

SECTION 6 GROWTH INDUCEMENT IMPACTS

6.1 BACKGROUND

The California Environmental Quality Act (CEQA) requires a project proponent to address the growth inducing impacts of its proposed project. Specifically, Section 15126.2(d) of the CEQA Guidelines (CCR.14, Ch. 3) requires a discussion of the potential of a proposed project to:

"...foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Included in this are projects which would remove obstacles to population growth..."

This section provides an evaluation of the regional potential for growth inducement that could result from the construction and operation of the Cadiz Project.

6.2 GROWTH AND ITS POTENTIAL SOCIOECONOMIC EFFECTS

Regional service and planning agencies, such as the Southern California Association of Governments (SCAG), San Bernardino Association of Governments (SANBAG), San Diego Association of Governments (SANDAG), South Coast Air Quality Management District (SCAQMD), the California Department of Finance and the California Department of Transportation, have prepared extensive studies and reports forecasting the region's economy, population and resources. The Growth Management Plan (GMP), Regional Mobility Plan (RMP) and Air Quality Management Plan (AQMP) and their respective Environmental Impact Reports (EIRs) have been approved and adopted by these agencies, in cooperation with local jurisdictions, as the most likely scenarios for growth in this region.

The coordinated projections of these agencies are used by virtually all other planning agencies in long range planning for vital infrastructure facilities, such as federal programs related to regional planning for transportation, wastewater treatment plant capacity and compliance with state and federal air quality standards. The purpose of these projections is to determine the likely future socioeconomic impacts of projected growth and identify the need for appropriate responses from local and regional governments. For example, the GMP developed by SCAG and SANDAG provided the basis for the State Implementation Plan of the Clean Air Act.

The SCAG, SANDAG and other projections assume a reasonable effort on the part of regional agencies to provide the services and infrastructure needed to support planned growth. The primary objectives of these demographic projections and the planning policies on which they are based are to evaluate the potential social, economic, environmental and fiscal impacts that may result from this level of projected growth and to identify mitigation required to reduce or eliminate these impacts. Some of the impacts that would occur based on these projections and policies over the next 20 years are:

- Continued increases in regional population, employment and housing;
- A decrease in household size;
- A potential for a reduction in housing affordability;
- A shift in employment from manufacturing to services sectors;
- An increase in the jobs/housing imbalance at the subregional and county levels;

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- Continued urbanization and conversion of agricultural and open space land;
- Increases in demand for wastewater treatment, electricity and motor fuel;
- Depletion of most counties' existing landfill capacity;
- Increased generation of hazardous wastes;
- An increase in the need for teachers, law-enforcement officers, fire protection personnel and associated public facilities;
- Increases in regional person trips and vehicle miles traveled;
- Exceedance of the Draft 1988 AQMP target emissions levels for reactive organic gases, carbon monoxide, nitrogen oxide, sulfur oxides and inhalable particulate matter; and
- Regional shortfall in the water supply.

The growth projections for Southern California anticipate and take into account the predicted adverse impacts of growth. In short, state and regional planning agencies project growth to occur despite shortfalls in water supply, heavy traffic, poor air quality and other factors which are sometimes assumed to be growth limiting. SCAG, SANDAG and other planning agencies implicitly recognize that the availability of infrastructure is not a primary factor which induces growth.

Growth occurs as a result of many socioeconomic factors. Improvements in infrastructure are then demanded by the growing population, which expects public agencies to act to ameliorate the adverse effects of growth. Enhancement of infrastructure and acquisition of the resources needed to maintain public services are the response of public agencies to growth. Therefore, advanced planning to meet projected needs of a growing population does not foster growth; its purpose is to ensure that existing levels of public service are not degraded as a result of growth.

The Cadiz Groundwater Storage and Dry-Year Supply Program responds to projections of growth and the anticipated demand for dry-year water supply, based on the following basic assumptions:

- Adopted SCAG and SANDAG population, housing, employment and land use plans, and their associated water needs;
- Implementation of Best Management Practices in water conservation throughout Metropolitan's service area, resulting in documented annual water conservation savings from 1990 to 1998 of 480,000 acre-feet per year, with projected 2020 annual conservation savings of 1,072,000 acre-feet;
- Implementation of all identified potential wastewater reclamation and reuse projects using Metropolitan's Local Project Program, with a projected 2020 annual yield of 500,000 acre-feet; and
- Maximum development and use of groundwater storage basins based on the capacity to replenish aquifers, using Metropolitan's seasonal storage and interruptible pricing programs and groundwater recovery program.

Future economic growth in Southern California depends on national and global economic factors, as well as regional population and job growth trends. Population, housing and employment growth in Metropolitan's service area are assumed to occur at levels projected by local, regional and state planning agencies. Metropolitan's programs and facilities are sized and planned in compliance with SCAG and SANDAG projections which incorporate growth management programs as promulgated in their GMPs.

6.2.1 POPULATION

Metropolitan provides service to a majority of the residents of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties. Since 1970, the population in Metropolitan's service

area has been approximately 50 percent of the State's total population as shown in Table 6-1. Metropolitan's share of population and economic growth in the future is expected to remain at about 50 percent of California's growth.

The population in this six county region experienced a 22 percent increase from 13.4 million persons in 1980 to 16.3 million persons in 1990, based on the 1990 United States Census as shown in Table 6-1. Regional population is projected to reach 19.4 million persons by 2010 and 21.3 million persons by 2020.

Forecasts also show a shift in population growth away from urbanized areas, toward the region's urbanizing and mountain/desert areas, especially in Riverside and San Bernardino counties. Between 1994 and 1998, the rate of growth in population in this region was about 1.5 percent per year.

For example, the 1980 population in Riverside County (1980 United States Census) was 663,000 persons. This increased to 1.2 million persons (1990 Census), making Riverside County one of the fastest growing counties in Southern California. In large part, this growth was attributable to the more affordable housing available in Riverside County when compared to Orange and Los Angeles counties. Western Riverside County is experiencing most of that county's development. Population growth in the Riverside County is expected to outpace regional growth over the next few decades. The population of Riverside County is projected to reach 2.8 million persons by 2020.

6.2.2 EMPLOYMENT AND INDUSTRY

Employment and industry are the primary factors underlying the region's past and projected growth. Population growth is essentially a socioeconomic indicator of these and other factors which cause people to move to and remain in an area. Trends in employment, industry and housing availability are, therefore, precursors of growth trends and the associated demand for public services in a particular area.

Total employment in the six county region was estimated to be 8.4 million jobs in 1998, with the majority of these jobs in the services, manufacturing and retail trade sectors. Projected total employment in the six county area is expected to reach 10.5 million jobs by 2010 and 12.1 million jobs in 2020. Employment in the Metropolitan service area is projected to increase by approximately 45 percent between 1998 and 2020.

TABLE 6-1
POPULATION TRENDS
(Millions of People)

	1970	1980	1990
Metropolitan Service Area	10.23	11.95	14.90
California	19.97	23.67	29.76
United States	203.98	227.26	249.60
Percent Metropolitan Service Area is of California	51.2	50.5	50.1
Percent California is of the United States	9.8	10.4	11.9

Source: United States Census Bureau (1999).

6.2.3 HOUSING

The region's housing stock included 6.5 million permanent housing units in 1990 (1990 United States Census). Regional estimates of 1998 housing stock were 6.6 million permanent units, with an

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additional 2.6 million units projected for 2020, bringing the total available housing to 9.2 million units. Housing growth is expected to be greater in inland counties than the region as a whole, due to the relative availability of affordable and developable land. For example, housing is forecast to increase in Riverside County to 864,000 units by 2010 and 1.1 million units by 2020. Overall, housing in the Metropolitan service area is projected to increase by approximately 1.2 percent per year from 1990 to 2020, rising from 5.2 million units to 7.1 million units.

6.2.4 JOBS/HOUSING BALANCE

The concept of jobs/housing balance reflects the relationship between land use and environmental impacts, and is a valuable analytic tool for estimating the potential growth inducing impacts of a project in a regional context. Jobs and housing are in balance when an area has sufficient employment opportunities for most of the people who live there and a sufficient number of housing units for most of the people who work there. The SCAG and SANDAG GMP contains policies that local jurisdictions may adopt to achieve jobs/housing balances in their areas. These GMP concepts include encouraging residential development in housing poor areas and increasing the amount of commercial and industrial development in job poor areas.

6.3 RELATIONSHIP OF THE PROJECT TO REGIONAL GROWTH MANAGEMENT PLANS

The demographic and economic basis for dry-year water demand in Metropolitan's service area is the most recent SCAG and SANDAG adopted population projections and their GMP mitigation measures. Metropolitan, in its planning of water distribution system improvements, uses the adopted SCAG and SANDAG projections to maintain consistency with other regional planning efforts. Adopted GMPs specify actions which should be taken by appropriate public agencies to mitigate the impacts of projected growth.

The recent GMPs have identified the following as prime objectives with respect to water for Southern California:

- The provision of a dependable and reliable supply of water;
- Preservation of the quality and integrity of surface and groundwater resources;
- Commitment to water conservation; and
- Accomplishment of water supply and quality improvements in a cost-effective manner.

Metropolitan is actively pursuing all the SCAG mitigation measures with respect to water supply. As discussed in Section 2, since the 1980s, Metropolitan has implemented a number of comprehensive programs to encourage active water conservation and water recycling practices through direct financial incentives with its member agencies. These programs have grown to represent the largest commitment in the state to water conservation and water recycling practices.

6.4 GROWTH INDUCEMENT

A sustained level of population growth and development in Southern California over the years has led to concerns about the amounts and merits of additional growth in the region. Spurred in part by the conversion of wartime industry to civilian uses, dominance of the entertainment industry, rising tourism and an expansion of trade with Asian markets, Southern California experienced a rapid economic expansion. This expansion continues as Southern California has become a center for world trade, a center for new technology development and a Pacific Rim financial center. This economic

growth has created prosperity, but has also led to urban sprawl, increased traffic and deteriorating air quality. As such, the relationship of the Cadiz Project to growth in Southern California is an important issue to many citizens.

Many factors affect the rate and location of growth in a region. However, the Cadiz Project will not significantly affect any of these factors. As noted above, the primary factors responsible for growth are general socioeconomic conditions including labor supply, cost of living and the cost of labor. Relative intangibles, such as favorable weather or aesthetics, may also have a significant impact on growth in Southern California.

Given that these and other socioeconomic factors are favorable, projected growth will create a significant dry-year regional water supply shortfall, as discussed in Section 2. As the primary provider of supplemental water supply for Southern California, Metropolitan is responsible for developing programs to meet the dry-year regional water supply deficit. The purpose of the Cadiz Project is to help meet these dry-year demands.

The Cadiz Project will neither induce growth nor remove a constraint shown to limit growth. This is clearly evident from growth rates in Southern California during previous dry years, including the significant droughts of 1976-77 and 1987-1992. During these droughts, Southern Californians were required to implement significant conservation efforts to reduce demand. These temporary efforts did not affect growth and development. For example, from 1987 to 1992, the rate of population growth in Southern California remained at 2.5 percent per year. Population growth continued in warmer parts of the Metropolitan service area despite drought conditions. Net annual growth, including immigration, in Southern California averaged 300,000 per year during this period, approximately the same net increase as has occurred during the much wetter period from 1995 to 1998. Immigration, from within and outside the United States, continued to occur to Southern California during the drought periods. Short-term water shortages and the implementation of conservation measures did not appear to alter the underlying socioeconomic attractions of Southern California or affect the rate of population growth.

In short, population trends do not respond to the short-term inconveniences of drought, which do not affect the underlying socioeconomic forces which SCAG and SANDAG have found to affect growth.

There are additional reasons why the Cadiz Project will not have growth inducing effects within Metropolitan's service area. The Cadiz Project will not change the capacity of the Colorado River Aqueduct, but rather will provide a source of replacement water for other sources of Colorado River water that may not be available in the future.

The Colorado River Aqueduct has a capacity of 1.25 maf per year. Metropolitan has historically delivered this much Colorado River water. Annual water deliveries through the Aqueduct have generally ranged between 1.2 and 1.3 maf since the mid-1980's. During future years in which there is insufficient Colorado River water to deliver a full 1.25 million acre feet to Metropolitan, there will be space available in the Colorado River Aqueduct. The Cadiz Project will provide a replacement supply of water that may be delivered to Metropolitan's service area using the available space in the Aqueduct.

Since the size of the Colorado River Aqueduct is not increased by the Cadiz Project, it will not result in the delivery of a greater volume of water than Metropolitan has delivered in the past. Instead, the project provides an alternate source of water for delivery through the Aqueduct. Since there is no increase in the capacity of the delivery system, the project cannot result in the delivery of additional water supplies. Therefore, the project cannot have growth inducing impacts.

6.5 CONCLUSIONS

Growth in Southern California is a result of tangible socioeconomic factors and intangibles such as favorable weather. Taking these factors into account, SCAG, SANDAG and other state and regional planning agencies project substantial growth in Southern California over the next 20 years, resulting in a population of approximately 21.3 million people by 2020. Water supply, particularly short-term dry-year water supply deficits, appear to be unrelated to the attractiveness of Southern California as a place to live.

SCAG and SANDAG recognize these factors will create relatively steady growth into the future and that this growth will result in a number of adverse impacts that must be mitigated by development of appropriate public works such as roads, parks, schools, water supply and other infrastructure.

Metropolitan's Cadiz Project is a mitigation project, intended to help offset the adverse impacts of growth on water supply, in particular on dry-year water supplies. The Cadiz Project responds to needs generated by growth, but does not itself induce growth or eliminate a constraint that has been shown to limit growth.