

4.1.11 POPULATION, HOUSING, AND EMPLOYMENT

According to the County of Orange General Plan (adopted, April 20, 2004), Orange County's economy was based largely on agriculture until the 1940s. With the rapid southward expansion of Los Angeles' population and industrial development, Orange County's economy began to change rapidly, particularly in the northern portions of the County. In 1940, twice as many workers were employed in agriculture as in manufacturing. The largest increase in Orange County's population began with the onset of the military build-up for World War II and continued with the post-war expansion of California. Between 1940 and 1960, Orange County's population grew from 130,000 to more than 700,000, transforming the County into a major suburb of Los Angeles County.

During the past 20 years, the focal point of Orange County's growth has shifted gradually southward. In the 1950s and 1960s, the majority of new development occurred in the northern areas of the County such as Anaheim, Fullerton, Garden Grove, Huntington Beach, Orange, Westminster, and Fountain Valley. As vacant land became scarcer during the 1970s, the center of growth shifted to the south with the rise of new communities in the areas of Irvine, Mission Viejo, and Laguna Niguel. During the 1980s and 1990s, the growth in southern Orange County continued in new planned communities such as Aliso Viejo, Foothill Ranch, Portola Hills, and Rancho Santa Margarita.

Despite the loss of unincorporated areas of the County with the incorporation of the cities in the late 1980s and 1990s (i.e., Dana Point, Lake Forest, Laguna Hills, Laguna Niguel, Laguna Woods, and Mission Viejo), the County of Orange anticipates that development within unincorporated areas of Orange County will be a significant contributor to future population, housing, and employment trends for the County.

4.1.11.1 Methodology

Information in this section is generally based on data from the County of Orange General Plan (2004); the Southern California Association of Governments (SCAG), including their Regional Housing Needs Assessment (2000); and the Center for Demographic Research (CDR) at California State University, Fullerton (CSUF).

SCAG is a Joint Powers Agency established under California Government Code §6502 *et seq.* SCAG is designated as Council of Governments (COG), a Regional Transportation Planning Agency (RTPA), and a Metropolitan Planning Organization (MPO) for the six-county region of Orange, Los Angeles, Ventura, San Bernardino, Riverside, and Imperial counties. The region encompasses a population exceeding 16.4 million persons in an area of more than 38,000 square miles.

The Orange County MPO obtains its census data and projections from the CDR. The CDR is governed and supported by the following sponsor agencies: County of Orange, League of Cities, Orange County Sanitation District, Orange County Transportation Authority, Transportation Corridors Agencies, Municipal Water District of Orange County, Orange County Water District, and California State University, Fullerton. The goal of the CDR is to provide accurate and timely information regarding population, housing, and employment characteristics in an efficient and cost-effective manner. This data is used for that can be used for long-range planning purposes to ensure consistency in assumptions by the various local and regional jurisdictions.

Existing and projected population, housing, and employment data for the study area is based on Orange County Projections–2004. OCP–2004 was developed by the CDR for incorporation into the SCAG’S growth forecast for the 2004 Regional Transportation Plan (RTP) and the South Coast Air Quality Management District’s (SCAQMD) Air Quality Management Plan (AQMP). These projections are recognized by the agencies that sponsor the CDR as the uniform data set for use in local planning applications. These projections were developed by using a multistage process that combined several procedures and methodologies into a “top down” and “bottom up” process. Generally, total population, housing, and employment were projected and then allocated to smaller geographic areas based on an analysis of local policy, land use capacity, demographic changes, and assumed market focus. Small area projections were developed and these were reviewed by local jurisdictions; adjustments were then made based on local jurisdictions’ input where warranted.

It should be noted that OCP 2004 data set, which was adopted by the Orange County Board of Supervisors in 2003 and SCAG in April 2004, does not reflect the density approved for the RMV Proposed Projects. The number of housing units approved by the Board of Supervisors in November 2004 is approximately 32 percent lower than what was assumed in the adopted projections. Additionally, 6,000 of these units are senior units, which would have a lower population generation rate than conventional housing.

4.1.11.2 SAMP Study Area

As depicted in Figure 4.1.11-1, for the purpose of statistical research and analysis, the County of Orange is divided into ten Regional Statistical Areas (RSA), which are combinations of census tracts designated by SCAG for planning purposes. Each RSA is divided into Community Analysis Areas (CAAs), which are planning areas used in Orange County to approximate cities, areas within a city (e.g., Anaheim Hills), unincorporated communities, or special use areas (e.g., MCAS El Toro). The CAAs provide a level of geography larger than census tracts but smaller than RSAs. The SAMP Study area is located within RSAs 43 and 40, though it does not encompass all of RSA 40. These two RSAs comprise the southern-central portion of Orange County and include portions or all of the cities of Lake Forest, Mission Viejo, Rancho Santa Margarita, San Juan Capistrano, San Clemente, Dana Point, Laguna Niguel, Laguna Beach as well the unincorporated communities of Ladera Ranch, Las Flores, and Coto de Caza.

Existing and Projected Population

According to the Center for Demographic Research at California State University, Fullerton, RSA 43 and 40 had a 2000 population of 539,410 persons, equating to approximately 19 percent of Orange County’s total 2000 population. By 2030, the population for this area is expected to increase by 34 percent over 2000 levels. This is substantially greater than the overall countywide average projected growth rate of 24 percent. Table 4.1.11-1 provides existing and projected population projections for the two RSAs that comprise the SAMP Study Area.

**TABLE 4.1.11-1
EXISTING AND PROJECTED POPULATION**

Area		2000	2005	2010	2015	2020	2025	2030
RSA 40		290,163	318,298	336,256	342,902	347,133	349,212	351,254
	<i>% Change^a</i>		9.7%	5.6%	2.0%	1.2%	0.6%	0.6%
RSA 43		249,247	278,835	312,275	333,297	353,052	371,006	372,086
	<i>% Change^a</i>		11.9%	12.0%	6.7%	5.9%	5.1%	0.3%
Total		539,410	597,133	648,531	676,199	700,185	720,218	723,340
	<i>% Change^a</i>		10.7%	8.6%	4.3%	3.5%	2.9%	0.4%

a. Percentages shown in italics represent the percentage change in population for the RSA from the previous time period shown.

Source: Orange County Projections 2004, Center for Demographic Research 2004.

Housing

As identified in Table 4.1.11-2, there were 211,377 housing units within the two RSAs that comprise the SAMP Study Area in 2000; this accounts for approximately 22 percent of Orange County's entire housing stock. This figure is expected to increase to 258,564 by the year 2030. This represents a 23 increase between 2000 and 2030. When compared to the overall growth for the entire County during this period (15 percent), this percentage increase in housing units is substantial. The majority of this growth in housing units is attributed to growth associated development of major projects on vacant land.

**TABLE 4.1.11-2
EXISTING AND PROJECTED HOUSING**

Area		2000	2005	2010	2015	2020	2025	2030
RSA 40		124,573	132,217	134,934	135,437	135,634	135,785	136,662
	<i>% Change^a</i>		6.1%	2.1%	0.4%	0.1%	0.1%	0.6%
RSA 43		86,804	96,479	106,341	111,624	116,574	121,526	121,902
	<i>% Change</i>		11.1%	10.2%	5.0%	4.4%	4.2%	0.3%
Total		211,377	228,696	241,275	247,061	252,208	257,311	258,564
	<i>% Change</i>		8.2%	5.5%	2.4%	2.1%	2.0%	0.5%

a. Percentages shown in italics represent the percentage change in population for the RSA from the previous time period shown.

Source: Orange County Projections 2004, Center for Demographic Research 2004.

Regional Housing Needs Assessment

State law requires all regional councils of government, which includes SCAG, to determine the existing and future housing needs for its region (Government Code Section 65580 et. seq.). SCAG is also required to determine the share of need allocated to each city and county within the SCAG region. This is called the Regional Housing Needs Assessment (RHNA). The RHNA identifies the housing needs for the upcoming five-year period. The State Department of Housing and Community Development (HCD) and federal Department of Housing and Urban Development (HUD), in cooperation with SCAG, approved the final RHNA allocation for Orange County from 1998 to 2005 in November 2000.

For RHNA purposes, HCD, HUD, and SCAG have defined "future needs" as the number of additional housing units by income level that will have to be added to stock, or the share of the

region's housing needs that have been allocated to a community. SCAG calculates future housing needs based upon their household growth forecast, plus a certain amount of units needed to account for a normal and appropriate level of vacancies and the replacement of units that are normally lost to conversion or demolition.

SCAG's housing allocation for Orange County unincorporated areas and cities are divided into four affordability categories, which were developed by the State of California. These categories are consistent with federal and state housing programs (e.g., Section 8 and State Density Bonus Law). These income categories must be considered in calculating future housing needs:

- Very Low—Less than 50 percent of the Orange County median family income.
- Low—51 to 80 percent of the Orange County median family income.
- Moderate—81 to 120 percent of the Orange County median family income.
- Upper—More than 120 percent of the Orange County median family income.

The affordability distribution of new units is derived from the household income distribution of households in Orange County in 1990, plus a fair share adjustment determined by SCAG. Table 4.1.11-3 summarizes the share of the region's future housing for the cities of Dana Point, Laguna Niguel, Mission Viejo, San Juan Capistrano, and San Clemente, and all of the unincorporated areas of Orange County, and provides the relative breakdown by affordability level. Approximately 31 percent of the RHNA must be affordable to lower income (i.e., low and very low income) households.

**TABLE 4.1.11-3
RHNA ALLOCATION OF HOUSING UNITS: 1998 TO 2005**

Income Group	Income Threshold	RHNA Allocation/Percentage to Total					
		Unincorporated Orange County	City of Dana Point	City of Laguna Niguel	City of Mission Viejo	City of San Juan Capistrano	City of San Clemente
Very Low	<\$34,250 percentage of allocation	4,084 18%	85 19%	202 16%	181 16%	164 20%	545 20%
Low	<\$50,200 percentage of allocation	2,950 13%	50 11%	138 11%	122 11%	116 14%	308 11%
Moderate	<\$82,200 percentage of allocation	4,992 22%	86 19%	107 7%	209 19%	167 20%	550 20%
Upper	Above \$82,200 percentage of allocation	10,661 47%	229 51%	789 64%	597 54%	393 47%	1,317 48%
Total		22,687 100%	450 100%	1,236 100%	1,110 100%	839 100%	2,719 100%

Source: SCAG, Regional Housing Needs Assessment, Adopted RHNA Construction Need, 2001

Housing overpayment occurs when renters or homeowners pay more than 30 percent of their gross incomes for rent or mortgage payments. As in other communities in California, housing overpayment is not uncommon in southern Orange County. A high cost of housing can result in those on fixed-income, the elderly, and lower income families using a disproportionate percentage of their income for housing. In contrast, housing overpayment can also occur among the upper income owner-occupied households; this situation occurs because some families intentionally choose to pay more for housing when moving up into larger homes. Because of their relatively higher income, these families still have more disposable income despite higher cost burdens.

Employment

According to the monthly labor force data for California counties from the California Employment Development Department (EDD), the 2004 average, not seasonally adjusted unemployment rate for Orange County for was 4.3 percent. This compares to an unemployment rate for California of 6.2 percent for the same period. Orange County was tied with Placer County as having the lowest unemployment rate in the state.

Existing and projected employment data for the RSAs in the SAMP Study Area are listed in Table 4.1.11-4. As identified in the table, the Center for Demographic Research at California State University, Fullerton states that there were 191,567 employed persons within the subject RSAs in 2000; this accounts for almost 13 percent of Orange County’s entire work force.

**TABLE 4.1.11-4
EXISTING AND PROJECTED EMPLOYMENT**

Area	Employment	2000	2005	2010	2015	2020	2025	2030
RSA 40	Total	122,211	126,192	139,950	147,198	150,563	153,002	155,691
	<i>% Change^a</i>		3.3%	10.9%	5.2%	2.3%	1.6%	1.8%
RSA 43	Total	69,356	75,683	110,472	119,996	126,248	132,007	132,750
	<i>% Change</i>		9.1%	46.0%	8.6%	5.2%	4.6%	0.6%
SAMP Study Area	Total	191,567	201,875	250,422	267,194	276,811	285,009	288,441
	<i>% Change</i>		5.4%	24.0%	6.7%	3.6%	3.0%	1.2%

a. Percentages shown in italics represent the percentage change in housing for the RSA from the previous time period shown.

Source: Orange County Projections 2004, Center for Demographic Research 2004.

The SAMP Study Area is located in the Orange County SCAG subregion. With regard to the jobs/housing relationship, the subregion is not considered to be balanced, although projections indicate balance in the southwestern portion of Orange County in the year 2025. SCAG determined in its *2001 The New Economy and Jobs/Housing Balance in Southern California* that northern Orange County had high jobs/housing ratios and eastern and southern Orange County had low jobs/housing ratios. SCAG determined in the 1994 Growth Management Plan that the Orange County Subregion had a job/housing ratio of 1.52 in 1997 and a projected ratio of 1.91 in the year 2025.