

2.1.2 Growth

2.1.2.1 Regulatory Setting

CEQA requires the analysis of a project's potential to induce growth. CEQA guidelines § 15126.2(d) requires that environmental documents "...discuss the ways in which the proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment...."

Methodology

Growth inducement can be defined as the relationship between the proposed project and growth within the surrounding area. This relationship is often difficult to establish with any degree of precision and cannot be measured on a numerical scale because there are many social, economic, and political factors associated with the rate and location of development. To assess the growth-inducing impacts of the SR-74 widening project, the project's influence on facilitating planned growth and inducing unplanned growth has been evaluated.

Typically, growth-inducing impacts result from the provision of urban services and extension of infrastructure (including roadways) into an undeveloped area. Growth-inducing impacts can also result from a substantial population increase if the new population may impose new burdens on existing community service facilities (such as increasing the demand for service and utilities infrastructure and creating the need to expand or extend services), which may induce further growth. On the other hand, a project can remove infrastructure constraints, provide access, or eliminate other constraints on development and thereby encourage growth that has already been approved and anticipated through the General Plan process. This planned growth would be reflected in land use plans that have been developed and approved with the underlying assumption that an adequate supporting infrastructure would be ultimately constructed. This can be described as accommodating or facilitating growth. For this document, the term "inducing" will be used for both types of growth.

Growth-inducing impacts may be categorized as either direct or indirect. Direct growth-inducing impacts occur when a project directly fosters growth. This may occur in a variety of ways including, but not limited to, the construction of new homes and businesses and the extension of urban services to previously undeveloped areas. Growth can also be induced directly due to the economic effect of a project whereby economic growth multiplier effects can cause related growth in areas near

the new project. Indirect growth is induced by the demand for housing, goods, and services associated with a project.

To assess the project's influence on growth in the region, the Department reviewed historical and projected growth trends within and surrounding the project study area. Though outside the immediate project study area, growth trends in Riverside County were also considered since SR-74 extends eastwardly into Riverside County. This information on growth trends provides an understanding of historic growth in the region and the planned growth that local and regional planning agencies are anticipating for the project study area. Information in this section is generally based on data from the *County of Orange General Plan* (2004); the *County of Riverside General Plan* (2003); and Orange County Facts and Figures (OCP Facts and Figures) developed by the Center for Demographic Research (CDR) at California State University, Fullerton (CSUF) (March 2008).

2.1.2.2 Affected Environment

SCAG is a Joint Powers Agency established under California Government Code §6502 et seq. SCAG is designated as a Council of Governments (COG), a Regional Transportation Planning Agency (RTPA), and a Metropolitan Planning Organization (MPO) for the six counties in Southern California, including Orange, Los Angeles, Ventura, San Bernardino, Riverside, and Imperial Counties. The region encompasses a population exceeding 15 million persons in an area of more than 38,000 square miles.

SCAG obtains its census data and projections from the CDR. CDR is governed and supported by the following sponsor agencies: the County, League of Cities, Orange County Sanitation District, OCTA, Transportation Corridor Agencies, Municipal Water District of Orange County, Orange County Water District, and CSUF. The goal of the CDR is to provide accurate and timely information regarding population, housing, and employment characteristics for the County that will be used for local and regional planning efforts.

The OCP Facts and Figures population projections are a summary of the County Projections 2006 and were developed by using a multistage process that combined several procedures and methodologies into a “top down” and “bottom up” process. Generally, total population, housing, and employment were projected and then allocated to smaller geographic areas based on an analysis of local policy, land use capacity, demographic changes, and assumed market focus. Small area projections

were developed, and these were reviewed by local jurisdictions; adjustments were then made based on local jurisdictions' input where warranted.

Historic and Projected Growth Trends

Orange County

Orange County has experienced significant growth in population over the past 55 years. Population in the County has increased from 216,200 in 1950 to almost 3,098,121 in 2007. Concurrent with these substantial population increases, the economic character of the County has dramatically changed over the past 50 years. The predominantly rural/agricultural and residential economy of the 1950s has changed to include a well-diversified commercial/industrial economy. Aviation/aerospace and other technology industries, biomedical facilities, retail commercial, light manufacturing, administrative and financial services, and tourism have become major components of the economy.

In 1965, the employment-to-population ratio was 22 percent in the County. By 1980, the ratio increased to 40 percent. This has subsequently increased to approximately 53 percent in 2000. Not only has the proportion of jobs to residents increased, but it is also based on a dramatically larger population. Future population is projected from assumptions regarding three major events: births, deaths, and migration. Historically, the growth in the County was predominantly due to migration; however, now births represent a substantial portion of the population growth. This trend is expected to continue.

The proposed project is located within the City. Based on the *2006 Orange County Progress Report* (CDR 2006), the City has experienced a substantial increase in population over the past three decades; however, there has only been a gradual increase since 1995. The population has increased almost tenfold since 1970, but has only increased 2 percent annually (at most) since 1995. The Orange County Facts and Figures anticipate this lower growth rate through 2035. These numbers reflect the fact that much of the City is developed.

The area immediately served by SR-74 within the City is generally built out. However, land to the east in unincorporated Orange County is primarily undeveloped. This area, known as the Ranch Plan area, was approved in November 2004 for 14,000 residential units and 5.2 million square feet of employment uses (OCP 2006). Development is expected to occur over the next 20 years. With the exception of the

Ranch Plan area, the majority of the land within the Regional Statistical Area (RSA)¹ is presently developed or designated for recreation or open space. This remaining land is generally vacant undevelopable land. Undevelopable lands are not available for development for physical, public policy, or environmental reasons.

Riverside County

According to SCAG, Southern California has been growing eastward and is projected to continue to grow toward fringe areas (SCAG 2001). Riverside County has been a main recipient of this growth trend. The population in Riverside County increased from 660,000 in 1980 to 1.5 million in 2000, according to the United States Census Bureau (2000). By 2035, Riverside County's population is expected to be 3.6 million (Riverside County Projections 2006 [RCP 2006]). With the increase in residential real estate prices in Orange County, Riverside County has become more attractive for many new homebuyers. Many people have moved from Los Angeles and Orange Counties to Riverside County for its lower housing costs. The new residential real estate business has been booming in Riverside County due to the demand for new housing, and the previous growth trend is projected to continue. Total employment in Riverside County is projected to increase from 526,000 jobs in 2000 to over 1.41 million jobs in 2035, a 154.34 average percent increase annually (RCP 2006). This compares to the 5 percent annual growth rate that occurred in the Riverside-San Bernardino Standard Metropolitan Statistical Area (SMSA) during the 1972–1999 period.

For land use and policy analysis, Riverside County is divided into 19 area plans. The easterly extension of SR-74 traverses the Elsinore Area Plan, which includes the cities of Lake Elsinore and Canyon Lake, as well as the unincorporated areas of El Cariso, Alberhill, Sedeco Hills, Wildomar, Gavilan Hills, and Meadowbrook. The City of Riverside's Sphere of Influence extends into the Elsinore Area Plan. The Cleveland National Forest forms the western boundary of the area. The *Riverside*

¹ For regional planning efforts, Orange County has been divided into 10 RSAs, which are combinations of census tracts designated by SCAG. The project site is located in RSA C-43, which includes portions or all of the Cities of Lake Forest, Mission Viejo, Rancho Santa Margarita, San Juan Capistrano, and San Clemente, as well as the unincorporated communities of Ladera Ranch, Las Flores, Coto de Caza, and the Ranch Plan.

*County Population and Employment Forecasts*¹ (Hoffman 2000), prepared for the *Riverside County General Plan Update* (County of Riverside 2002) provides population, household,² and employment projections through 2020. The Elsinore Area Plan is projected to increase from 34,455 in 1994 to 72,067 in 2020, a 109.2 percent increase in population. The Elsinore Area Plan has large amounts of vacant land within both incorporated and unincorporated areas. Of the 126,307 ac within the Elsinore Area Plan, almost 67 percent, or 84,412 ac, is designated by the *Riverside County General Plan* for open space or rural uses. Approximately 11 percent (13,672 ac) is designated for community development.

2.1.2.3 Environmental Consequences

Temporary Impacts

No Build Alternative

The No Build Alternative does not require construction; therefore, there would be no temporary impacts on growth-inducing factors.

Build Alternatives 1 and 2

The Build Alternatives would not have any temporary impacts on growth-inducing factors since temporary construction does not induce growth.

¹ The *Riverside County Population and Employment Forecasts* presents three sets of countywide projections in order to test alternative scenarios for the Riverside County General Plan update. These projects are based in whole or in part on SCAG projections (1998), Western Riverside Council of Governments (WRCOG), and Coachella Valley Association of Governments (CVAG) projections and employment trend analysis. The projections presented in this section are for Scenario 1, which uses SCAG population and employment projections (1998). No update has been performed for the *Riverside County Population & Employment Forecasts*.

² The *Riverside County Population and Employment Forecasts* do not provide projections of the number of housing units; rather, projections of the number of households are provided. According to the United States Census Bureau, “a household includes all of the people who occupy a housing unit” and a housing unit is “a house, an apartment, a mobile home, a group of rooms, or a single room...occupied as separate living quarters.”

Permanent Impacts

No Build Alternative

The No Build Alternative does not require construction; therefore, there will be no impact on growth-inducing factors.

Build Alternatives 1 and 2

Population and economic growth in the study area is directed by the General Plans for the County and adjacent cities in the study area. The County and City General Plans, as well as the Orange County Transit Authority (OCTA) MPAH indicate that SR-74 is a four-lane divided highway from I-5 east to the Orange/Riverside County border. In addition, the South County Roadway Improvement Program (SCRIP) fee program, adopted by the County, identifies the proposed widening of SR-74 as part of the long-term transportation improvements for the area. The proposed project will provide improvements consistent with local planning documents, meeting the purpose and need outlined in Chapter 1. Therefore, the project is consistent with the previously adopted MPAH and SCRIP.

To assess potential growth-inducing impacts of the SR-74 widening, the development status of surrounding land was evaluated. The area was divided into three major categories: (1) existing land uses; (2) planned land uses; and (3) unplanned lands. Existing land uses are those areas that are developed or dedicated as urban open space/recreational, public facilities, or transportation uses. Planned land uses are undeveloped areas that are designated for urban development in general plans and have a zoning designation for specific urban uses. These areas may also have entitlement through either an approved specific plan or tentative tract map. Unplanned land areas are those lands that are not designated for urban uses or permanent open space, but are designated with land uses that could be considered transitional or holding designations (e.g., agricultural). Overall, the potential for growth-inducing impacts would be greatest on the unplanned land uses.

The proposed SR-74 widening from Calle Entradero east to the City/County border would not have any growth-inducing effect in the immediate area because the adjacent land is built out with and/or entitled for suburban, mostly single-family, residential uses. The nature of this development, as well as the limited improvements proposed on SR-74, would limit the feasibility of large-scale redevelopment of the area adjacent to the roadway.

The existing residential uses along the south side of SR-74 are predominantly “back-on” or side-facing to the roadway, whereas the front of the residential uses immediately adjacent to the north side are facing SR-74. However, the proposed project would not affect the viability or cohesiveness of any residential neighborhoods since SR-74 already exists between these two neighborhoods. Given the existing neighborhoods are well established, the roadway improvements would not result in a pressure to transition the neighborhood to nonresidential or intensified residential uses.

Immediately east of the City/County border, development in unincorporated Orange County is approved as part of the Ranch Plan. Widening the SR-74 would serve this planned growth. However, the proposed SR-74 roadway improvements would not be considered growth-inducing for the following reasons:

- The Ranch Plan is included in the County Projections and as shown above, the proposed Build Alternatives improve the LOS along the SR-74 mainline. Therefore, the proposed SR-74 improvements would not provide capacity beyond what is needed to serve the existing and approved development; therefore, it would not encourage intensification of existing and planned land uses. The proposed project would accommodate planned growth and development in the surrounding areas, meeting a project purpose outlined in Chapter 1.
- Growth on the Ranch Plan property would not be able to exceed the level already approved by the County because restrictions associated with the Ranch Plan approvals limit the amount of overall development. This has been established through provisions of the General Plan and zoning. Infrastructure to serve the Ranch Plan development will be provided as part of the land development project, and the impacts of the required infrastructure improvements have been addressed as part the environmental documentation for the Ranch Plan.
- The actions taken by the Ranch Plan landowner and the County to approve development adjacent to the proposed SR-74 improvements were independent of the proposed project. The Ranch Plan is an approved project that will be developed with or without the proposed project.

Beyond the Ranch Plan boundaries, the County is comprised of either developed land or land in public ownership that would not be available for development. Public lands include the Caspers Wilderness Park (owned by the County) and the Cleveland National Forest. The area immediately served by SR-74 within the City is generally built out. There are only limited opportunities for other infill development elsewhere

in the City and the surrounding area. Not only would the infill opportunities not result in substantial development, the proposed improvements to SR-74 under either Build Alternative would not measurably influence the decision to develop these areas. Other factors, such as economic and social demands, would have greater influence on development.

The proposed SR-74 improvements would also not influence development in western Riverside County. SR-74 is currently used for commuting to and from southern Orange and Riverside Counties. SR-74 is near capacity during commute hours and will not generate more commuting to Orange County, as the job projections for Riverside County show an approximately 763,000 job increase by 2035. The proposed project would relieve traffic congestion and improve the flow of traffic on SR-74, meeting the project purpose outlined in Chapter 1. The proposed improvements would also provide continuity of four lanes, as the road to the west currently has four lanes and the road to the east will have four lanes upon completion of the County's SR-74 Widening project. Considering that (1) the Build Alternatives are consistent with the City's General Plan and the MPAH, (2) there is limited land available outside the Ranch Plan area for new development, (3) the Ranch Plan was not conditioned to construct improvements within the study area, and (4) any changes to the amount of development in the Ranch Plan would require additional environmental review and would not influence development in western Riverside County, the growth impacts of the Build Alternatives are considered less than significant

2.1.2.4 Avoidance, Minimization, and/or Mitigation Measures

Build Alternatives 1 and 2 are not expected to result in permanent or temporary growth-inducing impacts and permanent impacts are considered less than significant. Therefore, no avoidance, minimization, or mitigation measures are required.

2.1.2.5 Level of Significance

The No Build Alternative will have no impact on growth. The Build Alternatives are not expected to result in significant temporary direct or indirect impacts to growth. Permanent direct or indirect growth impacts of the Build Alternatives are considered less than significant.