

Chapter 6

Growth Inducement

CEQA requires that an EIR evaluate the “growth-inducing” effects of a proposed project. Specifically, CEQA Guidelines Section 15126.2(d) requires that an EIR:

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

A project can directly or indirectly induce growth. Construction of new housing would directly induce population growth. However, if a project creates substantial new permanent employment opportunities, it could indirectly induce growth by stimulating the need for additional housing and services to support the new employment demand. It could also indirectly induce growth by removing infrastructure limitations or regulatory constraints on a required public service, such as roads or water service. The following discussion is based on a program-level EIR analysis of the City’s Housing Element Update (HEU) impacts in regards to growth inducing conditions. Information in this section was obtained from the San Diego Association of Governments (SANDAG) estimates, SANDAG Series 12 2050 Regional Growth Forecasts and the City’s draft Housing Element.

6.1 Population and Housing Growth

As discussed above, the HEU does not propose the construction of new housing or other development; rather it provides capacity for future development consistent with State Housing Element Law. Implementation of the HEU would not induce direct population and housing growth in the City because the HEU policies and implementation programs are

intended to accommodate and encourage housing development, in order to meet existing and projected housing needs as established through the Regional Housing Needs Assessment (RHNA) process. This is to accommodate the growth forecast and, therefore, does not directly induce growth.

The State of California Department of Finance is responsible for developing the total state-wide housing demand projection. With the State Department of Housing and Community Development, this demand is apportioned to each of the state's regions. SANDAG is responsible for allocating the San Diego region's projected new housing demand in each of its member jurisdictions through the RHNA process (see Chapter 3.0, Project Description). The allocation takes into account factors such as market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, and others. As discussed in Section 3.2, 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 over a specified planning period. Thus, the HEU contains policies and implementation programs that would provide for housing development to accommodate the City's share of the regional housing need as identified in the RHNA prepared by SANDAG.

Based on SANDAG data, the City is expected to have an increase of 2,317 housing units and a population increase of 12,750 people between 2015 and 2035 (SANDAG 2015a and 2015b; see Table 4.11-2). While the HEU is intended to allow additional housing to be permitted immediately subsequent to the adoption of the rezone program, the complete buildout of housing sites is not foreseen to potentially occur until 2035 or later, based upon current rates of market absorption. Table 6-1 depicts the three housing strategies identified by the City to accommodate projected housing growth to the buildout year 2035.

Table 6-1 Yield of Proposed Housing Sites in the City of Encinitas						
Housing Strategy	Parcel Area (Net)	Existing Residential Units	Adopted General Plan Yield	Proposed Residential Yield	Increase in Units	Increase in Population*
Strategy 1: Ready Made (RM)	82.16	19	455	1,930	1,911	5,121
Strategy 2: Build Your Own (BYO)	85.77	9	187	1,853	1,844	4,942
Strategy 3: Modified Mixed Use Places (MMUP)	150.21	925	808	3,261	3,169	8,493
*Based on the 2035 forecasted 2.68 persons per household (SANDAG 2015).						

State law requires the City to accommodate the production of housing to meet its fair share of the regional housing needs distribution made by SANDAG. The permitted mixed use housing and commercial growth identified in the City's HEU would allow the City to address its regional fair-share housing obligations. Thus, adoption of the HEU would not

directly induce population growth; rather it provides a means to meet projected future housing needs in the community.

All three housing strategies were compared to the City's adopted General Plan and 2035 SANDAG forecast for population and housing units. The housing strategies are estimated to result in the following buildout projections:

- Under the projected buildout conditions of housing strategy 1 (RM), the HEU would add approximately 1,911 residential units to the adopted General Plan yield of 455 residential units, and a population increase of 5,121 people. Compared to the SANDAG 2035 forecast, housing strategy 1 (RM) would result in a lower housing unit and population increase than forecasted by SANDAG.
- Under projected buildout conditions of housing strategy 2 (BYO), the HEU would add approximately 1,844 residential units to the adopted General Plan yield of 187 residential units, and a population increase of 4,942 people. Compared to the SANDAG 2035 forecast, housing strategy 2 (BYO) would result in a lower housing unit and population increase than forecasted by SANDAG.
- Under the projected buildout conditions of housing strategy 3 (MMUP), the HEU would add approximately 3,166 residential units to the adopted General Plan yield of 808 residential units, and a population increase of 8,485 people. Compared to the SANDAG 2035 forecast, housing strategy 3 (MMUP) would result in a higher housing unit and population increase than forecasted by SANDAG.

It should be noted that the buildout yields are *potential* yields. With application of the floating new zone approach to implementation, a buffer of units in addition to the minimum RHNA allocation is needed to assure compliance with no net loss of adequate sites law, such that the RHNA allocation can be achieved. Full realization of this buildout is unlikely. Out of the three strategies, housing strategy 1 (RM) and housing strategy 2 (BYO) would accommodate projected housing growth and would not directly induce growth as each would result in a lower housing unit and population increase than SANDAG forecasts. However, housing strategy 3 (MMUP) could indirectly induce growth by providing for a land use intensity that slightly exceeds projected growth of the SANDAG 2035 forecasts. (For more detailed discussions on each housing strategy, see Chapter 3.0, Project Description; and Section 4.11, Population and Housing).

6.2 Removal of an Impediment to Growth

The lack of adequate infrastructure, including roads, water, and sewer service and police and fire protection are typically considered impediments to growth, since growth is either typically prohibited in such areas or development cannot feasibly occur where such infrastructure is not present. The HEU does not propose the construction or expansion of new housing, services, or other infrastructure development; rather it accommodates for future development consistent with State Housing Element Law. A vast majority of the permitted future residential units and commercial uses would occur as infill development

and redevelopment within urbanized areas already served by essential roads, utilities, and public services. Therefore, the HEU would not remove an impediment to growth.

6.3 Foster Economic or Employment Growth

Commercial uses permitted within the mixed use housing sites would generally be composed of local neighborhood-serving retail, service and office uses, intended to serve the residents of new and existing housing in the immediate area. As a result, the additional commercial and mixed use activity would not be considered growth inducing in regards to significant economic or employment growth for the City under the HEU. Furthermore, the HEU does not propose or provide direct development rights to new major office or commercial centers that would encourage substantial economic or employment growth.

6.4 Conclusion

Overall, the HEU is not intended or considered to be growth inducing as it serves as a plan with programs and policies to accommodate projected growth as required by State law. The HEU would not remove an impediment to growth, develop, or encroach on an isolated or adjacent area of open space, or foster economic and employment expansion. As discussed above, housing strategies 1 (RM) and 2 (BYO) accommodate projected population growth and would not be considered growth inducing as the number of additional housing units and population increase is within projected SANDAG forecasts; whereas housing strategy 3 (MMUP) has the potential to indirectly induce growth by providing for a higher land use intensity and capacity that exceeds projected growth in the 2035 SANDAG forecast. Regardless, the opportunities to provide housing would be consistent with the City's desire to establish a healthy housing base for the community and comply with State law.