

4.11 POPULATION AND HOUSING

This section provides the existing population, housing, and employment characteristics of the unincorporated area of San Luis Obispo County (County), including the San Miguel Urban Area, and addresses potential population and housing impacts created by the proposed project.

4.11.1 Existing Environmental Setting

Population, Employment, and Housing Trends in the San Miguel Urban Area and San Luis Obispo County. The project site is located near San Miguel, an unincorporated area in northern San Luis Obispo County (San Miguel Urban Area). Figure 4.1.2 illustrates the boundaries of the Urban Reserve Line (URL) for San Miguel, which encompasses the San Miguel Urban Area. As a whole, the County has experienced significant growth over the past 30 years and encompasses more than 2 million acres (ac). Sources of demographic information consulted include agencies such as the San Luis Obispo Council of Governments (SLOCOG), the State of California Department of Finance, the United States Bureau of the Census (U.S. Census Bureau), and the County. All projections provided in Section 4.11.1, Existing Environmental Setting, are projected levels of growth without the proposed project. Analysis of changes in levels of projected growth with the proposed project is provided in Section 4.11.5, Project Impacts.

Population. The County has experienced growth in the last three decades, averaging 50,000 new residents in each of the last three decades.¹ In 2005, the County reported that its population was 262,897 persons, with 1,608 persons residing in the San Miguel Urban Area and 101,629 persons in all unincorporated areas. According to County projections, the population is expected to increase by approximately 41 percent between 2005 and 2030. From 2005 to 2030, the population of the San Miguel Urban Area is projected to grow by 204 percent, from 1,608 persons to 4,898 persons, while the entire County is projected to increase from 262,897 to 370,092 persons. Table 4.11.A illustrates the projected population growth for the San Miguel Urban Area, unincorporated area, and the County from 2005 to 2030.

Table 4.11.A: Projected Household Population Growth from 2005 to 2030

	2005	2010	2015	2020	2025	2030
San Miguel	1,608	2,151	2,720	3,309	4,026	4,898
Unincorporated	101,629	112,082	123,637	135,474	148,391	162,654
San Luis Obispo County	262,897	282,515	302,893	323,604	345,906	370,092

Source: County of San Luis Obispo (2004). Housing Element Appendix G: Population Projections.
Bold/italicized text indicates population growth that would require an amendment to the General Plan.

Housing. According to the U.S. Census Bureau, in 2000 there were 503 housing units and a 7.0 percent vacancy rate in the San Miguel Urban Area; for that same year, there were 102,275 housing units and a 9.3 percent vacancy rate in the County. From 2000 to 2006, housing in the

¹ SLOCOG (2005). Chapter 2, Regional Growth. Web site: http://www.slocog.org/Library/PDF/Reports_Publications/4_Regional%20Trans%20Plan/2005%20Final%20RTP%20Components/Chapter_2.pdf, accessed January 14, 2008.

County increased by 11.7 percent, to 114,213 units, and the vacancy rate increased to 10.7 percent. The County’s Housing Element reports that the San Miguel Urban Area has a relatively high percentage (over 10 percent) of overcrowded housing units, typically indicating an inadequate supply of housing for the local workforce. Based on County staff review of existing vacant land in the San Miguel URL, there is sufficient available land for development of approximately 720 additional dwelling units.¹

Table 4.11.B provides the housing stock characteristics in 2004 in the County, which includes single-family homes, moderate-density townhomes, higher-density condominiums, and mobile homes. Table 4.11.C provides housing projections for the County from 2000–2030.

Table 4.11.B: Housing Stock Characteristics in San Luis Obispo County (2004)

Type	Unincorporated		County	
	Number	Percent	Number	Percent
Single-family, detached	32,122	74.8	70,185	65.5
Single-family, attached	1,278	3.0	6,174	5.7
Multi-family (2–4 units)	1,926	4.5	8,314	7.7
Multi-family (5+ units)	1,208	2.8	11,107	10.4
Mobile homes, other	6,418	14.9	11,527	10.7
Total	42,952	100	107,307	100

Source: SLOCOG, 2004 Regional Profile: Housing.

Table 4.11.C: Housing Projections in San Luis Obispo County for 2000–2030

	2000	2005	2010	2015	2020	2025	2030
Housing units	102,275	110,793	120,653	131,263	142,806	155,365	169,027

Source: State Department of Finance. Table 1: E-5 County/State Population and Housing Estimates, Revised 1/1/2006.

The Regional Housing Needs Plan (RHNP) determined that the unincorporated area of the County needs an additional 7,020 housing units between 2001 and 2008, specifically 1,029 very-low-income housing units, 778 low-income housing units, 929 moderate-income housing units, and 4,284 above-moderate-income housing units. In the existing condition, neither the Development project site nor the Wastewater Treatment Plant expansion site are developed with residential uses. The Wastewater Treatment Plant expansion site is designated Residential Suburban (RS) and Agriculture (AG) in the County’s General Plan.

Employment. In 2000, the U.S. Census Bureau reported that the civilian employment total was 765 persons for the San Miguel Urban Area and 116,868 persons for the County. The unemployment rate was 5.6 percent and 5.9 percent, respectively, for the San Miguel Urban Area and the County in 2000. In 2004, SLOCOG reported an increase in the unemployment rate for the

¹ Elizabeth Kavanaugh, Planner, County of San Luis Obispo. October 2008.

San Miguel Urban Area to 9.4 percent (the largest unemployment rate for all of the unincorporated areas of the County at that time). However, in 2006, the County’s unemployment rate dropped to 5.3 percent, while the civilian labor force increased 11 percent to 129,731.

The County’s remote location makes it difficult to attract large employers or companies to the area. The labor force and industry employment is highest for service-providing (84,500), government (22,400), and leisure and hospitality (14,100) employment. The County has the eighth-lowest median wage rates among the 10 coastal counties from San Diego to San Francisco. Table 4.11.D provides employment projections for the County from 2005 to 2025.

Table 4.11.D San Luis Obispo County Employment Projections 2005–2025

	2005	2025	Job Growth
Countywide	103,100	137,123	34,023
Unincorporated areas	30,105	43,351	13,246

Source: County of San Luis Obispo (2006) Public Facilities Financing Plan.

In its existing condition, the Development site provides direct employment for one individual who farms the land. Including direct, indirect, and induced employment multipliers for the Central Coast region of the State, the projected agricultural output associated with the production of barley on the Development project site would account for approximately 1.1 jobs in the County.¹ Including direct, indirect, and induced employment multipliers, use of the project site for the production of wine grapes could (in theory) yield approximately 39 agricultural industry-related jobs in the County.² Refer to Table 4.4.H for additional information regarding on-site employment. The Wastewater Treatment Plant expansion site is vacant.

¹ Refer to Section 4.4 of this EIR for additional information. The estimated employment multiplier associated with the production of barley was determined by dividing the total value of grain, seed, and cotton production (\$7,000,000) by the number of workers engaged in this specific agricultural enterprise (241) in the Central Coast region. The resulting value is approximately \$29,046 of crop value per agricultural worker. Therefore, \$26,620 (on-site production)/\$29,046 (average production per worker) = 0.916 workers on site x 1.21 (multiplier) = 1.10 total jobs. From Table 5.9.A, *The Measure of California Agriculture 2006*, Agricultural Issues Center University of California, November 2006.

² The estimated employment common in the production of wine grapes was determined by dividing the total value of vegetables, nuts, and fruit production (\$3.095 billion) by the number of workers engaged in this specific agricultural enterprise (30,316) in the Central Coast region. The resulting value is approximately \$102,091 dollars of crop value per agricultural worker. Therefore, \$2.424 million (on-site production)/\$102,091 (average production per worker) = 23.74 workers on-site x 1.66 (multiplier) = 39.4 total jobs. From Table 5.9.A, *The Measure of California Agriculture 2006*, Agricultural Issues Center University of California, November 2006.

4.11.2 Regulatory Setting

Regional Housing Needs Plan. Local jurisdictions are required by State law (Government Code Section 65580 et seq.) to plan for their fair share of projected housing construction needs in their region. Housing unit construction goals are set by the California Department of Housing and Community Development (HCD) and allocated to cities through regional planning agencies such as SLOCOG. In the County this is called the RHNP. The future housing need determined for the region was based on three major factors:

- Household growth foreseen by the HCD, which is based on the State Department of Finance forecasts
- Vacant owner and renter units, allowing for residential choice based on local historical trends
- Units potentially needed to replace housing units lost due to conversion, demolition, or natural disaster determined by a statewide average housing unit loss rate and housing markets

Therefore, it was determined by HCD in June 2002 that SLOCOG’s regional housing needs for the planning period of January 2001 to July 2008 would be 18,035. The RHNP further identified total projected need by city and county jurisdiction within SLOCOG’s region. Table 4.11.E shows the recommended share of this housing need by agency within the SLOCOG jurisdiction (City, County, and unincorporated area). The housing allocation includes very-low-income, other low-income, moderate-income, and above-moderate-income housing.

Table 4.11.E: Recommended Housing Allocation by Income Category, 2001–2008

Agency	Very Low	Low	Moderate	Above Moderate	Total Projected Need
Arroyo Grande	310	223	259	400	1,192
Atascadero	345	254	304	456	1,359
Grover Beach	178	142	166	200	686
Morro Bay	185	122	129	162	599
Paso Robles	627	467	520	651	2,266
Pismo Beach	150	102	105	173	531
San Luis Obispo	1,484	844	870	1,185	4,383
County Unincorporated	1,029	778	929	4,284	7,020
Regional Total	4,308	2,933	3,283	7,511	18,036

Source: SLOCOG, The Regional Housing Needs Plan (2003).

County of San Luis Obispo Housing Element. The County’s Housing Element provides an inventory of existing and available housing and an assessment of affordable housing needs and potential sites for the County. The Housing Element meets the requirements of State law and achievable certification of HCD. Table 4.11.F provides the housing need distributed by income as identified in the Housing Element for the unincorporated County areas, which include the project site, as well as the remaining housing need as of 2003 (4,581 units).

Table 4.11.F: Unincorporated County Share of Housing Needs, 2001–2008

Income	Number of New Units Required	Percent	Achieved by 2003	Remaining Housing Need
Very Low (50 percent of median income)	1,029	15	359	1,448
Low (50 percent–80 percent of median income)	778	11		
Moderate (80 percent–120 percent of median income)	929	13	152	777
Above Moderate (over 120 percent of median income)	4,284	61	1,928	2,356
Total	7,020	100	2,439	4,581

Source: County of San Luis Obispo Housing Element (2004).

The County assessed areas of the County that could help achieve the housing goals. The County determined that in order to achieve the need for additional very-low-income and low-income housing, 26 units/ac would be necessary, and to achieve to need for additional moderate-income housing, 10–15 units/ac would be necessary.

The following objectives and programs of the County’s General Plan Housing Element are applicable to the proposed project:

Housing Element Objectives 1(HE 1). The County of San Luis Obispo will facilitate development of 3,554 new housing units during the 2004 to 2009 planning period broken down by the following:

Very Low Income	533
Other Low Income	391
Moderate Income	462
Above Moderate Income	2,168
Total New Housing Units	3,554

Program HE 1.1: Designate More Residential Land. The County of San Luis Obispo will amend the Land Use Element to designate additional land in the Residential Multi-Family and Residential Single Family land use categories to accommodate housing needed during the next five years and beyond.

Growth Management Ordinance (Ordinance No. 2477). Adopted as Title 26 of the County Code, the Growth Management Ordinance (Ordinance No. 2477) establishes standards and review procedures regarding residential development permits to minimize adverse effects to community services and resources necessary to support existing and proposed new development. The Growth Management Ordinance applies to all dwelling units proposed to be developed in the unincorporated County after adoption of the ordinance. The ordinance requires review of all construction permits by the Building and Planning Department to ensure that the number of dwelling units is in compliance

with Maximum Annual Allotment, which is limited to an amount sufficient to accommodate an annual increase of 2.3 percent in the number of dwelling units.

4.11.3 Methodology

The effects of the proposed project are evaluated below to determine whether they will result in a significant adverse impact on the environment. Using demographic information provided by agencies such as SLOCOG, the State of California Department of Finance, the U.S. Census Bureau, and the County, this section compares existing population and housing characteristics and goals to the proposed project impacts and evaluates consistency with agency information and requirements.

4.11.4 Impact Significance Criteria

The following criteria are based on the County's Initial Study, the Initial Study checklist, and Appendix G of the State CEQA Guidelines. The effects of the proposed project on population and housing are considered to be significant if the proposed project would:

- Threshold 4.11.1** 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)
- Threshold 4.11.2** Displace substantial numbers of existing housing or people, necessitating the construction of replacement housing elsewhere
- Threshold 4.11.3** Create the need for substantial new housing in the area

4.11.5 Project Impacts

- Threshold 4.11.1 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)**

Project implementation would require a General Plan Amendment, land use category change, Conditional Use Permit, and tract map to allow construction of 389 residential units and a variety of other uses. The proposed project would directly increase population, housing, and employment in the project area.

The proposed project would increase the population by approximately 1,179¹ net new residents and 63 employees² and would increase the amount of housing in the San Miguel Urban Area by 389 dwelling units not previously assumed in the General Plan. The projected population increase would

¹ Calculation reached assuming 3.03 new residents per household. Source: U.S. Census Bureau. Census 2000. American FactFinder. San Miguel CDP, California.

² Employee estimate based on the County's Public Facilities Financing Plan. 3.33 employees per 1,000 square feet of office space and 2.00 employees per 1,000 feet of retail space.

account for an approximate 36 percent increase over County 2020 population estimates (based on existing Development project site General Plan designations). Compared with the existing population of San Miguel in 2005 (1,608 residents), the addition of 1,179 new residents would represent a 73 percent increase in growth. Population growth associated with the proposed project would be a substantial increase over existing and forecast growth. This increase would exceed levels anticipated in plans adopted by the County and would therefore be potentially inconsistent with the population projections in the County General Plan Housing Element.

As mentioned above, the proposed project includes a General Plan Amendment that would result in the redesignation of 550 ac of land currently designated Agriculture (AG). Implementation of a General Plan Amendment would allow for additional population and housing growth and would be consistent with the Housing Element objectives and programs aimed at designating additional land in residential land use categories to accommodate housing needs. For example, Housing Element Program 1.1 states that the "County will amend the Land Use Element to designate additional land in the Residential Multi-Family (RMF) and Residential Single Family (RSF) land use categories to accommodate housing needed during the next five years and beyond." The proposed project includes RMF and RSF land use categories and would add residential land to the inventory.

In addition, the approved Housing Element facilitates development of only 3,554 housing units in the County from 2004 to 2009, even though as of 2003 the RHNP required 4,581 housing units to be built by July 2008. Therefore, the proposed project would potentially supply the County with additional housing opportunities to help meet the RHNP allocation. While the currently adopted RHNP time period expires in July 2008, the additional housing units proposed by the project may be applied toward future RHNP allocations.

The project does not contribute to the low- or very-low-income housing goals of the RHNP or the Housing Element; no "affordable" units are proposed.

As mentioned above, the proposed project would potentially increase the number of employees in the San Miguel Urban area by 63 employees. The commercial developments proposed with implementation of the project are limited to highway retail (i.e., fast food and/or gas station) and neighborhood retail/office that would serve the surrounding population of the San Miguel Urban Area and would not induce additional growth to the area. Project employment is not of sufficient magnitude to cause significant numbers of people to relocate to the area solely for employment purposes.

The proposed project also includes annexation of the San Miguel Ranch Development project site into the San Miguel Community Services District (CSD) to allow expansion of the San Miguel URL and the Urban Services Line (USL) and the expansion of the San Miguel CSD Wastewater Treatment Plant by the San Miguel CSD. As discussed in Section 4.14 of this EIR, the current capacity of the San Miguel CSD Wastewater Treatment Plant is 200,000 gallons per day (gpd), which is capable of serving a population of 2,847. The projected built-out population within the existing service boundary of the San Miguel CSD is 4,554, and the demand for wastewater treatment is expected to reach 341,523 gpd by 2035.¹ This population estimate includes all areas within the San Miguel CSD service area, including some outside the URL; it does not include the Development project site. In the

¹ Wallace Group. San Miguel Community Services District Wastewater Master Plan. January 2005.

existing condition, the wastewater flow to the San Miguel CSD facility is approximately 120,000 gpd, and the San Miguel CSD expects the facility to reach capacity within the next five to seven years¹ due to anticipated area growth associated with other planned projects.

The proposed project would expand the capacity of the Wastewater Treatment Plant to 400,000 gpd, which would accommodate 100,000 gpd from the Development project site and provide additional capacity for planned growth in the San Miguel CSD service area. The proposed project also includes the construction of wastewater service lines from the Wastewater Treatment Plant to the Development project site. As such, the proposed project would extend wastewater infrastructure to a previously undeveloped area and extend service to a site not considered in the San Miguel CSD's Wastewater Master Plan (January 2005). The extension of wastewater infrastructure, coupled with the expansion of the USL and increased capacity of the Wastewater Treatment Plant, would facilitate population growth on the Development project site and would be potentially inconsistent with the population projections and projected service demands in the San Miguel Wastewater Master Plan.

Potential Impact Summary: Class I. The project would result in a substantial direct population growth associated with proposed residential development not anticipated in the County's General Plan. In addition, the extension of wastewater infrastructure to the Development project site, the expansion of the USL, and increased capacity of the Wastewater Treatment Plant would facilitate population growth on the Development project site. Population growth associated with the proposed project and related potential impacts (e.g., water demand, wastewater treatment demand, land use, traffic) are analyzed in the appropriate sections of this EIR, as the project would induce substantial population growth to the San Miguel Urban Area. This unplanned growth would cause physical environmental effects on limited resources and other environmental issue areas, as discussed in other sections in this chapter, including agricultural resources, biological resources, potable water, sensitive visual areas, traffic, air quality, and noise. Mitigation measures are prescribed in the respective sections of this chapter for those resource issue impacts. No specific mitigation is solely applicable for reduction of the number of residents based on the project as proposed. Therefore, the substantial growth in population remains a significant, unavoidable, adverse impact.

Similarly, significant population growth on site was not anticipated in plans adopted by the County and the San Miguel CSD; potential inconsistencies with the County General Plan Housing Element and the San Miguel Wastewater Master Plan are the purview of those agencies and would be considered by agency decision makers.

Threshold 4.11.2 Displace substantial numbers of existing housing or people, necessitating the construction of replacement housing elsewhere

Threshold 4.11.3 Create the need for substantial new housing in the area

The proposed project would not displace any existing housing or a substantial number of people. In its existing condition, the site is used for dry farm grain production, and there are no buildings or

¹ Wallace Group. San Miguel Ranch – Wastewater Update for LSA. Memorandum dated December 18, 2007, from Steve Tanaka to J.M. Ellison.

structures located on site. Similarly, the Wastewater Treatment Plant expansion site is vacant. The Wastewater Treatment Plant expansion site is, however, designated Agriculture (AG) and Residential Suburban (RS) in the County's General Plan. Although the proposed project would not displace any existing housing, it would result in a loss of development potential for housing on the Wastewater Treatment Plant expansion site. This would be a less than significant impact because: (1) there are no current proposals to develop housing on the Wastewater Treatment Plant expansion site; (2) the proposed project would not displace existing housing or people; and, (3) the loss in residential housing potential would be offset by increased residential development potential on the Development project site. In addition, construction of replacement or new housing would not be necessary. No mitigation is required.

The proposed project would not create the need for substantial housing because it provides new housing and commercial retail/office uses to provide employment to local residents in the San Miguel Urban Area.

Potential Impact Summary: Class III. The proposed project would result in a less than significant impact related to the loss of development potential for housing on the Wastewater Treatment Plant expansion site. This would be a less than significant impact because: (1) there are no current proposals to develop housing on the Wastewater Treatment Plant expansion site; (2) the proposed project would not displace existing housing or people; and, (3) the loss in residential housing potential would be offset by increased residential development potential on the Development project site. No mitigation is required.

4.11.6 Cumulative Impacts

The purpose of this section is to evaluate any additional incremental impacts that the proposed project is likely to cause over and above the combined impacts of recently approved and proposed projects in the County. The impact area used to assess potential cumulative population and housing impacts is the County, because the proposed project would affect population and housing within the County. In the more immediate project vicinity, the County currently has 29 pending applications for developments that would result in the development of approximately 335 dwelling units.

As mentioned above, the proposed project would potentially add 389 dwelling units to the area. If the County approves all pending residential development applications, including the proposed project, the total population would exceed the General Plan population projections for the period between 2005 and 2030. The proposed project would require an amendment to the General Plan to accommodate the additional housing units implemented by the proposed project and the subsequent population growth. The exceedance over the existing General Plan population projections is not adverse in the Countywide study area context, and the residential nature of the proposed project addresses the existing and projected need for more housing in the County to accommodate projected growth.

Potential Cumulative Impact Summary: Class III. Although the project would result in a significant unavoidable project impact related to population growth, the project's contribution to cumulative population growth would be less than significant. The exceedance over the existing General Plan population projections is not adverse in the countywide study area context, and the residential nature of the proposed project addresses the existing and projected need for more housing in the County to accommodate projected growth.

4.11.7 Level of Significance Prior to Mitigation

Potential impacts associated with population growth on site are significant and adverse; however, no feasible mitigation would be applicable beyond the mitigation prescribed in other sections of Chapter 4.0. No impacts would result from the proposed residential development in terms of meeting County housing supply goals.

4.11.8 Mitigation Measures

Mitigation measures provided in sections of Chapter 4.0 would reduce impacts related to the physical environmental impacts caused by growth from the proposed project. No mitigation is required related to housing supply.

4.11.9 Level of Significance after Mitigation

Project impacts to housing supply are not significant. Population growth caused by the proposed project would be significant and adverse.