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Chapter 16

Socioeconomics

16.1 Summary Comparison of Proposed Project

This chapter provides the results of the assessment of the incremental socioeconomic impacts that would result if the changes to the project footprint as described in Chapter 3, *Project Description*, are constructed. The focus of this assessment is to compare the impacts previously determined for the approved project with how those impacts may either increase or decrease as a result of implementing the proposed changes to the water conveyance facilities. This incremental analysis addresses whether the proposed project, compared with the approved project, would lead to any new significant environmental effects or to any substantial increase in the severity of previously identified significant effects. The incremental difference between the original impacts and the newly anticipated impacts are compared with the socioeconomic impact determinations described for the approved project in the Final EIR/EIS.

16.2 Environmental Setting/Affected Environment

16.2.1 Affected Environment

The environmental setting for socioeconomics affected by construction and operation of the proposed project is the same as that described in Final EIR/EIS Chapter 16, *Socioeconomics*, Section 16.1, *Environmental Setting/Affected Environment*. The Final EIR/EIS provides a discussion of the socioeconomics study area and the existing and potential socioeconomic conditions in the Delta region. The modifications to the approved project would be located entirely within the previously analyzed project area. The information related to the affected environment described in the Final EIR/EIS has not changed.

No new, additional, or updated regulatory information has occurred since publication of the Final EIR/EIS that is relevant to the proposed project. Regulations are described in Final EIR/EIS Chapter 16, Section 16.2, *Regulatory Setting*.

16.3 Environmental Consequences

This section describes the potential effects of the modifications to the approved project on socioeconomics within the study area. Effects were evaluated for severity and, where appropriate, mitigation measures are identified. This section describes potential direct and indirect effects on socioeconomics that would result with implementation of the proposed project. The focus of this assessment is on determining the incremental effect on socioeconomic resources that is attributable to these modifications.

With the exception of focusing on the incremental effects, the methods of analysis and determination of effects is the same as indicated in the Final EIR/EIS. The effects of the proposed

1 project on socioeconomics were evaluated using the using the same general methods as reported in
2 the Final EIR/EIS. These assessment methods and the steps followed for determining socioeconomic
3 effects are included in Final EIR/EIS Chapter 16, *Socioeconomics*. Areas assessed include
4 employment and income, housing, community character, local government fiscal effects, and
5 compatibility with plans and policies. Some impact topics addressed in the Final EIR/EIS are not
6 addressed herein because the change in the footprint of the water conveyance facilities would not
7 result in a changed impact. This chapter does not address the topics of regional economic activity
8 and changes in local government fiscal conditions resulting from long-term operation and
9 maintenance of the water conveyance facilities, and changes in economic activity resulting from
10 implementing Environmental Commitments 3, 4, 6–12, and 15. The socioeconomic impacts resulting
11 from these actions, whether they occur under the proposed project or approved project, are fully
12 disclosed in the Final EIR/EIS and would not change if the footprint changes described for the
13 proposed project are constructed.

14 **16.3.1 Effects and Mitigation Approaches**

15 The following discussion provides the results of the assessment of the incremental socioeconomic
16 impacts that would result from the changes in the footprint of the water conveyance under the
17 proposed project. Some environmental impacts would not change from the conclusions for the
18 approved project disclosed in the Final EIR/EIS and as such are not repeated in this chapter. These
19 include impacts driven by (1) operation of the California WaterFix, (2) implementation of
20 Environmental Commitments, and (3) cumulative impacts. The relative small change represented by
21 the incremental impacts is not expected to result in a cumulatively considerable change in the
22 conclusions provided in the Final EIR/EIS.

23 **16.3.1.1 No Action Alternative**

24 There are no changes to the description or analysis of the No Action Alternative presented in the
25 Final EIR/EIS. This includes regional economics, population and housing, community character, local
26 government fiscal conditions, and recreation and agricultural economic activity. The No Action
27 Alternative would continue to result in changes to the scale of regional economic activity, population
28 growth and housing demands, changes in community character, and local governmental fiscal
29 conditions as described in the Final EIR/EIS.

30 **16.3.1.2 Proposed Project**

31 Socioeconomic conditions under the proposed project are similar to those described for the
32 approved project in Final EIR/EIS Chapter 16, Section 16.3.4.2, *Alternative 4A—Dual Conveyance*
33 *with Modified Pipeline/Tunnel and Intakes 2, 3, and 5 (9,000 cfs; Operational Scenario H)*, with some
34 exceptions, as discussed below.

35 **Impact ECON-1: Temporary Effects on Regional Economics and Employment in the Delta** 36 **Region during Construction of the Proposed Water Conveyance Facilities**

37 The regional economic effects on employment and income in the Delta region during construction of
38 the proposed project would be similar to those described for the approved project in the Final
39 EIR/EIS because the water conveyance facilities proposed under these alternatives are similar in
40 scale and geographic extent. The relatively small changes in the footprint of the proposed project,

1 when compared to the approved project, are not expected to result in appreciable differences in
2 construction-related employment and income.

3 The footprint of the proposed project's conveyance facilities and related infrastructure such as roads
4 and utilities, although very similar to the footprint of the approved project, would result in slightly
5 greater economic effects by removing existing agricultural land from production. The estimated
6 effects on agriculture-related employment and income would be slightly greater (one fewer full-time
7 equivalent job) because slightly more agricultural land would be removed from production than
8 under the proposed project.

9 As with the approved project, the proposed project construction footprint would not result in the
10 abandonment of any active producing natural gas wells in the study area, as described in Chapter 26,
11 *Mineral Resources*, Impact MIN-1. Therefore, the proposed project would not affect employment
12 associated with operating gas wells.

13 **NEPA Effects:** Construction of water conveyance facilities under the proposed project would result
14 in the same beneficial effect on regional employment and labor income as estimated for the
15 approved project. The slight increase in conversion of agricultural lands would result in a slight
16 decrease (one full-time equivalent job) in regional agriculture-related employment and income
17 when compared with the approved project. Mitigation Measure AG-1, described in Final EIR/EIS
18 Chapter 14, *Agricultural Resources*, Section 14.3.3.2, Impact AG-1, has been adopted to reduce the
19 adverse impact on regional agriculture-related economic activity by preserving agricultural
20 productivity.

21 **CEQA Conclusion:** Construction of the proposed water conveyance facilities would result in the
22 same increases in construction-related employment and income in the Delta region as under the
23 approved project. When compared with the approved project, agricultural employment would
24 slightly decrease because of the conversion of additional agricultural lands. Change in employment
25 and income is not, in itself, considered an environmental impact. Significant environmental impacts
26 within the meaning of CEQA would only result if the changes in regional economics cause
27 reasonably foreseeable physical impacts. Such environmental effects are discussed in other chapters
28 throughout this EIR/EIS. Removal of agricultural land from production is addressed under Impacts
29 AG-1 and AG-2 in Chapter 14, *Agricultural Resources*; changes in recreation-related activities are
30 addressed under Impacts REC-1 through REC-4 in Chapter 15, *Recreation*; abandonment of natural
31 gas wells is addressed under Impact MIN-1 in Chapter 26, *Mineral Resources*. When required, DWR
32 would provide compensation to property owners for economic losses due to implementation of the
33 proposed project. Although the compensation to property owners would reduce the severity of
34 economic effects related to the loss of agricultural land, it would not constitute mitigation for any
35 related physical impact. Measures to reduce these impacts are discussed under Impact AG-1 in
36 Chapter 14, *Agricultural Resources*, Section 14.3.3.2.

37 **Incremental Impact:** The proposed project would result in the same construction-related
38 employment when compared with the approved project. The proposed project would also result
39 in the loss of one additional agricultural full-time equivalent job. The loss of one additional
40 agriculture-related full-time equivalent job is not of the magnitude that would result in a change
41 in regional economic activity when compared with the approved project.

1 **Mitigation Measure AG-1: Develop an Agricultural Land Stewardship Plan (ALSP) to**
2 **Maintain Agricultural Productivity and Mitigate for Loss of Important Farmland and Land**
3 **Subject to Williamson Act Contracts or in Farmland Security Zones**

4 See Mitigation Measure AG-1 under Impact AG-1 in Final EIR/EIS Chapter 14, *Agricultural*
5 *Resources*, Section 14.3.3.2.

6 **Impact ECON-2: Effects on Population and Housing in the Delta Region during Construction of**
7 **the Proposed Water Conveyance Facilities**

8 Effects on population and housing in the Delta region during construction of the proposed project
9 would be the same as those described for the approved project because the estimated number of
10 workers needed to construct water conveyance facilities are the same for the proposed project and
11 approved project. The small increase in workers from outside the region is not expected to
12 substantially increase the demand for housing within the five-county region and would be the same
13 as estimated for the approved project. As with the proposed project, it is anticipated that many of
14 these new jobs would be filled from within the existing five-county labor force and an estimated
15 30% of workers could come from out of the Delta region. The workers from outside the region
16 would represent a minor increase in the total 2025 projected regional population of 4.6 million

17 **NEPA Effects:** The proposed project would require the same number of workers as the approved
18 project and, consequently, the demand for housing would not change.

19 **CEQA Conclusion:** The proposed project would require the same number of workers as the
20 approved project and, consequently, the demand for housing would be the same.

21 **Incremental Impact:** There would be no incremental impact on housing attributable to the
22 proposed project because employment and associated housing demand would be the same as
23 for the approved project.

24 **Impact ECON-3: Changes in Community Character as a Result of Constructing the Proposed**
25 **Water Conveyance Facilities**

26 **NEPA Effects:** Effects related to changes in community character in the Delta region during
27 construction of the proposed project would be the same as those described for the approved project
28 because employment and associated population changes would be the same.

29 **CEQA Conclusion:** Construction of water conveyance facilities under the proposed project could
30 affect community character in the Delta region in the same fashion as disclosed for the approved
31 project. Estimated construction-related employment and resulting changes in regional population
32 would be the same under the proposed project as estimated for the approved project.

33 **Incremental Impact:** The proposed project would result in the same estimated changes in
34 employment and population as the approved project. Consequently, there would be no
35 incremental impact on community character attributable to the proposed project

1 **Impact ECON-4: Changes in Local Government Fiscal Conditions as a Result of Constructing**
2 **the Proposed Water Conveyance Facilities**

3 **NEPA Effects:** Effects related to changes in local government fiscal conditions during construction of
4 the proposed project would be similar to those described for the approved project in the Final
5 EIR/EIS. Property tax and assessment revenue generated by lands that would be transferred from
6 private to public is estimated to total \$5.5 million over the construction period for the proposed
7 project compared with \$6.7 million over the construction period for the approved project. California
8 Water Code Section 85089 subdivision 9b requirement would ensure that tax revenues forgone as a
9 result of transferring land from private to public ownership would be fully offset. In addition, as
10 discussed under Impact ECON-1, construction of the water conveyance facilities would be
11 anticipated to result in a net temporary increase of income and employment in the Delta region. This
12 would also create an indirect beneficial effect through increased sales tax revenue for local
13 government entities that rely on sales taxes.

14 **CEQA Conclusion:** Under the proposed project, construction of water conveyance facilities would
15 result in the removal of a portion of the property tax base for various local government entities in
16 the Delta region. Over the construction period, property tax and assessment revenue generated by
17 these properties is estimated at \$5.5 million. Compared with the approved project, losses in property
18 tax and assessment revenue generated by lands that would be transferred from private to public
19 under the proposed project would be reduced by \$1.2 million from the losses estimated for the
20 approved project. Identical to the approved project, potential losses in tax revenues would be offset
21 by the provisions in the California Water Code that require entities constructing and operating new
22 Delta conveyance facilities to fully mitigate for the loss of property tax or assessments levied by local
23 governments or special districts. It is anticipated that the Water Code requirement will ensure that
24 forgone tax revenues will be fully offset. In addition, CEQA does not require a discussion of
25 socioeconomic effects except where they would result in reasonably foreseeable physical changes.
26 The potential for a physical change to the environment as a result of changes in tax revenues would
27 be avoided by offsetting the potential losses in tax revenues.

28 **Incremental Impact:** Under the approved project and proposed project, loss of property tax and
29 assessment revenue would be offset by the provisions in the California Water Code. The
30 requirements to meet the provisions of the California Water Code would be the same under both
31 the proposed project and the approved project.

32 **Impact ECON-5: Effects on Recreational Economics as a Result of Constructing the Proposed**
33 **Water Conveyance Facilities**

34 **NEPA Effects:** Effects on recreational economics under the proposed project would be similar to
35 those described for the approved project. As described and defined under Impacts REC-1 through
36 REC-4 in Chapter 15, *Recreation*, one recreation site, Clifton Court Forebay, was removed from the
37 permanent impact footprint but remains in the indirect impact area of the proposed project. An
38 additional site not previously included in the indirect impact analysis (Tower Park Marina) is
39 included as part of the proposed project. Potential disruption to boating and other water-dependent
40 recreation activities would also be less because two fewer barge landings (at Glanville Tract and
41 Clifton Court Forebay) would be needed to support construction of the proposed project.

42 As with the approved project, access would be maintained to all existing recreational facilities,
43 including marinas, throughout construction. Mitigation Measure REC-2 along with separate other
44 commitments as set forth in Appendix 3B, *Environmental Commitments, AMMs, and CMs*, relating to

1 the enhancement of recreational access and control of aquatic weeds in the Delta would continue to
2 be implemented under the proposed project.

3 **CEQA Conclusion:** Construction of the proposed water conveyance facilities under the proposed
4 project would result in less of an adverse effect on recreation and, in turn, recreational revenue in
5 the Delta region than estimated for the approved project. This incremental impact is attributable to
6 fewer recreation sites and opportunities being adversely affected under the proposed project. This
7 section considers only the economic effects of recreation changes brought about by construction of
8 the proposed water conveyance facilities. Potential physical changes to the environment relating to
9 recreational resources are described and evaluated under Impacts REC-1 through REC-4 in Chapter
10 15, *Recreation*.

11 **Incremental Impact:** The proposed project would overall result in slightly less impact on
12 recreation-related revenue in the Delta region than would the approved project. Consequently,
13 there would be a slightly beneficial incremental change in the severity of the impact under the
14 proposed project.

15 **Impact ECON-6: Effects on Agricultural Economic Activity in the Delta Region as a result of** 16 **Constructing the Proposed Water Conveyance Facilities**

17 Temporary effects on agricultural economic activity related to the proposed project would be less
18 than those described for the approved project as conversion of farmland would total an estimated
19 86 fewer acres under the proposed project than estimated for the approved project. Permanent
20 effects on agricultural economic activity, however, would be greater under the proposed project
21 when compared to the approved project because an additional 684 acres of farmland would be
22 converted when compared to the approved project. Crop productivity may be reduced by changes in
23 water quality and other conditions. These effects on agricultural land are described in Impacts AG-1
24 and AG-2 in Chapter 14, *Agricultural Resource*

25 Construction of conveyance facilities would convert land from existing agricultural uses to project-
26 related construction uses, and agricultural land could also be affected by changes in water quality
27 and other conditions that would affect crop productivity. The total estimated annual value of
28 irrigated crop production in the Delta once the water conveyance facilities are constructed would
29 decline by an additional \$916,000.

30 **NEPA Effects:** Construction of the proposed water conveyance facilities under the proposed project
31 would affect more agricultural lands than estimated for the approved project. However, the overall
32 reduction in crop acreage and in the value of agricultural production in the Delta region as a result
33 of the proposed project continues to be an adverse effect. Mitigation Measure AG-1, described under
34 Impact AG-1 in Final EIR/EIS Chapter 14, *Agricultural Resources*, Section 14.3.3.2, has been adopted
35 to reduce these effects by preserving agricultural productivity and compensating offsite.

36 **CEQA Conclusion:** Construction of the proposed water conveyance facilities would reduce the total
37 value of agricultural production in the Delta region, and would result in a slightly greater reduction
38 than estimated for the approved project. The removal of agricultural land from production is
39 addressed under Impacts AG-1 and AG-2 in Chapter 14, *Agricultural Resources*. The reduction in the
40 value of agricultural production is not considered an environmental impact. Significant
41 environmental impacts would only result if the changes in regional economics cause reasonably
42 foreseeable physical impacts. Such physical effects are discussed in other chapters throughout this
43 Supplemental EIR/EIS. When required, DWR would provide compensation to property owners for

1 economic losses due to implementation of the proposed project. While the compensation to
2 property owners would reduce the severity of economic effects related to the loss of agricultural
3 land, it would not constitute mitigation for any related physical impact. Mitigation Measures AG-1,
4 AG-1a, AG-1b, and AG-1c would reduce these economic effects. The measures are discussed under
5 Impact AG-1 in Final EIR/EIS Chapter 14, *Agricultural Resources*, Section 14.3.3.2.

6 **Incremental Impact:** The modifications to the configuration and location of water conveyance
7 facilities under the proposed project would result in removal of more acres of cropland when
8 compared with the approved project. This would result in an incremental increase in the overall
9 adverse impact on agricultural economic activity once the water conveyance facilities are
10 constructed.

11 **Mitigation Measure AG-1: Develop an Agricultural Lands Stewardship Plan (ALSP) to**
12 **Maintain Agricultural Productivity and Mitigate for Loss of Important Farmland and Land**
13 **Subject to Williamson Act Contracts or in Farmland Security Zones**

14 See Mitigation Measure AG-1 in Final EIR/EIS Chapter 14, *Agricultural Resources*, Section
15 14.3.3.2.

16 **Mitigation Measure AG-1a: Promote Agricultural Productivity of Important Farmland to**
17 **the Extent Feasible**

18 See Mitigation Measure AG-1a in Final EIR/EIS Chapter 14, *Agricultural Resources*, Section
19 14.3.3.2.

20 **Mitigation Measure AG-1b: Minimize Impacts on Land Subject to Williamson Act Contracts**
21 **or in Farmland Security Zones**

22 See Mitigation Measure AG1b in Final EIR/EIS Chapter 14, *Agricultural Resources*, Section
23 14.3.3.2.

24 **Mitigation Measure AG-1c: Consideration of an Optional Agricultural Land Stewardship**
25 **Approach or Conventional Mitigation Approach**

26 See Mitigation Measure AG-1c in Final EIR/EIS Chapter 14, *Agricultural Resources*, Section
27 14.3.3.2.

28 **16.3.2 Cumulative Analysis**

29 The Final EIR/EIS found that there was potential for the approved project to have a cumulative
30 effect on socioeconomics conditions within the Delta region related to physical changes in the
31 environment. The cumulative impacts for the proposed project would be very similar to the
32 cumulative impacts described for the approved project. The analysis for cumulative effects for
33 socioeconomic conditions remains the same as described in the Final EIR/EIS with consideration of
34 the proposed project modifications.

35 **16.4 References Cited**

36 None.