

## Section 3.14

# Population, Employment, and Housing

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### 3.14.1 Introduction

This section describes potential population, employment, and housing impacts from implementation of the proposed Cannabis Land Use Ordinance and Licensing Program (Project). It includes a discussion of the population, employment, and housing trends within the unincorporated County of Santa Barbara (County), as well as the applicable regulations pertaining to the proposed Project. As described in Chapter 2, *Project Description*, as part of this Environmental Impact Report (EIR) the County has been divided into five general regions for planning purposes: Santa Maria Valley, Lompoc Valley, Santa Ynez Valley, Cuyama Valley, and South Coast. The population, employment, and housing characteristics of these regions varies significantly, with lower density of population in more rural agricultural areas of the northern part of the County, and greater populations and employment opportunities surrounding the incorporated cities and in the South Coast. Where available, data on existing population, employment, and housing trends within select regions of the County are provided along with a discussion of possible changes in trends and growth forecasts under the Project. Key resources used in the preparation of this section include the Santa Barbara County Comprehensive Plan (particularly the Housing Element), County Community Plans, U.S. Census Bureau data, the Santa Barbara County Association of Governments (SBCAG) Regional Transportation Plan (RTP)/Sustainable Community Strategy (SCS), the SBCAG Regional Growth Forecast, the June 2017 Non-Personal Cannabis Cultivation and Related Operations Registry Program (Cannabis Registry), and recent local EIRs.

### 3.14.2 Environmental Setting

#### Population and Employment

The U.S. Census Bureau and SBCAG provide population and employment estimates and projections for the County. The U.S. Census Bureau provides official population and housing counts every 10 years, which are typically used by other agencies to develop their own estimates and projections. The most recent decennial Census was published in 2010.

As part of its long-range planning, SBCAG forecasts population, household, and employment growth within the planning region. The most recent adopted projections are included in SBCAG's 2012 Regional Growth Forecast, which is based on 2010 U.S. Census Data (SBCAG 2012). These growth projections are reflected in SBCAG's RTP/SCS, which were adopted in the 2013 RTP/SCS and carried forward in the August 2017 Fast Forward 2040, SBCAG's most recently adopted RTP/SCS.

#### United States Census

The U.S. Census Bureau publishes population and housing statistics based on the U.S. Census and the American Community Survey (ACS). The U.S. Census is published every 10 years and includes population and housing data for the entire country, including the official count of the entire U.S. population. These data are used as the baseline from which most demographic projections are calculated. The ACS is conducted every year for a small sample of the population to provide current

information about various social and economic characteristics of communities, including housing, education, jobs, and more. The ACS also includes statistics that are not included as part of the U.S. Census.

According to the U.S. Census and as reported in SBCAG's census overviews for Santa Barbara County, the County as a whole has grown at a slower rate than the State of California over the last 10 years. In the 2010 U.S. Census, the population of the County was 423,895, with an unincorporated population of 133,417 (31.5 percent) and incorporated city population of 290,478 (68.5 percent). As a whole, the County experienced 6.1 percent growth in population between 2000 and 2010, growing by 24,548 residents. (See Table 3.14-1.) However, this growth in population was almost entirely associated with increases in the population of the incorporated cities; approximately 90 percent of total County population growth occurred in the City of Santa Maria. Within the unincorporated regions of the County, population has remained relatively stable due to large declines in populations in some communities. (See Table 3.14-2.) For comparison, the State of California experienced approximately 10.0 percent growth from 2000 to 2010; growing by nearly 3.4 million residents.

**Table 3.14-1. U.S. Census Total Population 2000-2010**

		2000	2010
Santa Barbara County (whole)	Total population	399,347	423,895
	Growth in previous 10 years	--	+6.1%
Santa Barbara County (unincorporated)	Total population	133,420	133,417
	Growth in previous 10 years	--	+0%
State of California	Total population	33,871,648	37,254,522
	Growth in previous 10 years	--	+10.0%

Sources: SBCAG 2011; U.S. Census Bureau 2002, 2017.

**Table 3.14-2. County Unincorporated Population by Community 2000-2010**

Community	Statistic	2000	2010	Community	Statistic	2000	2010
Isla Vista	Total population	21,069	23,096	Vandenberg Village <sup>1</sup>	Total population	5,802	6,497
	Growth	--	+9.6%		Growth	--	+12.0%
Los Alamos	Total population	1,372	1,890	Ballard	Total population	N/A	467
	Growth	--	+37.8%		Growth	--	--
Mission Canyon	Total population	2,610	2,381	Casmalia	Total population	N/A	138
	Growth	--	-8.8%		Growth	--	--
Montecito	Total population	10,000	8,965	Cuyama	Total population	N/A	57
	Growth	--	-10.4%		Growth	--	--
Orcutt	Total population	28,830	28,905	Garey	Total population	N/A	68
	Growth	--	+0.3%		Growth	--	--
Santa Ynez	Total population	4,584	4,418	Los Olivos	Total population	N/A	1,132
	Growth	--	-3.6%		Growth	--	--
Summerland	Total population	1,545	1,448	New Cuyama	Total population	N/A	517
	Growth	--	-6.3%		Growth	--	--
Toro Canyon	Total population	1,697	1,508	Sisquoc	Total population	N/A	138
	Growth	--	-11.1%		Growth	--	--
Vandenberg AFB <sup>1</sup>	Total population	6,151	3,338				
	Growth	--	-45.7%				

<sup>1</sup>Locations are within the federally-owned lands of Vandenberg Air Force Base, outside the jurisdiction of the County and area of applicability under the Project.

Source: SBCAG 2011.

## Santa Barbara County Association of Governments

SBCAG is the federally designated metropolitan planning organization for the Santa Barbara region. The SBCAG boundary is coterminous with the County boundary. SBCAG develops socioeconomic estimates and growth projections, including population, households, and employment, for the County through enhanced forecasting methods and interactive public outreach. These estimates and projections provide the analytical foundations for SBCAG's transportation planning and other programs. In August 2013, SBCAG adopted the 2040 RTP/SCS, and in August 2017, carried forward the policies, plans, and objectives in the updated Fast Forward 2040 RTP/SCS. SBCAG's most recent Regional Growth Forecast was adopted in December 2012, and was used to inform the growth assumptions, policies, and objectives of Fast Forward 2040 RTP/SCS.

The Regional Growth Forecast is an employment driven analysis that represents the most likely growth scenario for the County in the future, considering a combination of recent and past trends, reasonable technical assumptions, local land use patterns, and local or regional growth policies. SBCAG seeks input from local cities and the County to prepare the RTP/SCS and Regional Growth Forecast. According to SBCAG's 2010-2040 Regional Growth Forecast, the population of the County as a whole is projected to increase by 22.7 percent from 2010 to 2040, for a total 2040 population of 519,965, while the population of the unincorporated area of the County is projected to grow by a similar 21.4 percent over the same period, for a total 2040 population of 163,257 (Table 3.14-3) (SBCAG 2011). Similarly, the number of households is projected to increase by 29.2 percent (41,500 units) across the whole County and 18.3 percent (8,312 units) in the unincorporated area of the County. As seen, growth for all three categories – population, households, and employment – is projected to increase at a lower rate in the unincorporated areas of the County than across the County as a whole, including incorporated cities and unincorporated areas.

**Table 3.14-3. SBCAG Projected Population, Households, and Employment**

		2010	2020	2035	2040	Change (2010-2040)
Santa Barbara County (Whole)	Population	423,800	445,891	507,482	519,965	96,165 (+22.7%)
	Households	142,100	149,900	177,400	183,600	41,500 (+29.2%)
	Employment	192,107	221,870	240,706	247,757	55,650 (+29.0%)
Santa Barbara County (Unincorporated)	Population	134,433	145,581	160,588	163,257	28,824 (+21.4%)
	Households	45,442	47,570	52,813	53,754	8,312 (+18.3%)
	Employment	51,047	55,779	60,324	64,032	12,985 (+25.4%)

Source: SBCAG 2012.

### Employment Forecasts

The SBCAG Regional Growth Forecast addresses region-wide employment projections in the context of national and state projections. However, the County is composed of a different makeup of economic sectors when compared to the state and nation, which results in some statewide or nationwide projections that may not accurately reflect economic growth in the County. For instance, the Regional Growth Forecast has projected below average rates of growth and the overall decline in employment

in the agricultural economic sector, despite the County having a comparatively high share of employment in this sector and observed growth in the industry from 1990 to 2010. By the year 2040, the agricultural sector is projected to experience a decline in jobs by approximately 2,100 and the manufacturing sector is projected to decline by 400 jobs, while the transportation, warehousing, and utilities; retail trade; and professional and business economic sectors are projected to increase by 800 jobs, 800 jobs, and 14,900 jobs, respectively. (See Table 3.14-4; SBCAG 2012.)

**Table 3.14-4. SBCAG Regional Employment Forecasts**

Economic Sector	Growth (1,000 jobs)							Change 2010-2040
	2010	2015	2020	2025	2030	2035	2040	
Agriculture	18.7	18.6	18.6	18.0	17.4	17.0	16.6	-2.1
Mining	1.0	1.0	1.0	1.0	1.0	0.9	0.9	-0.1
Construction	7.0	8.2	9.4	9.7	9.9	10.3	10.7	3.7
Manufacturing	11.2	11.5	11.8	11.5	11.2	11.0	10.8	-0.4
Wholesale Retail	4.0	4.4	4.7	4.7	4.7	4.8	4.8	0.8
Retail Trade	17.9	18.9	19.9	20.0	20.1	20.5	20.8	2.9
Transportation, Warehousing, and Utilities	2.8	3.1	3.4	3.4	3.4	3.5	3.6	0.8
Information	3.4	3.8	4.1	4.2	4.2	4.3	4.4	1.0
Financial Activities	6.3	7.0	7.6	7.7	7.7	7.9	8.0	1.7
Professional and Business	21.7	25.2	28.8	30.5	32.3	34.5	36.6	14.9
Educational and Health	20.9	23.8	26.7	28.3	30.0	32.0	33.9	13.0
Leisure and Hospitality	22.0	24.4	26.9	28.0	29.0	30.5	31.8	9.8
Other Services	5.4	5.9	6.5	6.6	6.8	7.1	7.3	1.9
Government	38.1	38.8	39.4	40.2	41.0	42.4	43.5	5.4
Self Employed	17.0	19.1	21.2	21.8	22.4	23.3	24.1	7.0
<b>Total</b>	<b>197.4</b>	<b>213.7</b>	<b>229.9</b>	<b>235.6</b>	<b>241.3</b>	<b>250.0</b>	<b>257.6</b>	<b>60.1</b>

Source: SBCAG 2012.

### Existing Cannabis Employment

The County's 2017 Cannabis Registry data reveals that there are 134 existing unique cannabis sites for which operators would seek a license for cannabis activities under the proposed Project. These sites may range in size and location, as well as type of operation. For instance, 29.1 percent of the 134 cannabis operations that have been identified indicate manufacturing operations occur onsite. Additionally, the 2017 Cannabis Registry did not allow for the identification of sites that may engage in other forms of cannabis activities (e.g., testing and distribution).

While there is no formally documented data related to employment associated with the existing cannabis industry locally in the County, the State of California released a consultant study in 2017 prepared by ERA Economics that contains extensive job analysis related to cannabis cultivation. For indoor and greenhouse growing, including trimmers, the study documents a full-time-equivalent (FTE) level of cannabis cultivation employment at 0.88 FTE per 1,000 square feet (sf) of canopy. For outdoor cultivation, the employment rate is 0.40 FTE per 1,000 sf of canopy. For outdoor cultivation and other cannabis activities, employment ratios may widely vary based on the size and type of

operation. Also, based on survey data collected by the County of Santa Cruz in March 2017 as part of the Draft EIR for the Commercial Cannabis Cultivation and Manufacturing Regulations and Licensing Program, cannabis product manufacturing operations may employ three to six full-time employees for larger or more intensive higher-yield processes, such as supercritical CO<sub>2</sub>, while smaller lower-yield manufacturing operations may operate with one to two workers (County of Santa Cruz 2017). Further, employees at sites that contain several cannabis activities may typically engage in work associated with multiple types of cannabis activities.



*Cannabis operations in the County range in employment levels. The estimated number of existing cannabis industry-related jobs in the unincorporated area is 867 FTE in cultivation, including trimmers and processors at grow sites. It is unknown what percentage of these employees may be associated with non-cultivation related cannabis activities.*

An estimate of the existing number of employees in the cannabis industry is difficult to determine. As discussed in Chapter 3, *Environmental Impact Analysis*, based on anecdotal data from the 2017

Cannabis Registry and without accounting for potential duplication within registry responses, it is estimated that the 216 cannabis activity sites who indicate they are currently cultivating an estimated 396 acres of canopy and may employ approximately 867 FTE employees, which includes onsite trimmers processors, packagers, manufacturers, transporters, or operations supervisors/managers, and 802 part-time or seasonal employees, for a combined maximum of 1,669 employees during harvest times. Based on site visits to local cannabis operations and interviews with representatives of the cannabis industry in July, August, and September 2017, these employees (especially part-time or seasonal employees) may work at multiple unique cannabis sites, or where cannabis operations are intermixed with existing agricultural operations, such as in the Carpinteria Valley. Cannabis employees may split their work between agricultural or greenhouse operations and cannabis activities.

## Housing

### United States Census

According to SBCAG’s 2010 Census Data Results Staff Report, the County as a whole had a housing stock of 152,834 units, of which 49,185 units are located in the unincorporated area of the County. This represents increases of 9,933 and 513 housing units or 7.0 and 1.1 percent, respectively, from the 2000 housing stock. (See Table 3.14-5.)

**Table 3.14-5. Housing Unit Stock in 2000 and 2010**

	2000	2010	Change (2000-2010)
Santa Barbara County (Whole)	142,901	152,834	9,933 (+7.0%)
Santa Barbara County (Unincorporated)	48,672	49,185	513 (+1.1%)

Sources: SBCAG 2011.

The U.S. Census Bureau and SBCAG also track the number of households, which differs from the number of housing units that counts both occupied and vacant units. A household is defined by the U.S. Census Bureau as a group of people who occupy a housing unit. Table 3.14-6 shows housing and household characteristics for the County for the year 2010.

**Table 3.14-6. Santa Barbara County Housing and Households**

Jurisdiction	Year	Housing Units	Occupied Housing Units	Vacant Units	Vacancy Rate	Seasonal, Recreational, and Occasional Use Units	Persons per Household
Santa Barbara County (Whole)	2010	152,834	142,104	10,730	7.0%	3,354	2.9
Santa Barbara County (Unincorporated)	2010	49,185	44,986	4,199	8.5%	808	2.9

Source: SBCAG 2011.

As shown in Table 3.14-6, the whole County's vacancy rate in 2010 was 7.0 percent, while the unincorporated area of the County's vacancy rate was higher at 8.5 percent. However, when seasonal, recreational, and occasional use units are removed from the total of vacant units, the vacancy rate drops to 4.8 percent throughout the County, and 6.9 percent throughout the unincorporated areas. In 2010, both the County as a whole and the incorporated areas, had an average household size of approximately 2.9 people per household (SBCAG 2011).

### **Santa Barbara County Association of Governments**

The State of California determines the need for additional housing in various affordability categories for each planning region in the State. SBCAG then assigns a portion of this regional need to each municipality within its jurisdiction, which includes the unincorporated part of the County, and publishes this determination as the Regional Housing Needs Allocation (RHNA). The RHNA does not encourage or promote growth, nor does it require local jurisdictions to build the number of housing units assigned to the jurisdiction by the RHNA. Rather, the purpose of the RHNA process is to anticipate population growth, and ensure that each jurisdiction is planning for its share of the associated housing so that collectively the region will provide sufficient opportunity for housing to meet population needs and address social equity.

SBCAG allocated 661 housing units to the unincorporated area of the County as the area's fair share for the 2014-2022 RHNA planning period. Approximately 57.0 percent of the 661 units are designated as units for households with very low to moderate income levels (Table 3.14-7).

**Table 3.14-7. Santa Barbara County RHNA by Region and Income Level**

Region and Jurisdiction	Income Level				Total
	Very Low	Low	Moderate	Above Moderate	
Santa Maria	<b>1,021</b>	<b>681</b>	<b>758</b>	<b>1,795</b>	<b>4,255</b>
<b>City of Santa Maria</b>	985	656	730	1,731	4,102
<b>City of Guadalupe</b>	12	8	13	16	50
<i>Unincorporated</i>	25	16	14	47	103
Lompoc	<b>138</b>	<b>92</b>	<b>101</b>	<b>244</b>	<b>575</b>
<b>City of Lompoc</b>	126	84	95	221	525
<i>Unincorporated</i>	12	8	7	25	50
Santa Ynez	<b>110</b>	<b>73</b>	<b>73</b>	<b>202</b>	<b>457</b>
<b>City of Solvang</b>	42	28	30	75	175
<b>City of Buellton</b>	66	44	41	124	275
<i>Unincorporated</i>	2	1	1	3	7
Cuyama	--	--	--	--	--
South Coast	<b>1,356</b>	<b>964</b>	<b>1,118</b>	<b>2,305</b>	<b>5,743</b>
<b>City of Carpinteria</b>	39	26	34	64	163
<b>City of Santa Barbara</b>	962	701	820	1,617	4,099
<b>City of Goleta</b>	235	157	174	413	979
<i>Unincorporated</i>	120	80	90	210	501
County Total	<b>2,625</b>	<b>1,810</b>	<b>2,049</b>	<b>4,545</b>	<b>11,030</b>
<i>Unincorporated Total</i>	<b>159</b>	<b>106</b>	<b>112</b>	<b>284</b>	<b>661</b>

Source: SBCAG 2013.

### County of Santa Barbara Housing Element

California's Housing Element Law requires that each city and county, when preparing their state-mandated Housing Element of a General Plan, develop local housing programs designed to meet their "fair share" of existing and future housing needs for all income groups. The "fair share" allocation concept seeks to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but also for those households who might reasonably be expected to reside within the jurisdiction, particularly lower-income households.

The Housing Element Update (adopted on February 3, 2015) of the County Comprehensive Plan meets the requirement to provide suitable sites consistent with the RHNA (Table 3.14-8). The number of available sites for each income category in the County are greater than the allocation defined in the RHNA. The adopted Housing Element Update also includes policies and programs to help ensure that local land-use controls allow the development of an adequate housing supply for all economic segments of the population, particularly focusing on the housing needs of farmworkers, lower-income, workforce, and special needs housing (County of Santa Barbara 2015).<sup>1</sup>

<sup>1</sup> Pursuant to the County Land Use and Development Code, a farmworker is an agricultural employee as defined in Section 1140.4(b) of the California Labor Code, which defines an "agricultural employee," as an employee engaged in agriculture, including farming, cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities, the raising of livestock, bees, furbearing animals, or poultry, and any practices performed by a farmer or on a farm as an incident to or in conjunction with such

**Table 3.14-8. Santa Barbara County Housing Allocation Relative to Available Sites**

Jurisdiction	Unit Capacity			
	Very Low/Low Income	Moderate Income	Above Moderate Income	Total
Unincorporated County RHNA	265	112	284	661
Santa Barbara County Housing Element Available Sites	853	581	3,719	5,153
Over/Under Goal	+588	+469	+3,435	+4,492

Source: County of Santa Barbara 2015.

### 3.14.3 Regulatory Setting

#### 3.14.3.1 State

##### State Housing Element Law

State law (Government Code Section 65580-65589.8) recognizes the vital role local governments play in the supply and affordability of housing. Local governments in California are required to adopt a comprehensive, long-term general plan for the physical development of the jurisdiction, including a Housing Element. Housing Element law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law acknowledges that, in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development. Housing Element law also requires the California Department of Housing and Community Development (HCD) to review local Housing Elements for compliance with state law and to report its written findings to the local government.

#### 3.14.3.2 Local

##### Santa Barbara County Comprehensive Plan

The Comprehensive Plan provides general goals, policies, and programs applicable to the unincorporated portions of the County. The Comprehensive Plan is required to maintain internal consistency between all adopted elements. The Land Use Element defines the blueprint for physical development with goals, policies, actions, and development standards that provide the framework for physical development and use of land within the County, and provides for goals, policies, actions, and development standards specific to adopted local Community Plans. Included in the Comprehensive Plan, as required by the state, is the Housing Element, which sets forth standards, goals, and policies to address the preservation, improvement, and development of housing for all economic segments of the communities.

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farming operations, including preparation for market and delivery to storage or to market or to carriers for transportation to market (California Labor Code Section 1140.4(a)).

## Land Use Element

The Land Use Element contains the broadest scope of all components within the Comprehensive Plan. It includes the following regional fundamental and overarching goals and policies relating to population, housing, and economy and employment:

**Environment:** Environmental constraints on development shall be respected. Economic and population growth shall proceed at a rate that can be sustained by available resources.

Included in the Land Use Element are the following area/community goals and policies relating to population, housing, and economy and employment and which would be applicable to the Project:

### Carpinteria

**Population/Growth:** The rate of growth for the Carpinteria area is recommended not to exceed 0.9 percent per year.

### Montecito

**Growth and Service-related Resources Goal I.A:** Maintain orderly growth consistent with available resources and the semi-rural character of the community.

### Santa Barbara Area

**Population/Growth:** The population level and rate of growth of the South Coast should not adversely alter the present quality of life and the environment. Economic growth and prosperity should be achieved through growth in productivity generated by a stable population rather than being linked to population growth.

### Lompoc Area

**Population Growth:** The present character of the Lompoc area should be retained and enhanced. Population should remain within available natural resources and should enhance present quality of life and environment. The limits of the natural resources should be ascertained. Then an estimate should be made of the reasonable holding capacity and a planned growth be made that is compatible with available resources.

### Santa Maria/Orcutt Area

**Population Growth:** Economic and population growth should proceed at a rate that can be sustained by available resources. The availability of these resources, especially water, should be continuously monitored and integrated with the growth.

## Housing Element

The Housing Element is mandated by Sections 65580 to 65589.9 of the Government Code. State Housing Element law requires that each county identify and analyze existing and projected housing needs within its jurisdiction and prepare goals, policies, programs, and quantified objectives to further the development, improvement, and preservation of housing. The goals, objectives, policies, and programs provided in the Housing Element Update focus largely on the protection and provision of housing, including affordable housing and farmworker housing, and apply largely to County actions and projects which involve the development or redevelopment of housing and residential uses.

### 3.14.4 Environmental Impact Analysis

This section discusses the potential population, employment, and housing impacts associated with the Project. A detailed discussion of each impact follows. Where there are potentially significant or significant and unavoidable impacts, mitigation measures are proposed and the residual impact after mitigation is determined.

#### 3.14.4.1 Thresholds of Significance

##### CEQA Guidelines Thresholds

The following thresholds of significance are based on Appendix G of the 2017 California Environmental Quality Act (CEQA) Guidelines. For the purpose of this EIR, implementation of the Program may have a significant adverse impact on population, employment, or housing within the County if it would:

- Induce substantial population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure);
- Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere; and/or.
- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

##### Non-Applicable Thresholds

Thresholds relating to the displacement of existing housing or substantial numbers of people would not apply to this Project. The Project does not directly propose new development that may displace existing development, including places of employment or housing. Rather, the Project would involve amendments to existing County Code to allow for cannabis activities in eligible zone districts that have been determined to be compatible with the types of activities proposed for licensing. Therefore, the Project would not involve the displacement of substantial numbers of existing housing or people, such that the construction of replacement housing is required. These issues will not be further addressed in this EIR.

##### County Environmental Thresholds

The County has not adopted thresholds relating to population, employment, or housing as part of the *Environmental Thresholds and Guidelines Manual* (2008). Instead, the County relies on analysis and consideration of impacts with regard to significance criteria based on State CEQA Guidelines.

#### 3.14.4.2 Project Impacts

This section discusses potential impacts to population, employment, and housing from the proposed Project. Table 3.14-9 below provides a summary of the population, employment, and housing impacts resulting from the proposed Project.

**Table 3.14-9. Summary of Population, Employment, and Housing Impacts**

<b>Population, Employment, and Housing Impacts</b>	<b>Mitigation Measures</b>	<b>Residual Significance</b>
Impact PEH-1. The Project would potentially induce population growth Countywide.	<del>MM PEH-1, In Lieu Fees.</del>	Less than significant with mitigation (Class II)
Cumulative Projects	No mitigation required	Less than significant (Class III)

**Impact PEH-1. The Project would potentially induce population growth Countywide.**

**Generation of New Employment**

As described above in Section 3.14.2, *Environmental Setting*, and in Chapter 3, *Environmental Impact Analysis*, the Project would potentially result in an anticipated increase of 730 acres of cannabis canopy (for a total of 1,126 acres) in the County. Utilizing the Cannabis Registry data, these values indicate an approximate 184 percent net increase in cannabis canopy that would potentially occur under the Project. If this same percentage is applied toward the number of employees associated with current cannabis cultivation and manufacturing in the County, this would result in an estimated increase of full-time employees from 867 to 2,465 (net increase of 1,598), and an increase of part-time/seasonal employees from 802 to 2,280 (net increase of 1,478), for a combined maximum of 4,745 full-time and part-time/seasonal employees in the County associated with cultivation and manufacturing during harvest time, a net increase of 3,076 employees. (See Table 3.14-10.)

**Table 3.14-10. Project Employment Generation Based on Cannabis Registry Data (Cultivation and Manufacturing Only)**

<b>Project Component</b>	<b>Existing</b>	<b>Net Increase</b>		<b>Gross Total</b>	
Acres of Cannabis Canopy	396	730		1,126	
Full-Time Employees	867	1,598	New Employment Under Project: 3,076	2,465	Employment of Industry: 4,745
Part-Time Employees	802	1,478		2,280	

Source: 2017 Cannabis Registry Data.

Currently, the only active cannabis industry components in the County are cultivation and manufacturing. The Project would also allow distribution, retail, and testing components. Since the Cannabis Registry Data only provides employment data for the existing cultivation and manufacturing industry components, Institute of Transportation Engineers (ITE) estimations are relied on for industry components that are not currently active within the unincorporated County. As shown in Table 3.14-11 below, future distribution, retail, and testing are estimated to result in a combined increase of 539 employees. (See Table 3.14-11.) When combined with the net increase of new cultivation and manufacturing employment under the Project, this would result in a total net increase of 3,615 new cannabis industry jobs after implementation of the Project, or a grand total of 5,284 employees associated with the cannabis industry within the County. (See Table 3.14-10.)

**Table 3.14-11. Project Employment Generation Based on ITE Traffic and Employment Generation Rates**

Cannabis Activity	Comparative Economic Sector	Potential Buildout	Employment Rate <sup>1</sup>	Estimated Employees
Distribution	Transportation, Warehousing, and Utilities	281,500 sf	1.28 FTE/1,000 sf	360
Retail	Retail Trade	86,000 sf	1.82 FTE/1,000 sf	157
Testing	Professional and Business Services	9,000 sf	2.47 FTE/1,000 sf	22
<b>Total</b>	--	<b>376,500 sf</b>	--	<b>539</b>

<sup>1</sup>Employment rates based on cannabis cultivation employment rates discussed in Section 3.14.2, *Environmental Setting*, and ITE traffic and employment generation rates.

Source: ERA Economics, LLC for CA Department of Food and Agriculture 2017; U.S. Green Building Council 2008.

**Table 3.14-12. Project Employment Projection**

Existing Cannabis Employees	1,669
New Employees from Cultivation and Manufacturing (See Table 3.14-10.)	3,076
New Employees from Distribution, Retail, and Testing (See Table 3.14-11.)	539
<i>Net New Cannabis Employees</i>	<i>3,615</i>
<b>Total Cannabis Employees</b>	<b>5,284</b>

This increase in employment would account for approximately 6.0 percent of the projected Countywide employment growth through 2040 (2010-2040 employment forecast change; SBCAG 2012).

**Increases in County Population**

An increase in employment growth within the County resulting from implementation of the Project would result in an increase in total County population. New employees due to future growth of the cannabis industry under the Project are estimated to amount to a net increase of 3,615 employees, which would contribute incrementally to increased demand for housing, which in turn would contribute to an increase in the County’s population. For purposes of this analysis, assuming an average household size of 2.9 for the County, if each employee relocated to the County as a new resident, the Project would increase total population ~~of~~ by approximately 10,484 individuals, assuming that each cannabis employee would require a new home. This increase in population would account for approximately 11 percent of the projected Countywide population growth through 2040 (2010-2040 population forecast change; SBCAG 2012). However, some of these new employees could be existing residents of the County and adjacent counties, who are currently unemployed or who change jobs during their careers. Further, it is anticipated that many of these employees may currently exist within comparable economic sectors (e.g., agriculture, manufacturing, and retail). Cannabis operations can be more employee intensive than existing agriculture, but the skilled labor pool is very similar. In this case, existing employees could transition to cannabis related activities, as has been the case in many existing cannabis operations within the County.

**Demand for Housing**

An estimated increase in 3,615 cannabis-related employees resulting from future cannabis activities would result in a commensurate increase in housing demand from new employee populations of full-

time and part-time/seasonal employees. Although it is possible that many employees would come from the existing workforce in the agricultural, manufacturing, and retail economic sectors of the County, new employees could also be drawn to the area due to the new economy associated with cannabis locally. There would be an increase of new workers that would commute to cannabis-related jobs and potentially relocate to urban areas near cannabis sites as a result of Project implementation, which would result in increased housing demand associated with employee populations of the new cannabis-related workforce. Secondary effects attributed to backfill of new employees' current jobs could also result in a slight increase in employment generation and associated demand for housing. As explained above, the projected 3,615 new employees would potentially create the demand for 3,615 new housing units, assuming each new employee needed a home. This increase in housing demand would account for approximately 11 percent of the projected Countywide household growth through 2040 (2010-2040 household forecast change; SBCAG 2012).

High demand for farmworker and low-income housing would particularly increase due to the anticipated wages of cannabis employees and associated household income, assuming the cannabis employee is the only wage earner of the household. Because of its history, wages associated with cannabis activities remain somewhat speculative; however, it is likely that wages that were previously paid "under the table" will increase in the future for cannabis employees, as legal employees would be subject to labor laws. Wage levels are anticipated to be similar to vineyard harvest rates, currently at approximately \$20 per hour (ERA Economics, LLC for CA Department of Food and Agriculture 2017). Assuming a 40-hour work week, over 52 weeks, \$20 per hour is equivalent to \$42,640 gross income per year. If the cannabis cultivator/worker were the only wage earner in a local family (three persons, rounded up from 2.9 average household size for the County), that would qualify the household as "very low income" under the criteria established by the California Department of Housing and Community Development (California Department of Housing and Community Development 2017). Therefore, it is likely that many cannabis employees would live at or below the "low income" threshold and may qualify for affordable and/or farmworker housing options.

In relation to the County's and SBCAG's growth forecast of 247,757 employees, 173,835 housing units, and 520,011 persons by 2040, growth resulting from Project implementation would fall within 2040 projections. The Project is expected to result in an additional 3,615 jobs, representing approximately 1.5 percent of projected employment in the County in 2040. Demand for housing is expected to nominally increase as a result of 3,615 new employees in the cannabis industry. The projected demand for 3,615 new housing units, assuming each new employee would require a home, would constitute demand for a 2.1 percent increase in the County's existing housing stock. These nominal increases in demand for housing would be met by existing vacant housing and ongoing County programs to meet housing demand, including the County Housing Element update process.

Based on the number of people per household (2.9), the potential 3,615 new residential units would directly support 10,484 residents, which would account for only 2.0 percent of the population of the whole County by 2040. Therefore, the Project would not induce substantial population growth in the County overall. Further, ~~while~~ ongoing implementation of Housing Element programs ~~will~~ would assist with the provision of affordable housing and farmworker housing to meet the County's housing needs. Because

New demand for housing is not an impact to the physical environment that is subject to environmental review pursuant to CEQA; however, the impacts to the physical environment that would result from projects that are proposed to meet the new demand for housing, are subject to environmental analysis pursuant to CEQA. Given that the Project involves ordinance amendments that would facilitate possible cannabis activities, it cannot be determined exactly where future population growth would

occur as a result of the cannabis industry and, consequently, what impacts to the physical environment would occur from housing projects that are proposed in order to accommodate this population growth. Such an analysis would require speculation and forecasting that cannot be supported with substantial evidence, if it were to be conducted as part of the environmental analysis set forth in this programmatic EIR for this Project.<sup>2</sup> The actual increase in population and demand for housing which would result from the Project would be included in SBCAG's growth forecasts and RHNA numbers that would inform future Housing Element updates. The Housing Element updates would be subject to environmental review pursuant to CEQA and, given that the environmental analysis would be based on SBCAG's growth forecasts and RHNA numbers, would include an analysis of the environmental impacts that would result from providing the needed housing for the population increase that would result from this Project. Finally, each application for the development of housing required for the population increase that this Project would generate must be consistent with the Housing Element, and these future individual housing projects would be subject to environmental review pursuant to CEQA. Therefore, impacts to population, employment, and housing would be *less than significant*, implementation of **MM PEH-1, In Lieu Fees**, would reduce impacts and ensure housing demand is met by new populations specifically generated from employment in the cannabis industry locally.

### 3.14.4.3 Cumulative Impacts

Project approval would contribute to cumulative impacts to population, employment, and housing associated with pending development projects Countywide, including two ongoing comprehensive planning projects and 79 active development review projects. (See Tables 3.0-5 and 3.0-6.) Specifically, cannabis activities may increase or decrease in different locations in the County depending on the County's proposed amendment to Article X of the County Code, which would require acknowledgement, relocation, or closure of existing legal nonconforming cannabis operations in the County. However, it is expected that overall increases in licensed cannabis activities would occur given the potential for growth in the agricultural and manufacturing industries under the Project. Cumulative impacts associated with the Project would include the maximum buildout of combined cannabis cultivation and manufacturing activities up to 1,135 acres (approximately 49.5 million sf). Project implementation in combination with other proposed development under cumulative pending projects would potentially induce population and employment growth and increase housing demand. As discussed above, the Project would generate an increase in population, employment, and associated housing demand in the County. However, since regional forecasts are updated every 4 years and Housing Elements are updated every 8 years, these increases can be considered and reflected in projections and plans as they are updated. The Project also requires that cannabis cultivation and manufacturing activities comply with existing County policies and regulations. If there is a substantial increase in housing demand due to the introduction of the cannabis industry in combination with additional proposed projects, this will be reflected in SBCAG's RHNA numbers for the next Housing Element update, and would need to be accommodated through housing policies/programs set forth in the update to the Housing Element. Therefore, cumulative impacts to population, employment, and housing would consist of a *less than significant* impact. The Project's contribution to increased housing demand would not be cumulatively considerable with

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<sup>2</sup> See *Napa Citizens for Honest Government v. Napa County Bd. of Supervisors* (2001) 91 Cal. App. 4<sup>th</sup>. An EIR must discuss housing needs as reasonably might be generated by a project, but not in great detail. The analysis of housing demand resulting from this project, discussed in this section of this EIR, above, satisfies this requirement. Furthermore, for programmatic EIRs such as this one, the EIR need not forecast the impact that housing will have on as yet unidentified areas and propose measures to mitigate that impact. That process is best reserved until such time as a particular housing project is proposed.

~~implementation of **MM PEH-1, In Lieu Fees**. Therefore, the Project's cumulative impacts to population, employment, and housing would be *less than significant*.~~

### 3.14.4.4 Proposed Mitigation

No mitigation measures are required.

~~**MM PEH-1 (County Standard Mitigation Measure [CSMM] Hous-12). In-Lieu Fees.** For an applicant that proposes a substantial number of net new employees, the applicant shall pay in lieu fees for affordable and/or farmworker housing in compliance with the provisions of Housing Element Policy 1.3.~~

~~**Plan Requirements and Timing.** The applicant shall pay the fee to the County's Housing & Community Development Department (HCD) prior to issuance of permit from the Planning and Development Department.~~

~~**Monitoring.** Planning and Development staff shall obtain written clearance from HCD, using the HCD Project Approval Form, prior to issuance of a land use permit and cannabis activities license.~~

### 3.14.4.5 Residual Impacts

Impact PEH-1. The County and SBCAG's local and regional growth projections would accommodate Project increases in employment, housing, and population by 2025, by which the Project is anticipated to reach a level of buildout or market saturation. As discussed above, if there is a substantial increase in housing demand due to the introduction of the cannabis industry, this will be reflected in SBCAG's RHNA numbers for the next Housing Element update, and would need to be accommodated through housing policies/programs set forth in the update to the Housing Element. Therefore, impacts to population, employment, and housing would consist of a *less than significant* impact. ~~With regard to increases in demand for farmworker and affordable housing, the implementation of **MM PEH-1, In Lieu Fees**, would reduce impacts from the increase in cannabis employment under the Project, resulting in residual impacts that would be *less than significant with mitigation* (Class II).~~

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