

3.12

POPULATION AND HOUSING

3.12 Population and Housing

This section of the Draft EIR describes the existing population, housing and employment characteristics of the City of Merced and Merced County. The potential changes to population and housing characteristics that could result from the proposed plan are discussed, including impacts from new housing that would be generated by the proposed plan. Population growth, housing demand, and employment are considered in the DEIR only to the extent they would result in physical changes to the environment. During the Notice of Preparation (NOP) period, one comment was made at the scoping meeting that population projection estimates should be based on “realistic” growth projections.

3.12.1 SETTING

Environmental Setting

The City of Merced is located approximately 104 miles southeast of Sacramento, 53 miles northwest of Fresno, and 112 miles southeast of San Francisco, in the Central Valley of California. Incorporated in 1889, the City of Merced is situated within the eastern section of Merced County and is the largest City in the County. Principal highway access to Merced is via State Highway 99, which runs through the central portion of the City in a general east/west direction although it runs through much of the State in a north/south direction. State Highways 140 and 59 also serve the City.

The topography of the community is characterized by flat land approximately 155 - 180 feet in elevation. The local climate is typical of the Central Valley. Average daily temperatures are 48 degrees in January to 95 degrees in July. The summer months are typically dry and hot and the winter months are typically cool with occasional fog. Average annual rainfall is approximately 12 inches, with January being the wettest month of the year with two inches of precipitation.

POPULATION TRENDS

Since incorporation, the City has grown to an estimated population of 80,985 in 2010, according to the Department of Finance. In 1980, the population of the City of Merced was 36,499, and by 1990 the population had increased to 56,216 ([Table 3.12-1](#)). This was an increase of approximately 54 percent, which was much higher than both Merced County’s and California’s increase in population for the same time period. From 1990 to 2000, the City’s population increased 13.7 percent to total 63,893. Merced County and California’s population increase from 1990 to 2000 was higher at 18.0 percent and 13.8 percent respectively.

Table 3.12-1
Population Growth
Merced, Merced County and California, 1980-2000

	1980 Population	1990 Population	Percent Change 1980 to 1990	2000 Population	Percent Change 1990 to 2000
Merced	36,499	56,216	54.0%	63,893	13.7%
Merced County	134,560	178,403	32.6%	210,554	18.0%
California	23,668,862	29,760,021	25.7%	33,871,648	13.8%

Source: 1980, 1990, & 2000 U.S. Census

Table 3.12-2 shows Population Estimates and Projections for the City of Merced and Merced County for the years 2000 to 2030. MCAG estimates 89,400 persons in the City of Merced and 307,300 persons in Merced County by 2015. By 2020, the City of Merced is projected to have a population of 97,700 persons and Merced County is projected to have a population of 340,800 persons. By 2030, the City's projected population is 116,800 persons and the County's projected population is 417,200 persons. It is worth noting that the projected population within the City of Merced SUDP/SOI, as proposed by the General Plan, would be approximately 155,000 in 2030.

Table 3.12-2
Population Estimates and Projections, 2000-2030
City of Merced and Merced County

	2000	2010	2015	2020	2025	2030
Merced	63,893	80,985 ¹	89,400	97,700	106,800	116,800
Merced County	210,554	258,495 ¹	307,300	340,800	377,400	417,200

Source: Merced County Association of Governments, 2004

HOUSEHOLD SIZE

Table 3.12-3 shows the City of Merced and Merced County's Total Occupied Households, Population in Households, and Average Household Size for 1990, 2000 and 2010 for the City of Merced and Merced County. In 1990, the City of Merced's Average Household Size was 3.03 while the County's Average Household Size was 3.17. Average Household Size in 2000 was 3.06 persons per household for the City of Merced and 3.25 persons per household for the County, showing a slight growth in household size for the general area. The City's average household size decreased to 3.00 persons per household in 2010, compared to 3.18 persons per household for the County.

Table 3.12-3
Average Household Size
Merced and Merced County, 1990-2008

Year	Number of Occupied Households	Population in Households	Average Household Size
City of Merced			
1990	18,154	55,350	3.03
2000	20,435	62,523	3.06
2010 ¹	28,106	79,615	3.00
Merced County			
1990	55,331	175,172	3.17
2000	63,815	207,699	3.25
2010 ¹	85,259	253,162	3.18

¹ Department of Finance, E-5 City/County Population and Housing Estimates, 1/1/2010

Source: U.S. Census Bureau

AGE CHARACTERISTICS

Age group changes in the local population provide indicators to future housing needs. Table 3.12-4 compares age group changes from 1990 to 2006 for the City of Merced. (2006 is the last year this data is available for the City.) The percentage of children under 10 years of age decreased from 21.8 percent of the population in 1990 to 19.4 percent of the population in 2000. The 10 to 19 age group increased from 15.7 percent of the population in 1990 to 19.0 percent of

the population in 2000. The 20 to 34 age group decreased from 26.7 percent of the population in 1990 to 21.6 percent in 2000. The 35 to 54 age group increased from 20.6 percent of the population in 1990 to 24.4 percent in 2000. The 55 and over age group increased slightly from 15.1 percent in 1990 to 15.7 percent in 2000. The most significant changes (by 2 or more percentage points) were in the age ranges of 25 to 34 (reduced by 4.5 percentage points) and 45 to 54 which increased by 3.2 percentage points. The primary age group for purchasing homes is the 30 to 45-age group, which overall has decreased slightly since 1990; however, the demand for both renter and owner-occupied housing is expected to increase throughout the planning period.

Table 3.12-4
Age Distribution, 1990-2006

Merced	1990		2000		2006	
	Population	Percent	Population	Percent	Population	Percent
Under 5 Years	6,319	11.2	5,860	9.2	5,678	7.7
5 to 9	5,984	10.6	6,487	10.2	5,761	7.8
10 to 14	4,588	8.2	6,187	9.7	6,249	8.5
15 to 19	4,231	7.5	5,917	9.3	7,575	10.3
20 to 24	4,706	8.4	4,967	7.8	7,269	9.9
25 to 34	10,270	18.3	8,845	13.8	11,402	15.5
35 to 44	7,289	13.0	8,682	13.6	9,639	13.1
45 to 54	4,286	7.6	6,908	10.8	7,407	10.1
55 to 59	1,875	3.3	2,241	3.5	3,153	4.3
60 to 64	1,611	2.9	1,778	2.8	2,763	3.8
65 to 74	2,944	5.2	3,106	4.9	3,487	4.7
75 to 84	1,596	2.8	2,117	3.3	2,059	2.8
85 and Over	517	0.9	798	1.2	1,225	1.7
Total	56,216	100.0	63,893	100.0	73,667	100.0

Source: U.S. Census Bureau

EMPLOYMENT

One of the factors that can contribute to an increase in demand for housing and population is expansion of the employment base. The 2000 Census classified 22,567 civilian and non-civilian persons in the City of Merced labor force. [Table 3.12-5](#) shows 2000 Employment by Industry for the City of Merced and Merced County. In the City of Merced, the “Educational, Health and Social Services” industry employed the most people at 25.3 percent. The second largest employment industry was the “Retail Trade” industry, which had 11.1 percent of the total employed persons in the City. The County’s Employment by Industry is similar to that of the City’s with the exception of the “Agricultural, Forestry, Fishing and Hunting and Mining” industry, which captured 12.5 percent of the total employed persons 16 years and over compared to the City’s 5.3 percent.

Employment at UC Merced was approximately 400 faculty and staff in the opening year (2004-05), this number is anticipated to grow to about 2,079 by 2014-15, and at full development the University would employ about 6,600 faculty and staff.

In addition to the direct jobs on the campus, the operation of UC Merced would result in the creation of new indirect and induced jobs in the regional economy. Indirect jobs are those that would be created when the University purchases goods and services from businesses in the region, and induced jobs are those that are created or sustained when those employed in University direct or indirect jobs spend a portion of their wages on the purchase of goods and services in the region.

According to the UC Merced Long Range Development Plan (LRDP) Draft EIR, the campus (at full development) would result in about 6,000 indirect and induced jobs in the regional economy. The number of indirect and induced jobs was approximately 2,600 in 2005-06, and is projected to be 4,000 in 2025-26. About 32 percent of these jobs would be, as expected, in wholesale and retail trade sectors, about 37 percent in services, about 11 percent in construction, and the balance distributed among other sectors (EPS, 2000).

Table 3.12-5
Employment by Industry
Merced and Merced County, 2000

Industry	City of Merced		Merced County	
	Number	Percent	Number	Percent
Employed Persons 16 years and Over	22,267	100.0	75,321	100.0
Agriculture, Forestry, Fishing and Hunting, and Mining	1,173	5.3	9,378	12.5
Construction	1,272	5.7	5,081	6.7
Manufacturing	2,387	10.7	9,781	13.0
Wholesale Trade	691	3.1	3,383	4.5
Retail Trade	2,466	11.1	8,071	10.7
Transportation and Warehousing, and Utilities Information	923	4.1	3,620	4.8
Finance, Insurance, Real Estate, and Rental and Leasing	954	4.3	2,533	3.4
Professional, Scientific, Management, Administrative, and Waste Management Services	1,859	8.3	4,547	6.0
Educational, Health and Social Services	5,624	25.3	15,296	20.3
Arts, Entertainment, Recreation, Accommodation, and Food Services	1,695	7.6	5,158	6.8
Other Services (Except Public Administration)	989	4.4	3,241	4.3
Public Administration	1,323	5.9	3,198	4.2

Source: 2000 U.S. Census

Regulatory Setting

FEDERAL

There are no specific federal or state regulations applicable to population and housing.

STATE

State Housing Law (Government Code § 65583)

State law requires that each city and county prepare and regularly update a Housing Element of their General Plan. The Housing Element is required to include an assessment of housing needs

and an inventory of resources and constraints relevant to meeting those needs. Housing elements are revised according to specific requirements of the State of California. The City's Housing Element was scheduled to be updated and submitted to the State Department of Housing and Community Development (HCD) in August 2009, which was completed. The City subsequently received comments from HCD and City staff is in the process of doing revisions. The new Housing Element should be adopted by the end of 2010.

LOCAL

General Plan Consistency

The *Merced Vision 2030 General Plan* contains a number of policies that apply to the increase in population and new housing development that will result from the City's growth. The specific policies contained in the Urban Expansion, Land Use, Transportation and Circulation, Public Services and Facilities, Urban Design, Sustainable Development, and Housing Elements are directed at ensuring that growth occurs in an orderly, planned fashion, and that essential public services will be provided in a timely and efficient manner:

Urban Expansion Policies:

- UE-1.1** Designate areas for new urban development that recognize the physical characteristics and environmental constraints of the planning area.
- UE-1.2** Foster compact and efficient development patterns to maintain a compact urban form.
- UE-1.3** Control the annexation, timing, density, and location of new land uses within the City's urban expansion boundaries.
- UE-1.4** Continue joint planning efforts on the UC Merced and University Community plans.
- UE-1.5** Promote annexation of developed areas within the City's Specific Urban Development Plan (SUDP)/Sphere of Influence (SOI) during the planning period.
- UE-1.6** Consider expansion of the City's SUDP/SOI boundary for areas within the Area of Interest when certain conditions are met.

Land Use Policies:

- L-1.1** Promote balanced development which provides jobs, services and housing.
- L-1.2** Encourage a diversity of building types, ownership, prices, designs, and site plans for residential areas throughout the City.
- L-1.3** Encourage a diversity of lot sizes in residential subdivisions.
- L-1.4** Conserve residential areas that are threatened by blighting influences.
- L-1.5** Protect existing neighborhoods from incompatible developments.

- L-1.6** Continue to pursue quality single-family and higher density residential development.
- L-1.7** Encourage the location of multi-family developments on sites with good access to transportation, shopping, employment centers, and services.
- L-1.8** Create livable and identifiable residential neighborhoods.
- L-1.9** Ensure connectivity between existing and planned urban areas.
- L-2.6** Provide neighborhood commercial centers in proportion to residential development in the City.
- L-2.7** Locate and design new commercial development to provide good access from adjacent neighborhoods and reduce congestion on major streets.
- L-2.8** Encourage a mixture of uses and activities and reinvestment that will maintain the vitality of the downtown area.
- L-3.1** Create land use patterns that will encourage people to walk, bicycle, or use public transit for an increased number of their daily trips.
- L-3.2** Encourage infill development and a compact urban form.
- L-3.3** Promote site designs that encourage walking, cycling, and transit use.
- L-3.5** Develop a Transit-Oriented Development Overlay Zone adjacent to the planned High Speed Rail Transit Station in Downtown Merced.
- L-3.6** Require Community Plans for large new development areas within the City's SUDP/SOI prior to development.
- L-3.7** Implement policies and principles to conform to the intent of the San Joaquin Valley Regional Blueprint.

Transportation and Circulation Policies:

- T-1.7** Minimize street system impacts on residential neighborhoods and other sensitive land uses.
- T-2.7** Maintain a pedestrian-friendly environment.
- T-2.8** Improve planning for pedestrians.

Public Services and Facilities Policies:

- P-1.1** Provide adequate public infrastructure and municipal services to meet the needs of future development.

- P-1.2** Utilize existing infrastructure and public service capacities to the maximum extent possible and provide for the logical, timely and economically efficient extension of municipal infrastructure and services where necessary.
- P-3.1** Ensure that adequate water supply can be provided within the City's service area, concurrent with service expansion and population growth.
- P-4.1** Provide adequate wastewater collection, treatment and disposal capacity for existing and projected future needs.
- P-5.1** Provide effective storm drainage facilities for future development.
- P-7.1** Cooperate with Merced area school districts to provide elementary, intermediate and high school sites that are centrally located to the populations they serve and adequate to serve community growth.

Urban Design Policies:

- UD-1.1** Apply Urban Village design principles to new development in the City's new growth areas.
- UD-1.2** Distribute and design Urban Villages to promote convenient vehicular, pedestrian, and transit access.
- UD-1.4** Promote and facilitate Urban Village residential area design principles.

Sustainable Development Policies:

- SD-1.3** Integrate land use planning, transportation planning, and air quality planning for the most efficient use of public resources and for a healthier environment.
- SD-3.2** Encourage the use of energy conservation features, low-emission equipment, and alternative energy sources for all new residential and commercial development.

Housing Policies: (from the 2004 Housing Element)

- H-1.1** Support increased densities in residential areas.
- H-1.2** Review design standards to support affordable housing.
- H-1.3** Develop and implement an Affordable Housing Ordinance.
- H-1.5** Provide priority review and permitting for affordable housing projects.
- H-1.6** Support the construction of second units.
- H-1.7** Pursue State and Federal funds for new housing construction.

- H-1.8** Support housing to meet special needs.
- H-2.1** Continue the City's Housing Rehabilitation Loan Program.
- H-2.2** Promote preventative maintenance and energy conservation in older housing units.
- H-2.3** Pursue State and Federal funds to support conservation and rehabilitation.
- H-2.4** Retain existing subsidized lower-income units.
- H-3.2** Work with the Housing Authority to continue and expand Section 8 Programs.

3.12.2 THRESHOLDS OF SIGNIFICANCE

According to Appendix G of the CEQA Guidelines, the proposed project is considered to have a potentially significant impact on the environment if it will:

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

3.12.3 IMPACTS AND MITIGATION MEASURES

Impact #3.12-1: Induce substantial population growth in an area, either directly or indirectly

Discussion/Conclusion: Regional and statewide growth pressures will cause the City of Merced to continue to grow into the future. Between the years 2000 and 2010 the City of Merced saw a population increase of approximately 27 percent or 2.7 percent average annual growth. The City of Merced experienced a much higher population growth rate over the last ten years than it did between 1990 and 2000, when the City experienced a 13.6 increase in population, or 1.4 percent average annual growth. The Merced County Association of Governments predicts the population of the City is expected to grow at an approximate rate of 2 percent per year until 2030 with a population at that time of 116,800 persons.

This growth would occur even without adoption of the 2030 General Plan, since the existing 2015 General Plan allows for growth within the City limits and the Sphere of Influence. Table 2-1 summarizes the total acreage of new development that is proposed under the 2030 General Plan. While the City uses a three percent growth rate for planning purposes, the actual growth rate would depend on a variety of factors including demographic, economic and market conditions that could cause growth to occur at a faster or slower rate than three percent.

The addition of future Community/Specific Plan (i.e., University Community and Castle Farms Community Plan Areas, etc.) areas as a result of the proposed General Plan's adoption will directly induce population growth in the City which could result in substantial population growth and potentially significant impacts if infrastructure can't keep pace with new development. Additionally, the Sewer and Water Master Plan updates will plan for development of these and other new growth areas and will result in expanded/upgraded facilities which could also be considered growth inducing.

The 2030 General Plan includes numerous policies that would accommodate growth in a planned and ordered fashion, focusing the highest intensities of development within existing urban areas. The Urban Design Element's (Chapter 6) expressed purpose is to guide the future character of the City, as reflected in the use and appearance of new development and redevelopment, towards a more efficient, compact form in order to conserve land resources and create a more traditional neighborhood environment conducive to pedestrian activity. Policies UD-1.1 through UD-1.5 gives direction to new development, ensuring that it results in neighborhoods that are walkable, amenable to multiple modes of transport, and reduce impacts on the environment.

The Urban Expansion Element (Chapter 2) serves to define the limits for extending City services and infrastructure so as to accommodate new development in an efficient manner anticipated within the time frame of the General Plan while conserving the natural environment surrounding the City. Policy UE-1.3 addresses control over the annexation, timing, density and location of new land uses within the City. Policy UE-1.2 promotes compact and efficient development.

The proposed General Plan specifies that growth is to be managed so as to maintain the unique qualities and character of the City, with new development required to meet important community goals for design, open space and enhancement of the City's physical diversity, visual qualities and small-town characteristics. The Policies and Standards in the Land Use Element (Chapter 3) establishes land use goals and policies for the manner in which all new development will occur and existing uses and resources will be preserved within and surrounding the City of Merced. The Land Use Element is intended to reinforce the current quality of life within the City. Policy L-1.1 requires balanced development, so that housing, jobs and services remain in equilibrium. Policies L-1.2 and L-1.3 promote diversity in all sectors of development. The location and design of new industrial and commercial development is regulated by policies L-1.9, 2.1, 2.6, 2.7, 2.9 and 2.10. In order to reduce the impact of new development on the environment, Policies L-3.1, 3.2 and 3.3 establish a compact, walkable urban form.

The policies and standards in the Housing Element encourage the maintenance and construction of housing for all income groups and those individuals with special housing needs. Policies in the Element call for the City to support increased densities in residential areas and to construct second units (Policies H-1.1 and H-1.6). Additional policies support affordable housing, pursuing funds for new housing construction, and the conservation and rehabilitation of the existing housing stock (Policies H-1.2, H-1.3, 1.5, H-1.7, H-1.8, H-2.1, H-2.2, H-2.3 and H-2.4).

Since the 2030 General Plan includes policies and standards to regulate future growth that would be allowed under the Plan in an orderly and planned manner, the 2030 General Plan would not result in substantial unexpected population growth or growth for which inadequate planning has

occurred either directly or indirectly. The implementation of the Merced 2030 General Plan would result in a ***less than significant*** impact to inducing substantial population growth in the area, either directly or indirectly.

Mitigation Measures

No mitigation measures are required.

Impact #3.12-2: Displace a substantial number of people or existing housing, necessitating the construction of replacement housing elsewhere

Discussion/Conclusion: The implementation of the Merced 2030 General Plan would create no significant impacts related to the displacement of existing housing or population. The majority of development permitted by the General Plan would either occur in infill locations, on undeveloped parcels, or on parcels that can be subdivided rather than through large scale redevelopment of already developed land and buildings. As a result, implementation of the Merced 2030 General Plan would result in a ***less than significant*** impact to the displacement of a substantial number of existing housing units or people.

Mitigation Measures

No mitigation measures are required.

CUMULATIVE IMPACT ANALYSIS

This analysis examines the population projections for cities near Merced, as shown in [Table 3.12-6](#). According to these estimates, the City of Merced has grown at a comparable annual rate to Merced County from 2000 to 2010. The City is also expected to maintain its relative size within the County and its proportion of the County population is not expected to change significantly between 2010 and 2030.

Significant cumulative impacts to population and housing could occur as a result of implementation of the project; however, the proposed General Plan includes policies and standards designed to limit leap-frog development and provide for an orderly transition from rural to urban land uses. Therefore, ***no cumulative impact*** to population and housing is anticipated.

Table 3.12-6
Population Growth County-Wide, 2000-2010

Jurisdiction	2000		2010		Avg. Annual Increase
	Population	% of County	Population	% of County	
Merced	63,893	30.35%	80,985	31.33%	2.67%
Atwater	23,113	10.98%	27,775	10.74%	2.02%
Dos Palos	4,385	2.08%	5,041	1.95%	1.50%
Gustine	4,698	2.23%	5,250	2.03%	1.17%
Livingston	10,473	4.97%	14,051	5.43%	3.08%

Jurisdiction	2000		2010		Avg. Annual Increase
	Population	% of County	Population	% of County	
Los Banos	25,869	12.29%	36,421	14.09%	4.08%
Unincorporated	78,123	37.10%	88,992	34.43%	1.39%
County Total	210,554	100%	258,495	100%	2.28%

Source: California Department of Finance, Demographic Research Unit, 2010
(<http://www.dof.ca.gov/HTML/DEMOGRAP/repndat.asp>)