4.12 Population and Housing

This section details the existing population, housing, and employment characteristics of the unincorporated area of San Luis Obispo County (County), as well as the City of San Luis Obispo (City), and addresses the potential population, housing, and employment impacts created by the Project. The Project's consistency with the County of San Luis Obispo Housing Element 2009-2014 (adopted August 25, 2009 and amended December 8, 2009) and the City of San Luis Obispo Housing Element (adopted January 19, 2010 and amended April 2010) is provided in Appendix E of this EIR.

4.12.1 Environmental Setting

The Project Site is in an unincorporated area of the County, just south of the City and within the County's San Luis Obispo Planning Area. As described in Section 4.4, Land Use and Policy Consistency Analysis, under the County Development Plan, the Project would be under the jurisdiction of the County of San Luis Obispo General Plan, while under the City Development Plan it would be under the authority of the City of San Luis Obispo Airport Area Specific Plan (AASP). As further described in Section 4.12.1.1, Existing City and County Population and Projections, the County and City have experienced significant growth in the past 30 years. Sources of demographic information consulted in the preparation of this section include the San Luis Obispo Council of Governments (SLOCOG), the State of California Department of Finance, the U.S. Census Bureau, the County, and the City.

4.12.1.1 Existing City and County Population and Projections

In the 1990s, 75 percent of growth was driven by net migration while the remaining 25 percent of growth was driven by the natural increase in the population (SLOCOG 2011). Since 2000, the County witnessed a net migration representing 80 percent of the population growth. Overall, however, the County's population growth on a percentage basis has generally been declining since the 1980s (SLOCOG 2011). Between 1990 and 1999, the City grew at annual average of only 0.3 percent, well below the General Plan's 1 percent growth estimate. Since April 2000, the City has grown a total of 1 percent, with the annual rate varying from a negative 0.3 percent to a positive 0.5 percent (City 2010a). The following subsections discuss existing and projected population estimates for the County and City, which vary depending on source.

SLOCOG City and County Population Projections

According to the US Census, the City's population in 2010 was 45,119, while San Luis Obispo County had a total population of 269,637 (SLOCOG 2011). Nearly 40 percent (118,118) of the population reside in unincorporated areas of the County (SLOCOG 2011). The SLOCOG reported that growth has mostly occurred in Paso Robles and the unincorporated areas of the County, a trend anticipated to continue in the future especially within the City based on historic norms (SLOCOG 2011). Overall, the majority of the population growth in the County has stemmed from net domestic migration, which represented 77 percent of net migration in 1990 and 81 percent in the 2000s (SLOCOG 2011).

Table 4.12.1 presents SLOCOG's medium projected population growth estimates (2010 to 2040) for the City, and the entirety of the County, including its unincorporated areas. According to SLOCOG's medium growth population estimates, positive growth is expected within all planning areas through 2040. However, when analyzed more closely, the amount of growth in each five-year interval is erratic, especially between 2010 and 2025 where growth varies significantly in that population increases estimated for one five-year period is sometimes significantly less than the one preceding it. For example, the City is estimated to witness a population increase of 731 residents between 2010 and 2015, followed by the addition of 1,301 residents between 2015 and 2020, and ending with to the addition of only 735 new residents between 2020 and 2025. The unincorporated areas and overall County population estimates exhibit similar trends to that of the City. After the year 2025, all planning area population growth estimates appear to have less significant fluctuations. By 2040, the total population for the City, unincorporated areas, and the County as a whole, are expected to increase by 11.2 percent, 24.7 percent and 19.4 percent respectively.

Table 4.12-1 SLOCOG Medium Population Growth Estimate, 2010 to 2040

Planning Area	2010	2015	2020	2025	2030	2035	2040
San Luis Obispo (City)	43,937	44,668	45,969	46,704	47,622	48,550	49,487
Unincorporated Area	104,324	107,452	113,789	118,982	125,467	132,023	138,644
County Total Population	269,637	275,590	286,940	296,851	309,288	321,741	334,377

Source: SLOCOG 2011.

County of San Luis Obispo: City and County Population Projections

According to County population estimates, the City's population in 2008 was 42,835, while the County and County unincorporated areas had populations of 267,068 and 103,692, respectively (County 2009). The population of the County's San Luis Obispo planning area was 46,867. The County population projections are significantly greater than the SLOCOG projections. Table 4.12-2 presents the County's population growth estimates for the City and San Luis Obispo planning area, as well as County unincorporated areas, from 2008 to 2030. Unlike the SLOCOG population estimates, the County is less erratic and displays significant positive growth initially between 2008 and 2015, then slows substantially thereafter to 2030. According to the County of San Luis Obispo Housing Element, the projected population growth in the planning areas would not require an amendment to the County General Plan (County 2009).

4.12.1.2 Existing City and County Housing Conditions and Housing Projections

Existing Housing Conditions

During this decade, the rate of housing production in the City and County, as well as the County unincorporated areas, has slightly exceeded the rate of population growth. Between 2000 and 2010, the City gained 945 residents, an increase of 2.1 percent. During the same period, the City's housing stock grew by approximately 1,213 units, an increase of approximately 5.9 percent. During this equivalent time frame the County added approximately 22,956 residents and

the County unincorporated areas added approximately 349 residents, increases of 8.5 percent and 0.3 percent, respectively.

Table 4.12-2 County of San Luis Obispo Household Population Growth Estimates

Planning Area	2008	2010	2015	2020	2025	2030
San Luis Obispo Planning Area[a]	46,867	47,703	49,827	52,048	54,116	56,267
San Luis Obispo City	42,835	43,549	45,432	47,396	49,224	51,123
San Luis Obispo Rural	4,032	4,154	4,396	4,652	4,892	5,144
Unincorporated	103,692	106,475	113,985	123,112	130,429	143,430
San Luis Obispo County[b]	267,068	273,110	289,042	306,939	322,347	343,885

a. The San Luis Obispo Planning Area includes City of San Luis Obispo incorporated and unincorporated areas.
b. San Luis Obispo County population estimates include an estimated group-quarter population of 16,064. Group quarters include nursing homes, school dormitories, military barracks, prisons, jails, and hospitals.
Source: County 2009.

During the same period, the County's housing stock increased by approximately 15,040 units, while the County's unincorporated areas increased by approximately 8,101 units, increases of 12.8 percent and 16.6 percent, respectively (U.S. Decennial Census, 2000; California 2012). Table 4.12-3 provides total counts of housing units, amount of households, vacancy units, and vacancy rates. As shown in the table, the County has a vacancy rate of 13.04 percent, while the City has a vacancy rate of 6.62 percent. According to the County of San Luis Obispo Housing Element, most of the County's vacant housing stock is in the category of seasonal, recreational, or occasional use units (County 2009).

Table 4.12-3 City/County Census Housing Counts in San Luis Obispo City and County, 2010

Type	Unincorporated	City of San Luis Obispo	County of San Luis Obispo
Total Housing Units	48,550	20,553	117,315
Total Households	40,377	19,193	102,016
Vacant Units	8,173	1,360	15,299
Vacancy Rate (%)	2.68%	6.62%	13.04%

Source: California 2012.

Overpayment and Overcrowding

Overpayment refers to households paying more than 30 percent of their gross income to secure adequate shelter. The 2009 U.S. Census American Community Survey data indicate that 53.9 percent of owner households countywide (including cities) spent more than 30 percent of their income on housing. Additionally, 60.9 percent of renter households spent more than 30 percent of their income on housing (U.S. Census, American Community Survey 2009). The 2000 U.S. Census Bureau data indicate that in 1999, 61 percent of the City's 10,858 renter households (approximately 6,600 households) and 37 percent of the City's 4,243 homeowners with home mortgages (approximately 1,570 households) overpaid for housing (City 2010a). It is important to note that overpayment figures for the City may be misleading because many of the City's renters are students, which are typically in lower-income categories. Nevertheless, rising housing costs and relatively slow income growth are well documented, affirming that overpayment is a serious and ongoing problem in both the City and County of San Luis Obispo. As such, high housing prices often force lower-income households to accept smaller housing units, resulting in overcrowding.

The U.S. Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms). In 2000, there were 2,015 (5.7 percent) overcrowded housing units with more than one person per room (884 owner-occupied units and 1,131 renter-occupied units) within the unincorporated portions of the County (County 2009). Countywide (including cities) in 2009, 3,085 (3 percent) of the housing units were overcrowded, of which 1.5 percent were owner-occupied and 5.3 percent were renter-occupied. In 2009, among the 12,776 renter households in the City, an estimated 488 households were overcrowded (3.8 percent). Additionally, approximately 100 (1.2 percent) of the City's 7,795 owner-occupied households were overcrowded (U.S. Census, ACS 2005-2009; City 2010a). Overall, approximately 2.5 percent of households in the City are overcrowded (U.S. Census, ACS 2005-2009). In comparison, approximately 13 percent of all renter-occupied housing units and 5 percent of all owner-occupied housing units in the State of California are overcrowded (U.S. Census, ACS 2005-2009).

Regional Housing Needs

The County and City are planning for future housing needs during the 2009 to 2014 planning period. The County analyzed vacant and underutilized land in urban areas that is suitable for residential development to show there is enough land zoned for housing to meet housing needs over the next five years. The Regional Housing Needs Plan, developed by SLOCOG and approved by the State Department of Housing and Community Development, designates 4,885 units for the County region. The assigned share of the regional housing need for the unincorporated portions of the County and the City is 1,296 and 1,589 new housing units, respectively, from August 31, 2009, until June 30, 2014. Table 4.12-4 shows the breakdown of the assigned share by income group. Note that the numbers in parentheses in the City row indicate the regional housing need allocation according to the City of San Luis Obispo as shown on Table 4, page 58 of the City's Housing Element. The SLOCOG and Housing Element numbers both have the same total. According to the City's General Plan Land Use Element, a total of 24,300 dwellings are anticipated within the City by the year 2022 (City 2010b).

Table 4.12-4 Projected Housing Need By Income

Planning Area	Income Category				Total Number of New Units
	Very Low (<50% of median income)	Low (51 – 80% of median income)	Moderate (81 – 120% of median income)	Above Moderate (>121% of median income)	
City of San Luis Obispo	366 (370)	254 (259)	302 (295)	668 (665)	1,589
Unincorporated	298	207	246	544	1,296
San Luis Obispo County	1,224	782	928	2,052	4,885

Source: SLOCOG 2008; City 2010a.

4.12.1.3 Employment

According to statistics provided by the State of California Employment Development Department, in May 2011 the employment total was 125,100 persons in the County and 25,000 persons in the City (California 2011). In addition, the unemployment rates were 9 percent and nearly 9.8 percent, respectively, for the County and City. The relatively high unemployment rates can be attributed to the national economic recession.

The unemployment for the County has increased by 3.3 percent since June 2008. While the County has experienced significant job losses over the last year and more are expected, some of the largest job sectors, such as Government and Health Services, have helped stabilize the regional economy. Tourism-related industries, such as retail, leisure, and hospitality, are expected to remain weak in the near term (SLOCOG 2009). The County's remote location makes it difficult to attract large employers or companies to the area.

The mean wage in San Luis Obispo County ($40,225) is lower than similar coastal regions like San Diego, Ventura, Santa Barbara, Santa Cruz, and San Francisco. The largest employers are government (23,200 jobs), leisure and hospitality (15,500 jobs), and educational and health services (11,400 jobs) (SLOCOG 2009).

SLOCOG City and County Employment Projections

According to SLOCOG, the City had approximately 33,000 jobs in 2010, while the County and unincorporated areas had 95,900 and 23,900 jobs, respectively (SLOCOG 2011). Unemployment levels in the County have remained below the state's levels, but the growth and decline of non-farm jobs has been inconsistent and erratic (SLOCOG 2011). However, increases in 11,600 non-farm jobs are anticipated over a ten-year period between 2008 and 2018.

The SLOCOG medium county non-farm employment estimates for long-term, by jurisdiction, reveal positive growth between 2010 and 2020 for all planning areas followed by a noticeable decline in growth between 2020 and 2025, and culminating with positive growth again from 2025 to 2040. Table 4.12-5 illustrates SLOCOG's medium non-farm employment estimates for the City and overall County, as well as unincorporated areas, from 2010 to 2040.

Table 4.12-5 SLOCOG Medium County Non-Farm Employment Estimates, 2010 to 2040

Planning Area	2010	2015	2020	2025	2030	2035	2040
City of San Luis Obispo	33,000	34,900	36,900	38,400	40,300	42,400	44,200
Unincorporated	23,900	25,100	26,400	27,300	28,500	29,800	30,800
San Luis Obispo County	95,900	101,300	106,700	110,700	115,700	120,800	125,900

Source: SLOCOG 2011.

4.12.1.4 Existing Job/Housing Imbalance

As identified in Tables 4.12-3 and 4.12-5, in 2010 the City had 33,000 jobs (estimated) and a housing stock of 20,553 units. This creates a jobs/housing imbalance of 1.6 to 1, which means that employees will need to live in other communities and commute to work to the City, adding to traffic congestion and air pollution. By contrast, the unincorporated areas of the San Luis Obispo Planning Area have fewer jobs than houses with a jobs/housing ratio of 0.5 to 1 as shown in Table 4.12-6.

Table 4.12-6 Jobs/Housing Imbalance 2010

Planning Area	Jobs	Housing Stock	Jobs per Housing Unit
City of San Luis Obispo	33,000	20,553	1.6
Unincorporated	23,900	48,550	0.5
San Luis Obispo County	95,900	117,315	0.82

Source: SLOCOG 2011.

As described in published meeting materials for a town hall meeting that took place on May 13, 2010 regarding the County's Land Use and Circulation Element Update, the ideal jobs/housing balance would be 1.5 to 1. The City's 2011 Annual Report on the General Plan also reflects this target. Should the Project remain in the County and not be incorporated into the City, it would improve the jobs/housing imbalance of that area by creating jobs that could employ workers that reside in those unincorporated areas. However, should the Project be incorporated into the City, the current 1.6 to 1 jobs/housing imbalance would increase to 1.7 as identified in Table 4.12-8.

4.12.2 Regulatory Setting

4.12.2.1 Federal

There are no federal population and housing regulations applicable to the Project.

4.12.2.2 State

There are no state population and housing regulations applicable to the Project.

4.12.2.3 Local

County

County Land Use Ordinance Section 22.12.080 - Inclusionary Housing

The Inclusionary Housing Ordinance applies to: (1) residential developments with two more dwelling units; (2) commercial/industrial development with a floor area of 5,000 square feet or more; (3) mixed-use development; or (4) subdivision of land. The methods of satisfying the inclusionary housing requirement include: (1) construction of employee housing or inclusionary housing units, whether located on-site or off-site; (2) payment of housing impact fees; or (3) donation of land. The housing impact fees are $2.11 per square foot for commercial/retail land uses, $2.46 per square foot for commercial services/offices land uses, and $0.98 per square foot for industrial/warehouse land uses. If employee housing or inclusionary housing would be provided in-lieu of fee payments, the total fee amount must be calculated. The housing impact fee shall produce the same number of housing units that an equal amount of in-lieu fees would produce for a residential project. Developable land may be donated instead of providing inclusionary housing units. The appraised land value must be equal or greater than the dollar value of the in-lieu fees or housing impact fees.

County of San Luis Obispo Housing Element, 2009 to 2014

The primary purpose of the County Housing Element is to facilitate the provision of necessary housing in the context of the Land Use Element of the County General Plan and related ordinances. The secondary purpose is to meet the requirements of state law and achieve certification by the California Department of Housing and Community Development, which in turn will help the County qualify for certain funding programs offered by the state. The state generally requires an update to the Housing Element every five years. The Housing Element requires the implementation of the Inclusionary Housing Ordinance requiring development of affordable housing (Program HE 1.P). The proposed Project's consistency with applicable Housing Element polices is described in Section 4.4, Land Use and Policy Consistency Analysis.

City

Inclusionary Housing Requirement of the City of San Luis Obispo (Ordinance 1508)

The purposes and intents of this ordinance are to promote the public's welfare by increasing the production of affordable housing units and to implement General Plan policies guiding land use and housing development. The Inclusionary Ordinance applies to development projects of five or more lots or new dwelling units and to commercial development projects of more than 2,500 square feet of gross floor area. New development projects shall satisfy the Inclusionary Housing requirements, as specified in Tables 2 and 2A of the General Plan Housing Element, which provide that all nonexempt development projects shall contribute toward the production of affordable housing by constructing at least one affordable dwelling unit or paying an in-lieu fee. To meet the requirements, the developer shall comply with one or more of the following methods:

- Construct the required number of affordable dwelling units, as specified in Table 2, as adjusted by Table 2A.
- Pay an in-lieu fee as described in Table 2, as adjusted by Table 2A. For development projects in which the adjustment factor under Table 2A equals zero, the minimum adjustment factor shall be 0.25 (resulting in a minimum in-lieu fee of 1.25 percent of the building valuation for in-city development projects and commercial developments in expansion areas, and 3.75 percent of building valuation for residential developments in expansion areas).
- Dedicate real property for affordable housing.
- Use a combination of the above methods, to the approval of the City council.

City of San Luis Obispo Housing Element (Adopted January 19, 2010 and amended April 2010)
The City prepared the Housing Element to help its citizens secure adequate and affordable housing and to comply with state law. Under Appendix P, Table 2: Inclusionary Housing Requirement, a commercial project located in an annexation area must build two affordable dwelling units per acre, but not less than one affordable dwelling unit per project; or pay in-lieu fees equal to 5 percent of building valuation. The Project's consistency with applicable City plans, policies, and programs is discussed in Section 4.4, Land Use and Policy Consistency Analysis and Appendix E of this EIR.

4.12.3 Significance Criteria

The following criteria are based on the County's Initial Study and Appendix G of CEQA Guidelines. The effects of the proposed Project could be potentially significant if the Project would:

- Induce substantial growth in an area either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through projects in an undeveloped area or extension of major infrastructure);
- Displace existing housing or people requiring construction of replacement housing elsewhere; or
- Create the need for substantial new housing in the area.

4.12.4 Remediation Project Impacts and Mitigation Measures

Impact #	Impact Description	Phase	Residual Impact
P/H.1	The remediation component of the Project may induce substantial growth in the area by proposing new businesses in the area.	Remediation	Class III

The proposed remediation component of the Project would occur on predominantly vacant land that is currently unused, and includes excavating contaminated soils, and capping affected areas to separate them from potential human and ecological receptors. The excavated contaminated soils would then be disposed of at an off-site facility, generating an estimated 13,083 truck trips (round trips). Ongoing aspects of the remediation include monitoring groundwater, and imposing deed restrictions that prevent residential development and restrict groundwater use at the Project Site.

The remediation component of the proposed Project would not induce growth in the area, either directly or indirectly, as no new construction of homes or businesses would result from its implementation, nor would it create an extension of major infrastructure. The Project Site is unoccupied, and so would not require the displacement of housing or people who would need replacement housing elsewhere, and due to the remediation activities not developing new structures, no new housing needs would be created.

Mitigation Measures
No mitigation measures are required since the impact is less than significant.

Residual Impacts
Due to the lack of population inducing impacts, and the lack of existing housing on the Project Site, the remediation component of the Project would have a *less than significant (Class III)* impact on Population and Housing.

4.12.5 City Development Plan Impacts and Mitigation Measures

The City Development Plan component of the Project would create commercial facilities over a 20 to 25 year period to provide 433,000 sq. ft. of business park space, 370,000 sq. ft. for service-commercial, 265 acres of conservation/open space, 15 acres of public facilities/recreation and approximately 14 acres would be used for streets, sidewalks, and other frontage improvements, including 6.06 acres dedicated to the widening of Tank Farm Road. However, the Project would not provide new housing due to restrictions from the Airport Land Use Plan (ALUP) that leaves little or no potential residential capacity at the Project Site.

Impact #	Impact Description	Phase	Residual Impact
P/H.2	The City Development Plan may induce substantial growth in the area by proposing new businesses in the area.	Development	Class III

Development of the Project's commercial facilities would provide opportunities for new jobs. Using the employee factors found in the County's Public Facilities Financing Plan, this level of development would generate an estimated 1,971 jobs as listed in Table 4.12-7.

Table 4.12-7 City Development Plan Employee Generation

Land Use	sq. ft.	Employees per 1,000 sq. ft.	Employees Generated
Business Park	433,000	3.33	1,442
Service Commercial	370,000	1.43	529
	Total Employees		**1,971**

Source: County 2006.

As shown in Table 4.12-8, the proposed increase in employment opportunities under the City Development Plan would increase the jobs/housing imbalance from 1.6, without the Project, to 1.7, with the Project. In order to maintain the current ratio of 1.6, approximately 1,222 housing units would need to be built during Project bringing the total housing stock to 21,775.

Table 4.12-8 City Development Plan Jobs/Housing Ratio Estimate

Planning Area	Existing Jobs	Jobs/Housing Ratio w/o Project	Existing Jobs + Project (1,971 jobs)	Housing Stock	Jobs/Housing Ratio with Project
City	33,000	1.6	34,971	20,553	1.7
County Total (Incorporated + Unincorporated)	95,900	0.82	97,871	117,315	0.83

Source: SLOCOG 2011; County 2006.

According to the City's 2009 Draft Development Capacity Survey, the City has the potential to accommodate up to 4,200 additional two-bedroom dwellings, or the equivalent in density units, within the City's Urban Reserve Line (URL), based on the existing available land and the current condition of existing housing. The majority of that potential is within properties that have a pending or approved specific plan, including the Margarita Area (840 potential low, medium, and medium-high density residential D.U.) and Orcutt Area Specific Plans (1,000 additional housing units over the next 20 years).

Both of these Plans are located within one mile of the proposed Project, with the Margarita Area adjacent to the northern boundary and the Orcutt Area located to the northeast of the Project Site.

With regard to the AASP, the proposed Project is already a part of the plan itself and is therefore a part of the City's long term plans[1].

Based on the significance criteria from Appendix G of CEQA Guidelines, the Project:

- Would not induce substantial growth in an area directly by proposing new homes since none are proposed by this Project, or indirectly by extension of major infrastructure, because the Project Site is located on an existing arterial roadway (Tank Farm Road);
- Would not displace existing housing or people, as the Project Site is currently vacant; and
- Would not create the need for substantial new housing in the area, beyond that already planned.

The Project would induce growth in the area by developing commercial facilities that may employ approximately 1,971 people. As stated above, the City reports capacity for 4,200 new dwellings to be developed within the URL. Development of those proposed residential developments would provide adequate housing in the area for the new residents that may be generated by the implementation of this Project over a 20 to 25 year period. The City Development Plan would result in a *less than significant impact (Class III)* to Population and Housing.

Mitigation Measures

No mitigation measures are required since the impact is less than significant. However, it should be noted that the City Development Plan would develop commercial facilities greater than 2,500 sq. ft., requiring Inclusionary Housing Program participation. As a result, the Applicant would be required to comply with one or more of the following:

- Construct the required number of affordable dwelling units, as specified in Table 2, as adjusted by Table 2A.
- Pay an in-lieu fee as described in Table 2, as adjusted by Table 2A. For development projects in which the adjustment factor under Table 2A equals zero, the minimum adjustment factor shall be 0.25 (resulting in a minimum in-lieu fee of 1.25 percent of the building valuation for in-city development projects and commercial developments in expansion areas, and 3.75 percent of building valuation for residential developments in expansion areas).
- Dedicate real property for affordable housing.
- Use a combination of the above methods, to the approval of the City council.

Residual Impacts

The previously planned residential developments in the area would supply the necessary housing for Project induced growth. Additionally, the proposed Project itself is integrated into the AASP, as the plan describes the potential of and approval for the Project Site to be redeveloped. Therefore, residual impacts would be *less than significant (Class III).* With compliance with the

[1] Personal communication with Kim Murray, August 24, 2011.

City's Inclusionary Housing Ordinance, City Development Plan residual impacts on affordable housing would be *less than significant (Class III)*.

4.12.6 County Development Plan Impacts and Mitigation Measures

The development of the Project under the County Plan would create commercial facilities over a 20 to 25 year period to provide 433,000 sq. ft. of building space for Commercial Service, 370,000 sq. ft. of Industrial building space, 250 acres of Open Space, 265 acres of Recreation Space (250 acres of open space and 15 acres as active sports field) and 13.4 acres of Right-of-Way with 6.06 acres for the Tank Farm Road widening. However, the Project would not provide new housing due to restrictions from the nearby airport operations.

Impact #	Impact Description	Phase	Residual Impact
P/H.3	The County Development Plan may induce substantial growth in the area by proposing new businesses in the area.	Development	Class III

Development of the County Plan commercial facilities would provide opportunities for new jobs. Using the employee factors found in the County's Public Facilities Financing Plan, this level of development would generate an estimated 1,971 jobs as listed in Table 4.12-9. The proposed increase in employment opportunities under the County Plan would slightly increase the jobs to housing ratio for the unincorporated areas and the County as a whole by changing the ratio from 0.49 without the Project to 0.53 with the Project (for unincorporated areas) and from 0.82 to 0.83 for the County as a whole, as shown in Table 4.12-10. However, this change in jobs to housing ratio does not result in an imbalance of jobs to housing and therefore, the County Development Plan would result in a *less than significant impact (Class III)* to population and housing.

Table 4.12-9 County Development Plan Employee Generation

Land Use	sq. ft.	Employees per 1,000 sq. ft.	Employees Generated
Commercial Service	433,000	3.33	1,442
Industrial	370,000	1.43	529
	Total Employees		**1,971**

Source: County 2006; SLOCOG 2011.

Table 4.12-10 County Development Plan Jobs/Housing Ratio Estimate

Planning Area	Existing Jobs	Jobs/Housing Ratio w/o Project	Existing Jobs + Project (1,971 jobs)	Housing Stock	Jobs/Housing Ratio with Project
Unincorporated Areas	23,900	0.49	25,871	48,550	0.53
County Total (Incorporated + Unincorporated)	95,900	0.82	97,871	117,315	0.83

Source: County 2006; SLOCOG 2011.

According to the City of San Luis Obispo 2009 Draft Development Capacity Survey, the potential to develop housing capacity exists to accommodate up to 4,200 additional two-bedroom dwellings, or the equivalent in density units, within the City's Urban Reserve Line (URL), based on the existing available land and the current condition of existing housing. The majority of that potential is within properties that have a pending or approved specific plan, including the Margarita Area (840 potential low, medium, and medium-high density residential D.U.) and Orcutt Area Specific Plans (1,000 additional housing units over the next 20 years). Both of these Plans lie within one mile of the proposed Project, with the Margarita Area adjacent to the northern boundary and the Orcutt Area located to the northeast of the Project Site.

Based on the significance criteria from Appendix G of CEQA Guidelines, the Project:

- Would not induce substantial growth in an area directly by proposing new homes since none are proposed by this Project, or indirectly by extension of major infrastructure, because the Project Site is located on an existing arterial roadway (Tank Farm Road);
- Would not displace existing housing or people, as the Project Site is currently vacant; and
- Would not create the need for substantial new housing in the area, beyond that already planned.

The Project would induce growth in the area by developing commercial facilities that may employ approximately 1,971 people. As stated above, the developments adjacent to the Project Site and within the City report capacities for 4,200 new dwellings to be developed within the City's URL. Development of those proposed residential developments would provide adequate housing in the area for the new residents that may be generated by the implementation of this Project over a 20 to 25 year period. The County Development Plan would result in a *less than significant impact (Class III)* to population and housing.

Mitigation Measures

No mitigation measures are required since the impact is less than significant. It should be noted that the County Development Plan would develop commercial facilities greater than 5,000 sq. ft., requiring payment of Inclusionary Housing Impact fees or land donation to satisfy the requirements. As a result, The Applicant would be required to satisfy the inclusionary housing requirement by: (1) construction of employee housing or inclusionary housing units, whether located on-site or off-site; (2) payment of housing impact fees; or (3) donation of land. The housing impact fees are $2.11 per square foot for commercial/retail land uses, $2.46 per square foot for commercial services/offices land uses, and $0.98 per square foot for industrial/warehouse land uses. If employee housing or inclusionary housing would be provided in-lieu of fee payments, the total fee amount must be calculated.

Residual Impacts

The previously planned residential developments in the area would supply the necessary housing for Project induced growth, contributing toward efforts to achieve a more favorable jobs/housing ratio in both unincorporated areas and the County as a whole. Therefore, residual impacts would be *less than significant (Class III)*. With the funding of affordable housing needs, County Development Plan residual impacts on affordable housing would be *less than significant (Class III)*.

4.12.7 Cumulative Analysis

Under the CEQA Guidelines, "a cumulative impact consists of an impact which is created as a result of the combination of the project evaluated in the environmental impact report ("EIR") together with other projects causing related impacts." Section 15130 of the CEQA Guidelines requires that an environmental impact report (EIR) discuss cumulative impacts of a project when the project's incremental effect is cumulatively considerable, as defined in section 15065(c). "An EIR need not discuss impacts that do not result in part from the project evaluated in that EIR. The Cumulative discussion does not need to provide as much detail as is provided for the effects attributable to the project alone. The discussion of cumulative impacts shall be guided by standards of practicality and reasonableness, and shall focus on the cumulative impact to which the identified other projects contribute rather than the attributes of other projects which do not contribute to the cumulative impact" (CEQA Guidelines Section 15130(b)).

4.12.7.1 Remediation Project Impacts

The remediation component of the Project does not propose to displace substantial numbers of existing housing, necessitating the construction of replacement housing, nor does it propose to displace substantial numbers of people, necessitating the construction of replacement housing. Previously planned residential developments will supply the necessary housing for Project-induced growth. In the City, 588 residential units are either approved for development or are currently under construction. These units, in combination with the 4,200 dwelling unit capacity within the City, provide the housing necessary to accommodate the anticipated increase in job growth resulting from the Project's implementation. Therefore, the cumulative impacts of the Project are less than significant.

4.12.7.2 City Development Plan Impacts

The Project does not propose any new housing to be developed and does not displace any housing or people, as the Project Site is currently vacant. The list of cumulative projects for the City includes 588 proposed residential units, which will supply the necessary housing to accommodate potential Project induced growth. The Project's cumulative impact on inducing growth in the area is thus considered to be less than significant.

The development of commercial facilities greater than 2,500 square feet by the City Plan, in combination with related commercial projects to be developed, requires Inclusionary Housing Program participation. With the funding of affordable housing needs provided by this Project and other proposed projects in the City, cumulative impacts on affordable housing would be less than significant.

4.12.7.3 County Development Plan Impacts

The Project does not propose any new housing to be developed and does not displace any housing or people, as the Project Site is currently vacant. The Project would induce growth through the development of the commercial facilities, but the development of proposed housing

in the City would provide adequate housing for new residents generated by the implementation of this Project. Additionally, the increase in jobs aids in achieving a more favorable jobs/housing balance by providing an estimated 1,971 jobs. Therefore, the Project's cumulative impact on inducing growth in the areas is thus considered to be beneficial.

The development of commercial facilities greater than 5,000 square feet by the County Plan, in combination with the related commercial and industrial projects to be developed, requires Inclusionary Housing Program participation. With the funding of affordable housing needs provided by this Project and other proposed projects in the County, cumulative impacts on affordable housing would be less than significant.

4.12.8 Mitigation Monitoring Plan

There is no mitigation monitoring plan since no mitigation measures were required for population and housing.

4.12.9 References

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