

5. Environmental Analysis

5.12 POPULATION AND HOUSING

This section of the Draft Environmental Impact Report (DEIR) examines the potential for population and housing impacts of the proposed Rancho San Gorgonio Specific Plan on the City of Banning, including changes in population, employment, and demand for housing.

The analysis in this section is based in part on information from:

- United States Census Bureau
- California Department of Finance
- California Employment Development Department
- Southern California Association of Governments

5.12.1 Environmental Setting

5.12.1.1 REGULATORY SETTING

State

California Housing Element Law

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

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

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

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

State of California housing element laws (California Government Code §§ 65580 to 65589) require that each city and county identify and analyze existing and projected housing needs within its jurisdiction and prepare goals, policies, and programs to further the development, improvement, and preservation of housing for all economic segments of the community, commensurate with local housing needs. The City of Banning's housing element was updated for the 2013–2021 period and adopted by City council in February 2014.

Regional

Southern California Association of Governments

The Southern California Association of Governments (SCAG) represents Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties. It is a regional planning agency and serves as a forum for addressing regional issues concerning transportation, the economy, community development, and the environment.

Regional Transportation Plan/Sustainable Communities Strategy

The 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) was adopted in April 2016 (SCAG 2016). Major themes in the 2016 RTP/SCS include integrating strategies for land use and transportation; striving for sustainability; protecting and preserving existing transportation infrastructure; increase capacity through improved systems managements; providing more transportation choices; leveraging technology; responding to demographic and housing market changes; supporting commerce, economic growth and opportunity; promoting the links between public health, environmental protection and economic opportunity; and incorporating the principles of social equity and environmental justice into the plan.

5.12.1.2 EXISTING CONDITIONS

Population

Population counts from the 2010 US Census, 2015 California DOF estimates, and 2012 and 2035 SCAG forecasts are shown in Table 5.12-1 for the City of Banning and Riverside County. SCAG forecasts are based on general plan land use designations and buildout projections for the City and county.

The population of the City of Banning is expected to increase by over 25 percent during the 2010–2040 period, and Riverside County is expected to increase population by over 45 percent.

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Table 5.12-1 Population Projections, City of Banning and Riverside County

	2010	2012	2015	2040	Change, 2010-2040	Percent Change, 2010-2040
City of Banning	29,603	30,100	30,491	37,600	7,997	27.0%
Riverside County	2,189,641	2,245,100	2,308,441	3,183,700	994,059	45.4%

Sources: USCB 2014a; DOF 2015; SCAG 2016.

The portion of Banning south of Interstate 10, which includes the project site, consists of four census block groups within Census Tract 438.13. Census Tract 438.13 had a total population of 7,535 in the 2010 Census.¹

Housing

In 2010, 12,144 housing units in Banning were counted in the US Census (see Table 5.12-2). The vacancy rate was 10.8 percent; 68 percent of the occupied units were owner occupied. The vacancy rate in Banning was lower than the 14.3 percent rate for Riverside County. Approximately 80 percent of housing units in Banning are estimated to be single-family detached units. The average household size in Banning in 2015 is estimated to be 2.67, lower than the 3.22 average for Riverside County.

Table 5.12-2 Housing Units, City of Banning and Riverside County

	City of Banning	Riverside County
By Occupancy Status (2010 US Census Data)		
Owner Occupied	7,412	462,212
Renter Occupied	3,426	224,048
Total Occupied Units	10,838	686,260
Vacant Units	1,306	114,447
Vacancy Rate, Percent	10.8%	14.3%
Total Units	12,144	800,707
By Unit Type (2015 DOF Estimates)		
Single-Family Detached	9,182	559,700
Single-Family Attached	501	51,294
Multifamily	1,336	132,672
Mobile Homes	1,143	79,224
Total	12,162	822,910
Average Household Size	2.67	3.22

Sources: USCB 2014a; DOF 2015.

As shown in Table 5.12-3, the number of households in Riverside County is forecast to increase by 53.6 percent between 2010 and 2040. The number of households in Banning is forecast to increase to 14,000—a 29.2 percent increase from 2010.

¹ The census block groups in Census Tract 438.13 are 1000, 1008, 1025, and 1034.

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Table 5.12-3 Households Projections, City of Banning and Riverside County

	2010	2012	2040	Change, 2010–2040	Percent Change, 2010–2040
City of Banning	10,838	10,800	14,000	3,162	29.2%
Riverside County	686,260	694,400	1,054,300	368,040	53.6%

Sources: USCB 2014a; SCAG 2016.

Regional Housing Needs Assessment

The 2013–2021 Housing Element of the City of Banning General Plan, adopted by the City council in February 2014, contains the quantified objectives listed in Table 5.12-4 based on the RHNA for the 2013–2021 period issued by SCAG. The quantified objectives consist entirely of new construction; no rehabilitation or conservation/preservation of existing housing units is planned toward meeting the objectives.

Table 5.12-4 2013–2021 RHNA Affordable Housing Objectives

Income Category	Number of Units	Percentage of Total Units
Extremely Low	436	11.5%
Very Low	436	11.5%
Low	593	15.6%
Moderate	685	18.1%
Above Moderate	1,642	43.3%
Total	3,792	100%

Source: City of Banning 2014.

Employment

In 2011, there were approximately 5,365 jobs in Banning, and Banning residents held about 12,632 jobs. The estimated numbers of jobs in Banning and jobs of Banning residents by industrial sector are shown in Table 5.12-5.

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Table 5.12-5 2011 Employment by Industrial Sector

Industrial Sector	Jobs in Banning		Jobs of Banning Residents	
	Jobs	Percent of Total Jobs	Jobs	Percent of Total Jobs
Agriculture, Mining, Oil and Gas Extraction	0	0	261	2.1%
Manufacturing, Construction, and Utilities	353	6.6%	1,671	13.2%
Wholesale Trade, Retail Trade, Transportation and Warehousing	1,817	33.9%	2,787	22.1%
Information, Finance and Insurance, and Real Estate	348	3.6%	761	6.0%
Management of Companies; Public Administration; and Administration & Support, Waste Management and Remediation	304	5.7%	1,614	12.8%
Educational Services, Health Care, and Social Assistance	1,233	23.0%	2,472	19.6%
Arts, Entertainment, and Recreation; Accommodation and Food Services; and Other Services	1,310	24.4%	2,553	20.2%
Total	5,365	100%	12,632	100%

Source: USCB 2014b.

Employment Projections

Employment estimates and projections for the City of Banning and Riverside County for 2012 and 2040 are shown in Table 5.12-6. The forecast number of jobs in Banning and Riverside County in 2040 are expected to nearly double the estimated number of jobs in 2012.

Table 5.12-6 Employment Projections, City of Banning and Riverside County

	2012	2040	Change, 2012-2040	Percent Change, 2012-2040
City of Banning	7,300	14,200	6,900	94.5%
Riverside County	616,600	1,174,300	557,700	90.4%

Sources: SCAG 2016.

Unemployment

The unemployment rate in Banning in October 2014 was estimated at 9.7 percent; the corresponding rate for Riverside County was estimated at 8.4 percent (EDD 2014).

Jobs-Housing Balance

The jobs-housing ratio is a general measure of the total number of jobs and housing units in a defined geographic area, without regard to economic constraints or individual preferences. The balance of jobs and housing in an area—in terms of the total number of jobs and housing units as well as the type of jobs and the price of housing—has implications for mobility, air quality, and distribution of tax revenues. The jobs-housing ratio is one indicator of a project's effect on growth and quality of life in the project area. SCAG applies the jobs-housing ratio at the regional and subregional levels to analyze the fit between jobs, housing,

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and infrastructure. A major focus of SCAG's regional planning efforts has been to improve this balance. According to SCAG, jobs and housing are in balance when an area has enough employment opportunities for most of the people who live there and enough housing opportunities for most of the people who work there. Job-rich subregions have ratios greater than the regional average; housing-rich subregions have ratios lower than the regional average.

Ideally job-housing balance would assure not only a numerical match of jobs and housing but also an economic match in type of jobs and housing. However, Jobs-housing goals and ratios are advisory only. No ideal jobs-housing ratio is adopted in state, regional, or city policies. However, SCAG considers an area balanced when the jobs-housing ratio is 1.36; communities with more than 1.36 jobs per dwelling unit are considered jobs-rich; those with fewer than 1.36 are housing-rich. A job-housing imbalance can indicate potential air quality and traffic problems associated with commuting.

Based on 2012 estimates, the City of Banning and Riverside County are considered housing rich with jobs-housing ratios of 0.68 and 0.89, respectively. By 2040, both the City and County are expected to become significantly more balanced with the introduction of more employment in a housing-rich environment. Banning and Riverside County are expected to have increased jobs-housing ratios of 1.01 and 1.11, respectively.

Table 5.12-7 Jobs-Housing Balance

	Year	Employment	Households	Jobs-Housing Ratio
City of Banning	2012	7,300	10,800	0.68
	2040	14,200	14,000	1.01
Riverside County	2012	616,600	694,400	0.89
	2040	1,174,300	1,054,300	1.11

Source: SCAG 2016.

5.12.2 Thresholds of Significance

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

- P-1 Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).
- P-2 Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.
- P-3 Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

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The Initial Study, included as Appendix A, substantiates that impacts associated with the following thresholds would be less than significant:

- Threshold P-2
- Threshold P-3

These impacts will not be addressed in the following analysis.

5.12.3 Environmental Impacts

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

The maximum number of dwelling units to be allowed in the Specific Plan area is 3,385 units if Planning Area (PA) 9 and PA-16C are not developed as commercial or school uses, respectively, and instead are developed in accordance with their Residential Overlay Alternatives. Therefore, the analysis in this section analyzes a worst case buildup scenario of 3,385 residential units.

Impact 5.13-1: The proposed project would allow development of up to 3,385 residential units, which would directly result in a population growth of 9,038 residents in the Specific Plan area. [Threshold P-1]

Impact Analysis:

Population Growth

The proposed Specific Plan would permit development of up to 3,385 residential units² in the project area. Based on the City's average household size of 2.67, population growth due to the proposed project would be 9,038 residents. The estimated population growth due to project buildup exceeds SCAG's forecast population growth for the City of Banning (7,997 people) between 2010 and 2040 (see Table 5.12-1) by approximately 1,041 residents. Therefore, project-generated population growth would be a potentially significant impact.

Housing Growth

The proposed Specific Plan would allow for up to 3,385 additional homes. Table 5.12-3 shows that projected households would increase by approximately 3,162 households between 2010 and 2040. By using the City's current vacancy rate of 10.8 percent, the proposed 3,385 homes would equate to approximately 3,019 households. Therefore, the 3,019 households generated by the proposed project would not exceed SCAG's projected amount by 2040.

² The maximum number of dwelling units to be allowed in the Specific Plan area is 3,385 units if Planning Area (PA) 9 and PA-16C are not developed as commercial or school uses, respectively, and instead are developed in accordance with their Residential Overlay Alternatives. Therefore, the analysis in this section analyzes a worst case buildup scenario of 3,385 residential units.

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Jobs-Housing Balance

Buildout of the proposed project would include a 9.3-acre Neighborhood Commercial area in Planning Area 9 on the northwestern corner of the project site. This area would generate approximately 96 jobs.³ However, a Residential Overlay Alternative is allowed in lieu of the Neighborhood Commercial and School use designations in Planning Areas 9 and 16-C. If future market conditions indicate that all or a portion of the Neighborhood Commercial and School areas are not needed, residential uses may be developed instead.

Thus, the proposed Specific Plan is predominantly a residential project and is not expected to substantially increase jobs in the City. Based on SCAG's projections, the estimated change in the City's jobs-housing balance from 2012 to 2040 would increase from 0.68 to 1.01, making the City more balanced than existing conditions. Implementation of the proposed project would significantly increase residential units in the City compared to employment—either 3,385 homes with the Residential Overlay Alternative, or 3,133 homes and 96 jobs with development of the neighborhood commercial area. Both scenarios would decrease the City's jobs-housing ratio to a similar degree, approximately 0.82 and 0.83, respectively. However, a comparison of jobs-housing ratios with and without a proposed project is provided primarily for context and would not introduce any potentially significant impacts.

Overall, impacts on housing and job growth in the City due to the proposed Specific Plan would be less than significant, but impacts on population growth would be potentially significant.

5.12.4 Cumulative Impacts

Future development projects associated with buildout of the City's General Plan would include the development of residential and nonresidential uses in Banning; projections for net increases in population, housing, and employment in the City between 2010 and 2035 are discussed above in Section 5.12.1, *Environmental Setting*. The proposed project in combination with buildout of the City's general plan would not exceed the population, housing, and employment growth projections for the City. As a residential community, the proposed project would contribute to the City's housing-rich environment, which is consistent with SCAG's jobs-housing forecast for Banning in 2035. Overall, cumulative impacts are considered less than significant.

5.12.5 Existing Regulations

- California Housing Element Law: Government Code Section 65300

5.12.6 Level of Significance Before Mitigation

Without mitigation, the following impact would be significant:

³ Based on employment rates from the US Census Bureau, Longitudinal Employer-Household Dynamics for the two neighborhood shopping districts in Banning is a weighted average of 1,050 square feet per employee (9.3 acres x 43,560 square feet per acre x 0.25 FAR / 1,050 = 96 employees) (USCB 2014b).

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- Impact 5.12-1 Buildout of the proposed Specific Plan would introduce up to 9,038 residents, which would exceed 2040 SCAG population projections for the City by approximately 1,041 residents.

5.12.7 Mitigation Measures

No feasible mitigation measures are available.

5.12.8 Level of Significance After Mitigation

Impacts would be significant and unavoidable.

5.12.9 References

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