

4.10 POPULATION AND HOUSING

4.10.1 INTRODUCTION

This section analyzes the potential population and housing impacts resulting from implementation of the proposed project. Sources of demographic information consulted include agencies such as the Southern California Association of Governments (SCAG), the State of California Department of Finance, the U.S. Census Bureau, and the City of Rolling Hills Estates.

4.10.2 EXISTING ENVIRONMENTAL SETTING

Demographic statistics and projections are formulated by a variety of sources. SCAG is a regional agency responsible for developing demographic projections, including population and households, for the Southern California region. The Regional Transportation Plan Forecast (2004) provided by SCAG identifies demographic projections for the years 2005 through 2030. These growth projections are generated using the latest census data (2000), local input, and historical growth trends. These growth forecasts are updated every five years. The growth projections for the City of Rolling Hills Estates (City) and the County of Los Angeles (County) are included below in Table 4.10.A.

Population

The City is one of 88 incorporated cities located in the County. Within the last decade, the City experienced a slight population decrease compared to the County. From 1980 to 1990, the population of the City increased by 1.1 percent, from 7,701 to 7,789 persons, whereas in the following decade (1990 to 2000), the population of the City decreased by 1.4 percent, from 7,789 to 7,676 persons. From 2000 to 2005, the population of the City increased by 5.2 percent, from 7,676 to 8,081 persons, as shown in Table 4.10.A. According to SCAG, the City can continue to expect modest population growth at 0.6 percent from 2005 to 2010, another 0.8 percent from 2010 to 2020, and another 0.7 percent from 2020 to 2030.

Housing

According to the U.S. Census Bureau (see Table 4.10.A), there were 2,806 households in the City in 2000. SCAG projected 2,855 households in the City in 2005. From 1990 to 2000, the number of households increased less than one percent, from 2,797 to 2,806 households. From 2005 to 2010, the City's household growth is estimated at 1.2 percent, reaching 2,890 households by the year 2010, and again by 1.4 percent, reaching 2,930 by the year 2020.

Table 4.10.A: SCAG Growth Projections for the City of Rolling Hills Estates and Los Angeles County

	2000	2005	Change 2000– 2005	% Change 2000– 2005	2010	Change 2005– 2010	% Change 2005– 2010	2020	Change 2010– 2020	% Change 2010– 2020	2030	Change 2020– 2030	% Change 2020– 2030
Total Population													
Rolling Hills Estates	7,676	8,081	405	5%	8,131	50	1%	8,192	61	1%	8,248	56	1%
Los Angeles County	9,519,338	10,258,304	738,966	8%	10,718,007	459,703	4%	11,501,884	783,877	7%	12,221,799	719,915	6%
Total Households¹													
Rolling Hills Estates	2,806	2,855	49	2%	2,890	35	1%	2,930	40	1%	2,971	41	1%
Los Angeles County	3,137,047	3,235,358	98,311	3%	3,404,016	168,658	5%	3,763,875	359,859	11%	4,120,270	356,395	9%

Source: Southern California Association of Governments, RTP Growth Forecast, City Projections 2004.
US Census Bureau, Census 2000.

¹ The category “Total Households” is the total number of occupied housing units.

Housing in the City includes single-family homes, multifamily homes, and mobile homes. The California Department of Finance (DOF) estimates that there were a total of 2,921 housing units in the City in 2005.¹ Table 4.10.B summarizes the composition of the housing stock units in the City for 2005. Single-family detached units comprised an estimated 79 percent of housing units in 2005, with less than 1 percent of the units classified as multifamily with 5 or more units. Single-family detached homes constituted the majority of the 2005 housing stock in the City. Multifamily homes constituted less than 2 percent of the City’s 2005 housing stock. These multifamily homes are located primarily west of Indian Peak Road, south of Hawthorne Boulevard, and east of Highridge Road. Mobile homes comprised less than one percent of the City’s housing stock. The majority of the City’s housing stock is over 20 years old, with only 4.5 percent of the stock constructed in the past 10 years.

Table 4.10.B: Housing Stock Composition, 2005

Type	Number	Percent
Single-family, detached	2,304	79
Single-family, attached	565	19
Multifamily (2–4 units)	41	1
Multifamily (5+ units)	7	< 1
Mobile homes, other	4	< 1
Total	2,921	100

Source: California Department of Finance Population and Housing Estimates, January 2005.

Note: Due to inconsistencies between data sources, the total number of households does not correspond with the totals on Table 4.10.A.

Regulatory Setting

Senate Bill 1818: Density Bonus. California State Law requires local governments to allow developers to build at a higher density than the zoning permits in exchange for construction of some affordable residences. For over 25 years California State law has required local governments to give builders who include affordable residences in their new developments a 25 percent density bonus. For example, if the zoning for the parcel allows 40 apartments to be built, a developer could build an extra ten apartments ($40 \times 25\% = 10$), bringing the total to 50 apartments on the condition that at least four of the residences were affordable. Effective January 1, 2005, Senate Bill 1818 (SB 1818) now allows for applicants to be eligible for a range of density bonuses up to 35 percent based on the percentage of affordable units in a development. Under SB 1818, instead of having to provide 20 percent low-income units, 10 percent very low, or 20 percent moderate, an applicant can obtain a density bonus by providing 10 percent low, 5 percent very-low, or 10 percent moderate. The applicant receives a reduced density bonus for this reduced level of targeting: a 20 percent density bonus for the reduced level of low- and very-low income units, and a 5 percent density bonus for this level of moderate income units. This permits an applicant to obtain a lower-income density bonus of 20–35 percent, a very low-income density bonus of 20–35 percent, and (in a condo/planned unit development) a moderate income density bonus of 5–35 percent.

¹ California Department of Finance, Demographic Research Unit: www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/Estimates/E5/E5-06/documents/E-5a.xls

Southern California Association of Governments Growth Projections. According to SCAG, and shown on Table 4.10.A above, population growth of the City is expected to increase by 167 persons (2 percent) between 2005 and 2030. SCAG also projects a housing increase in the City by 116 homes (4 percent) between 2005 and 2030. According to the City’s residential ratio of 1.84 persons per multifamily household¹ and according to the single family residential ratio of 2.73 persons per single family household (United States Census 2000), SCAG housing projections of 116 homes between 2005 and 2030 could produce an additional population of 213 to 317 persons between 2005 and 2030. Therefore, the SCAG population projections are lower than SCAG housing projections by approximately 46 to 150 persons.

Regional Housing Needs Assessment (RHNA). State law requires that jurisdictions provide their fair share of regional housing needs. The State of California Department of Housing and Community Development (HCD) is mandated to determine the state-wide housing need. In cooperation with HCD, local governments and councils of governments (COGs) are charged with making a determination of the existing and projected housing need as a share of the state-wide housing need of their city or region. The latest RHNA covered the planning period, January 1, 1998, through June 30, 2005.

The housing construction need is determined for four broad household income categories: very low (households making less than 50 percent of median family income), low (50–80 percent of median family income), moderate (80–120 percent of median family income), and above moderate (more than 120 percent of median family income). The intent of the future needs allocation by income groups is to relieve the undue concentration of very low and low income households in a single jurisdiction and to help allocate resources in a fair and equitable manner. The RHNA Construction Need adopted in November 2000 for the City is 79 homes. Table 4.10.C lists the adopted construction need by income.

Table 4.10.C: RHNA 2000 Housing Construction Need by Income

Income Category	Construction Need
Very Low Income	11
Low Income	8
Moderate Income	11
Above Moderate Income	48
Total	79

Source: SCAG RHNA 2000.

Regional Comprehensive Plan. The Regional Comprehensive Plan (RCP), adopted in 1996, uses all of the planning and policy work produced by the SCAG and into a usable reference document for local planners, business people, and other individuals whose work affects the future built environment in Southern California. SCAG is currently updating the RCP, which is expected to be adopted in 2007. The updated RCP will be built around the SCAG Compass Growth Vision and the 2% Strategy

¹ Rolling Hills Estates Municipal Code Title 16.08.030 Population Density Determination: municipalcodes.lexisnexis.com/codes/rollhillsestates (accessed July 5, 2006).

adopted by the Regional Council in April 2004. The recommendations made in the current RCP are comprised of infrastructure and resource activities consistent with the envisioned growth pattern. The current Land Use Chapter of the RCP recommends actions for cities and counties to implement. Table 4.10.D lists actions that apply to the City and the project area.

Table 4.10.D: SCAG 2005 RCP Preliminary Land Use Action Matrix by Local Characteristic

Characteristic/Location	Potential Action
City center	Dense, mixed use downtown
Corridor	Focus, intensify mixed use development and housing
Corridor	Preserve nearby sensitive areas, existing neighborhoods
Corridors	Focus mixed use growth along these corridors with villages at transit nodes where the corridors intersect; enhance surrounding neighborhoods with compatible infill.
Regional center	High density downtown development with intense mixed use and employment filling underutilized areas
Regional center	Intense mixed use development downtown and along major corridors, compatible infill throughout grid; avoid developing any sensitive areas.
Regional center	Create higher density villages around rail stations and transit nodes, focus mixed use in all current commercial areas, encourage compatible infill in existing neighborhoods.
Regional center	Focus higher density mixed use growth in central area, around rail stations, and around airport; preserve existing neighborhoods and add compatible infill
Town center	Focus mixed use and other denser development
Urban neighborhood	Medium residential with multifamily
Urban neighborhood with small-scale corridor	Infill development, mixed use where possible
Urban neighborhood with small-scale corridor	Focus mixed development along major corridors while preserving existing neighborhoods and adding compatible infill
Urban neighborhood with small-scale corridor	Preserve character of existing neighborhoods; keep more dense developments close to major corridors; compatible infill in existing neighborhoods
Urban neighborhood with small-scale corridor	Focus mixed use development to major streets and infill preserving neighborhood character on side streets

Source: SCAG Compass 2% Strategy.

The RCP encourages planning at a local level from the broadest planning (General Plan) to the most specific (individual project level approvals). Communities are encouraged to consider the regional setting in determining their own General Plan development goals and are strongly encouraged to submit the General Plan and General Plan elements to SCAG under the Inter-Governmental Review Program. SCAG also advises municipalities to ensure that their zoning ordinance effectively implements the goals of the community and the policies described in the General Plan. Communities are also encouraged to promote mixed use at various locations.

Critical Path Action: Implementing 2% Strategy. Jurisdictions that have within their boundaries an area identified in the 2% Strategy Opportunity Areas as critical to the region's growth and development are urged to take all necessary steps to maximize the opportunity for the envisioned growth to occur. The City does not have an area identified within the 2% Strategy Opportunity Areas; however, it is one of 84 cities listed as a Priority Area, which is an area that is encouraged to take local actions consistent with the Compass Blueprint principles.

SCAG Compass Blueprint. SCAG is working with local governments and subregions to develop a growth visioning process, called Compass Blueprint, which will provide the framework to help local jurisdictions address growth management for the Southern California region. SCAG has adopted the Compass 2% Strategy, which will lead local communities and the region as a whole toward realizing this vision with modest, targeted changes to our land use and transportation systems. The purpose of the Compass Blueprint growth project is to encourage communities that balance employment, housing, and services to reduce vehicle trips and emissions, enhance livability, expand prosperity, and increase sustainability. SCAG's Compass Blueprint strategy is a plan to optimally accommodate population growth in the SCAG region by altering current growth trends in a small fraction of the region. The purpose of the Compass Blueprint program is to promote mixed-use development, provide better access to jobs, conserve open space, support public/private partnerships and user-fee infrastructure financing, allow transit systems to become more productive, improve the capacity and efficiency of movement of goods, reduce vehicle miles traveled, improve air quality, improve housing availability and affordability, renovate urban cores, and create over 500,000-high paying jobs. The City has been selected as one of the SCAG 2% Demonstration Project Areas, which are encouraged to take local actions consistent with the Compass 2% Strategy principals. These Compass Principles Priority Areas would cumulatively improve the quality of life for Southern California residents.¹

Housing Element. The Housing Element includes an inventory of available housing and an assessment of housing needs based on local and regional population and employment trends. As required by California housing law, the City of Rolling Hills Estates General Plan Housing Element outlines existing needs within the City based on SCAG projections and identifies strategies that the City will employ to achieve its housing objectives. The Housing Element establishes policies that will guide City decision making and sets forth a strategy and programs to implement housing goals. The goals, policies, and implementation actions of the City of Rolling Hills Estates General Plan Housing Element that are applicable to the proposed project are presented separately in Appendix G, Population and Housing General Plan Consistency. According to the Housing Element, it is the City's goal to maintain a decent and satisfying home environment requiring housing developments to be sensitive to the unique natural environment and rural character of Rolling Hills Estates. It is also the City's goal to provide affordable and adequate housing as well as housing assistance to needy City residents.

¹ Southern California Association of Governments: www.socalcompass.org/2percent/index.html (accessed 3/14/06).

4.10.3 METHODOLOGY

Using demographic information provided by agencies such as SCAG, the State of California Department of Finance, the U.S. Census Bureau, and the City, this section compares existing population and housing characteristics and goals to the proposed project impacts and evaluates consistency with agency information and requirements.

4.10.4 THRESHOLDS OF SIGNIFICANCE

The City has established significance criteria for determining the severity of environmental impacts. These thresholds are consistent with the California Environmental Quality Act (CEQA) Guidelines, Appendix G. According to City thresholds, the project's effects on population and housing would be considered significant if it 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)
- Substantially displace existing housing, necessitating the construction of replacement housing elsewhere
- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere

4.10.5 IMPACTS AND MITIGATION MEASURES

Less Than Significant Impacts

Displacement of People and Housing. There are no residential dwelling units located within the existing project area. Therefore, the proposed project would not displace people or housing, and no mitigation is required.

Consistency with RHNA. The RHNA construction need adopted in November 2000 for the City was 79 dwelling units, of which there is a 24 percent need for very low or low income residential and 71 percent for moderate or above moderate income. State law provides a density bonus incentive to developers who provide low and very low income residential. The proposed project would allow for construction of a maximum of 900 mixed-use residential units. Therefore, the proposed project would allow for ample opportunity for developers to take advantage of the density bonus and meet the existing RHNA housing construction need of 79 units.

Consistency with RCP. Implementation of the proposed project is consistent with the current RCP and the recommended actions for Cities to implement. The proposed project would increase livability by offering infill development to revitalize the existing commercial district and providing a higher density village within the City's major commercial area and near major city corridors (i.e., Crenshaw Boulevard and Hawthorne Boulevard). The proposed project would also focus future development in

the City's commercial district away from any environmentally sensitive open space within the City. The proposed project is also consistent with SCAG's proposed RCP to be approved in 2007 and implementation of the Compass 2% Strategy by working toward its Compass principals including promoting mobility by allowing new housing within easy walking or bicycling distance to commercial uses and jobs in the City's commercial district. Therefore, the proposed project would be consistent with the RCP.

Consistency with City General Plan Housing Element Goals. Following is a list of applicable goals from the City's General Plan Housing Element and the project's consistency with those goals.

- Goal 1: Maintain a decent and satisfying home environment for Rolling Hills Estates residents.
- Goal 2: Require future housing developments to be sensitive to the unique natural environment and rural character of Rolling Hills Estates.

The proposed project would focus future mixed-use development in the City's commercial district away from existing neighborhoods and the City's unique, natural environmentally sensitive areas, which would preserve the rural character of the City and maintain a decent and satisfying home environment for current residents.

- Goal 3: Provide affordable housing units in the City where appropriate.
- Goal 5: The City will work to provide adequate housing to meet the current and anticipated needs of the community.
- Goal 6: Solicit and advocate regional cooperation in realizing regional housing needs.
- Goal 7: Make every effort to provide housing assistance to residents of the City in need of such assistance.

The proposed project would also provide opportunity for affordable housing units or senior housing by providing a high density mixed-use area in a City that is primarily built out, with low density housing on large lots. Therefore, the proposed project is consistent with the existing General Plan Housing Element goals and would not have a significant impact on the City's goals and policies as presented in the Housing Element.

Potentially Significant Impacts

Induce Substantial Population Growth. The proposed project has the potential to increase the population in the City by approximately 1,656 persons. This population increase is 1,545 persons above SCAG's population projections as shown in Table 4.10.E. The proposed project would therefore result in substantially greater growth than currently projected by SCAG. The City sent an application to SCAG to have the proposed Peninsula Village Overlay Zone project become one of SCAG's Compass 2% Demonstration projects. The proposed project would incorporate each of SCAG's Compass Blueprint principles: mobility, livability, prosperity, and sustainability. The proposed project would promote mobility by allowing new housing within easy walking or bicycling distance to commercial uses and jobs in the City's commercial district. Livability would be promoted by offering infill development to revitalize the existing commercial district, providing a mix of uses, and promoting pedestrian-scaled development and amenities through streetscape improvements.

Prosperity would be promoted by providing higher density housing in a community that is primarily built out, with low density housing on large lots providing opportunities for people entering the housing real estate market and/or downsizing from existing houses in the City. Sustainability would be promoted by focusing future development in the City’s commercial district away from the City’s environmentally sensitive open spaces.

Table 4.10.E: Projected 2020 Population and Housing for the City

	Existing (2005)	SCAG Projections	Proposed Project¹	Existing Mixed-Use Overlay¹
Population	8,081	8,192	9,737	11,798
Housing	2,855	2,930	3,755	4,875

Source: SCAG and City of Rolling Hills Estates

According to a letter from SCAG dated March 9, 2006² (Appendix A), the proposed project would create an environment supportive of Compass 2% principles. SCAG has determined that the proposed project exemplifies the SCAG Compass 2% Strategy philosophy that, “small incremental and strategic changes in small parts of the region can yield great benefit to the region as a whole as well as to the individual cities.” The City is one of 84 Compass 2% Priority areas. The regional significance of the proposed project is that it exemplifies how a smaller city can incorporate infill housing into long-term plans to provide new housing toward regional housing goals.

According to current SCAG projections, and shown on Table 4.10.A, the City is expected to increase its housing stock by 116 households (4 percent) between 2005 and 2030. The proposed project would allow for adequate housing possibilities within the City and would support projected SCAG household growth projections for the City of Rolling Hills Estates.

The project consists of a General Plan Amendment and Zone Change (GPA/ZC), which would reduce the maximum allowable dwelling units on the project site compared to the existing Mixed-Use Overlay. The existing Mixed-Use Overlay designation set forth in the City’s GPA/ZC allows for a maximum of 2,020 dwelling units, which could potentially have a maximum population of 3,717 persons on the project site, as shown on Table 4.10.E. The project site is currently zoned Commercial General /Mixed Use. The site would accommodate multifamily residential use rather than single family detached residential use. Compared to the existing Mixed-Use Overlay, the proposed project would eliminate residential units west of Dry Bank Drive and increase the allowable residential density east of Dry Bank Drive up to 40 dwelling units per acre (du/ac). Compared to the existing Mixed-Use Overlay, the proposed project would decrease the maximum possibility of residential units within the project area by 1,120 dwelling units (from 2,020 to 900 dwelling units), as shown on Table 4.10.F. Although the project would exceed existing SCAG projections, the project is consistent with current SCAG efforts for the Priority Areas associated with the Compass Blueprint 2% Strategy,

¹ These projections were calculated by taking the 2005 SCAG data and adding the proposed project or existing zoning population increase. These numbers do not account for other approved or proposed projects within the City outside the project area.

² Wallace, Brian. Associate Regional Planner, Intergovernmental Review, Southern California Association of Governments. 9 March 2006. Personal communication.

focusing development within existing urban areas and at higher densities. This exceedance of SCAG projections is potentially significant without continued cooperation with SCAG’s ongoing efforts. Mitigation Measure 4.10-1 requires the City to coordinate with SCAG regarding differences between the City’s growth projections and SCAG projections and would reduce any impacts associated with growth to a less than significant level.

Table 4.10.F: Population and Housing Comparison

	Existing Conditions	Existing Zoning (Commercial General/Mixed-Use Overlay District)	Proposed Zoning (Commercial General/Peninsula Village Overlay Zone)
Residential Units	0 dwelling units	2,020 dwelling units	900 dwelling units ¹
Population ²	0 residence	3,717 residents	1,656 residents

Source: LSA Associates, Inc. 2006.

Mitigation Measures

4.10-1 Subsequent to approval of the proposed project, the Planning Director shall coordinate with SCAG to revise its growth projections for the City, particularly pertaining to the SCAG Compass Blueprint Priority Areas.

4.10.6 CUMULATIVE IMPACTS

The impact area used to assess potential cumulative population and housing impacts is the City because the proposed project would affect population and housing only within the City.

The City has recently approved three residential projects within the project area, which would introduce 117 multifamily units to the project area. These 117 dwelling units would be within the allowable 900 dwelling units under the proposed overlay zone and would not be considered a cumulative impact. Any other approved projects in the project area would be a part of the allowable 900 dwelling units.

The City is also considering 13 single-family residences as part of the Butcher Ranch project, 3 single family residences as part of the Tanglewood Subdivision, and 312 additional units within the project area. When the proposed project is considered in addition to these units, the potential population and housing growth would further exceed existing projections as described above. The additional

¹ The theoretical residential maximum for the overlay is determined by multiplying the acreage for the districts that allow residential use by the corresponding maximum proposed residential density. This calculation does not take into account other development standards such as maximum height, lot coverage, setbacks, or parking.

² The theoretical maximum potential population for the overlay is determined by multiplying the maximum proposed residential density by the multifamily (i.e., 2 or more units in a structure) average household size (1.84 persons per multifamily household) for the City of Rolling Hills Estates according to the 2000 U.S. Census Bureau.

dwelling units proposed in addition to the proposed project would contribute to the exceedance of SCAG's projected housing and population projections. However, Mitigation Measure 4.10-1 is designed to reconcile the difference between the City's projections and SCAG projections by requiring the City to coordinate with SCAG regarding differences between the City's growth projections. The proposed project is consistent with the growth management strategy for the City and SCAG by meeting both City and SCAG goals. In addition, Mitigation Measure 4.10-1 would reduce the project's contribution to cumulative population and housing impacts from the proposed project to a less than significant level.

4.10.7 LEVEL OF SIGNIFICANCE AFTER MITIGATION

Population and housing projections for the proposed project exceed SCAG projections and are potentially significant. However, with implementation of Mitigation Measure 4.10-1 project and cumulative population and housing impacts are considered less than significant.