

## **IV. Environmental Impact Analysis**

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### **H. Population, Housing, and Employment**

#### **1. Introduction**

This section of the EIR analyzes the Project's potential impacts on population, housing, and employment. Data regarding population, housing, and employment for the Southern California Associations of Governments (SCAG) region and the City of Los Angeles (City) were obtained from SCAG and U.S. Census data, as discussed further below.

#### **2. Environmental Setting**

##### **a. Regulatory Framework**

###### **(1) Regional**

SCAG is the federally designated Metropolitan Planning Organization for six Southern California counties (Ventura, Orange, San Bernardino, Riverside, Imperial, and Los Angeles). It is responsible for transportation, growth management, and hazardous waste management planning, and developing a regional growth forecast that is a foundation for these plans as well as regional air quality plans developed by the South Coast Air Quality Management District (SCAQMD). SCAG prepares several plans to address regional growth, including the Regional Housing Needs Assessment (RHNA), the Regional Transportation Plan (RTP), the Regional Transportation Improvement Program (RTIP), and annual State of the Region reports to measure progress toward achieving regional planning goals and objectives. SCAG's plans that address employment issues are discussed further below.

###### *(a) SCAG Strategic Plan*

SCAG adopted its first Strategic Plan in 2002 to establish a framework of agency goals to be achieved on a multi-year timeline.<sup>1</sup> Following the progress of goals from the 2002 Strategic Plan, SCAG adopted an updated 10-year Strategic Plan in 2009 to further

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<sup>1</sup> *Darin Chidsey, Chief Operating Officer, "SCAG Strategic Plan Update," December 7, 2016.*

guide the agency. The 2009 Strategic Plan provides the following goals, as well as objectives and detailed strategies:<sup>2</sup>

- Goal #1: Improve regional decision making by providing leadership and consensus building on key plans and policies.
- Goal #2: Obtain regional transportation infrastructure funding and promote legislative solutions for regional planning priorities.
- Goal #3: Enhance the agency's long term financial stability and fiscal management.
- Goal #4: Develop, maintain, and promote the utilization of state of the art models, information systems, and communication technologies
- Goal #5: Optimize organizational efficiency and cultivate an engaged workforce.

As many goals of the 2009 Strategic Plan have progressed from strategies to operational best practices, the SCAG Executive/Administration Committee has initiated an update to the plan. In November 2016, the SCAG President appointed members to the President's Strategic Plan (PSP) Committee to guide this update. To support this effort, a Staff Strategic Plan (SSP) Committee also was formed.<sup>3</sup> Since then, the PSP Committee has released and received responses to a stakeholder survey on the value of SCAG's services, critical regional issues, and SCAG's role in future planning. The survey was sent to 1,442 individuals, including Regional Council members, elected officials, business leaders, federal/state agency partners, and other partner organizations.<sup>4,5</sup> The PSP and SSP Committees are currently in the process of incorporating the survey results and updating the vision, mission, values, and goals within the new plan. As of October 2017, the final revised Strategic Plan is expected to be released in several months.<sup>6</sup>

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<sup>2</sup> Southern California Association of Governments, *A Guide to the Future, Strategic Plan, 2009*.

<sup>3</sup> Darin Chidsey, Chief Operating Officer, "SCAG Strategic Plan Update," December 7, 2016.

<sup>4</sup> The Regional Council is SCAG's 86-member governing board. Membership is comprised of local elected officials representing the six counties and 191 cities within the SCAG jurisdiction, including elected representatives from 67 districts, each consisting of one or more cities in the region with approximately equal population and geographic continuity; an elected representative from each of the six counties within the region; and representatives of the County Transportation Commissions and tribal governments located within the region. Based on Southern California Association of Governments, *Regional Council*, [www.scag.ca.gov/committees/Pages/CommitteeL2/Granicus.aspx?CID=1](http://www.scag.ca.gov/committees/Pages/CommitteeL2/Granicus.aspx?CID=1), accessed October 25, 2017.

<sup>5</sup> Darin Chidsey, Chief Operating Officer, "SCAG Strategic Plan Survey Update," January 30, 2017.

<sup>6</sup> Southern California Association of Governments, *Executive Director's Report, October 2017*.

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*(b) Regional Housing Needs Assessment*

The RHNA is a key tool for SCAG and its member governments to plan for growth. The 5th Cycle RHNA Allocation Plan, which is the current RHNA and was in effect at the time the Notice of Preparation (NOP) was issued for the Project, quantifies the need for housing within each of SCAG's member jurisdictions for the planning period of October 2013 to October 2021. Communities then plan, consider, and decide how they will address this need through the process of completing the housing elements of their general plans. The RHNA does not necessarily encourage or promote growth, but rather allows communities to anticipate growth so that they can grow in ways that enhance quality of life and improve access to jobs, transportation, and housing without adversely impacting the environment. The RHNA is produced periodically by SCAG, as mandated by state law, to coincide with the region's schedule for preparing housing elements. It consists of two measurements of housing need: (a) existing need; and (b) future need. The RHNA assigns 82,002 units to the City of Los Angeles for the planning period, or an average of about 10,250 units per year.<sup>7</sup>

*(c) SCAG Regional Growth Forecast*

SCAG is responsible for producing socioeconomic forecasts and developing, refining, and maintaining macro and small-scale forecasting models. These forecasts are developed in close consultation with a Technical Advisory Committee comprised of local government and other public agencies, the California Department of Finance, County Transportation Commissions, and other major stakeholders. The forecasts are developed in five-year increments. The forecasts are relied upon for preparation of the RTP, RTIP, RHNA, and the SCAQMD's the Air Quality Management Plan (AQMP). Consistency with the growth forecast at the subregion level is one criterion that SCAG uses in exercising its federal mandate to review "regionally significant" development projects for conformity with regional plans.

In April 2016, SCAG adopted the 2016–2040 Regional Transportation Plan/Sustainable Communities Strategy (2016–2040 RTP/SCS). SCAG's 2016–2040 RTP/SCS population, housing, and employment growth forecasts for the SCAG region and the City of Los Angeles for 2016 and 2025 are presented in Table IV.H-1 on page IV.H-4.

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<sup>7</sup> SCAG, *5th Cycle RHNA Final Allocation Plan, October 12, 2012*.

**Table IV.H-1  
SCAG 2016–2040 RTP/SCS Growth Forecast**

Year	Population	Housing	Employment
<b>SCAG Region</b>			
2016 <sup>a</sup>	18,858,500	6,150,000	7,973,500
2025 <sup>b</sup>	20,092,000	6,667,333	8,862,000
<b>2016–2025 Difference</b>	<b>1,233,500</b>	<b>517,333</b>	<b>888,500</b>
<b>2016–2025 Change (%)</b>	<b>6.5%</b>	<b>8.4%</b>	<b>11.1%</b>
<b>City of Los Angeles</b>			
2016 <sup>c</sup>	3,954,629	1,377,614	1,763,929
2025 <sup>d</sup>	4,200,168	1,494,871	1,915,868
<b>2016–2025 Difference</b>	<b>245,539</b>	<b>117,257</b>	<b>151,939</b>
<b>2016–2025 Change (%)</b>	<b>6.2%</b>	<b>8.5%</b>	<b>8.6%</b>
<p><sup>a</sup> Population, housing, and employment forecast for SCAG region in 2016 calculated based on linear interpolation of 2012–2020 values.</p> <p><sup>b</sup> Population, housing, and employment forecast for SCAG region in 2025 calculated based on linear interpolation of 2020–2035 values.</p> <p><sup>c</sup> Population, housing, and employment forecast for City of Los Angeles in 2016 calculated based on linear interpolation of 2012–2040 values.</p> <p><sup>d</sup> Population, housing, and employment forecast for City of Los Angeles in 2025 calculated based on linear interpolation of 2012–2040 values.</p> <p>Source: SCAG 2016–2040 RTP/SCS; Eyestone Environmental, 2017.</p>			

## (2) Local

### (a) City of Los Angeles General Plan Framework Element

The City of Los Angeles General Plan Framework Element (Framework Element), adopted in December 1996 and readopted in August 2001, sets forth general guidance and policies regarding land use issues for the entire City. The Framework Element is intended to be flexible and recommends the creation of new land use categories for targeted growth areas in various areas of the City that contain regional centers, community centers, neighborhood districts, and mixed-use boulevards based on the planning principles, goals, objectives, and policies defined therein. However, the Framework Element acknowledges that precise determinations regarding future growth and development will be made through the Community Planning process. As a result, the Framework Element encourages future growth and development within identified target areas but does not require that such growth be limited to those areas.

With respect to population growth, the Framework Element is considered population “neutral,” meaning that it is not intended to cause, promote, or deter growth but rather to plan for and accommodate whatever population growth (or decline) does occur, based on SCAG projections. Although based on a planning horizon through the year 2010, the Framework Element’s strategies and policies are not tied to specific growth levels or timeframes. More generally, the Framework Element is designed to accommodate population growth largely within centers, districts, and mixed-use boulevards. The Growth and Capacity Chapter also acknowledges that maintaining the City’s jobs/housing ratio is important in maintaining the City’s fiscal stability.

With respect to housing, the Framework Element is considered an implementation mechanism for several of the programs identified within the General Plan Housing Element (discussed below). The Framework Element’s central housing goal is an equitable distribution of housing opportunities by type and cost, accessible to all residents of the City. The following housing objectives and policy are relevant to the Project:

- Objective 4.1: Plan the capacity for and develop incentives to encourage production of an adequate supply of housing units of various types within each City subregion to meet the projected housing needs by income level of the future population to the year 2010.
- Policy 4.1.1: Provide sufficient land use and density to accommodate an adequate supply of housing units by type and cost within each City subregion to meet the twenty-year projections of housing needs.
- Objective 4.2: Encourage 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.

In addition, the General Plan Framework Element’s fundamental economic development goals are to: (1) provide the physical locations and competitive financial environment necessary to attract various types of economic development to Los Angeles; and (2) encourage the geographic distribution of job growth in a manner supportive of the City’s overall planning objectives. In order to encourage economic development and effectively compete for limited opportunities in an increasingly competitive national economy, the Framework Element calls on the City to offer meaningful development incentives. The following are the General Plan Framework Element’s economic development and employment-related policies relevant to the Project:

- Policy 7.2.3: Encourage new commercial development in proximity to rail and bus transit corridors and stations.

- Policy 7.2.5: Promote and encourage the development of retail facilities appropriate to serve the shopping needs of the local population when planning new residential neighborhoods or major residential developments.
- Policy 7.2.6: Concentrate office development in regional mixed-use centers, around transit stations, and within community centers.
- Policy 7.6.3: Facilitate the inclusion of shopping facilities in mixed-use developments that serve the needs of local residents and workers. If necessary, consider utilizing financing techniques such as land write-downs and density bonuses.
- Policy 7.8.3: Encourage mixed-use development projects, which include revenue generating retail, to offset the fiscal costs associated with residential development.
- Policy 7.9.2: Concentrate future residential development along mixed-use corridors, transit corridors and other development nodes identified in the General Plan Framework Element, to optimize the impact of City capital expenditures on infrastructure improvements.

Project consistency with the General Plan Framework Element is addressed in Section IV.F, Land Use, of this Draft EIR.

*(b) City of Los Angeles General Plan Housing Element*

The General Plan Housing Element 2013–2021 (Housing Element), adopted in December 2013, addresses the housing needs of the City’s residents based on a comprehensive overview of the City’s population, household types, housing stock characteristics, and other special needs. As part of this effort, the Housing Element focuses on the City’s assigned portion of SCAG’s 2013-2021 RHNA (discussed above). The Housing Element also identifies four primary goals and associated objectives, policies, and programs, several of which are relevant to the Project:

- Objective 1.1: Produce an adequate supply of rental and ownership housing in order to meet current and projected needs.
- Policy 1.1.4: Expand opportunities for residential development, particularly in designated Centers, Transit Oriented Districts and along Mixed-Use Boulevards.
- Policy 1.3.5: Provide sufficient land use and density to accommodate an adequate supply of housing units by type and cost within the City to meet the projections of housing needs, according to the policies and objectives of the City’s Framework Element of the General Plan.

- Objective 2.2: Promote sustainable neighborhoods that have mixed-income housing, jobs, amenities, services and transit.
- Policy 2.2.2: Provide incentives and flexibility to generate new multi-family housing near transit and centers, in accordance with the General Plan Framework Element, as reflected in Map ES.1.
- Objective 2.4: Promote livable neighborhoods with a mix of housing types, quality design and a scale and character that respects unique residential neighborhoods in the City.

Project consistency with the General Plan Housing Element is addressed in Section IV.F, Land Use, of this Draft EIR.

*(c) Central City Community Plan*

As discussed further in Section IV. F Land Use, of this Draft EIR, the Project Site is located within the Central City Community Plan (Community Plan) area. The Community Plan, last adopted in January 2003, includes the following objectives and policies related to population, housing, and employment:

- Objective 1-2: To increase the range of housing choices available to Downtown employees and residents.
- Policy 1-2.1: Promote the development of neighborhood work/live housing.
- Objective 1-3: To foster residential development which can accommodate a full range of incomes.
- Objective 2-1: To improve Central City's competitiveness as a location for offices, business, retail, and industry.
- Policy 2-2.1: Focus on attracting businesses and retail uses that build on existing strengths of the area in terms of both the labor force, and businesses.
- Policy 2-2.3: Support the growth of neighborhoods with small, local retail services.
- Objective 2-3: To promote land uses in Central City that will address the needs of all of the visitors to Downtown for businesses, conventions, trade shows, and tourism.

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 (sometimes known as DTLA), in a combined planning

process referred to as the DTLA 2040 Plan. The purpose of the DTLA 2040 Plan is to develop and implement a future vision for Downtown Los Angeles that supports and sustains ongoing revitalization while thoughtfully accommodating projected future growth.<sup>8</sup> As Downtown has been a rapidly changing setting within Los Angeles, it supports a collection of economic opportunities and entrepreneurship, people, culture, and distinct neighborhoods, and sits at the center of the regional transportation network. According to DTLA 2040 projections, an additional approximately 125,000 people, 70,000 housing units, and 55,000 jobs will be added to the Downtown area by the year 2040.<sup>9</sup> The Department of City Planning, in partnership with the Downtown community, is anticipated to reflect such growth trends in the updated plan and its policies, plans, and programs for Downtown. As such, the DTLA 2040 Plan will inform developers of permitted development options, densities, and intensities and bring the 2003 Central City Community Plan up-to-date as an improved planning tool.<sup>10</sup> Refer to Section IV.F, Land Use, of this Draft EIR for further discussion and analysis.

## **b. Existing Conditions**

### **(1) Population**

#### *(a) Los Angeles Regional and County Conditions*

As shown in Table IV.H-1 on page IV.H-4, based on a linear interpolation of 2012–2020 values from the SCAG’s 2016–2040 RTP/SCS, the SCAG region was forecast to have a population of approximately 18,858,500 people in 2016. According to 2016 estimates prepared by the California Department of Finance, the County of Los Angeles (County) population was 10,241,335 people.<sup>11</sup>

#### *(b) City of Los Angeles*

As shown in Table IV.H-1, based on SCAG’s 2016–2040 RTP/SCS growth forecast the City of Los Angeles was estimated to have a population of 3,954,629 people in 2016.

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<sup>8</sup> *City of Los Angeles, DTLA 2040, About This Project, www.dtla2040.org/, accessed October 26, 2017.*

<sup>9</sup> *Growth projections current as of December 2018. Source: City of Los Angeles, DTLA 2040, About This Project, www.dtla2040.org/, accessed December 6, 2018.*

<sup>10</sup> *City of Los Angeles, About DTLA 2040, Welcome to the Downtown Community Plans, www.dtla2040.org/about.html, accessed October 26, 2017.*

<sup>11</sup> *State of California, Department of Finance, Report E-5, Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011–2016, with 2010 Benchmark.*

For comparison, the California Department of Finance estimated the City's population to be 4,030,904 people in 2016.<sup>12</sup>

*(c) Project Site*

As detailed in Section II, Project Description of this Draft EIR, the Project Site is currently developed with a five-story parking structure and a surface parking lot (currently in use as a construction staging area for the Metro Regional Connector 2nd Street/Broadway rail station and portal). As such, the Project Site has no residential population.

**(2) Housing**

Recent data indicate that growth in housing demand has slowed due in part to the rapid increases in housing cost over the past few years.<sup>13</sup> Nevertheless, California, and especially the coastal metropolitan areas like Los Angeles, still lacks an adequate supply of housing.<sup>14</sup> Propelled by continuing population and employment growth coupled with uneven and insufficient construction, the housing shortfall has left California with one of the tightest and most expensive housing markets in the nation despite the overall decline in median prices resulting from the recent recession.

*(a) Los Angeles Regional and County Conditions*

As shown in Table IV.H-1 on page IV.H-4, based on SCAG's 2016–2040 RTP/SCS growth forecast the SCAG region had approximately 6,150,000 households in 2016. At the County level, the California Department of Finance estimated 3,504,061 housing units and 3,308,022 households in 2016.<sup>15</sup>

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<sup>12</sup> *State of California, Department of Finance, Report E-5, Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011–2016, with 2010 Benchmark.*

<sup>13</sup> *UCLA Anderson School, The UCLA Anderson Forecast for the Nation and California, 2015 1st Quarter, March 2015.*

<sup>14</sup> *State of California, Department of Housing and Community Development, Division of Housing Policy Development, The State of Housing in California 2012: Supply and Affordability Problems Remain (Updated August 2012).*

<sup>15</sup> *State of California, Department of Finance, Report E-5, Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011–2016, with 2010 Benchmark.*

*(b) City of Los Angeles*

As shown in Table IV.H-1 on page IV.H-4, SCAG's 2016–2040 RTP/SCS estimated 1,377,614 households in the City in 2016. For comparison, the California Department of Finance estimated 1,453,271 housing units and 1,367,782 households in the City in 2016.<sup>16</sup>

*(c) Project Site*

As previously discussed, there are no residential buildings on the Project Site.

### (3) Employment

The Southern California region is one of the nation's largest and most dynamic regional economies, and it accounts for about half the jobs and population in the State. The four cornerstones that support the region's economy are: (1) international trade, primarily through Los Angeles International Airport and the Ports of Los Angeles, Long Beach, and Port Hueneme; (2) the nation's largest entertainment and tourism sector; (3) the nation's largest diversified manufacturing sector; and (4) growing professional services, biotechnology, and design markets.<sup>17</sup> It is anticipated that annual employment growth in the region will continue to slightly exceed the national average growth rate.<sup>18</sup>

*(a) Los Angeles Regional and County Conditions*

As shown in Table IV.H-1, based on a linear interpolation of 2012–2020 values from SCAG's 2016–2040 RTP/SCS, the employment forecast for the SCAG region was 7,973,500 jobs in 2016. In addition, there were approximately 4,454,000 jobs in the County of Los Angeles in 2016.

*(b) City of Los Angeles*

As shown in Table IV.H-1, SCAG's 2016–2040 RTP/SCS estimated City employment of approximately 1,763,929 jobs in 2016.

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<sup>16</sup> *State of California, Department of Finance, Report E-5, Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011–2016, with 2010 Benchmark.*

<sup>17</sup> *Los Angeles County Economic Development Corporation (LAEDC), 2016–17 Economic Forecast and Industry Outlook, February 2016.*

<sup>18</sup> *Los Angeles County Economic Development Corporation (LAEDC), 2016–17 Economic Forecast and Industry Outlook, February 2016.*

### *(c) Project Site*

As discussed above, the Project Site is currently developed with a five-story parking structure and a surface parking lot (currently in use as a construction staging area for the Metro Regional Connector 2nd Street/Broadway rail station and portal). As such, permanent employment associated with these uses is minimal, and construction-related employment associated with Metro's separate Regional Connector project is temporary.

## (4) Jobs/Housing Balance

The employment and household data presented above can be used to measure the jobs/housing ratio for the identified geographies. The jobs/housing ratio is an indicator of the distribution of workers and residents. A balanced jobs to housing ratio indicates the opportunity is the greatest for people to live close to where they work, thus reducing vehicle miles traveled. To the extent that ratios vary, communities are said to be jobs rich or housing rich and reflect employment centers and residential communities, respectively. The extent to which jobs rich areas and housing rich areas are spatially separated is an indication of additional commuter traffic that is necessary for workers to travel to/from their place of employment.

The data presented above indicate 7,973,500 jobs and 6,150,000 households in the SCAG region in 2016. Therefore, the 2016 jobs/housing ratio for the SCAG region is calculated as 1.30 jobs per household.

Similarly, based on the data discussed above, there were an estimated 1,763,929 jobs and 1,377,614 households in the City in 2016. Therefore, the 2016 jobs/housing ratio for the City is calculated as 1.28 jobs per household.

## 3. Project Impacts

### a. Methodology

The Project's population and housing impacts are determined based on the proposed number of residential units included in the Project, all of which are conservatively estimated to be occupied (i.e., "households"). The Project's direct population and housing impacts are then compared to SCAG's population and household growth projections for the SCAG region and the City, as interpolated to 2025 (the Project buildout year).

With respect to employment, the focus of environmental analysis prepared under CEQA is a project's potential to cause effects on the *physical* environment.<sup>19</sup> 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.<sup>20</sup> 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.<sup>21</sup>

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.<sup>22</sup> 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."<sup>23</sup> 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.<sup>24</sup>

The Project's direct employment impacts are compared to SCAG's employment growth projections for the SCAG region and the City, as interpolated to 2025 (the Project buildout year).

As set forth above, the analysis of potential population, housing, and employment impacts is based largely on information obtained from SCAG's growth forecasts in the 2016–2040 RTP/SCS.

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<sup>19</sup> "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).

<sup>20</sup> 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).

<sup>21</sup> See discussion following CEQA Guidelines Section 15131.

<sup>22</sup> CEQA Guidelines Sections 15131(a) and 15064(f).

<sup>23</sup> 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."

<sup>24</sup> CEQA Guidelines Section 15064(f).

## b. Thresholds of Significance

### (1) State CEQA Guidelines Appendix G

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

**Threshold (a):** *Induce substantial 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 housing, necessitating the construction of replacement housing elsewhere or*

**Threshold (c):** *Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.*

Although neither CEQA Guidelines Appendix G nor the *City of Los Angeles CEQA Thresholds Guide* (discussed below) addresses questions or thresholds applicable to employment, employment growth is addressed herein under Threshold (a).

### (2) 2006 L.A. CEQA Thresholds Guide

The *L.A. CEQA Thresholds Guide* states that the determination of significance shall be made on a case-by-case basis, considering the following criteria to evaluate 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;
- 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.

In assessing impacts related to population, housing, and employment in this section, the City will use Appendix G as the thresholds of significance. The criteria identified above from the *L.A. CEQA Thresholds Guide* will be used where applicable and relevant to assist in analyzing the Appendix G threshold questions.

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## c. Analysis of Project Impacts

### (1) Project Design Features

No specific Project design features are proposed with regard to population, housing, or employment beyond the Project characteristics discussed in Section II, Project Description, of this Draft EIR, and summarized below.

### (2) Relevant Project Characteristics

As described in detail in Section II, Project Description, of this Draft EIR, the Project involves the development of a 30-story mixed-use building consisting of 107 residential units (comprising an estimated 137,347 square feet), plus 7,200 square feet of ground level commercial retail uses, and 534,044 square feet of office uses. The proposed residences would include 12 studios, 42 one-bedroom units, 40 two-bedroom units, and 13 three-bedroom units ranging from approximately 650 square feet to 1,630 square feet in size.

### (3) Project Impacts

***Threshold (a): Would the Project induce substantial 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)?***

#### *(a) Construction*

Due to the employment patterns of construction workers in Southern California and the construction labor market, construction workers are not likely to relocate their households as a consequence of the construction job opportunities presented by the Project. The construction industry differs from most other industry sectors in several important ways that are relevant to potential impacts on population and housing:

- There is no regular place of work. Construction workers commute to job sites that may change many times in the course of a year. These often lengthy daily commutes are made possible by the off-peak starting and ending times of the typical construction work day.
- 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.

- The work requirements of most construction projects are also highly specialized, and workers are employed on a job site only as long as their skills are needed to complete a particular phase of the construction process.

It is therefore reasonable to assume based on these factors that Project-related construction workers would not relocate their households' places of residence as a direct consequence of working on the Project. Thus, there would not be any substantial population growth and associated demand for housing in the SCAG region or the City due to Project construction. **As such, construction-related impacts associated with population and housing 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.**

*(b) Operation*

*(i) Direct Population and Housing Impacts*

The Project includes 107 multi-family residential units and, thus, would introduce a new residential population into the area. Using a Citywide household size factor of 2.44 persons per household for multi-family housing units, the Project would be estimated to generate a residential population of 261 persons at full buildout.<sup>25</sup> As illustrated in Table IV.H-2 on page IV.H-16, based on data from SCAG's 2016–2040 RTP/SCS, the Project population of 261 persons would represent approximately 0.02 percent of the projected growth in the SCAG region between 2016 and 2025 (i.e., the Project's baseline

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<sup>25</sup> Based on 2015 Census American Community Survey 5-Year Estimate data (2011–2015), [www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes/2015/5-year.html](http://www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes/2015/5-year.html), per correspondence with Jack Tsao, Housing Planner, Los Angeles Department of City Planning, March 29, 2017. Although the City has begun using a factor of 2.43 residents per multi-family housing unit based on 2016 Census American Community Survey 5-Year Estimate data, the higher 2015 rate is utilized herein, as it was in use at the time the Project's NOP was published, as well as to provide a conservative estimate of Project impacts.

**Table IV.H-2  
Project Percentage Share of 2016–2025 Growth**

<b>Year</b>	<b>Project Impact</b>	<b>% of SCAG Region Growth</b>	<b>% of City of Los Angeles Growth</b>
Population	261 persons	0.02%	0.11%
Housing	107 units	0.02%	0.09%
Employment <sup>a</sup>	2,322 employees	0.26%	1.53%
<p><sup>a</sup> Based on a rate of 4.31 employees per thousand square feet for “Large High Rise Commercial Office” uses and 2.71 employees per thousand square feet for “Neighborhood Shopping Centers.” Source: Level 1—Developer Fee Justification Study for Los Angeles Unified School District, Table 15, March 2017. See Table IV.H-3 on page IV.H-18 for details.</p> <p>Source: SCAG 2016–2040 RTP/SCS; Eyestone Environmental, 2017.</p>			

and buildout years), and 0.11 percent of the projected growth in the City during the same period. As such, the new residential population would fall well within the forecasts for the City and region.

As stated in many adopted regional and local planning documents, including the City’s 2013–2021 Housing Element, the City remains in need of new dwelling units to serve both current and projected populations. The 107 multi-family residential units included in the Project would represent approximately 0.02 percent of the projected housing growth in the SCAG region between 2016 and 2025 and 0.09 percent of the projected housing growth in the City during the same period, as shown in Table IV.H-2. These new units would assist the City in meeting its fair share of the regional housing need identified by SCAG (82,002 units for the years 2013 to 2021 or an average of about 10,250 units per year). Based on this, the Project would not cause housing growth to exceed projected/planned levels for the Project’s buildout year.

**In summary, the Project would not directly generate substantial population or housing growth in the area. As such, impacts relating to population and housing growth would be less than significant.**

*(ii) Indirect Population and Housing Impacts*

In addition to 107 new dwelling units, the Project includes approximately 7,200 square feet of retail uses and approximately 534,044 square feet of offices uses. The retail and office uses would include a range of permanent full-time and part-time positions, most of which are likely be filled by persons already residing in the vicinity of Downtown or in neighboring areas/cities and who generally would not relocate their

households due to such employment opportunities. In the event some jobs are filled by persons from outside the area who relocate for their job, limited indirect population growth and associated housing demand could occur. This demand could be met by a combination of the Project's 107 dwelling units, existing vacancies in the surrounding housing market, as well as by the substantial number of new units currently planned Downtown. Given these options, sufficient housing is expected to be available to accommodate any indirect demand for housing generated by the Project. Likewise, any indirect population growth associated with Project employment would not be substantial and would fall well within SCAG's projections for population growth in the SCAG region and the City.

**Therefore, the Project would not indirectly induce substantial population or housing growth in the area. As such, indirect population and housing impacts would be less than significant.**

*(iii) Employment Impacts*

As detailed in Table IV.H-3 on page IV.H-18, development of the Project would result in an estimated 2,322 permanent employment positions on the Project Site. As shown in Table IV.H-3, the additional 2,322 on-site employees generated by the Project would represent approximately 0.26 percent of employment growth forecasted for the SCAG region between 2016 and 2025 and approximately 1.53 percent of the employment growth forecasted for the City during the same timeframe. Therefore, Project-related employment would be within and, thus, consistent with SCAG's employment forecasts for the SCAG region and the City.

**Based on the above, the Project would not cause growth or accelerate development in an undeveloped area that exceeds projected/planned levels for the Project buildout year. As such, impacts related to consistency with SCAG's employment forecast for the SCAG region and the City would be less than significant.**

*(iv) Jobs/Housing Ratio Impacts*

As previously discussed, when the jobs/housing ratio occurs equally throughout the region, the opportunity is the greatest for people to live close to where they work, thus reducing vehicle miles traveled. Based on SCAG's 2016–2040 RTP/SCS projections, there will be approximately 8,862,000 employees in the SCAG region and 1,915,868 employees in the City in 2025. The household data presented in Table IV.H-1 on page IV.H-4 show 6,667,333 households in the SCAG region and 1,494,871 households in the City in 2025. Therefore, based on SCAG's 2016–2040 RTP/SCS, the 2025 jobs/housing ratios for the SCAG region and City are 1.33 jobs per household and 1.28 jobs per household,

**Table IV.H-3  
Estimate of Project Employees**

Land Use	Size (sf)	Employees/ 1,000 sf <sup>a</sup>	Employees
Commercial Retail	7,200	2.71	20
Office	534,044	4.31	2,302
<b>Project Total</b>			<b>2,322</b>
<p><i>sf = square feet</i>  <i>Numbers may not sum due to rounding.</i>  <sup>a</sup> <i>Using employee generation factors from the Los Angeles Unified School District's 2016 Developer Fee Justification Study, Table 15, March 2017. Applies rates for "Neighborhood Shopping Centers" and "Large High Rise Commercial Office" use.</i>  <i>Source: Eyestone Environmental, 2017.</i></p>			

respectively. For the SCAG region, the jobs/housing ratio is forecast to increase slightly from 1.30 in 2016 to 1.33 in 2025. For the City of Los Angeles, the jobs/housing ratio is forecast to be the same (i.e., 1.28) in both 2016 and 2025.

As the Project represents a very small percentage of 2025 employment and housing within both the SCAG region and the City, the growth generated by the Project would have a negligible effect on the regional and Citywide jobs/housing ratios. **Accordingly, the Project's impact on relevant jobs/housing ratios would be less than significant. In addition, since the Project would develop a mix of residential, commercial, and office uses, it would provide opportunities for jobs and housing to co-exist on-site.**

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

As discussed in Section VI, Other CEQA Considerations, of this Draft EIR, and the Initial Study (Appendix A of this Draft EIR), since no housing currently exists on the Project Site, the Project would not displace any existing housing and Project development would not cause the displacement of any persons or require the construction of housing elsewhere. Therefore, no impact related to housing displacement would occur with respect to Threshold (b). No mitigation measures would be required, and no further analysis of this topic is required.

***Threshold (c): Would the Project displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?***

As discussed in Section VI, Other CEQA Considerations, of this Draft EIR, and the Initial Study (Appendix A), since no housing currently exists on the Project Site, the Project would not displace any existing housing and Project development would not cause the displacement of any persons or require the construction of housing elsewhere. Therefore, no impact related to population displacement would occur with respect to Threshold (c). No mitigation measures would be required, and no further analysis of this topic is required.

## 4. Cumulative Impacts

As identified in Section III, Environmental Setting, of this Draft EIR, 173 related projects in the surrounding area are expected to be constructed and/or operational during the same time period as the Project.<sup>26</sup> Much of this growth is anticipated by the City and will be incorporated into the Central City Community Plan update, known as the DTLA 2040 Plan, which the Department of City Planning is in the process of preparing (refer to Section IV.F, Land Use, of this Draft EIR for further discussion). According to the DTLA 2040 projections, an additional approximately 125,000 people, 70,000 housing units, and 55,000 jobs will be added to the Downtown area by the year 2040.<sup>27</sup>

An estimated 127 of the related projects contain residential land uses, which collectively are estimated to generate a population of 110,220 persons based on the Citywide average household size of 2.44 persons per household for multi-family housing units. As shown in Table IV.H-4 on page IV.H-20, based on the forecasts in the 2016–2040 RTP/SCS, the combined population of the Project and the related projects (110,481 persons) would represent approximately 2.63 percent of the projected 2025 population in the City of Los Angeles. This cumulative population impact would account for 45.00 percent of the 2016–2025 population growth forecast in the City. However, of this percentage, the Project's incremental contribution would be only 0.11 percent.

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<sup>26</sup> As further detailed in Section III, Environmental Setting, of this Draft EIR, many of the related projects in the Downtown area reflect an unprecedented number of land use entitlement applications filed with the Department of City Planning between early 2016 and March 2017 in response to two proposed land use initiatives (Measure JJJ and Measure S). This large volume of application filings was completed prior to the elections in order to vest rights for those projects that preceded the initiatives (assuming the initiatives would have been adopted by the voters). To that end, it is anticipated that many of these related projects will not ultimately proceed to approval and construction. However, in order to provide conservative analyses and ensure compliance with CEQA, all related projects are included in the cumulative impact discussions in this Draft EIR, as appropriate.

<sup>27</sup> Growth projections current as of December 2018. Source: City of Los Angeles, DTLA 2040, About This Project, [www.dtl2040.org/](http://www.dtl2040.org/), accessed December 6, 2018.

**Table IV.H-4  
Cumulative Population, Housing, and Employment Impacts**

	<b>Population (people)</b>	<b>Housing (units)</b>	<b>Employment (jobs)</b>
Proposed Project Impact	261	107	2,322
Existing	—	—	—
<b>Total Net Project Impact (Proposed – Existing)</b>	<b>261</b>	<b>107</b>	<b>2,322</b>
Related Projects Impact for City of Los Angeles	110,220	45,149	102,052
<b>Cumulative (Project + Related Projects) Impact for the City of Los Angeles</b>	<b>110,481</b>	<b>45,256</b>	<b>104,374</b>
SCAG Region 2025 <sup>a</sup>	20,092,000	6,667,333	8,862,000
SCAG Region Growth 2016–2025	1,233,500	517,333	888,500
City of Los Angeles 2025 <sup>a</sup>	4,200,168	1,494,871	1,915,868
City of Los Angeles Growth 2016–2025	245,539	117,257	151,939
Cumulative (Project + Related Projects) Share of Impact in the SCAG Region, 2025	0.55%	0.68%	1.18%
Cumulative (Project + Related Projects) Share of Population Impact in the SCAG Region, 2016–2025	8.96%	8.75%	11.75%
Cumulative (Project + Related Projects) Share of Impact in the City of Los Angeles, 2025	2.63%	3.06%	5.45%
Cumulative (Project + Related Projects) Share of Impact in the City of Los Angeles, 2016–2025	45.00%	38.60%	68.69%
<p><sup>a</sup> From Table IV.H-1 on page IV.H-4. Source: SCAG 2016–2040 RTP/SCS; Eyestone Environmental, 2017.</p>			

The Project's residential uses would generate a total of 107 residential units. As shown in Table IV.H-4, the Project's residential land uses combined with the related projects would generate an estimated 45,256 housing units. Based on forecasts in the 2016–2040 RTP/SCS, this cumulative housing would account for approximately 3.06 percent of 2025 households in the City of Los Angeles. Additionally, the cumulative housing impact would account for 38.60 percent of the 2016–2025 household growth forecast in the City of Los Angeles. However, of this, the Project's incremental contribution would be only 0.09 percent.

As also shown in Table IV.H-4, the related projects would generate an estimated total of 102,052 jobs. Based on forecasts in the 2016–2040 RTP/SCS, the cumulative employment growth of the Project plus related projects would equate to approximately 5.45 percent of 2025 jobs in the City. The cumulative employment impact would account

for 68.69 percent of the 2016–2025 employment growth forecast in the City. However, of this the Project’s incremental contribution would be only 1.5 percent.

As previously discussed, much of this growth is anticipated by the City and will be incorporated into the DTLA 2040 Plan currently being prepared by the Department of City Planning. Current DTLA 2040 projections indicate an additional approximately 125,000 people, 70,000 housing units, and 55,000 jobs will be added to the Downtown area by the year 2040.<sup>28</sup> With respect to population and housing, the estimated growth associated with the Project and related projects falls within the DTLA 2040 projections. Relative to employment, although the DTLA 2040 projection is lower than the cumulative employment level estimated herein, the latter is considered conservative and overstated because it does not reflect the removal of existing uses and their associated existing employee populations resulting from the development of the related projects. In any event, as the DTLA 2040 Plan continues to evolve based on review of current development trends in the Downtown area and in consultation with relevant City departments, it will no doubt be updated to accurately reflect anticipated growth. Additionally, the development strategies and permitted development options, densities, and intensities within the plan are expected to reflect these growth trends. Based on the above, the Project would not induce substantial population growth in the Downtown area, either directly or indirectly. **The Project’s incremental contribution to population, housing, and employment impacts would not be cumulatively considerable under CEQA, and cumulative impacts would be less than significant.**<sup>29</sup>

## 5. Mitigation Measures

Project-level and cumulative impacts with regard to population, housing, and employment would be less than significant. No mitigation measures are required.

## 6. Level of Significance After Mitigation

Project-level and cumulative impacts related to population, housing, and employment would be less than significant.

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<sup>28</sup> *Growth projections current as of December 2018. Source: City of Los Angeles, DTLA 2040, About This Project, [www.dtl2040.org/](http://www.dtl2040.org/), accessed December 6, 2018.*

<sup>29</sup> *State CEQA Guidelines, Section 15064(h)(1).*