

## 5 GROWTH INDUCEMENT

The California Environmental Quality Act (CEQA) Guidelines require that an environmental impact report “discuss the ways in which the proposed project could **foster economic or population growth**, or the construction of additional housing, either directly or indirectly, in the surrounding environment” (CEQA Guidelines Section 15126.2(d)) (emphasis added). This analysis must also consider the removal of obstacles to population growth, such as improvements in the regional transportation system. The guidelines further state:

*Included in this are projects which would **remove obstacles to population growth** (a major expansion of a wastewater treatment plant might, for example, allow for more construction in service areas). Increases in the population may tax existing community service facilities, requiring construction of new facilities that could cause significant environmental effects. Also discuss the characteristic of some projects which may **encourage and facilitate other activities that could significantly affect the environment, either individually or cumulatively**. It must not be assumed that growth in any area is necessarily beneficial, detrimental, or of little significance to the environment. (emphasis added)*

Growth-inducing impacts fall into two general categories: direct or indirect. Direct growth-inducing impacts are generally associated with introducing new urban development or providing urban services to an undeveloped area. Providing urban services to a site, and the subsequent development, can serve to induce other landowners in the vicinity to convert their property to urban uses. This would not be applicable in the context of the proposed Focused General Plan Update (FGPU) as the Planning Area is largely urbanized and developed, with few undeveloped/vacant sites left. The Planning Area is served by adequate facilities and urban services.

Indirect, or secondary, growth-inducing impacts consist of growth induced in the region by additional demands for housing, goods, and services associated with the population increase caused by, or attracted to, a new project. A change in land use policy or projects that provides economic stimulus, such as industrial or commercial uses, also may induce growth. In addition, growth inducement can also be defined as growth that makes it more feasible to increase the density of development in surrounding areas. Typical growth inducements might be the extension of urban services or transportation infrastructure to a previously unserved or under-served area, or removal of major barriers to development.

Negative impacts associated with growth inducement occur only where the projected growth would cause adverse environmental impacts.

### 5.1 GROWTH TRENDS

In a span of five years, from 2015 to 2019, National City’s population increased by approximately 1.8 percent. As projected by the San Diego Association of Governments (SANDAG) for the Series 14 2050 Regional Growth Forecast Update, population growth is expected to outpace housing construction. SANDAG projects that the region’s population will grow by nearly one million people by 2050. This forecast is consistent with previous expectations, although future growth rates have been reduced due to increased domestic migration out of the region. The growth in population will drive job growth and housing demand within the San Diego region, adding nearly 500,000 jobs and more than 330,000 housing units by 2050, with over 8,000 jobs and approximately 25,000 housing units within National City.<sup>1</sup>

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<sup>1</sup> National City, Housing Element 2021-2019, Chapter 2. Community Profile, August 2021; SANDAG, Series 14: 2050 Regional Growth Forecast, Accessed November 22, 2022, <https://www.sandag.org/data-and-research/socioeconomics/estimates-and-forecasts>

In the Housing Element 2021–2029, 10 housing projects successfully built since 2013 were noted to have taken advantage of 46 percent to 176 percent of the maximum potential density allowed by its zoning. In general, the highest average of the maximum potential density has been within the mixed-use zones, and Downtown Specific Plan and Westside Specific Plan areas.<sup>2</sup> These developments have also involved the construction of amenities such as public parks and recreational facilities that have increased the attractiveness of these areas.<sup>3</sup>

In addition, commercial centers and industrial warehouses have begun operations within the City that have spurred economic growth, including the Market on 8th and an Amazon Fulfillment Center.<sup>4</sup>

National City has also heavily invested in transportation improvements to support these developments, including traffic-calming, pedestrian, bicycle, and Safe Routes to Schools enhancements and streetscape beautification improvements.<sup>5</sup>

## 5.2 ECONOMIC AND POPULATION GROWTH

### 5.2.1 Population and Housing

Based on California Government Code Section 65300, a general plan serves as a comprehensive, long-term plan for physical development of a city and, by definition, is intended to manage and address future growth in the planning area. The City's currently adopted General Plan has a horizon year of 2030. Population in the region will grow whether or not the FGPU is adopted. Therefore, the FGPU includes an updated framework to guide future development within the City into a cohesive pattern that aligns with the City's goals, including those related to increasing housing opportunities, meeting sustainability goals, increasing access to transit and active transportation opportunities, and spurring economic growth. A vast majority of the permitted future residential units and mixed uses would occur as infill development and redevelopment within urbanized areas already served by essential roads, utilities, and public services. Therefore, the FGPU would not remove an impediment to growth but would update the adopted General Plan to manage growth through 2050.

Updated policies and implementing actions contained in the FGPU are proposed to encourage the production of additional housing development within the City (in conformance with the 2021–2029 Housing Element) through the provision of variety of incentives (e.g., reduced parking requirements; density bonuses, etc.). The FGPU also proposes rezoning several Focus Areas, the application of an overlay across parts of the Planning Area that allow for increased residential density, and an optional bonus housing program (House National City) to ensure that affordable housing is maintained and increased. These actions could increase the 2050 residential buildout density from approximately 22,700 units under the adopted General Plan and Zoning Code to approximately 23,325 units (net increase of approximately 600 units). Population to be accommodated under the FGPU is anticipated to grow from the projected 72,961 persons under the adopted General Plan to 74,872 persons in 2050, an approximately 2.62 percent increase.

While the FGPU would include various housing incentives and additional zoning capacity, additional housing units would not be built without demand, and the FGPU would not authorize any specific development proposal. Full buildout would occur over time as individual development proposals are received and is envisioned to occur in 2050; however, actual growth will depend on several factors, including housing demand and other market factors.

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2 National City, Housing Element 2021-2019, Appendix E. Development Case Studies, August 2021, <https://www.nationalcityca.gov/government/community-development/planning/housing-element-2021-2029>

3 National City, E-Newsletter 11<sup>th</sup> Edition A, February/March 2016, <https://www.nationalcityca.gov/community/newsletters/e-newsletter-11th-edition-a>

4 The San Diego Union Tribune, "Inside National City's new food hall from Brazilian beer to Filipino adobo", October 2021; National City, E-Newsletter 17<sup>th</sup> Edition, "Amazon Comes to National City", May/June 2017

5 National City, Improvement Projects, <http://nationalcityprojects.com/#projects>, Accessed June 14, 2022

### **5.2.2 Economic Growth**

Increased residential, commercial, and mixed-use capacity could spur further economic activity and would incur a secondary growth-inducing impact of reallocating the region's population increase to National City as more housing and mixed-use development is built. The addition of housing opportunities through increased residential densities within portions of the Planning Area would likely generate economic growth for the City. Increasing housing densities also could foster an increase in population within the Planning Area, which would provide a larger economic base to support the existing commercial and industrial operations, thereby improving the economic conditions experienced by such operations. In addition, an increase in housing units would lead directly to an increase in the available tax base for the City. Therefore, the FGPU would be considered growth inducing in regard to economic growth within the City.

### **5.2.3 Conclusion**

Overall, the FGPU would be growth inducing as it provides a land use framework that allows for additional housing over what is currently allowed within the Planning Area under the adopted General Plan. The FGPU would not remove an impediment to growth; rather, it would supplement the existing land use framework governing the area. An overall increase in commercial and industrial development would generate additional employment growth, while the anticipated increase in residential units within the Planning Area would help to foster economic growth within the City. As such, the FGPU can be considered to be a growth-inducing project, intended to spur economic, population, and housing growth within the Planning Area.