing growth in the area during operation, and impacts related to housing growth would be less than significant.**

c. Direct Employment Impacts

As shown in **Table IV.I-4**, development of the Flexibility Option would result in an estimated 145 employment positions on the Project Site. As shown on **Table IV.I-5**, these additional 145 employees would represent approximately 0.2 percent of the short-term employment growth projections and 0.1 percent of the long-term employment growth projections for the City. Furthermore, the 145 jobs generated by the Project would represent approximately 0.3 percent of the growth in the number of jobs (approximately 55,000 jobs) projected in Downtown by the Draft Downtown Community Plan through 2040. Accordingly, the Flexibility Option's direct growth in the City would not be substantial and would be within SCAG's and the City's planning projections for the City and local community. **Therefore, the Flexibility Option would not**

³⁵ Southern California Association of Governments, 6th Cycle Final RHNA Allocation Plan, approved on March 22, 2021. <https://scag.ca.gov/sites/main/files/file-attachments/6th-cycle-rhna-final-allocation-plan.pdf?1616462966>, accessed August 23, 2022.

directly induce substantial unplanned employment growth in the area during operation, and impacts related to employment growth would be less than significant.

d. Indirect Population and Housing Impacts

As with the Project, given the Flexibility Option's Downtown location and the types of jobs to be created (e.g., residential support staff and general retail, restaurant, and art production staff), it is anticipated that the majority of these jobs would be filled by persons already residing in the vicinity or who would commute from other communities in and outside of the City. Furthermore, as discussed above, the Flexibility Option's estimate employment generation of 145 jobs would be within SCAG's planning projections for the City. As such, the Flexibility Option's anticipated employment generation would not induce substantial indirect population growth that would exceed SCAG and City projections for the City.

With regard to indirect housing impacts, as with the Project, any indirect demand for housing would be fulfilled by a combination of the Flexibility Option's new dwelling units, vacancies in the surrounding housing market, and from other new units in the vicinity of the Project Site, such as those associated with the 27 Related Projects identified in **Section III, Environmental Setting**, of this Draft EIR. As such, the Flexibility Option's indirect housing demand would not be substantial or cause housing growth to exceed SCAG and City projections for the City.

Furthermore, the location, design, configuration, and operation of the Flexibility Option would be comparable to the Project. Therefore, similar to the Project, the Flexibility Option would not induce substantial population growth by introducing unplanned infrastructure or accelerating development in an undeveloped area. The proposed uses are compatible with the land uses within the vicinity and similar to the Project, the Flexibility Option would not involve the extension of roadways or infrastructure. Furthermore, as with the Project, the Flexibility Option would be consistent with the Draft 2040 DTLA Community Plan designation of Hybrid Industrial, as currently envisioned. **Accordingly, impacts related to indirect population growth under the Flexibility Option would be less than significant.**

(2) Mitigation Measures

Under both the Project and the Flexibility Option, impacts related to unplanned population growth would be less than significant; no mitigation would be required.

(3) Level of Significance after Mitigation

Under both the Project and the Flexibility Option, impacts related to unplanned population growth would be less than significant without mitigation.

Threshold (b): *Would the project displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?*

(1) Impact Analysis

(a) *Project*

As discussed in the Initial Study (**Appendix A.2**), the Project would not displace substantial numbers of people, necessitating the construction of replacement housing elsewhere. The existing condition of the Project Site consists of vacant industrial warehouses and a surface parking, and does not contain any dwelling units. **Therefore, the Project would have no impact with respect to Threshold b), and no mitigation measures are necessary.**

(b) *Flexibility Option*

The design, configuration, and operation of the Flexibility Option would be comparable to the Project. Therefore, similar to the Project, the Flexibility Option would not displace substantial numbers of people, necessitating the construction of replacement housing elsewhere since there is no housing that currently existing at the Project Site. **Therefore, the Flexibility Option would have no impact with respect to Threshold b), and no mitigation measures are necessary.**

(2) Mitigation Measures

Under both the Project and the Flexibility Option, no impacts related to displacement of people or housing would occur; no mitigation would be required.

(3) Level of Significance after Mitigation

Under both the Project and the Flexibility Option, no impacts related to displacement of people or housing would occur.

4. Cumulative Impacts

Numerical differences exist regarding the impact analysis and impact significance determination presented below because of the differences in project parameters between the Project and Flexibility Option, therefore these analyses are presented separately.

a) Impact Analysis

(1) Project

The calculation of the cumulative number of housing units, population, and employees attributable to the Related Projects is provided in **Appendix J** of this Draft EIR. **Table IV.I-6, Total Cumulative Development (Project)**, presents a summary of cumulative growth associated with the 17 related projects identified in **Section III, Environmental Setting**, of this Draft EIR. As described in that section, the cumulative impact analysis in this Draft EIR is conservative, as it

assumes that all Related Projects would be approved and built at currently proposed densities by the Project's buildout year of 2025. The Related Projects reflect a broad mix of development including residential, office, and retail uses, as well as miscellaneous uses including event spaces, theaters, and art spaces.

**Table IV.I-6
Total Cumulative Development (Project)**

Development	Housing Units	Population	Employment
Related Projects ^a	4,967 ^b	10,593 ^b	4,101 ^b
Project	220	518	120
Total Cumulative Growth	5,187	11,111	4,221
<i>a A list of Related Projects is provided in Table III-1 of Section III, Environmental Setting, of this Draft EIR.</i> <i>b The tabulation of Related Projects' population, housing, and employment generation is presented in Appendix J of this Draft EIR.</i> <i>Source (table): EcoTierra Consulting, 2021.</i>			

Table IV.I-7, Cumulative Population, Housing, and Employment Impacts in the City of Los Angeles (Project), compares projected cumulative growth within the City, inclusive of the Project, to the 2045 horizon year projections in the 2020-2045 RTP/SCS. Projections focus on the 2045 horizon year as opposed to the Project's 2025 buildout date because SCAG projections incorporate regional policies and are based on long-term demographic trends that average out short-term variations, which may not be reflected in shorter-term 2025 projections. In addition, California and the federal government require that SCAG and other regional planning agencies update their respective RTP/SCS every four years. Frequent updates allow SCAG to reflect land use and planning changes that have occurred since previous updates in order to present the most accurate long-term projections. Accordingly, the long-term projections, not the interim projections, are the most accurate reflections of the development changes within the region.

**Table IV.I-7
Cumulative Population, Housing, and Employment Impacts
in the City of Los Angeles (Project)**

	Cumulative Increase ^a	SCAG Projected Growth ^b	Cumulative Percentage of Growth
Population	11,111	711,635	1.6
Housing Units	5,187	312,574	1.7
Employment	4,221	267,686	1.6
<i>a From Table IV.I-6.</i> <i>b From Table IV.I-1.</i> <i>Source (table): EcoTierra Consulting, 2021.</i>			

As indicated in **Table IV.-7**, the cumulative population growth of 11,111 people would represent 1.6 percent of SCAG's population growth estimate for the City by the 2045 horizon year; the cumulative housing growth of 5,187 units would represent 1.7 percent of SCAG's housing growth estimate; and the cumulative employment growth of 4,221 jobs would represent 1.6 percent of SCAG's employment growth estimate. Accordingly, the cumulative growth would be within SCAG's long-range projections for the City identified in the 2020-2045 RTP/SCS.

The similar increases in population and housing units (1.6 percent and 1.7 percent, respectively) show that the City is attracting proportionate amounts of residential and housing growth in the area, with slightly more units available to meet housing needs. Additionally, the increases in the

number and variety of housing units and employment opportunities in the Project vicinity would provide housing and jobs in proximity to public transit, which would be consistent with regional and City policies to focus development in areas well served by public transit. The increase in housing stock in the City provides opportunities for residents to locate within an HQTAs and within proximity to transit facilities, thereby reducing the demand for development in lower-density areas and achieving greater efficiency in the provision and use of services and infrastructure. The additional employment opportunities would increase the number of jobs adjacent to residential areas and public transit, which would support City and regional policies intended to reduce VMT. The new jobs would bolster the local economy and bring new jobs to a lower-density area with few existing jobs.

With regard to indirect growth, as with the Project, the Related Projects would not induce substantial population growth by introducing unplanned infrastructure or accelerating development in an undeveloped area. As discussed in **Section IV.M, Utility and Service Systems**, of this Draft EIR, the Related Projects would also involve development in urban areas on an infill sites with established infrastructure systems and would not require additional infrastructure related to water, wastewater, or solid waste. No extension of roadways or infrastructure are proposed under the Related Projects and any new infrastructure that would be required, such as service connections to local water and sewer network and electricity and natural gas utilities for the Related Projects would be sized to serve only the specific Related Project's on-site needs.

Based on the above, the Project, considered together with the Related Projects, would not induce substantial unplanned population growth directly through contributions to population, housing, or employment or indirectly through the extension of roads or infrastructure. Furthermore, based on the Project's individually insignificant contributions to population, housing, and employment growth in the City, the Project's contributions to cumulative growth would similarly be insignificant. **Therefore, cumulative impacts on population growth, housing, and employment would be less than significant and the Project's contribution would not be cumulatively considerable.**

(2) Flexibility Option

Table IV.I-8, Total Cumulative Development (Flexibility Option), presents a summary of cumulative growth associated with the 17 Related Projects identified in **Section III, Environmental Setting**, of this Draft EIR. As described in that section, the cumulative impact analysis in this Draft EIR is conservative, as it assumes that all Related Projects would be approved and built at currently proposed densities by the Flexibility Option's buildout year of 2025.

**Table IV.I-8
Total Cumulative Development (Flexibility Option)**

Development	Housing Units	Population	Employment
Related Projects ^a	4,967 ^b	10,593 ^b	4,101 ^b
Flexibility Option	200	470	145
Total Cumulative Growth	5,167	11,063	4,246
<i>a A list of Related Projects is provided in Table III-1 of Section III, Environmental Setting, of this Draft EIR.</i> <i>b The tabulation of Related Projects' population, housing, and employment generation is presented in Appendix J of this Draft EIR.</i> <i>Source (table): EcoTierra Consulting, 2021.</i>			

Table IV.I-9, Cumulative Population, Housing, and Employment Impacts in the City of Los Angeles (Flexibility Option), compares projected cumulative growth within the City, inclusive of the Flexibility Option, to the 2045 horizon year projections in the 2020-2045 RTP/SCS. Projections focus on the 2045 horizon year as opposed to the Flexibility Option's 2025 buildout date because SCAG projections incorporate regional policies and are based on long-term demographic trends that average out short-term variations, which may not be reflected in shorter-term 2025 projections. In addition, California and the Federal government require that SCAG and other regional planning agencies update their respective RTP/SCS every four years. Frequent updates allow SCAG to reflect land use and planning changes that have occurred since previous updates in order to present the most accurate long-term projections. Accordingly, the long-term projections, not the interim projections, are the most accurate reflections of the development changes within the region.

**Table IV.I-9
Cumulative Population, Housing, and Employment Impacts
in the City of Los Angeles (Flexibility Option)**

	Cumulative Increase ^a	SCAG Projected Growth ^b	Cumulative Percentage of Growth
Population	11,063	711,635	1.6
Housing Units	5,167	312,574	1.7
Employment	4,246	267,686	1.6
<i>a From Table IV.I-7.</i> <i>b From Table IV.I-1.</i> <i>Source (table): EcoTierra Consulting, 2021.</i>			

As indicated in **Table IV.-9**, the cumulative population growth of 11,063 people would represent 1.6 percent of SCAG's population growth estimate for the City by the 2045 horizon year; the cumulative housing growth of 5,167 units would represent 1.7 percent of SCAG's housing growth estimate; and the cumulative employment growth of 4,246 jobs would represent 1.6 percent of SCAG's employment growth estimate. Accordingly, the cumulative growth would be within SCAG's long-range projections for the City identified in the 2020-2045 RTP/SCS.

As under the Project, the similar increases in population and housing units (1.6 percent and 1.7 percent, respectively) show that the City is attracting proportionate amounts of residential and housing growth in the area, with slightly more units available to meet housing needs. Additionally, the increases in the number and variety of housing units and employment opportunities in the Flexibility Option vicinity would provide housing and jobs in proximity to public transit, which would be consistent with regional and City policies to focus development in areas well served by public

transit. The increase in housing stock in the City provides opportunities for residents to locate within an HQTAs and within proximity to transit facilities, thereby reducing the demand for development in lower-density areas and achieving greater efficiency in the provision and use of services and infrastructure. The additional employment opportunities would increase the number of jobs adjacent to residential areas and public transit, which would support City and regional policies intended to reduce VMT. The new jobs would bolster the local economy and bring new jobs to a lower-density area with few existing jobs.

With regard to indirect growth, as with the Flexibility Option, the Related Projects would not induce substantial population growth by introducing unplanned infrastructure or accelerating development in an undeveloped area. As discussed in **Section IV.M, Utility and Service Systems**, of this Draft EIR, the Related Projects would also involve development in urban areas on infill sites with established infrastructure systems and would not require additional infrastructure related to water, wastewater, or solid waste. No extension of roadways or infrastructure are proposed under the Related Projects and any new infrastructure that would be required, such as service connections to local water and sewer network and electricity and natural gas utilities for the Related Projects would be sized to serve only the specific Related Project's on-site needs.

Based on the above, the Flexibility Option, considered together with the Related Projects, would not induce substantial unplanned population growth directly through contributions to population, housing, or employment or indirectly through the extension of roads or infrastructure. Furthermore, based on the Flexibility Option's individually insignificant contributions to population, housing, and employment growth in the City, the Flexibility Option's contributions to cumulative growth would similarly be insignificant. **Therefore, cumulative impacts on population growth, housing, and employment would be less than significant and the Flexibility Option's contribution would not be cumulatively considerable.**

b) Mitigation Measures

Under both the Project and the Flexibility Option, cumulative impacts related to population and housing would be less than significant; no mitigation measures are required.

c) Level of Significance After Mitigation

Under both the Project and the Flexibility Option, cumulative impacts related to population and housing would be less than significant without mitigation.