

16 POPULATION AND HOUSING

This chapter provides an evaluation of the potential environmental effects of implementing the proposed 2030 Merced County General Plan (2030 General Plan) on population and housing. As established in the Notice of Preparation (see Appendix A, *Notice of Preparation*), urban development and other activities subject to the updated General Plan may induce population growth and result in impacts to existing housing resources within Merced County.

The following environmental assessment includes a review of the locations where population growth may occur, and the housing potentially affected and needed by the implementation of the 2030 Merced County General Plan. The assessment includes a description of the existing population and housing stock. Also assessed are the effects that could result from urban development that would be allowed under the proposed 2030 General Plan.

This analysis includes a review of applicable regulations, requirements, plans, and policies from the following state and County sources:

- State Housing Element Law
- Regional Housing Needs Allocation (RHNA)
- California Relocation Law
- Merced County Association of Governments (MCAG)
- Merced County 2010 Housing Element.

The existing conditions review pertaining to population and housing within Merced County includes: an overview of the existing population estimates for the incorporated and unincorporated portions of the county, population trends, the existing number of dwelling units, housing trends, and data on the number of persons per household. Data also examine the amount of inventoried land currently available to accommodate the housing needs by 2015 (based on the 2010 Housing Element). Population and housing information was acquired through research, review, and examination of the recently updated 2010 Merced County Housing Element, California Department of Finance (DOF) population estimate data, MCAG population estimates and growth projections, and 2000 and 2010 U.S. Census data. Rules and regulations influencing population and housing were identified by a review of state regulations including housing program requirements, and the local agency General Plans and Housing Elements. Potential impacts related to population and housing, compiled and analyzed based on California Environmental Quality Act (CEQA) assessment criteria, were determined by comparing potential urban development that would likely be constructed under total buildout of the 2030 General Plan to the existing environment, using housing needs according to RHNA requirements and other standards adopted by Merced County.

16.1 SETTING

The environmental and regulatory setting of Merced County with respect to population and housing is summarized in both the Demographics and Economics, and Housing sections of the General Plan Background Report (Merced County 2007; updated 2012). That document is incorporated by reference into this Draft PEIR pursuant to State CEQA Guidelines Section 15150 as though fully set forth herein. Because California law requires that a General Plan Housing Element be updated every five years and approved by the Department of Housing and Community Development

(HCD), population and housing conditions are described in detail in the previously adopted 2010 Merced County Housing Element, including a comprehensive assessment of current and projected housing needs for all economic segments of the community. These documents are incorporated by reference into this Draft PEIR pursuant to State CEQA Guidelines Section 15150 as though fully set forth herein. The updated Background Report and the Housing Element are available for download from the Merced County General Plan website at:

<http://www.co.merced.ca.us/index.aspx?NID=1926>.

Copies of the Background Report and the 2010 Housing Element may be viewed during standard business hours (8:30 a.m. to 4:30 p.m.), Monday through Friday, at the Merced County Planning and Community Development Department, 2222 M Street, Merced, California 95340, and at the Main Branch of the Merced County Library located at 2100 O Street, Merced California 95340.

16.1.1 ENVIRONMENTAL SETTING

Discussion of the population and housing setting in the General Plan Background Report describes the demographics and economics within the county, but only briefly summarizes the population and housing within the county. In more detail, the 2010 Merced County Housing Element includes a Background Report (Part II, Chapter 5, of Housing Element). It is the information contained in the 2010 Housing Element that provides the environmental setting. This document provides an overview of the state requirements that address the existing and projected housing needs of all economic segments of the community. The document also identifies the extent of the county's current housing stock, its housing needs, an analysis of population and employment trends, household characteristics, and an inventory of land suitable for residential development to meet the RHNA requirements. Population and housing topics discussed in the Housing Element Background Report include the following selected environmental setting conditions, as they relate to issues evaluated in this Draft PEIR pursuant to CEQA:

EXISTING NEEDS ASSESSMENT

- **Population.** California's guidelines for preparing Housing Elements identify two primary sources for population and housing data: the U.S. Census and the State Department of Finance. Using these data sets, a "baseline" housing stock and demographic profile is established to define the population, employment, and housing characteristics of Merced County. According to historic population data (provided from 1950 to 2008, with updates in 2011), the county population grew at an average annual growth rate (AAGR) of 2.8 percent, with the majority of the population growth occurring in the incorporated cities, particularly Los Banos. According to California Department of Finance (DOF) data compiled in July 2010, the cities of Merced and Livingston also experienced significant population increases since 2000, with up to a 23 percent increase in Merced and a 24 percent increase in Livingston over a 10-year period. There was a 25 percent increase in the unincorporated county.

- As of 2010 the population of Merced County was 255,793, with a population of 166,626 (65 percent) in incorporated areas and a population of 89,167 (35 percent) in unincorporated areas. This total county population reflects a 21 percent increase over year 2000 population estimates, and the county's population change approximately doubled compared to the decrease in the state's population. Table 16-1 depicts the population distribution and trends in the incorporated and unincorporated portions of the county over the past decade.

Jurisdiction	2000	2010	Absolute Change	% Change
Atwater	23,113	28,168	5,055	21.9%
Dos Palos	4,385	4,950	565	12.9%
Gustine	4,698	5,520	822	17.5%
Livingston	10,473	13,058	2,585	24.7%
Los Banos	25,869	35,972	10,103	39.1%
Merced	63,893	78,958	15,065	23.6%
Incorporated County	132,431	166,626	34,195	25.8%
Unincorporated County	78,123	89,167	11,044	14.1%
County Total	210,544	255,793	45,239	21.5%
California	38,873,086	37,253,956	-1,619,130	-4.2%

Source: California Department of Finance, 2011a.

As shown in Table 16-1, Merced County has experienced significant population growth in the past, and this growth is forecasted to continue. According to the MCAG population forecasts, the county is projected to add approximately 175,507 new residents by 2030, increasing the county's total population by approximately 68 percent. Population increases would result in a total of 264,700 residents within incorporated cities, and 166,600 residents within unincorporated communities, for a total of 431,300¹ residents in the county. By comparison, the state is expected to grow by 37 percent during this same time period (U.S. Census 2010). Table 16-2 outlines the forecasted population projections for Merced County.

When comparing Table 16-1 with Table 16-2, it is evident that MCAG has anticipated that a much higher rate of growth will occur in the unincorporated portion of the County in the future than is reflected in the historic 2000 to 2010 time period. From 2000 to 2010, 24.3 percent of the population growth occurred in the unincorporated County area, but MCAG is projecting the unincorporated County area to account for 38.5 percent of the growth in the County by 2030.

¹ This number represents the latest forecast adopted by MCAG. However, the San Joaquin Valley Regional Blueprint Planning Program operated out of the Fresno COG has produced a report entitled: "San Joaquin Valley Demographic Forecast-2010 to 2050." This report produced much lower forecasts for the 8 counties in the San Joaquin Valley, and Merced is projected to only have a 2030 population of 356,000. This number is used for Blueprint related planning efforts, and the Fresno COG website indicates that they will request that the California Department of Finance revisit the projections upon which the MCAG forecasts are based.

Location	Total Population		% Change
	2010 (Existing Population)	2030 (MCAG Projection)	
Cities			
Atwater	28,168	42,700	51.6%
Dos Palos	4,950	8,500	71.7%
Gustine	5,520	9,000	63.0%
Livingston	13,058	20,600	57.8%
Los Banos	35,972	67,100	86.5%
Merced	78,958	116,800	47.9%
Subtotal	166,626	264,700	58.9%
Remaining Unincorporated Areas			
Subtotal	89,167	166,600	86.8%
Total	255,793	431,300	68.6%

Source: California Department of Finance, 2011, Table E-4, MCAG, 2010.

- Employment.** According to data from the California Employment Development Department (EDD), the agricultural industry continues to be one of the county’s largest employers. As shown in Table 16-3, unemployment rates have increased over the 10-year period from 9.6 percent in 2000 to 18.9 percent in 2011. State unemployment rates have increased from 4.9 percent to 12.4 percent during the same time period.

Employment by Industry Category	Merced County				California			
	2000		2010		2000		2010	
Civilian Labor Force	90,300	100%	107,400	100%	16,857,500	100%	18,176,200	100%
Civilian Employment	81,600	90%	87,100	81%	16,024,300	95%	15,916,300	88%
Civilian Unemployment	8,700	10%	20,300	19%	833,200	5%	2,259,900	12%
Civilian Unemployment Rate	9.6%		18.9%		4.9%		12.4%	
Total, All Industries	63,800	100%	66,000	100%	14,896,700	100%	14,278,000	100%
Total Farm	11,600	18%	10,500	16%	408,500	3%	381,600	3%
Total Nonfarm	52,200	82%	55,500	84%	14,488,200	97%	13,896,400	97%

Source: California Employment Development Department, 2011. *Employment by Industry Data, Historical Annual Average Data: 2000-2010*. Accessed on February 9, 2012 at <http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=166>.

- Employment Projections.** MCAG projections show that the county will add roughly 40,000 jobs between 2010 and 2030, and job growth rates in both incorporated cities and unincorporated areas are expected to increase by approximately one percent (unincorporated county) to almost two percent (incorporated county). As shown in Table 16-4, job growth rates in both incorporated cities and unincorporated areas are expected to increase most quickly from 2015 to 2020.

	Unincorporated Merced County		Incorporated Merced County		Countywide	
	Number	AAGR	Number	AAGR	Number	AAGR
2010	31,800	--	63,400	--	95,200	--
2015	33,300	0.9%	70,600	2.2%	103,900	1.8%
2020	37,300	2.3%	79,500	2.4%	116,800	2.4%
2025	39,500	1.2%	88,600	2.2%	128,100	1.9%
2030	41,600	1.0%	95,600	1.5%	137,200	1.4%

Source: Merced County General Plan Housing Element, 2010.

- Household Characteristics.** The rate of home ownership in the county has increased over the past two decades, and has been significantly higher than the state average. However, the housing vacancy rates have also recently increased. Table 16-5 summarizes the number of housing units in Merced County from 2000 to 2010. As shown, the incorporated cities within Merced County added 11,335 additional housing units, or an increase of 26 percent. Within the unincorporated county, an additional 2,970 housing units were added over the 10-year period, or a 12 percent increase. Statewide, 1.5 million additional housing units were added, which translated to a 12 percent overall increase.

	2000 Units	2010 Units	Change in Units
Incorporated Merced County			
Atwater	8,114	9,771	1,657
Dos Palos	1,437	1,700	263
Gustine	1,763	2,087	324
Livingston	2,449	3,320	871
Los Banos	8,049	11,375	3,326
Merced	21,532	27,446	5,914
Total Units	44,344	55,699	12,355
Unincorporated Merced County			
Total Units	25,029	27,999	2,970
Merced County Total			
Total Units	69,373	83,698	15,325
California			
Total Units	12,214,550	13,680,081	1,465,531

Source: California Department of Finance, 2011a., 2011b Table E-5, Table E-8, 2011. Accessed on February 9, 2012 at <http://www.dof.ca.gov/research/demographic/reports/estimates/>

- Vacancy Rates.** According to the California Department of Housing and Community Development (HCD), the desired vacancy rates necessary to provide stable housing are approximately 2 percent for the for-sale housing and 5 percent for rental housing. Between 2005 and 2009, Merced County had a total of 82,000 housing units, 11 percent that were vacant. According to the DOF’s 2011 population and housing estimates, the unincorporated county had 8,070 vacant units, and a vacancy rate of 9.62 percent.
- Housing Mix.** The majority of the housing units in the county consist of single-family homes. From 2000 to 2008, 3,395 new housing units were constructed in the unincorporated county, 2,791, or 82.2 percent, were single-family homes. During this time, approximately 122, or 3.5 percent of all new units were multi-family units. The majority of these units contain family households versus non-family households, which include persons that live alone or groups of non-related individuals.
- Average Household Size.** The average household size was 3.24 persons in 2000 for both owner-occupied and renter-occupied units. According to the 2010 U.S. Census data, the average household size increased to 3.3 persons per housing unit, with 255,793 people residing in 75,642 occupied units. Table 16-6 depicts the average household sizes in Merced County compared to the state averages.

Table 16-6 Average Household Size in Merced County and California: 2000 and 2010				
	Merced County		California	
	2000	2010	2000	2010
Persons Per Household	3.25	3.3	2.87	2.96

Source: U.S. Census, 2000 and 2010.

- Housing Conditions.** Based on a windshield survey on the housing conditions, conducted in 1999, of 11,636 units surveyed, approximately 2,089 or 18 percent were dilapidated or in need of improvements.
- Tenure.** Tenure is a measure of the rates of homeownership in a jurisdiction and home equity is one of the largest single sources of household wealth for most Americans. While homeownership within the county increased from 61.7 percent to 64.9 percent from 1990 to 2000, it made a significant decline since 2007, following the housing market crash and foreclosure crisis.
- Housing Affordability.** Housing cost burdens refer to the proportion of households that “overpay” for housing. Current standards measure housing cost in relation to gross household income: households spending more than 30 percent of their income, including utilities, are generally considered to be overpaying or cost burdened. Severe overpaying occurs when households pay 50 percent or more of their gross income for housing. According to the State of Cities Data Systems: Comprehensive Housing Affordability Strategy (SOCDS CHAS) data from the 2000 Census, 29.6 percent of all households in the unincorporated county and 33.1 percent of all households in the incorporated county had a moderate housing cost burden in 2000, but housing cost burdens were more severe for households with lower incomes. The housing cost burden was generally higher among

owner households in Merced County in 2000. According to HUD the median family income for a four-person household was \$53,800 in 2007. A household with this income could afford to pay a monthly gross rent (including utilities) of up to \$1,399 for a four-bedroom rental unit or purchase a four-bedroom house priced at \$231,284 or below. With the recent decline in for-sale home prices throughout the state, and especially in Merced County, more and more homes would become affordable to lower wage earners.

- **Foreclosure Crisis.** Following a decade of exponential growth in the housing market, housing growth began to crash nationwide in the Fall 2006 after one of the biggest financial crises of the past half century. Declining home values and sharp interest rate resets have combined to drive foreclosures to record levels, and the losses to homeowners, communities, and investors have thrown the economy into one of the worst recessions in decades. Merced County is one of the hardest hit counties in both California and the United States. Merced County's foreclosure rate is nearly double that of California's rate and close to triple the nation's rate. Between June 2007 and May 2009, there were approximately 24,000 foreclosure filings in the county. Fueled by an oversupply of new homes, high unemployment, and the national recession, Merced County's median housing price had dropped to \$105,000 in May 2009, down from approximately \$380,000 in 2005. These foreclosures have led to several problems in the county including neighborhood blight, abandoned homes, increased crime activity, declining property values, loss in property tax revenue for the County, overcrowding, and numerous economic impacts.

RESOURCE INVENTORY

- **Available Sites Inventory.** Merced County contains several unincorporated urban communities (excluding new communities) that have parcels zoned for medium- and high-density residential development. The communities of Delhi, Franklin/Beachwood, Hilmar, Le Grand, Planada, Santa Nella, and Winton all contain vacant land that is zoned for medium- and high-density residential development. According to the 2010 Housing Element, assuming a buildout potential of 80 percent of the maximum density, there is an inventoried capacity of 166 moderate-income units, 1,825 lower-income units, for a total of 1,991 units.
- The Villages of Laguna San Luis has the potential to accommodate 14,386 dwelling units. The Specific Urban Development Plan (SUDP) for the Fox Hill Golf Course Community may have up to 3,460 dwelling units, although a minimum of 2,5000 dwelling units would be deed-restricted for active adult residences. The UC-Merced Campus would provide up to 266 dwelling unit equivalents (2.5 beds equals one dwelling unit). The University Community Plan would provide 11,616 dwelling units (6,968 single family and 4,648 multi-family dwelling units). According to the 2010 Merced County Housing Element, the County's RHNA would require that an additional 8,675 units are available by 2015.
- Merced County's residential holding capacity, which includes the total number of units that would be available by 2015, would provide approximately 30,927 total units, resulting in a surplus capacity for moderate and above-moderate income units, but a remaining need of 974 lower-income units, which is expected to be met through the rezoning of land within the University Community Plan area (not included in the comparison to RHNA requirements).

- **Adequacy of Public Facilities, Services, and Infrastructure.** As discussed below, existing water and sewer districts have limited additional capacity to serve new development. However, the majority of sites inventoried in the Housing Element would be located in new communities. These communities all have plans to provide adequate infrastructure.
- *Delhi County Water District (DCWD).* This District serves the community of Delhi with water and sewer services. In 2003, the DCWD provided water service connections to 2,197 residential equivalent housing units. The District has a total capacity of 5,150 gallons per minute (gpm), of which 3,500 is committed to existing development. The District has a total remaining capacity of 1,650 gpm. Requiring developers to pay for needed improvements through Assessment District Fees or by agreement and payment of up-front connection fees will provide additional capacity. In 2003, the DCWD provided wastewater service to 2,048 connections. The current wastewater treatment plant has a capacity of 0.8 mgd.
- *Franklin-Beachwood.* Franklin-Beachwood receives water through a private source, the Meadowbrook Water Company, which owns and operates four groundwater wells. According to the Meadowbrook Water Company, there is sufficient water capacity to serve the sites included in the 2010 Housing Element sites inventory.
- *The Franklin County Water District (FCWD).* This District provides wastewater services to the community of Franklin- Beechwood. FCWD provides sewer service to 651 connections, including residential units and three mobile home parks. Its total system capacity is 600,000 gallons per day (gpd), and it has an average wastewater flow of .371 mgd. The District's facilities include a wastewater treatment plant and two lift stations. It is preparing to install an additional regional lift station to serve the western portion of the District. District staff stated that these facilities are adequate to serve current demand.
- *Hilmar County Water District (HCWD).* This district serves the community of Hilmar with water, sewer, and stormwater disposal services. HCWD provides water to approximately 1,500 connections and all of its water comes from ground wells. HCWD currently operates three active wells and has a total capacity of 2.3 million gallons per day (mgd). Water usage has summertime peaks of up to 2 mgd but generally averages 1.7 mgd. The District reports that existing facilities are adequate to meet current demand; however, the system would need to be expanded if significant new development were to occur in Hilmar. The District provides wastewater service to approximately 1,490 connections. HCWD sewer facilities include five lift stations and a wastewater treatment plant that began operation in 2003. The wastewater treatment system has a permit for the discharge of up to 0.55 mgd; the District experiences average daily wastewater flow of 0.45 mgd. The District reports that existing facilities are adequate to meet current demand; however, there is limited capacity for new development.
- *Le Grand Community Services District (LGCSD).* This district serves the community of Le Grand with water and wastewater services. LGCSD provides water service to 485 connections. All water comes from groundwater wells. The District has a maximum production capacity of 1.8 mgd and an average usage of 0.3 mgd, indicating that the current facilities are adequate to meet current demand and sufficient to provide water to the sites included in the inventory. However, the District has experienced water quality problems, and the existing water delivery system is old and inefficient.

LGCWD provides wastewater service to approximately 485 connections. It maintains one lift station and a treatment plant with a permitted capacity of 350,000 gpd. The 12-month average wastewater flow for 2004- 2005 was 154,000 gpd. The District states that existing facilities are adequate to meet current demand.

- *Planada Community Services District (PCSD)*. This district serves the community of Planada with water and sewer services. The District currently provides potable water supplies to approximately 1,386 connections, with commitments to serve an additional 146 residential units. Current well capacity is estimated to be 4.32 mgd (3,000 gpm) with estimated peak hour demand accounting for approximately 92 percent of well capacity.
- The PCSD provides service to approximately 1,411 connections with commitments to serve an additional 79 (net new) connections. The maximum capacity of the existing wastewater treatment plant permitted by the Regional Water Quality Control Board is 0.53 mgd. The District engineers estimated the total average month daily inflow to be 0.518 gpd in 2008. A new plant will provide sufficient capacity to meet immediate development needs as well as long-term demand associated with buildout.
- *Santa Nella County Water District (SNCWD)*. This district currently provides commercial and residential water and wastewater service in the Santa Nella area. A majority of the Community Plan area is also within the boundaries of the San Luis Water District (SLWD) and some of the area is within the New Del Puerto Water District. SLWD and SNCWD recognize that the overlap in the boundaries and service areas of the two districts is unnecessary and creates administrative difficulties and additional expenses that will be exacerbated as the Plan area urbanizes. Therefore, SLWD and SNCWD have agreed to carry out a reorganization of the two public districts so that all land within the Plan area will be within the boundaries of SNCWD and no land within the Plan area will be within SLWD.
- SNCWD will require specific new infrastructure to serve the development anticipated in the Santa Nella Community Plan. The District's water production and distribution facilities include the San Luis Canal Water Treatment Plant (WTP). This plant is designed to accommodate 1.2 mgd maximum flow rate, with a peak capacity of 1.8 mgd. The District is currently planning the water infrastructure that will be necessary to serve the Santa Nella Community Plan.
- *Winton Water and Sanitary District (WWSD)*. This district provides water and sewer services to the community of Winton. WWSD serves 2,982 water connections and has a production capacity of 6.05 mgd. Daily average flow is 1.56 mgd. Facilities are considered adequate to meet current needs and demand within the Housing Element planning period. However, future growth will require additional infrastructure. The District provides wastewater collection services to 2,969 connections. WWSD has a wastewater capacity of 1 mgd reserved in the Atwater Treatment Plant and the District's actual sewer flow was .71 mgd in September 2006. As in the case of water, sewer facilities are adequate to meet current needs and the development anticipated in the Housing Element, but may not be adequate to serve future growth.

- *UC-Merced Campus.* The City of Merced, under a pre-annexation agreement, provides water and wastewater service to the UC Merced Campus. The existing infrastructure connections for water and sanitary sewer, constructed to serve the first phase of the campus, have the capacity to accommodate the remainder of campus growth.
- *University Community Plan.* This area is not currently (2012) served by any municipal water or sewer systems. Water supply and wastewater facilities would need to be developed to serve the new community. Water and sewer services would be provided to the community either by the City of Merced annexing the University Community Plan Area or by creating a new County service district. If annexed into the city, the University Community would connect to the City of Merced water supply system.
- *Villages of Laguna San Luis.* At buildout the Villages of Laguna San Luis would require 11,146 acre-feet per year (afy) in water. To meet the water demands of the Villages of Laguna San Luis project three water sources would provide the plan area water: 6,517 afy from existing Central Valley Project entitlements with groundwater banking to firm up supply, 3,000 afy from a water transfer from the San Joaquin River Exchange Contractors Water Authority, and 2,500 afy from a reclaimed water exchange. The Villages of Laguna San Luis is entitled to a proportionate share of water from the San Luis Water District (SLWD) Central Valley Project (CVP) water service contract. The contract provides for the delivery of 125,080 afy to SLWD. The Villages of Laguna San Luis may receive up to 13,034 afy of the total supply.

Because the Housing Element was prepared, updated, and adopted as a separate project, as part of the 2030 General Plan, it followed a different format, and no major findings of the Background Report with respect to population and housing were prepared.

16.1.2 REGULATORY SETTING

The Background Report's discussion of population and housing regulatory setting includes the following State and regional regulations:

STATE

- **State Housing Element Law.** Pursuant to Section 65580 of the Government Code, a Housing Element of a General Plan must contain local commitments to: 1) provide sites with appropriate zoning and development standards and with services and facilities to accommodate the jurisdiction's Regional Housing Needs Assessment (RHNA) for each income level, 2) assist in the development of adequate housing to meet the needs of lower and moderate income households, 3) address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities, 4) conserve and improve the condition of the existing affordable housing stock, 5) promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and 6) preserve assisted housing developments for lower income households.

- **Regional Housing Needs Allocation (RHNA).** The California Department of Housing and Community Development (HCD) identifies the supply of housing necessary to meet the existing and projected growth in population and households in the State, and passes a portion along to each of the State's 38 Councils of Governments (COG).
- **California Relocation Law.** The California Relocation Law, outlined in the California Public Resources Code Section 7260(b), requires the fair and equitable treatment of persons displaced as a direct result of programs or projects undertaken by a public entity. The law requires agencies to prepare a relocation plan, provide relocation payments, and identify substitute housing opportunities for any resident that is to be displaced by a public project.

MERCED COUNTY

- **Merced County Association of Governments (MCAG).** MCAG is a Joint Powers Authority consisting of Merced County and the six incorporated cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, and Merced. It is the County's designated Regional Transportation Planning Agency, responsible for preparing and administering State and Federal transportation plans for the Merced County area. In addition, MCAG is required by State law to determine existing and projected regional housing needs for the County. MCAG also prepares and maintains population and employment forecasts based on Department of Finance (DOF) projections for each jurisdiction's general plan. Compared to the DOF growth projections, MCAG projects a slightly lower population growth rate from 2005 to 2030 and a faster growth rate from 2000 to 2030.
- **Merced County 2010 Housing Element.** The most recent Merced County Housing Element was adopted in June 2010. It is intended to satisfy the State's housing requirements. The Housing Element consists of an existing needs assessment, future needs assessment, an inventory on available sites within the county and the adequacy of public facilities and infrastructure, and an assessment of potential housing constraints. It sets forth goals, policies, and implementation programs that meet the needs of all income segments of the community and future residents. This includes programs that will create affordable housing units, the designation of sites as potential locations for the construction of affordable housing, and programs to encourage and support the production, preservation, and rehabilitation of housing that is affordable to all economic segments of the community. The Housing Element is a required element of the General Plan, and was adopted on June 22, 2010 as part of the 2030 General Plan.

16.2 ENVIRONMENTAL EFFECTS

The population and housing and population and housing analysis evaluates whether implementation of the proposed urban development that would occur from total buildout under the 2030 General Plan project could result in adverse population and housing effects.

16.2.1 SIGNIFICANCE CRITERIA

The following criteria have been established to quantify the level of significance of an adverse effect being evaluated pursuant to State CEQA Guidelines Appendix G: Environmental Checklist Form, Section XIII. Population and Housing. Implementation of the 2030 General Plan would result in a significant population and housing impact if the Plan would:

- Induce substantial population growth, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure). (XII.a)
- Displace substantial numbers of existing housing units, necessitating the construction of replacement housing elsewhere. (XII.b)
- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere. (XII.c)

16.2.2 ANALYSIS METHODOLOGY

The population and housing evaluation includes a review of existing population estimates and housing conditions potentially affected by the implementation of the 2030 General Plan project and the total buildout envisioned under the Plan. Whether the County's existing population and housing stock would be affected by the proposed 2030 General Plan is based on how the Plan would facilitate development opportunities, and whether those activities would propose to replace or redevelop existing housing. The evaluation also determines whether the goals and policies in the 2030 General Plan promote responsible growth with the County, and the extent to which they would accommodate future development in an efficient manner that is compatible with the existing unincorporated communities. For the purpose of this evaluation, population and housing impacts are analyzed based on CEQA assessment criteria.

16.2.3 ENVIRONMENTAL IMPACTS

The following discussion examines the potential impacts of the proposed project based on the impact threshold criteria described above.

Impact POP-1: Induce substantial population growth, either directly or indirectly.

Implementation of the proposed 2030 General Plan would lead to urban development on lands identified for urban uses by the Plan. The 2030 General Plan also contains policies to locate and manage development within the county. Because proposed policies could result in induced growth from new communities, expansion of exiting Urban Area boundaries, and in rural areas, this would be a potentially significant impact.

Induced growth as a result of implementing the 2030 General Plan could occur from two sources. First, the land use pattern set forth in the Land Use Diagram could designate lands for urban uses beyond those that could be required to accommodate forecast growth. Second, the policies set forth in the 2030 General Plan could encourage unplanned growth in the future. Both types of potential growth inducement are evaluated in the following analysis.

Growth Induced by Land Use Patterns Set Forth in the Land Use Diagram

This evaluation of growth inducement is based on a quantitative analysis of increases in population and employment, and the land necessary to accommodate such uses resulting from full buildout of the 2030 General Plan. The evaluation compares such growth to the demand for housing and employment projected by state and regional agencies. The proposed 2030 General Plan does not propose population growth caps.

Population growth anticipated in this Draft PEIR with implementation of the 2030 General Plan is based on the ultimate holding capacity under the General Plan, or the total amount of development that could be accommodated by the General Plan regardless of time. More specifically, the land use patterns set forth in the 2030 General Plan are based on the 2000 Merced County General Plan, amendments to that Plan, and approved projects since that plan, including recent Community Plan update projects. Large development projects, such as the Fox Hills Golf Course Community Plan, Villages of Laguna San Luis, University Community, and the updates to unincorporated urban area community plans, such as the Hilmar Community Plan (2008), are part of the amended 2000 Merced County General Plan, and hence provide the foundation for the 2030 General Plan. The land uses being proposed under the 2030 General Plan are not being changed or expanded to house a greater population than under the existing 2000 Merced County General Plan as amended through 2011. In other words, the 2030 General Plan does not designate any additional land for residential or commercial uses beyond that designated under the existing 2000 Merced County General Plan.

As described below, it is unlikely that all urban uses identified in the 2030 General Plan would be constructed and occupied by the year 2030. However, this Draft PEIR evaluates total buildout conditions under the 2030 General Plan, meaning that the Draft PEIR considers the population and employment that may be induced if all the land uses designated by the 2030 General Plan for residential uses were developed and all commercial and industrial uses were operating and providing for new employment by 2030.

Forecasts of population and employment growth are prepared for planning purposes by both the Merced County Association of Governments (MCAG) and the California Department of Finance. MCAG projections indicate that by 2030, the General Plan horizon year, forecast development within Merced County could result in 52,065 total residential units and 47,862 total jobs within the unincorporated county. This forecast (52,065 residences plus associated employment) forms the basis for the following analysis. Should the 2030 General Plan result in the provision of a substantial number of dwellings or employment beyond the amount that would be necessary to provide for the needs of forecasted growth, the 2030 General Plan could be considered growth inducing. If the number of dwellings or employment reasonably matched that required, the 2030 General Plan could be considered not to be growth inducing.

As shown in Table 16-7, based on total buildout capacity, the full implementation of the 2030 General Plan would result in the construction of 56,425 dwelling units in the unincorporated county, including 51,199 single-family units and 5,226 multi-family units. Provision of these residential units would result in the development of approximately 13,275 acres for residential uses, including the acreage devoted to residential development in 2010 plus the acreage developed by 2030 to host such uses. The 2030 General Plan buildout number of residences (56,425) would be greater than the demand for residential uses (52,065) forecast for 2030 by MCAG. Based on a comparison of these two numbers, it can be concluded that, at buildout, the 2030 General Plan designates more land for residential uses than would be necessary to meet forecast demand.

	Estimated Number of Units by 2030	Dwelling Units Per Gross Acre¹	Estimated Amount of Developed Acres
Single-Family	51,199 units	4.0 units/acre	12,800 acres
Multi-Family	5,226 units	11 units/acre	475 acres
Total	56,425 units	--	13,275 acres

¹ Equals the number of dwelling units expected per gross acre. Estimates were derived from Merced County General Plan Update, Buildout Analysis assumptions prepared by Mintier Harnish.

Source: Mintier Harnish, 2011, Environmental Planning Partners, 2012.

Assuming 56,425 residential units could be constructed under total buildout conditions by 2030, and the average household size in Merced County is 3.2 residents per unit, implementation of the 2030 General Plan could translate to an increase of approximately 180,560 new residents, a number greater than that projected under either MCAG or DOF forecasts.²

As shown in Table 16-8, implementation of the 2030 General Plan could result in the generation of a total of 58,615 jobs. This includes an estimated 11,376 agricultural jobs, 12,949 industrial jobs, 23,059 retail jobs, and 11,231 office jobs. This employment growth would result in the development of approximately 4.5 million square feet of commercial and industrial space, or approximately 596 acres of commercial development. The 2030 General Plan buildout amount of employment (58,615 jobs), would be greater than the demand for employment (47,862 jobs) forecast for 2030 by MCAG. Based on a comparison of these two numbers, it can be concluded that, at buildout, the 2030 General Plan designates more land for employment-generating land uses (commercial, industrial) than would be necessary to meet forecast demand.

Jobs	Estimated Number of Jobs by 2030	Average Square Feet Per Employee¹	Estimated Amount of New Construction (square feet)	Estimated Amount of New Development (acres)²
Agricultural	11,376	500 square feet/employee	5,688,000 square feet	131 acres
Industrial	12,949	1,000 square feet/employee	12,949,000 square feet	297 acres
Retail	23,059	500 square feet/employee	11,529,500 square feet	265 acres
Office	11,231	400 square feet/employee	4,492,400 square feet	103 acres
Total	58,615	--	34,658,900 square feet	796 acres

¹ Equals the amount of square feet of floor area per one employee. Estimates were derived from Merced County General Plan Update - Buildout assumptions.

² 43,560 square feet equals 1 acre.

Source: Mintier Harnish 2011, Environmental Planning Partners 2012.

The population, housing units, and employment that would result from implementation of the 2030 General Plan, if fully built out, would be greater than the 2030 MCAG projections. Implementation

² State of California, Department of Finance, November, 2011, Table E-5, Population Estimates for Cities, Counties, and the State, 2010 to 2011, with 2010 Benchmark. The increase of 180,560 residents was determined by multiplying 3.23 persons per household to the projected 2030 build-out of 56,425 dwelling units.

of total buildout envisioned under the 2030 General Plan could add approximately 13,960 more residents (8 percent increase) and 4,365 more housing units than are currently anticipated by MCAJ projections. The large amount of population, employment, and housing growth, and the acceleration of such growth, to be accommodated under the 2030 General Plan could, if realized, induce inefficient, unsustainable population growth near job centers within cities, cities' spheres of influence, or near designated unincorporated urban communities that could exceed the financial and physical capacity of the County and other service providers to maintain adequate levels of public services. Providing for this level of development could be growth-inducing, primarily with respect to the timing of development. While induced growth could result in direct impacts if not enough land or infrastructure is available to accommodate growth, it is the secondary impacts from population growth that can result in the most significant environmental effects. The secondary effects of induced growth are evaluated throughout this Draft PEIR, and all analyses assume that land uses identified in the 2030 General Plan would be fully built out by the year 2030.

However, several factors merit against the potential for these adverse effects to occur from implementation of the 2030 General Plan proposed land use pattern. The first, and most important, is that the 2030 General Plan does not designate any additional areas for urban land uses beyond those identified in the existing 2000 General Plan. In other words, the 2030 General Plan does not designate any area that could host new residential, commercial, or industrial uses beyond those currently existing. Thus, implementation of the 2030 General Plan would not induce any growth or the capacity for growth beyond that currently identified in the 2000 General Plan.

Additionally, the 2030 General Plan contains goals and implementing policies to manage the location of growth within the county by directing new urban development to urban areas (see Table 16-9). Both the existing 2000 General Plan and the proposed 2030 Merced County General Plans support the "urban centered concept." The objective of the "urban centered concept" is to direct development to designated urban centers, such as cities and unincorporated communities, to accommodate urban expansion in an orderly manner based on the ability of communities to furnish public services and land needs according to population demands and employment-generating land uses. Urban land uses include residential, commercial, industrial, and related institutional uses that are more intensive than rural uses. In general, the concept supports orderly and logical growth, the efficient use of land, growth patterns that complement city land uses, and development where public services are available. The concept also reduces the potential for growth-inducing impacts associated with land availability in rural parts of the county, employment opportunities, and unplanned population growth.

Finally, the development market ultimately will dictate the timing of new development. As a result of the extreme downturn in the real estate market, both in Merced and statewide, that began in 2008, especially with respect to residential development, there is an oversupply of residential land in the development process in Merced County. Residentially-designated land currently in the development process ranges from projects with approved but unrecorded subdivision maps, partially constructed and unoccupied subdivisions, and completed, unsold residences, to a large inventory of completed, repossessed, and unoccupied homes. Until this backlog of approved, in process, or completed residential development is depleted, it is unlikely that additional conversion of lands designated for residential uses but used for agricultural or other open space uses would be converted. Given the large size of the backlog, it is unlikely that the development that would actually occur under the 2030 General Plan would approach the buildout conditions set forth in Tables 16-7 and 16-8.

Growth Induced by Proposed 2030 General Plan Goals and Policies

Several goals and policies in the Land Use Element of the 2030 General Plan indicate the County’s willingness to consider new urban communities in areas of the county that are otherwise designated for continued rural land uses. These include Goal 1 and Policy LU-1.5, Policy LU-5.A.1, and Goal LU-5.F and its supporting policies as set forth below:

Goal LU-1	Create a countywide land use pattern that enhances the integrity of both urban and rural areas by focusing urban growth towards existing or suitably located new communities.
Policy LU-1.5: New Urban Communities	Consider the establishment of new Urban Communities in areas off of productive agricultural land (as defined in the General Plan Glossary) which satisfy the policy requirements under Goal LU-5.F, in order to accommodate projected future growth.
Policy LU-5.A.1: Urban Community Establishment	Allow consideration of new Urban Communities in areas off productive agricultural land (as defined in the General Plan Glossary) that include a balance of land uses for jobs, tax revenues, and housing, and satisfy the policy requirements under Goal LU-5.F.
Goal LU-5F	Provide for the establishment of new Urban Communities in order to accommodate future growth in the unincorporated parts of Merced County that are located off productive agricultural land or the valley floor.
Policy LU-5.F.1: New Urban Community Size and Location Requirements	<p>Only accept applications for the establishment of additional new Urban Communities if they encompass a minimum area of 320 acres in order to achieve efficiencies in urban service delivery and provide for long-range growth needs. In addition, require that proposed new Urban Communities be located only in areas that:</p> <ul style="list-style-type: none"> a) Are off the valley floor unless the project area is clearly located on non-productive soil; b) Contain few wetlands or significant natural resources; c) For proposals off the valley floor, do not contain more than 50 percent productive farmland (as defined in the General Plan Glossary) or 10 percent Prime Farmland (as classified on the Statewide Important Farmland Map), and for projects on the valley floor, do not contain more than 10 percent productive farmland; d) Are not located within two miles of an existing city or Urban Community; and e) Are near major transportation routes.
Policy LU-5.F.2: New Urban Community Application Requirements	<p>Require all applicants for new Urban Community to provide:</p> <ul style="list-style-type: none"> a) A complete Guidance Package submitted for review by the Board of Supervisors. The Guidance Package shall include the following components: project description and history; statement of understanding of the basic facts including a summary of compliance with items a through e listed under Policy LU-5.F.1; the roles of the applicant and County in preparation of the Community Plan and Environmental Impact Report; identification of the anticipated planning issues that will need to be addressed through the application process; and a project schedule. The Guidance Package will be valid two years upon submittal to the County. If two years pass before action is taken on the project, the project applicant shall submit a new/updated Guidance Package for Board consideration; b) A General Plan Amendment and Zone Change Application; c) A Community Plan consistent with State specific plan requirements, including the location and intensity of planned land uses and circulation system. The plan shall provide a mix of land uses and densities, including residential, commercial, mixed-use, employment-generating, and public facilities; d) An Infrastructure Master Plan that identifies public and private infrastructure needs; service district or assessment area formation details; a development phasing plan; and a strategy for the installation, operations, and ongoing maintenance of infrastructure required to support growth. This plan shall be consistent with all applicable private, local, regional, State, and Federal infrastructure, regulations, and programs related to transportation, sewage and wastewater treatment, water quality and quantity, drainage, parks and open space, and any other public facilities, infrastructure, and services;

	<ul style="list-style-type: none"> e) A Fiscal Impact Analysis that includes an assessment of projected tax revenues compared to projected County service costs in order to demonstrate that the project will have a fiscally neutral or positive impact on the County and any special districts that provide services to the project; f) A Market Demand Study that demonstrates how the proposed Urban Community will affect existing unincorporated communities in the County. This shall include an analysis of how and where new residents will shop/work and how that their economic characteristics/trends will affect the overall economic characteristics of the County; g) A program to ensure that the project will provide a full range of needed public services, including fire protection, law enforcement, parks, library, community center, and other necessary public services; h) A public outreach program to adjacent property owners and applicable community groups/organizations; i) A plan for coordination with other local, regional, State, and Federal agencies that have regulation authority over the project; j) Funding for the preparation of a Project Environmental Impact Report; k) Commitment to enter into a Reimbursement Agreement requiring deposits into a Planning Trust Fund with Merced County for all, or an agreed upon portion, of the estimated cost of the General Plan Amendment, Environmental Impact Report preparation, Infrastructure Master Plan, and peer review.
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The 2030 General Plan Land Use Diagram has not identified specific areas for new urban communities, and has established a number of conditions regarding where such communities might be located. The 2030 General Plan also has set forth a number of stringent requirements that must be met before the County could consider amending the General Plan land use map to establish a new community. However, no goal or policy of the General Plan addresses the market demand for the new residences and employment that would be generated by a new community. There is the potential that establishment of a new community could redirect planned and anticipated growth from the designated urban areas currently proposed in the 2030 General Plan, or, alternatively, that the new community would result in the growth of both residential, commercial, and industrial uses above and beyond that planned in the 2030 General Plan or forecast by MCAG. The secondary effects of this induced growth could range from land use and service delivery inefficiencies, and an increase in vehicle trips with a concurrent increase in air pollutant and greenhouse gas emissions, to the conversion of greater amounts of natural habitat than contemplated under the 2030 General Plan and evaluated in this EIR. For these reasons, policies in the 2030 General Plan related to the establishment of new communities would result in a potentially significant growth inducing impact.

Similar potential growth inducement could occur with the expansion of existing Urban Community boundaries. Policy LU-5.A.8 sets forth limitations on the expansion of Urban Community boundaries outside of the County’s ongoing community plan update process.

Policy LU-5.A.8: Urban Community Boundaries	Limit the expansion of Urban Community boundaries when not a part of a community planning process, unless an expansion is necessary to accommodate public infrastructure, schools, or parks.
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Expanded Urban Community boundaries could result in adverse effects, similar to those set forth above for new communities without consideration of the demand for the expansion of urban uses. For these reasons, policies in the 2030 General Plan related to the expansion of existing Urban Community boundaries during the life of the 2030 General Plan would result in a potentially significant growth inducing impact.

Population growth and development could also occur within rural portions of the unincorporated county in Rural Residential Centers (RRC) and through minor subdivision of parcels within agricultural areas. For rural residential centers, the 2030 General Plan includes Policy LU-3.4, which prohibits the creation of new Rural Residential Centers, but is silent on whether existing RRCs can be expanded. The potential expansion of existing RRCs could lead to low density urban growth, and development beyond that contemplated by the 2030 General Plan.

The potential for the development of residences within agricultural areas of the county as a result of the division of a single parcel into four or fewer parcels is evaluated in Impact AG-2, in Chapter 6, *Agricultural and Forestry Resources*, of this EIR.

The existing 2000 General Plan allows the continuation of pre-existing isolated areas designated for urban uses provided they were not expanded or re-designated for more intensive land uses (see Chapter I, Land Use Policy 12). The proposed 2030 General Plan retains this policy. The 2030 General Plan also contains related policies that: direct growth to two primary urban areas (City Planning Areas, and Urban Communities such as Delhi, Hilmar, Planada, Santa Nella, and Winton); limit growth in less populated Rural Centers (Ballico, Cressy, Dos Pasos Y, El Nido, Stevinson, and Tuttle); and limit the expansion of Highway Interchange Centers (HIC).

To address the need to accommodate and plan for orderly population growth, the 2030 General Plan includes several goals and policies under the Economic, Land Use, and Housing Elements as shown in Table 16-9 that would ensure responsible development within the county.

Table 16-9 Merced County 2030 General Plan Goals and Policies Relating to Population		
Goal or Policy	Goal or Policy Text	How the Goal or Policy Avoids or Reduces Impact
Economic Element		
Goal ED-1	Support and promote growth and diversification of the County's economy.	Reduces impacts related to growth by promoting and planning for the County's growth and the diversification of its economy.
Policy ED-1.5: Infrastructure Investment	Direct infrastructure investments to infill areas and other areas with the greatest potential for economic growth in an effort to obtain the greatest pay-off in terms of economic development. This will include taking advantage of existing infrastructure such as Interstate 5, State Route 99, UC Merced, Castle Commerce Center and Airport, as well as planned infrastructure such as the California High-Speed Rail. Encourage the grouping of related and complementary activities and discourage isolated facilities, except when necessary based upon their locational or operational characteristics, in order to minimize vehicle miles traveled (VMT), especially for diesel trucks	Minimizes growth-inducing impacts related to population and employment growth by directing infrastructure investments to infill areas and other areas that have the greatest potential for economic development, but would also require the least new infrastructure by encouraging developed uses to be grouped, complementary, and located near existing public services and infrastructure.
Policy ED-1.8: Jobs/Housing Balance	Encourage all communities, and require new or expanded Community Plans, to include sufficient employment-based land uses to maintain a 1:1 jobs/housing balance.	Reduces growth-inducing impacts by balancing the number of houses available with the number of new jobs created in the county.

Table 16-9 Merced County 2030 General Plan Goals and Policies Relating to Population

Goal or Policy	Goal or Policy Text	How the Goal or Policy Avoids or Reduces Impact
Policy ED-1.9: Facilities and Services Adequacy	Encourage new industries to locate within communities that have or can provide adequate infrastructure capacity to meet the needs of new development.	Minimizes growth-inducing impacts by encouraging new employment centers to locate near communities that can provide adequate housing and infrastructure.
Land Use Element		
Goal LU-1	Create a countywide land use pattern that enhances the integrity of both urban and rural areas by focusing urban growth towards existing or suitably located new communities.	Promotes an orderly and sustainable growth framework by creating a land use pattern that focuses urban growth towards existing or suitably located new communities, thereby relying on existing or proposed infrastructure that would ensure the efficient use of land.
Policy LU-1.1: Countywide Development	Direct urban development to areas within adopted urban boundaries of cities, Urban Communities, and Highway Interchange Centers in order to preserve productive agriculture, limit urban sprawl, and protect natural resources.	Reduces growth-inducing impacts by directing urban development to cities, urban communities, and highway interchange centers in order to limit urban sprawl and unanticipated development.
Policy LU-1.7: Compact Development	Promote compact development in urban communities that supports pedestrian activity and transit ridership.	Compact development would reduce the need for development in locations that lack infrastructure, thereby minimizing the need to build or extend new infrastructure to other locations, which may further induce population growth.
Policy LU-1.9: Regional Housing Needs Allocation Focus	Actively encourage the Merced County Association of Governments to focus future State regional housing needs allocations to the six cities in order to prevent urban sprawl, support compact development and redevelopment, and support the principles of the San Joaquin Valley Blueprint.	Minimizes growth-inducing impacts, such as urban sprawl, by encouraging the MCAG to focus future housing needs to the cities consistent with the San Joaquin Valley Blueprint.
Policy LU-1.10: Orderly Community Growth	Require the orderly, well planned, and balanced growth of the unincorporated communities consistent with the limits imposed by local infrastructure, services, public facilities, and their ability to assimilate growth.	Reduces growth-inducing effects by requiring orderly, well planned, and balanced growth in the County consistent with the limits of existing infrastructure, public services, and facilities.

Table 16-9 Merced County 2030 General Plan Goals and Policies Relating to Population

Goal or Policy	Goal or Policy Text	How the Goal or Policy Avoids or Reduces Impact
Policy LU-3.4: New Rural Residential Center Prohibition	Prohibit the creation of any new Rural Residential Centers in the unincorporated county.	Limits the expansion of development related to low density rural residential uses in the unincorporated portion of the county that often have limited public services and infrastructure. (However, see Mitigation Measure POP-1c in this Chapter for recommended modification of this policy.)
Goal LU-5.A	Preserve and enhance the character of Merced County by focusing future unincorporated development towards Urban Communities.	Minimizes growth-inducing impacts by focusing unincorporated development to urban communities that have adequate infrastructure and public services and facilities to accommodate growth.
Policy LU-5.A.6: Jobs/Housing Balance	Promote a jobs/housing balance by encouraging residential development near employment centers when preparing new or updating existing Community Plans and providing adequate land for employment generating land use.	Reduces impacts from population and employment growth by promoting a jobs/housing balance that encourages development near employment centers, ensuring a more managed, orderly, and balanced distribution of land uses.
Goal LU-7	Ensure that development in county/city fringe areas is well planned and adequately serviced by necessary public facilities and infrastructure.	Reduces growth-inducing impacts by ensuring that population and employment are accommodated in well-planned areas adequately serviced by public facilities and infrastructure.
Policy LU-7.1: Infill Development Focus	Encourage infill development to occur in cities in order to maximize the use of land within existing urbanized areas, minimize the conversion of productive agricultural land, and minimize environmental impacts associated with new development.	Minimizes the growth-inducing impacts by encouraging infill development in cities, thereby maximizing the use of land in urbanized areas that have existing infrastructure to serve new development.
Policy LU-7.2: Orderly Expansion	Promote orderly expansion of urban uses within city spheres of influence recognizing the city has primary responsibility to determine the type and timing of development.	Reduces growth-inducing impacts by promoting the orderly expansion of urban uses within cities' spheres of influence.
Policy LU-7.3: City Sphere of Influence Expansions	Support city sphere of influence expansion proposals when the city has demonstrated there is an actual need for additional land to accommodate planned growth and documented a good faith effort to implement an infill development program(s) to minimize the conversion of productive agricultural land.	Reduces growth-inducing impacts by promoting the orderly expansion of urban uses within cities' spheres of influence, if there is a demonstrated need to accommodate additional growth.

Table 16-9 Merced County 2030 General Plan Goals and Policies Relating to Population		
Goal or Policy	Goal or Policy Text	How the Goal or Policy Avoids or Reduces Impact
Policy LU-7.4: Increased Residential Densities within Cities	Encourage cities to increase average residential densities in their adopted General Plans in order to provide adequate housing for future populations while limiting urban sprawl.	Reduces growth-inducing impacts by encouraging cities to increase average residential densities to be able to accommodate more housing for future populations while also limiting urban sprawl.
Policy LU-7.12: Urban Reserve	Apply, as appropriate, the Urban Reserve designation to unincorporated properties within city spheres of influence that are planned for future development by the city in their general plan.	Reduces growth-inducing impacts by applying the urban reserve designation within cities' spheres of influence to plan for future development.
Goal LU-8	Recognize pre-existing isolated areas designated for urban land uses as limited exceptions to the "Urban Centered Concept" of the General Plan.	Establishes goal of limiting future intensification or expansion of isolated urban areas.
Policy LU-8.2: Land Use Controls	Prohibit the expansion or redesignation to a more intensive use of an existing urban land use located outside of an Urban Area Boundary. Require the Board of Supervisors, during the review of a General Plan Amendment and Zone Change application, to make a determination that the land use intensity will not increase as a result of a redesignation.	Reduces growth-inducing impacts by directing urban development to cities, urban communities, and highway interchange centers in order to limit urban sprawl and unanticipated development.
Housing Element		
Goal HE-1	To provide for a broad range of housing types and densities to meet the needs of all residents of the unincorporated area.	Reduces growth-inducing impacts by planning for a broad range of housing types.
Policy 1-6:	The County shall support infill residential development and other mid- to large-sized residential projects in unincorporated urban communities that have the infrastructure necessary to support such development.	Directs population growth to infill areas that have infrastructure to support development, thereby minimizing growth-inducing effects due to unplanned population growth.
Policy 1-8:	The County shall promote the use of cluster housing, mixed-use, and planned development concepts where existing community services are available.	Limits unplanned development by promoting cluster housing and planned development concepts where community services are available.
Policy 1-10:	The County shall encourage the consolidation of parcels to facilitate more efficient multifamily residential development.	Reduces growth-inducing impacts by encouraging the consolidation of multi-family residential development to be able to efficiently accommodate population growth.
Policy 1-11:	The County shall strongly encourage residential development projects to develop at the maximum allowable density.	Limits unplanned development by encouraging development projects that accommodate higher densities.

Source: Merced County, 2011; Planning Partners, 2012.

The policies in the Economic Development Element address the infrastructure, land, and resources needed for general economic development. Goal ED-1 and its supporting policies would support and promote growth and diversification of the County's economy. Implementation of this goal and policies would minimize any potential adverse effects of growth through policies that support the planning for future development, and by directing growth to locations that have existing infrastructure and include sufficient employment-based land uses to maintain the jobs/housing balance.

The Land Use Element contains various goals and policies that encourage the management of growth in an orderly and sustainable manner. Goals LU-1, LU-5.A, LU-6, and LU-7 would create a countywide land use pattern that enhances the integrity of both urban and rural areas by focusing urban growth towards existing communities. These goals are supported by several policies to ensure that population is accommodated in areas that are well planned and adequately serviced by public facilities and infrastructure, and that future growth could be accommodated through increased densities and within existing urban communities. Proposed land use policies discourage housing in inappropriate locations, and the extension of roadways and infrastructure that could induce unexpected population growth.

The 2010 Housing Element also contains policies that ensure growth would be managed in an orderly and well-planned manner. Goal HE-1 would provide for a broad range of housing types and densities to meet the needs of all residents. Implementation of identified supporting policies would avoid building infrastructure that would induce unplanned growth and development outside established water and sewer boundaries. Instead, 2030 General Plan policies prioritize placing development in well-defined, well-planned, and core areas with existing infrastructure and public services or planned improvements.

The primary purpose of the 2030 General Plan is to provide a framework to guide land use development and conservation within the unincorporated portion of Merced County. The 2030 General Plan contains numerous goals and policies to promote responsible development and an orderly and sustainable growth framework, to direct development to core urban areas where services and infrastructure are in place, and to balance job opportunities with housing resources. The 2030 General Plan at buildout could accommodate greater population and employment beyond that projected by MCAG forecasts. However, the proposed land uses under the 2030 General Plan are the same as those currently existing and no new growth areas have been identified, the 2030 General Plan contains strong goals and policies to direct future development to existing urban areas, and it is unlikely that growth that would occur by the year 2030, the horizon year for the 2030 General Plan, would exceed regionally forecast demand. For these reasons, the potential growth inducing effects of the 2030 General Plan with respect to urban areas would be considered less than significant.

With respect to new communities and the expansion of existing Urban Communities, implementation of 2030 General Plan goals and policies could redirect planned and anticipated growth away from the designated urban areas currently proposed in the 2030 General Plan. Alternatively, establishment of a new community or the expansion of an existing Urban Community could result in the growth of both residential, commercial, and industrial uses above and beyond that planned in the 2030 General Plan or forecast by MCAG. The secondary effects of this induced growth could be those as set forth above. For these reasons, policies in the 2030 General Plan related to the establishment of new communities and the expansion of existing Urban Communities would result in a significant growth inducing impact.

Implementation of the proposed 2030 General Plan could result in additional development within rural areas of the county both in potentially expanded Rural Residential Centers, and within agricultural areas from the subdivision of parcels. Growth associated with these actions could result in adverse secondary environmental impacts as set forth above. For these reasons, potential growth inducement in rural areas would result in a potentially significant impact.

Significance of Impact: Potentially significant.

Mitigation Measure POP-1a:

Amend Policy LU-5.F.2: New Urban Community Application Requirements, as follows:

Require all applicants for new Urban Community to provide:

- a. A complete Guidance Package submitted for review by the Board of Supervisors. The Guidance Package shall include the following components: project description and history; statement of understanding of the basic facts including a summary of compliance with items a through e listed under Policy LU-5.F.1; the roles of the applicant and County in preparation of the Community Plan and Environmental Impact Report; identification of the anticipated planning issues that will need to be addressed through the application process; and a project schedule. The Guidance Package will be valid two years upon submittal to the County. If two years pass before action is taken on the project, the project applicant shall submit a new/updated Guidance Package for Board consideration;
- b. A General Plan Amendment and Zone Change Application;
- c. A Community Plan consistent with State specific plan requirements, including the location and intensity of planned land uses and circulation system. The plan shall provide a mix of land uses and densities, including residential, commercial, mixed-use, employment-generating, and public facilities;
- d. An infrastructure Master Plan that identifies public and private infrastructure needs; service district or assessment area formation details; a development phasing plan; and a strategy for the installation, operations, and ongoing maintenance of infrastructure required to support growth. This plan shall be consistent with all applicable private, local, regional, State, and Federal infrastructure, regulations, and programs related to transportation, sewage and wastewater treatment, water quality and quantity, drainage, parks and open space, and any other public facilities, infrastructure, and services;
- e. A Fiscal Impact Analysis that includes an assessment of projected tax revenues compared to projected County service costs in order to demonstrate that the project will have a fiscally neutral or positive impact on the County and any special districts that provide services to the project;
- f. A Market Demand Study that demonstrates how the proposed Urban Community will affect existing unincorporated communities in the County. This shall include an analysis of how and where new residents will shop/work and how that their economic characteristics/trends will affect the overall economic characteristics of the County. The analysis will additionally include a demonstration of the need for the expansion of the community taking into consideration the land available for urban uses within other Urban Communities in unincorporated areas of the county;

- g. A program to ensure that the project will provide a full range of needed public services, including fire protection, law enforcement, parks, library, community center, and other necessary public services;
- h. A public outreach program to adjacent property owners and applicable community groups/organizations;
- i. A plan for coordination with other local, regional, State, and Federal agencies that have regulation authority over the project;
- j. Funding for the preparation of a project-specific Environmental Impact Report;
- k. Commitment to enter into a Reimbursement Agreement requiring deposits into a Planning Trust Fund with Merced County for all, or an agreed upon portion, of the estimated cost of the General Plan Amendment, Environmental Impact Report preparation, Infrastructure Master Plan, and peer review.

Mitigation Measure POP-1b:

Implement Mitigation Measure AG-3c, which would prohibit the expansion of existing Rural Residential Centers or the creation of new Centers.

Mitigation Measure POP-1c:

Implement Mitigation Measures AG-5a through AG-5h, which would limit future residential development within agricultural areas of Merced County.

Effects of Mitigation Measure: Implementation of these mitigation measures would avoid or substantially reduce the secondary environmental effects of new community development, the expansion of existing Urban Communities, and rural development induced by implementation of the 2030 General Plan by limiting the opportunities for these actions. Because potential future development would be directed toward existing urban areas, the impacts of such development would be as described in Chapters 5-22 of this EIR. No additional adverse environmental effects would arise from implementation of the identified mitigation measures.

Level of Significance After Mitigation: Less than significant.

Implementation of these mitigation measures would limit the potential for Urban Community expansion or the establishment of new communities to result in unplanned or inefficient growth. The measures also would limit urban and scattered residential development in areas outside cities, cities' spheres of influence, and designated urban communities elsewhere in the unincorporated areas of Merced County. Potential effects in rural areas that would be avoided or significantly reduced include interference with continued agricultural operations, conversion of agricultural lands and biological habitat to developed uses, exposure of residential uses to flood hazards, increase in vehicle traffic leading to increase emissions of air pollutants and greenhouse gases, and increased or inefficient demands for community services and utilities.

Impact POP-2: Displace substantial amounts of population and housing units, necessitating the construction of replacement housing elsewhere.

Although implementation of the proposed 2030 General Plan could lead to urban development that could displace people and existing housing units, necessitating the construction of replacement housing elsewhere, the proposed 2030 General Plan would allow for a net increase of housing, and contains goals and policies to preserve existing neighborhoods and housing. For these reasons, the proposed project would not displace population or housing without providing replacement housing resources, resulting in a less-than-significant impact.

The 2030 General Plan is a long-range comprehensive land use plan that guides the future growth and development in the unincorporated County, including the provision of housing. The development of land uses outlined in the Plan's land use diagram have the potential to displace people and existing housing, resulting in the need to provide replacement housing elsewhere. In order to address whether the proposed land uses outlined in the land use diagram would provide adequate housing to accommodate future population growth, the population forecast models were compared to the number of housing units that would be provided under the Plan. Vacant land was also analyzed to determine land availability for future development.

Under buildout conditions, the 2030 General Plan would allow a net increase in the total number of housing units from approximately 28,000 units available in 2010 to 56,425 units by 2030, a 101 percent increase. The County has previously approved several new large-scale master planned communities (i.e., Villages of Laguna San Luis, Fox Hills, University Community) that were adopted under the 2000 Merced County General Plan. These large-scale development projects would include a variety of housing types to meet the County's 2030 housing needs. The County is also updating several Community Plans (i.e. Winton, Le Grand, Franklin-Beachwood) that include residential and non-residential uses that may be vacant or currently underutilized, which will provide additional opportunities to meet the County's future housing needs. Based on these analyses, the proposed 2030 General Plan would provide sufficient housing resources to accommodate projected population growth, and there would not be a need to provide additional housing beyond that identified in the proposed 2030 General Plan within the unincorporated County in order to maintain a housing supply adequate to meet demand.

The State Housing Element Law (Section 65580) of the Government Code requires that the Housing Element of General Plans contain local commitments to provide zoning and development standards with public services and facilities to accommodate the jurisdiction's Regional Housing Needs Allocation (RHNA) for each income level. The allocations are used by jurisdictions when updating Housing Elements as the basis for assuring that adequate sites with appropriate zoning are available to accommodate minimum allocation requirements. This is the only population and housing requirement that applies to the 2030 General Plan. Consequently, consistent with State law, the County's land use plan must provide adequate capacity to exceed its RHNA requirements through the year 2015 for 7,364 new residential units. The 2030 General Plan would sufficiently accommodate these residential units by providing up to 56,425 new residential units by buildout, or 52,930 units by 2030 based on MCAG projections. Based on this allocation need and according to

the 2010 Housing Element, by 2015, the County would provide 30,927 new residential units for very low/low, moderate, and above moderate income levels, with a surplus of 22,252 residential units.³

Still, the construction of private redevelopment projects or the public construction of infrastructure within cities, cities’ spheres of influence, and designated unincorporated urban communities could displace existing residential units. However, all private redevelopment activities would be voluntary, and no housing units would be displaced without permission by the property owners. For public works and infrastructure projects, the California Relocation Law establishes a uniform policy for the “fair and equitable treatment of persons displaced as direct result of programs or projects undertaken by a public entity.” This law would require public agencies to prepare a relocation plan, provide relocation payments, and identify substitute housing opportunities for any resident that is displaced. Further, implementation of the 2030 General Plan would retain the existing land use pattern as amended under the 2000 Merced County General Plan. Therefore, unless residential uses outlined in the land use diagram are converted to other uses, the displacement of population and housing would not occur. Also, while some areas that currently contain residences or are designated for future residential uses could become converted, increases in residential densities in other areas of the county, particularly within cities’ spheres of influence, would sufficiently offset displaced housing so that replacement housing would not be necessary.

The 2030 General Plan contains various policies to reduce impacts to the existing population and conserve the existing housing stock. As shown in Table 16-10, the Economic, Land Use, and Housing Elements contain a variety of goals and policies that seek to direct growth into already urbanized areas; establish a framework for orderly and timely development; protect existing populations, specifically population segments with special needs; and retain the established housing stock.

Table 16-10 Merced County 2030 General Plan Goals and Policies Relating to Conserving Existing Housing Stock		
Goal or Policy	Goal or Policy Text	How the Goal or Policy Avoids or Reduces Impact
Land Use Element		
Goal LU-1	Create a countywide land use pattern that enhances the integrity of both urban and rural areas by focusing urban growth towards existing or suitably located new communities.	Avoids population and housing displacement by directing growth to existing, established neighborhoods and suitably located new communities, minimizing the likelihood existing neighborhoods would be displaced.
Goal LU-5.A	Preserve and enhance the character of Merced County by focusing future unincorporated development towards Urban Communities.	Avoids population and housing displacement by directing development towards established communities.

³ Merced County Housing Element, 2010, Table 5-50: Residential Holding Capacity Compared to RHNA, Unincorporated Merced County, January 1, 2007 to June 30, 2014 (page II-76).

Table 16-10 Merced County 2030 General Plan Goals and Policies Relating to Conserving Existing Housing Stock

Goal or Policy	Goal or Policy Text	How the Goal or Policy Avoids or Reduces Impact
Policy LU-7.7: Existing Neighborhood Policy Consistency	Encourage cities to incorporate in their general plans County land use policies for communities/neighborhoods that were established previously under County jurisdiction.	Protects established neighborhoods by encouraging cities to incorporate land use policies for communities that were previously under the County's jurisdiction.
Housing Element		
Goal HE-1	To provide for a broad range of housing types and densities to meet the needs of all residents of the unincorporated area.	Reduces impacts to existing housing units by providing a range of housing types and densities.
Goal HE-4	To provide a range of housing types and services for special needs groups.	Reduces impacts to the County population and its housing availability by providing a range of housing choices, particularly for special needs groups.
Policy 4-1:	The County shall strive to address the unique housing needs of seniors, large families, single-parent households, and the homeless, persons with disabilities, extremely low-income households, farmworkers, and students.	Reduces the likelihood populations segments with special needs would be displaced from housing by striving to address the overall needs of all population segments seeking housing.
Policy 4-2:	The County shall work with non-profit agencies, cities, and developers on regional approaches to providing housing for special needs populations.	Minimizes the impacts to the housing stock accommodations for special needs groups by encouraging various agencies and developers to provide housing for special needs populations.
Policy 4-3:	The County shall assist in local and regional efforts to secure funding for development and maintenance of housing designed for special needs populations.	Prevents impacts to housing for special needs populations, reducing the need for replacement housing elsewhere by working on seeking funding for housing development and maintenance.
Policy 4-4:	The County shall continue to support the Housing Authority in developing and maintaining farmworker housing in agricultural zones.	Lessens impacts to housing on farmworker populations by maintaining farmworker housing in agricultural zones.
Policy 4-5:	The County shall encourage agricultural employers to provide on-site housing opportunities for their employees.	Reduces impacts related to housing on farmworker populations by encouraging on-site housing for agricultural employees.
Policy 4-6:	The County shall strive to alleviate overcrowded housing conditions for farmworkers.	Reduces impacts to specific populations, such as farmworkers, by alleviating overcrowded housing conditions.

Table 16-10 Merced County 2030 General Plan Goals and Policies Relating to Conserving Existing Housing Stock

Goal or Policy	Goal or Policy Text	How the Goal or Policy Avoids or Reduces Impact
Policy 4-7:	The County shall continue to support the Merced County Community Action Agency, Merced Rescue Mission, and all other homeless service provider organizations in their efforts to provide services for homeless persons and persons in need of supportive housing.	Minimizes impacts to homeless population segments by supporting homeless service provider organizations.
Policy 4-8:	The County shall continue to provide assistance to the Community Action Agency, Merced Rescue Mission, and all other homeless service provider organizations in providing transitional housing for the homeless.	Avoids impacts to the homeless population segment by ensuring there are assistance programs to provide housing.
Policy 4-9:	The County shall encourage the incorporation of supportive services and design features that respond to the needs of seniors and other with limited mobility, such as single-story floor plans, wheelchair ramps, bathrooms with grab-bars, and buildings with elevators.	Minimizes the impacts to the senior population segment by responding to their special needs with well-designed housing that integrates supportive services.
Policy 4-10:	The County shall ensure equal access to housing by providing reasonable accommodation for individuals with disabilities. The County shall provide a process for individuals with disabilities to make requests for reasonable accommodation in regard to relief from the County’s various land use; zoning; or building laws, rules, policies, practices, and/or procedures.	Reduces impacts to the population segment with disabilities by ensuring equal access to housing and providing reasonable accommodation for individuals with disabilities.
Policy 4-11:	The County shall continue to ensure new multi-family housing includes units that are accessible and adaptable for use by disabled persons in accordance with Chapter 11 of the California Building Code.	Lessens impacts related to inaccessible housing for disabled persons by ensuring new units are accessible and adaptable for use according to California Building Code.
Policy 4-12:	The County shall ensure that all new multi-family construction meets the accessibility requirements of the Federal and State laws through the local permitting process.	Avoids impacts that would remove housing opportunities for the disabled by ensuring all new multi-family housing meets accessibility requirements.
Policy 4-13:	The County shall provide opportunities for the development of housing types (e.g., cohousing, higher density units, sustainable building materials, group quarters, etc.) that meet the special needs of students.	Reduces impacts to the population that have student needs by providing opportunities for the development of co-housing and higher density units.
Policy 4-14:	The County shall encourage to co-location of childcare, disabled, mentally-disabled, and elderly facilities compatible with the needs of residents and land use patterns; and encourage such facilities to be located near homes, schools, community centers, recreation facilities, and transit hubs.	Lessens housing impacts on those with special needs by encouraging the co-location of facilities that meet the various special needs of those reliant on childcare facilities, disability infrastructure, and elderly services.

Table 16-10 Merced County 2030 General Plan Goals and Policies Relating to Conserving Existing Housing Stock

Goal or Policy	Goal or Policy Text	How the Goal or Policy Avoids or Reduces Impact
Goal HE-5	To preserve the existing character and integrity of residential neighborhoods and conserve and improve the existing housing stock.	Reduces impacts to the existing housing stock by conserving and improving the existing housing conditions in the County.
Policy 5-1:	To ensure that housing throughout the unincorporated county is decent, safe, and sanitary for its occupants, the County shall continue to maintain adequate health, safety, fire, and applicable development standards.	Minimizes the potential displacement of the population or housing in Merced County by ensuring that housing is safe, decent, and sanitary.
Policy 5-2:	The County shall require quality design and appearance of all new multi-family and affordable housing projects so that they blend in with the existing community fabric, add value to the community's built environment, and strengthen acceptance by the local community.	Avoids impacts to the affordable housing stock by ensuring quality designs are incorporated into all new multi-family and affordable housing projects.
Policy 5-7:	The County shall continue to provide housing rehabilitation assistance to low-income homeowners in target unincorporated communities.	Minimizes impacts to the existing housing stock by providing rehabilitation assistance to low-income homeowners less likely to improve their residences.
Policy 5-8:	The County shall improve infrastructure to foster private investment and rehabilitation of older neighborhoods.	Conserves the existing housing stock by improving infrastructure to foster private investment and rehabilitation of older neighborhoods.

Source: Merced County, 2011; Planning Partners, 2012.

The Land Use Element contains goals and policies that encourage growth management in an orderly and sustainable manner, and specifically seek to preserve the rural character of existing neighborhoods in the County. Goal LU-1 would create a countywide land use pattern that enhances the integrity of both urban and rural areas by focusing urban growth towards existing or suitably located new communities.

The County's existing Housing Element includes goals and policies that would help prevent impacts related to the displacement of population and housing, and that focus on encouraging reinvestment in the existing supply of housing. Goal HE-1 would provide for a broad range of housing types and densities to meet the needs of all residents of the unincorporated area. The Housing Element also provides a variety of implementation programs that would further reduce impacts to segments of the population that could be affected by housing displacement related to buildout conditions envisioned under the 2030 General Plan. The 2010 Housing Element contains policies that would preserve the character and integrity of existing residential neighborhoods and conserve and improve the existing housing stock, as outlined under Goal HE-5. Policies supporting Goal HE-5 would retain a quality and well-maintained housing stock, and minimize the need to construct new housing.

In conclusion, the 2030 General Plan would result in a net increase of housing, would assure that the County would meet its RHNA requirements, would not result in private redevelopment activities or infrastructure development not described in the Plan, or result in the conversion of a significant amount of residential uses to non-residential uses. Compliance with the California Relocation Law would ensure that the development of new public infrastructure pursuant to the Plan does not displace substantial numbers of people. Even though it is possible that housing could be removed with Plan implementation, the 2030 General Plan and its 2010 Housing Element provide adequate amounts of new housing and include goals and policies to protect segments of the population with special needs and preserve housing in existing neighborhoods. Therefore, the proposed 2030 General Plan would not displace population or housing, necessitating the construction of replacement housing elsewhere, and a less-than-significant impact would result.

Significance of Impact: Less than significant.

Mitigation Measure: None required.