

## 4. ENVIRONMENTAL IMPACT ANALYSIS

### H. POPULATION, HOUSING, AND EMPLOYMENT

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#### 1. INTRODUCTION

This section analyzes the potential effects of the Project's contribution to population, housing, and employment growth within the City of Los Angeles (City) and the Central City Community Plan (Community Plan) area. Project effects on these demographic characteristics are compared to adopted and advisory growth forecasts and relevant policies and programs regarding planning for future development. Related information regarding the effects of the new development on the relationship between land uses and resulting land use patterns is further addressed in Section 4.F, *Land Use and Planning*. Potential growth-inducing impacts of the Project are further addressed in Section 6, *Other CEQA Considerations*.

#### 2. ENVIRONMENTAL SETTING

##### a. Existing Conditions

###### (1) On-Site Conditions

The Project Site is currently developed with the Luxe City Center Hotel (Luxe Hotel) on the northwest portion of the Project Site with the remainder of the Project Site developed with surface parking. The Luxe Hotel is a nine story building that includes 178 guest rooms, a main lobby, meeting space area, interior restaurant, an indoor/outdoor bar and lounge area (Nixon Bar and Lounge), fitness center, and a one-level parking deck with parking below and above the deck.

The Luxe Hotel currently maintains a staff of 118 full time employees. The positions cover a large range of administrative/management maintenance, and service activities. Hotel workers serve visitor hospitality needs as well as food and beverage services.

###### (2) 2010 Population and Housing Estimates

The Project Site is located within the Central City Community Plan area of the City of Los Angeles, and Project impacts at the Community Plan and Citywide levels are considered in this analysis. Population and housing data from the 2010 decennial census is shown in **Table 4.H-1, 2010 Population and Housing Census Estimates**. The 2010 decennial census data prepared by the U.S. Census Bureau is based on door-to-door household counts. As indicated in Table 4.H-1, the estimated 2010 population for the Community Plan area was 37,675 people with 32,730 people residing in households/occupied housing units and 4,945 residing in group quarters. The City population was 3,792,624 people, with 3,708,020 residing in households and 84,601 residing in group quarters. The number of households/occupied housing units was 20,080 units in the Community Plan area and 1,318,168 units in the City. The average household size is 1.63 persons for the Community Plan area and 2.81 persons for the City.

###### (3) Projected Population, Housing and Employment Estimates

The Southern California Association of Governments (SCAG) 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS) is based on growth projections for populations, households, and employment prepared for regional, county, and local jurisdictional areas and transportation

**Table 4.H-1****2010 Population and Housing Census Estimates**

	Population			Housing Units		
	Total Population	Population in Households	Population in Group Quarters	Total Units	Occupied Units/ Households	Vacant Units
Central City Community Plan Area	37,675	32,730	4,945	23,626	20,080	3,546
City of Los Angeles	3,792,621	3,708,020	84,601	1,413,995	1,318,168	95,827

Source: U.S. Bureau of the Census; City Data from DP-1, Profile of General Population and Housing Characteristics-2010; Community Plan Data provided by Los Angeles City Planning Demographic Research Unit, December 11, 2015 and included in Appendix H, Table H-1 of this Draft EIR.

analysis zones (TAZs). The 2016 RTP/SCS reports demographic data for 2012, 2020, 2035 and 2040.<sup>1</sup> The 2016 RTP/SCS forecasts represent the likely growth scenario for the Southern California region in the future, taking into account recent and past trends, reasonable key technical assumptions, and local or regional growth policies. An estimate of the 2016 baseline population and growth projections for 2023 and 2040 are shown in **Table 4.H-2, Projected Population, Housing and Employment Estimates**, and discussed below.<sup>2</sup>

### Population

As indicated in Table 4.H-2, the Community Plan area population is expected to increase by 20,423 people, or 43 percent, by the time of Project buildout in 2023. The City of Los Angeles population is expected to grow by 170,863 people or 4 percent during that same period.

By 2040, the Horizon year of the SCAG projections, the population is expected to increase in the Community Plan area by 94,265 people or 199 percent. The City of Los Angeles population is expected to grow by 678,187 people or 17 percent during that same period.

### Housing

As indicated in Table 4.H-2, the number of households/occupied housing units is expected to increase in the Community Plan area by 11,880 units, or 47 percent, by the time of Project buildout in 2023. The number of households in the City of Los Angeles is expected to grow by 93,437 units or seven percent during that same time frame. By 2040, the number of households in the Community Plan area is expected to increase by 55,654 units, or 221 percent. The number of households in the City of Los Angeles is expected to grow by 306,877 units, or 22 percent, during that same period.

<sup>1</sup> SCAG provides TAZ data to local jurisdictions for local planning. The Community Plan estimates and projections are based on the SCAG data and were provided by the City's Department of City Planning and included in Appendix H, Table H-2 of this Draft EIR.

<sup>2</sup> The 2016 baseline estimate was determined by interpolating from data presented in the SCAG projections.

**Table 4.H-2**

**Projected Population, Housing and Employment Estimates**

	2016 Baseline	Projected Buildout Year – 2023			SCAG 2040 Horizon Year		
		Projected	Total Growth	Percentage Increase	Projected	Total Growth	Percentage Increase
<b>Population</b>							
Central City Community Plan Area	47,294	67,717	20,423	43%	141,559	94,265	199%
City of Los Angeles	3,931,227	4,102,090	170,863	4%	4,609,414	678,187	17%
<b>Housing</b>							
Central City Community Plan Area	25,238	37,118	11,880	47%	80,891	55,654	221%
City of Los Angeles	1,383,467	1,476,903	93,437	7%	1,290,343	306,877	22%
<b>Employment</b>							
Central City Community Plan Area	189,627	201,962	12,335	7%	221,679	32,052	17%
City of Los Angeles	1,797,971	1,940,448	142,477	8%	2,169,114	371,143	21%

*Source: Based on SCAG data prepared for the 2016 – 2040 RTP/SCS. Estimates for 2016 and 2023 are based on interpolation of data presented in the RTP/SCS for 2012, 2020 and 2035 as included in Appendix H, Table H-2 of this Draft EIR. Compiled by PCR Services Corporation, 2016.*

**Employment**

As shown in Table 4.H-2, the number of workers in the Community Plan area is expected to increase by 12,335 workers, or seven percent, by the time of Project buildout in 2023. The number of workers in the City of Los Angeles is expected to grow by 142,477 employees, or eight percent, during that same period.

By 2040, the number of workers in the Community Plan area is expected to increase by 32,052 workers, or 17 percent. The number of employees in the City of Los Angeles is expected to grow by 371,143 workers, an increase of 21 percent during that same period.

**b. Regulatory Framework**

**(1) Regional Level**

The Project is located within the jurisdiction of SCAG, a Joint Powers Agency established under California Government Code Section 6502 et seq. Pursuant to federal and State law, SCAG serves as a Council of Governments, a Regional Transportation Planning Agency, and the Metropolitan Planning Organization (MPO) for Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial Counties. SCAG’s mandated responsibilities include developing plans and policies with respect to the region’s population growth, transportation programs, air quality, housing, and economic development. Specifically, SCAG is responsible for preparing the Regional Comprehensive Plan (RCP), the RTP, and Regional Housing Needs Assessment (RHNA), in coordination with other State and local agencies. These documents include population, employment, and housing projections for the region and its 13 subregions. The Project Site is located within the Los Angeles Subregion.

### **(a) Regional Comprehensive Plan**

As part of its planning obligations, SCAG prepares the RCP, most recently updated in 2008. The RCP does not itself include population projections, but serves as a policy guide upon which population projections are prepared in updates to the Regional Transportation Plan (RTP). The 2008 RCP is an advisory document that may be voluntarily used by local jurisdictions when developing local plans and addressing local issues of regional significance. It addresses issues related to future growth and provides a means for assessing the potential impact of individual development projects within a regional context. Local governments are asked to consider the RCP's recommendations in the preparation of General Plan updates, municipal code amendments, design guidelines, incentive programs and other actions.

### **(b) Regional Transportation Plan/Sustainable Communities Strategy**

In April 2016, SCAG's Regional Council adopted the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS). The 2016 RTP/SCS presents the transportation vision for the region through the year 2040 and provides a long-term investment framework for addressing the region's transportation and related challenges. As previously discussed, the RTP/SCS also contains baseline socioeconomic projections that are the basis for SCAG's transportation planning, and the provision of services by other regional agencies. It includes projections of population, households, and employment at the regional, county, and local jurisdictional levels, and TAZs that provide small area data for transportation modeling. The RTP/SCS identifies the amount of expected growth in the region and provides the expected distribution of that growth. The distribution reflects goals cited in the 2016 RTP/SCS.<sup>3</sup> These goals seek to align the plan investments and policies with improving regional economic development and competitiveness; maximizing mobility and accessibility; ensuring travel safety and reliability for all people and goods in the region; preserving and ensuring a sustainable regional transportation system; maximizing the productivity of the transportation system; protecting the environment and health of our residents by improving air quality and encouraging active transportation (e.g., bicycling and walking); actively encouraging and creating incentives for energy efficiency, where possible; encouraging land use and growth patterns that facilitate transit and active transportation; and maximizing the security of the regional transportation system through improved system monitoring, rapid recovery planning, and coordination with other security agencies.

The 2016 RTP/SCS recognizes the need to provide an integrated approach to protect, maximize the productivity of, and strategically expand the region's transportation system. An important component of this strategy is "Smart Land Use."<sup>4</sup> SCAG has been attempting to integrate land use and transportation by working with subregions and local communities to increase development densities and improve the jobs/housing balance. Smart land use strategies encourage walking, biking, and transit use, thereby reducing vehicular demand. This saves travel time, reduces pollution, and leads to improved health.

A component of the SCAG strategy has been to focus new growth in High Quality Transit Areas (HQTAs), the downtown Los Angeles area being an integral component of this strategy. HQTAs are areas within one half mile of a fixed guideway transit stop or bus transit corridor. While HQTAs account for only three percent of

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<sup>3</sup> 2016-2014 RTP/SCS, page 64.

<sup>4</sup> SCAG, 2016-2040 RTP/SCS, Figure 5.1, System Management Pyramid, page 85.

total land area in the SCAG region, HQTAs will accommodate 46 percent and 55 percent of future household and employment growth respectively between 2012 and 2040.<sup>5</sup>

### **(c) Sustainability Planning Grant Program**

The Sustainability Planning Grant Program (formerly known as Compass Blueprint Grant Program) was established as an innovative vehicle for promoting local jurisdictional efforts to test local planning tools. Since starting in 2005, 133 projects have been completed through the program, with another 69 projects to be completed by the end of 2016. By supporting exemplary projects, the Sustainability Planning Grants Program illustrates the value effective growth planning can bring to our regional partners and the region as a whole.

The Sustainability Planning Grants Program provides direct technical assistance to SCAG member jurisdictions to complete planning and policy efforts that enable implementation of the regional SCS. Grants are available in the following three categories:

- Integrated Land Use – Sustainable Land Use Planning, Transit Oriented Development (TOD) and Land Use & Transportation Integration
- Active Transportation – Bicycle, Pedestrian and Safe Routes to School Plans
- Green Region – Natural Resource Plans, Climate Action Plans (CAPs) and Green House Gas (GHG) Reduction programs

### **(d) Regional Housing Needs Assessment**

SCAG prepares the RHNA as mandated by State law as part of the periodic updating of the Housing Elements of General Plans by local jurisdictions. The RHNA identifies the housing needs for very low income, low income, moderate income, and above moderate income groups. The most recent RHNA allocation, the “5<sup>th</sup> Cycle RHNA Allocation Plan”, was adopted by the Regional Council on October 4, 2012. This allocation identifies housing needs for the planning period between January 2014 and October 2021. Local jurisdictions are required by State law to update their General Plan Housing Elements based on the most recently adopted RHNA allocation.

## **(2) City of Los Angeles**

### **(a) City of Los Angeles General Plan**

The City of Los Angeles General Plan (General Plan) was prepared pursuant to State law to guide future development and to identify the community’s environmental, social, and economic goals. The General Plan sets forth goals, objectives, and programs to provide a guideline for day-to-day land use policies and to meet the existing and future needs and desires of the community, while integrating a range of State-mandated elements including Transportation, Noise, Safety, Housing, and Open Space/Conservation. The General Plan also includes the General Plan Framework Element, discussed below, and the Central City Community Plan, which guides land use at the community level.

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<sup>5</sup> SCAG, 2016-2040 RTP/SCS, page 75.

### **(b) City of Los Angeles General Plan Framework**

The City of Los Angeles General Plan Framework Element (General Plan Framework) establishes the conceptual basis for the City's General Plan. The General Plan Framework sets forth a Citywide comprehensive long-range growth strategy and defines Citywide policies regarding land use, housing, urban form, neighborhood design, open space and conservation, economic development, transportation, infrastructure, and public services. General Plan Framework land use policies are implemented at the community level through Community Plans and Specific Plans.

The General Plan Framework Land Use Chapter designates Districts (i.e., Neighborhood Districts, Community Centers, Regional Centers, Downtown Centers, and Mixed-Use Boulevards) and provides policies applicable to each District that are intended to support the vitality of the City's residential neighborhoods and commercial districts. The Project Site is located in the designated "Downtown Center" district. The Downtown Center is identified as the location for "... major cultural and entertainment facilities, hotels, professional offices, corporate headquarters, financial institutions, high-rise residential towers, regional transportation facilities and the Convention Center. The General Plan describes the Downtown Center as generally characterized by floor area ratio of up to 13:1 and high rise buildings."<sup>6</sup>

The Housing Chapter of the General Plan Framework states that housing production has not kept pace with the demand for housing. According to the General Plan Framework, the City of Los Angeles has insufficient vacant properties to accommodate the projected population growth and the supply of land zoned for residential development is the most constrained. The Housing Chapter states that new residential development will require the recycling and/or intensification of existing developed properties. The General Plan Framework states that the City must strive to meet housing needs of the population in a manner that contributes to stable, safe, and livable neighborhoods, reduces conditions of overcrowding, and improves access to jobs and neighborhood services.<sup>7</sup> In particular, Policy 4.1.1 states that the City should "[p]rovide sufficient land use and density to accommodate an adequate supply of housing units by type and cost within each City subregion to meet the 20-year projections of housing needs." Objective 4.2 "[e]ncourage[s] the location of new multi-family housing development to occur in proximity to transit stations, along some transit corridors, and within some high activity areas with adequate transitions and buffers between higher-density developments and surrounding lower-density residential neighborhoods."<sup>8</sup>

The Economic Development Chapter of the General Plan Framework Element includes a number of policies regarding the provision of commercial land development. Policy 7.2.2 states that commercial development entitlements should be concentrated in areas best able to support them, including community and regional centers, transit stations, and mixed-use corridors, so as to prevent commercial development from encroaching on existing residential neighborhoods. Policy 7.2.3 encourages new commercial development in proximity to rail and bus transit corridors.

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<sup>6</sup> *City of Los Angeles General Plan Framework, Long-Range Land Use Diagram, Metro Area. Adopted December 11, 1996; Re-adopted August 8, 2001.*

<sup>7</sup> *General Plan Framework, pages 4-1 to 4-2.*

<sup>8</sup> *General Plan Framework, pages 4-4 and 4-6.*

### **(c) General Plan Housing Element**

The Housing Element of the General Plan is prepared pursuant to State law and provides planning guidance in meeting the housing needs identified in SCAG's RHNA. The Housing Element identifies the City's housing conditions and needs, establishes the goals, objectives, and policies that are the foundation of the City's housing and growth strategy, and provides the array of programs the City intends to implement to create sustainable, mixed-income neighborhoods. The 2013-2021 Housing Element, an update to the previous 2006-2014 Housing Element that is based on the updated 2012 RHNA, was adopted by the City Council on December 3, 2013. Policies of note include Policy 1.1.3, which states the City should "[f]acilitate new construction and preservation of a range of housing types that address the particular needs of the city's households." Also, Policy 1.1.4 states that the City should "[e]xpand opportunities for residential development, particularly in designated Centers, Transit Oriented Districts and along Mixed-Use Boulevards." The Housing Element carries forward the goals of the General Plan Framework Element Housing chapter to encourage infill development and increase density in higher-intensity commercial and mixed-use districts, centers and boulevards, and in proximity to transit.

Further, Chapter 1, Housing Needs Assessment, identifies the City's share of the housing needs established in the RHNA. In particular, Table 1.29, City of Los Angeles Regional Housing Needs Assessment Allocation, indicates that the City's needs assessment allocation includes 82,002 housing units of which 35,412 units, or 43.2 percent, would be for above moderate income households. The remaining 56.8 percent of the needed housing units consist of 13,728 moderate-income units (16.8 percent), 12,435 low-income units (15.2 percent), 10,213 very low-income units (12.5 percent), and 10,213 extremely low-income units (12.5 percent).<sup>9</sup> This allocation represents one-fifth of the total need of 412,721 housing units identified for the six-county SCAG region. The percentage increased from the previous housing needs cycle and City proportion, which was one sixth of the regional need. This shift in the proportion of the regional needs allocated to the City represents compliance with the Sustainable Communities Strategy that encourages development into areas with high proportions of HQTAs.

The Housing Element also establishes quantifiable objectives regarding the number of new housing units it anticipates being constructed. The Housing Element's objective for new housing is 59,559 units, of which 48,000 units would be for above moderate income units, 1,122 units would be for moderate-income families, 4,873 new units would be for low-income, 3,834 would be for very low-income and 1,730 would be for extremely low income.

### **(d) Central City Community Plan**

The Land Use Element of the City's General Plan includes 35 Community Plans. Community Plans are intended to provide an official guide for future development and propose approximate locations and dimensions for land use. The Community Plans establish standards and criteria for the development of housing, commercial uses, and industrial uses, as well as circulation and service systems. The Community Plans implement the City's General Plan Framework Element at the local level. The Community Plans consist of both text and an accompanying generalized land use map. The Community Plan text expresses goals, objectives, policies, and programs to address growth in the community. The Community Plan map depicts

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<sup>9</sup> *Ibid*, Table 1.29, page 1-79.

the desired arrangement of land uses as well as street classifications and the locations and characteristics of public service facilities.

The Project is located within the Central City Community Plan area (Community Plan). The Community Plan incorporates geographic projections for the year 2010 that were included in the General Plan Framework.<sup>10</sup> The General Plan Framework makes clear that its population forecasts are estimates: "... it [Framework Element] is not dependent upon these population levels or distributions for its implementation. It does not mandate specific levels of growth for any specific area (neither minimums nor caps)."<sup>11</sup>

The Community Plan also includes data regarding potential plan population and dwelling unit capacity for 2010, based on assumptions regarding then existing land use designations. This data identifies 14,398 dwelling units with an expected reasonable population based on development in residentially zoned areas of 27,212. It identifies a reasonable 2010 population of 34,765 inclusive of population/dwelling units located within commercial areas as well as residential areas. This equates to a reasonable expected estimate of 18,394 units inclusive of residential development in both the commercial areas and residential areas.

The Central City Community Plan also includes residential and commercial objectives and policies that establish a development concept for its neighborhoods and districts. Key provisions regarding the preferred development in the Project vicinity include the following:

### **Residential Objectives**

- Objective 1-1: To promote development of residential units in South Park.
- Objective 1-2: To increase the range of housing choices available to Downtown employees and residents.

### **Commercial Objectives**

- Objective 2-2: To retain the existing retail base in Central City.
  - Policy 2-2.2: To encourage pedestrian-oriented and visitor serving uses during the evening hours especially along the Grand Avenue cultural corridor and between the Hollywood Freeway (US 101) and Fifth Street, the Figueroa Street corridor between the Santa Monica Freeway (I-10) and Fifth Street and Broadway between Third Street and Ninth Street.
- Objective 2-3: To promote land uses in Central City that will address the needs of all the visitors to Downtown for businesses, conventions, trade shows, and tourism.
  - Policy 2-3.1: Support the development of a hotel and entertainment district surrounding the Convention Center/Staples Arena with linkages to other areas of Central City and the Figueroa corridor.

<sup>10</sup> These include projections for the year 2010 of 27,029 persons, 16,457 households and an expected increase in employment of 61,500 additional jobs between 1990 and 2010: *Central City Community Plan, page II-3.*

<sup>11</sup> *City of Los Angeles, The Citywide General Plan Framework, Originally adopted by City Council on December 11, 1996 Re-adopted on August 8, 2001, page 2-2.*

- Objective 2-4: To encourage a mix of uses which create an active, 24-hour downtown environment for current residents and which would also foster increased tourism.

### **(e) City Center Redevelopment Project**

The Project is also located within the boundaries of the City Center Redevelopment Project. As discussed more fully in Section 4.F, *Land Use and Planning*, the City Center Redevelopment Project Plan was adopted on May 15, 2002; and has an end date of May 15, 2032. The 879-acre Redevelopment Plan area incorporates a large portion of the Central City Community Plan area, including the Historic Downtown, South Park, and City Markets subareas.

The Redevelopment Project and Plan were adopted pursuant to State laws, and carried out under the auspices of the Community Redevelopment Agency (CRA). In 2011, the State dissolved the approximately 400 redevelopment agencies across the State. At this time CRA/LA, a Designated Local Authority (DLA) and successor to the CRA oversees projects that were formerly under the auspices of the CRA. While the economic development and financial tools of the former CRA are no longer available, the existing Redevelopment Project areas and the City's Redevelopment Plan remain in effect.

As further clarified by the CRA/LA and applicable to the City Center Redevelopment Project area, Community Plan land use and zoning designations prevail over Redevelopment Plan map designations and future permit applications will not require CRA/LA discretionary land use approvals. However, projects will continue to be reviewed by CRA/LA for conformance with the City Center Redevelopment Plan.

The Plan includes 15 objectives that define the role of the downtown area and the types and features of the development that should occur in the future. Of these, the following more directly address the issue of growth in the downtown area. They are as follows:

- Objective 1. To eliminate and prevent the spread of blight and deterioration and to rehabilitate and redevelop the Project Area in accordance with this Plan.
- Objective 2. To further the development of Downtown as the major center of the Los Angeles metropolitan region, within the context of the Los Angeles General Plan as envisioned by the General Plan Framework, Concept Plan, City-wide Plan portions, the Central City Community Plan, and the Downtown Strategic Plan.
- Objective 3. To create an environment that will prepare, and allow, the Central City to accept that share of regional growth and development which is appropriate, and which is economically and functionally attracted to it.
- Objective 6. To create a modern, efficient and balanced urban environment for people, including a full range of around-the-clock activities and uses, such as recreation, sports, entertainment and housing.
- Objective 7. To create a symbol of pride and identity which gives the Central City a strong image as the major center of the Los Angeles region.

The Redevelopment Plan also provides development guidelines regarding the amounts of development, the type, size and height of buildings and the permitted FAR ratios permitted. Included in its development guidelines are procedures for transferring previously approved development rights from a donor site with previous entitlements to a receiver site within the Redevelopment Plan area. The transfer of development area rights is a tool that allows flexibility in the location of development consistent with market forces and other plans and policies regarding the nature of Downtown development.

#### **(f) GreenLA and ClimateLA**

The City of Los Angeles released its climate action plan, GreenLA: An Action Plan to Lead the Nation in Fighting Global Warming, in May 2007. The Plan sets forth a goal of reducing the City's greenhouse gas emissions to 35% below 1990 levels by the year 2030, one of the most aggressive goals of any big city in the U.S. This voluntary plan identifies over 50 action items, grouped into focus areas, to reduce emissions. While the emphasis is on municipal facilities and operations, and programs to reduce emissions in the community, the plan provides land use guidelines regarding transit oriented development.

ClimateLA is the implementation program that provides detailed information about each action item discussed in the GreenLA framework. Action items focus on mechanisms for improving energy efficiency and reducing energy consumption. ClimateLA also includes land use actions to promote reduced energy consumption: LU1 says to "Promote high-density housing close to major transportation stops;" LU2 says to "Promote and implement transit-oriented development (TOD)."

#### **(g) Transfer of Floor Area Rights Ordinance No. 178,592**

The Transfer of Floor Area Rights (TFAR) provision of the LAMC (Article 4.5, Sections 14.5.1 through 14.5.12) provides a mechanism for implementing the TFAR procedures established in Central City Community Plan and the City Center Redevelopment Plan. The TFAR provision provides the mechanisms for performing transfers, findings required for the approval of transfers, mechanisms for monitoring transfers.

The TFAR also establishes community benefits payments that must be implemented as part of transfer activities. It establishes the guidelines for calculating and assessing the public benefit payments.

### **3. ENVIRONMENTAL IMPACTS**

#### **a. Methodology**

The analysis of Population, Housing and Employment impacts compares the Project's contribution to population, housing, and employment growth to Community Plan, Redevelopment Plan and Citywide projections and policies regarding future development. The analysis evaluates whether the Project's housing, residential population, and employment creation falls within those projections and does not conflict with related policies.

The Project's residential population was calculated based on the average household size within the Community Plan area, based upon 2010 Census data. This estimate provided a conservative estimate of future population. The number of employees was calculated using employee generation factors developed for a range of land uses by the Los Angeles Unified School District in its 2014 Developer Fee Justification Study.

The estimates of future population, housing, and employment are based on data prepared by SCAG for the 2016 RTP/SCS. The 2016 RTP/SCS reports demographic data for 2008, 2020 and 2040. The 2016 RTP/SCS forecasts represent the likely growth scenario for the Southern California region in the future, taking into account recent and past trends, reasonable key technical assumptions, and local and regional growth policies.

## b. Thresholds of Significance

Appendix G of the *CEQA Guidelines* provides a set of screening questions that address impacts with regard to population growth and displacement of housing or population. The following question applies to the issue of population growth:

Would the project:

- 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) beyond the adopted projections of the applicable plan?
- 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?

As discussed in the Initial Study, provided in Appendix A of this Draft EIR, and in Chapter 6.0, Effects Found Not to be Significant, in Section A, the Project would have no impact related to the displacement of housing or residential population. As such, no further analysis of these topics in this section is necessary.

The *L.A. CEQA Thresholds Guide* incorporates the screening questions contained in Appendix G. In accordance with the City's thresholds, the determination of significance should be made on a case-by-case basis, considering the following factors:

- The degree to which the project would cause growth (i.e., new housing or employment generators) or accelerate development in an undeveloped area that exceeds projected/planned levels for the year of project occupancy/buildout, and that would result in an adverse physical change in the environment;
- Whether the project would introduce unplanned infrastructure that was not previously evaluated in the adopted Community Plan or General Plan; and
- The extent to which growth would occur without implementation of the project.

The first and third factors both refer to a comparison of the added growth of a project to a baseline of growth without the project. Based on these factors, the Project would have a significant impact on population, housing and employment if:

- **PH-1** The Project would cause growth (i.e. new housing or employment generators) or accelerate development in an undeveloped area that exceeds projected/planned levels for the year of the

project occupancy/buildout, as compared to growth otherwise occurring, and that would result in an adverse physical change in the environment; or

- **PH-2** The Project would introduce unplanned infrastructure that was not previously evaluated in the adopted Community Plan or General Plan construction of which would result in an adverse physical change in the environment.

### c. Project Characteristics

The Project would demolish the existing Luxe Hotel, surface parking, and related improvements on the Project Site in order to construct a new mixed-use hotel, residential and commercial development. The mixed-use Project would include up to approximately 1,129,284 sf of floor area (approximately 9.7:1 FAR) in three towers atop an eight level podium (Podium) with four levels above grade with .... and up to four levels below grade parking. The Project would include a total of up to 300 hotel rooms, 650 residential condominium units, and up to approximately 80,000 sf of retail, restaurant, and other commercial uses.

The new 650 residential units would provide housing for new population at the Project Site, contributing to the residential development within the South Park area of Downtown. The Project's new hotel and commercial development would be a source of new employment at the Project Site. In part, the new employment would replace jobs currently provided by the existing hotel development. At the same time, there would be an increment of additional employment beyond that occurring today.

### d. Project Impacts

**Threshold PH-1** The project would have a significant impact if it would cause growth (i.e. new housing or employment generators) or accelerate development that exceeds projected/planned levels for the year of the project occupancy/buildout, as compared to growth otherwise occurring, and that would result in an adverse physical change in the environment;

#### (1) Construction

**Impact Statement PH-1:** *The Project's construction phase would have no impact on the supply of housing units or population growth. Construction activities would create work for construction workers that would be drawn from an existing regional pool of existing workers. The short-term employment opportunities would contribute to the local and regional economy. Impacts from construction activity would be less than significant.*

Construction of the Project would require the participation of construction employees that would be hired from a mobile regional construction work force that moves from project to project. Typically, construction workers pass through various development projects on an intermittent basis as their particular trades are required. Given the mobility and short durations of work at a particular site, and large construction labor pool that can be drawn upon in the region, construction employees would not be expected to relocate residences within this region or move from other regions as a result of their work on the Project.

The number of construction workers would vary on a day to day basis over the course of Project construction. The number of employees is estimated to range from 10 employees during early construction activity to a maximum of 700 construction workers during later construction activity. As the Project would

draw on an existing labor pool, the construction impacts of the Project on the number of employees in the region would be negligible. Further, given the temporary nature of the construction activity, the mobility of construction workers, and availability of a labor pool to draw on, construction workers would not be expected to have notable impact on the demand for housing, nor affect general housing occupancy and population patterns.

The addition of construction employment opportunities, up to 700 workers on a day of maximum construction activity, would contribute to the economic well-being of the City and region by creating direct employment opportunities for the individuals hired and indirect contributions to the local and regional economy through expenditures of those employees, particularly at retail operations in the Project vicinity.

## **(2) Operations – Impacts Regarding SCAG Growth Projections**

***Impact Statement PH-2:** The Project would create new housing units and generate new employment opportunities. The Project's contributions to housing, population and employment would be consistent with SCAG's short-term and long-term growth projections for the Community Plan area and the City of Los Angeles, and would help the City meet or exceed its housing objectives per the General Plan Housing Element, and housing allocation established in the SCAG RHNA. Impacts regarding the relationship of the Project to SCAG growth projections would be less than significant.*

The Project would create new housing units that would increase population within the downtown, South Park area. The Project would also include new retail, restaurant and hotel development that provide new jobs adding to the downtown employment base. The Project's contribution to housing stock, residential population, and employment opportunities is summarized in **Table 4.H-3, Project Increases in Population, Housing, and Employment**. The projected Project increase within each of these categories is compared to growth projections in the SCAG 2016 RTP/SCS for the Central City Community Plan area and the City of Los Angeles in **Table 4.H-4, Project Population, Housing and Employment Impacts**.

### **(a) Effect of the Project on Projections from 2016 Baseline to 2023 Project Buildout Year**

As indicated in Table 4.H-3, the Project would add 650 new housing units with a residential population of 1,060 and 438 new employees. These increases in demographic growth are compared to the SCAG estimates of growth during the 2016 to 2023 buildout year as presented in Table 4.H-4. As indicated, within the Community Plan area, the Project's 1,060 population increase would comprise 5.2 percent of the SCAG estimated increase of 20,423. It would comprise 0.6% of the population increase of 170,863 people in the City. The increase of 650 housing units would comprise 5.5 percent of the SCAG estimated increase of 11,880 households in the Community Plan Area; and 0.7 percent of the 93,437 unit increase estimated for the City. Project employees would represent 1.2 percent of the projected new employees in the Community Plan area at Project buildout and 0.2 percent of projected new employees Citywide.

Table 4.H-3

## Project Increases in Population, Housing and Employment

## Proposed Project

Population					
Total Housing Units		Average Household Size <sup>a</sup>		Total Population	
650		1.63		1,060	
Employees					
Use	Amount	Employment Generation Factor <sup>b</sup>	Number of Employees		
Retail/Restaurant (sq.ft.)	80,000	0.00271	217		
Residential Amenity Areas	15,000	0.00153	23		
Hotel (sq.ft.) <sup>c</sup>	280,000	0.00113	<u>316</u>		
Total New Employees			556		
Existing Employees			<u>(118)</u>		
<b>NET INCREASE</b>			<b>438</b>		

<sup>a</sup> The average household size reflects the average household size for the Central City Community Plan Area: 1.63 residents per occupied unit; and reflects Census data for population in households divided by the number of occupied households as reported in Table 4.H-1, above.

<sup>b</sup> The employee generation factor for retail and hotel uses is taken from the Los Angeles Unified School District, 2014 Developer Fee Justification Study, Table 12, March 2014. As a separate rate is not provided for restaurant uses, the retail factor was used. The rate is for Neighborhood Shopping Centers. The rate for the common area is based on the community shopping center rate, which was the closest use type. The existing number of hotel employees is based on information provided by the LUXE Hotel for the existing facility

<sup>c</sup> Includes Hotel Rooms, Banquet, Conference and Amenity Areas.

Source: PCR Services Corporation, 2016

Project increases in population, housing, and employment therefore provide a small contribution to anticipated growth for the period between 2016 and 2023, the Project buildout year, for the Community Plan area and the City as a whole. The increase in growth is consistent with SCAG's growth projections; and impacts regarding consistency with the projections would be less than significant.

**(b) Effect of the Project on Projections at the 2040 Horizon Year**

Table 4.H-4 also shows the Project impacts with projected growth between 2016 and 2040, the time horizon of the 2016 RTP. The Project would comprise a much smaller increment of the total expected growth over that longer period, representing 1.1 percent of the added population increase, 1.2 percent of the added housing units, and 1.4 percent of the added employees within the Community Plan area. Within the City, the Project would contribute much smaller increments of growth: 0.2 percent of the population, 0.2 percent of the housing and 0.1 percent of the employment. These are extremely small percentages of the expected growth, and are well within the projected levels. Impacts regarding these estimates would be less than significant.

**Table 4.H-4**

**Project Population, Housing and Employment Impacts**

<u>Population</u>	<u>Project Increase<sup>a</sup></u>	<u>SCAG Projected Growth</u>	<u>Project Percentage of Growth</u>
<u>2016 - 2023 Buildout</u>			
Central City Community Plan Area	1060	20,423	5.2%
City of Los Angeles	1060	170,863	0.6%
<u>2016 - 2040 Projection Horizon</u>			
Central City Community Plan Area	1060	94,265	1.1%
City of Los Angeles	1060	678,187	0.2%
<u>Households</u>			
<u>2016 - 2023 Buildout</u>			
Central City Community Plan Area	650	11,880	5.5%
City of Los Angeles	650	93,437	0.7%
<u>2016 - 2040 Projection Horizon</u>			
Central City Community Plan Area	650	55,654	1.2%
City of Los Angeles	650	306,877	0.2%
<u>Employment</u>			
<u>2016 - 2023 Buildout</u>			
Central City Community Plan Area	438	12,335	3.6%
City of Los Angeles	438	142,477	0.3%
<u>2016 - 2040 Projection Horizon</u>			
Central City Community Plan Area	438	32,052	1.4%
City of Los Angeles	438	371,143	0.1%

<sup>a</sup> From Table 4.H-3

Source: PCR Services Corporation, 2016. Based on SCAG 2016 RTP/SCS projections.

**(3) Operations – Effects on Growth Provisions of Applicable Plans**

**Impact Statement PH-3:** *The Project represents a mixed-use development that would add residential, hotel and commercial uses to the Downtown/South Park area. The types and amounts of development would be consistent with those anticipated in applicable policies and growth projections.*

**(a) Consistency with Central City Community Plan**

**(i) Increase in Growth**

The Central City Community Plan includes as a reference an estimate of the Central City Community Plan population that might occur in 2010 given land use designations within the Community Plan area; an estimate of 34,765 people within the combined residential and commercial area. This is an estimated reasonable expected population based on amounts of land use with various land use designations that were

in place at the Plan's publication in 2003, and assumptions regarding development trends and practices in the downtown area.<sup>12</sup>

The SCAG estimated 2016 population in the Central City Community Plan area, as shown in Table 4.H-2, above, is 47,294 people, which is greater than the previous Plan area estimate associated with the land use designations at the time of Plan development. With the addition of the proposed Project's 1,060 residents the population would increase to 48,354 residents. The increase in population reflects a better than expected achievement in the attainment of City and regional policies to generate transit oriented development and revitalize the Downtown area.

In addition, the increase in residential development is due to the flexibility and adaptability to the TFAR policies and their implementation under Article 4.5, Section 14.5 of the LAMC. The transfer of development rights has allowed transfers to residential development from FAR that might have been used by convention/event activity and perhaps earlier development trends for office space. In other words, the TFAR facilitates the conversion of the downtown area into a more mixed use/residential area than previously expected and now supported by market trends.

For example, the Project's 1,129,284 sf of development represents 699,960 sq.ft. of development per the 6:1 FAR currently designated for the Project Site and 429,324 sf that would be transferred to the Project Site under the maximum potential development. The additional 429,324 sf along with the 699,960 sf. of 6:1 FAR is accounted for as new development in this Draft EIR.

Changing population conditions are best accounted for in SCAG population projections that are based on monitoring of development and are updated on four year intervals to represent the best data for planning services and infrastructure to meet the needs of the future. As discussed above, the Project population represents 5.2 percent of the SCAG estimated growth in the Community Plan area at the Project completion date. Further, the Project's 650 housing units represent 5.5 percent of the SCAG growth projection in the Community Plan area at the Project completion date; and the 438 employees represent 3.6 percent of the estimated employment growth. As such, the Project is accounted for in the population projections that serve as the basis for providing services and infrastructure.

***(ii) Consistency with Plan Policies and Objectives***

Growth in the Downtown/South Park areas, particularly growth associated with increased residential development and new hotel units is not only consistent with, but the result of policies to create such development. As described in the Regulatory subsection above, the City has been attempting to turn the downtown area into a more viable mixed use community. These efforts started in the Framework Element designating the "Downtown Center" district as the location for "... major cultural and entertainment facilities, hotels, professional offices, corporate headquarters, financial institutions, high-rise residential towers, regional transportation facilities and the Convention Center. The Downtown Center is generally characterized by floor area ratio up to 13:1 and high rise buildings." The Community Plan followed up with

<sup>12</sup> *The Community Plan also notes the population growth that was estimated in the Framework Element to occur between 1990 and 2010 that would have resulted in a 2010 population of 27,029 people. The estimate is included in the Community Plan as a reference, recognizing that jobs and housing could grow more quickly, or slowly, than anticipated depending on economic trends: Community Plan, page II-3 to II-4.*

objectives and policies to support increased residential and hotel development in the downtown area, the South Park area in particular. Further, the City has in more recent years participated in efforts to promote development patterns that will reduce vehicle miles traveled providing reductions in energy consumption and air quality emissions, as well as convenience for commuters. These efforts are consistent with local jurisdiction responsibility for support of the SCAG RTP/SCS efforts to provide regional guidance in developing “smart growth” and State efforts to meet goals in the reduction of greenhouse gas emissions. They have been further reflected in the GreenLA and ClimateLA actions.

The Project supports the Community Plan objectives by:

- Providing pedestrian-oriented and visitor serving uses during the evening hours along the Figueroa Street corridor between the Santa Monica Freeway (I-10) and Fifth Street serving the needs of all the visitors to Downtown for businesses, conventions, trade shows, and tourism. (Objective 2-2 and Policy 2-2.2);
- Providing hotel development surrounding the Convention Center/Staples Arena with linkages to other areas of Central City and the Figueroa corridor (Objective 2-3 and Policy 2-3.1); and
- Contributing to a mix of uses that supports an active, 24-hour downtown environment for current residents and increased tourism (Objective 2-4).

The Project supports general City efforts to provide smart growth as reflected in the GreenLA and ClimateLA actions by:

- Providing high-density housing close to major transportation stops (Action LU1), and
- Contributing to, and supporting a pattern of, additions to the availability of transit-oriented development (Action Lu-2).

## **(b) Consistency with the City Center Redevelopment Plan**

### ***(i) Increase in Growth***

The City Center Redevelopment Plan is tied to General Plan, Community Plan and other applicable ordinances as they existed at the time of the Plan adoption or would be amended and/or supplemented from time to time. As further elaborated in Section 502: “In the event the General Plan, the applicable Community Plan, or any applicable City zoning ordinance is amended or supplemented including without limitation, all Exhibits attached hereto, shall be automatically modified accordingly without the need for any formal plan amendment process.” Based on now-dated information, the Redevelopment Plan included limitations on the number of buildings in the Redevelopment Plan area, 7,000 (Section 509) and number of dwelling units, approximately 32,000 units (Section 511) based on previous considerations regarding the contents of the General and Community Plans.

However, the land use designations identified in the Redevelopment Plan defer to the land use designations of the General Plan, Community Plan, and other ordinances, with the Community Plan ruling. Plan consistency with applicable plans and ordinances are addressed in Section 4.F, Land Use and Planning. However, it may be noted that the 2016 SCAG estimated number of housing units in the entire Community Plan area is 25,238 units as shown in Table 4.H-2. With the Project’s added 650 units, the total of 25,888

units in the entire Community Plan area is still well below the approximately 32,000 units identified for the smaller area of the Redevelopment Plan.

***(ii) Consistency with Plan Policies and Objectives***

The overlying purpose of the Redevelopment Plan was to prevent blight and provide a vehicle for private investment in the Downtown area. The Redevelopment Plan, along with transportation infrastructure investment, increasing recognition of the necessity to provide transit friendly development to reduce energy consumption and vehicle miles traveled and other local and regional plans, has encouraged the type of development now occurring within the Downtown area. Recent development projects are creating a synergy that is vitalizing the downtown area; most notably adding residential development to the Downtown mix and creating a vibrant visitor center adjacent to the Convention Center and Entertainment District areas.

More specifically, the Project supports the Redevelopment Plan objectives as follows:

- Creating an environment that will prepare, and allow, the Central City to accept that share of regional growth and development which is appropriate, and which is economically and functionally attracted to it (Objective 3);
- Creating a symbol of pride and identity which gives the Central City a strong image as the major center of the Los Angeles region. (Objective 7)
- Developing the Downtown as the major center of the Los Angeles metropolitan region; creating a modern, efficient and balanced urban environment for people, including a full range of around-the-clock activities (Objective 2 and Objective 6); and
- Rehabilitating and redeveloping the Project Area (Objective 1).

**(c) Consistency with the General Plan Housing Element**

As previously discussed, the purpose of the General Plan Housing Element is to provide guidance for meeting the City's need for housing per the allocation defined in the RHNA. The RHNA specifies quantified objectives for five income categories: extremely low-income households, very low-income households, low-income households, moderate-income households, and above moderate-income households. The General Plan Housing Element also includes quantified objectives for the number of new units in each category; and it includes Goals, Objectives Policies and Programs for supporting the development within each of these categories. Meeting, or even exceeding, the objectives within each classification, as well as for the total number of housing units, is important. Increased housing supply leads to increases in vacancy rates, which in turn helps to control increases in housing costs; and provides more housing options for the population. As noted above, the 2013 – 2021 Housing Element identifies a need for 82,002 new housing units, of which 35,412 units, i.e. 43.2 percent of all units, would be marketed at above moderate income levels. It also establishes quantifiable objectives, including the provision of 59,559 new construction units, of which 48,000 units would be for above moderate income households. Under California state law, every jurisdiction is obligated to provide housing to meet its "fair share" of the regional need.

The Project's 650 new housing units would help the City meet its State mandated obligations and contribute to the available stock of housing supply in the City. At the same time, the Project would not require the demolition of any existing housing nor cause the removal of units from nearby areas. The 650 units would

represent 0.8 percent of the 82,002 needed units identified in the SCAG RHNA for the 2013 to 2021 planning period; and 1.1 percent of the target objective of 59,599 new construction units. The units would expand the opportunity for population to locate/relocate to high quality transit areas increasing the opportunity to avail such population of extremely well served public transit and walkability opportunities.

#### **(d) Consistency with the Regional/SCAG Policies**

SCAG is tasked with providing demographic projections for use by local agencies and public service and utility agencies. Regional policies and goals are achieved and future service demands are based on SCAG projections. Projections in the SCAG 2016 RTP/SCS serve as the bases for demographic estimates in this analysis of Project consistency with growth projections. The findings regarding growth in the region are consistent with the methodologies prescribed by SCAG and reflect SCAG goals and procedures.

SCAG data is periodically updated to reflect changes in development activity and provisions of local jurisdictions (e.g. zoning changes). Through this updating, agencies have advance information regarding changes in growth that must be addressed in planning for their provision of services. Newer RTP/SCSs have been and will continue to account for the increase in Downtown growth that is currently occurring. Changes in the growth rates would be reflected in the new projections for service and utilities planning through the long-term time horizon.

Also, SCAG establishes policies pertaining to regional growth and efficient development patterns to reduce development impacts on traffic congestion and related air quality emissions. These policies are discussed further in Section 4.F, *Land Use and Planning*, 4.B. *Air Quality* and 4.D *Greenhouse Gas Emissions*.

The 2016 RTP/SCS includes policies to provide an integrated approach to expanding the region's transportation system in concert with the encouragement of "Smart Land Use." Smart land use strategies encourage walking, biking, and transit use, thereby reducing vehicular demand. This is intended to save travel time, reduce pollution, and improve health. SCAG has been working with subregions and local communities to increase development densities and improve the jobs/housing balance. A component of the SCAG strategy has been to focus new growth in HQTAs (i.e. the three percent of total land area in the SCAG region that is within one half mile of a fixed guideway transit stop or bus transit corridor). Providing new growth in the Downtown Los Angeles area is an integral component of this strategy.

The Project's development would support the attainment of the SCAG policies by providing increased population density and employment opportunities in an extremely well served HQTA. The Downtown area is the hub of the City's public transit system and the primary high density location in the City. The Project has access to the Metro Pico Station, approximately 0.26 miles from the Project Site, providing rail service to the Blue Line and the Expo Line, and the 7th Street/Metro Center Station, approximately 0.40 miles from the Project Site and providing rail service to the Blue, Expo, Red, and Purple Lines; as well as multiple bus and shuttle lines, including multiple Metro bus lines and the DASH Downtown Shuttle Route.

Improving the jobs/housing balance is one tool for reducing vehicle miles traveled. The ratio of jobs to housing is an indicator of proximity between employment and residential locations for population in the

region. The jobs/housing ratio for the entire region is approximately 1.35.<sup>13</sup> That is, there are approximately 1.35 jobs for each household unit. Large variations from this ratio in local communities indicate that the communities are housing rich (i.e. bedroom communities) or employment rich. Such communities require longer commuting distances between home and work. Communities whose ratios are closer to 1.35 have a balance between residents and employees within their boundaries.

Based on the 2016 employment and household estimates presented in Table 4.H-2, above, the 2016 jobs/housing ratio in the Central City Community Plan Area is approximately 7.5. The projected 2023 estimate is 5.4. Both of these estimates reflect the employment rich makeup of the downtown area. The reduction in the ratio suggested in the SCAG projections reflects the trend toward increased housing in the downtown area. This trend will allow more opportunities for people to reside and work in near proximity – thereby supporting greater use of public transit and bringing the jobs/housing ratio in the Downtown area into closer alignment with the regional average.

Based on the information in Table 4.H-3, above, the Project's ratio of net new jobs to housing units would be 0.67. Thus, while proving additional employment opportunities, the Project would contribute a relative increase in households, with a jobs/housing ratio similar to that estimated for near term growth, thus supporting the anticipated trends; and SCAG efforts to improve the jobs/housing balance of local communities in the region.

#### **(e) Conclusions Regarding Consistency with Growth Provisions of Applicable Plans**

Project implementation would contribute to local and regional growth patterns that are encouraged in the Framework Element, Central City Community Plan, City Center Redevelopment Plan and SCAG RTP/SCS policies for development that reduces reliance on individual automobiles, with related lessening of impacts on the environment. The Project would contribute to the revitalization of the Downtown area, providing needed housing stock and providing hotel rooms that would enhance the tourist services adjacent to the Convention and Entertainment areas. Therefore, the Project is consistent with the growth provisions of the applicable plans, and impacts regarding plan consistency would be less than significant.

#### **(4) Operations – Introduction of Unplanned Infrastructure**

**Threshold PH-2** A project would have a significant impact if it introduced unplanned infrastructure or accelerated development in an undeveloped area that would result in a significant adverse physical change in the environment.

**Impact Statement PH-4:** *The Project is an infill development in an urban area with an established infrastructure system. The Project would add no new infrastructure other than that needed to serve the Project Site. Impacts regarding unplanned growth due to the provision of new infrastructure would be less than significant.*

<sup>13</sup> SCAG, 2016-2040 RTP/SCS, Demographics & Growth Forecast Appendix, Adopted April 2016. Based on 2015 employment of 8,006,000 as presented in Table 8, Regional Population and Employment by County, page 18; and 5,947,000 households as presented in Table 4, Characteristics of Regional Households, page 8.

The Project would link with and tie-into an existing infrastructure system. New infrastructure that would be required, e.g. service connections to local water and sewer systems or electrical transformation facilities would be sized to serve the Project's needs. No new roadways would be created as a Project component. While the Project is seeking to increase the current FAR limitation from 6:1 to up to approximately 9.71, the added FAR would come from existing off-site entitlements via the TFAR provisions of the applicable plans and the LAMC. Therefore, the increase in FAR at this location corresponds to a further limitation of FAR at another location in the Community Plan area and would not create additional growth within the area. As discussed in Section K.1, *Water Supply* and in Section K.2, *Wastewater*, adequate water and wastewater infrastructure would be available to serve the Project. The Project would not open a new area currently not served by infrastructure nor add new facilities that would encourage growth, not otherwise planned in the Project vicinity. Impacts regarding growth associated with the provision of new infrastructure would be less than significant.

## e. Cumulative Impacts

**Impact Statement PH-5:** *Cumulative growth would be consistent with long-term planned growth within the Central City Community Plan area and longer term SCAG growth projections used for planning future services and infrastructure. The cumulative projects considered in the analysis of cumulative development represent a broad array of residential, hotel, retail, and entertainment developments that support the policies of the Central City Community Plan and Central City Redevelopment Plan. Cumulative impacts regarding consistency with SCAG projections would be less than significant.*

### (1) Cumulative Growth and SCAG Projections

The cumulative impact analysis addresses the impacts of known and anticipated development in the Project vicinity in combination with the proposed Project, with respect to the anticipated amount and distribution of population, housing and employment. The 116 cumulative projects are listed in Table 3-1 of Chapter 3, *General Description of Environmental Setting* of this Draft EIR. Out of 116 cumulative projects, 86 are located within the Central City Community Plan area.

The calculation of the number of housing units, population, and employees associated with the cumulative projects is provided in Appendix H, Tables H-3, H-4, and H-5 of this Draft EIR. A summary of the total cumulative growth, the cumulative projects in combination with the proposed Project is shown in **Table 4.H-5, Total Cumulative Development**. As indicated therein, within the Central City Community Plan area the Project plus cumulative projects would create a total of 23,370 housing units and generate 38,149 new residents and 27,114 new employees. The total cumulative development inclusive of cumulative projects within and outside of the Community Plan area is 30,417 housing units with a population of 49,636 people and 30,653 employees.

**Table 4.H-6, Cumulative Population, Housing and Employment Impacts**, compares projected cumulative growth inclusive of the Project to 2040 horizon year projections in the 2016 RTP. The cumulative projects include a broad array of development that is primarily residential, office and mixed retail in nature. It also includes other miscellaneous uses including the Event Center, a cinema, and museum.

Table 4.H-5

<b>Total Cumulative Development</b>			
<b>Development</b>	<b>Housing Units<sup>b</sup></b>	<b>Population<sup>b</sup></b>	<b>Employment<sup>c</sup></b>
<b>Community Plan Area</b>			
Cumulative Projects <sup>a</sup>	22,720	37,089	26,676
<b>Proposed Project - Total Build-out</b>	<b>650</b>	<b>1,060</b>	<b>438</b>
<b>Total Cumulative Growth</b>	<b>23,370</b>	<b>38,149</b>	<b>27,114</b>
<b>All Cumulative Projects</b>			
Cumulative Projects <sup>a</sup>	29,767	<b>48,576</b>	30,215
<b>Proposed Project - Total Build-out</b>	<b>650</b>	<b>1,060</b>	<b>438</b>
<b>Total Cumulative Growth</b>	<b>30,417</b>	<b>49,636</b>	<b>30,653</b>

<sup>a</sup> A list of the Cumulative Projects is Provided in Table 3-1 of Chapter 3 of this DEIR.

<sup>b</sup> The tabulation of cumulative project housing units and calculation of associated population is presented in Table H-3 of Appendix H of this Draft EIR.

<sup>c</sup> The tabulation of employment generation for the cumulative projects is presented in Tables H-4 and H-5 of Appendix H of this Draft EIR for the cumulative projects in the Community Plan area and for the full list of cumulative projects, respectively.

Source: PCR Services Corporation, 2016.

Table 4.H-6

#### Cumulative Population, Housing and Employment Impacts

<b>Population</b>	<b>Cumulative Increase<sup>a</sup></b>	<b>SCAG Projected Growth</b>	<b>Cumulative Percentage of Growth</b>
<u>2016 - 2040 Projection Horizon</u>			
Central City Community Plan Area	38,149	94,265	40.5%
City of Los Angeles	49,636	678,187	7.3%
<b>Households</b>			
<u>2016 - 2040 Projection Horizon</u>			
Central City Community Plan Area	23,370	55,654	42.0%
City of Los Angeles	30,417	306,887	9.9%
<b>Employment</b>			
<u>2016 - 2040 Projection Horizon</u>			
Central City Community Plan Area	27,114	32,052	84.6%
City of Los Angeles	30,653	371,143	8.3%

<sup>a</sup> From Table 4.H-5.

Source: PCR Services based on the SCAG 2016-2040 RTP/SCS projections.

**(i) Housing and Population Growth**

As indicated in Table 4.H-6, the cumulative population growth of 38,149 in the Community Plan area is equal to 40.5 percent of the population growth estimated in the SCAG projections for the Community Plan area by the 2040 horizon year. The total cumulative population growth inclusive of all of the cumulative projects (including those outside of the Community Plan area) of 49,636 is 7.3 percent of Citywide population growth. The new unit development in the Community Plan area would represent 42.0 percent of the new households expected in the Community Plan area; and the total cumulative 30,417 housing units is 9.9 percent of expected households Citywide.

The population and housing growth, with increases of 40.5 percent and 42.0 percent respectively are substantially below the estimated growth estimated to occur in the Central City Community Plan area. The large number of housing units reflects renewed interest and market forces in the Downtown area that follow the transformation of Downtown into more of a mixed use, residentially oriented community that is occurring at a brisk pace. The population and housing contribution to the Citywide growth is substantially below the Citywide growth estimate. The amount of the increase at the City level suggests that the Downtown area is providing an opportunity for population to locate within the HQTAs, thus reducing demands for development in lower density areas of the City, and provide greater efficiency in the provision of services and infrastructure.

It should be noted that the estimate of cumulative development is conservative, as it does not fully account for existing development that would be replaced, as opposed to net new development. Further, it is likely that some of the cumulative projects may never be developed, and others would reach their buildout completion well into the future. The current pace of development will be revisited in the 2020 RTP/SCS that will be published prior to the 2023 completion of the proposed Project; though SCAG projects growth beyond 2023. The 2016-2040 RTP/SCS has documented the increased development trends occurring in the Downtown area; and through its coordination with the City is supporting the City in its efforts to plan for future growth.

**(ii) Employment Growth**

The number of new cumulative employees would represent 84.6 percent of the projected new employees in the Community Plan area and 8.3 percent of the employment expected Citywide. These projections are within the range of the 2040 projections. Employment within the City is considered beneficial. The Los Angeles County seasonally adjusted unemployment rate was 5.9 percent in January 2016, and the City unemployment rate of 6.3 percent was higher.<sup>14</sup>

Added employment within the Downtown (Community Plan) area is necessary to support the additional growth in South Park entertainment and visitor venues. The job/housing ratio for the cumulative development occurring in the Community Plan area is 1.16, which reflects a housing rich ratio as compared to the 1.35 regional average and that is well below the current ratio of 7.5 in the Downtown area. Therefore, the additional employment would support and be consistent with continued reductions in the overall Downtown ratio.

<sup>14</sup> State of California, Employment Development Department, Labor Market Division, March 4, 2016, Monthly Labor Force Data for Cities and Census Designated Places (CDP), <http://www.labormarketinfo.edd.ca.gov>.

Further, the employment would enhance the availability of transit available work places in support of City and Regional policies to reduce vehicle miles traveled, with resulting contributions to energy efficiency and reduced impacts on a per-capita basis. The added employment within the Downtown area would absorb new jobs that might otherwise locate in lower density areas that do not provide these advantages.

### **Conclusions Regarding Growth Projections**

As noted above, the projected cumulative household, population and employment growth would be within the 2040 SCAG projections identified in the 2016 RTP/SCS and would not be cumulatively significant. The household and population growth, while reflecting high growth rates, are consistent with current market factors and policies intended to develop Downtown as the transit oriented center of the City. The current rates would not necessarily continue over the longer term of the RTP/SCS horizon. The cumulative increase in employment while comprising a larger proportion of the estimated 2024 increase would be considered beneficial. The increase in employment would accommodate an existing labor pool in the near term, and offer employment in proximity to public transportation to provide reductions in environmental impacts by contributing to sustainable development patterns.

As described in more detail below, the project's employment supports the policies in applicable Plans to provide development patterns that help improve efficiency in the provision of services and infrastructure. The Project is an infill development located in an urbanized area that is served by current infrastructure (e.g., roads and utilities) and community service facilities. As described in Section 4.K.1 Water Supply and 4.K.2, Wastewater of this Draft EIR, the Project's only off-site infrastructure improvements would consist of tie-ins to the existing utility main-lines already serving the Project area.

#### **(a) Discussion of Growth During Build-Out Period**

When interpolating the long term SCAG growth estimate into the 2016-2023 time period, the estimated population increase in the Community Plan area would be 20,423, as reported in Table 4H-2. In contrast, the estimated cumulative population growth within the Community Plan area is anticipated to be 38,149. At buildout, the cumulative 23,370 housing units would be greater than the estimated 2016-2023 growth increment of 11,880 housing units. The cumulative increase of 27,114 employees at buildout is also greater than the SCAG 2016-2023 growth increment of 12,335 new employees.

For reasons discussed above, the short-term buildout year growth anticipated in SCAG projections is not an appropriate benchmark for cumulative development in smaller, localized areas, where year to year growth tends to fluctuate. Anticipated development would occur over a longer time frame beyond Project buildout; year to year variations in development average out over the longer term horizon projections, and current growth would be accounted for in RTP/SCS updates that will be prepared prior to completion of the Project. However, the evaluations of cumulative impacts on public services and transportation in Chapter 4, Environmental Impact Analysis, conservatively assume that all of the cumulative projects would be constructed by 2023, even though for the reasons stated here, completion of all of the cumulative projects by 2023, likely would not occur.

## **(2) Impacts Regarding Cumulative Growth Provisions of Applicable Plans**

**Impact Statement PH-6:** *The cumulative development would provide a mix of uses that supports encouraged growth in the Downtown area in a balanced manner. The development would enhance the Downtown area as the high density, focal center of Los Angeles best served by public transit. It would provide needed housing and bring the jobs/housing ratio into closer alignment with the regional jobs/housing ratio and reflect a regional development pattern that support reductions in vehicle miles traveled. The types and amounts of development would be consistent with those anticipated in applicable policies and growth projections. The cumulative development would infill the Downtown area utilizing existing infrastructure, improved if needed to accommodate already proposed development.*

### **(a) Consistency with Central City Community Plan**

#### **(i) Increase in Growth**

As discussed above, the Central City Community Plan includes two population estimates. Neither establishes a maximum population size for the Community Plan area. The Community Plan contains an estimated 2010 population of 27,029. This data is provided as a reference for Community Plan revision. As noted in the Plan, “[i]t needs to be recognized however, that these figures are only best estimates and are derived from regional data which are disaggregated to the City and the community level. Population, jobs and housing could grow more quickly, or slowly, than anticipated depending on economic trends.”<sup>15</sup> The data dates back to information in the Framework Element that is based on an early 1990s look towards 2010. The second population estimate is an estimate of the population that might occur under the land designations and associated assumptions regarding the development that would occur within each designation. That population was estimated to be 34,765 people within the combined residential and commercial area. This value was provided for information and is based on land use activities and designations from the early 2000s.

The SCAG estimated 2016 population in the Central City Community Plan area is 47,294 people, and the cumulative developments account for a potential increase of 38,149. This increase in growth over earlier estimates reflects better than expected achievement in the attainment of City and regional policies to generate transit oriented development and revitalize the Downtown area. The growth is consistent with earlier intentions for the revitalization of Downtown, but exceeds then-imagined expectations. As discussed further below, the growth reflects new mass transit infrastructure in the downtown area; policies to create “smart land use” with densified transit oriented development; and the implementation of the convention center, Staples Center, and the Entertainment Center as stimulants to market oriented development.

SCAG’s longer term population projections are based on monitoring of and responding to changes in short-term development trends; and incorporating changes into four year interval updates to represent the best data for planning services and infrastructure to meet the needs of the future. As discussed above, the cumulative population, housing and employment projections are within the SCAG projections for 2040. As such, the cumulative development is accounted for in the population projections that serve as the basis for providing services and infrastructure.

<sup>15</sup> *City of Los Angeles, Central Community Plan, page II-3.*

***(ii) Consistency with Plan Policies and Objectives***

The Central City Community Plan includes policies and objectives that address development of the entire Community Plan area. Objectives and policies cited above and pertaining to the Project have application beyond the immediate Project vicinity. Further, a larger development program is called for in Objective 2-1 and Objective 2-2. The purpose of Objective 2-1 is “To improve Central City’s Competitiveness as a location for offices, business, retail and industry.” The purpose of Objective 2-2 is “To retain the existing retail base in Central City.”

The cumulative development includes a balanced mix of residential, retail, and office uses, as well as other uses such as a school, museum, and additional of entertainment uses. This development would add to the Downtown area in a synergistic manner, providing a balance of uses that enhance walkability and fully realize the development of Downtown as a focal, high-density area of the City as envisioned in the Framework Element, Community Plan, and recent City efforts to promote development patterns that will reduce vehicle miles traveled, providing relative reductions in the increase in energy consumption and air quality and greenhouse gas emissions, as well as convenience for commuters as accounted for in the GreenLA and ClimateLA actions.

**(b) Consistency with the City Center Redevelopment Plan*****(i) Increase in Growth***

As described above, the City Center Redevelopment Plan is tied to the General Plan, Community Plan, and other applicable regulations as they existed at the time of the Plan adoption or would be amended and/or supplemented from time to time. Therefore, its land use, development, and design standards are still in effect to the extent that they are not superseded by updates to other plans and ordinances.

As discussed above, the Redevelopment Plan refers to limitations on the number of buildings in the Redevelopment Plan area, 7,000 (Section 510) and the number of dwelling units, approximately 32,000 units (Section 511), based on previous considerations regarding the contents of the General and Community Plans. However, as also discussed above, the land use designations identified in the Redevelopment Plan defer to the land use designations of the Community Plan, with the Community Plan ruling.

It is estimated above that the entire Community Plan area has approximately 25,238 households in 2016. When combined with the increase in cumulative households of 23,370 units the total number of units for the entire Community Plan area, 48,608 units, would be greater than the 32,000 units described in the Redevelopment Plan as occurring within its area. While the number of residential units for the entire Community Plan area would have more units than identified for the Redevelopment Plan area, much of the existing and proposed cumulative housing development is located outside of the Redevelopment Plan area. Most notably, the largest amount of newer housing in Downtown has been in high density developments occurring in a corridor to the west of the Redevelopment Plan area; and many of the cumulative project housing developments are located outside of the Redevelopment Plan area.

The SCAG 2040 projections extend beyond the Redevelopment Project end date of 2032 and account for substantially more housing development in the entire Community Plan area, inclusive of the smaller Redevelopment Plan area. The total number of 48,608 households is substantially less than the SCAG 2040 estimate of 80,891 households (approximately 60 percent). Likewise, interpolating a SCAG household

projection for the 2032 Redevelopment Program end year indicates that there are 60,292 households accounted for in the SCAG projections that are used for planning future services.<sup>16</sup> Again, this is substantially greater than the 32,000 units described in the Redevelopment Plan.

**(ii) Consistency with Plan Policies and Objectives**

The above discussion has identified the objectives of the Redevelopment Plan area, whose overlying purpose is to prevent blight and provide a vehicle for private investment in the Downtown area. Key objectives refer to allowing the Central City to accept a large share of the regional growth, creating an image of the Central City as the major center of the Los Angeles regions and creating a modern, efficient and balanced urban environment for people, including a full range of around-the-clock activities. The balanced mix of cumulative development would add to the Downtown area in a synergistic manner, providing a balance of uses that enhance walkability and fully realize the development of Downtown as focal, high density, transit served area of the City.

**(c) Consistency with the General Plan Housing Element**

As previously discussed, the purpose of the General Plan Housing Element is to provide guidance for meeting the City's need for housing, particularly with respect to the allocation defined in the RHNA, which identifies a need for 82,002 new housing units. The proposed cumulative housing units (30,417) would provide a substantial amount of the needed housing stock, approximately 37 percent. This will support the City's need to meet its housing obligations, pursuant to California state law, that every jurisdiction is obligated to provide housing to meet its "fair share" of the regional need. Further, the added housing would expand the opportunity for population to locate/relocate to high quality transit areas increasing the opportunity to avail such population of extremely well served public transit and walkability opportunities.

**(d) Consistency with the Regional/SCAG Policies**

SCAG is tasked with providing demographic projections for use by local agencies and public service and utility agencies. Regional policies and goals are achieved and future service demands are based on SCAG projections. SCAG projections have served as the bases for demographic estimates in this analysis of Project consistency with growth projections. The findings regarding growth in the region are consistent with the methodologies prescribed by SCAG and reflect SCAG goals and procedures.

SCAG data is periodically updated to reflect changes in development activity and provisions of local jurisdictions (e.g. zoning changes). Through this updating, service agencies have advance information regarding changes in growth that must be addressed in planning for their provision of services. Newer RTP/SCSs have been and will continue to account for the increase in Downtown growth that is currently occurring. Changes in the growth rates would be reflected in the new projections for service and utilities planning through the long-term time horizon.

Also, SCAG establishes policies pertaining to regional growth and efficient development patterns to reduce development impacts on traffic congestion and related air quality emissions, including the encouragement of "smart land strategies to encourage walking, biking, and transit use, thereby reducing vehicular demand. This is intended to save travel time, reduce pollution, and improve health. The cumulative development

<sup>16</sup> As indicated in Table 4.h-2 above, the 2023 estimate is for 37,118 households and the 2040 estimate is for 80,891 households. From 2023, there are nine years until 2032 and 17 years until 2040.  $((9/17) * (80,891 - 37,118)) + 37,118 = 60,292$ .

would support the attainment of the SCAG policies by providing increased population density and employment opportunities in an extremely well served HQT. The Downtown area is the hub of the City's public transit system and the primary high density location in the City.

The cumulative development would also contribute to improvements in the jobs/housing balance in the region. As noted above, the jobs/housing ratio for the entire region is approximately 1.35; and the extent to which local communities approach that ratio is a measure of development patterns that support work-housing availability and reduced vehicle miles traveled.

Based on the 2016 employment and household estimates presented in Table 4.H-2, above, the 2016 jobs/housing ratio in the Central City Community Plan Area is approximately 7.5. The jobs/housing ratio of the cumulative development in the Community Plan area is 1.16. It represents a balance of development that is housing rich as compared to the regional average of 1.35 and therefore as an added increment of growth supports a population distribution that offers the greatest opportunity for workers to reside near their place of employment. When combined with the current housing and employment values reflected in Table 4.H-2 above, 25,238 units and 189,627 jobs respectively, the resulting jobs/housing ratio would be 4.46.<sup>17</sup> This would bring the Downtown area into closer alignment with the regional ratio and reflect its emerging status as a mixed-use community as opposed to a work center requiring long commutes. The jobs/housing ratio for the cumulative development from all of the cumulative projects is 1.01. This would also suggest a development pattern that supports reductions of the Downtown area as a work only place, and a move towards a more optimal jobs/housing ratio.

#### **(e) Conclusions Regarding Consistency with Growth Provisions of Applicable Plans**

The development of the cumulative projects would contribute to local and regional growth patterns that are encouraged in the Framework Element, Central City Community Plan, City Center Redevelopment Plan, and SCAG RTP/SCS policies for development that reduces reliance on individual automobiles, with related lessening of impacts on the environment. The cumulative development would contribute to the revitalization of the Downtown area, as a balanced regional center, providing needed housing stock. Therefore, the cumulative development is consistent with the growth provisions of the applicable plans, and impacts regarding plan consistency would be less than significant.

## **4. MITIGATION MEASURES**

Project impacts regarding population, housing and employment would be less than significant and no mitigation measures are required. The proposed Project includes project design features and mitigation measures to reduce its impacts on transportation infrastructure and public services that are associated with growth impacts. These design features and mitigation measures are discussed in the analyses of cumulative impacts for the environmental topics evaluated in Chapter 4.0, Environmental Impact Analysis.

## **5. LEVEL OF SIGNIFICANCE AFTER MITIGATION**

Project impacts regarding population, housing and employment are less than significant. No mitigation measures are required.

<sup>17</sup>  $(189,627 \text{ jobs in 2016} + 27,114 \text{ new jobs}) / (25,238 \text{ households in 2016} + 23,370 \text{ new households}) = 4.46$