

5. Environmental Analysis

5.7 POPULATION AND HOUSING

This section of the Draft Environmental Impact Report (DEIR) examines the potential for socioeconomic impacts of the proposed Mercury Residential Project on the City of Brea, including changes in population, employment, and demand for housing, particularly housing cost/rent ranges defined as “affordable.” According to Section 15382 of the CEQA Guidelines, “An economic or social change by itself shall not be considered a significant impact on the environment.” Socioeconomic characteristics should be considered in an EIR only to the extent that they create impacts on the physical environment.

5.7.1 Environmental Setting

5.7.1.1 REGULATORY FRAMEWORK

State

California Housing Element Law

California planning and zoning law requires each city and county to adopt a general plan for future growth (California Government Code Section 65300). This plan must include a housing element that identifies housing needs for all economic segments and provides opportunities for housing development to meet that need. At the state level, the Housing and Community Development Department (HCD) estimates the relative share of California’s projected population growth that would occur in each county based on California Department of Finance (DOF) population projections and historical growth trends. These figures are compiled by HCD in a Regional Housing Needs Assessment (RHNA) for each region of California. Where there is a regional council of governments, the HCD provides the RHNA to the council. The council then assigns a share of the regional housing need to each of its cities and counties. The process of assigning shares gives cities and counties the opportunity to comment on the proposed allocations. The HCD oversees the process to ensure that the council of governments distributes its share of the state’s projected housing need.

State law recognizes the vital role local governments play in the supply and affordability of housing. To that end, California Government Code requires that the housing element achieve legislative goals to:

- Identify adequate sites to facilitate and encourage the development, maintenance, and improvement of housing for households of all economic levels, including persons with disabilities.
- Remove, as legally feasible and appropriate, governmental constraints to the production, maintenance, and improvement of housing for persons of all incomes, including those with disabilities.
- Assist in the development of adequate housing to meet the needs of low and moderate income households.

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- Conserve and improve the condition of housing and neighborhoods, including existing affordable housing. Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.
- Preserve for lower income households the publicly assisted multifamily housing developments in each community.

California housing element laws (California Government Code §§ 65580–65589) require that each city and county identify and analyze existing and projected housing needs within its jurisdiction and prepare goals, policies, and programs to further the development, improvement, and preservation of housing for all economic segments of the community commensurate with local housing needs. The City of Brea General Plan Housing Element was updated in 2013 for the 2014–2021.

Housing Accountability Act

The Housing Accountability Act (HAA) requires that cities approve applications for residential development that are consistent with a city's general plan and zoning code development standards without reducing the proposed density. Examples of objective standards are those that are measurable and have clear criteria that are determined in advance, such as numerical setback, height limit, universal design, lot coverage requirement, or parking requirement. Under the HAA, an applicant is entitled to the full density allowed by the zoning and/or general plan provided the project complies with all objective general plan, zoning, and subdivision standards and provided that the full density proposed does not result in a specific, adverse impact on public health and safety and cannot be mitigated in any other way.

Amendment to the Housing Accountability Act

Assembly Bill (AB) 678 amends the HAA by increasing the documentation and standard of proof required for a local agency to legally defend its denial of low-to-moderate-income housing development projects. This bill, if the local agency considers the housing development project to be inconsistent, not in compliance, or not in conformity, would require the local agency to provide the applicant with written documentation identifying the provision or provisions, and an explanation of the reason or reasons it considers the housing development to be inconsistent, not in compliance, or not in conformity within specified time periods. If the local agency fails to provide this documentation, this bill would provide that the housing development project would be deemed consistent, compliant, and in conformity with the applicable plan, program, policy, ordinance, standard, requirement, or other similar provision.

AB 1515: Reasonable Person Standard

AB 1515 specifies that a housing development project is deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project or emergency shelter is consistent, compliant, or in conformity. This bill added additional findings related to the Housing Accountability Act in this regard.

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Regional

Southern California Association of Governments

SCAG is a regional council of governments representing Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties, which encompass over 38,000 square miles. SCAG is the federally recognized metropolitan planning organization (MPO) for this region and a forum for addressing regional issues concerning transportation, the economy, community development, and the environment. SCAG is also the regional clearinghouse for projects requiring environmental documentation under federal and state law. In this role, SCAG reviews proposed development and infrastructure projects to analyze their impacts on regional planning programs. As the southern California region's MPO, SCAG cooperates with the South Coast Air Quality Management District, the California Department of Transportation, and other agencies in preparing regional planning documents. The City of Brea is within the Orange County Council of Governments (OCCOG) subregion of SCAG.

Regional Transportation Plan/Sustainable Community Strategy

SCAG has developed regional plans to achieve specific regional objectives. On April 7, 2016, SCAG adopted the 2016–2040 Regional Transportation Plan/Sustainable Communities Strategy (2016–2040 RTP/SCS), a long-range visioning plan that balances future mobility and housing needs with economic, environmental, and public health goals (SCAG 2016a). This long-range plan, which is a requirement of the state of California and the federal government, is updated by SCAG every four years as demographic, economic, and policy circumstances change. A component of the 2016–2040 RTP/SCS is a set of growth forecasts that estimates employment, population, and housing growth. These estimates are used by SCAG, transportation agencies, and local agencies to anticipate and plan for growth.

Local

Development of housing in the City of Brea is guided by the goals, objectives, and policies of the general plan and housing element. The City of Brea General Plan includes the following policies on population and land use:

- **Policy 2.6, Housing for Workforce.** Promote the City's Affordable Housing Programs with employers in Brea.
- **Policy 2.7, Public/Private Partnerships.** Explore collaborative partnerships with non-profit organizations, advocacy groups, developers, the business community and governmental agencies in the provision of affordable, workforce and special needs housing.
- **Policy 3.4, Reuse Sites.** Explore reuse opportunities on obsolete or underutilized commercial and industrial sites.
- **Policy 6.6, Jobs/Housing Balance.** Encourage a closer link between housing and jobs in the community, including housing opportunities affordable to Brea's modest income workforce.

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5.7.1.2 EXISTING CONDITIONS

Population

Table 5.7-1 Population Trends in the City of Brea

Year	City of Brea	
	Population	Percent Change
2009	38,086	N/A
2010	38,427	0.89%
2011	38,837	1.06%
2012	39,384	1.40%
2013	39,843	1.16%
2014	40,443	1.50%
2015	40,931	1.20%
2016	41,351	1.02%
2017	41,921	1.37%

Source: US Census Bureau 2017a.

Housing

Housing Growth Trends

Table 5.7-2, *Housing Growth Trends in the City of Brea*, shows the rate of housing growth from 2009 to 2017, which has varied over the years.

Table 5.7-2 Housing Growth Trends in the City of Brea

Year	City of Brea	
	Housing Units	Percent Change
2009	14,596	N/A
2010	14,910	2.15%
2011	14,859	-0.34%
2012	14,620	-1.60%
2013	14,759	0.95%
2014	14,760	<1%
2015	14,820	0.40%
2016	15,205	2.59%
2017	15,616	2.70%

Source: US Census Bureau 2017b.

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Regional Housing Needs Assessment (RHNA)

As shown in Table 5.7-3, *City of Brea 2014–2021 Regional Housing Needs Assessment*, the City of Brea’s RHNA allocation for the 2014–2021 planning period is 1,851 units. This number was calculated by SCAG based on the City’s share of the region’s employment growth, migration and immigration trends, and birth rates.

Table 5.7-3 City of Brea 2014–2021 Regional Housing Needs Assessment

Income Category (% of County AMI ¹)	Number of Units	Percentage
Extremely Low Income (30% or less) ²	213	11.5%
Very Low (31% to 50%)	213	11.5%
Low (51% to 80%)	305	17%
Moderate (81% to 120%)	335	18%
Above Moderate (Over 120%)	785	42%
Total	1,851	100%

Source: Brea 2013.

¹ AMI = Area Median Income

² An estimated half of the City’s 426 very low income housing needs (213 units) are for extremely low income households earning less than 30% AMI.

Employment

Employment Trends

According to the California Employment Development Department, the growth rate of employment in the City of Brea increased throughout 2010 to 2017. The City of Brea employment and annual percentage changes are shown in Table 5.7-4, *City of Brea Employment Trends*.

Table 5.7-4 City of Brea Employment Trends

Year	City of Brea	
	Employment (persons)	Percent Change
2010	227,600	N/A
2011	230,600	1.31
2012	235,600	2.16
2013	241,700	2.58
2014	246,400	1.94
2015	252,500	2.47
2016	258,600	2.41
2017	262,800	1.62

Source: EDD 2018.

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Existing Employment

Table 5.7-5, *City of Brea; Industry by Occupation (2009–2017)*, shows the City’s total workforce by occupation and industry between 2009 and 2017. According to the estimates calculated by the US Census, the City of Brea had an employed civilian labor force (16 years and older) of 181,617 between 2009 and 2017. The three largest occupational categories during the 2009 to 2017 period were educational services, and health care and social assistance; manufacturing; and professional, scientific, and management, and administrative and waste management services.

Table 5.7-5 City of Brea; Industry by Occupation (2009–2017)

Industry/Occupation	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	796	0.44%
Construction	9,520	5.24%
Manufacturing	21,788	12.00%
Wholesale Trade	8,830	4.86%
Retail trade	19,517	10.75%
Transportation and warehousing, and utilities	6,571	3.62%
Information	4,360	2.40%
Finance and insurance, and real estate and rental and leasing	17,921	9.87%
Professional, scientific, and management, and administrative and waste management services	20,520	11.30%
Educational services, and health care and social assistance	42,357	23.32%
Arts, entertainment, and recreation, and accommodation and food services	13,623	7.50%
Other services, except public administration	8,172	4.50%
Public administration	7,642	4.21%
Total	181,617	100%

Source: US Census Bureau 2017c.

Note: Figures were rounded up to the nearest whole number/one decimal place. Employment figures count civilian employees 16 years and older.

Growth Projections

Southern California Association of Governments

SCAG undertakes comprehensive regional planning with an emphasis on transportation. The 2016–2040 RTP/SCS provides projections of population, households, and total employment for the City of Brea. Based on their share of California’s and the region’s employment growth, migration and immigration trends, and birth rates, SCAG projects the population, housing, and employment will grow at an increasing rate in the City of Brea. These projections are summarized in Table 5.7-6, *SCAG Growth Projections for the City of Brea*.

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Table 5.7-6 SCAG Growth Projections for the City of Brea

	City of Brea		
	2020	2035	2040
Population	48,700	50,600	50,600
Households	17,300	18,100	18,100
Housing Units ¹	16,435	17,195	17,195
Employment	51,800	53,400	53,700
Jobs-Housing Ratio	3.15	3.10	3.12

Source: SCAG 2016b.

¹ Housing units in SCAG projections are estimated based on number of households and a healthy vacancy rate of 5 percent

Jobs-Housing Ratio

The jobs-housing ratio is a general measure of the number of jobs versus housing in a defined geographic area, without regard to economic constraints or individual preferences. The jobs-housing ratio as well as the type of jobs versus the price of housing, has implications for mobility, air quality, and the distribution of tax revenues. A project's effect on the jobs-housing ratio is one indicator of how it will affect growth and quality of life in the project area. SCAG applies the jobs-housing ratio at the regional and subregional levels in order to analyze the fit between jobs, housing, and infrastructure. A main focus of SCAG's regional planning efforts has been to improve this balance; however, jobs-housing goals and ratios are only advisory. There is no ideal jobs-housing ratio adopted in state, regional, or city policies. The American Planning Association (APA) is an authoritative resource for community planning best practices, including recommendations for assessing jobs-housing ratios. Although APA recognizes that an ideal jobs-housing ratio will vary across jurisdictions, its recommended target is 1.5, with a recommended range of 1.3 to 1.7 (Weltz 2003).

As shown in Table 5.7-6, based on SCAG's growth projections, the City of Brea is projected to be a jobs-rich community, with the number of jobs increasing at a faster rate than the number of housing units.

5.7.2 Thresholds of Significance

According to Appendix G of the CEQA Guidelines, a project would normally have a significant effect on the environment if the project would:

- P-1 Induce substantial 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).
- P-2 Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere.

5.7.3 Plans, Programs, and Policies

No existing regulations are applicable to population and housing impacts of the proposed project.

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5.7.4 Environmental Impacts

The following impact analysis addresses thresholds of significance for which the Initial Study disclosed potentially significant impacts. The applicable thresholds are identified in brackets after the impact statement.

Impact 5.7-1: The proposed project would directly result in population growth of approximately 206 residents in the project area but would not induce substantial additional growth. [Threshold P-1]

The following describes potential impacts associated with construction and operation of 114 workforce housing units.

Construction

Construction of the proposed project would require contractors and laborers. Because of the size of the project, the City expects that the supply of general construction labor would be available from the local and regional labor pool. The project would not result in a long-term increase in employment from short-term construction activities.

Population

Based on the US Census American Community Survey, Brea has an average household size of 1.81 persons per household people for renters who live in structures with more than 50 units (US Census 2018). Once the proposed project is complete, the 114 housing units would be expected to add 206 residents. When compared to the 2018 estimated population of 44,890 (DOF 2018), the proposed project would result in an approximately 0.46 percent increase in population the City of Brea.

As shown in Table 5.7-6, SCAG's 2040 estimated population for the City of Brea is 50,600, which is an increase of 5,710 residents from the 2018 estimated population (SCAG 2018b). The potential 206 new residents would comprise approximately 3.6 percent of the projected 20-year increase for the City based on the SCAG RTP/SCS. The SCAG projections estimate a 2020 population of 48,700 for the City, which is an increase of 3,810 from the 2018 population estimate. If the project population is added to the existing population, the resulting estimated population of 45,096 remains below the year 2020 projection.¹ Therefore, project implementation would not exceed SCAG population projections.

Housing

The proposed project would provide more housing opportunities in the City of Brea. The new units would increase housing in the City by 0.69 percent, and would represent 15 percent of the forecast housing growth, of 760 units, anticipated by from 2020 to 2040 for the City (see Table 5.7-6). The proposed project would be within SCAG's projected housing growth.

¹ Note that all of the above figures assume residents new to the city.

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Jobs-Housing Balance

A project's effect on the jobs-housing balance is an indicator of how it will affect growth and quality of life in the project area. Because the jobs-housing ratio for the city is jobs-rich (3.15 jobs per unit; see Table 5.7-6), the decrease in jobs-housing ratio from the additional 114 residential units would be a slightly favorable result from a planning perspective because the project would provide more housing in a City with high employment.

Summary

Overall, the project would not induce substantial population growth in the area, but would serve growth already projected to occur. Although the proposed project would increase the number of housing units and population within the City by 114 units and 206 residents, respectively, the projected increase in housing units and population from the proposed project is less than the regionally anticipated population and housing growth.

Level of Significance before Mitigation: Impact 5.7-1 would be less than significant.

Impact 5.7-2: Project implementation would not result in displacing people and/or housing. [Threshold P-2]

The proposed project is currently vacant and would develop workforce housing on the project site. According to RHNA for the 2014-2021 Housing Element Cycle, the City's share of regional future housing needs is a total of 1,851 new units between 2014 and 2021. The proposed project would increase the number of housing units in the city by 114 units, thereby increasing the City's housing supply. Therefore, the proposed project would not displace people or housing, but would increase the number of housing units in the City.

Level of Significance before Mitigation: Impact 5.5-2 would not be significant.

5.7.5 Cumulative Impacts

The area considered for cumulative impacts is the City of Brea. Impacts are analyzed using General Plan projections in SCAG's 2016 RTP/SCS Growth Forecast. Development of the proposed project in conjunction with the related cumulative project list in Table 4-1, *Related Cumulative Projects*, in Chapter 4 of this DEIR, would not result in cumulative citywide population and/or housing impacts, as new residential projects would further improve the jobs-housing balance in the City and related projects would be reviewed by the City, and development would be required to be consistent with adopted state and city development standards, regulations, plans, and policies to minimize the effect of the increase in population on physical impacts on the environment. Upon approval, the proposed project would increase the City's housing supply. Therefore, the proposed project combined with related projects would not result in cumulatively considerable impacts to population and housing.

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5.7.6 Level of Significance Before Mitigation

Upon implementation of regulatory requirements and standard conditions of approval, Impacts 5.7-1 and 5.7-2 would be less than significant.

5.7.7 Mitigation Measures

No mitigation measures are required.

5.7.8 Level of Significance After Mitigation

Impacts would be less than significant.

5.7.9 References

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