

4.12

POPULATION AND HOUSING

4.12.1 INTRODUCTION

The Population and Housing section of the EIR evaluates the potential for the proposed project to induce substantial population growth within the area, either directly or indirectly, in accordance with Question ‘a’ of Section XIII of CEQA Guidelines Appendix G. The “area” as defined for purposes of this analysis, where population growth could be induced as a result of the project, is the six-county Sacramento Region, which includes the counties of El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba, and all cities located therein. Evaluating population growth within the greater regional context, as compared to restricting the analysis to growth within the City of Davis, will ensure a more realistic projection of the project’s population and housing effects because the analysis will be able to reflect commute patterns for Davis area workers.

The Population and Housing section utilizes information from the *Davis General Plan*¹ and associated EIR,² the *City of Davis 2013-2021 Housing Element Update*,³ the *Sacramento Region Blueprint Project*,⁴ the *2035 Metropolitan Transportation Plan/Sustainable Communities Strategy*⁵ and associated EIR,⁶ the Sacramento Area Council of Governments’ *Regional Housing Needs Plan 2013-2021*,⁷ and the *City of Davis Economic Evaluation of Innovation Park Proposals*⁸ prepared by BAE Urban Economics (see Appendix G).

4.12.2 EXISTING ENVIRONMENTAL SETTING

The following setting information provides an overview of the existing population, housing supply, and employment characteristics in the Sacramento Region, including the current population and growth rates, community types, and jobs/housing balance. In addition, the regulatory agencies and policies associated with population, housing, and employment are described.

¹ City of Davis. *Davis General Plan*. Adopted May 2001. Amended through January 2007.

² City of Davis. *Program EIR for the City of Davis General Plan Update and Project EIR for Establishment of a New Junior High School*. January 2000.

³ City of Davis. *2013-2021 Housing Element Update*. November 2013.

⁴ Sacramento Area Council of Governments. *Sacramento Region Blueprint Transportation/Land Use Plan Special Report*. April 2010.

⁵ Sacramento Area Council of Governments. *Metropolitan Transportation Plan/Sustainable Communities Strategy*. Adopted April 19, 2012.

⁶ Sacramento Area Council of Governments. *Metropolitan Transportation Plan/Sustainable Communities Strategy EIR*. February 2012.

⁷ Sacramento Area Council of Governments. *Regional Housing Needs Plan 2013-2021*. Adopted September 20, 2012.

⁸ BAE Urban Economics. *City of Davis Economic Evaluation of Innovation Park Proposals*. July 9, 2015.

It should be noted that the proposed project includes a request for annexation of 229 acres from Yolo County to the City of Davis. The 212-acre portion of the project site proposed for development is known as the MRIC. The remaining 17-acre portion of the project site is known as the Mace Triangle, which has been included within the overall limits of the project site to avoid the creation of an unincorporated County “island” property upon annexation of the 212-acre MRIC site. This EIR has assumed that the Mace Triangle, with the exception of the existing Park-and-Ride lot, could be developed at a later date, subject to approval of additional discretionary entitlements. Therefore, the undeveloped portion of the Mace Triangle is proposed for development, but not as a part of the MRIC. The potential for impacts associated with development of 71,056 square feet of the Mace Triangle is considered in this EIR.

Current Regional Population

The Sacramento Area Council of Governments (SACOG) is an association of local governments from six counties and 22 cities within the Sacramento Region. The counties include El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba. SACOG is responsible for the preparation of, and updates to, the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) for the region and the corresponding Metropolitan Transportation Improvement Program (MTIP). The MTP/SCS provides a 20-year transportation vision and corresponding list of projects. The MTIP identifies short-term projects (seven-year horizon) in more detail. The 2035 MTP/SCS was adopted by the SACOG board in 2012.

Metropolitan Transportation Plan/Sustainable Communities Strategy

The MTP/SCS is a long-range plan for transportation improvements in the region. The plan is based on projections for growth in population, housing, and jobs. SACOG determines the regional growth projections by evaluating baseline data (existing housing units and employees, jobs/housing ratio, and percent of regional growth share for housing units and employees), historic reference data (based upon five- and ten-year residential building permit averages and historic county-level employment statistics), capacity data (General Plan data for each jurisdiction), and current MTIP data about assumptions used in the most recent MTP/SCS. SACOG staff then meets with each jurisdiction to discuss and incorporate more subjective considerations about planned growth for each area. Finally, SACOG makes a regional growth forecast for new homes and new jobs, based upon an economic analysis provided by a recognized expert in order to estimate regional growth potential based on market analysis and related economic data. This growth forecast is then incorporated into the MTP/SCS.⁹

Sacramento Area Council of Governments Regional Housing Needs Plan

The Regional Housing Needs Allocation (RHNA) establishes the total number of housing units that for which each city and county must plan for over the adopted planning period. Based on the adopted RHNA, each city and county must update the housing element of their general plan to

⁹ More detail on the multi-year process followed by SACOG can be found on page 18-25 of Appendix E-3 to the 2035 MTP/SCS Update and Chapter 3, Summary of Growth and Land Use Forecast, of the adopted MTP/SCS, available on the SACOG web page at: <http://sacog.org/mtpscsc>.

demonstrate how the jurisdiction intends to meet the expected growth in housing need over this period of time. SACOG is the lead agency for developing the Regional Housing Needs Plan (RHNP), which officially assigns the allocations to cities and counties in the six-county Sacramento Region, which includes Yolo County and the City of Davis. The allocation is based on the SACOG region’s projected housing needs over the planning period, which is from January 1, 2013 to October 31, 2021.

SACOG prepares a regional growth forecast to accommodate the estimated increases in population, employment and housing. The regional growth forecast is intended to estimate the amount of growth for the next 25-year period. SACOG identifies areas within the region sufficient to house all of the forecasted population of the region, including all economic segments of the population over the course of the MTP/SCS planning period.

The Center for Continuing Study of the California Economy (CCSCE) develops the growth projections for SACOG, including projections of future employment (by major employment sector), and population and household growth at the regional scale. The CCSCE’s regional growth projection method follows three major steps:

- Employment projections based on projections of U.S. and California job growth and the competitive position of the Sacramento region to capture a share of the State and national job growth;
- Population projections based on projected job growth, accounting for foreign immigration and domestic migration into the region; and
- Household projections based on projected population growth.

Once the projections are approved by the SACOG board, they become the growth forecast that is utilized for planning purposes in the MTP/SCS.

The 2035 growth forecast indicates that population in the Sacramento region is expected to grow by 871,000 people, an increase of about 39 percent, between 2008 and 2035. The 2035 growth forecasts result in the Sacramento region needing to accommodate approximately 361,000 new employees and 303,000 new housing units between 2008 and 2035 (see Table 4.12-1).

Table 4.12-1 Sacramento Regional Growth Forecast			
Year	Employees	Population	Housing Units
2008	966,316	2,215,044	884,725
2020	1,068,839	2,519,947	1,003,725
2035	1,327,424	3,086,213	1,187,744

Source: Sacramento Area Council of Governments. Metropolitan Transportation Plan/Sustainable Communities Strategy. Adopted April 19, 2012.

Regional Growth Rates

The current MTP's Sacramento regional forecast is lower than the 1.3 million people forecasted in the previous (2008) MTP, which had the same 2035 planning horizon, but used 2005 as the base year, whereas the current MTP uses a base year of 2008. As a result of the lower population forecast, the housing and employment forecast for the region is also lower than the forecast in the previous plan.

A decline in domestic in-migration is the principal cause of the declining population projections; although the recent recession also contributes to declining population growth in the early years. The U.S. economy is projected to grow at a slower rate, California is projected to get a smaller share of U.S. job and population growth, and the region's economy is expected to recover at a slower rate than some other areas of the State, with State budget deficits restraining job growth in the public sector over the next decade. The Sacramento region is still expected to outpace the State and nation in job growth in the latter part of the planning period; however, the region is expected to have a smaller job growth advantage than was anticipated in the 2008 MTP.

While the MTP/SCS is centered on a planning period of 2008-2035, a number of planning processes also rely on phasing assumptions for the year 2020. The year 2020 is very close to the 2021 horizon year of the next Regional Housing Needs Allocation (RHNA), an eight-year housing allocation that SACOG is required to develop under State housing law. Senate Bill (SB) 375 also requires that the RHNA be consistent with the growth pattern of the SCS and that the SCS identify areas within the region sufficient to house an eight-year projection of the region's housing need.

As a result, SACOG worked closely with the California Departments of Finance (DOF) and Housing and Community Development (HCD) to identify the most accurate population, housing and employment projections for 2020. The same economic and demographic factors used to develop the 2035 regional growth forecast are used to develop the 2020 growth forecast. Given the near-term time frame of 2020, and the expectation of some recovery from the 2008 economic recession before then, a number of other variables were scrutinized during the regional growth forecast process, including vacancy rates, growth rates, household formation behavior, and the health of the home-building industry. Thus, the 2020 forecast represents an interim snapshot of the MTP/SCS growth forecast.

Regional Community Types

SACOG has created a framework for describing the MTP/SCS that is made up of Community Types. Local land use plans (e.g., adopted and proposed general plans, specific plans, master plans, corridor plans, etc.) were divided into one of five Community Types based on the location of the plans. Table 4.12-2 shows the housing unit forecast by Community Type for the Sacramento Region.

Table 4.12-2 Summary of Housing Units Forecasted in MTP/SCS		
Community Type	2008 Existing Housing Units	Total 2035 MTP/SCS Forecasted Housing Units
Center and Corridor Communities	103,209	195,255
Established Communities	684,129	763,491
Developing Communities	25,717	152,027
Rural Residential Communities	71,670	76,971
Region Total	884,725	1,187,744
<i>Source: Sacramento Area Council of Governments. Metropolitan Transportation Plan/Sustainable Communities Strategy. Adopted April 19, 2012.</i>		

The proposed project site is located within the Developing Community type. Developing Communities are typically, though not always, situated on vacant land at the edge of existing urban or suburban development; they are the next increment of urban expansion. Developing Communities are identified in local plans as special plan areas, specific plans, or master plans and may be residential-only, employment-only, or a mix of residential and employment uses. Transportation options in Developing Communities often depend, to a great extent, on the timing of development. Bus service, for example, may be infrequent or unavailable today, but may be available every 30 minutes or less once a community builds out. Walking and bicycling environments vary widely, though many Developing Communities are designed with dedicated pedestrian and bicycle trails.

Regional Employment and Housing

Table 4.12-3 shows the employment forecast by sector and Community Type for the Sacramento Region.

Table 4.12-3 Summary of Employment Forecasted in MTP/SCS					
Community Type	Center and Corridor	Established	Developing	Rural Residential	Region Total
2008 Retail Employees	89,799	134,552	4,443	8,673	237,467
2035 Retail Employees	114,953	169,546	31,054	10,088	325,641
2008 Office Employees	211,195	274,973	4,934	9,964	501,066
2035 Office Employees	283,231	373,100	28,952	10,815	696,098
2008 Industrial Employees	20,604	89,037	4079	5,581	119,301
2035 Industrial Employees	20,305	114,243	9,436	6,451	150,435
2008 Public Employees	34,212	66,184	3,091	5,007	108,494
2035 Public Employees	41,066	95,405	12,842	5,926	155,239
<i>Source: Sacramento Area Council of Governments. Metropolitan Transportation Plan/Sustainable Communities Strategy. Adopted April 19, 2012.</i>					

Some Developing Communities areas are partially developed while others that are not yet approved or under development are used for farming, grazing, natural resource extraction, or other non-urban uses. By 2035, Developing Communities would be fully or partially constructed.

The MTP/SCS projects that 42 percent of the forecasted housing demand and 18 percent of the employment demand would be in Developing Communities. The share of housing in Developing Communities is projected to increase from 3 percent in 2008 to 13 percent of the total regional housing pool in 2035. The regional share of employment in Developing Communities is projected to increase from 2 percent in 2008 to 6 percent of the total employees in the region by 2035 (see Table 4.12-4).

Type	2008 Totals	2008-2020 Growth	2008-2035 Growth ¹
Employees	16,514	17,421	65,323
Housing Units	25,717	51,035	126,310

Notes:
1. 2008-2035 growth totals include the 2008-2020 growth totals.

Source: Sacramento Area Council of Governments. Metropolitan Transportation Plan/Sustainable Communities Strategy. Adopted April 19, 2012.

City of Davis Employment

Table 4.12-5 shows the employment forecast by employee sector for the City of Davis.

Employment Sector	2008	2035	Employee Growth
Retail Employees	3,003	3,356	353
Office Employees	2,460	4,713	2,254
Industrial Employees	1,072	1,048	-24
Government Employees	1,226	1,235	9
Service Employees	4,248	4,668	419
Medical Employees	1,514	2,129	615
Food Employees	1,282	1,486	204
Education Employees	1,289	1,306	17
Total Employees	16,094	19,941	3,847

Note:
Employee data only includes employees within the Davis city limits, excludes UC Davis.

Source: Personal communication with Matt Kowta, BAE Urban Economics. March 16, 2015.

As illustrated in Table 4.12-5, the office employment sector consists of the largest growth during the 2008 to 2035 time period, followed by the medical and service employment sectors.

Jobs/Housing Balance

The simplest measure of jobs/housing balance is an index based on the ratio of employed residents (which is influenced by the number of homes) to jobs in the area. An index of 1.0 indicates a jobs/housing balance (i.e. available jobs equals the amount of employed residents). An index above 1.0 indicates that the area has more jobs than employed residents, and may

suggest that many employees are commuting in from outside the community. An index below 1.0 indicates that the area has more employed residents than jobs and may suggest that many residents are commuting to jobs outside the community. Even with an optimal index of 1.0, there would be in- and out-commuting as residents choose to live in communities other than the location of employment.

Sacramento Region

SACOG’s methodology for calculating the jobs/housing balance index is calculated by dividing employment by an average 1.5 persons per household, as derived by SACOG. SACOG’s methodology results in a ratio of jobs to workforce, which recognizes the need of more than one job per household. Using SACOG data, the jobs/housing balance index is projected to be 0.80 (1,445,137/[1,209,216 x 1.5] = 0.80) by year 2030 and 0.83 (1,800,211/[1,445,678 x 1.5] = 0.83)by year 2050 (see Table 4.12-6).

City of Davis

According to the *City of Davis Economic Evaluation of Innovation Park Proposals* prepared by BAE Urban Economics and based on American Community Survey (ACS) data, the average number of employed workers per household in the Davis area, for households that have at least one employed worker, is 1.62.¹⁰ Using SACOG’s methodology and the average number of employed workers per household of 1.62 for the City of Davis, the 2008 City of Davis jobs/housing balance index is 0.39 (16,015/[25,639 x 1.62] = 0.39) and the projected balance in 2035 is 0.42 (19,857/[28,683 x 1.62] = 0.42) (see Table 4.12-7).

Table 4.12-6				
Sacramento Regional Jobs/Housing Balance				
Year	Population	Jobs	Households	Jobs/Housing Balance
2000	1,948,700	920,265	712,866	0.86
2030	3,232,589	1,445,137	1,209,216	0.80
2050	3,952,098	1,800,211	1,445,678	0.83
<i>Source: Sacramento Area Council of Governments. Projections of Employment, Population, Households, and Household Income in the SACOG Region for 2000-2050. Adopted September 15, 2005.</i>				

¹⁰ BAE Urban Economics. *City of Davis Economic Evaluation of Innovation Park Proposals* [pg. 30]. July 9, 2015.

Table 4.12-7 City of Davis Jobs/Housing Balance				
Year	Population	Jobs	Households	Jobs/Housing Balance
2008	63,923	16,015 ¹	25,639	0.39
2035	78,060	19,857 ²	28,683	0.42
<i>Notes:</i> <ol style="list-style-type: none"> 1. Does not include UC Davis. UC Davis is not located within Davis city limits. UC Davis would add an additional 18,144 jobs in 2008, resulting in a jobs/housing balance of 0.82. 2. Does not include UC Davis. UC Davis is not located within Davis city limits. UC Davis would add an additional 21,503 projected jobs in 2035, resulting in a jobs/housing balance of 0.89. <i>Sources:</i> <ul style="list-style-type: none"> • Sacramento Area Council of Governments. SACOG Information Resource Center. City and County Fast Facts. Available at: http://www.sacog.org/infocenter/demographics/datalibrary/. Accessed on March 6, 2015. • Personal communication with Matt Kowta, BAE Urban Economics. March 6, 2015. 				

Davis Worker Commute Patterns

In order to try to understand the effects that increased employment opportunities could have on population growth in an area, it is important to consider the existing commute patterns of those people would currently work in the area. Based on this data inferences can be made regarding the likely areas in the region where housing demand for new employees may occur.

Table 4.12-8 provides data regarding the commute patterns of existing workers, who are employed in the Davis area, including the City of Davis and the UC Davis main campus. These data show that approximately 55 percent of Davis area workers live in the City of Davis and the rest of the local employees live in scattered residential locations, including the UC Davis campus.

4.12.3 REGULATORY CONTEXT

Specific federal regulations do not directly pertain to population and housing of an area. However, there are a number of existing regulatory controls pertaining to population and housing, including State and local laws and ordinances that are listed below, as applicable.

State Regulations

The following are applicable State regulations related to the proposed project.

Regional Housing Needs Plan

California General Plan law requires each city and county to have land zoned to accommodate a fair share of the regional housing need. The share is known as the RHNA and is based on a RHNP developed by councils of government. The state-mandated RHNA process (Government

Code Sections 65580 et seq.) requires SACOG to develop a methodology that determines how to divide and allocate an overall allocation that the region receives from the State.

Place of Residence	Davis Area Workers	Percent of Total
Davis	17,805	54.55%
Woodland	3,065	9.39%
University California Davis CDP	1,450	4.44%
West Sacramento	960	2.94%
Winters	280	0.86%
Other Yolo County	825	2.53%
Sacramento	3,005	1.21%
Dixon	500	1.53%
Elk Grove	405	1.24%
Vacaville	355	0.09%
Roseville	230	0.70%
Citrus Heights	175	0.54%
Arden-Arcade CDP	215	0.66%
Carmichael CDP	180	0.55%
Folsom	150	0.45%
Rancho Cordova	190	0.58%
San Francisco	190	0.58%
Berkeley	150	0.46%
Foothill Farms CDP	135	0.41%
Rosemont CDP	125	0.38%
Fairfield	140	0.43%
Florin CDP	105	0.32%
Orangevale CDP	95	0.29%
Vallejo	75	0.23%
Vineyard CDP	70	0.21%
Yuba	140	0.43%
Rocklin	65	0.20%
All Other Locations	1,557	4.77% ²
Total	32,637	100.00%
Notes: CDP = census designated place 1. The ACS data used for the most recent Census Transportation Planning Package (CTPP) uses demographic estimates based on statistical sampling conducted between 2006-2010, Data are reported for workers age 16 and over. 2. Includes 94 different locations, none of which accounts for more than 0.3 percent of total Davis area employees.		
<i>Source: BAE Urban Economics. City of Davis Economic Evaluation of Innovation Park Proposals. July 9, 2015.</i>		

Regional Regulations

The following are applicable regional regulations related to the proposed project.

Sacramento Area Council of Governments

The Sacramento Area Council of Governments (SACOG) is an association of local governments from six counties and 22 cities within the Sacramento Region. The counties include El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba. SACOG is responsible for the preparation of, and updates to, the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) for the region and the corresponding Metropolitan Transportation Improvement Program (MTIP). The MTP/SCS provides a 20-year transportation vision and corresponding list of projects. The MTIP identifies short-term projects (seven-year horizon) in more detail. The 2035 MTP/SCS was adopted by the SACOG board in 2012. It should be noted that consistency with the aforementioned regional planning documents is considered by the applicable LAFCo when approving or denying an annexation.

Metropolitan Transportation Plan/Sustainable Communities Strategy

The 2035 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) is a long-range plan for transportation improvements in the region. The plan is based on projections for growth in population, housing, and jobs. SACOG determines the regional growth projections by evaluating baseline data (existing housing units and employees, jobs/housing ratio, and percent of regional growth share for housing units and employees), historic reference data (based upon five- and ten-year residential building permit averages and historic county-level employment statistics), capacity data (General Plan data for each jurisdiction), and current MTP data about assumptions used in the most recent MTP/SCS. SACOG staff then meets with each jurisdiction to discuss and incorporate more subjective considerations about planned growth for each area. Finally, SACOG makes a regional growth forecast for new homes and new jobs, based upon an economic analysis provided by a recognized expert in order to estimate regional growth potential based on market analysis and related economic data. This growth forecast is then incorporated into the MTP/SCS.¹¹

Capital Region Prosperity Plan

The 2013-2017 Capital Region Prosperity Plan includes El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties. The Plan was prepared in March 2013 and lays out the following five overarching goals and a set of associated long range objectives and action-oriented strategies designed to accelerate job creation and investment.

¹¹ More detail on the multi-year process followed by SACOG can be found on page 18-25 of Appendix E-3 to the 2035 MTP/SCS Update and Chapter 3, Summary of Growth and Land Use Forecast, of the adopted MTP/SCS, available on the SACOG web page at: <http://sacog.org/mtpscs>.

- Foster a Strong Innovation Environment;
- Amplify the Region’s Global Market Transactions;
- Diversify the Economy through Growth and Support of Core Business Clusters;
- Grow and Maintain a World-Class Talent Base; and
- Improve the Regional Business Climate for Economic Growth.

Local Regulations

The following are applicable local regulations related to the proposed project.

Davis General Plan

The applicable *Davis General Plan* policies and standards relating to population and housing are presented below in Table 4.12-15.

4.12.4 IMPACTS AND MITIGATION MEASURES

The section below describes the standards of significance and methodology utilized to analyze and determine the proposed project’s potential project-specific impacts related to population and housing. In addition, a discussion of the project’s impacts, as well as mitigation measures where necessary, is also presented.

Standards of Significance

In accordance with CEQA Guidelines, Appendix G, an impact is considered significant if the proposed project would:

- Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure);
- Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere;
- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere; or,
- Conflict, or create an inconsistency, with any applicable plan, policy, or regulation adopted for the purpose of avoiding or mitigating environmental effects related to population and housing.

Issues Not Discussed Further

Neither the MRIC site nor the Mace Triangle site contains housing. Therefore, the project would not result in potential impacts related to the substantial displacement of people or existing housing, necessitating the construction of replacement housing elsewhere.

For the aforementioned reason, the impacts associated with the substantial displacement of people or existing housing, necessitating the construction of replacement housing elsewhere are not analyzed further in this EIR.

Method of Analysis

The following section evaluates the impacts of the proposed project on the existing regional population, housing, and employment that would occur if the project as currently proposed is developed. Impact significance is determined by comparing project conditions to the existing regional conditions. The existing regional conditions and growth projections are based on research conducted through the DOF, SACOG, the City of Davis using publicly available documents, and the *Economic Evaluation of Innovation Park Proposals* prepared specifically for the proposed project by BAE Urban Economics (dated July 9, 2015). The analysis conducted by BAE reviews baseline conditions and recent trends in development of office/business park land in the Sacramento Region. BAE considered historic trends, local conditions and factors that support growth in the local tech economy, a range of alternative growth projections, and case studies of other cities, business parks, and research parks. BAE estimates the MRIC may have a full buildout horizon within the range of 7 to 17 years, depending upon market driven forces. A 17-year buildout for MRIC assumes an annual absorption of 140,000 square feet per year, while a 7-year buildout assumes an annual absorption of 350,000 square feet per year.

Project Impacts and Mitigation Measures

The following discussion of impacts is based on implementation of the proposed project in comparison with the standards of significance identified above. The discussions and mitigation measures presented below apply to both the MRIC and the Mace Triangle portions of the proposed project unless otherwise stated.

4.12-1 Induce substantial population growth. Based on the analysis below, the impact is *significant and unavoidable*.

The potential impacts associated with substantial population growth either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure) are discussed for the MRIC and the Mace Triangle separately below.

MRIC

The proposed 212-acre MRIC site is located immediately east of the City of Davis city limits, and has a Yolo County zoning designation of Agricultural Intensive (A-N). The MRIC site is currently vacant agricultural land and has been historically used for agricultural operations, including row crops.

Proposed Land Uses

The MRIC is anticipated to include up to approximately 2,654,000 square feet of innovation center uses, of which up to 260,000 square feet (10 percent of the site) may be developed with supportive commercial uses, as identified in Table 4.12-9.

The 260,000 square feet of supportive commercial uses is anticipated to include 160,000 square feet of hotel/conference center use and 100,000 square feet of supportive retail throughout the MRIC site, most of which would be located on the ground floor of the proposed research/office/R&D uses south of the Oval park area. The ancillary retail space within the innovation park is intended to provide employees and visitors with basic convenience shopping and dining opportunities in close proximity to the businesses, as well as fitness center amenities.

Land Use	Size
<i>Research; Office; R&D</i>	<i>1,510,000 sf</i>
<i>Manufacturing; Research</i>	<i>884,000 sf</i>
<i>Ancillary Retail</i>	<i>100,000 sf</i>
<i>Hotel/Conference</i>	<i>160,000 sf (150 rooms)</i>
<i>Green Space</i>	<i>64.6 acres</i>
<i>Landscaped Parking</i>	<i>12.6 acres</i>
<i>Transit Plaza</i>	<i>0.6 acres</i>
Total acres	212 acres
Total square footage	2,654,000 sf

Based upon the economic evaluation prepared for the innovation center projects by BAE Urban Economics, the MRIC may have a full buildout horizon within the range of 7 to 17 years, depending upon market driven forces.¹² A 17-year buildout for MRIC assumes an annual absorption of 140,000 square feet per year, while a 7-year buildout assumes an annual absorption of 350,000 square feet per year.

Employment Potential

Table 4.12-10 estimates the potential employment yields for buildout of the MRIC. The level of employment growth projected for the MRIC would exceed the growth levels that SACOG forecasted for the City of Davis by 2035, which consists of 2,230 office and industrial jobs.¹³ BAE consulted with SACOG staff regarding how the projected increases in the Davis employment levels should be treated in relation to SACOG’s regional employment projections and sub-regional employment growth allocations. Based on those discussions, BAE assumed that, to the extent that the MRIC involves an

¹² BAE Urban Economics. *City of Davis Economic Evaluation of Innovation Park Proposals*. July 9, 2015.

¹³ BAE Urban Economics. *City of Davis Economic Evaluation of Innovation Park Proposals [Appendix F]*. July 9, 2015.

increase in Davis employment that exceeds SACOG’s employment projections for Davis, this would involve reallocation of employment growth that SACOG had projected for other jurisdictions.^{14,15}

Table 4.12-10	
MRIC Site Estimated Buildout Job Yields	
Land Use Category	Estimated Employment
Office/Tech Space	5,633 ¹
Retail	200 ²
Hotel	50 ³
Total Employees	5,882
<i>Overall Employment Density (sf/employee)</i>	<i>451</i>
Notes: sf/employee = square feet per employee 1. MRIC Site office/tech space employment assumes 425 square feet per employee. 2. Retail assumes 500 square feet per employee. 3. Hotel assumes 0.33 employees per room. <i>Source: BAE Urban Economics. City of Davis Economic Evaluation of Innovation Park Proposals. July 9, 2015.</i>	

Following the approach outlined above, BAE reallocated approximately 4.0 percent of the regional employment growth, to accommodate the projected increase in employment associated with the MRIC (see Table 4.12-11). This methodological approach maintains the overall regional employment growth figure from SACOG’s original projections, but allows Davis’ employment growth to increase to reflect the employment associated with the development of the MRIC. Office and industrial employment growth projections for each of the other SACOG jurisdictions are reduced slightly. In this way, jurisdictions for which SACOG assigned the highest office and industrial employment growth projections would have the largest job reductions; and those with the smallest office and industrial growth projections would receive the smallest job reductions.

¹⁴ *Ibid.*

¹⁵ Gordon Garry, Director of Research and Analysis, SACOG. Employment and Housing Demand Associated with Innovation Center Development *Letter*. April 10, 2015.

Table 4.12-11 Office and Industrial Employment Growth Projections and Reallocation		
Jurisdiction	SACOG Office and Industrial Employment Projection	Reallocated Employment due to MRIC
City of Placerville	204	196
Unincorporated El Dorado County	7,059	6,779
El Dorado County Total	7,263	6,975
City of Auburn	537	515
City of Colfax	213	205
City of Lincoln	-177	-170
Town of Loomis	181	174
City of Rocklin	1,243	1,194
City of Roseville	9,755	9,367
Unincorporated Placer County	9,367	8,995
Placer County Total	21,119	20,281
City of Citrus Heights	2,198	2,111
City of Elk Grove	6,347	6,095
City of Folsom	3,080	2,958
City of Galt	1,270	1,219
City of Isleton	36	34
City of Rancho Cordova	12,737	12,232
City of Sacramento	30,590	29,375
Unincorporated Sacramento County	24,993	24,000
Sacramento County Total	81,250	78,024
Live Oak	-134	-129
Yuba City	3,893	3,738
Unincorporated Sutter County	1,326	1,273
Sutter County Total	5,085	4,883
City of Davis	2,230	7,555
City of West Sacramento	12,004	11,527
City of Winters	401	385
City of Woodland	3,269	3,139
Unincorporated Yolo County	623	598
Yolo County Total	18,527	23,205
Marysville	228	219
Wheatland	48	46
Unincorporated Yuba County	2,813	2,702
Yuba County Total	3,089	2,966
Regional Total	136,333	136,333
<i>Source: BAE Urban Economics. City of Davis Economic Evaluation of Innovation Park Proposals. July 9, 2015.</i>		

Employee Housing Demand Projections

Table 4.12-12 estimates the total number of employee households that would be associated with the MRIC’s estimated employment gains. Based on ACS data, the average number of employed workers per household in the Davis area, for households that have at least one employed worker, is 1.62. Dividing the estimated employees by the average persons per household yields the number of employee households, assuming a 3.5 percent vacancy rate.¹⁶

Table 4.12-12	
MRIC Site Estimated Employee Household Generation and Housing Demand at Buildout	
Scenario	Housing Units
Total Employment Increase ¹	5,882
Estimated Employee Households ²	3,631
Estimated Housing Demand³	3,763
Estimated Portion of Employees Seeking Housing in the City of Davis	54.6%
Estimated Number of Housing Units Demanded by Innovation Park Employees Outside of Davis	1,710
Estimated Number of Housing Units Demanded by Innovation Park Employees Inside of Davis	2,053
Estimated City of Davis Housing Development Potential ⁴	2,231
Portion of Housing Development potential Assumed to be Consumed by Non-Innovation Park Employment ⁵	993
Estimated Innovation Park Employee Housing Demand Accommodated in Davis	1,238
Innovation Park Employee Housing Demand Re-Distributed to Region through 2035	815
Notes: 1. Assumes complete absorption of all development included in the different scenarios. 2. Estimated 1.62 employed residents per household. 3. 3.50 percent Housing Vacancy allowance. 4. Per City of Davis, includes units at The Cannery, plus other currently zoned residential sites. Also assumes yield of 600 additional units from “Green Light” sites identified by 2008 General Plan Steering Committee as having strong potential for housing development. 5. SACOG’s current 2008 to 2035 employment growth projection for Davis, pro-rated for 2015 to 2035 time period equals 2,845 jobs. Conservatively, this analysis assumes that all of this employment growth would occur elsewhere in Davis, in addition to innovation park employee generation, and associated employee housing demand would absorb housing unit potential following the same assumptions used to calculate innovation park employee housing demand on this table.	
<i>Source: BAE Urban Economics. City of Davis Economic Evaluation of Innovation Park Proposals. July 9, 2015.</i>	

¹⁶ This vacancy assumption is used to represent a blend of a five percent vacancy rate for multifamily rentals and two percent for single-family homes. Vacancy rates are often considered indicative of a reasonable balance between supply and demand for these different housing types.

As shown in Table 4.12-12, the estimated employee housing demand at buildout of the MRIC is 3,763. Assuming that 45.4 percent of new innovation park employees would seek housing outside of the City of Davis, which implies 54.6 percent of new innovation park employees would live in Davis, similar to the inference made for existing Davis area employees based upon empirical commute patterns, the MRIC would result in an employee housing demand of 2,053 units within the City of Davis (Table 4.12-12). The remaining housing units (1,710) needed to meet the MRIC's employee housing demand would be met outside of the City of Davis, within the six-county SACOG region.

Through the 2035 time period, Davis has an estimated residential development capacity of 2,231 housing units. This capacity approximation includes a City staff estimate of 1,631 new housing units that can be accommodated on sites currently zoned for housing (including the Cannery), plus an additional 600 units of residential development potential on other sites that the City of Davis has identified as having strong potential for housing development, but which are not currently zoned for housing development.¹⁷ It should be noted that 600 units is at the low end of the potential capacity that City staff estimated for these sites.

As also noted in Table 4.12-12, a portion of the local housing supply could be consumed by employees associated with other employment growth elsewhere in Davis (e.g., retail, service, and other growth outside of the MRIC). SACOG's entire currently projected 3,842 employee growth figure for Davis between 2008 and 2035, is assumed pro-rated for growth during the 2015 to 2035 time period, which would occur in addition to the projected innovation park employment, resulting in local demand for 993 housing units, leaving 1,238 units available to satisfy the local housing demand from the MRIC. Therefore, assuming that 1,238 housing units would be available to accommodate the MRIC's total employee housing demand within the City of Davis of 2,053 units, the resultant employee housing demand that cannot be accommodated within the City of Davis would be 815 housing units. The MRIC, then, could result in an increased pressure for urbanization to occur outside of the City of Davis city limits. The City, however, has regulatory controls regarding urbanization outside of its existing jurisdictional limits, namely Measure R. For additional residential development to occur outside of the City's existing boundaries, the residential project(s) would need to be approved through a Measure R vote. This unmet housing demand within the City of Davis would then need to be met within surrounding jurisdictions. According to Table 4.12-13, BAE has projected that the SACOG region would need to accommodate a total MRIC employee housing demand of 2,525 units (unmet MRIC Site demand for units in Davis [815] + MRIC demand for units outside of Davis [1,710]).

¹⁷ These are the "green light" sites identified by the City Council in Resolution No. 08-158 as sites recommended for housing development.

Table 4.12-13	
MRIC Employee Housing Unit Demand by Location	
Scenario	Housing Units
Accommodated in Davis	1,238
Outside of Davis	2,525
<i>Employees Preferring to Live Outside of Davis</i>	<i>1,710</i>
<i>Employee Households Reallocated to Region</i>	<i>815</i>
Total Employee Housing Demand	3,763
<i>Source: BAE Urban Economics. City of Davis Economic Evaluation of Innovation Park Proposals. July 9, 2015.</i>	

Table 4.12-14 shows the expected distribution of residence locations for employees living outside of Davis.

The 815 residential units that cannot be accommodated within the City of Davis could be accommodated within the SACOG region, as evidenced in the MTP/SCS EIR, which concluded that the SACOG region would be sufficient to house all of the projected population and housing units expected to reside in the region through 2035.¹⁸ According to SACOG, the entire proposed project (comprising the MRIC and Mace Triangle) would not exceed SACOG’s regional employment projections, and therefore the employee household demand from the proposed project is already accounted for in the MTP/SCS projections. Notwithstanding this, because the City of Davis is not anticipated to provide its share of employee-generated housing for the MRIC, this project would result in significant impact with respect to inducing substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).

Jobs/Housing Balance

A jobs/housing imbalance could lead to air quality and traffic impacts resulting from in-commuting. Therefore, this EIR analyzes the effect that the proposed MRIC would have on the jobs/housing balance for the Sacramento Region and the City of Davis. As described above, the simplest measure of jobs/housing balance is an index based on the ratio of employed residents (which is influenced by the number of homes) to jobs in the area.

Because the MRIC would not exceed SACOG’s regional employment projections, but would rather reallocate employment from the Sacramento Region into the City of Davis, the projected regional jobs/housing balance index would not be affected. However, the proposed MRIC is expected to generate approximately 5,882 employees within the City of Davis and would affect the City of Davis’ jobs/housing balance.

¹⁸ Sacramento Area Council of Governments. *Metropolitan Transportation Plan/Sustainable Communities Strategy EIR [pg. 14-16]*. February 2012.

Table 4.12-14	
Projected Location of Housing for MRIC Site Employees Not Living in Davis	
Place of Residence	Employees
In Yolo County, Except Davis	
Woodland	522
University of California Davis CDP	247
West Sacramento	163
Winters	48
Other Yolo County	140
Outside of Yolo County	
Sacramento	512
Dixon	85
Elk Grove	69
Vacaville	60
Roseville	39
Citrus Heights	30
Arden-Arcade CDP	37
Carmichael CDP	31
Folsom	26
Rancho Cordova	32
San Francisco	32
Berkeley	26
Foothill Farms CDP	23
Rosemont CDP	21
Fairfield	24
Florin CDP	18
Orangevale CDP	16
Vallejo	13
Vineyard CDP	12
Yuba	24
Rocklin	11
All Other Locations	265
Total Housing Units	2,525
<p>Note: CDP = census designated place The ACS data used for the most recent Census Transportation Planning Package (CTPP) uses demographic estimates based on statistical sampling conducted between 2006-2010. Data are reported for workers age 16 and over.</p> <p>Source: BAE Urban Economics. City of Davis Economic Evaluation of Innovation Park Proposals. July 9, 2015.</p>	

Using the methodology presented above, with full buildout of the MRIC and the addition of 5,882 jobs, the jobs/housing balance in the City of Davis would improve to 0.55 ($25,739/[28,683 \times 1.62] = 0.55$).¹⁹

Mace Triangle

The 17-acre Mace Triangle site has been included in the overall project boundary of the proposed project application at the City's direction primarily for annexation purposes (i.e., to avoid the creation of a County island property). This EIR has assumed that the Mace Triangle, with the exception of the Park-and-Ride lot, could be developed at a later date, subject to approval of additional discretionary entitlements. Therefore, future potential buildout of the Mace Triangle could result in approximately up to 45,901 square feet of research/office/R&D, and 25,155 square feet of ancillary retail, which could accommodate approximately 158 employees. A potential maximum of 158 employees would be expected to result in an employee housing demand of approximately 97 units, which could either be accommodated within Davis or the surrounding region.

Conclusion

The MTP/SCS states as of 2008, the SACOG region consisted of 884,725 housing units, and forecasts 1,287,744 housing units within the SACOG region by the year 2035. The MTP/SCS EIR concluded the SACOG region would be sufficient to house all of the projected population and housing units expected to reside in the region through 2035.²⁰ According to SACOG, the entire proposed project (comprising the MRIC and Mace Triangle) would not exceed SACOG's regional employment projections, and therefore the employee household demand from the proposed project is already accounted for in the MTP/SCS projections. However, on a local level, the City of Davis cannot meet its projected share of the project's employee housing demand. This could result in increased urbanization pressures for the City of Davis environs and/or the need to accommodate this unmet demand within neighboring jurisdictions. As a result, the proposed project would result in a *significant* impact associated with either directly or indirectly inducing substantial population growth in an area.

Mitigation Measure(s)

This impact could be addressed by requiring the proposed project to include residential, workforce housing. This project design mitigation has been evaluated in Chapter 8 of this EIR as the Mixed-Use Alternative. Feasible mitigation for the proposed non-residential project is not available to reduce this impact to a less-than-significant level. Therefore, this impact would remain *significant and unavoidable*.

¹⁹ Including the jobs generated by UC Davis, the City of Davis jobs/housing balance would be 1.02 ($47,242/[28,683 \times 1.62] = 1.02$).

²⁰ Sacramento Area Council of Governments. *Metropolitan Transportation Plan/Sustainable Communities Strategy EIR* [pg. 14-16]. February 2012.

The physical environmental effects of such indirectly induced population growth within neighboring jurisdictions are addressed throughout the technical sections of this EIR, including Section 4.3, Air Quality; Section 4.7, Greenhouse Gas Emissions and Energy; and Section 4.14, Transportation and Circulation.

4.12-2 Conflict, or create an inconsistency, with any applicable population and housing plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect. Based on the analysis below, the impact is *less than significant*.

Table 4.12-15 lists the City of Davis General Plan policies related to population and housing applicable to the proposed project and includes a discussion of the proposed project’s compliance with the policies. As demonstrated in the table, the MRIC and Mace Triangle are generally consistent with the relevant policies of the City of Davis General Plan. Accordingly, the proposed project would not conflict, or create an inconsistency, with any applicable plan, policy, or regulation adopted for the purpose of avoiding or mitigation environmental effects related to population and housing, and the impact would be *less than significant*.

Table 4.12-15	
Applicable Population and Housing Plan, Policy, or Regulation Consistency Discussion	
Plan, Policy, or Regulation	Project Consistency
Chapter 4, Housing Chapter of the Davis General Plan	
Policy HOUSING 1.7 Analyze the models and options to promote housing for local employees.	Per the Economic Evaluation of Innovation Park Proposals report prepared by BAE specifically for the proposed project, the City of Davis could potentially accommodate an estimated 2,231 housing units for local employees.
Policy HOUSING 4.2 Provide housing opportunities for the local workforce in the Davis Area.	According to the jobs/housing balance for the City of Davis described above, the City of Davis housing supply is outpacing job growth. Therefore, development of the proposed project would improve the overall jobs/housing balance within the City of Davis.

Mitigation Measure(s)

None required.