

4.C POPULATION AND HOUSING

This section provides background information on existing and projected population, employment, and housing conditions in the city and county and discusses the effects that the Seawall Lot 337 and Pier 48 Mixed-Use Project (Mission Rock Project or proposed project) would have on population, housing, and employment conditions. The analysis is based on population, employment, and housing data published in *Projections 2013* by the Association of Bay Area Governments (ABAG)¹, 2014 U.S. Census Bureau (Census Bureau) data, and the Regional Housing Needs Allocation (RHNA) goals. In addition, relevant data and policies of the Housing Element of the San Francisco General Plan (General Plan) are considered in this analysis.

The purpose of this section is to characterize the potential for project-induced population, housing, and employment changes that could trigger physical environmental effects beyond those that are examined in other sections and chapters of this environmental impact report (EIR) (e.g., Sections 4.E, *Transportation and Circulation*; 4.F, *Noise*; 4.G, *Air Quality*; 4.J, *Public Services and Recreation*; and 4.K, *Utilities and Service Systems* and Chapter 5, *Other CEQA Considerations*) and determine whether the project would result in impacts related to population and housing. The proposed project's baseline year is December 2013, which is when the NOP was published. The baseline has been adjusted as described in Chapter 4.0, *Environmental Setting and Impacts*. The buildout year for the proposed project is 2023 with construction anticipated to commence in 2017, and the cumulative year is 2040.

Issues identified in comments submitted in response to the notice of preparation (NOP) (Appendix 1) were considered in preparing this analysis. The comments focused on the following issues: population density, as it relates to the height of the buildings; affordable housing; and occupation of the proposed buildings by full-time residents versus part-time residents. As appropriate, these issues are addressed in this section.

¹ ABAG data presented in *Projections 2013* are the most recent in the ABAG series of statistical compendia on demographic, economic, and land use changes in coming decades. The current version covers the period between 2010 and 2040. The projections illustrate how the region will accommodate growth if local jurisdictions adopt a set of policies consistent with the vision of Plan Bay Area. ABAG makes reasonable assumptions about the Bay Area's share of national economic growth, informed by an understanding of the region's changing demographic characteristics. The distribution of growth within the region among counties, cities, and Priority Development Areas is built around expected local policies and infrastructure investment as well as historic economic behavior. Thus, they are a function of the following four elements: (1) ABAG Executive Board policies, which are based on the Smart Growth Vision; (2) general plan policies for each particular jurisdiction; (3) economic trends; and (4) available land and prevailing land use pattern data, which are based on discussions between the ABAG staff and planning staff in each particular jurisdiction.

ENVIRONMENTAL SETTING

The following section discusses the existing population, housing, and employment characteristics of the Bay Area,² the city, and the immediate area in which the project site is located. In addition, this section also provides population, housing, and employment projections for the city and Bay Area.

POPULATION

As shown in Table 4.C-1, according to the 2014 figures published by the Census Bureau, the city has a population of approximately 852,000, which is an increase of nearly 6 percent from 2010.

TABLE 4.C-1. CITY HISTORIC POPULATION CHARACTERISTICS

Year	Population	Percent Change from Previous
1970	715,674	–
1980	678,974	-5.1
1990	723,959	6.6
2000	776,733	7.3
2010	805,235	3.7
2014	852,469	5.9

Source: U.S. Census Bureau. 2014. *American Community Survey*. One-year estimate.

ABAG provides projections regarding the amount of growth that may occur within the city and the Bay Area over 5-year intervals from 2010 through 2040. As shown in Table 4.C-2, according to ABAG, the city's population is projected to continue to grow, reaching 934,800 residents by 2025, the projection year closest to the proposed project's buildout year, which is 2023. This represents a growth rate of 10.4 percent relative to the 2015 population, the projection year closest to the proposed project's baseline year (2013). Similarly, the Bay Area is anticipated to increase its population by 9 percent in the same timeframe, reaching approximately 8.13 million by 2025.

TABLE 4.C-2. CITY AND BAY AREA POPULATION PROJECTIONS, 2015–2025

	2015	2020	2025	Growth 2015–2025
City and County of San Francisco	847,000	890,400	934,800	87,800 (10.4%)
Bay Area	7,461,400	7,786,800	8,134,000	672,600 (9.0%)

Source: Association of Bay Area Governments. 2013. *Projections 2013*. December.

² ABAG defines the Bay Area as the nine-county region that includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.

The project site is located within Census Tract 607, which is bounded by Townsend Street on the northwest, US 101 on the west, and 17th Street on the south. According to the Census Bureau, the tract had 9,250 residents as of 2013.³ There are no residents currently residing on the project site.

HOUSING

According to the 2014 figures published by the Census Bureau, the city currently has 386,610 housing units, 353,410 of which are occupied. Approximately 33,200 housing units are vacant, which equates to approximately 8.6 percent of the city's housing stock. However, the 2014 *American Community Survey* (ACS) estimated a much lower vacancy rate, with a homeowner vacancy rate of approximately 0.9 percent and a rental vacancy rate of approximately 3 percent.⁴ Of the occupied housing units, approximately 62 percent are renter occupied, and 38 percent are owner occupied. Average number of occupants varies for renter- and owner-occupied housing; however, there are 2.35 persons per household (pph) citywide (see Table 4.C-3, on the following page). The city's current employee-per-household ratio is approximately 1.35.⁵ Census Tract 607 has approximately 4,440 occupied units of 4,670 total units, with approximately 2.01 pph. Approximately 68 percent of the occupied housing within the census tract is renter occupied, while 32 percent is owner occupied.

ABAG defines a household as an occupied dwelling unit; this includes all persons who occupy the housing unit. As shown in Table 4.C-4, on the following page, ABAG projects that the number of households is expected to rise to 396,000 in the city and 2.95 million in the Bay Area by 2025. The household growth rate for the city between 2015 and 2025 is projected to be 9.3 percent; the number of households in the Bay Area overall is expected to rise by 8.5 percent over the same time period.

³ U.S. Census Bureau. 2013. *American Community Survey, 2009–2013 Five-year Estimates*. Table DP05. Available: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>. Accessed: April 4, 2016.

⁴ U.S. Census Bureau, 2010–2014 Five-year American Community Survey, Five-year Estimates, San Francisco County, Selected Housing Characteristics. Available: <http://factfinder.census.gov/rest/dnldController/deliver?ts=461008993623>. Accessed: February 15, 2017.

⁵ U.S. Census Bureau. 2014. *American Fact Finder, American Community Survey*. One-year Estimates. Selected Characteristics of the Native and Foreign-born Populations. San Francisco City, California. ID S0501. Available: <http://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>. Accessed: April 14, 2016.

TABLE 4.C-3. EXISTING HOUSING CHARACTERISTICS

	Number of Units	Average Number of Occupants per Household
City of San Francisco^a		
Total Housing Units	386,610	n/a
<i>Occupied Housing</i>	353,410	2.35
Renter Occupied	220,570	2.09
Owner Occupied	132,840	2.79
Census Tract 607^b		
Total Housing Units	4,670	n/a
<i>Occupied Housing</i>	4,440	2.01
Renter Occupied	3,010	2.06
Owner Occupied	1,440	1.91

^a U.S. Census Bureau. 2014. ACS. One-year estimate, Table DP04.

^b U.S. Census Bureau. 2013. ACS. Five-year estimate, Table DP04.

TABLE 4.C-4. CITY AND BAY AREA HOUSEHOLDS PROJECTIONS, 2015–2025

	2015	2020	2025	Growth 2015–2025
City and County of San Francisco	362,440	379,600	396,000	33,560 (9.3%)
Bay Area	2,720,410	2,837,680	2,952,910	232,500 (8.5%)

Source: Association of Bay Area Governments. 2013. *Projections 2013*. December.

San Francisco has one of the least affordable housing markets in the nation. According to the City and County of San Francisco (City) 2014 Housing Element, home ownership in San Francisco is not feasible for most residents, with the rate of homeownership estimated at approximately 33 percent. Approximately 16 percent of San Francisco households can afford the \$855,500 median housing price. Therefore, most housing units in the city are renter occupied (approximately 63 percent). However, the citywide average rental price in 2013 was \$3,300, with the average price of two-bedroom apartments at \$4,100. To afford this level of rent, a household would need to earn approximately \$170,000 per year. The affordability gap⁶ for low-income households (i.e., those households with income from 51 percent to 80 percent of the area median income) renting in the city is

⁶ The affordability gap refers to the difference between the average rent and what very low and low income households can afford.

approximately \$2,340, while the affordability gap for low-income households renting in the South of Market neighborhood (where the project site is located) is slightly higher, at approximately \$2,675.⁷

The RHNA identifies allocated housing units for the 2014 to 2022 period (Table 4.C-5, on the following page). ABAG identified 28,869 units (defined by income category, with 16,333 units considered affordable) as the city's fair share of the regional housing need for the 2014 to 2022 period (Table 4.C-5).⁸ With respect to income category, ABAG determined that the city would need to provide approximately 6,234 housing units to those with very low incomes, 4,639 housing units to those with low incomes, and 5,460 housing units to those with moderate incomes to meet its RHNA obligations (Table 4.C-5). The RHNA is further discussed below under *Regulatory Framework*.

As discussed in the 2014 Housing Element, between 2007 and the first quarter of 2014, the City was close to meeting its targets for market-rate housing under the 2007–2014 RHNA. The City met 41 percent of its production goal for low-income housing (i.e., less than 80 percent of area median income) and 16 percent of its production goal for moderate-income housing (i.e., 80 to 120 percent of area median income). When the 2014 Housing Element was prepared, the 2015–2022 planning period had not begun; therefore, the “housing pipeline” was used to provide an estimate of the future quantity of housing and determine how it compared to the RHNA targets. The Planning Department defines the pipeline as those projects that are under construction or that have been approved by the Department of Building Inspection within the past 3 years or filed within the past 5 years. As shown in Table 4.C-5, housing production in the city is estimated to total approximately 20,170 units, including units in the pipeline, units to be rehabilitated (non-public housing), and units for conservation/preservation (public housing). Compared to the RHNA targets for 2014–2022, this would result in an estimated shortfall in the city of approximately 8,699 units.⁹ San Francisco's share of the RHNA is incorporated into the City's 2014 Housing Element (originally adopted in March 2011 and most recently re-adopted with amendments on April 27, 2015). As required by state law, the Housing Element of the General Plan discusses the city's fair-share allocation of regional housing needs by income, as projected by ABAG.

⁷ City and County of San Francisco. 2015. *City and County of San Francisco General Plan (2014 Housing Element)*. P.I.21. Available: http://www.sf-planning.org/ftp/General_Plan/2014HousingElement-AllParts_ADOPTED_web.pdf. Accessed: April 4, 2016.

⁸ Association of Bay Area Governments. 2013. *Regional Housing Need Plan for the San Francisco Bay Area: 2014–2022*. Adopted July 18, 2013.

⁹ City and County of San Francisco. 2015. *City and County of San Francisco General Plan (2014 Housing Element)*. Adopted: April 27, 2015. Available: http://www.sf-planning.org/ftp/General_Plan/2014HousingElement-AllParts_ADOPTED_web.pdf. Accessed: September 15, 2015.

TABLE 4.C-5. ABAG REGIONAL HOUSING NEED ALLOCATION FOR 2014–2022 (UNITS) COMPARED TO THE NEW HOUSING CONSTRUCTION PIPELINE, Q2 2014

Income Level	Regional	City/County		
	RHNA Targets	RHNA Targets	Total Estimated Housing Production ^{a,b}	Estimated Shortfall
Very Low	46,680	6,234	1,425	-4,809
Low	28,940	4,639	5,880	1,241
Moderate	33,420	5,460	695	-4,765
<i>Subtotal of Affordable Units</i>	<i>109,040</i>	<i>16,333</i>	<i>8,000</i>	<i>-8,333</i>
Above Moderate ^c	78,950	12,536	12,170	-366
Total	187,990	28,869	20,170	-8,699

Sources: Association of Bay Area Governments. 2013. *Regional Housing Need Plan for the San Francisco Bay Area: 2014–2022*. Adopted: July 18, 2013; City and County of San Francisco. 2015. *City and County of San Francisco General Plan (2014 Housing Element)*. Adopted: April 27, 2015. Available: http://www.sf-planning.org/ftp/General_Plan/2014HousingElement-AllParts_ADOPTED_web.pdf. Accessed: September 15, 2015.

Notes:

- Does not include three major development projects with a net total of 23,700 units: Hunters Point, Treasure Island, and Parkmerced, which include a total of up to 5,400 net affordable units.
- Includes entitled units, rehabilitation (non-public housing), and conservation/preservation (public housing).
- Above Moderate: Households with incomes greater than 120 percent of the county median family income. ABAG does not use the Above Moderate category. This category is included in the RHNA and in the analysis below to provide decision-makers with more information on housing impacts for the broad spectrum of new worker households associated with the proposed project.

EMPLOYMENT AND COMMUTE CHARACTERISTICS

San Francisco, a primary employment hub for the Bay Area, contains regional employment centers. Although the city was negatively affected by the economic downturn, with the crash of dot-com ventures and the resulting job losses between 2000 and 2010, steady employment growth is expected between 2015 and 2025. The Census Bureau estimates that there were approximately 698,260 jobs in the city in 2014.¹⁰ Table 4.C-6, on the following page, presents ABAG employment projections for the city and Bay Area. The number of jobs in the city and the Bay Area is expected to increase by approximately 11.6 percent and 11.4 percent, respectively. By 2025, approximately 16.9 percent of the jobs in the Bay Area are expected to be in the city. The city and county had an unemployment rate of 3.1 percent in November 2016, down 0.3 percent from November 2015.¹¹

¹⁰ U.S. Census Bureau. 2014. *American Fact Finder, American Community Survey*. One-year Estimates. Sex of Workers by Means of Transportation to Work for Workplace Geography. San Francisco City, CA. ID B08406. Available: <http://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>. Accessed: April 14, 2016.

¹¹ California Employment Development Department. 2016. *Historical Civilian Labor Force, San Francisco County*. November. Available: <http://www.labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html>. Accessed: February 7, 2017.

TABLE 4.C-6. CITY AND BAY AREA JOB PROJECTIONS, 2015–2025

	2015	2020	2025	Growth 2015–2025
City and County of San Francisco	617,420	671,230	689,080	71,660 (11.6%)
Bay Area	3,669,990	3,987,150	4,089,320	419,330 (11.4%)

Source: Association of Bay Area Governments. 2013. *Projections 2013*. December.

Employment growth in San Francisco and the region directly affects the demand for housing, because new jobs attract new residents. Projections of increasing employment throughout the Bay Area suggest a need for housing to serve a growing workforce. Table 4.C-7, below, compares the projected number of jobs available in the city to the projected number of employed residents in the city. According to ABAG's projections, the number of employed residents in the city would be equal to approximately 74.8 percent of the available jobs in the city in 2025. Another consideration is the number of employed persons living in San Francisco who may work elsewhere. According to data collected by the Census Bureau, in 2014, approximately 50.4 percent of people who worked in the city also lived in the city.^{12,13,14} The remaining working population commuted from other cities in the region or worked from home.

TABLE 4.C-7. COMPARISON OF NUMBER OF JOBS TO EMPLOYED RESIDENTS IN THE CITY, 2015–2025

	2015	2020	2025
Jobs	617,420	671,230	689,080
Employed Residents	460,450	501,470	515,490
Employed Residents to Total Number of Jobs (%)	74.6	74.7	74.8

Source: Association of Bay Area Governments. 2013. *Projections 2013*. December.

As a regional job center, an area where there are more jobs than employed residents, the city has a larger share of commuters compared with other cities in the Bay Area; it also has a number of residents who commute from San Francisco to other regional job locations.

¹² The 368,418 employees who both live and work in the city minus the 33,586 employees who work from home = 334,832 city residents who both live and work in the city. The 334,832 residents who both live and work in the city/698,259 employees in the city = 50.4 percent of city residents who also work in the city.

¹³ U.S. Census Bureau. 2014. *American Fact Finder, American Community Survey*. One-year Estimates. Sex of Workers by Means of Transportation to Work for Workplace Geography. San Francisco City, California. ID B08406. Available: <http://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>. Accessed: April 14, 2016.

¹⁴ U.S. Census Bureau. 2014. *American Fact Finder, American Community Survey*. One-year Estimates. Sex of Workers by Place of Work—Place Level. San Francisco City, California. ID B08008. Available: <http://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>. Accessed: April 14, 2016.

There are currently no permanent full-time employees at the project site.¹⁵ However, there are periodic employees who are associated with food vendors, public gatherings, and programming opportunities at The Yard at Mission Rock (mainly food vendors); they work onsite at the Yard on a temporary basis (pending development of the proposed project) or only when events occur. Pier 48 is used for events, parking and storage, which indirectly supports businesses in the area.

Table 4.C-8, below, illustrates the anticipated jobs and housing for the city, as projected by ABAG’s *Projections 2013*, the most recent projections available. As shown, the number of households is projected to increase by 33,560 between 2015 and 2025, while the number of jobs in the city is expected to grow by 71,660 (more than twice the housing growth) during that same period. According to ABAG, the jobs/housing ratio is anticipated to slightly worsen from 1.70 in 2015 to 1.74 in 2025 (a change of approximately 2.4 percent). That is, in 2025, there would be one residential unit for every 1.74 jobs, compared to one residential unit for every 1.70 jobs in 2015.

TABLE 4.C-8. COMPARISON OF PROJECTED NUMBER OF JOBS TO HOUSEHOLDS IN SAN FRANCISCO, 2015-2025

	2015	2020	2025
Jobs	617,420	671,230	689,080
Households	362,440	379,600	396,000
Jobs/Housing Ratio	1.70	1.77	1.74

Source: Association of Bay Area Governments. 2013. *Projections 2013*. December.

REGULATORY FRAMEWORK

STATE

Sustainable Communities Strategy and Senate Bill 375. Senate Bill (SB) 375, adopted in 2008, requires preparation of a Sustainable Communities Strategy (SCS), as described below, as part of the Regional Transportation Plan (RTP) for the Bay Area.

¹⁵ Parking is regulated by pay kiosks on a daily basis. Parking attendants may be used during game days and special events at both Parking Lot A and Pier 48; however, these employees are not permanent; they travel between multiple locations. Therefore, jobs would not be lost as a result of this project. The employees were, therefore, not factored into the analysis.

REGIONAL

Plan Bay Area. Plan Bay Area, which incorporates ABAG's *Projections 2013*, is the SCS for the region. It was jointly approved in July 2013 by ABAG and the Metropolitan Transportation Commission (MTC).¹⁶ The plan represents a transportation and land use/housing strategy for the Bay Area to use to address its transportation mobility and accessibility needs, land development concerns, and greenhouse gas emissions reduction requirements through 2040. The project site is located within the Port of San Francisco (Port) Priority Development Area (PDA) in the adopted Plan Bay Area. PDAs are areas where new development will support the needs of residents and employees. The project site is located within the Port PDA in a pedestrian-friendly environment served by transit. Local jurisdictions, including the City and the Port, defined the character of their PDAs according to existing conditions and future expectations as regional centers, city centers, suburban centers, and/or transit town centers.¹⁷

In the Bay Area, the SCS and the RHNA (discussed below) are mutually reinforcing. They were developed together to meet the overlapping objectives of SB 375 and Housing Element law. The objectives include increasing the supply, diversity, and affordability of housing; promoting infill development and a more efficient land use pattern; promoting an improved intraregional relationship between jobs and housing; protecting environmental resources; and promoting socioeconomic equity. SB 375, which requires the RHNA to be consistent with the SCS, establishes an 8-year cycle for the RHNA. The 2014–2022 RHNA, discussed below, has been incorporated into Plan Bay Area.¹⁸

Housing Element Law. The RHNA process was established under state Housing Element law. It requires local governments in California to plan for future development of new housing units to meet their share of regional housing needs. Housing needs for each region in the state are determined by the State Department of Housing and Community Development (HCD) and submitted to Councils of Government for allocation to local jurisdictions. ABAG is ultimately responsible for determining the share of regional housing needs to be met by each local jurisdiction in the Bay Area. State Housing Element law has established five housing categories, three of which represent affordable housing. The categories are based on the Area Median Income (AMI) and take into account households ranging in size from one to six people. The five housing categories below are used by ABAG in allocating regional housing needs.

¹⁶ MTC is the government agency responsible for regional transportation planning, financing, and coordinating in the nine-county San Francisco Bay Area.

¹⁷ Association of Bay Area Governments. 2013. *Plan Bay Area*. Available: files.mtc.ca.gov/pdf/Plan_Bay_Area_FINAL/Plan_Bay_Area.pdf. Accessed: October 6, 2015.

¹⁸ Association of Bay Area Governments and Metropolitan Transportation Commission. 2013. *Plan Bay Area: Strategy for a Sustainable Region*. Adopted July 18, 2013.

- Very Low 0 to 50 percent of the AMI
- Low 51 to 80 percent of the AMI
- Moderate 80 to 120 percent of the AMI
- Above Moderate 121 and 150 percent of the AMI
- Upper Over 151 percent of the AMI

LOCAL

San Francisco General Plan. All California cities and counties are required to include a Housing Element as a component of their general plans to establish housing objectives, policies, and programs in response to community housing conditions and needs. The Housing Element provides a framework for the community's longer-term approach to addressing its housing needs.¹⁹

The following objectives from the Housing Element are applicable to the proposed project.

- Objective 1: Identify and make available for development adequate sites to meet the city's housing needs, especially permanently affordable housing.
- Objective 4: Foster a housing stock that meets the needs of all residents across lifecycles.
- Objective 5: Ensure that all residents have equal access to available units.
- Objective 7: Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms of capital.
- Objective 8: Build public and private sector capacity to support, facilitate, provide, and maintain affordable housing.
- Objective 12: Balance housing growth with adequate infrastructure that serves the city's growing population.
- Objective 13: Prioritize sustainable development in planning for and constructing new housing.

Planning Code Section 415 and Proposition C. Affordable or "inclusionary" housing is governed primarily by the San Francisco Charter and San Francisco Planning Code Section 415. These documents require that private developers of new market-rate housing provide inclusionary housing (at income levels defined in the Planning Code) by either paying an in-lieu fee or delivering affordable units on or offsite. In June of 2016, San Francisco voters amended

¹⁹ City and County of San Francisco. 2015. *City and County of San Francisco General Plan (2014 Housing Element)*. Adopted April 27, 2015. Available: http://www.sf-planning.org/ftp/General_Plan/2014HousingElement-AllParts_ADOPTED_web.pdf. Accessed: September 15, 2015.

the charter (Proposition C) to increase inclusionary housing requirements and authorize the Board of Supervisors to change affordable housing requirements by ordinance. By Ordinance No. 76-16, the board amended City codes to increase the inclusionary housing fee and establish requirements for its implementation, including preparation of an economic feasibility report.

Pursuant to Proposition C and Planning Code Section 415, for qualifying projects of 25 units or more, (1) for the onsite program, 25 percent of all units constructed would be dedicated to the inclusionary program, with a minimum of 15 percent of the units affordable to low- and very low-income households and another 10 percent of the units affordable to very low-, low- or middle-income households, and (2) for offsite or in-lieu fee compliance, the sponsor would pay an in-lieu fee or provide units offsite equivalent to 33 percent of the total number of units produced in the principal project. The Planning Code includes grandfathering for certain projects, based on the date of filing of the environmental evaluation application and receipt of a site or building permit.

Planning Code Section 415.3(c) provides an exemption from the new inclusionary requirements for projects that are located in a special use district for which a height limit increase was approved by the voters prior to January 12, 2016, to satisfy Administrative Code Section 61.5.1. These projects are governed by pre-existing approvals. Section 415(d) also permits the City to enter into development agreements or other similar binding agreements with inclusionary requirements that may differ from those in Section 415. The project is exempt from the inclusionary requirements because it would be located in a special use district and the required height limit increase was approved by voters in June 2014.

ENVIRONMENTAL IMPACTS

This section describes the impact analysis related to population and housing for the proposed project. It describes the methods that were used to determine the impacts of the proposed project and lists the thresholds that were used to conclude whether an impact would be significant. Measures to mitigate (i.e., avoid, minimize, rectify, reduce, eliminate, or compensate for) significant impacts accompany the discussion of each identified significant impact.

SIGNIFICANCE CRITERIA

The proposed project would be considered to have a significant effect if it would result in any of the conditions listed below.

- Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).
- Displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing.

- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

METHODS FOR ANALYSIS

CEQA Guidelines Section 15064(e) notes that an economic or social change by itself would not be considered a significant effect on the environment. Population growth is considered in the context of local and regional plans and population, housing, and employment projections. Generally, a project that induces population growth is not viewed as having a significant impact on the environment unless the physical changes that would be needed to accommodate project-related population growth would have adverse impacts on the environment. Project-related employment and residential growth would result primarily in physical changes related to transportation, noise, air pollutant emissions, GHG emissions, increased demand for public services, increased demand for utility capacity, and increased demand for recreational facilities. These physical impacts are evaluated under other environmental topics in this chapter, such as Sections 4.E, *Transportation and Circulation*; 4.F, *Noise*; 4.G, *Air Quality*; 4.H, *Greenhouse Gas Emissions*; 4.J, *Public Services and Recreation*; and 4.K, *Utilities and Service Systems*, and Chapter 5, *Other CEQA Considerations*.

An indirect environmental impact is a change to the physical environment that is not immediately related to the proposed project (CEQA Guidelines Section 15064(d)(2)). Specifically, project-related growth-inducing effects include ways in which a project could foster economic or population growth, or the construction of additional housing, either directly or indirectly. Projects that would remove obstacles to population growth (e.g., a major expansion of a wastewater treatment plant) might, for example, allow for development to occur in an area that was not previously considered feasible for development because of infrastructure limitations (CEQA Guidelines Section 15126.2(d)). As such, indirect population growth is a secondary impact, which is considered below under Impact PH-1.

This analysis considers whether the population and household growth that would occur with implementation of the proposed project would be considered substantial relative to remaining planned growth potential in the city. ABAG projections were used to analyze whether the growth caused by the project would be within planned growth projections. Specifically, ABAG projections for 2015 are used to represent existing (baseline) conditions, and projections for 2025 are used to represent future (buildout) planned conditions. Growth that exceeds planned growth would be considered substantial.

As shown in Table 4.C-9 and Table 4.C-10 on the following page and discussed below, the High Commercial Assumption could result in up to 7,660 new city residents, while the High Residential Assumption could result in up to 7,720 new city residents at full buildout of the project site in 2023. Therefore, the High Residential Assumption would generate

TABLE 4.C-9. PROPOSED ONSITE RESIDENTS AND EMPLOYEES—HIGH COMMERCIAL ASSUMPTION

Land Use	Gross Square Footage (gsf)/Units	Generation Rate	Estimated Residents/Employees^a
Onsite Residents			
Residential	1,100,000 gsf/1,000 units	2.35 persons/household	2,350 residents
<i>Total Project Residents</i>			<i>2,350 residents</i>
Employees			
Commercial	1,400,000 gsf	276 gsf/employee	5,070 employees
Active Retail	244,800 gsf	327 gsf/employee	750 employees
Residential	1,000 units	1 employee/32 units	30 employees
Pier 48	242,500 gsf	—	200 employees
<i>Total Project Employees</i>			<i>6,050 employees</i>
Employee-Induced City Residents			
Employees Who Also Live in the City		50.4%	3,050 employee/residents
Employee-Induced Housing Demand		1.35 employees/ household	2,260 households
<i>Employee-Induced Residents</i>		<i>2.35 persons/household</i>	<i>5,310 residents</i>
Total Project-Induced Population Growth in City			7,660 residents

Sources: Adavant Consulting, 2015; U.S. Census Bureau. 2014. ACS. One-year estimate. IDs B08406, B08008, S0501.

TABLE 4.C-10. PROPOSED ONSITE RESIDENTS AND EMPLOYEES—HIGH RESIDENTIAL ASSUMPTION

Land Use	Gross Square Footage/Units	Generation Rate	Estimated Residents/Employees^a
Onsite Residents			
Residential	1,600,000 gsf/1,600 units	2.35 persons/household	3,760 residents
<i>Total Project Residents</i>			<i>3,760 residents</i>
Employees			
Commercial	972,200 gsf	276 gsf/employee	3,520 employees
Active Retail	241,000 gsf	327 gsf/employee	740 employees
Residential	1,600 units	1 employee/32 units	50 employees
Pier 48	242,500 gsf	—	200 employees
<i>Total Project Employees</i>			<i>4,510 employees</i>
Employee-Induced City Residents			
Employees Who Also Live in the City		50.4%	2,270 employee-residents
Employee-Induced Housing Demand		1.35 employees/household	1,680 households
<i>Employee-Induced Residents</i>		<i>2.35 persons/household</i>	<i>3,960 residents</i>
Total Project Population Growth in City			7,720 residents

Sources: Adavant Consulting 2015; U.S. Census. 2014. ACS. One-year estimate, IDs B08406, B08008, S0501.

approximately 60 more residents than the High Commercial Assumption because of development of onsite housing and commercial uses. As such, with the exception of the jobs/housing balance analysis, when analyzing the population and housing impacts of the proposed project within the city, the High Residential Assumption is used as the basis for evaluation because it would result in the greatest number of new onsite housing units and the highest level of housing and population growth in the city.

This analysis also considers the proposed project's impact on the projected (2025) jobs/housing ratio in the city by calculating the projected jobs/housing ratio with and without the proposed project. The jobs/housing balance analysis conservatively considers the High Commercial Assumption, which, as discussed below, would involve construction of fewer housing units and generate more employees.

LAND USE ASSUMPTIONS

Population growth generated by the proposed project would consist of (1) growth from the project's proposed residential units, which would generate an onsite residential population, and (2) growth from the project's proposed commercial uses, which would generate an employment population. A portion of the employment population, in turn, would be expected to live within the city and create a demand for households. Compared with existing conditions, both the High Commercial (see Table 4.C-9, previous page) and High Residential (see Table 4.C-10, previous page) land use assumptions would result in both residential growth and employment growth in the city following the completion of construction. However, because of the different development scenarios contemplated under each land use assumption, the number of employees and residents would differ. Therefore, the residential and daytime population estimates for each have been calculated separately, as summarized below. However, determining if and to what extent future residents would occupy the units on a full-time or part-time basis would be speculative. Therefore, such an analysis is beyond the scope of CEQA and not discussed further.

High Commercial Assumption. The High Commercial Assumption would include a lower number of residential units (approximately 1.1 million gross square feet [gsf]) and a higher number of commercial (approximately 1.4 million gsf) and active/retail spaces (244,800 gsf).

Based on the city's pph ratio of 2.35, as published by the Census Bureau in 2014,²⁰ the 1,000 housing units proposed under the High Commercial Assumption would result in an additional 2,350 onsite permanent residents living at the project site. Given the proposed gross

²⁰ It should be noted that ABAG projects that the city will have 2.29 pph in 2025. In addition, Census Tract 607, which encompasses the project site, has approximately 2.01 pph. The current citywide average of 2.35 pph, which is higher than future projections and the existing census tract pph, provides a conservative scenario and is used for purposes of this analysis.

square footage for the different types of land uses and standard employee generation rates,²¹ approximately 6,050 people would be employed at the project site under the High Commercial Assumption. If the existing commute patterns for jobs within the city continue, it is anticipated that approximately 50.4 percent of the onsite jobs would be filled by San Francisco residents, with the remainder filled by those living outside the city. As shown in Table 4.C-9, page 4.C-13, the proposed project would generate approximately 3,050 employee-induced residents who would live in the city. Under the High Commercial Assumption, assuming all employees who currently live outside the city would move to the city, a conservative and unlikely scenario, the proposed project could result in up to 2,260 new induced housing units within the city (using the city's average of 1.35 employees per household). Applying the city's current pph of 2.35 and the projected induced housing demand of 2,260 units, the commercial uses proposed under the project could result in an increase in city population of up to 5,310 employee-induced residents.

Thus, as explained above, the High Commercial Assumption would result in approximately 2,350 permanent residents living on the project site and potentially an additional 5,310 city residents living offsite. The new onsite residential uses and employment-based population growth could result in up to 7,660 new residents in the city. Additional information regarding proposed onsite residents and employees under the High Commercial Assumption is provided in Table 4.C-9, page 4.C-13.

High Residential Assumption. The High Residential Assumption would include a higher number of residential units (approximately 1.6 million gsf) and a lower number of commercial (approximately 972,000 gsf) and active/retail spaces (approximately 241,000 gsf). Based on the city's pph ratio of 2.35, as published by the Census Bureau in 2014,²² the High Residential Assumption proposes the construction of 1,600 units to house a residential population of 3,760 at the project site. Proposed uses would employ approximately 4,510 people onsite. As under the High Commercial Assumption, given the existing commute patterns for jobs located within the city, it is anticipated that approximately 50.4 percent of the onsite jobs would be filled by San Francisco residents, while the remainder would be filled by those who live outside the city. An estimated 2,270 employee-induced city residents could also be city residents under the High Residential Assumption, resulting in an estimated 1,680 induced housing units, based on the number of employees/residents per household. Given that employees/residents of the proposed project would also be part of households, using the city's pph of 2.35, employment-induced population growth in the city could result in up to 3,960 induced residents. Under the High

²¹ Advant Consulting. 2015. *The Mission Rock (Seawall Lot 337/Pier 48) Project Estimation of Project Travel Demand – Updated Project Definition*. Memorandum. June 30. (See Appendix 4-5 of this document.)

²² It should be noted that ABAG projects that the city will have 2.29 pph in 2025. In addition, Census Tract 607, which encompasses the project site, has approximately 2.01 pph. The current citywide average of 2.35 pph, which is higher than future projections and the existing census tract pph, provides a conservative scenario and is used for purposes of this analysis.

Residential Assumption, assuming all of these employees who currently live outside the city would move to the city, a conservative and unlikely scenario, the proposed project could result in up to 1,680 new induced housing units within the city (using the city's average of 1.35 employees per household).

Thus, as explained above, the High Residential Assumption would result in approximately 3,760 onsite permanent residents living on the project site and potentially an additional 3,960 induced city residents as a result of proposed employment. Together, new onsite residential uses and employment-based growth could result in up to 7,720 new residents in the city. Additional information regarding proposed onsite residents and employees under the High Residential Assumption is provided in Table 4.C-10, page 4.C-13.

TOPICS NOT EVALUATED IN DETAIL

Displacement of People or Housing. As stated above, the project site does not currently have housing or permanent onsite employees. Existing onsite uses at the project site include occasional short-term events (such as Cirque du Soleil circus performances and Cavalia equestrian shows), pop-up retail at The Yard at Mission Rock, parking, and storage for those who work onsite when these events occur. These uses require few or no employees, and none of these uses employ people at the site on a regular basis. The proposed project would not displace any housing; therefore, it would not necessitate the construction of replacement housing elsewhere, resulting in *no impact*. The only employees at the site are the insubstantial numbers of occasional employees associated with uses that are not designed for a fixed location. Such uses employ persons for limited periods. Therefore, these few employees would be expected to relocate as the uses and job opportunities move to other locations. Therefore, the project would not be expected to displace substantial numbers of employees and necessitate construction of housing elsewhere. These topics are not evaluated further.

IMPACTS AND MITIGATION MEASURES

Impact PH-1. The proposed project would not result in substantial population growth in an area, either directly or indirectly. (Less than Significant)

CONSTRUCTION

Although subject to change because of changes in housing market conditions, construction of the proposed project would be phased, occurring between 2017 and 2023.²³ On any given day, the number of employees onsite would range from 30 to 450, depending on the stage of

²³ The proposed project phasing is an estimate and provides the most conservative scenario. However, project phasing could extend past 2023, depending on market conditions.

construction and the number of phases being undertaken concurrently. It is anticipated that construction employees who are not already living in the city would commute from their residences elsewhere in the Bay Area rather than permanently relocate to San Francisco from more distant locations; this is typical for employees in the various construction trades. Once the construction phases are complete, construction workers typically seek employment at other job sites in the region that require their particular skills. Thus, construction of the proposed project would not generate a substantial population increase in the city or region. Temporary project-related impacts associated with an increase in population during the construction period would be *less than significant*.

OPERATION

As shown in Table 4.C-10, page 4.C-13, operations under the High Residential Assumption (the more conservative scenario for this topic) would include 1,600 onsite units and accommodate an onsite residential population of approximately 3,760. It would also employ approximately 4,510 employees onsite. These employees could induce population growth throughout the city amounting to approximately 3,960 residents. Therefore, in total, the project could induce population growth amounting to 7,720 residents in the city.

Population Growth. Up to onsite 1,600 units could be constructed at the project site under the High Residential Assumption, resulting in an onsite population of approximately 3,760. The project site is located within Census Tract 607, which currently includes approximately 9,250 residents. Therefore, the proposed project would represent a 41 percent increase in population over existing conditions in the immediate area. Although this increase would be substantial at the local census tract, it would not be substantial in the context of citywide growth, as described below. Additionally, the project site is located within the Port of San Francisco PDA, which is designated for new development to support the needs of residents and employees.

As shown in Table 4.C-2, page 4.C-2, ABAG projects that the city's population will increase by approximately 87,800, from 847,000 in 2015 to 934,800 in 2025, while the Bay Area population will increase by approximately 672,600. Therefore, the maximum amount of direct (onsite) residential growth that would occur under the High Residential Assumption would be approximately 4.3 percent of the residential growth expected in the city and approximately 0.6 percent of the residential growth expected in the Bay Area. As a result of the proposed residential and commercial uses, an additional 7,720 residents could live in the city. The proposed project, in total, would represent 8.8 percent of the city's expected growth from 2015 to 2025 and approximately 1.1 percent of expected Bay Area growth. This is anticipated development for this area of the city.

Project roads and other infrastructure (i.e., wastewater and electricity transmission infrastructure) that would be developed would be sized to meet the needs of visitors,

businesses, and residents at the project site. Because this infrastructure would be sized to meet only project needs, it would not lead to additional indirect population growth or the need for additional housing beyond that generated by project uses.

Housing Demand. ABAG estimates that the number of households within the city will increase by approximately 33,560 between 2015 and 2025. As discussed above under the Methods for Analysis, the proposed project could generate demand for up to 1,680 induced housing units in the city to support employment generated by the project (assuming 50.4 percent of project employees would also live in the city). The 1,680 induced housing units would make up approximately 5.0 percent of the total projected household growth in the city. Some of these employee households could move to the proposed onsite housing units (up to 1,600 units). Even if none of the proposed onsite units were occupied by employees of the proposed project, the demand for the 1,680 units induced by the project would represent only 5.0 percent of ABAG-projected housing growth in the city. Project-induced population growth would be within the scope of planned growth and would not represent a substantial change or result in a sizable increase in housing demand. Increased demand for housing in the city and region would occur with or without the proposed project because of planned general population growth. Therefore, the project's contribution to that increased demand would be *less than significant*.

The proposed project would also be consistent with City and regional planning efforts related to housing in that it would help the City reach its RHNA targets by constructing both market-rate and affordable housing units. New rental housing built for the proposed project would exceed the inclusionary housing requirements set forth in Section 415 of the City's Planning Code²⁴. As explained above in the Regulatory Framework section, Planning Code Section 415.3(c) provides an exemption from the new inclusionary requirements for projects, such as the proposed project, that are located in a special use district for which a height limit increase was approved by the voters prior to January 12, 2016, to satisfy Administrative Code Section 61.5.1. These projects are governed by pre-existing approvals. Section 415(d) also permits the City to enter into development agreements or other similar binding agreements with inclusionary requirements that may differ from those in Section 415. Consistent with these provisions, the project sponsor would satisfy its inclusionary housing requirements through onsite affordable rental units. The income restrictions would be enforceable through a development agreement or other similar binding agreement as well as deed restrictions on the property. The project sponsor has proposed to restrict 40 percent of the onsite units to inclusionary affordable housing targets. Affordable housing would be consistently constructed throughout the phasing of the proposed project. Therefore, for the above reasons, the proposed project would contribute to the City's RHNA targets.

²⁴ While housing units at the proposed project site could be either rental or for sale, they are currently anticipated to be rental.

The proposed project would focus development in an area that has been identified by the City and ABAG as a PDA. As such, the project site is identified as suitable for population, housing, and employment growth in local and regional planning documents, and development on the site would assist in accommodating the planned population and employment growth.

Geographic Distribution of Housing Demand. The proposed project would generate a total indirect housing demand from potential employees of approximately 4,480 units under the High Commercial Assumption and 3,340 units under the High Residential Assumption.²⁵ This growth would occur throughout the region. As stated above, it is anticipated that approximately 50.4 percent of the employees generated by the proposed project would live in the city. The remaining employees would most likely find housing throughout the region, with the majority living in Marin, Alameda, San Mateo, Santa Clara, and Contra Costa Counties. ABAG projections are considered the benchmark for foreseeable housing growth in each area. As shown in Table 4.C-4, page 4.C-4, ABAG projects that the number of households will grow by 8.5 percent in the Bay Area between 2015 and 2025. Therefore, both land use assumptions under the proposed project would result in an indirect housing demand equal to approximately 1.4 percent of projected household growth in the Bay Area. Overall, on a regional basis, the proposed project's demand for housing would not be a significant share of the total housing growth projected by ABAG.

Jobs/Housing Balance. The jobs/housing balance refers to the ratio of the total job count in a jurisdiction and the total household count in the same area. The jobs/housing balance is an indicator of the extent to which the workforce may have the opportunity to live and work in the same community, assuming that the occupations of the employees match the occupations and skills required for the jobs and that the housing meets the needs of those employees. Local governments may use it as a planning tool to achieve particular policy outcomes. It is not, however, a regulatory tool and does not necessarily imply a physical change to the environment or relate to any recognized threshold of significance under CEQA. A worsening of the jobs/housing ratio may, however, be an indicator of longer commute times, the associated environmental consequences of which, such as impacts related to transportation, air quality, and greenhouse gas (GHG) emissions, are discussed in other sections of the EIR (Sections 4.E, 4.G, and 4.H, respectively). Therefore, the jobs/housing balance is discussed for informational purposes.

As described under Methods for Analysis, the High Commercial Assumption was used for the jobs/housing balance analysis as it is the most conservative scenario. As discussed above, the High Commercial Assumption would construct 1,000 housing units (expected to house approximately 2,350 residents) and generate 6,050 employees (fewer housing units but more employees than the High Residential Assumption). The 6,050 employees could result in

²⁵ Assuming 1.35 employees per household.

demand for approximately 2,260 housing units. As shown in Table 4.C-11, below, implementation of the High Commercial Assumption would slightly worsen the city's projected jobs/housing ratio in 2025 from 1.74 to 1.75. This change represents a difference of less than 1 percent compared to conditions without the proposed project.

TABLE 4.C-11. JOBS AND HOUSING UNITS IN THE CITY THROUGH 2025 WITH THE PROPOSED PROJECT (HIGH-COMMERCIAL ASSUMPTION)

	2015	2025
Jobs in San Francisco	617,420	689,080
Housing in San Francisco	362,440	396,000
Jobs/Housing Unit Ratio Without the Proposed Project	1.70	1.74
Jobs/Housing Unit Ratio With the Proposed Project	N/A	1.75

Source: Association of Bay Area Governments. 2013. *Projections 2013*. December.

Population, Employment, and Housing Growth Conclusions. The increase in the number of new jobs created under either the High Residential Assumption (i.e., 4,510) or under the High Commercial Assumption (i.e., 6,050) could result in new city residents. Housing demand from employees under the two assumptions would be approximately 1,680 units or 2,260 units, respectively, which corresponds to the range of potential impacts generated by the project at buildout. This estimate of project-induced housing demand is conservative because it assumes that none of the new employment opportunities associated with the proposed project would be filled by existing city residents. However, some jobs are likely to be filled by persons who already reside in the city or the Bay Area. The employee calculations also assume no job vacancies. In addition, some of the employees may choose to live in the up to 1,600 housing units under the High Residential Assumption or the 1,000 housing units under the High Commercial Assumption provided as part of the proposed project. Therefore, the actual employment generation, as well as associated induced city or Bay Area population, could be lower than indicated, depending on the rate of project buildout and regional business and economic trends.

Operation of the proposed project would induce residential population, housing, and employment growth in the project area; however, proposed project growth would be consistent with ABAG's population, housing, and employment growth projections for the city. The proposed project would also be located within the Port of San Francisco PDA, as defined by ABAG, an area for new development to support the needs of residents and employees. Therefore, project growth impacts would be *less than significant*. The proposed project would not induce substantial population growth either directly or indirectly. Because growth in and of itself does not constitute a significant impact on the environment, the physical changes associated with growth that would occur as a result of project implementation are discussed elsewhere in Chapter 4.

CUMULATIVE IMPACTS

The geographic context for analyzing cumulative impacts related to population, housing, and employment is the city of San Francisco. The approach analyzes projected population, housing, and employment growth within the city of San Francisco and compares it to growth associated with the proposed project to determine if the proposed project would have a cumulatively considerable impact on population, housing, and employment.

Impact C-PH-1. The proposed project, in combination with past, present, and reasonably foreseeable future projects, would not induce substantial population growth either directly or indirectly or create substantial demand for additional housing, necessitating the construction of replacement housing. (Less than Significant)

As discussed under Impact PH-1, above, both the High Commercial and High Residential land use assumptions would result in population, housing, and employment growth within the project area following the completion of construction. As stated above, operation of the High Residential Assumption would result in slightly more residents than the High Commercial Assumption. Operation of the High Commercial Assumption would accommodate an onsite residential population of approximately 2,350 and employ approximately 6,050. Of those employees who would work at the project site, an estimated 3,050 would also be city residents. Including the households of those employees/residents and the residents living at the project site, the High Commercial Assumption could result in up to 7,660 new city residents. Operation of the High Residential Assumption would accommodate an onsite residential population of approximately 3,760 and employ approximately 4,510. Of those employees who would work at the project site, an estimated 2,270 would also be city residents. Including the households of those employees/residents and the residents living at the project site, the proposed project could result in up to 7,720 new city residents.

POPULATION

ABAG's *Projections 2013* estimates that between 2010 and 2040 the number of households in San Francisco will increase by 101,539 (to 447,350 total households in 2040), the number of residents will increase by 280,465 (to 1,085,700 total population in 2040), and the number of jobs will increase by 190,780 (to 759,500 total jobs in 2040).²⁶ About 92 percent of the anticipated number of households and about 88 percent of the anticipated population growth

²⁶ These calculations are based on ABAG's *Projections 2013*, pp. 74 and 75.

will occur in San Francisco's PDAs.²⁷ At the regional level, ABAG's *Projections 2013* indicates that about 78 percent of anticipated housing growth and about 69 percent of anticipated population growth will occur within PDAs.²⁸

As discussed above, the city's population could grow by up to 1,680 new housing units and 7,720 new persons with project operations. This population increase associated with the proposed project would exceed the 2040 household (1,497) and population (3,059) estimates for the Port of San Francisco PDA²⁹ but would be within the 2040 estimates for the adjacent PDAs³⁰ (26,880 new households and 79,100 new persons) and the city (101,539 new households and 280,465 new persons). The PDAs immediately adjacent to the project site are the Eastern Neighborhoods and Mission Bay. The Mission Bay PDA is to the west, and the Eastern Neighborhoods PDA is to the north and west. These PDAs are "Urban Neighborhood Place Types" (primarily moderate- to high-density residential areas with local-serving retail services and other small businesses or older industrial uses). The Eastern Neighborhoods and Mission Bay PDA populations are anticipated to grow by 31,060 and 40,850 residents, respectively. When considered at the citywide and regional level, the population increase attributable to the proposed project would not be considered substantial because it would not exceed population increases identified by ABAG for the adjacent PDAs (when considered together), for the city as a whole, or for the nine-county Bay Area region. The City's long-range planning efforts take into account anticipated population growth as well as demand on infrastructure, public services, and housing.

The proposed project would directly increase the onsite population within the context of an established urban area with high levels of local and regional transit services and facilities but would include neighborhood amenities and services that could accommodate this increase. This direct population growth is considered planned growth because the proposed project has been included in the City's population planning projections. By 2040, approximately 88 percent of San Francisco's projected population growth is expected to occur within PDAs, which include the project site.³¹ Although the scale of residential development from the proposed project would be greater than the 2040 household and population estimates identified by ABAG for the Port of San Francisco PDA, the development of residential uses in this area would conform with

²⁷ ABAG, *Projections 2013*, p. 71.

²⁸ ABAG, *Projections 2013*, p. 17.

²⁹ ABAG. *Priority Development Area Showcase*. Available: <http://gis.abag.ca.gov/website/PDAShowcase/>. Accessed: February 7, 2017.

³⁰ San Francisco County Priority Development Area projects include the following: Bayview/Hunters Point Shipyard/Candlestick Point, Balboa Park, Downtown-Van Ness-Geary, Eastern Neighborhoods, Mission Bay, Port of San Francisco, Transit Center District, Treasure Island and Yerba Buena Island, San Francisco/San Mateo Bi-county Area, 19th Avenue, Market-Octavia/Upper Market, and Mission-San Jose Corridor.

³¹ ABAG, *Projections 2013*, p. 71.

the ABAG and City designation of the Port of San Francisco as one of 12 PDAs, which are served by existing utilities, infrastructure, and transit, with the potential to accommodate future population and housing growth in the city and the Bay Area.³²

Indirect growth (or unplanned growth) includes residential and employment growth in surrounding neighborhoods resulting from an expansion of local infrastructure and public services. The proposed project would improve the onsite infrastructure and transportation network but would not build or expand infrastructure or public services that could encourage additional local growth beyond planned levels. Therefore, the proposed project would not result in substantial indirect population or employment growth.

For the reasons stated above, the proposed project would not result in a cumulatively considerable contribution to any potential cumulative impact related to substantial increases in population. Its cumulative impact would be *less than significant*.

CONTRIBUTION TO HOUSING SHORTAGE

As identified in ABAG's Regional Housing Need Plan for the San Francisco Bay Area: 2014–2022, the regional housing needs allocation for the nine-county Bay Area is 187,990 residential units, with San Francisco's share at 28,869 units. The High Residential Assumption would provide approximately 1,600 new housing units, or 5.5 percent of the city's regional housing needs allocation, and 0.85 percent of the total regional housing need. The High Commercial Assumption would provide approximately 1,000 new housing units, or 3.5 percent of the city's regional housing needs allocation, and 0.5 percent of the total regional housing need. Over the course of the past several decades, construction of housing in the region has failed to keep pace with population growth in the Bay Area. Population growth is predicted to continue to grow at a relatively moderate rate through 2040, and the region is still attempting to make up for housing shortages from previous growth periods. The proposed project would help reduce the housing shortage but would not contribute to significant unplanned population growth.

The demand for the 1,680 or 2,260 housing units that would be generated by employment under the High Residential Assumption or High Commercial Assumption, respectively, would be more than the total number of units provided by the proposed project. However, the housing demand could be met with units developed under various citywide and regional planning efforts, onsite development, or housing built as a result of the Jobs-Housing Linkage Fee. As a result, the proposed project's contribution to the substantial cumulative housing shortage in the Bay Area would be *less than significant*.

³² San Francisco County Priority Development Area projects include the following: Bayview/Hunters Point Shipyard/Candlestick Point, Balboa Park, Downtown-Van Ness-Geary, Eastern Neighborhoods, Mission Bay, Port of San Francisco, Transit Center District, Treasure Island and Yerba Buena Island, San Francisco/San Mateo Bi-county Area, 19th Avenue, Market-Octavia/Upper Market, and Mission-San Jose Corridor.

HOUSING DEMAND

The demand generated by the proposed project for housing units outside the city, conservatively assuming that 49.6 percent of those employed within the project site would commute from outside of San Francisco, would be dispersed throughout the nine-county Bay Area. The proposed project would create a demand for housing in San Francisco that would exceed the scope of the onsite residential development; however, anticipated household growth in adjacent PDAs (26,880), at the citywide level (101,539), and at the regional level (700,067), as estimated in ABAG's *Projections 2013*, could accommodate this additional demand. Therefore, population growth associated with increased project-related employment would not result in housing demand that would exceed planned regional housing development and would not be substantial. Because the employment increase associated with the proposed project would not be individually substantial or contribute to an exceedance of the City's employment projections, the proposed project would not result in a cumulatively considerable contribution to a significant cumulative impact related to employment; the impact would be *less than significant*. Cumulative impacts related to physical environmental topics (e.g., transportation, noise, air quality) are discussed in other sections of Chapter 4.

EMPLOYMENT

Development at the project site would provide about 4,510 (under the High Residential Assumption) or 6,050 (under the High Commercial Assumption) new permanent jobs by 2023 (in addition to temporary construction-related jobs generated by the proposed project). Regional projections indicate that by 2040 the San Francisco Bay Area will have about 4,505,230 jobs (up from 3,669,990 in 2015), an increase of 835,240. Citywide projections indicate that by 2040 San Francisco will have about 759,500 jobs (up from 617,420 in 2015), an increase of 142,080.³³ The proposed project's contribution of 4,510 or 6,050 new permanent jobs would represent about 0.10 to 0.13 percent of the anticipated increase in regional employment and about 0.5 to 0.7 percent of the anticipated employment growth in San Francisco through 2040.

San Francisco has traditionally experienced, and will continue to experience, employment opportunities that are not met by an equal supply of housing within the city or even the Bay Area. The demand for the 1,680 or 2,260 housing units that would be generated by employment under the High Residential Assumption or High Commercial Assumption, respectively, would be more than the total number of units provided by the proposed project. However, the housing demand could be met with units that could be developed under various citywide and regional planning efforts and housing built as a result of the Jobs-Housing Linkage Fee. Therefore, the population growth associated with increased project-related employment would not result in housing demand that would exceed planned levels for housing development and would not be

³³ ABAG, *Projections 2013*, p. 74.

substantial. Because the employment increase associated with the proposed project would not be individually substantial or contribute to an exceedance of ABAG's employment projections for the city, the proposed project would not result in a cumulatively considerable contribution to a significant cumulative impact related to employment; and this impact would be *less than significant*.