

4.13 SOCIOECONOMICS

The following discussion of existing social and economic conditions within the project area is based on the socioeconomic analysis prepared for the *EIR/EIS for the Guadalupe River Flood Control Project* (Parsons Engineering Science 1997).

4.13.1 Regulatory Setting

Both NEPA and CEQA require assessment of project-related social and economic impacts. The CEQ regulations for implementation of NEPA (40 CFR Parts 1500-1508) define (Section 1508.8) "effects" to include, among other things, economic and social effects, whether direct, indirect, or cumulative. The CEQA Guidelines (Section 21083[c]) state that an agency must determine that a project may have a significant effect on the environment if it will cause substantial adverse effects on human beings, either directly or indirectly. The Guidelines further discuss economic and social effects in Section 15131, which states that economic or social effects of a project shall not be treated as significant effects on the environment. An EIR, however, may evaluate the physical changes on the environment caused by project-related economic or social changes. Additionally, economic or social effects of a project may be used to determine the significance of physical changes caused by the project.

4.13.2 Existing Conditions

Population and Labor Characteristics

The City of San Jose is the urban hub of the South Bay Region. With a 1990 population of 782,250 people, it the largest city in Santa Clara County and the San Francisco Bay Region. As illustrated by Table 4.13-1, the population of the city dramatically increased in the two decades following World War II. The growth rate of San Jose began to taper off from an average of 4 percent per year from 1970 to 1980, to an average of 2.4 percent per year increase between 1980 and 1990.

Table 4.13-1. Population Growth in San Jose (1950 to 1990)

<i>Area</i>	<i>1950</i>	<i>1960</i>	<i>1970</i>	<i>1980</i>	<i>1990</i>
City of San Jose	95,280	204,196	445,779	628,283	782,248
Santa Clara County	290,547	642,315	1,064,714	1,295,071	1,496,577
Bay Area	2,681,322	3,638,939	4,628,199	5,179,759	6,020,147
City of San Jose	<i>1950-1960</i>	<i>1960-1970</i>	<i>1970-1980</i>	<i>1980-1990</i>	
Population Change	+108,916	+241,583	+182,504	+153,965	
Percent Change	+114.3	+118.3	+40.9	+24.5	

Source: U.S. Bureau of the Census 1995; ABAG 1995a.

Much of the city's economic activity centers around the computer and semiconductor industries. The city's primary employment sectors are shown in Table 4.13-2. The services sector predominates, accounting for 34.7 percent of total employment, while the manufacturing and wholesale sector makes up about 26.6 percent of the available jobs. The retail trade sector is the city's third largest employer, amounting to 17.1 percent of the city's total employment in 1990.

Table 4.13-2. Employment Distribution in the San Jose Metropolitan Area (1990)

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<i>Section</i>	<i>Percent of Total</i>
Services	34.6
Manufacturing and Wholesale	26.6
Retail Trade	17.1
Agriculture and Mining	0.6
Other	21.0

Because of the large base of employment opportunities and the diversity of skill levels and occupational opportunities in the city's industries and services, unemployment in San Jose has historically been low relative to California as a whole. Between 1990 and 1995, the city's annual average unemployment rate varied between a low of 4.7 percent in 1990 and a high of 8.1 percent in 1992. In 1995, the annual average unemployment rate was 5.8 percent (State Employment Development Department 1996).

The city has a resident civilian labor force of about 425,600 people, which is 54.4 percent of the total population of San Jose (ABAG 1995a, CDF 1993). This is equivalent to one worker per 1.8 residents. The city's ethnic profile among workers is diverse. According to the city's Office of Economic Development, approximately 50 percent are white, 5 percent are Afro-American, 26 percent are Hispanic, and 19 percent are Asian (primarily Filipino, Chinese, and Vietnamese) (U.S. Bureau of the Census 1990).

Current Housing Stock and Recent Housing Growth

In 1993, San Jose had 265,028 housing units (CDF 1993). Of these, approximately 350 (0.13 percent) were immediately adjacent the Guadalupe River Flood Control Project corridor. The majority of homes in the project area were constructed in the 20-year period immediately following World War II. Very little new residential construction has occurred in the project area in the past 15 years. The economic cycle for many of the properties is on the decline. Many single-family units have been converted to multi-family dwellings and new businesses have been established on the borders of the project area. Housing units in the project area are generally in average to good condition.

4.13.3 Environmental Effects

Impact Significance Criteria

CEQA Appendix K, Significant Effects states that a project will normally have a significant socioeconomic effect if it displaces a large number of people or disrupts or divides the physical arrangement of an established community.

Channel Widening Plan

Impacts on Direct, Indirect, and Induced Employment

The Channel Widening Plan would affect temporary, short-term employment during construction, but it would not be likely to affect direct permanent, long-term employment. Operation of the flood control project would not generate any new permanent jobs at the SCVWD or the Corps. The potential construction employment impact would not have an adverse county-wide impact on the construction labor market, because the greater San Francisco Bay region would provide sufficient resources for the 3-year period of activity.

The project could have secondary employment effects. Two types of secondary employment result from any large project, indirect employment and induced employment. Indirect employment results from jobs generated by the establishment of new on-site businesses, while induced employment is work generated by direct and indirect employees purchasing goods and services in the community. The flood control improvements would not result in measurable indirect employment impacts, because neither their construction nor operation would involve the establishment of new employment-generating businesses.

Expenditures by project-related direct employees would be limited to short-term construction-related employees. Induced employment generated by the project would be temporary and limited to the handling and sale of consumer goods and building supplies. ABAG's 1987 *Input-Output Model and Economic Multipliers for the San Francisco Bay* (updated March 1995) has been used to estimate the flood control project's short-term construction activity would generate just over 100 induced jobs. This is a less than significant socioeconomic impact due to the large size of the surrounding urban community.

Direct Impacts on Housing Stock and Businesses

Implementation of the Channel Widening Plan would not require removal of any residences. Operation of the flood control project would not adversely affect the affordability of remaining housing in the project area.

The Channel Widening Plan would, however, displace four businesses. This would be a significant impact that would be mitigated to insignificance through financial and informational relocation assistance. Under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Corps would be required to make a payment to the displaced businesses for their actual reasonable moving expenses, in addition to paying fair market value for any acquired lands or easements.

The Corps would also be required to assure that a relocation assistance program would be provided and that decent, safe, and sanitary properties would be available in areas not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the businesses displaced. These relocation assistance requirements would adequately mitigate the economic impacts of business displacements and would ensure that the same businesses could re-establish at a different location. This would ensure that any significant impacts on employment would be mitigated to insignificance.

Socioeconomics

Bypass Channel Plan

Impacts on Direct, Indirect, and Induced Employment

Implementation of the Bypass Channel Plan would generate approximately 21,330 person-days of temporary construction employment, which is equivalent to 112 person-years of employment, assuming a 9-month work season or an estimated 71 temporary construction-related jobs for a 3-year period (personal communication, Dennis Cheong 1996). This employment impact on the region-wide construction labor market would be less than significant.

The flood control project would have no measurable indirect employment impacts, because neither its construction nor operation would involve the establishment of new employment-generating businesses. Expenditures by project-related direct employees would be limited to temporary, construction-related employees. Induced employment generated by the project would be temporary and limited to the handling and sale of consumer goods and building supplies. Based on ABAG's 1987 *Input-Output Model and Economic Multipliers for the San Francisco Bay* (updated March 1995), the Bypass Channel Plan's construction activity would generate 107 induced jobs (Parsons Engineering Science 1997).

Direct Impacts on Housing Stock and Businesses

Implementation of the Bypass Channel Plan would require relocating 63 residences and 20 businesses from the project area. In October 1993, an updated Relocation Assistance and Last Resort Housing Plan was prepared for the SCVWD. The update includes (1) a review of the original 1990 Relocation Plan; (2) interviews with remaining households and businesses in the displacement area; (3) an analysis of the housing needs of the residents who would be displaced; (4) a survey of the current local real estate market; (5) an estimate of the cost of relocating the remaining occupants; and (6) a review of 10 randomly selected case files from completed relocations. The review of the randomly selected relocation files concluded that all persons received relocation information and relocation payments to which they were entitled.

The typical resident of the Mackey/Malone/Almaden Road area is Caucasian (56 percent), a homeowner (56 percent), and has lived in the current residence for an average of 22 years. One homeowner had lived in the same home for 43 years. Eighty percent of the residents in the Mackey/Malone/Almaden Road area have lived in their home more than 10 years. Twenty-five percent of the renters (tenants) have lived in the same home for over 10 years. One tenant reported 35 years at the same address. Three years was the briefest period of tenancy. Tenants are typically paying significantly lower rents than those advertised in the San Jose area, and rent supplements are likely for approximately 90 percent of the tenants. Purchase differentials are likely to be necessary for at least 10 percent of the homeowners and may be necessary for all (Parsons Engineering Science 1997).

Impacts on displaced residents and business owners of the project area would be significant to those residents who have no desire to leave their present homes or businesses or for whom moving would be a burden because of age or health.

A total of 160 persons are estimated to have been or would be displaced by the Bypass Channel Plan, based on information provided by the 1993 Relocation Assistance and Last Resort Housing Plan Review and Update (assuming an average household size of 2.5 persons). This is considered a significant impact that can be mitigated to insignificance by implementing the relocation program. After construction, the affordability of remaining housing in the project area would not be adversely affected.

The loss of housing would substantially fragment and disrupt the cohesive residential character of the neighborhood by introducing flood control improvements and interrupting the neighborhood block. This effect would be greatest in the neighborhood around Mackey Avenue, where 23 residences would be removed. This impact is addressed in section 4.8.3, under Land Use.

4.13.4 Mitigation Measures

The following measure is applicable to both alternative plans. The document on which the measure is based can be reviewed at SCVWD offices. The plan is available for anyone who is eligible for relocation assistance.

Channel Widening Plan and Bypass Channel Plan

The SCVWD shall implement the Relocation Assistance and Last Resort Housing Plan. This plan provides a framework to provide for the consistent administration of acquisition, appraisal, and relocation programs by for this project. Its relocation assistance and payment procedures shall be strictly applied. No person shall be displaced in connection with the project unless and until adequate replacement housing has been provided. Relocation assistance found in the SCVWD's Relocation Assistance Information guidelines, amended in 1989, including the Relocation Advisory Assistance Program and the Relocation Assistance Payment Program, shall be made available to all qualified individuals.

4.13.5 Unavoidable Significant Adverse Impacts

Channel Widening Plan

No unavoidable significant impacts would result.

Bypass Channel Plan

While housing unit replacement would be assured by the Corps as part of the Relocation Assistance programs, the absolute number of housing units would still be reduced in the project corridor. In addition, while the 20 displaced businesses would be or have been moved, this represents a net reduction of business activity in the project area. However, because adequate replacement housing stock is available and suitable locations for businesses exist, no unavoidable significant impacts would occur under the Bypass Channel Plan.

The Bypass Channel Plan would remove substantial numbers of residences resulting in a loss of community cohesion. This is a long-term unavoidable significant land use impact that is addressed in section 4.8.5., under Land Use.

Discussion of Executive Order 12898, Environmental Justice, can be found in section 3.3.2.

